Form 3160-5 (November 1983) (Formerly 9-331)	SUBMIT IN TRIPL; ** (Other instructions >- verse side)	Form approved. Budget Bureau No. 1004-0135 Expires August 31, 1985 5. LEASE DESIGNATION AND SERIAL NO. NM 16316 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
SUNDRY NOTICES AND REPORTS ON (Do not use this form for proposals to drill or to deepen or plug back to use "APPLICATION FOR PERMIT—" for such proposals	WELLS to a different reservoir. dis.)	- Wilder, Autorite of This Man
OIL GAS WELL OTHER 2. NAME OF OPERATOR	RECEIVED BY	A. UNIT AGREEMENT NAME S. PARM OR LEASE NAME
SANDERS OIL & GAS COMPANY 3. ADDRESS OF OPERATOR 14679 Midway Road, Ste. 10		Bitterlake Federal CW 2 2 3
Dallas, Texas 75234 4. LOCATION OF WELL (Report location clearly and in accordance with an Section Sec also space 17 below.) At surface	AMIGNATOFFICE	10. PIELD AND POOL, OR WILDGAT Pecus Slope - Abo
1980'FNL, 660'FEL Sec.24-	8S-24E	11. SEC., T., R., M., ÖR BLK. AND SURVEY OR AREA
14. PERMIT NO. 15. ELEVATIONS (Show whether DF, RT, C) 3590 GR	ir, etc.)	Sec.24-8S-24E 12. COUNTY OF PARISH 13. STATE Chaves N.M.
16. Check Appropriate Box To Indicate Natur	e of Notice, Report, or O	ther Data
NOTICE OF INTENTION TO:	UPSESUE	ENT REPORT OF:
TEST WATER SHUT-OFF PULL OR ALTER CASING	WATER SHUT-OFF	REPAIRING WELL
FRACTURE TREAT MULTIPLE COMPLETE SHOOT OR ACIDIZE ABANDON®	FRACTURE TREATMENT SHOOTING OR ACIDIZING	ALTERING CASING ABANDONMENT®
REPAIR WELL CHANGE PLANS X	(Other)	
(Other) Off-Lease Measurement 17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent det	Completion or Recomple	of multiple completion on Well etion Report and Log form.)
Operator proposes to lay a sales linstall a meter at the off-lease of ment is occasioned by purchaser restalled at the connection on purchase see attached letter and map described surface use plan and off-lease means.	connection. Off equiring the met lasers pipeline. bing the proposisurement.	-lease measure- er to be in-
0 -		
SIGNED JERRY W. LONG	nt	DATE July 19, 1986
APPROVED BY TITLE APPROVAL, IF ANY:	a mgr.	DATE & LL - X6
See attached Stipulat	tions	

*See Instructions on Reverse Side



JERRY W. LONG consultant July 18, 1986

BUREAU OF LAND MANAGEMENT Area Manager, Roswell Resource Area P. O. Drawer 1857 Roswell, New Mexico 88201

Re: Revised Surface Use Plan and Off-Lease Measurement SANDERS OIL & GAS COMPANY
No.1 Bitterlake Federal CW
SENE Sec.24-8S-24E, Chaves County, N.M.
Lease NM 16316

Gentlemen:

This is to advise that the operator has consummated a contract with Transwestern Pipeline Company for sale of gas from referenced well, which has been shut-in since September 23, 1982.

In order to sell the gas, the operator is obligated to lay a sales line to the purchasers line and install a meter at the off-lease sales point. Consequently, the operator hereby requests your approval of a revised surface use plan to provide for the construction of about 5400' of 2 7/8" steel pipeline on the lease. Due to the rugged terrain the line will be laid on top of the ground, except where it crosses the County road. The road crossing will comply with County standards. Approval for the 4000' off-lease portion of the line will be requested by a separate Right-of-Way Application. All of the line will be on Federal surface. A map is attached to indicate the location of the well, pipeline and sales point. The pipeline R-O-W will receive archaeological clearance.

Operator also requests administrative approval of off-lease measurement of gas from the well. The meter will be located in the SW/4 Sec.7-8S-25E. The operator will notify your office of production of gas, within 24 hours of initial delivery.

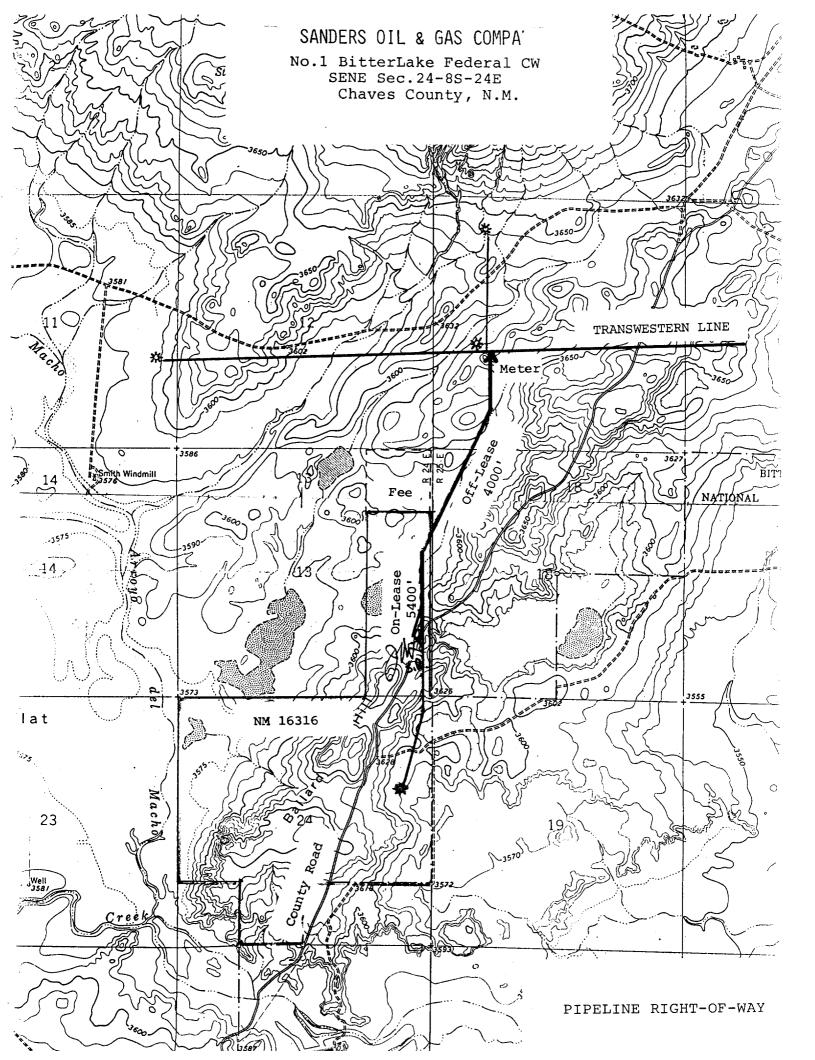
Please expedite approval of this request so that construction may start as soon as possible.

ERRY **W.** LONG

Agent for:

Sanders Oil & Gas Company

1cc: Sanders Oil & Gas Company
14679 Midway Road, Ste.101
Dallas, Texas 75234



BURIED PIPELINE STIPULATIONS FOR THE ROSWELL DISTRICT, BLM

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.
- 3. All construction and maintenance activity will be confined to the authorized right-of-way.
- 4. The pipeline will be buried with a minimum cover of 18 inches between the top of the pipe and ground level. See Special Stipulations #13
- 6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
- 7. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. A berm will be left over the ditchline to allow for settling back to grade.

(over)

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8. In those areas where erosion control structures are required to stabilize soil conditions, the grantee will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
9. Grantee (WIXIX) (will not) reseed. If reseeding is required, it will be done according to the attached seeding requirements, using the following seed mix.
seed mixture 1 seed mixture 3
seed mixture 2 seed mixture 4
10. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" - Carlsbad Canyon, Munsell Soil Color No. 2.5Y 6/2 (formerly Sandstone Brown); designated by the Rocky Mountain Five State Interagency Committee.
11. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.
12. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
13. Special Stipulations:
A. Holder shall comply with all conditions of the Chaves County Road Crossing Permit. Burial depth at county road crossing will be that specified by the county.
B. Salt Cedar trees will not be disturbed.
C. At least 3 days prior to the beginning of construction the Roswell Resource Area Biologist will be contacted to identify and flag Gyp Ringstem plants. These plants, to be identified by orange pin flags, will be avoided during construction activity.