UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Buffalo Field Office,
Buffalo, Wyoming

SURFACE USE
Modified CONDITIONS OF APPROVAL, April 29, 2011
for
WY-070-390CX3-10-333 through WY-070-390CX3-10-367

POD Name: Schoonover Road Unit 4, Addition 1 POD

Operator: Williams Production RMT Company

List of Approved Wells:

#	Well Name	Well #	Qtr/Qtr	Sec	TWP	RNG	Lease #	CX #
1	SRU 4 ADD 1	43-4	NESE	4	47N	76W	WYW71546	WY-070-CX3-10-333
2	SRU 4 ADD 1	21-2	NENW	2	47N	76W	WYW147327	WY-070-CX3-10-334
3	SRU 4 ADD 1	23-2	NESW	2	47N	76W	WYW147327	WY-070-CX3-10-335
4	SRU 4 ADD 1	12-31	SWNW	31	48N	75W	WYW131222	WY-070-CX3-10-336
5	SRU 4 ADD 1	21-31	NENW	31	48N	75W	WYW131222	WY-070-CX3-10-337
6	SRU 4 ADD 1	41-31	NENE	31	48N	75W	WYW131222	WY-070-CX3-10-338
7	SRU 4 ADD 1	34-23	SWSE	23	48N	76W	WYW130623	WY-070-CX3-10-339
8	SRU 4 ADD 1	14-24	SWSW	24	48N	76W	WYW146287	WY-070-CX3-10-340
9	SRU 4 ADD 1	23-24	NESW	24	48N	76W	WYW146287	WY-070-CX3-10-341
10	SRU 4 ADD 1	34-24	SWSE	24	48N	76W	WYW134225	WY-070-CX3-10-342
11	SRU 4 ADD 1	12-25	SWNW	25	48N	76W	WYW137923	WY-070-CX3-10-343
12	SRU 4 ADD 1	14-25	SWSW	25	48N	76W	WYW146287	WY-070-CX3-10-344
13	SRU 4 ADD 1	21-25	NENW	25	48N	76W	WYW137923	WY-070-CX3-10-345
14	SRU 4 ADD 1	23-25	NESW	25	48N	76W	WYW146287	WY-070-CX3-10-346
15	SRU 4 ADD 1	31-25	NWNE	25	48N	76W	WYW146287	WY-070-CX3-10-347
16	SRU 4 ADD 1	32-25	SWNE	25	48N	76W	WYW146287	WY-070-CX3-10-348
17	SRU 4 ADD 1	34-25	SWSE	25	48N	76W	WYW146287	WY-070-CX3-10-349
18	SRU 4 ADD 1	43-25	NESE	25	48N	76W	WYW146287	WY-070-CX3-10-350
19	SRU 4 ADD 1	12-26	SWNW	26	48N	76W	WYW146288	WY-070-CX3-10-351
20	SRU 4 ADD 1	14-26	SWSW	26	48N	76W	WYW130623	WY-070-CX3-10-352
21	SRU 4 ADD 1	21-26	NENW	26	48N	76W	WYW146288	WY-070-CX3-10-353
22	SRU 4 ADD 1	23-26	NESW	26	48N	76W	WYW130623	WY-070-CX3-10-354
23	SRU 4 ADD 1	32-26	SWNE	26	48N	76W	WYW130623	WY-070-CX3-10-355
24	SRU 4 ADD 1	34-26	SWSE	26	48N	76W	WYW128760	WY-070-CX3-10-356
25	SRU 4 ADD 1	41-26	NENE	26	48N	76W	WYW130623	WY-070-CX3-10-357
26	SRU 4 ADD 1	43-26	NESE	26	48N	76W	WYW128760	WY-070-CX3-10-358
27	SRU 4 ADD 1	43-27	NESE	27	48N	76W	WYW130623	WY-070-CX3-10-359
28	SRU 4 ADD 1	12-35	SWNW	35	48N	76W	WYW138443	WY-070-CX3-10-360
29	SRU 4 ADD 1	14-35	SWSW	35	48N	76W	WYW129041	WY-070-CX3-10-361
30	SRU 4 ADD 1	21-35	NENW	35	48N	76W	WYW138443	WY-070-CX3-10-362

#	Well Name	Well #	Qtr/Qtr	Sec	TWP	RNG	Lease #	CX #
31	SRU 4 ADD 1	23-35	NESW	35	48N	76W	WYW138443	WY-070-CX3-10-363
32	SRU 4 ADD 1	32-35	SWNE	35	48N	76W	WYW146288	WY-070-CX3-10-364
33	SRU 4 ADD 1	34-35	SWSE	35	48N	76W	WYW146288	WY-070-CX3-10-365
34	SRU 4 ADD 1	41-35	NENE	35	48N	76W	WYW146288	WY-070-CX3-10-366
35	SRU 4 ADD 1	43-35	NESE	35	48N	76W	WYW146288	WY-070-CX3-10-367

Each individual well must be spudded by September 19, 2013. If the individual well is not spudded by September 19, 2013 the individual APD approval will expire and the operator is to cease all operations related to preparing to drill that individual well.

The spud date will be reported electronically, (see website location above) to the Authorized Officer 24 HOURS BEFORE SPUDDING, unless otherwise required in site specific conditions of approval.

Spud Notice Site:
http://www.wy.blm.gov/minerals/og/og_notices/spud_notice.php

Programmatic mitigation measures identified in the PRB FEIS ROD

Wildlife

1. For any surface-disturbing activities proposed in sagebrush shrublands, the Company will conduct clearance surveys for sage grouse breeding activity during the sage grouse's breeding season before initiating the activities. The surveys must encompass all sagebrush shrublands within 0.5 mile of the proposed activities.

2. All stock tanks shall include a ramp to enable trapped small birds and mammals to escape. See Idaho BLM Technical Bulletin 89-4 entitled Wildlife Watering and Escape Ramps on Livestock Water Developments: Suggestions and Recommendations.

Site Specific Conditions of Approval

General

1. All changes made at the onsite will be followed. They were all incorporated into the operator's POD.

Surface Use

1. All permanent above-ground structures (e.g., production equipment, tanks, etc.) not subject to safety requirements will be painted to blend with the natural color of the landscape. The paint used will be a color which simulates "Standard Environmental Colors." The color selected for the Schoonover Road POD is Covert Green (PANTONE for Architecture Color Guide 18-0617 TPX).

2. Stake the culvert locations prior to construction. The culvert invert grade and finished road grade will be clearly indicated on the stakes. Culverts will be installed on natural ground, or on a designed flow line of a ditch. The minimum cover over culverts will be 12" or one-half the diameter whichever is greater. Drainage laterals in the form of culverts or water bars shall be placed according to the following spacing:

Grade	Drainage Spacing
2-4%	310 ft
5-8%	260 ft
9-12%	200 ft
13-15%	150 ft.

3. The operator will follow the guidance provided in the Wyoming Policy on Reclamation (IM WY-90-231) specifically the following:
   Reclamation Standards:
   C.3. The reclaimed area shall be stable and exhibit none of the following characteristics:
      a. Large rills or gullies.
      b. Perceptible soil movement or head cutting in drainages.
      c. Slope instability on, or adjacent to, the reclaimed area in question.
   C.4. The soil surface must be stable and have adequate surface roughness to reduce runoff and capture rainfall and snow melt. Additional short-term measures, such as the application of mulch, shall be used to reduce surface soil movement.
   C.5. Vegetation canopy cover (on unforested sites), production and species diversity (including shrubs) shall approximate the surrounding undisturbed area. The vegetation shall stabilize the site and support the planned post disturbance land use, provide for natural plant community succession and development, and be capable of renewing itself. This shall be demonstrated by:
      a. Successful onsite establishment of species included in the planting mixture or other desirable species.
      b. Evidence of vegetation reproduction, either spreading by rhizomatous species or seed production.
   C.6. The reclaimed landscape shall have characteristics that approximate the visual quality of the adjacent area with regard to location, scale, shape, color and orientation of major landscape features and meet the needs of the planned post disturbance land use.

4. The operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. Attachment 1 is a map of the project area which identifies the ecological sites and designates the seed mix preference. On BLM surface or in lieu of a different specific mix desired by the surface owner, use the following:

Loamy Ecological Site Seed Mix		
Species	**% in Mix**	**Lbs PLS***
Western Wheatgrass (Pascopyrum smithii)/or ***Thickspike Wheatgrass*** (Elymus lanceolatus ssp. lanceolatus)	30	3.6
Bluebunch Wheatgrass (Pseudoroegneria spicata ssp. Spicata)	10	1.2
Green needlegrass (Nassella viridula)	25	3.0
Slender Wheatgrass (Elymus trachycaulus ssp. trachycaulus)	20	2.4
Prairie coneflower (Ratibida columnifera)	5	0.6
White or purple prairie clover (Dalea candidum, purpureum)	5	0.6
Rocky Mountain beeplant (Cleome serrulata) /or ***American vetch***(Vicia americana)	5	0.6
Totals	**100%**	**12 lbs/acre**

Shallow Loamy Ecological Site Seed Mix		
Species	**% in Mix**	**Lbs PLS***
Western Wheatgrass - (Pascopyrum smithii)/	20	2.4
Bluebunch wheatgrass – (Pseudoroegneria spicata ssp. Spicata)	30	3.0
Idaho fescue – (Festuca idahoensis Elmer)	30	3.0
American vetch (Vicia americana) **OR** ***Cicer Milkvetch*** – (Astragalus)	10	1.2
Winterfat – (Ceratoides lanata)	5	0.6
Lewis, Blue, or Scarlet flax (Linum lewisii)	5	0.6
Totals	**100%**	**12 lbs/acre**

*PLS = pure live seed Northern Plains adapted species
*Double this rate if broadcast seeding

5. The following road will have a 10 mph design speed posted at STA: 0+00 to inform travelers of the reduced stopping sight distance and reduced meeting sight distance:
    a. Engineered road 12-31-4876

Wildlife

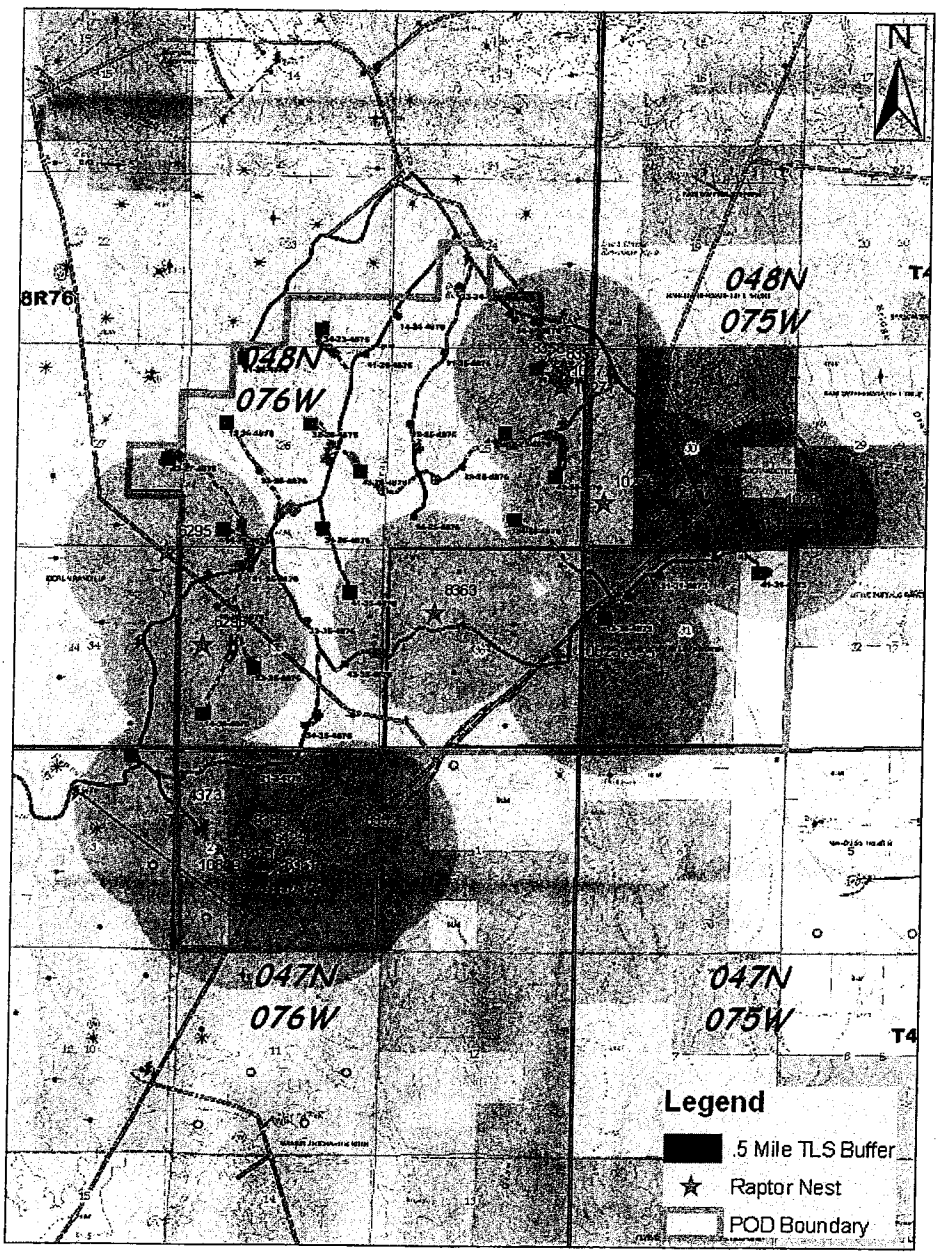
Raptors

The following conditions will alleviate impacts to raptors Beaver Creek Addition II SGP (WY-070-EA09-065), Schoonover Road Unit 4 POD (WY-070-EA08-179) and Veranda (WY-070-EA09-039) Environmental Assessments:

1. No surface disturbing activity shall occur within 0.5 mile of all identified raptor nests from February 1 through July 31, annually, prior to a raptor nest occupancy survey for the current breeding season. This timing limitation will affect the following wells and infrastructure referenced in map below:
    a. Surveys to document nest occupancy shall be conducted by a biologist following BLM protocol, between April 15 and June 30. All survey results shall be submitted in writing to a Buffalo BLM biologist and approved prior to surface disturbing activities. Surveys outside this window may not depict nesting activity. If a survey identifies active raptor nests, a 0.5 mile timing buffer will be implemented. The timing buffer restricts surface disturbing activities within 0.5 mile of occupied raptor nests from February 1 to July 31.
    b. Nest occupancy checks shall be completed for nests within a 0.5 mile of any surface disturbing activities across the entire POD for as long as the POD is under construction. Once construction of the POD ceased, nest occupancy checks shall continue for the first five years on all nests that are within a 0.5 mile of locations where any surface-disturbing activities took place Survey results will be submitted to a Buffalo BLM biologist in writing no later than July 31 of each survey year. The nests that are checked each year are subject to change, pending survey results.

2. Metering two of the proposed wells at alternate locations which are in close proximity to numerous raptor nests will mitigate routine disturbance by reducing visitation rates. The 31-25-4876 well will be metered approximately 0.25 mile north of the proposed well location near the Napier county road,(Operator Committed Measure).

Schoonover Road Number 4 Add 1: Raptor TLS Buffers



Wildlife Map
Scale: 1:42,000
Date: 1/14/2011

0 0.25 0.5 1 Miles

Bald Eagle

The following conditions will alleviate impacts to bald eagles identified in the Schoonover Road Unit 4 POD (WY-070-EA08-179) and Veranda (WY-070-EA09-039) Environmental Assessments:

1. Surveys for active Bald eagle nests and winter roost sites will be conducted within suitable habitat by a BLM approved biologist. Surface disturbing activities will not be permitted within one mile of suitable habitat prior to survey completion. This applies to habitat along Dry Willow Creek and will affect the following permitted POD items:

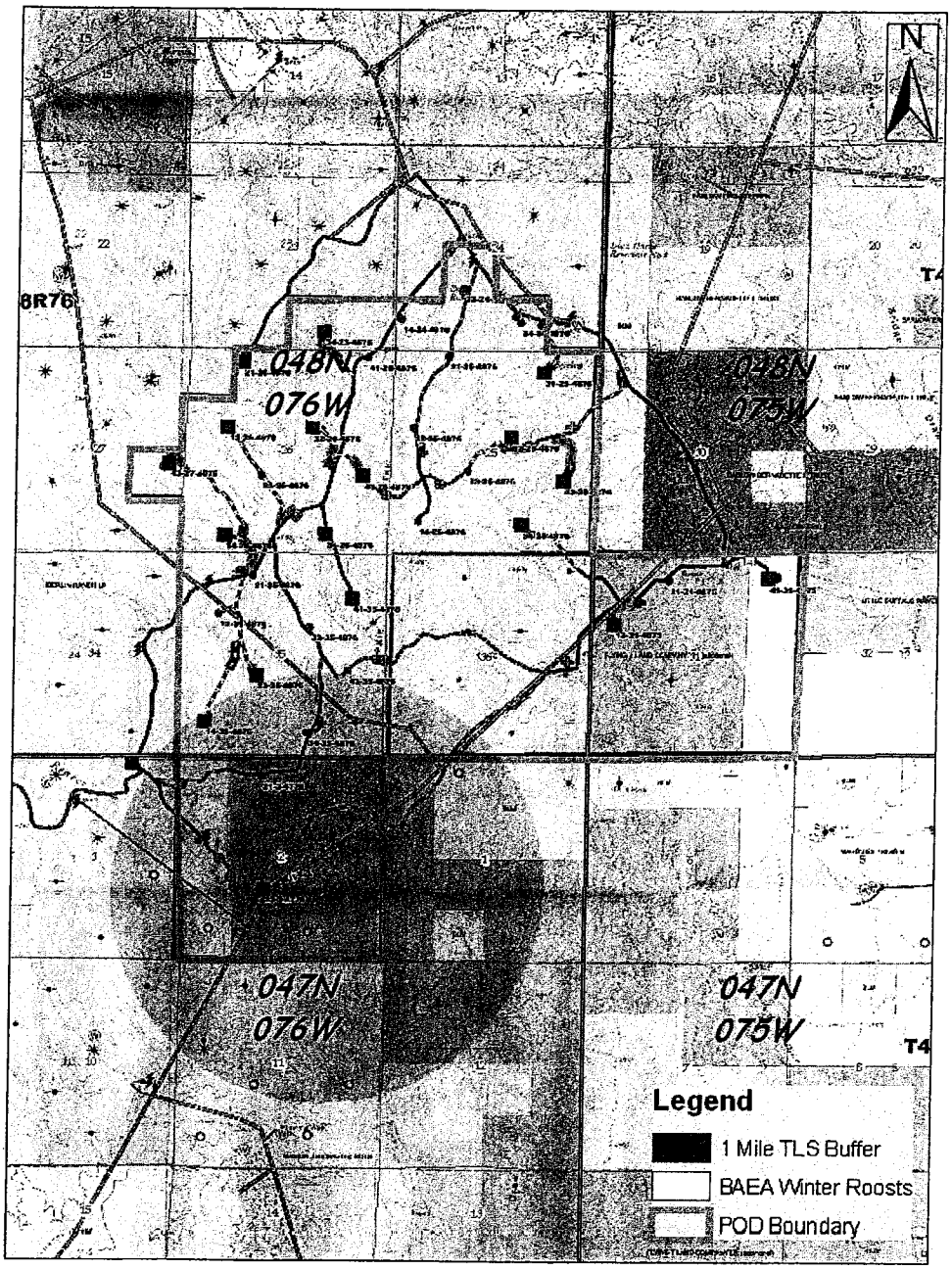
Township/Range/Section	Wells and Infrastructure
T47N R76W Sections 2	Wells: 21-2-4776 & 23-2-4776 All associated roads and infrastructure proposed within this ENTIRE section.
T47N R76W Sections 3	All associated infrastructure proposed within the NENE of this section.
T48N R76W Sections 35	Wells: 12-35-4876, 14-35-4876, 23-35-4876, 34-35-4876 & 43-35-4876 All associated roads and infrastructure proposed within the South half, SENW & SWNW of this section.

2. A minimum disturbance-free buffer zone of 0.5 mile (i.e., no surface occupancy) will be established year-round for all bald eagle nest sites. A seasonal minimum disturbance-free buffer zone of one mile will be established for all bald eagle nest sites (February 15 – August 15).

3. Within 0.5 mile of bald eagle winter roost sites additional measures such as remote monitoring and restricting maintenance visitation to between 9:00am and 3:00pm are necessary to prevent disturbance (November 1 – April 1).

4. A seasonal minimum disturbance-free buffer zone of 1.0 mile will be established for all bald eagle winter roosts sites (November 1 – April 1). These buffer zones and timing may be adjusted based on site-specific information through coordination with, and written approval from, the USFWS. This timing limitation will affect the wells and associated infrastructure referenced in map below:

Schoonover Road Number 4 Add 1: Bald Eagle Winter Roosts TLS Buffer



Wildlife Map
Scale: 1:42,000
Date: 1/14/2011

0 0.25 0.5 1 Miles

Sage-Grouse

The following conditions will alleviate impacts to sage-grouse identified in the Beaver Creek Addition II SGP (WY-070-EA09-065), Schoonover Road Unit 4 POD (WY-070-EA08-179) and Veranda (WY-070-EA09-039) Environmental Assessments:

1. Surface disturbing activities or surface occupancy is prohibited or restricted on or within one quarter (0.25) mile radius of the perimeter of occupied or undetermined Sage-grouse leks. Specifically, no surface occupancy (e.g. above ground structure) is permitted within 0.25 miles of the Napier, Kaufman Draw and Beaver Creek Lek(s).
2. To further minimize impacts to sage-grouse using habitat affected by the proposed action, surface-disturbing activities will be restricted during sage-grouse breeding and nesting periods (March 15 to June 30) for project components located in sage-grouse habitat for the life of the project. These restrictions will affect surface disturbing actives throughout the ENTIRE Schoonover Road 4 Add 1 POD associated with drilling and construction of wells, roads and associated project components.
    a. A sage-grouse lek survey will be conducted for all known leks within 2 miles of the POD by a biologist following the most current WGFD protocol. All survey results shall be submitted in writing to a Buffalo BLM biologist and approved prior to surface disturbing activities.

Burrowing Owl

The following conditions will alleviate impacts to burrowing owls identified in the Schoonover Road Unit 4 POD (WY-070-EA08-179) and Veranda (WY-070-EA09-039) Environmental Assessments:

1. No surface disturbing activity shall occur within 0.25 miles of all identified burrowing owl nests from February 1 through July 31, annually, prior to a burrowing owl nest occupancy survey for the current breeding season. A 0.25 mile buffer will be applied if a burrowing owl nest is identified. This condition will be implemented on an annual basis for the duration of surface disturbing activities within the prairie dog town(s) identified below.

Identified Prairie Dog Colonies

UTMs	Legal location	Size
424100E/48844000N	NWNW and SWNW Section 25, T48N/R76W	1.75 acres
4223465E/4880850N	SWNE, NWSE and NESE Section 2, T47N/R76W	23.40 acres

Water Management

1. To control erosion, no water will be allowed to overflow the tire stock water tanks.

Cultural

All surface disturbing activity in the following areas will be monitored by a BLM cultural resource use permit (CRUP) holder or permitted crew chief. The Bureau identified these areas as having a high potential for buried cultural deposits (areas containing alluvial deposits along Beaver Creek). Portions of the monitoring areas as described may lie outside alluvial deposits and exact monitoring areas are left to the discretion of the archeological monitor. All monitored areas must be plotted on the map provided with the monitoring report. The submission of two copies of a monitoring report to BFO is required within 30 days of the completion of all monitoring work.

1. Construction of the well location, pit and any other earth moving activities associated with well 23-2.

2. All earth moving activity associated with the construction of the utility corridor between well 23-2 and the existing 12-2 well. It is noted that some portions of this monitoring area may be outside alluvial deposits in the Beaver Creek floodplain.

3. All earth moving activity associated with the construction of the utility corridor from the 23-2 well to approximately 1000 feet northeast of the well location where the corridor leaves the Beaver Creek floodplain. It is noted that some portions of this monitoring area may be outside alluvial deposits in the Beaver Creek drainage.

Standard Conditions of Approval

General

1. All contractors/operators will have a complete copy of the approved APD/POD, including COAs, at the drill site, during the construction of the roads and drill pad, the drilling of the well, completion of the well, and all other related construction activities.

2. A pre-construction field meeting shall be conducted prior to beginning any dirt work approved under this POD. The operator shall contact the BLM Authorized Officer Eric Holborn@ 307-684-1044 at least 4-days prior to beginning operations so that the meeting can be scheduled. The operator is responsible for having all contractors present (dirt contractors, drilling contractor, pipeline contractor, project oversight personnel, etc.) including the overall field operations superintendent, and for providing all contractors copies of the approved POD, project map and BLM Conditions of Approval pertinent to the work that each will be doing.

3. Approval of this APD does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease that would entitle the applicant to conduct operations thereon. In addition, approval of this APD does not imply that the operator has legal access to the drilling location. When crossing private surface 43 CFR 3814 regulations must be complied with and when crossing public surface off-lease the operator must have an approved right-of-way.

4. Confine all equipment and vehicles to the access road(s), pad(s), and area(s) specified in the approved APD or POD.

5. The operator will be in compliance with all applicable local, state and/or federal laws, regulations, and/or statutes.

6. A progress report must be filed a minimum of once a month starting with the month the well was spudded continuing until the well is completed. The report must be filed by the 25th of each month on a Sundry Notice (Form 3160-5). The report will include the spud date, casing information such as size, grade, weight, hole size, and setting depth, amount and type of cement used, top of cement, depth of cementing tools, casing test method, intervals tested, perforated, acidized, fractured and results obtained and the dates all work done.

7. In the event abandonment of the hole is desired, an oral request may be granted by this office but must be timely followed within 5 days with a "Notice of Intention to Abandon" (Form 3160-5). The "Subsequent Report of Abandonment" (Form 3160-5) must be submitted within 30 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration.

8. Whether the well is completed as a dry hole or as a producer, two copies of all logs run, core descriptions, core analysis, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, work over, and/or completion operations

will be filed with Form 3160-4. A gamma ray log shall be run from T.D. to ground surface.

9. The operator is responsible for informing all persons associated with this project that they shall be subject to prosecution for damaging, altering, excavating or removing any archaeological, historical, or vertebrate fossil objects on site. If archaeological, historical, or vertebrate fossil materials are discovered, the operator is to suspend all operations that further disturb such materials and immediately contact the Authorized Officer. Operations are not to resume until written authorization to proceed is issued by the Authorized Officer.

10. Within five (5) working days, the Authorized Officer will evaluate the discovery and inform the operator of actions that will be necessary to prevent loss of significant cultural or scientific values.

11. The operator is responsible for the cost of any mitigation required by the Authorized Officer. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, the operator will be allowed to resume operations.

    a. If any cultural values [sites, artifacts, human remains (Appendix L FEIS)] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Buffalo Field Manager notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized BLM officer (AO). Within five working days the AO will inform the operator as to:

        - whether the materials appear eligible for the National Register of Historic Places;
        - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
        - a time-frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction measures.

    b. If paleontological resources, either large or conspicuous, and/or a significant scientific value are discovered during construction, the find will be reported to the Authorized Officer immediately. Construction will be suspended within 250 feet of said find. An evaluation of the paleontological discovery will be made by a BLM approved professional paleontologist within five (5) working days, weather permitting, to determine the appropriate action(s) to prevent the potential loss of any significant paleontological values. Operations within 250 feet of such a discovery will not be resumed until written authorization to proceed is issued by the Authorized Officer. The applicant will bear the cost of any required paleontological appraisals, surface collection of fossils, or salvage of any large conspicuous fossils of significant scientific interest discovered during the operation.

12. The operator shall be responsible for the prevention of fires on public lands caused by its employees, contractors or subcontractors. During conditions of extreme fire danger, surface use operations may be limited or suspended in specific areas.

13. All survey monuments found within the area of operations shall be protected. Survey monuments include, but are not limited to: General Land Office and Bureau of Land Management Cadastral Survey Corners, reference corners, witness points, U. S. Coast and Geodetic benchmarks and triangulation stations, military control monuments, and recognizable civil (both public and private) survey monuments. In the event of obliteration or disturbance of any survey monuments, the incident shall be reported in writing to the Authorized Officer.

14. If any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

15. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever first occurs, without the prior written approval of the authorized officer. If gas is vented or flared without approval beyond the test period authorized above, you may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted. You shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

16. The first producing well drilled to each targeted coal zone will be designated as the POD "Reference Well". Reference wells will not be required for PODs within a 6 mile radius of the first reference well designated by the operator. The designated reference well must be equipped to be sampled at the well head. A reference well sample will be collected from the wellhead and submitted for analysis; using the list of analytes identified in WDEQ WYPDES Application for Permit to Surface Discharge Produced Water from CBM New Discharges, Renewals, or Major Modifications, within 30 to 60 days of initial water production. Results of the analysis will be submitted to the BFO-BLM authorized Officer as they become available and will include the following information: Operator Name, POD Name, Well Name and location and Date Sampled.

17. By November 1 each year, companies will submit the following information, attached to a Sundry Form 3160-5, where construction and development have taken place in the last year.

    a) Georeferenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, reservoirs, discharge points, and other related facilities to the BLM for all PODs.

    b) Two as-built copies of Map D.

18. If any dead or injured threatened, endangered, proposed, or candidate species is located during construction or operation, the U.S. Fish and Wildlife Service's Wyoming Field Office (307-772-2374), their law enforcement office (307-261-6365), and the BLM Buffalo Field Office (307-684-1100) shall be notified within 24 hours. If any dead or injured sensitive species is located during construction or operation, the BLM Buffalo Field Office (307-684-1100) shall be notified within 24 hours.

DRILLING AND PRODUCTION OPERATIONS

1. The operator shall complete coal bed natural gas wells (case, cement and under ream) as soon as possible, but no later than 30 days after drilling operations, unless an extension is given by the BLM Authorized Officer.

Well Control Equipment

1. The flow line shall be a minimum of 30 feet from the well bore and securely anchored. The 30-foot

length of line is a minimum and operators must make consideration for increasing this length for topography and/or wind direction.

2. The flow line shall be a straight run.

3. The flow line must be constructed from non-flammable material.

4. All cuttings and circulating medium shall be directed to and contained in a reserve pit.

5. The nearest edge of the pits shall be a minimum of 25' from the rig.

6. A minimum of 2' of freeboard shall be maintained in the pits at all times.

7. The authorized officer may modify these requirements at any time if it is determined that increased pressure control is deemed necessary.

8. Verbal notification shall be given to the Authorized Officer at least 24 hours before formation tests, BOP tests, running and cementing casing, and drilling over lease expiration dates.

Cement Program

1. If there are indications of inadequate primary cementing of the surface, intermediate, or production casing strings; such as but not limited to no returns to surface, cement channeling, fallback or mechanical failure of equipment, the operator will evaluate the adequacy of the cementing operations. This evaluation will consist of running a cement bond log (CBL) or an alternate method approved by the Authorized Officer (AO) no sooner than 12 hours and no later than 24 hours from the time the cement was first pumped.

2. If the evaluation indicates inadequate cementing, the operator shall contact a BLM Buffalo Field Office Petroleum Engineer for approval of remedial cementing work.

3. The adequacy of the remedial cementing operations shall be verified by a cement bond log (CBL) or an alternate method approved by the Authorized Officer (AO). All remedial work shall be completed and verified prior to drilling out the casing shoe or perforating the casing for purposes other than remedial cementing.

4. The cement mix water used must be of the same water quality used to develop the cement program.

Production Equipment

1. All gas measurement equipment that deviates from Onshore Order #5 (or WY NTL 2004-1 in the case of electronic flow computers) shall be approved via a Notice of Intent sundry (Form No. 3160-5) prior to installation and use.

2. Other actions such as off-lease measurement, commingling, allocation, etc. shall be approved via a Notice of Intent sundry (Form No. 3160-5). Submission of additional information in the POD shall not be construed as permission for these items. If the operator wishes to utilize off-lease gas measurement for wells approved in this POD, they are required to obtain approval via a Notice of Intent sundry (Form No. 3160-5) prior to any gas production.

Well and POD Building Identification

1. From the time a well pad is constructed or a well is spudded (if no well pad needed), until

abandonment, all well locations must be properly identified with a legible sign. The sign will include the well name and number, operator name, lease number, and the surveyed location.

2. At each POD building site where federal wells are metered, the operator is required to maintain a legible sign displayed in a conspicuous place. This sign is required to be in place at the time metering goes online. The sign shall include: POD name, Operator, Federal well names and numbers, Federal lease numbers being metered at the POD building, and surveyed location of the building.

Protection of Fresh Water Resources

1. All oil and gas operations shall be conducted in a manner to prevent the pollution of all freshwater resources. All fresh waters and waters of present or probable future value for domestic, municipal, commercial, stock or agricultural purposes will be confined to their respective strata and shall be adequately protected. Special precautions will be taken to guard against any loss of artesian water from the strata in which it occurs and the contamination of fresh water by objectionable water, oil, condensate, gas or other deleterious substance to such fresh water.

Miscellaneous Conditions

1. Any changes to the approved drilling plan and/or these conditions of approval shall be approved by the BLM-Buffalo Field Office Petroleum Engineer prior to being implemented.

   After hour's numbers:
   Petroleum Engineer: Matthew Warren Cell Telephone: 307-620-0103
   Petroleum Engineer: Victor Xuan Cell Telephone: 307-331-5421

2. If any cores are collected, a copy of all analysis performed shall be submitted to the BLM-Buffalo Field Office Petroleum Engineer.

<u>SURFACE USE STANDARD</u>

A. Construction

1. Prior to construction, the operator will remove all staking (engineered road, pads, well stakes, etc.) for those areas which were not approved with the POD/APD.

2. All engineered road segments must be completed, including any culverts, low water crossings and required surfacing, before the drilling rig or other drilling equipment moved onto the pad.

3. The operator is responsible for having the licensed professional engineer(s) certify that the actual construction of the road meets the design criteria and is constructed to Bureau of Land Management standards.
4. Prior to construction, the operator will remove all staking (engineered road, pads, well stakes, etc.) for those areas which were not approved with the POD/APD.

5. All roads, well pads, rig slots, culverts, spot upgrades and locations where engineered construction will occur will be completely slope staked for review prior to construction.

6. Topsoil will be segregated for all excavation including the entire disturbance area for constructed pads and excavated areas for rig leveling, reserve pits, constructed roads, spot upgrades, reservoir upgrades, outfalls and utility trenches and redistributed for interim reclamation activities. This requirement will not be applied for pipelines installed with wheel trenchers.

7. The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved without creating additional

undue surface disturbance and where it does not impede watershed and drainage flows.

8. Maintain a minimum 20-foot undisturbed vegetative border between disturbance areas and the edge of adjacent drainages, unless otherwise directed by the BLM Authorized Officer.

9. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:

   - Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
   - Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.

10. The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).

11. The culvert locations will be staked prior to construction. The culvert invert grade and finished road grade will be clearly indicated on the stakes. Culverts will be installed on natural ground, or on a designed flow line of a ditch. The minimum cover over culverts will be 12" or one-half the diameter whichever is greater. Drainage laterals in the form of culverts or waterbars shall be placed according to the following spacing:

Soil Type	**Road Grade 2-4%**	**Road Grade 5-8%**	**Road Grade 9-12%**	**Road Grade 13-16%**
Highly erosive Granitic or sandy	240	180	140	100
Intermediate Erosive clay or load	310	260	200	150
Low erosive shale or gravel	400	325	250	175

12. Provide a minimum of 4" of aggregate where grades exceed 8%. Surface material must meet requirements set forth in Wyoming Supplement to BLM Road Manual 9113.

13. The minimum diameter for culverts will be 18 inches. However, all culverts will be appropriately sized in accordance with standards in BLM Manual 9113.

14. Maximum speed on all operator-constructed and maintained roads will not exceed 25 miles per hour.

15. Pipeline construction shall not block nor change the natural course of any drainage. Pipelines shall cross perpendicular to drainages. Suspended pipelines shall provide adequate clearance for maximum runoff.

16. During construction, emissions of particulate matter from well pad and road construction would be

minimized by application of water or other non-saline dust suppressants with at least 50 percent control efficiency. Dust inhibitors (surfacing materials, non-saline dust suppressants, and water) will be used as necessary on unpaved roads that present a fugitive dust problem. The use of chemical dust suppressants on public surface will require prior approval from the BLM Authorized Officer.

17. Bury powerlines on BLM surface. BLM encourages the burial of all powerlines on any surface. All overhead power lines on BLM surface will be built to Avian Power Line Interaction Committee (2006 edition or most recent edition) standards. BLM strongly recommends the burial of powerlines, or alternatively the adoption and implementation of APLIC standards for overhead powerline construction on other surface ownership lands.

B. Operations/Maintenance

1. All waste, other than human waste and drilling fluids, will be contained in a portable trash cage. This waste will be transported to a State approved waste disposal site immediately upon completion of drilling operations. No trash or empty barrels will be placed in the reserve pit or buried on location. Operators and their contractors will comply with all state and local laws and regulations pertaining to disposal of human and solid waste will be complied with.

2. Sewage shall be placed in a self-contained, chemically treated porta-potty on location.

3. The operator and their contractors shall ensure that all use, production, storage, transport and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project-related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. In accordance with OSHA requirements, a file will be maintained onsite containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.

4. Produced fluids shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Order #7.

5. The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include:
   - drilling muds & cuttings
   - rigwash
   - excess cement and certain completion & stimulation fluids defined by EPA as exempt

   It does not include drilling rig waste, such as:
   - spent hydraulic fluids
   - used engine oil
   - used oil filter
   - empty cement, drilling mud, or other product sacks
   - empty paint, pipe dope, chemical or other product containers
   - excess chemicals or chemical rinsate

   Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.

6. Reserve pits will be closed as soon as possible, but no later than 90 days from time of drilling/well

completion, unless the BLM Authorized Officer gives an extension. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop.

7. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring of any subsidence areas that develop from closing a pit before it is completely dry. The plastic pit liner (if any) will be cut off below grade and properly disposed of at a state authorized landfill before beginning to re-contour the site.

8. The operator will be responsible for prevention and control of noxious weeds and weeds of concern on all areas of surface disturbance associated with this project (well locations, roads, water management facilities, etc.) Use of pesticides shall comply with the applicable Federal and State laws.

9. Prior to the use of pesticides on public land, the holder shall obtain from the BLM authorized officer a pesticide use permit (PUP). The PUP must include a written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer to such use.

C. Producing Well

1. Landscape those areas not required for production to the surrounding topography as soon as possible. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring and reseeding of any subsidence areas that develop.
2. Any spilled or leaked oil, produced water or treatment chemicals must be reported in accordance with NTL-3A and immediately cleaned up in accordance with BLM requirements. This includes clean-up and proper disposition of soils contaminated as a result of such spills/leaks.

3. Distribute stockpiled topsoil evenly over those areas not required for production (ie.,cut/fill slopes, road ditches, pipelines, etc.) and reseed with approved seed mix.

4. Upgrade and maintain access roads and drainage control (e.g., culverts, LWCs (low water crossings, drainage dips, ditching, crowning, surfacing, etc.) as necessary and as directed by the BLM Authorized Officer to prevent soil erosion and accommodate safe, environmentally-sound access.

D. Reclamation/Dry Hole

1. BLM will not release the performance bond until all disturbed areas associated with the APD/POD have been successfully revegetated (evaluation will be made after the second complete growing season) and has met all other reclamation goals of the surface owner and surface management agency.

2. A Notice of Intent to Abandon and a Subsequent Report of Abandonment must be submitted for abandonment approval.

3. For performance bond release approval, a Final Abandonment Notice (with a surface owner release letter on split-estate) must be submitted prior to a final abandonment evaluation by BLM.

4. Phased reclamation plans will be submitted to BLM for approval prior to individual POD facility abandonment via a Notice of Intent (NOI) Sundry Notice. Individual facilities, such as well locations, pipelines, discharge points, impoundments, etc. need to be addressed in these plans as they

are no longer needed. Individual items that will need to be addressed in reclamation plans include:

- Configuration of reshaped topography, drainage systems, and other surface manipulations
- Waste disposal
- Revegetation methods, including specific seed mix (pounds pure live seed/acre) and soil treatments (seedbed preparation, fertilization, mulching, etc.). On private surface, the landowner should be consulted for the specific seed mix.
- Other practices that will be used to reclaim and stabilize all disturbed areas, such as water bars, erosion fabric, hydro-mulching, etc.
- An estimate of the timetables for beginning and completing various reclamation operations relative to weather and local land uses.
- Methods and measures that will be used to control noxious weeds, addressing both ingress and egress to the individual well or POD.
- Decommissioning/removal of all surface facilities
- Closure and reclamation of areas utilized or impacted by produced CBNG water, including discharge points, reservoirs, off-channel pits, land application areas, livestock/wildlife watering facilities, surface discharge stream channels, etc.
- Refer to BLM Impoundment Reclamation Guidance for further information on reclaiming impoundments.
- Refer to the Wyoming Reclamation Policy for further guidance on reclamation.

5. All disturbed lands associated with this project, including the pipelines, access roads, water management facilities, etc will be reclaimed and reseeded within 180 days of well plugging. The reclamation work must be in accordance with the surface use plan and any pertinent site-specific COAs.
6. Disturbed lands will be re-contoured back to conform with existing undisturbed topography. No depressions will be left that trap water or form ponds.

7. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring of any subsidence areas that develop from closing a pit before it is completely dry. The plastic pit liner (if any) will be cut off below grade and properly disposed of at a state authorized landfill before beginning to re-contour the site.

8. Before the location has been reshaped and prior to redistributing the topsoil, the operator will rip or scarify the drilling area and access road on the contour to 4" below the compacted layer. The rippers are to be no farther than 24 inches apart.
9. Distribute the topsoil evenly over all disturbed areas. Prepare the seedbed and seed with approved seed mix.

10. Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.

11. Any mulch utilized for reclamation needs to be certified weed free.

12. Waterbars are to be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage, and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval (feet)
< 2	200
2 - 4	100
4 - 5	75
> 5	50