

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO:

Memorandum

To: Project File, Riddle G#4, SF-080101
From: Dale Wirth, Project Coordinator
Subject: Drought Relief Tank

30-045 21130

An onsite (field) meeting was conducted on November 27, 1996 at 9 A.M. between Burlington Resources (Formerly Meridian Oil, Inc.) and Bureau of Land Management (BLM), Farmington District Resource Specialist, to discuss the placement, setup, and responsibilities of the drought relief water tank purchased by the BLM. Present at the location of the Riddle G #4 location were:

Dale Wirth, BLM, Farmington District Project Coordinator
Raymond Sanchez, BLM, Farmington District Lead Range
Conservationist
Doug Thomas, Burlington Resources
Wayne Ritter, Burlington Resources

This project had previously been discussed in detail with Mr. Jesus Moreno the grazing permittee. Mr. Moreno concurred with the responsibilities described below and agreed upon by Burlington Resources and the Bureau:

1. Burlington Resources will transport the tank to the location.
2. The tank will be placed on the east side of the location in an effort to avoid work space needed in the event that future work over operations or other repairs to the well are necessary.
3. Burlington Resources will place the tank on an elevated gravel bed, construct a wire fence and earthen berm around the tank.
4. Burlington Resources is responsible for providing and installing a mechanism to deliver the bradenhead water to the tank. This will be accomplished by a buried pipe line

leading from the braden head to the holding tank.

5. Burlington Resources will install a shut off valve on the braden head to control the flow and volume of water in the holding tank.
6. The Allottee will be responsible for controlling by way of the bradenhead shut off valve, and monitoring the amount of water in the holding tank.
7. Any overflows, spills, etc. caused by improper monitoring of the holding tank volume is the responsibility and liability of the Allottee.
8. The Allottee will be responsible for delivery of the water from the holding tank to the livestock. At the end of the grazing season the allottee will fill the tank so that water will be available for wildlife throughout the year.
9. Any leaks, corrosion, etc in the delivery pipe from the bradenhead to the tank but not including the tank are the responsibility of Burlington Resources.
10. Any leaks, corrosion, etc. associated with the tank or downstream fittings to the livestock drinking box are the responsibility of the Allottee,
11. Burlington Resources and the Bureau are not responsible nor liable for any theft or vandalism associated with this project.
12. The Bureau is responsible for the placement and maintenance of a bird ladder (escape ladder) in the drinker box.
13. The Bureau is responsible for the purchasing the tank.
14. The allottee shall enter an agreement with Burlington Resources in the form attached as "Exhibit A".

The following items have been reviewed and agreed upon by all parties involved. Every effort will be made by all parties to uphold these agreements.

Bureau Representative: _____

Burlington Resources
Representative: _____

Allottee: _____

Date: _____

Dale L. Wirth
James E. McQuinn
3/12/97

Exhibit A

Bradenhead Water Beneficial Use Agreement

This letter sets out the agreement between Jesus Moreno and Burlington Resources Oil & Gas Company (Burlington) related to the operation of the Riddle G-4 well located in Section 20, Township 28 North, Range 8 West on Bureau of Land Management (BLM) surface property and regarding the use of bradenhead water flowing from the well.

Burlington is willing to allow continue flow from the well of bradenhead water under the following terms and conditions:

1. Jesus Moreno accepts all responsibility and liability associated with use of bradenhead water including but not limited to any and all damages to livestock, crops or surface property.
2. Jesus Moreno is responsible for all costs and expense associated with use of the bradenhead water including but not limited to installation and maintenance of tanks, lines and related facilities for storage of bradenhead water on BLM property.
3. Burlington does not warrant the quality or quantity of bradenhead water or that the bradenhead water from Riddle G-4 well is acceptable or suitable for any use and Jesus Moreno uses the bradenhead water at his or her sole risk and expense. Jesus Moreno agrees to indemnify and hold Burlington harmless for any and all causes of action, lawsuits, claims, or damages related directly or indirectly to the bradenhead water or use of the bradenhead water.
4. Burlington does not warrant that the bradenhead water will continue to flow. Burlington will allow bradenhead water to continue to flow (to the extent it flows) with the understanding that this condition is acceptable to all necessary government bodies or regulatory agencies with jurisdiction including but not limited to the Bureau of Land Management and the New Mexico Oil Conservation Division. If at any time any government body or regulatory agency with jurisdiction does not approve of the continued flow of bradenhead water from the Riddle G-4 well, Burlington has the right to immediately take all necessary steps to stop the flow of bradenhead water from the Riddle G-4 well or other wise comply with the mandate of any government body or regulatory agency.

5. If the use of bradenhead water from the Riddle G-4 well interferes in any way with Burlington's operation of its oil and gas leasehold interest, Burlington has the right to immediately take all necessary steps to stop the flow of bradenhead water from the Riddle G-4 well.
6. Jesus Moreno agrees never to sue Burlington, its affiliates, its officers, directors or employees for any cause of action, claim, or damages related directly or indirectly in any way to the flow of bradenhead water from the Riddle G-4 well or the use of bradenhead water.

If you accept and agree to the terms and conditions set out above, please indicate so in the space provided below and return the original agreement to Burlington Resources in the envelope provided.

Burlington Representative

By:

[Signature]

Date:

3/12/97

Agreed and Accepted

By:

[Signature]

Date:

3/12/97