

3162.4-5 (019)
NM-67402

JUN. 02 1989

Lone Mountain Production Co.
P. O. Box 3394
Billings, Mt. 59103

Gentlemen:

The following surface rehabilitation stipulations must be complied with, as applicable, before the #1 Federal well located 1700' FSL and 2000 FEL, sec. 6, T. 16 N., R. 7 W., Lease no. NM-67402 can be approved for final abandonment (see 43 CFR 3162.3-4).

1. A permanent monument must be cemented in the wellbore. It must be labeled with the operators name, well name and number, legal location, and lease number (see 43 CFR 3162.6).
2. All fences, production equipment, purchaser's equipment, concrete slabs, deadman (anchors), flowlines, risers, debris and trash must be removed from the location.
3. Any oily soil or fluids must be properly disposed of.
4. Pits must be filled in and the edges of the pads shaped to conform to the natural terrain.
5. Pads must be leveled, dressed up by a maintainer, ripped and disked.
6. Access roads must be leveled, waterbarred, disked and blocked off with earthen berms at the junction with the main road and at the entrance to the well pad. Waterbars should be spaced as shown below:

% Slope	Spacing Interval
Less than 2%	200'
2 to 5%	150'
6 to 9%	100'
10 to 15%	50'
Greater than 15%	30'

They should divert water to the downhill side of the road.

7. All disturbed areas will be seeded between July 1 and September 15 with the prescribed seed mix. (Reseeding may be required).

Other Surface Managing Agencies (SMAs) may vary slightly in their restoration requirements. It is your responsibility, as the operator, to obtain surface restoration requirements from other SMAs. We need to be provided with a copy of these requirements. Any problems concerning stipulations received from other SMAs should be brought to us.

On private land, we should be provided with a letter from the fee owner stating that the surface restoration is satisfactory.

If the rehabilitation stipulations have been completed, please sign below and return this letter to:

Fluids Surface Management Staff
1235 La Plata Highway
Farmington, NM 87401

If the surface restoration has not yet been completed, notify us by Sundry Notice upon completion. We will schedule an inspection to check the well site after we receive notice from you and the vegetation has become established.

If you have any questions, please contact the Fluids Surface Management Staff at (505) 327-5344.

Sincerely,

/s/ John L. Keller

Ron Fellows
FOR Area Manager

The above mentioned well has been abandoned and the required surface restoration stipulations completed.

Signed _____

Date _____

019:SDavenport:sd:6/1/89