

**PLEASE, MAKE A COPY
FOR YOUR RECORDS.
SIGN AND RETURN
ORIGINAL COPIES.**

Alternatively, you may send a fax of the original, signed copy to the fax number below, or send a scan of the original, signed copy to the email address below.

Attn: Sol Hughes
Bureau of Land Management
CFO Environmental Protection Division
620 E. Greene Street
Carlsbad, NM 88220

Office: 575.234.5951
Fax: 575.885.9264
Email: shughes@blm.gov

Certified Mail - Return Receipt Requested
7013302000158907327

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

IDENTIFICATION	
IID	8910087230
Lease	
CA	
Unit	NMNM70956X
PA	

NOTICE OF WRITTEN ORDER

Bureau of Land Management Office CARLSBAD FIELD OFFICE	Operator SOUTHERN BAY OPERATING LLC
Address 620 E GREENE STREET CARLSBAD NM 88220	Address 110 CYPRESS STATION DRIVE SUITE 220 HOUSTON TX 77090
Telephone 575.234.5972	Attention
Inspector HUGHES S	Attn Addr

Site Name GJWFU TB	Well/Facility/FMP A	1/4 1/4 Section NESW 27	Township 17S	Range 30E	Meridian NMP	County EDDY	State NM
Site Name	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State
Site Name	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

The following condition(s) were found by Bureau of Land Management Inspectors on the date and at the site(s) listed above.

Date	Time (24-hour clock)	Corrective Action to be Completed by	Date Corrected	Authority Reference
08/07/2014		09/20/2014		43 CFR 3162.5-1(c); 43 CFR 2885.11(b9iii)

Remarks:

An onsite inspection was conducted at the above referenced location. The issues found, legal orders, and BLM authority references are as follows:

1. There are old, hardened hydrocarbons out to the rear of the site and to the low-lying areas to the north.

- a. The zones of the contaminated soil on this site must be delineated by chemical testing.
- b. Contaminated topsoil will need to be excavated, removed, and replaced with clean material. (Remarks continued on following page(s).)

When the Written Order is complied with, sign this notice and return to above address.

Company Representative Title	Signature	Date
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Company Comments

Warning

The Authorized Officer has authority to issue a Written Order in accordance with 43 CFR 3161.2. Written Order correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each stipulation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management Office at the address shown above. If you do not comply as noted above under "Corrective Action to be Completed By", you shall be issued an Incident of Noncompliance (INC) in accordance with 43 CFR 3163.1(a). Failure to comply with the INC may result in assessments as outlined in 43 CFR 3163.1 and may also incur civil penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time frame for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

Review and Appeal Rights

A person contesting a decision shall request a State Director review of the Written Order. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer	Date 14 Aug 2014	Time 4:20 PM
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FOR OFFICE USE ONLY

Number 3	Date	Type of Inspection ES
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BLM Remarks, continued

c. If excavation is not sufficient to eliminate contaminant, a caliche and/or 20-mm polyliner may be necessary to cap off deeply-penetrating, subsurface contaminant and isolate it from clean topsoil.

d. After all contaminant has been eliminated and/or isolated from topsoil, reseed with BLM LPC/Shinnery Site Seed Mixture.

~43 CFR 3162.5-1(c)

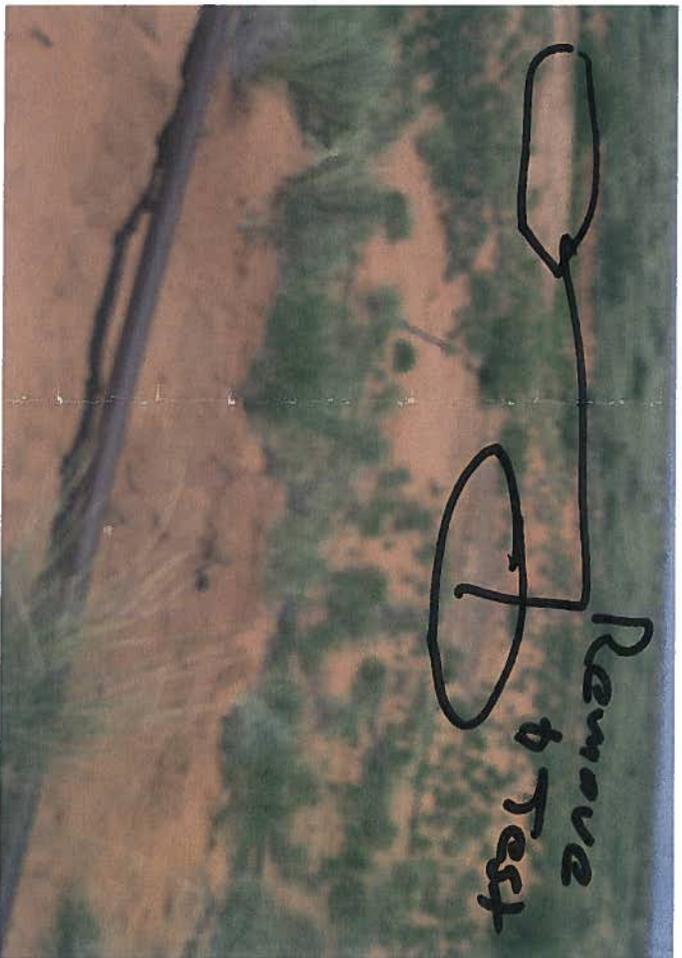
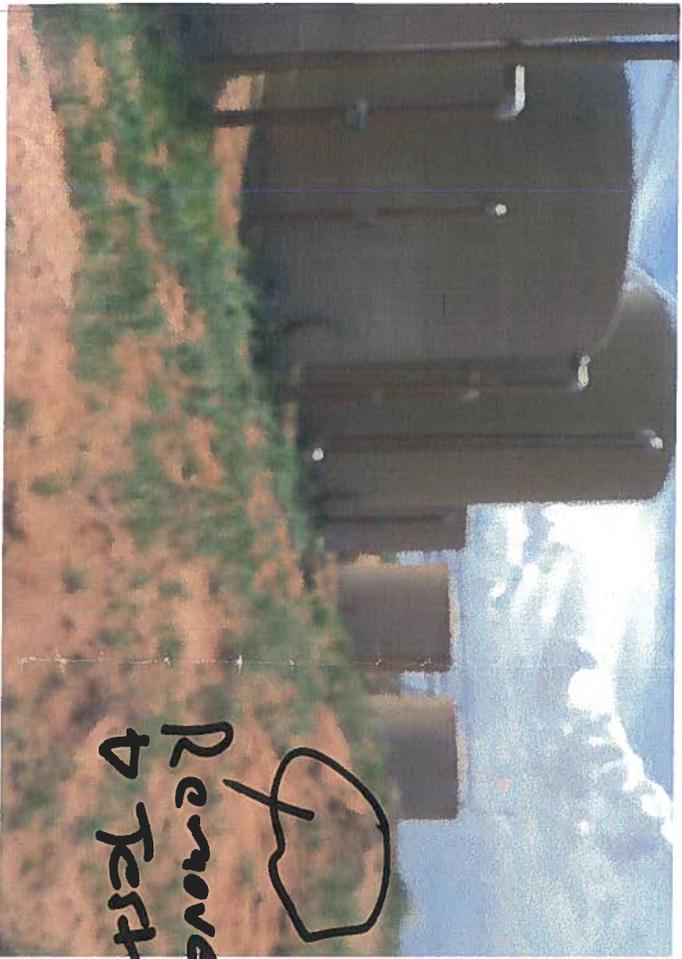
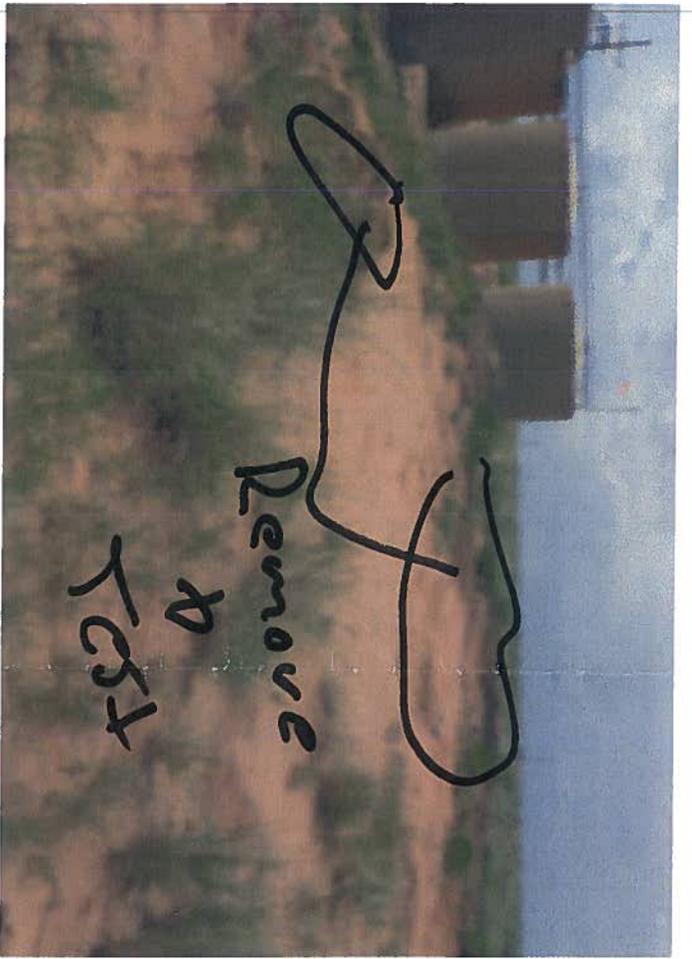
2. A drip pan is full of fluid but not netted to exclude wildlife. Please, net this and all drip pans on this site.

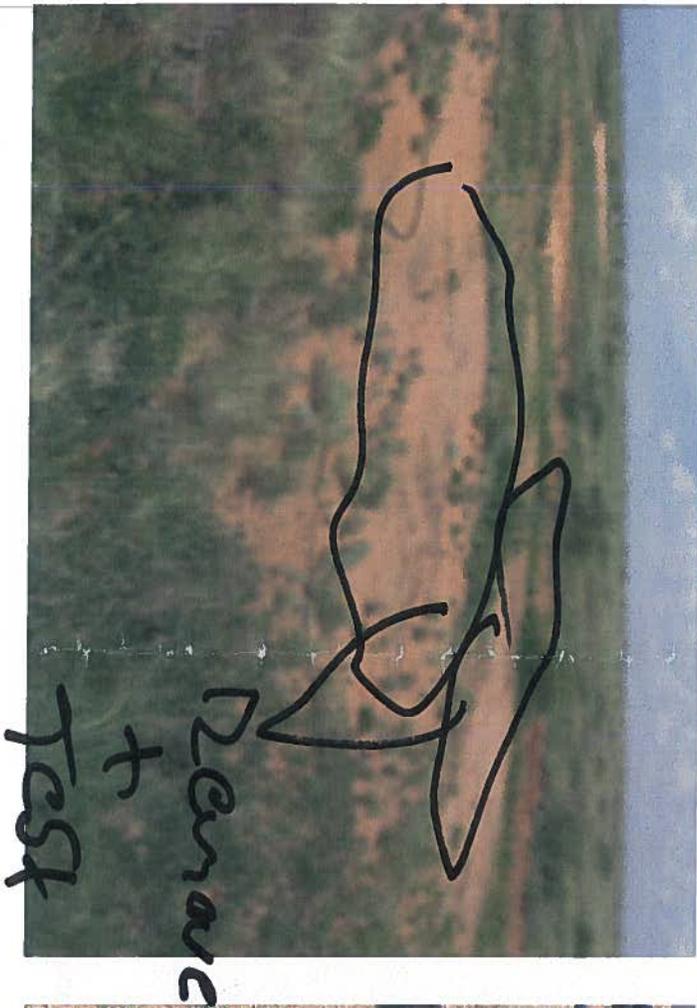
~43 CFR 2885.11(b9iii)

Please, plan to address these issues before the abatement date. If you are unable to have all the issues addressed by the abatement date and/or have any questions about this notice, please, contact me by the information below.

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This correction had been completed prior to 23 October 2014. BLM reviewed on site and approved correction.