



# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS

Navajo Region

P.O. Box 1060

Gallup, New Mexico 87305

2007 SEP 25 AM 10:33

IN REPLY REFER TO:  
Real Estate Services-Leases/Permits/N425

## CERTIFIED MAIL – RETURN RECEIPT REQUESTED

SEP 21 2007

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

Dear Sir:

An administrative review has been conducted on the following proposed Application for Permit to Drill (APD) submitted by **Burlington Resources Oil & Gas Company, LP**.

**HOO DOO #1-S, State Lease No: ST-OV-VA-2346-5.** The proposed gas well is described as 660' FNL / 660' FWL, located in Section 16, T25N, 13W, San Juan County, New Mexico. Included in the approved disturbance is a well pad containing 1.13 acres, access road and pipeline corridor of 2.56 acres for a combined total of 3.69 acres, more or less. This location is on the Navajo Trust Lands and within the Navajo Indian Irrigation Projects (NIIP) designated boundaries.

Resolution of the Resources Committee of the Navajo Nation Council No: **RCS-121-06** passed on **September 28, 2006**, authorized the Navajo Nation Land Department to issue consent letters for APD'S, Sundry Notices and Construction of Associated Ancillary Facilities. Consent letter dated May 18, 2007 approves the enclosed **Burlington Resources Oil and Gas Company, LP's APD**.

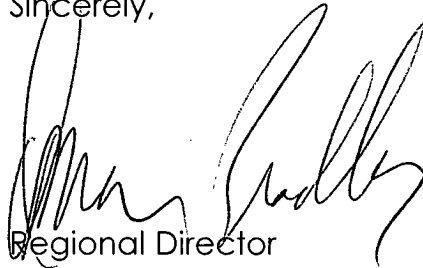
Please note the Resources Committee Resolution set certain terms and conditions which must be followed. The Navajo Nation Environmental Protection Agency also set specific terms and conditions which must be followed. Other required clearances from the Navajo Nation have been obtained and are on file.

The enclosed application for permit to drill package contains all the supporting documents such as, the Archaeological Clearance, Environmental Assessment Report, Finding of No Significant Impact Statement, Navajo Nation and BIA Surface Management stipulations.

We recommend approval of the above referenced application, provided that the enclosed Bureau of Indian Affairs and the Navajo Nation stipulations are adhered to and made a part of the drilling plan.

Any questions regarding this application may be directed to Mr. Chuck Yarbrough, Realty Specialist, Branch of Leases/Permit Section (Minerals) at 928/871-5922.

Sincerely,

A handwritten signature in black ink, appearing to read "Mr. Yarbrough", is written over the printed name "Regional Director".

Regional Director

Enclosures

cc: Burlington Resources Oil & Gas Company, LP, 3401 E. 30<sup>th</sup> Street, Farmington,  
New Mexico 87402  
BLM, Farmington Field Office  
Navajo Nation, Minerals Department  
Navajo Nation, Division of Natural Resources, Attn: Project Review Office



DR. JOE SHIRLEY, JR.  
President

BEN SHELLEY  
Vice President

May 18, 2007

Mr. Omar Bradley, Acting Regional Director  
Bureau of Indian Affairs  
Navajo Region  
Post Office Box 1060  
Gallup, New Mexico 87305

RE: Application for Permit to Drill (APD) to Burlington Resources Oil & Gas Company, LP.

Dear Mr. Bradley:

Transmittal herewith is a consent letter dated May 18, 2007, which was signed by Mr. W. Mike Halona, Program Director, Navajo Land Department with Division of Natural Resources.

*Burlington* → Navajo Nation Consent Letter: Approving an Application for Permit to Drill to Pro0 NM Energy, Inc., to Drill, Construct, Operate and Maintain the "Hoodoo #1S" Gas Well and Ancillary Facilities on State Lease No. ST-OV-VA-2346-5 on, over and across Navajo Nation Trust Lands within the Navajo Indian Irrigation Project (NIIP), San Juan County, Navajo Nation (New Mexico).

If you have any questions please call (928) 871-6447 or 6695.

Sincerely,

Esther Kee, Right-of-Way Agent  
NLD Project Review Section, DNR

ATTACHMENTS

xc: Chrono/Project File



DR. JOE SHIRLEY, JR.  
President

BEN SHELLEY  
Vice President

MAY 18 2007

Mr. Omar Bradley, Regional Director  
Bureau of Indian Affairs  
Navajo Region  
Post Office Box 1060  
Gallup, New Mexico 87305

RE: Application for Permit to Drill to Burlington Resources Oil & Gas Company, LP on Navajo Nation Lands.

Dear Mr. Bradley:

Pursuant to resolution RCS-121-06, approved by the Resources Committee of the Navajo Nation Council, the Navajo Land Department hereby approves an Application for Permit to Drill (APD) to drill, construct, operate and maintain the Hoodoo #1S gas well, pipeline and to construct ancillary facilities submitted by Burlington Resources Oil & Gas Company, LP on State Lease No. ST-OV-VA-2346-5, over and across Navajo Nation Trust Lands within the Navajo Indian Irrigation Project (NIIP), San Juan County, Navajo Nation (New Mexico), attached hereto as Exhibits "A" through "D".

The Navajo Nation hereby approves the APD to Burlington Resources Oil & Gas Company, LP subject to, but not limited to, the terms and conditions contained in Exhibit "D". Please be advised that the Navajo Nation's approval of this APD on split estate land is also conditioned upon the Bureau of Indian Affairs insuring that the oil and gas lessee or operator will properly plug and abandoned all oil, gas, injection, disposal, and dry hole wells and that their associated ancillary equipment and facilities are removed from the affected Navajo Nation land and that the land will be properly reclaimed when exploration and/or production ceases. If you have any questions please call (928) 871-6447 or 6695.

Sincerely,

THE NAVAJO NATION

W. Mike Halona, Program Director  
Navajo Land Department, Division of Natural Resources

Enclosures:

xc: Akhtar Zaman, Director, Minerals Department

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address BURLINGTON RESOURCES OIL & GAS COMPANY LP 3401 E. 30TH ST FARMINGTON, NM 87402		2. OGRID Number 14538
		3. API Number 30-045-33654
4. Property Code 35309	5. Property Name HOODOO	6. Well No. 001S

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	16	25N	13W	D	660	N	660	W	SAN JUAN

8. Pool Information

BASIN FRUITLAND COAL (GAS)	71629
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 6316
14. Multiple N	15. Proposed Depth 1312	16. Formation Fruitland Coal	17. Contractor	18. Spud Date
Depth to Ground water 200		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 miles thick Clay <input type="checkbox"/> Pit Volume: 240 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	8.75	7	20	120	42	0
Prod	6.25	4.5	10.5	1312	126	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCB guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/>	OIL CONSERVATION DIVISION	
	Approved By: Charlie Perrin	
	Title: District Supervisor	
	Approved Date: 4/4/2006	Expiration Date: 4/4/2007
Printed Name: Electronically filed by Joni Clark		
Title: Specialist		
Email Address: jclark@br-inc.com		
Date: 3/20/2006	Phone: 505-326-9701	

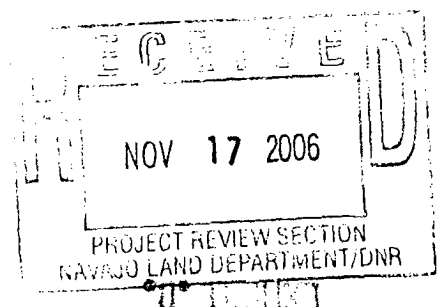
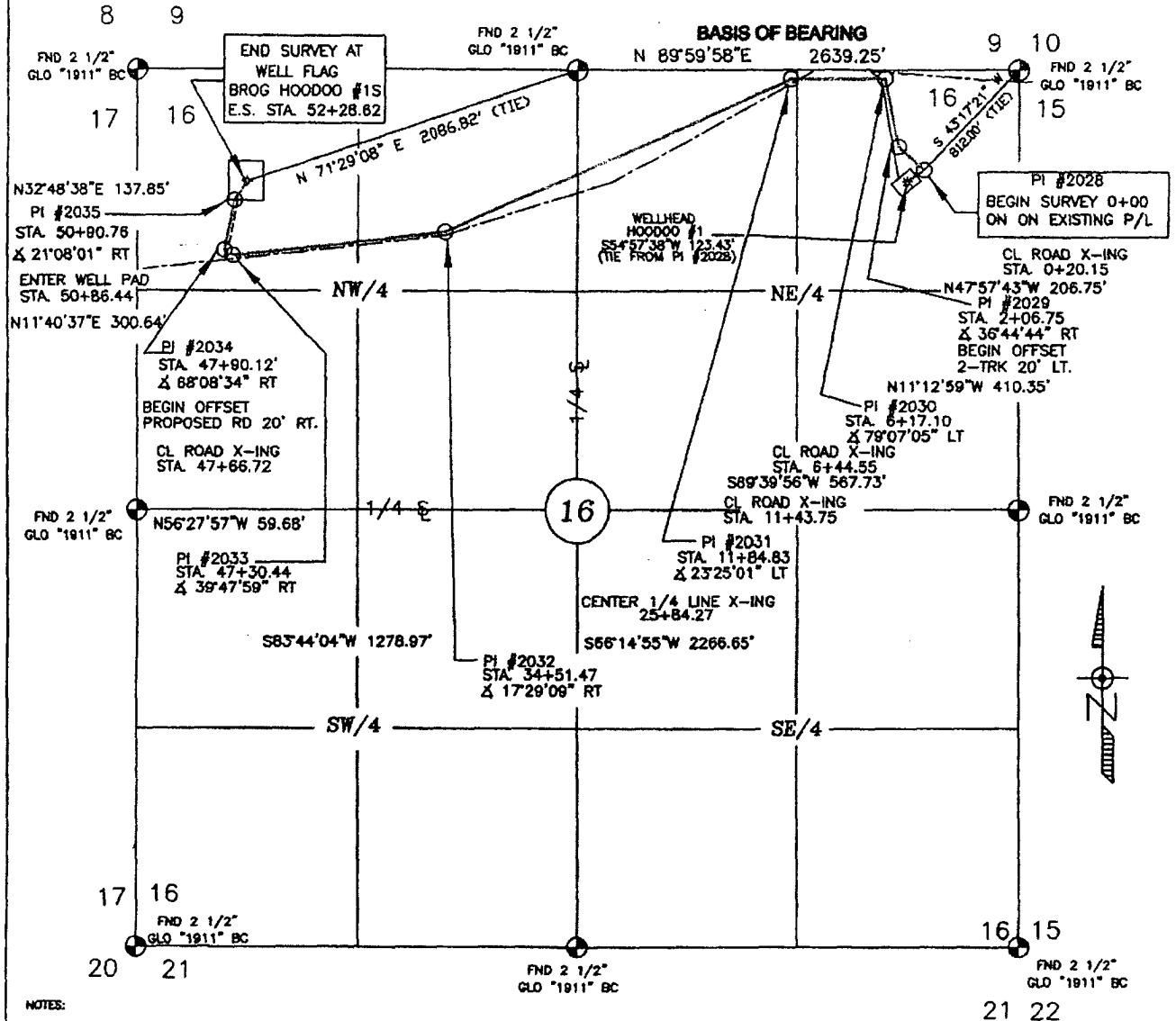


EXHIBIT "A"

PRELIMINARY 3.50" O.D. POLY PIPELINE & 2.375" O.D. POLY WATERLINE SURVEY  
FOR  
**BURLINGTON RESOURCES OIL AND GAS COMPANY LP**  
**HOODOO #1 S**  
NE/4 & NW/4 SECTION 16, T25N, R13W, N.M.P.M.  
SAN JUAN COUNTY, NEW MEXICO



**NOTES:**

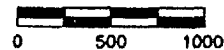
- 1.) BASIS OF BEARING: AS MEASURED BY G.P.S. BETWEEN FOUND MONUMENTS AT THE NORTHEAST CORNER AND THE NORTH QUARTER CORNER OF SECTION 16, TOWNSHIP 25 NORTH, RANGE 13 WEST, N.M.P.M., SAN JUAN COUNTY, NEW MEXICO. LINE BEARS: N 89°59'58" E A DISTANCE OF 2639.25 FEET
- 2.) LOCATION OF UNDERGROUND UTILITIES DEPICTED ARE APPROXIMATE. PRIOR TO EXCAVATION UNDERGROUND UTILITIES SHOULD BE FIELD VERIFIED. ALL CONSTRUCTION ACTIVITIES SHOULD BE FIELD VERIFIED WITH NEW MEXICO ONE-CALL AUTHORITIES AT LEAST 2 WORKING DAYS PRIOR TO CONSTRUCTION.
- 3.) CONSTRUCTION WIDTH = 40 Feet  
CONSTRUCTION AREA = 4.80 ACRES  
OPERATION & MAINTENANCE WIDTH = 20 Feet  
OPERATION & MAINTENANCE AREA = 2.40 ACRES
- 4.) THIS IS NOT A BOUNDARY SURVEY

I, GLEN W. RUSSELL, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

Glen W. Russell  
GLEN W. RUSSELL, PLS  
NEW MEXICO L.S. #15703

DATE: 5-4-07

1"=1000'



OWNER	STATION	FT./RODS
NAAJIO TRIBE	E.S. 0+00 TO E.S. 52+28.62	5228.62/316.69

DATE OF SURVEY	CREW	CAD FILE	DRAWN BY	DATE	PROJECT LOCATION
5/11/06	GWR/JPB	H0002_PRE	GWR	05/26/06	S16, T25N, R13W

**Vector Surveys, LLC**

Professional Land Surveys, Mapping,

GPS Surveys & Oil Field Services

122 North Wall Ave., Farmington, NM 87401

Phone (505) 584-3445 Fax (505) 584-3445

E-Mail: vectorg001@msn.com

REVIS: 5/4/06 BY GWR
REVIS: 5/18/06 BY GWR
REVIS: 5/23/07 BY GWR



DR. JOE SHIRLEY, JR.  
President

BEN SHELLEY  
Vice President

## MEMORANDUM

TO : Howard P. Draper, Supervisor  
Project Review Section, NLD

FROM : Esther Kee  
Esther Kee, R/W Agent

DATE : December 04, 2006

SUBJECT: Burlington Hoodoo #1S APD

Burlington Resources Oil & Gas Company, LP, of 3401 E. 30<sup>th</sup> Street, Farmington, New Mexico 87402, has submitted an Application or for Permit to Drill (APD) to drill, construct, operate and maintain the Hoodoo #1S gas well, pipeline and construct associated ancillary facilities on, over and across Navajo Nation Trust lands within the Navajo Indian Irrigation Project.

The well pad will consist of 205'x240'/1.13 acres, road corridor; 348.7'x20'/0.16 acres, and 3.5" O.D poly glass gas line and 2.375" O.D. poly water line corridor; 5,228.62'x20'/2.40 acres, more or less, in Section 16, T25N, R13W, NMPM.

The proposed project is located in District 19, Bisti Range Unit 4, permitted to Ambrose Benally, Sr., for grazing. I informed the affected grazing permittee on the proposed request and he had no objection. I obtained the land users consent along with the concurrence of the District 19 Land Board member, Larry J. Bonney. Land user will be compensated \$8,125.51 (\$2500/well, \$80/road, \$5,545.51/pipeline) for surface damage.

Field clearance complete, land user consent, map and supporting documents are all attached for your information and reference.

cc: Permits West, Inc.  
Project file

**EXHIBIT "C"**

**TERMS AND CONDITIONS  
FOR APPLICATION FOR PERMIT TO DRILL (APD)**

**Burlington Resources Oil & Gas Company, LP (APPLICANT)**

**"Hoodoo #1S" Well, Pipeline and Ancillary Facilities (Project)**

1. The term of the Permit shall not exceed twenty (20) years, beginning on the date the Application for Permit to Drill (APD) is approved by the Secretary of Interior.
2. The Drill Pad shall be limited to an area not to exceed 205 feet by 240 feet (1.13 acres), the road corridor shall be 348.7 feet by 20 feet (0.16 acres), and 3.5" O.D. poly glass gas line and 2.375" O.D. poly water line corridor shall be 5,228.62 feet by 20 feet final disturbed width (2.40 acres).
3.
  - a. ☐ Consideration to the Navajo Nation for the grant of the Permit and associated rights-of-way within the lease boundary shall be N/A , and shall be paid in full to the Controller of the Navajo Nation, in lawful money of the United States, and a copy of the receipt for such payment provided to the Navajo Nation Minerals Department, or its successor, within Ten (10) days of approval of and consent to the grant of the Permit by the Navajo Nation.
  - b. ☒ No consideration is assessed because the Applicant has a state lease and the facilities are within the lease area.
  - c. ☐ No consideration is assessed because the lease held by the Applicant was granted by the Navajo Nation.
4. The Applicant may use and occupy the area under the Permit for the purpose(s) of Drilling, Constructing, Operating and Maintaining the well and associated pipeline and ancillary facilities. The Applicant may not develop, use or occupy the area under the Permit for any other purpose without the prior written approval of the Navajo Nation and the Secretary of the Interior; the approval of the Navajo Nation may be granted, granted upon conditions or withheld in the sole discretion of the Navajo Nation. The Applicant may not use or occupy the area under the Permit for any unlawful purpose.
5. The Applicant or its assigns/operator shall provide the Navajo Nation Minerals Department the following technical information as soon as it becomes available:
  - a. Suites of logs including drilling log.
  - b. Results of any drilling stem and pressure test conducted.
  - c. Well completion reports.
  - d. Core analysis if any.
  - e. Copies of any other special tests run on the drill holes.
  - f. Other information that may be requested by the Minerals Department
6. The Permit shall not cover any use of land off the permitted area.



7. If the Applicant fails to drill within one (1) year after final approval of the APD is given by U.S. Bureau of Land Management (BLM), the Permit shall be deemed to have expired unless extensions have been granted by BLM within the one (1) year time limit.
8. In all activities conducted by the Applicant within the Navajo Nation, the Applicant shall abide by all laws and regulations of the Navajo Nation and of the United States, now in force and effect or as hereinafter may come into force and effect, including but not limited to the following:
  - a. Title 25, Code of Federal Regulations, Part 169;
  - b. All applicable federal and Navajo Nation antiquities laws and regulations, with the following additional condition: In the event of a discovery all operations in the immediate vicinity of the discovery must cease and the Navajo Nation Historic Preservation Department must be notified immediately. As used herein, "discovery" means any previously unidentified or incorrectly identified cultural resources, including but not limited to archeological deposits, human remains, or location reportedly associated with Native American religious/ traditional beliefs or practices;
  - c. The Navajo Preference in Employment Act, 15 N.N.C. §§ 601 et seq., and the Navajo Nation Business Preference Law, 5 N.N.C. §§ 201 et seq.; and
  - d. The Navajo Nation Water Code, 22 N.N.C. §§ 1101 et seq.. Applicant shall apply for and submit all applicable permits and information to the Navajo Nation Water Development Department, or its successor.
9. The Applicant shall ensure that the air quality of the Navajo Nation is not jeopardized due to violation of applicable laws and regulations by its operations pursuant to the Permit.
10. The Applicant shall clear and keep clear the lands within the Permit area to the extent compatible with the purpose of the Permit, and shall dispose of all vegetation and other materials cut, uprooted, or otherwise accumulated during any surface disturbance activities.
11. The Applicant shall reclaim all surface lands disturbed lands related to the Permit, as outlined in a restoration and revegetation plan, which shall be approved by the Navajo Nation Environmental Protection Agency, or its successors (NNEPA) prior to any surface disturbance. The Applicant shall comply with all provisions of such restoration and revegetation plan and shall notify the Director of the NNEPA immediately upon completion of the surface disturbance activities so that a site inspection can be made.
12. The Applicant shall at all times during the term of the Permit and at the Applicant's sole cost and expense, maintain the land subject to the Permit and all improvements located thereon and make all necessary and reasonable repairs.
13. The Applicant shall obtain prior written permission to cross existing rights-of-way area, if any, from the appropriate parties.
14. The Applicant shall be responsible for and promptly pay all damages when they are sustained.
15. The Applicant shall indemnify and hold harmless the Navajo Nation and the Secretary of the Interior and their respective authorized agents, employees, landusers and occupants, against any liability for loss of life, personal injury and property damages arising from the development, use or occupancy or use of the area under the Permit by the Applicant.

16. The Applicant shall not assign, convey or transfer, in any manner whatsoever, the Permit or any interest therein, or in or to any of the improvements on the land subject to the Permit, without the prior written consent of the Navajo Nation and the Secretary of the Interior. Any such attempted assignment, conveyance or transfer without such prior written consent shall be void and of no effect. The consent of the Navajo Nation may be granted, granted upon conditions or withheld in the sole discretion of the Navajo Nation.
17. The Navajo Nation may terminate the Permit for violation of any of the terms and conditions stated herein. In addition, the Permit shall be terminable in whole or part by the Navajo Nation for any of the following causes:
  - a. Failure to comply with any terms and conditions of the Permit or of applicable laws or regulations;
  - b. A non-use of the Permit for the purpose for which it is granted for a consecutive two (2) year period;
  - c. An abandonment of the Permit; and
  - d. The use of the land subject to the Permit for any purpose inconsistent with the purpose for which the Permit is granted.
18. At the termination of the Permit, the Applicant shall peaceably and without legal process deliver up the possession of the premises, in good condition, usual wear and tear excepted. Upon the written request of the Navajo Nation, the Applicant shall provide the Navajo Nation, at the Applicant's sole cost and expense, with an environmental audit assessment of the premises at least sixty (60) days prior to delivery of said premises.
19. Holding over by the Applicant after the termination of the Permit shall not constitute a renewal or extension thereof or give the Applicant any rights hereunder or in to the land subject to the Permit or to any improvements located thereon.
20. The Navajo Nation and the Secretary shall have the right, at any reasonable time during the term of the Permit, to enter upon the premises, or any part thereof, to inspect the same and any improvement located thereon.
21. By acceptance of the grant of Permit, the Applicant consents to the full territorial legislative, executive and judicial jurisdiction of the Navajo Nation, including but not limited to the jurisdiction to levy fines and to enter judgments for compensatory and punitive damages and injunctive relief, in connection with all activities conducted by the Applicant within the Navajo Nation or which have a proximate (legal) effect on persons or property within the Navajo Nation.
22. By acceptance of the grant of the Permit, the Applicant covenants and agrees never to contest or challenge the legislative, executive or judicial jurisdiction of the Navajo Nation on the basis that such jurisdiction is inconsistent with the status of the Navajo Nation as an Indian nation, or that the Navajo Nation government does not possess full police power (i.e., the power to legislate and regulate for the general health and welfare) over all lands, persons and activities within its territorial boundaries, or on any other basis not generally applicable to a similar challenge to the jurisdiction of a state government. Nothing contained in this provision shall be construed to negate or impair federal responsibilities with respect to the land subject to the Permit or to the Navajo Nation.

23. Any action or proceeding brought by the Applicant against the Navajo Nation in connection with or arising out of the terms and conditions of the Permit shall be brought only in the Courts of the Navajo Nation, and no such action or proceeding shall be brought by the Applicant against the Navajo Nation in any court of any state.
24. Nothing contained herein shall be interpreted as constituting a waiver, express or implied, of the sovereign immunity of the Navajo Nation.
25. Except as prohibited by applicable federal law, the law of the Navajo Nation shall govern the construction, performance and enforcement of the terms and conditions contained herein.
26. The terms and conditions contained herein shall extend to and be binding upon the successors, heirs, assigns, executors, administrators, employees and agents, including all contractors and subcontractors, of the Applicant, and the term "Applicant," whenever used herein, shall be deemed to include all such successors, heirs, assigns, executors, administrators, employees and agents.
27. There is expressly reserved to the Navajo Nation full territorial legislative, executive and judicial jurisdiction over the area under the Permit and all lands burdened by the Permit, including without limitation over all persons, including the public, and all activities conducted or otherwise occurring within the area under the Permit; and the area under the Permit and all lands burdened by the Permit shall be and forever remain Navajo Indian Country for purposes of Navajo Nation jurisdiction.
28. Permittee shall comply with Environmental Protection Agency "Specific Terms and Conditions of Approval" attached hereto and incorporated into these terms and conditions.
29. The Grantee shall take practical measures to prevent the injury or death of waterfowl and other birds by the use of settling, evaporation and reserve pits. Measures may include, but are not limited to, covering said pits.



NAVAJO NATION  
ENVIRONMENTAL PROTECTION AGENCY  
OFFICE OF THE EXECUTIVE DIRECTOR  
P.O. Box 339, Window Rock, Navajo Nation, (AZ) 86515;  
Tel. (928) 871-7692 · Fax. (928) 871-7996  
Website: www.navajonationepa.org

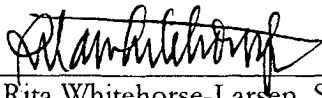


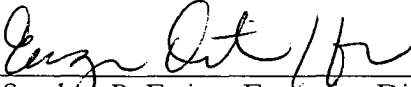
Joe Shirley, Jr.  
PRESIDENT

Ben Shelly  
VICE-PRESIDENT

M E M O R A N D U M

TO: Howard Draper, Program & Project Specialist  
Project Review Office  
Navajo Land Department  
Division of Natural Resources

FROM:   
Rita Whitehorse-Larsen, Sr Environmental Specialist  
Office Of Environmental Review

THROUGH:   
Stephen B. Etsitty, Executive Director  
Navajo Nation Environmental Protection Agency

DATE: February 26, 2007

SUBJECT: DNR-11504 Approving an application for permit to drill (APD) to  
Burlington Resources Oil & Gas Company LP to drill, construct, operate  
and maintain the Hoodoo #1S well, pipeline and ancillary facilities on,  
over and across Navajo Nation Trust Land within the Navajo Indian  
Irrigation Project (NIIP), San Juan County, New Mexico.

The Navajo Nation Environmental Protection Agency (NNEPA) has reviewed and recommends **conditional approval** due to the migration measures as set forth in the environmental assessment report (EA) and the general requirements.

Burlington Resources Oil & Gas Company LP (Burlington), 3401 E 30<sup>th</sup> Street, Farmington, New Mexico, 87402, submitted an APD to drill, construct, operate and maintain the Hoodoo #1S gas well, pipeline and construct associated ancillary facilities on, over and across Navajo Nation Trust Lands within the NIIP, San Juan County, New Mexico. The well pad consist of 205'x240"/1.13 acres, combined road/pipeline corridor 348.7'x40'/0.32 acres, pipeline corridor 4234.06'x40'/3.89 acres, more or less, in Section 16, T25N, R13W, NMPM. The new access road will contain a portion of the pipeline corridor. The total length of the proposed well-tie pipeline would be 4,582.76 feet.

The EA enclosed with the SAS packet stated that the proposed project will have a direct and

indirect effect to topography, soils, water resources, air resources, vegetation, socioeconomics, environmental modal/public health and safety, hazardous materials and visual resources. If the following mitigation measures as stated in the EA are adhered to, the proposed project will have a low and minimal impact to the environmental resources.

1. Following all construction activities, the re-contouring, reclamation and installation of erosion control devices of disturbed areas to as near as possible pre-construction conditions would lessen impacts to topography.
2. Establishment of permanent, perennial vegetation, installations of functional erosion control devices and Best Management Practices (BMPs) would decrease long term soil erosion impacts.
3. Fluids either stored on location or associated with the pipelines during all operations would be properly contained.
4. Suspended dust from construction could be reduced through applying water to disturbed areas and heavy traffic areas.
5. It would be Burlington's responsibility to monitor and control all invasive/noxious weeds within the proposed project area.
6. Vehicles would be restricted to the permitted area.
7. Burlington would implement Good Housekeeping Practices to minimize hazardous and non hazardous wastes impacts. Any releases would be contained and disposed of in accordance with federal or Navajo Nation regulations. All hazardous materials would be properly contained on site. If material is spilled into the soil, the soil will be shoveled and disposed of at approved disposal site.
8. The surface equipment will be painted to blend into surrounding ecosystem.
9. All construction activities would be confined to the permitted area only.
10. All hazards to livestock would be fenced or contained.
11. Applicant is requested to ensure that the impacted Navajo Nation Chapter is notified of the APD and provided with a photocopy of the EA.

## GENERAL REQUIREMENTS

### A. CASING AND CEMENTING REQUIREMENTS

1. All shows or flows of fresh or usable water will be reported and protected. Usable water is defined as containing less than 10,000 ppm total dissolved solids (TDS).
2. Surface shall be set at sufficient depth to protect intervals containing fresh water of 3,000 ppm or less TDS, with cement circulated to surface. The production casing shall also be set with cement circulated to surface.
3. Intervals containing usable water shall be protected with cement placed through the entire interval and placed at least 50 feet above and below the interval. At least one centralizer will be placed on each casing joint through the interval to be protected. A cement evaluation log and expert interpretation of the log is required to ensure isolation of all usable water zones not protected by two or more layers of casing and cement. Remedial cementing procedures may be required if zones containing usable water are not adequately protected by primary cement placement.
4. All casing strings shall be pressure tested for 30 minutes, after a sufficient time is allowed for cement to cure but not less than 8 hours. Surface casing shall be tested to not less than 600 psig. Other casing strings will be tested to 1500 psig or a pressure equal to 0.2 psi/ft times depth of casing, whichever is greater. If the pressure declines more than 5

percent in 30 minutes, or there is other indication of leakage, the casing shall be repaired and retested to the same standards.

5. The NNEPA Underground Injection Control Program ~ William Freeman, Senior Hydrologist, at 505/368-1040 email: [nnepauiic@cyberport.com](mailto:nnepauiic@cyberport.com) will be notified at least 48 hours in advance of cementing operations so that a representative may witness cementing of all casing strings.

#### B. REPORTING REQUIREMENTS

Submit the following reports to the NNEPA - Office of Environmental Review, attn: Senior Environmental Specialist, PO Box 339, Window Rock, Arizona 86515 within 30 days of work completion unless noted otherwise.

1. One copy of all Sundry Notices and Subsequent Reports (Form 3160-5) filed with BLM.
2. One copy of BLM Well Completion Report (Form 3160-4) within 30 days of well completion.
3. One copy of all logs run in the well, including the cement evaluation log and temperature survey and any water analyses obtained by the operator.
4. One copy of the BLM Notice of Intent to Abandon (Form 3160-5).
5. One copy of the BLM Subsequent Report of Abandonment (Form 3160-5) within 30 days of plugging the well.

NNEPA will contact your office by memorandum when Burlington Resources and Ecosphere Environmental, have addressed the general requirements as stated above in this memorandum. If there are any questions, please contact Rita Whitehorse-Larsen at 928/871-7188. Thank you.

Cc: Burlington Resources Oil & Gas Company LP, 3401 E 30<sup>th</sup> Street, Farmington, New Mexico, 87402  
Ecosphere Environmental Services, 4801 N Butler Ave Ste 15101, Farmington, New Mexico, 87401  
Harrilene Yazzie, NEPA Regional Coordinator, Navajo Region, BIA, Branch of Environmental, Cultural and Safety Management, PO Box 1060, Gallup, New Mexico 87305-1060  
NNEPA Underground Injection Control Program ~ William Freeman  
NNEPA chrono file

**BIOLOGICAL RESOURCES COMPLIANCE FORM**  
**NAVAJO NATION DEPARTMENT OF FISH AND WILDLIFE**  
**P.O. BOX 1480, WINDOW ROCK, ARIZONA 86515-1480**

COMPLIANCE	<input checked="" type="checkbox"/>
CONDITIONAL COMPLIANCE	<input type="checkbox"/>

It is the Department's opinion the project described below, with applicable conditions, is in compliance with Tribal and Federal laws protecting biological resources including the Navajo Endangered Species and Environmental Policy Codes, U.S. Endangered Species, Migratory Bird Treaty, Eagle Protection and National Environmental Policy Acts. This form does not preclude or replace consultation with the U.S. Fish and Wildlife Service if a Federally-listed species is affected.

PROJECT NAME & NO.: Hoodoo #1S

DESCRIPTION: Well, Pipeline and Ancillary Facilities

LOCATION: NAPI

REPRESENTATIVE: Howard Draper

ACTION AGENCY: Burlington Resources

B.R. REPORT TITLE / DATE / PREPARER: EA/Ecosphere Env./Nov. 2006

SIGNIFICANT BIOLOGICAL RESOURCES FOUND: NA

POTENTIAL IMPACTS

TRIBAL ENDANGERED SPECIES (G2 & G3) TAKEN: NA

FEDERALLY-LISTED SPECIES AFFECTED: NA

OTHER SIGNIFICANT IMPACTS TO BIOLOGICAL RESOURCES: NA

AVOIDANCE / MITIGATION MEASURES: NA

CONDITIONS OF COMPLIANCE\*: NA

FORM PREPARED BY / DATE: J. Cole/01/31/07

COPIES TO: (add categories as necessary)

- ☐ Navajo Environmental Protection Agency  
☐ U.S. Fish and Wildlife Service, NM Field Office  
☐ U.S. Fish and Wildlife Service, AZ Field Office

- ☐ BIA Navajo Region, Environmental Services  
☐ U.S. Fish and Wildlife Service, UT Field Office  
☐ (Other)

2 NTC § 164 Recommendation:

Signature

Date 1-31-07

- ☒ Approval  
☐ Conditional Approval (with memo)  
☐ Disapproval (with memo)  
☐ None (with memo)

Gloria M. Tom, Director, Navajo Nation Department of Fish and Wildlife

\*I understand and accept the conditions of compliance, and acknowledge that lack of signature may be grounds for the Department not recommending the above described project for approval to the Tribal Decision-maker.

Representative's signature

Date



# United States Department of the Interior

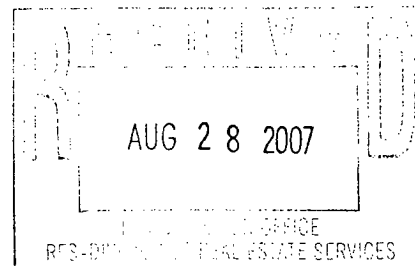
Bureau of Indian Affairs  
Navajo Region  
P. O. Box 1060  
Gallup, New Mexico 87305



MC 620: Division of Environmental, Cultural & Safety Management

## MEMORANDUM

AUG 23 2007



To: Regional Realty Officer  
Attention: Mr. Chuck Yarbrough

From: NEPA Coordinator *HJ*

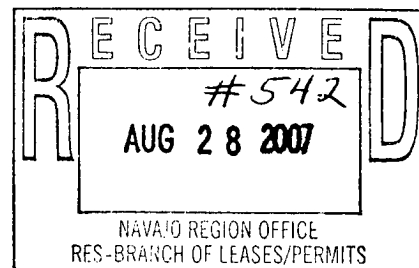
Through: Regional Environmental Scientist *Sandy Puntif*

Subject: FONSI-Hoo Doo # 1S, # 2, and # 2S Well Pad, Access Roads and Pipelines EA-07-047

The Environmental Assessment (EA), EA-07-047, for the Burlington Resources Oil and Gas Company, proposed Hoo Doo # 1S, # 2, and # 2S Well Pad, Access Roads and Pipelines on 5.93 acres for Hoo Doo # 1S, 4.32 acres of Hoo Doo # 2, and 7.08 acres of Hoo Doo # 2S on Navajo Tribal Trust land. The proposed project sites are all located approximately 23 miles south of Farmington, San Juan County, New Mexico and the submitted EA has been reviewed in the Division of Environmental, Cultural and Safety Management, Navajo Regional Office. A Finding of No Significant Impact (FONSI) has been determined for the proposed action. It will not have a significant impact on the quality of the natural and human environment. An environmental impact statement for the proposed project is not required.

If you have questions, you may contact Ms. Harilene J. Yazzie, Regional NEPA Coordinator, at (505) 863-8287.

Attachment





**FINDING OF NO SIGNIFICANT IMPACT  
ENVIRONMENTAL ASSESSMENT DOCUMENT, EA-07-047  
HOO DOO # 1S, # 2, AND # 2S WELL PAD, ACCESS ROAD AND PIPELINE**

**BURLINGTON RESOURCES OIL & GAS COMPANY**

**Location: Moncisco Wash, NM, Quadrangles, USGS 7.5 Minute Series Maps  
Section 16, T25N, R13W, NMPM  
South of Farmington, San Juan County, New Mexico**

The proposed action is approval of a right-of-way (ROW) grant, by the Bureau of Indian Affairs, for constructions of: 205-foot by 240-foot well pad; the total length of well-tie pipeline will be 5,228.62-foot long, which will include: 348.7-foot of new access road and pipeline within the same corridor, and the remaining pipeline corridor will be 4,879.92-foot long. The road and pipeline will be in the same 40-foot corridor. The project will affect 5.93 acres of Navajo Tribal Trust land located approximately 22 miles south of Farmington, San Juan County, New Mexico.

The proposed action is approval of a right-of-way (ROW) grant, by the Bureau of Indian Affairs, for constructions of: 205-foot by 240-foot well pad; the total length of well-tie pipeline will be 3,477-foot long, which will include: 3,370-foot long of new access road and pipeline within the same corridor, and the remaining pipeline corridor will be 107-foot long. The road and pipeline will be in the same 40-foot corridor. The project will affect 4.32 acres of Navajo Tribal Trust land located approximately 23 miles south of Farmington, San Juan County, New Mexico.

The proposed action is approval of a right-of-way (ROW) grant, by the Bureau of Indian Affairs, for constructions of: 205-foot by 240-foot well pad; the total length of well-tie pipeline will be 4,205.22-foot long, which will include: 3,751.93-foot new access road and pipeline within the same corridor, and the remaining pipeline corridor will be 453.29-foot long pipeline. The road and pipeline will be within the same 60-foot corridor. The project will affect 7.08 acres of Navajo Tribal Trust land located approximately 22 miles south of Farmington, San Juan County, New Mexico.

The project is sponsored by the Burlington Resources Oil and Gas Company L.P., 3401 East 30<sup>th</sup> Street Farmington, New Mexico 87401.

The project environmental assessment (EA) was reviewed in the Division of Environmental, Cultural and Safety Management, Navajo Regional Office. Based on the environmental assessment and the mitigation measures specified in the document, it is determined that the proposed action will not have a significant impact on the natural and human environment. Therefore, in accordance with the National Environmental Policy Act, Section 102 (2) (C), an environmental impact statement will not be required.

The following references, incorporated in the environmental assessment, serve as the bases for this decision:

1. Agency and public involvement was solicited. Environmental issues relative to right-of-way approval for the proposed project were identified. Alternative courses of action and mitigation measures were developed in response to environmental concerns and issues.
2. The EA disclosed the environmental consequences of the proposed and "no action" alternatives.

3. In compliance with the Endangered Species Act, informal consultation was held with the Navajo Nation Department of Fish and Wildlife (NNDFW), Natural Heritage Program (NHP). Although the NNDFW has no record of species of concern occurring on or near the project site at this time, it identified six species of concern with potential to occur on the *Moncisco Wash, NM, USGS, 7.5-Minute Quadrangle* containing the project boundaries. On May 1 and 16, 2006, Ecosphere conducted a TES pedestrian survey for the proposed project. All plant and wildlife species and indicators of wildlife use observed in the area were recorded and digital photos of the project area were taken. Binoculars were used to survey for raptors and potential nest habitat. No Navajo Nation species of concern, or signs thereof, were observed in the proposed project area and none of the federally list threatened and endangered species have a potential to occur in the project area or general vicinity; therefore, all species are eliminated from further impact consideration in the Biological Evaluation (Biological Evaluation, Appendix B). The pronghorn species occurs in grassland or desert scrub habitat, as well as in open, rolling terrain and dissected hills or mesas that have scattered shrubs and tree (Mikesic, et. al. 2005). There are no records of pronghorn utilizing the proposed project or general vicinity. The project area is suitable foraging habitat for the Golden eagle; however, no golden eagles, nests or signs thereof were seen in the project area or vicinity during the field survey. No nesting habitat for Ferruginous hawks occurs in the proposed project area; however, the overall landscape of the proposed project area and general vicinity includes desert grasslands, which could providing foraging opportunities for Ferruginous hawks. No suitable nest structures for this raptor are located in the vicinity of the proposed project area. It is recommended that construction and operation shall not take place during breeding season from April to August when nest destruction is possible (Appendix-Biological Evaluation). The plant survey of the project area was conducted on May 1, 2006. The proposed project area provides suitable habitat for San Juan milkweed; however, they were not observed during the field survey. The NNDFW issued Biological Resources Compliance Form (BRCF), NNDF & WL Review No. 03-29-07A indicating compliance with Tribal and Federal laws protecting biological resources (Appendix-BRCF).

4. Potential impacts to flood plains and wetlands by the proposed project have been evaluated in accordance with Executive Orders 11988 and 11990 respectively. There are no floodplain and perennial surface water resources in the vicinity of the proposed projects, including: wetlands, springs, riparian areas or well defined ephemeral drainages (EA, Part 3.2.1).

5. Water Resources- there are no perennial surface water resources in the vicinity of the proposed projects, including: wetlands, springs, riparian areas or well defined ephemeral drainages. Surface water on these project sites occurs primarily as runoff from snowmelt and thunderstorms. There are no perennial streams located in the proposed project area; thereof, water quality certification is not needed for the projects as well as Clean Water Act Section 404 because there are no wetlands features (EA, Parts 3.2, 3.2.1.1 & 3.2.1.3).

6. In compliance with the National Historic Preservation Act of 1966, as amended, Section 106 and 36 CFR 800.9 (b), a cultural resources inventory was conducted on the project area by Western Archaeological Services. The Navajo Nation Historic Preservation Department (NNHPD) issued Cultural Resources Compliance Form (CRCF), NNHPD No. HPD-06-364-Revised indicating, "No historic properties affected" (Appendix-CRCF).

In the event of a discovery [discovery means any previously unidentified or incorrectly identified cultural resources including, but not limited to, archaeological deposits, human remains, or locations reportedly associated with Native American religious/traditional beliefs or practices] all operations in the immediate vicinity of the discovery must cease, and the Navajo Nation Historic Preservation Department must be notified.

7. RCRA, Subtitles C and D, Hazardous and Non-Hazardous Waste- generation of hazardous materials (gasoline, diesel, and propane) is potentially expected and the proper authorities shall be consulted regarding disposal. Solid waste materials will be generated as a result of construction activities associated as part of the project. All trash shall be placed in a portable trash cage and hauled to an approved landfill. Trash shall not be buried or burned. Chemical toilets shall be used for human waste and disposed at approved dump stations (EA, Part 3.8.2).

8. Air Resources- there will be a short-term increase in dust during construction of the proposed project and there will be a local increase in combustive emissions from operating vehicles. Water shall be applied for dust control and vehicular traffic shall be limited to approved locations to reduce combustive emissions and dust (EA, Part 4.3).

9. Noise levels – short term impacts to noise associated with the proposed action would be transient operations limited to the construction and drilling phase of the project, and includes increased traffic to adjacent roads. No long-term impacts to noise levels are anticipated (EA, Part 3.10.2).

10. Noxious Weeds- there are no known invasive or non-native species in the project area (EA, Part 3.4.3.1). If noxious weeds become established in the project area, the operator shall contact the Navajo Nation Department of Agriculture regarding management and control of noxious weeds. The NNEPA, Pesticide Enforcement and Development Program may be contacted regarding pesticide/herbicide applicators.

11. Cumulative and secondary effects on soil, water, air, noise, vegetation, cultural resources, and wildlife resources (species and habitat) were considered, and the proposed mitigation measures were found to be acceptable.

12. In accordance with Executive Order 12898 on Environmental Justice, impacts to minority and low-income populations and communities have been considered by the Regional NEPA Coordinator, as have impacts to Indian Trust Resources.

The proposed action would allow production of national energy resources as well as production of oil.

  
Regional NEPA Coordinator

8/23/07

Date

COMPANY: Burlington Resources Oil & Gas, Co., LP. LEASE NO: ST-OV-VA-2346-5 WELL NAME: HOO DOO 1-S  
FOOTAGE: 660' FNL/ 660' FWL LOCATION: Section 16, Township 25 North, Range 13 West  
COUNTY: San Juan STATE New Mexico

**BUREAU OF INDIAN AFFAIRS**  
**Surface Management Stipulations**

1. Lessee will carry on all operations in a workmanlike manner in accordance with approved methods and practices.
2. Lessee will abide by and conform to appropriate provisions of Title 25, 36 and 43 Code of Federal Regulations, and any and other applicable regulations and manuals of the Secretary now or hereafter in force relative to surface leasing, rights-of-way and oil and gas leases (including the National Environmental Protection Act, as amended, and National Area Environment Protection guidelines; the National Historic Preservation Act of 1966, as amended, and Archaeological Resources Protection Act, hereinafter referred to as NEPA, NHPA, ARPA and other applicable laws, 36 CFR 800 43 CFR 7).
  - a. Prior to issuing any cultural clearance, the Bureau of Land Management will consult with the Navajo Nation Historic Preservation Department, P.O. Box 2898, Window Rock, Arizona 86515, and provide copies of all historic preservation and related documents associated with an undertaking. The Navajo Nation contracted the Navajo Area Archaeology Office under Public Law 93-638.
  - b. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes. Lessee will submit a development plan for surface use to the Area Manager, Farmington Resource Area, Bureau of Land Management, 1235 La Plata Highway, Farmington, New Mexico 87401. An Environmental Analysis will be made by the Bureau of Land Management in consultation with the Bureau of Indian Affairs Navajo Regional Office for the purpose of ensuring proper protection of the surface, the natural resources, the environment and existing improvements, and for assuring timely reclamation of disturbed lands. Upon completion of said environmental analysis, the Oil and Gas District Manager will notify Lessee of the conditions to which the proposed surface disturbing operations will be subject. (Note: Prior to start of operations, Lessee will furnish a copy of its development plan and Bureau of Land Management conditions to the BIA. The Bureau of Indian Affairs reserves the right to require site specific archaeological surveys and environmental reviews on tracts selected for development prior to giving concurrence to proposed action(s). The Bureau of Indian Affairs will consult with the Navajo Nation prior to concurring in such action(s).
3. The Lessee will not use or permit to be used any part of said leased land for any unlawful conduct or purpose whatsoever. Lessee will not use or permit to be used any of said leased land for the manufacture, sale, gift, transportation, or storage of intoxicating liquors, beverages or drugs. In the event any representative of Lessee or its contractor or subcontractor, employed in connection with the operations on the lease premises will be responsible for any of the unlawful acts described in this clause, the Bureau of Land Management will give Lessee information as to such violation(s) with a copy of the notice to Bureau of Indian Affairs and the Navajo Nation. Lessee shall immediately take steps to cure the violations, including the termination or transfer of such employee. (25 CFR 162.604; 18 U.S.C. Sections 1151, 1154 and 1156, as amended).
4. Vehicular access to the well site will be limited to the approved access road. Additional unapproved accesses to the well site materializing during the existence of the well will be processed as trespass.
5. Reserve pits or any other lined or unlined open dirt pit(s) will not be used to store produced water. Produced water will be stored in metal tanks or fiber glass enclosures.
6. Erosions forming in the access roads will be corrected. Preventive measures will be the operator's discretion. A permanent side road of the erosion is prohibited.
7. Except as otherwise state herein, copies of correspondence and notices will be mailed to the Bureau of Indian Affairs in care of the Regional Director, Navajo Region Office, Attention: RES/Branch of Leases/Permits, Bureau of Indian Affairs, P.O. Box 1060, Gallup, New Mexico 87305-1060.

COMPANY: Burlington Resources Oil & Gas, Co., LP. LEASE NO: ST-OV-VA-2346-5 WELL NAME: HOO DOO 1-S  
FOOTAGE: 660' FNL/ 660' FWL LOCATION: Section 16, Township 25 North, Range 13 West  
COUNTY: San Juan STATE New Mexico

## NAVAJO NATION STIPULATIONS

### Surface Management Stipulations

1. The surface ownership and/or jurisdiction of lands contained in this lease may be all or partly in the Navajo Nation. Site specific rights-of-way clearances and/or inventories may be required prior from the Navajo Nation before entry upon the surface for operation of the lease holdings. Prior contact with and approval of the Navajo Nation will be required before operations beginning. All applicable laws of the Navajo Nation (including tax laws, water codes, archaeological clearance, requirements of Environmental Protection Administration, etc.) must be complied with by the Lessee.
2. The Navajo Nation Minerals Department requires a copy of complete exploration and development data (drilling logs, seismic data, etc.) that are obtained by the Lessee on the subject lands be submitted as the information is available, at no cost. Such material and data will be held confidential as described in 43 CFR 3162.8.
3. Navajo grazing rights will be protected, and the Navajo Nation's rights respecting the use of water will be unimpaired.
4. Lessee will not use any waters of the Navajo Nation (e.g., wells, tanks, rivers, springs, washes, creeks, stock water reservoirs, etc.), without a water use permit issued by the Navajo Nation Water Code Administration. Lessee will not drill any water wells for its use without a drilling permit from the Water Code Administration.
5. Lessee will compensate the Navajo Nation and its grazing permittees (if any), for all surface use(s) as well as damages to crops, buildings, and other improvements of a surface landowner, including loss of grazing lands, occasion by the Lessee's operations, except that the Lessee will not be held responsible for casualties occasioned by causes beyond the Lessee's control. Compensation for surface use will be negotiated by Lessee and the Navajo Nation and will be based upon the area and level of disturbance, and duration of activity on the land.
6. Lessee will not drill any well within 500 feet of any house, structure, or reservoir of water, live stream, or other body of water without the written consent of the Navajo Nation Minerals Department and the Water Code Administration.
7. Lessee will bury, at minimum of four feet, all pipelines crossing tillable lands below plow depth unless other arrangements are made with the Navajo Nation.
8. Upon the request of the Navajo Nation Water Code Administration, or if so required by Navajo Regional Director or his authorized representative, and under the direction of the Field Manager, Bureau of Land Management, Lessee will condition any well drilled which does not produce oil or gas in paying quantities, but which is capable of producing water satisfactorily for domestic, agricultural or livestock use by the Navajo Nation. Otherwise, after the expiration or termination of the lease, Lessee will remove all pumping equipment installed by Lessee at any well.