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JUL 14 1986

CERTIFIED--RETURN RECEIPT REQUESTED

Lively Exploration Company
1010 First National Bank Building P 294 970 071
Houston, TX 77002

Gentlemen:

A recent inspection by members of my staff showed that the following work needs to be done to bring your No. 7-E Lively well located 1840' FSL and 1100' FWL, sec. 35, T. 30 N., R. 8 W., lease number SF-078385-A into compliance:

Areas of pad not needed for production and old reserve pit area need to be seeded with BLM seed mix No. 2. As stipulated in your approved APD, drilling of the seed will be done on the contour where possible. Where slopes are too steep for contour drilling a "cyclone" hand-seeder or similar broadcast seeder will be used, using twice the recommended seed per acre. Seed will then be covered to a depth of one-half inch to three-quarter inch. The seeding shall be done between July 15 to September 1, 1986.

We should be notified by letter or Sundry Notice when the surface restoration is completed. We will schedule an inspection to check the well site after the grass has had a chance to become established.

If you have any questions, please contact the Fluids Surface Management Staff at (505) 325-4572.

Sincerely,

John S. McKee

John S. McKee
John S. McKee
Acting Area Manager

RECEIVED

SEP 23 1986

OIL CON. DIV.
DIST 3

cc: Ferraiuolo

016:IFerraiuolo:mcb:7/10/86