

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUL 09 2013

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

Farmington Field Office
Bureau of Land Management

5. Lease Serial No. **072578-A**
SF-078587-A
6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Burlington Resources Oil & Gas Company LP		8. Well Name and No. Howell K 1
3a. Address PO Box 4289, Farmington, NM 87499	3b. Phone No. (include area code) (505) 326-9700	9. API Well No. 30-045-09313
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface Unit K (SWNE), 1750' FSL & 1650' FWL, Sec. 21, T30N, R8W		10. Field and Pool or Exploratory Area Blanco MV
		11. Country or Parish, State San Juan New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

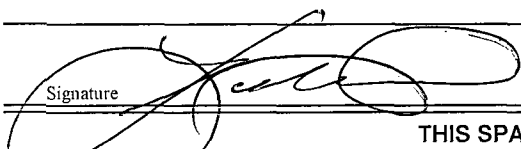
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Drill
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Monitor Wells
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once Testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

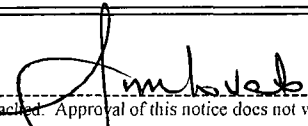
Burlington Resources Oil & Gas Company LP requests permission to drill a monitoring well for the subject location per the attached State of New Mexico Office of the State Engineer application. Burlington Resources also requests the BLM to sign the application as a joint applicant since the location is on BLM surface. Please see the attached history & proposed plan for the monitoring wells.

RCVD JUL 19 '13
OIL CONS. DIV.
DIST. 3

Accepted For Record **SEE ATTACHED FOR CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Kenny Davis	Title Staff Regulatory Technician
Signature 	Date 6/27/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by 	Title Petr. Eng	Date 7/8/13
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instruction on page 2)

NMOCDA

Howell K 1 NOI Attachment

Environmental investigation began in August 2005 when hydrocarbon impacted soils were discovered during below grade tank removal activities in an area SW of the Howell K No. 1 wellhead. Subsequently, an excavation was dug of approximately 70 x 50 x 36 feet deep, at which point activities were halted for safety reasons. Groundwater was encountered at approximately 34 feet bgs, however, the vertical extent of hydrocarbon impacts had not been delineated.

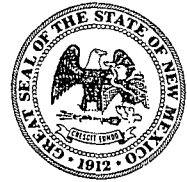
Monitor Well MW-1 was installed during March 2006, and monitor wells MW-2, MW-3, and MW-4 were installed during August 2008 in response to a request from the NMOCD for additional site characterization and enhanced laboratory analyses. From 2008 through 2010, All site monitor wells were sampled and groundwater was analyzed for dissolved iron, dissolved manganese, sulfate, fluoride, and for benzene, toluene, ethylbenzene and xylenes (BTEX). BTEX analysis was discontinued after December 2010, as eight consecutive quarters of BTEX constituents being under regulatory levels had been reached. Site wells are sampled annually during September for dissolved iron, dissolved manganese, sulfate and fluoride.

Monitor wells MW-1 will be plugged (see P&A Plan) and MW-1R drilled immediately east.

- 1) This well is being installed solely to monitor groundwater; they will not be used for any exploratory purposes.
- 2) Monitor well is being installed due to New Mexico Oil Conservation Division (NMOCD) request for further monitoring Ground water in the area. Monitoring will continue until all constituents of concern are below regulatory standards for Eight consecutive quarters, appear stable, or reach regional background levels.
- 3) Once site closure has been obtained, a copy of no further action (NFA) notice will be provided to the BLM.
- 4) Once NFA has been reached, monitor wells will be plugged and abandoned in accordance with New Mexico Office Of the State Engineer (NMOSE) regulations.

New monitor well will be completed with an HAS Drill Rig constructed of 2" PVC casing with a stick up surface completion. Monitor wells will have a minimum of 15 feet of 0.010 screen with a 10/20 sand pack. A bentonite seal will be placed above the sand pack and the annulus grouted to the surface.

NEW MEXICO OFFICE OF THE STATE ENGINEER

APPLICATION FOR PERMIT TO DRILL A WELL
WITH NO CONSUMPTIVE USE OF WATER

(check applicable box):

For fees, see State Engineer website: <http://www.ose.state.nm.us/>

Purpose: ☐ Pollution Control And / Or Recovery ☐ Geo-Thermal
☐ Exploratory ☐ Construction Site De-Watering ☐ Other (Describe):
☒ Monitoring ☐ Mineral De-Watering

A separate permit will be required to apply water to beneficial use.

☐ Temporary Request - Requested Start Date: Requested End Date:
Plugging Plan of Operations Submitted? ☒ Yes ☐ No

1. APPLICANT(S)

Name: CRA for ConocoPhillips Company	Name: Bureau Of Land Management
Contact or Agent: Kelly Blanchard check here if Agent <input checked="" type="checkbox"/>	Contact or Agent: Jim Lovato check here if Agent <input type="checkbox"/>
Mailing Address: 6121 Indian School Rd NE, Suite 200	Mailing Address: PO Box 4289
City: Albuquerque	City: Farmington
State: NM Zip Code: 87110	State: NM Zip Code: 87499
Phone: (505) 975-2563 <input type="checkbox"/> Home <input checked="" type="checkbox"/> Cell Phone (Work): (505) 884-0672	Phone: <input type="checkbox"/> Home <input type="checkbox"/> Cell Phone (Work): 505-564-7735
E-mail (optional): keblanchard@craworld.com	E-mail (optional): jlovato@blm.gov

FOR OSE INTERNAL USE

Application for Permit, Form wr-07, Rev 4/12/12

File Number:	Trn Number:
Trans Description (optional):	
Sub-Basin:	
PCW/LOG Due Date:	

2. WELL(S) Describe the well(s) applicable to this application.

Location Required: Coordinate location must be reported in NM State Plane (NAD 83), UTM (NAD 83), or Latitude/Longitude (Lat/Long - WGS84).

District II (Roswell) and District VII (Cimarron) customers, provide a PLSS location in addition to above.

- ☐ NM State Plane (NAD83) (Feet)
 ☐ UTM (NAD83) (Meters)
 ☒ Lat/Long (WGS84) (to the nearest 1/10th of second)
- ☐ NM West Zone
 ☐ Zone 12N
- ☐ NM East Zone
 ☐ Zone 13N
- ☐ NM Central Zone

Well Number (if known):	X or Easting or Longitude:	Y or Northing or Latitude:	Provide if known: -Public Land Survey System (PLSS) (Quarters or Halves , Section, Township, Range) OR - Hydrographic Survey Map & Tract; OR - Lot, Block & Subdivision; OR - Land Grant Name
MW-1R	-107, 41' 05.80"	36, 47' 40.27"	

NOTE: If more well locations need to be described, complete form WR-08 (Attachment 1 – POD Descriptions)

Additional well descriptions are attached: ☐ Yes ☒ No If yes, how many 1

Other description relating well to common landmarks, streets, or other: Nearest intersection is NM173 and NM 511

Well is on land owned by: BLM

Well Information: NOTE: If more than one (1) well needs to be described, provide attachment. Attached? ☒ Yes ☐ No
If yes, how many 1

Approximate depth of well (feet): 40.00

Outside diameter of well casing (inches): 2.00

Driller Name: National EWP

Driller License Number: WD 1210

3. ADDITIONAL STATEMENTS OR EXPLANATIONS

Monitor Wells MW-1 Installation unknown, not permitted. This well will be plugged (see P&A plan) and MW-1R drilled immediately east.

FOR USE INTERNAL USE

Application for Permit, Form wr-07

File Number:

Trn Number:

4. **SPECIFIC REQUIREMENTS:** The applicant must include the following, as applicable to each well type. Please check the appropriate boxes, to indicate the information has been included and/or attached to this application:

Exploratory: <input type="checkbox"/> Include a description of any proposed pump test, if applicable.	Pollution Control and/or Recovery: <input type="checkbox"/> Include a plan for pollution control/recovery, that includes the following: <input type="checkbox"/> A description of the need for the pollution control or recovery operation. <input type="checkbox"/> The estimated maximum period of time for completion of the operation. <input type="checkbox"/> The annual diversion amount. <input type="checkbox"/> The annual consumptive use amount. <input type="checkbox"/> The maximum amount of water to be diverted and injected for the duration of the operation. <input type="checkbox"/> The method and place of discharge.	Construction De-Watering: <input type="checkbox"/> Include a description of the proposed dewatering operation, <input type="checkbox"/> The estimated duration of the operation, <input type="checkbox"/> The maximum amount of water to be diverted, <input type="checkbox"/> A description of the need for the dewatering operation, and, <input type="checkbox"/> A description of how the diverted water will be disposed of.	Mine De-Watering: <input type="checkbox"/> Include a plan for pollution control/recovery, that includes the following: <input type="checkbox"/> A description of the need for mine dewatering. <input type="checkbox"/> The estimated maximum period of time for completion of the operation. <input type="checkbox"/> The source(s) of the water to be diverted. <input type="checkbox"/> The geohydrologic characteristics of the aquifer(s). <input type="checkbox"/> The maximum amount of water to be diverted per annum. <input type="checkbox"/> The maximum amount of water to be diverted for the duration of the operation. <input type="checkbox"/> The quality of the water.
Monitoring: <input checked="" type="checkbox"/> Include the reason for the monitoring well, and, <input checked="" type="checkbox"/> The duration of the planned monitoring.	<input type="checkbox"/> The method of measurement of water produced and discharged. <input type="checkbox"/> The source of water to be injected. <input type="checkbox"/> The method of measurement of water injected. <input type="checkbox"/> The characteristics of the aquifer. <input type="checkbox"/> The method of determining the resulting annual consumptive use of water and depletion from any related stream system. <input type="checkbox"/> Proof of any permit required from the New Mexico Environment Department. <input type="checkbox"/> An access agreement if the applicant is not the owner of the land on which the pollution plume control or recovery well is to be located.	Geo-Thermal: <input type="checkbox"/> Include a description of the geothermal heat exchange project, <input type="checkbox"/> The amount of water to be diverted and re-injected for the project, <input type="checkbox"/> The time frame for constructing the geothermal heat exchange project, and, <input type="checkbox"/> The duration of the project. <input type="checkbox"/> Preliminary surveys, design data, and additional information shall be included to provide all essential facts relating to the request.	<input type="checkbox"/> The method of measurement of water diverted. <input type="checkbox"/> The recharge of water to the aquifer. <input type="checkbox"/> Description of the estimated area of hydrologic effect of the project. <input type="checkbox"/> The method and place of discharge. <input type="checkbox"/> An estimation of the effects on surface water rights and underground water rights from the mine dewatering project. <input type="checkbox"/> A description of the methods employed to estimate effects on surface water rights and underground water rights. <input type="checkbox"/> Information on existing wells, rivers, springs, and wetlands within the area of hydrologic effect.

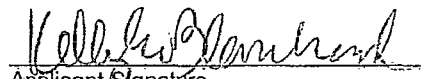
ACKNOWLEDGEMENT

I, We (name of applicant(s)), **Kelly Blanchard**

Jim Lovato

Print Name(s)

affirm that the foregoing statements are true to the best of (my, our) knowledge and belief.



Applicant Signature

Applicant Signature

ACTION OF THE STATE ENGINEER

This application is:

☐ approved ☐ partially approved ☐ denied

provided it is not exercised to the detriment of any others having existing rights, and is not contrary to the conservation of water in New Mexico nor detrimental to the public welfare and further subject to the attached conditions of approval.

Witness my hand and seal this _____ day of _____ 20 _____, for the State Engineer,

_____, State Engineer

By:

Signature

Print

Title:

Print

FOR OSE INTERNAL USE

Application for Permit, Form wr-07

File Number:

Trn Number:



NEW MEXICO OFFICE OF THE STATE ENGINEER



ATTACHMENT 1 POINT OF DIVERSION DESCRIPTIONS

This Attachment is to be completed if more than one (1) point of diversion is described on an Application or Declaration.

a. Is this a: <input type="checkbox"/> Move-From Point of Diversion(s) <input type="checkbox"/> Move-To Point of Diversion(s)		b. Information on Attachment(s): Number of points of diversion involved in the application: <u>3</u> Total number of pages attached to the application: <u>1</u>	
<input type="checkbox"/> Surface Point of Diversion OR <input checked="" type="checkbox"/> Well			
Name of ditch, acequia, or spring:			
Stream or water course:			
Tributary of:			
c. Location (Required): Required: Move to POD location coordinate must be either New Mexico State Plane (NAD 83), UTM (NAD 83), or Lat/Long (WGS84)			
NM State Plane (NAD83) (feet) NM West Zone <input type="checkbox"/> NM Central Zone <input type="checkbox"/> NM East Zone <input type="checkbox"/>	UTM (NAD83) (meters) Zone 13N <input type="checkbox"/> Zone 12N <input type="checkbox"/>	<input type="checkbox"/> Lat/Long-- (WGS84) 1/10 th of second	OTHER (allowable only for move-from descriptions - see application form for format) <input type="checkbox"/> PLSS (quarters, section, township, range) <input type="checkbox"/> Hydrographic Survey, Map & Tract <input type="checkbox"/> Lot, Block & Subdivision <input type="checkbox"/> Grant
POD Number: MW-1R	X or Longitude SEE PREVIOUS Y or Latitude	Other Location Description:	
POD Number: MW-5	X or Longitude SEE PREVIOUS Y or Latitude	Other Location Description:	
POD Number: MW-6	X or Longitude SEE PREVIOUS Y or Latitude	Other Location Description:	
POD Number:	X or Longitude Y or Latitude	Other Location Description:	
POD Number:	X or Longitude Y or Latitude	Other Location Description:	
POD Number:	X or Longitude Y or Latitude	Other Location Description:	
POD Number:	X or Longitude Y or Latitude	Other Location Description:	
POD Number:	X or Longitude Y or Latitude	Other Location Description:	
POD Number:	X or Longitude Y or Latitude	Other Location Description:	

FOR OSE INTERNAL USE

Form wr-08

POD DESCRIPTIONS - ATTACHMENT 1

File Number:	Trn Number:
Trans Description (optional):	

TABLE 1

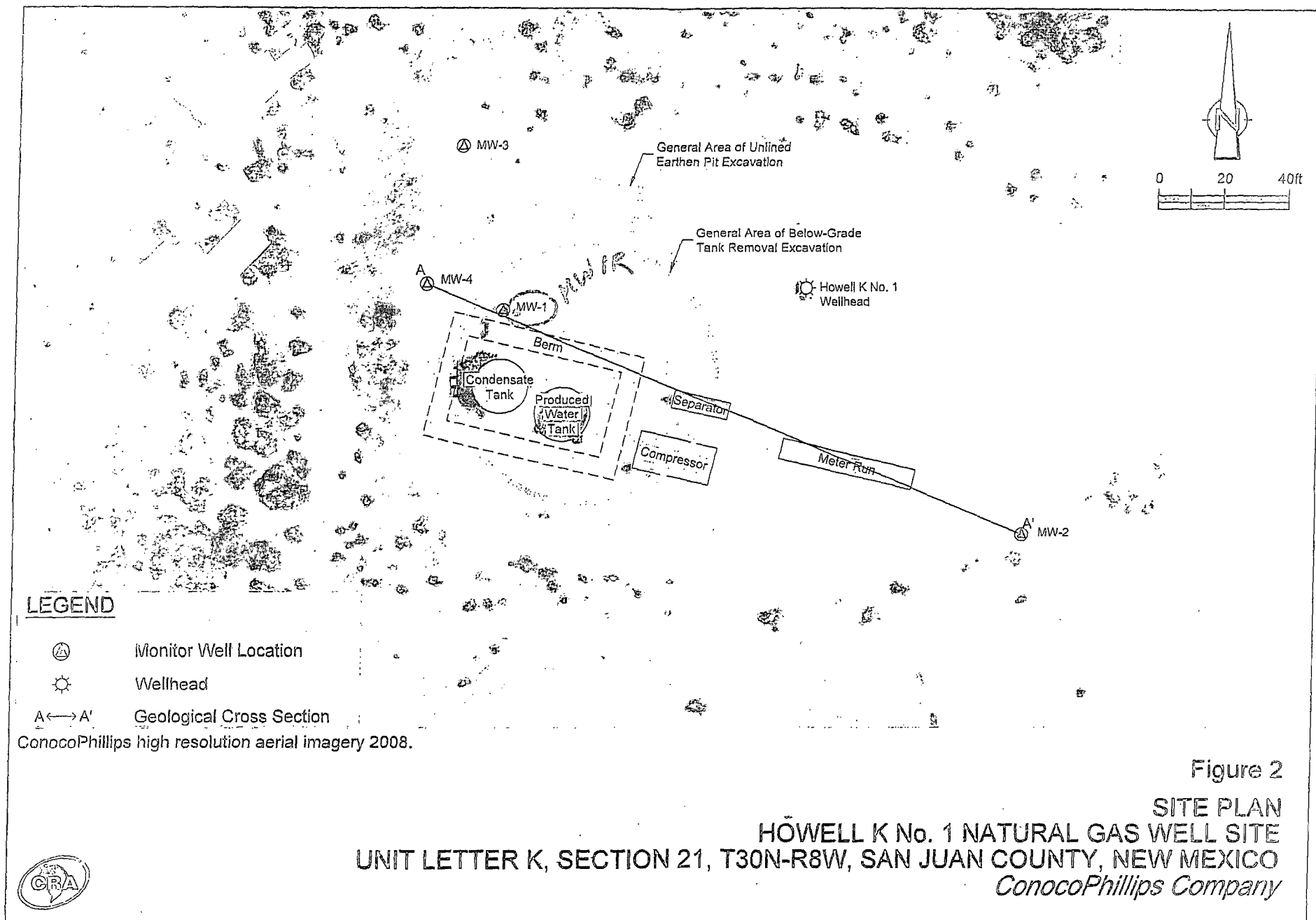
SITE HISTORY TIMELINE
CONOCOPHILLIPS COMPANY
SAN JUAN COUNTY, NEW MEXICO
HOWELL K NO. 1

<i>Date/Time Period</i>	<i>Event/Action</i>	<i>Description/Comments</i>
July 26, through August 18, 2005	Initial Site assessment	Environmental investigation began with the excavation of approximately 4000 cubic yards of impacted soil from an area southwest of the Howell K No.1 well head. Impacted soils were discovered during the removal activities of a below grade tank. Dimensions of the excavation were approximately 70 feet long by 50 feet wide by 36 feet deep. Groundwater was encountered at approximately 34 feet and soils were still impacted at 36 feet deep, the point at which excavation machinery was stopped at the practical limit for safe operation. The total vertical extent of hydrocarbon impacts were not completely delineated. Soil was treated with 600 total gallons of potassium permanganate solution. The excavation area was backfilled with clean soil.
March 10, 2006	Groundwater monitor well installation	One ground water monitor well, MW-1, was installed in the center of the backfilled excavation by Envirotech.
March 31, 2006	Site transfer	ConocoPhillips Company completed acquisition of Burlington Resources.
March and June 2007	Groundwater monitoring not performed	After the acquisition of Burlington Resources by ConocoPhillips, consulting responsibilities were transferred from Lode Star LLC of Farmington New Mexico to Tetra Tech of Albuquerque. Due to the transition, first and second quarter sampling of 2007 was not performed.
November 9, 2007 through March 19, 2008	Groundwater monitoring	Tetra Tech began sampling the Howell K No. 1 site quarterly in November 2007. Groundwater was sampled from MW-1 and was analyzed for BTEX constituents. No constituents were detected at levels that exceeded the NMWQCC standards.
April 1, 2008	Additional monitoring requested by OCD	Oil Conservation Division of NM Energy, Minerals, and Resources Dept. indicates additional investigation and sampling is necessary for closure consideration during a meeting with Glenn Von Gonten.
July 23, 2008	Groundwater monitoring postponed	Groundwater monitoring of MW-1 was postponed after it was found that there was an obstruction caused by settling and shifting of the MW-1 casing. It was determined that the obstruction could be avoided by using a smaller bailer to collect samples. Sampling was postponed and was set to follow upcoming monitor well installation so that proper sampling materials could be used.
August 13 and 14, 2008	Groundwater monitor well installation and groundwater monitoring	Three additional groundwater monitor wells (MW-2, MW-3 and MW-4) were installed by WDC and overseen by Tetra Tech. MW-2 was installed upgradient of MW-1. Both MW-3 and MW-4 were installed downgradient of MW-1. All wells were developed by purging approximately 80 gallons of water using a surge block and a purge pump. A sample was collected from MW-1 on August 14th. A 1/2-inch disposable bailer was used to avoid an obstruction in MW-1. The sample was analyzed for BTEX constituents. All constituents were below NMWQCC standards.
October 24, 2008	Groundwater monitoring	Third quarter 2008 groundwater monitoring was completed and was the first quarter of sampling to include all four monitor wells on site. A baseline suite was completed including major ions, total metals, semi-volatile organic compounds (SVOCs), volatile organic compounds (VOCs) including BTEX, diesel range organics, and gasoline range organics. All BTEX constituents were below NMWQCC standards. All four wells were above the standard for sulfate.
January 30, 2009	4th quarter 2008 groundwater monitoring	Tetra Tech conducted fourth quarter 2008 groundwater monitoring at the site for BTEX constituents in all four monitor wells. All wells were below NMWQCC standards for BTEX.
September 25, 2009	2009 annual groundwater monitoring	Tetra Tech conducted 2009 annual groundwater monitoring of MW-2, MW-3 and MW-4 for BTEX, dissolved iron, dissolved manganese, sulfate, and fluoride. All three wells were below NMWQCC standards for BTEX. All three wells were above standard for sulfate. Dissolved manganese was above standard in MW-3 and MW-4 and fluoride was above standard in MW-4. Dissolved metals analyses conducted for the first time since standards are based on dissolved metals testing. OCD concurred, allowing total metals testing to be discontinued.

TABLE 1

SITE HISTORY TIMELINE
CONOCOPHILLIPS COMPANY
SAN JUAN COUNTY, NEW MEXICO
HOWELL K NO. 1

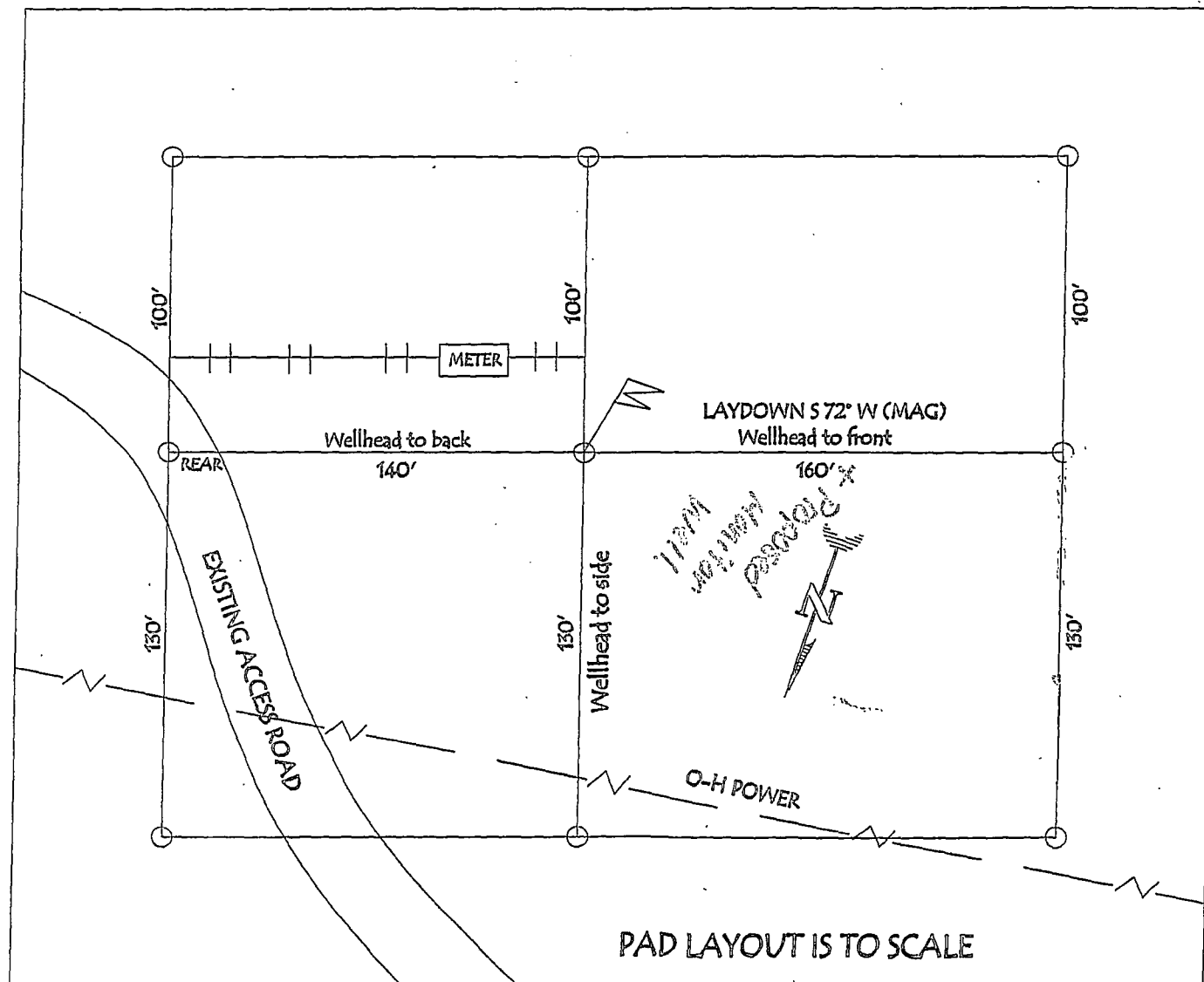
<i>Date/Time Period</i>	<i>Event/Action</i>	<i>Description/Comments</i>
October 18, 2009	Groundwater monitoring	Tetra Tech conducted 2009 annual groundwater monitoring of MW-1 for BTEX, dissolved iron, dissolved manganese, sulfate, and fluoride. MW-1 was below NMWQCC standards for BTEX. Sulfate, dissolved manganese and dissolved iron were above standard in MW-1.
December 15, 2010	Groundwater monitoring	Tetra Tech conducted quarterly groundwater monitoring at the site for BTEX, dissolved iron, dissolved manganese, sulfate and fluoride. All four monitor wells are below NMWQCC standards for BTEX. All four monitor wells were above the standard for sulfate. MW-1, MW-3 and MW-4 were above standard for dissolved manganese and MW-1 and MW-3 were also above the standard for dissolved iron.
March 30, 2010	Groundwater monitoring	Tetra Tech conducted quarterly groundwater monitoring at the site for BTEX, dissolved iron, dissolved manganese, and sulfate. All four monitor wells were below NMWQCC standards for BTEX. All four monitor wells were above the standard for sulfate. MW-1, MW-3 and MW-4 were also above the standard for dissolved manganese.
June 8, 2010	Groundwater monitoring	Tetra Tech conducted quarterly groundwater monitoring at the site for BTEX, dissolved iron, dissolved manganese, and sulfate. All four monitor wells were below NMWQCC standards for BTEX. All four monitor wells were above the standard for sulfate. MW-1, MW-3 and MW-4 were above the standard for dissolved manganese. MW-1 was also above the standard for dissolved iron.
September 23, 2010	Groundwater monitoring	Tetra Tech conducted quarterly groundwater monitoring at the site for BTEX, dissolved iron, dissolved manganese, fluoride and sulfate. All four monitor wells were below NMWQCC standards for BTEX. All four monitor wells were above the standard for sulfate. MW-1, MW-3 and MW-4 were above the standard for dissolved manganese. MW-1 was also above standard for dissolved iron.
December 15, 2010	Groundwater monitoring	Tetra Tech conducted quarterly groundwater monitoring at the site for BTEX, dissolved iron, dissolved manganese, fluoride and sulfate. MW-3 was observed to be dry during this monitoring event, which was likely due to an interface probe malfunction. MW-1, MW-2 and MW-4 were sampled. All three sampled monitor wells are below NMWQCC standards for BTEX. MW-1 and MW-4 were above the standards for sulfate, dissolved manganese, and dissolved iron. Monitor well MW-4 was also found to be above the standard for fluoride.
March 15, 2011	Groundwater monitoring	First quarter of groundwater monitoring with BTEX analysis discontinued; MW-1, MW-2, MW-3, and MW-4 were sampled and analyzed for dissolved iron, dissolved manganese, fluoride and sulfate.
June 15, 2011	Transfer of site consulting responsibilities	On June 15, 2011, site consulting responsibilities were transferred from Tetra Tech of Albuquerque, NM to Conestoga-Rovers & Associates (CRA) of Albuquerque, NM.
June 23, 2011	Groundwater monitoring	Second quarter of groundwater monitoring with BTEX analysis discontinued; MW-1, MW-2, MW-3, and MW-4 were sampled and analyzed for dissolved iron, dissolved manganese, fluoride and sulfate.
October 11 and 12, 2011	Groundwater monitoring	Third quarter of groundwater monitoring with BTEX analysis discontinued; MW-1, MW-2, MW-3, and MW-4 were sampled and analyzed for dissolved iron, dissolved manganese, fluoride and sulfate.
October 3, 2012	Groundwater monitoring	MW-1, MW-2, MW-3, and MW-4 were sampled and analyzed for dissolved iron, dissolved manganese, fluoride and sulfate.



BURLINGTON RESOURCES OIL & GAS COMPANY LP
HOWELL K #1

1750' FSL & 1650' FWL, ELEV. 5778

SEC 21, T30N & R8W, SAN JUAN COUNTY, NM



Conditions of Approval

Operator: Burlington Resources Oil & Gas Company LP
Well Name: Howell K #1
Legal Location: 1750' FSL, 1650' FWL, Section 21, T 30 N, R 8 W
Lease Number: NMSF 078587-A

The following conditions of approval will apply to Burlington Resources Oil & Gas Company LP, Howell K #1 existing well pad, unless a particular Surface Managing Agency or private surface owner has supplied to Bureau of Land Management and the operator a contradictory environmental stipulation. The failure of the operator to comply with these requirements may result in the assessment of liquidated damages or penalties pursuant to 43 CFR 3163.1 or 3163.2.

Site Specific Stipulations

Operational Approval: This approval is for the temporary use of a 60' x 100' off the NW end of the Howell K #1 well pad existing well pad. This operational approval allows for a temporary use area to Dill a Monitoring well on the Howell K #1 well pad. Any additional use of the Howell K #1 well pad will require separate approval by the Authorized Officer (AO).

Reclamation: On the existing Burlington Resources Oil & Gas Company LP, Howell K #1 Where vehicular travel has occurred as a "convenience" and interim reclamation/vegetation has been compromised, immediate remediation of the affected areas is required. Additionally, where erosion has occurred and compromised the reclamation of the well location, the affected area must be promptly remediated so that future erosion is prevented and the landform is stabilized.

Damage to Roads: Any road drainage structures (silt traps, culverts, drainage ditches or water turnouts) that are damaged or destroyed during the temporary use of the Burlington Resources Oil & Gas Company LP, Howell K #1 will be rebuilt or replaced by Burlington Resources Oil & Gas Company LP, as per the authorized officer.

Seeding: All disturbed areas, except for the access road driving surface, the shoulders and well pad, inside of the anchors, will be re-seeded.

Seed Mix

Type	Variety or Cultivator	PLS/A
Indian Ricegrass	Paloma or Rimrock	6.0
Four-wing Saltbush	Unknown	4.0

Species shall be planted in pounds of pure live seed per acre: Present Pure Live Seed (PLS) = Purity X Germination/100. Two lots of seed can be compared on the basis of PLS as follows:

Source No. One (poor quality)	Source No. two (better quality)
Purity 50 percent	Purity 80 percent
Germination 40 percent	Germination 63 percent
Percent PLS 20 percent	Percent PLS 50 percent
5 lb. bulk seed required to make 1 lb. PLS	2 lb. bulk seed required to make 1 lb. PLS

Seed mixtures used must be certified. There will be no primary or secondary noxious weeds in seed mixture. Seed labels from each bag will be available for inspection while seed is being sown.

FARMINGTON COPY

NMOC

Time Frame: Disturbed areas will be re-contoured and re-seeded within 30 days of final construction. The timeframe may be extended on a case-by-case basis with AO approval. Seeding will be repeated if a satisfactory stand is not obtained as determined by the AO upon evaluation after the second growing season.

Seeding Techniques: Before seeding compacted areas will be ripped to a depth of 12" and disked to a depth of six inches. A disk-type drill with two boxes for various seed sizes will be used. The drill rows will be eight to ten inches apart and seed planted one-half inch to one inch deep. A drag, packer or roller will follow the seeder to ensure uniform seed coverage and adequate compaction. Drilling will be done on the contour where possible, not up and down the slope. Where the slope is too steep for contour drilling a "cyclone" hand seeder or similar broadcast seeder will be used. Seed will be covered to the depth described above by whatever means is practical, i.e. hand raked. If the seed is not covered, the prescribed seed mixture amount (pounds/acre/PLS) will be doubled.

Land Farming: No excavation, remediation or closure activities will be authorized without prior approval on any federal or Indian mineral estate, federal surface or federal ROW. A Sundry Notice (DOI, BLM Form 3160-5) must be submitted with an explanation of the remediation or closure plan for on-lease actions.

Site Condition: Well pad area will be maintained in a workmanlike manner and sanitary condition with due regard to safety, conservation and appearance at all times. A regular maintenance program shall include.

Waste Disposal: Waste materials produced during all phases of operation will be disposed of promptly in an approved manner so it will not impact the air, soil, water, vegetation or animals. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes and equipment. All liquid waste, completion fluids and drilling products associated with oil and gas operations will be contained and then buried in place, or removed and deposited in an approved disposal site. Portable toilets will remain on site throughout well pad construction, drilling and reclamation.

Cultural Resources

Construction, construction maintenance or any other activity outside the areas permitted by the Sundry Notice will require additional approval and may require a new cultural survey and clearance.

Employee Education: All employees of the project will be informed cultural sites are to be avoided by all personnel, personal vehicles and company equipment. They will also be notified it is illegal to collect, damage or disturb cultural resources.

Discovery of Cultural Resources in the Absence of Monitoring: If, in its operations, operator/holder discovers any previously unidentified historic or prehistoric cultural resources, then work in the vicinity of the discovery will be suspended and the discovery promptly reported to Bureau of Land Management Field Manager. The Bureau of Land Management will then specify what action is to be taken. If there is an approved "discovery plan" in place for the project, then the plan will be executed. In the absence of an approved plan, the Bureau Land Management will evaluate the significance of discovery and consult with the State Historic Preservation Officer in accordance with 36 CFR Section 800.11. Minor recordation, stabilization, or data recovery may be performed by a Bureau of Land Management or permitted cultural resources consultant. If warranted, more extensive treatment by a permitted cultural resources consultant may be required of the operator/holder prior to allowing the project to proceed. Further damage to significant cultural resources will not be allowed until any required treatment is completed. Failure to notify the Bureau of Land Management about a discovery may result in civil or criminal penalties in accordance with the Archeological Resources Protection Act of 1979 (as amended).

Discovery of Cultural Resources during Monitoring: If monitoring confirms the presence of previously unidentified cultural resources, then work in the vicinity of the discovery will be suspended and the monitor will promptly report the discovery to the Bureau of Land Management Field Manager. The Bureau of Land Management will then specify what action is to be taken. If there is an approved "discovery plan" in place for the project, then the plan will be executed. In the absence of an approved plan, the Bureau of Land Management will evaluate the significance of the discovery and consult with the State Historic Preservation Officer in accordance with 36 CFR Section 800.11. A Bureau of Land

Management or permitted cultural resources consultant may perform minor recordation, stabilization, or data recovery. If warranted, more extensive treatment by a permitted cultural resources consultant may be required of the operator/holder prior to allowing the project to proceed. Further damage to significant cultural resources will not be allowed until any required treatment is completed.

Damage to Sites: If, in its operations, operator/holder damages, or is found to have damaged any previously documented or undocumented historic or prehistoric cultural resources, excluding "discoveries" as noted above, the operator/holder agrees at his/her expense to have a permitted cultural resources consultant prepare and have executed a Bureau of Land Management approved data recovery plan. Damage to cultural resources may result in civil or criminal penalties in accordance with the Archeological Resources Protection Act of 1979 (as amended).