

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED  
ELECTRONIC REPORT  
JUL 27 2018  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**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.*

5. Lease Serial No.  
14206041949

6. If Indian, Allottee or Tribe Name  
UTE MOUNTAIN UTE

7. If Unit or CA/Agreement, Name and/or No.

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

|   |  |  |
|---|--|--|
| 1. Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other                    |  | 8. Well Name and No.<br>UTE 2                              |
| 2. Name of Operator<br>BIYA OPERATORS INC<br>Contact: JUBAL S TERRY<br>E-Mail: Jterry@diversifiedresourcesinc.com                                   |  | 9. API Well No.<br>30-045-10463-00-S1                      |
| 3a. Address<br>801 W. MINERAL AVE. STE 202<br>LITTLETON, CO 80120   | 3b. Phone No. (include area code)<br>Ph: 303-797-5417 Ext: 232<br>Fx: 303-797-5418 | 10. Field and Pool or Exploratory Area<br>HORSESHOE GALLUP |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Sec 23 T31N R16W SWSE 660FSL 1980FEL<br>36.881058 N Lat, 108.491549 W Lon |  | 11. County or Parish, State<br>SAN JUAN COUNTY, NM         |

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"/> Hydraulic Fracturing | <input checked="" 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 type="checkbox"/> Other          |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       |   |
|  | <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 recomplete 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 recompletion 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.

Pursuant to the Notice of Incidents of Noncompliance #18RJ0131 BIYA Operators, Inc. respectfully submits the site sampling and Semi-Annual reporting work plan for the Hicks #2 Line release.

SEE ATTACHED  
CONDITIONS OF APPROVAL

NMOCD  
OCT 04 2018  
DISTRICT III

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #428959 verified by the BLM Well Information System  
For BIYA OPERATORS INC, sent to the Durango  
Committed to AFMSS for processing by ASHLEY HITCHELL on 07/27/2018 (18ACH0334SE)**

|                                    |                        |
|------------------------------------|------------------------|
| Name (Printed/Typed) JUBAL S TERRY | Title V.P. EXPLORATION |
| Signature (Electronic Submission)  | Date 07/27/2018        |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |                  |                        |
|---|------------------|------------------------|
| Approved By <i>[Signature]</i>  | Title <i>MSC</i> | Date <i>10/17/2018</i> |
| 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. |                  | Office                 |

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.

(Instructions on page 2)

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

NMOCD

*[Handwritten mark]*

**Revisions to Operator-Submitted EC Data for Sundry Notice #428959**

|                | <b>Operator Submitted</b>  | <b>BLM Revised (AFMSS)</b>   |
|----------------|--|--|
| Sundry Type:   | RECL<br>NOI  | RECL<br>NOI  |
| Lease:         | 14206041949  | 14206041949  |
| Agreement:     |  |  |
| Operator:      | BIYA OPERATORS, INC.<br>801 W. MINERAL AVE. SUITE 202<br>LITTLETON, CO 80120<br>Ph: 303-797-5417                                     | BIYA OPERATORS INC<br>801 W. MINERAL AVE. STE 202<br>LITTLETON, CO 80120<br>Ph: 303.797.5417<br>Fx: 303-797-5418                     |
| Admin Contact: | JUBAL S TERRY<br>V.P. EXPLORATION<br>E-Mail: Jterry@diversifiedresourcesinc.com<br><br>Ph: 303-797-5417 Ext: 232<br>Fx: 303-797-5418 | JUBAL S TERRY<br>V.P. EXPLORATION<br>E-Mail: Jterry@diversifiedresourcesinc.com<br><br>Ph: 303-797-5417 Ext: 232<br>Fx: 303-797-5418 |
| Tech Contact:  | JUBAL S TERRY<br>V.P. EXPLORATION<br>E-Mail: Jterry@diversifiedresourcesinc.com<br><br>Ph: 303-797-5417 Ext: 232<br>Fx: 303-797-5418 | JUBAL S TERRY<br>V.P. EXPLORATION<br>E-Mail: Jterry@diversifiedresourcesinc.com<br><br>Ph: 303-797-5417 Ext: 232<br>Fx: 303-797-5418 |
| Location:      |  |  |
| State:         | NM   | NM   |
| County:        | SAN JUAN   | SAN JUAN   |
| Field/Pool:    | HORSESHOE GALLUP   | HORSESHOE GALLUP   |
| Well/Facility: | UTE 2<br>Sec 23 T31N R16W Mer NMP SWSE 660FSL 1980FEL<br>36.881058 N Lat, 108.491549 W Lon   | UTE 2<br>Sec 23 T31N R16W SWSE 660FSL 1980FEL<br>36.881058 N Lat, 108.491549 W Lon   |



July 26, 2018

SMA #5127323

BLM Tres Rios Field Office  
29211 Highway 187  
Dolores, CO 81323  
Attn: Mr. Ryan Joyner

**RE: SITE SAMPLING AND SEMI-ANNUAL REPORTING WORK PLAN FOR THE HICKS #2  
LINE LEAK**

Dear Mr. Joyner:

Souder, Miller & Associates (SMA) is pleased to submit this work plan for semi-annual sampling and reporting at the BIYA Operators, Inc. (BIYA), Hicks #2 Line Leak release site. The site is located in Unit O (SW ¼ SE ¼), Section 23, Township 31 North, Range 16 West; GPS: 36.881443°, -108.493920°, in San Juan County, New Mexico on Ute Mountain Ute Tribal lands within the jurisdiction of the Bureau of Land Management (BLM).

**Background**

SMA was contacted by BIYA in March 2016 regarding the line release discovered on March 12, 2015. On March 17, 2016, an SMA representative met with BIYA and Ute Mountain Ute Tribe (UMUT) representatives to conduct a walk through of the site from the source of the release and along the spill path. On March 25, 2016, SMA representatives returned to the site to conduct additional site investigation and photo documentation.

On October 18, 2016, SMA representatives and UMUT representative, Mr. Colin Larrick, were present as soil bore drilling was conducted by Mo-Te Drilling Company, Inc. Two soil borings were drilled to a maximum depth of six (6) feet below ground surface. Soil samples from the borings were analyzed at one-foot intervals for EPA Method 8015 for GRO and DRO, EPA Method 8021 for BTEX, and EPA Method 300.0 for Chloride. A table of laboratory results is displayed on the attached Figure 1.

On behalf of BIYA, on May 17, 2017, SMA submitted a Pre-Construction Notice for a Nationwide Permit #38 to the Army Corp of Engineers (USACE). On June 28, 2017, SMA received a Nationwide Permit Verification letter from Mr. Chris Wrbas, USACE.

On June 1, 2017, an SMA representative met on site with BIYA representatives, Bureau of Indian Affairs (BIA), and BLM representatives to conduct a site walk through.

July 26, 2018

At the end of the final semi-annual monitoring event in 2020, SMA will make recommendations for cessation or continuation of monitoring and submit the recommendations to the BLM, BIA, and Ute Mountain Ute Tribe for review.

Based on analytical results, BIYA will request closure of the incident or submit a work plan for site remediation.

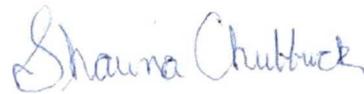
If there are any questions regarding this report, please contact myself or Shawna Chubbuck at 505-325-7535.

Sincerely,

Souder, Miller & Associates



Ashley Maxwell  
Staff Scientist



Shawna Chubbuck  
Senior Scientist

**Figures:**

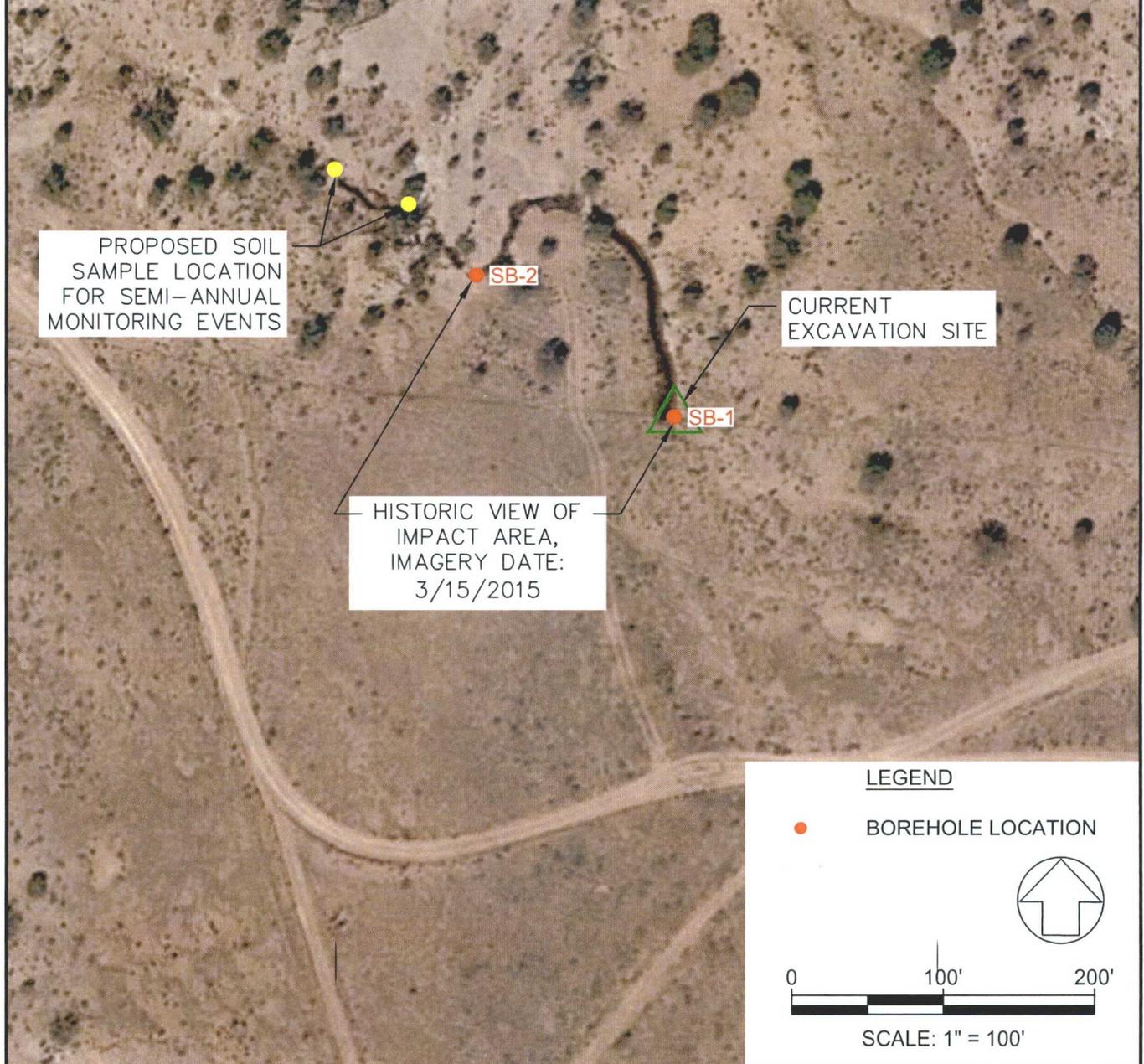
Figure 1: Site Map

**Attachment:**

Standards for Spill Clean-up and Reclamation Ute Mountain Ute Tribe 2018  
BIYA Timeline

| Date             | Time  | Sample ID | Sample Depth (Feet BGS) | Method 8015 GRO | Method 8015 DRO | Method 8021 Benzene | Method 8021 BTEX | Method 300.0 Chloride |
|------------------|-------|-----------|-------------------------|-----------------|-----------------|---------------------|------------------|-----------------------|
| NMOCD Guidelines |       |           |                         | 100             |                 | 10 ppm              | 50 ppm           |                       |
| 10/18/2017       | 11:08 | SB1-1     | 1                       | 4200            | 19000           | -                   | -                | -                     |
| 10/18/2017       | 11:28 | SB1-2     | 2                       | 3800            | 26000           | 0.95                | 64.45            | 54                    |
| 10/18/2017       | 11:33 | SB1-3     | 3                       | 6.9             | 190             | <0.024              | <0.096           | 77                    |
| 10/18/2017       | 11:36 | SB1-4     | 4                       | <4.9            | <9.9            | <0.024              | <0.098           | 40                    |
| 10/18/2017       | 11:41 | SB1-5     | 5                       | <4.7            | <9.8            | <0.023              | <0.094           | <30                   |
| 10/18/2017       | 11:43 | SB1-5.5   | 5.5                     | <4.7            | <9.9            | <0.023              | <0.093           | <30                   |
| 10/18/2017       | 11:49 | SB1-6     | 6                       | <5.0            | <10             | <0.025              | <0.099           | <30                   |
| 10/18/2017       | 13:08 | SB2-1     | 1                       | <4.6            | 9900            | -                   | -                | -                     |
| 10/18/2017       | 13:17 | SB2-2     | 2                       | <4.8            | 26              | <0.024              | <0.095           | <30                   |
| 10/18/2017       | 13:23 | SB2-3     | 3                       | <4.6            | <9.8            | <0.023              | <0.092           | <30                   |
| 10/18/2017       | 13:28 | SB2-4     | 4                       | <5.0            | <10             | <0.025              | <0.10            | <30                   |
| 10/18/2017       | 13:33 | SB2-5     | 5                       | <5.0            | <9.8            | <0.025              | <0.10            | <30                   |

Red indicates that laboratory detection limit exceeded at least one screening level/standard



**SOUDER, MILLER & ASSOCIATES**  
 401 West Broadway Avenue  
 Farmington, NM 87401-5907  
 Phone (505) 325-7535 Toll-Free (800) 519-0098 Fax (505) 326-0045  
 Serving the Southwest & Rocky Mountains  
 www.soudermiller.com

BIYA WATERFLOW, NEW MEXICO

|                         |           |             |
|-------------------------|-----------|-------------|
| Designed SH             | Drawn DJB | Checked RSA |
| Date: June 2018         |           |             |
| Scale: Horiz: 1" = 100' |           |             |
| Vert: NA                |           |             |
| Project No: 5127323     |           |             |
| <b>FIGURE 1</b>         |           |             |

**SITE MAP**  
**HICKS #2 LINE LEAK**

**Standards for Spill Clean-up and Reclamation**  
**Ute Mountain Ute Tribe**  
**2018**

Note: Samples must be collected by a qualified professional and samples analyzed by a qualified laboratory (EPA certification recommended). At a minimum sufficient quality assurance/quality control data should be provided with analyses. These should be sent to Scott Clow, Environmental Programs Director, PO Box 448, Towaoc, CO 81334, or delivered to 520 Sunset Blvd. Towaoc, CO during regular business hours of 8 am to 4:30 pm, Monday through Friday. Other contact information: (970) 564-5432; FAX (970) 565-2651; cellular phone (970) 570-3546.

The Ute Mountain Ute Environmental Programs Department can do sampling on behalf of the Operator/Leasee with the understanding that analytical costs will be reimbursed to the Tribe.

**Pollutant Concentrations in Soil and Water**

| CONCENTRATION LEVELS                              | Contaminant of Concern | Concentrations           |
|---|------------------------|--------------------------|
| <b>Organic Compounds in Soil</b>                  |                        |                          |
| TPH (total volatile and extractable hydrocarbons) | hydrocarbon petroleum  | 500 mg/kg                |
| Benzene   |                        | 0.17 mg/kg <sup>2</sup>  |
| Toluene   |                        | 85 mg/kg <sup>2</sup>    |
| Ethylbenzene                                      |                        | 100 mg/kg <sup>2</sup>   |
| Xylenes (total)                                   |                        | 175 mg/kg <sup>2</sup>   |
| Acenaphthene                                      |                        | 1,000 mg/kg <sup>2</sup> |
| Anthracene  |                        | 1,000 mg/kg <sup>2</sup> |
| Benzo(A)anthracene                                |                        | 0.22 mg/kg <sup>2</sup>  |
| Benzo(B)fluoranthene                              |                        | 0.22 mg/kg <sup>2</sup>  |
| Benzo(K)fluoranthene                              |                        | 2.2 mg/kg <sup>2</sup>   |
| Benzo(A)pyrene                                    |                        | 0.022 mg/kg <sup>2</sup> |
| Chrysene  |                        | 22 mg/kg <sup>2</sup>    |
| Dibenzo(A,H)anthracene                            |                        | 0.022 mg/kg <sup>2</sup> |
| Fluoranthene                                      |                        | 1,000 mg/kg <sup>2</sup> |
| Fluorene  |                        | 1,000 mg/kg <sup>2</sup> |
| Indeno(1,2,3,C,D)pyrene                           |                        | 0.22 mg/kg <sup>2</sup>  |
| Napthalene  |                        | 23 mg/kg <sup>2</sup>    |

## Ute #2 (Hicks)

1. Historical line release discovered 3.12.2015
2. 3/13/2015 – 6/27/2015 Hired Riley Industries to begin Cleanup of contaminated soil.  
Two vac trucks and two dump trucks hauled 549 Yds<sup>3</sup> of contaminated soil and liquids to IEL.
3. 10/8/2015 Continued cleanup with crossfire and IEL
4. 11/15/2015 continued hauling contaminated soil to land farm.
5. 2/22/2016 Continued to haul contaminated soil to land farm.
6. 8/24/2016 Took samples to delineate contamination.
7. 10/18/2016 Took two cores to determine depth of contamination
8. 11/3/2016 11/26/2016 Continued sampling.
9. 4/12/2017 continued sampling
10. 6/14/2017-7/5/2017-Cleaned contaminated soil out of wash. Tried scrubbing sandstone by hand with dawn to draw out oil. This was determined to only help the surface look and was deemed to be a waste of time.
11. 7/20/2017-Scheduled sampling, but rescheduled due to scheduling conflicts with the tribe
12. 8/8/2017-sampled wash. Came up clean. During the sample it was determined that Diversified is on track with the remediation plan and it was time to move towards a bi-yearly monitoring plan (after the winter runoff and after monsoon season). Both Ryan Joyner of the BLM, Scott Clow of the UMU Tribe, Ashley Maxwell of SMA Associates, as well as Representatives for the BIA were all on site and present for this discussion.
13. 7/17/18- Jack hammered rock in wash

**Department Of Interior- Bureau of Land Management – Tres Rios Field Office – COAs**

**Well Name/Number: Ute #2**

**Operator: BIYA**

**Surface/Mineral Ownership: IND/IND**

**Leases: 14206041949**

**Location: (STR, QQ) S23,T31N, R16W**

**API:3004510463**

**PAD(X), ACCESS (), PIPELINE ()**

**REQUIREMENTS AT ALL SITES:**

1. Operator will submit all samples for site closure pursuant to the full table of “Standards for Spill Clean-up and Reclamation, UMU Tribe 2018”.

**At this site specifically:**

**Background:**

2. Operator must show evidence of properly capped pipeline. (See HSGU IMDA, Exhibit B, Page 3)
3. Operator must submit documentation of weekly field inspections for integrity of the silt fences to the BLM, UMU tribe, and BIA UMU agency until all contaminated materials have been removed.
4. Operator may not stock pile material in or adjacent to Arroyo. All material excavated for remedial activities will be contained in a steel container or equivalent device, capable of containing all liquid and solid materials.

**Sampling:**

5. Operator will submit discrete samples, for contaminated material where it is identified along the spill path.

**Winter Closure:**

6. Operator will remove the winter closer section of the approved work plan.

**Reclamation:**

7. Operator will amend reclamation standards to be appropriate for reclamation within an intermittent or ephemeral stream. Normal seeding, mulching and reclamation practices will need to be amended to be site appropriate for work in arroyos.
8. Operator will submit closure and final reports.
9. Operator will contact the BIA- UMU Agency to ascertain current seed prescriptions. A final reclamation plan will be submitted and approved by the BLM prior to implementation.
10. All prescribed work and COAs must be completed by December 17<sup>th</sup>, 2018.

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Ryan N. Joyner  
Natural Resource Specialist  
BLM-Minerals Division

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Date