United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO
3162 (07200)

SEP - 8 1999

Mr. Jeffery T. Schoenbacher
Burlington Resources
Environmental Representative
P.O Box 4289
Farmington, NM 87499-4289

Dear Mr. Schoenbacher:

We apologize for any inconvenience and delay in the processing of your request of June 4, 1999, concerning the conveyance of bradenhead water for the beneficial use of livestock and wildlife. Several key personnel were involved in other issues and were delayed in providing their responses.

My staff has conducted a review of your June 8, 1999, *Bradenhead Water Flows Attachment*, and visited the six proposed locations for bradenhead water delivery for livestock and wildlife use. It has been determined that the Bureau of Land Management (BLM) will grant approval on only a portion of your proposal and that additional information is necessary to properly complete your submittal. The following discussion will expand upon this.

1. The BLM will grant approval for the delivery of bradenhead water for the following locations only: (1) **Huerfanito Unit #11**, (2) **Huerfanito Unit #87**, and (3) **Luthy #1**.

The **Brookhaven Com D5** location is on state surface and mineral. Approval must be obtained from the New Mexico Oil Conservation Division (NMOCD).

The BLM has only mineral trust responsibility for **Kah Des Pah #1R** and **Navajo Indian B #3** wells. Although we recognize the limited beneficial uses of the produced water discharges, the uncontrolled impacts that grazing and other land uses would have on the adjacent drainage preclude further water releases. Therefore, remedial action on the **Kah Des Pah #1R** and **Navajo Indian B #3** are required to shut off the flow and establish zonal isolation of the usable water supply. Please submit your plans for remedial action to establish zonal isolation within 30 days after receipt of this letter.

2. Sundry Notices for the **Huerfanito Unit #11, Huerfanito Unit #87** and **Luthy #1** need to be re-submitted with the proper lease number identified on the form.

3. A copy of NMOCD's written concurrence/approval must be attached to your Sundry re-submittal for the **Huerfanito Unit #1, Huerfanito Unit #87,** and **Luthy #1.**

4. In accordance with the requirements of the Office of the State Engineer, Water Rights Division, Section 72-12-1 New Mexico Statutes, the grazing permittee must complete and sign an Application to Appropriate Underground Waters prior to BLM approval. The BLM will facilitate this action with the grazing permittee. Failure of the grazing permittee to do so will result in denial of that location for the delivery of bradenhead water. Remedial action will then be

required to establish zonal isolation within 30 days after notification from BLM.

5. Additional agreements and conditions between the grazing permittee, Burlington Resources, and BLM are included as Attachment A.

6. We suggest that the word "controlled" be replace for "continuous" in the second paragraph of Burlington's **Exhibit A - Livestock Drinking Water Beneficial Use Agreement.**

Under the provisions of 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of any instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from instruction, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.4 et. seq.

We look forward to continuing an open dialog with Burlington Resources on their bradenhead water issues. If you have additional questions, please contact Dale Wirth at (505) 599-6320.

Sincerely,

Joel E. Farrell
Assistant Field Manager for Resources

1 Enclosure -
Attachment A

cc: Mary Lou Drywater, BLM-FFO
Errol Becher, BLM-FFO
Jim Lovato, BLM-FFO
Ruben Sanchez, BLM-FFO
Ray Sanchez, BLM-FFO
NMOCD Aztec

bcc:
1. Brookhaven Com D #5 - State Mineral & Surface, sec.36, T. 27 N., R. 8 W., 1650'N 890'W
2. SF-078135, Huerfanito Unit #1, sec. 1, T. 26 N., R. 9 W., 990'N 990'E
3. SF-078135, Huerfanito Unit #87, sec. 1, T. 26 N., R. 9 W. 1550's 1750'W
4. Ind-603-771, Kah Des Pah #1R, sec. 18, T. 26 N., R. 8 W., 1850'S 250'W
5. SF-078622, Luthy #1, sec. 1, T. 26 N., R. 8 W., 790'S 990'E
6. 149-Ind-8468, Navajo Indian B #3, sec. 19, T. 27 N., R. 8 W., 1180'S 1450'W

L&RR Reader 07200:DWirth:dw/lc:9/7/99:Bradenhead2

BRADENHEAD FLOWS
BUREAU OF LAND MANAGEMENT
AGREEMENTS AND CONDITIONS

1. Burlington Resources is responsible for installing a shut off valve on the bradenhead to allow the grazing permittee to control the flow and volume of water.

2. The grazing permittee will be responsible for controlling and monitoring the amount of water by way of the bradenhead shut off valve. The continuous and uncontrolled flow of water will not be allowed.

3. Water containment is the responsibility of the grazing permittee.

4. The grazing permittee is responsible for the installation, maintenance, pipe and plumbing from the bradenhead control valve to the water containment structure(s). At the end of the grazing season the grazing permittee will make available water for wildlife throughout the year.

5. Burlington Resources and BLM are not responsible nor liable for any theft or vandalism associated with this project.

6. The grazing permittee will be required to locate the water containment structure(s), as appropriate, to minimize surface impacts to the well pad location and reduce liabilities to livestock and wildlife associated with oil and gas operations.

7. The grazing permittee will enter into an agreement with Burlington Resources with the form attached as **"Exhibit A"**.

BLM Representative	**Burlington Resources Representative**	**Grazing Permittee**
By: _____	_____	_____
Date: _____	_____	_____

Attachment A

Exhibit A

Livestock Drinking Water
Beneficial Use Agreement

This agreement sets out the conditions between grazing permittee and Burlington Resources Oil & Gas Company (Burlington Resources) related to the operation of the attached well location. This agreement is regarding the utilization of water flows originating form Burlington Resources well location, that are located on Bureau of Land Management (BLM) surface property. The purpose of this agreement is to clarify the mutual understanding between the permittee and Burlington Resources for the flow to be utilized for a livestock drinking water source.

Burlington Resources is willing to allow continuous water flow from the well under the following terms and conditions:

1. The grazing permittee accepts sole responsibility and liability associated with use of the water flow, including but not limited to any and all damages to livestock, crops, or surface property.

2. The grazing permittee is responsible for all costs associated with maintaining the water containment structures and associated piping and valves used for conveying the flow.

3. Burlington Resources does not warrant the quality nor quantity of the water or that the water from the well is acceptable or suitable for any use as drinking water for livestock. Furthermore, the permittee accepts the sole risk and expense to use this water for the intended purpose of watering livestock. As a result, the permittee agrees to indemnify and hold Burlington Resources harmless for any and all causes of action, lawsuits, claims, or damages related directly or indirectly to the water or use of the water.

4. Burlington Resources does not warrant that the water will continue to flow once the production of the well is no longer economically viable. Burlington Resources will allow the water to continue to flow (to the extent it flows) with the understanding that this condition is acceptable to all necessary government bodies or regulatory agencies with jurisdiction including but not limited to the Bureau of Land Management and the New Mexico Oil Conservation Division. If at anytime a government body or regulatory agency with jurisdiction does not approve of the flow from the production well, Burlington Resources has the right to take necessary steps to stop the flow or other wise comply with the mandate of any government body or regulatory agency.

5. If the use of the water from the well interferes in anyway with Burlington Resources operation of oil and gas leasehold interest, Burlington Resources has the right to immediately take all necessary action to stop the flow of water from the well location.

6. The permittee agrees never to sue Burlington Resources, affiliates, officers, directors, or employees for any cause of action, claim, or damages related directly or indirectly in any way to the flow of water from the well or the use of water.

By signing this document, both parties accept and agree to the terms and conditions set out above, please indicate so in the space provided below and return the original agreement to Burlington Resources in the envelope provided.

	Burlington Resource Representative	Grazing Permittee
By:	_____	_____
Date:	_____	_____