LKJ 7/25/X SF-078385-A (UC) 3162-1(a) (016)

Caller Service 4104 Farmington, New Mexico 87499 -

JUL 29 1986

CERTIFIED-RETURN RECEIPT REQUESTED P294-970-104

Lively Exploration c/o Hicks Oil and Gas P.O. Drawer 3307 Farwington, NH 87499

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 No. 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 AFB, 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 1 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,

(SGD.) STEVE HENKE

FOR

John S. Hckee Acting Area Manager

cc: Well file Suspense (Ferraiuolo) 016:IFerraiuolo csh:7/25/86