


BREITBURN OPERATING LP
Inspection Violation Corrections (Gilbert Cordero, Inspector)

| Well Name and Number | API Number | Inspection Number | Corrective Action / Date |
|-----------------------------|-------------------|--------------------------|------------------------------------|
| Guajalote A State No. 001 | 30-015-22422 | iGC1621738461 | Location sign installed 08/24/2016 |
| Conoco 7 State No. 002 | 30-015-23693 | iGC1621744023 | Location sign installed 08/24/2016 |
| Conoco 7 State No. 005 | 30-015-23920 | iGC1621745160 | Location sign installed 08/24/2016 |
| Conoco 7 State No. 007 | 30-015-23930 | iGC1621744839 | Location sign installed 08/24/2016 |
| Conoco 7 State No. 008 | 30-015-23931 | iGC1621745536 | Location sign installed 08/24/2016 |
| Conoco 7 State No. 011 | 30-015-24157 | iGC1621746121 | Location sign installed 08/24/2016 |
| Conoco 7 State No. 013 | 30-015-25161 | iGC1621744562 | Location sign installed 08/24/2016 |


9-13-16

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.