April 20, 2018

Stacy Boultinghouse – Energy Transfer/Transwestern Pipeline

Upon review of Annual Report and Work Plan for Bell Lake Comp. AP-120, the following:

The Oil Conservation Division (OCD) has no issues with Annual Monitoring Report for 2017 as presented.

In Work Plan Submittal and allied discussion between both reports, OCD agrees that a traditional pump and treat system/remedial effort for groundwater is not particularly likely to have desire outcome based on offered data from testing.

OCD concurs that there does not appear to be an appreciable soils contamination issue based on proffered data.

OCD agrees with collection of additional data as precursor to discussion of alternative closure possibilities. OCD, however, may contend that volume of water that may be able to be produced from designed pumping might be sufficient for maintaining livestock. This will likely be discussed in future communication relative to closure potential.

OCD approves of sample protocol, schedule and testing Methods as detailed in Work plan. Wells for sampling include MW's, -2, -6, -7, -9, -12, -13 and water supply well on-site and SVE's -3, - 5 and -6.

OCD thanks you and your consultant group for your efforts. Please keep a copy of this electronic communication as NO paper notification will be forthcoming.

Sincerely,

Bradford Billings

EMNRD/OCD

Santa Fe

OCD approval does not relieve the operator of liability should their operations fail to adequately investigate and remediate contamination that may pose a threat to ground water, surface water, human health or the environment. In addition, OCD approval does not relieve the operator of responsibility for compliance with any other federal, state, local laws and/or regulations.