



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Buffalo Field Office
1425 Fort Street
Buffalo, Wyoming 82834-2436



FEB 15 2008

Dear Operator:

It has come to our attention that unauthorized surface disturbance on Federal surface (i.e. trespass) related to oil and gas operations is becoming much more of a problem than in the past due to increasing development.

According to Federal regulations in 43 CFR 2808.10, trespass is using, occupying, or developing the public lands or their resources without a required authorization or in a way that is beyond the scope and terms and conditions of your authorization. Please understand that you must obtain written permission in the form of an approved right-of-way grant prior to any use or surface disturbance of federally owned lands where a right-of-way is required.

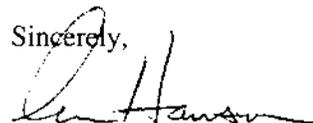
The penalties for this type of unauthorized use can be significant, ranging from reimbursement for all costs associated with the trespass and past rentals to penalties and criminal action, depending on the nature of the trespass.

In addition, and of particular note, Federal regulations in 43 CFR 2808.12 require that BLM not process any applications you have pending for any other activities pending on public lands *until the trespass is resolved*. This situation can lead to substantial delays in processing new right-of-way requests as well as APDs (application for permit to drill).

On April 22, 2005, the Bureau of Land Management (BLM) published a final rule which revised BLM regulations on rights-of-way issued under the Federal Land Policy Management Act (FLPMA) and the Mineral Leasing Act. A detailed list of questions and answers (FAQs) regarding the new regulations and resources to help interested individuals understand the process for obtaining a right-of-way on public lands and the subsequent responsibilities a grant holder has after the right-of-way has been authorized can be found on the following website:
http://www.blm.gov/wo/st/en/prog/energy/cost_recovery_regulations.html.

Unauthorized use is a serious problem on public lands and therefore, I encourage you to insure communication within your organization to prevent unauthorized actions from occurring. Please contact this office at 307-684-1100 if you have questions about this letter or specific situations that your company is facing. It is our desire to make sure you are fully aware of the instances requiring a right-of-way and that we work together to avoid future trespass situations.

Sincerely,



Chris E. Hanson
Field Manager