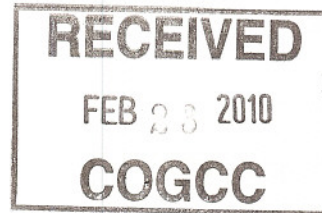


SPILL # 200232151



UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CANYONS OF THE ANCIENTS NATIONAL MONUMENT
ANASAZI HERITAGE CENTER
27501 Hwy 184
Dolores, Colorado 81323
(970) 882-5600



In Reply Refer To:
3160 (CO-LLCOS07000)
COC47698X
COC02763

2/23/10

Smith Energy Ltd. Partnership
711 Commerce Building
Grand Rapids, MI 49503

#05-083-05153

**RE: Order of the Authorized Officer for containment and clean up: Cache Unit #1
(COC 2763)**

To whom it may concern:

On 2/22/10, the Ute Mountain Tribe contacted the Bureau of Land Management informing us of a spill of oil and produced water at the Cache Unit #1. The fluids flowed from the well head off-site, ultimately into the East Fork of McElmo Creek.

A site visit today determined that the spill has impacted BLM, Private, Ute Mountain and Navajo lands. The BLM requires the immediate mobilization of two teams including two back hoes with operators and laborers as well as one four or more member spill response team. The teams will be qualified contractors hired and paid for by Smith Energy. The two teams must also have verbal BLM approval to operate within the Cache Unit.

Emergency response activities will include:

- Containment and clean-up of any potential run-off from the Cache Unit #1 well site using earthen berms and absorbent booms or pads.
- Clean-up of accumulated pools of oil within the first minor drainage beginning at the pad and into the East Fork of McElmo Creek. Clean up and containment will continue through Tribal property.
- Containment must also prevent the further migration of fluids onto Private and Tribal property.
- Any contaminated stock watering sources will be cleaned up within the first 24 hours of response operations.
- Clean-up levels will be regulated by Colorado Oil and Gas Conservation Commission rules (Table 910; 900 Series Exploration and Production Waste Management). Success of the clean-up will ultimately be approved by the Bureau of Land Management, the Ute Mountain Tribe and/or the Navajo Nation depending upon jurisdictional location.

Any questions can be directed to Tom Rice, BLM Natural Resource Specialist. He can be reached at 970 882 6845 or 970 749 8124.

Sincerely,

LouAnn Jacobson
Monument Manager

Cc: Ute Mountain Tribe
Navajo Nation
Casey Veach
BLM, San Juan PLO, Richard Rymerson
BLM, Colorado State Office, Karen Zurik
COC47698X
COC02763