



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Dolores Public Lands Office

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Dolores, Colorado 81323



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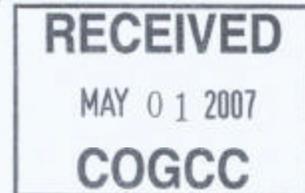


CERTIFIED MAIL-RETURN RECEIPT-
7006 0810 0006 2495 2787

April 25, 2007
File: NC # 25-13

IN REPLY REFER TO:
CO 150-3162.5-1
COC-66964
Nelson Creek #25-13

API-05-113-06201



Dan Rowe
Cabot Oil and Gas Corporation
600 17th St., Suite 900 North
Denver, CO 80202-8959

Dear Mr. Rowe:

Inspections of the Nelson Creek #25-13 natural gas well site, conducted on October 11, 2006, and on April 10, 2007, by Lucas Vargo of our staff revealed several Incidences of Non-Compliance (INCs).

Casing was installed within the access road instead of the BLM "Gold Book" standard CMPs. This is a violation of the Operator's Surface Use Plan (SUP) "Planned Access Roads" number 2, item D, and the BLM Surface Use Conditions of Approval (SUCOA), "Special Conditions of Approval" number 1. Two cattleguards were to be installed within the access road. Only one cattleguard has been installed. Fencing was not re-established on the north side of the cattleguard. A lockable gate was not installed along with the cattleguard. This is a violation of the operator's SUP number 2, item G, and the BLM SUCOA number 2. Cattle are anticipated to be brought into the area as early as May 1st, 2007. Therefore, the fencing on the north side of the cattleguard should be re-established immediately. Stormwater management measures appear to be ineffective. Runoff water is entering the well pad on the east edge, and is pooling on location. Runoff water is also exiting the wellpad on the west edge, causing severe erosion. This is a violation of the BLM SUCOA "Construction and Drilling" number 9.



Nelson Creek #25-13 Location 04/10/07



Fencing missing on north side of cattleguard 04/10/07

Fencing has not been installed around the entire wellpad. This is a violation of the BLM SUCOA "Special Conditions of Approval" number 3.

Interim reclamation of the location should be initiated immediately after completion activities have been undertaken. Cabot will be required to submit a reclamation plan within 20 calendar days describing the actions necessary to complete the work.

Cabot is hereby instructed to re-establish fencing on the north side of the existing cattleguard within the access road immediately.

Cabot is also hereby instructed to submit a reclamation plan for completion of interim reclamation, and to correct the other deficiencies mentioned above within 20 calendar days.

This is a written order of the authorized officer. The receipt date will be considered the actual date of receipt or seven business days after the notice is mailed.

Under provisions of 43 CFR 3165.3, you may request an administrative review of the order described above. Such request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice with the State Director, Bureau of Land Management, Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado 80215-7076. Such request will not result in a suspension of the order and/or decisions that are contained in 43 CFR 3175.4 and 43CFR 4.400 et seq.

Please contact Lucas Vargo (970) 882-6845 at the Dolores Public Lands Office if you have any questions.

Sincerely,



Jamie Sellar-Baker
Associate Field Office Manager, Dolores Public Lands Office

- cc. Ruth Richardson, San Juan Public Lands Center
- cc. Barbara Sharrow, Uncompaghe Field Office
- cc. Karen Spray, Colorado Oil and Gas Conservation Commission