THE NAVAIO NATION

API#30-045-35345

Minerals Department Post Office Box 1910 Window Rock, AZ 86515 Telephone: (928) 871-6587 Fax: (928) 871-7095

Ben Shelly President

February 29, 2012

Rex Lee Iim Vice-President

MAR 28 2012

Ms. Sharon Pinto, Regional Director Navajo Region, U.S. Bureau of Indian Affairs Post Office Box 1060 Gallup, New Mexico 87305

Farmington Field Office Bureau of Land Managemen.

RE: APPLICATION FOR PERMIT TO DRILL (APD) FROM NAVAJO NATION OIL AND GAS COMPANY (NNOGC) ON NAVAJO NATION TRUST LAND.

Dear Ms. Pinto:

Pursuant to Resolution #RDCJN-05-11, approved by the Resources Committee of the Navajo Nation Council on June 14, 2011, the Navajo Nation Minerals Department hereby approves the enclosed Application for Permit to Drill (APD) to drill, construct, operate and maintain the "CBM 29-27-14 #13" well, road, pipeline, and associated ancillary facilities as submitted by NNOGC on the Operating Agreement (No. NO-G-1008-1773) land on, over and across Navajo Nation Trust Lands, San Juan County, Navajo Nation (New Mexico), attached hereto as Exhibits "A" through "D". NNOGC is required to obtain a "Finding of No Significant Impact" (FONSI) from the U.S. Bureau of Indian Affairs prior to commencement of any surface disturbing activities.

The Minerals Department approval is subject to, but not limited to, the terms and conditions contained in Exhibit "D" and the specific requirements imposed by the Navajo Nation Environmental Protection Agency (NNEPA) and the Navajo Nation Department of Fish and Wildlife. If you have any questions, please call me at (928) 871-6587.

Sincerely.

RCVD APR 17'12

OIL CONS. DIV.

DIST. 3

Akhtar Zaman, Director Minerals Department, DNR

AZ/slp

xc:

Enclosures: NNOGC's CBM 29-27-14 #13 APD

Howard Draper, Project Review Office, DNR

David Evans, District Manager, US BLM, Farmington, NM

Wilson Groen, President & CEO, NNOGC