



**THE  
NAVAJO  
NATION**

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

30-045-35342

**Ben Shelly**  
President

**Rex Lee Jim**  
Vice-President

May 8, 2012

RECEIVED

MAY 14 2012

Farmington Field Office  
Bureau of Land Management

Wayne Williams, VP-Exploration and Production  
NNOGC Exploration and Production LLC  
1675 Broadway, Suite 1100  
Denver, Colorado 80202

Dear Mr. Williams:

We recently received a sundry notice from the Navajo Nation Oil & Gas Company (NNOGC) for the CBM A Pod A 10H #1 notifying us of its intent to amend the approved drilling plan. The proposed changes consist of:

1. Substituting 9-5/8" outside diameter (OD), Grade J-55, 36 pounds per foot (ppf) surface casing for the approved 8-5/8" OD, Grade J-55, 24 ppf surface casing to accommodate a 6-1/2" OD drilling pipe and BHA required for wireline coring; and
2. Substituting 5-1/2" OD, Grade J-55, 15.5 ppf production casing for the approved 4-1/2" OD, Grade J-55, 10.5 ppf production casing.

It was also stated that no changes would be made to the surface casing depth (370 feet) or the total depth (5930 feet) of the well. The sundry notice and its accompanying wellbore schematic were reviewed and approved. Any additional changes will be subject to the review and approval of the Minerals Department.

Please accept this letter as approval of the Minerals Department to proceed with your drilling plan as outlined in the above referenced sundry notice and originally approved drilling plan. If you have any questions, please feel free to contact me at 928-871-7098 or Mr. Steven Prince, Principal Petroleum Engineer at 928-871-7285.

RCVD JUN 1 '12  
OIL CONS. DIV.  
DIST. 3

Sincerely,

Akhtar Zaman, Director  
Minerals Department

xc: Wilson Groen, President & CEO, NNOGC Exploration & Production LLC  
David Evans, District Manager, BLM, Farmington, NM  
Chrono Files

ACCEPTED FOR RECORD

MAY 23 2012

NMOCD

A

FARMINGTON FIELD OFFICE  
BY SW

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

MAY 11 2012

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an**  
**abandoned well. Use Form 3160-3 (APD) for such proposals.**

5. Lease Serial No.  
NO-G-1008-1773

6. If Indian, Allottee or Tribe Name  
NAVAJO NATION

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator  
NNOGC EXPLORATION AND PRODUCTION LLC

3a. Address  
1675 BROADWAY, SUITE 1100  
DENVER, CO 80202

3b. Phone No. (include area code)  
303-534-8300

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1300' ENL 1227' FEL  
SENE 10-27N-14W NMPM

7. If Unit of CA/Agreement, Name and/or No

8. Well Name and No.  
CBM A POD 10 H #1

9. API Well No.  
35-045-35342

10. Field and Pool or Exploratory Area  
BASIN FRUIT. COAL, WC GALL & DK

11. Country or Parish, State  
SAN JUAN, NM

**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>CHANGE IN WELL</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>BORE AND CASING</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<b>SIZE</b>

13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

In order to accommodate the BHA for the coring operation at CBM A Pod 10H#1, the existing surface casing diameter of 8 5/8" needs to be increased to J-55 9 5/8" diameter and the casing weight needs to be increased from 24 lb/ft to 36 lb/ft. The surface casing's increased diameter will then allow drilling the larger 8 3/4" hole diameter which was originally 7 7/8" diameter. The 4 1/2" production casing diameter will also be increased to J-55 5 1/2" casing diameter. No changes will be made to surface casing depths or TD depths.

RCVD JUN 1 '12  
OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Lauren Germunario

Title Land Manager

Signature Lauren Germunario

Date 5/3/12

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

alp Received 5/3/2012

# CBM Pod A 10H#1 - Wellbore Schematic (Pod A location)



Lease# NO-G-1008-1773

County, State: San Juan, NM

Field: Basin Fruit Coal, WC Gall & DK

Formation: Gallup/Dakota

API# 30-045-35342

Spud Date: 5/01/2012

Location: T-27N, R-14W, Sec. 10

DVT @3800'

Hole size - 12 1/4" 370' *ok*  
Conductor casing - 9 5/8" J-55 36#  
Cmt to surface, 170 sks  
@ 1.18 ft<sup>3</sup>/sk = 201 ft<sup>3</sup>

Hole size - 8 3/4"  
Production Casing - 5 1/2" J-55 15.5#  
1<sup>st</sup> stage: 770 sks  
Tail: 100 sks

770 sks \* 1.76 ft<sup>3</sup>/sk = 1355.2 ft<sup>3</sup>  
100 sks \* 1.46 ft<sup>3</sup>/sk = 146 ft<sup>3</sup>  
1501.2 ft<sup>3</sup>

P&TD:

TD: 5930'