

Black Hills Gas Resources

P.O. BOX 249, 3200 N First Street, Bloomfield, NM 87413

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October 15, 2009

Mr. Stephen Mason United States Department of Interior Bureau of Land Management Farmington District Office 1235 La Plata Highway Farmington, New Mexico 87401 RECEIVED

OCT 20 2009

Stand Management Farmington Field Office

KZ

Re:

Jicarilla Contract 464 (WC)

3162.3-2 (21110) 30039 24168 RCVD NOV 3'09 OIL CONS. DIV. DIST. 3

Dear Mr. Mason,

In reference to your letter dated October 1, 2009, we have re-evaluated No. 4 Jicarilla 464 located 1850' FSL & 1775' FEL, Sec 31, T30N, R3W, Rio Arriba County, New Mexico, and see no additional reserve potential.

BHGR is ready to move forward with the plug and abandonment per Notice of Intent approved October 27, 2008. Please disregard request for temporary abandonment.

Once we have received partner approval, we will proceed with plugging operations.

If you have any questions, please feel free to contact me at (505) 634-1111 ext 22.

Sincerely,

Leslie Lam

Senior Petroleum Engineer

Leslie Lam