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Jicarilla Agency
P.O. Box 167
Dulce, New Mexico 87528

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MAY 6 2011

Ms. Jami Bailey, Director
Oil Conservation Division
New Mexico Department of Energy
Minerals and Natural Resources
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Ms. Bailey:

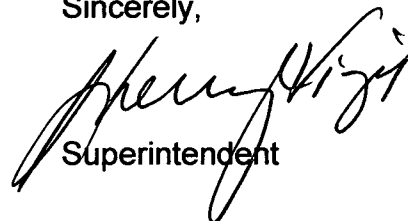
The Bureau of Indian Affairs (BIA), Jicarilla Agency is familiar with the application and proposal from Black Hills Corporation, through its subsidiary Black Hills Gas Resources, Inc., for the creation of the Jicarilla Mancos Development Area. Docket Case No. 14642, within the Jicarilla Apache Nation, Rio Arriba County, State of New Mexico.

Black Hills has been operating on the Jicarilla Apache Nation since 2003 and proven to be prudent in its drilling program. The BIA believes that the proposed Jicarilla Mancos Development Area will protect the correlative rights of the Nation, minimize additional surface disturbance while resulting in greater ultimate recovery of the natural gas resources of the Nation.

Upon reviewing this matter in consultation with the Bureau of Land Management and the Jicarilla Oil and Gas Administration on April 13, 2011, the BIA is in agreement with Black Hills' request and hereby submits this recommendation for approval.

If you have any questions, contact Kurt Sandoval, Petroleum Engineer Technician at (575) 759-3936.

Sincerely,


Superintendent

WJD 5/6/11