District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office

30678

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action:
- ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
- ☒ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

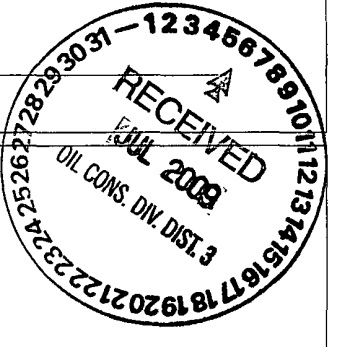
Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: **Black Hills Gas Resources** OGRID #: **013925**
Address: **P.O. Box 249 / 3200 North First Street Bloomfield, NM 87413**
Facility or well name: **Jicarilla 457-04 #144**
API Number: **30-039-30100** OCD Permit Number:
U/L or Qtr/Qtr **Unit J / NW/SE** Section **4** Township **30 North** Range **3 West** County: **Rio Arriba**
Center of Proposed Design: Latitude. **36.835876° N** Longitude: **107.148541 W** NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☒ Tribal Trust or Indian Allotment

2.
☐ **Pit:** Subsection F or G of 19.15.17.11 NMAC
Temporary: ☐ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams. ☐ Welded ☐ Factory ☐ Other _____ Volume: _____ bbl Dimensions. L ____ x W ____ x D ____

3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other _____
☐ Lined ☐ Unlined Liner type: Thickness _____ mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____



4.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: _____ bbl Type of fluid: _____
Tank Construction material: _____
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other _____
Liner type: Thickness _____ mil ☐ HDPE ☐ PVC ☐ Other _____

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

6.

Fencing: Subsection D of 19.15.17.11 NMAC *(Applies to permanent pits, temporary pits, and below-grade tanks)*

☐ Chain link, six feet in height, two strands of barbed wire at top *(Required if located within 1000 feet of a permanent residence, school, hospital, institution or church)*

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☐ Alternate. Please specify: _____

7.

Netting: Subsection E of 19 15.17.11 NMAC *(Applies to permanent pits and permanent open top tanks)*

☐ Screen ☐ Netting ☐ Other_____

☐ Monthly inspections (If netting or screening is not physically feasible)

8.

Signs: Subsection C of 19.15 17.11 NMAC

☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☐ Signed in compliance with 19.15.3 103 NMAC

9.

Administrative Approvals and Exceptions:

Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17 NMAC for guidance.

Please check a box if one or more of the following is requested, if not leave blank:

☐ Administrative approval(s): Requests must be submitted to the appropriate division district or the Santa Fe Environmental Bureau office for consideration of approval.

☐ Exception(s): Requests must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

10.

Siting Criteria (regarding permitting): 19.15.17.10 NMAC

Instructions: The applicant must demonstrate compliance for each siting criteria below in the application. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Applicant must attach justification for request. Please refer to 19.15.17.10 NMAC for guidance. **Siting criteria does not apply to drying pads or above-grade tanks associated with a closed-loop system.**

Ground water is less than 50 feet below the bottom of the temporary pit, permanent pit, or below-grade tank. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to temporary, emergency, or cavitation pits and below-grade tanks)* - Visual inspection (certification) of the proposed site; Aerial photo, Satellite image	☐ Yes ☐ No ☐ NA
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. *(Applies to permanent pits)* - Visual inspection (certification) of the proposed site; Aerial photo, Satellite image	☐ Yes ☐ No ☐ NA
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources, USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain - FEMA map	☐ Yes ☐ No

11.
Temporary Pits, Emergency Pits, and Below-grade Tanks Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Hydrogeologic Report (Below-grade Tanks) - based upon the requirements of Paragraph (4) of Subsection B of 19.15.17.9 NMAC
☐ Hydrogeologic Data (Temporary and Emergency Pits) - based upon the requirements of Paragraph (2) of Subsection B of 19 15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17 10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19 15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____ or Permit Number: _____

12.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Geologic and Hydrogeologic Data (only for on-site closure) - based upon the requirements of Paragraph (3) of Subsection B of 19.15.17.9
☐ Siting Criteria Compliance Demonstrations (only for on-site closure) - based upon the appropriate requirements of 19.15.17.10 NMAC
☐ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Closure Plan (Please complete Boxes 14 through 18, if applicable) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC

☐ Previously Approved Design (attach copy of design) API Number: _____

☐ Previously Approved Operating and Maintenance Plan API Number: _____ *(Applies only to closed-loop system that use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

13.
Permanent Pits Permit Application Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.

☐ Hydrogeologic Report - based upon the requirements of Paragraph (1) of Subsection B of 19.15.17.9 NMAC
☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15 17.10 NMAC
☐ Climatological Factors Assessment
☐ Certified Engineering Design Plans - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Dike Protection and Structural Integrity Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Leak Detection Design - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Liner Specifications and Compatibility Assessment - based upon the appropriate requirements of 19.15.17 11 NMAC
☐ Quality Control/Quality Assurance Construction and Installation Plan
☐ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☐ Freeboard and Overtopping Prevention Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☐ Nuisance or Hazardous Odors, including H_2S, Prevention Plan
☐ Emergency Response Plan
☐ Oil Field Waste Stream Characterization
☐ Monitoring and Inspection Plan
☐ Erosion Control Plan
☐ Closure Plan - based upon the appropriate requirements of Subsection C of 19.15 17.9 NMAC and 19.15.17.13 NMAC

14.
Proposed Closure: 19.15.17.13 NMAC
Instructions: Please complete the applicable boxes, Boxes 14 through 18, in regards to the proposed closure plan.

Type: ☐ Drilling ☐ Workover ☐ Emergency ☐ Cavitation ☐ P&A ☐ Permanent Pit ☐ Below-grade Tank ☐ Closed-loop System ☐ Alternative

Proposed Closure Method: ☐ Waste Excavation and Removal
☐ Waste Removal (Closed-loop systems only)
☐ On-site Closure Method (Only for temporary pits and closed-loop systems)
☐ In-place Burial ☐ On-site Trench Burial
☐ Alternative Closure Method (Exceptions must be submitted to the Santa Fe Environmental Bureau for consideration)

15.
Waste Excavation and Removal Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15.17.13 NMAC
☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC
☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings)
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15 17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15 17.13 NMAC

16.

Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)

Instructions: Please indentify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name _____ Disposal Facility Permit Number: _____

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please provide the information below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15 17.13 NMAC

17.

Siting Criteria (regarding on-site closure methods only): 19.15.17.10 NMAC

Instructions: Each siting criteria requires a demonstration of compliance in the closure plan. Recommendations of acceptable source material are provided below. Requests regarding changes to certain siting criteria may require administrative approval from the appropriate district office or may be considered an exception which must be submitted to the Santa Fe Environmental Bureau office for consideration of approval. Justifications and/or demonstrations of equivalency are required. Please refer to 19.15.17.10 NMAC for guidance.

Ground water is less than 50 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is between 50 and 100 feet below the bottom of the buried waste - NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Ground water is more than 100 feet below the bottom of the buried waste. - NM Office of the State Engineer - iWATERS database search; USGS, Data obtained from nearby wells	☐ Yes ☐ No ☐ NA
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within 300 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site, Aerial photo; Satellite image	☐ Yes ☐ No
Within 500 horizontal feet of a private, domestic fresh water well or spring that less than five households use for domestic or stock watering purposes, or within 1000 horizontal feet of any other fresh water well or spring, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; Written approval obtained from the municipality	☐ Yes ☐ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; Topographic map; Visual inspection (certification) of the proposed site	☐ Yes ☐ No
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division	☐ Yes ☐ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; Topographic map	☐ Yes ☐ No
Within a 100-year floodplain. - FEMA map	☐ Yes ☐ No

18.

On-Site Closure Plan Checklist: (19.15.17.13 NMAC) ***Instructions: Each of the following items must be attached to the closure plan. Please indicate, by a check mark in the box, that the documents are attached.***

☐ Siting Criteria Compliance Demonstrations - based upon the appropriate requirements of 19.15.17.10 NMAC

☐ Proof of Surface Owner Notice - based upon the appropriate requirements of Subsection F of 19.15 17.13 NMAC

☐ Construction/Design Plan of Burial Trench (if applicable) based upon the appropriate requirements of 19.15.17 11 NMAC

☐ Construction/Design Plan of Temporary Pit (for in-place burial of a drying pad) - based upon the appropriate requirements of 19.15.17.11 NMAC

☐ Protocols and Procedures - based upon the appropriate requirements of 19.15 17.13 NMAC

☐ Confirmation Sampling Plan (if applicable) - based upon the appropriate requirements of Subsection F of 19.15 17 13 NMAC

☐ Waste Material Sampling Plan - based upon the appropriate requirements of Subsection F of 19.15.17.13 NMAC

☐ Disposal Facility Name and Permit Number (for liquids, drilling fluids and drill cuttings or in case on-site closure standards cannot be achieved)

☐ Soil Cover Design - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC

☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC

☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

19.
Operator Application Certification:

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

20.
OCD Approval: ☐ Permit Application (including closure plan) ☒ Closure ~~Plan (only)~~ ☐ OCD Conditions (see attachment)

OCD Representative Signature: Donald D. Kelly **Approval Date:** 1/12/2012

Title: Compliance Officer **OCD Permit Number:** _____

21.
Closure Report (required within 60 days of closure completion): Subsection K of 19.15.17 13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☒ **Closure Completion Date:** 6/01/2009

22.
Closure Method:

☐ Waste Excavation and Removal ☒ On-Site Closure Method ☐ Alternative Closure Method ☐ Waste Removal (Closed-loop systems only)

☐ If different from approved plan, please explain.

23.
Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations:

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

24.
Closure Report Attachment Checklist: ***Instructions: Each of the following items must be attached to the closure report. Please indicate, by a check mark in the box, that the documents are attached.***

☒ Proof of Closure Notice (surface owner and division)

☐ Proof of Deed Notice (required for on-site closure)

☒ Plot Plan (for on-site closures and temporary pits)

☐ Confirmation Sampling Analytical Results (if applicable)

☒ Waste Material Sampling Analytical Results (required for on-site closure)

☐ Disposal Facility Name and Permit Number

☒ Soil Backfilling and Cover Installation

☒ Re-vegetation Application Rates and Seeding Technique

☒ Site Reclamation (Photo Documentation)

On-site Closure Location: Latitude **36.69839° N** Longitude **107.26538° W** NAD: ☐ 1927 ☒ 1983

25.
Operator Closure Certification:

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): **Daniel Manus** Title: **Regulatory Technician**

Signature: Daniel Manus Date 7/1/09

e-mail address: **danil.manus@blackhillscorp.com** Telephone: **505-634-1111 ext 28**

Inter-Mountain Laboratories, Inc.
555 Absaraka, Sheridan, Wyoming 82801
ph: (800) 828-1407 fax. (307) 672-9845

Inter-Mountain Laboratories Date: *26-Nov-08*

CLIENT: Black Hills Gas Resources
Project: Jic457-4#144 Pit
Lab Order: O0811026

CASE NARRATIVE

Report ID: O0811026001

This data package consists of the following:
Case Narrative - 1 page
Sample Analysis Reports - 1 pages
Quality Control Reports - 7 pages
Inorganic Sample Analysis Reports - 1 page
Copy of the Chain of Custody Record - 1 page
Condition Upon Receipt form - 1 page

Samples were analyzed for organic constituents using the methods outlined in the following references:

- Test Methods for Evaluating Solid Waste, Physical/Chemical Methods, SW846, 3rd Edition, United States Environmental Protection Agency (USEPA).

The use of test methods using CFC-113 has been discouraged or disallowed by the EPA as per the final rules in Federal register 40 CFR Parts 136 and 260, Vol. 64, No. 93 / Friday, May 14, 1999 and final rules 40 CFR Parts 122, 136, 141, 143, 430, 455, and 465, Volume 72, Number 47, March 12, 2007. Inter-Mountain labs has replaced 418.1 with 1664.

All method blanks, duplicates, laboratory spikes, and/or matrix spikes met quality assurance objectives.

Data qualifiers are defined at the bottom of each page.

Black Hills Gas Resources

Jicarilla 457-04 #144
Surface Location: 775' FSL 454' FEL (NW/SE) Unit J
Sec. 04 T30N R3W
Rio Arriba County, New Mexico
Lease: Contract 457

Closure Report Compliance Demonstrations

- **Pit closure date**
  - Pit was closed on June 1, 2009
- **Proof of Closure Notification**
  - See attached letter and certified mail return receipt
- **Proof of Deed Notice**
  - The pit is located on Jicarilla Apache Reservation.
- **Plot Plan**
  - See attached Plot Plan for the pit and the well location map.
- **Confirmation Sampling**
  - See attached supporting analytical results
    - Benzene measured ND below the ***detection limit of 0.2 mg/kg***
    - BTEX measured ND mg/kg total, below the ***detection limit of 50 mg/kg total***
    - TPH measured ND mg/kg below the ***detection limit of 2500 mg/kg***
    - GRO measured ND mg/kg below the ***detection limit of 500 mg/kg***
    - DRO measured 47 mg/kg below the ***detection limit of 500 mg/kg***
    - Chloride measured 50 below the ***detection limit of 1000 mg/kg***
- **Soil Backfilling and Cover Installation**
  - The pit was closed using BHGR previously approved closure plan.
    - Highlights
      - The pit contents were blended 3 to 1 and sampled
      - Four-foot of soil cover was used to cover the pit contents.
      - Topsoil was applied to the thickness of background topsoil.
      - Seeds were applied using a Land Pride drill seeder set at approximately 21 pounds per acre. Approximately 1.5 acres including the pit were reclaimed and re-seeded with a total of approximately 32 pounds of seed used.
    - See BHGR typical pit closure design
- **Re-vegetation Application Rate**
  - The approved BIA/Jicarilla seed mix was applied at a rate of 21 pounds per acre.
  - See attached BIA/Jicarilla seed mixture and application rates.
- **Site Reclamation**
  - See attached before and after photos of the pit.
- **Pit inspection**
  - See attached.

Black Hills Gas Resources, Inc.
A subsidiary of Black Hills Exploration and Production, Inc.
3200 N 1st Street – PO Box 249 Bloomfield, NM 87413

Daniel Manus
Regulatory Technician

Bus: (505) 634-1111 ext. 28
Fax: (505) 634-1116
daniel.manus@blackhillscorp.com

June 26, 2009

Bureau of Indian Affairs
Jicarilla Agency
P.O. Box 167
Dulce, NM 87528

Manual Myore:

In accordance with the State of New Mexico Rule 19.15.17.12 NMAC, Surface Owner Notification, Black Hills Gas Resources (BHGR) has closed the drilling pit for the Jicarilla 457-04 #144 gas well. The pit was closed on June 1, 2009. Attached are a site map and the Plot Plan indicating the location and the closed pit in reference to the well-head.

If there are any questions contact Daniel Manus (505) 634-1111 extensions 28.

Respectfully,

Daniel Manus
Regulatory Technician

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Manuel Myore
BIA Jicarilla Agency
PO BOX 167
Dulce NM 87528

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X Kenny Harrison ☒ Agent ☐ Addressee

B. Received by (Printed Name) Kenny Harrison
C. Date of Delivery 6-29-09

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2 7006 0100 0003 5288 0635

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

CERTIFIED MAIL 7006 0100 0003 5288 0635

CC File
Brandon Powell NMOCD

WELL PAD DIAGRAM

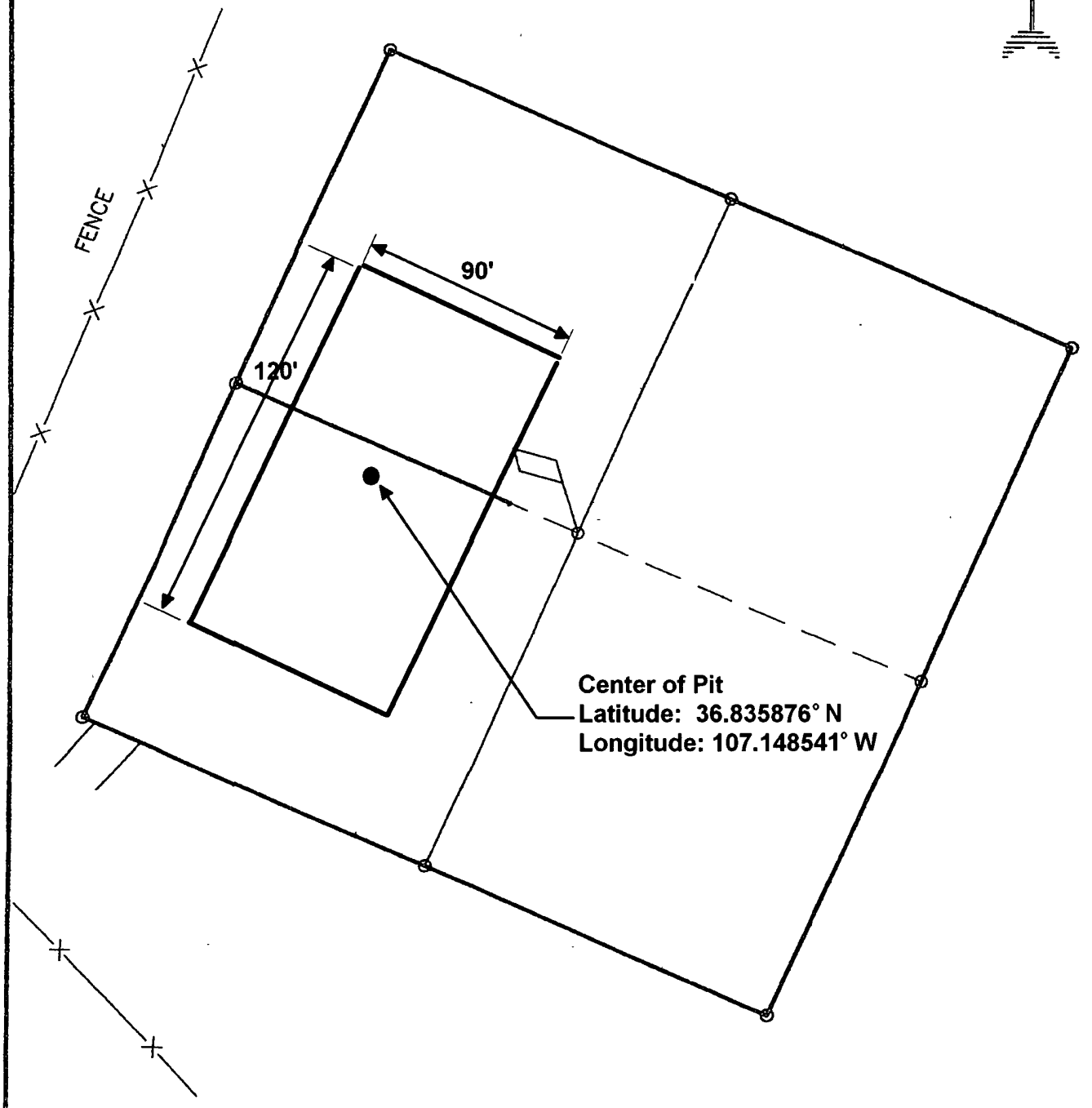
COMPANY: BLACK HILLS GAS RESOURCES

LEASE: JICARILLA 457-04 No. 44

FOOTAGE: 775 FSL 545 FEL

SEC.: 4 TWN: 30-N RNG: 3-W NMPM

ELEVATION: 7112'



Inter-Mountain Laboratories, Inc.
555 Absaraka, Sheridan, Wyoming 82801
ph: (800) 828-1407 fax: (307) 672-9845

Sample Analysis Report

CLIENT: Black Hills Gas Resources
3200 North 1st Street
PO Box 249
Bloomfield, NM 87413

Date Reported: 11/23/2008
Report ID: O0811026001

Project: Jic457-4#144 Pit
Lab ID: O0811026-001
Client Sample ID: Jic457-4#144 Pit
Matrix: Soil

Work Order: O0811026
Collection Date: 11/18/2008 12:25:00 PM
Date Received: 11/19/2008 10:20:00 AM
COC: 116880

Analyses	Result	PQL	Limits	Qual	Units	Date Analyzed/Init	
8021B MBTEXN-Soil						**Prep Date: 11/19/2008**	
Benzene	ND	0.50			mg/Kg	11/20/2008	MAB
Toluene	ND	0.50			mg/Kg	11/20/2008	MAB
Ethylbenzene	ND	0.50			mg/Kg	11/20/2008	MAB
m,p-Xylenes	ND	1.0			mg/Kg	11/20/2008	MAB
o-Xylene	ND	0.50			mg/Kg	11/20/2008	MAB
Surr: 4-Bromofluorobenzene	105		80-138		%REC	11/20/2008	MAB
8015B Gasoline Range Organics-Soil						**Prep Date: 11/19/2008**	
Gasoline Range Organics (nC6-nC10)	ND	10			mg/Kg	11/20/2008	MAB
Surr: 4-Bromofluorobenzene	107		65-141		%REC	11/20/2008	MAB
8015B Diesel Range Organics-Soil						**Prep Date: 11/20/2008**	
Diesel Range Organics (nC10-nC32)	47	20			mg/Kg	11/21/2008	ECS
Surr: o-Terphenyl	80 5		56-117		%REC	11/21/2008	ECS

These results apply only to the samples tested.

Qualifiers:

*	*Value exceeds Maximum Contaminant Level*
D	Diluted out of recovery limit
H	Holding times for preparation or analysis exceeded
M	Matrix Effect
S	Spike Recovery outside accepted recovery limits
B	*Analyte detected in the associated Method Blank*
E	Value above quantitation range
J	Analyte detected below quantitation limits
ND	Not Detected at the Reporting Limit

Reviewed by: Tom Patten

Tom Patten, Laboratory Manager

Inter-Mountain Laboratories, Inc
555 Absaraka, Sheridan, Wyoming 82801
ph: (800) 828-1407 fax: (307) 672-9845

ANALYTICAL QC SUMMARY REPORT

Date: 11/23/2008

CLIENT: Black Hills Gas Resources
Work Order: O0811026
Project: Jic457-4#144 Pit

Report ID: O0811026001Q
TestCode: 8015DROS

Sample ID: **MB-3104** SampType: **MBLK** TestCode: **8015DROS** Units: **mg/Kg** Prep Date: **11/20/2008** RunNo: **4272**
Client ID: **ZZZZZ** Batch ID: **3104** TestNo: **8015DROS** **(SW3550A)** Analysis Date: **11/21/2008** SeqNo: **62865**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Diesel Range Organics (nC10-nC32)	ND	20									
Surr. o-Terphenyl					86.2	56	117				

Sample ID: **LCS-3104** SampType: **LCS** TestCode: **8015DROS** Units: **mg/Kg** Prep Date: **11/20/2008** RunNo: **4272**
Client ID: **ZZZZZ** Batch ID: **3104** TestNo: **8015DROS** **(SW3550A)** Analysis Date: **11/21/2008** SeqNo: **62866**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Diesel Range Organics (nC10-nC32)	108.9	20	160		68	50	99				
Surr: o-Terphenyl					85.6	56	117				

Sample ID: **LCSD-3104** SampType: **LCSD** TestCode: **8015DROS** Units: **mg/Kg** Prep Date: **11/20/2008** RunNo: **4272**
Client ID: **ZZZZZ** Batch ID: **3104** TestNo: **8015DROS** **(SW3550A)** Analysis Date: **11/21/2008** SeqNo: **62867**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Diesel Range Organics (nC10-nC32)	106 1	20	160	0	66.3	50	99	108.9	2.54	20	
Surr. o-Terphenyl				0	85.9	56	117	0	0	20	

Qualifiers:

D	Diluted out of recovery limit	E	Value above quantitation range	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	M	Matrix Effect	ND	Not Detected at the Reporting Limit
R	RPD outside accepted recovery limits	S	Spike Recovery outside accepted recovery limits		

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555 Absaraka, Sheridan, Wyoming 82801
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ANALYTICAL QC SUMMARY REPORT

Date: 11/23/2008

CLIENT: Black Hills Gas Resources
Work Order: O0811026
Project: Jic457-4#144 Pit

Report ID: O0811026001Q
TestCode: 8015DROS

Sample ID: **O0811027-006AMS** SampType: **MS** TestCode: **8015DROS** Units: **mg/Kg** Prep Date: **11/20/2008** RunNo: **4272**
Client ID: **ZZZZZ** Batch ID: **3104** TestNo **8015DROS** **(SW3550A)** Analysis Date: **11/21/2008** SeqNo: **62877**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Diesel Range Organics (nC10-nC32)	178.7	20	160	89.58	55.7	29	110	0	0		
Surr: o-Terphenyl				0	74.8	56	117	0	0		

Sample ID: **O0811027-001ADUP** SampType: **DUP** TestCode: **8015DROS** Units: **mg/Kg** Prep Date: **11/20/2008** RunNo: **4272**
Client ID: **ZZZZZ** Batch ID: **3104** TestNo: **8015DROS** **(SW3550A)** Analysis Date: **11/21/2008** SeqNo: **62870**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Diesel Range Organics (nC10-nC32)	90.83	20	0	0	0	0	0	90.72	0.123	20	
Surr: o-Terphenyl				0	65 8	56	117	0	0	20	

Qualifiers:

D	Diluted out of recovery limit	E	Value above quantitation range	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	M	Matrix Effect	ND	Not Detected at the Reporting Limit
R	RPD outside accepted recovery limits	S	Spike Recovery outside accepted recovery limits		

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555 Absaraka, Sheridan, Wyoming 82801
ph: (800) 828-1407 fax (307) 672-9845

ANALYTICAL QC SUMMARY REPORT

Date: 11/23/2008

CLIENT: Black Hills Gas Resources
Work Order: O0811026
Project: Jic457-4#144 Pit

Report ID: O0811026001Q
TestCode: 8015GROS

Sample ID: MB-3103 SampType: MBLK TestCode: 8015GROS Units: mg/Kg Prep Date 11/19/2008 RunNo: 4268
Client ID: ZZZZZ Batch ID: 3103 TestNo: 8015GROS (SW5035) Analysis Date 11/20/2008 SeqNo: 62775

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Gasoline Range Organics (nC6-nC10)	ND	10									
Surr: 4-Bromofluorobenzene					108	65	141				

Sample ID: LCS-3103 SampType: LCS TestCode: 8015GROS Units: mg/Kg Prep Date 11/19/2008 RunNo. 4268
Client ID ZZZZZ Batch ID: 3103 TestNo: 8015GROS (SW5035) Analysis Date: 11/20/2008 SeqNo: 62773

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Gasoline Range Organics (nC6-nC10)	87 59	10	90		97.3	75	118				
Surr: 4-Bromofluorobenzene					103	65	141				

Sample ID. LCSD-3103 SampType: LCSD TestCode: 8015GROS Units: mg/Kg Prep Date: 11/19/2008 RunNo: 4268
Client iD: ZZZZZ Batch ID: 3103 TestNo: 8015GROS (SW5035) Analysis Date: 11/20/2008 SeqNo. 62774

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Gasoline Range Organics (nC6-nC10)	104.4	10	90	0	116	75	118	87.59	17.5	20	
Surr. 4-Bromofluorobenzene				0	104	65	141	0	0	20	

Qualifiers:

D	Diluted out of recovery limit	E	Value above quantitation range	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	M	Matrix Effect	ND	Not Detected at the Reporting Limit
R	RPD outside accepted recovery limits	S	Spike Recovery outside accepted recovery limits		

Inter-Mountain Laboratories, Inc.
555 Absaraka, Sheridan, Wyoming 82801
ph: (800) 828-1407 fax. (307) 672-9845

ANALYTICAL QC SUMMARY REPORT

Date: 11/23/2008

CLIENT: Black Hills Gas Resources
Work Order: O0811026
Project: Jic457-4#144 Pit

Report ID: O0811026001Q
TestCode: 8015GROS

Sample ID: **O0811026-001AMS** SampType: **MS** TestCode: **8015GROS** Units: **mg/Kg** Prep Date: **11/19/2008** RunNo: **4268**
Client ID: **Jic457-4#144 Pit** Batch ID: **3103** TestNo: **8015GROS** **(SW5035)** Analysis Date: **11/20/2008** SeqNo: **62776**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Gasoline Range Organics (nC6-nC10)	92.66	10	90	0	103	58	122	0	0		
Surr: 4-Bromofluorobenzene				0	108	65	141	0	0		

Sample ID: **O0811026-001AMSD** SampType: **MSD** TestCode: **8015GROS** Units: **mg/Kg** Prep Date: **11/19/2008** RunNo: **4268**
Client ID: **Jic457-4#144 Pit** Batch ID: **3103** TestNo: **8015GROS** **(SW5035)** Analysis Date: **11/20/2008** SeqNo: **62778**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Gasoline Range Organics (nC6-nC10)	90.47	10	90	0	101	58	122	92.66	2.40	20	
Surr: 4-Bromofluorobenzene				0	105	65	141	0	0	20	

Qualifiers:

D	Diluted out of recovery limit	E	Value above quantitation range	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	M	Matrix Effect	ND	Not Detected at the Reporting Limit
R	RPD outside accepted recovery limits	S	Spike Recovery outside accepted recovery limits		

Inter-Mountain Laboratories, Inc.
555 Absaraka, Sheridan, Wyoming 82801
ph (800) 828-1407 fax. (307) 672-9845

ANALYTICAL QC SUMMARY REPORT

Date: 11/23/2008

CLIENT: Black Hills Gas Resources
Work Order: O0811026
Project: Jic457-4#144 Pit

Report ID: O0811026001Q
TestCode: 8021MBTEXN_S

Sample ID **MB-3103** SampType: **MBLK** TestCode: **8021MBTEXN** Units. **mg/Kg** Prep Date. **11/19/2008** RunNo: **4267**
Client ID: **ZZZZZ** Batch ID: **3103** TestNo: **8021MBTEXN (SW5035)** Analysis Date: **11/20/2008** SeqNo: **62769**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Benzene	ND	0.50									
Toluene	ND	0.50									
Ethylbenzene	ND	0.50									
m,p-Xylenes	ND	1.0									
o-Xylene	ND	0.50									
Surr: 4-Bromofluorobenzene					105	80	138				

Sample ID **LCS-3103** SampType: **LCS** TestCode: **8021MBTEXN** Units: **mg/Kg** Prep Date: **11/19/2008** RunNo: **4267**
Client ID: **ZZZZZ** Batch ID: **3103** TestNo: **8021MBTEXN (SW5035)** Analysis Date: **11/20/2008** SeqNo: **62767**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Benzene	9.445	0 50	10		94.4	82	104				
Toluene	9.790	0.50	10		97.9	82	107				
Ethylbenzene	9 235	0.50	10		92.4	85	108				
m,p-Xylenes	19.17	1.0	20		95.8	87	109				
o-Xylene	10.57	0 50	10		106	84	110				
Surr: 4-Bromofluorobenzene					106	80	138				

Qualifiers:
D Diluted out of recovery limit
E Value above quantitation range
H Holding times for preparation or analysis exceeded
J Analyte detected below quantitation limits
M Matrix Effect
ND Not Detected at the Reporting Limit
R RPD outside accepted recovery limits
S Spike Recovery outside accepted recovery limits

Inter-Mountain Laboratories, Inc
555 Absaraka, Sheridan, Wyoming 82801
ph: (800) 828-1407 fax: (307) 672-9845

ANALYTICAL QC SUMMARY REPORT

Date: 11/23/2008

CLIENT: Black Hills Gas Resources
Work Order: O0811026
Project: Jic457-4#144 Pit

Report ID: O0811026001Q
TestCode: 8021MBTEXN_S

Sample ID: **LCSD-3103** SampType: **LCSD** TestCode: **8021MBTEXN** Units: **mg/Kg** Prep Date: **11/19/2008** RunNo: **4267**
Client ID: **ZZZZZ** Batch ID: **3103** TestNo. **8021MBTEXN (SW5035)** Analysis Date: **11/20/2008** SeqNo: **62768**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Benzene	9.720	0.50	10	0	97.2	82	104	9 445	2.87	20	
Toluene	10.06	0.50	10	0	101	82	107	9.79	2.77	20	
Ethylbenzene	9 450	0.50	10	0	94.5	85	108	9.235	2 30	20	
m,p-Xylenes	19.82	1.0	20	0	99.1	87	109	19.17	3 33	20	
o-Xylene	10.38	0.50	10	0	104	84	110	10.57	1.81	20	
Surr: 4-Bromofluorobenzene				0	105	80	138	0	0	20	

Sample ID. **O0811026-001AMS** SampType: **MS** TestCode: **8021MBTEXN** Units: **mg/Kg** Prep Date: **11/19/2008** RunNo: **4267**
Client ID: **Jic457-4#144 Pit** Batch ID: **3103** TestNo: **8021MBTEXN (SW5035)** Analysis Date. **11/20/2008** SeqNo: **62770**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Benzene	9.425	0.50	10	0	94.2	73	103	0	0		
Toluene	9.680	0.50	10	0	96 8	75	103	0	0		
Ethylbenzene	9.380	0.50	10	0	93.8	76	109	0	0		
m,p-Xylenes	19.72	1 0	20	0	98.6	77	107	0	0		
o-Xylene	10 46	0.50	10	0	105	77	107	0	0		
Surr: 4-Bromofluorobenzene				0	109	80	138	0	0		

Qualifiers:
- D Diluted out of recovery limit
- E Value above quantitation range
- H Holding times for preparation or analysis exceeded
- J Analyte detected below quantitation limits
- M Matrix Effect
- ND Not Detected at the Reporting Limit
- R RPD outside accepted recovery limits
- S Spike Recovery outside accepted recovery limits

Inter-Mountain Laboratories, Inc
555 Absaraka, Sheridan, Wyoming 82801
ph: (800) 828-1407 fax: (307) 672-9845

ANALYTICAL QC SUMMARY REPORT

Date: 11/23/2008

CLIENT: Black Hills Gas Resources
Work Order: O0811026
Project: Jic457-4#144 Pit

Report ID: O0811026001Q
TestCode: 8021MBTEXN_S

Sample ID: **O0811026-001AMSD** SampType: **MSD** TestCode: **8021MBTEXN** Units: **mg/Kg** Prep Date: **11/19/2008** RunNo: **4267**
Client ID: **Jic457-4#144 Pit** Batch ID: **3103** TestNo: **8021MBTEXN (SW5035)** Analysis Date: **11/20/2008** SeqNo: **62772**

Analyte	Result	PQL	SPK value	SPK Ref Val	%REC	LowLimit	HighLimit	RPD Ref Val	%RPD	RPDLimit	Qual
Benzene	9.360	0.50	10	0	93.6	73	103	9.425	0.692	20	
Toluene	9.895	0.50	10	0	99	75	103	9.68	2.20	20	
Ethylbenzene	9.535	0.50	10	0	95.4	76	109	9.38	1.64	20	
m,p-Xylenes	20.00	1.0	20	0	100	77	107	19.72	1.46	20	
o-Xylene	10.47	0.50	10	0	105	77	107	10.46	0.143	20	
Surr: 4-Bromofluorobenzene				0	107	80	138	0	0	20	

Qualifiers:

D	Diluted out of recovery limit	E	Value above quantitation range	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	M	Matrix Effect	ND	Not Detected at the Reporting Limit
R	RPD outside accepted recovery limits	S	Spike Recovery outside accepted recovery limits		

Inter-Mountain Laboratories, Inc
1673 Terra Avenue, Sheridan, Wyoming 82801
(307) 672-8945

Sample Analysis Report

CLIENT: Black Hills Gas Resources
3200 North 1st Street; P.O. Box 249
Bloomfield, NM 87413

Date Reported: 11/25/2008
Report ID: S0811319001

Project: Jic457-4 #144 Pit
Lab ID: S0811319-001
Client Sample ID: Jic457-4 #144 Pit
COC: 116880

Work Order: S0811319
Collection Date: 11/18/2008
Date Received: 11/19/2008
Sampler:
Matrix: Soil

Analyses	Result	PQL	Qual	Units	Date Analyzed/Init	Method
General Parameters-Soil						
Total Petroleum Hydrocarbon	ND	200		ppm	11/24/2008 1105 TWP	EPA 1664
Soil Anions						
Chloride	50.0	0.01		ppm	11/25/2008 1045 LK	USDA 60-3a

These results apply only to the samples tested.

Qualifiers:

*	Value exceeds Maximum Contaminant Level	B	Analyte detected in the associated Method Blank
E	Value above quantitation range	H	Holding times for preparation or analysis exceeded
J	Analyte detected below quantitation limits	L	Analyzed by a contract laboratory
M	Value exceeds Monthly Ave or MCL	ND	Not Detected at the Reporting Limit
S	Spike Recovery outside accepted recovery limits		

Reviewed by: Karen A Secor
Karen Secor, Soil Lab Supervisor

Inter-Mountain Laboratories, Inc.
Sheridan, WY and Gillette, WY

- CHAIN OF CUSTODY RECORD -

This is a LEGAL DOCUMENT. All shaded fields must be completed. # 116880

Client Name	Project Identification	Sampler (Signature/Printed)	Telephone #
Black Hills Gas Resources	Jic457-4#144 Pit	Daniel Manus / Daniel Manus	505 634 0377

Report Address	Contact Name and Email	Invoice Address
PO Box 249 3200 N 1st St Bloomfield NM 87413	Daniel Manus daniel.manus@blackhillscorp.com Voice 505 634 1111 x 28 FAX 505 634 1116	same as above

Purchase Order # | Quote #

ANALYSES / PARAMETERS

ITEM	LAB ID (Lab Use Only)	DATE SAMPLED	TIME SAMPLED	SAMPLE IDENTIFICATION	Matrix	# of Containers	BTEX	GRO	DRO	TPH 418.1	Cl-	REMARKS
1		11-18-08	12:25	Jic457-4#144 Pit	SL	4	X	X	X	X	X	
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												

LAB COMMENTS	Relinquished By (Signature/Printed)	DATE	TIME	Received By (Signature/Printed)	DATE	TIME
4.3°C	Daniel Manus / Daniel Manus	11/18	14:30	Ed Scruton / Ed Scruton	11/19/08	1020

SHIPPING INFO	MATRIX CODES		TURN AROUND TIMES	COMPLIANCE INFORMATION	ADDITIONAL REMARKS
☐ UPS	Water	WT	**Check desired service**	Compliance Monitoring ? Y / (N)	
☒ Fed Express	Soil	SL	☐ Standard turnaround	Program (SDWA, NPDES, ...)	
☐ US Mail	Solid	SD	☒ **RUSH** - 5 Working Days	PWSID / Permit #	
☐ Hand Carried	Trip Blank	TB	☐ **URGENT** - < 2 Working Days	Chlorinated? Y / (N)	
☐ Other_____	Other	OT	*Rush & Urgent Surcharges will be applied*	Sample Disposal: Lab X Client	

INTER-MOUNTAIN LABORATORIES, INC. Rev 4.3

00811036

Inter-Mountain Laboratories, Inc., 1673 Terra Ave, Sheridan, WY 82801 ph: (307) 672-8945

Condition Upon Receipt (Attach to COC)

Sample Receipt

1 Number of ice chests/packages received: 1

*Note as "**OTC**" if samples are received over the counter, unpackaged*

2 Temperature of cooler/samples. Temps (°C): 4.3

*Acceptable is **0.1 to 6°C**. Also acceptable is "**Received on Ice**" (ROI) for samples received on the same day as sampled or "**Received at Room Temperature**" (RRT) for samples received within one hour of sampling.*

Client contact for temperature failures must be documented below.

3 COC Number (If applicable): 116880

4 Do the number of bottles agree with the COC?	(Yes)	No	N/A	
5 Were the samples received intact? *(no broken bottles, leaks, etc.)*	(Yes)	No	N/A	
6 Were the sample custody seals intact?	Yes	No	(N/A)	
7 Is the COC properly completed, legible, and signed?	(Yes)	No		

Sample Verification, Labeling & Distribution

1 Were all requested analyses understood and appropriate?	(Yes)	No		
2 Did the bottle labels correspond with the COC information?	(Yes)	No		
3 Samples collected in proper containers?	(Yes)	No		
4 Were all containers properly preserved?	Yes	No	(N/A)	**Added at Lab**
Client contact for preservation failures must be documented below.				
5 VOA vials have <6mm headspace?	Yes	No	(N/A)	
6 Were all analyses within holding time at the time of receipt?	(Yes)	No		
7 Have rush or project due dates been checked and accepted?	(Yes)	No	N/A	

Attach Lab ID labels to the containers and deliver to appropriate lab section. ***Set ID:*** 00811026

8 Login verification Client Name: (Yes) - No Project Name: (Yes) - No Matrix: (Yes) - No

Sample Receipt, Verification, Login, Labeling & Distribution completed by *(initials)*: SB

Discrepancy Documentation *(use back of sheet for notes on discrepancies)*

Any items listed above with a response of "No" or do not meet specifications must be resolved.

Person Contacted: _____ Telephone Number: _____

Initiated By: _____ Date/Time: _____

Problem:

Resolution:

Person Contacted: _____ Telephone Number: _____

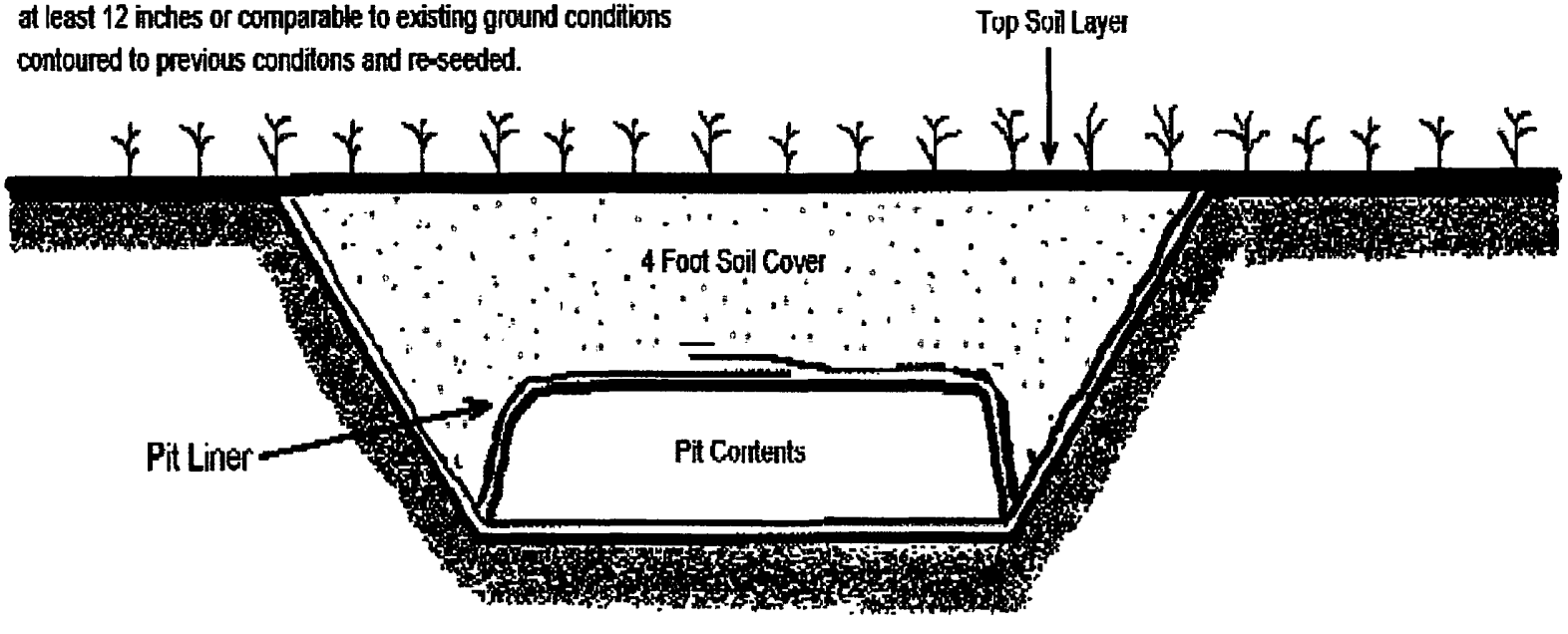
Initiated By: _____ Date/Time: _____

Problem:

Resolution:

Black Hills Gas Resources Pit Closure Diagram

Minimum 4 foot soil cover compacted with a topsoil layer
at least 12 inches or comparable to existing ground conditions
contoured to previous conditons and re-seeded.



III. THREATENED AND ENDANGERED SPECIES:

If, in its operations, operator/holder discovers any Threatened/Endangered/Sensitive Species – Plant/Animal, then work in the vicinity of the discovery will be suspended and the discovery promptly reported to the Surface Managing Agency. The Authorized Officer will then specify what action is to be taken. Failure to notify the Surface Managing Agency about a discovery that leads to the take of a listed species may result in civil or criminal penalties in accordance with the Endangered Species Act of 1973 (as amended.)

IV. RESEEDING AND ABANDONMENT

1. All surface areas disturbed during drilling activities and not in use for production activities will be reseeded. Any stockpiled topsoil on location will be used in the seeding effort. The goal of reseeding is successful revegetation to the site's capability. If, in the opinion of the Surface Managing Agency, the seeding is unsuccessful, the lessee/operator may be required to make subsequent seedings.

In conformance with the *BIA, Jicarilla Agency and Jicarilla Apache Nation Environmental Protection Office (EPO)*, the following recommended seed mixture will be applied to the appropriate proposed action.

12/2004

NORTH (of Tapacito Wash)			
SEED MIXTURE	LBS PLS PER ACRE	% OF MIX	% LIVE SEED/ACRE
Alkali Sacaton Salado Variety	1.0	25	.25
Western Wheat Grass Arriba or Barton Variety	8.0	25	2.0
Intermediate Wheat Grass Amur or Oahe Variety	9.0	20	1.80
Galleta Caryopsis	2.0	20	.40
Blue Gramma Machita, Lovington	1.0	10	.10
SOUTH (of Tapacito Wash)			
Western Wheat Grass Arriba or Barton Variety	8.0	25	2.0
Intermediate Wheat Grass Amur or Oahe Variety	9.0	20	1.80
Galleta Caryposis	2.0	20	.40
Blue Gramma Hachita, Lovington	1.0	10	.10
Multiply LBS PLS/Per Acre X Total Acres to get total required seed.			

Species shall be planted in pounds of pure live seed per acre:

Present Pure Live Seed (PLS) = Purity X Germination/100

Two lots of seed can be compared on the basis of PLS as follows:

Source No. One (poor quality)		Source No. two (better quality)	
Purity	50 percent	Purity	80 percent
Germination	40 percent	Germination	63 percent
Percent PLS	20 percent	Percent PLS	50 percent
5 lb. bulk seed required to make 1 lb. PLS.		***2 lb. bulk seed required to make 1 lb. PLS.***	

Seed mixture used must be *certified.* There shall be NO primary or secondary noxious weeds in seed mixture. Seed labels from each bag shall be available for inspection while seed is being sown.

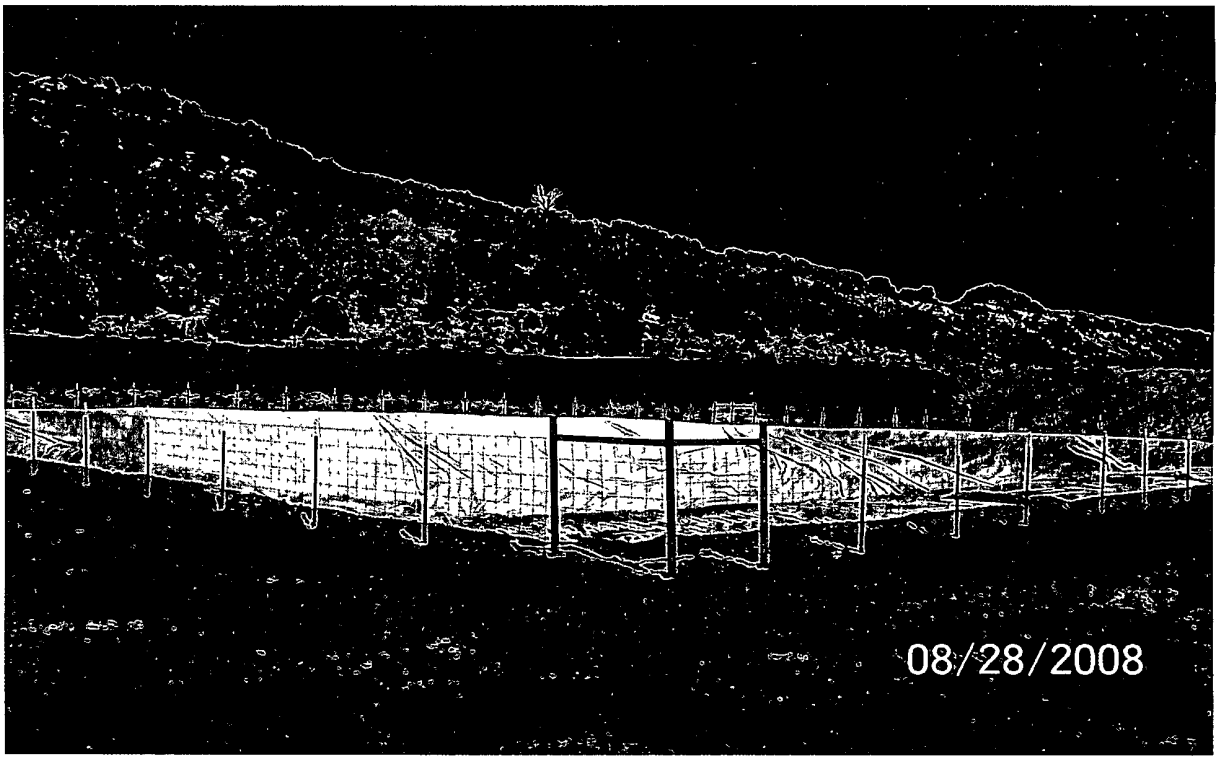
Seeding shall be accomplished between July 1 and September 15 (later date may be extended on a case-by-case basis with AO approval). Seeding shall be repeated if a satisfactory stand is not obtained as determined by the AO upon evaluation after the second growing season.

Compacted areas shall be ripped to a depth of *12"* and disked to a depth of six inches before seeding. Seed with a disk-type drill with two boxes for various seed sizes. The drill rows shall be eight to ten inches apart. Seed shall be planted at not less than one-half inch deep or more than one inch deep. The seeder shall be followed with a drag, packer, or roller to ensure uniform coverage of the seed, and adequate compaction. Drilling shall be done on the contour where possible, not up and down the slope.

Where slopes are too steep for contour drilling a "cyclone" hand seeder or similar broadcast seeder shall be used. Seed shall then be covered to the depth described above by whatever means is practical, i.e. hand raked. If the seed is not covered, the prescribed seed mixture amount (pounds/acre/PLS) will be doubled.

If, upon abandonment of wells, the retention of access road is not considered necessary for the management and multiple use of the natural resources, it will be ripped a minimum of 12" in depth. After ripping, water bars will be installed. All ripped surfaces are to be protected from vehicular travel by construction of a dead end ditch and earthen barricade at the entrance to these ripped areas. (Reseeding of affected areas may be required.)

ABANDONMENT: Ninety days prior to termination of the ROW, the holder shall contact the AO to arrange a joint inspection of the ROW. This inspection will be held to agree to an acceptable termination (and rehabilitation) plan. This plan shall include, but is not limited to, removal of facilities, drainage structures, or surfacing material, recontouring, topsoiling or seeding. The AO must approve the plan in writing prior to the holder's commencement of any termination actions.



Jicarilla 457-04 #144Drilling Pit Before Closure

Jicarilla 457-04 #144Drilling Pit After Closure

JICARILLA 457-04 #144
DRILLING RIG

DATE	PIT LEVEL DATA
10/8/2008	7' BELOW TOP, 5' BELOW MAX
10/9/2008	7' BELOW TOP, 5' BELOW MAX
10/10/2008	7' BELOW TOP, 5' BELOW MAX
10/11/2008	7' BELOW TOP, 5' BELOW MAX
10/12/2008	7' BELOW TOP, 5' BELOW MAX
10/13/2008	7' BELOW TOP, 5' BELOW MAX
10/14/2008	4' BELOW TOP, 2' BELOW MAX
10/15/2008	4' BELOW TOP, 2' BELOW MAX
10/16/2008	4' BELOW TOP, 2' BELOW MAX
10/17/2008	3' BELOW TOP, 1' BELOW MAX
10/18/2008	4' BELOW TOP, 2' BELOW MAX
10/19/2008	4' BELOW TOP, 2' BELOW MAX
10/20/2008	4' BELOW TOP, 2' BELOW MAX
10/21/2008	3' BELOW TOP, 1' BELOW MAX
10/22/2008	3' BELOW TOP, 1' BELOW MAX
10/23/2008	3' BELOW TOP, 1' BELOW MAX
10/24/2008	3' BELOW TOP, 1' BELOW MAX
10/25/2008	3.5' BELOW TOP, 1.5' BELOW MAX
10/26/2008	3.5' BELOW TOP, 1.5' BELOW MAX
10/27/2008	3.5' BELOW TOP, 1.5' BELOW MAX
10/28/2008	3' BELOW TOP, 1' BELOW MAX

Darrel Baxter

COMPLETION RIG

11/7/2008	5' BELOW TOP, 3' BELOW MAX
11/8/2008	5' BELOW TOP, 3' BELOW MAX
11/11/2008	4' BELOW TOP, 2' BELOW MAX
11/12/2008	3.5' BELOW TOP, 1.5' BELOW MAX
11/13/2008	3' BELOW TOP, 1' BELOW MAX
11/14/2008	4.5' BELOW TOP, 2.5' BELOW MAX
11/15/2008	4' BELOW TOP, 2' BELOW MAX
11/18/2008	6' BELOW TOP, 4' BELOW MAX
11/19/2008	7' BELOW TOP, 5' BELOW MAX

Mike Romo

District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
July 21, 2008

For temporary pits, closed-loop systems, and below-grade tanks, submit to the appropriate NMOCD District Office.
For permanent pits and exceptions submit to the Santa Fe Environmental Bureau office and provide a copy to the appropriate NMOCD District Office.

Pit, Closed-Loop System, Below-Grade Tank, or Proposed Alternative Method Permit or Closure Plan Application

Type of action:
- ☐ Permit of a pit, closed-loop system, below-grade tank, or proposed alternative method
- ☑ Closure of a pit, closed-loop system, below-grade tank, or proposed alternative method
- ☐ Modification to an existing permit
- ☐ Closure plan only submitted for an existing permitted or non-permitted pit, closed-loop system, below-grade tank, or proposed alternative method

Instructions: Please submit one application (Form C-144) per individual pit, closed-loop system, below-grade tank or alternative request

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: **Black Hills Gas Resources** OGRID #: **013925**
Address **3200 N 1st St Bloomfield, NM 87413**
Facility or well name: **Jicarilla 457-4 #144**
API Number: **30-039-30100** OCD Permit Number:
U/L or Qtr/Qtr **Unit P** Section **4** Township **30N** Range **3W** County: **Rio Arriba**
Center of Proposed Design: Latitude **36.835876 N** Longitude **107.148541 W** NAD: ☐ 1927 ☑ 1983
Surface Owner: ☐ Federal ☐ State ☐ Private ☑ Tribal Trust or Indian Allotment

2
☑ **Pit:** Subsection F or G of 19.15 17.11 NMAC
Temporary: ☑ Drilling ☐ Workover
☐ Permanent ☐ Emergency ☐ Cavitation ☐ P&A
☑ Lined ☐ Unlined Liner type: Thickness **20** mil ☑ LLDPE ☐ HDPE ☐ PVC ☐ Other
☐ String-Reinforced
Liner Seams. ☐ Welded ☑ Factory ☐ Other Volume: **≈ 16,000** bbl Dimensions: L **120'** x W **90'** x D **10'**

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3.
☐ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Type of Operation: ☐ P&A ☐ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent)
☐ Drying Pad ☐ Above Ground Steel Tanks ☐ Haul-off Bins ☐ Other
☐ Lined ☐ Unlined Liner type: Thickness mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other
Liner Seams: ☐ Welded ☐ Factory ☐ Other

4.
☐ **Below-grade tank:** Subsection I of 19.15.17.11 NMAC
Volume: bbl Type of fluid:
Tank Construction material:
☐ Secondary containment with leak detection ☐ Visible sidewalls, liner, 6-inch lift and automatic overflow shut-off
☐ Visible sidewalls and liner ☐ Visible sidewalls only ☐ Other
Liner type: Thickness mil ☐ HDPE ☐ PVC ☐ Other

5.
☐ **Alternative Method:**
Submittal of an exception request is required. Exceptions must be submitted to the Santa Fe Environmental Bureau office for consideration of approval.

Submit To Appropriate District Office
Two Copies
District I
1625 N. French Dr , Hobbs, NM 88240
District II
811 S. First St , Artesia, NM 88210
District III
1000 Rio Brazos Rd , Aztec, NM 87410
District IV
1220 S. St. Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised August 1, 2011

1. WELL API NO. **30-039-30100**
2 Type of Lease ☐ STATE ☐ FEE ☑ FED/INDIAN
3 State Oil & Gas Lease No

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4 Reason for filing:

☐ **COMPLETION REPORT** (Fill in boxes #1 through #31 for State and Fee wells only)

☑ **C-144 CLOSURE ATTACHMENT** (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33, attach this and the plat to the C-144 closure report in accordance with 19 15 17.13 K NMAC)

5. Lease Name or Unit Agreement Name: **Contract 458**

6 Well Number: **Jicarilla 457-04 #144**

7 Type of Completion
☑ NEW WELL ☐ WORKOVER ☐ DEEPENING ☐ PLUGBACK ☐ DIFFERENT RESERVOIR ☐ OTHER

8. Name of Operator: **Black Hills Gas Resources**

9 OGRID: **013925**

10 Address of Operator: **3200 N 1st Street, Bloomfield, NM 87413**

11 Pool name or Wildcat

12.Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County
Surface:	**P**	**4**	**30N**	**3W**		**775'**	**South**	**545'**	**East**	**Rio Arriba**
BH:										

13. Date Spudded	14 Date T.D Reached	15 Date Rig Released	16 Date Completed (Ready to Produce)	17. Elevations (DF and RKB, RT, GR, etc)
		11/17/2008		

18. Total Measured Depth of Well	19 Plug Back Measured Depth	20. Was Directional Survey Made?	21. Type Electric and Other Logs Run

22. Producing Interval(s), of this completion - Top, Bottom, Name

23. **CASING RECORD** (Report all strings set in well)

CASING SIZE	WEIGHT LB /FT	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET

26 Perforation record (interval, size, and number)

27 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28 **PRODUCTION**

Date First Production	Production Method *(Flowing, gas lift, pumping - Size and type pump)*	Well Status *(Prod or Shut-in)*

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl	Gas - MCF	Water - Bbl	Gas - Oil Ratio

Flow Tubing Press	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl	Gas - MCF	Water - Bbl	Oil Gravity - API - *(Corr.)*

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

30. Test Witnessed By

31. List Attachments

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit: **Plat on closure attachment**

33 If an on-site burial was used at the well, report the exact location of the on-site burial:

Latitude Longitude NAD 1927 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature [signature] Printed Name **Daniel Manus** Title **Regulatory Technician** Date **11/07/2011**

E-mail Address **Daniel.Manus@blackhillscorp.com**

Black Hills Gas Resources, Inc.
A subsidiary of Black Hills Exploration and Production, Inc.
3200 N 1st Street – PO Box 249 Bloomfield, NM 87413

Daniel Manus
Regulatory Technician II

Bus: (505) 634-5104
Fax: (505) 634-1116
daniel.manus@blackhillscorp.com

November 7, 2011

New Mexico Oil Conservation Division
Aztec Office
1000 Rio Brazos Road
Aztec, NM 87410

Subject: Jicarilla 457-4 #144 temporary drilling pit closure

Dear Sir or Madam

Black Hills Gas Resources' (BHGR) Jicarilla 457-4 #144 temporary drilling pit was closed on June 1, 2009 and the rig was release on November 19, 2008. Due to extreme weather that year BHGR was unable to close the pit within the 60 day time limit.

As for the notification to the NMOCD of closure of the pit, it is unknown if the notification was made by phone or email. BHGR understands going forward that all contact will be made or followed up by email for documentation.

If you have any questions, please contact me.

Respectfully,

Daniel Manus