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.

3077

# 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 29-02-15 #24**
API Number: **30-039-30535** OCD Permit Number:
U/L or Qtr/Qtr **Unit H / SE/NE** Section **15** Township **29 North** Range **2 West** County: **Rio Arriba**
Center of Proposed Design: Latitude **36.72682° N** Longitude **107.02407° 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 _____

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JUL 2009
OIL CONS. DIV. DIST. 3

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.<br>- 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).<br>- 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)*<br>- 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)*<br>- 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.<br>- 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.<br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality | ☐ Yes ☐ No |
| Within 500 feet of a wetland.<br>- 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.<br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | ☐ Yes ☐ No |
| Within an unstable area.<br>- 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.<br>- 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<br>- 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<br>- 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.<br>- 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).<br>- 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.<br>- 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<br>- 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.<br>- Written confirmation or verification from the municipality; Written approval obtained from the municipality | ☐ Yes ☐ No |
| Within 500 feet of a wetland.<br>- 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.<br>- Written confirmation or verification or map from the NM EMNRD-Mining and Mineral Division | ☐ Yes ☐ No |
| Within an unstable area.<br>- 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.<br>- 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:** Jonathan 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:** May 14, 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 **36.72682° N** Longitude **107.02407° 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: July 2, 2009

e-mail address: **dmanus@bhep.com** Telephone: **505-634-1111 ext 28**

# Black Hills Gas Resources

**Jicarilla 29-02-15 #24**
Surface Location: 1,975' FNL 820' FEL (SE/NE) Unit H
Sec.15 T29N R02W
Rio Arriba County, New Mexico
Lease: MDA 701-98-0013 Tract 4

## Closure Report Compliance Demonstrations

- **Pit closure date**
  - Pit was closed on May 14, 2009
- **Proof of Closure Notification**
  - See attached letter and certified mail return receipt
- **Proof of Deed Notice**
  - The pit is located on the 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 66 mg/kg below the ***detection limit of 500 mg/kg***
    - Chloride measured 156 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

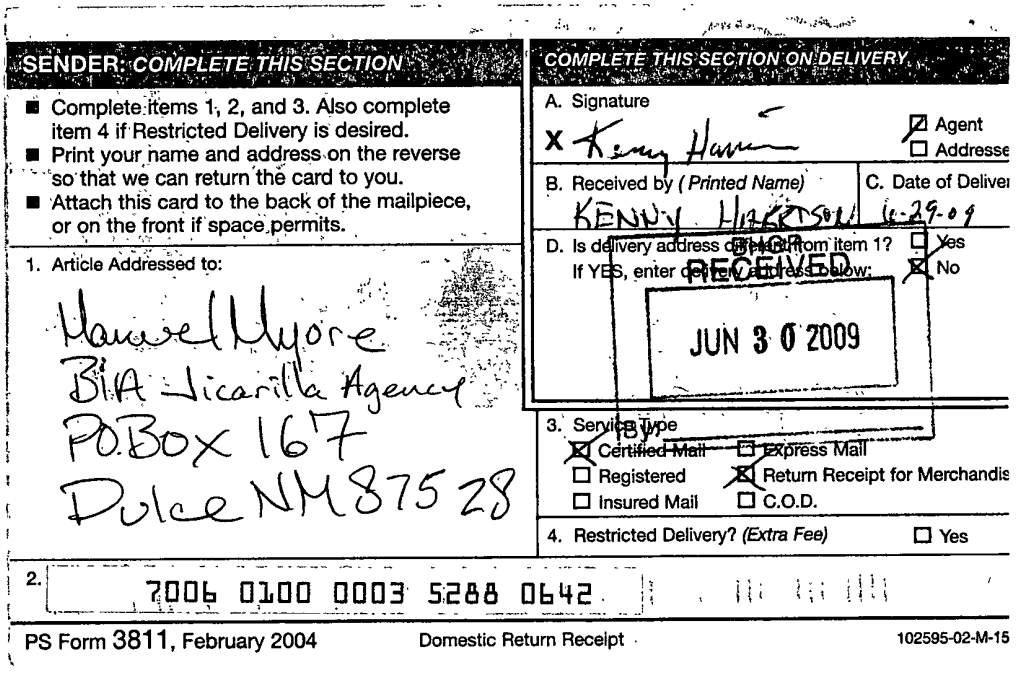
Manual Myore:

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 29-02-15 #24 gas well. The pit was closed on May 14, 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 Hall ☒ Agent ☐ Addressee

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

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

RECEIVED
JUN 30 2009
BIA

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 0642

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-15

CERTIFIED MAIL 7006 0100 0003 5288 0642

CC File
Brandon Powell NMOCD

WELL PAD DIAGRAM

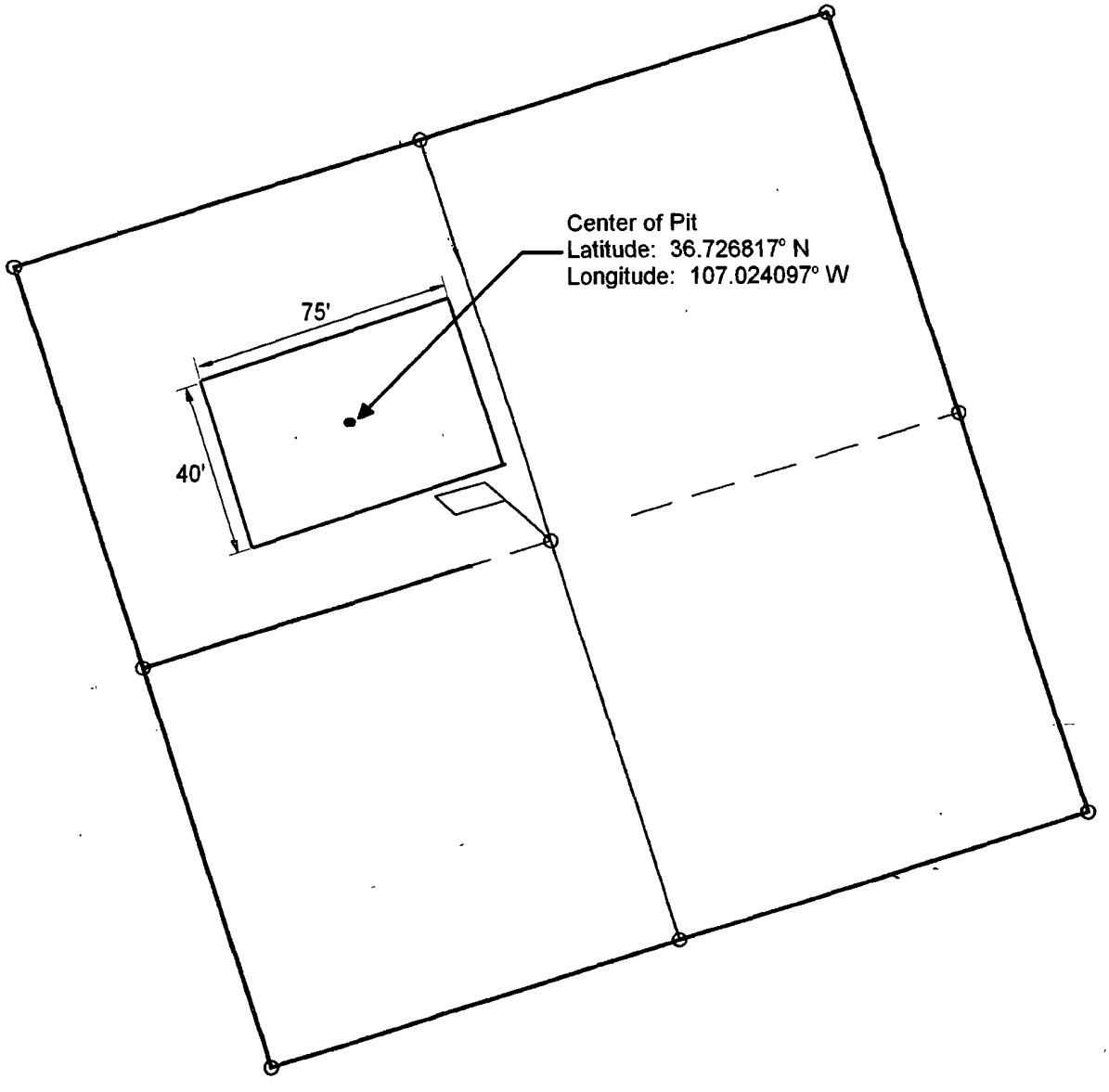
COMPANY: BLACK HILLS GAS RESOURCES

LEASE: JICARILLA 29-02-15 No. 24

FOOTAGE: 1975 FNL 820 FEL

SEC.: 15, TWN: 29-N, RNG: 2-W, NMPM

ELEVATION: 7234'




**Not to scale**

**Inter-Mountain Laboratories** **Date:** *16-Dec-08*

**CLIENT:** Black Hills Gas Resources
**Project:** Jic29-02-15#24
**Lab Order:** O0812009

## CASE NARRATIVE

**Report ID:** O0812009001

This data package consists of the following:
Case Narrative - 1 page
Sample Analysis Reports - 2 pages
Quality Control Reports - 7 pages
Inorganic Sample Analysis Reports - 2 pages
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).

---

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

Data qualifiers are defined at the bottom of each page.

Inter-Mountain Laboratories, Inc
555 Absaraka Street, Sheridan, Wyoming 82801
(307) 674-7506

## Sample Analysis Report

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

**Date Reported:** 12/16/2008
**Report ID:** O0812009001

**Project:** Jic29-02-15#24
**Lab ID:** O0812009-001
**Client Sample ID:** JIC 29-02-15 #24 preliminary
**Matrix:** Soil

**Work Order:** O0812009
**Collection Date:** 12/8/2008 11:45:00 AM
**Date Received:** 12/9/2008 1:00:00 PM
**COC:** 116983

| Analyses | Result | PQL | Limits | Qual | Units | Date Analyzed/Init | |
|---|---|---|---|---|---|---|---|
| **8021B MBTEXN-Soil** | | | | | | **Prep Date: 12/10/2008** | |
| Benzene | ND | 0.50 | | | mg/Kg | 12/11/2008 | MAB |
| Toluene | ND | 0 50 | | | mg/Kg | 12/11/2008 | MAB |
| Ethylbenzene | ND | 0.50 | | | mg/Kg | 12/11/2008 | MAB |
| m,p-Xylenes | ND | 1.0 | | | mg/Kg | 12/11/2008 | MAB |
| o-Xylene | ND | 0 50 | | | mg/Kg | 12/11/2008 | MAB |
| Surr 4-Bromofluorobenzene | 91 6 | | 80-138 | | %REC | 12/11/2008 | MAB |
| **8015B Gasoline Range Organics-Soil** | | | | | | **Prep Date: 12/10/2008** | |
| Gasoline Range Organics (nC6-nC10) | ND | 10 | | | mg/Kg | 12/11/2008 | MAB |
| Surr 4-Bromofluorobenzene | 90.2 | | 65-141 | | %REC | 12/11/2008 | MAB |
| **8015B Diesel Range Organics-Soil** | | | | | | **Prep Date: 12/10/2008** | |
| Diesel Range Organics (nC10-nC32) | 300 | 20 | | | mg/Kg | 12/11/2008 | CL |
| Surr: o-Terphenyl | 72 5 | | 56-117 | | %REC | 12/11/2008 | CL |

These results apply only to the samples tested.

**Qualifiers:**

| | | | |
|---|---|---|---|
| * | Value exceeds Maximum Contaminant Level | B | Analyte detected in the associated Method Blank |
| 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 |
| S | Spike Recovery outside accepted recovery limits | | |

Reviewed by: Tom Patten

Tom Patten, Laboratory Manager

Inter-Mountain Laboratories, Inc
555 Absaraka Street, Sheridan, Wyoming 82801
(307) 674-7506

## Sample Analysis Report

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

**Date Reported:** 12/16/2008
**Report ID:** O0812009001

**Project:** Jic29-02-15#24
**Lab ID:** O0812009-002
**Client Sample ID:** JIC 29-02-15#24 Mix
**Matrix:** Soil

**Work Order:** O0812009
**Collection Date:** 12/8/2008 12 45:00 PM
**Date Received:** 12/9/2008 1:00:00 PM
**COC:** 116983

| Analyses | Result | PQL | Limits | Qual | Units | Date Analyzed/Init | |
|---|---|---|---|---|---|---|---|
| **8021B MBTEXN-Soil** | | | | | | **Prep Date: 12/10/2008** | |
| Benzene | ND | 0 50 | | | mg/Kg | 12/11/2008 | MAB |
| Toluene | ND | 0.50 | | | mg/Kg | 12/11/2008 | MAB |
| Ethylbenzene | ND | 0 50 | | | mg/Kg | 12/11/2008 | MAB |
| m,p-Xylenes | ND | 1.0 | | | mg/Kg | 12/11/2008 | MAB |
| o-Xylene | ND | 0 50 | | | mg/Kg | 12/11/2008 | MAB |
| Surr. 4-Bromofluorobenzene | 95.7 | | 80-138 | | %REC | 12/11/2008 | MAB |
| **8015B Gasoline Range Organics-Soil** | | | | | | **Prep Date: 12/10/2008** | |
| Gasoline Range Organics (nC6-nC10) | ND | 10 | | | mg/Kg | 12/11/2008 | MAB |
| Surr· 4-Bromofluorobenzene | 97.6 | | 65-141 | | %REC | 12/11/2008 | MAB |
| **8015B Diesel Range Organics-Soil** | | | | | | **Prep Date: 12/10/2008** | |
| Diesel Range Organics (nC10-nC32) | 66 | 20 | | | mg/Kg | 12/11/2008 | CL |
| Surr· o-Terphenyl | 66 3 | | 56-117 | | %REC | 12/11/2008 | CL |

These results apply only to the samples tested

**Qualifiers:**

| | | | |
|---|---|---|---|
| * | Value exceeds Maximum Contaminant Level | B | Analyte detected in the associated Method Blank |
| 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 |
| S | Spike Recovery outside accepted recovery limits | | |

Reviewed by: Tom Patten

Tom Patten, Laboratory Manager

# ANALYTICAL QC SUMMARY REPORT

**Date:** 12/16/2008

**CLIENT:** Black Hills Gas Resources
**Work Order:** O0812009
**Project:** Jic29-02-15#24

**Report ID:** O0812009001Q
**TestCode:** **8015DROS**

| Sample ID. **MB-3133** | SampType. **MBLK** | TestCode **8015DROS** | Units. **mg/Kg** | Prep Date **12/10/2008** | RunNo **4312** |
|---|---|---|---|---|---|
| Client ID. **ZZZZZ** | Batch ID **3133** | TestNo **8015DROS** | **(SW3550A)** | Analysis Date. **12/11/2008** | SeqNo **63282** |

| 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 | | | | | 76 | 56 | 117 | | | | |

| Sample ID: **LCS-3133** | SampType: **LCS** | TestCode. **8015DROS** | Units: **mg/Kg** | Prep Date **12/10/2008** | RunNo: **4312** |
|---|---|---|---|---|---|
| Client ID **ZZZZZ** | Batch ID: **3133** | TestNo **8015DROS** | **(SW3550A)** | Analysis Date. **12/11/2008** | SeqNo **63283** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Diesel Range Organics (nC10-nC32) | 99.19 | 20 | 160 | | 62 | 50 | 99 | | | | |
| Surr: o-Terphenyl | | | | | 75.7 | 56 | 117 | | | | |

| Sample ID. **LCSD-3133** | SampType **LCSD** | TestCode **8015DROS** | Units **mg/Kg** | Prep Date **12/10/2008** | RunNo: **4312** |
|---|---|---|---|---|---|
| Client ID **ZZZZZ** | Batch ID. **3133** | TestNo. **8015DROS** | **(SW3550A)** | Analysis Date **12/11/2008** | SeqNo **63284** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Diesel Range Organics (nC10-nC32) | 86.46 | 20 | 160 | 0 | 54 | 50 | 99 | 99.19 | 13.7 | 20 | |
| Surr: o-Terphenyl | | | | 0 | 69.2 | 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 | | |

# ANALYTICAL QC SUMMARY REPORT

**Date:** 12/16/2008

**CLIENT:** Black Hills Gas Resources
**Work Order:** O0812009
**Project:** Jic29-02-15#24

**Report ID:** O0812009001Q
**TestCode:** 8015DROS

| Sample ID: O0812009-002BMS | SampType: MS | TestCode 8015DROS | Units mg/Kg | Prep Date 12/10/2008 | RunNo 4312 |
|---|---|---|---|---|---|
| Client ID JIC 29-02-15#24 Mix | Batch ID: 3133 | TestNo. 8015DROS | (SW3550A) | Analysis Date: 12/11/2008 | SeqNo 63287 |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Diesel Range Organics (nC10-nC32) | 136.3 | 20 | 160 | 65 55 | 44.2 | 29 | 110 | 0 | 0 | | |
| Surr. o-Terphenyl | | | | 0 | 71.3 | 56 | 117 | 0 | 0 | | |

| Sample ID: O0812009-001BDUP | SampType: DUP | TestCode 8015DROS | Units: mg/Kg | Prep Date 12/10/2008 | RunNo 4312 |
|---|---|---|---|---|---|
| Client ID JIC 29-02-15 #24 preliminary | Batch ID: 3133 | TestNo: 8015DROS | (SW3550A) | Analysis Date: 12/11/2008 | SeqNo: 63288 |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Diesel Range Organics (nC10-nC32) | 359.5 | 20 | 0 | 0 | 0 | 0 | 0 | 301.8 | 17.4 | 20 | |
| Surr: o-Terphenyl | | | | 0 | 73.7 | 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 | | |

# ANALYTICAL QC SUMMARY REPORT

**Date:** 12/16/2008

**CLIENT:** Black Hills Gas Resources
**Work Order:** O0812009
**Project:** Jic29-02-15#24

**Report ID:** O0812009001Q
**TestCode:** **8015GROS**

| Sample ID: **MB-3134** | SampType: **MBLK** | TestCode: **8015GROS** | Units **mg/Kg** | Prep Date: **12/10/2008** | RunNo: **4311** |
|---|---|---|---|---|---|
| Client ID: **ZZZZZ** | Batch ID: **3134** | TestNo: **8015GROS** | **(SW5035)** | Analysis Date: **12/11/2008** | SeqNo **63275** |

| 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 | | | | | 105 | 65 | 141 | | | | |

| Sample ID: **LCS-3134** | SampType: **LCS** | TestCode: **8015GROS** | Units: **mg/Kg** | Prep Date: **12/10/2008** | RunNo: **4311** |
|---|---|---|---|---|---|
| Client ID: **ZZZZZ** | Batch ID **3134** | TestNo: **8015GROS** | **(SW5035)** | Analysis Date: **12/11/2008** | SeqNo **63276** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gasoline Range Organics (nC6-nC10) | 83.26 | 10 | 90 | | 92.5 | 75 | 118 | | | | |
| Surr. 4-Bromofluorobenzene | | | | | 99 8 | 65 | 141 | | | | |

| Sample ID: **LCSD-3134** | SampType. **LCSD** | TestCode. **8015GROS** | Units **mg/Kg** | Prep Date. **12/10/2008** | RunNo: **4311** |
|---|---|---|---|---|---|
| Client ID: **ZZZZZ** | Batch ID: **3134** | TestNo: **8015GROS** | **(SW5035)** | Analysis Date: **12/11/2008** | SeqNo: **63277** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gasoline Range Organics (nC6-nC10) | 88.31 | 10 | 90 | 0 | 98.1 | 75 | 118 | 83.26 | 5.88 | 20 | |
| Surr 4-Bromofluorobenzene | | | | 0 | 108 | 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

# ANALYTICAL QC SUMMARY REPORT

**Date:** 12/16/2008

**CLIENT:** Black Hills Gas Resources
**Work Order:** O0812009
**Project:** Jic29-02-15#24

**Report ID:** O0812009001Q
**TestCode:** **8015GROS**

| Sample ID **O0812009-002AMS** | SampType **MS** | TestCode **8015GROS** | Units: **mg/Kg** | Prep Date: **12/10/2008** | RunNo: **4311** |
|---|---|---|---|---|---|
| Client ID. **JIC 29-02-15#24 Mix** | Batch ID. **3134** | TestNo: **8015GROS** | **(SW5035)** | Analysis Date: **12/11/2008** | SeqNo: **63279** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gasoline Range Organics (nC6-nC10) | 81.82 | 10 | 90 | 0 | 90.9 | 58 | 122 | 0 | 0 | | |
| Surr. 4-Bromofluorobenzene | | | | 0 | 105 | 65 | 141 | 0 | 0 | | |

| Sample ID **O0812009-002AMSD** | SampType **MSD** | TestCode: **8015GROS** | Units. **mg/Kg** | Prep Date. **12/10/2008** | RunNo. **4311** |
|---|---|---|---|---|---|
| Client ID **JIC 29-02-15#24 Mix** | Batch ID **3134** | TestNo: **8015GROS** | **(SW5035)** | Analysis Date: **12/11/2008** | SeqNo: **63280** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Gasoline Range Organics (nC6-nC10) | 81.46 | 10 | 90 | 0 | 90.5 | 58 | 122 | 81.82 | 0.435 | 20 | |
| Surr: 4-Bromofluorobenzene | | | | 0 | 103 | 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 | | |

# ANALYTICAL QC SUMMARY REPORT

**Date:** 12/16/2008

**CLIENT:** Black Hills Gas Resources
**Work Order:** O0812009
**Project:** Jic29-02-15#24

**Report ID:** O0812009001Q
**TestCode:** **8021MBTEXN_S**

| Sample ID: **MB-3134** | SampType: **MBLK** | TestCode. **8021MBTEXN** Units **mg/Kg** | Prep Date. **12/10/2008** | RunNo **4310** |
|---|---|---|---|---|
| Client ID **ZZZZZ** | Batch ID: **3134** | TestNo: **8021MBTEXN (SW5035)** | Analysis Date: **12/11/2008** | SeqNo: **63268** |

| 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 | | | | | 106 | 80 | 138 | | | | |

| Sample ID: **LCS-3134** | SampType: **LCS** | TestCode: **8021MBTEXN** Units: **mg/Kg** | Prep Date. **12/10/2008** | RunNo: **4310** |
|---|---|---|---|---|
| Client ID: **ZZZZZ** | Batch ID. **3134** | TestNo. **8021MBTEXN (SW5035)** | Analysis Date: **12/11/2008** | SeqNo **63269** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Benzene | 9.435 | 0.50 | 10 | | 94.4 | 82 | 104 | | | | |
| Toluene | 9.600 | 0.50 | 10 | | 96 | 82 | 107 | | | | |
| Ethylbenzene | 9.555 | 0.50 | 10 | | 95.6 | 85 | 108 | | | | |
| m,p-Xylenes | 19.28 | 1.0 | 20 | | 96.4 | 87 | 109 | | | | |
| o-Xylene | 9.640 | 0.50 | 10 | | 96.4 | 84 | 110 | | | | |
| Surr: 4-Bromofluorobenzene | | | | | 99.8 | 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 | | |

# ANALYTICAL QC SUMMARY REPORT

**Date:** 12/16/2008

**CLIENT:** Black Hills Gas Resources
**Work Order:** O0812009
**Project:** Jic29-02-15#24

**Report ID:** O0812009001Q
**TestCode:** **8021MBTEXN_S**

| Sample ID. **LCSD-3134** | SampType: **LCSD** | TestCode **8021MBTEXN** | Units: **mg/Kg** | Prep Date. **12/10/2008** | RunNo **4310** |
|---|---|---|---|---|---|
| Client ID: **ZZZZZ** | Batch ID **3134** | TestNo. **8021MBTEXN (SW5035)** | | Analysis Date **12/11/2008** | SeqNo **63270** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Benzene | 10 03 | 0.50 | 10 | 0 | 100 | 82 | 104 | 9.435 | 6.11 | 20 | |
| Toluene | 10.20 | 0.50 | 10 | 0 | 102 | 82 | 107 | 9.6 | 6.01 | 20 | |
| Ethylbenzene | 10.11 | 0.50 | 10 | 0 | 101 | 85 | 108 | 9.555 | 5.64 | 20 | |
| m,p-Xylenes | 20.36 | 1.0 | 20 | 0 | 102 | 87 | 109 | 19.28 | 5.40 | 20 | |
| o-Xylene | 10.16 | 0.50 | 10 | 0 | 102 | 84 | 110 | 9.64 | 5.25 | 20 | |
| Surr. 4-Bromofluorobenzene | | | | 0 | 108 | 80 | 138 | 0 | 0 | 20 | |

| Sample ID **O0812009-002AMS** | SampType. **MS** | TestCode **8021MBTEXN** | Units **mg/Kg** | Prep Date **12/10/2008** | RunNo. **4310** |
|---|---|---|---|---|---|
| Client ID. **JIC 29-02-15#24 Mix** | Batch ID **3134** | TestNo **8021MBTEXN (SW5035)** | | Analysis Date: **12/11/2008** | SeqNo. **63272** |

| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Benzene | 9.330 | 0 50 | 10 | 0 | 93.3 | 73 | 103 | 0 | 0 | | |
| Toluene | 9.575 | 0.50 | 10 | 0 | 95.8 | 75 | 103 | 0 | 0 | | |
| Ethylbenzene | 9.490 | 0.50 | 10 | 0 | 94.9 | 76 | 109 | 0 | 0 | | |
| m,p-Xylenes | 19.12 | 1.0 | 20 | 0 | 95.6 | 77 | 107 | 0 | 0 | | |
| o-Xylene | 9.510 | 0 50 | 10 | 0 | 95 1 | 77 | 107 | 0 | 0 | | |
| Surr. 4-Bromofluorobenzene | | | | 0 | 104 | 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 | | |

# ANALYTICAL QC SUMMARY REPORT

**Date:** 12/16/2008

**CLIENT:** Black Hills Gas Resources

**Report ID:** O0812009001Q

**Work Order:** O0812009

**Project:** Jic29-02-15#24

**TestCode:** 8021MBTEXN_S

| | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sample ID: **O0812009-002AMSD** | SampType. **MSD** | TestCode **8021MBTEXN** | Units. **mg/Kg** | Prep Date: **12/10/2008** | RunNo **4310** | | | | | | |
| Client ID **JIC 29-02-15#24 Mix** | Batch ID: **3134** | TestNo. **8021MBTEXN (SW5035)** | | Analysis Date **12/11/2008** | SeqNo **63273** | | | | | | |
| Analyte | Result | PQL | SPK value | SPK Ref Val | %REC | LowLimit | HighLimit | RPD Ref Val | %RPD | RPDLimit | Qual |
| Benzene | 9.265 | 0.50 | 10 | 0 | 92.6 | 73 | 103 | 9.33 | 0.699 | 20 | |
| Toluene | 9 585 | 0.50 | 10 | 0 | 95.8 | 75 | 103 | 9.575 | 0.104 | 20 | |
| Ethylbenzene | 9.395 | 0.50 | 10 | 0 | 94 | 76 | 109 | 9.49 | 1.01 | 20 | |
| m,p-Xylenes | 18.97 | 1.0 | 20 | 0 | 94.8 | 77 | 107 | 19.12 | 0.814 | 20 | |
| o-Xylene | 9.370 | 0.50 | 10 | 0 | 93.7 | 77 | 107 | 9.51 | 1.48 | 20 | |
| Surr. 4-Bromofluorobenzene | | | | 0 | 102 | 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:** 12/16/2008
**Report ID:** S0812156001

**Project:** Jicarilla
**Lab ID:** S0812156-001
**Client Sample ID:** Jic29-02-15 #24 preliminary
**COC:** 116983

**Work Order:** S0812156
**Collection Date:** 12/8/2008
**Date Received:** 12/10/2008
**Sampler:**
**Matrix:** Soil

| Analyses | Result | PQL | Qual | Units | Date Analyzed/Init | Method |
|---|---|---|---|---|---|---|
| **General Parameters-Soil** | | | | | | |
| Total Petroleum Hydrocarbon | ND | 200 | | ppm | 12/11/2008 000 TWP | EPA 1664 |
| **Soil Anions** | | | | | | |
| Chloride | 578 | 0.01 | | ppm | 12/11/2008 000 LK | USDA 60-3a |

These results apply only to the samples tested.

**Qualifiers:**

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

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

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:** 12/16/2008
**Report ID:** S0812156001

**Project:** Jicarilla
**Lab ID:** S0812156-002
**Client Sample ID:** Jic29-02-15 #24 mix
**COC:** 116983

**Work Order:** S0812156
**Collection Date:** 12/8/2008
**Date Received:** 12/10/2008
**Sampler:**
**Matrix:** Soil

| Analyses | Result | PQL | Qual | Units | Date Analyzed/Init | Method |
|---|---|---|---|---|---|---|
| **General Parameters-Soil** | | | | | | |
| Total Petroleum Hydrocarbon | ND | 200 | | ppm | 12/11/2008 000 TWP | EPA 1664 |
| **Soil Anions** | | | | | | |
| Chloride | 156 | 0.01 | | ppm | 12/11/2008 000 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.* # 116983

| | | |
|---|---|---|
| **Client Name**: Black Hills Gas Resources | **Project Identification**: Jicarilla 29-02-15#24 Pit | **Sampler (Signature/Printed)**: Daniel Manus / Daniel Manus — **Telephone #** |
| **Report Address**: 3200 N. 1st ST, Bloomfield NM 87413 | **Contact Name and Email**: Daniel Manus daniel.manus@blackhillscorp.com<br>Voice 505 634-1111 x28<br>FAX 505 634 1116 | |
| **Invoice Address**: Same as above | **Purchase Order #** / **Quote #** | |

| ITEM | LAB ID (Lab Use Only) | DATE SAMPLED | TIME SAMPLED | SAMPLE IDENTIFICATION | Matrix | # of Containers | BTEX | GRO | DRO | TPH-8011 | Cl- | REMARKS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | | 12/8/08 | 11:45 | Jic 29-02-15#24 preliminary | SL | 4 | X | X | X | X | X | |
| 2 | | 12/8/08 | 12:45 | Jic 29-02-15#24 mix | SL | 4 | X | X | X | X | X | |
| 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 |
|---|---|---|---|---|---|---|
| | Daniel Manus / Daniel Manus | 12/8/08 | 1600 | Ed Scruton / Ed Scruton | 12/09/08 | 1300 |
| | | | | | | |
| | | | | | | |

| 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 | |

0081200

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): 6.6

*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): 116983

| | | | |
|---|---|---|---|
| 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 |
| 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 | |

***Client contact for preservation failures must be documented below.***

*Attach Lab ID labels to the containers and deliver to appropriate lab section.* **Set ID:** 0808120809

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

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

## 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: _____

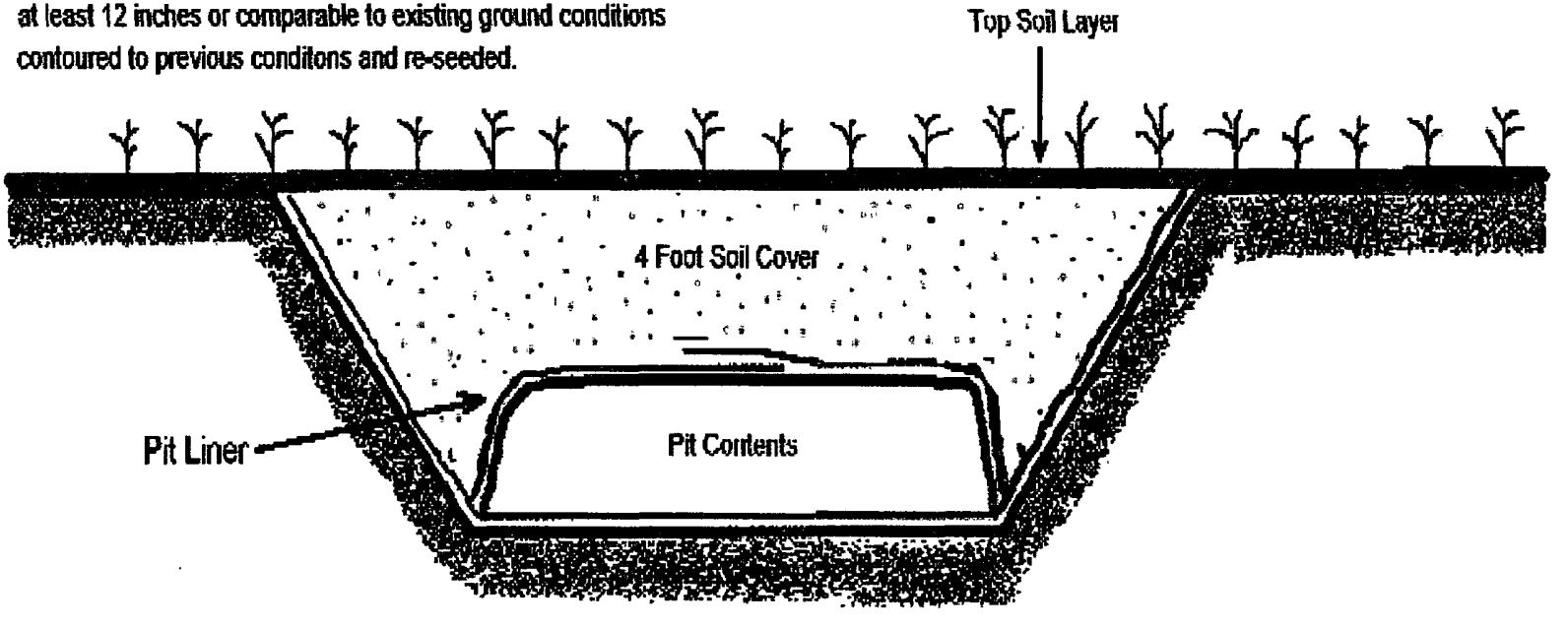
Initiated By: _____ Date/Time: _____

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<br>Salado Variety | 1.0 | 25 | .25 |
| Western Wheat Grass<br>Arriba or Barton Variety | 8.0 | 25 | 2.0 |
| Intermediate Wheat<br>Grass Amur or Oahe Variety | 9.0 | 20 | 1.80 |
| Galleta<br>Caryopsis | 2.0 | 20 | .40 |
| Blue Gramma<br>Machita, Lovington | 1.0 | 10 | .10 |
| **SOUTH (of Tapacito Wash)** | | | |
| Western Wheat Grass<br>Arriba or Barton Variety | 8.0 | 25 | 2.0 |
| Intermediate Wheat<br>Grass Amur or Oahe Variety | 9.0 | 20 | 1.80 |
| Galleta<br>Caryposis | 2.0 | 20 | .40 |
| Blue Gramma<br>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.

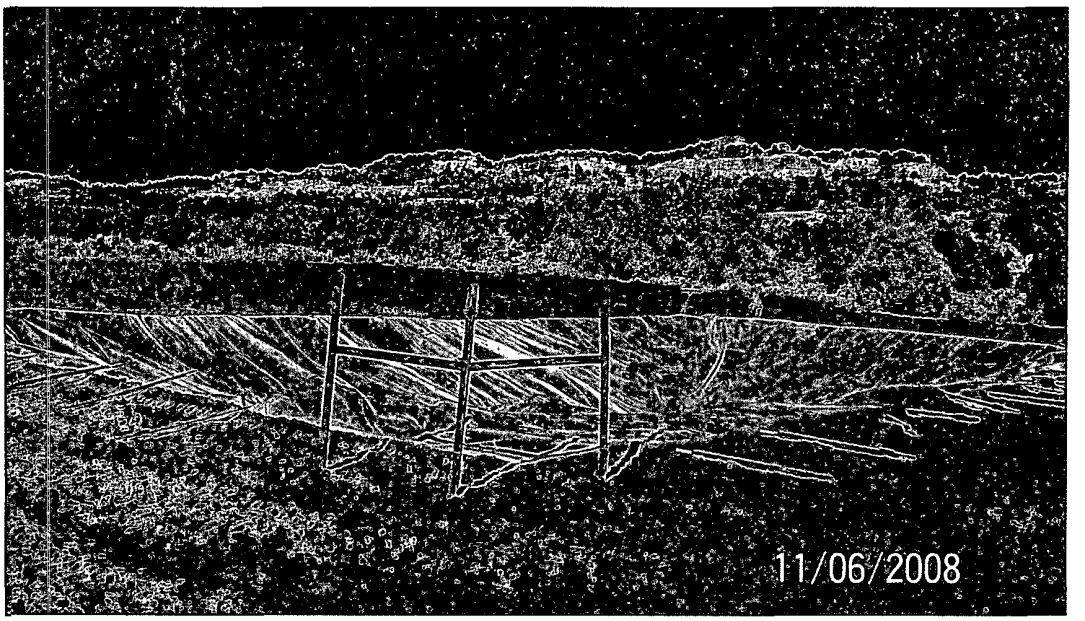
Seeding shall be accomplished between July 1 and September 15 (later date may be extended on a case-by-case basis with AO approval). Seeding shall be repeated if a satisfactory stand is not obtained as determined by the AO upon evaluation after the second growing season.

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 29-02-15 #24 Drilling Pit Before Closure*

*Jicarilla 29-02-15 #24 Drilling Pit After Closure*

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 29-02-15 #24**
API Number: **30-039-30535** OCD Permit Number: **3677**
U/L or Qtr/Qtr **Unit H** Section **15** Township **29N** Range **2W** County **Rio Arriba**
Center of Proposed Design: Latitude **36.72682 N** Longitude **107.02407 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: **≈ 9,000** bbl Dimensions: L **75'** x W **40'** x D **10'**

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

RECEIVED
NOV 2011
OIL CONS. DIV. DIST. 3

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. **30-039-30535**
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: **MDA 701-98-0013, Tract 4**
6 Well Number: **Jicarilla 29-02-15 #24**

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:** | **H** | **15** | **29N** | **2W** | | **1975'** | **North** | **820'** | **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.) |
|---|---|---|---|---|
| | | **December 16, 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 **36.72682 N** Longitude **107.02407 W** 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 Daniel Manus 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 29-02-15 #24 temporary drilling pit closure

Dear Sir or Madam

Black Hills Gas Resources' (BHGR) Jicarilla 29-02-15 #24 temporary drilling pit was closed on May 14, 2009 and the rig was release on December 16, 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

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

| [1] API Number | [2] Pool Code | [3] Pool Name |
|---|---|---|
| 30-039-30535 | 97036 | LA JARA CANYON TERTIARY |

| [4] Property Code | [5] Property Name | [6] Well Number |
|---|---|---|
| 35198 | JICARILLA 29-02-15 | 24 |

| [7] OGRID No. | [8] Operator Name | [9] Elevation |
|---|---|---|
| 013925 | BLACK HILLS GAS RESOURCES | 7234' |

## [10] Surface Location

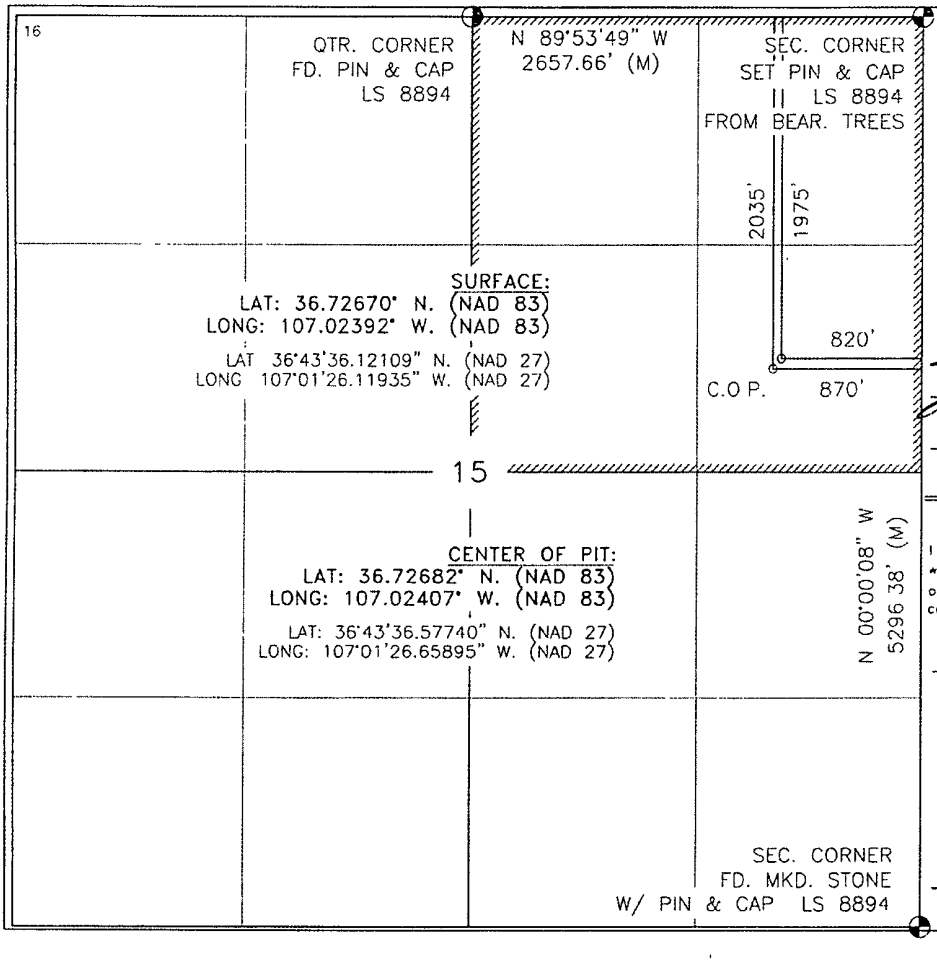
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| H | 15 | 29-N | 2-W | | 1975 | NORTH | 820 | EAST | RIO ARRIBA |

## [11] Bottom Hole Location If Different From Surface

| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |

| [12] Dedicated Acres | [13] Joint or Infill | [14] Consolidation Code | [15] Order No. |
|---|---|---|---|
| NE/4 -160 | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION




## [17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature — Date 11/7/06

Printed Name Daniel Manus

## [18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge & belief

OCTOBER 30, 2006

Date of Survey

Signature and Seal of Professional Surveyor: ROY A. RUSH, NEW MEXICO, 8894, REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate Number