

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

5. Lease Serial No.
142060490

6. If Indian, Allottee or Tribe Name
Ute Mountain Ute

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
BIYA Operators

3a. Address
P O. Box 5226
Farmington, NM 87499

3b. Phone No. (include area code)
505-325-4134

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

8. Well Name and No.
Ute Mountain B4

9. API Well No.
3004510143

10. Field and Pool or Exploratory Area
Verde Gallup

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL & 1980' FWL Sec. 32 T31N R15W

11. Country or Parish, State
San Juan NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|--|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Change Plans | <input checked="" type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

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

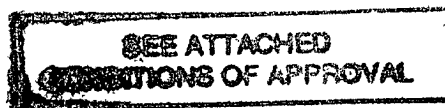
BIYA Operators intends to begin plugging of this well on or about June 5th, 2008. Or as soon as our rig is free to provide the work nessasary.

RCVD JUL 18 '08
OIL CONS. DIV.

DIST. 3
RECEIVED

MAY 14 2008

Bureau of Land Management
Durango, Colorado



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

Debbie Baldwin

Title Book Keeper

Signature

Debbie Baldwin

Date 05/13/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

AmSC

Date

7/15/08

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

Office

Syrc

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

(Instructions on page 2)

NMOCD 86

BIYA Operators
Tribal Lease: 14-20-604-90
Well: Ute Mountain B #4
1980' FNL & 1980' FWL
Sec. 32, T. 31 N., R. 15 W.
San Juan County, New Mexico

3160

REVISED: These COAs supercede the COAs from September of 2004.

Conditions of Approval - Notice of Intent to Abandon:

Plug #1: A plug must be placed at approximately 2020 feet at the production casing shoe. This plug must contain at least 25 sacks of cement. This plug must be placed a minimum of 50 feet into the open hole portion of the wellbore. This plug must be tagged and the top of this plug must be raised at least to 1970 feet.

Plug #2: Surface plug. A balanced plug must be set from a minimum of 179 feet to the surface.

1. Notify this office at least **72 hours** prior to commencing plugging operations.
2. Approval of this Notice of Intent to Abandon (NIA) is for down hole plugging only. Surface reclamation conditions of approval will be provided at a later date.
3. Materials used will be accurately measured.
4. A tank or approved pit must be used for containment of any fluids from the wellbore during plugging operations. All unattended pits are to be fenced.
5. Pits are not to be used for disposal of any unauthorized materials.
6. All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.
 - 6a. Cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100 ft. of the casing or annular void(s) between casings, plus 10% excess volume per 1000 ft. of depth. All plugs must be a minimum of 25 sacks of cement. All plugs must isolate the top and bottom of all know fluid bearing zones.**
 - 6b. Surface plugs must be a minimum of 50 ft. within casing and annular voids.**

Continued on Page 2.

6c. Cement plugs placed to fill an open hole shall have sufficient volume to fill a minimum of 100 ft. of open hole, plus 10% excess volume per 1000 ft. of depth.

7. The well must be filled with mud sufficient to stabilize the wellbore. In the absence of any formation pressure data provided by the operator, this mud will have a minimum weight of **9 ppg**. The mud must be left between all plugs.

8. A blowout preventer and related equipment shall be installed and tested prior to working in a wellbore with any exposed zones (a) that are overpressured, (b) where pressures are unknown, or (c) known to contain H₂S.

9. Within 30 days after plugging of the well, file 5 copies of a Subsequent Report of Abandonment (SRA) via Sundry Notice. This report should include the following information:

- a. Date(s) of plugging operations.
- b. Procedure used to plug the well.
- c. Depth of plugs.
- d. Type and volume of plugs set.
- e. Casing types/lengths left in the well.

General Surface Conditions of Approval for the BIYA B #4 Well.

This approval is for the NOI of the downhole plugging portion of the well only. Surface reclamation must be completed, weed free vegetation established, and site accepted by the BIA prior to closure and bond release.

The Bureau of Land Management, SJPLC (david_swanson@co.blm.gov or 970.385.1370) shall be notified at least 48 hours prior to commencement of surface reclamation. The BIA-UMU (970.565-6094) and UMU Tribal Energy at 970.564-5690 shall be contacted prior to surface reclamation procedures for specific requirements and seed mixtures.

In General

- The pits and boreholes shall be filled, access road restored, surface re-contoured to blend with surrounding terrain, top soil evenly redistributed.
- Well equipment, dead-men, concrete slabs, cables, piping and trash shall be removed, slash piles chipped and scattered.
- The site shall require weed control, soil preparation and reseeding with a BIA approved seed mix and shall be monitored for self-sustaining growth.

According to the regulations in 43 CFR 3162.3-4, a well site is to be reclaimed and re-vegetated directly following plugging. Onshore Order #1 and BLM-SJRA stipulate that **surface reclamation** be completed within 180 days of final plugging operation completion but may be commenced directly after the plugging operation while equipment is available. When re-vegetation has subsequently been re-established, BLM shall be notified by the operator with a Final Abandonment Notice. A field inspection will then be arranged between the SUIT/UMU Tribe, the BLM and the respective BIA agency, so that the well pad can be inspected for release from bond liability.

Specifically at the below listed well locations, the following must be addressed.

B-4 located in Sec 32, T31N, R15W NMPM; UMU Indian Lease # 14-20-604-90, API #30-045-10143

Remove from Reservation 100 BBL tank on skids

Remove anchors, associated cable

Remove well sign

Remove any petroleum laden soils (PLS) as 10' dia. near tank and 20' dia. around well head.

Remove 2" diameter pipe on surface- 3 lengths

Remove wellhead and 2" attached piping

Remove all sucker rod (est 50 pcs)

Misc pipe and cable 75' southwest of wellhead

Remove miscellaneous timbers

Contour well pad (especially on SW) and access road to site to blend with surrounding terrain including knocking down berms, replacing top soil, scarifying/ripping of compacted soils, soil preparation, drill seeding with BIA approved weed-free seed mix. (contact BIA for preferred mix verification)

STANDARDS for all locations

All petroleum laden soil must be removed from the reservation

All tank batteries must be potholed to establish whether any old spills are evident. If so clean up standards must be equivalent to State of Colorado Oil and Gas Commission standards where ground water is not an issue (-10,000 ppm)

All clean ups must have a final cleanup report by a third party.