



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO
MDA 701-98-0013
3162.3-1 (111)

December 28, 2009

Black Hills Gas Resources, Inc.
Attn.: Lynn Benally
PO Box 249
Bloomfield, NM 87413

RCVD DEC 29 '09
OIL CONS. DIV.
DIST. 3

Dear Ms. Benally:

30-039-29549

Reference is made to your Application for Permit to Drill (APD) the **No. 22 Jicarilla 28-02-17** well, located **1815' FNL and 1450' FWL, Section 17, T28N, R2W, Rio Arriba County, New Mexico**. This APD was approved on November 13, 2006 with an expiration date of November 13, 2008. According to our records, no known activity has taken place at this location.

In view of the foregoing, this office is rescinding the approval due to the expiration of this APD. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Please file letter within 30 days of receipt of this notice. Any surface disturbance conducted must be rehabilitated in accordance with the standards and guidelines established by this office.

If you have any questions regarding the above contact Shea Valdez at (505) 599-8969

Sincerely,

Shea Valdez
Petroleum Engineering Asst.

Petroleum Management Team

cc: NMOCD
BIA: Dulce
Jicarilla Nation Minerals Dept.

b

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator **Black Hills Gas Resources, Inc.** E-mail: lbenally@bhep.com
Contact: Lynn Benally

3a. Address 350 Indiana Street, Suite 400
Golden CO 80401 3b. Phone No (include area code) 505.634.1111

4 Location of Well (Report location clearly and in accordance with any State Requirements.)
At surface 1,815' FNL 1,450' FWL SE 1/4 NW 1/4
Lat: 36° 38' 31.0" Long: 107° 04' 12.1"

At proposed production zone

14 Distance in miles and direction from nearest town or post office. *

Well is located approximately 57 miles east of Bloomfield, New Mexico.

15. Distance from proposed location to nearest property of lease line, ft. (Also nearest Drig, unit line, if any) Unit= n/a Lease= ±3,465'

16. No. of acres in lease 10,240.0

17. Spacing Unit dedicated to this well 160

18. Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft. ± 3,800' Jicarilla 28-02-07 44

19. Proposed depth 4,000' TVD

20. BLM/BIA Bond No. on file NMB000230 SW 25

21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,176' GR

22. Approximate date work will start * June 16, 2005

23 Estimated duration 45-60 days drlg + completion

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other state specific information and/or plans as may be required by the authorized officer.

25. Signature

Kathy L. Schneebeck

Name (Printed/Typed)

Kathy L. Schneebeck, 303.820.4480

Date

May 12, 2005

Title

Permit Agent for Black Hills Gas Resources, Inc.

Approved by (Signature)

[Signature]

Name (Printed/Typed)

Office

FFC

Date

11/13/06

Application approval 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.

Conditions of approval, if any, are attached.

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.

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

FARMINGTON

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

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 87506

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 June 10, 2003
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 72400		3 Pool Name E, Blanco / Pictured Cliffs	
4 Property Code 24245		5 Property Name JICARILLA 28-02-17			6 Well Number 22
7 OGRID No. 013925		8 Operator Name BLACK HILLS GAS RESOURCES			9 Elevation 7176'

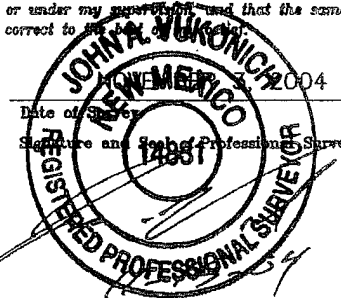
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	17	28-N	2-W		1815	NORTH	1450	WEST	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 160 acres - NW/4					13 Joint or Infill		14 Consolidation Code		15 Order No.

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

16 SEC. CORNER FD. 2 1/2" B.C. G.L.O. 1917 N 00-02-53 E 2641.98' (M) 1450'	N 89-50-05 W 2645.03' (M) 1815'	QTR. CORNER FD. 2 1/2" B.C. G.L.O. 1917	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Kathy L. Schneebeck</u> Signature Kathy L. Schneebeck Printed Name Permit Agent for Black Hills Title May 12, 2005 Date	
	LAT. 36°38'31.0" N (NAD 83) LONG. 107°04'12.1" W (NAD 83)			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 and belief  Date of Survey Signature and Seal of Professional Surveyor
	QTR. CORNER FD. 2 1/2" B.C. G.L.O. 1917			14831 Certificate Number

RECEIVED
MAY 16 9 33 AM '05
070 FARMINGTON NM