

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.
MOO-C-1420-4388

6 If Indian, Allottee or Tribe Name
UTE MOUNTAIN UTE TRIBE

SUBMIT IN TRIPLICATE – Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No
Ute Mountain Ute 27 #44

2. Name of Operator

PRIORITY ENERGY, LLC

9 API Well No
3004526834

3a Address

P O Box 663, Summerland, CA 93067

3b. Phone No. (include area code)

(805) 969-9941

10. Field and Pool or Exploratory Area
Basin Dakota

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
995 FSL & 1055 FEL Sec 27, T31N, R14W, NMPM

11. Country or Parish, State
San Juan County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>OFF-LEASE MEASUREMENT</u>
	<input type="checkbox"/> Change Plans	<input 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 recomplete 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 recompletion 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.)

Use "Off-lease Measurement" thru EFM at Wintershall CDP meter #91901127 located on Ute Mt. Lease #751-88-0001 for a period of five (5) years. Gas to be allocated back to the wells using the same allocation procedure as performed in the past.

NMOCD
ACCEPTED FOR RECORD

RCVD MAR 20 '12
OIL CONS. DIV.
DIST. 3

**SEE ATTACHED
CONDITIONS OF APPROVAL**

REC'D
MAR 02 2012

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

WEST HAHN

Title Contract Production Supervisor for Priority Energy, LLC

Signature *West Hahn*

Date 03/01/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title *Msc*

Date *3/14/2012*

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

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.

Priority Energy, LLC.
Tribal Lease: MOO-C-1420-4388
Well: Ute Mountain Ute #27-44
Surface Location: 995' FSL & 1055' FEL
Sec. 27, T. 31 N., R. 14 W.
San Juan County, New Mexico

3160

Conditions of Approval : Sundry Notice (Off Lease Measurement):

1. Approval is granted for a period of five years until March 13, 2017, at which time a request for extension of this approval and the other wells in this gathering system will be required.
2. This office reserves the right to rescind this approval at any time should gross inefficiencies in the measurement and allocation of production arise.
3. Contact this office in the event of any lost hydrocarbons between the lease and the off-lease measurement point.
4. A sign must be installed at the master meter location which (a) clearly identifies it as the CDP (Central Delivery Point), (b) gives the legal location of the master meter, and (c) lists all wells which are served by the CDP.
5. Provide to this office with monthly reports of allocated vs. well head meter volumes on a quarterly basis. Include gas analysis for each well if available.
6. No other wells can be added to this off-lease measurement approval without prior approval of this office.