

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires October 31, 2014

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 1420-4387

6. If Indian, Allottee or Tribe Name

UTE MT UTE

SUBMIT IN TRIPLICATE – Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

PRIORITY ENGINEERING, LLC. J. Thomas Development of NM, Inc

3a. Address

7415 EAST MAIN STREET, FARMINGTON, NM 87402

3b. Phone No. (include area code)

505-327-4892

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

8. Well Name and No
UTE 34 #11

9. API Well No.

30-045-26808

10. Field and Pool or Exploratory Area

DAKOTA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

945' E8E & 1110' FWL SEC 34, T31N, R14W

FNL

11. County 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 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 checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<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 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.)

SITE HAS BEEN CLEARED OF ALL EQUIPMENT, SURFACE HAS BEEN RECLAIMED WITH VEGETATION AND SITE IS READY FOR INSPECTION.

RECEIVED

MAY 29 2012

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

Title PRODUCTION FOREMAN

RCVD JUN 13 '12
OIL CONS. DIV.

Signature

West Hahn

Date 05/23/2012

DIST. 3

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

[Signature]

Title

Phys Sci

Date

6/12/12

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

The Res Field Ofc

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)

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RECEIVED



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Tres Rios Field Office
Lands and Minerals
15 Burnett Court
Durango, Colorado 81301



In Reply Refer To:
(3162.5-1)
File Code: COS010

Date: **JUN 11 2012**

CERTIFIED MAIL-RETURN RECEIPT REQUESTED (7006-3410-0000-5257-6724)

Priority Energy, LLC
P.O. Box 663
Summerland, CA 93067

**RCVD JUN 13 '12
OIL CONS. DIV.
DIST. 3**

RE: Release Of Operator Bond Period of Liability for UMU 34-11 gas well

Dear Operator:

The Bureau of Land Management (BLM) Surface Protection Specialist or Natural Resource Specialist accompanied by the UMU Representative(s) and the BIA Realty Specialists and operator representative Lee Robbins of Walsh Engineering visited the gas well site named UMU 28-14 on April 24, 2012. This well tapped the Indian Mineral estate beneath Mineral Agreement #MOO-C 1420-4387 having surface expression as an above ground marker in Section 34, T. 31N., R14W., San Juan County, New Mexico. The associated API number is 30-045-26808. The wellbore Request for approval to abandon (NOI) with plugging procedures was approved September 9, 2004. The Subsequent Report (SR) for wellbore abandonment was accepted/approved November 1, 2004. The Final Abandonment Notice (FAN) indicating operator verification that the surface is contoured to blend with surrounding terrain, equipment is removed and surface reclaimed has growth of desirable vegetation at 70% of surrounding undisturbed lands was received by the BLM-SJRA on May 29, 2012. The Final Abandonment of the surface was found acceptable by the BIA as indicated in the attached letter dated April 26, 2012 and received April 30, 2012.

The BLM has determined that the period of liability with regards to this well is hereby

terminated and the bond for this well may be released by the BIA. If the bond covering this well is an *individual* well bond, you may seek release of funds from the BIA-SU Agency at the following address:

Superintendent-BIA- UMU Agency
Box KK
Towaoc, CO 81334.

If you have any questions or comments, please contact the BLM at 970.385.1370.

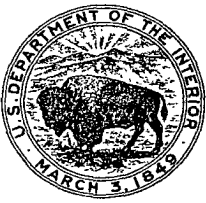
Sincerely,

/s/ BRAD DODD

Richard A. Rymerson
Tres Rios Field Office
BLM Minerals Staff Chief

Attachment: Superintendent-BIA, letter of surface reclamation acceptance.

cc: BIA-UMU Agency, UMU-Energy, NMOCD, Walsh Engineering



United States Department of the Interior
BUREAU OF INDIAN AFFAIRS
Ute Mountain Ute Agency
P.O. Box KK
Towaoc, Colorado 81334



IN REPLY REFER TO:
Branch of Real Estate Services

APR 26 2012

BLM, San Juan Resources Area
Attention: Richard A. Rymerson
Oil & Gas Division
15 Burnett Court
Durango, CO 81301

Re: Approved Reclamations, **Ute Mountain Ute 28-14**,
Section 8, Township 31 North, Range 14 West, NMPM,
San Juan County, NM, Lease No. 751-88-0001
Ute Mountain Ute 34-11, Section 34, Township 31 North,
Range 14 West, NMPM, San Juan County, NM, Lease No.
M00-C-1420-4387

Dear Mr. Rymerson:

Two site inspections were conducted on Ute Mountain Ute 28-14 and Ute Mountain Ute 34-11 for reclamation purposes on April 24, 2012. Those in attendance included Lee Robbins from Walsh Engineering & Production Corp (Operator); Lyman Clayton and Bernice Clayton from BIA; Dave Swanson and Ryan Joyner from BLM; Scott Clow from Ute Mountain Ute Tribal Environmental Dept; Gordon Hammond from Ute Mountain Ute Tribal Energy Office.

The reclamation inspections indicated that Priority Energy, LLC has complied with reclamation stipulations and their work at these two well sites have been completed in a satisfactory manner, and therefore Priority Energy, LLC is released from all further obligations on the well sites under Lease No. 751-88-0001 and M00-C-1420-4387.

If you have any questions, or need more information, please contact Bernice Clayton, Realty Specialist, at 970-565-3716.

Sincerely,

Bernice Clayton
Superintendent

cc: David Swanson/BLM
Scott Clow, Tribal Environmental Dept.
Gordon Hammond, Tribal Energy Office
George Tetreault/SWRO, Energy & Minerals

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APR 30 2012

Real Estate Services
Branch of Real Estate Services