



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington District Office
6251 College Blvd. - Suite A
Farmington, New Mexico 87402



IN REPLY, REFER TO:
NO-G-0611-1747
3162.3-1 (NMF0110)

August 25, 2013

Pro NM Energy, Inc.
Attn: Land Department
460 St. Michael's Drive
Santa Fe, NM 87505

RCVD AUG 29 '13
OIL CONS. DIV.
DIST. 3

Dear Sirs:

Please be advised that the following approved Application for Permit to Drill (APD) has expired effective April 27, 2013. If you wish to drill this well at some later date, you must file another application to permit to drill.

Bisti Otero 23 #1 located 970' FSL & 920' FEL, Section 23, T.255 N., R. 11W, San Juan County, New Mexico, NO-G-0611-1747, and API Number: 30-045-34799

If any surface disturbance was conducted, you must file your plans for reclamation. Please contact Christine Bitsoi at 505-564-7642 or email christine.bitsoi@bia.gov to make arrangements for the restoration.

Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et. Seq.

If you have any questions, contact Cynthia Marquez at (505) 564-7741.

Sincerely,

Cynthia Marquez,
Land Law Examiner
Petroleum Management Team

Actual
 11/7/2007
 N/A
 9/17/08
 Form 3160-3
 (April 2004) BIA
 N/A
 N/A
 BOND: N/A
 CK: #5801 9/15/2008

RECEIVED

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

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
 SEP 16 2008

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NO-G-0611-1747
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Navajo Allotment
2. Name of Operator Pro NM Energy, Inc.		7. If Unit or CA Agreement, Name and No. N/A Needs CA
3a. Address 460 St. Michael's Drive Santa Fe, NM 87505		8. Lease Name and Well No. Bisti Otero 23 #1
3b. Phone No. (include area code) (505) 988-4171		9. API Well No. 30-045-34799
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 970' FSL & 920' FEL At proposed prod. zone Same SESE		10. Field and Pool, or Exploratory Bisti Lower-Gallup & Basin Dakota
14. Distance in miles and direction from nearest town or post office* 16 air miles NW of Nageezi, NM		11. Sec., T. R. M. or Blk. and Survey or Area 23-25N-11W NMPM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 920'	16. No. of acres in lease 160	17. Spacing Unit dedicated to this well 80 320 S2SE4 (Gallup) & S2 (Dakota)
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 967' (TP 2)	19. Proposed Depth 6,500'	20. BLM/BIA Bond No. on file B4502
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,523' GL This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4	22. Approximate date work will start* 12/01/2008	23. Estimated duration 4 weeks

EXPIRED 10-27-13

24. Attachments DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".
 The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature *[Signature]* Name (Printed/Typed) BRIAN WOOD Date 09/11/2008

Title CONSULTANT PHONE: (505) 466-8120 FAX: (505) 466-9682

Approved by (Signature) *[Signature]* Name (Printed/Typed) Date 4/28/09

Title AFM Office FFO

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.

*(Instructions on page 2)

SEE ATTACHED FOR
 CONDITIONS OF APPROVAL FARMINGTON

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 87605

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

SEP 16 2008

Bureau of Land Management AMENDED REPORT
Farmington Field Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-045-		*Pool Code 5890		*Pool Name BISTI LOWER-GALLUP	
*Property Code		*Property Name BISTI OTERO 23			*Well Number 1
*GRID No. 018118		*Operator Name PRO NM ENERGY INC.			*Elevation 6523

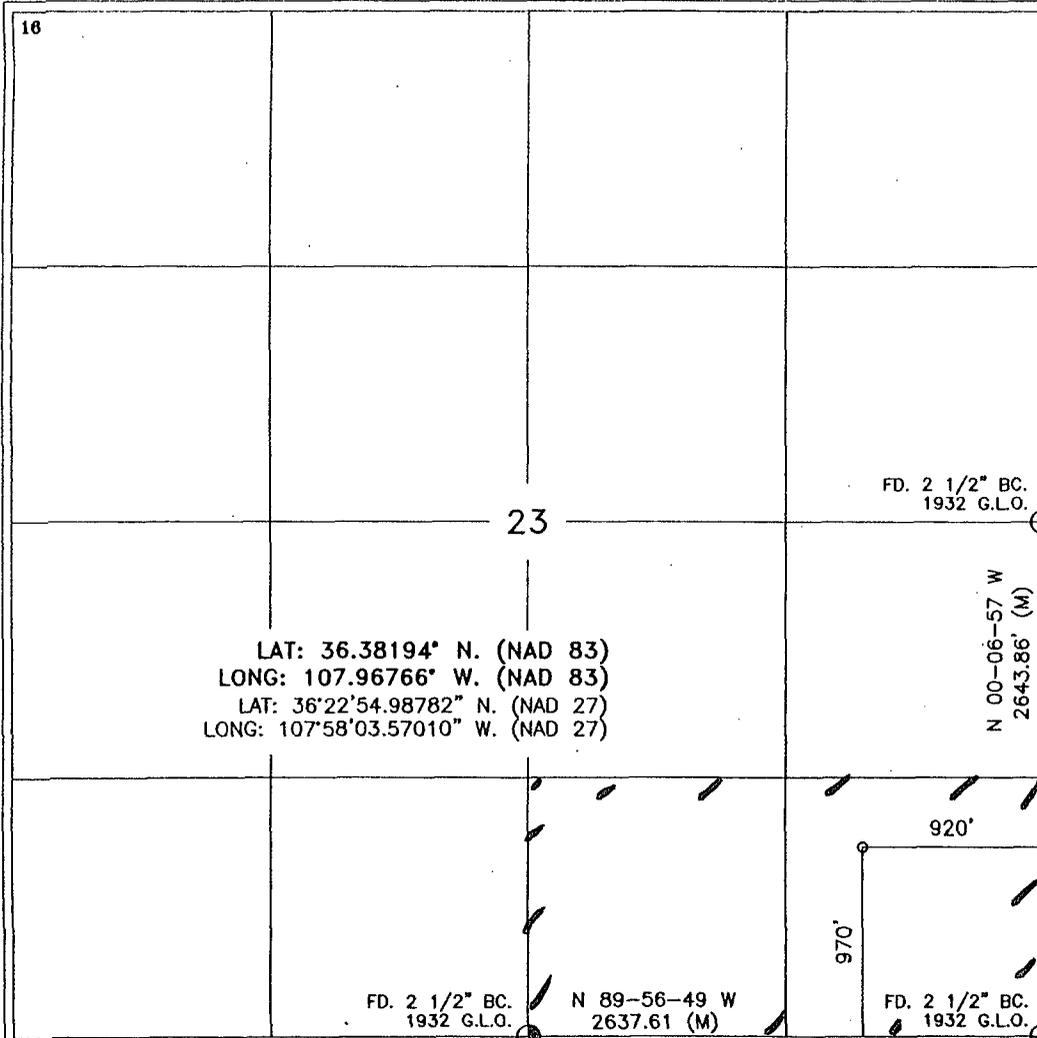
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	23	25-N	11-W		970	SOUTH	920	EAST	SAN JUAN

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 80		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



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.

B Wood 9-11-08
Signature Date
BRIAN WOOD
Printed Name

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 belief.

NOVEMBER 21, 2007
Date of Survey
Signature and Seal of Professional Surveyor:
[Signature]
Certificate Number

DISTRICT I
1626 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
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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 30-045-		² Pool Code 71599	³ Pool Name BASIN DAKOTA ✓
⁴ Property Code	⁵ Property Name BISTI OTERO 23		⁶ Well Number 1 ✓
⁷ GRID No. 018118	⁸ Operator Name PRO NM ENERGY INC.		⁹ Elevation 6523

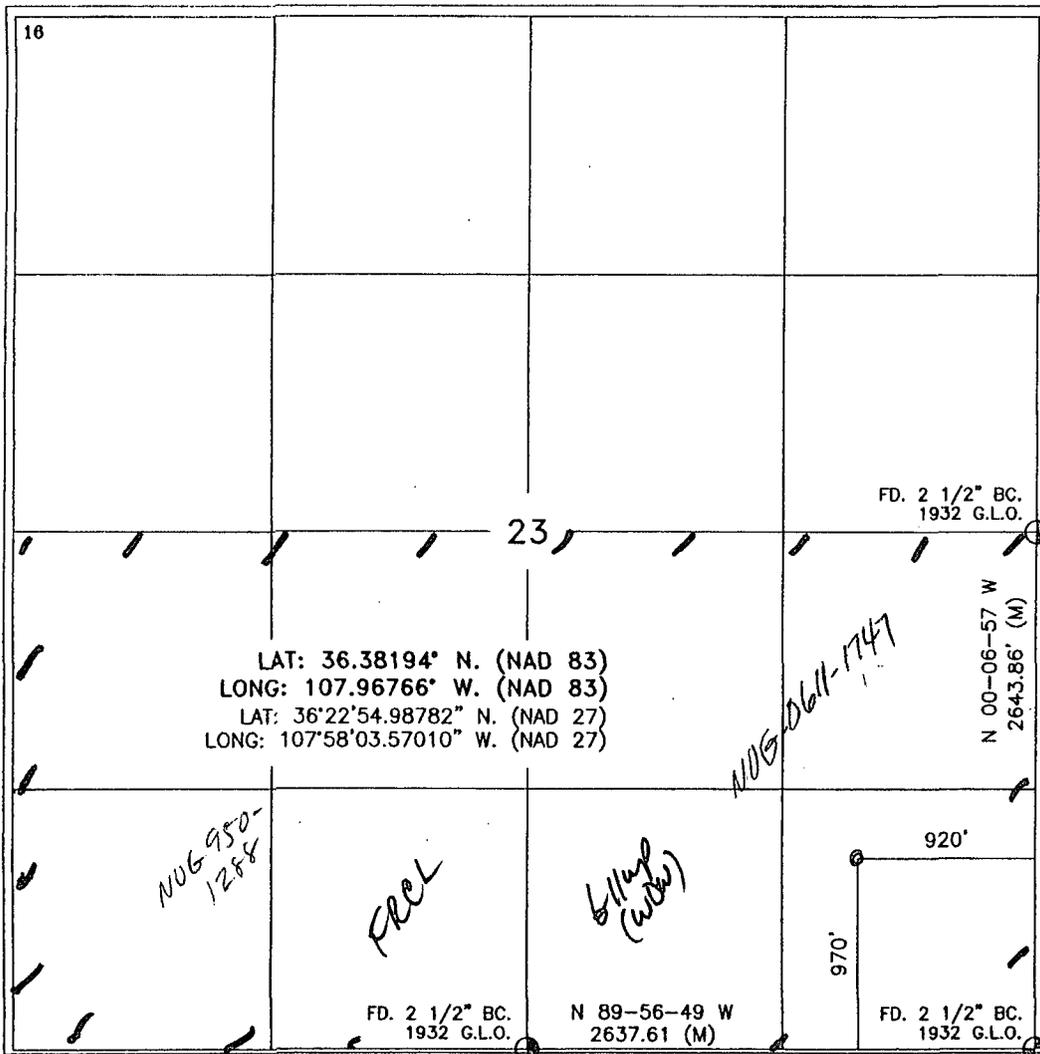
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P	23	25-N	11-W		970	SOUTH	920	EAST	SAN JUAN

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 320 ✓		¹³ Joint or Infill		¹⁴ Consolidation Code C		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



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.

Brian Wood 9-11-08
Signature Date

BRIAN WOOD
Printed Name

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 belief.

NOVEMBER 21, 2007
Date of Survey

Signature and Seal of Professional Surveyor:
[Signature]

REGISTERED PROFESSIONAL LAND SURVEYOR
8894

Certificate Number