

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey, Division Director  
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-5 form.

Operator Signature Date: **Original APD 3/19/2013** Sundry Extension Date **5/22/2015**

API_WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-045-35485-00-00	HORSESHOE GALLUP	401	BIYA OPERATORS INC.	O	N	San Juan	U	O	35	31	N	16	W

Conditions of Approval:

(See the below checked and handwritten conditions)

- Notify Aztec OCD 24hrs prior to casing & cement.
- Hold C-104 for directional survey & "As Drilled" Plat
  - Hold C-104 for NSL, NSP, DHC
  - Spacing rule violation. Operator must follow up with change of status notification on other well to be shut in or abandoned
  - Regarding the use of a pit, closed loop system or below grade tank, the operator must comply with the following as applicable:
    - A pit requires a complete C-144 be submitted and approved prior to the construction or use of the pit, pursuant to 19.15.17.8.A
    - A closed loop system requires notification prior to use, pursuant to 19.15.17.9.A
    - A below grade tank requires a registration be filed prior to the construction or use of the below grade tank, pursuant to 19.15.17.8.C
  - Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
- Regarding Hydraulic Fracturing, review EPA Underground Injection Control Guidance 84
- Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system.
- Well-bore communication is regulated under 19.15.29 NMAC. This requires well-bore Communication to be reported in accordance with 19.15.29.8.
- Comply with current regulations at time of spud  
Prior to production operator needs to be in compliance with RULE 19.15.5.9

NMOCD Approved by Signature

6/29/15  
Date

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.  
751-08-1035

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

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

8. Well Name and No.  
Horseshoe Gallup #401

2. Name of Operator  
BIYA Operators, Inc.

9. API Well No.  
30-045-354850000

3a. Address  
PO Box 5226  
Farmington NM 87499

3b. Phone No. (include area code)  
(505) 334-9312

10. Field and Pool or Exploratory Area  
Horseshoe

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

*Sec 35, T31N, R11W*

11. County or Parish, State  
San Juan, New Mexico

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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input type="checkbox"/> Other <u>Permit Extension</u>

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 Inc. respectfully requests the BLM extend this permit for two years.

**OIL CONS. DIV DIST. 3**

**JUN 26 2015**

**RECEIVED**

**JUN 01 2015**

Bureau of Land Management  
Durango, Colorado

**SEE ATTACHED  
CONDITIONS OF APPROVAL**

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

Title President

Signature *[Handwritten Signature]*

Date 05/22/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by *[Handwritten Signature]*

Title *WISC*

Date *6/16/2015*

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 **TRES RIOS FIELD 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.

JUN 26 2015

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

Form 3160-3 (August 1999)

OIL CONS. DIV.

FORM APPROVED

OMB No. 1009-0136 Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work [X] DRILL [ ] REENTER
1b. Type of Well: [X] Oil Well [ ] Gas Well [ ] Other [ ] Single Zone [ ] Multiple Zone

2. Name of Operator BIYA OPERATORS, INC. NM OGRID # 224717

3a. Address c/o Mike Pippin, LLC 3104 N. Sullivan Ave., Farmington, NM 87401
3b. Phone Number (505) 327-4573

4. Location of Well (Footage, Sec, T. R., M. or Survey Description)
At surface: Unit Letter O, 845' FSL, 1775' FEL
At proposed prod. Zone:

14. Distance in miles and direction from nearest town or post office\*
~14 Miles Northwest of Kirtland, NM

15. Distance from proposed\* location to nearest property or lease line, ft. 845'
16. No of Acres in lease 40

18. Distance from proposed\* location to nearest well 1135'
19. Proposed Depth 1650'

21. Elevation (Show whether DF, KDB, RT, GL, etc.) 5575' Ground Level
22. Approximate date work will start\* 6/10/13

5. Lease Designation and Serial No. 751-08-1035

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

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

8. Lease Name and Well No. Horseshoe Gallup #401

9. API Well No. 30-045-35485

10. Field and Pool, or Exploratory Horseshoe Gallup

11. Sec., T., R., M., or Blk. and Survey or Area Sec 35, T-31-N, R-16-W

12. County or Parish, San Juan 13. State New Mexico

17. Spacing Unit dedicated to this well SWSE

20. BLM/BIA Bond No. on file RLB0011899

23. Estimated duration 6 days

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 site specific information and/or plans as may be required by the authorized officer

Table with 5 columns: Size of Hole, Grade, Size of Casing, Weight per Foot, Setting Depth, Quantity of Cement. Rows include 12-1/4", 7-7/8" hole sizes.

This well was formerly named Horseshoe Gallup Unit #301

On site inspection with Dave Swanson (BLM), Scott Clow (Ute Tribe), Bernice Clayton (BIA) - 12/15/10

Archy by LaPlata

EA & TE by Nelson.

SEE ATTACHED APD INFORMATION

Latitude: 36.85262 N

Longitude: -108.49140 W

25. Signature Mike Pippin Name (Printed/Typed) Mike Pippin Date 3/19/2013

APPROVED FOR A PERIOD NOT TO EXCEED 2 YEARS

Approved by (Signature) JS/ BRAD DODD Name (Printed/Typed) JS/ BRAD DODD Date JUN 19 2013

Title TRES RIOS FIELD OFFICE Office ASSOCIATE FIELD MANAGER

Application approval does not warrant or certify 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.

Venting / Flaring approved for 30 days per BTL 40

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.

RECEIVED

(Instructions on reverse)

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject lease which are committed hereto

Handwritten initials/signature

SEE ATTACHED 2013 CONDITIONS OF APPROVAL Bureau of Land Management

Durango, Colorado

RCUD JUN 27 '13  
OIL CONS. DIV.  
DIST. 3

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
**District III**  
1000 Rio Grande Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011  
Submit one copy to  
appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-045-35485</b>		<sup>2</sup> Pool Code <b>32870</b>	<sup>3</sup> Pool Name <b>HORSESHOE GALLUP</b>
<sup>4</sup> Property Code <b>305250 39980</b>	<sup>5</sup> Property Name <b>HORSESHOE GALLUP</b>		<sup>6</sup> Well Number <b>401</b>
<sup>7</sup> OGRID No. <b>224717</b>	<sup>8</sup> Operator Name <b>BIYA OPERATORS, INC.</b>		<sup>9</sup> Elevation <b>5574'</b>

**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
<b>0</b>	<b>35</b>	<b>31-N</b>	<b>16-W</b>	<b>3000</b>	<b>845</b>	<b>SOUTH</b>	<b>1775</b>	<b>EAST</b>	<b>SAN JUAN</b>

**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
<sup>12</sup> Dedicated Acres <b>39.13</b>			<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.		

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p><b>16</b></p>		<p><b>17 OPERATOR CERTIFICATION</b></p> <p>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 undivided 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.</p> <p><i>Mike Pippin</i> 6/25/13 Signature Date</p> <p><b>MIKE PIPPIN</b> Printed Name</p> <p><b>MIKE@PIPPINLLC.COM</b> E-mail Address</p>	
		<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>DEC 16 2010 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Registered Surveyor</p> <p><b>NEW MEXICO</b> <b>REGISTERED PROFESSIONAL LAND SURVEYOR</b></p> <p>_____ Certificate Number</p>	

**BIYA Operators, Inc.**

**3160**

**Tribal IMDA: 751-08-1035**

**Well: Horseshoe Gallup # 401**

**Surface Location: 845' FSL & 1775' FEL**

**Sec. 35, T. 31 N., R. 16 W.**

**San Juan County, New Mexico**

**Conditions of Approval, APD Extension:**

- 1) This APD is extended for a period of one year and the extension will expire on 19 June 2016.