JUL **2 4** 2008

Form 3160-5 (April 2004) FORM APPROVED OM B No 1004-0137 Expires: March 31, 2007 **UNITED STATES** DEPARTMENT OF THE INTERIORUS of Land Manage nent Durango, Colorado **BUREAU OF LAND MANAGEMENT** IMDA 751-05-1025, Tract A SUNDRY NOTICES AND REPORTS ON WELLS If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160 - 3 (APD) for such proposals. Ute Mountain Ute 7. If Unit or CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE- Other instructions on reverse side. 1 Type of Well Oil Well ✓ Gas Well Other 8. Well Name and No. Ute Mountain Tribal 35-D 2. Name of Operator Elk San Juan, LLC API Well No. 3004533562 3a. Address 3b. Phone No. (include area code) 1401 17th Street, Suite 700, Denver, CO 80202 303-296-4505 10. Field and Pool, or Exploratory Area Verde Field 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1: 1605' FSL, 945 FEL, CSE Section 35-T31N-R15W San Juan County, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Acidize Water Shut-Off Production (Start/Resume) Deepen Notice of Intent Alter Casing Reclamation Well Integrity Fracture Treat Casing Repair Recomplete Other New Construction Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Final Abandonment Notice ☐ Convert to Injection Plug Back Water Disposal 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.) Elk San Juan, LLC requests permission to permanently abandon perforations in the Dakota section from 5044' to 5047' as wet and recomplete the subject well to behind pipe Verde Field Pay intervals. The Dakota will be plugged off with the setting of a CIBP set at 4990' and capped with a 10' cement plug For the recompletion, pay intervals within the Gallup section of the Mancos between 4250' and 4723' will be perforated and frac stimulated in two stages using nitrogen foam fracs. Following flowback and swab testing, the well will be put on rod pump for production. It is Elk's desire to commence the recompletion operations as soon as approval can be obtained, preferably mid August 2008. The project is expected to require approximately one week to complete. RCVD AUG 22 '08 **UIL CONS. DIV.** 14. I hereby certify that the foregoing is true and correct DIST. 3 Name (Printed/Typed) Karin Kukn Title Sr. Engineering Technician 07/22/2008 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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.

Title

Office

(Instructions on page 2)

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.

HOLD GIOSFORC-102 For Verde Gally oil ped

Elk San Juan, LLC Tribal Lease: 751-05-1025 Well: UMT 35D 1605 FSL & 945' FEL Section 35, T. 31 N., R. 15 W. San Juan County, New Mexico

Conditions of Approval: Sundry Notice to recomplete:

- 1. No activities may take place outside of the originally disturbed surface area.
- 2. Within 30 days of the recompletion, submit to this office a Sundry Notice, Subsequent Report of all activities that took place. Daily drillers or activities reports should be provided. At this time also submit a new Completion Report reflecting the new completion. Please enclose a revised wellbore diagram with formation tops.
- 3. A Subsequent Report must be filed indicating the Temporary Abandonment of the Dakota Formation. Again, this form must be filed within 30 days.
- 4. Submit a copy of all logs run during the recompletion of this well.
- 5. A minimum of **35**° of cement must be dump bailed on top of the cement retainer or 50° (plus 10% per 1000°) if placed through a workstring.

Additional Condition of Approval

Well File Information: All tests and operations on any well in the subject lands shall be conducted at the Operators sole discretion, and the information requirements of Article 8.02(b) of the Agreement and this exhibit shall not be interpreted to obligate Lessee to conduct any tests or operations with respect to any well.

- a. All wire line logs Field and Final Print (Electrical, Radioactive, Sonic, Porosity, Velocity, etc. with digitized log analysis, if available).
- b. Drill Stem tests field data
- c. Core analysis field data
- d. Mud Log final prints
- e. Drill Stem tests final prints
- f. Core analysis final prints
- g. Revised Structure and Isopach maps
- h. Location (Surveyor's Plat & Drilling Permit
- i. Daily Drilling Report, Daily Workover report and final Drilling Summary
- j. Directional Survey
- k. Geological Report
- 1. Completion Report
- m. Production Test Data (AOF Potential, GOR, etc.)
- n. 30 Day Well Production Test Record
- o. Bottom Hole Pressure Surveys
- p. Gas, Oil, and/or Water Analysis
- q. Monthly Oil, Gas, and/or Plant Products Purchasing Statements
- r. MMS Monthly OGOR and/or 4054 Monthly Report of Operations
- s. Sundry Notices to the BLM
- t. Wellbore profile
- u. Division Orders/Title Opinion
- v. Plug and Abandon Reports
- w. AFEs
- x. Other Information Requested by the Tribal Energy Department.