

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.
751-05-1025

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.
NA

8. Well Name and No.
Ute Mountain Tribal No. 24-43

9. API Well No.
30-045-34114

10. Field and Pool or Exploratory Area
Verde Field, Gallup

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

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Elk San Juan, LLC

3a. Address
1401 17th Street, Suite 700
Denver, CO 80202

3b. Phone No. (include area code)
303-296-4505

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL, 1650' FEL
SWSE Section 24-T31N-R15W

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 checked="" 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>BOP Variance</u> |
| | <input checked="" 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.)

Per verbal approval from Dan Rabinowitz, BLM, regarding Elk's 5-8-09 request for a variance to the BOP requirements, attached is a list of the anticipated bottom-hole pressures.

RCVD JUN 10 '09
OIL CONS. DIV.
DIST. 3
RECEIVED

MAY 13 2009

Bureau of Land Management
Durango, Colorado

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

Signature *Karin Kuhn*

Title Sr. Engineering Technician

Date 05/11/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]*

Title *AWBC*

Date *6/3/09*

Office *SJPLC*

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.

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)

RECEIVED

[Handwritten mark]

Elk San Juan, LLC

UTE Mountain Tribal 24-43

*SEC 24 T31N R15W
San Juan County, New Mexico*

- **Estimated Bottom Hole Pressure**

Based on a review of information for the area, we anticipate a maximum pressure gradient of 0.42 psi/ft (max BHP: 1554#).

- **Intermediate Hole**

We are requesting a variance to change the BOP requirements from a 3M to a 2M as the maximum BHP at intermediate TD (2700') should be 1134#.

- **Production Hole**

We are requesting a variance to change the BOP requirements from a 3M to a 2M as the maximum BHP at TD (3700') should be 1554#.