



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Farmington Field Office
1235 La Plata Highway, Suite A
Farmington, New Mexico 87401

IN REPLY REFER TO
NMNM-114942
3162.3-1 (111)

December 15, 2009

RCVD DEC 16 '09

OIL CONS. DIV.

DIST. 3

U.S. Enercorp, LTD.
Attn.: Roy Hefley
P.O. Box 17098
San Antonio, TX 78217

Dear Mr. Hefley:

30-039-30426

Reference is made to your Application for Permit to Drill (APD) the **No. 2 Almagre Arroyo 30** well, located **2313' FSL and 2602' FEL, Section 30, T24N, R1E, Rio Arriba County, New Mexico**. This APD was approved on December 6, 2007 with an expiration date of December 6, 2009. According to our records, no known activity has taken place at this location.

In view of the foregoing, this office is rescinding the approval due to the expiration of this APD. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Please file letter within 30 days of receipt of this notice. Any surface disturbance conducted must be rehabilitated in accordance with the standards and guidelines established by this office.

If you have any questions regarding the above contact Shea Valdez at (505) 599-8969

Sincerely,

Shea Valdez
Petroleum Engineering,

Petroleum Management Team

cc: NMOC D —

15 ENE completed E2, E2W2, HSP Actual
lots 1-4 (all)
Form 3160-3
(April 2004)

WCS:
APDP:
MP:
SMA:
BOND:
GARA:

RECEIVED

NOV 21 2007

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-114942 ✓
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee, or Tribe Name N/A
2. Name of Operator U. S. ENERCORP, LTD.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address P. O. BOX 17098 SAN ANTONIO, TX 78217	3b. Phone No. (include area code) (210) 829-4888	8. Lease Name and Well No. ALMAGRE ARROYO 30 #2
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2313' FSL & 2602' FEL NWSE At proposed prod. zone 1000' FNL & 1000' FWL NWNW		9. API Well No. 30-039- 30426
14. Distance in miles and direction from nearest town or post office* 5 AIR MILES NORTHWEST OF GALLINA		10. Field and Pool, or Exploratory West Puerto Chiquito Mancos ✓
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,000'	16. No. of acres in lease 1,789.17	11. Sec., T. R. M. or Blk. and Survey or Area 30-24N-1E NMPM
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 382'	19. Proposed Depth 8,138' (MD)	12. County or Parish RIO ARRIBA
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,206' GL	22. Approximate date work will start* 11/30/2007	13. State NM
17. Spacing Unit dedicated to this well LOTS 1-4, E2W2, E2 SEC. 30 (all) 636.4		
20. BLM/BIA Bond No. on file BLM (\$25,000): SB501212 NHB000370 8W 25		
23. Estimated duration 6 WEEKS		
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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>[Signature]</i>	Name (Printed/Typed) BRIAN WOOD	Date 11/19/2007
Title CONSULTANT		
PHONE: (505) 466-8120 FAX: (505) 466-9682		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) Wayne Townsend	Date 12-6-07
Title Acting 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. *** High Priority: Vulnerable Area**

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)

ENTERED
AFMSSC
NOV 28 2007
BY *[Signature]*

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

FARMINGTON

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, N.M. 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, N.M. 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, N.M. 87505

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NOV 21 2007

Bureau of Land Management
Farmington Field Office

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 30-039-	² Pool Code 50440	³ Pool Name WEST PUERTO CHIQUITO MANCOS
⁴ Property Code 36123	⁵ Property Name ALMAGRE ARROYO 30	⁶ Well Number 2
⁷ GRID No. 240473	⁸ Operator Name U.S. ENERCORP, LTD.	⁹ Elevation 7206

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
J	30	24 N	1 E		2313	SOUTH	2602	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

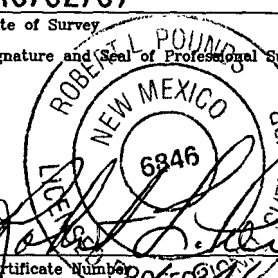
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
.D	30	24 N	1 E		1000'	NORTH	1000'	WEST	RIO ARRIBA

¹² Dedicated Acres 636.4	¹³ Joint or Infill .	¹⁴ Consolidation Code .	¹⁵ Order No. .
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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

16 N 89°20'39" E Lot 1 2636.18' 1000' 39.01 40	NAD 83 LAT: 36.286416° N LONG: 106.881712° W	5242.10'	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. Signature: <u>Brian Wood</u> Date: <u>10-24-07</u> Printed Name: <u>BRIAN WOOD</u>
Lot 2 N 0°31'13" W 39.07 40 SECTION 30		2602'	
Lot 3 2638.29' 39.13 40	NAD 83 LAT: 36.281025° N LONG: 106.876141° W	5279.04'	
Lot 4 N 0°31'13" W 39.19 S 89°23'39" W 40	2313' 5246.70'	160	

○ = SURFACE LOCATION
● = BOTTOM LOCATION

10/02/07
Date of Survey
Signature and Seal of Professional Surveyor:

Certificate Number: 1065846