



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
MDA 701-98-0013
3162.3-1 (111)

December 28, 2009

Black Hills Gas Resources, Inc.
Attn.: Lynn Benally
PO Box 249
Bloomfield, NM 87413

RCVD DEC 29 '09
OIL CONS. DIV.

30-039-29443

DIST. 3

Dear Ms. Benally:

Reference is made to your Application for Permit to Drill (APD) the **No. 44 Jicarilla 28-02-06** well, located **360' FSL and 395' FEL, Section 6, T28N, R2W, Rio Arriba County, New Mexico**. This APD was approved on October 24, 2005 with an expiration date of October 24, 2008. 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 Asst.

Petroleum Management Team

cc: NMOCD
BIA: Dulce
Jicarilla Nation Minerals Dept.

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. MDA 701-98-0013,
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 JICARILLA APACHE NATION
2. Name of Operator BLACK HILLS GAS RESOURCES, INC		7. If Unit or CA Agreement, Name and No.
3a. Address 350 INDIANA STREET, SUITE 400 GOLDEN, CO 80401		8. Lease Name and Well No. JIC 28-02-06 44
3b. Phone No. (include area code) Ph: 303.820.4480 Fx: 303.820.4124		9. API Well No. 30-039-29443
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESE 360FSL 395FEL At proposed prod. zone SESE 360FSL 395FEL		10. Field and Pool, or Exploratory E BLANCO/PICTURED CLIFFS
14. Distance in miles and direction from nearest town or post office* 57 MILES FROM BLOOMFIELD, NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T28N R2W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 4885' FWL (LEASE)		12. County or Parish RIO ARRIBA
16. Acres in Lease 10240.00		13. State NM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. APPROX 2900' FROM JICARILLA 28-02-05 32		17. Spacing Unit dedicated to this well 160.00
19. Proposed Depth 4000 MD		20. BLM/BIA Bond No. on file NMB000230
21. Elevations (Show whether DF, KB, RT, GL, etc.) 7300 GL		23. Estimated duration

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.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

25. Signature (Electronic Submission)	Name (Printed/Typed) KATHY L SCHNEEBECK Ph: 303.820.4480	Date 01/31/2005
Title PERMIT AGENT FOR BLACK HILLS		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 10/24/05
Title AFM	Office FFO	

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.

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.

Additional Operator Remarks (see next page)

Electronic Submission #53588 verified by the BLM Well Information System
For BLACK HILLS GAS RESOURCES, INC, sent to the Rio Puerco

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

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

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

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., Artec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 72400	³ Pool Name E Blanco / Pictured Cliffs
⁴ Property Code 24245	⁵ Property Name JICARILLA 28-02-06	⁶ Well Number 44
⁷ GRID No. 013925	⁸ Operator Name MALLON OIL COMPANY	⁹ Elevation 7300'

¹⁰ Surface Location

UL or lot no. P	Section 6	Township 28-N	Range 2-W	Lot Idn	Feet from the 360	North/South line SOUTH	Feet from the 395	East/West line EAST	County RIO ARRIBA
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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 160 acres - SE/4		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

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LOT 4	LOT 3	LOT 2	LOT 1
LOT 5			
LOT 6	LAT. 36°39'45"N LONG. 107°04'35"W	(NAD 83) (NAD 83)	
LOT 7	QTR. CORNER FD. 2 1/2" B.C. U.S.G.L.O. 1917	SEC. CORNER FD. 2 1/2" B.C. U.S.G.L.O. 1917	

SEC. CORNER
FD. 2 1/2" B.C.
U.S.G.L.O. 1917

QTR. CORNER
FD. 2 1/2" B.C.
U.S.G.L.O. 1917

S 89-53-41 E
2642.00' (M)

360' 395'

4919.25' (M)

N 00-02-35 E

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Kathy L. Schneebeck
Signature
Kathy L. Schneebeck
Printed Name
Permit Agent for Black Hills
Title
January 28, 2005
Date

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 knowledge and belief

JOHN A. VUKONICH
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
14831

Date of Survey
Signature and Seal of Professional Surveyor
14831
Certificate Number