



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

Contract 451
3162.3-1 (111)

December 29, 2009

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

RCVD DEC 29 '09
OIL CONS. DIV.
DIST. 3

30-039-29445

Dear Ms. Benally:

Reference is made to your Application for Permit to Drill (APD) the **No. 31 Jicarilla 451-10** well, located **2380' FSL and 155' FWL, Section 10, T29N, R3W, Rio Arriba County, New Mexico**. This APD was approved on August 16, 2006 with an expiration date of August 16, 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

mapped - 11/0/05
NMP000230-SW
HBP- Actual
Robert L. Bayless

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. CONTRACT 451
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.
Contact: KATHY L SCHNEEBECK E-Mail: BPMIBlackHills@banko1.com		8. Lease Name and Well No. JICARILLA 451-10 31
3a. Address 350 INDIANA STREET, SUITE 400 GOLDEN, CO 80401	3b. Phone No. (include area code) Ph: 303-820-4480 Fx: 303-820-4124	9. API Well No. 30-039-29445
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWSW 2380FSL 155FWL At proposed prod. zone NWSW 2380FSL 155FWL		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, NEW MEXICO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 10 T29N R3W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2,380' FSL (LEASE LINE)	16. No. of Acres in Lease 2560.00	12. County or Parish RIO ARRIBA
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2,400' FROM JICARILLA 451-9 14	19. Proposed Depth 4000 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 7018 GL	22. Approximate date work will start 03/14/2005	17. Spacing Unit dedicated to this well 160.00
20. BLM/BIA Bond No. on file NMB000230		
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 02/08/2005
Title PERMIT AGENT FOR BLACK HILLS		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 8/16/06
Title AEM	Office FFU	

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 #53890 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
1825 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1901 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, 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

*API Number	*Pool Code	*Pool Name
	72400	E. Blanco / Pictured Cliffs
*Property Code	*Property Name	*Well Number
24245	JICARILLA 451-10	31
*GRID No.	*Operator Name	*Elevation
013925	BLACK HILLS GAS RESOURCES	7018'

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
L	10	29-N	3-W		2380	SOUTH	155	WEST	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

*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
160 acre - SW/4			

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 FD. 2 1/2" BC. U.S.G.L.O. 1917		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
N 00-00-47 E 5260.15' (V)		Signature <i>Kathy L. Schneebek</i> Kathy L. Schneebek Printed Name Permit Agent for Black Hills Title February 8, 2005 Date	
155' 2380'		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 belief.	
LAT. 36°44'19.8"N (NAD 83) LONG. 107°08'48.3" W (NAD 83)		Date of Survey Signature and Seal of Professional Surveyor 14831 14831 Certificate Number	
FD. 2 1/2" BC. U.S.G.L.O. 1917		S 89-54-30 W 2644 22' (M)	
FD. 2 1/2" BC. U.S.G.L.O. 1917			