



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 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

30-039-29539

Dear Ms. Benally:

Reference is made to your Application for Permit to Drill (APD) the No. **32 Jicarilla 29-02-30** well, located **2400' FSL and 785' FWL, Section 30, T29N, R2W, Rio Arriba County, New Mexico**. This APD was approved on November 14, 2006 with an expiration date of November 14, 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.

by

Black Hills All HBP Actual
map posted NDS 3/2/05

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. MDA 701-98-0013, Tract 1	
1b Type of Well <input type="checkbox"/> Oil Well <input checked="" 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 Jicarilla Apache Nation	
2 Name of Operator Black Hills Gas Resources, Inc.		7. If Unit or CA Agreement, Name and No	
E-mail: lbenally@bhep.com		8 Lease Name and Well No Jicarilla 29-02-30 32	
Contact: Lynn Benally		9. API Well No 30-039-29539	
3a Address 350 Indiana Street, Suite 400 Golden CO 80401		10. Field and Pool, or Exploratory East Blanco Pictured Cliffs	
3b Phone No. (include area code) 505.634.1111		11 Sec., T., R., M., or Bk and Survey or Area Sec. 30 T 29N R 2W	
4 Location of Well (Report location clearly and in accordance with any State Requirements.) At surface 2,400' FSL 785' FWL NW 1/4 SW 1/4 Lat: 36° 41' 45.5" Long: 107° 05' 25.9"		12 County or parish Rio Arriba	
At proposed production zone		13. State New Mexico	
14. Distance in miles and direction from nearest town or post office. * Well is located approximately 57 miles east of Bloomfield, New Mexico.		15. Distance from proposed location to nearest property of lease line, ft. (Also nearest Drig, unit line, if any) Unit= n/a Lease= ±785'	
16. No. of acres in lease 9,920.0		17. Spacing Unit dedicated to this well 160	
18 Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft. ± 3,200'		19 Proposed depth 4,000' TVD	
20 BLM/BIA Bond No. on file NMB000230 SW 25		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,004' GR	
22. Approximate date work will start * June 2, 2005		23. Estimated duration 45-60 days drlg + completion	

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 <i>Kathy L. Schneebeck</i>	Name (Printed/Typed) Kathy L. Schneebeck, 303.820.4480	Date April 28, 2005
Title Permit Agent for Black Hills Gas Resources, Inc.		

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 11/14/06
Title	Office	

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: location is in a 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.

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., 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 72400	*Pool Name E. Blanco / Pictured Cliffs
*Property Code 24245	*Property Name JICARILLA 29-02-30		*Well Number 32
*GRID No. 013925	*Operator Name BLACK HILLS GAS RESOURCES		*Elevation 7004'

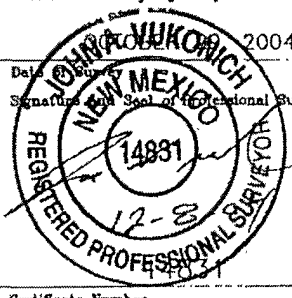
¹⁰ Surface Location

UL or lot no. L	Section 30	Township 29-N	Range 2-W	Lot Idn 3	Feet from the 2400	North/South line SOUTH	Feet from the 785	East/West line WEST	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
*Dedicated Acres 160 acres - SW/4			*Joint or Infill		*Consolidation Code		*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

¹⁶ FD. MARKED STONE W/ P&C "LS 8894" LOT 1						¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Kathy L. Schneebeck</u> Signature Kathy L. Schneebeck Printed Name Permit Agent for Black Hills Title April 28, 2005 Date	
5151.43' (M)	LOT 2	30					
N 00-16-10 W 785'	LOT 3	LAT. 36°41'45.5"N (NAD 83) LONG. 107°05'25.9" W (NAD 83)		070		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. Date <u>APR 29 2005</u> Signature <u>[Signature]</u> Seal of Professional Surveyor:  Certificate Number	
N 00-16-10 W 2400'	LOT 4	FD. MARKED STONE W/ P&C "LS 8894" N 89-13-08 W 5239.20' (M)		FD. P & C "LS 8894"			