



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

30-039-29540

Dear Ms. Benally:

Reference is made to your Application for Permit to Drill (APD) the **No. 32 Jicarilla 29-02-31** well, located **1420' FSL and 2585' FWL, Section 31, T29N, R2W, Rio Arriba County, New Mexico**. This APD was approved on November 13, 2006 with an expiration date of November 13, 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. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator E-mail: lbenally@bhep.com

Black Hills Gas Resources, Inc.

Contact: Lynn Benally

3a Address 350 Indiana Street, Suite 400
Golden CO 80401

3b Phone No. (include area code)
505.634.1111

4. Location of Well (Report location clearly and in accordance with any State Requirements. *)
At surface 1,420' FSL 2,585' FWL NE 1/4 SW 1/4
Lat: 36° 40' 44.3" Long: 107° 05' 03.6"

At proposed production zone

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= ±2,585'

16. No. of acres in lease
10,240.0

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 Jicarilla 28-02-06 ± 2,800' 14

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.)
7,101' 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

Kathy L. Schneebeck

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)

[Signature]

Name (Printed/Typed)

Date

Title

AFM

Office

FFO

11/23/06

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.

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.

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

FARMINGTON

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

FD MARKED STONE W/P&C LS8894			
LOT 1			
LOT 2			
LOT 3 <small>N 00-03-03 W 5219.72' (V)</small>	2585' <small>31</small>	1420' <small>31</small>	LAT. 36°40'44.3" N. (NAD 83) LONG. 107°05'03.6" W. (NAD 83) <div style="border: 1px solid black; padding: 5px; text-align: center;"> RECEIVED 2005 APR 29 AM 11 12 070 FARMINGTON NM </div>
LOT 4			FOUND MKD. STONE W/P&C "LS 8894"
FOUND MARKED STONE	N 89 49-52 W 2634.88' (C)	CALC CORNER	

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 Hill
Title

April 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 belief.

JOHN A. MUKONICH
 NEW MEXICO
 14851
 REGISTERED PROFESSIONAL SURVEYOR

Signature and Seal of Professional Surveyor:

Certificate Number