

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

OCT 27 2010

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. 751-08-1035
2. Name of Operator BIYA OPERATORS INC. c/o Mike Pippin LLC (Agent)		6. If Indian, Allottee or Tribe Name Ute Mountain Ute Tribe
3a. Address Pippin, 3104 N. Sullivan, Farmington, NM 87401	3b. Phone No. (include area code) 505-327-4573	7. If Unit or CA/Agreement, Name and/or No. HORSESHOE GALLUP UNIT
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2215' FNL 660' FWL (E) Sec. 34 T31N R16W		8. Well Name and No. HORSESHOE GALLUP UNIT #191
		9. API Well No. 30-045-10195
		10. Field and Pool, or Exploratory Area Horseshoe Gallup
		11. County or Parish, State San Juan County, New Mexico

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input checked="" type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

BIYA Operators Inc. would like to convert this Gallup oil well (making less than 2 BOPD) to produced water injection for pressure maintenance reasons. BIYA plans to inject about 50 BWPD at a maximum pressure of 250 psi. The rods, pump, & tbg will be pulled, the well cleaned out to below the perfs (1253'-89'), and a pkr run on 2-3/8" 4.7# J-55 tbg will be landed at about 1200'. BIYA has obtained the required injection permit (#06SNMU2P9104) from the EPA in Dallas, TX and notified the Mountain Ute Tribe. Following its completion, an MIT test will then be run on the well.

RCVD DEC 2 '10
OIL CONS. DIV.
DIST. 3SEE ATTACHED
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Mike Pippin	Title Petr. Engr. (Agent)
Signature <i>Mike Pippin</i>	Date October 23, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>[Signature]</i>	Title AMSC	Date 11/20/2010
Conditions of approval, if any, are attached. Approval of this notice 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.		Office <i>Sjpc</i>

Title 18 U.S.C. Section 1001, makes 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 reverse)

NM000

BIYA Operators Inc.
Tribal Lease: 751-08-1035
Well: Horseshoe Gallup Unit #191
Location: 2215' FNL & 660' FWL
Section 34, T. 31 N., R. 16 W.
San Juan County, New Mexico

3160

Conditions of Approval:

1. Notify this office 72 hours prior to conducting the MIT. A BLM witness will be present for testing. If a BLM witness is not available, provide the chart record. Provide a copy of the EPA approval or denial of the MIT.
1. Within 30 days of the recompletion, submit to this office a Sundry Notice, Subsequent Report of all activities that took place. Daily drillers or activities reports should be provided. Please enclose a wellbore diagram with formation tops.
2. The injection pressure at the wellhead shall not exceed 250 psi.
3. The TDS of the injected water shall not exceed 30,000 ppm.
4. A favorable MIT must be performed and submitted to the BLM annually.