



# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Farmington District Office  
6251 College Blvd. - Suite A  
Farmington, New Mexico 87402  
[www.blm.gov/nm](http://www.blm.gov/nm)

In Reply Refer To:

3105 (NMF0110)

APD-Many Canyons 30-04-14 #24H

October 16, 2015

Black Hills Gas Resources, Inc.  
P.O. Box 249  
Bloomfield, NM 87413

Dear Sir or Madam:

Reference is made to your Application for Permit to Drill (APD) well, Many Canyons 30-04-14 #24H, API #3003930046, located 1900' FNL & 900' FEL, Section 14, T. 30 N., R. 4 W., Rio Arriba County, New Mexico.

In view of the foregoing, this office has withdrawn this APD. In addition, we will require a letter confirming that no surface disturbing activities have been conducted at this well site. Please file the 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. Please contact Michael Flaniken, Environmental Protection Specialist at (505) 564-7702 or email at [mflaniken@blm.gov](mailto:mflaniken@blm.gov) for information or inspections.

Under 43 CFR 3165.3, you may request an Administrative Review of any instructions, orders, or decisions issued by the Authorized Officer. Such a request, including all supporting documents, must be filed in writing within 20 business days of receipt of this notice and must be filed with the State Director, Bureau of Land Management, P.O. Box 27115, Santa Fe, New Mexico 87502-0115. Such a request will not result in a suspension of the instructions, orders, or decisions unless the reviewing official so determines. Procedures governing appeals from the instructions, orders, or decisions are contained in 43 CFR 3165.4 and 43 CFR 4.400 et. Seq.

If you have any questions, contact Virginia Barber at (505) 564-7754.

Sincerely,

Virginia Barber,  
Land Law Examiner  
Petroleum Management Team

CC: Well File  
NMOCD

RECEIVED OGD  
2015 OCT 19 P 3:10

SMA: \_\_\_\_\_  
BOND: \_\_\_\_\_  
CAPA: \_\_\_\_\_

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

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

NOS: \_\_\_\_\_  
APQP: 08-21-06  
MP: FR  
SMA: FR  
BOND: SR 25  
CAPA: NEEDS  
Surface Owner Agreement

*Energizer Resources Corp  
H3P allocated  
W2NW, S0, W2SE  
Lots 1-10*

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <u>079489A</u> NMSE79489A (BHL)	
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 ---	
2. Name of Operator <b>Black Hills Gas Resources, Inc.</b> E-mail: <u>lbenally@bhgp.com</u> Contact: <u>Lynn Benally</u>		7. If Unit or CA Agreement, Name and No. ---	
3a. Address <u>P.O. Box 249</u> <u>Bloomfield</u> <u>NM</u> <u>87413</u>		8. Lease Name and Well No. <u>Many Canyons 30-04-14 24H</u>	
3b. Phone No. (include area code) <u>505-634-1111</u>		9. API Well No. <u>30-039-30046</u>	
4. Location of Well (Report location clearly and in accordance with any State Requirements.) At surface <u>1,900' FNL</u> <u>900' FEL</u> <u>SE 14 NE 1/4 SENE</u> Lat: <u>36° 48' 49.3"</u> Long: <u>107° 13' 05.7"</u>		10. Field and Pool, or Exploratory <u>East Blanco / Pictured Cliffs</u>	
At proposed production zone <u>±1,900' FNL ±660' FWL (SW1/4 NW1/4)</u>		11. Sec., T., R., M., or Bk. and Survey or Area <u>Sec. 14</u> <u>T 30N</u> <u>R 4W</u>	
14. Distance in miles and direction from nearest town or post office. <u>Well is located approximately 52 miles east of Bloomfield, New Mexico.</u>		12. County or parish <u>Rio Arriba</u>	
15. Distance from proposed location to nearest property of lease line, ft. (Also nearest Drig, unit line, if any) Unit= <u>n/a</u> Lease= <u>±660'</u>		13. State <u>New Mexico</u>	
16. No. of acres in lease <u>1530.69</u>		17. Spacing Unit dedicated to this well <u>320-308.94 N/2</u>	
18. Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft. <u>± 2,200'</u> <u>Many Canyons 30-04-14 44H</u>		19. Proposed depth <u>4,000'</u> <u>TVD</u>	
20. BLM/BIA Bond No. on file <u>NMB000230</u>		21. Elevation (Show whether DF, KDB, RT, GL, etc.) <u>6,980' GR</u>	
22. Approximate date work will start <u>September 25, 2006</u>		23. Estimated duration <u>45-60 days drig + completion</u>	

**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.	4. Bond to cover the operations, unless covered by an existing bond on file (see Item 20 above).
2. A Drilling Plan.	5. Operator certification.
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).	6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Kathy L. Schneebeck</i>	Name (Printed/Typed) <u>Kathy L. Schneebeck, 303-820-4480</u>	Date <u>August 22, 2006</u>
Title <u>Permit Agent for Black Hills Gas Resources, Inc.</u>		
Approved by (Signature) <i>D. J. Mackee</i>	Name (Printed/Typed) <u>AFM</u>	Date <u>7/2/07</u>
Title <u>AFM</u>	Office <u>FFO</u>	

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.

(continued on page 2)

**FARMINGTON**

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

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

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Cimrod Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
May 27, 2004

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit to appropriate District Office

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

Operator Name and Address Black Hills Gas Resources, Inc. P.O. Box 2-19 Bloomfield, NM 87413		OGRD Number 013925
Property Code		API Number 30 -
Property Name Many Canyons 30-04-14		Well No. 2-11
Proposed Pool 1 Pictured Cliffs		Proposed Pool 2

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
11	14	30-N	4-W		1,900'	North	900'	East	Rio Arriba

**Proposed 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
E	14	30-N	4-W		1,900'	North	1,660'	West	Rio Arriba

**Additional Well Information**

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code Many Canyons	Ground Level Elevation 6,980' GR
Multiple No	Proposed Depth 4,000' TVD	Formation Pictured Cliffs	Contractor	Spud Date
Depth to Groundwater: 100' or more		Distance from nearest fresh water well: 1,000' or more		Distance from nearest surface water: 1,000' or more
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 15 mils thick Clay <input type="checkbox"/> Pit Volume: 5,449 bbls		Drilling Method:		
Closed-Loop System <input type="checkbox"/>		Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

**Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	J-55 24# ST&C	0' - 250' TVD	To surface (±175 sxs Standard Cement containing 2% CaCl2 and 0.25 lb/sx LCM)	Surface
7-7/8"	5-1/2"	J-55 15.5# LT&C New	0' - 4,000' TVD	TD to surface (Lead: ±300 sxs Lite Standard Cement. Tail: ±400 sxs 50:50 POZ containing 0.25 lb/sx LCM)	Surface
4-3/4"	2-7/8"	PH-6 (Liner)	3,735' (KOP) - End of Lateral Bore	None	

**Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.**

This is a new vertical and horizontal well to be drilled into the Pictured Cliffs Formation. See the attached Horizontal Drilling Program and Surface Use Plan.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

Signature: <i>Kathy L. Schneebeck</i>		OIL CONSERVATION DIVISION	
Printed name: Kathy L. Schneebeck			
Title: Permit Agent for Black Hills Gas Resources, Inc.		Title:	Approval Date:
E-mail Address: kathys@banko1.com		Expiration Date:	
Date: August 22, 2006	Phone: 303-820-4480	Conditions of Approval Attached <input type="checkbox"/>	

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO.
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>Many Canyons 30-04-14</b>
8. Well Number <b>2411</b>
9. OGRID Number <b>013925</b>
10. Pool name or Wildcat <b>Pictured Cliffs</b>

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  Oil Well  Gas Well  Other:

2. Name of Operator  
**Black Hills Gas Resources, Inc.**

3. Address of Operator  
**P.O. Box 249 Bloomfield, NM 87413**

4. Well Location  
 Unit Letter: H : 1,900 feet from the North line and 900 feet from the East line  
 Section: 14 Township 30N Range 4W NMPM County: Rio Arriba

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
6980'

Pit or Below-grade Tank Application  or Closure

Pit type: Drilling Pit Depth to Groundwater > 100 Distance from nearest fresh water well > 1000 Distance from nearest surface water > 200

Pit Liner Thickness: 15 mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

13. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <b>Pit Registration</b> <input checked="" type="checkbox"/></p>	<p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

**Drilling Pit Registration**

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Kathy L. Schneebeck TITLE: Permit Agent for Black Hills Gas Resources, Inc. DATE: August 22, 2006

Type or print name: **Kathy L. Schneebeck** E-mail address: **kathys@banko1.com** Telephone No. **303-820-4480**

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):

DISTRICT I  
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II  
1301 W. Grand Ave., Artesia, N.M. 80410

DISTRICT III  
1000 Rio Pecos 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**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name Pictured Cliffs	
<sup>4</sup> Property Code		<sup>5</sup> Property Name MANY CANYONS 30-04-14			<sup>6</sup> Well Number 24H
<sup>7</sup> GRID No. 013925		<sup>8</sup> Operator Name BLACK HILLS GAS RESOURCES			<sup>9</sup> Elevation 6980'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	14	30-N	4-W		1900	NORTH	900	EAST	RIO ARRIBA

<sup>11</sup> 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
E	14	30-N	4-W		1900	NORTH	660	WEST	RIO ARRIBA

<sup>12</sup> Dedicated Acres 308.94 320 acres - N/2		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.	
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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

<p>16</p> <p>QTR. CORNER FD. 3 1/4" B.C. B.L.M. 1953</p> <p>LOT 4 A.23</p> <p>H.E.S. 368</p> <p>40 40</p> <p>B.H.L. PC</p>	<p>5 89°57'58" W 2636.44' (M)</p> <p>LOT 2 4.0</p> <p>LOT 3 27.95</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Kathy L. Schneebeck</i> Signature</p> <p>Kathy L. Schneebeck Printed Name</p> <p>Permit Agent for Black Hills Title</p> <p>August 22, 2006 Date</p>
	<p>SEC. CORNER FD. 3 1/4" B.C. B.L.M. 1953</p> <p>LOT 1 2.44</p> <p>9.83</p> <p>1900'</p> <p>900'</p> <p>H.E.S. 287 59.46</p> <p>LOT 7 1</p> <p>LOT 8</p> <p>LOT 9</p> <p>LOT 10</p> <p>N 00°01'22" E 2642.02' (M)</p>	
<p>LAT. 36°48'49.3" N (NAD 83) LONG. -107°13'05.7" W (NAD 83)</p> <p>LOT 5 39.38</p> <p>LOT 6 38.82</p> <p>14</p>	<p>QTR. CORNER FD. 3 1/4" B.C. B.L.M. 1953</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>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 the same is true and correct to the best of my knowledge and belief</p> <p>APR 2006 Date of Survey</p> <p>Signature of Registered Professional Surveyor</p> <p>14831 Certificate Number</p>