

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. Lease: 14-20-151-49
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 Southern Ute Indian Tribe
2. Name of Operator Black Hills Exploration and Production		7. If Unit or CA Agreement, Name and No. NA
3a. Address PO Box 249/3200 1st Street Bloomfield, NM 87413	3b. Phone No. (include area code) 505-634-1111 ext 27	8. Lease Name and Well No. Ute 33-23
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1141' FNL 1055' FEL (NE/NE) At proposed prod. zone 2068' FNL 1966' FEL (SW/NE)		9. API Well No.
14. Distance in miles and direction from nearest town or post office* 6 air miles SW of Ignacio		10. Field and Pool, or Exploratory Ignacio-Blanco
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) Approx. 1600 feet		11. Sec., T., R., M., or Blk. and Survey or Area Sec.33 T33N R8W
16. No. of Acres in lease Approx. 2640 ac	17. Spacing Unit dedicated to this well 80 acre	12. County or Parish La Plata
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 50 feet (Twin loc)	19. Proposed Depth 3967' feet bgs	13. State CO
20. BLM/BIA Bond No. on file BLM-NMB000230/BIA-190-010-577	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7294' GR	22. Approximate date work will start* 8/1/2007
23. Estimated duration 45-60 days drlg & compl		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

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| 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 	Name (Printed/Typed) Lynn H. Benally	Date 3/20/2007
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Title
Regulatory Specialist/Black Hills Exploration and Production

Approved by (Signature)	Name (Printed/Typed)	Date
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Title	Office
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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.

*(Instructions on reverse)