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Form 3160-3  
(April 2004)

MAR - 4 2010

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Bureau of Land Management  
Durango, Colorado

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>14-21-151-49</b>
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 type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>Southern Ute Indian Tribe</b>
2. Name of Operator <b>Black Hills Exploration and Production</b>		7. If Unit or CA Agreement, Name and No.
3a. Address <b>P.O. Box 249 Bloomfield, NM 87413</b>		8. Lease Name and Well No. <b>Ute 34-34</b>
3b. Phone No. (include area code) <b>(505) 634-1111 Ext. 28</b>		9. API Well No.
4. Location of well (Report location clearly and in accordance with any State requirements. *) At surface <b>882' FSL &amp; 1,237' FEL SE/SE</b> At proposed prod. zone <b>1,888' FSL &amp; 710' FEL NE/SE</b>		10. Field and Pool, or Exploratory <b>Ignacio-Blanco</b>
11. Sec., T., R., M., or Blk. And Survey or Area <b>Sec. 34 T33N R8W</b>		12. County or Parish <b>La Plata</b>
14. Distance in miles and direction from the nearest town or post office* <b>Six (6) air miles SW of Ignacio</b>		13. State <b>CO</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any) <b>Approx. 882 feet</b>	16. No. of acres in lease <b>Approx. 2,640 ac</b>	17. Spacing Unit dedicated to this well <b>80 ac</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>50 feet (Twin Loc)</b>	19. Proposed Depth <b>4,019 feet bgs</b>	20. BLM/ BIA Bond No. on file <b>BLM-NMB000230 / BIA-190-010-577</b>
21. Elevations (Show whether DF, RT, GR, etc.) <b>7,198' GR</b>	22. Approximate date work will start* <b>1-Apr-10</b>	23. Estimated duration <b>45-60 days drlg &amp; compl</b>

24. Attachments

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan ( if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by existing bond on file(see item 20 above).
- Operator certification.
- Such other site specific information and/ or plans as may be required by the a authorized officer.

25. Signature <i>Daniel Manus</i>	Name (Printed/ Typed) <b>Daniel Manus</b>	Date <i>4 March 2010</i>
Title <b>Regulatory Technician</b>		

Approved By (Signature)	Name (Printed/ Typed)	Date
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.

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 page 2)

