

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side.


1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator Black Hills Gas Resources, Inc.	3a. Address P.O. Box 249 Bloomfield, NM 87413	3b. Phone No. (include area code) 505-634-1111	5. Lease Serial No. NM 18319	6. If Indian, Allottee, or Tribe Name	7. If Unit or CA. Agreement Name and/or No.	8. Well Name and No. 29-4 Carson 20 #7	9. API Well No. 30-039-20809	10. Field and Pool, or Exploratory Area Blanco, Mesa Verde	11. County or Parish, State Rio Arriba, NM
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12. CHECK APPROPRIATE BOX(S) 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"/> Altering 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 checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (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 recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be performed or provide the Bond No. on file with the 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 Notice 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.)

Black Hills Gas Resources intends to plug and abandon the Mesa Verde in this well as per the attached procedure dated 8-11-06. The Upper well bore will be utilized as a Pictured Cliffs horizontal re-entry.

14. I hereby certify that the foregoing is true and correct.	
Name (Printed/ Typed) Loren Diede	Title Consultant (Agent)
Signature 	Date 8-11-06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title	Date AUG 14 2006
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.		

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 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)

NMOCDB

Black Hills Gas Resources

Well bore Preparation Procedure

For the

CARSON 29-04-20 #7

API # 30-039-20809

SW NW Sec 20, T29N – R4W

Rio Arriba County, New Mexico

GL: 6565, KB: 6577', PBTD: 5801'
Surface casing: 10 3/4", 40.5lb/ft, @ 226', TOC = surf
Intermediate casing: 7" 20 & 23 lb/ft, @ 3800'. TOC = 2796' ?
Production liner: 4 1/2" 10.5 & 11.6 lb/ft, from 3641' to 5916', TOC = TOL
Current prod tubing: 2 3/8" @ 5692' w/ packer @ 3756'
Current pump/ rods: N/A
Current Perforated Zones:
Upper Pictured Cliffs: 3302-3370' SQ
Lower Pictured Cliffs: 3512-3550' SQ
Cliffhouse: 5377-5397' SQ
Menefee/PointLookout: 5620-5743'

Proposed Work: Prepare well bore for PC horizontal re-entry.

1. **General Note: All fluids entering the hole will have added 2 gpt MA-844 (MA-1) and a biocide and 2% KCl**
2. MIRU completion rig, ND WH, NU BOP.
3. Unseat packer, TOO H with the current production tubing. Lay down tubing and send in for inspection.
4. TIH with a 6 1/4:" bit and scraper, run in to +/- 3625'. TOO H.
5. TIH with workstring, 3 3/4" bit and scraper, run in 4 1/2" liner to +/- 5300'.TOO H.
6. TIH with workstring and 4 1/2" CIBP. Set the CIBP @ +/- 5600'. Pump 10 sx (13.2 cu ft) type V cement on top of the CIBP from 5600' to 5453'.
7. Pull up to ^{5415'}~~5725'~~ and pump a balanced plug of 12 sx (15.8 cu ft) type V cement from ^{5415'}~~5725'~~ to ^{5575'}~~5265'~~ to cover the top of the Mesa Verde. TOO H.
8. TIH with workstring and 4 1/2" CIBP. Set CIBP @ 3850'. Pump 26 sx (34.3 cu ft) Type V cement on top of the CIBP. This will place cement from 50' below the 7" casing shoe (3850') to 50+ ft above the 4 1/2" liner top (3591').
9. Pull up above the cement, reverse circulate to clear the tubing and pull up to +/- 3450'. WOC for 2-3 hours.

10. Trip down and tag the TOC. If TOC is not at least 3591' then pump cement to place the TOC at least 3591' or higher. TOOH.
11. Pull up to +/- 3550'. Load the hole with water. TOOH.
12. MIRU logging company and run GR/CCL/CBL log from 3550' to surface.
13. TIH with workstring and 7" packer. Pressure test the 7" casing to 550 psi. Record the pressure test for 30 minutes with a (1000 psi spring) chart recorder. TOOH.

If any of the pressure tests fail or lose more than 10% of the 550 psi contact engineering prior to continuing.

14. RDMO completion unit.

Initiated by:

Loren Diede

6-08-06

rev 6-09-06

rev 8-11-06

Approved by:

Leslie Lam

Carson 29-04-20 #7
Current Wellbore Diagram
 API # 30-039-20809
UNIT E SW NW, Sec 20, T29N, R04W Rio Arriba, NM
Spud 2-12-74

Elev. GL= 6565'
 Elev. KB= 6577'

SURF CSG

10 3/4" 40.5# K-55
 @226' KB, TOC surf

SQ 2796-3049' 118
sx Type III 5-6-04

Intermediate casing:
 7" 20 & 23# K55 set
 to 3800' Calculated
 TOC +/- 2702'

PROD CASING

4 1/2" 10.5# & 11.6#
 K-55 liner from 3641'
 to 5916' cement 340
 sx class A +4% gel,
 Reverse 2 bbls
 cement.

TUBING DETAIL

As of 9-2-2004

170 jts 2 3/8" J-55 EUE	
Baker Lok-Set pkr @ ??	3756
2 3/8" tbg ?? Jts	
SN	5691
EOT	5692

Upper PC perms: (6-1974) 3302, 08, 14, 20, 26, 32, 60, 70,
 78. Frac 30# gel w/ CO2 + 10000# 100 mesh & 69500#
 10/20

Lower PC perms; (6-1974) 3512-3550 Frac 30# gel w/ CO2
 + 10000# 100 mesh & 38000# 10/20

Squeezed Upper & Lower PC w/85 sx Type III
5-6-04

Set Retainer @ 5228' 8-24-04. Pump 75 sx Prem Lite HS,
 cement on top to 4940'. Drill out to TD, prod Men/PTL

Cliffhouse perms: (2-1974) 5377-83, 5386-97. Frac 30000#
 10/20 25, 30# gel w/ CO2.

Set CIBP @ 5490' 8-23-04

Menefee & Pont Lookout perms: 5620, 23, 28, 50, 61, 64, 73,
 77, 78, 79, 80, 84, 5700, 09, 10, 16, 41, 43. Frac 50000#
 20/40 RC 50Q XL foam

PBTD = 5880' sand fill to 5801'
TD = 5934'

Carson 29-04-20 #7

Post Prep Wellbore Diagram

API # 30-039-20809

UNIT E SW NW, Sec 20, T29N, R04W Rio Arriba, NM

Spud 2-12-74

8-Jun-06

Elev. GL= 6565'

Elev. KB= 6577'

SURF CSG

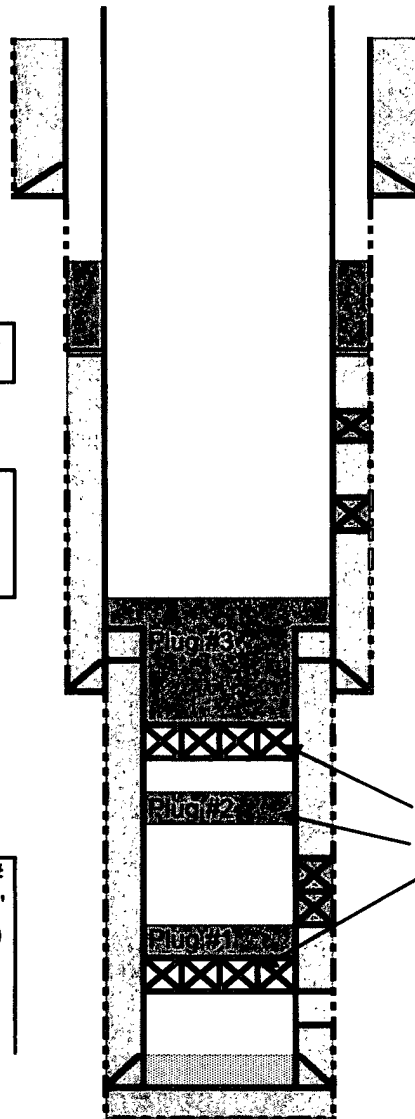
10 3/4" 40.5# K-55
@226' KB, TOC surf

SQ 2796-3049' 118
sx Type III 5-6-04

Intermediate casing:
7" 20 & 23# K55 set
to 3800' Calculated
TOC +/- 2702'

PROD CASING

4 1/2" 10.5# & 11.6#
K-55 liner from 3641'
to 5916' cement 340
sx class A +4% gel,
Reverse 2 bbls
cement.



Cement Plug #1; 10 sx, (13.2 cu ft) 5600' to 5453'

Cement Plug #2; 12 sx, (15.8 cu ft) 5725' to 5575'

Cement Plug #3; 26 sx (34.3 cu ft) 3850' to 3591'

Upper PC perfs: (6-1974) 3302, 08, 14, 20, 26, 32, 60, 70, 78. Frac 30# gel w/ CO2 + 10000# 100 mesh & 69500# 10/20

Lower PC perfs; (6-1974) 3512-3550 Frac 30# gel w/ CO2 + 10000# 100 mesh & 38000# 10/20

Squeezed Upper & Lower PC w/85 sx Type III 5-6-04

Set Retainer @ 5228' 8-24-04. Pump 75 sx Prem Lite HS, cement on top to 4940'. Drill out to TD, prod Men/PTL

Plug #2 CIBP @ 3850'

Cement plug over MV form top

Plug #1 CIBP @ 5600'

Cliffhouse perfs: (2-1974) 5377-83, 5386-97. Frac 30000# 10/20 25, 30# gel w/ CO2.

Menefee & Pont Lookout perfs: 5620, 23, 28, 50, 61, 64, 73, 77, 78, 79, 80, 84, 5700, 09, 10, 16, 41, 43. Frac 50000# 20/40 RC 50Q XL foam

PBTD = 5880' sand fill to 5801'

TD = 5934'