

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 13 2008

FORM APPROVED  
OMB NO. 1004-0137  
Expires: November 30, 2000

## WELL COMPLETION OR RECOMPLETION REPORT AND LOG

Bureau of Land Management

1a. Type of Well ☐ Oil Well ☒ Gas ☐ Dry Other  
b. Type of Completion: ☒ New ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.  
Other: \_\_\_\_\_

2. Name of Operator

Black Hills Gas Resources, Inc. c/o Mike Pippin LLC (Agent)

3. Address

3104. N. Sullivan, Farmington, NM 87401

3a. Phone No. (include area code)

505-327-4573

4. Location of Well (Report locations clearly and in accordance with Federal requirements) \*

At surface

165' FSL &amp; 1155' FWL Unit (M) Sec. 17, T30N, R3W

At top prod. interval reported below

187' FSL &amp; 57' FEL Unit (P) Sec. 18, T30N, R3W

At total depth

205' FSL &amp; 689' FWL Unit (M) Sec. 18, T30N, R3W

14. Date Spudded

04/10/08

15. Date T.D. Reached

05/30/08

16. Date Completed

☐ P & A ☒ Ready to Prod.  
06/13/08

18. Total Depth: MD

7883'

TVD

3860'

19. Plug Back T.D.: MD

7883'

TVD

3860'

20. Depth Bridge Plug Set: MD

TVD

21. Type Electric &amp; Other Mechanical Logs Run (Submit copy of each)

Mud Log

22. Was well cored? ☒ No ☐ Yes (Submit copy)Was DST run? ☒ No ☐ Yes (Submit copy)Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

| Hole Size | Size/Grade | Wt. (#/ft.) | Top (MD) | Bottom (MD) | Stage Cementer Depth | No. of Sk. & Type of Cement | Slurry Vol. (BBL) | Cement Top* | Amount Pulled |
|-----------|------------|-------------|----------|-------------|----------------------|-----------------------------|-------------------|-------------|---------------|
| 17-1/2"   | 13-3/8"    | 61# J-55    | 0'       | 257'        |                      | 340, G                      | 72                | 0' - circ   | 0'            |
| 8-3/4"    | 7" J-55    | 23#         | 0'       | MD4537'     |                      | 1990, G&POZ                 | 855               | 0' - circ   | 0'            |
| 6-1/4"    | 4-1/2"     | 11.6# J-55  | MD4473   | MD7882'     |                      | 0                           |                   |             | 0'            |

24. Tubing Record

| Size   | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Depth (MD) | Size | Depth Set (MD) | Packer Set (MD) |
|--------|----------------|-------------------|------|----------------|-------------------|------|----------------|-----------------|
| 2-3/8" | 4105'          |                   |      |                |                   |      |                |                 |

25. Producing Intervals

| Formation          | Top         | Bottom      | Perforated Interval    | Size  | No. Holes | Perf. Status    |
|--------------------|-------------|-------------|------------------------|-------|-----------|-----------------|
| A) Pictured Cliffs | MD4391'     | --          | 8 pre-perfed joints    | 0.75" | 224       | PLUGGED         |
|                    | 3763' - TVD | 3913' - TVD | w/28 holes/jt w/tops @ |       |           | RECD JUN 19 '08 |
|                    |             |             | MD4553', 5215', 5684'  |       |           |                 |
|                    |             |             | 6116', 6545', 6976'    |       |           | OIL CONS. DIV.  |

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

7410', 7841'

Depth Interval

MD 4537' - 7883'

Amount and type of Material

Horizontal PC lateral - No formation stimulation

DIST. 3

28. Production - Interval A

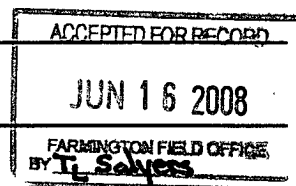
| Date First Produced | Test Date   | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|-------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
| Ready               | 06/12/08    | 2            | →               |         | 216     |           |                       |             | Flowing           |
| Choke Size          | Tbg. Press. | Csg. Press.  | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas : Oil Ratio       | Well Status |                   |
| 1/2"                | 400         | 250          | →               |         | 2,596   |           |                       |             | Shut In           |

28a. Production - Interval B

| Date First Produced | Test Date   | Hours Tested | Test Production | Oil BBL | Gas MCF | Water BBL | Oil Gravity Corr. API | Gas Gravity | Production Method |
|---------------------|-------------|--------------|-----------------|---------|---------|-----------|-----------------------|-------------|-------------------|
|                     |             |              | →               |         |         |           |                       |             |                   |
| Choke Size          | Tbg. Press. | Csg. Press.  | 24 Hr. Rate     | Oil BBL | Gas MCF | Water BBL | Gas : Oil Ratio       | Well Status |                   |
| SI                  | Flwg.       | Press.       | →               |         |         |           |                       |             |                   |

(See instructions and spaces for additional data on reverse side)

NMOCD



## 28b. Production - Interval C

| Date First Produced | Test Date               | Hours Tested | Test Production<br>→ | Oil BBL | Gas MCF | Water BBL | Oil Gravity<br>Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size          | Tbg. Press.<br>Flwg. SI | Csg. Press.  | 24 Hr. Rate<br>→     | Oil BBL | Gas MCF | Water BBL | Gas : Oil Ratio          | Well Status |                   |

## 28c. Production - Interval D

| Date First Produced | Test Date               | Hours Tested | Test Production<br>→ | Oil BBL | Gas MCF | Water BBL | Oil Gravity<br>Corr. API | Gas Gravity | Production Method |
|---------------------|-------------------------|--------------|----------------------|---------|---------|-----------|--------------------------|-------------|-------------------|
| Choke Size          | Tbg. Press.<br>Flwg. SI | Csg. Press.  | 24 Hr. Rate<br>→     | Oil BBL | Gas MCF | Water BBL | Gas : Oil Ratio          | Well Status |                   |

## 29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Vent

## 30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 31. Formation (Log) Markers

| Formation       | Top          | Bottom       | Descriptions, Contents, etc. | Name  | Top<br>Meas. Depth   |
|-----------------|--------------|--------------|------------------------------|---|--|
| Pictured Cliffs | 3763'<br>TVD | 3913'<br>TVD | GAS                          | San Jose<br>Nacimiento<br>Ojo Alamo<br>Kirtland<br>Fruitland<br>Pictured Cliffs | MD TVD<br>Surface<br>2043' 2043'<br>3228' <del>3448'</del> 3206<br>3526' <del>3625'</del> 3448<br>3816' 3625'<br>4391' 3763' |

## 32. Additional remarks (include plugging procedure):

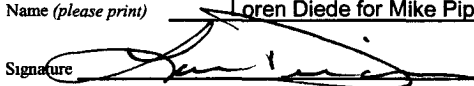
Jicarilla 459-17 #741 PC Horizontal Lateral

## 33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
5. Core Analysis
7. Other:

## 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Loren Diede for Mike Pippin 505-327-4 Title Petroleum Engineer (Agent)

Signature  Date June 13, 2008

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.

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

DISTRICT II  
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III  
1000 Rio Brazos 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 October 12, 2005

Submit to: Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

JUN 13 2008

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Bureau of Land Management  
Federal Land Office

|                             |   |                     |   |
|-----------------------------|---|---------------------|---|
| *API Number<br>30-039-30172 |   | *Pool Code<br>72400 | *Pool Name<br>EAST BLANCO/PICTURED CLIFFS |
| *Property Code<br>22211     | *Property Name<br>JICARILLA 459-17          |                     | *Well Number<br>741                       |
| *GRID No.<br>013925         | *Operator Name<br>BLACK HILLS GAS RESOURCES |                     | *Elevation<br>7180'                       |

<sup>10</sup> Surface Location

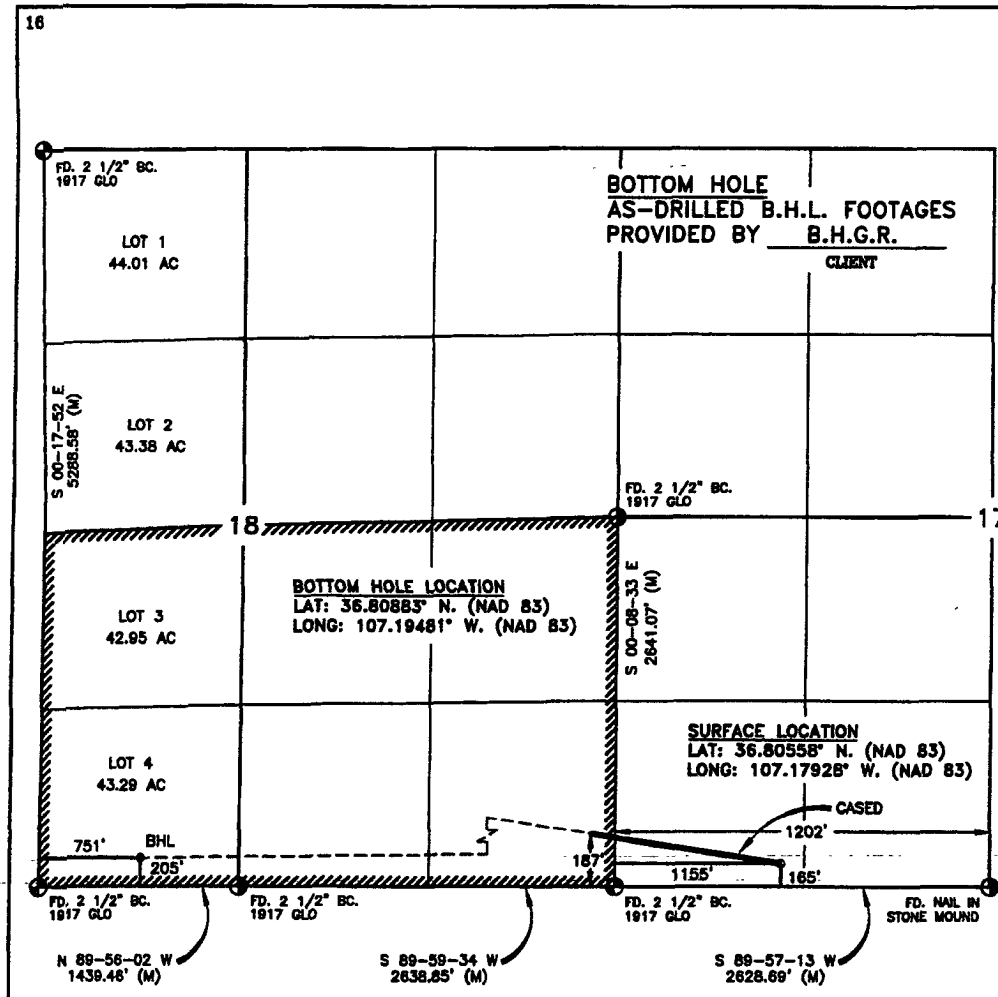
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| M             | 17      | 30-N     | 3-W   |         | 165           | SOUTH            | 1155          | WEST           | 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     |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| N             | 18      | 30-N     | 3-W   | 4       | 205           | SOUTH            | 751           | WEST           | RIO ARRIBA |

|   |                               |                                  |                         |
|---|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>246.24 AC. | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|---|-------------------------------|----------------------------------|-------------------------|

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



17

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*[Signature]* 6/13/08  
Signature Date  
*[Signature]* Lynn H. Benally  
Printed Name

18

SURVEYOR CERTIFICATION

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 that the same is true and correct to the best of my belief.

Date of Survey  
Signature and Seal of Professional Surveyor:

Certificate Number