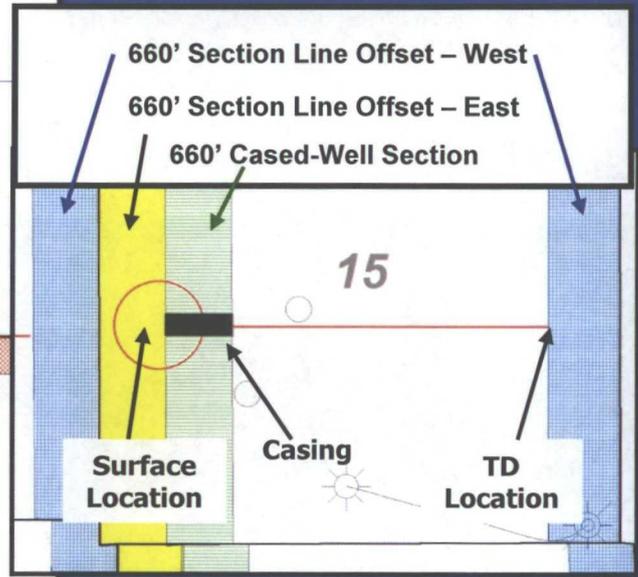


Development Plan

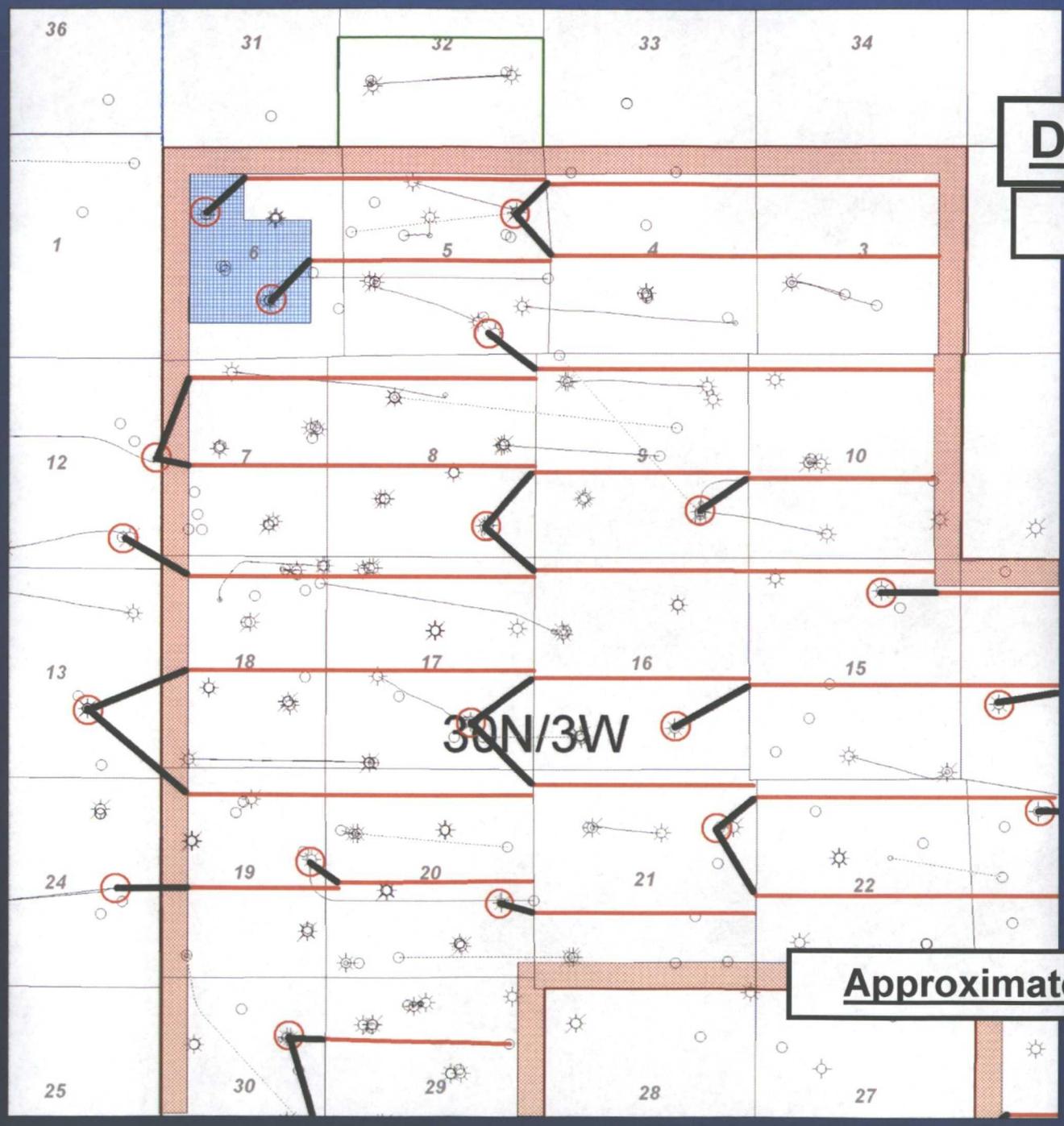
Current Spacing Rule



BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Case No. 14642 Exhibit No. 12
 Submitted by:
BLACK HILLS GAS RESOURCES, INC.
 Hearing Date: June 23, 2011

1980' per section
Undeveloped (38%)



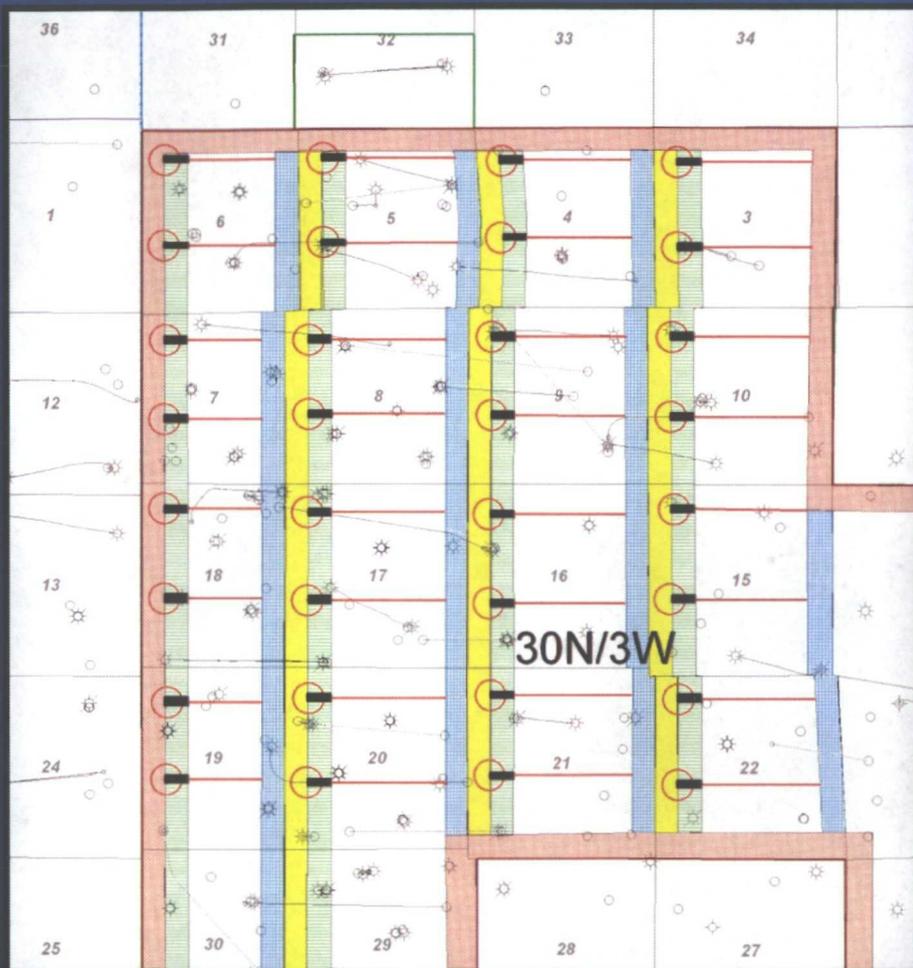


Development Plan

Proposed Rule

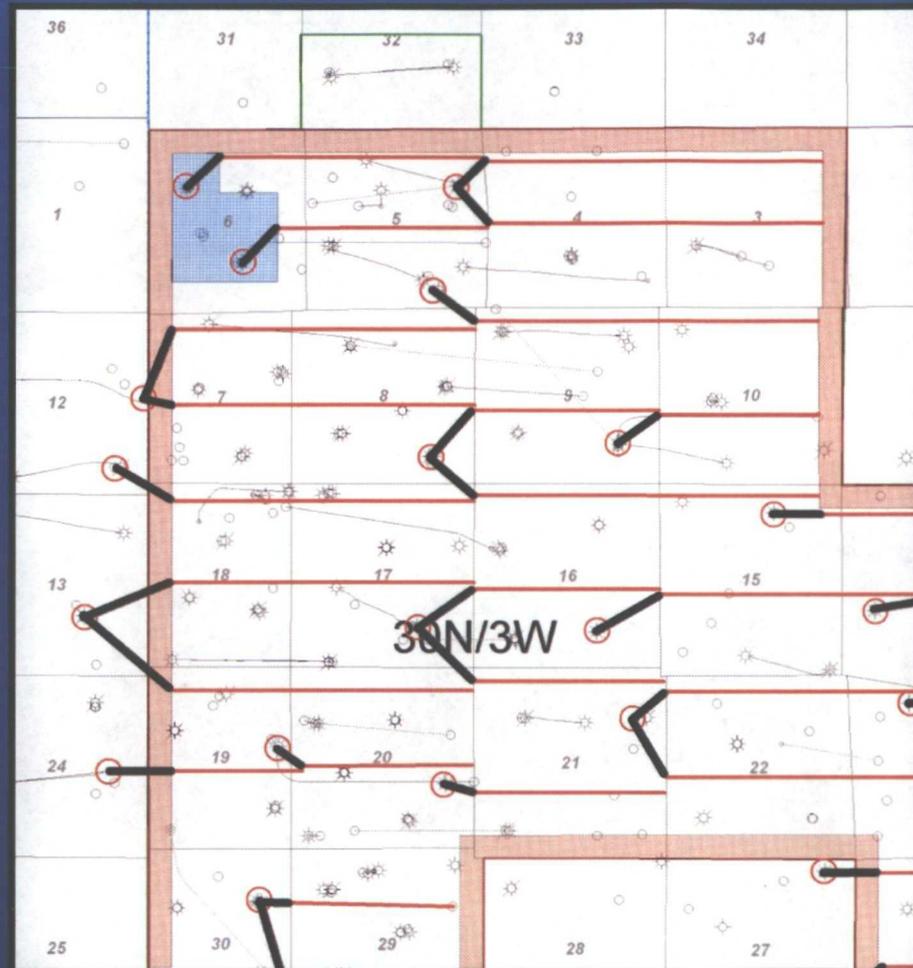
Approximately 2% Undeveloped





Current Rule

- 32 Wells Drilled
- 25 New Well Locations (78%)
- 38% Undeveloped Post-drilling



Proposed Rule

- 21 Wells Drilled
- 0 New Well Locations (0%)
- 2% Undeveloped Post-drilling

Within the 16-section sample area T30N R03W