

DHC-3826 PWS 0632 128975

District I
1622 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE

District III
1000 Rio Union Road, Aztec, NM 87400

APPLICATION TO AMEND DHC-3452

Yes No

District IV
1220 N. St. Francis Dr., Santa Fe, NM 87505

BLACK HILLS GAS RESOURCES, INC. c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401
Operator Address

JICARILLA 30-03-33 #14 A SEC. 33 T30N R03W Rio Arriba
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 013925 Property Code 24209 API No. 30-039-29264 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Cabresto Canyon Tertiary		Basin Fruitland Coal
Pool Code	97037		71629
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2553'-3068'		3540'-70'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone.)</small>	636		1130
Oil Gravity or Gas BTU <small>(Degree API or Gas BTU)</small>	1052		1165
Producing, Shut-In or New Zone	Shut-in		Shut-in
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Rates:	Date: Rates:	Date: Rates:
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil: 100% Gas: 73%	Oil: 0% Gas:	Oil: 0% Gas: 27%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
 Are all produced fluids from all commingled zones compatible with each other? Yes No
 Will commingling decrease the value of production? Yes No
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:
 List of other orders approving downhole commingling within the proposed Pre-Approved Pools
 List of all operators within the proposed Pre-Approved Pools
 Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
 Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE November 15, 2006

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@pippinllc.com

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.
MDA 701-98-0013

6. If Indian, Allottee or Tribe Name
Jicarilla Apache Tribe

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
Jicarilla 30-03-33 #14

9. API Well No.
30-039-29264

10. Field and Pool, or Exploratory Area
East Blanco PC, Basin Fruitland Coal
Cabresto Canyon Tertiary
AND
Rio Arriba County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

3a. Address
3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)
505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
560' FNL & 365' FEL Unit A
Sec. 33. T30N, R03W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input checked="" type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (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 of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with 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 Notices 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.)

6/20/06 MIRUSU. Squeeze Tertiary perms 2762'-64' w/11 cf Type III cmt. Drilled out & pressure tested sq perms to 500 psi for 30 min.-OK. Set CIBP @ 3590'. Landed 2-3/8" tbg @ 2564' w/SN @ 2546'. Released rig 2/8/06. Completed as a commingled Cabresto Canyon Tertiary & Basin Fruitland Coal - DHC-3452. The allocation was re-calculated using the data from DHC-3452 minus the PC contribution. The allocation should now be 73% of the gas to the Tertiary and 27% of the gas to the FRTC w/100% of the oil to the Tertiary.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Mike Pippin	Title Petr. Engr. (Agent)
Signature <i>Mike Pippin</i>	Date October 17, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
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.	Office	

Title 18 U.S.C. Section 1001, makes 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)

BLACK HILLS GAS RESOURCES, INC.
JICARILLA 30-03-33 #14 Tertiary / FRTC
A Section 33 T30N R03W
November 15, 2006

Commingle Allocation Calculations
Amendment to DHC-3452

OIL

The original DHC-3452 indicates that any and all oil production will be assigned to the Tertiary. This will not change.

GAS

The original DHC-3452 indicated the following gas allocations:

Tertiary	19%
FRTC	7%
PC	74%

$$\% \text{ Tertiary} = \frac{19}{26} = 73\%$$

$$\% \text{ FRTC} = \frac{7}{26} = 27\%$$

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

DISTRICT II
1304 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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-39264		*Foot Code 71629		*Pool Name Basin, Fruitland	
*Property Code		*Property Name JICARILLA 30-3-33		*Well Number 14	
*Order No. 013935		*Operator Name Black Hills Gas Resources, Inc.		*Elevation 7129'	

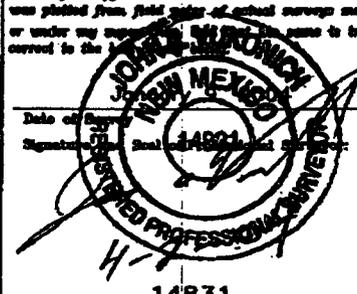
10 Surface Location

Ul. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
A	33	30-N	3-W		560	NORTH	365	EAST	RIO ARriba

11 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
*Dedicated Acres 320		*Joint or Infill		*Consolidation Code		*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

16 FD. 2 1/2" BC U.S.G.L.O. 1914	S 89-36-51 W	5229.2' (M)	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Allison Newcomb</i> Signature Allison Newcomb Printed Name Engineering Technician Title 5/11/05 Date
	FD. 1/2" REBAR w/ PLAS. CAP LS8894 (EST. BY DBL. PROP.)		
LAT. 36°46'26"N (NAD 83) LONG. 107°08'52"W (NAD 83)		33	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 knowledge and belief.  Date of Survey Signature Title 14831 Certificate Number
33		5255.95' (M)	
33		S 00-10-02 W	FD. MARKED STONE



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

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

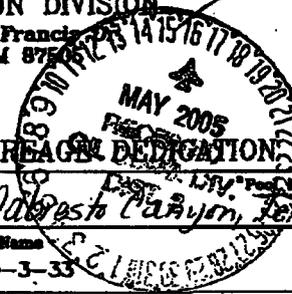
DISTRICT III
1000 N. Main St., Aztec, N.M. 87410

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
Santa Fe, NM 87505

Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT



WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-29264	*Pool Code 97037	*Foot Name Colorado Canyon, Tertiary
*Property Code	*Property Name JICARILLA 30-3-33	*Well Number 14
*OGUID No. 013925	*Operator Name Black Hills Gas Resources, Inc.	*Elevation 7129'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	30-N	3-W		560	NORTH	365	EAST	RIO ARRIBA

11 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

*Dedicated Acres 160	*Lot or well	*Consolidation Code	*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

<p>16 FD. 2 1/2" BC U.S.G.L.O. 1914</p>	<p>S 89-36-51 W</p>	<p>5229.2' (M)</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Allison Newcomb</i> Signature Allison Newcomb Printed Name Engineering Technician Title 5/11/05 Date</p>
	<p>LAT. 36°46'26"N (NAD 83) LONG. 107°08'52"W (NAD 83)</p>	<p>FD. 1/2" REBAR w/ PLAS. CAP LS8894 (EST. BY DEL. PROP.)</p>	
			<p>18 SURVEYOR CERTIFICATION</p> <p>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 same to true and correct to the best of my knowledge and belief</p> <p>JOHN W. HUNTER NEW MEXICO 14831 REGISTERED PROFESSIONAL SURVEYOR</p> <p><i>[Signature]</i> Signature 14831 Certificate Number</p>

FD. MARKED STONE