Form 3160-5
(April 2004)

FORM APPROVED
OMB No. 1004-0135
Expires: March 31, 2007

MAR 2006
RECEIVED
OIL CONS. DIV.
DIST. 3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

2006 MAR 16 RM 9 14
RECEIVED
070 FARMINGTON NM

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

1 TYPE OF WELL Oil Well [ ] Gas Well [X] Other:	5. LEASE SERIAL NO. NM18327
	6. IF INDIAN, ALLOTTEE OR TRIBE NAME ---
	7. IF UNIT OR CA, AGREEMENT DESIGNATION -
	8. WELL NAME AND NO. 29-4 Carson 28 1 (aka Conoco Carson 29-04-28 1H)
2. NAME OF OPERATOR **Black Hills Gas Resources, Inc.**	9. API WELL NO. 30-039-24673
3. ADDRESS AND TELEPHONE NO. P. O. Box 249 Bloomfield NM 87413 CONTACT: Lynn Benally PHONE: 505.634.1111 Fax: 505.634.1116	10. FIELD AND POOL, OR EXPLORATORY AREA Gobernador PC ~~Basin-Fruitland Coal Gas Pool~~
4. LOCATION OF WELL (Footage, T, R, M, or Survey Description) 1,905' FSL 1,604' FWL Sec. 28 T 29N R 4W	11. COUNTY OR PARISH, STATE Rio Arriba, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (start/resume)	[ ] Water Shut-Off
	[ ] Alter Casing	[ ] Reclamation	[ ] Reclamation	[ ] Well Integrity
[ ] Subsequent Report	[ ] Casing Repair	[ ] New Construction	[X] Recomplete	[ ] Other
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temorarily Abandon	
[ ] Final Abandonment Notice	[ ] Convert to Injection	[ ] Plug Back	[ ] 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 of all pertinent markers and zones. 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 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.)

The location was permitted for Falcon Seaboard Gas Co. with an Application for Permit to Drill (APD) submitted to the Bureau of Land Management (BLM) in Farmington, NM, and the New Mexico Oil Conservation Division (NMOCD) on November 22, 1989. The APD was given API#30-039-24673.
~~Black Hills Gas Resources,~~ Black Hills Gas Resources, Inc. (BHGR) proposes to ~~re-enter~~ recomplete and horizontally drill this location with an easterly lateral bore. End of lateral bore is anticipated to be 1,905' FSL 540' FEL of Sec. 28 T29N R4W. Please find attached: Revised Drilling Program, BOP Diagram, Hydrogen Sulfide Drilling Operations Plan and Horizontal Drilling Plan.

Please send a copy of all correspondence to Banko Petroleum Management Inc. at 385 Inverness Parkway, Suite 420, Englewood, CO 80112-5849. Please contact Dave Banko or Kathy Schneebeck at 303-820-4480, or at david@banko1.com or kathys@banko1.com, respectively, if you have any questions. Thank you.
NMB000230

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

Name (Printed/Typed) Kathy L. Schneebeck, 303.820.4480	Title: Permit Agent for Black Hills Gas Resources, Inc.
Signature Kathy L Schneebeck	Date: March 15, 2006

THIS SPACE FOR FEDERAL OR STATE OFFICE USE.

Approved by **Original Signed: Stephen Mason**	Title	Date MAR 23 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.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, 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.

HOLD C104 FOR directional survey NMOCD

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

2006 MAR 16 AM 9 14

RECEIVED

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease – 4 Copies
Fee Lease – 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name

[4] Property Code	[5] Property Name	[6] Well Number
	29-4 CARSON 28	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
13925	BLACK HILLS GAS RESOURCES	7464'

[10] Surface Location

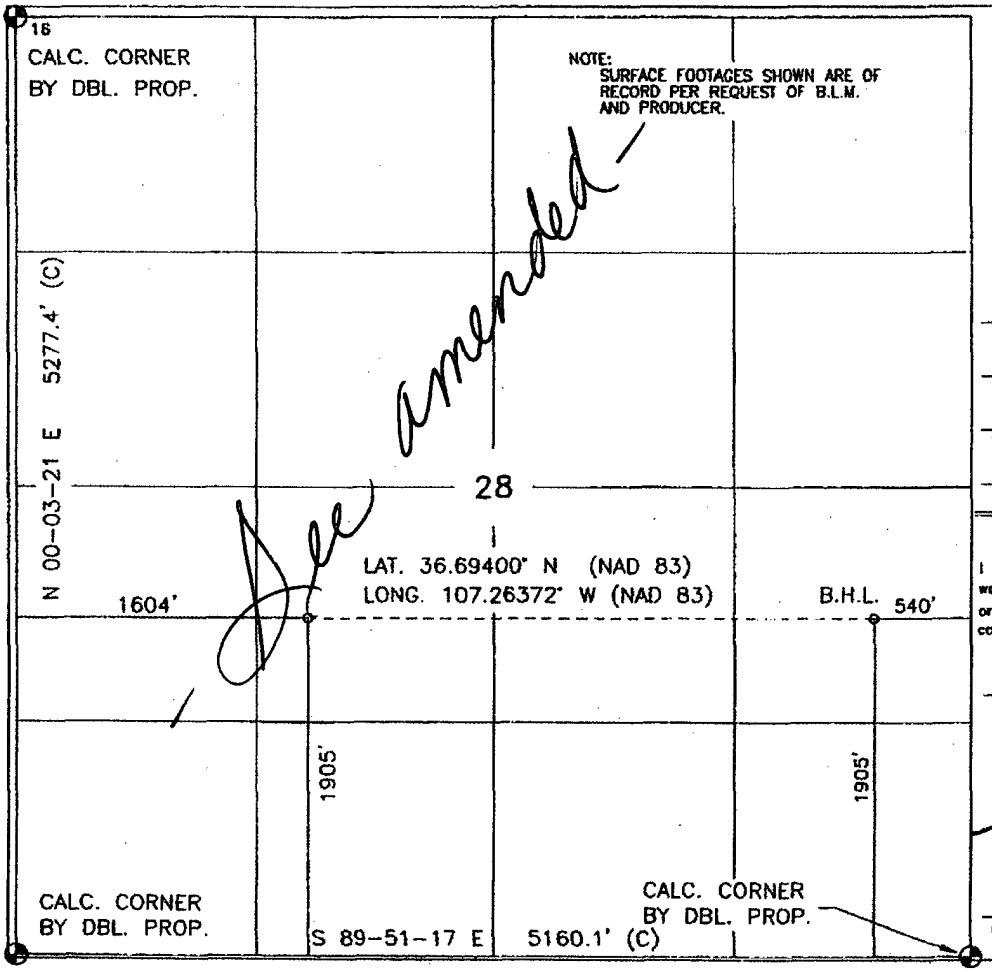
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	28	29-N	4-W		1905	SOUTH	1604	WEST	RIO ARRIBA

[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
I	28	29-N	4-W		1905	SOUTH	540	EAST	RIO ARRIBA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] 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.

Kathy L. Schneebeck
Signature

Kathy L. Schneebeck
Printed Name

Permit Agent for Black Hills Gas Resources
kathys@banko1.com
Title and Email address

March 15, 2006
Date

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

Signature and Seal of Professional Surveyor:

JOHN A. VUKONICH
NEW MEXICO
14831
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number

Black Hills Gas Resources, Inc.
29-4 Carson 28 1 (aka Conoco Carson 29-04-28 1H)
API #30-039-24673
Surface: 1,905' FSL 1,604' FWL (NE/4 SW/4)
End of Horizontal Hole: 1,905' FSL 540' FEL (NE/4 SE/4)
Sec. 28 T29N R4W
Rio Arriba County, New Mexico
Lease: NM18327

DRILLING PROGRAM

This Sundry Notice is submitted per CFR 3162.3-2. The existing well pad and reserve pit will be utilized "as is."

This is a horizontal entry into the existing well 29-4 Carson 28 1 (aka Conoco Carson 29-04-28 1H) to the Pictured Cliffs Formation. See also the attached Horizontal Re-completion Plan.

SURFACE FORMATION – San Jose. Surface water protection plan: Surface casing will be cemented to surface.

GROUND ELEVATION – 7,464' GL

ESTIMATED FORMATION TOPS (Water, oil, gas and/or other mineral-bearing formations).
All Depths are True Vertical Depth (TVD)

San Jose	Surface	Sandstone, shales and siltstones
Ojo Alamo	3,642'	Sandstone, shales and siltstones
Kirtland	3,862'	Sandstone, shales and siltstones
Fruitland	3,980'	Sandstone, shales and siltstones
Pictured Cliffs	4,192'	Sandstone, shales and siltstones

TOTAL DEPTH 4,205.31' TVD (end of horizontal hole) 3,016.00' TVD (anticipated horizontal section)
7,306.41' MD

Estimated depths of anticipated fresh water, oil, or gas:

San Jose	1,800'	Gas
Ojo Alamo	3,642'	Gas
Kirtland	3,862'	Gas
Fruitland	3,980'	Gas
Pictured Cliffs	4,192'	Gas

RE-ENTRY – HORIZONTAL DRILLING PROGRAM

A) A 2,000-psi WP double-gated BOP will be installed on the tubing head with blind rams on bottom and pipe rams on top controlled by an accumulator placed within easy access to drill and other crew members.
B) No annular preventor will be placed above BOP stack.
C) Retrievable whipstock to be set at ±4,238'.
D) Window to be milled out of 7" csg at ±4,234'.
E) Kick-off Point is estimated to be at 4,234' based on collar locations.

CASING PROGRAM

True Vertical Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement
0' – 259'	12-1/4"	8-5/8"	K-55 24# ST&C	To surface (previously set)
0' – 4,497'	7-7/8"	5-1/2"	N-80 17# LT&C	To surface (previously set)
4,234' – 7,306.41' (MD)	4-3/4"	Open hole	None	None

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and protected.

PRESSURE CONTROL

BOPs and choke manifold will be installed and pressure tested before drilling out under surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOP's will be pressure tested at least once every 30 days. Ram type preventors and related pressure control equipment will be pressure tested to 1,000 psi. Annular type preventor will be pressure tested to 50% of the rated working pressure, not to exceed 1,000 psi. All casing strings will be pressure tested to 0.22 psi/ft. or 1,000 psi, whichever is greater, not to exceed 70% of internal yield.

BOP to be either double gate rams or an annular preventor as per Onshore Order No. 2.

Statement on Accumulator System and Location of Hydraulic Controls

The drilling rig has not yet been selected for this well. Selection will take place after approval of this application. Manual and/or hydraulic controls will be in compliance with Onshore Order No. 2 for 2M systems.

A remote accumulator will be used. Pressures, capacities, location of remote hydraulic and manual controls will be identified at the time of the BLM supervised BOP test.

MUD PROGRAM

4,234' - 7,306.41' MD Low solids non-dispersed
M.W. 8.5 – 9.2 ppg
Vis – 28 – 50 sec
W.L. 15cc or less

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at wellsite.

AUXILIARY EQUIPMENT

A) A Kelly cock will be kept in the drill string at all times
B) Inside BOP or stab-in valve (available on rig floor)
C) Mud monitoring will be visually observed
D) Testing: None anticipated.

LOGGING, CORING, TESTING PROGRAM

A)	Logging:	CBL-CCL log will be run prior to beginning squeeze work.
B)	Coring:	None
C)	Testing:	None

ABNORMAL CONDITIONS

A)	Pressures:	No abnormal conditions are anticipated Bottom hole pressure gradient – 0.31 psi/ft
B)	Temperatures:	No abnormal conditions are anticipated
C)	H_2S:	See H_2S Plan if H_2S is encountered.
D)	Estimated bottomhole pressure:	1,304 psi

ANTICIPATED START DATE

April 15, 2006

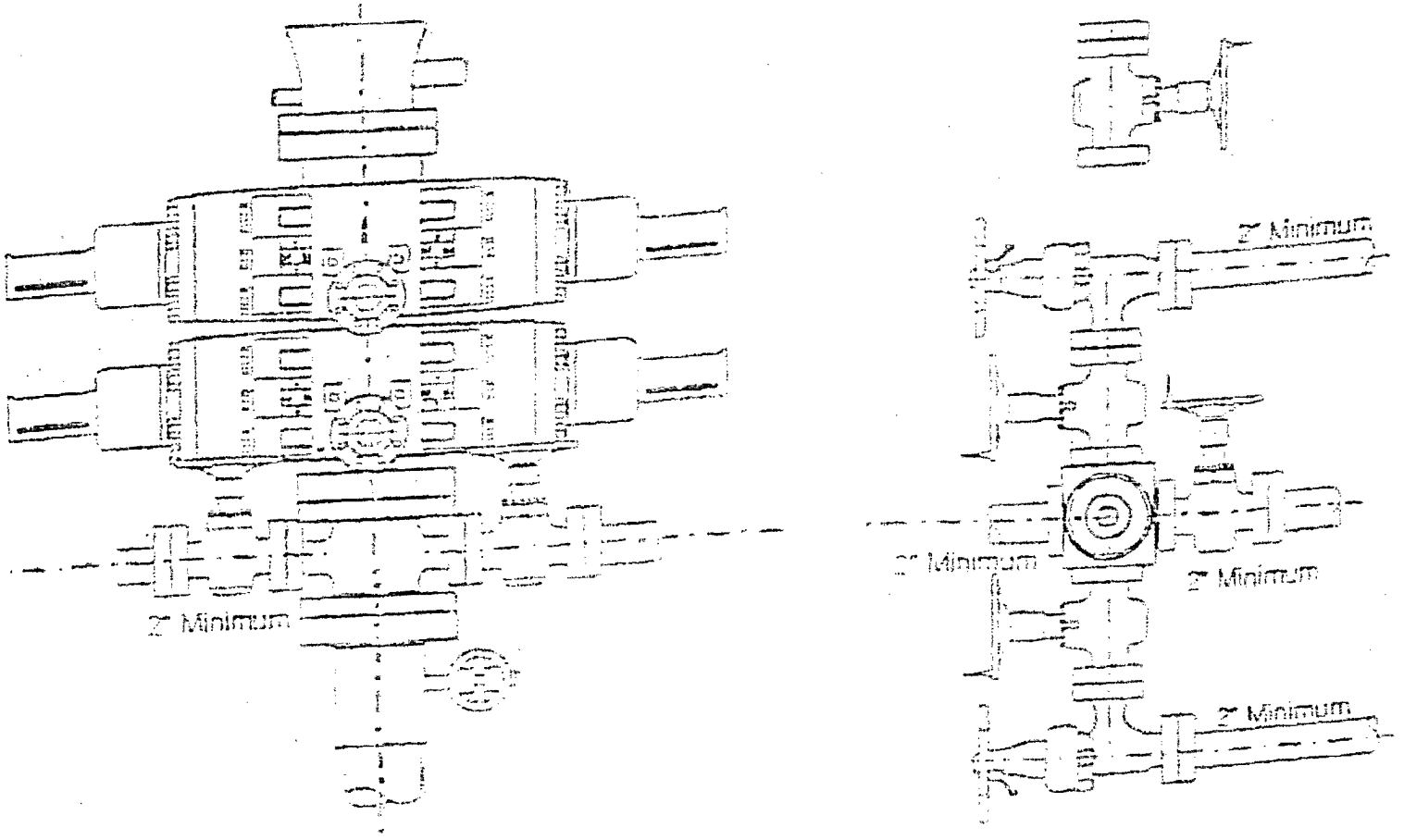
COMPLETION

The location pad is of sufficient size to accommodate all completion activities and equipment. A string of 2-3/8" J-55 4.7#/ft tubing will be run for a flowing string. A Sundry Notice will be submitted with a revised completion program if warranted.

2-M SYSTEM

Black Hills Gas Resources, Inc.

ANNULAR PREVENTOR MAY BE SUBSTITUTED FOR DOUBLE GATE PREVENTORS
BOP PRESSURE TEST TO 1,000 PSI



Hydrogen Sulfide Drilling Operations Plan

I. Hydrogen Sulfide Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H_2S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H_2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H_2S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H_2S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H_2S Safety Equipment and Systems

Note: All H_2S safety equipment and systems, if necessary, will be installed, tested, and operational when drilling reaches a depth of 500 feet above or three days prior to penetrating the first zone containing or reasonably expected to contain H_2S.

A. Well control equipment:

1. Choke manifold with a minimum of one remote choke.
2. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

B. Protective equipment for essential personnel:

1. Mark II Surviveair 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

C. H_2S detection and monitoring equipment:

1. Two portable H_2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H_2S levels of 10 ppm are reached.

D. Visual warning systems:

1. Wind direction indicators as shown on well site diagram.

2. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used when appropriate. See example attached.

E. Mud program:

1. The mud program has been designed to minimize the volume of H_2S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H_2S scavengers will minimize hazards when penetrating H_2S bearing zones.

F. Metallurgy:

1. All drill strings, casings, tubing, wellhead, blowout preventors, drilling spools, kill lines, choke manifold and lines, and valves shall be suitable for H_2S service.

2. All elastomers used for packing and seals shall be H_2S trim.

G. Communication:

1. Cellular telephone communications in company vehicles.

H. Well testing:

1. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill stem testing operations conducted in an H_2S environment will use the closed chamber method of testing.

1724-B Townhurst Dr, Houston, Tx 77043
(713) 827-8302
www.nevisenergy.com

Job Number: 61xxx
Company: Black Hills EP
Lease/Well: Carson 29-04-28 #1H
Location: Rio Arriba Co., NM
Rig Name: □
RKB: □
G.L. or M.S.L.: □

State/Country: NM/USA
Declination: □
Grid: □
File name: N:\BLACKH~1\2006\CARSON~1\CAR290~1.SVY
Date/Time: 24-Feb-06 / 10:47
Curve Name: Carson 29-04-28#1H Original

WINSERVE PROPOSAL REPORT

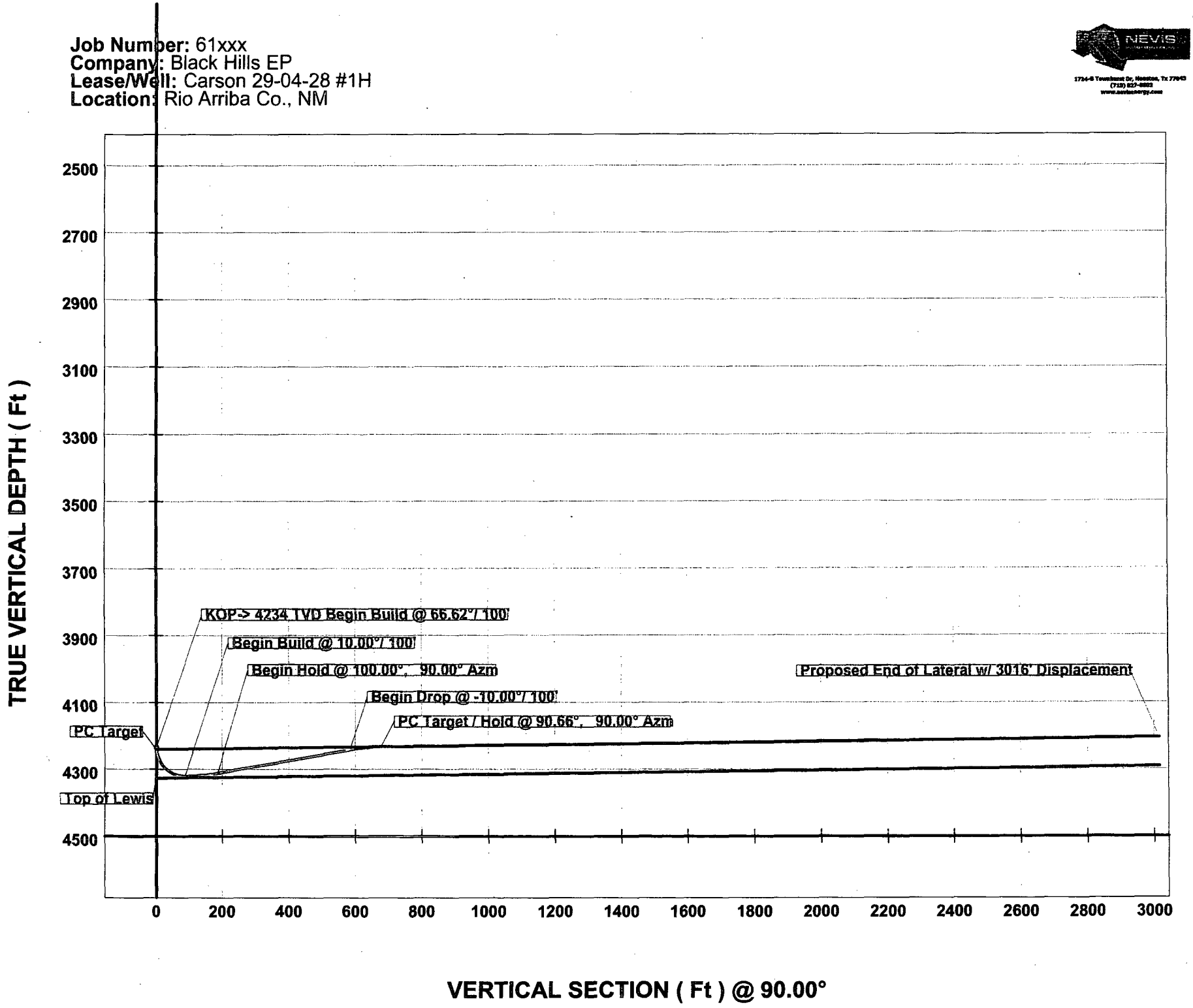
Minimum Curvature Method
Vertical Section Plane 90.00
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
KOP-> 4234 TVD Begin Build @ 66.62°/ 100'									
4234.00	.00	90.00	4234.00	.00	.00	.00	.00	.00	.00
4244.00	6.66	90.00	4243.98	.58	.00	.58	.58	90.00	66.62
4254.00	13.32	90.00	4253.82	2.32	.00	2.32	2.32	90.00	66.62
4264.00	19.99	90.00	4263.40	5.18	.00	5.18	5.18	90.00	66.62
4274.00	26.65	90.00	4272.57	9.14	.00	9.14	9.14	90.00	66.62
4284.00	33.31	90.00	4281.23	14.13	.00	14.13	14.13	90.00	66.62
4294.00	39.97	90.00	4289.25	20.09	.00	20.09	20.09	90.00	66.62
4304.00	46.64	90.00	4296.52	26.95	.00	26.95	26.95	90.00	66.62
4314.00	53.30	90.00	4302.95	34.60	.00	34.60	34.60	90.00	66.62
4324.00	59.96	90.00	4308.45	42.95	.00	42.95	42.95	90.00	66.62
4334.00	66.62	90.00	4312.94	51.88	.00	51.88	51.88	90.00	66.62
4344.00	73.28	90.00	4316.37	61.27	.00	61.27	61.27	90.00	66.62
4354.00	79.95	90.00	4318.68	70.99	.00	70.99	70.99	90.00	66.62
4364.00	86.61	90.00	4319.85	80.91	.00	80.91	80.91	90.00	66.62
Begin Build @ 10.00°/ 100'									
4369.09	90.00	90.00	4320.00	86.00	.00	86.00	86.00	90.00	66.62
4379.09	91.00	90.00	4319.91	96.00	.00	96.00	96.00	90.00	10.00
4389.09	92.00	90.00	4319.65	106.00	.00	106.00	106.00	90.00	10.00
4399.09	93.00	90.00	4319.22	115.99	.00	115.99	115.99	90.00	10.00
4409.09	94.00	90.00	4318.60	125.97	.00	125.97	125.97	90.00	10.00
4419.09	95.00	90.00	4317.82	135.94	.00	135.94	135.94	90.00	10.00
4429.09	96.00	90.00	4316.86	145.89	.00	145.89	145.89	90.00	10.00
4439.09	97.00	90.00	4315.73	155.83	.00	155.83	155.83	90.00	10.00
4449.09	98.00	90.00	4314.42	165.74	.00	165.74	165.74	90.00	10.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
4459.09	99.00	90.00	4312.95	175.63	.00	175.63	175.63	90.00	10.00
Begin Hold @ 100.00°, 90.00° Azm									
4469.09	100.00	90.00	4311.30	185.49	.00	185.49	185.49	90.00	10.00
4569.09	100.00	90.00	4293.93	283.97	.00	283.97	283.97	90.00	.00
4669.09	100.00	90.00	4276.57	382.46	.00	382.46	382.46	90.00	.00
4769.09	100.00	90.00	4259.20	480.94	.00	480.94	480.94	90.00	.00
4869.09	100.00	90.00	4241.84	579.42	.00	579.42	579.42	90.00	.00
Begin Drop @ -10.00°/ 100'									
4873.93	100.00	90.00	4241.00	584.18	.00	584.18	584.18	90.00	.00
4883.93	99.00	90.00	4239.35	594.05	.00	594.05	594.05	90.00	10.00
4893.93	98.00	90.00	4237.87	603.94	.00	603.94	603.94	90.00	10.00
4903.93	97.00	90.00	4236.56	613.85	.00	613.85	613.85	90.00	10.00
4913.93	96.00	90.00	4235.43	623.79	.00	623.79	623.79	90.00	10.00
4923.93	95.00	90.00	4234.47	633.74	.00	633.74	633.74	90.00	10.00
4933.93	94.00	90.00	4233.69	643.71	.00	643.71	643.71	90.00	10.00
4943.93	93.00	90.00	4233.08	653.69	.00	653.69	653.69	90.00	10.00
4953.93	92.00	90.00	4232.64	663.68	.00	663.68	663.68	90.00	10.00
4963.93	91.00	90.00	4232.38	673.68	.00	673.68	673.68	90.00	10.00
PC Target / Hold @ 90.66°, 90.00° Azm									
4967.35	90.66	90.00	4232.33	677.09	.00	677.09	677.09	90.00	10.00
4967.36	90.66	90.00	4232.33	677.11	.00	677.11	677.11	90.00	1.45
5067.36	90.66	90.00	4231.17	777.10	.00	777.10	777.10	90.00	.00
5167.36	90.66	90.00	4230.02	877.10	.00	877.10	877.10	90.00	.00
5267.36	90.66	90.00	4228.86	977.09	.00	977.09	977.09	90.00	.00
5367.36	90.66	90.00	4227.71	1077.08	.00	1077.08	1077.08	90.00	.00
5467.36	90.66	90.00	4226.55	1177.08	.00	1177.08	1177.08	90.00	.00
5567.36	90.66	90.00	4225.40	1277.07	.00	1277.07	1277.07	90.00	.00
5667.36	90.66	90.00	4224.24	1377.06	.00	1377.06	1377.06	90.00	.00
5767.36	90.66	90.00	4223.09	1477.06	.00	1477.06	1477.06	90.00	.00
5867.36	90.66	90.00	4221.93	1577.05	.00	1577.05	1577.05	90.00	.00
5967.36	90.66	90.00	4220.78	1677.04	.00	1677.04	1677.04	90.00	.00
6067.36	90.66	90.00	4219.62	1777.04	.00	1777.04	1777.04	90.00	.00
6167.36	90.66	90.00	4218.47	1877.03	.00	1877.03	1877.03	90.00	.00
6267.36	90.66	90.00	4217.31	1977.02	.00	1977.02	1977.02	90.00	.00
6367.36	90.66	90.00	4216.16	2077.02	.00	2077.02	2077.02	90.00	.00
6467.36	90.66	90.00	4215.00	2177.01	.00	2177.01	2177.01	90.00	.00
6567.36	90.66	90.00	4213.85	2277.00	.00	2277.00	2277.00	90.00	.00
6667.36	90.66	90.00	4212.69	2377.00	.00	2377.00	2377.00	90.00	.00
6767.36	90.66	90.00	4211.54	2476.99	.00	2476.99	2476.99	90.00	.00
6867.36	90.66	90.00	4210.38	2576.98	.00	2576.98	2576.98	90.00	.00
6967.36	90.66	90.00	4209.23	2676.98	.00	2676.98	2676.98	90.00	.00
7067.36	90.66	90.00	4208.07	2776.97	.00	2776.97	2776.97	90.00	.00
7167.36	90.66	90.00	4206.92	2876.96	.00	2876.96	2876.96	90.00	.00

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE Distance FT	CLOSURE Direction Deg	Dogleg Severity Deg/100
7267.36	90.66	90.00	4205.76	2976.96	.00	2976.96	2976.96	90.00	.00
Proposed End of Lateral w/ 3016' Displacement									
7306.41	90.66	90.00	4205.31	3016.00	.00	3016.00	3016.00	90.00	.00

Job Number: 61xxx
Company: Black Hills EP
Lease/Well: Carson 29-04-28 #1H
Location: Rio Arriba Co., NM



WELL PAD DIAGRAM

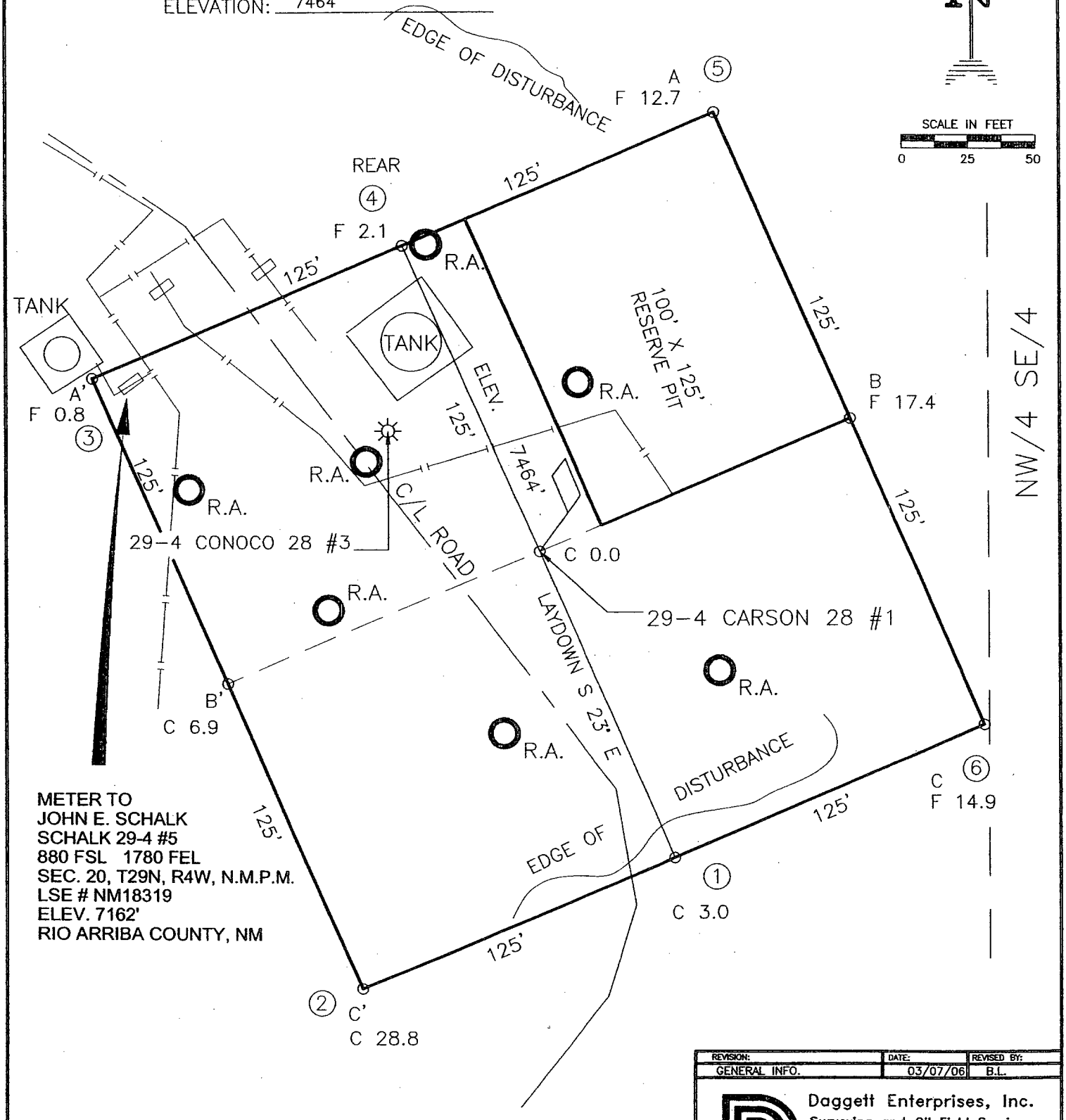
COMPANY: BLACK HILLS GAS RESOURCES

LEASE: 29-4 CARSON 28 No. 1 (aka CONOCO CARSON 29-04-28 No. 1H)

FOOTAGE: 1905 FSL 1604 FWL

SEC.: 28, TWN: 29-N, RNG: 4-W, NMPM

ELEVATION: 7464'



METER TO
JOHN E. SCHALK
SCHALK 29-4 #5
880 FSL 1780 FEL
SEC. 20, T29N, R4W, N.M.P.M.
LSE # NM18319
ELEV. 7162'
RIO ARRIBA COUNTY, NM

NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.

REVISION:	DATE:	REVISED BY:
GENERAL INFO.	03/07/06	B.L.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S. 14831

DRAWN BY: B.L.	CADFILE: MN433PL8
ROW#: MN433	DATE: 06/16/05

WELL PAD CROSS-SECTIONAL DIAGRAM

COMPANY: BLACK HILLS GAS RESOURCES

LEASE: 29-4 CARSON 28 No. 1 (aka CONOCO CARSON 29-04-28 No. 1H)

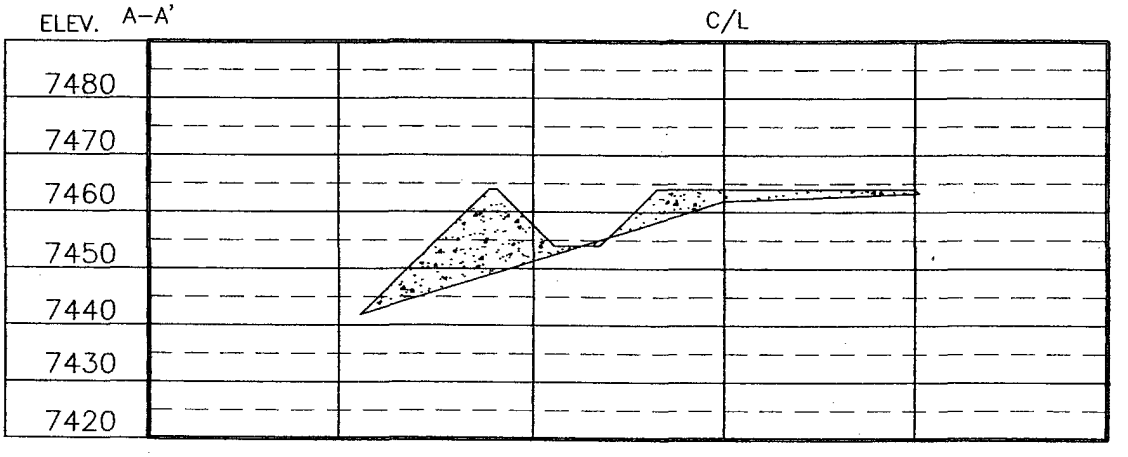
FOOTAGE: 1905 FSL 1604 FWL

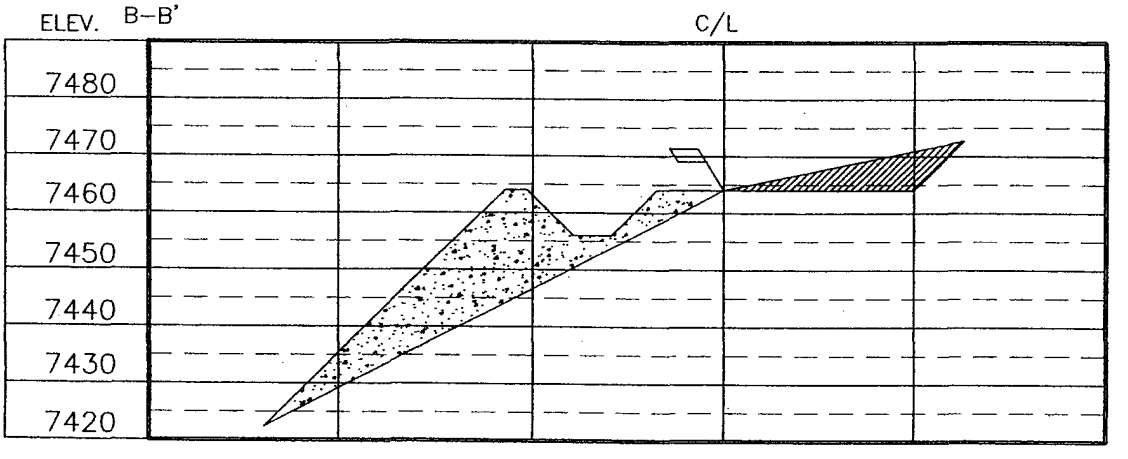
SEC.: 28, TWN: 29-N, RNG: 4-W, NMPM

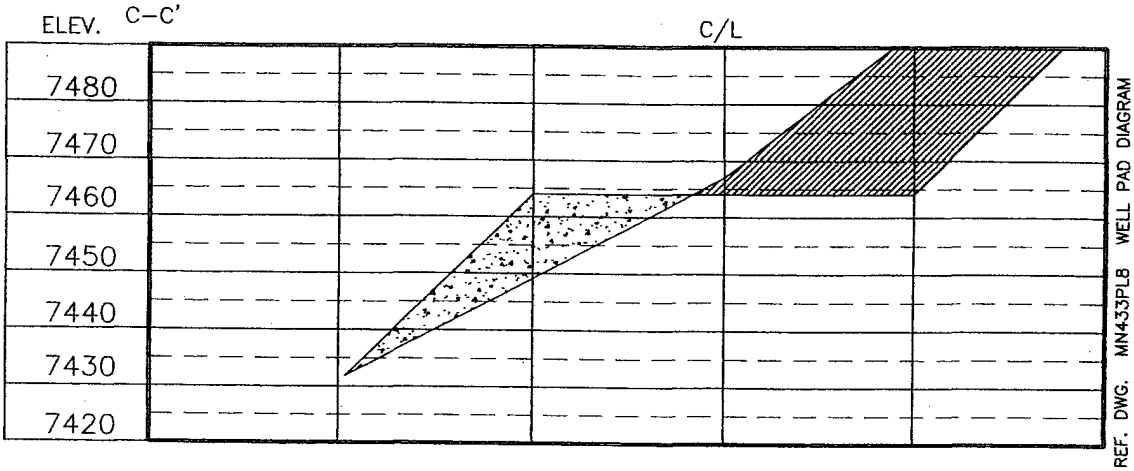
ELEVATION: 7464'

NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO EXCAVATION OR CONSTRUCTION.





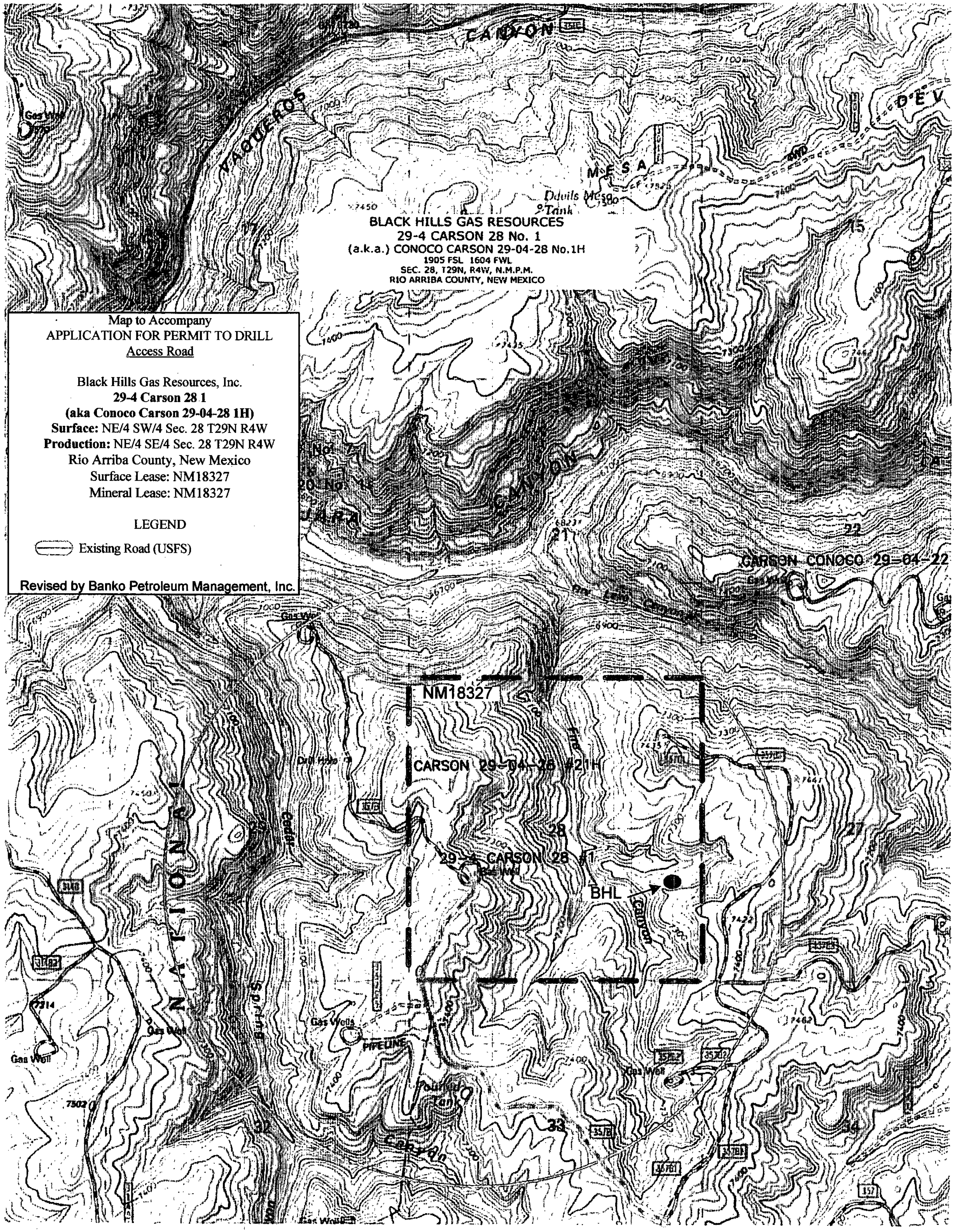


REF. DWG. MN433PL8 WELL PAD DIAGRAM

REVISION:	DATE:	REVISED BY:
CHANGE SURFACE FOOTAGES	03/02/06	B.L.

Daggett Enterprises, Inc.
Surveying and Oil Field Services
P. O. Box 15068 • Farmington, NM 87401
Phone (505) 326-1772 • Fax (505) 326-6019
NEW MEXICO L.S. 14831

DRAWN BY: B.L.	CADFILE: MN433CF8
ROWJ#: MN433	DATE: 06/14/05


BLACK HILLS GAS RESOURCES
29-4 CARSON 28 No. 1
(a.k.a.) CONOCO CARSON 29-04-28 No.1H
1905 FSL 1604 FWL
SEC. 28, T29N, R4W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO
Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Access Road
Black Hills Gas Resources, Inc.
29-4 Carson 28 1
(aka Conoco Carson 29-04-28 1H)
Surface: NE/4 SW/4 Sec. 28 T29N R4W
Production: NE/4 SE/4 Sec. 28 T29N R4W
Rio Arriba County, New Mexico
Surface Lease: NM18327
Mineral Lease: NM18327
LEGEND
Existing Road (USFS)
Revised by Banko Petroleum Management, Inc.
CANYON
VAQUEROS
MESA
Devils Mesa Tank
CARSON CONOCO 29-04-22
NM18327
CARSON 29-04-28 #21H
29-4 CARSON 28 #1
BHL
PIPELINE
Gas Well
Gas Wells
Drill Hole
15
21
22
27
28
33
34

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

☑ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-039-24673	77440	Gobernador Pictured Cliffs

[4] Property Code	[5] Property Name	[6] Well Number
~~23529~~ 301949	29-4 CARSON 28	1

[7] OGRID No.	[8] Operator Name	[9] Elevation
~~007735~~ 13926	BLACK HILLS GAS RESOURCES	7464'

[10] Surface Location

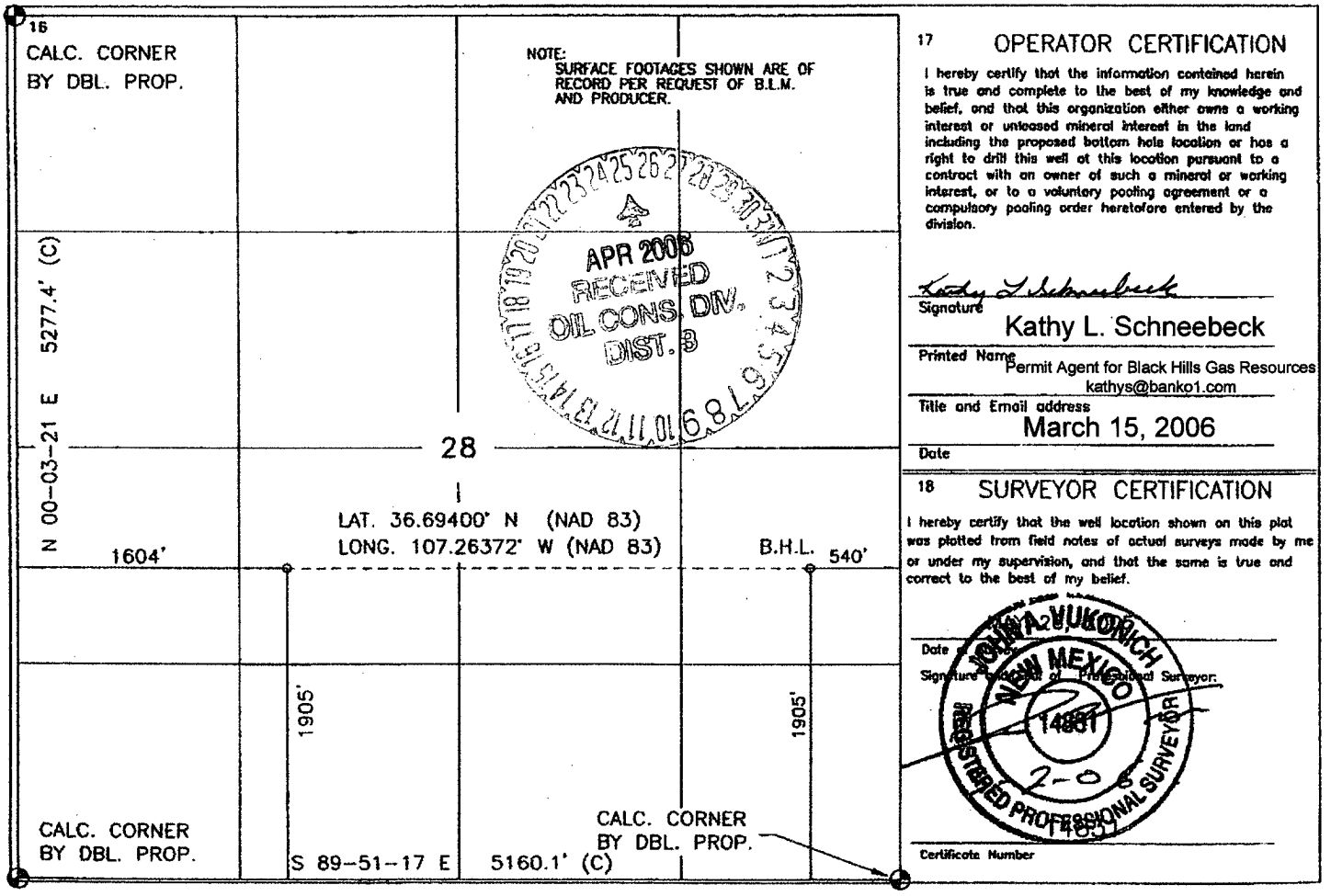
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	28	29-N	4-W		1905	SOUTH	1604	WEST	RIO ARRIBA

[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
I	28	29-N	4-W		1905	SOUTH	540	EAST	RIO ARRIBA

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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

Kathy L. Schneebeck

Printed Name

Permit Agent for Black Hills Gas Resources

kathys@banko1.com

Title and Email address

March 15, 2006

Date

[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 Surveyed

Signature & Seal of Professional Surveyor:

JOHN A. VUKONICH
NEW MEXICO
14831
REGISTERED PROFESSIONAL SURVEYOR

Certificate Number