

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		5. Lease Serial No. NM 18323
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name 2006 JUN 8 PM 2 24
3a. Address PO Box 249 Bloomfield, NM 87413	3b. Phone No. (include area code) 505-634-1111 x24	7. If Unit or CA. Agreement Name and/or No. RECEIVED
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 1100' FSL & 1485' FWL (N) Sec. 24, T29N-R4W BH: 800' FSL & 548' FEL (P) Sec. 24, T29N-R4W		8. Well Name and No. Carson 29-04-24 #4
		9. API Well No. 30-039-20648
		10. Field and Pool, or Exploratory Area Choza Mesa, Pictured Cliffs
		11. County or Parish, State Rio Arriba NM

**12. CHECK APPROPRIATE BOX(S) 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 type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-off
<input checked="" 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 checked="" type="checkbox"/> Other <u>Drilled Lateral</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	<u>KOP in Fruitland Coal, Left</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	<u>Fish in Hole, Flow Test</u>

**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 recompleting 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 is horizontally recompleting this well in the Pictured Cliffs. Recompletion operations began May 18, 2006. We inadvertently breached the Fruitland Coal when kicking off to drill the horizontal section. Synergy Operating, LLC has rights to the Fruitland Coal. The base of the Fruitland Coal is at 3690'. A window was milled in the 7", 26# casing 3660' to 3681' and a whipstock set at 3671'. The kick off point was 3671'. A 4 3/4" hole was drilled from 3671' MD to 4863' MD. The drill string parted while drilling at 4863' MD. Several attempts were made to recover the fish without success. The fish left in the open hole is as follows from top to bottom: 1 partial jt (28' long) 2 7/8", 8.7#, N-80 tbg, 31 jts (969") 2 7/8", 8.7#, N-80 tbg, 1' crossover sub, 2 (60") 3 1/2" Monel drill collars, 1.87" x 27' mud motor, MWD tool inside BHA, 4 3/4" PDC bit (total length 1086'). Top of fish 3692' MD. Bottom of fish 4778' MD. Received verbal permission from Stephen Mason, BLM and Pat Haggerty, Synergy Operating to run production tubing and flow test the well. Currently flow testing & running gas analyses to determine source of gas.

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

Name (Printed/ Typed) Loren Diele	Title Consultant (Agent)
Signature 	Date 6/8/2006

**THIS SPACE FOR FEDERAL OR STATE OFFICE 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 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)



ACCEPTED FOR RECORD

JUN 22 2006

FARMINGTON FIELD OFFICE  
BY

**GENERAL INSTRUCTIONS**

NMOC