

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.

NM-18316

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Carson 29-04-11 No. 2

9. API Well No.

30-039-20649

10. Field and Pool, or Exploratory Area

East Blanco Pictured Cliffs

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)

Surface: 1770' FNL & 944' FEL Unit H Sec. 11, T29N, R4W

Bottom Hole: 1517' FNL & 1592' FWL Unit F Sec. 11, T29N, R4W

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☒ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Horizontal drill and completion

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.)

5/4/06. MIRU Drilling rig. Cut window in 5-1/2" casing @ 3705'-18' and drill 4-3/4" horizontal hole to MD 6424'. Landed 2-7/8" 7.9# J-55 liner @ 6424' with 5 pre-perfed joints (4 jts w/AL plugs). On/off tool @ top of liner. Backed off 2-7/8" liner @ 3878' and TOH. Released rig 5/17/06. Plan to fish liner with completion rig.

8/21/06. MIRUSU. TIH with fishing tools. TOH with all 2-7/8" liner from horizontal PC lateral. TIH with 2-7/8" 7.9# J-55 liner and land @ 6424' with on/off tool @ 3694'. TIH with 2-3/8" 4.7# J-55 tubing and connect to on/off tool @ 3694'. Pump 1327 gallons 20% HCL acid & N2 to dissolve AL plugs in horizontal 2-7/8" liner. Flow test well on 8/26/06 on 3/8" choke for 3 hours for 910 psi & 3142 MCF/D. Released rig 8/27/06. Completed as a single horizontal PC gas well.

Report cmt sqy of perfs 10/05

Permit

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Mike Pippin

Date

August 29, 2006

THIS SPACE FOR FEDERAL OR STATE USE

ACCEPTED FOR RECORD

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

FARMINGTON FIELD 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)

NMOC