

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

5. Lease Serial No.

Contract 459

6. If Indian, Allottee or Tribe Name

Jicarilla Apache Tribe

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

UNIT 17 PM

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

8. Well Name and No.

Jicarilla 459-17 #10

9. API Well No.

30-039-29854

10. Field and Pool, or Exploratory Area

East Blanco Pictured Cliffs

Cabresto Canyon Tertiary

AND

Rio Arriba County, New Mexico

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

140' FSL & 1110' FWL Unit M

Sec. 17, T30N, R03W

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input checked="" 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 checked="" type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Open PC & Commingle w/Existing Tertiary
	<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 recompleat 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.)

Black Hills Gas Resources plans to perf the PC at about 3746' - 68' & stimulate with a sand foam frac. The PC will then be commingled with the existing Tertiary perms and produced on pump.

BLACK HILLS requests administrative approval to downhole commingle the East Blanco Pictured Cliffs (72400) & Cabresto Canyon Tertiary (97037), which are both included in the pre-approved pools established by State Division Order R-11363. Both intervals have common ownership & produce essentially dry gas. We have not experienced any significant cross flows between these two intervals, & all the fluids are compatible. Downhole commingling will improve recovery of liquids & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-103 with the State.

The commingle allocations for each zone will be determined by separate testing during rig operations.

RCVD NOV21'06
OIL CONS. DIV.
DIST. 3

No DHC Order - 12-5-06

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

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

Mike Pippin

Date

November 17, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

[Signature]

Title

Petr. Engr.

Date

11/20/06

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)

- file Dedication Plat for the Pictured Cliffs fm.

NMOCD

8 12/13/06

Jicarilla 459-17 #10
Current Wellbore Diagram
 API # 30-039-25854
 SW SW, Sec17, T30N, R03W Rio Arriba, NM

Elev. GL= 7179'
 Elev. KB= 7192'

SURF CSG
 8 5/8" 24# K-55
 @538' KB, TOC surf

TUBING DETAIL

97 jts 2 3/8" tbg
 SN
 Notch Collar

EOT 3244

San Jose perfs: 1568-1573, 1618-1622, 1640-1642, 1646-1648, 7-14-2004, : BD 200 gal acid, Frac 7-19-2004, 59200# 20/40+24500# 20/40 RC, 50Q XL N2 foam

L San Jose / Nacimiento perfs: 7-2-2004, (1970-1978. *Not fraced*) 2120-2130, Frac 7-10-2004, 22000# 20/40 50Q N2XL foam.

DV Tool @ 3535'

Ojo Alamo perfs: 3244-3266, 5-20-1998, BD 1500 gal acid, frac74000# 12/20 N2XL foam. Acidize 1-14-2005

PROD CASING

4 1/2" 10.5# J-55
 @4004' KB;
 cmt;STG1; 95 sx
 50/50/2, circ 5 sx to
 surf; STG 2; 250 sx
 65/35/12 + 315 sx
 50/50/2, circ 125 sx to
 surf TOC= Surf

Proposed PC Perfs ~3746'-68'

PBTD=3603'
 TD = 4010

Prepared: 10-Oct-06 Revised 11/17/06