

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, 1996RCVD JAN 11 '07
OIL CONS. DIV.
DIST. 9

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)

1870' FSL & 815' FEL Unit I
Sec. 20, T30N, R3W

5. Lease Serial No.

Jicarilla Contract 459

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 459-20 #34

9. API Well No.

30-039-29303

10. Field and Pool, or Exploratory Area

E. Blanco PC & Basin FRTC
& Cabresto Canyon Tertiary

11. County or Parish, State

Rio Arriba County, New Mexico

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 Trimming
Application

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 recompleat 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 requests administrative approval to downhole commingle the East Blanco Pictured Cliffs (72400), Cabresto Canyon Tertiary (97037), & Basin Fruitland Coal.

These 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-107A with the State. These Gas & Oil allocations are based on choke tests taken during rig operations in December 2006. See attached calculations. The FRTC & Tertiary pools do not produce oil. Formerly, DHC-3747 order allowed the commingling of the PC & FRTC.

GAS:	Pictured Cliffs	75%	OIL:	Pictured Cliffs	100%
GAS:	FRTC	15%	OIL:	FRTC	0%
GAS:	Tertiary	10%	OIL:	Tertiary	0%

DHC 3747

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

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

Mike Pippin

Date

January 7, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Joe Hewitt

Title

Geo

Date

1-10-07

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

FDD

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)

NMOCD

BLACK HILLS GAS RESOURCES, INC.
JICARILLA 459-20 #34 PC / FRTC/TERTIARY
I Section 20 T30N R03W
1/7/2007

Trimingle Allocation Calculations

OIL

The Basin Fruitland Coal gas pool and the Cabresto Canyon Tertiary do not make any oil in the vicinity of the subject well. The East Blanco Pictured Cliffs gas pool does produce a little oil. Therefore, any and all oil will be assigned to the Pictured Cliffs.

GAS

The **PC** choke test stabilized at 95 psi on a ½" choke for a 15 hour period on 12/16/06.

$$Q = .0555 \cdot C \cdot P \quad C = \text{coefficient for } \frac{1}{2}" \text{ choke} = 112.72$$
$$P = \text{gauge pressure} + 15 \text{ psi} = 110 \text{ psi.}$$
$$Q = .0555 \cdot 112.72 \cdot 110 = \underline{688 \text{ MCF/D.}}$$

(PC & FRTC – DHC 3747)

The **FRTC** choke test stabilized at 7 psi on a ½" choke for a 3 hour period on 12/16/06.

$$Q = .0555 \cdot C \cdot P \quad C = \text{coefficient for } \frac{1}{2}" \text{ choke} = 112.72$$
$$P = \text{gauge pressure} + 15 \text{ psi} = 22 \text{ psi.}$$
$$Q = .0555 \cdot 112.72 \cdot 22 = \underline{138 \text{ MCF/D.}}$$

The **Tertiary** (only) choke test stabilized at 45 psi on a ¼" choke for 2 hours period on 12/18/06.

$$Q = .0555 \cdot C \cdot P \quad C = \text{coefficient for } \frac{1}{4}" \text{ choke} = 26.51$$
$$P = \text{gauge pressure} + 15 \text{ psi} = 60 \text{ psi.}$$
$$Q = .0555 \cdot 26.51 \cdot 60 = \underline{88 \text{ MCF/D.}}$$

Total gas = 88 + 138 + 688 = **914 MCF/D.**

$$\% \text{ PC} = \frac{688}{914} = 75\% \quad \% \text{ FRTC} = \frac{138}{914} = 15\% \quad \% \text{ TERTIARY} = \frac{88}{914} = 10\%$$