

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 22 2008

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. Contract 457
2. Name of Operator Black Hills Gas Resources		6. If Indian, Allottee, or Tribe Name Jicarilla Apache
3a. Address 3200 N 1st Street PO Box 249 Bloomfield, NM 87413	3b. Phone No. (include area code) 505-634-1111 ext 27	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 775' FSL 545' FEL SE/SE Unit P Sec 04 T30N R3W Bottom Hole: ±775' FSL ±50' FWL SW/SW Unit M Sec 04 T30N R3W		8. Well Name and No. Jicarilla 457-04 #144
		9. API Well No. 30-039-30100
		10. Field and Pool, or Exploratory Area E. Blanco/Pictured Cliffs
		11. County or Parish, State Rio Arriba, New Mexico

CHECK APPROPRIATE BOX(S) 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"/> 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>Designate project area</u>
	<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 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 recomplate horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will 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.)

The initial APD to drill a Pictured Cliff (PC) well was approved on August 17, 2007. The well was given API number 30-039-30100. Black Hills Gas Resources (BHGR) is submitting the following sundry and attachments to designate a project area for the undrilled well.

- A non standard proration unit approval will be required
- A communitization agreement will also be required.

RCVD SEP 3 '08
OIL CONS. DIV.

DIST. 3

HOLD C104 FOR NSP Heaving

14. I hereby certify that the foregoing is true and correct.	
Name (Printed/ Typed) Lynn H. Benally	Title Regulatory Specialist
Signature <i>[Signature]</i>	Date Aug 22, 2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title Petr. Eng.	Date 9/2/08
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.		

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 department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD *[initials]*

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3 - 2, 3162.3 - 3, 3162.3 - 4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency -sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

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 30-039-30100	² Pool Code 72400	³ Pool Name EAST BLANCO PICTURED CLIFFS
⁴ Property Code 25327	⁵ Property Name JICARILLA 457-04	⁶ Well Number 144
⁷ OGRID No. 013925	⁸ Operator Name BLACK HILLS GAS RESOURCES	⁹ Elevation 7122'

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
P	4	30-N	3-W		775	SOUTH	545	EAST	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
P	5	30-N	3-W		1150	SOUTH	1200	EAST	RIO ARRIBA
¹² Dedicated Acres 398.41 PROJECT AREA			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

<p>16</p> <p>B.H.L. B.H.L. FOOTAGES ARE APPROXIMATE AND PROVIDED BY <u>B.H.G.R.</u> CLIENT</p>						<p>17</p> <p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>[Signature]</i> 8/25/08 Signature Date <u>Lynn H. Renally</u> Printed Name</p>					
<p>18</p> <p>SURVEYOR CERTIFICATION</p> <p>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 knowledge & belief.</p> <p>MARCH 7, 2006 Date of Survey Signature and Seal of Professional Surveyor:</p> <p>8894 Certificate Number</p>											

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LOT 2 36.23 AC.

LOT 1 36.22 AC.

LOT 4

LOT 3

LOT 2

LOT 1

LOT 7 39.15 AC.

LOT 8 39.15 AC.

QTR. CORNER
FD. 2 1/2" BC.
1917 G.L.O.

LOT 10 39.35 AC.

LOT 9 39.33 AC.

S 00°11'59" E
2631.88' (M)

LOT 15 39.10 AC.

LOT 16 39.08 AC.

S 89°43'45" W
2582.91' (M)

QTR. CORNER
FD. 2 1/2" BC.
1917 G.L.O.

SEC. CORNER
FD. 2 1/2" BC.
1917 G.L.O.

QTR. CORNER
FD. 2 1/2" BC.
1917 G.L.O.

SEC. CORNER
FD. REBAR
IN STONE MOUND

B.H.L.

1200'

1150'

835'

1489'

545'

775'

(CASED)

BOTTOM HOLE LOCATION:
LAT: 36.83690° N (NAD 83)
LONG: 107.16806° W (NAD 83)
36°50'12.85699" N (NAD 27)
107°10'05.90031" W (NAD 27)

SURFACE LOCATION:
LAT: 36.83587° N (NAD 83)
LONG: 107.14833° W (NAD 83)
36°50'09.14223" N (NAD 27)
107°08'53.99888" W (NAD 27)

CALC'D. CORNER
BY SINGLE PROP.

S 01°05'00" E
5336.21' (C)

PROJECT AREA CERTIFICATION

I, Carleton L. Ekberg, as Attorney-In-Fact for Black Hills Gas Resources, Inc., hereby certify that each of the owners identified below, (working, royalty and overriding royalty) have agreed upon a formula for allocation of production from the **Jicarilla 457-04 Well No. 144** (API No. 30-039-30100), [the "Horizontal Well"] either by express agreement to the formula or by virtue of a lease provision authorizing commitment of the interest to the project area identified hereinafter:

Project Area: 398.41 acres

S/2 of Section 4, E/2SE/4 (Lot 9-39.33 and Lot 16-39.08 acres) of Section 5
Township 30 North, Range 03 West, N.M.P.M.-Rio Arriba County, New Mexico

Owners (working, royalty and overriding royalty) in Project Area:

Jicarilla Apache Tribe
Bayless Grandchildren's Trust
JACO Production Company
Windom Royalties LLC
Kevin M. Fitzgerald
Black Hills Gas Resources, Inc.

IN WITNESS WHEREOF, this instrument, dated this 19th day of August 2008, is executed as set forth below.

BLACK HILLS GAS RESOURCES, INC.

Carleton L. Ekberg
Carleton L. Ekberg
Attorney-In-Fact

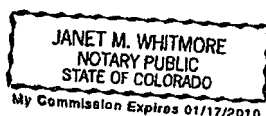
State of Colorado §

§

County of Jefferson §

19th Before me the undersigned, a Notary Public, in and for said County, and State, on this day of August 2008, personally appeared Carleton L. Ekberg, in his capacity as Attorney-In-Fact of **Black Hills Gas Resources, Inc.**, a Colorado Corporation, known to me to be the person whose name is subscribed to the foregoing expressed, in the capacity stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL THE DAY AND YEAR LAST ABOVE WRITTEN.



Janet M. Whitmore
Notary Public
Janet M. Whitmore