Form 3160-5
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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.

2005 DEC 1 AM 10 03

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED
070 FARMINGTON NM

5. Lease Serial No.
701980013

6. If Indian, Allottee or Tribe Name
Jicarilla Apache Tribe

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

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Jicarilla 30-03-33 No. 2

2. Name of Operator
Black Hills Gas Resources, Inc.

9. API Well No.
30-039-26030

3a. Address
PO Box 249 Bloomfield, NM 87413

3b. Phone No. *(include area code)*
505-634-1111

10. Field and Pool, or Exploratory Area
Cabresto Canyon Tertiary

4. Location of Well *(Footage, Sec., T, R., M., or Survey Description)*
Sec. 33, T30N, R03W
702' FNL & 583' FWL (NWNW) Unit D

11. County or Parish, State
Rio Arriba, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☑ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

3. 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 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.)

Black Hills Gas Resouces, Inc. intends to on the above referenced well drill out the cast iron bridge plug currently over the San Jose. Isolate and determine productivity of the San Jose & Ojo Alamo intervals. Add Pictured Cliffs perforations and complete the Pictured Cliffs per attached procedure.

DEC 2005
RECEIVED
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Agatha Snell — Title Admin. Tech.

Signature Agatha Snell — Date 12/1/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *(Signature)* **Original Signed: Stephen Mason** — Name *(Printed/Typed)* — Title

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 — Date DEC 0 1 2005

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

(Continued on next page)

NMOCD

Black Hills Gas Resources

JICARILLA 30-03-33 #2

API # 30-039-26030
NW NW Sec 33, T30N – R3W
Rio Arriba County, New Mexico

GL: 7063', KB: 7076', PBTD: 3835'

Surface casing:	8-5/8", 24 lb/ft, Casing @ 534', TOC = surf
Production casing:	5 ½" 15.5 lb/ft, Casing @ 3876', TOC = Surf
Current prod tubing:	N/A
Current pump/ rods:	N/A
Current Perforated Zones:	
Upper San Jose:	**1476-1698'**
Ojo Alamo:	**3114-3146'**

Proposed Work: Test the Ojo Alamo zone, possible cement squeeze the Ojo Alamo. Add PC pay.

1. General Note: All fluids entering the hole will have added **2 gpt MA-844 (MA-1) and a biocide. The fluids used for the PC are to also contain 2 % KCl.**

2. MIRU completion rig, ND WH, NU BOP.

3. MU 2 3/8" tubing, collars and mill. Mill up the CIBP set @ 1425'. Trip down to PBTD. Clean out to 3835.

4. TIH with bit and scraper, run down to the PBTD. TOOH.

5. TIH with 2 3/8" tubing, packer and RBP. Set RBP @ +/- 3160'. Pull up and set packer @ +/- 3105'. Swab test the Ojo Alamo. Record water and gas rates.

The results of this test will determine if the Ojo Alamo is to be produced or squeezed.

6. MIRU Perforating Company. Correlate to GR/CCL correlation log dated 12-16-1998. Perforate the Pictured Cliffs .43" holes.

3595-3617'	**(22') 2 jspf**	**44 holes.**
3641-3657'	**(16') 2 jspf**	**32 holes**
3676-3686'	**(10') 2 jspf**	**20 holes**

7. TIH with workstring, RPB and packer. Set RBP @ +/- 3700'. Pull up and set packer @ +/- 3665', Breakdown and acidize the perfs (3676-3686') with 200 gal 7 ½% HCl acid.

8. Trip down, pick up the RBP @ 3700'. PU and set the RPB @ +/- 3665'. PU and set packer @ +/- 3630. Breakdown and acidize the perfs (3641-3657') with 200 gal 7 1/2 % HCl.

9. Trip down, pick up the RBP @ 3665'. PU and set the RPB @ +/- 3630'. PU and set packer @ +/- 3575'. Breakdown and acidize the perfs (3595-3617') with 250 gal 7 1/2 % HCl. TOOH.

10. TIH with 2 7/8" treating string and packer. Set packer @ +/- 3550'.

11. Fracture Stimulate the Pictured Cliffs with 145000 # 20/40 mesh sand and 95000 gal 75% Slick foam via tubing at +/- 20 bpm.

    12000 gal 75% Slick foam as pad
    36000 gal 75% Slick foam w/ 1 psa 20/40 mesh sand.
    32000 gal 75% Slick foam w/ 2 psa 20/40 mesh sand.
    15000 gal 75% Slick foam w/ 3 psa 20/40 mesh sand.
    Flush with 75% Slick foam.

12. Flow back with 1/4:" choke.

13. Completion string configuration will be determined by the results of the above tests.

Initiated by:
Loren Diede
11-16-05

Approved by:

First call for services will be:

Logging/Perforating:	Blue Jet	325-5584
Acid/Frac:	Key PPS	325-4192
Tools:	open	
Trucking:	open	

Jicarilla 30-03-33 #2

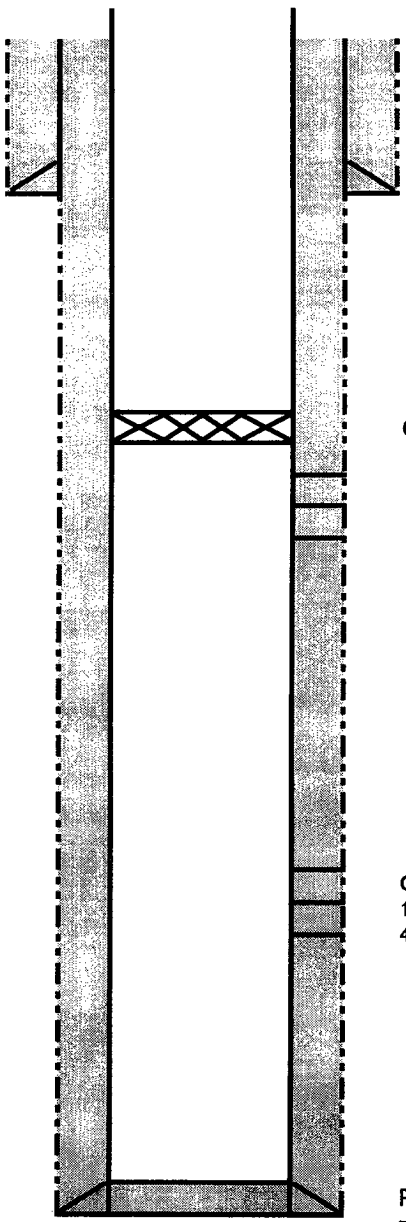
Current Wellbore Diagram

API # 3003926030

UNIT D NW NW, Sec 33, T30N, R03W Rio Arriba, NM

Spud Date: 11-26-1998

Elev. GL= 7063'
Elev. KB= 7076 '



SURF CSG
8 5/8" 24# @534' KB, TOC surf

CIBP @ 1425' 10-21-2004 TA

San Jose Perfs: 1476-1482, 1488-1495, 1507-1517, 1534-1548, 1587-1596, 1638-1644, 1658-1663, 1690-1698; 1 jspf 12-28-1998. BD w/ 1000 gal HCl+ 40 Ton CO2. Test 1 week, 293 mcfd + 1 bwph

Ojo Alamo perfs: 12-16-1998; 3114-3146, 4 jspf, BD &Frac 12-18-1998. 35500# 12/20 N2 foam.Test 1 week, 831 mcfd + 4 bwph..

PROD CASING
5 1/2" 15.5# K-55 @3876. DV tool @ 2907" ; cmt STG 1; 275 sx 50/50 poz, STG 2; 180 sx 65/35/12 + 430 sx 50/50 poz. Circ 117 sx to pit

PBTD=3835'
TD=3900' KB

Prepared: 3-Nov-05