

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 to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE

1. TYPE OF WELL

Oil Well ☐ Gas Well ☒ Other: _____

2. NAME OF OPERATOR

Black Hills Gas Resources, Inc.

3. ADDRESS AND TELEPHONE NO.

P.O. Box 249
Bloomfield

NM

87413

CONTACT: Lynn Benally

PHONE: 505.634.1111

Fax: 505.634.1116

4. LOCATION OF WELL (Footage, T, R, M, or Survey Description)

705' FNL

2,245' FEL

Sec. 5

T 29N

R 2W

5. LEASE SERIAL NO.

MDA 701-98-0013, Tract 4

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Jicarilla Apache Nation

7. IF UNIT OR CA, AGREEMENT DESIGNATION

8. WELL NAME AND NO.

Jicarilla 29-02-05 4

9. API WELL NO.

30-039-27596

10. FIELD AND POOL, OR EXPLORATORY AREA

East Blanco / Pictured Cliffs

11. COUNTY OR PARISH, STATE

Rio Arriba,

New Mexico

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

TYPE OF SUBMISSION



Notice of Intent



Subsequent Report



Final Abandonment Notice

TYPE OF ACTION



Acidize



Alter Casing



Casing Repair



Change Plans



Convert to Injection



Deepen



Reclamation



New Construction



Plug and Abandon



Plug Back



Production (start/resume)



Reclamation



Recomplete



Temporarily Abandon



Water Disposal



Water Shut-Off



Well Integrity



Other

Horizontal Re-entry

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 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 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 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.)

The APD for this well was submitted to Bureau of Land Management (BLM) and to the New Mexico Oil Conservation Division (NMOCD) on June 10, 2003. The well was approved by the BLM on February 5, 2004, and given API#: 30-039-27596. Black Hills Gas Resources, Inc. plans to re-enter and directionally drill to the Pictured Cliffs formation with the horizontal bore ending at 660' FNL and 0' FWL in Section 5 T29N R2W.

All other information in the original APD shall remain the same.

Bond #: NMB000230

- See violation & assessment letter dated 11/10/05.

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

Name (Printed/Typed)

Kathy L. Schneebeck, 303.820.4480

Signature

Kathy L. Schneebeck

Title: Permit Agent for Black Hills Gas Resources, Inc.

Date: December 29, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

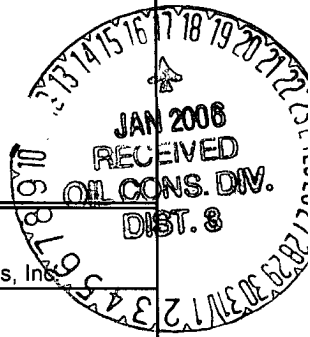
ACCEPTED FOR RECORD

JAN 12 2006

FARMINGTON FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, makes 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.

NMOCD



Black Hills Gas Resources, Inc.
Jicarilla 29-02-05 4
API#: 30-039-27596
Surface: 705' FNL 2,245' FEL (NW/4 NE/4)
End of Horizontal Bore: 660' FNL 0' FWL
Sec. 5 T29N R2W
Rio Arriba County, New Mexico
Lease: MDA 701-98-0013. Tract 4

DRILLING PROGRAM

This Sundry Notice is submitted per CFR 3162.3-2. The existing well pad and reserve pit will be utilized "as is."

This is a horizontal entry into and a deepening of the existing Jicarilla 29-02-05 4 well to the Pictured Cliffs Formation. See also the attached Horizontal Re-completion Plan.

SURFACE FORMATION – San Jose. Surface water protection plan: Surface casing will be cemented to surface.

GROUND ELEVATION – 7,524' GL

ESTIMATED FORMATION TOPS (Water, oil, gas and/or other mineral-bearing formations).

All Depths are True Vertical Depth (TVD)

San Jose	Surface	Sandstone, shales and siltstones
Nacimiento	2,279'	Sandstone, shales and siltstones
Ojo Alamo	3,461'	Sandstone, shales and siltstones
Kirtland	3,651'	Sandstone, shales and siltstones
Fruitland	3,751'	Sandstone, shales and siltstones
Pictured Cliffs	3,833'	Sandstone, shales and siltstones
Lewis	3,939'	Sandstone, shales and siltstones

TOTAL DEPTH 3,917.75' TVD (end of horizontal hole)
6,928.00' MD

Estimated depths of anticipated fresh water, oil, or gas:

Tertiary

San Jose	1,300'	Gas
Nacimiento	2,279'	Gas
Ojo Alamo	3,461'	Gas
Fruitland	3,751'	Gas
Pictured Cliffs	3,833'	Gas

RE-ENTRY – HORIZONTAL DRILLING PROGRAM

- A) A 2,000-psi WP double-gated BOP will be installed on the tubing head with blind rams on bottom and pipe rams on top controlled by an accumulator placed within easy access to drill and other crew members.
- B) No annular preventor will be placed above BOP stack.
- C) A retrievable whipstock is set at 3,849'.
- D) 2-3/8' tubing is set at 6,129'.

- E) Window to be milled out of 5-1/2" csg at $\pm 3,840'$.
- F) Kick-off Point is estimated to be at 3,840'.
- G) Plug back depth is 3,953'.
- H) Approximately 204 joints of tubing will be run in the hole after drilling is complete.

CASING & TUBING PROGRAM

True Vertical Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement
0' – 250'	12-1/4"	8-5/8"	J-55 24# ST&C	To surface (previously set)
0' – 3,997'	7-7/8"	5-1/2"	K-55 15.5# LT&C	To surface (previously set)
0' – 6,129' (MD)	4-3/4"	2-3/8"	Tubing	None
6,129' – 6,928'	4-3/4"	Open Hole	None	None

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and protected.

PRESSURE CONTROL

BOPs and choke manifold will be installed and pressure tested before drilling out under surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating condition. BOP's will be pressure tested at least once every 30 days. Ram type preventors and related pressure control equipment will be pressure tested to 1,000 psi. Annular type preventor will be pressure tested to 50% of the rated working pressure, not to exceed 1,000 psi. All casing strings will be pressure tested to 0.22 psi/ft. or 1,000 psi, whichever is greater, not to exceed 70% of internal yield.

BOP to be either double gate rams or an annular preventor as per Onshore Order No. 2.

Statement on Accumulator System and Location of Hydraulic Controls

The drilling rig has not yet been selected for this well. Selection will take place after approval of this application. Manual and/or hydraulic controls will be in compliance with Onshore Order No. 2 for 2M systems.

A remote accumulator will be used. Pressures, capacities, location of remote hydraulic and manual controls will be identified at the time of the BLM supervised BOP test.

MUD PROGRAM

3,570' - 6,208' MD Low solids non-dispersed
 M.W. 8.5 – 9.2 ppg
 Vis 28 – 50 sec
 W.L. 15cc or less

Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at wellsite.

AUXILIARY EQUIPMENT

- A) A Kelly cock will be kept in the drill string at all times
- B) Inside BOP or stab-in valve (available on rig floor)
- C) Mud monitoring will be visually observed
- D) Testing: None anticipated

LOGGING, CORING, TESTING PROGRAM

- A) Logging: None
- B) Coring: None
- C) Testing: A flow test will be run after completions but no other testing is anticipated.

ABNORMAL CONDITIONS

- A) Pressures: No abnormal conditions are anticipated
Bottom hole pressure gradient – 0.31 psi/ft
- B) Temperatures: No abnormal conditions are anticipated
- C) H₂S: See H₂S Plan if H₂S is encountered.
- D) Estimated bottomhole pressure: 1,240 psi

ANTICIPATED START DATE

November 14, 2004

COMPLETION

The location pad is of sufficient size to accommodate all completion activities and equipment. A string of 2-3/8" J-55 4.7#/ft tubing will be run for a flowing string. A Sundry Notice will be submitted with a revised completion program if warranted.

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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Free Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-27596		² Pool Code 72400	³ Pool Name East Blanco / Pictured Cliffs
⁴ Property Code 24245	⁵ Property Name JICARILLA 29-2-5		⁶ Well Number 4
⁷ OGRID No. 013925	⁸ Operator Name BLACK HILLS GAS RESOURCES		⁹ Elevation 7524'

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
B	5	29-N	2-W		705	NORTH	2245	EAST	RIO ARRIBA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no. D	Section 5	Township 29-N	Range 2-W	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 0	East/West line WEST	County RIO ARRIBA
¹² Dedicated Acres 162.44 acres - NE/4			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

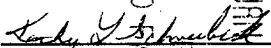
16

FD. 1/2" REBAR PLAST. CAP LS 8894	N 89-37-05 W 5255.7'	FD. MARKED STONE	
LOT 4	LOT 3	LOT 2	LOT 1
B.H.L.		705'	2245'
LAT.=36-45-33 N. (NAD 83) LONG.=107-03-53 W (NAD 83)			
5		5311.0'	
		S 02-11-16 W	

SET P&C LS 14827
 SET BY D.P.

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.


 Signature

Kathy L. Schneebeck
 Printed Name


Permit Agent for Black Hills
 Title

January 10, 2006
 Date

18 SURVEYOR CERTIFICATION

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 belief.

Date of Survey Nov 5, 2003

Signature and Seal of Professional Surveyor:
 

Certificate Number 8894

WELL-PAD CROSS-SECTIONAL DIAGRAM

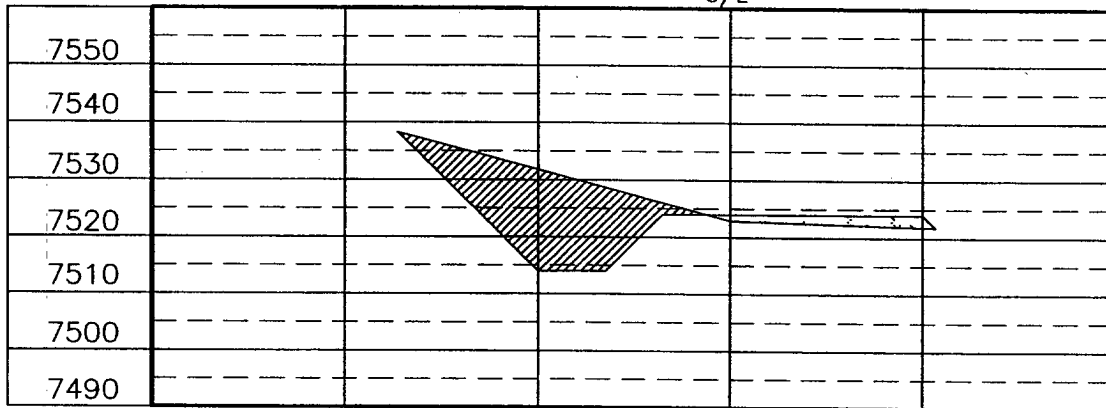
COMPANY: BLACK HILLS GAS RESOURCES
 LEASE: JICARILLA 29-2-5 #4
 FOOTAGE: 705' FNL, 2245' FEL
 SEC.: 5, TWN: 29-N, RNG: 2-W, NMPM
 ELEVATION: 7524'

NOTE:

DAGGETT ENTERPRISES, INC. IS NOT LIABLE FOR
 UNDERGROUND UTILITIES OR PIPELINES. NEW MEXICO
 ONE CALL TO BE NOTIFIED 48 HOURS PRIOR TO
 EXCAVATION OR CONSTRUCTION.

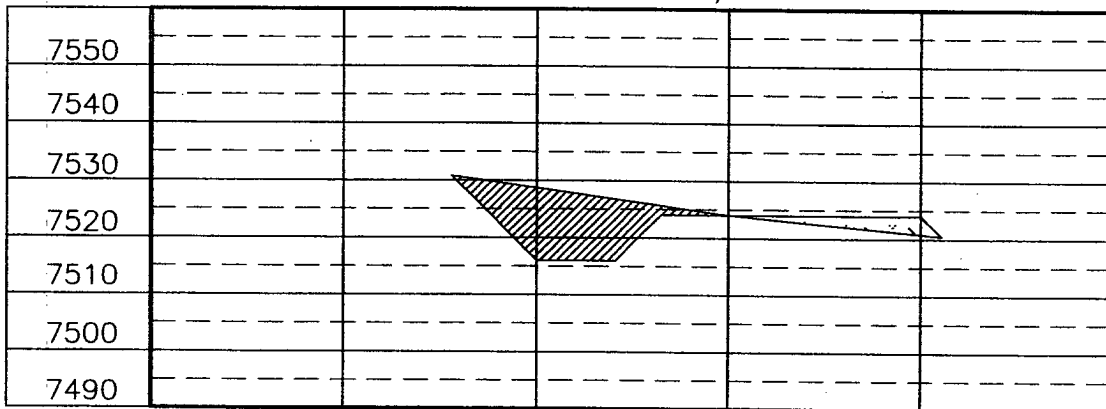
ELEV. A-A'

C/L



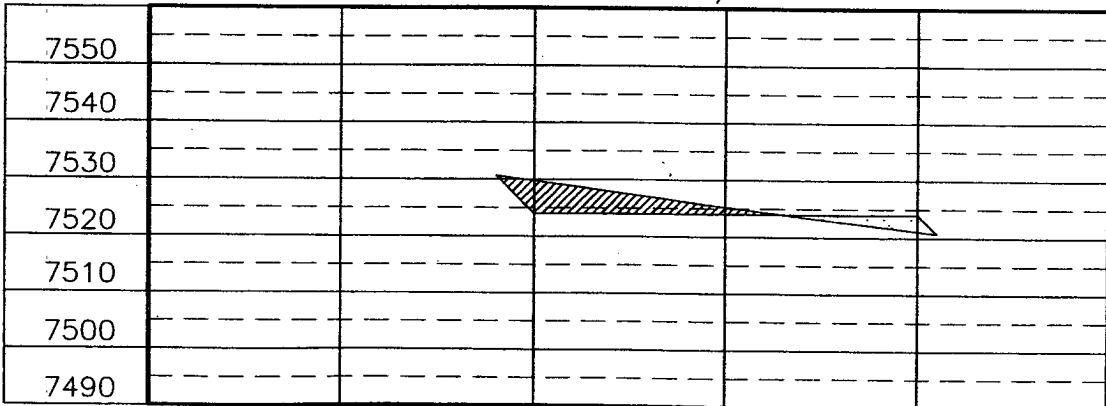
ELEV. B-B'

C/L



ELEV. C-C'

C/L



REVISION:	DATE:	REVISED BY:
CHANGE FORM & COMPANY	11/11/05	B.L.
Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 15068 • Farmington, NM 87401 Phone (505) 326-1772 • Fax (505) 326-6019 NEW MEXICO L.S. 8894 CADFILE MN244CF8 DATE 05/22/03		
DRAWN BY: A.G. ROW#: MN244		

BLACK HILLS GAS RESOURCES

JICARILLA 29-02-05 No. 4

705 FNL. 2245 FEL

SEC. 5, 129N, R2W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO

