

COPY

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 <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: _____		5. LEASE SERIAL NO. Contract 459
2. NAME OF OPERATOR Black Hills Gas Resources, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache Nation
3. ADDRESS AND TELEPHONE NO. P.O. Box 249 Bloomfield NM 87413 CONTACT: Lynn Benally PHONE: 505-634-1111 Fax: 505-634-1116		7. IF UNIT OR CA, AGREEMENT DESIGNATION -
4. LOCATION OF WELL (Footage, T, R, M, or Survey Description) 370' FSL 510' FWL Sec. 20 T 30N R 3W		8. WELL NAME AND NO. Jicarilla 459-20 17
10. FIELD AND POOL, OR EXPLORATORY AREA East Blanco / Pictured Cliffs		9. API WELL NO. 30-039-27778
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	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent <i>After the Fact</i>	<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 type="checkbox"/> Reclamation	<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 Depth Change
	<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 recomple 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.)

- See violation letter dated 11/8/2005

The APD for this well was originally submitted on June 3, 2002, and given API# 30-039-27778. This Sundry Notice is to change the total depth and casing program. Please see the attached Revised Drilling Program.

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

NMB# 000230

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

Name (Printed/Typed) Kathy L. Schneebeck, 303.820.4480	Title: Permit Agent for Black Hills Gas Resources, Inc.
Signature <i>Kathy L. Schneebeck</i>	Date: March 2, 2006

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	

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 to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any ma

NMOCD

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

Fee Lease - 3 Copies

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-27778	² Pool Code 72400	³ Pool Name East Blanco / Pictured Cliffs
⁴ Property Code 24245	⁵ Property Name JICARILLA 459-20	⁶ Well Number 17
⁷ OGRID No. 013925	⁸ Operator Name BLACK HILLS GAS RESOURCES	⁹ Elevation 7303

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
M	20	30-N	3-W		370	SOUTH	510	WEST	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
¹² Dedicated Acres 160 acres - SW/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

<p>16</p> <p>QTR. CORNER FD. GLO BC 1917</p> <p>2643.1'</p> <p>952'</p> <p>510'</p> <p>808'</p> <p>370'</p> <p>N 89-58-21 E 2636.5'</p> <p>LAT. 36°47'31" N LONG. 107°10'53" W</p> <p>SEC. CORNER FD. GLO BC 1917</p> <p>QTR. CORNER FD. GLO BC 1917</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><u>Kathy L. Schneebeck</u> Signature Kathy L. Schneebeck Printed Name Permit Agent for Black Hills Title March 2, 2006 Date</p> <p>18 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 belief.</p> <p><u>MOND A. BUSH</u> Date of Survey Signature and Seal of Professional Surveyor 8894 REGISTERED PROFESSIONAL LAND SURVEYOR 8894 Certificate Number</p>
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Black Hills Gas Resources, Inc.
Jicarilla 459-20 17
API# 30-039-27778
370' FSL 510' FWL (SW/4 SW/4)
Sec. 20 T30N R3W
Rio Arriba County, New Mexico
Lease: Contract 459

DRILLING PROGRAM
(Per Rule 320)

SURFACE FORMATION – San Jose

GROUND ELEVATION –7,303'

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

San Jose	Surface	Sandstone, shales & siltstones
Nacimiento	2,190'	Sandstone, shales & siltstones
Ojo Alamo	3,344'	Sandstone, shales & siltstones
Kirtland	3,594'	Sandstone, shales & siltstones
Fruitland Coal	3,835'	Sandstone, shales & siltstones
Pictured Cliffs	3,881'	Sandstone, shales & siltstones
Lewis	3,992'	Sandstone, shales & siltstones

TOTAL DEPTH 4,012'

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

Tertiary

San Jose	Surface	Gas
Nacimiento	2,190'	Gas
Ojo Alamo	3,344'	Gas
Fruitland Coal	3,835'	Gas
Pictured Cliffs	3,881'	Gas

CASING, CEMENTING & TUBING PROGRAM

Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement
0' – 268'	12-1/4"	8-5/8"	K-55 24# ST&C New	To surface (180 sxs Class B)
0' – 3,998'	7-7/8"	5-1/2"	K-55 17# LT&C New	TD to surface (680 sxs lite or 65:35 poz)
0'-3,888'	7-7/8"	2-3/8"	Tubing	None

* Actual cement volume to be determined by caliper log.

Yields: Class B yield = 1.18 ft³/sx
 65:35 Poz yield = 1.62 ft³/sx
 50:50 Poz yield = 1.26 ft³/sx

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

PRESSURE CONTROL

BOP's 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 rated working pressure of the stack assembly if a test plug is used. If a plug is not used, the stack assembly will be tested to the rated working pressure of the stack assembly or to 70% of the minimum internal yield of the casing, whichever is less. Annular type preventors will be pressure tested to 50% of their rated working pressure. All casing strings will be pressure tested to 0.22 psi/ft. or 1,500 psi, whichever is greater, not to exceed 70% of internal yield.

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 2,000 psi 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

0' - 268'	Spud mud
268' - TD	Low solids non-dispersed
	M.W. 8.5 – 9.2 ppg
	Vis – 28 – 50 sec
	W.L. 15cc or less

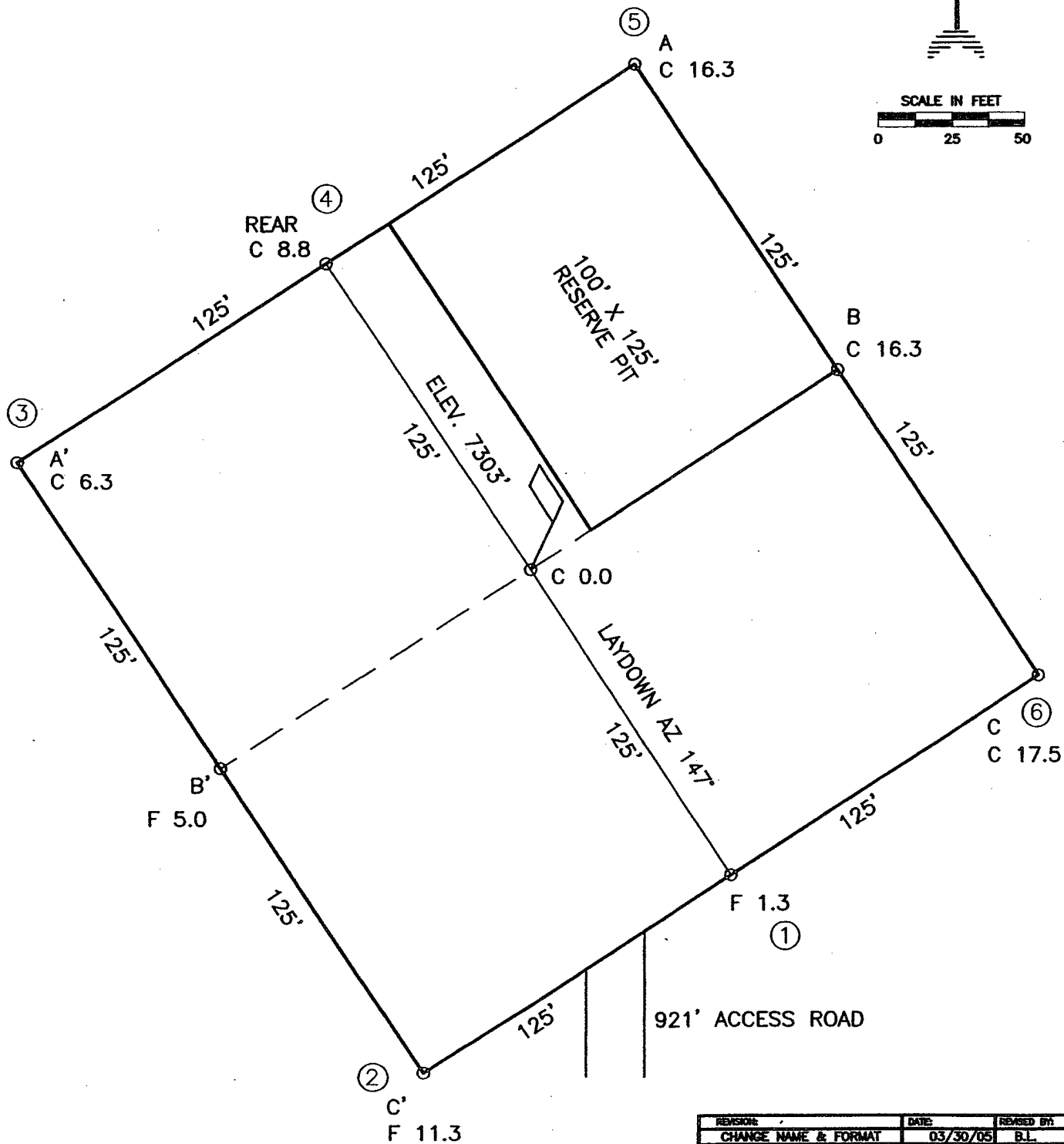
Sufficient mud materials to maintain mud properties, control lost circulation and to contain "kick" will be available at wellsite.

WELL PAD DIAGRAM

COMPANY: BLACK HILLS GAS RESOURCES
 LEASE: JICARILLA 459-20 #17
 FOOTAGE: 370 FSL, 510 FWL
 SEC.: 20, TWN: 30-N, RNG: 3-W, NMPM
 ELEVATION: 7303'




SCALE IN FEET
 0 25 50



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.

REVISION	DATE	REVISION BY
CHANGE NAME & FORMAT	03/30/05	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		
DRAWN BY: A.G.	DWG FILE: MN193PLB	
ROUTE: MN193	DATE: 04/27/01	

WELL PAD CROSS-SECTIONAL DIAGRAM

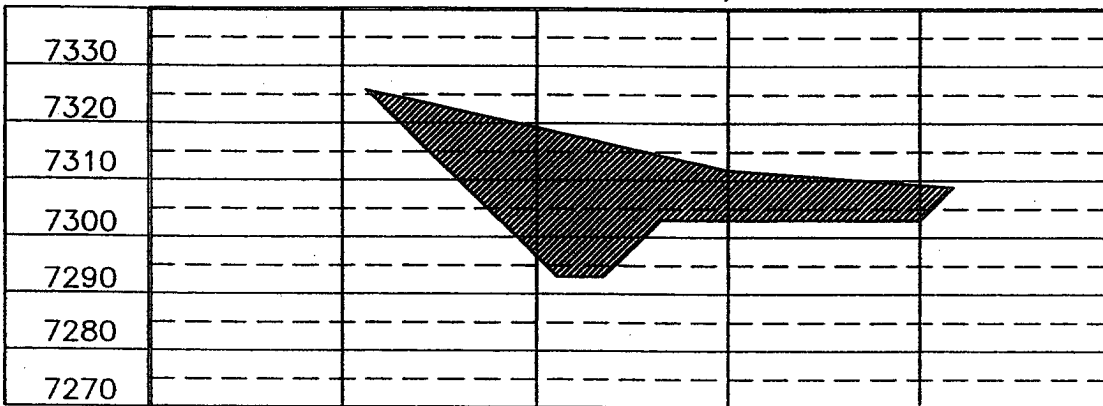
COMPANY: BLACK HILLS GAS RESOURCES
 LEASE: JICARILLA 459-20 #17
 FOOTAGE: 370 FSL, 510 FWL
 SEC.: 20, TWN: 30-N, RNG: 3-W, NMPM
 ELEVATION: 7303'

NOTE:

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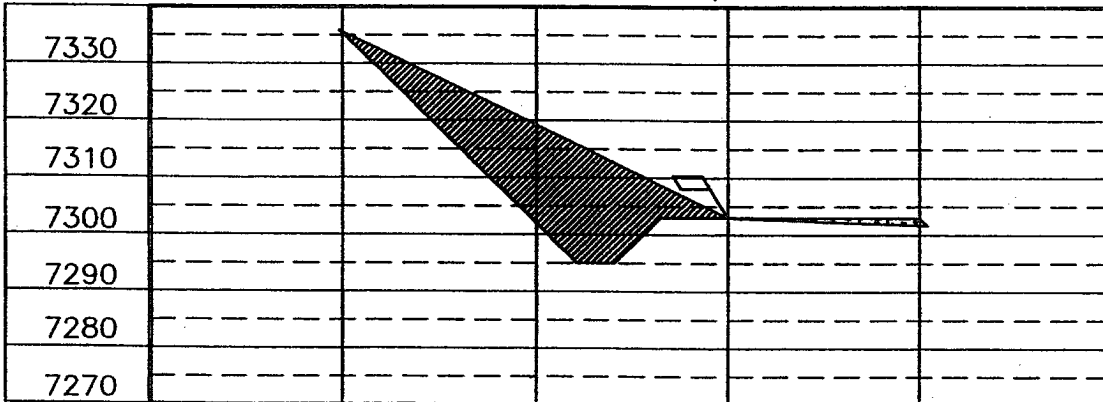
ELEV. A-A'

C/L



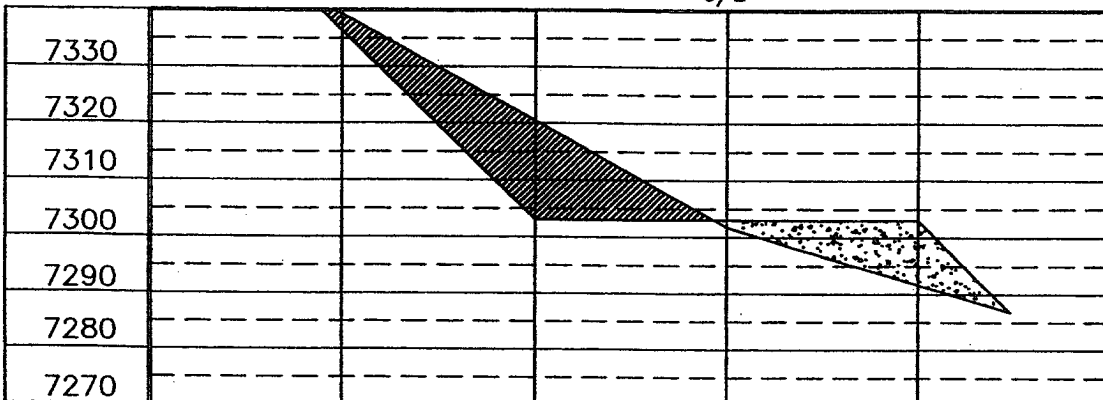
ELEV. B-B'

C/L



ELEV. C-C'

C/L



REF. DWG. MN183PL8 WELL PAD DIAGRAM

REVISION
 CHANGE NAME & FORMAT
 DATE 03/30/05
 DESIGNED BY B.L.

Daggett Enterprises, Inc.
 Surveying and Oil Field Services
 P. O. Box 15088 • Farmington, NM 87401
 Phone (505) 326-1772 • Fax (505) 326-0019
 NEW MEXICO L.S. 8894
 DRAWN BY A.G. CARLOS MN183CPS
 ROW# MN183
 DATE 04/27/01

