

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, 1996

**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**

c/o: Pippin, 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)**

2176' FSL 786' FWL (L) Sec. 35 T30N R03W

**5. Lease Serial No.**

MDA-701-98-0013

**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 30-03-35 #4

**9. API Well No.**

30-039-26113

**10. Field and Pool, or Exploratory Area**

E. Blanco PC & 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
<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"/> Alter 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 DHC APPLICATION
	<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 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.)

This is part of the Black Hills Permit Clean-up Program.

BLACK HILLS requests administrative approval to downhole commingle the East Blanco Pictured Cliffs (72400) & Cabresto Canyon Tertiary (97037), which are both included in the pre-approved pools established by State Division Order R-11363. Both 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

These Gas & Oil allocations are based on metered tests taken during rig operations on 7/21/05, in which the Tertiary flowed 165 MCF/D & the Tertiary & PC together flowed 890 MCF/D. See attached calculations. This Tertiary pool does not produce oil.

GAS:	Pictured Cliffs	81%	OIL:	Pictured Cliffs	100%
GAS:	Tertiary	19%	OIL:	Tertiary	0%

*No commingle application submitted to ODO yet 5/23/06*

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

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

*Mike Pippin*

Date

May 12, 2006

**THIS SPACE FOR FEDERAL OR STATE USE**

Approved by

*Matt Halbert*

Title

*PETE ENG*

Date

*5-19-06*

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.

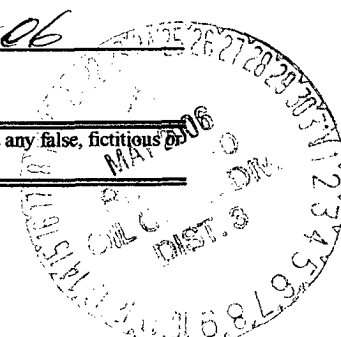
Office

*BLM - FFO*

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)

NMCCD



BLACK HILLS GAS RESOURCES, INC.  
JICARILLA 30-03-35 #4 PC / TERTIARY  
L Section 35 T30N R03W  
5/12/2006

## Commingle Allocation Calculations

### OIL

The Cabresto Canyon Tertiary gas pool does 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

During completion operations on 7/21/05, metered and stabilized gas tests were taken on the Tertiary alone, then on the Tertiary and Pictured Cliffs together.

Metered gas test on Tertiary alone: 165 MCF/D.

Metered gas test on Pictured Cliffs and Tertiary together: 890 MCF/D.

$$\% \text{ Pictured Cliffs} = \frac{890-165}{890} = 81\%$$

$$\% \text{ Tertiary} = \frac{165}{890} = 19\%$$