

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
☐ Oil Well ☒ Gas Well ☐ Other

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

3a. Address
PO Box 249 Bloomfield, NM 87413

3b. Phone No. (include area code)
303-549-4310

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**560' FNL & 365' FEL (NENE) Unit A
Sec. 33, T30-N, 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 30-03-33 No. 14

9. API Well No.

30-039-29264

10. Field and Pool, or Exploratory Area

Bas. Fruitland Coal, Cabrest Cnyn Ter

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			
<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 CIBP above East
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Blanco Pictured
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Cliffs

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 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.)

Black Hills Gas Resources, Inc. intends to set a CIBP above the East Blanco Pictured Cliffs perforations and produce the Basin Fruitland Coal and Cabresto Canyon Tertiary formations per downhole commingle permit. DHC - 3452, approved 06/06/2005. - see attached.

2-3/8" production tubing will be run and 1/4" capillary tubing will be run inside 2-3/8" tubing.

Verbal approval to do this work was received from Stephen Mason, BLM and Charlie Perrin, NMOCD on 7/7/06.

New commingle allocations will be calculated for Tertiary and Fruitland Coal formations once a sustained production rate is obtained on line.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Leslie Lam

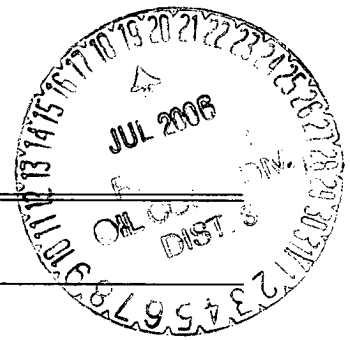
Title **Sr. Petroleum Engineer**

Signature

Leslie Lam

Date

07/10/2006



THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason

Title

Date

JUL 17 2006

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, 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.

(Instructions on page 2)

NMOCD



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

*not on
OCD website*

ADMINISTRATIVE ORDER DHC-3452

Black Hills Gas Resources, Inc.
350 Indiana Street
Suite 400
Golden, CO 80401

Attention: Allison Newcomb

~~JICARILLA 30-3-33 #014~~

API No. 30-039-29264

Unit A, Section 33, Township 30N, Range 03W, NMPM,

RIO ARriba County, New Mexico

CABRESTO CANYON TERTIARY (97037),

BASIN FRUITLAND COAL (GAS) (71629), and

BLANCO PICTURED CLIFFS, EAST (GAS)(72400) Pools

Dear Ms. Newcomb:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be as follows.

CABRESTO CANYON TERTIARY Pool	Oil-100%	Gas-19%
BASIN FRUITLAND COAL (GAS) Pool	Oil-0%	Gas-7%

BLANCO PICTURED CLIFFS, EAST (GAS) Pool	Oil-0%	Gas-74%
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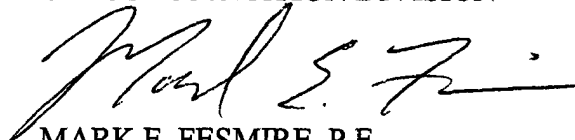
These percentages shall be amended only with written permission of the Division.

REMARKS: The operator shall notify the Aztec District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on June 6, 2005.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Aztec
Bureau of Land Management - Albuquerque