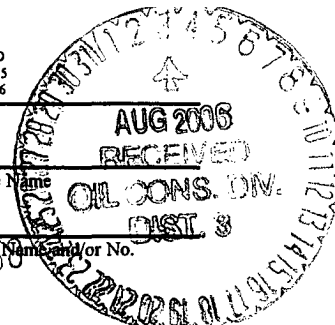


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Jicarilla 457
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee or Tribe Name Jicarilla Apache Tribe
3a. Address PO Box 249 Bloomfield, NM 87413	3b. Phone No. (include area code) 505-634-1111 x24	7. If Unit or C/A Agreement, Name and/or No. Jicarilla 457-10 #8D
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2410' FSL & 7515' FWL (NE/SW) Unit K Sec. 10, 130N-R3W		8. Well Name and No. Jicarilla 457-10 #8D
		9. API Well No. 30-039-29869
		10. Field and Pool, or Exploratory Area East Blanco Dakota
		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 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 checked="" 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 Production Liner
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Total Depth
	<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 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 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.)

Drilled 6-1/4" hole to 8663' on 7/16/06.
Ran 4-1/2", 11.6#, P-110, ST&C liner on 7/16/06 & set at 5098'. 8683
Set top of liner at 3586' (236' overlap w/7" csg).
Cemented with 573 sx, 1/4#/sk Flo-Cele Dakota Lite type III cement. Yield = 1.78 cf/sx.
Circ 0 bbls cmt to surface.
CBL to be run

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Agatha Snell	Title Engineering Tech.
Signature <i>Agatha Snell</i>	Date July 26, 2006

THIS SPACE FOR FEDERAL OR STATE 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, 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)

ACCEPTED FOR RECORD

AUG 02 2006

FARMINGTON FIELD OFFICE

NMOC