

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
P.O. Box 249 Bloomfield, NM 87413

3b. Phone No. (include area code)
720-210-1368

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 5, T30N, R03W 2230' FNL' & 2175' FWL Unit F

5. Lease Serial No.
Contract 458
6. If Indian, Allottee, or Tribe Name
Jicarilla Apache Tribe
7. If Unit or CA. Agreement Name and/or No.
Jicarilla 458-5 #22
8. Well Name and No.
Jicarilla 458-5 #22
9. API Well No.
30-039-29314
10. Field and Pool, or Exploratory Area
WC Basin Mancos
11. County or Parish, State
Rio Arriba, NM

12. CHECK APPROPRIATE BOX(S) 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"/> Altering 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 Run CH logs,
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	Tst Dakota, Abndn Dak,
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	Leave tbq fish in hole

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 or pertinent markers and sands. Attach the Bond under which the work will 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Black Hills Gas Resources, Inc., completion progress thru 7/20/06:

4/25/06 to 4/28/06: MIRUSU. Ran bit. Drilled cmt 8839' to 8853'. New PBDT 8853'. Ran bit & scraper. POH. RDMO.

4/29/06: Ran CBL and Neutron logs. Top of cmt 4 1/2" liner at liner top at 3718'. Top of cmt 7" csg at 3350'.

6/1/06 to 7/20/06: MIRUSU. Ran tbq & pkr & set in 4 1/2" liner at 3758'. Press test liner for 30 min to 6200 psi, ok. Press test 7" interm. csg & liner top for 30 min to 3000 psi, ok. Spot 150 gal acid across proposed perf interval. Perf Dakota 8750-60', 8786-94', 8798-8806', 1spf, total 26 holes. Pump 250 gal acid breakdown on perfs. Pump 2% KCL water & perform breakdown/falloff test. Swab test perfs. Swab water, no oil or gas show. Set cmt ret at 8742'. Sqz Dak perfs w/75 sx cl. H cmt + 1.2% R-3 retarder & 0.1% CD-32 dispersant (15.6 ppg, 1.18 yield), 30 sx below cmt ret. Left 5' cmt on top of cmt ret. Perf Dak 8696-8701', 4spf, total 20 holes. Pump 150 gal acid breakdown on perfs. Swab test perfs. Swab water, no oil or gas show. Set CIBP at 8680'. Dump bail 10' cmt on CIBP. Perf Dak 8566-8572', 2spf, 8606-8618', 1spf, .36" diam, total 24 holes. Pump 300 gal acid breakdown on perfs. Swab tested water with gas show. Frac perfs w/65Q CO2 foam &

(continued on attached page)

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

Leslie Lam

Title

Sr. Petroleum Engineer

Signature

Leslie Lam

Date

7/21/2006

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, make 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.

(Instructions on page 2)

ACCEPTED FOR RECORD

AUG 03 2006

NMOCD

FARMINGTON FIELD OFFICE

Attachment to Sundry dated 7/21/06

Black Hills Gas Resources, Inc.
Jicarilla 458-5 #22
Sec 5, T30N, R03W
2230' FNL & 2175' FWL, Unit F
API No. 30-039-29314

13. (continued)

79,726# 20/40 Tempered LC sand. Flowed back load fluid. Well logged off & died. No commercial gas. Ran tracer log across perms. Set cmt ret at 8540'. Sqz Dak perms with 50 sx cl. V neat cmt (15.6 ppg, 1.18 yield), 10 sx below cmt ret. Pull up hole 120'. Unable to reverse out or pull tbg. Cmt set up. Tag cmt inside 2 3/8" tbg at 7112'. Ran wash pipe & external cutter. Cut & retrieved tbg fish in sections to 8112'. Milled cmt in 2 3/8" x 4 1/2" annulus 8136' to 8151'. Very slow progress. Made decision to cease fishing operations to prevent wearing hole in casing due to rotating. Cmt top in 2 3/8" x 4 1/2" annulus at 8151'. Cmt top inside tbg fish at 8112'. Top of 2 3/8" tbg fish at 8112'. Bottom of tbg fish at 8420'.

Will continue completion by testing Mancos.

Black Hills Gas Resources, Inc.
Jicarilla 458-05 #22
Current Wellbore Diagram
 API # 30-039-29314
UNIT F SE NW, Sec 5, T30N, R03W Rio Arriba, NM
Spud Date 3-16-2006

Elev. GL= 7271'
 Elev. KB= 7284'

SURF CSG

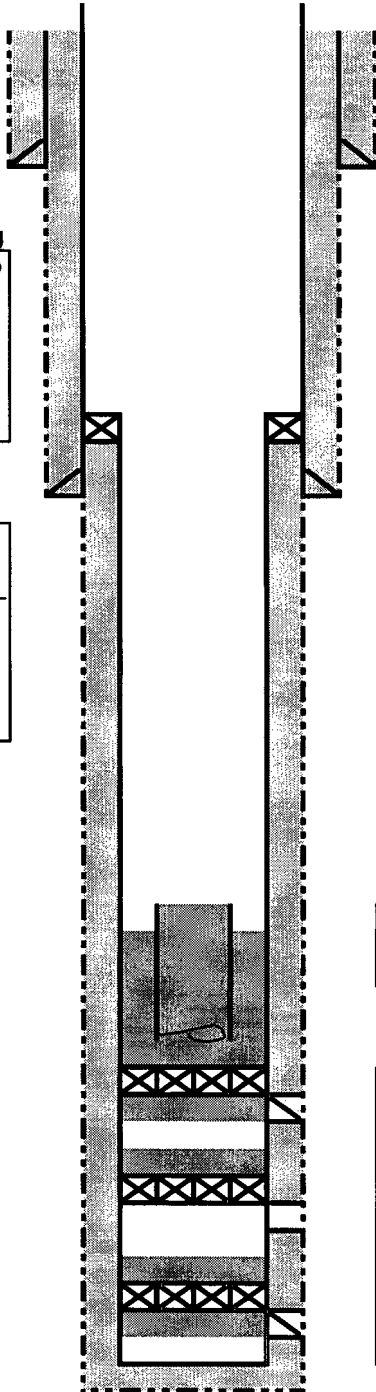
9 5/8" 36# @301' KB,
 165 sx cmt, TOC: 10
 bbl circ to surf

Intermediate Casing

7" 23# L-80 STC (Top
 30 jts), 69 jts J-55
 23# set at 4025'. Cmt
 w/410sx, 300 sx;
 TOC at 330' by CBL

Production Liner

4 1/2" 11.6# N-80
 From 3718' to 8891"
 KB; cmt w/ 510 sx lite-
 weight Type III,
 Circulate 30 bbls
 cement off the liner
 top.



Tbg fish: 2 3/8" tbg fish cmt'd in hole. Top of fish at 8112'. Bottom of fish at 8420'. Cmt in tbg fish at 8112'. Cmt in tbg/csg annulus at 8151'.

Dakota A; perf 6-23-06, 8566-8572, 8606-8618. BD 6-25-06. Frac 7-01-06. Set retainer at 8540'. Cmt sqz. TOC at 8151' (tbg fish cmt'd in hole)

Dakota B; perf 6-15-06, 8696-8701. BD, Set CIBP 6-23-06 @ 8680' 10' cement on top

Dakota C&D; perf 6-02-06, 8750-8760, 8786-8794, 8798-8806. BD, Minifrac 6-05-06, No frac. Set retainer @ 8742', cmt sqz C&D. TOC=8737'.

PBTD=8853'
 TD = 8891'