Form 3160-5 (November 1994)

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

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Oil Well X Gas Well Other Ot	1 Type of Well		KEDEIVED				J (CO)
2. Name of Operator Black Hills Gas Resources, Inc. c/o Mike Pippin LLC (Agent) 9. API Well No. 30. Address 30. Address 10. Field and Pool, or Exploratory Area 4. Location of Well (Foolage, Sec. T. R. M. or Survey Description) 685' FNL 2345' FEL (B) Sec. 18 T29N RO2W 11. Country 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 Notice of Intent Acidize Deepen Acidize Production (Start/Resume) Subsequent Report Casing Repair New Construction Recomplete Correct to Injection Plug Back Water Disposal Despiration Autority of the Brook of the involved operations. If the operation schematory is to depend directions of the involved operations. If the operation is to depend direction of the involved operations. If the operation is the involved operations. If the operation is the involved operations. If the operation is the operation is destroyed. If the operation of the Black Hills Permit Clean-up Program. BLACK HILLS requests administrative approval to downhole commingle the East Blanco Pictured Cliffs (72400) & La Jara Canyon Tertiary (97036), which are both included in the pre-approved pools established by State Division Order R-11363. Both intervals have common ownership & provide one essentially dry gas. We have not experienced any significant cross flow between these two intervals, & all the fluids are compatible. Downhole commingle in the East Blanco Pictured Cliffs (72400) & La Jara Canyon Tertiary (97036), 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 flow between these two intervals, & all the fluids are compatible. Downhole commingle in the East Blanco Pictured Cliffs (72400) & La Jara Canyon Tertiary (97036), which are both included in the pre-approved pools established by State Division Order R-11363. Both inte			FARMINGTON N	М	8. Well Name	and No.	SIL
Black Hills Gas Resources, Inc. c/o Mike Pippin LLC (Agent) 3a. Address 3b. Phone No (Include area code) 5c/o Pippin, 3104 N. Sullivan, Farmington, NM 87401 4c. Location of Well (Footage, Sec., T. R., M., or Survey Description) 685' FNL 2345' FEL (B) Sec. 18 T29N RO2W 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 12. Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off		Outer				•	
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3. Describe Proposed or Completed Operations (clearly sate all pertinent details, including estimated starting date of any proposed work and approximate duration thereof if the proposal is to deepen directionally or recomplete horizonally, 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 only of following completion of the involved operations. If the operation results in a multiple completion or necompletion in a new interval, a Form 3160-4 shall be filed once Tensing has been completed. Final Abandoment 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) & La Jara Canyon Tertiary (97036), 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 flow between these two intervals, & all the fluids are compatible. Downhole commingleing will improve recovery of liquids & gas eliminate redundant surface These Gas & Oil allocations are based on metered tests taken during rig operations in March 2006, in which the Tertiary flow GAS: Pictured Cliffs 90% OIL: Pictured Cliffs 100% OIL: Pict	Final Abandonment Notice	1 = °	_ `		•	APPLICATI	ON
If the proposal is to deepen directionally or recomplete horizonally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be perfamed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filled within 30 days Following completion of the involved operations. If the operation results in a multiple completion in a new interval, a Form 3160-4 shall be filled once Tessing has been completed. Final Abandonnent Notices shall be filled only after all requirements, including reclamation, have been completed, and the operator has determined that the size 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) & La Jara Canyon Tertiarry (97036), 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 flow between these two intervals, & all the fluids are compatible. Downhole commingleing will improve recovery of liquids & gas eliminate redundant surface These Gas & Oil allocations are based on metered tests taken during rig operations in March 2006, in which the Tertiary flow of the PC flowed 438 MCF/D. See attached calculations. This Tertiary pool does not produce oil. GAS: Pictured Cliffs 90% OIL: Pictured Cliffs 100% OIL: Tertiary 0% GAS: Tertiary 10% OIL: Tertiary 0% Title Petr. Engr. (Agent) Signature Date This SPACE FOR FEDERAL OR STATE USE Approved by Title Date Title Cab Date Title Date Title Date Date Title Date	T mai 2 bandonne at 1 voice	Converte injection	riug Dack				
GAS: Pictured Cliffs 90% OIL: Pictured Cliffs 100% GAS: Tertiary 10% OIL: Tertiary 0% 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Mike Pippin Petr. Engr. (Agent) Signature Title July 19, 2006 THIS SPACE FOR FEDERAL OR STATE USE Approved by Title Ged Title Ged Date 7-26-16	Canyon Tertiary (97036), v Both intervals have commo between these two interval eliminate redundant surfac	which are both included in on ownership & produce e ls, & all the fluids are comp	the pre-approved po ssentially dry gas. W atible. Downhole co	ols established le have not ex emmingleing w	d by State Divi perienced any rill improve rec	ision Order R-1 / significant cros overy of liquids	1363. ss flows & gas,
GAS: Tertiary 10% AC 2 354 AZ 14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Title Mike Pippin Petr. Engr. (Agent) Signature July 19, 2006 THIS SPACE FOR FEDERAL OR STATE USE Approved by For Hereby Certify that the foregoing is true and correct Name (Printed/Typed) Title Geb Date 7-26-16	50 MCF/D & the PC flower	d 438 MCF/D. See attach	ed calculations. This	s Tertiary pool	does not prod	duce oil.	
14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Mike Pippin Signature Date July 19, 2006 THIS SPACE FOR FEDERAL OR STATE USE Approved by Approved by Title Geb Date 7-26-16							
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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.	certify that the applicant holds legal or eq	uitable title to those rights in the su	warrant or Office FFD				
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, figure fraudulent statements or representations as to any matter within its jurisdiction.	Title 18 U.S.C. Section 1001, makes	it a crime for any person knowing		to any departmen	t or agency of the	United States any	false, fictitic

(Instructions on reverse)

BLACK HILLS GAS RESOURCES, INC. JICARILLA 29-02-18 #13 PC / TERTIARY B Section 18 T29N R02W 7/19/2006

API#: 30-039-29481

Commingle Allocation Calculations

OIL

The La Jara 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 in March 2006, stabilized gas choke tests were taken on the PC alone, then on the Tertiary alone

The **Pictured Cliffs** choke test stabilized at 55 psi on a 1/2" choke for a 16 hour period on 3/14/06.

Q = .0555*112.72*70 = 438 MCF/D.

The Tertiary choke test stabilized at 19 psi on a 1/4" choke on 3/21/06.

Q = .0555*26.51*34 = 50 MCF/D.

Total gas = 438+50 = 488 MCF/D.