

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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.**

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

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)

SURFACE: 2050' FNL & 630' FEL (H) Sec 11 T29N R3W

BOTTOM HOLE: 887' FNL & 1197' FWL (D) Sec. 11, T29N, R03W

5. Lease Serial No.

MDA 701-98-0013 Tract 1

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 29-03-11 #2

9. API Well No.

30-039-26731

10. Field and Pool, or Exploratory Area

East Blanco Pictured Cliffs

AND

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 ☐ Production (Start/Resume) ☒ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing ☐ Fracture Treat ☐ Reclamation ☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair ☐ New Construction ☐ Recomplete ☒ Other SQ Tertiary
	☐ Change Plans ☐ Plug and Abandon ☐ Temporarily Abandon ☐ & Drill 1st PC horizontal
	☐ Convert to Injection ☐ Plug Back ☐ Water Disposal ☐ lateral

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 recomplate 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.)

"This is part of the Permit Clean-up program for Black Hills"

6/9/04. MIRU. Set CIBP @ 3708'. Set cement retainer @ 2854' and squeeze Tertiary perms with 75 sacks Type III cement. With PKR @ 2204' squeeze Tertiary perms with 25 sacks Type III cement. Set cement retainer @ 1481' and squeeze Tertiary perms with 25 sacks Type III cement. With PKR @ 1158' squeeze Tertiary perms with 75 sacks Type III cement. Drill out cement to 1475' and pressure test squeezed perms to 500 psi - OK. Drill out cement to 1524' and pressure test squeezed perms to 500 psi - OK. Drill out cement to 2280' and pressure test squeezed perms to 500 psi - OK. Drill out cement to 2965' and pressure test squeezed perms to 500 psi - OK. Released rig 6/18/04.

6/20/04. Move in drilling rig. Mill window in 5-1/2" casing @ 3693'-95'. Drill horizontal 4-3/4" PC hole to 7397'. Bottom hole location is 887' FNL & 1197' FWL. (Note: Section is only 5272' wide). Released rig 7/3/04.

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

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Mike Pippin

Date

August 31, 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

SEP 22 2006

FARMINGTON
NMDC

FARMINGTON FIELD OFFICE
BY

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
6384.00	88.00	284.90	3786.31	2629.03	932.99	-2458.96	2630.01	290.78	.77
6479.00	88.30	284.60	3789.37	2723.69	957.17	-2550.78	2724.46	290.57	.45
6573.00	89.20	284.60	3791.42	2817.36	980.86	-2641.72	2817.94	290.37	.96
6668.00	89.70	284.20	3792.34	2912.02	1004.48	-2733.74	2912.44	290.18	.67
6763.00	89.30	283.90	3793.17	3006.63	1027.54	-2825.89	3006.91	289.98	.53
6857.00	89.40	283.90	3794.23	3100.23	1050.12	-2917.13	3100.39	289.80	.11
6952.00	89.60	283.90	3795.06	3194.81	1072.94	-3009.35	3194.90	289.62	.21
7046.00	89.60	283.20	3795.72	3288.35	1094.97	-3100.73	3288.38	289.45	.74
7141.00	89.60	281.80	3796.38	3382.70	1115.53	-3193.47	3382.70	289.26	1.47
7236.00	89.40	280.70	3797.21	3476.78	1134.06	-3286.64	3476.79	289.04	1.18
7330.00	89.70	280.40	3797.95	3569.70	1151.27	-3379.05	3569.79	288.81	.45
Last Nevis MWD Survey									
7362.00	89.60	280.40	3798.14	3601.32	1157.05	-3410.52	3601.45	288.74	.31
TD Bit Projection									
7397.00	89.60	280.40	3798.39	3635.91	1163.36	-3444.94	3636.08	288.66	.00

X X

1st lateral 8-11-04

surf 2050 FN - 630 FE
 - 1163 5272
 887 FN - 3445
 1197 FW

section is 5272' wide

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
4082.00	101.00	287.40	3764.59	330.82	197.01	-281.88	343.74	304.97	5.91
4144.00	98.20	287.40	3754.25	391.91	215.29	-340.01	402.44	302.34	4.52
4207.00	95.50	287.40	3746.73	454.43	233.99	-399.89	463.15	300.35	4.29
4269.00	93.80	289.10	3741.71	516.21	253.34	-458.37	523.73	298.93	3.87
4332.00	91.80	288.80	3738.63	579.13	273.78	-517.88	585.80	297.86	3.21
4395.00	91.70	288.50	3736.71	642.10	293.91	-577.55	648.03	296.97	.50
4427.00	89.90	288.50	3736.26	674.09	304.07	-607.89	679.70	296.57	5.62
4458.00	89.70	288.10	3736.37	705.09	313.80	-637.32	710.39	296.21	1.44
4490.00	89.70	288.50	3736.53	737.08	323.85	-667.70	742.10	295.87	1.25
4522.00	89.70	289.10	3736.70	769.08	334.16	-698.00	773.86	295.58	1.87
4553.00	89.90	289.50	3736.81	800.08	344.41	-727.25	804.68	295.34	1.44
4584.00	90.10	290.20	3736.81	831.08	354.93	-756.41	835.55	295.14	2.35
4616.00	90.30	290.90	3736.70	863.07	366.17	-786.37	867.45	294.97	2.27
4648.00	90.60	291.30	3736.45	895.05	377.69	-816.23	899.37	294.83	1.56
4679.00	91.00	291.60	3736.01	926.02	389.02	-845.08	930.32	294.72	1.61
4711.00	88.90	291.30	3736.04	958.00	400.72	-874.86	962.27	294.61	6.63
4742.00	89.00	291.30	3736.61	988.97	411.98	-903.74	993.21	294.51	.32
4773.00	88.90	291.60	3737.18	1019.94	423.31	-932.59	1024.16	294.41	1.02
4805.00	87.80	291.30	3738.10	1051.90	435.01	-962.36	1056.11	294.32	3.56
4836.00	88.20	291.30	3739.18	1082.86	446.27	-991.22	1087.05	294.24	1.29
4931.00	88.00	289.90	3742.33	1177.78	479.67	-1080.10	1181.82	293.95	1.49
4994.00	88.70	288.50	3744.15	1240.75	500.38	-1139.57	1244.58	293.71	2.48
5057.00	89.60	289.10	3745.08	1303.74	520.68	-1199.20	1307.36	293.47	1.72
5119.00	87.80	287.70	3746.49	1365.72	540.25	-1258.01	1369.10	293.24	3.68
5183.00	88.90	287.00	3748.33	1429.66	559.32	-1319.07	1432.75	292.98	2.04
5214.00	89.40	287.00	3748.79	1460.63	568.38	-1348.71	1463.59	292.85	1.61
5246.00	88.30	288.00	3749.43	1492.59	577.47	-1379.39	1495.39	292.72	4.65
5310.00	88.90	285.30	3751.00	1556.44	594.73	-1440.99	1558.90	292.43	1.44
5375.00	88.30	289.90	3752.58	1621.38	614.37	-1502.92	1623.64	292.23	7.13
5438.00	85.90	290.90	3755.77	1684.28	636.30	-1561.89	1686.52	292.17	4.13
5501.00	86.90	290.90	3759.73	1747.13	658.73	-1620.62	1749.38	292.12	1.59
5564.00	88.70	291.30	3762.15	1810.05	681.39	-1679.35	1812.33	292.08	2.93
5626.00	89.70	290.60	3763.04	1874.01	704.28	-1739.12	1876.31	292.06	1.91
5690.00	90.30	289.90	3763.04	1936.00	725.73	-1797.28	1938.28	291.99	1.49
5754.00	88.70	289.10	3763.60	1999.99	747.10	-1857.61	2002.21	291.91	2.80
5817.00	89.00	288.80	3764.86	2062.98	767.55	-1917.18	2065.12	291.82	.67
5880.00	88.70	288.10	3766.13	2125.96	787.48	-1976.93	2128.00	291.72	1.21
5943.00	88.20	287.40	3767.83	2188.92	806.68	-2036.91	2190.83	291.61	1.37
6006.00	87.30	287.00	3770.30	2251.83	825.30	-2097.04	2253.60	291.48	1.56
6070.00	86.40	287.40	3773.82	2315.69	844.20	-2158.09	2317.33	291.36	1.54
6132.00	88.20	287.70	3776.74	2377.59	862.87	-2217.13	2379.12	291.27	2.94
6195.00	87.60	287.00	3779.05	2440.52	881.64	-2277.23	2441.94	291.16	1.46
6290.00	87.80	286.60	3782.86	2535.32	908.28	-2368.33	2536.53	290.98	1.49

1724-B Townshurst Dr, Houston, Tx 77043
(713) 827-8302
www.nevisenergy.com

Job Number: 204-191
Company: Black Hills E & P / Mellon Oil
Lease/Well: Jicarilla 29-03-11 # 2
Location: Rio Arriba Co., Tx.
Rig Name: Key Rig #44
RKB: 13'
G.L. or M.S.L.: API # 300-39-26731

State/Country: New Mexico / U.S.A.
Declination: 10.36° East
Grid: □
File name: C:\TEMP1~1\BLACKH~1\29-03-11.SVY
Date/Time: 11-Aug-04 / 15:13
Curve Name: Final Surveys

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 289.21
Vertical Section Referenced to Wellhead
Rectangular Coordinates Referenced to Wellhead

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	CLOSURE Distance FT	Direction Deg	Dogleg Severity Deg/100
Tie In To Gyro Data Survey									
3650.00	1.80	284.30	3649.70	23.80	17.80	-19.00	26.04	313.13	.00
First Nevis MWD Survey									
3710.00	10.20	323.20	3709.33	29.15	22.30	-23.10	32.11	313.98	14.78
3720.00	14.80	313.30	3719.09	31.05	23.88	-24.56	34.26	314.19	50.58
3730.00	19.70	311.30	3728.84	33.78	25.87	-26.76	37.22	314.03	49.35
3741.00	25.00	312.30	3738.81	37.64	28.66	-29.88	41.40	313.81	48.30
3751.00	30.10	314.40	3747.87	41.86	31.84	-33.23	46.02	313.77	51.91
3761.00	35.30	315.80	3756.08	46.71	35.87	-37.04	51.42	313.92	52.54
3773.00	41.20	317.80	3765.50	53.30	41.08	-42.13	58.84	314.28	50.03
3783.00	46.10	319.90	3772.74	59.30	46.27	-46.87	65.72	314.75	51.50
3793.00	51.10	320.10	3779.35	65.74	52.01	-51.49	73.19	315.29	50.02
3804.00	56.60	320.10	3785.84	73.36	58.83	-57.19	82.04	315.81	50.00
3814.00	61.50	319.40	3790.98	80.74	65.37	-62.73	90.60	316.18	49.37
3824.00	66.10	318.70	3795.39	88.52	72.14	-68.61	99.56	316.44	46.43
3836.00	71.70	317.90	3799.71	98.30	80.50	-76.05	110.74	316.63	47.08
3846.00	76.40	316.70	3802.46	106.79	87.56	-82.57	120.35	316.68	48.39
3856.00	80.90	315.90	3804.42	115.51	94.65	-89.35	130.16	316.65	45.68
3867.00	85.80	315.20	3805.70	125.30	102.44	-96.99	141.08	316.56	44.99
3900.00	96.70	309.50	3804.98	155.58	124.63	-121.33	173.93	315.77	37.26
3931.00	101.50	303.60	3800.07	184.77	142.85	-145.89	204.18	314.40	24.35
3963.00	103.90	296.60	3793.03	215.40	158.50	-172.88	234.54	312.52	22.62
3994.00	105.90	289.20	3785.05	245.27	170.16	-200.45	262.93	310.33	23.95