

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.

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: 1485' FNL & 793' FWL (E) Sec. 20, T29N R4W

Bottom Hole: 1286' FNL & 2576' FEL (B) Sec. 20, T29N, R4W

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

5. Lease Serial No.

NM-18319

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Carson 29-04-20 No. 7222

9. API Well No.

30-039-20809

10. Field and Pool, or Exploratory Area

Gobernador 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

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☒ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☒ Other Drill PC

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 recomplete 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.)

8/25/06: MI Drilling rig. Pressure test 5-1/2" csg to 750 psi for 30 min.-OK. Mill window in 5-1/2" csg 3309'-15'. Drill 4-3/4" hole from 3315'-3698'. Hole became tight. Set 75 sx (14 bbl) cmt plug @ 3689'. Hole capacity=8.42 bbl. WOC. Tag cmt @ 3313'. Wash mushy cmt to 3375'. Set 68 cf Type "G" cmt 3375'-3315'. WOC. Tag cmt @ 3137'. Drill out cmt from 3137' to 3312'. Drill 4-3/4 horizontal PC hole from window @ 3315' to 5338'. Landed 2-7/8" 7.9 & 8.7# J-55, N-80, & P-110 @ 5335' w/on/off tool @ 3288'. Placed tapped bull plug on end of liner & last jt 5335'-03' perfed w/28 holes that are open. There are 4 other pre-perfed & plugged jts @ 4932'-01', 4511'-4480', 4098'-67', & 3693'-62' w/28 pre-perfed & plugged holes in each jt. Released drilling rig 9/20/06.

BHL 1 1512/N 1043/W md 3662 TVd 3365
BHL 2 1684/N 2576/E md 5338 TVd 3290

Permit

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Mike Pippin

Date

September 21, 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

OCT 03 2006

FARMINGTON FIELD OFFICE
BY *MT*

NMOCD



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

Job Number: 61220

Company: Black Hills Gas Resources

Lease/Well: Many Canyons 29-04 Conoco 20 #7

Location: Rio Arriba Co., NM

Rig Name: ☐

RKB: ☐

G.L. or M.S.L.: ☐

State/Country: NM/USA

Declination: 10.25365

Grid: -0.28

File name: N:\BLACKH-1\2006\612202-1\294C201.SVY

Date/Time: 18-Sep-06 / 13:59

Curve Name: Actual Surveys ST

WINSERVE SURVEY CALCULATIONS
Minimum Curvature Method
Vertical Section Plane 95.89
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									
3315.00	3.00	247.50	3314.70	-28.40	-14.00	-30.00	33.11	244.98	.00
3338.00	17.40	67.50	3337.40	-25.88	-12.90	-27.35	30.24	244.74	88.70
3370.00	34.70	70.80	3366.04	-13.33	-8.04	-14.23	16.34	240.53	54.23
3401.00	51.90	78.20	3388.53	6.45	-2.60	6.21	6.73	112.70	57.77
3433.00	68.90	84.30	3404.29	33.28	1.49	33.61	33.64	87.46	55.61
3448.00	77.60	87.80	3408.61	47.42	2.47	47.92	47.99	87.05	62.14
3464.00	85.20	90.70	3411.00	63.12	2.67	63.73	63.79	87.60	50.76
3501.00	100.50	97.50	3409.16	99.92	.05	100.46	100.46	89.97	45.22
3532.00	109.50	100.50	3401.15	129.79	-4.61	130.00	130.08	92.03	30.50
3563.00	110.70	101.00	3390.49	158.80	-10.04	158.60	158.92	93.62	4.16
3594.00	110.40	101.20	3379.61	187.70	-15.63	187.09	187.74	94.77	1.14
3625.00	110.60	101.20	3368.76	216.62	-21.27	215.57	216.62	95.63	.65
3657.00	111.50	101.50	3357.26	246.34	-27.14	244.85	246.35	96.33	2.95
3688.00	106.70	99.50	3347.12	275.53	-32.47	273.65	275.57	96.77	16.64
3719.00	102.00	98.30	3339.44	305.52	-37.11	303.31	305.57	96.98	15.62
3751.00	99.50	98.20	3333.47	336.92	-41.62	334.42	337.00	97.09	7.82
3782.00	96.50	97.20	3329.16	367.60	-45.74	364.84	367.69	97.15	10.19
3845.00	90.00	94.50	3325.59	430.46	-52.14	427.37	430.54	96.96	11.17
3876.00	90.20	94.30	3325.53	461.45	-54.52	458.28	461.51	96.78	.91
3907.00	90.60	93.80	3325.32	492.44	-56.71	489.20	492.47	96.61	2.07
3939.00	90.40	93.50	3325.04	524.41	-58.74	521.13	524.43	96.43	1.13
3970.00	90.30	92.70	3324.85	555.37	-60.42	552.09	555.38	96.25	2.60
4002.00	90.30	92.00	3324.68	587.31	-61.73	584.06	587.31	96.03	2.19

Measured Depth FT	Incl Angle Deg	Drift Direction Deg	True Vertical Depth	Vertical Section FT	N-S FT	E-W FT	C L O S U R E		Dogleg Severity Deg/100
							Distance FT	Direction Deg	
4033.00	91.70	92.50	3324.14	618.24	-62.95	615.03	618.24	95.84	4.80
4064.00	92.50	92.00	3323.00	649.16	-64.16	645.98	649.16	95.67	3.04
4096.00	93.50	91.50	3321.33	681.03	-65.14	677.93	681.05	95.49	3.49
4127.00	93.51	93.50	3319.43	711.92	-66.49	708.84	711.95	95.36	6.44
4158.00	93.90	93.30	3317.43	742.82	-68.32	739.72	742.87	95.28	1.41
4190.00	91.70	95.00	3315.87	774.77	-70.64	771.59	774.82	95.23	8.68
4222.00	92.10	94.80	3314.81	806.74	-73.37	803.46	806.80	95.22	1.40
4253.00	91.30	95.80	3313.89	837.73	-76.23	834.31	837.79	95.22	4.13
4316.00	88.70	96.00	3313.89	900.72	-82.71	896.97	900.78	95.27	4.14
4347.00	88.50	95.30	3314.64	931.71	-85.76	927.81	931.77	95.28	2.35
4379.00	87.50	95.00	3315.76	963.69	-88.63	959.66	963.75	95.28	3.26
4410.00	87.00	94.80	3317.25	994.65	-91.27	990.51	994.71	95.26	1.74
4441.00	87.30	94.00	3318.79	1025.60	-93.65	1021.38	1025.67	95.24	2.75
4472.00	86.20	94.70	3320.55	1056.54	-96.00	1052.24	1056.61	95.21	4.20
4504.00	90.90	94.70	3321.36	1088.51	-98.62	1084.12	1088.59	95.20	14.69
4535.00	93.80	96.20	3320.09	1119.48	-101.56	1114.95	1119.56	95.20	10.53
4566.00	94.10	96.50	3317.95	1150.41	-104.98	1145.68	1150.48	95.24	1.37
4597.00	93.90	95.20	3315.79	1181.33	-108.13	1176.45	1181.40	95.25	4.23
4629.00	94.80	95.50	3313.36	1213.24	-111.11	1208.21	1213.31	95.25	2.96
4660.00	95.30	96.00	3310.63	1244.12	-114.20	1238.94	1244.19	95.27	2.28
4691.00	96.00	96.50	3307.58	1274.97	-117.56	1269.60	1275.04	95.29	2.77
4725.00	94.60	97.00	3304.44	1308.82	-121.54	1303.22	1308.88	95.33	4.37
4754.00	95.20	97.00	3301.96	1337.70	-125.06	1331.90	1337.76	95.36	2.07
4786.00	94.70	97.30	3299.20	1369.58	-129.03	1363.53	1369.63	95.41	1.82
4817.00	94.50	96.80	3296.71	1400.47	-132.82	1394.20	1400.51	95.44	1.73
4888.00	92.90	97.00	3292.13	1471.31	-141.33	1464.54	1471.34	95.51	2.27
4920.00	91.00	98.70	3291.04	1503.27	-145.70	1496.22	1503.29	95.56	7.96
4951.00	91.00	98.50	3290.50	1534.23	-150.33	1526.86	1534.25	95.62	.65
4982.00	90.90	98.20	3289.99	1565.20	-154.83	1557.53	1565.21	95.68	1.02
5012.00	90.00	98.00	3289.75	1595.17	-159.06	1587.23	1595.18	95.72	3.07
5044.00	90.00	97.70	3289.75	1627.15	-163.43	1618.93	1627.16	95.76	.94
5075.00	90.10	97.80	3289.73	1658.14	-167.61	1649.65	1658.14	95.80	.46
5106.00	89.40	97.30	3289.86	1689.12	-171.68	1680.38	1689.13	95.83	2.77
5137.00	89.80	97.30	3290.08	1720.11	-175.62	1711.13	1720.11	95.86	1.29
5169.00	90.40	97.80	3290.02	1752.10	-179.83	1742.85	1752.10	95.89	2.44
5200.00	89.00	95.00	3290.18	1783.10	-183.28	1773.65	1783.10	95.90	10.10
5232.00	90.10	96.80	3290.44	1815.09	-186.57	1805.48	1815.09	95.90	6.59
5263.00	90.00	96.80	3290.41	1846.09	-190.24	1836.26	1846.09	95.91	.32
Last Actual Survey									
5294.00	89.90	96.70	3290.44	1877.08	-193.89	1867.05	1877.09	95.93	.46
Projected @ TD									
5338.00	89.90	96.70	3290.51	1921.08	-199.02	1910.74	1921.08	95.95	.00