

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

5. Lease Serial No.
Jicarilla Contract 451

6. If Indian, Allottee or Tribe Name
Jicarilla Apache Tribe

7. If Unit or CA/Agreement, Name and/or No.
29

8. Well Name and No.
Jicarilla 451-09 #11

9. API Well No.
30-039-27799

10. Field and Pool, or Exploratory Area
East Blanco Pictured Cliffs

AND
Rio Arriba County, New Mexico

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

Surface: 735' FNL & 705' FWL Unit D Sec. 9 T29N R3W
Bottom Hole: 1112' FNL & 286' FEL Unit A Sec. 9, T29N R3W

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input checked="" type="checkbox"/> Water Shut-Off
<input 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 Set Liner
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<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 recompleat 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 recompleat 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.)

Black Hills Gas Resources would like to shut off the water inflow from leaking (formerly squeezed) Tertiary perfs by setting a scab liner as per the attached procedure. The liner will be cemented as required. This well is currently a horizontal PC gas well.

RCVD NOV 20 06
OIL CONS. DIV.
DIST. 3

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

Name (Printed/Typed) Mike Pippin	Title Petroleum Engineer (Agent)
Signature <i>Mike Pippin</i>	Date November 16, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>Wayne</i>	Title P.E. Eng	Date 11/16/06
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 FFO	

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)

NMOCD

Black Hills Gas Resources
Workover Procedure
for the
JICARILLA 451-09 #11H
API # 30-039-27799
NW NW Sec 9, T29N – R3W
Rio Arriba County, New Mexico
GL: 7037', KB: 7050' PBD: 3768' (Vert)

Surface casing: 8 5/8", 24.0# @ 279', TOC = surface
Production casing: 5 1/2", 15.5# @ 3803', TOC = surface
Kick-off window @ 3674-3690'
4 3/4" Open-hole f/3690-8071' MD

Current prod tubing: 2 3/8", 4.7#, J-55, 8rd, EUE, w/dual-cup packer, 1.81" profile and ON/OFF tool. EOT 3616'. (Not latched to PH-6) and 2 7/8" P-110 PH-6 from 3637' to 8000' MD

Current pump/ rods: None

Current Producing Zones: Pictured Cliffs 4 3/4" Open-hole 3676-8071' MD

Completion procedure: Cut PH-6 tubing. Pull the retrievable whipstock. Run tubing and pump into the vertical sump below the KOP.

1. General Note: All fluids entering the hole will have added 2% KCl, 2 gpt MA-844 (MA-1) and a biocide.
2. MIRU completion rig and equipment.
3. ND WH. NU BOP's. RU for 2 3/8" tubing. Strip out of hole w/ 2 3/8" tubing. **NOTE: The 2 3/8" tubing is not latched to the ON/OFF tool. There is a swab assembly fish in the tubing.**

Pull Whipstock

4. TIH with 2 7/8" workstring and ON/OFF tool retrieving head. Latch on to the ON/OFF tool.
5. MIRU Wireline specialties. RIH with gauge ring to determine the maximum cutter size that can be used. RIH with tubing cutter. Cut the PH-6 tubing at +/- 3710'. TOOH with cutting tool.
6. Pull the 2 7/8" workstring and the cut-off portion of PH-6 out of the hole.
7. TIH and clean off the whipstock as per Knight Fishing.
8. TIH with the 2 7/8" workstring and the whipstock retrieving BHA as per Knight Fishing.
9. Mill over and retrieve the whipstock. TOOH with the whipstock.

10. TIH with the 2 7/8" workstring and bit. Drill out the Vertical 5 1/2" casing below the casing to +/- 3790'. (Casing was set to 3803', float collar may be @ +/- 3768' TOO H.

Scab Liner

11. Set up rig to run 4" FJ 9.5# J-55 casing as "scab liner"
12. TIH with "scab liner" to 3400'. Liner is to be set up with a liner packer, an Omega plug (latched in) and perforated circulation sub and a insert float installed at the bottom of the casing. This will allow the liner to be cemented inside the 5 1/2" casing.
13. Cement the liner with xxx sx Type III cement as per BJ Services procedure. Cement is to be XXXX ppg, with a yield of XXXX. WOC. *156 sks (221 ft3) Type III w/ 0.92 FL-52 0.3 @ CD-32 - 408 ccm*
14. TIH with 3 3/8" bit and drill out cement, insert float and Omega plug. Clean out to vertical hole PBTD. TOO H.

Pump Install

15. MU pump assembly and TIH with 2 3/8" or 2 7/8" production string. The pump is to be run into the vertical section of hole below the KOP. Land the pump @ +/- 3770'.
16. Pump-simulate to establish potential gas/water rates

The exact pump specifications have not been determined. The pump-simulation will determine the pump type and size.

Initiated by:

Loren Diede
1-20-06
REV 10-23-06
REV 10-30-06
REV 11-15-06

Approved by:

Leslie Lam

First call for services will be:

Cement:	BJ	327-6222
Pump:	CDI	325-6556
Fishing Tools:	Knight Fishing	632-6666
4" FJ Liner:	Cave Enterprises	325-3401
Liner Tools:	Weatherford	326-5141
Casing Service:	San Juan Casing	325-7356

Jicarilla 451-09 #11

WB Dia, 10-06-05

Current Wellbore Diagram

API # 30-039-27799

UNIT D NW NW, Sec 09, T29N, R03W Rio Arriba, NM

Spud Date

8 5/8" casing @ 279' TOC surf.

Elev. GL= 7037'
Elev. KB= 7050'

Swab assembly and line

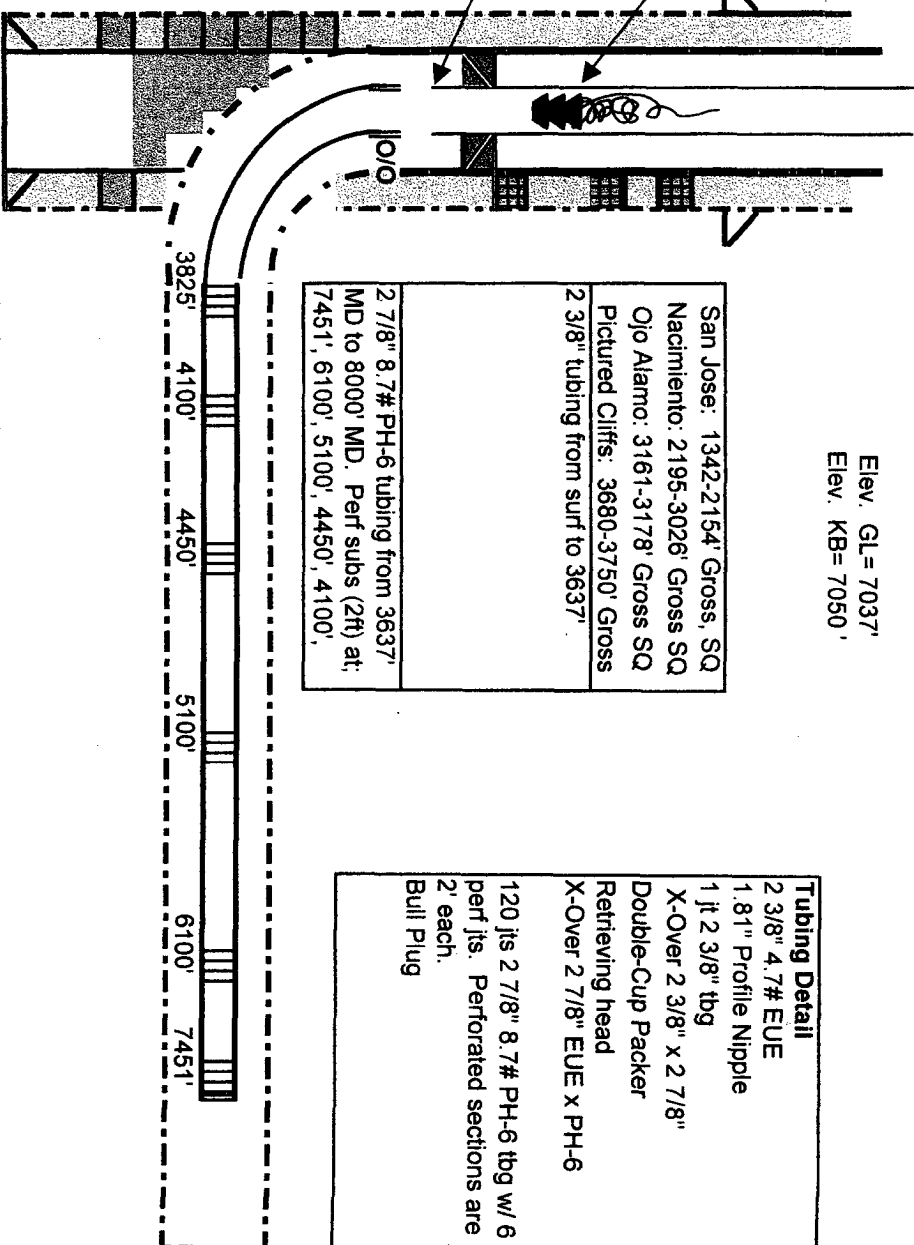
2 3/8" tubing NOT latched unto the ON/OFF tool. EOT is at 3616'

Window from 3674-3690', KOP +/- 3676'

Whipstock @ 3675

5 1/2" casing set to 3803' TOC surf.

PC perfs: 3680-3700, 3740-3750



San Jose: 1342-2154' Gross, SQ
Nacimiento: 2195-3026' Gross SQ
Ojo Alamo: 3161-3178' Gross SQ
Pictured Cliffs: 3680-3750' Gross
2 3/8" tubing from surf to 3637'

2 7/8" 8.7# PH-6 tubing from 3637'
MD to 8000' MD. Perf subs (2ft) at:
7451', 6100', 5100', 4450', 4100',
3825'

Tubing Detail
2 3/8" 4.7# EUE
1.81" Profile Nipple
1 ft 2 3/8" tbg
X-Over 2 3/8" x 2 7/8"
Double-Cup Packer
Retrieving head
X-Over 2 7/8" EUE x PH-6
120 jts 2 7/8" 8.7# PH-6 tbg w/ 6
perf jts. Perforated sections are
2' each.
Bull Plug

3690

MD from surface

8071

BLM CONDITIONS OF APPROVAL

WORKOVER AND RECOMPLETION OPERATIONS:

A properly functioning BOP and related equipment must be installed prior to commencing workover and/or recompletion operations.

SURFACE USE OPERATIONS:

The following Stipulations will apply to this well unless a particular Surface Managing Agency or private surface owner has supplied to BLM and operator a contradictory environmental stipulation. The failure of operator to comply with these requirements may result in assessments or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on location during construction, drilling and reclamation activity.

An agreement between operator and fee landowner will take precedence over BLM surface stipulations unless (in reference to 43 CFR Part 3160) 1) BLM determines that operator's actions will affect adjacent Federal or Indian surface, or 2) operator does not maintain well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance, or 3) no such agreement exists, or 4) in the event of well abandonment, minimal Federal restoration requirements will be required.

STANDARD STIPULATIONS: All surface areas disturbed during work-over activities and not in use for production activities will be reseeded. This should occur in the first 90 days after completion of work-over activities.

SPECIAL STIPULATIONS:

1. Pits will be fenced during work-over operation.
2. All disturbance will be kept on existing pad.
3. All pits will be pulled and closed immediately upon completion of the work-over activities.
4. Pits will be lined with an impervious material at least 12 mils thick.