

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<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other   | 5. Lease Serial No.<br>NMNM 13376 (BHL)  |
| 2. Name of Operator<br>Black Hills Gas Resources, Inc. c/o Mike Pippin LLC (Agent)   | 6. If Indian, Allottee or Tribe Name   |
| 3a. Address<br>3104 N. Sullivan, Farmington, NM 87401  | 7. If Unit or CA/Agreement, Name and/or No.  |
| 3b. Phone No. (include area code)<br>505-327-4573  | 8. Well Name and No.<br>Many Canyons 30-04-24 No. 34 H   |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Surface: 2500' FSL & 1100' FEL Unit (I) Sec. 24, T30N, R4W<br>Bottom Hole: 2042' FSL & 1210' FWL Unit (L) Sec. 24, T30N, R4W | 9. API Well No.<br>30-039-30016  |
|  | 10. Field and Pool, or Exploratory Area<br>East Blanco Pictured Cliffs<br>AND<br>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  |
|---|---|
| <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"/> 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 Completion |
|   | <input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Operations          |
|   | <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 recomple 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.)

9/29/06. Cut window in 5-1/2" csg @ 3816'-26' and drilled 4-3/4" hole to MD 6879'. Ran 2-7/8" 7.9# & 8.7# N-80 & P-110 liner & landed @ 6879'. Liner had 6 joints 8.7# P-110 with 28 pre-drilled 0.5" holes. Five of these pre-drilled joints w/tops @ MD 4247', 4792', 5303', 5812', 6355' were plugged w/aluminum plugs with the last one (MD 6848') not plugged & bullplugged @ the end. The top of the 2-7/8" liner @ 3785' with an on/off tool. Released rig on 10/11/06.

10/24/06. MIRUSU. TIH with 2-3/8" 4.7# J-55 tbg & latch into on/off tool @ 3785'. Pump 1327 gal 20% HCL acid in 70Q foam. Swab well. Well tested 0 MCF/D on 11/2/06. Released rig on 11/3/06.

11/9/06. MIRUSU. TOH with 2-3/8" tbg. Ran 2-3/8" 4.7# J-55 tbg and landed above on/off tool @ 3783'. Ran pump & rods. Released rig on 11/11/06.

RCVD NOV21'06  
OIL CONS. DIV.

DIST. 3

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

THIS SPACE FOR FEDERAL OR STATE USE

ACCEPTED FOR RECORD

|   |        |             |
|---|--------|-------------|
| 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 | NOV 20 2006 |

FARMINGTON FIELD 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)

NMOCD 8 11/21