

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 459

6. If Indian, Allottee or Tribe Name

Jicarilla Apache Tribe

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

Unit of CA/Agreement, Name and/or No.

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)

1795' FNL & 425' FEL (SE/NE) Unit H

Sec. 17, T30N, R3W

8. Well Name and No.

Jicarilla 459-17 #24

9. API Well No.

30-039-29324

10. Field and Pool, or Exploratory Area

E. Blanco PC & Basin FRTC
& Cabresto Canyon Tertiary

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
<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 Re-test & Trimming
	<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 recompleate 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 recompleation 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.)

11/1/06: MIRUSU. Retrieved RBP @ 1750'. Using RBP & Pkr combo on 11/6/06, tested PC & FRTC on 1/2" choke for 11 psi for 30 min. & 163 MCF/D. Tested Tertiary on 1/2" choke for 25 psi for 30 min. & 250 MCF/D. Landed 2-3/8" 4.7# J-55 tbg @ 3813'. Ran pump & rods. Released rig on 11/14/06. Completed as a trimmingling PC, FRTC, & Tertiary gas well.

BLACK HILLS requests administrative approval to downhole commingle the East Blanco Pictured Cliffs (72400), Cabresto Canyon Tertiary (97037), & Basin Fruitland Coal.

These intervals have common ownership & produce essentially dry gas. We have not experienced any significant cross flows between these two intervals, & all the fluids are compatible. Downhole commingling will improve recovery of liquids & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-107A with the State.

These Gas & Oil allocations are based on choke tests taken during rig operations on 11/6/06. See attached calculations.

The FRTC & Tertiary pools do not produce oil. The State DHC-3737A order allows the trimmingling of the PC, FRTC, & Tertiary.

GAS:	Pictured Cliffs	22%	OIL:	Pictured Cliffs	100%
GAS:	FRTC	17%	OIL:	FRTC	0%
GAS:	Tertiary	61%	OIL:	Tertiary	0%

DHC 3737A

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

Name (Printed/Typed)

Mike Pippin

Title

Petr. Engr. (Agent)

Signature

Mike Pippin

Date

November 27, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Joe Hewitt

Title

GCO

Date

11-28-06

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

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, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

NMOCD