

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)

2060' FNL & 2215' FEL Unit G  
 Sec. 6, T29N, R3W

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

5. Lease Serial No.  
 Jicarilla Contract 452

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

7. If Unit or CA/Agreement, Name and/or No.  
 RCVD FEB9'07  
 OIL CONS. DIV.  
 DIST. 3

8. Well Name and No.  
 Jicarilla 452-06 #23

9. API Well No.  
 30-039-27730

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 checked="" 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 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 Commingle Application
	<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 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.)

BLACK HILLS requests administrative approval to amend DHC-3453 to downhole commingle the East Blanco Pictured Cliffs (72400) & Basin Fruitland Coal (71629). The State DHC-3453 order allowed the trimming of the PC, FRTC, & Tertiary, which we would like to amend. The Tertiary is shut-in in the annulus above a packer. 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 in January 2005. See attached calculations. The FRTC pool does not produce oil.

GAS:	Pictured Cliffs	89%	OIL:	Pictured Cliffs	100%
GAS:	FRTC	11%	OIL:	FRTC	0%

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

Name (Printed/Typed)	Title
Mike Pippin	Petr. Engr. (Agent)
Signature	Date
<i>Mike Pippin</i>	February 7, 2007

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
<i>Joe Hewitt</i>	Geo	2-8-07
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	
	FPO	

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)

*Isolate Cabresto Cyn Tertiary*

NMOCD

BLACK HILLS GAS RESOURCES, INC.  
JICARILLA 452-06 #23 PC / FRTC  
G Section 6 T29N R03W  
2/7/07

**Commingle Allocation Calculations**  
Requested Amendment to DHC-3453

The Tertiary perms (2478'-88' & 1336'-88') are shut-in in the annulus above a packer.

**OIL**

The Basin Fruitland Coal gas pool does not make any oil in the vicinity of the subject well. The East Blanco Pictured Cliffs gas pool does produce a little oil. Therefore, any and all oil will be assigned to the Pictured Cliffs.

**GAS**

During completion operations in January 2005, stabilized gas tests were taken on the PC alone, then on the FRTC alone.

The Pictured Cliffs (only) choke test stabilized 175 MCF/D for a 24 hour period on 1/13/05.

The Fruitland Coal (only) choke test stabilized 22 MCF/D for a 24 hour period on 1/15/05.

Total gas = 175 + 22 = 197 MCF/D.

$$\% \text{ Pictured Cliffs} = \frac{175}{197} = 89\%$$

$$\% \text{ FRTC} = \frac{22}{197} = 11\%$$