

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

2007 JUN 10 PM

5. Lease Serial No.

NMNM18324

6. If Indian, Allottee or Tribe Name

NA 12

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

NA

8. Well Name and No.

Many Canyons 29-0425 #123

9. API Well No.

30-039-30161

10. Field and Pool, or Exploratory Area

Choza Mesa Pictured Cliffs

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 type="checkbox"/> Other _____
	<input checked="" 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	

3. Describe Proposed or Completed Operation (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 (BHGR) is changing the casing program from the initial approved APD on March 30, 2007. BHGR will be changing the following:

0-250' TVD casing diameter from 8 5/8 J-55 24# to 9 5/8 J-55 36#

0-4000' TVD hole diameter from 7 7/8 to 8 3/4 and casing diameter from 5 1/2 J-55 15.5# to 7 J-55 23#

3235' KOP to end TVD hole diameter from 4 3/4 to 6 1/8 and casing diameter from 2 7/8 J-55 PH6 liner # to 41/2 J-55 11.6#

See attached drilling program.

RCVD JUN 12 '07
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Lynn H. Benally

Title Regulatory Specialist

Signature

Date

6/11/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)

Troy L Salysers

Name

(Printed/Typed) Troy L Salysers

Title

Petroleum Eng.

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

FEO

Date

6/11/2007

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Continued on next page)

NMOCD

Ry

HORIZONTAL DRILLING PROGRAM

Please see attached directional plan,

2007 JUN -7 AM 4: 27

CASING PROGRAM

Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement
0-250' TVD	12-1/4"	9 5/8"	J-55 36# ST&C New	To surface (± 175 sxs Standard cement containing 2% CaCl ₂ and 0.25lb/sx LCM) **
0-3741 TVD	8-3/4"	7 "	J-55 23# LT&C New	TD to surface (Lead: ± 300 sxs lite standard cement. Tail: 400 sxs 50:50 poz containing 0.25 lb/sx LCM) * **
2871' TVD (KOP)- End of Lateral Bore	6-1/8"	4-1/2"	J-55 11.6# LT&C New	None

* Actual cement volume to be determined by caliper log.

** Cement will be circulated to surface ✓

Yields:

Surface: Standard cement yield = 1.2 ft³/sx (mixed at 15.6 lb/gal)Production: Lite Standard Cement yield: = 1.59 ft³/sx (mixed at 13.4 lb/gal)
50:50 poz yield = 1.27 ft³/sx (mixed at 14.15 lb/gal)

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and protected. ✓

PRESSURE CONTROL

BOPs and choke manifold will be installed and pressure tested before drilling out under surface casing (subsequent pressure test will be performed whenever pressure seals are broken), and then will be checked daily as to mechanical operating conditions. BOP's will be pressure tested at least once every 30 days. Ram type preventors and related pressure control equipment will be pressure tested to 1,000 psi. Annular type preventor will be pressure tested to 50% of the rated working pressure, not to exceed 1,000 psi. All casing strings will be pressure tested to 0.22 psi/ft. or 1,000 psi, whichever is greater, not to exceed 70% of internal yield.

BOP to be either double gate rams or an annular preventor as per Onshore Order No. 2.

Statement on Accumulator System and Location of Hydraulic Controls

The drilling rig has not yet been selected for this well. Selection will take place after approval of this application. Manual and/or hydraulic controls will be in compliance with Onshore Order No. 2 for 2M systems.

A remote accumulator will be used. Pressures, capacities, location of remote hydraulic and manual controls will be identified at the time of the BLM supervised BOP test.