

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

OMB NO 1004-0137
Expires: November 30, 2000

SEP 11 2008

5. Lease Serial No
NM18327

1a. Type of Well ☐ Oil Well ☒ Gas ☐ Dry Other
b. Type of Completion: ☒ New ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other:

2. Name of Operator
Black Hills Gas Resources, Inc. c/o Mike Pippin LLC (Agent)

3. Address
3104. N. Sullivan, Farmington, NM 87401

3a. Phone No. (include area code)
505-327-4573

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.
Report to lease

8. Lease Name and Well No.
Many Canyons 29-04-28 #121

9. API Well No
30-039-30231-0051

10. Field and Pool, or Exploratory
Gobernador Pictured Cliffs

11. Sec., T., R., M., or Block and
Survey or Area E 28 T29N R4W

12. County or Parish
Rio Arriba

13. State
NM

14. Date Spudded
05/01/08

15. Date T.D. Reached
08/04/08

16. Date Completed
☐ P & A ☒ Ready to Prod.
09/10/08

17. Elevations (DF, RKB, RT, GL)*
7472' GL & 7484' KB

18. Total Depth: MD 8069' 8690' Upper Lower
TVD 4266' 4375'

19. Plug Back T.D.: MD 8069' 8690' Upper Lower
TVD 4266' 4375'

20. Depth Bridge Plug Set: MD
TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Mud Log

22. Was well cored? ☒ No ☐ Yes (Submit copy)
Was DST run? ☒ No ☐ Yes (Submit copy)
Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17-1/2"	13-3/8"	61# J-55	0'	253'		340, G	72	0' - circ	0'
8-3/4"	7" J-55	23#	0'	MD5260'		1325, G	537	0' - circ	0'
	1.9" J-55	2.76# J	0'	3094'		Parasite string on outside of 7" csg.			0'
6-1/8"	4-1/2"	11.6# J-55	MD4679'	MD7897'		0	Upper Lateral		
6-1/8"	4-1/2"	11.6# J-55	MD5213'	MD8690'		0	Lower Lateral		

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Set (MD)
2-7/8"	4043'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Pictured Cliffs	MD4634'	—	Up Lat: 9 pre-perf jts	0.75"	252	Open
	4205' - TVD	4355' - TVD	Lo Lat: 8 pre-perf Jts	0.94"	224	Open
			Upper Lat w/28 holes/jt w/tops @ MD7813', 7397', 7006', 6585', 6207', 5828', 5450', 5071', 4693'			
			Lower Lat w/28 holes/jt w/tops @ MD8657', 8153', 7649', 7144', 6638', 6133', 5672', 5253'			

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and type of Material
MD 4665' - 8069'	Upper Horizontal PC lateral - No formation stimulation
MD 5260' - 8690'	Lower Horizontal PC lateral - No formation stimulation

28. Production - Interval A Upper Lateral

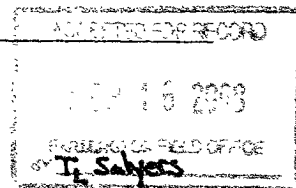
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Ready	08/27/08	12	→		TSTM				Swabbing
Choke Size	Tbg. Press. Flwg. PSI	Csg. Press.	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→		TSTM			Shut In	

28a. Production - Interval B Upper & Lower Laterals Together

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Ready	09/09/08	12	→		TSTM				Swabbing
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status	
			→		TSTM			Shut In	

(See instructions and spaces for additional data on reverse side)

OPERATOR 8/10/3/08



28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas - Oil Ratio	Well Status	
			→						

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas - Oil Ratio	Well Status	
			→						

29 Disposition of Gas (Sold, used for fuel, vented, etc.)

Vent

30. Summary of Porous Zones (Include Aquifers).

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top	
					Meas	Depth
Pictured Cliffs	4205 TVD	4355' TVD	GAS		MD	TVD
				San Jose		Surface
				Nacimiento	2404'	2404'
				Ojo Alamo	3763'	3708'
				Kirtland	4031'	3896'
				Fruitland	4380'	4076'
				Pictured Cliffs	4634'	4205'

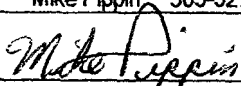
32. Additional remarks (include plugging procedure):

Many Canyons 29-04-28 #121 Dual PC Horizontal Laterals

33 Circle enclosed attachments:

- 1 Electrical/Mechanical Logs (1 full set req'd) 2. Geologic Report 3 DST Report 4 Directional Survey
5. Sundry Notice for plugging and cement verification 5 Core Analysis 7. Other:

36 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Mike Pippin 505-327-4573 Title Petroleum Engineer (Agent)
Signature  Date September 10, 2008

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