

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FEB 18 2010

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

☐ 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)

500' FSL & 1650' FEL Unit O

Sec. 9, T29N, R02W

5. Lease Serial No.

MDA 701-98-0013, Tract 4

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

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

8. Well Name and No.

Jicarilla 29-02-09 #143

9. API Well No.

30-039-30080

10. Field and Pool, or Exploratory Area

La Jara Canyon Tertiary

East Blanco Pictured Cliffs

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
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

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 recomplete 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 proposes the following commingle allocations as per DHC-3313AZ. These Gas & Oil allocations are based on choke tests taken on the Tertiary (811 MCF/D) alone during completion operations on 1/28/10 along with the average PC production (391 MCF/D) for the month before the workover. See the attached calculations

GAS:	Pictured Cliffs	33%	OIL:	Pictured Cliffs	100%
GAS:	Tertiary	67%	OIL:	Tertiary	0%

RCVD FEB 19 '10  
OIL CONS. DIV.  
DIST. 3

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

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

*Mike Pippin*

Date

February 17, 2010

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

*Joe Hunt*

Title

GEO

Date

2-19-10

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

BLACK HILLS GAS RESOURCES, INC.  
JICARILLA 29-02-09 #143 PC / Tertiary  
O Section 9 T29N R02W  
2/17/10

## Commingle Allocation Calculations

### OIL

The La Jara Canyon Tertiary 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

The Tertiary was tested on 1/28/10 at 41 psi on a 3/4" choke for 811 MCF/D. There was a RBP between the Tertiary and the PC at the time.

$$Q = .0555 \cdot C \cdot P \quad C = \text{coefficient for } 3/4" \text{ choke} = 260.99 \\ P = \text{gauge pressure (41 psi) + 15 psi} = 56 \text{ psi}$$

$$Q = .0555 \cdot 260.99 \cdot 56 = \underline{811 \text{ MCF/D}} = \text{Tertiary.}$$

The Pictured Cliffs averaged 391 MCF/D on line during the month before the workover.

Total gas is  $811 + 391 = 1202 \text{ MCF/D}$

$$\% \text{ Pictured Cliffs} = \frac{391}{1202} = 33\%$$

$$\% \text{ Tertiary} = \frac{811}{1202} = 67\%$$