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OCT 25 2012

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Farmington Field Office
Bureau of Land Management

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM18327
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name
3a. Address 3200 N 1st St, Bloomfield, NM 87413	3b. Phone No. (include area code) (505) 634-5104	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1895' FNL & 670' FWL (UL:E) Section 28 T29N R4W		8. Well Name and No. Many Canyons 29-04-28 #121
		9. API Well No. 30-039-30231
		10. Field and Pool, or Exploratory Area Gobernador Pictured Cliffs
		11. County or Parish, State Rio Arriba County, New Mexico

12. CHECK APPROPRIATE BOX(S) 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"/> Altering 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 type="checkbox"/> Change Plans	<input checked="" 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 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 performed or provide the Bond No. on file with the 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 Notice 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 intends to plug and abandon Many Canyons 29-04-28 #121 per attached procedure.

RCVD NOV 1 '12
OIL CONS. DIV.
DIST. 3

**Notify NMOCD 24 hrs
prior to beginning
operations**

14. I hereby certify that the foregoing is true and correct. Name (Printed/ Typed) Daniel Manus		Title Regulatory Technician	
Signature <i>[Signature]</i>		Date Oct 25, 2012	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by Original Signed: Stephen Mason		Date OCT 30 2012	
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	

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 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 page 2)

NMOCD

PLUG AND ABANDONMENT PROCEDURE

October 24, 2012

Many Canyons 29-04-28 #121

Gobernador Pictured Cliffs

Surface: 1895' FNL, 670' FWL, Section 28, T29N, R4W, Rio Arriba County, NM

Upper Lateral TD: 978' FSL, 1339' FEL, Section 28, T29N, R4W,

Lower Lateral TD: 718' FSL, 749' FEL, Section 28, T29N, R4W

API 30-039-30231 / Long: _____ / Lat: _____

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.

3. Rods: Yes X, No _____, Unknown _____.
Tubing: Yes X, No _____, Unknown _____. Size 2-7/8" w/3.5" XO and 2 jts 3.5" tubing,
Length 4643'.

Packer: Yes _____, No X, Unknown _____. Type _____.

If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

Round trip 7" casing scraper or gauge ring to 4615' or as deep as possible. Note: Upper Lateral KO window from 4665' to 4673'.

4. **Plug #1 (Pictured Cliffs interval and Fruitland top, 4615' – 4330')**: RIH and set 7" CIBP or CR at 4615'. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate. Mix 65 sxs Class B cement and spot a balanced plug above CIBP or CR, inside the casing, to cover the Pictured Cliffs interval and the Fruitland top. TOH.

4169 3752

5. **Plug #2 (Kirtland and Ojo Alamo tops, 4081' – 3743')**: Mix ~~80~~ sxs Class B cement and spot a balanced plug inside the casing to cover through the Kirtland and Ojo Alamo tops. TOH.

6. **Plug #3 (3094' to surface in 1.9" parasite string & 3094' to 2970' inside 7" casing)**: Pump down 7" casing & attempt to establish circulation out 1.9" parasite string (make sure parasite string is open at surface.)

If able to establish circulation, then circulate 25 bbls through parasite string. RIH and set 7" CR at 3020'. Pressure test tubing to 1000#. Pressure test casing to 800#. Mix approximately 80 sxs Class B cement. Pump 45 sxs to fill and circulate good cement out parasite string to surface and 15 sx to fill inside 7" casing below CR, then sting out of CR and leave 20 sx above CR.

Note: If unable to establish circulation, then set CIBP at 3144' and spot 57 sxs Class B cement (250') inside 7" casing to isolate the parasite string. PUH.

2547 2447

7. **Plug #4 (Nacimiento top, 2454' – 2354')**: Mix 29 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. PUH.

Today's Date: 10/4/12

Spud: 5/1/08

Elev: 7472' GL

7484' KB

Many Canyons 29-04-28 #121

Current Wellbore Diagram

Sec. 28, T29N, R04W

API # 30-039-30231

SURF CASING

13 3/8", 61#, J-55 csg @ 253'.

Cmt 340 sx, circ 25 bbls to surf.

1.9", 2.76#, J-55, IJ parasite string
banded to outside of 7" csg and
tied into 7" csg at 3094'

12 1/4" hole to 3122'

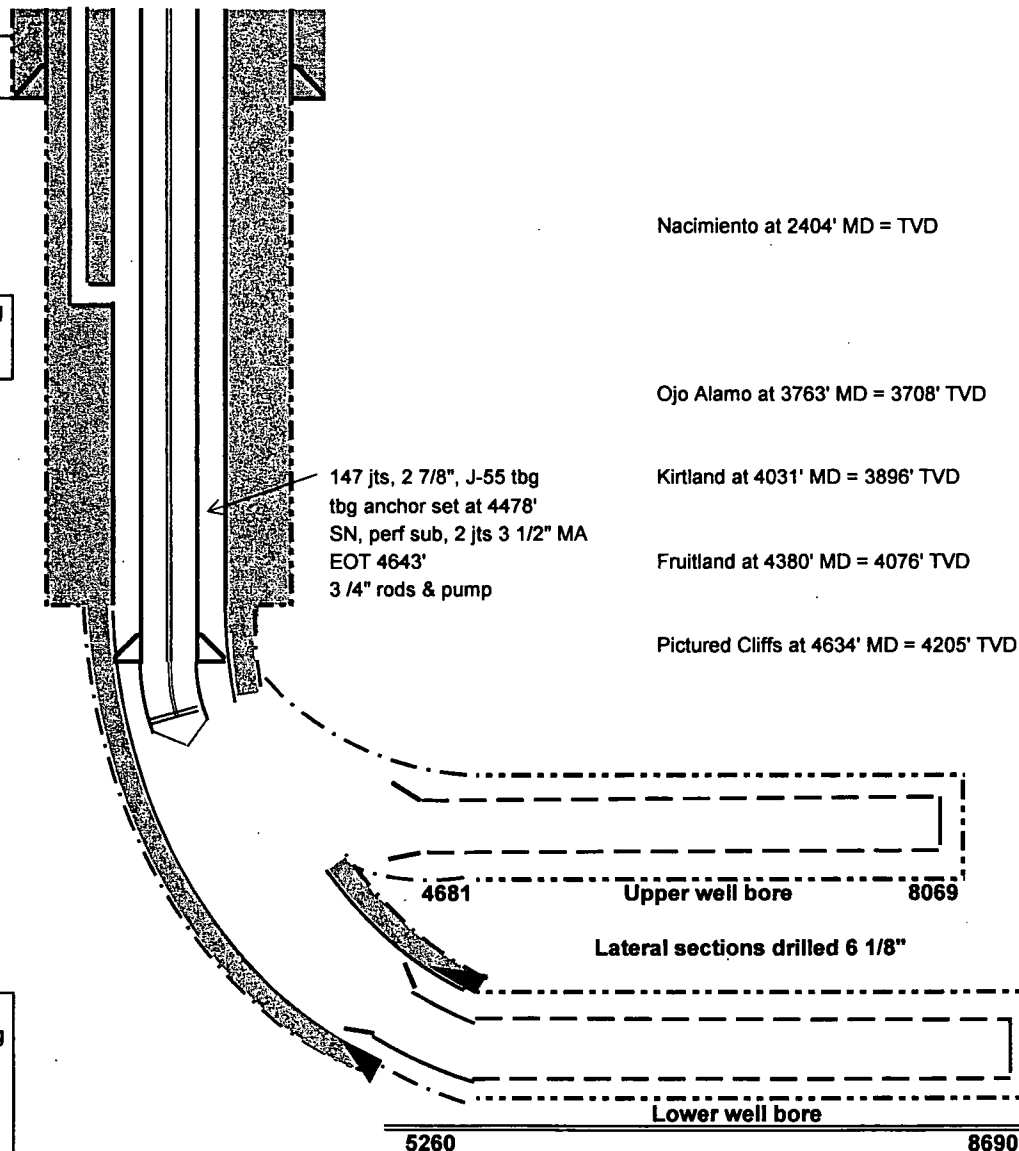
8 3/4" hole from 3122' to 5260'

Upper Lateral KO
window = 4665-4673'

PROD CASING

7" 23# J-55 casing set at 5260'.

1.9", 2.76#, J-55, IJ parasite string
tied in to 7" at 3094'. 7" csg cmt'd
w/ 813 sx lead + 512 sx tail. Circ
160 bbl to surface.



Nacimiento at 2404' MD = TVD

Ojo Alamo at 3763' MD = 3708' TVD

Kirtland at 4031' MD = 3896' TVD

Fruitland at 4380' MD = 4076' TVD

Pictured Cliffs at 4634' MD = 4205' TVD

UPPER LATERAL DETAIL:

4 1/2", 11.6#, J-55 liner (uncemented)

Top of Liner (H Latch tool) at 4679' MD

Bottom of Liner at 7897' MD

9 perfed jts at 4693-4735', 5071-5113', 5450-5492', 5828-5870', 6207-6249', 6585-6627', 7006-7047', 7397-7439', 7813-7855'. Each jt has 28 - 3/4" holes

LOWER LATERAL DETAIL:

4 1/2", 11.6#, J-55 liner (uncemented)

Top of Liner (H Latch tool) at 5213' MD

Bottom of Liner at 8690' MD

8 perfed jts at 5216-5256', 5635-5675', 6096-6137', 6601-6642', 7104-7146', 7609-7649', 8112-8153', 8616-8657'. Each jt has 28 - 15/16" holes

Today's Date: 10/24/12
Spud: 5/1/08
Elev: 7472' GL
7484' KB

Many Canyons 29-04-28 #121
Proposed P&A Wellbore Diagram
Sec. 28, T29N, R04W
API # 30-039-30231

SURF CASING

13 3/8", 61#, J-55 csg @ 253'.
Cmt 340 sx, circ 25 bbls to surf.

1.9", 2.76#, J-55, IJ parasite string
banded to outside of 7" csg and
tied into 7" csg at 3094'

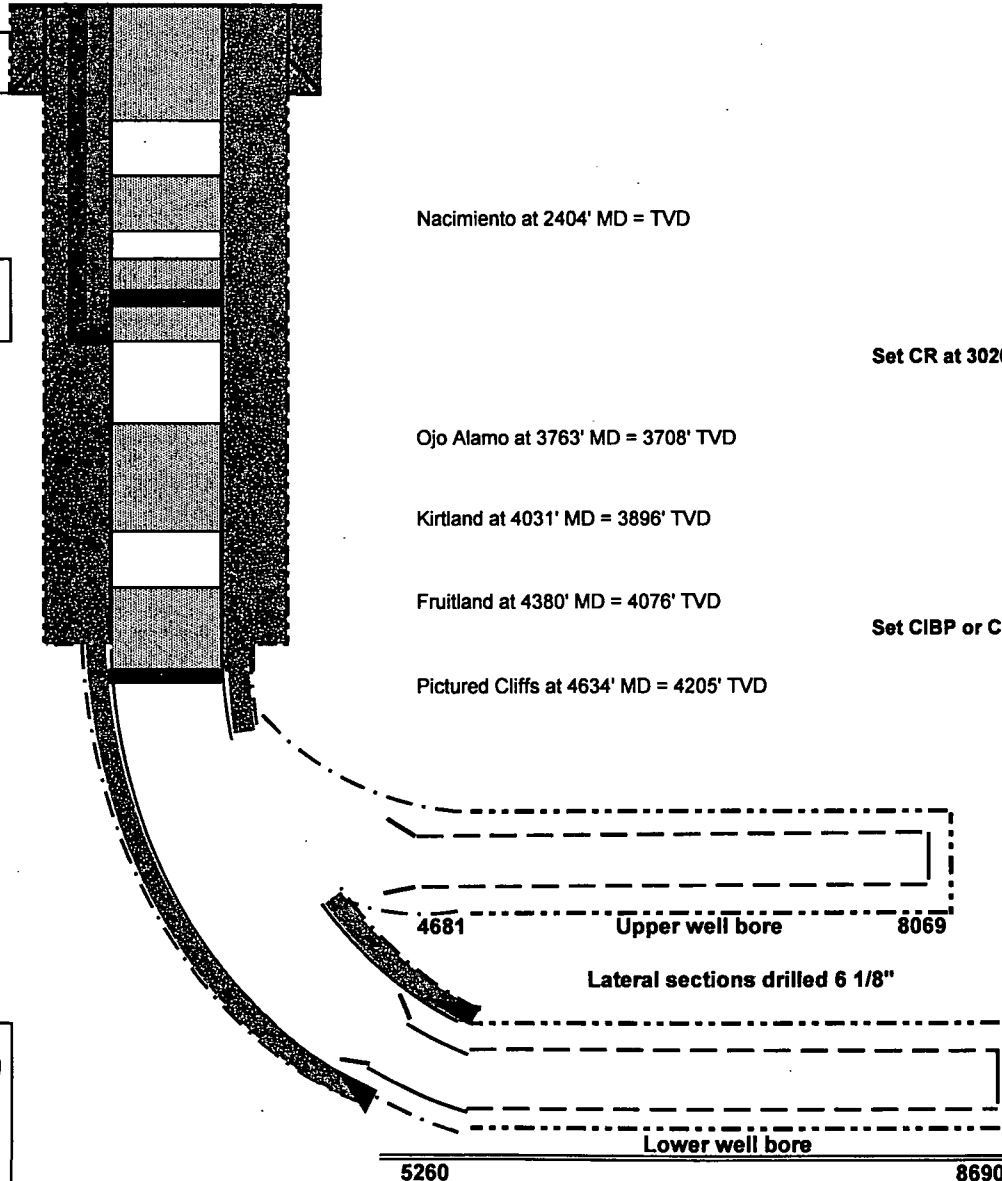
12 1/4" hole to 3122'

8 3/4" hole from 3122' to 5260'

Upper Lateral KO
window = 4665-4673'

PROD CASING

7" 23# J-55 casing set at 5260'.
1.9", 2.76#, J-55, IJ parasite string
tied in to 7" at 3094'. 7" csg cmt'd
w/ 813 sx lead + 512 sx tail. Circ
160 bbl to surface.



Plug #5: 303' - 0'
Class B cmt, 65 sx

Plug #4: 2454' - 2354'
Class B cmt, 29 sx

Plug #3: 3094'-surface in 1.9" & 3094'-2970' in 7"
Class B cmt, 80 sx
45 sx in 1.9" parasite string & 35 sx in 7" csg

Set CR at 3020'

Plug #2: 4081' - 3713'
Class B cmt, 80 sx

Plug #1: 4615' - 4330'
Class B cmt, 65 sx

Set CIBP or CR at 4615'

UPPER LATERAL DETAIL:

4 1/2", 11.6#, J-55 liner (uncemented)
Top of Liner (H Latch tool) at 4679' MD
Bottom of Liner at 7897' MD

9 perforated jts at 4693-4735', 5071-5113', 5450-5492', 5828-5870', 6207-6249', 6585-6627', 7006-7047', 7397-7439', 7813-7855'. Each jt has 28 - 3/4" holes

LOWER LATERAL DETAIL:

4 1/2", 11.6#, J-55 liner (uncemented)
Top of Liner (H Latch tool) at 5213' MD
Bottom of Liner at 8690' MD

8 perforated jts at 5216-5256', 5635-5675', 6096-6137', 6601-6642', 7104-7146', 7609-7649', 8112-8153', 8616-8657'. Each jt has 28 - 15/16" holes

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 121 Many Canyons 29-04-28

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) Place the Kirtland/Ojo Alamo plug from 4169' – 3752'.
 - b) Place the Nacimiento plug from 2547' – 2447'.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.