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MAY 21 2013

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. MDA 701-98-0013
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name Jicarilla Apache Tribe
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. 27474
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2045' FNL & 860' FEL NW/NW Section 1 T29N R3W (UL: D)		8. Well Name and No. Jicarilla 29-03-01 #2
		9. API Well No. 30-039-26866
		10. Field and Pool, or Exploratory Area Cabresto Canyon Tert. / E. Blanco PC
		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 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 be 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 reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Per the Notice of Intent dated May 7, 2013, to plug and abandon Jicarilla 29-03-01 #2, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

RCVD JUN 4 '13
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 		Date May 21, 2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title Mason	Date MAY 23 2013
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.		
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
Proposed P&A (Originally PB in 2007)**

May 9, 2013

Jicarilla 29-03-01 #2

East Blanco Pictured Cliffs / Cabresto Canyon; Tertiary
2045' FNL & 860' FEL, SW, Section 1, T29N, R3W
Rio Arriba County, New Mexico, API #30-039-26866

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. Note: this well will use a base beam. 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 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____, No X, Unknown____.
Tubing: Yes____, No X, Unknown____, Size____, Length____.
Packer: Yes____, No X, Unknown____, Type_____.

Note: Prior to spotting Plug #3, tag Plug #2 (2007). PU tubing workstring and TIH. Tag existing Plug #2 cement at 3140' or as deep as possible. If plug tags lower then contact company engineer. PUH.

4. **Plug #3 (Nacimiento top, 2170' – 2070'): Attempt to pressure test casing; if casing does not pressure test then spot or tag subsequent plugs as appropriate.** Mix 17 sxs cement and spot a balanced plug inside the casing to cover the Nacimiento top. PUH.
5. **Plug #4 (8-5/8" Surface casing shoe, 325' - Surface):** Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 41 sxs cement and spot a balanced plug from 325' to surface, circulate good cement out casing valve. TOH and LD tubing. Shut well in and WOC. If the BH annulus does not test, then perforate at the appropriate depth and attempt to circulate cement to surface filling the casing from 325' and the annulus from the squeeze holes to surface. Shut in well and WOC.
6. ND BOP and NU wellhead. RD and MOL. Restore location per BLM stipulations.

Jicarilla 29-03-01 #2

Plugback 2007

East Blanco Pictured Cliffs /Cabresto Canyon; Tertiary

2045' FNL & 860' FEL, NE, Section 1, T-29-N, R-3-W

Rio Arriba County, NM / API #30-039-26866

Today's Date: 5/9/13

Spud: 5/30/03

Completion: 8/29/03

Elevation: 7321' GI
7336' KB

12.25" hole

8.625" 24#, K-55 Casing set @ 275'
Cement with 110 sxs (Circulated to Surface)

Nacimiento @ 2120'

Ojo Alamo @ 3308'

Kirtland @ 3513'

Fruitland Coal @ 3646'

Pictured Cliffs @ 3724'

7.875" hole

2007 Plug #2: 3310' – 3140'
Type III cement, 22 sxs

Nacimiento Perforations:
3254' – 3268'

2007 Plug #1: 3770' – 3310'
Type III cement, 49 sxs

Pictured Cliffs Perforations:
3726' – 3736'

5.5" 15.5#, K-55 Casing set @ 3830'
Cemented with 900 sxs
Circulated 3 bbls cmt to surface

TD 3830'
PBTD 3784'

Jicarilla 29-03-01 #2

Proposed P&A

East Blanco Pictured Cliffs /Cabresto Canyon; Tertiary

2045' FNL & 860' FEL, NE, Section 1, T-29-N, R-3-W

Rio Arriba County, NM / API #30-039-26866

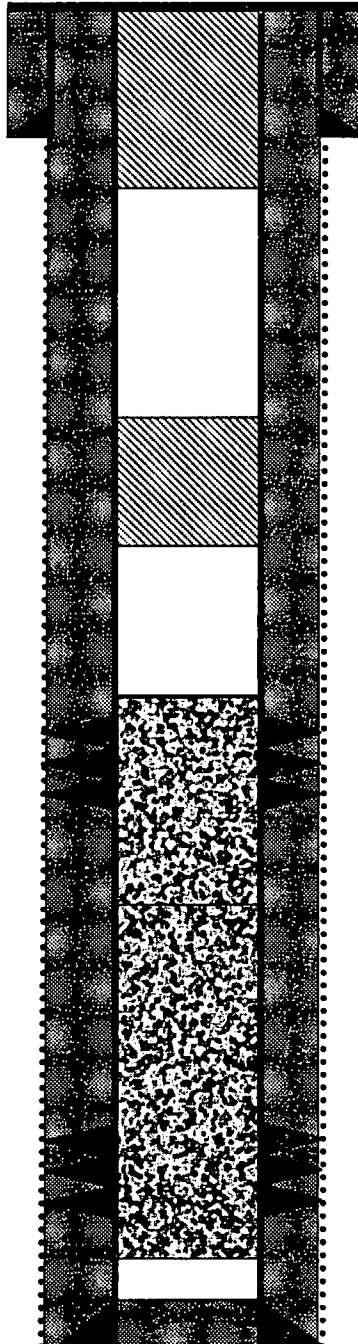
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7336' KB

12.25" hole



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Cement with 110 sxs (Circulated to Surface)

Plug #4: 325' - 0'
Type III cement, 41 sxs

Plug #3: 2170' - 2070'
Type III cement, 17 sxs

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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: 2 Jicarilla 29-03-01

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) You are required to have H2S monitoring equipment and personnel on location during plugging operations.

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.