

MAY 30 2013 **UNITED STATES** Form 3160- 5 FORM APPROVED (August 2007) DEPARTMENT OF THE INTERIOR OMB No. 1004- 0137 BUREAU OF LAND MANAGEMENTER mington Field C ffice Expires: July 31,2010 Bureau of Land Mana Serue Serial No. SUNDRY NOTICES AND REPORTS ON WELLS MDA 701-98-0013, Tract 1 Do not use this form for proposals to drill or to re-enter an If Indian, Allottee, or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. Jicarilla Apache Tribe If Unit or CA. Agreement Name and/or No. SUBMIT IN TRIPLICATE - Other Instructions on page 2. Type of Well Oil Well √ Gas Well 8. Well Name and No. Jicarilla 29-03-14 #1 Name of Operator Black Hills Gas Resources, Inc. API Well No 30-039-26728 Address 3b. Phone No. (include area code) 3200 N 1st St, Bloomfield, NM 87413 (505) 634-5104 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) Cabresto Canyon Tertiary 820' FNL & 2005' FEL NW/NE Section 14 T29N R3W (UL: B) 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 Notice of Intent Acidize Production (Start/Resume) Water Shut-off Altering Casing Fracture Treat Well Integrity Subsequent Report Casing Repair New Construction Recomplete Temporarily Abandon Convert to Injection Plug back 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 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 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 recompletion 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 29-03-14 #1, Black Hills Gas Resources is submitting the attached plug and abandon procedure. RCVD JUN 6'13 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** Regulatory Technician THIS SPACE FOR FEDERAL LOR STATE OFFICE USE

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Original Signed: Stephen Mason

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

(Instructions on page 2)

entitle the applicant to conduct operations thereon

Approved by

Title

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,

JUN 0 4 2013

PLUG AND ABANDONMENT PROCDURE Proposed P&A (Originally PB in 2007)

May 9, 2013

Jicarilla 29-03-14 #1

East Blanco PC/Cabresto Canyon; SJ Extension 820' FNL & 2005' FEL, NE, Section 14, T29N, R3W Rio Arriba County, New Mexico, API #30-039-26728

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 be plugged rigless. RU cementing equipment. Comply with all NMOCD, BLM, and Operator safety regulations. Conduct safety meeting for all personnel on location. Record casing and bradenhead pressures. NU relief line and blow down well.
3.	Rods: Yes

- 4. Plug #3 (8-5/8" Surface casing shoe, 303' 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 40 sxs cement and spot a balanced plug from 303' to surface, circulate good cement out casing valve. 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 303' and the annulus from the squeeze holes to surface. Shut in well and WOC.
- **5.** ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Jicarilla 29-03-14 #1

Plugback 2007

East Blanco PC / Cabresto Canyon; Tertiary
820' FNL & 2005' FEL, NE, Section 14, T-29-N, R-3-W
Rio Arriba County, NM / API #30-039-26728

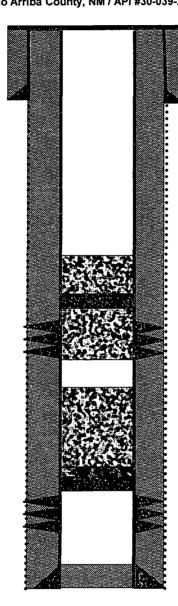
Today's Date: 5/9/13

Spud: 3/29/01 Completion: 9/12/01

Elevation: 7173' GI

7185' KB

12.25" hole



8.625" 24#, J-55 Casing set @ 253' Cement with 174 sxs (Circulated to Surface)

2007 Plug #2: 1606' – 1005' Type III cement, 63 sxs: 50 sxs below CR and 13 sxs above CR.

CR set at 1124' (2007)

San Jose Perforations: 1174' – 1190', 1426-1434', 1582' – 1606'

> 2007 Plug #1: 2410' - 1793' Type III cement, 64 sxs.

Fill @ 2410' (2007)
CIBP set at 2470' (2001)
Nacimiento Perforations:
2512' - 2528'

5.5", 17#, J-55 Casing set @ 2798'
Cemented with 492 sxs,
Circulated 9 bbls to surface per sundry

7-7/8" hole

TD 2800' PBTD 2751'

Jicarilla 29-03-14 #1

Proposed P&A

East Blanco PC / Cabresto Canyon; Tertiary

820' FNL & 2005' FEL, NE, Section 14, T-29-N, R-3-W

Rio Arriba County, NM / API #30-039-26728

Today's Date: 5/9/13

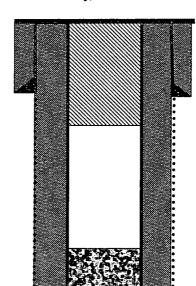
Spud: 3/29/01

Completion: 9/12/01

Elevation: 7173' GI

7185' KB

12.25" hole



8.625" 24#, J-55 Casing set @ 253' Cement with 174 sxs (Circulated to Surface)

> Plug #3: 303' - 0' Type III cement, 40 sxs.

2007 Plug #2: 1606' – 1005' Type III cement, 63 sxs: 50 sxs below CR and 13 sxs above CR.

CR set at 1124' (2007)

San Jose Perforations: 1174' – 1190', 1426-1434', 1582' – 1606'

> 2007 Plug #1: 2410' - 1793' Type III cement, 64 sxs.

Fill @ 2410' (2007) CIBP set at 2470' (2001) Nacimiento Perforations: 2512' – 2528'

5.5", 17#, J-55 Casing set @ 2798' Cemented with 492 sxs, Circulated 9 bbls to surface per sundry

7-7/8" hole

TD 2800' PBTD 2751'

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: 1 Jicarilla 29-03-14

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:

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.