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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. Jicarilla Contract 459
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.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 849' FSL & 1888' FEL SW/SE Section 20 T30N R3W (UL: O)		8. Well Name and No. Jicarilla 459-20 SJ #12
		9. API Well No. 30-039-25941
		10. Field and Pool, or Exploratory Area Cabresto Canyon Tertiary
		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 reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Per the Notice of Intent dated May 30, 2013, to plug and abandon Jicarilla 459-20 SJ #12, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

RCVD JUL 31 '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 II

Title

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: **Stephen Mason**

Title

Date

JUL 30 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 PV

PLUG AND ABANDONMENT PROCEDURE

July 23, 2013

Jicarilla 459-20 SJ #12

Cabresto Canyon Tertiary

849' FSL, 1888' FEL, Section 20, T30N, R3W, Rio Arriba County, NM

API 30-039-25941 / 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. 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.
2. Rods: Yes ☒ , No _____, Unknown_____.
Tubing: Yes ☒ , No _____, Unknown_____, Size 2-3/8" , Length 1800'.
Packer: Yes _____, No ☒ , Unknown_____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
3. **Plug #1 (San Jose perforations, 1009' – 959')**: Round trip 5.5" gauge ring or casing scraper to 1009', or as deep as possible. TIH and set 5.5" CR or CIBP at 1009'. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 17 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the San Jose interval. PUH.
4. **Plug #2 (8-5/8" casing shoe, 601' – 501')**: Mix 17 sxs Class B cement and spot a balanced plug inside the casing to isolate the 8-5/8" casing shoe. PUH.
5. **Plug #3 (Surface, 100' - 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 17 sxs cement and spot a balanced plug from 100' 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 100' and the annulus from the squeeze holes to surface. Shut in well and WOC.
6. 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 459-20 SJ #12

Current

Cabresto Canyon, Tertiary

849' FSL & 1888' FEL, Section 20, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-25941

Today's Date: 7/23/13

Spud: 8/29/98

Comp: 9/4/98

Elevation: 7250' GI
7262' KB

12-1/4" Hole

TOC @ Surface per Sundry
and Completion report

8-5/8", 24# #, K-55 Casing set @ 551'
Cement with 300 sxs, circulated to surface

2-3/8" tubing @ 1800' with rods and pump

San Jose Perforations:
1059' - 1790'

7-7/8" Hole

5.5" 15.5# K-55 Casing @ 1944'
Cement with 360 sxs
Circulated 63 sxs to surface

1950' TD
1860' PBTD

Jicarilla 459-20 SJ #12

Proposed P&A

Cabresto Canyon, Tertiary

849' FSL & 1888' FEL, Section 20, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-25941

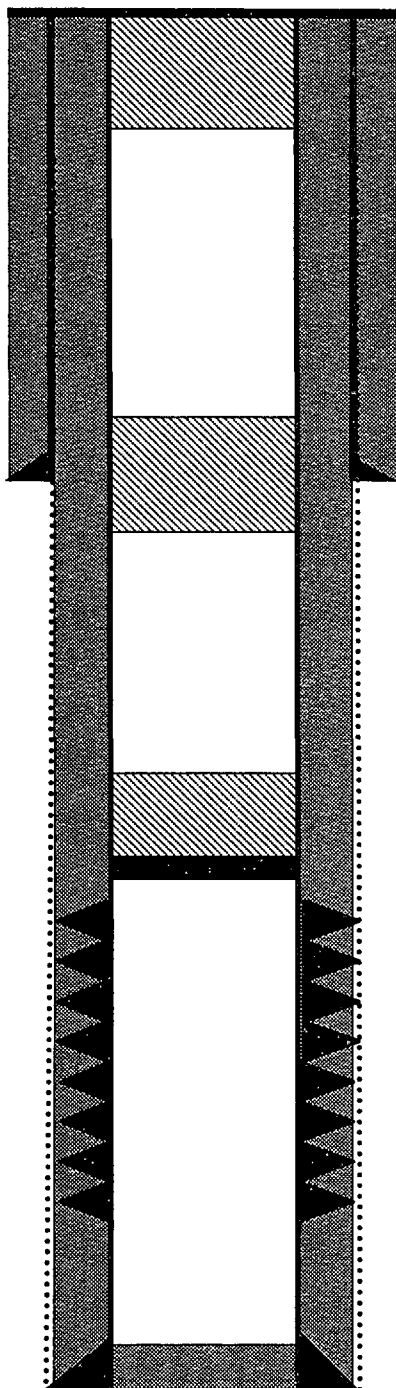
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1950' TD
1860' PBTD

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: 12 Jicarilla 459-20

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.