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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 09 2013

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

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Black Hills Gas Resources, Inc.

3a. Address

3200 N 1st St, Bloomfield, NM 87413

3b. Phone No. (include area code)

(505) 634-5104

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

SHL: 695' FNL & 731' FWL NW/NW Section 9 T30N R3W (UL: D)

BHL: 808' FNL & 1048' FEL NE/NE Section 9 T30N R3W (UL: A)

5. Lease Serial No.

Jicarilla Contract 457

6. If Indian, Allottee, or Tribe Name

Jicarilla Apache Tribe

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

8. Well Name and No.

Jicarilla 457-09 #2

9. API Well No.

30-039-26064

10. Field and Pool, or Exploratory Area

East Blanco 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

☒ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-off☐ Subsequent Report☐ Altering Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☐ Casing Repair☐ New Construction☐ Recomplete☐ Other☐ Final Abandonment Notice☐ Change Plans☒ Plug and abandon☐ 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 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 SJ #1, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

BHGR will be using a close-loop system for the plug and abandon work.

RCVD AUG 13 '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

AUG 12 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.

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

July 31, 2013

Jicarilla 457-09 #2

East Blanco Pictured Cliffs

Surface: 695' FNL, 731' FWL, Section 9, T30N, R3W, Rio Arriba County, NM

Bottom Hole Location: 808' FNL, 1048' FEL, Section 9, T30N, R3W, Rio Arriba County, NM

API 30-039-26064 / 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 X , No _____, Unknown _____.
Tubing: Yes X , No _____, Unknown _____, Size 2-3/8" , Length 3848'.
Packer: Yes _____, No X , Unknown _____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
3. **Plug #1 (Pictured Cliffs interval and Fruitland, Kirtland, Ojo Alamo tops, 3720' – 3152'):**
Round trip 5.5" gauge ring or casing scraper to 3720', or as deep as possible. TIH and set 5.5" CR or CIBP at 3720'. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 73 sxs Class B cement and spot a balanced plug inside the casing above the CR or CIBP to isolate the PC interval and cover through the Ojo Alamo top. PUH.
4. **Plug #2 (Nacimiento top, 2072' - 1972'):** Mix 17 sxs Class B cement and spot a balanced plug inside the casing to isolate the Nacimiento top. PUH.
5. **Plug #3 (8-5/8" casing shoe, 603' - 503'):** Mix 17 sxs Class B cement and spot a balanced plug inside the casing to isolate the 8-5/8" casing shoe top. PUH.
6. **Plug #4 (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 15 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.
7. 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.

GL = 7216
KB = 7228

8 5/8" 24# K-55 csg set @ 553'.
Cmt w/ 300 sx. Circ cmt to
surface.

7 7/8" hole

Nacimiento 2022'

Ojo Alamo 3202'

Kirtland	3500'
Fruitland	3595'

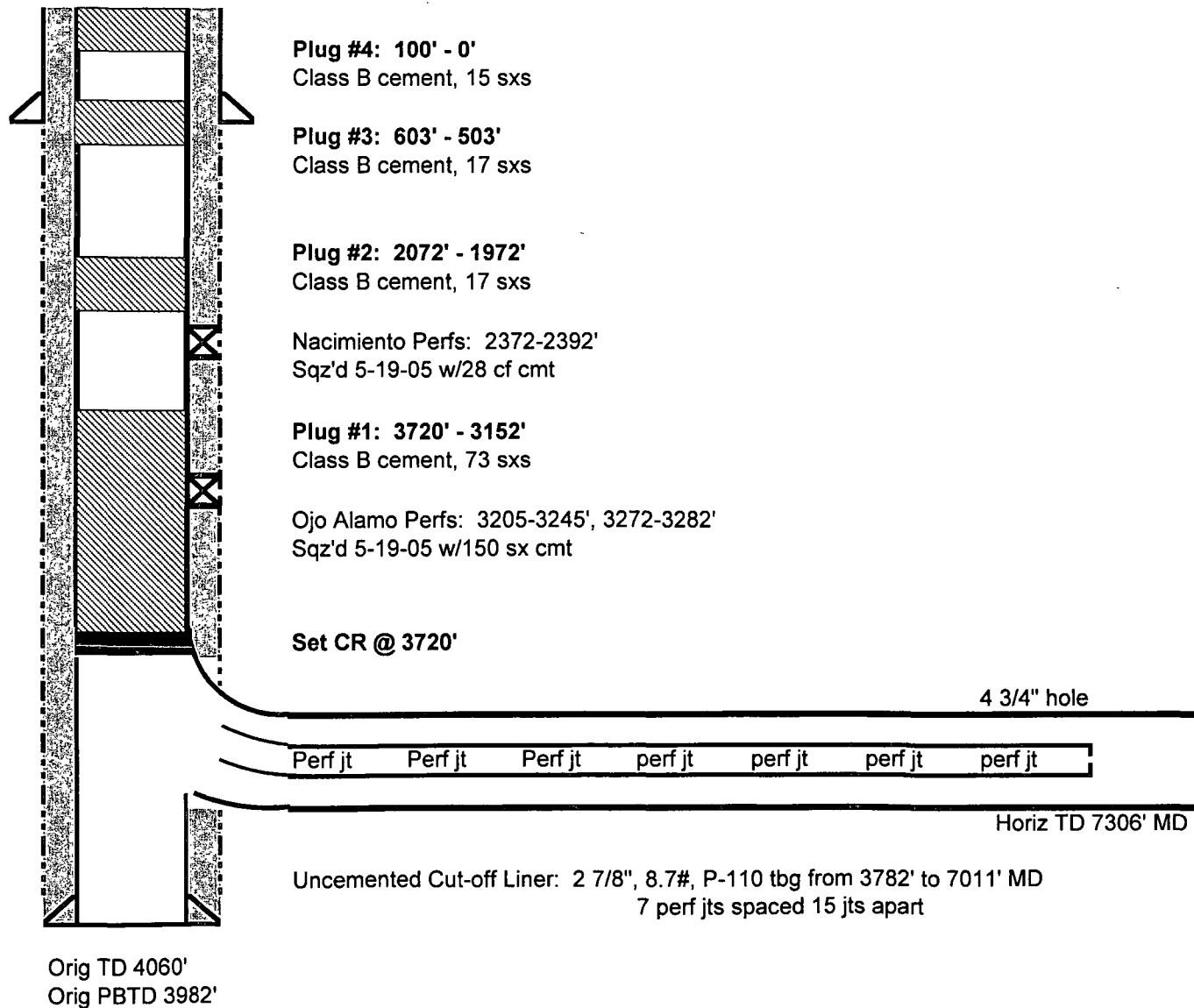
Pict Cliffs **3746'**

Window cut 3749' - 3762'

5 1/2" 15.5# K-55 casing set @ 4047'. Cmt w/760 sx. Circ 105 sx to surface.

Wellbore Diagram - Plugged
API # 30-039-26064

NW NW Sec. 9, T30N, R3W Rio Arriba, NM
SPUD DATE: 9/12/98



6/6/2013

GL = 7216
KB = 7228

Jicarilla 457-09 #2

Wellbore Diagram

API # 30-039-26064

NW NW Sec. 9, T30N, R3W Rio Arriba, NM

SPUD DATE: 9/12/98

12 1/4" hole

8 5/8" 24# K-55 csg set @ 553'.
Cmt w/ 300 sx. Circ cmt to
surface.

7 7/8" hole

Nacimiento 2022'

Ojo Alamo 3202'

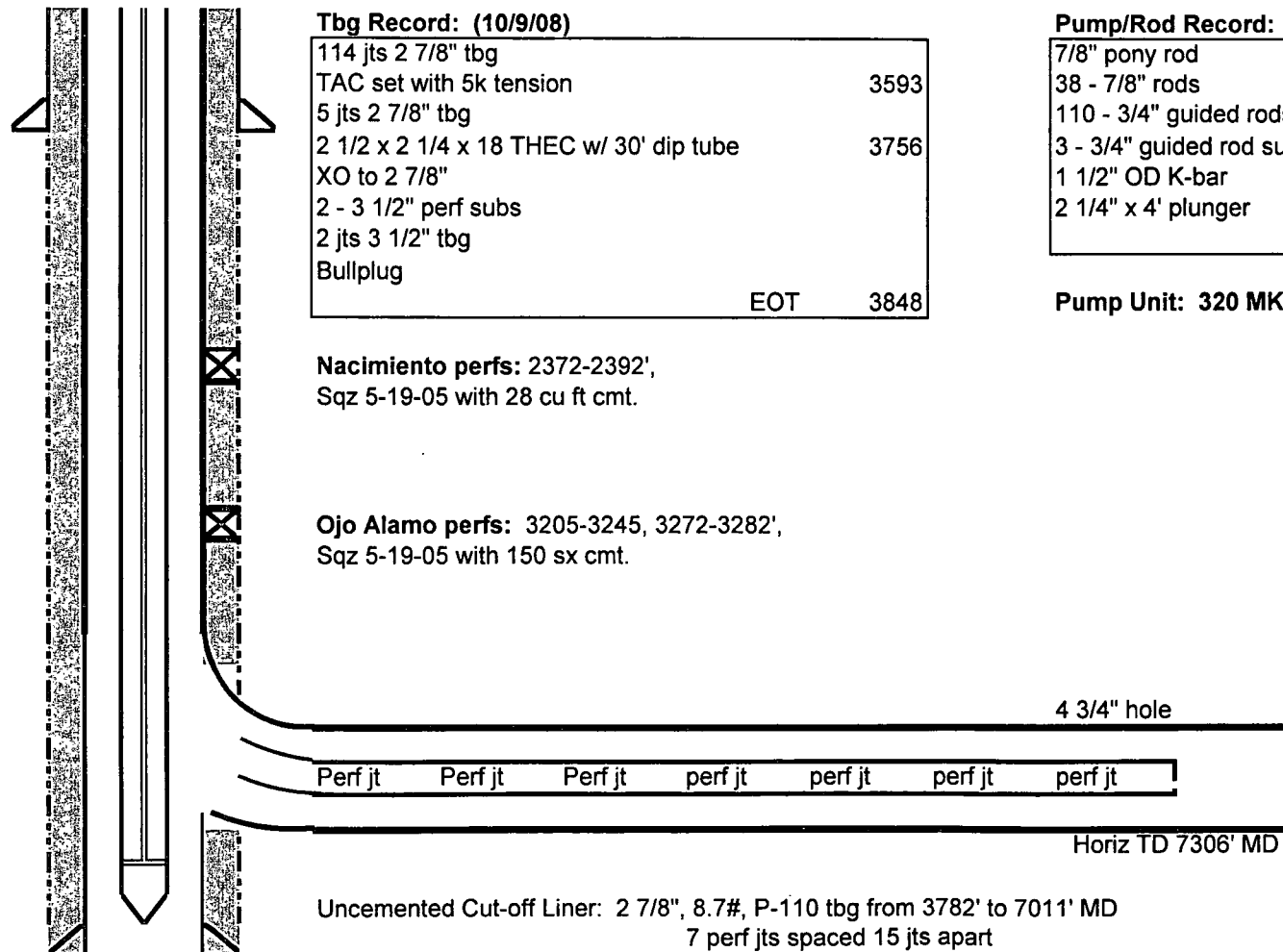
Kirtland 3500'

Fruitland 3595'

Pict Cliffs 3746'

Window cut 3749' - 3762'

5 1/2" 15.5# K-55 casing set @
4047'. Cmt w/760 sx. Circ 105
sx to surface.



Tbg Record: (10/9/08)

114 jts 2 7/8" tbg	
TAC set with 5k tension	3593
5 jts 2 7/8" tbg	
2 1/2 x 2 1/4 x 18 THEC w/ 30' dip tube	3756
XO to 2 7/8"	
2 - 3 1/2" perf subs	
2 jts 3 1/2" tbg	
Bullplug	
EOT	3848

Nacimiento perfs: 2372-2392',
Sqz 5-19-05 with 28 cu ft cmt.

Ojo Alamo perfs: 3205-3245, 3272-3282',
Sqz 5-19-05 with 150 sx cmt.

Pump/Rod Record:

7/8" pony rod
38 - 7/8" rods
110 - 3/4" guided rods
3 - 3/4" guided rod subs
1 1/2" OD K-bar
2 1/4" x 4' plunger

Pump Unit: 320 MK 256-120

Uncemented Cut-off Liner: 2 7/8", 8.7#, P-110 tbg from 3782' to 7011' MD
7 perf jts spaced 15 jts apart

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 457-9

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.