

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 25 2014

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, Tract 1	
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. Jicarilla 30-03-28 #14	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 70' FNL & 130' FEL NE/NE Section 28 T30N R3W (UL: A)		9. API Well No. 30-03929265	
		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			
<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 14, 2014, to plug and abandon Jicarilla 30-03-28 #14, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

Black Hills Gas Resources will be using a close loop system.

OIL CONS. DIV DIST. SEE ATTACHED FOR
CONDITIONS OF APPROVAL

JUN 30 2014

BLM'S APPROVAL OR ACCEPTANCE OF THIS
ACTION DOES NOT RELIEVE THE LESSEE AND
OPERATOR FROM OBTAINING ANY OTHER
AUTHORIZATION REQUIRED FOR OPERATIONS
ON FEDERAL AND INDIAN LANDS

Notify NMOCD 24 hrs
prior to beginning
operations



H₂S POTENTIAL EXIST

14. I hereby certify that the foregoing is true and correct. Name (Printed/ Typed)

Daniel Manus

Regulatory Techician

Title

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

June 24, 2014

Jicarilla 30-03-28 #14

East Blanco Pictured Cliffs/Basin Fruitland Coal
70' FNL, 130' FEL, Section 28, T30N, R3W, Rio Arriba County, NM
API 30-039-29265 / 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 will use 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 2-3/8", Length 3729'.
Packer: Yes _____, No X, Unknown _____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
4. **Plug #1 (Pictured Cliffs interval, Fruitland Coal, Fruitland, Kirtland and Ojo Alamo tops, 3605' – 3059')**: Round trip 5.5" gauge ring or csg scraper to 3605', or as deep as possible. TIH and set 5.5" CR or CIBP at 3605'. Pressure test tubing to 1000#. Mix 72 sxs Class B cement and spot plug inside the casing above the CR/CIBP to isolate the PC interval, fill the Fruitland Coal perforations (note: 30% over 24' of perforation) and cover the Fruitland, Kirtland and Ojo Alamo tops. PUH and WOC. TIH and tag cement 50' above top of Ojo Alamo. If necessary top off cement and go to Plug #2.
5. **Plug #2 (Nacimiento top, 2121' – 2021')**: ^{See COA} Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH and LD tubing
6. **Plug #3 (8-5/8" Surface casing shoe, 332' - 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 332' 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 332' and the annulus from the squeeze holes to surface. Shut in well and WOC.
7. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and cut off anchors. Restore location per BLM stipulations

Jicarilla 30-03-28 #14

Current

East Blanco Pictured Cliffs / Basin Fruitland Coal

70' FNL & 130' FEL, Section 28, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-29265

Today's Date: 6/24/14

Spud: 11/1/04

Comp: 4/18/05

Elevation: 7148' GI
7161' KB

12-1/4" Hole

TOC @ surface (CBL)

8-5/8" 24#, J-55 Casing set @ 282'
Cement with 175 sxs, circulated to surface

Nacimiento @ 2071'

2-3/8" tubing at 3729'
(117 jts, SN, tail joint and rods and pump)

Nacimiento Perforations: 3028' - 3061'
(squeeze with 100 sxs, 2005)

Ojo Alamo @ 3109'

Ojo Alamo Perforations: 3146' - 3166'
(squeeze with 25 sxs, 2005)

Ojo Alamo Perforations: 3204' - 3240'
(squeeze with 85 sxs, 2005)

Kirtland @ 3346'

Fruitland @ 3521'

Fruitland Coal Perforations:
3570' - 3594'

Pictured Cliffs @ 3618'

Pictured Cliffs Perforations:
3620' - 3720'

7-7/8" Hole

5.5" 15.5# / 17#, J-55 Casing @ 3746'
Cement with 650 sxs, circ 20 bbls cmt
to surface. Ran CBL, TOC @ surface

3765' TD
3742' PBTB

Jicarilla 30-03-28 #14

Proposed P&A

East Blanco Pictured Cliffs / Basin Fruitland Coal

70' FNL & 130' FEL, Section 28, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-29265

Today's Date: 6/24/14

Spud: 11/1/04

Comp: 4/18/05

Elevation: 7148' GI
7161' KB

12-1/4" Hole

Nacimiento @ 2071'

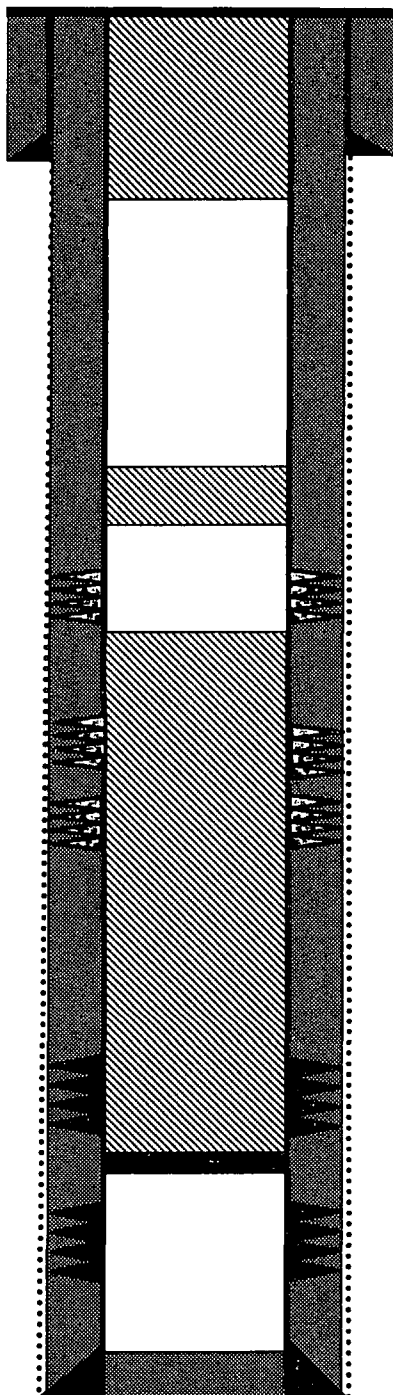
Ojo Alamo @ 3109'

Kirtland @ 3346'

Fruitland @ 3521'

Pictured Cliffs @ 3618'

7-7/8" Hole



TOC @ surface (CBL)

8-5/8" 24#, J-55 Casing set @ 282'
Cement with 175 sxs, circulated to surface

Plug #3: 332' - 0'
Class B cement, 40 sxs

See COA
Plug #2: 2121' - 2021'
Class B cement, 17 sxs

Nacimiento Perforations: 3028' - 3061'
(squeeze with 100 sxs, 2005)

Ojo Alamo Perforations: 3146' - 3166'
(squeeze with 25 sxs, 2005)

Ojo Alamo Perforations: 3204' - 3240'
(squeeze with 85 sxs, 2005)

Plug #1: 3605' - 3059'
Class B cement, 72 sxs
(30% excess over FtC Perfs)

Fruitland Coal Perforations:
3570' - 3594'

Set CR @ 3605'

Pictured Cliffs Perforations:
3620' - 3720'

5.5" 15.5# / 17#, J-55 Casing @ 3746'
Cement with 650 sxs, circ 20 bbls cmt
to surface. Ran CBL, TOC @ surface

3765' TD
3742' 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: Jicarilla 30-03-28 #14

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
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) Bring the top of plug #2 to 1898 ft. to cover the Nacimiento top. Adjust cement volume accordingly.

Note: High to very high concentrations of H₂S (135-1731) ppm GSV have been reported in wells which produce gas from the San Jose, Nacimiento and Ojo Alamo formations within a 1 mile radius of this location. It is imperative that H₂S monitoring and safety equipment be on location during the P&A operations at this wellsite.

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.