

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions
listed below are made in accordance with OCD Rule 19.15.7.11
and are in addition to the actions approved by BLM on the
following 3160-4 or 3160-5 form.

Operator Signature Date: August 14th, 2014

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-29988-00-00	MANY CANYONS 29 04 26	133	BLACK HILLS GAS RESOURCES, INC.	G	A	Rio Arriba	F	J	26	29	N	4	W

Application Type:

☒ P&A ☐ Drilling/Casing Change ☐ Recomplete/DHC
☐ Location Change ☐ Other:

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations

Provide CBL to agencies for review/approval prior to cementing

NMOCD Approved by Signature

8/21/14

Date

RECEIVED

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 14 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. NMNM 18325
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name
3a. Address P.O. Box 249, 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) 1960' FSL & 1915' FEL NW/SE Section 26 T29N R4W (UL: J)		8. Well Name and No. Many Canyons 29-04-26 #133
		9. API Well No. 30-039-29988
		10. Field and Pool, or Exploratory Area Choza 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 recompleate 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 recompleation 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 reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Per the Notice of Intent dated July 16, 2014, to plug and abandon Many Canyons 29-04-26 #133, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

BHGR will be using a closed loop system.

RCVD AUG 21 '14

OIL CONS. DIV.

DIST. 3
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

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

Daniel Manus

Regulatory Technician

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)

NMOCDA

PLUG AND ABANDONMENT PROCEDURE

July 14, 2014

Many Canyons 29-04-26 #133

Choza Mesa Pictured Cliffs

1960' FSL, 1915' FEL, Section 26, T29N, R4W, Rio Arriba County, NM

API 30-039-29988 / 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.

This project will use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.

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 X, Unknown____.
Tubing: Yes X, No____, Unknown____, Size 2-7/8" tubing, Length 4028'.
Packer: Yes____, No X, Unknown____, Type____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
Round trip 7" casing scraper to 4073' or as deep as possible. Note: Upper Lateral KO window from 4123' – 4128'.
3. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 4073' – 3613'):** TIH and set 7" CR or CIBP at 4073'. Pressure test tubing to 1000#. **Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate.** Mix 96 sxs Class B cement and spot a balanced plug above CR or CIBP, inside the casing, to isolate the Pictured Cliffs interval and cover through the Ojo Alamo top. TOH.
4. **Plug #2 (Nacimiento top, 2413' – 2313'):** Mix 29 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH and LD tubing.
5. **Plug #3 (9-5/8" Surface casing shoe, 341' - Surface):** Perforate squeeze holes at 341'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 120 sxs Class B cement and pump down the 7" casing to circulate good cement out bradenhead. Shut in well and WOC.
6. 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

Many Canyons 29-04-26 #133

CURRENT Wellbore Diagram

API # 30-039-29988

Sec. 26, T29N, R04W, Rio Arriba, NM

7/14/2014

Spud Date: 9/25/07
Compl Date: 11/21/07

Elevation: 7396' GL
7408' KB

12 1/4" hole

SURF CASING

9 5/8" 36# J-55 casing @ 291'.
Cmt w/ 165 sx. Circ 10 bbl cmt to pit.

8 3/4" hole

Nacimiento 2363' MD = 2363' TVD

Ojo Alamo 3664' MD = 3663' TVD

Kirtland 3791' MD = 3790' TVD

Fruitland 3973' MD = 3967' TVD

Pictured Cliffs 4109' MD = 4086' TVD

Upper Lateral window 4123-4128' MD

Knight 1 X Whipstock at 4114'

RBP set @ 4132'

PROD CASING

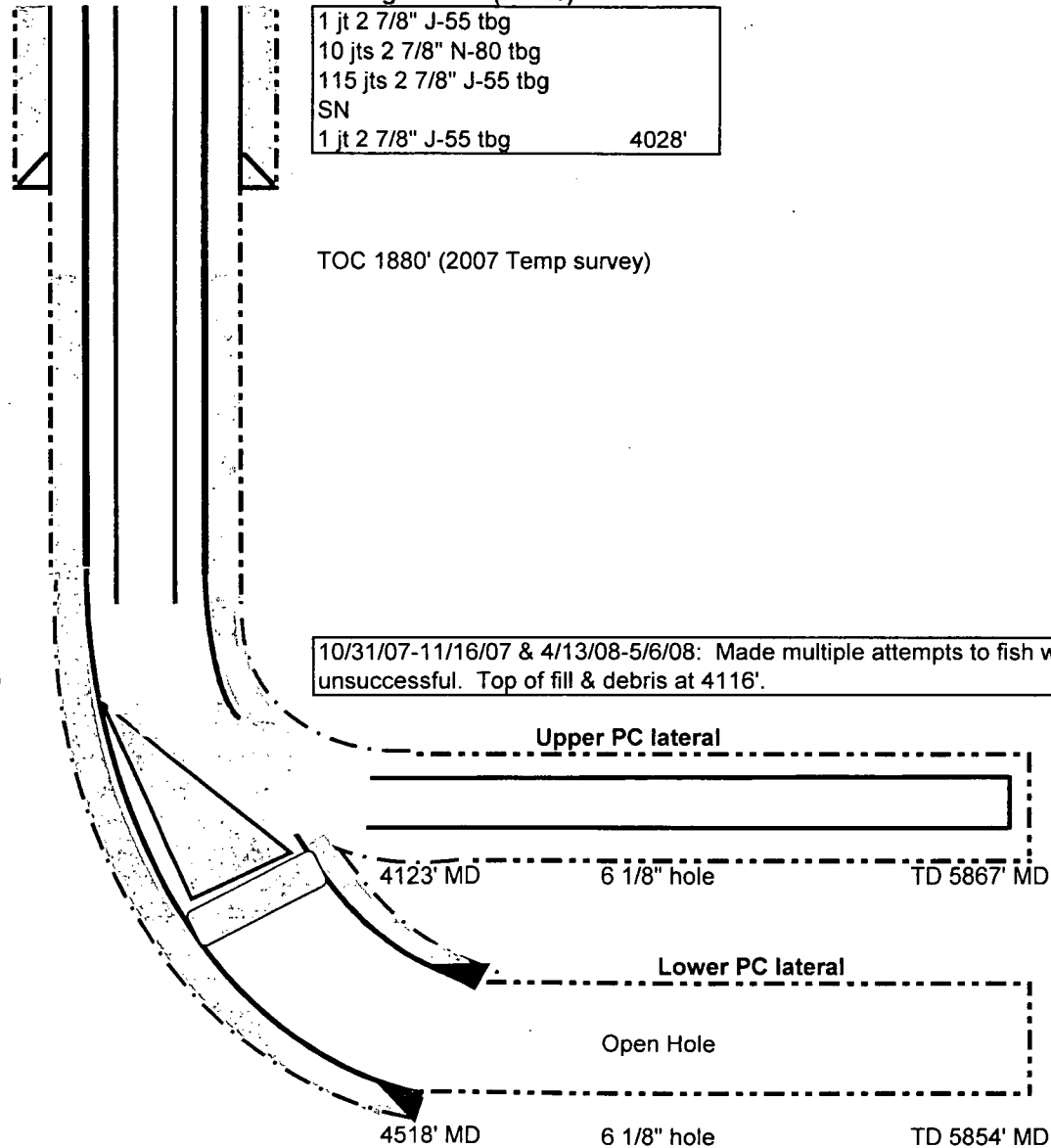
7", 23#, J-55 casing at 4518'.
Cmt w/ 750 sx. Did not circ cmt.
Ran Temp survey. TOC at 1880'.

Tubing Record (5/5/08):

1 jt 2 7/8" J-55 tbg
10 jts 2 7/8" N-80 tbg
115 jts 2 7/8" J-55 tbg
SN
1 jt 2 7/8" J-55 tbg 4028'

TOC 1880' (2007 Temp survey)

10/31/07-11/16/07 & 4/13/08-5/6/08: Made multiple attempts to fish whipstock, unsuccessful. Top of fill & debris at 4116'.



Upper Lateral Detail:

4 1/2", 11.6#, J-55 liner (uncemented). Top of liner at 4132' MD. Bottom of liner at 5752' MD. 5 pre-perf jts with tops at 5711', 5308', 4905', 4501', 4178'

Many Canyons 29-04-26 #133
Proposed P&A Wellbore Diagram
 API # 30-039-29988
 Sec. 26, T29N, R04W, Rio Arriba, NM

7/14/2014

Spud Date: 9/25/07
 Compl Date: 11/21/07

Elevation: 7396' GL
 7408' KB

12 1/4" hole

SURF CASING

9 5/8" 36# J-55 casing @ 291'.
 Cmt w/ 165 sx. Circ 10 bbl cmt to pit.

8 3/4" hole

Nacimiento 2363' MD = 2363' TVD

Ojo Alamo 3664' MD = 3663' TVD

Kirtland 3791' MD = 3790' TVD

Fruitland 3973' MD = 3967' TVD

Pictured Cliffs 4109' MD = 4086' TVD

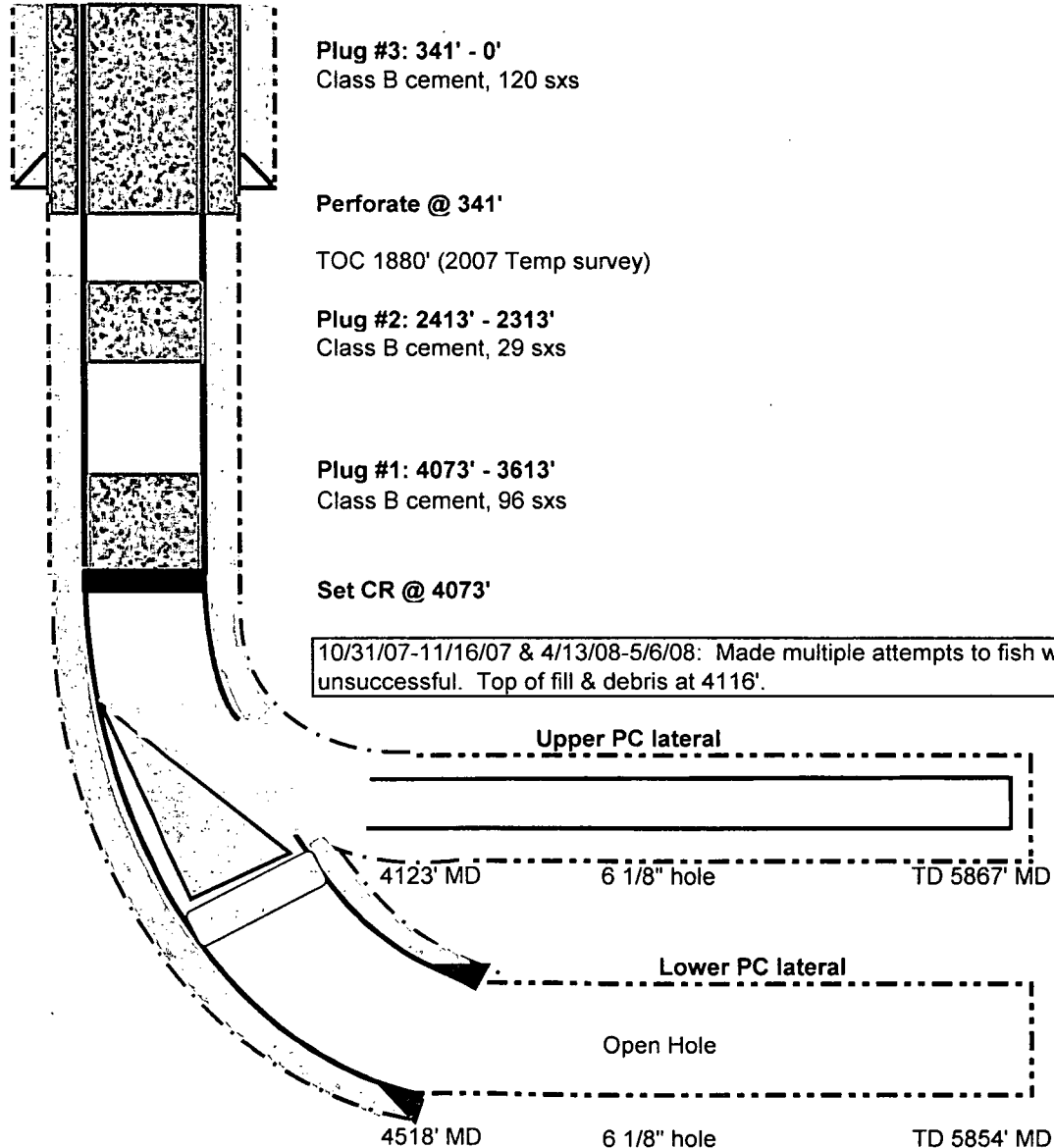
Upper Lateral window 4123-4128' MD

Knight 1 X Whipstock at 4114'

RBP set @ 4132'

PROD CASING

7", 23#, J-55 casing at 4518'.
 Cmt w/ 750 sx. Did not circ cmt.
 Ran Temp survey. TOC at 1880'.



Plug #3: 341' - 0'
 Class B cement, 120 sxs

Perforate @ 341'

TOC 1880' (2007 Temp survey)

Plug #2: 2413' - 2313'
 Class B cement, 29 sxs

Plug #1: 4073' - 3613'
 Class B cement, 96 sxs

Set CR @ 4073'

10/31/07-11/16/07 & 4/13/08-5/6/08: Made multiple attempts to fish whipstock, unsuccessful. Top of fill & debris at 4116'.

Upper PC lateral

4123' MD 6 1/8" hole TD 5867' MD

Lower PC lateral

Open Hole

4518' MD 6 1/8" hole TD 5854' MD

Upper Lateral Detail:

4 1/2", 11.6#, J-55 liner (uncemented). Top of liner at 4132' MD. Bottom of liner at 5752' MD. 5 pre-perf jts with tops at 5711', 5308', 4905', 4501', 4178'

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: Many Canyons 29-04-26 #133

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.

Operator must run a CBL from 4073 ft., or as deep as possible, to verify cement top. Outside plugs might be required, based on CBL result. Submit electronic copy of the log for verification to the following BLM address: tsalyers@blm.gov

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.