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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. MDA 701-98-0013, Tract 2
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name Jicarilla Apache Tribe
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) 580' FNL & 1055' FEL NE/NE Section 29 T29N R2W (UL: A)		8. Well Name and No. Jicarilla 29-02-29 #14
		9. API Well No. 30-039-29536
		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 recomple horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be 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 recomple 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.)

Black Hills Gas Resources intends to plug and abandon Jicarilla 29-02-29 #14 per attached procedure.
BHGR will be using a close-loop system

OIL CONS. DIV DIST. 3

Attachments;
P&A proposed procedure
Reclamation plan

Notify NMOCD 24 hrs
prior to beginning
operations

SEP 23 2015

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 II

Title

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title PE

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 FFO

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

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PLUG AND ABANDONMENT PROCEDURE

August 24, 2015

Jicarilla 29-02-29 #14

East Blanco Pictured Cliffs

580' FNL, 1055' FEL, Section 29, T29N, R2W, Rio Arriba County, NM

API 30-039-29536 / 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 well requires the use of 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 _____, No _____, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 2-3/8", Length 3458'.
Packer: Yes _____, 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, Kirtland and Ojo Alamo tops, (3398' – 3032')):**
Round trip 5.5" casing scraper to 3398'. RIH and set 5.5" CR at 3398'. Pressure test tubing to 1000#. Circulate well clean. Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate. Spot 48 sxs Class B cement above the CR to isolate the PC interval and cover through the Ojo Alamo top. PUH.
5. **Plug #2 (Nacimiento top, 2065' – 1965'):** Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. PUH.
6. **Plug #3 (8-5/8" Surface casing shoe, 333' - 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 333' 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 333' 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 29-02-29 #14

Current

East Blanco Pictured Cliffs

580' FNL & 1055' FEL, Section 29, T-29-N, R-2-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-29536

Today's Date: 8/10/15

Spud: 1/30/06

Comp: 3/2/06

Elevation: 7107' GI
7120' KB

12-1/4" Hole

TOC at Surface (2006 CBL)

8-5/8" 24#, J-55 Casing set @ 283'
Cement with 200 sxs, circulated to surface

2-3/8" tubing at 3458'
(109 jts, R nipple and muleshoe)

Nacimiento @ 2015'

Ojo Alamo @ 3082'

Kirtland @ 3257'

Fruitland @ 3350'

Pictured Cliffs @ 3446'

Pictured Cliffs Perforations:
3448' - 3480'

7-7/8" Hole

5.5" 15.5# / 17# J-55 Casing @ 3664'
Cement with 650 sxs; circulate to surface

3664' TD
PBSD 3642'
Fill @ 3525'

Jicarilla 29-02-29 #14

Proposed P&A

East Blanco Pictured Cliffs

580' FNL & 1055' FEL, Section 29, T-29-N, R-2-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-29536

Today's Date: 8/10/15

Spud: 1/30/06

Comp: 3/2/06

Elevation: 7107' GI
7120' KB

12-1/4" Hole

TOC at Surface (2006 CBL)

8-5/8" 24#, J-55 Casing set @ 283'
Cement with 200 sxs, circulated to surface

Plug #3: 333' – 0'
Class B cement, 40 sxs

Plug #2: 2065' – 1965'
Class B cement, 17 sxs

Plug #1: 3398' – 3032'
Class B cement, 48 sxs

Set CR @ 3398'

Pictured Cliffs Perforations:
3448' – 3480'

5.5" 15.5# / 17# J-55 Casing @ 3664'
Cement with 650 sxs; circulate to surface

7-7/8" Hole

Nacimiento @ 2015'

Ojo Alamo @ 3082'

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3664' TD
PBTD 3642'
Fill @ 3525'

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 29-02-29 #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:
 - a) Bring the top of plug #2 to 1860 ft. to cover the Nacimiento top. BLM picks top of Nacimiento at 1910 ft. Adjust cement volume accordingly.

Operator will run a CBL to verify cement top. Submit the electronic copy of the log for verification to the following addresses: tsalyers@blm.gov Brandon.Powell@state.nm.us

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.