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Form 3160-5
(August 2007)

UNITED STATES

DEPARTMENT OF THE INTERIOR

Farrington Field Office BUREAU OF LAND MANAGEMENT
Bureau of Land Management

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.

FORM APPROVED

OMB No 1004-0137

Expires: July 31, 2010

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

P.O. Box 249 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: 690' FNL & 1345' FEL NW/NE Sec. 7 T29N R3W (UL: B)

BHL: 784' FNL & 732' FWL NW/NW Sec. 7 T29N R3W (UL: D)

5. Lease Serial No.

Jicarilla Contract 452

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 452-07 #13

9. API Well No.

30-039-29470

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Altering Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and abandon☐ Plug back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-off☐ Well Integrity☐ Other

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 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 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 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 452-07 #13 per attached procedure.

BHGR will be using a close-loops system

Attachments:

P&A Procedure

Reclamation Plan

OIL CONS. DIV DIST. 3

SEP 24 2015

Notify NMOCD 24 hrs
prior to beginning
operationsBLM'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 LANDSSEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Troy Salvors

Title PE

Date 9/21/2015

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

July 29, 2015

Jicarilla 452-07 #13

East Blanco Pictured Cliffs

Surface: 690' FNL & 1345' FEL, Section 7, T29N, R3W, Rio Arriba County, New Mexico

Bottom Hole: 784' FNL & 732' FWL, Section 7, T29N, R3W, Rio Arriba County, New Mexico

API 30-039-29470/ Lat: _____ N Long: _____ W

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 well requires the 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 _____, No X, Unknown _____, Size _____, Length _____;
Packer: Yes _____, No X, Unknown _____, Type _____.

NOTE: will need tubing workstring.

3. **Plug #1 (Nacimiento top, 2129' – 2029'):** TIH with workstring. Circulate well. Pressure test casing with 800 psi. If the casing does not test, then spot or tag subsequent plugs as appropriate. Mix and pump 17 sxs Class B cement and spot a balanced plug inside casing to cover the Nacimiento top. TOH.
4. **Plug #2 (8.625" surface casing shoe, 361' - 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 45 sxs cement and spot a balanced plug from 361' 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 casings to surface. Shut in well and WOC.
5. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Cut off anchors and clean up location. Restore location per BLM stipulations.

Jicarilla 452-07 #13

Current

East Blanco Pictured Cliffs
Surface: 690' FNL & 1345' FEL, Section 7, T-29-N, R-3-W
Bottom Hole: 784' FNL & 732' FWL, Section 7, T-29-N, R-3-W
Rio Arriba County, NM, API #30-039-29470

Today's Date: 7/28/15
Spud: 11/04/06
Completed: 12/23/06
T&A: 4/1/11
Elevation: 7133' GL
7145' KB

San Jose @ Surface

Nacimiento @ 2079'

Ojo Alamo @ 3288'

Kirtland @ 3515' *est

Fruitland @ 3700'

Pictured Cliffs @ 3802'

12.25" hole

7.875" Hole

5.5" 15.5#, J-55 Casing set @ 3980'
Cmt with 631 sxs, circulated
23 bbls cement to surface

MDTD 5845'
PBD 5845'

TOC @ Surface (circulated)

8.625" 24# J-55 Casing set @ 311'
Cement with 225 sxs, circulated to surface

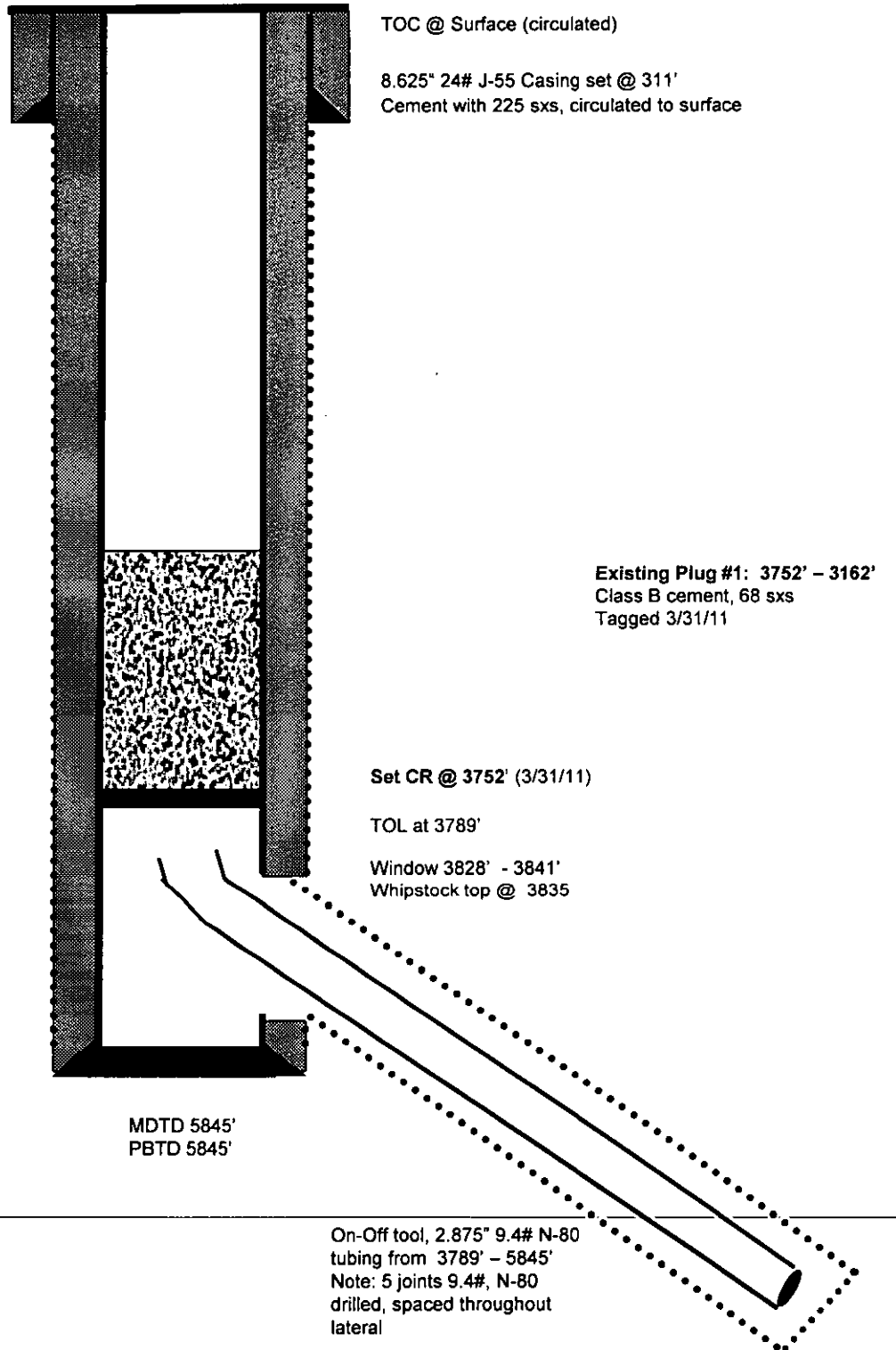
Existing Plug #1: 3752' - 3162'
Class B cement, 68 sxs
Tagged 3/31/11

Set CR @ 3752' (3/31/11)

TOL at 3789'

Window 3828' - 3841'
Whipstock top @ 3835

On-Off tool, 2.875" 9.4# N-80
tubing from 3789' - 5845'
Note: 5 joints 9.4#, N-80
drilled, spaced throughout
lateral



Jicarilla 452-07 #13

Proposed P&A

East Blanco Pictured Cliffs

Surface: 690' FNL & 1345' FEL, Section 7, T-29-N, R-3-W
 Bottom Hole: 784' FNL & 732' FWL, Section 7, T-29-N, R-3-W
 Rio Arriba County, NM, API #30-039-29470

Today's Date: 7/28/15

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5.5" 15.5#, J-55 Casing set @ 3980'
 Cmt with 631 sxs, circulated
 23 bbls cement to surface

MDTD 5845'
 PBSD 5845'

TOC @ Surface (circulated)

8.625" 24# J-55 Casing set @ 311'
 Cement with 225 sxs, circulated to surface

Plug #2: 361' - 0'
 Class B cement, 45 sxs

Plug #1: 2129' - 2029'
 Class B cement, 17 sxs

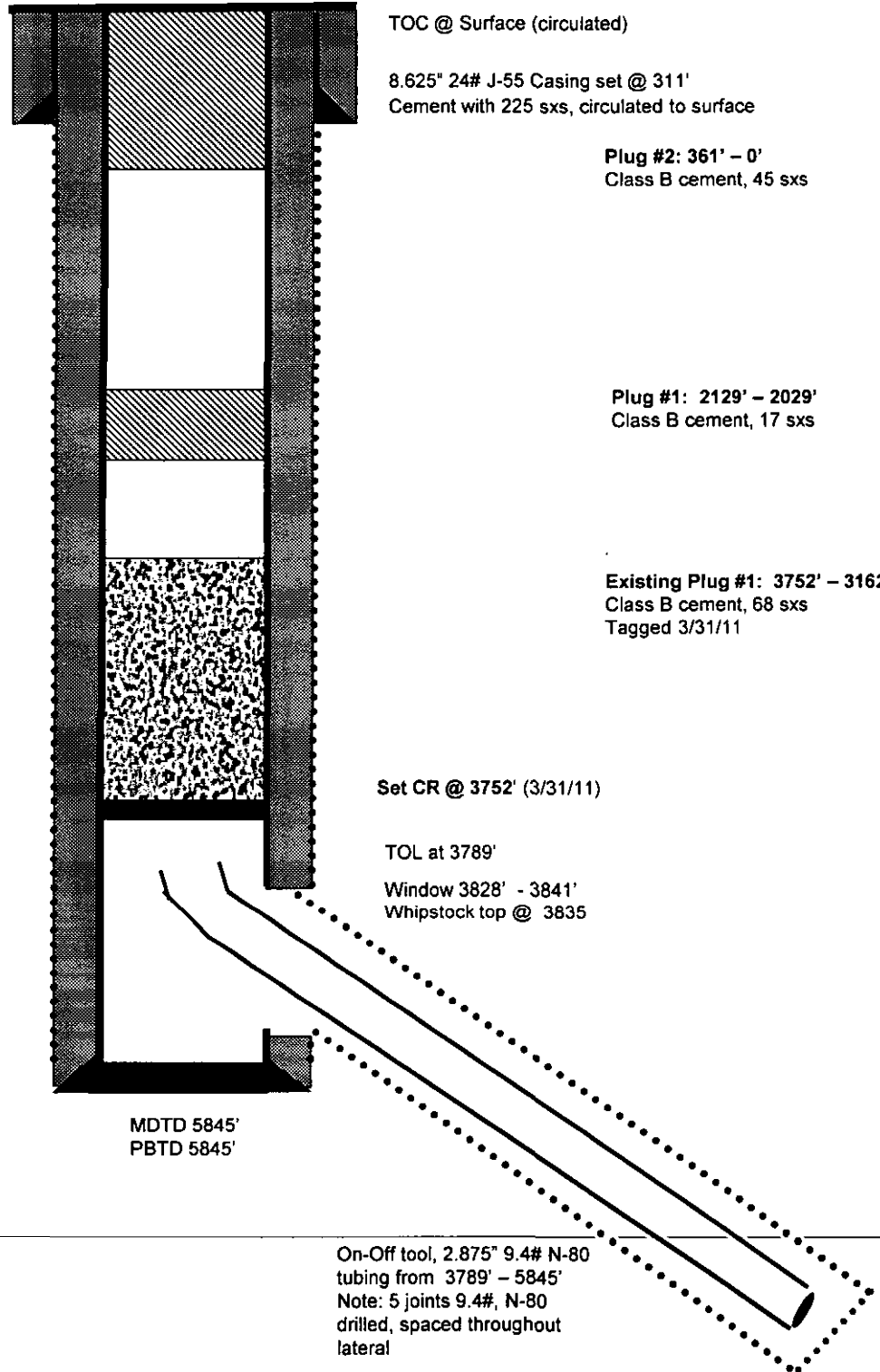
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TOL at 3789'

Window 3828' - 3841'
 Whipstock top @ 3835

On-Off tool, 2.875" 9.4# N-80
 tubing from 3789' - 5845'
 Note: 5 joints 9.4#, N-80
 drilled, spaced throughout
 lateral



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 452-07 #13

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.

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.