

UNITED STATES
DEPARTMENT OF THE INTERIOR
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.

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)
440' FNL & 440' FEL NE/NE Section 34 T30N R3W (UL: A)

5. Lease Serial No.

MDA 701-98-0013, Tract 1

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 30-03-34 #2

9. API Well No.

30-039-26101

10. Field and Pool, or Exploratory Area

Cabresto Cyn Tert / E Blanco PC

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 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 reclamantion, 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 30-03-34 #2 per attached procedure.

Black Hills will use closed loop system.

OIL CONS. DIV DIST. 3

MAY 09 2016

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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Notify NMOCD 24 hrs prior to beginning operations

**Reclamation plan has not been approved.*

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

5/4/16

Office

FFO

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.

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

February 19, 2016

Jicarilla 30-03-34 #2

East Blanco PC /Cabresto Canyon; Tertiary
440' FNL, 440' FEL, Section 34, T30N, R3W, Rio Arriba County, NM
API 30-039-26101 / 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 3675' .
Packer: Yes , No , 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, Fruitland, Kirtland and Ojo Alamo tops, 3678' – 3084'):** TIH with open ended tubing to 3678'. Mix and pump 85 sxs Class B cement (100% excess over Pictured Cliffs perforations) and spot a plug to isolate the PC interval and top, Fruitland, Kirtland and Ojo Alamo tops. PUH and WOC. TIH and tag TOC 50' higher than Ojo Alamo top. If tag is low spot additional cement as required. TOH.
4. **Plug #2 (Nacimiento perforations and top, 2512' – 2012'):** Round trip 5.5" scraper or gauge ring to 2512'. TIH and set 5.5" CR or CIBP at 2512'. Attempt to pressure test casing to 800 psi. If casing does not test then spot or tag subsequent plugs as appropriate. Mix 63 sxs Class B cement and spot a balanced plug inside casing above CR or CIBP to isolate the Nacimiento top. PUH.
5. **Plug #3 (8-5/8" Surface casing shoe, 257' - 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 35 sxs cement and spot a balanced plug from 257' 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 257' and the annulus from the squeeze holes to surface. Shut in well and WOC.
6. 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.

Jicarilla 30-03-34 #2

Proposed P&A

East Blanco PC/ Cabresto Canyon Tertiary

440' FNL & 440' FEL, Section 34, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-26101

Today's Date: 2/19/16

Spud: 12/6/99

PC Comp: 12/12/99

CCT Comp: 1/15/00

Elevation: 7189' GI
7201' KB

12-1/4" Hole

TOC circulated to surface

8-5/8" 24#, K-55 Casing set @ 207'
Cement with 130 sxs, circulated to surface

Plug #3: 257' - 0'
Class B cement, 35 sxs

Nacimiento @ 2062'

Plug #2: 2512' - 2012'
Class B cement, 63 sxs

Set CR @ 2512'

Nacimiento Perforations:
2562' - 2714'

Ojo Alamo @ 3134'

Plug #1: 3678' - 3084'
Class B cement, 85 sxs

Kirtland @ 3365'

Fruitland @ 3520'

Pictured Cliffs @ 3618'

Pictured Cliffs Perforations:
3618' - 3628'

7-7/8" Hole

5.5" 15.5#, J-55 Casing @ 3875'
Cement with 825 sxs, Circulated 82 sx to
surface.

3920' TD
3802' PBTD

Jicarilla 30-03-34 #2

Current

East Blanco PC/ Cabresto Canyon Tertiary

440' FNL & 440' FEL, Section 34, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-26101

Today's Date: 2/19/16
Spud: 12/6/99
PC Comp: 12/12/99
CCT Comp: 1/15/00
Elevation: 7189' GI
7201' KB

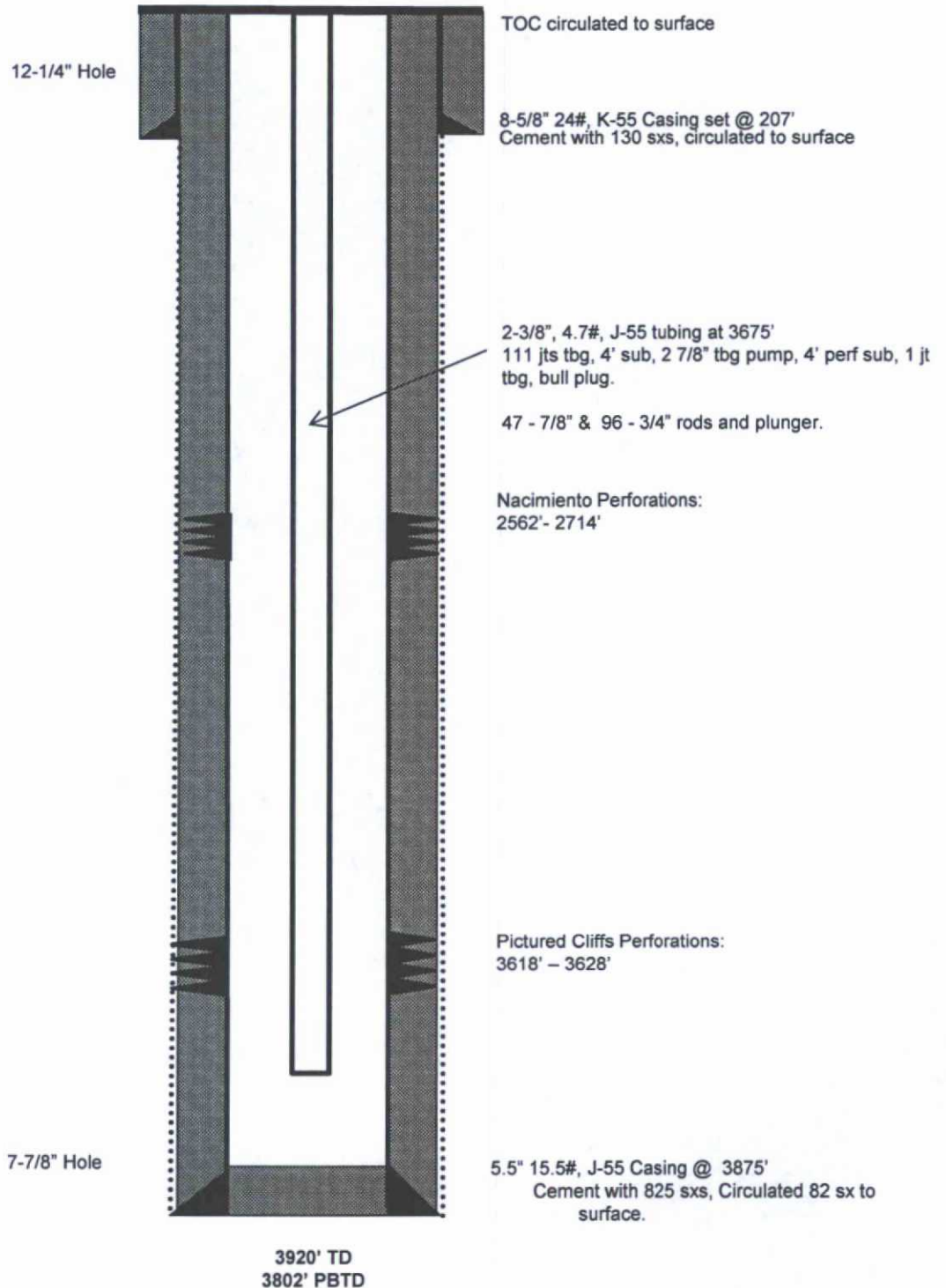
Nacimiento @ 2062'

Ojo Alamo @ 3134'

Kirtland @ 3365'

Fruitland @ 3520'

Pictured Cliffs @ 3618'



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 30-03-34 #2

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 1897 ft. to cover the Nacimiento top. BLM picks top of Nacimiento at 1947 ft. Adjust cement volume accordingly.

High to Very High concentrations of H₂S (187 ppm – 1,731 ppm GSV) have been reported in wells which produce gas from the San Jose, Nacimiento and Ojo Alamo fms. within a 1 mile radius of this location. It is imperative that H₂S monitoring and safety equipment be on location during P&A operations at this well site.

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.