Form 3160- 5 (April 2004)

(Instructions on page 2)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

PORM APPROVED OMB No. 1004-0137 Expires: March 31, 2007

SUNDI	RY NO	OTICES	AND I	REPOR	TS ON	WELLS	_0
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5. Lease Serial No. MDA 701980013

6 If Indian Allottee, or Tribe Name D Jicarilla Apache Tribe abandoned well. Use Form 3160-3 (APD) for such proposals. 7.) If Unit or CA. Agreement Name and/or No. KEUEIV SUBMIT IN TRIPLICATE - Other Instructions on reverse side. Type of Well 210 FARM 8 Well Name and No. X Gas Well Oil Well Jicarilla 29-03-11 #3 Name of Operator 9. API Well No. Black Hills Gas Resources, Inc. 30-039-27847 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory Area P.O. Box 249 Bloomfield, NM 87413 505-634-1111 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) **Basin FC & Cabresto Canyon Tert** 11. County or Parish, State Unit D NW NW Sec 11, T29N, R3W 450' FNL & 860' FWL Rio Arriba, NM CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen Water Shut-off Production (Start/ Resume) Notice of Intent Acidize Altering Casing Fracture Treat Well Integrity X Subsequent Report Casing Repair New Construction Recomplete Other Plug and abandon Change Plans Temporarily Abandon Plug back Water Disposal Final Abandonment Notice Convert to Injection

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 recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. 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 recompletion in a new interval, a Form 3160-4 shall be filled 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 has plugged and abandoned this well as per the attached report. P&A was finished 12-28-2006.

14. I hereby certify that the foregoing is true and correct.									
Name (Printed/ Typed)									
Loren Diede	Title	Consultant (Agent)	Consultant (Agent)						
Signature	Date	January 9, 2007	January 9, 2007						
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 Office which would entitle the applicant to conduct operations thereon.									
Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 12	12, make it a crime for any person knowingly	y 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.									



A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499 505-325-2627 * fax: 505-325-1211

Black Hills Gas Resources, Inc. **Jicarilla 29-03-11 #3**

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450' FNL & 860' FWL, Section 11, T-29-N, R-3-W Rio Arriba County, NM Lease Number: MDA 701-98-0013 API #30-039-27847

Plug and Abandonment Report

Notified JAT - BLM & NMOCD on 12/12/06

Work Summary:

12/15/06 Move on location. RU rig. SDFD.

12/18/06 Well pressures: tubing, 425 PSI; casing, 105 PSI; bradenhead, 0 PSI. Blow down well. ND wellhead. NU BOP, test. TOH with 108 joints 2.375" tubing and packer on/off tool. Packer left in hole. Wait on orders. TIH with on/off tool and tie on to packer at 3325'. Drag packer up to 3315', pulling 35,000#. Push packer down hole to 3571'. Wait on orders. Procedure change approved by Bryce Hammond with JAT-BLM and Henry Villanueva, NMOCD; plan to release packer set plug above. Release from packer at 3571'. Pump 10 bbls water down tubing.

Plug #1 spot 21 sxs Type III cement (28 cf) inside casing from 3571' up to 3364' to isolate the Fruitland perforations and cover the Kirtland top.

TOH and LD packer on/off tool. Shut in well. SDFD.

12/19/06 Poor road conditions. Standby.

12/20/06 Attempt to travel to location. Roads icy and snow-packed. SDFD.

12/21/06 Well pressures: casing, 0 PSI; bradenhead, 0 PSI. TIH with tubing and tag cement at 3462'. TOH with tubing. Round trip 5.5" casing scraper to 3075'. PU 5.5" DHS cement retainer; setting tool malfunction. Setting sleeve locked into run position, won't release. Procedure change approved by Steve Mason with BLM, to spot balanced plug without CR. TIH with open ended tubing to 3462'. Load hole with 10 bbls of water.

Plug #2 with 62 sxs Type III cement (82 cf) inside the casing from 3462' up to 2850' to cover the Ojo Alamo top and to fill the Nacimiento perforations. TOH with tubing. Shut in well. SDFD.

12/22/06 Well pressures: casing, 0 PSI; bradenhead, 0 PSI. TIH with tubing and tag cement at 2852'. PUH to 2015'. Load hole with 1.5 bbls of water. Pressure test bradenhead annulus to 300 PSI, held OK for 5 minutes. Load well with 14 bbls of water; pump total of 25 bbls of water down tubing.

Plug #3 with 17 sxs Type III cement (23 cf) inside the casing from 2018' up to 1848' to cover the Nacimiento top.

TOH with tubing. Shut in well. SDFD.

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Black Hills Gas Resources, Inc. **Jicarilla 29-03-11 #3**

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Work Summary Continued:

12/27/06 TIH with tubing and tag cement at 1767'. TOH with tubing. TIH with 5.5" DHS CR and set at 1176'. Load tubing with 3 bbls of water. Pressure test tubing to 1400 PSI, held OK for 5 minutes. Sting out of CR. Load casing with 12 bbls of water. Circulate well clean with an additional 30 bbls of water. Pressure test casing to 500 PSI, held OK for 5 minutes. Sting into CR. Establish rate 1 bpm at 800 PSI into San Jose perforations.

Plug #4 with CR at 1176', mix and pump 76 sxs Type III cement (101 cf), squeeze 63 sxs outside casing, final displacement rate ½ bpm at 1000 PSI, sting out of CR and leave 13 sxs inside the casing above the CR up to 1048' to isolate the San Jose perforations.

TOH and LD retainer setting tool. TIH with open-ended tubing to 330'. Load hole with 2 bbls of water.

Plug #5 with 35 sxs Type III cement (47 cf) down the 5.5" casing from 330' to surface, circulate good cement out the casing valve.

TOH and LD all tubing. ND BOP.

Dig out wellhead. NU wellhead. Shut in well. SDFD.

12/28/06 Issue Hot Work permit. Cut off wellhead.

Mix 25 sxs Type III cement and install P&A marker. RD. MOL.

B. Hammond, JAT-BLM representative, was on location.

Jicarilla 29-03-11 #3 Post-P&A WB Diagram NW NW Sec 11, T29N, R3W Rio Arriba, NM

Elev. GL 7130' Elev. KB 7143'

