

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

RECEIVED

5. Lease Serial No.
MDA 701-98-0013

6. If Indian, Allottee, or Tribe Name
Jicarilla Apache Tribe

7. If Unit or CA. Agreement Name and/or No.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side.

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)

505-634-1111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Surface: 770' FNL & 725' FWL Unit D Sec 33, T29N, R2W

8. Well Name and No.

Jicarilla 29-02-33 #2

9. API Well No.

30-039-26819

10. Field and Pool, or Exploratory Area

East Blanco, Pictured Cliffs

11. County or Parish, State

Rio Arriba, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|--|--|---|
| <input 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 checked="" 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 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 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 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 dated 10-07-08.

RCVD OCT 30 '08

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

Loren Diede

Title

Consultant (Agent)

Signature

Date

13-Oct-08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

RECEIVED FOR RECORD

Approved by

Title

Date

OCT 28 2008

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.

FARMINGTON FIELD 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)

NMOC D 6/1/10

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3 - 2, 3162.3 - 3, 3162.3 - 4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency -sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137); Bureau information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W.,

Washington D.C. 20240

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 29-02-33 #2

October 7, 2008
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770' FNL & 725' FWL, Section 33, T-29-N, R-2-W
Rio Arriba County, NM
Lease Number: MDA 701-98-0013
API #30-039-26819

Plug & Abandonment Report

Plugging Summary:

10/01/08 Road rig and equipment to location. SDFD.

10/02/08 RU rig. Check well pressures: casing, 140 PSI; tubing, 120 PSI; bradenhead, 0 PSI. Blow well down. Load hole with 4 bbls of water. Pressure test tubing to 1000 PSI, held OK. LD polish rod and stuffing box. TOH and LD 142 – 5/8" rods and 1.5" rod pump. ND wellhead. NU BOP, test. TOH, inspect and tally 114 joints 1.5" EUE 2.9# tubing. Total tally 3600'. LD SN and 16' mud anchor. Shut in well. SDFD.

10/03/08 Check well pressure: casing, 5 PSI, bradenhead, 0 PSI. No tubing in well. Blow well down to pit. Round trip 5.5" casing scraper to 3469'. TIH and set 5.5" DHS cement retainer and set at 3469'. Load hole with 41 bbls of water. Circulate well clean with additional 44 bbls of water. Pressure test casing to 600 PSI, held OK for 5 minutes. Load bradenhead with 1/8 bbl of water. Pressure test bradenhead to 300 PSI, held OK.

Plug #1 with CR at 3469', spot 80 sxs Class B cement (95 cf) inside casing above CR from 3469' up to 2763' to isolate the Pictured Cliffs and Fruitland intervals and cover from the Fruitland top through the Ojo Alamo top.

PUH to 2089'. Load hole with 2-1/2 bbls of water.

Plug #2 spot 17 sxs Class B cement (21 cf) inside casing from 2089' up to 1939' to cover the Nacimiento top.

TOH with tubing. WOC overnight. SDFD.

10/06/08 Open well, no pressure. TIH with open ended tubing to 315'. Load hole with 3 bbls of water.

Plug #3 spot 45 sxs Class B cement (54 cf) inside the 5.5" casing from 315' to surface, circulate good cement out casing valve.

TOH and LD all tubing. ND BOP. Dig out wellhead. Monitor atmosphere. Issue Hot Work Permit. Cut off wellhead. Found cement at surface in the bradenhead.

Mix 25 sxs Class B cement and install P&A marker.

Cut off anchors. RD and MOL.

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

Jicarilla 29-02-33 #2

Actual P&A

EB PC/Basin FC, La Jara Canyon Tertiary

770' FNL & 725' FWL, Section 33, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-26819

Today's Date: 10-07-08

Spud: 6/20/03
Tertiary Completion: 11/19/03
PC Completion: 11/19/03
FtC Completion: 8/26/05
Elevation: 7251' GI
7256' KB

12.25" hole

Nacimiento @ 2039'

Ojo Alamo @ 2870'

Kirtland @ 3280'

Fruitland @ 3495'

Pictured Cliffs @ 3580'

7.875" hole

TOC @ surface

8.625", 24# Casing set @ 262'
Cement with 175 sxs (Circulated to Surface)

Plug #3: 315' - 0'
Class B Cement, 45 sxs

Plug #2: 2089' - 1939'
Class B Cement, 17 sxs

Ojo Alamo Perforations:
2870' - 2880', Sqz'd w/150 sxs
total (2006)

Plug #1: 3469' - 2763'
Class B Cement, 80 sxs

Cement Retainer @ 3469'

Fruitland Coal Perforations:
3508' - 3534'

Pictured Cliffs Perforations:
3560' - 3588'

CIBP set at 3710'

5.5" 15.5#, J-55 Casing set @ 3750'
Cemented with 1170 sxs

TD 3750'
PBSD 3710'