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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAR 06 2012
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 1
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name Jicarilla Apache Tribe
3a. Address 3200 N 1st St, 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) 702' FNL 583' FWL, Section 33 T30N R3W		8. Well Name and No. Jicarilla 30-03-33 #2
		9. API Well No 30-039-26030
		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

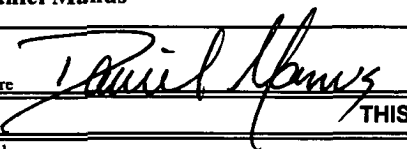
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. 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 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.)

Per the Notice of Intent dated January 31, 2012, to plug and abandon Jicarilla 30-03-33 #2, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

RCVD MAR 14 '12
OIL CONS. DIV.
DIST. 3

14 I hereby certify that the foregoing is true and correct Name (Printed/ Typed)

Daniel Manus	Regulatory Technician
Signature 	Title
	Date 3-6-12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Original Signed: Stephen Mason		MAR 08 2012

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)

NMOCDA

PLUG AND ABANDONMENT PROCEDURE

February 8, 2012

Jicarilla 30-03-33 #2

East Blanco PC / Cabresto Canyon; Tertiary
702' FNL, 583' FWL, Section 33, T30N, R3W, Rio Arriba County, NM
API 30-039-26030 / 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 project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for 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 X , No _____, Unknown_____.
Tubing: Yes X , No _____, Unknown_____, Size 2-3/8" , Length 3621'.
Packer: Yes _____, No _____, 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 and Fruitland and Kirtland tops, 3545' – 3272')**: Round trip 5.5" gauge ring or casing scraper to 3545', or as deep as possible. TIH and set 5.5" CR at 3545'. Pressure test tubing to 1000#. Mix 37 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the PC interval and cover through the Kirtland top. TOH.
5. **Plug #2 (Ojo Alamo perforations and top, 3064' – 2964')**: TIH and set 5.5" CR at 3064'. Mix 17 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the Ojo Alamo perforations and top. PUH.
6. **Plug #3 (Nacimiento top, ¹⁹⁵²2084' – ¹⁸⁵²1984')**: Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH.
7. **Plug #4 (L. San Jose perforations and top, 1426' – 1326')**: TIH and set 5.5" CR at 1426'. Mix 17 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the L. San Jose perforations and top. PUH.
8. **Plug #5 (8-5/8" Surface casing shoe, 584' - 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 70 sxs cement and spot a balanced plug from 584' 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 584' and the annulus from the squeeze holes to surface. Shut in well and WOC.
9. 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 30-03-33 #2

Current

East Blanco PC/ Cabresto Canyon; Tertiary

702' FNL & 583' FWL, Section 33, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-26030

Today's Date: 2/7/12
Spud: 11/26/98
PC Comp: 5/9/06
Tertiary Comp: 1/14/99
Elevation: 7063' GL
7075' KB

L. San Jose @ 1460'

Nacimiento @ 2034'

Ojo Alamo @ 3098'

Kirtland @ 3322'

Fruitland @ 3511' *est

Pictured Cliffs @ 3595'

12-1/4" Hole

7-7/8" Hole

TOC @ Surface per Sundry
and Completion report

8-5/8" 24#, Casing set @ 534'
Cement with 350 sxs, circulated to surface

L. San Jose Perforations:
1476' – 1698'

DV Tool @ 2907'
Cement with 610 sxs, circ 117 sx to pit

2-3/8" tubing at 3621'
(114 jts, SN and Muleshoe with rods and pump)

Ojo Alamo Perforations:
3114' – 3146'

Pictured Cliffs Perforations:
3595' – 3617', 3641' – 3657',
3676' – 3686'

CIBP set at 3635' (2006)

5.5" 15.5#, K-55 Casing @ 3876'
Cement with 270 sxs, circ 79 sx to pit thru
DV tool

3902' TD
3835' PBD

Jicarilla 30-03-33 #2

Proposed P&A

East Blanco PC/ Cabresto Canyon; Tertiary

702' FNL & 583' FWL, Section 33, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-26030

Today's Date: 2/7/12
Spud: 11/26/98
PC Comp: 5/9/06
Tertiary Comp: 1/14/99
Elevation: 7063' GL
7075' KB

12-1/4" Hole

L. San Jose @ 1460'

Nacimiento @ 2034'

Ojo Alamo @ 3098'

Kirtland @ 3322'

Fruitland @ 3511' *est

Pictured Cliffs @ 3595'

7-7/8" Hole

TOC @ Surface per Sundry
and Completion report

8-5/8" 24#, Casing set @ 534'
Cement with 350 sxs, circulated to surface

Plug 5 584' - 0'
Class B cement, 70 sxs

Set CR @ 1426'

Plug #4: 1426' - 1326'
Class B cement, 17 sxs

L. San Jose Perforations:
1476' - 1698'

Plug #3: 2084' - 1984'
Class B cement, 17 sxs

DV Tool @ 2907'
Cement with 610 sxs, circ 117 sx to pit

Set CR @ 3064'

Plug #2: 3064 - 2964'
Class B cement, 17 sxs

Ojo Alamo Perforations:
3114' - 3146'

Set CR @ 3545'

Plug #1: 3545' - 3272'
Class B cement, 37 sxs

Pictured Cliffs Perforations:
3595' - 3617', 3641' - 3657',
3676' - 3686'

CIBP set at 3635' (2006)

5.5" 15.5#, K-55 Casing @ 3876'
Cement with 270 sxs, circ 79 sx to pit
thru DV tool

3902' TD
3835' PBTD

LEASE AND WELL NUMBER McCalla 30-3-33#2 OPERATION MALLON DATE 12-7-78 DAYS FROM 12
 CEPTM TODAY 3900 CEPTM YESTERDAY 3900 CANCELED NO SPUD DATE 11-26-78 DEEPEST Casing 5483876 HOLE SIZE 7 3/4 FORMATION LEWIS

CONTRACTOR AND RIG NUMBER LYELLE RIG #8 OPERATION AT REPORT TIME CEMC

BIT NO	SIZE	MAKE	TYPE	1 1/2" NO. 23 SS/CSS	SERIAL NUMBER	NEW OR RE	DEPTH OUT	DEPTH IN	INCHES	FEET	FEET PER MIN	REMARKS

SAMPLE TIME	DEPTH	WT.	GRAL	VIS.	PV TP	GRS	PH	WL	SAND	PM	MI	SHOR.	CALC.	% SAND	% SOLIDS	% OIL

W.D. & CHEMICALS ADDED		HYDRAULICS RECORD			DEVIATION RECORD			TIME BREAKDOWN			DAYS	
AMOUNT	TYPE	SIT WEIGHT										
		ROTARY RPM										
		STAND PIPE PRESSURE										
		PUMP NO. 1	MAKE	MODEL								
		LINE	SIZE	STROKE	BOTTOM HOLE ASSEMBLY							
		STROKES PER MINUTE										
		PUMP NO. 2	MAKE	MODEL								
		LINE	SIZE	STROKE								
		STROKES PER MINUTE										
		CIRCULATION RATE (GPM)										
		ANN. VEL (FPM)	COLLARS	DRILL PIPE								

DAILY MUD S 2600 CUMULATIVE MUD S 19250 WATER HAULING HOURS

REMARKS - ACTIVITY		
6:00 - 7:00	1 HR	5' DRILL CORRS
7:00 - 11:00	4 HR	TEH BREAK CORRS @ 2000' & 3000'
11:00 - 1:00	2 HR	CEMC
1:00 - 8:00	7 HR	LO DP & DC's
8:00 - 9:30	1 1/2 HR	CHANGE RIGS, RIG UP CASERYS CMT HOSERS
9:30 - 1:00	3 1/2 HR	RUN 100 JS 5 1/2" (39 to 3876')
1:00 - 1:30	1/2 HR	CEMC
1:30 - 2:30	1 HR	FINISH RUN 5 1/2" (39
2:30 - 3:30	1 HR	RIG UP CMT
3:30 - 4:15	3/4 HR	CEMC
4:15 - 5:30	1 1/4 HR	CMT 270 90 CLASS B
5:30 - 6:00	1/2 HR	RAMP BOTTOM, DRIN STAGE CEMC

LEASE AND WELL NUMBER <i>30-3-33#2</i>		OPERATOR <i>MILLER</i>		DATE <i>12-8-98</i>		DATE FROM SP <i>13</i>	
DEPTH TO OIL <i>3900</i>	DEPTH TO WATER <i>3900</i>	GRILLED <i>-0-</i>	SPOU DATE <i>11-26-98</i>	DEEPEST CASING <i>7 1/2 @ 3874</i>	WELL SIZE <i>7 1/2</i>	FORMATION NAME <i>LEWIS</i>	
CONTRACTOR AND RIG NUMBER <i>CASSELL RIG #3</i>		OPERATION AT REPORT TIME <i>MOVING TO TIE 28-2-4#1</i>					

[illegible]

DAILY MUD \$	0 +	CUMULATIVE MUD \$	19250	WATER HAULING HOURS	14-3
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6.00-11:30 5 1/2 HR CIRC 795R Cmt to Pit
11:30-1:30 2 HR Cmt 180 SX CLASS B 65-35-102,
430 SX CLASS B 50-50 P02,
Plug Down 4:30 PM, 12-8-98
CIRC 117 SX to Pit
1:30-7:30 6 HR HD STACK, CLEAN & JET PITS,
RIG RELEASED 7:30 P.M. 12-8-98
Final D-Lg Report

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 2 Jicarilla 30-03-33

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) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Nacimiento plug from 1952' – 1852'.
 - b) You are required to have H2S monitoring equipment and personnel on location during plugging operations.

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.

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from February 2, 2012 in order to determine if they would like to assume ownership of the well. If the Jicarilla Apache Nation has not contacted your office before the end of the 45 days you may proceed with plugging operations.