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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APR 19 2012

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	
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) 1525' FNL & 965' FEL Unit H Sec. 30 T30N R3W	

5. Lease Serial No. Contract 464
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 464 #3
9. API Well No. 30-039-24308
10. Field and Pool, or Exploratory Area East Blanco Pictured Cliff
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 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 reclamention, 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 464 #3, Black Hills Gas Resources is submitting the attached plug and abandon procedure

RCVD APR 25 '12
OIL CONS. DIV.
DIST. 3

14 I hereby certify that the foregoing is true and correct Name (Printed/ Typed) Daniel Manus			Title Regulatory Techician	
Signature 			Date April 19, 2012	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE				
Approved by Original Signed: Stephen Mason			Title 	
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.			Date APR 23 2012	
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.			Office 	

(Instructions on page 2)

NMOCD

PLUG AND ABANDONMENT PROCEDURE

March 26, 2012

Jicarilla 464 #3

East Blanco Pictured Cliffs

1525' FNL, 965' FEL, Section 30, T30N, R3W, Rio Arriba County, NM

API 30-039-24308 / 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 _____, No X, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 2-3/8", Length 3843'.
Packer: Yes _____, No X, Unknown _____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
Run gyroscopic survey on wireline from PBTD to surface prior to spotting cement plugs.

4. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 3760' - 3241'):**
Round trip 4.5" gauge ring or casing scraper to 3760', or as deep as possible. TIH and set 4.5" CR at 3760'. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 44 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate through the Ojo Alamo interval. PUH.
2088 1988
5. **Plug #2 (Nacimiento top, 2307' - 2207'):** Mix 12 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. PUH.
6. **Plug #3 (8-5/8" Surface casing shoe, 186' - 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 75 sxs cement and spot a balanced plug from 186' 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 186' and the annulus from the squeeze holes to surface. Shut in well and WOC.
7. 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 464 #3

Current

East Blanco Pictured Cliffs

1525' FNL & 965' FEL, Section 30, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24308

Today's Date: 3/26/12

Spud: 11/4/88

Comp: 12/3/88

Elevation: 7219' GL
7231' KB

12-1/4" Hole

8-5/8" 24#, J-55 Casing set @ 136'
Cement with 100 sxs, circulated to surface

TOC 1800' (temp survey 11-10-88)

Nacimiento @ 2257' *est

2-3/8" tubing at 3843'

Ojo Alamo @ 3291'

Kirtland @ 3509'

Fruitland @ 3758'

Pictured Cliffs @ 3808'

Pictured Cliffs Perforations:
3810' - 3900'

7-7/8" Hole

4.5" 10.5#, J-55 Casing @ 4193'
Cement with 373 sxs

4220' TD
4117' PBTD

Jicarilla 464 #3

Proposed P&A

East Blanco Pictured Cliffs

1525' FNL & 965' FEL, Section 30, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24308

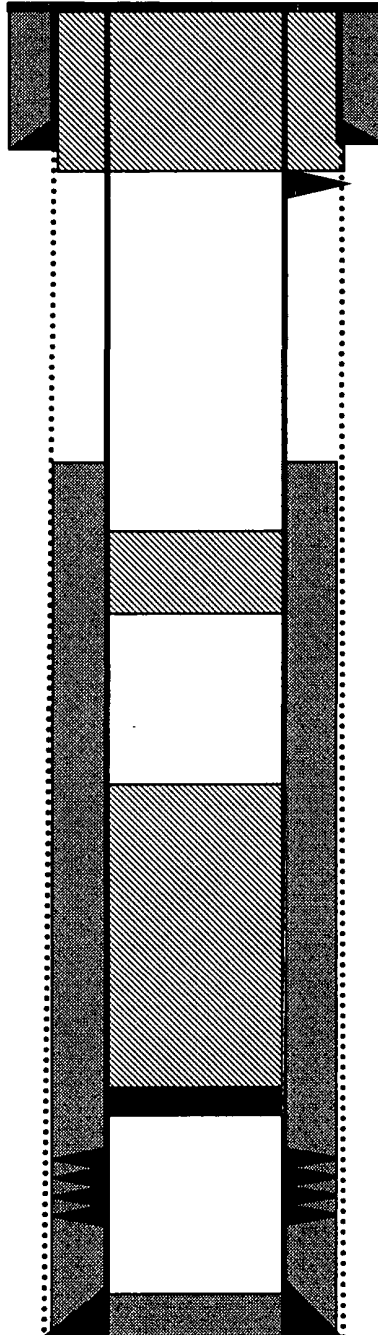
Today's Date: 3/26/12

Spud: 11/4/88

Comp: 12/3/88

Elevation: 7219' GL
7231' KB

12-1/4" Hole



8-5/8" 24#, J-55 Casing set @ 136'
Cement with 100 sxs, circulated to surface

Perforate @ 186'

Plug #3: 186' - 0'
Class B cement, 75 sxs

TOC 1800' (temp survey 11-10-88)

Nacimiento @ 2257' *est

Plug #2: 2307' - 2207'
Class B cement, 12 sxs

Ojo Alamo @ 3291'

Plug #1: 3760' - 3241'
Class B cement, 44 sxs

Kirtland @ 3509'

Fruitland @ 3758'

Pictured Cliffs @ 3808'

Set CR @ 3760'

Pictured Cliffs Perforations:
3810' - 3900'

7-7/8" Hole

4.5" 10.5#, J-55 Casing @ 4193'
Cement with 373 sxs

4220' TD
4117' PBTD

**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: 3 Jicarilla 464

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) Place the Nacimiento plug from 2088' – 1988'.
 - 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.