

MAY - 4 2012UNITED STATES FORM APPROVED Form 3160- 5 (August 2007) DEPARTMENT OF THE INTERIOR OMB No. 1004-0137 BUREAU OF LAND MANAGEMENT lington Field Office Expires July 31,2010 Bureau of Land Managen 5:1 Lease Senal No. **SUNDRY NOTICES AND REPORTS ON WELLS** Contract 459 Do not use this form for proposals to drill or to re-enter an If Indian, Allottee, or Tribe Name abandoned well. Use Form 3160-3 (APD) for such proposals. Jicarilla Apache Tribe If Unit or CA. Agreement Name and/or No. SUBMIT IN TRIPLICATE - Other Instructions on page 2. Type of Well Oil Well Well Name and No. ✓ Gas Well Name of Operator Jicarilla 459-18 #13 Black Hills Gas Resources, Inc. API Well No. 30-039-26058 3a Address 3b Phone No (include area code) 3200 N 1st St, Bloomfield, NM 87413 (505) 634-5104 10. Field and Pool, or Exploratory Area Location of Well (Footage, Sec., T., R., M., or Survey Description) E.Blanco PC/Cabresto Canyon Tert. 2007' FSL & 1177' FWL NE/SW (UL: K) Section 18 T30N R3W 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 ✓ Notice of Intent Water Shut-off Acıdize Production (Start/Resume) Deepen Altering Casing Fracture Treat Reclamation Well Integrity Subsequent Report Casing Repair New Construction Recomplete Change Plans Plug and abandon Temporarily Abandon Convert to Injection Plug back 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 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 459-18 #13 per attached procedure dated 4/24/12. Multiple attempts were made to recover fish in hole without success between February 2003 and April 2003. RCVD MAY 14'12 OIL CONS. DIV. Notify NMOCD 24 hrs DIST. 3 prior to beginning operations 14 I hereby certify that the foregoing is true and correct Name (Printed Typed) Regulatory Techician Daniel Manus Title Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by Original Signed: Stephen Mason Title Date MAY 1 1 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,

(Instructions on page 2)

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

PLUG AND ABANDONMENT PROCEDURE

April 24, 2012

Jicarilla 459-18 #13

East Blanco PC / Cabresto Canyon; Tertiary
2007' FSL, 1177' FWL, Section 18, T30N, R3W, Rio Arriba County, NM
API 30-039-26058 / 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.
- 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_	Χ,	No,	Unknown				
					Unknown		2-3/8"	, Length	3300'
	Packer:	Yes_	,	<u>No</u> ,	Unknown,	Туре		·	

If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

NOTE: Fish in hole. TOF at 3462'. Multiple attempts made to recover fish without

NOTE: Fish in hole. TOF at 3462'. Multiple attempts made to recover fish without success between Feb 2003 and April 2003.

- 4. Plug #1 (Pictured Cliffs interval and Fruitland and Kirtland tops, 3828' 3355'): Round trip 5.5" gauge ring or casing scraper to 3455' (note: top of fish at 3462'). TIH and set 5.5" CR at 3455'. Pressure test tubing to 1000#. Establish rate below CR. Mix 117 sxs Class B cement, squeeze 100 sxs below CR to isolate the PC and Fruitland intervals and cover the fish; then TOH and leave 17 sxs above CR to cover the Kirtland top. TOH.
- 5. Plug #2 (Ojo Alamo perforations and top, 3156' 3056'): TIH and set 5.5" CR at 3156'. 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.

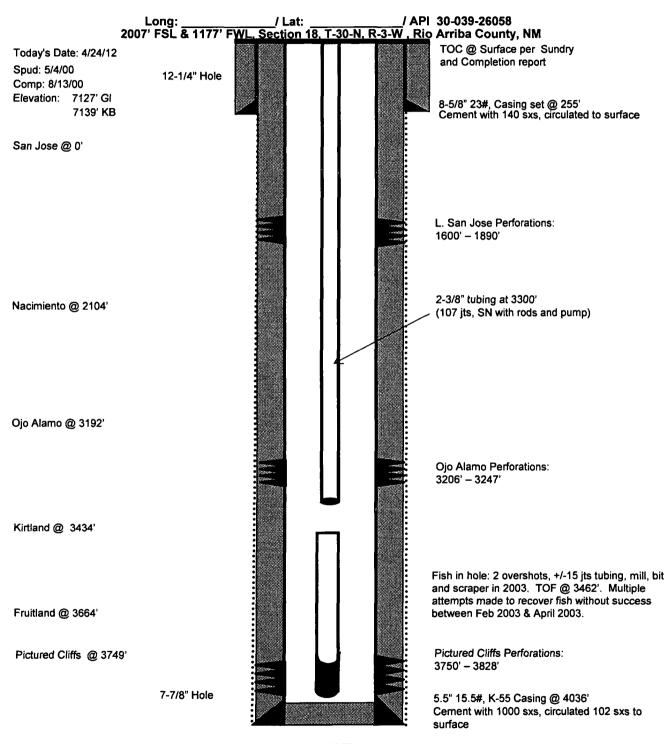
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- 6. Plug #3 (Nacimiento top, 2154' 2954'): Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH.
- 7. Plug #4 (L. San Jose perforations, 1550'- 1450'): TIH and set 5.5" CR at 1550'. Mix 17 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the L. San Jose perforations. PUH.
- 8. Plug #5 (L. San Jose top and 8-5/8" surface casing shoe, 305' 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 41 sxs cement and spot a balanced plug from 305' 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 305' 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 459-18 #13

Current

East Blanco PC/ Cabresto Canyon; Tertiary



4040' TD 3942' PBTD

Jicarilla 459-18 #13 Proposed P&A

East Blanco PC/ Cabresto Canyon; Tertiary

2007' FSL & 1177' FWL, Section 18, T-30-N, R-3-W, Rio Arriba County, NM _____/ Lat: _____/ API 30-039-26058 TOC @ Surface per Sundry Today's Date: 4/24/12 and Completion report Plug #5: 305' - 0' 12-1/4" Hole Spud: 5/4/00 Class B cement, 41 sxs Comp: 8/13/00 8-5/8" 23#, Casing set @ 255' Cement with 140 sxs, circulated to surface Elevation: 7127' GI 7139' KB San Jose @ 0' Plug #4: 1550' - 1450' Class B cement, 17 sxs CIBP @ 1550' L. San Jose Perforations: 1600' - 1890' Plug #3: 2154' - 2054' Nacimiento @ 2104' Class B cement, 17 sxs Plug #2: 3156' - 3056' Class B cement, 17 sxs CIBP @ 3156' Ojo Alamo @ 3192' Oio Alamo Perforations: 3206' - 3247' Plug #1: 3828' - 3355' Class B cement, 117 sxs: Kirtland @ 3434' Set CR @ 3455' 100 sxs below CR and leave 17 sxs above Fish in hole: 2 overshots, +/-15 jts tubing, mill, bit and scraper in 2003. TOF @ 3462'. Multiple Fruitland @ 3664' attempts made to recover fish without success between Feb 2003 & April 2003. Pictured Cliffs Perforations: Pictured Cliffs @ 3749' 3750' - 3828' 7-7/8" Hole 5.5" 15.5#, K-55 Casing @ 4036' Cement with 1000 sxs, circulated 102 sxs to

4040' TD 3942' PBTD

surface

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from $\frac{m_{sy} 7, 2c_{12}}{}$ 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.

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: 13 Jicarilla 459-18

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 2076' 1976'.
- 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.