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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 Contract 457
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) 1450' FSL & 1190' FWL (UL: L) Section 9 T30N R3W 1498' 1144'		8. Well Name and No. Jicarilla 457 #1
		9. API Well No. 30-039-24106
		10. Field and Pool, or Exploratory Area E. Blanco PC & Cabresto Cnyn Tert.
		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 reclamation, 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 457 #1 per attached procedure.

**Notify NMOCD 24 hrs
prior to beginning
operations**

RCVD OCT 1 '12
OIL CONS. DIV.
DIST. 3

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

Daniel Manus

Regulatory Technician

Title

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

SEP 28 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.

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)

NMOCD

PLUG AND ABANDONMENT PROCEDURE

September 26, 2012

Jicarilla 457 #1

East Blanco PC / Cabresto Canyon; Tertiary

1450' FSL, 1190' FWL, Section 9, T30N, R3W, Rio Arriba County, NM

API 30-039-24106 / 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 3803' .
Packer: Yes , No , Unknown , Type .
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

Plug #1 (Pictured Cliffs interval and Fruitland and Kirtland tops, 3658' – 3323'): Round trip 4.5" casing scraper to 3658'. PU 4.5" CR and set at 3658'. Pressure test tubing to 1000#. Mix 30 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 with tubing.

4. **Plug #2 (Ojo Alamo perforations and top, 3247' – 2996'):** TIH and set 4.5" CR at 3096'. Attempt to pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate. Mix 44 sxs Class B cement, squeeze 32 sxs below CR into Ojo Alamo perforations and leave 12 sxs above. TOH with tubing.
5. **Plug #3 (Nacimiento top, ²⁰²⁰2070' – ¹⁹⁶⁸1970'):** Perforate 3 squeeze holes at ²⁰²⁸2070'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement retainer at 2020'. Establish rate into squeeze holes. Mix and pump 36 sxs cement, squeeze 24 sxs outside the casing and leave 12 sxs inside the casing to cover the Nacimiento top. TOH with tubing.
6. **Plug #4 (7-5/8" Surface casing shoe, 188' - 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 20 sxs cement and spot a balanced plug from 188' 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 188' 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 457 #1

Current

East Blanco PC/ Cabresto Canyon; Tertiary

1450' FSL & 1190' FWL, Section 9, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24106

Today's Date: 9/4/12

Spud: 12/15/86

PC Comp: 1/6/87

Tertiary Comp: 6/10/89

Elevation: 7154' GI

7167' KB

9-7/8" Hole

7-5/8" 26.4#, S-95 casing set @ 138'
Cement with 60 sxs, circulated to surface

RU Huskey Wireline and Cementers, Inc.
Pumped 150 sxs (177 cf) cement
containing 5 mc radioactive tracer down
the bradenhead. Ran gamma ray tracer
and found bottom of cement at 764'.
Cement from 764' to surface. (July 1990)

2-3/8" tubing at 3803'
(117 jts, 4.7#, J-55 with SN at 3783'
with rods and pump)

Nacimiento @ 2020 *est

TOC @ 2825' (CBL 1989)

Ojo Alamo @ 3128'

Ojo Alamo Perforations:
3146' - 3247'

Kirtland @ 3373'

Fruitland @ 3419'

Pictured Cliffs @ 3702'

Pictured Cliffs Perforations:
3708' - 3762'

6-3/4" Hole

4.5" 11.6#, J-55 Casing @ 4038'
Cement with 200 sxs

4045' TD
3972' PBD

Jicarilla 457 #1

Proposed P&A

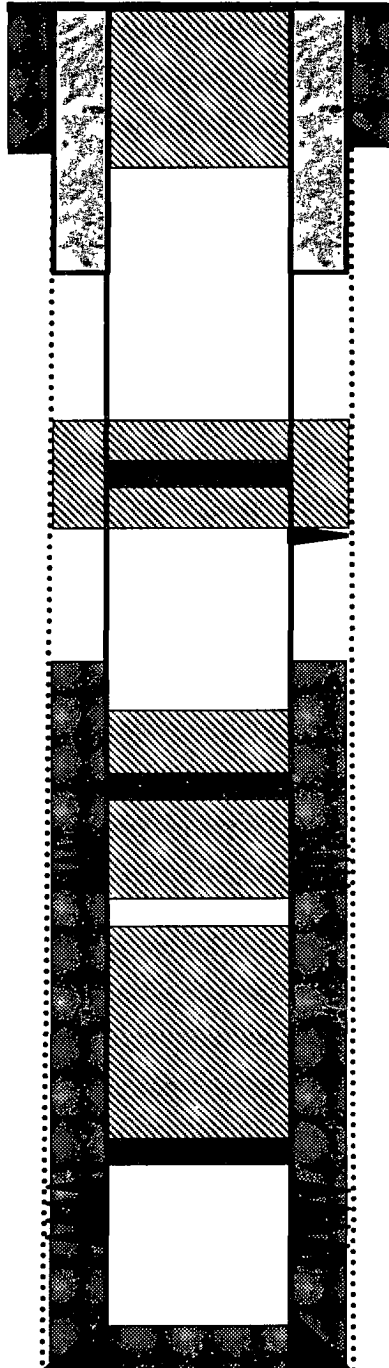
East Blanco PC/ Cabresto Canyon; Tertiary

1450' FSL & 1190' FWL, Section 9, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24106

Today's Date: 9/26/12
Spud: 12/15/86
PC Comp: 1/6/87
Tertiary Comp: 6/10/89
Elevation: 7154' GI
7167' KB

9-7/8" Hole



Plug #4: 188' - 0'
Class B cement, 20 sxs

7-5/8" 26.4#, S-95 Casing set @ 138'
Cement with 60 sxs, circulated to surface

RU Huskey Wireline and Cementers, Inc.
Pumped 150 sxs (177 cf) cement
containing 5 mc radioactive tracer down
the bradenhead. Ran gamma ray tracer
and found bottom of cement at 764'.
Cement from 764' to surface. (July 1990)

Nacimiento @ 2020 *est

Set CR @ 2020'

Plug #3: 2070' - 1970'
Class B cement, 36 sxs
24 sxs outside and 12 sxs
inside

Perforate @ 2070'

TOC @ 2825' (CBL 1989)

Ojo Alamo @ 3128'

Set CR @ 3096'

Plug #2: 3247' - 2996'
Class B cement, 44 sxs
32 sxs below CR and 12 sxs
above CR

Ojo Alamo Perforations:
3146' - 3247'

Kirtland @ 3373'

Plug #1: 3658' - 3323'
Class B cement, 30 sxs

Fruitland @ 3419'

Set CR @ 3658'

Pictured Cliffs Perforations:
3708' - 3762'

Pictured Cliffs @ 3702'

6-3/4" Hole

4.5" 11.6#, J-55 Casing @ 4038'
Cement with 200 sxs

4045' TD
3972' 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: 1 Jicarilla 457

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 2028' – 1928' inside and outside the 4 ½" casing.
 - 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.