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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Mingimont 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 464
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) 1,600 FSL & 1,800 FEL Sec. 29 T30N R3W (UL: J)		8. Well Name and No. Jicarilla 464-29 #10
		9. API Well No. 30-039-25761
		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 BP	<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 be 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 recompleton 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.)

13. Per the Notice of Intent dated August 30, 2012 to plug and abandon Jicarilla 464-29 #10, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

RCVD OCT 19 '12
OIL CONS. DIV.
DIST. 3

Notify NMOCD 24 hrs
prior to beginning
operations

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

Daniel Manus

Regulatory Techician

Title

Signature

Date

Oct 10, 2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

OCT 17 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
AV

PLUG AND ABANDONMENT PROCEDURE

October 4, 2012

Jicarilla 464-29 No. 10

East Blanco PC / Cabresto Canyon; Tertiary
1600' FSL, 1800' FEL, Section 29, T30N, R3W, Rio Arriba County, NM
API 30-039-25761 / 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 _____, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 2-3/8", Length 3697'.
Packer: Yes X, _____, Unknown _____, Type Arrowset @ 3593'.
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, 3602' – 3322')**: Round trip 5.5" gauge ring or casing scraper to 3602', or as deep as possible. TIH and set 5.5" CIBP or CR at 3602'. Pressure test tubing to 1000#. Mix 40 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, 3194' – 3040')**: TIH and set 5.5" CR at 3090'. Mix 52 sxs Class B cement. Squeeze 32 sxs below CR - 20 sxs into Ojo Alamo perforations and leave 12 sxs inside casing below CR. Sting out of CR and leave 20 sxs above CR. TOH with tubing.
6. **Plug #3 (Nacimiento perforations, 2644' – 2544')**: TIH and set 5.5" CIBP or CR at 2644'. Mix 17 sxs Class B cement and spot a balanced plug inside the casing above the CIBP or CR to isolate the Nacimiento perforations. PUH.
7. **Plug #4 (Nacimiento top, ¹⁹⁵⁰2010' – ¹⁸⁵⁰1910')**: Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH.
8. **Plug #5 (L. San Jose perforations and top, 1453' – 1353')**: TIH and set 5.5" CIBP or CR at 1453'. Mix 17 sxs Class B cement and spot a balanced plug inside the casing above the CIBP or CR to isolate the L. San Jose perforations and top. PUH.

9. **Plug #5 (8-5/8" Surface casing shoe, 587' - 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 587' 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 587' and the annulus from the squeeze holes to surface. Shut in well and WOC.
10. 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 464-29 #10

Current

East Blanco PC/ Cabresto Canyon; Tertiary

1600' FSL & 1800' FEL, Section 29, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-25761

Today's Date: 10/4/12

Spud: 2/19/98

PC Comp: 8/20/04

Ojo Alamo Ext. Comp: 6/15/98

San Jose Ext. Comp: 11/3/98

Tertiary Comp: 8/20/04

Elevation: 7107' GI

7121' KB

12-1/4" Hole

TOC @ Surface per Sundry
and Completion report

8-5/8" 24#, K-55 Casing set @ 537'
Cement with 300 sxs, circulated 95 sx to
surface

L. San Jose Perforations:
1503' – 1634'

Nacimiento @ 1960' *est

Nacimiento Perforations:
2694' – 2724'

2-3/8" tubing at 3697'
(116 jts, on-off tool, pkr, SN, WL re-entry guide)

Ojo Alamo @ 3140'

Ojo Alamo Perforations:
3140' – 3194'

Kirtland @ 3372'

Fruitland @ 3540'

Pictured Cliffs @ 3652'

Arrowset 1X Packer @ 3593' (2005)

Pictured Cliffs Perforations:
3652' – 3730'

7-7/8" Hole

5.5" 15.5#, J-55 Casing @ 3934'
Cement with 1283 sxs, circ 200 sx to
surface

3940' TD
3855' PBTB

Jicarilla 464-29 #10

Proposed P&A

East Blanco PC/ Cabresto Canyon; Tertiary

1600' FSL & 1800' FEL, Section 29, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-25761

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Elevation: 7107' GI

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12-1/4" Hole

Nacimiento @ 1960' *est

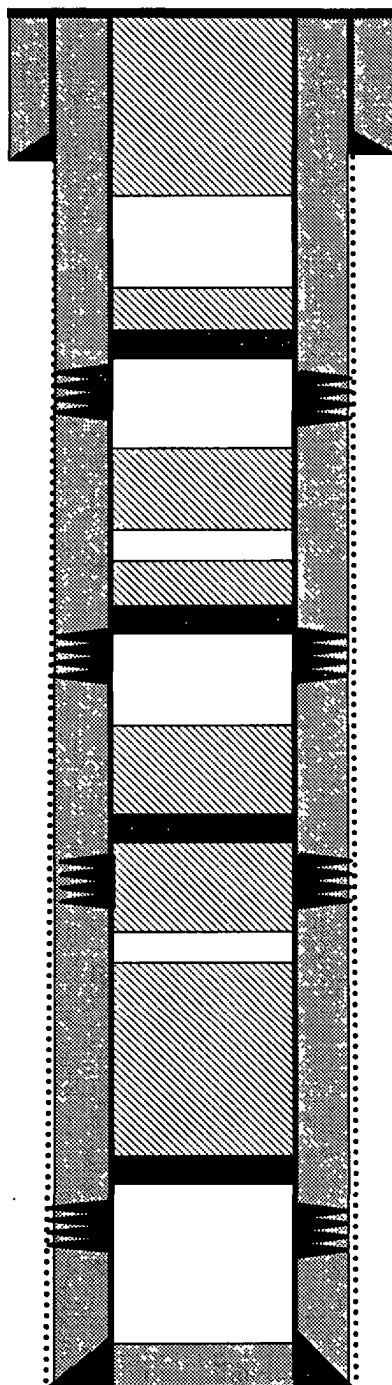
Ojo Alamo @ 3140'

Kirtland @ 3372'

Fruitland @ 3540'

Pictured Cliffs @ 3652'

7-7/8" Hole



TOC @ Surface per Sundry
and Completion report

8-5/8" 24#, K-55 Casing set @ 537'
Cement with 300 sxs, circulated 95 sx to
surface

Plug #6: 587' - 0'
Class B cement, 70 sxs

Set CR @ 1453' Plug #5: 1453' - 1353'
Class B cement, 17 sxs

L. San Jose Perforations:
1503' - 1634'

Plug #4: 2010' - 1910'
Class B cement, 17 sxs

Set CR @ 2644' Plug #3: 2644' - 2544'
Class B cement, 17 sxs

Nacimiento Perforations:
2694' - 2724'

Plug #2: 3194' - 3040'
Class B cement, 52 sxs:
32 below CR; 20 into
perforations and 12 inside
casing below CR; then spot 20
above CR

Set CR @ 3090'

Ojo Alamo Perforations:
3140' - 3194'

Plug #1: 3602' - 3322'
Class B cement, 40 sxs

Set CR @ 3602'

Pictured Cliffs Perforations:
3652' - 3730'

5.5" 15.5#, J-55 Casing @ 3934'
Cement with 1283 sxs, circ 200 sx to
surface

3940' TD
3855' PBTB

**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: 10 Jicarilla 464-29

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 1950' – 1850'.
 - 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.