

RECEIVED

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 29 2013

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010SUNDRY 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
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
Black Hills Gas Resources, Inc.3a. Address
3200 N 1st St, Bloomfield, NM 874133b. Phone No. (include area code)
(505) 634-51044. Location of Well (Footage, Sec., T., R., M., or Survey Description)
287' FNL & 1072' FWL NW/NW Section 17 T30N R3W (UL: D)

5. Lease Serial No.

Jicarilla Contract 459

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 459 #8

9. API Well No.

30-039-24305

10. Field and Pool, or Exploratory Area

Cabresto Canyon Tertiary

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize☐ Altering Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and abandon☐ Plug back☐ Production (Start/ Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-off☐ Well Integrity☐ Other

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.)

Per the Notice of Intent dated May 2, 2013, to plug and abandon Jicarilla 459 #8, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

Notify NMOCD 24 hrs
prior to beginning
operations

RCVD JUL 31 '13
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

JUL 30 2013

Approved by

Original Signed: Stephen Mason

Title

Date

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)

NMOCD
AV

PLUG AND ABANDONMENT PROCEDURE

July 22, 2013

Jicarilla 459 #8

East Blanco Pictured Cliffs

287' FNL, 1072' FWL, Section 17, T30N, R3W, Rio Arriba County, NM

API 30-039-24305 / 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 3700'.
Packer: Yes X, No _____, Unknown _____, Type Model R @ 3629'.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

Note: TOH and LD Model R packer set at 3629'. If packer releases and you are able to TOH with it then proceed to Plug #1 as prepared. If packer does not release then call company engineer for further instructions.

4. **Plug #1 (Pictured Cliffs perforations, Fruitland and Kirtland tops, 3779' – 3293')**: RIH with open ended tubing to 3779' or as deep as possible. Mix 52 sxs Class B cement (40% excess due to long plug) and spot a plug to isolate through the Kirtland top. PUH and WOC. TIH and tag TOC 50' above top of Kirtland. If tag is low then spot additional cement as required. PUH.
5. **Plug #2 (Ojo Alamo top, 3167' – 3067')**: Mix 12 sxs Class B cement and spot a balanced plug inside the casing to cover the Ojo Alamo top. PUH.
6. **Plug #3 (Nacimiento top, ¹⁹⁸¹2020' – ¹⁸⁸¹1920')**: Mix 12 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH.
7. **Plug #4 (8-5/8" Surface casing shoe, 182' – 0')**: Perforate 3 squeeze holes at 182'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 65 sxs Class B cement and pump down the 4.5" casing to circulate good cement to surface. Shut in well and WOC.
8. 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 #8

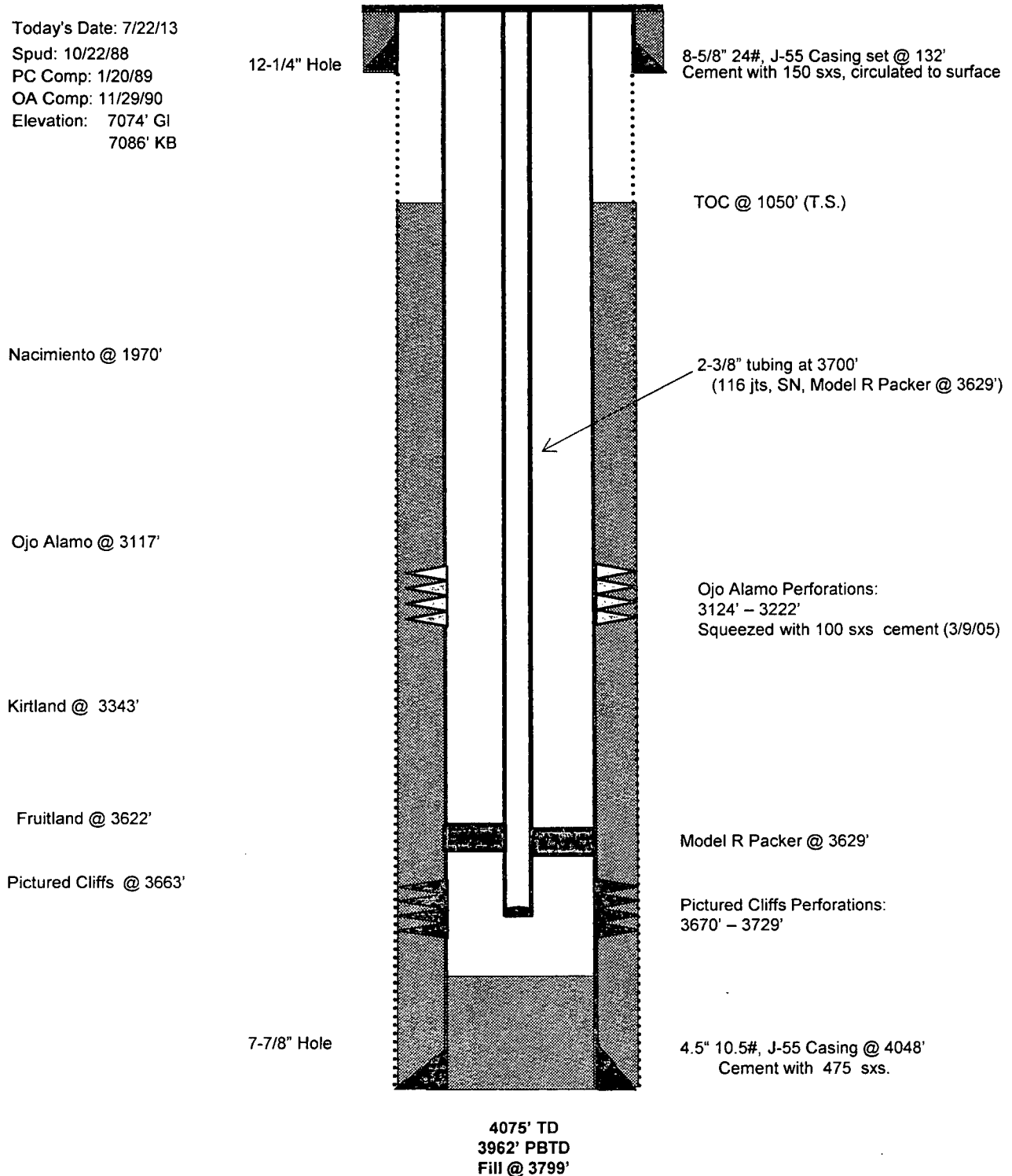
Current

East Blanco Pictured Cliffs

287' FNL & 1072' FWL, Section 17, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24305

Today's Date: 7/22/13
Spud: 10/22/88
PC Comp: 1/20/89
OA Comp: 11/29/90
Elevation: 7074' GI
7086' KB



Jicarilla 459 #8

Proposed P&A

East Blanco Pictured Cliffs

287' FNL & 1072' FWL, Section 17, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24305

Today's Date: 7/22/13

Spud: 10/22/88

PC Comp: 1/20/89

OA Comp: 11/29/90

Elevation: 7074' GI
7086' KB

12-1/4" Hole

8-5/8" 24#, J-55 Casing set @ 132'
Cement with 150 sxs, circulated to surface

Perforate @ 182'

Plug #4: 182' – 0'
Class B cement, 65 sxs

TOC @ 1050' (T.S.)

Nacimiento @ 1970'

Plug #3: 2020' – 1920'
Class B cement, 12 sxs

Ojo Alamo @ 3117'

Plug #2: 3167' – 3067'
Class B cement, 12 sxs

Ojo Alamo Perforations:
3124' – 3222'
Squeezed with 100 sxs cement (3/9/05)

Kirtland @ 3343'

Plug #1: 3779' – 3293'
Class B cement, 52 sxs
(long plug, 40% excess)

Fruitland @ 3622'

Pictured Cliffs @ 3663'

Pictured Cliffs Perforations:
3670' – 3729'

7-7/8" Hole

4.5" 10.5#, J-55 Casing @ 4048'
Cement with 475 sxs.

4075' TD
3962' PBTD
Fill @ 3799'

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: 8 Jicarilla 459

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 1981'- 1881'.
 - 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.