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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 16 2014

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. MDA 701-98-0013 Tract 2
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) 1135' FNL & 1400' FEL SW/NE Section 4 T28N R2W (UL: G)		8. Well Name and No. Jicarilla 28-02-04 #1
		9. API Well No. 30-039-26037
		10. Field and Pool, or Exploratory Area Burro 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	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 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 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 28-02-04 #1 per attached procedure.

Notify NMOCD 24 hrs
prior to beginning
operations

OIL CONS. DIV DIST. 3

MAY 21 2014

14. I hereby certify that the foregoing is true and correct. Name (Printed/ Typed) **Daniel Manus** Title **Regulatory Technician**

Signature *[Signature]* Date *May 16, 2014*

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason** Title _____ Date **MAY 19 2014**

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 PV

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PLUG AND ABANDONMENT PROCEDURE

May 2, 2014

Jicarilla 28-02-04 #1

Burro Canyon Tertiary; Cabresto Canyon Ext.
1135' FNL, 1400' FEL, Section 4, T28N, R2W, Rio Arriba County, NM
API 30-039-26037 / 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 will use 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 , No _____, Unknown _____, Size 2-3/8", Length 2995'
Packer: Yes _____, No , Unknown _____, Type _____
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

**NOTE: PU tubing workstring, drill collars and mill. TIH and mill out CIBP at 3009'.
Circulate well clean. Round trip 5.5" gauge ring or casing scraper to 2696' or as deep as possible.**

4. **Plug #1 (Pictured Cliffs interval and Fruitland, Kirtland, Ojo Alamo tops, 3629' – 2999')**: TIH with open ended tubing to 3629'. Mix 84 sxs Class B cement (50% excess open perms) and spot a plug from 3629' through the PC, Fruitland and Kirtland tops, and to cover through the Ojo Alamo perforations and top. PUH and WOC. TIH and tag 50' above Ojo Alamo top, if necessary top off. TOH.
5. **Plug #2 (Nacimiento perforations, 2696'- 2070')**: TIH and set 5.5" CR or CIBP at 2696'. Mix 77 sxs Class B cement and spot a plug inside the casing above the CR or CIBP to isolate the Nacimiento interval. PUH.
6. **Plug #3 (8-5/8" Surface casing shoe, 584' - 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 584' 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 584' 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. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Cut off anchors and clean up location. Restore location per BLM stipulations.

Jicarilla 28-02-04 #1

Current

Burro Canyon Tertiary; Cabresto Canyon Ext.

1135' FNL & 1400' FEL, Section 4, T-28-N, R-2-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-26037

Today's Date: 5/2/14
Spud: 12/9/98
Comp 1/30/99
Elevation: 7277' GI
7289' KB

12-1/4" Hole

5.5" TOC @ Surface, Circulated 29 sxs to pit.

8-5/8" 24#, Casing set @ 534'
Cement with 350 sxs, circulated to surface

2-3/8" tubing @ 2995'
(93 jts, SN and 16' tail joint, with
rods and pump)

San Jose Perforations:
1430' - 1780'
Squeezed with total 255 sxs (2005)

Nacimiento @ 2120'

Nacimiento Perforations:
2746' - 2960'

Ojo Alamo @ 3049'

CIBP set at 3009' (1998)

Ojo Alamo Perforations:
3050' - 3144'

Kirtland @ 3458'

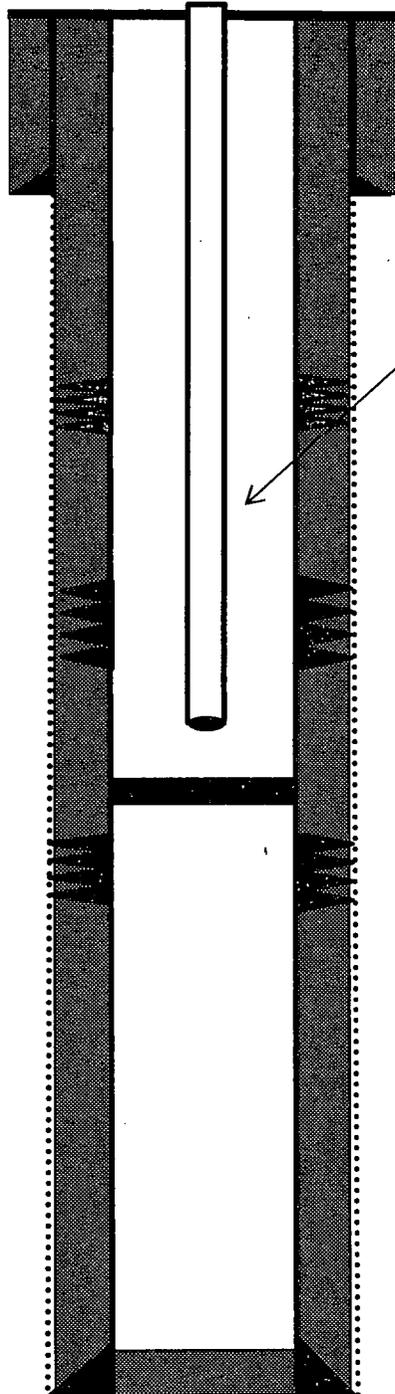
Fruitland @ 3534'

Pictured Cliffs @ 3579'

7-7/8" Hole

5.5" 15.5#, K-55 Casing @ 3831'
Cement with 620 sxs,
circulate 29 sxs to pit.

3850' TD
3700' PBTB



Jicarilla 28-02-04 #1

Proposed P&A

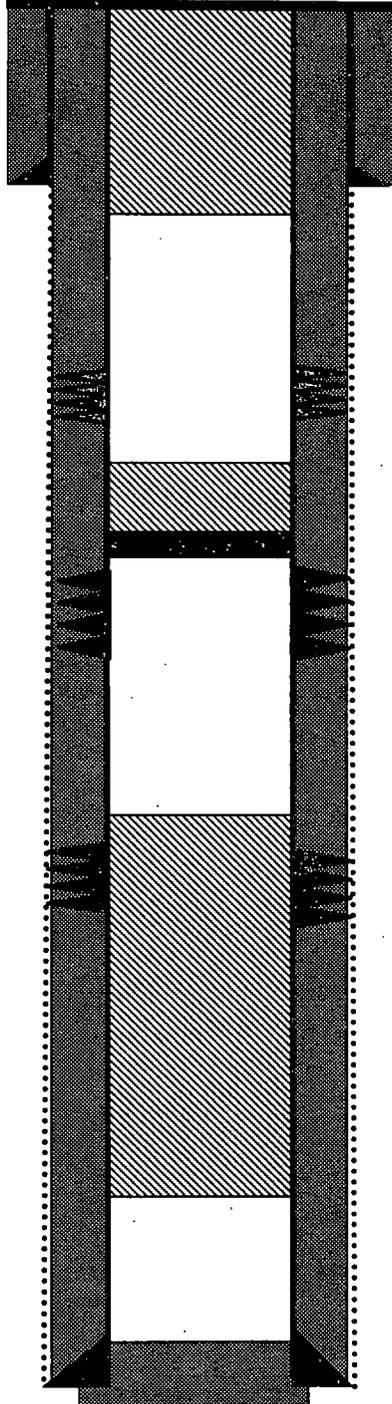
Burro Canyon Tertiary; Cabresto Canyon Ext.

1135' FNL & 1400' FEL, Section 4, T-28-N, R-2-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-26037

Today's Date: 5/2/14
Spud: 12/9/98
Comp 1/30/99
Elevation: 7277' GI
7289' KB

12-1/4" Hole



5.5" TOC @ Surface, Circulated 29 sxs to pit.

8-5/8" 24#, Casing set @ 534'
Cement with 350 sxs, circulated to surface

Plug #3: 584' - 0'
Class B cement, 75 sxs

San Jose Perforations:
1430' - 1780'
Squeezed with total 255 sxs (2005)

Set CR @ 2696'

Nacimiento Perforations:
2746' - 2960'

Plug #2: 2696' - 2070'
Class B cement, 77 sxs

Nacimiento @ 2120'

Ojo Alamo @ 3049'

Ojo Alamo Perforations:
3050' - 3144'

Plug #1: 3629' - 2999'
Class B cement, 84 sxs
(50% excess over open perforations)

Kirtland @ 3458'

Fruitland @ 3534'

Pictured Cliffs @ 3579'

7-7/8" Hole

5.5" 15.5#, K-55 Casing @ 3831'
Cement with 620 sxs,
circulate 29 sxs to pit.

3850' TD
3700' PBD

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 5/16/14 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: 1 Jicarilla 28-02-04

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:

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.