

RECEIVED

APR 26 2016

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.5. Lease Serial No. **MDA 701-98-0013, Tract 2**
Farmington Field Office
Bureau of Land Management

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 29-03-11 #2

9. API Well No.

30-039-26731

10. Field and Pool, or Exploratory Area

Cabresto Canyon Tertiary

11. County or Parish, State

Rio Arriba County, New Mexico

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

2. Name of Operator

Black Hills Gas Resources, Inc.

3a. Address

3200 N 1st St, Bloomfield, NM 87413

3b. Phone No. (include area code)

(505) 634-5104

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2050' FNL & 630' FEL SE/SE Section 11 T29N R3W (UL:H)

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☐ Acidize☐ Altering Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and abandon☐ Plug back

TYPE OF ACTION

☐ 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.)

Black Hills Gas Resources intends to plug and abandon Jicarilla 29-03-11 #2 per attached procedure. BHGR will be using a closed loop system.

Attachments:

Proposed Procedure

Current Well Bore Diagram

Proposed Well Bore Diagram

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Notify NMOCD 24 hrs
prior to beginning
operations

OIL CONS. DIV DIST. 3

MAY 09 2016

**Reclamation plan has not been approved.*

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

Daniel Manus**Regulatory Technician II**

Title

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

PE

Date

5/4/16

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

FFO

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

5

PLUG AND ABANDONMENT PROCEDURE

April 25, 2016

Jicarilla 29-03-11 #2

East Blanco PC / Cabresto Canyon; Tertiary
2050' FNL, 630' FEL, Section 11, T29N, R3W, Rio Arriba County, NM
API 30-039-26731 / 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 X, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 2-7/8", Length 3818'.
Packer: Yes _____, No X, Unknown _____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate. Round trip 5.5" casing scraper or gauge ring to 3666', or as deep as possible.
4. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 3666' – 3213'):** RIH and set 5.5" CR or CIBP at 3666'. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test, then spot or tag subsequent plug as appropriate. Mix and pump 57 sxs Class B cement and spot a plug from 3666' isolate the PC interval and cover the Fruitland, Kirtland and Ojo Alamo tops. PUH.
5. **Plug #2 (Nacimiento top, 2087' – 1987'):** Mix 17 sxs Class B cement and spot a balanced plug to cover the Nacimiento top. PUH.
6. **Plug #3 (8-5/8" Surface casing shoe, 304' - 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 40 sxs cement and spot a balanced plug from 304' 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 304' 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.

4/25/2016

Jicarilla 29-03-11 #2
CURRENT Wellbore Diagram
SENE Sec. 11, T29N, R3W
Rio Arriba, NM
API# 30-039-26731

Spud: 4/15/2001
Compl: 7/15/2001

7208' GL
7220' KB

12 1/4" hole

8 5/8" 24# J-55 surface
casing set @ 254', cmt
w/ 150 sx. Circ 23 bbls
cmt to surface

7 7/8" hole

Nacimiento 2037'

Ojo Alamo 3263'

Kirtland 3512'

Fruitland 3612'

Window from 3693-3700'

Pictured Cliffs 3716'

5 1/2" 17# J-55 prod
casing set @ 4014'.
Cmt w/ 975 sx. Circ 43
bbls cmt to surface.

Orig. TD = 4014'
PBTD = 3968'

Prod Tbg (4/11/06):
123 jts 2-7/8" 6.5# J-55 tbg, SN, 6' perf sub,
1 jt 2-7/8" tbg, collar. EOT 3818'.

San Jose perms: 1260-1330'
Sqz'd w/ 75 sx cmt (2004)

San Jose perms: 1515-1521'
Sqz'd w/ 25 sx cmt (2004)

Nacimiento perms: 2270-2276'
Sqz'd w/ 25 sx cmt (2004)

Nacimiento perms: 2939-2960'
Sqz'd w/ 75 sx cmt (2004)

Lateral: 4 3/4" diam, 3693' - 7910' MD

Pictured Cliff perms: 3718-3743'

Uncemented Liner in lateral:

2 7/8", 8.7#, N-80 tbg from 3720' to 7890'. 8 perforated joints
spaced throughout lateral.

4/25/2016

Jicarilla 29-03-11 #2
PROPOSED Wellbore Diagram
SENE Sec. 11, T29N, R3W
Rio Arriba, NM
API# 30-039-26731

Spud: 4/15/2001
Compl: 7/15/2001

7208' GL
7220' KB

12 1/4" hole

8 5/8" 24# J-55 surface casing set @ 254', cmt w/ 150 sx. Circ 23 bbls cmt to surface

7 7/8" hole

Plug #3: 304' - 0'
Class B cement, 40 sxs

San Jose perms: 1260-1330'
Sqz'd w/ 75 sx cmt (2004)

San Jose perms: 1515-1521'
Sqz'd w/ 25 sx cmt (2004)

Nacimiento 2037'

Plug #2: 2087' - 1987'
Class B cement, 17 sxs

Nacimiento perms: 2270-2276'
Sqz'd w/ 25 sx cmt (2004)

Nacimiento perms: 2939-2960'
Sqz'd w/ 75 sx cmt (2004)

Ojo Alamo 3263'

Plug #1: 3666' - 3213'
Class B cement, 57 sxs

Kirtland 3512'

Fruitland 3612'

Set CR @ 3666'

Window from 3693-3700'

Lateral: 4 3/4" diam, 3693' - 7910' MD

Pictured Cliffs 3716'

Pictured Cliff perms: 3718-3743'

5 1/2" 17# J-55 prod casing set @ 4014'. Cmt w/ 975 sx. Circ 43 bbls cmt to surface.

Orig. TD = 4014'
PBTD = 3968'

Uncemented Liner in lateral:
2 7/8", 8.7#, N-80 tbg from 3720' to 7890'. 8 perforated joints spaced throughout lateral.

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: Jicarilla 29-03-11 #2

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) Set plug #2 (2122-2022) ft. to cover the Nacimiento top. BLM picks top of Nacimiento at 2072 ft.

H₂S has not been reported at this location; however, low concentrations of H₂S (46 ppm GSV) have been reported from comingled Tertiary sand and P.C. gas prod. in the SENW/4 Sec. 2, 29, 3W. **High to very high concentrations of H₂S** have been reported in wells which produce gas from San Jose, Nacimiento, and Ojo Alamo fms. to the north of this location. **It is imperative that H₂S monitoring and safety equipment be on location during plugging operations at this well site.**

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.