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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
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.

Farmington Field Office
Bureau of Land Management

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
P.O. Box 249 Bloomfield, NM 87413

3b. Phone No. (include area code)
(505) 634-5104

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1818 FNL & 231 FEL SE/NE Section 7 T30N R3W (UL: H)

5. Lease Serial No.
Jicarilla Contract 458

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 458 #3

9. API Well No.
30-039-24167

10. Field and Pool, or Exploratory Area
Cabresto Cnyn Tert / E. Blanco PC

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 recomplate 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 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 reclamantion, 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 458 #3 per attached procedure. A closed loop system will be used.

- Attachment:
- Proposed procedure
 - Current well bore diagram
 - Proposed well bore diagram
 - Finial reclamation plan

Notify NMOCD 24 hrs prior to beginning operations

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

OIL CONS. DIV DIST. 3

AUG 05 2016

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

Daniel Manus

Regulatory Technician II

Title

Signature

Daniel Manus

Date

July 25, 2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Abdelgadir Elmadani

Title

PE

Date

8/02/16

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

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NOTE: THIS WELL HAS HIGH CONTENT H2S

PLUG AND ABANDONMENT PROCEDURE

July 19, 2016

Jicarilla 458 #3

East Blanco PC / Cabresto Canyon; Tertiary
1815' FNL, 230' FEL, Section 7, T30N, R3W, Rio Arriba County, NM
API 30-039-24167 / 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 well & cement wash up.
2. Install and test location rig anchors. Comply with all NMOC, 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 3730'.
Packer: Yes X, No _____, Unknown _____, Type Arrowset Packer at 3623'.
Packer: Yes X, No _____, Unknown _____, Type Double Cup Packer @ 1722'.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
PU on packer(s) and release. TOH and LD packer(s) and tubing. PU tubing workstring.
Note: may need to pump extra water and scavenger due to H2S.
4. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 3666' - 3085')**: RU A-Plus WL. Round trip gauge ring to 3666'. RIH with 4.5" CIBP and set at 3666'. TIH with open ended tubing; tag CIBP. Mix and pump 60 sxs Class B cement (excess due to open perms) and spot a plug from 3666' to isolate the PC interval and cover the Fruitland & Kirtland tops & Ojo Alamo perms & top. PUH and WOC. TIH and tag cement, if necessary top off. PUH.
5. **Plug #2 (Nacimiento top, 1989' - 1889')**: Mix 15 sxs Class B cement (excess due to open perms) and spot an underbalanced plug to cover the Nacimiento top. PUH and WOC. TIH and tag cement, if necessary top off. TOH.
6. **Plug #3 (San Jose perforations, 1436' -1336')**: TIH and set 4.5" CR at 1436'. Mix 12 sxs Class B cement and spot a plug inside the casing above the CR to isolate the San Jose interval. PUH.
7. **Plug #4 (7-5/8" Surface casing shoe, 193' - 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 18 sxs cement and spot a balanced plug from 193' 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 193' and the annulus from the squeeze holes 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. 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 458 #3 Current

East Blanco PC/ Cabresto Canyon, Tertiary

1815' FNL & 230' FEL, Section 7-T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24167

Today's Date: 7/19/16
 Spud: 3/7/88
 PC Comp: 4/13/88
 OA Comp: 1/14/98
 SJ Comp: 10/5/99
 Elevation: 7089' GI
 7107' KB

9-7/8" Hole

7-5/8" 26.4#, S-95 Casing set @ 143'
 Cement with 75 sxs, circulated to surface

San Jose Perforations:
 1486' - 1610'

2-3/8" 4.7# J-55 tubing at 3730'
 (54 jts, Double Cup Packer, 60 jts, T-2 On-Off tool, Seal nipple, Arrowset Packer, 3 jts, Profile nipple, pup jt)

Nacimiento @ 1939'

Double Cup Packer @ 1722'

Ojo Alamo @ 3135'

Ojo Alamo Perforations:
 3163' - 3230'

Kirtland @ 3371'

Fruitland @ 3400'

Arrowset Packer @ 3623'

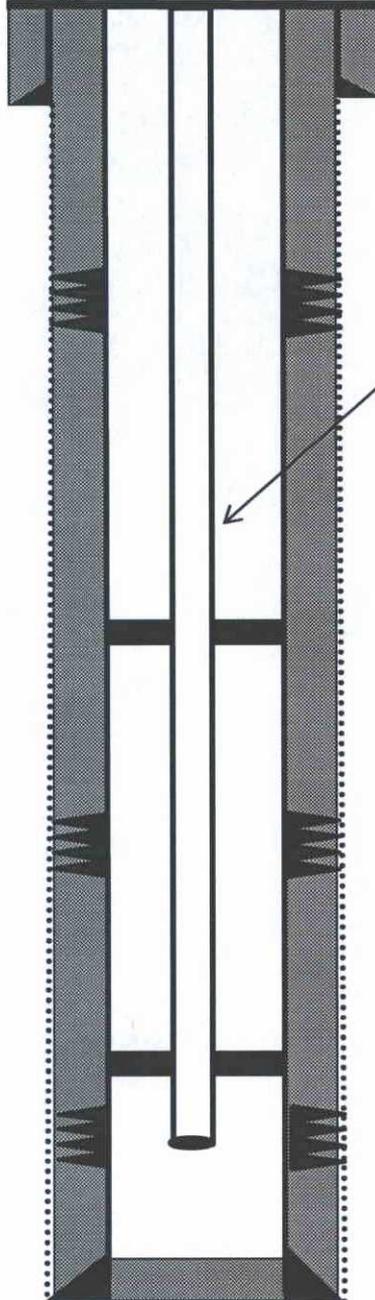
Pictured Cliffs @ 3713'

Pictured Cliffs Perforations:
 3716' - 3790'

6-3/4" Hole

4.5" 10.5#/11.6#, Casing @ 3907'
 Cement with 425 sxs. Circulated cement to surface

4077' TD
 3857' PBD



Jicarilla 458 #3 Proposed P&A

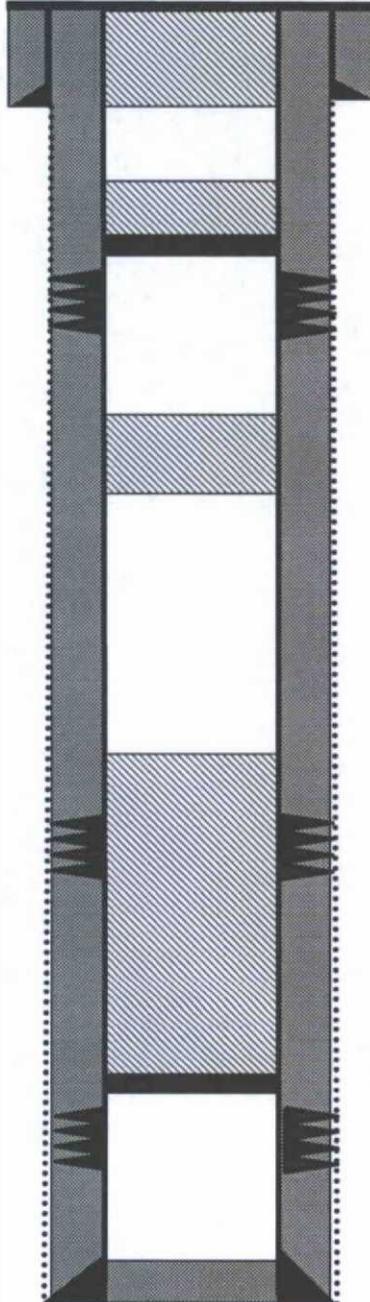
East Blanco PC/ Cabresto Canyon, Tertiary

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9-7/8" Hole



7-5/8" 26.4#, S-95 Casing set @ 143'
 Cement with 75 sxs, circulated to surface

Plug #4: 193' - 0'
 Class B cement, 18 sxs

Plug #3: 1436' - 1336'
 Class B cement, 12 sxs

Set CR @ 1436'

San Jose Perforations:
 1486' - 1610'

Plug #2: 1989' - 1889'
 Class B cement, 15 sxs

Nacimiento @ 1939'

Plug #1: 3666' - 3085'
 Class B cement, 60 sxs
 (excess due to open perms)

Ojo Alamo @ 3135'

Ojo Alamo Perforations:
 3163' - 3230'

Kirtland @ 3371'

Fruitland @ 3400'

Set CIBP @ 3666'

Pictured Cliffs @ 3713'

Pictured Cliffs Perforations:
 3716' - 3790'

6-3/4" Hole

4.5" 10.5#/11.6#, Casing @ 3907'
 Cement with 425 sxs. Circulated
 cement to surface.

4077' TD
 3857' 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: Jicarilla 458 #3

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) Bring the top of plug #2 to 1849 ft. To cover the Nacimiento Adjust cement volume accordingly.

Operator will run a CBL to verify cement top. Submit the electronic copy of the log for verification to the following addresses: aelmadani@blm.gov Brandon.Powell@state.nm.us

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.