

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Jicarilla Contract 457
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee or Tribe Name Jicarilla Apache Tribe
3a. Address PO Box 249 Bloomfield, NM 87413	3b. Phone No. (include area code) 505-634-1111	7. If Unit or CA/Agreement, Name and/or No. 22863
4. Location of Well (Footage, Sec., T. R., M., or Survey Description) 1805' FSL & 865' FWL (NWSW) Unit L Sec. 3, T30N- R03W		8. Well Name and No. Jicarilla 457-03 No. 3
		9. API Well No. 30-039-25779
		10. Field and Pool, or Exploratory Area East Blanco PC, Cabresto Cny Tert
		11. County or Parish, State Rio Arriba, NM

12. CHECK APPROPRIATE BOX(ES) 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"/> Alter 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	

3. 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 be performed or provide the Bond No. on file with 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 Notices 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, Inc. intends to plug and abandon the above referenced well per the attached procedure.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Agatha Snell		Title Admin. Tech.
Signature <i>Agatha Snell</i>		Date 3/20/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature) <i>[Signature]</i>	Name <i>Stephen M. Mason</i> (Printed/Typed)	Title <i>PE</i>
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 <i>FPO</i>	Date MAR 29 2006

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

NMOCB

Black Hills Gas Resources

P&A Procedure

For the

JICARILLA 457-03 #3H

API # 30-039-25779

NW SW Sec 03, T30N - R03W

Rio Arriba County, New Mexico

GL: 7121', KB: 7133', PBTD: 3820' (vert hole)
Surface casing: 8-5/8", 24 lb/ft, Casing @ 524', TOC = surf
Production casing: 5 1/2" 15.5 lb/ft, Casing @ 3957', TOC = surf
Current prod tubing: 2 3/8" 4.7 lb/ft, J-55 @ 3666'. 2 7/8" PH-6 from 3666 to 5791'.
Packer @ 3670'. ON/OFF tool @ 3666'
Current pump/ rods: N/A
Current Perforated Zones:

San Jose	1672-1766' SQ
Ojo Alamo	3146-3192' SQ
Pictured Cliffs	3710-5945' MD horizontal OH

Proposed Work: P&A

1. Notify BLM, State and Tribal agencies of the intent to P & A this well.
2. MIRU completion rig. ND WH, NU BOP.
3. Come off the ON/OFF tool @ 3666'. TOO H with 2 3/8" production tubing. Lay down tubing and have it sent to Tuboscope for inspection.
4. TIH with workstring and retrieving head. Latch on to the ON/OFF tool. Unset the packer @ 3670'. Pull the PH-6 tubing from the horizontal OH section. Lay down tubing and have it sent to storage.
5. TIH with workstring and cement retainer. Set the retainer @ 3675'. Sting out of the retainer and pump 68 sx Type V cement (90.2 cu ft) from 3675' to 3000' to cover the Fruitland Coal, Kirtland and Ojo Alamo formations.
6. Pull up to ^{1996'}~~2075'~~, pump 16 sx Type V cement (21 cu ft) to cover the top of the Nacimiento formation.
7. Pull up to 592', pump 60 sx Type V cement (79.2 cu ft) to fill the surface casing shoe to surface. Top off as needed.
8. Remove all surface equipment and prepare the location surface for reclamation.

The cement to be used will be Type III or Type V, depending on the service company availability.

Cement Yields:

Type III @ 14.5 ppg = 1.39 cu ft/sx

Type V @ 14.8 = 1.32 cu ft/sx

Initiated by:

Loren Diede 3-17-06

Approved by:

J.T. Albi

First call for services will be:

Logging/Perforating:	open	
Cement/Acid/Frac:	Key PPS	325-4192
Tools:	open	
Trucking:	L & G	793-7465

Jicarilla 457-03 #3H
Current Well Bore Diagram
NW SW Sec 03, T30N, R3W
API # 30 039 25779

8 5/8" casing @ 542' TOC = surf

San Jose perms: 1672-1680, 1740-1747, 1760-1766.
 SQ 11-30-1999

Ojo Alamo perms: 3148-3192. Sq 9-09-2004

1.78" F profile 1 1/2" above the ON/OFF tool @ 3633'

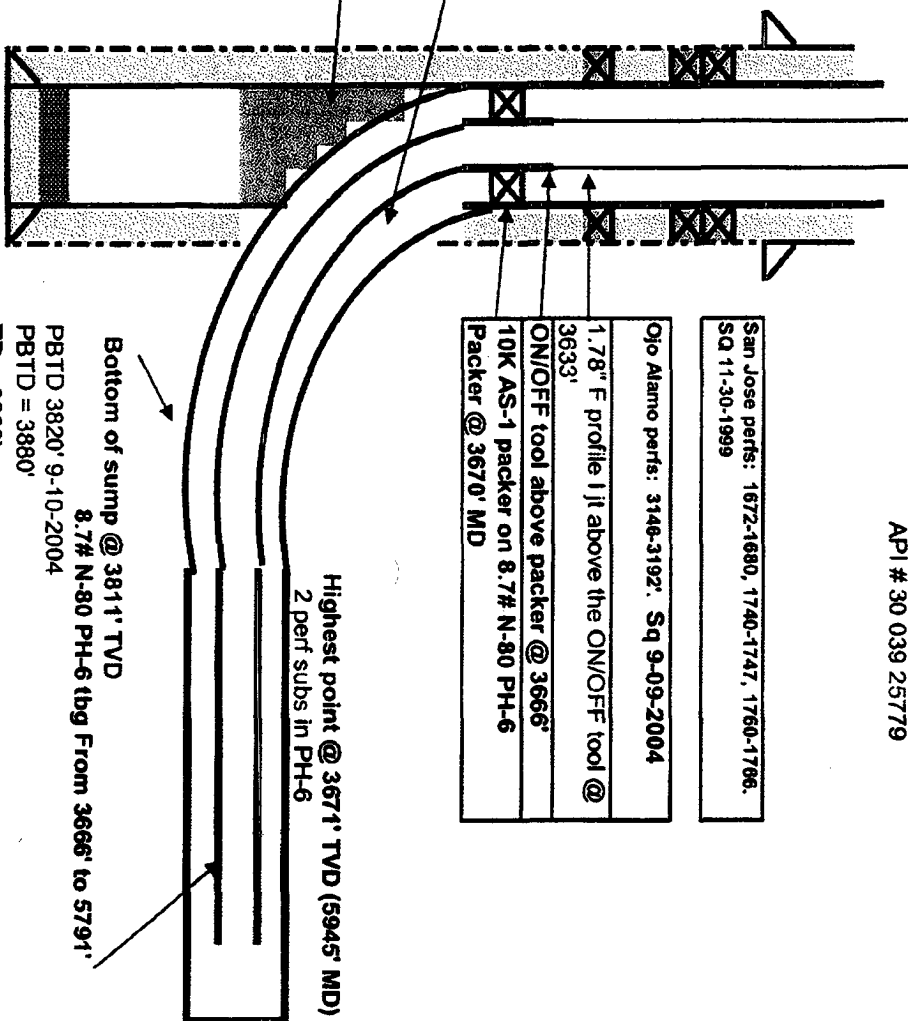
ON/OFF tool above packer @ 3666'

10K AS-1 packer on 8.7# N-80 PH-6 Packer @ 3670' MD

Window from 3703-3719', KOP +/- 3710'

Advantage (Knight) retrievable whipstock top @ 3703'

5 1/2" 15.5# J-55 casing set to 3957' Cement 190 sx 35/65 poz + 440 sx 50/50 poz TOC surf.



3710

5945

Jicarilla 457-03 #3H
P&A Well Bore Diagram
NW SW Sec 03, T30N, R3W
API # 30 039 25779

8 5/8" casing @ 542'
 TOC = surf

$$592 / 7.483 (1.32) = 60 \text{ sgs}$$

San Jose perms: 1672-1680, 1740-1747, 1760-1766.
 SQ 11-30-1999

Nacimiento 1946'

$$1996' - 1896' \quad 150 / 7.483 (1.32) = 15 \text{ sgs}$$

Ojo Alamo perms: 3146-3192'. Sq 9-09-2004

Ojo Alamo 3152'
 Kirtland 3352'

Fruitland 3605'

Window from 3703-
 3719', KOP +/- 3710'

Pictured cliffs 3689'

$$3475 - 3000 / 7.483 (1.32) = 68 \text{ sgs}$$

Retainer Set @ 3675'

Highest point @ 3671' TVD (5945' MD)

Bottom of sump @ 3811' TVD, 3932' MD

5 1/2" 15.5# J-55
 casing set to 3957'
 Cement 190 sx 35/65
 poz + 440 sx 50/50
 poz TOC surf.

PBTD 3820' 9-10-2004
 PBTD = 3880'
 TD = 3960'

Lateral Distance MD from surface

3710

5945

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 3/21/06 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.
