

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.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side.

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)

505-634-1111

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

Sec 4, T29N, R03W 1650 FSL & 1750 FWL

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

5. Lease Serial No.

Contract 451

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 451 #1

9. API Well No.

30-039-23342

10. Field and Pool, or Exploratory Area

Basin Fruitland Coal/ Blanco Mesa Verde

11. County or Parish, State

Rio Arriba, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent

☐ Acidize

☐ Deepen

☐ Production (Start/ Resume)

☐ Water Shut-off

☐ Subsequent Report

☐ Altering Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Final Abandonment Notice

☐ Casing Repair

☐ New Construction

☐ Recomplete

☐ Other

☐ Change Plans

☒ Plug and abandon

☐ Temporarily Abandon

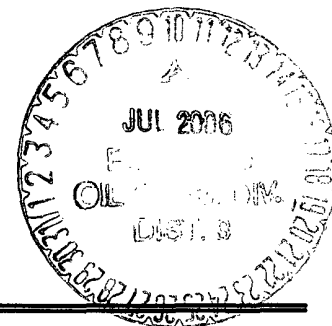
☐ Convert to Injection

☐ Plug back

☐ 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 or pertinent markers and sands. 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 this well as per the attached procedure dated 6-30-06.



14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

Loren Diele

Title

Consultant (Agent)

Signature

Date

6-30-06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUL 06 2006

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 8

Black Hills Gas Resources

Plug and Abandon Procedure

**For the
Jicarilla 451 #1**

**NE SW Sec 4, T29N – R3W
Rio Arriba, NM
API # 30-039-23342**

Surface casing:	KB: 7163', GL: 7151', PBTD: 4180' MD
Production casing:	9-5/8", 32.3 lb/ft, K-55 Casing @ 523', TOC = surf
Current prod tubing:	5-1/2", 15.5 lb/ft, K-55, Casing @ 7271' MD, TOC = (See diagram)
	N/A

Current Perforated Zones:

Fruitland Coal /PC: 3678-3779, 4144-4147' (Open)
Point Lookout: 6203-6244' (Open)

Proposed Work: **P&A well. Perform required reclamation of location.**

1. MIRU completion rig.
2. Hold pre-job safety meeting.
3. Record all tubing and casing well pressures.
4. ND Wellhead. NU BOP. Test BOP's.
5. Pick up workstring and bit. Drill out CIBP (TA) at 3600'. Drill cement from 4180 to 4250'. Drill out BP @ +/- 5900'. Push BP and/or clean out to below the Point Lookout perfs. (to +/- 6300').
6. Clean out and check for PBTD. (PBTD should be at cement retainer @ +/- 7195').
7. Pump 10 sx Type V cement (13.2 cu ft) on top of the retainer @ 7195, or at PBTD, if close to 7195'. TOOH.
8. TIH with workstring and cement retainer. Set retainer @ 6153'. Pump 16 sx (21.2 cu ft) thru retainer. Sting out of retainer and pump 10 sx Type V cement (13.2 cu ft) on top of the retainer. TOOH.
9. RIH with perforators and perforate 4 circulating holes @ 5976'. Attempt to establish rate into the holes.
10. TIH with workstring and cement retainer. Set retainer @ 5926'. Pump 30 sx Type V cement (39.6 cu ft) thru the retainer and outside the casing to isolate the Cliffhouse. Sting out of the retainer and pump 10 sx Type V cement (13.2 cu ft) on top of the retainer.

11. Pull up to 4300'. Pump 85 sx Type V cement (112.2 cu ft) to cover the Pictured Cliffs and Fruitland Coal perforated intervals. Pull up to +/- 3580'. Reverse circulate to leave TOC @ +/- 3580'. Pull up hole and WOC.
12. Trip down and tag top of cement. If top of cement is @ +/- 3580 go to next step. If cement is below 3580' trip down and top off cement to place top of cement above 3580'.
13. RIH with perforators and shoot 4 circulation holes @ 3570'. Attempt to establish rate and/or circulation thru holes.
14. TIH with cement retainer and set retainer @ 3470'. Pump 145 sx Type V cement (191 cu ft) thru retainer to cement +/- 500' (100% excess outside) outside the casing and 100' inside the casing. Sting out of retainer and pump 33 sx Type V cement (43.6 cu ft) cement on top of the retainer. Cement inside the casing will now will be @ +/- 3150'. TOOH.
15. RIH with perforators and shoot 4 circulation holes @ 2095'. Attempt to establish rate and/or circulation thru holes.
16. TIH with cement retainer and set retainer @ 2045'. Pump 19 sx Type V cement (25 cu ft) thru retainer to cement 100' (100% excess outside) outside the casing and 50' inside the casing. Sting out of retainer and pump 10 sx Type V cement (13.2 cu ft) cement on top of the retainer.
17. RIH with perforators and perforate 4 circulation holes @ 573'. Attempt to establish circulation thru the holes.
18. Pump Type V cement to cement inside and outside the 5 1/2" casing. Expected volumes are: 50' 7 7/8" x 5 1/2" x 100% excess is 17.3 cu ft, 523' 8 5/8" x 5 1/2" x 50% excess is 151.1 cu ft., inside 523' 5 1/2" casing is 69.9 cu ft. Total cement estimate = 238.3 cu ft, (180 sx).
19. Top off cement in 5 1/2" casing and 8 5/8" x 5 1/2" annulus.
20. Prepare to remove all surface equipment and reclaim location as required.

Initiated by:
Loren Diede
6-30-06

Approved by:
Leslie Lam

Type V cement specs; 14.8 ppg, yield = 1.32 cu ft/sx

First-Call Service Company contacts for this well are:

Logging/Perforating:	Basin	327-5244
Acid/Frac:	open	
Cement:	Key PPS	327-6222
Tools:	open	

Jicarilla 451 #1
Current Wellbore Diagram

NE/SW Sec4, T29N, R3W Rio Arriba, NM

Elev. GL 7151
Elev. KB 7163

SURF CSG

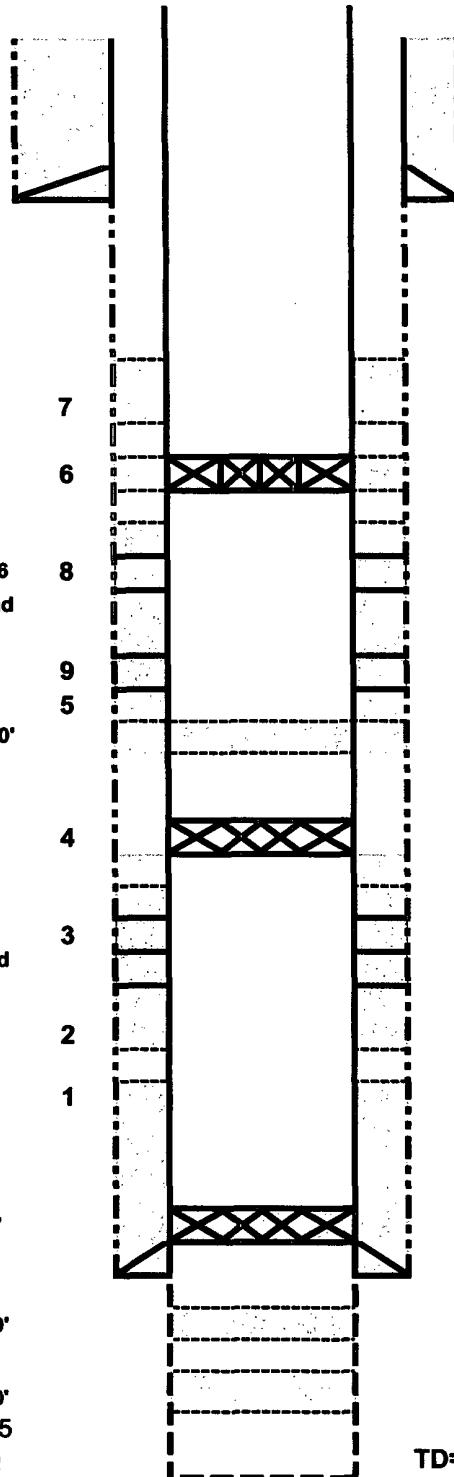
9 5/8" 32.3# K-55 @ 523',
TOC surf

Note: The #'s at the left of the
indicate the sequence of origin:

TOC 3584
Cement Sq 50 sx 7
Cement Sq 75 sx 6
Perfs 3678-3779' Fruit Coal 5-7-86
Frac with XL gel 11350# 12/20 sand
screened out 8
Perfs 4144-4147' 10-16-86
cement Sq 375 sx (473 cu ft) 5
Cement left in hole from 4180-4250'
DBP 5900' 4
TOC 6050
Point Lookout perfs 6203-6244',
Acid + 70Q foam frac 43000# sand 3
Cement Sq 150 sx (240 cu ft) 2
Primary Cmt TOC 6582' 1
Cement Retainer 7195'
Cement plug 7280-7380'
Cement plug 7950-8050'
5 1/2" 15.5#, K-55 (6726') & 5
1/2" 17# N-80 (545') Set @
7271', cmt w/ 304 cu ft.

TA CIBP @ 3600'

TD= 8700'



The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 7/5/06 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.

Jicarilla 451 #1
P&A Wellbore Diagram

NE/SW Sec4, T29N, R3W Rio Arriba, NM

Elev. GL 7151
Elev. KB 7163

SURF CSG
9 5/8" 32.3# K-55 @ 523',
TOC surf

**Note: The #'s at the left of
the wellbore indicate the
sequence of original events**

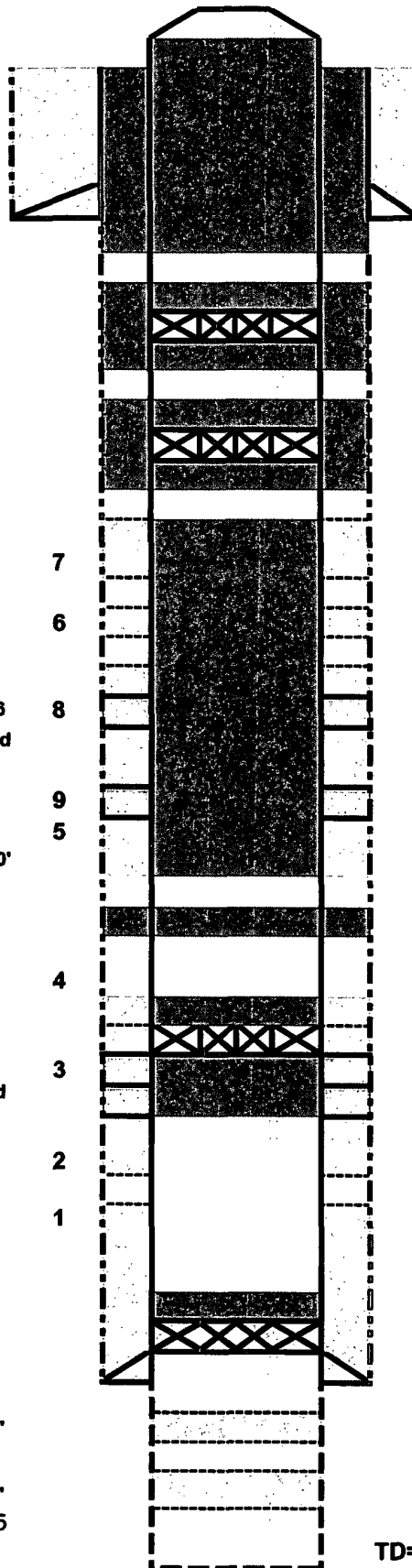
TOC 3584
Cement Sq 50 sx 7
Cement Sq 75 sx 6
Perfs 3678-3779' Fruit Coal 5-7-86 8
Frac with XL gel 11350# 12/20 sand
screened out
Perfs 4144-4147' 10-16-86 9
cement Sq 375 sx (473 cu ft) 5
Cement left in hole from 4180-4250'

TOC 6050
Point Lookout perfs 6203-6244',
Acid + 70Q foam frac 43000# sand 3
Cement Sq 150 sx (240 cu ft) 2
Primary Cmt TOC 6582' 1

Cement Retainer 7195'

Cement plug 7280-7380'

Cement plug 7950-8050'
5 1/2" 15.5# K-55 (6726') & 5
1/2" 17# N-80 (545') Set @
7271', cmt w/ 304 cu ft.



Cement 523' to surface inside/out

Nacimiento top, cement inside/c

Kirtland & Ojo Alamo top, ceme

Cement over PC, Fruitland Coal perfs
4300' to 3580'

Cement Top of Cliffhouse:
Inside/outside

Retainer 6153', Cement under and
above Top=6055'

TD= 8700'