

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 reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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

PO Box 249 Bloomfield, NM 87413

3b. Phone No. (include area code)

505.634.1111 x 24

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

Sec. 10, T30N, R03W
2400' FSL & 1500' FWL, NESW Unit K

5. Lease Serial No.

Contract 457

6. If Indian, Allottee or Tribe Name

Jicarilla Apache Tribe

7. If Unit or CA/Agreement, Name and/or No.

2 24

8. Well Name and No.

JICARILLA 457-10 #8

9. API Well No.

30-039-25783

10. Field and Pool, or Exploratory Area

East Blanco, Pictured Cliffs

11. County or Parish, State

Rio Arriba County, New Mexico

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"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Reclaimation

13. Describe Proposed or Completed Operations (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 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 recompleat 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)	Title
Agatha Snell	Eng. Tech.
Signature	Date
<i>Agatha Snell</i>	September 22, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title	Date
Original Signed: Stephen Mason		SEP 27 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.	Office	

Title 18 U.S.C. Section 1001, makes 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.

(Instructions on reverse)

NMOCD 8

PLUG AND ABANDONMENT PROCEDURE

September 8, 2006

Jicarilla 457 – 10 #8
East Blanco Pictured Cliffs
2400' FSL & 1500' FWL, SW, Section 10, T30N, R3W
Rio Arriba County, New Mexico, API #30-039-25783

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

1. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Black Hills safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary. ND wellhead and NU BOP. Test BOP.
2. PU tally and RIH with 2.375" tubing workstring with retrieving head. PU Retrievable Bridge Plug set at 3100' and TOH. LD RBP. Round trip 5.5" gauge ring to 3635'.
3. **Plug #1 (Pictured Cliffs perforations, Fruitland Coal, Kirtland and Ojo Alamo tops, 3635' – 3122')**: TIH and set CR at 3635'. Pressure test tubing to 1000#. *Pressure test casing to 800#. If casing does not test, then spot or tag subsequent plugs as appropriate.* Mix 57 sxs Type III cement and spot a plug inside casing above CR to isolate the Pictured Cliffs interval, and cover the Fruitland Coal, Kirtland and Ojo Alamo tops. PUH to 2130'.
4. **Plug #2 (Nacimiento top, ^{2026' 1926'} 2130' – 2030')**: Mix 16 sxs cement and spot a balanced plug inside the casing to cover the Nacimiento top. PUH to 1556'.
5. **Plug #3 (San Jose top, 1556' – 1456')**: Mix 16 sxs cement and spot a plug inside the casing to cover the San Jose top. PUH to 592'. *This plug is unnecessary since San Jose is surface*
6. **Plug #4 (Surface, 592' – 0')**: Connect the pump line to the bradenhead valve. Pressure test the BH annulus to 300#; note the fluid volume to load. If the BH annulus tests, then mix 65 sxs Type III cement and spot a balanced plug inside the 5.5" casing, circulate cement to surface out the casing valve. TOH and LD the tubing. If the BH annulus does not test, then perforate at the appropriate depth set and spot cement to surface. TOH and LD tubing. 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. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Jicarilla 457 – 10 #8

Current

East Blanco Pictured Cliffs

2400' FSL & 1500' FWL, SW, Section 10, T-30-N, R-3-W

Rio Arriba County, NM / API #30-039-25783

Today's Date: 9/8/06

Spud: 4/9/98

Completion: 8/16/98

Elevation: 7197' GI
7209' KB

12.25" hole

8.625" 24#, K-55 Casing set @ 542'
Cement with 300 sxs (Circulated to Surface)

WELL HISTORY

Jun '02: T&A well with CIBP at 3127'. PT to 500#. MIT okay. Bruce Martin, NMOCD, witnessed test.

May '05: Black Hills Gas Resources re-completed the well in the East Blanco PC formation.

Jun '06: Black Hills Gas Resources set an RBP at 3100' so that a twin Dakota well could be drilled on the same pad. Decision was made to P&A well.

RBP set at 3100' (2006)

Ojo Alamo Perforations:
3177' – 3310'
Squeezed with 250 sxs cement
(1999)

Pictured Cliffs Perforations:
3685' – 3734'

5.5" 15.5#, J-55 Casing set @ 3925'
Cemented with 530 sxs
Circulate 45 sxs to pit per report

San Jose @ 1506'

Nacimiento @ 2080'

Ojo Alamo @ 3172'

Kirtland @ 3381'

Fruitland Coal @ 3497'

Pictured Cliffs @ 3676'

7.875" hole

TD 3985'
PBTD 3908'

Jicarilla 457 – 10 #8

Proposed P&A East Blanco Pictured Cliffs

2400' FSL & 1500' FWL, SW, Section 10, T-30-N, R-3-W

Rio Arriba County, NM / API #30-039-25783

Today's Date: 9/8/06

Spud: 4/9/98

Completion: 8/16/98

Elevation: 7197' GI
7209' KB

12.25" hole

8.625" 24#, K-55 Casing set @ 542'
Cement with 300 sxs (Circulated to Surface)

Plug #4: 592' – 0'
Type III cement, 65 sxs

San Jose @ 1506'

Plug #3: 1556' – 1456'
Type III cement, 16 sxs

Nacimiento @ 2080'

Plug #2: 2130' – 2030'
Type III cement, 16 sxs

Ojo Alamo @ 3172'

Ojo Alamo Perforations:
3177' – 3310'
Squeezed with 250 sxs cement
(1999)

Kirtland @ 3381'

Plug #1: 3635' – 3122'
Type III cement, 57 sxs

Fruitland Coal @ 3497'

Set CR @ 3635'

Pictured Cliffs @ 3676'

Pictured Cliffs Perforations:
3685' – 3734'

7.875" hole

5.5" 15.5#, J-55 Casing set @ 3925'
Cemented with 530 sxs
Circulate 45 sxs to pit per report

TD 3985'
PBTD 3908'

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 9/22/06 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.