

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RCUD NOV1'06

OIL CONS. DIV.

DIST. 3

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

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Contract 451
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Alibates, or Tribe Name Jicarilla Apache Tribe
3a. Address P.O. Box 249 Bloomfield, NM 87413	3b. Phone No. (include area code) 505-634-1111	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 03, T29N, R03W 740' FNL & 610' FEL Unit A		8. Well Name and No. Jicarilla 451-03 #14
		9. API Well No. 30-039-29266
		10. Field and Pool, or Exploratory Area East Blanco, PC; Cabresto Can, Tertiary
		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			
<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 type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 recompletes horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. 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 reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Black Hills Gas Resources intends to plug back and abandon the Pictured Cliffs, Fruitland Coal and Lower Nacimiento formations in this well as per attached procedure. The remaining Tertiary will be evaluated to determine the best production configuration.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.		
Name (Printed/ Typed) Loren Diede	Title Consultant (Agent)	
Signature <i>[Signature]</i>	Date Oct 24, 2006	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved by <i>[Signature]</i>	Title P.O.A. Eng.	Date 10/31/06
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)		

OPERATOR

Black Hills Gas Resources

Workover Procedure

For the

JICARILLA 451-03 #14

API # 30-039-26266

SW NE Sec 3, T 29N, R 3W

Rio Arriba County, New Mexico

GL=7246', KB=7259', TD=3857', PBTD= 3835'

Surface casing: 8-5/8", 24 lb/ft, @ 284', TOC = surf
Production casing: 5 1/2" 15.5lb/ft, K-55 @ 3847' TOC=Surf
Production Tubing: 110 Jts 2 3/8" 4.7# J-55 @ 3591'w/ packer & 4 jts tail pipe

Current Perforations:	Upper San Jose	1352-1400
	Lower San Jose/Nac	1676-2140
	L Nacimiento	3150-3190
	Fruitland Coal	3638-3694
	Pictured Cliffs	3732-3814

Proposed Work: Abandon the PC & FC, evaluate the Tertiary.

General Note: All fluids entering the well bore are to contain; 2 gpt MA-844 (MA-1), 2% KCl and a biocide.

Notify the Jicarilla BLM to witness the plug back at least 24 hr prior to pumping the cement.

Plug Back

1. Conduct safety meeting with all personnel to discuss the scope of this completion.
2. MIRU completion rig, ND WH, NU BOP.
3. Unset the packer and TOO H with production tubing. Visually inspect tubing for scale and corrosion.
4. TIH with bit and scraper to at least 3710'. TOO H.
5. TIH with CIBP and set @ +/- 3705'. Pull off the CIBP and pump 44 cu ft (33 sx) Type V cement to cover the Fruitland Coal and Kirtland formation tops.
6. Pull up well above the cement, (at least 10 stands). WOC
7. Trip down and tag TOC. TOC is to be at least 3388' or higher. If needed, top off to achieve a TOC of 3388'. TOO H.

8. Pull up to 3318' and pump a balanced cement plug of 33 cu ft (25 sx) Type V cement from 3318' to 3100' to cover the Ojo Alamo formation top and Lower Nacimiento perforations. WOC.
9. Trip down and tag TOC. TOC is to be at least 3100' or higher. If needed, top off to achieve a TOC of 3100'. TOOH.

Type III cement @ 14.5 ppg = 1.39 cu ft/sx
Type V cement @ 14.8 ppg = 1.32 cu ft/sx
Class B cement @ 15.6 ppg = 1.18 cu ft/sx

Tertiary Evaluation

10. TIH with tubing with EOT @ +/- 2500'.
11. Run a check in the tubing and pump-simulate by pulling fluid from the tubing while flowing and measuring gas from the casing. Hold a minimum of 40 psi on the casing while pump-simulating. Report pressures and rates to engineering.

The results of the pump-simulation will determine the artificial lift design.

Initiated by:
Loren Diede, 10-24-06

Approved by:
Leslie Lam

JICARILLA EMERGENCY NUMBERS

Hospital/Ambulance	911
Helicopter	505 334-6622
Fire/ Rescue	505 759-3254
Non Emergency	505 334-6622
Sheriff (San Juan)	505-334-6622
State Police	505 325-7547
Jicarilla PD	505 759-3222
Non Emergency	505 334-6622

Jicarilla 451-03 #14
Post Completion Wellbore Diagram
 API # 30-039-29266
UNIT A NE/NE, Sec 03, T29N, R03W Rio Arriba, NM

Elev. GL= 7246'
 Elev. KB= 7259'

SURF CSG
 8 5/8" 24# J-55
 @284' KB, TOC surf

Blanking Plug @
3609'

PROD CASING
 5 1/2" 15.5# K-55
 @3847' KB; ; TOC= ?

Tbg Hanger	
110 jts 2 3/8" tbg	
1.87" XO sliding sleeve	3594.07
6' pup joint	
ON/OFF tool, 1.87" X profile	3601.67
AS1-X packer	3608.92
4 jts 2 3/8" tbg	
WLREG	
EOT	3739.28
Upper San Jose perms: 1352-1354, 1358-1360, 1375-1379, 1388-1390, 1394-1396, 1398-1400; BD HCl, Frac 70Q N2 25000# 20/40.+ 11000 SLC., Tested 199 mcf/d+2 bwpd.2-27-06 test no water, no gas	
Lower San Jose perms: 1676-1678, 1682-1684, 2136-2140; HCl, N2, no sand., Tested 95 mcf/d, no H2o	

Nacimiento perms: 3150-3152, 3188-3190, BD HCl and N2, no sand. Test 670 psi SI ON, no gas.

Fruitland Coal perms: 3638-3642, 3658-3660, 3682-3684, 3684-3686, 3682-3694, HCl, N2 BD, Tested 95 mcf/d, no H2o

Pictured Cliffs perms: 3732-3750, 3802-3814, BD HCl, Frac 70Q foam w/ 120000# 20/40 Test 120-160 csg press, will not flow

PBTD=3835'
TD = 3857'

Prepared: 22-Sep-06

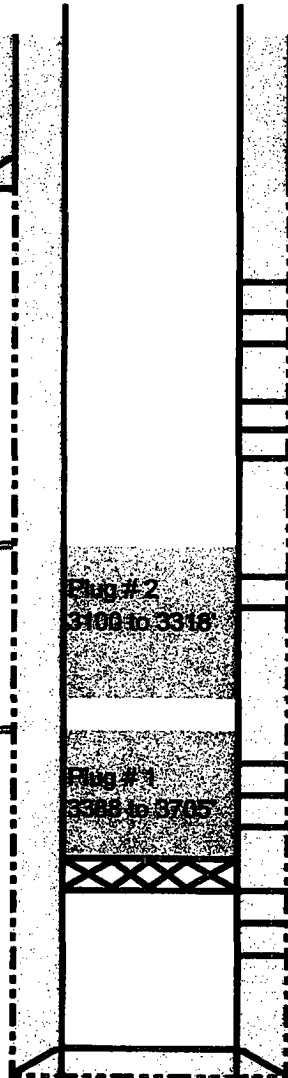
Jicarilla 451-03 #14
Plug Back Wellbore Diagram
 API # 30-039-29266
UNIT A NE/NE, Sec 03, T29N, R03W Rio Arriba, NM

Elev. GL= 7246'
 Elev. KB= 7259'

SURF CSG
 8 5/8" 24# J-55
 @284' KB, TOC surf

Formation tops:	
Nac	2023
OA	3268
Krt	3488
FC	3631
PC	3732

PROD CASING
 5 1/2" 15.5# K-55
 @3847' KB; ; TOC= ?



Upper San Jose perms: 1352-1354, 1358-1360, 1375-1379, 1388-1390, 1394-1396, 1398-1400; BD HCl, Frac 70Q N2 25000# 20/40.+ 11000 SLC., Tested 190 mcf/d+2 bwpd.2-27-06 test no water, no gas

Lower San Jose Nacimiento perms: 1676-1678, 1682-1684, 2136-2140; HCl, N2, no sand., Tested 95 mcf/d, no H2o

Nacimiento perms: 3150-3152, 3188-3190, BD HCl and N2, no sand. Test 670 psi SI ON, no gas.

Fruitland Coal perms: 3638-3642, 3658-3660, 3662-3664, 3684-3686, 3692-3694, HCl, N2 BD, Tested 95 mcf/d, no H2o

CIBP @ 3705'

Pictured Cliffs perms: 3732-3750, 3802-3814, BD HCl, Frac 70Q foam w/ 120000# 20/40 Test 120-160 csg press, will not flow

PBTD=3835'
 TD = 3857'

Prepared: 24-Oct-06

BLM CONDITIONS OF APPROVAL

WORKOVER AND RECOMPLETION OPERATIONS:

A properly functioning BOP and related equipment must be installed prior to commencing workover and/or recompletion operations.

SURFACE USE OPERATIONS:

The following Stipulations will apply to this well unless a particular Surface Managing Agency or private surface owner has supplied to BLM and operator a contradictory environmental stipulation. The failure of operator to comply with these requirements may result in assessments or penalties pursuant to 43 CFR 3163.1 or 3163.2. A copy of these conditions of approval shall be present on location during construction, drilling and reclamation activity.

An agreement between operator and fee landowner will take precedence over BLM surface stipulations unless (in reference to 43 CFR Part 3160) 1) BLM determines that operator's actions will affect adjacent Federal or Indian surface, or 2) operator does not maintain well area and lease premises in a workmanlike manner with due regard for safety, conservation and appearance, or 3) no such agreement exists, or 4) in the event of well abandonment, minimal Federal restoration requirements will be required.

STANDARD STIPULATIONS: All surface areas disturbed during work-over activities and not in use for production activities will be reseeded. This should occur in the first 90 days after completion of work-over activities.

SPECIAL STIPULATIONS:

1. Pits will be fenced during work-over operation.
2. All disturbance will be kept on existing pad.
3. All pits will be pulled and closed immediately upon completion of the work-over activities.
4. Pits will be lined with an impervious material at least 12 mils thick.