(April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0137

| BUREAU OF LAND MANAGEMENT | | | | | Expires: March 31, 2007 | |
|--|----------------------|--------------------|----------------|------------------|---|--|
| SUNDRY NOTICES AND REPORTS ON WEIGHT HAY -3 Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. | | | | | o. Contract 459 tee, or Tribe Name illa Apache Tribe | |
| SURMIT IN TRIPLICATE - Other Instructions on reverse side 151 7. If Unit or CA. Agreement Name and/or No. | | | | | | |
| 1. Type of Well Oil Well X Gas Well | Other | | 210 FARA | 8. Well Name and | d No. | |
| 2. Name of Operator | | | | | Jicarilla 459 #4 9. API Well No. | |
| Black Hills Gas Resources, Inc. | | | | | | |
| 3a. Address | 3b. Phone No. (inclu | • | 30-039-24307 | | | |
| P.O. Box 249 Bloomfield, NM 87413 505-634-1111 | | | 4-1111 | 2 | l, or Exploratory Area | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | East Blanco, Pictured Cliffs 11. County or Parish, State | |
| 790' FNL, 1850' FEL Unit B Sec 19, T30N, R3W | | | | | · | |
| | | | | | io Arriba, NM | |
| 12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | | | | |
| TYPE OF SUBMISSION | | TY | PE OF ACTION | | | |
| X Notice of Intent | Acidize | Deepen | Production (S | tart/ Resume) | Water Shut-off | |
| | Altering Casing | Fracture Treat | Reclamation | | Well Integrity | |
| Subsequent Report | Casing Repair | New Construction | Recomplete | | Other | |
| | Change Plans | X Plug and abandon | Temporarily A | bandon | | |
| Final Abandonment Notice | Convert to Injection | Plug back | Water Disposa | 1 | | |

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 recomplete 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 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 this well as per the attached procedure dated March 2, The Jicarilla Apache Nation Office of water Administration has indicated that it DOES NOT want this well as a water source well.



| | ~CF777\U^/ | | | | |
|---|----------------------|--|--|--|--|
| 14. I hereby certify that the foregoing is true and correct. | | | | | |
| Name (Printed/ Typed) | 1 | | | | |
| Loren Diede | Title | Consultant (Agent) | | | |
| Signature | Date | 1-May-07 | | | |
| THIS SPACE FOR | FEDERAL OR STATE | OFFICE USE | | | |
| Approved by Original Signed: Stephen Mason | Title | Date MAY 0.7 2007 | | | |
| Conditions of approval, if any are attached. Approval of this notice does not certify that the applicant holds legal or equitable title to those rights in the which would entitle the applicant to conduct operation | subject lease Office | | | | |
| Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make States any false, fictitiousor fraudulent statements or representations as to any | * - | ngly and willfully to make any department or agency of the U | | | |

(Instructions on page 2)

May 1 P. PLUG AND ABANDONMENT PROCOURER 31 AN 10: 31

Jicarilla 459 #4

March 2, 2007

RECEIVED Cabresto Canyon; San Jose Ext. / East Blanco Pictured Cliffs Rio Arriba County, New Mexico, API #30-039-24307

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. TOH and tally 2.375" tubing, total tally, 3325'. If necessary LD tubing and PU workstring. TIH with tubing and retrievable setting tool; latch onto existing RBP at 3340'. TOH and LD RBP.
- 3. Plug #1 (Pictured Cliffs perforations, Fruitland, Kirtland and Ojo Alamo tops, 3700' 3155'): TIH with CR and set at 3700'. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 41 sxs Type III cement and spot a plug inside the casing above CR to isolate the Pictured Cliffs interval and cover the Fruitland, Kirtland and Ojo Alamo tops. TOH with tubing.
- 4. Plug #2 (Nacimiento top, 2065' 1965'): Perforate 3 squeeze holes at 2065'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement retainer at 2015'. Establish rate into squeeze holes. Mix and pump 32 sxs cement, squeeze 21 sxs outside the casing and leave 11 sxs inside the casing to cover the Nacimiento top. PUH to 185'.
- 5. Plug #3 (8.625"casing shoe and surface, 185' Surface): Attempt to pressure test the bradenhead annulus to 300#. Note the volumes it takes to load. If it tests, then with tubing at 185', establish circulation out casing valve with water. Mix approximately 25 sxs cement (excess cement due to original casing leaks) and fill the inside of the 4.5" casing 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 set a plug to cover the surface casing shoe and fill the BH annulus and casing annulus as necessary. TOH and LD tubing. Shut in well.
- 6. 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 459 #4

Current

Cabresto Canyon; Ojo Alamo Ext./East Blanco Pictured Cliffs

790' FNL & 1850' FEL, NE, Section 19, T-30-N, R-3-W

Rio Arriba County, NM / API #30-039-24307

Today's Date: 3/2/07 Spud: 10/28/88 PC Completion: 1/4/89 8.625" 24#, J-55 Casing set @ 135' Cement with 150 sxs (Circulated to Surface) OA Completion: 1/19/98 12.25" hole Elevation: 7143' GI 7155' KB **WELL HISTORY** May '03: Determine no or poor cement from 3000' to 1021'. Isolate casing leaks from 1021' to surface Squeeze casing leaks from with total 311 cf. 1021' to surface with total 311 cf cement. (2003) Feb '07: Set RBP at 3340'. Re-sqz Ojo Alamo perforations with unknown amount of cement. Nacimiento @ 2015' 2.375" Tubing at 3325' TOC @ 3000'(1986) Ojo Alamo Perforations: 3209' - 3252' Ojo Alamo @ 3205' Sqz'd with 175 sxs (2003) Re-sqz'd with unknown amount of cement. (2007) RBP set at 3340' (2007) Kirtland @ 3430' Fruitland @ 3575' Pictured Cliffs Perforations: Pictured Cliffs @ 3750' 3750' - 3840'

TD 4165' PBTD 3340'

6.75" hole

4.5" 10.5#, J-55 Casing set @ 4146'

Cemented with 375 sxs (633 cf)

Jicarilla 459 #4

Proposed P&A

Cabresto Canyon; Ojo Alamo Ext./East Blanco Pictured Cliffs

790' FNL & 1850' FEL, NE, Section 19, T-30-N, R-3-W

Rio Arriba County, NM / API #30-039-24307

Today's Date: 3/2/07

Spud: 10/28/88

PC Completion: 1/4/89 OA Completion: 1/19/98

Elevation: 7143' GI

7155' KB

12.25" hole

Squeeze casing leaks from

1021' to surface with total 311 cf cement. (2003)

8.625" 24#, J-55 Casing set @ 135' Cement with 150 sxs (Circulated to Surface)

Plug #3: 185' - 0' Type III cement, 25 sxs

(excess due to original casing

leaks)

Nacimiento @ 2015'

Ojo Alamo @ 3205'

Kirtland @ 3430'

Fruitland @ 3575'

Pictured Cliffs @ 3750'

6.75" hole

Cmt Retainer @ 2015'

Plug #2: 2065' - 1965' Type III cement, 32 sxs: 21 outside and 11 inside

Perforate @ 2065'

TOC @ 3000'(1986)

Ojo Alamo Perforations:

3209' - 3252'

Sqz'd with 175 sxs (2003) Re-sqz'd with unknown amount of cement. (2007)

RBP set at 3340' (2007)

Plug #1: 3700' - 3155' Type III cement, 41 sxs

Set CR @ 3700'

Pictured Cliffs Perforations:

3750' - 3840'

4.5" 10.5#, J-55 Casing set @ 4146' Cemented with 375 sxs (633 cf)

TD 4165' **PBTD 3340'**