

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. MDA 701-98-0013 |
| 2. Name of Operator Black Hills Gas Resources, Inc. | | 7. If Unit or CA. Agreement Name and/or No. Jicarilla Apache Tribe |
| 3a. Address P.O. Box 249 Bloomfield, NM 87413 | 3b. Phone No. (include area code) 505-634-1111 | 8. Well Name and No. Jicarilla 29-02-31 #14 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 430' FNL & 880' FEL (NE NE) Unit A Sec 31, T29N, R2W | | 9. API Well No. 30-039-29317 |
| | | 10. Field and Pool, or Exploratory Area Burro Canyon Tertiary, Basin Fruitland Coal & East Blanco Pictured Cliffs |
| | | 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 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 | |

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 recompleate 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 recompleation 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 10-26-2007,

RECEIVED

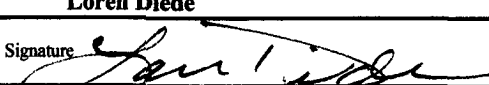
OCT 30 2007

Bureau of Land Management
Farmington Field Office

RCVD NOV 2 '07

OIL CONS. DIV.

DIST. 3

| | |
|--|------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. | |
| Name (Printed/ Typed) Loren Diede | Title Consultant (Agent) |
| Signature  | Date 29-Oct-07 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|--|--------|----------------------------|
| Original Signed: Stephen Mason | Title | Date NOV 01 2007 |
| Approved by | Office | |
| 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 

PLUG AND ABANDONMENT PROCEDURE

October 26, 2007

Jicarilla 29-02-31 #14

East Blanco PC / Basin FtC / Burro Canyon Tertiary
430' FNL & 880' FEL, NE, Section 31, T29N, R2W
Rio Arriba County, New Mexico, API #30-039-29317

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. Tally and PU tubing workstring. Round trip 5.5" gauge ring to 3440'.
3. **Plug #1 (Pictured Cliffs interval, Fruitland Coal perforations and Kirtland top, 3440' – 3170')**: RIH and set 5.5" CR at 3440'. Mix 37 sxs Type III cement (long plug, 30% excess) and spot a plug to isolate the PC interval, cover and fill the Fruitland interval, and cover the Kirtland top. PUH and WOC. TIH and tag cement at 3170' or higher. TOH with tubing.
4. **Plug #2 (Ojo Alamo interval and Nacimiento squeezed perforations, 3230' – 2788')**: RIH and set 5.5" CR at 3230'. Mix 50 sxs Type III cement and spot a plug to isolate the PC interval and cover the Nacimiento squeezed perforations. PUH to 1980'.
5. **Plug #3 (Nacimiento top, 1980' – 1880')**: Mix 16 sxs Type III cement and spot a plug inside the casing to cover the Nacimiento top. PUH to 1281'.
6. **Plug #4 (San Jose perforations and top, 1281' – 1176')**: Mix 21 sxs Type III cement and spot a plug to fill the San Jose perforations. PUH to 331'.
7. **Plug #5 (8.625" casing shoe and surface, 331' – Surface)**: 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 40 sxs Type III cement and spot a balanced plug inside the 5.5" casing to surface casing shoe, 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 and attempt to circulate cement to surface filling the casing and the bradenhead annulus. TOH and LD tubing. WOC.
8. 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 29-02-31 #14

Current

East Blanco PC / Basin FtC / Burro Canyon Tertiary

430' FNL & 880' FEL, NE, Section 31, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-29317

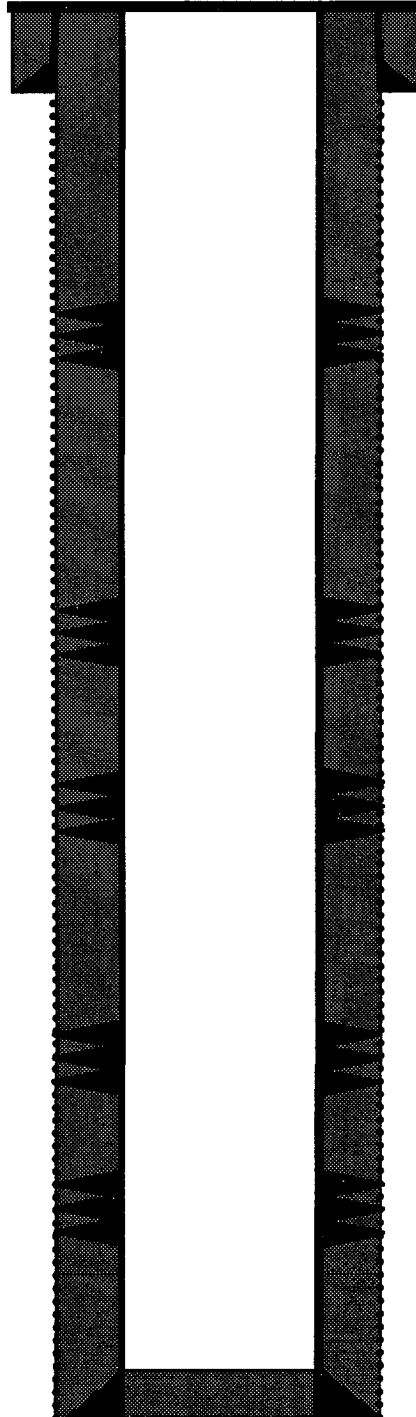
Today's Date **10/26/07**

Spud: 2/9/05

Multi-Zone Completion: 4/20/05

Elevation: 7069' GI
7081' KB

12.25" hole



TOC @ Surface (CBL 2005)

8.625" 24#, Casing set @ 281'
Cement with 200 sxs (Circulated to Surface)

WELL HISTORY

May '07: Treat PC/FtC perms for paraffin.
Swab. Perf San Jose zone, dry. TOH and LD
tubing. Plan to P&A well.

San Jose Perforations:
1226' - 1231', dry (2007)

Nacimiento @ 1930'

Nacimiento Perforations:
2838' - 2840', squeezed

Ojo Alamo @ 3245'

Ojo Alamo Perforations:
3280' - 3282'

Kirtland @ 3320'

Fruitland @ 3380'

Fruitland Coal Perforations:
3404' - 3438'

Pictured Cliffs @ 3445'

Pictured Cliffs Perforations:
3449' - 3550'

5.5" 15.5#, Casing set @ 3611'
Cemented with 600 sxs,
Circulate 40 bbls to Surface

Jicarilla 29-02-31 #14

Proposed P&A

East Blanco PC / Basin FtC / Burro Canyon Tertiary

430' FNL & 880' FEL, NE, Section 31, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-29317

Today's Date 10/26/07

Spud: 2/9/05

Multi-Zone Completion: 4/20/05

Elevation: 7069' GI
7081' KB

12.25" hole

Nacimiento @ 1930'

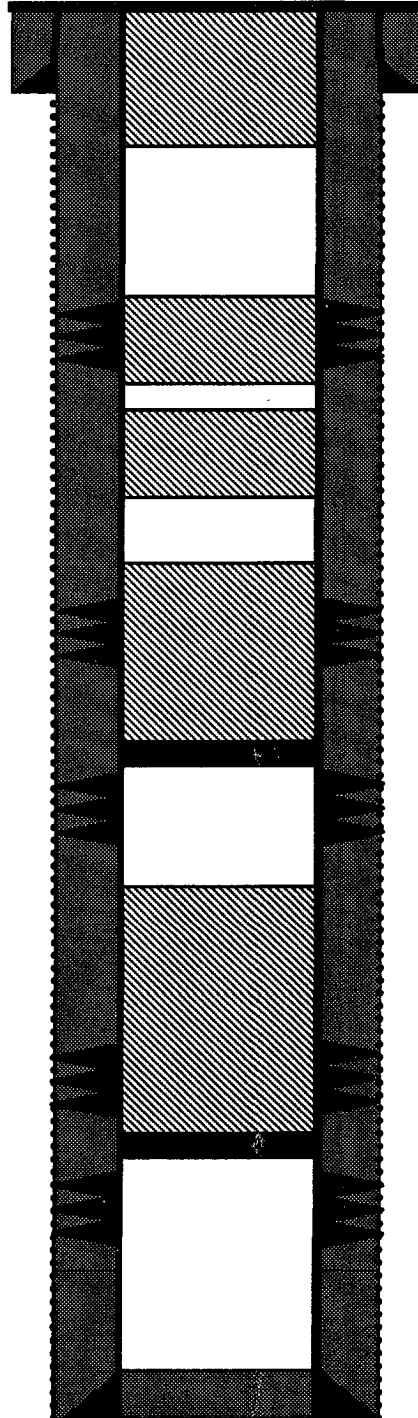
Ojo Alamo @ 3245'

Kirtland @ 3320'

Fruitland @ 3380'

Pictured Cliffs @ 3445'

7.875" hole



TOC @ Surface (CBL 2005)

8.625" 24#, Casing set @ 281'
Cement with 200 sxs (Circulated to Surface)

Plug #5: 331' – 0'
Type III cement, 40 sxs

Plug #4: 1281' – 1176'
San Jose Perforations: Type III cement, 21 sxs
1226' - 1231', dry (2007)

Plug #3: 1980' – 1880'
Type III cement, 16 sxs

Nacimiento Perforations:
2838' – 2840', squeezed (2005)

Plug #2: 3230' – 2788'
Type III cement, 50 sxs

Cement Retainer @ 3230'

Ojo Alamo Perforations:
3280' – 3282'

Plug #1: 3440' – 3170'
Type III cement, 37 sxs
(long plug, 30% excess)

Fruitland Coal Perforations:
3404' – 3438'

Set Cement Retainer @ 3440'

Pictured Cliffs Perforations:
3449' – 3550'

5.5" 15.5#, Casing set @ 3611'
Cemented with 600 sxs,
Circulate 40 bbls to Surface

TD 3633'
PBTD 3595'