

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 04 2008

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  
☐ 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)  
**Surface: 710' FNL & 460' FWL Unit D Sec. 6, T29N, R2W**  
**Bottom Hole: 1040' FNL & 581' FEL Unit A Sec 6, T29N, R2W**

5. Lease Serial No.  
**MDA 701-98-0013**

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 29-02-06 #3**

9. API Well No.  
**30-039-26858**

10. Field and Pool, or Exploratory Area  
**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**

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Altering Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and abandon

☐ Plug back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-off

☐ Well Integrity

☐ Other

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 recompleat 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 recompleat 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 May 20, 2008. The Jicarilla Apache Nation Department of Water Administration has NOT requested this well be kept for use as a water well.**

RCVD SEP 12 '08

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-Aug-08**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

**Original Signed: Stephen Mason**

Title

Date

**SEP 09 2008**

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 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

May 20, 2008

### Jicarilla 29-02-06 #3

East Blanco Pictured Cliffs

Surface: 710' FNL and 460' FWL, Section 6, T29N, R2W

Bottom Hole: 1040' FNL & 581' FEL, Section 6, T29N, R2W

Rio Arriba County, New Mexico / API 30-039-26858

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 Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. Project will require a Pit Permit (C103) from the NMOCD.
2. Install and test location rig anchors. Prepare and line a waste fluid pit. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes ☐ , No ☒ , Unknown ☐  
Tubing: Yes ☒ , No ☐ , Unknown ☐ , Size 2.375" , Length 1682'.  
Packer: Yes ☐ , No ☒ , Unknown ☐ , Type .  
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate.
4. TOH and visually inspect tubing. **Note: PU additional 2.375' tubing workstring to drill out existing CIBP at 3300' and tag existing CIBP at 3715'. If necessary, LD tubing and PU drill string.** PU and TIH with 4 3-1/2" DCs, XO and 2.375" tubing. Mill out existing CIBP at 3300' and tag existing CIBP at 3715'. Circulate well clean. POH and LD drill collars.
5. **Plug #1 (Pictured Cliffs interval, Fruitland top, Whipstock window at 3780', Kirtland and Ojo Alamo tops, 3715' – 2960'):** RIH and tag existing CIBP at 3715'. Mix and pump 115 sxs Class G cement (long plug, 30% excess) and spot a balanced plug above CIBP to isolate the Pictured Cliffs interval and cover through the Ojo Alamo top. PUH and WOC. TIH and tag cement at least 50' above top of Ojo Alamo top.  

2258'    2158'
6. **Plug #2 (Nacimiento top, ~~2650'~~ – 2550'):** Mix 18 sxs Class G cement and spot a balanced plug inside casing to cover the Nacimiento top. TOH.
7. **Plug #3 (San Jose perforations, 1284' – 1184'):** RIH and set CIBP at 1284'. Pressure test casing to 500 PSI. If casing does not test then spot or tag subsequent plug as appropriate. Mix 18 ~~sxs~~ Class G cement and spot a balanced plug inside casing above CIBP to isolate the San Jose perforations. PUH.

8. **Plug #4 (8.625" Surface Casing, 335' – Surface):** Attempt to pressure test the bradenhead annulus to 300#. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 40 sxs Class G cement and spot a balanced plug from 335' 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 attempt to circulate cement to surface filling the casing and the annulus.
8. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.



# Jicarilla 29-02-06 #3

## Proposed P&A

East Blanco Pictured Cliffs

Surface: 710' FNL & 460' FWL, Section 6, T-29-N, R-2-W

Bottom Hole: 1040' FNL & 581' FEL, Section 6, T-29-N, R-2-W

Rio Arriba County, NM, API #30-039-26858

Today's Date: 5/20/08

Spud: 5/5/02

D&A: 7/1/02

Re-Completed: 11/8/05

Elevation: 7387' GL

7402' KB

San Jose @ Surface

Nacimiento @ 2600'

Ojo Alamo @ 3010'

Kirtland @ 3480'

Fruitland @ 3550'

Pictured Cliffs @ 3820'

5.5" 15.5#, K-55 Casing set @ 3946' TVD  
Cmt with 900 sxs (1134 cf),  
Circulate to Surface

12.75" hole

7.875" Hole

MDTD 8145'  
TVTD 3975'

TOC @ Surface, circulated

8.625" 24# Casing set @ 285'  
Cement with 175 sxs, circulated to surface

Plug #4: 335' - 0'  
Class G cement, 40 sxs

Plug #3: 1284' - 1184'  
Class G cement, 18 sxs

CIBP @ 1284'

San Jose Perforations:  
1334' - 1719'

Plug #2: 2650' - 2550'  
Class G cement, 18 sxs

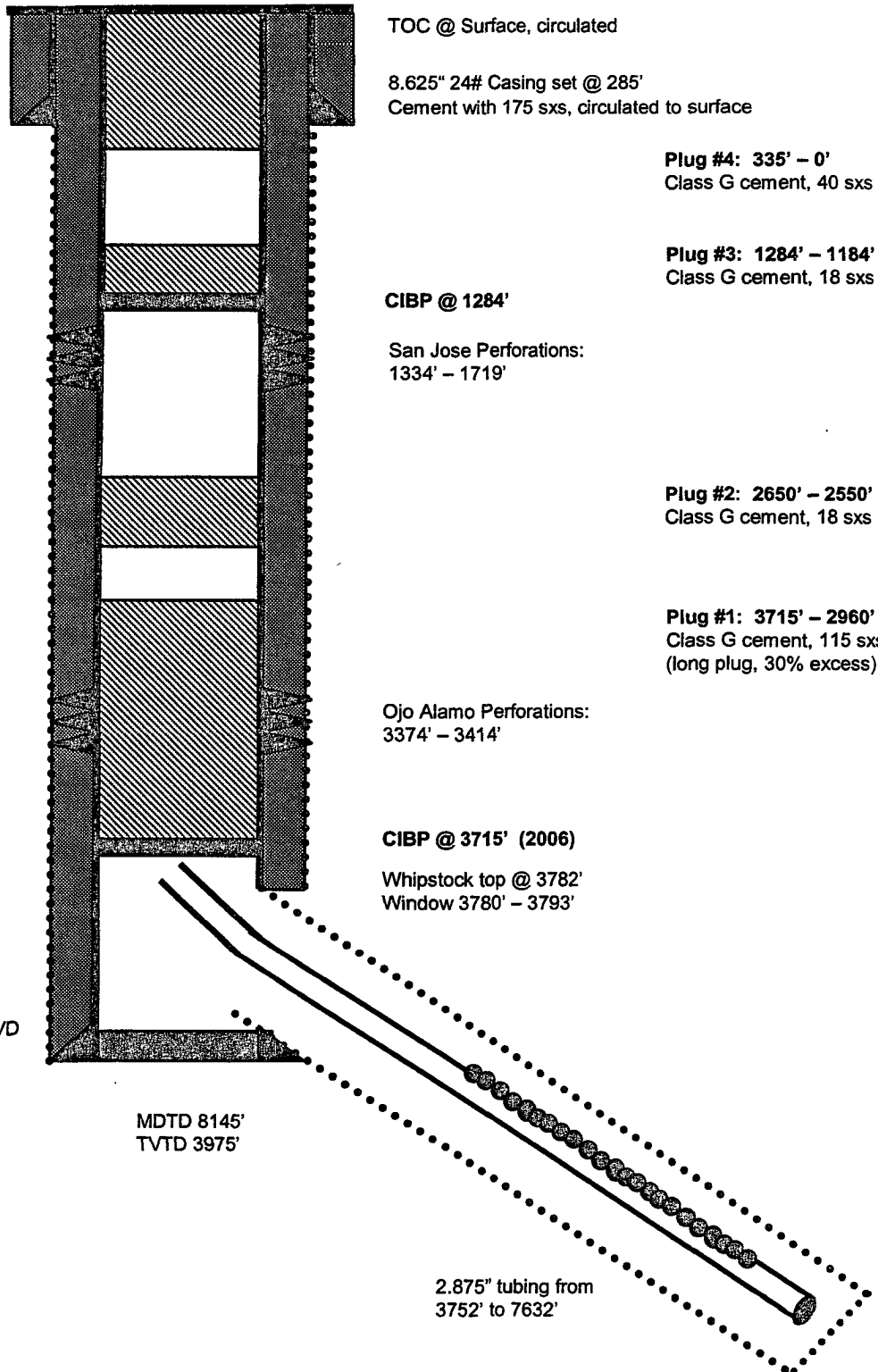
Plug #1: 3715' - 2960'  
Class G cement, 115 sxs  
(long plug, 30% excess)

Ojo Alamo Perforations:  
3374' - 3414'

CIBP @ 3715' (2006)

Whipstock top @ 3782'  
Window 3780' - 3793'

2.875" tubing from  
3752' to 7632'



**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
FARMINGTON DISTRICT OFFICE  
1235 LA PLATA HIGHWAY  
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of  
Intention to Abandon:

Re: Permanent Abandonment  
Well: 3 Jicarilla 29-02-06

**CONDITIONS OF APPROVAL**

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence (505) 599-8907.
3. The following modifications to your plugging program are to be made:
  - a) Place the Nacimiento plug from 2258' – 2158'.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

Office Hours: 7:45 a.m. to 4:30 p.m.