

RECEIVED  
SEP 16 2008  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Bureau of Land Management  
Farmington Field Office

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.**

<b>1. Type of Well</b> <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		<b>5. Lease Serial No.</b> <b>MDA 701-98-0013</b>
<b>2. Name of Operator</b> <b>Black Hills Gas Resources, Inc.</b>		<b>6. If Indian, Allottee, or Tribe Name</b> <b>Jicarilla Apache Tribe</b>
<b>3a. Address</b> <b>P.O. Box 249 Bloomfield, NM 87413</b>	<b>3b. Phone No. (include area code)</b> <b>505-634-1111</b>	<b>7. If Unit or CA. Agreement Name and/or No.</b>
<b>4. Location of Well (Footage, Sec., T., R., M., or Survey Description)</b> <b>Surface: 640' FNL &amp; 1975' FEL Unit B Sec 21, T29N, R2W</b> <b>Bottom Hole: 686' FNL &amp; 1288' FWL Unit D Sec. 22, T29N, R2W</b>		<b>8. Well Name and No.</b> <b>Jicarilla 29-02-21 #2</b>
		<b>9. API Well No.</b> <b>30-039-27460</b>
		<b>10. Field and Pool, or Exploratory Area</b> <b>East Blanco, Pictured Cliffs</b>
		<b>11. County or Parish, State</b> <b>Rio Arriba, NM</b>

**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	<b>Abandon PC</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	<b>convert to water well</b>

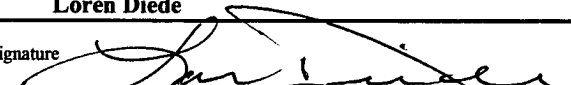
**13. Describe Proposed or Completed Operation** (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will 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 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 back this well, abandon the Pictured Cliffs as per the attached procedure. The Jicarilla Apache Nation Department of Water Administration has indicated that they will want to keep this well for a water supply well after BHGR has plugged the well back to 2843'. The letter of transfer will be forthcoming.**  
30 30

RCVD SEP 24 '08

OIL CONS. DIV.

DIST. 3

<b>14. I hereby certify that the foregoing is true and correct.</b> Name (Printed/ Typed) <b>Loren Diede</b>		<b>Title</b> <b>Consultant (Agent)</b>	
<b>Signature</b> 		<b>Date</b> <b>3-Sep-08</b>	

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

<b>Approved by</b> Original Signed: Stephen Mason	<b>Title</b>	<b>Date</b> SEP 23 2008
<small>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.</small>		

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**

**A-PLUS WELL SERVICE, INC.**

P.O. BOX 1979  
Farmington, New Mexico 87499  
505-325-2627 \* fax: 505-325-1211

---

June 6, 2008

**Black Hills Gas Resources**

P.O. Box 259  
Bloomfield, NM 87413

Attn: Loren Diede

Re: Cost Estimate -

**Jicarilla 29-02-21 #2**  
NE, Section 21, T29N, R2W  
Rio Arriba County, New Mexico

PC Well

Gentlemen:

A-Plus Well Service is pleased to provide you with this estimate to plug back the referenced well. We have evaluated the attached plugging procedure and **A-Plus** agrees to provide:

- a double drum pulling unit with crew (14 P&A hours)
- crew travel (225 miles and 6 hours travel),
- cement services (cementer for 2 days and 225 miles travel),
- 75 sxs cement,
- one 5.5" cement retainer,
- perforations (none),
- storage tank and water,
- wellhead removal,

necessary for the plugging of this well.

It is our understanding that Black Hills would provide: rig anchors, pit and disposal of all waste fluid from this well.

A-Plus estimates the cost to plug the referenced well at **\$15,214.00 plus tax**. If needed, additional Class B cement is \$13.50 per sack and a 5.5" cement retainer is \$1150.00.

Please review this proposal and advise us of any questions you may have. This cost estimate is based on the information that you have provided and the planned plugging procedure. In the event the planned procedure is modified or deviated from, then any additional work or services provided by A-Plus will be paid for by the operator in accordance with A-Plus' current price schedule.

We look forward to the opportunity to work for you.

Sincerely,

*Bill Clark*

## PLUG AND ABANDONMENT PROCEDURE

June 6, 2008

### Jicarilla 29-02-21 #2

East Blanco Pictured Cliffs

Surface: 640' FNL and 1975' FEL, Section 21, T29N, R2W

Total Depth: 686' FNL & 1288' FWL, Section 22, T29N, R2W

Rio Arriba County, New Mexico / API 30-039-27460

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 B, mixed at 14.8 ppg with a 1.18 cf/sx yield.

1. This project requires a NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. 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. 3.Rods: Yes\_\_\_\_, No X, Unknown\_\_\_\_  
Tubing: Yes X, No\_\_\_\_, Unknown\_\_\_\_, Size 2.375"/ 2.875", Length 6500'.  
Packer: Yes\_\_\_\_, No X, Unknown\_\_\_\_, Type\_\_\_\_.  
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate.
4. **Plug #1 (Pictured Cliffs interval, Fruitland top, Whipstock window at 3480', Kirtland and Ojo Alamo tops, <sup>3430</sup>3430' - ~~2843~~')** RIH and set wireline CIBP at 3430'. Mix and pump 75 sxs Class G cement and spot a balanced plug above CIBP to isolate the Pictured Cliffs interval and cover through the Ojo Alamo top. PUH.
5. ND BOP and NU wellhead. RD and MOL.

# Jicarilla 29-02-21 #2

## Current

East Blanco Pictured Cliffs

Surface: 640' FNL & 1975' FEL, Section 21, T-29-N, R-2-W

Total Depth: 686' FNL & 1288' FWL, Section 22, T-29-N, R-2-W

Rio Arriba County, NM, API #30-039-27460

Today's Date: 5/29/08

Spud: 7/25/03

Completed: 6/14/05

Elevation: 7121' GL  
7136' KB

San Jose @ Surface

Nacimiento @ 1890'

Ojo Alamo @ 2893'

Kirtland @ 3193'

Fruitland @ 3423'

Pictured Cliffs @ 3454'

5.5" 15.5#, J-55/K-55 Casing set @ 3782' TVD  
Cmt with 847sxs (1134 cf),  
Circulate 80 bbls to Surface

7.875" Hole

MDTD 6792'  
TVTD 3394'

TOC @ Surface, circulated

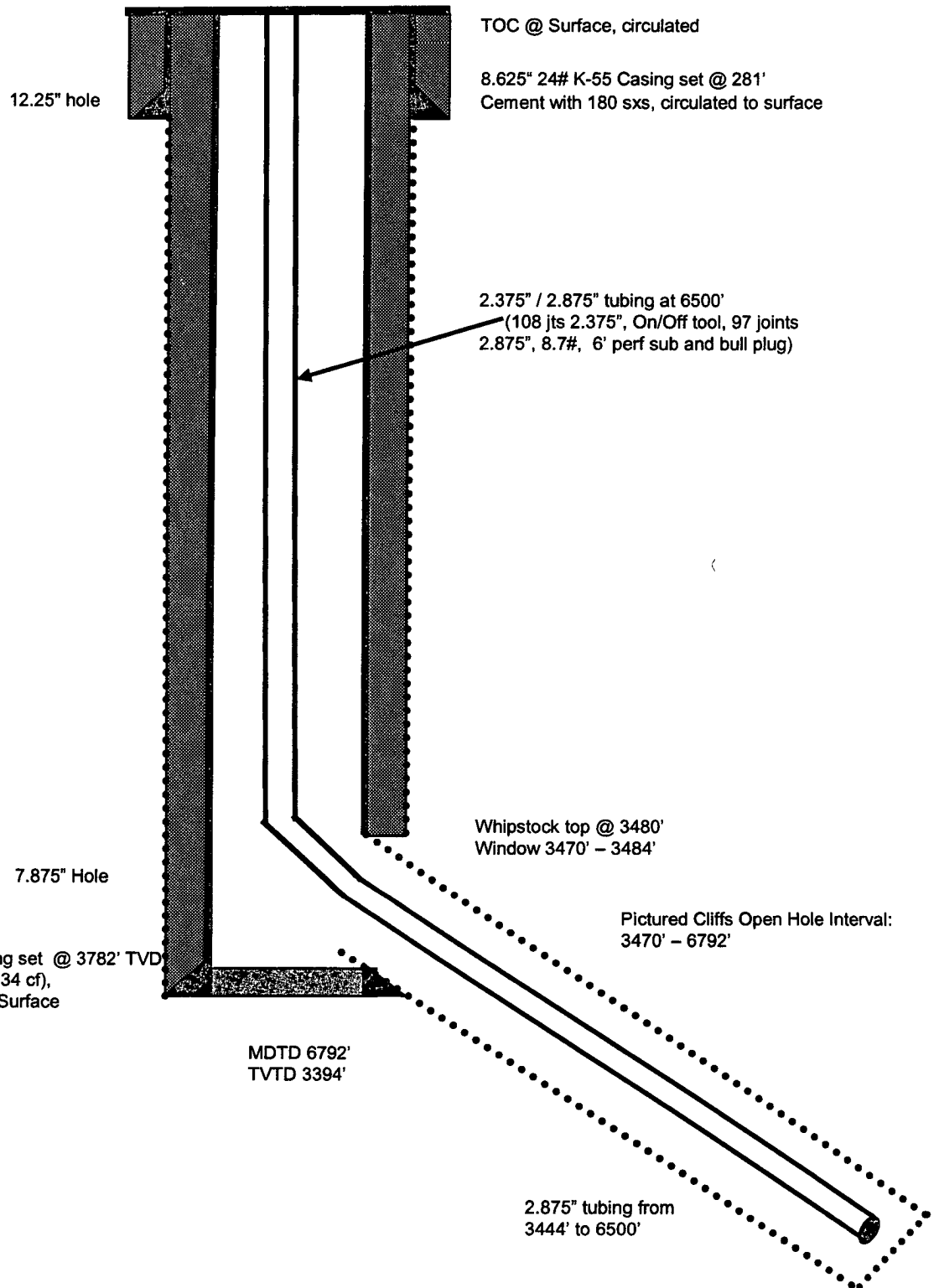
8.625" 24# K-55 Casing set @ 281'  
Cement with 180 sxs, circulated to surface

2.375" / 2.875" tubing at 6500'  
(108 jts 2.375", On/Off tool, 97 joints  
2.875", 8.7#, 6' perf sub and bull plug)

Whipstock top @ 3480'  
Window 3470' - 3484'

Pictured Cliffs Open Hole Interval:  
3470' - 6792'

2.875" tubing from  
3444' to 6500'



## Jicarilla 29-02-21 #2

### Proposed Plugback

East Blanco Pictured Cliffs

Surface: 640' FNL & 1975' FEL, Section 21, T-29-N, R-2-W

Total Depth: 686' FNL & 1288' FWL, Section 22, T-29-N, R-2-W

Rio Arriba County, NM, API #30-039-27460

Today's Date: 5/29/08

Spud: 7/25/03

Completed: 6/14/05

Elevation: 7121' GL  
7136' KB

San Jose @ Surface

Nacimiento @ 1890'

Ojo Alamo @ 2893'

Kirtland @ 3193'

Fruitland @ 3423'

Pictured Cliffs @ 3454'

5.5" 15.5#, J-55/K-55 Casing set @ 3782' TVD  
Cmt with 847sxs (1134 cf),  
Circulate 80 bbls to Surface

7.875" Hole

MDTD 6792'  
TVTD 3394'

TOC @ Surface, circulated

8.625" 24# K-55 Casing set @ 281'  
Cement with 180 sxs, circulated to surface

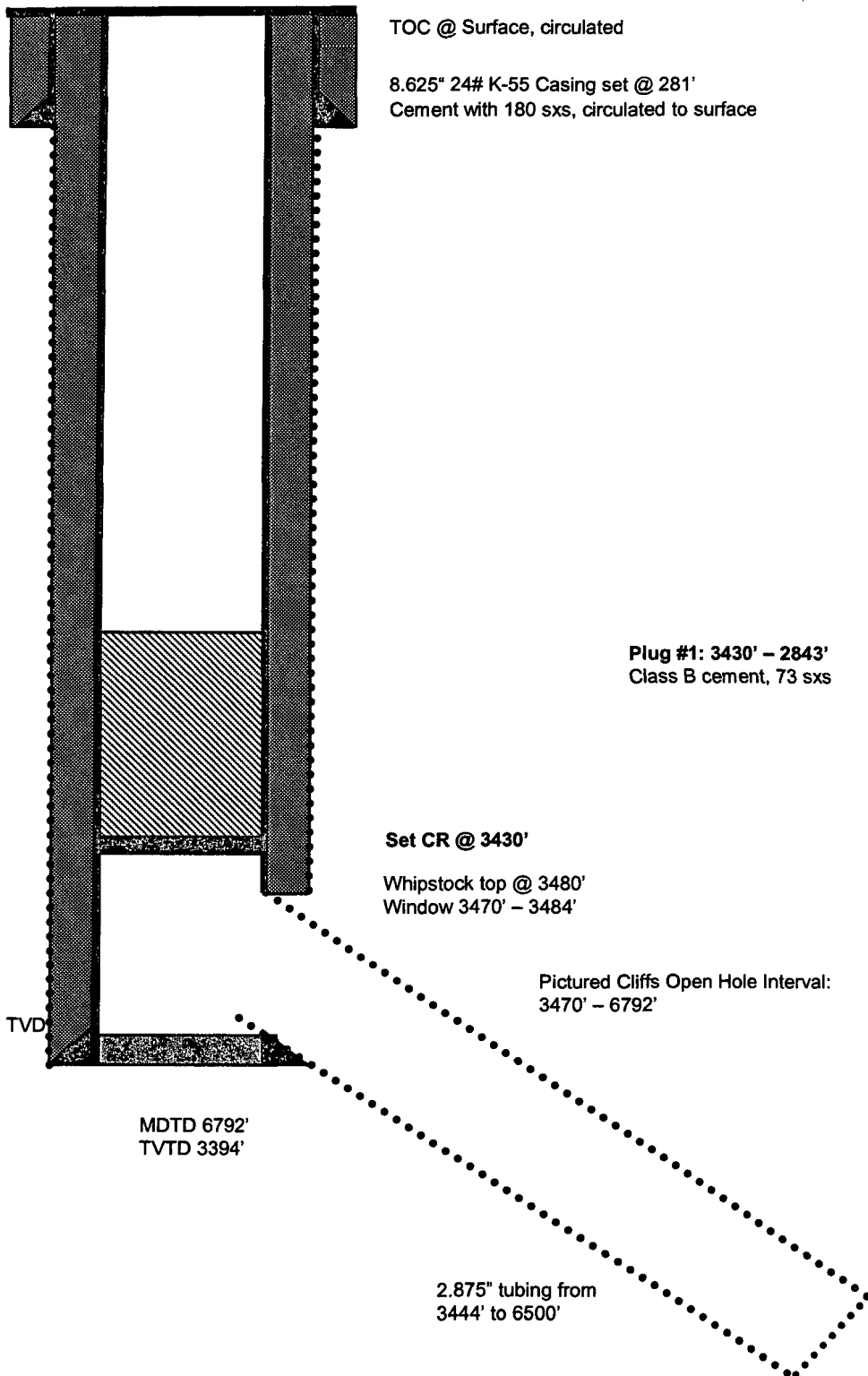
Plug #1: 3430' – 2843'  
Class B cement, 73 sxs

Set CR @ 3430'

Whipstock top @ 3480'  
Window 3470' – 3484'

Pictured Cliffs Open Hole Interval:  
3470' – 6792'

2.875" tubing from  
3444' to 6500'



**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: 2 Jicarilla 29-02-21

**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 Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug from 3430' – 3030'.

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.