

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3 - 2, 3162.3 - 3, 3162.3 - 4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency -sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

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Black Hills Gas Resources, Inc.

September 24, 2008

Jicarilla 29-02-06 #3

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Surf: 710' FNL & 460' FWL, Section 6, T-29-N, R-2-W
Bottom: 1040' FNL & 581' FEL, Section 6, T-29-N, R-2-W
Rio Arriba County, NM
Lease Number: MDA701-98-0013
API #30-039-26858

Plug & Abandonment Report

Notified JAT - BLM and NMOCD on 9/17/08

Plugging Summary:

- 09/18/08 Road rig and equipment to location. RU rig. Check well pressures: casing, 100 PSI; tubing, 200 PSI; bradenhead, 0 PSI. Blow well down to pit. ND wellhead. NU BOP, test. TOH, inspect and tally 53 joints 2.375" tubing. Total tally 1666'. LD notched collar. TIH with 4.75" drill bit, bit sub and 53 joints tubing. Shut in well. SDFD.
- 09/19/08 Check well pressures: casing, 100 PSI; tubing, 20 PSI; bradenhead, 0 PSI. Blow well down to pit. TIH with tubing and tag fill at 3060'. RU power swivel. Drill from 3060' to CIBP at 3300'. Sand in returns. Drill CIBP at 3300'. Made 1', then broke through. Hang back power swivel. TIH and tag CIBP at 3715'. TOH with tubing and LD bit and bit sub. LD power swivel. Shut in well. SDFD.
- 09/22/08 Check well pressures: casing, 140 PSI; bradenhead, 0 PSI. No tubing in well. Blow well down to pit. TIH with tubing and plugging sub and tag existing CIBP at 3715'. Load hole with 35 bbls of water.
Plug #1 with existing CIBP at 3715', spot 115 sxs Class B cement (136 cf) inside casing above CIBP from 3715' up to 2700' to isolate the Pictured Cliffs interval and cover the Fruitland, Whipstock window, Kirtland and Ojo Alamo tops. TOH with tubing. Shut in well and WOC. TIH with tubing and plugging sub and tag cement at 2740'. PUH to 2266'. Load hole with 25 bbls of water.
Plug #2 spot 23 sxs Class B cement (28 cf) inside casing from 2266' up to 2063' to cover the Nacimiento top. TOH with tubing. Shut in well. WOC overnight.
- 09/23/08 Open well, no pressure. TIH with tubing and plugging sub and tag cement at 2139'. TOH with tubing. Round trip 5.5" casing scraper to 1288'. TIH with 5.5" DHS CR to 1288'. Load casing with 10 bbls of water. Attempt to set CR at 1288', would not set. Load tubing with 10 bbls of water, unable to set CR. Load casing with 5 bbls of water and establish circulation out tubing. Unable to set CR. TOH and LD CR. CR seized in the "run" position. TIH with 5.5" casing scraper to 1288'. Load hole with 15 bbls of water. Circulate well clean with 14 additional bbls of water. TOH and LD scraper. TIH with 5.5" DHS CR and set at 1288'. Pressure test tubing to 800 PSI, held OK. Release and sting out of CR. Load hole with 12 bbls of water. Pressure test casing to 700 PSI, held OK. Load bradenhead with 1 bbl of water. Pressure test to 200 PSI, held OK.

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Plugging Summary – Continued:

09/23/08 **Plug #3** with CR at 1288', spot 18 sxs Class B cement (22 cf) inside casing above CR from 1288' up to 1130' to cover the San Jose perforations.

PUH to 346'. Load hole with 2 bbls of water.

Plug #4 with 42 sxs Class B cement (50 cf) from 346' to surface, circulate good cement out casing valve.

TOH and LD all tubing. ND BOP. Dig out wellhead. Monitor atmosphere. Issue Hot Work Permit. Cut off wellhead.

Mix 20 sxs Class B cement and install P&A marker.

Cut off anchors. RD and MOL.

Rod Velarde, JAT - BLM representative, was on location.

Jicarilla 29-02-06 #3

Actual 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: 10-03-08

Spud: 5/5/02
 D&A: 7/1/02
 Re-Completed: 11/8/05
 Elevation: 7387' GL
 7402' KB

San Jose @ Surface

Nacimiento @ 2208'

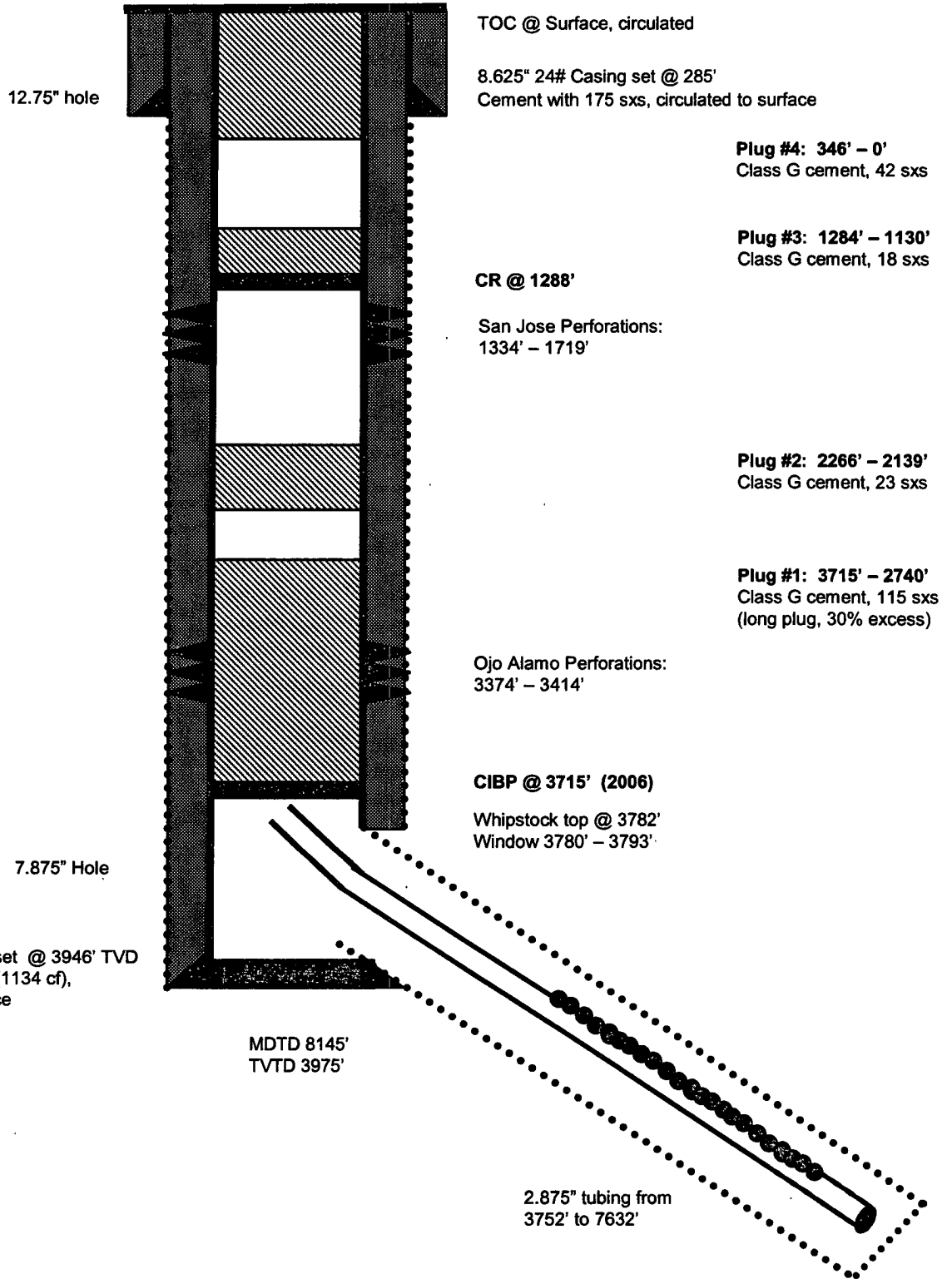
Ojo Alamo @ 3010'

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



TOC @ Surface, circulated

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

Plug #4: 346' - 0'
 Class G cement, 42 sxs

Plug #3: 1284' - 1130'
 Class G cement, 18 sxs

CR @ 1288'

San Jose Perforations:
 1334' - 1719'

Plug #2: 2266' - 2139'
 Class G cement, 23 sxs

Plug #1: 3715' - 2740'
 Class G cement, 115 sxs
 (long plug, 30% excess)

Ojo Alamo Perforations:
 3374' - 3414'

CIBP @ 3715' (2006)

Whipstock top @ 3782'
 Window 3780' - 3793'

MDTD 8145'
 TVTD 3975'

2.875" tubing from
 3752' to 7632'