

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  
☐ 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: 640' FNL & 1975' FEL Unit B Sec 21, T29N, R2W**  
**Bottom Hole: 686' FNL & 1288' FWL Unit D Sec. 22, 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.  
**Jicarilla 29-02-21 #2**  
8. Well Name and No.  
**30-039-27460**  
9. API Well No.  
**East Blanco, Pictured Cliffs**  
10. Field and Pool, or Exploratory Area  
**Rio Arriba, NM**  
11. County or Parish, State

**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 checked="" 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 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 had intended to plug back this well and give it to the Jicarilla Tribe for use as a water well. The Jicarilla Apache Nation Department of Water Administration initially had indicated that they will wanted to keep this well for a water supply well. This decision was recinded 10-03-08. The FAX indicating same is attached. The well will now be plugged and abandoned as per the attached procedure dated 10-03-08.**

RCVD OCT 9 '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

**6-Oct-08**

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

Approved by Original Signed: Stephen Mason

Title

Date

**OCT 07 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.

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 8

## 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

## PLUG AND ABANDONMENT PROCEDURE

October 3, 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 ☒ , Unknown ☐  
Tubing: Yes ☒ , No ☐ , Unknown ☐ , Size 2.375"/ 2.875" , Length 6500' .  
Packer: Yes ☐ , No ☒ , 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, 3430' – ~~2843'~~<sup>3535'</sup>):** RIH and set wireline CR at 3430'. Pressure test tubing to 1000 PSI. *Attempt to pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plug as appropriate.* Mix and pump 75 sxs Class B cement and spot a balanced plug above CR to isolate the Pictured Cliffs interval and cover through the Ojo Alamo top. PUH.
5. **Plug #2 (Nacimiento top, 1952' – 1852'):** Mix 17 sxs Class B cement and spot a balanced plug inside casing to cover the Nacimiento top. PUH to 331'.
6. **Plug #3 (8.625" casing shoe and surface, 331' - Surface):** Attempt to pressure test the bradenhead annulus to 300#. Note the volumes it takes to load. If it tests, then with tubing at 331', establish circulation out casing valve with water. Mix approximately 40 sxs cement and fill the inside of the 5.5" 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.
7. 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.

## Current

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

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

Spud: 7/25/03

Elevation: 7121' GL  
7136' KB

12.25" hole

8.625" 24# K-55 Casing set @ 281'

2.375" / 2.875" tubing at 6500'

2.875" tubing from  
3444' to 6500'

## Jicarilla 29-02-21 #2

### Proposed P&A

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: 10/3/08

Spud: 7/25/03

Completed: 6/14/05

Elevation: 7121' GL  
7136' KB

San Jose @ Surface

Nacimiento @ 1902'

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

12.25" hole

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 #3: 331' - 0'  
Class B cement, 40 sxs

Plug #2: 1952' - 1852'  
Class B cement, 17 sxs

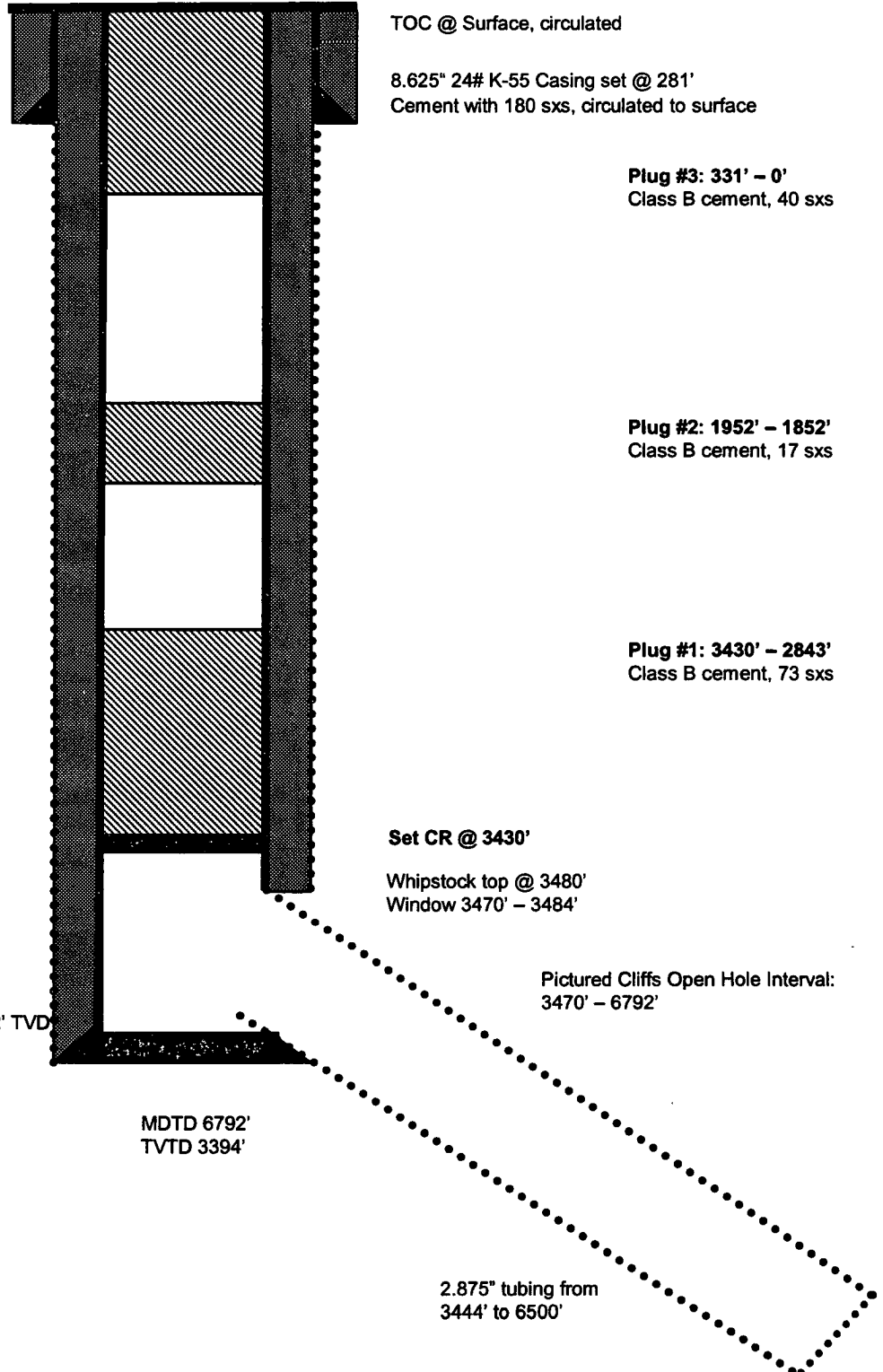
Plug #1: 3430' - 2843'  
Class B cement, 73 sxs

Set CR @ 3430'

Whipstock top @ 3480'  
Window 3470' - 3484'

Pictured Cliffs Open Hole Interval:  
3470' - 6792'

2.875" tubing from  
3444' to 6500'



[Street Address]  
[City, ST Zip Code]  
[phone]  
[fax]  
[Web address]

[Company Name]

# Fax

**To:** LOREN DIEDE

**From:** ANDREA LEFEVRE

**Fax:** 505-634-1116

**Pages:** 1

**Phone:** 505-634-1111

**Date:** 10/3/2008

**Re:**

**cc:**

☐ Urgent    ☐ For Review    ☐ Please Comment    ☐ Please Reply    ☐ Please Recycle

• **Comments:** THIS FAX IS TO CONFIRM THE PLUG & ABANDON OF TWO WELL LOCATIONS BEING JIC-29-02-21 #2 AND JIC-29-02-33 #2. WATER ADMINISTRATION DOES NOT WANT THESE WELLS FOR WATER DEVELOPMENT.