

UNITED STATES OCT 07 2008
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)
1800' FSL & 965' FEL, Sec 30 T30N, R3W

5. Lease Serial No.
Contract 464

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 464 #1

9. API Well No.
30-039-24088

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			
<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 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 10-01-08. The Jicarilla Apache Nation Department of Water Administration has indicated that they DO NOT want this well as a water supply well.

RCVD OCT 30 '08

OIL CONS. DIV.

DIST. 3

14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed) Loren Diele	Title Consultant (Agent)
Signature 	Date 10/7/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title OCT 27 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 11/6

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 1, 2008

Jicarilla 464 #1

East Blanco Pictured Cliffs

1800' FSL, 965' FEL, Section 30, T30N, R3W, Rio Arriba County, New Mexico

API 30-039-24088/ Lat: _____ / Long: _____

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 the Operator to obtain an approved 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. Rods: Yes____, No____, Unknown____.
Tubing: Yes X, No____, Unknown____, Size 2.375", Length 3811'.
Packer: Yes____, No X, Unknown____, Type____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
4. **Plug #1 (Pictured Cliffs perforations and Fruitland, Kirtland, Ojo Alamo tops, 3691' – 3161')**: Round trip 4.5" gauge ring to 3691'. TIH and set 4.5" CR at 3691'. Pressure test tubing to 1000#. Load casing with water and circulate well clean. Pressure test casing to 1000#. *If the casing does not test, then spot or tag subsequent plugs as appropriate.* Mix 44 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the Pictured Cliffs interval and cover through the Ojo Alamo top. TOH with tubing.
5. **Plug #2 (Nacimiento top, ^{2051'} 2099' – ^{1951'} 1999')**: Perforate 3 squeeze holes at ^{2051'} 2099'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement retainer at ^{2049'} 2049'. Establish rate into squeeze holes. Mix and pump 36 sxs Class B cement, squeeze 24 sxs outside the casing and leave 12 sxs inside casing to cover the Nacimiento top. TOH and LD tubing.
6. **Plug #3 (7.625" Surface casing shoe, 177' - Surface)**: Perforate 3 squeeze holes at 177'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 45 sxs cement and pump down the 4.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
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.

Jicarilla 464 #1

Current

East Blanco Pictured Cliffs

1800' FSL & 965' FEL, Section 30, T-30-N, R-3-W, Rio Arriba County, NM

Lat: _____ / Long: _____ / API 30-039-24088

Today's Date: 10/01/08

Spud: 10/28/86

Comp: 12/01/86

Elevation: 7136' GI

7148' KB

9.875" Hole

7.625" 26.4# Casing set @ 127'
Cement with 48 cf, circulated

2.375" Tubing set at 3811'
(SN, 2' 2.375" pup and mule shoe)

Nacimiento @ 2049' *est

TOC @ 3000' (T.S.)

Ojo Alamo @ 3211'

Kirtland @ 3448'

Fruitland @ 3508'

Pictured Cliffs @ 3750'

Pictured Cliffs Perforations:
3741' - 3826'

6.75" Hole

4.5" 11.6 J-55 Casing @ 4128'
Cement with 150 sxs (189 cf)

4136' TD
4017' KB

Jicarilla 464 #1

Proposed P&A

East Blanco Pictured Cliffs

1800' FSL & 965' FEL, Section 30, T-30-N, R-3-W, Rio Arriba County, NM

Lat: _____ / Long: _____ / API 30-039-24088

Today's Date: 10/01/08

Spud: 10/28/86

Comp: 12/01/86

Elevation: 7136' GI

7148' KB

9.875" Hole

7.625" 26.4# Casing set @ 127'
Cement with 48 cf, circulated

Perforate @ 177'

Plug #3: 177' - 0'
Class B cement, 45 sxs

Nacimiento @ 2049' *est

Cmt Retainer @ 2049'

Plug #2: 2099' - 1999'
Class B cement, 36 sxs:
24 outside and 12 inside

Perforate @ 2099'

Ojo Alamo @ 3211'

TOC @ 3000' (T.S.)

Plug #1: 3691' - 3161'
Class B cement, 44 sxs

Kirtland @ 3448'

Fruitland @ 3508'

Pictured Cliffs @ 3750'

Set Cmt Retainer @ 3691'

Pictured Cliffs Perforations:
3741' - 3826'

6.75" Hole

4.5" 11.6 J-55 Casing @ 4128'
Cement with 150 sxs (189 cf)

4136' TD
4017' KB

**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: 1 Jicarilla 464

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 2051' – 1951' inside and outside the 4 ½" casing.

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.