

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr., Hobbs, NM 88240
District II
1301 W Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-039-23689
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name
8. Well Number Howard Federal 1 #8
9. OGRID Number 013925
10. Pool name or Wildcat Gavilan Mancos

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator Black Hills Gas Resources, Inc	
3. Address of Operator 3200 N 1st Street / P.O. 249 Bloomfield, NM 87413	
4. Well Location Unit Letter H : 1,650 feet from the North line and 870 feet from the East line Section 1 Township 25 North Range 2 West NMPM County Rio Arriba	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7,511' GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☒
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Black Hills Gas Resources has plug and abandon the Howard Federal 1 #8 on October 14, 2009 as per the attached report dated October 19, 2009.

Approved for plugging of wellbore only
Liability under bond is retained pending
Receipt of C-103 (Subsequent Report of Well
Plugging) which may be found @ OCD web page
under forms
www.emnrd.state.us/oed

RCVD NOV 9 '09
OIL CONS. DIV.
DIST. 3

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE *Daniel Mahus* TITLE Regulatory Technician DATE November 9, 2009

Type or print name Daniel Mahus E-mail address: daniel.mahus@blackhillscorp.com PHONE: 505 634-1111 ext. 28

For State Use Only

Deputy Oil & Gas Inspector,
District #3

APPROVED BY: *Kelly G. Roosa* TITLE District #3 DATE NOV 17 2009

Conditions of Approval (if any): PNR ONLY

A-PLUS WELL SERVICE, INC.

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

Black Hills Gas Resources
Howard Federal 1 #8

October 19, 2009
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1650' FNL & 870' FEL, Section 1, T-25-N, R-2-W
Rio Arriba Country, NM
Lease Number: Fee
API#30-039-23689

Plug and Abandonment Report

Plugging Summary:

Notified NMOCD on 10/5/09

10/06/09MOL and RU. Dig out cellar. Check well: casing, 60 PSI; tubing and bradenhead, 0 PSI. Blow down well. Remove stuffing box and LD polish rod. TOH and LD 118 - 7/8" rods and 196 - 3/4" rods. SI well. SDFD.

10/07/09Check well pressures: casing, 40 PSI; tubing and bradenhead, 0 PSI. Blow well down. ND wellhead. Unseat donut pulling 100,000# string weight. NU BOP. TOH and tally 257 total joints 2.875" EUE tubing, SN, and 8' perf sub. Total tally, 7877'. Round trip 5.5" casing scraper to 6874'. SI well. SDFD.

10/08/09Check well pressures: casing, 40 PSI; bradenhead, 0 PSI. PU 5.5" DHS cement retainer and TIH. Attempt to set cement retainer at 6860', would not set. Pump 20 bbls of water down the tubing; and 15 bbls down the casing to clear possible trash. Wait 10 minutes; attempt again to set cement retainer, unable to set CR. TOH with CR. RU A-Plus wireline. RIH with 5.5" wireline set CIBP; set at 6859'. SI well. SDFD.

10/09/09Check well pressures: casing, 15 PSI; bradenhead, 0 PSI. TIH with tubing and tag CIBP at 6859'. Load well with 144 bbls of water; circulate 6 more barrels, clean returns. Pressure test casing to 800 PSI, held OK for 10 minutes.

Plug #1 with CIBP at 6859', mix and spot 29_sxs Class B cement (34.22 cf) inside casing above CIBP up to 6597' to isolate the Mancos interval. (Notre: lost circulation to surface after pumping 30 bbls of displacement.)

TOH with tubing and WOC. Load casing with additional 28 bbls of water. Pressure test casing to 750 PSI, held OK for 5 minutes. TIH to 6650'; unable to determine top of cement. PUH with tubing. Clear end of tubing with 2.5 bbls of water. SI well. SDFD.

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Black Hills Gas Resources

Howard Federal 1 #8

October 19, 2009

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Plugging Summary Continued:

10/12/09 Open up well; no pressure. TIH and tag CIBP at 6859'; no cement tag. Load hole with 1/8 bbl of water. Pressure test casing to 800 PSI for 5 minutes, held OK. Load hole with 5 bbls of water.

Plug #1a with CIBP at 6859', spot 30 sxs Class B cement (35.4 cf) inside the casing above CIBP up to 6588' to isolate the Mancos interval.

PUH to 5594'. Load hole with 3.5 bbls of water and establish circulation.

Plug #2 spot 20 sxs Class B cement (23.6 cf) inside the casing from 5594' up to 5414' to cover the Mesaverde top.

PUH to 4750'. Load hole with 5 bbls of water and establish circulation.

Plug #3 spot 20 sxs Class B cement (23.6 cf) inside the casing from 4750' up to 4570' to cover the Chacra top.

PUH to 3708'. Load hole with 5 bbls of water and establish circulation.

Plug #4 spot 56 sxs Class B cement (66.08 cf) inside the casing from 3708' up to 3202' to cover the Pictured Cliffs, Fruitland, Kirtland and Ojo Alamo tops.

TOH with tubing and WOC. SI well. SDFD.

10/13/09 Open up well, no pressure. Load casing with 9 bbls of water. RIH with wireline and tag cement at 3168'. Perforate 3 squeeze holes at 1503'. Attempt to establish rate into squeeze holes pressured up to 800 PSI. Kelly Roberts, NMOCD representative, approved procedure change to perforate 50' higher. Perforate 3 holes at 1465'. Attempt to establish rate into squeeze holes pressured up to 800 PSI. Kelly Roberts, NMOCD representative, approved procedure change to pump inside plug. TIH with tubing to 1559'. Load hole with 5 bbls of water.

Plug #5 spot 24 sxs Class B cement (28.32 cf) with 2% CaCl₂ inside the casing from 1559' up to 1342' to cover the Nacimiento top.

TOH and LD all tubing. WOC. Connect pump to bradenhead valve. Pump 20 bbls, never pressured up. Load casing with 4 bbls of water. RIH with wireline and tag cement at 1341'. Perforate 3 holes at 320'. Load casing with 7 bbls of water and establish circulation out bradenhead. Establish rate 2 bpm at 250 PSI. Load hole with 10 bbls of water.

Plug #6 mix and pump 222 sxs Class B cement (261.96 cf) down 5.5" casing from 320' to surface, circulate good cement out the bradenhead.

SI well. SDFD.

10/14/09 Open up well, no pressure. ND BOP. Dig out cellar. Issue Hot Work Permit. Cut off wellhead. Found cement at surface. Mix 15 sxs Class B cement and install P&A marker. RD. MOL.