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MAR 23 2010

Form 3160-5
(April 2004)

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.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No NMNM13376 (BHL)
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name
3a. Address PO Box 249 Bloomfield, NM 87413	3b. Phone No. (include area code) 505-634-1111 ext 28	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 2,500' FSL & 1,100' FEL; Sec. 24 T30N R4W; Unit Letter I Bottom Hole: 2,042' FSL & 1,210' FWL; Sec. 24 T30N R4W; Unit Letter L		8. Well Name and No. Many Canyons 30-04-24 #34 H
		9. API Well No. 30-039-30016
		10. Field and Pool, or Exploratory Area East Blanco Pictured Cliffs
		11. County or Parish, State Rio Arriba, New Mexico

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		

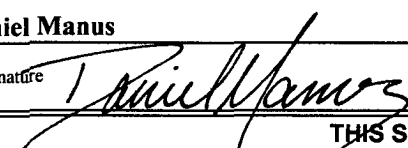
13. Describe Proposed or Completed Operation (clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 the Many Canyons 30-04-24 #34 per the attached procedure; dated 3/3/2010

RCVD MAR 31 '10

Notify NMOCD 24 hrs
prior to beginning
operations

OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct.		
Name (Printed/ Typed)	Title	
Daniel Manus	Regulatory Technician	
Signature 	Date	March 23, 2010
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Original Signed: Stephen Mason	Title	Date
Approved by		MAR 30 2010
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 4-8-10

PLUG AND ABANDONMENT PROCEDURE

March 3, 2010

Many Canyon 30-04-24 #34

East Blanco Pictured Cliffs

Surface: 2500' FSL and 1100' FEL, Section 24, T30N, R4W

Bottom Hole: 2042' FNL & 1210' FWL, Section 24, T30N, R4W

Rio Arriba County, New Mexico / API 30-039-30016

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be Class B, mixed at 15.6 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 ☒ , No ☐ , Unknown ☐ , Size 2.375" , Length 3761'.
Packer: Yes ☐ , No ☒ , Unknown ☐ , Type
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate.
Note: will need to pick up additional tubing workstring. Round trip gauge ring or casing scraper to 3770'.
4. **Plug #1 (Pictured Cliffs interval, Fruitland top, Whipstock window at 3816', Kirtland and Ojo Alamo tops, 3770' – 3194')**: RIH and set cement retainer at 3770' . Mix and pump ~~74~~ sxs Class B cement and spot a balanced plug above the CR to isolate the Pictured Cliffs interval and cover through the Ojo Alamo top. PUH.
5. **Plug #2 (Nacimiento top, 2080' – 1980')**: Mix 17 sxs Class B cement and spot a balanced plug inside casing to cover the Nacimiento top. PUH.
6. **Plug #3 (8.625" Surface Casing, 359' – Surface)**: Attempt to pressure test the bradenhead annulus to 300#. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 45 sxs Class B cement and spot a balanced plug from 359' 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 per BLM / NMOCD requirements and attempt to circulate cement to surface filling the casing and the annulus.
7. ND BOP and cut off casing below surface casing flange. Install P&A marker with cement to comply with regulations. RD, move off location, cut off anchors and restore location.

Many Canyons 30-04-24 #34

Proposed P&A

East Blanco Pictured Cliffs

Surface: 2500' FSL & 1100' FEL, Section 24, T-30-N, R-4-W

Bottom Hole: 2042' FNL & 1210' FWL, Section 24, T-30-N, R-4-W

Rio Arriba County, NM, API #30-039-30016

Today's Date: 3/03/10

Spud: 9/22/06

Completed: 11/11/06

Elevation: 7133' GL

7146' KB

San Jose @ Surface

Nacimiento @ 2030'

Ojo Alamo @ 3244'

Kirtland @ 3484'

Fruitland @ 3700'

Pictured Cliffs @ 3782'

12.25" hole

7.875" Hole

5.5" 15.5#, J-55 Casing set @ 3920' TVD
Cmt with 740 sxs (1126 cf)

MDTD 6879'
TVD 3851'

TOC @ Surface (CBL)

8.625" 24# Casing set @ 309'
Cement with 263 cf, circulated to surface

Plug #3: 359' - 0'
Class B cement, 45 sxs

Plug #2: 2080' - 1980'
Class B cement, 17 sxs

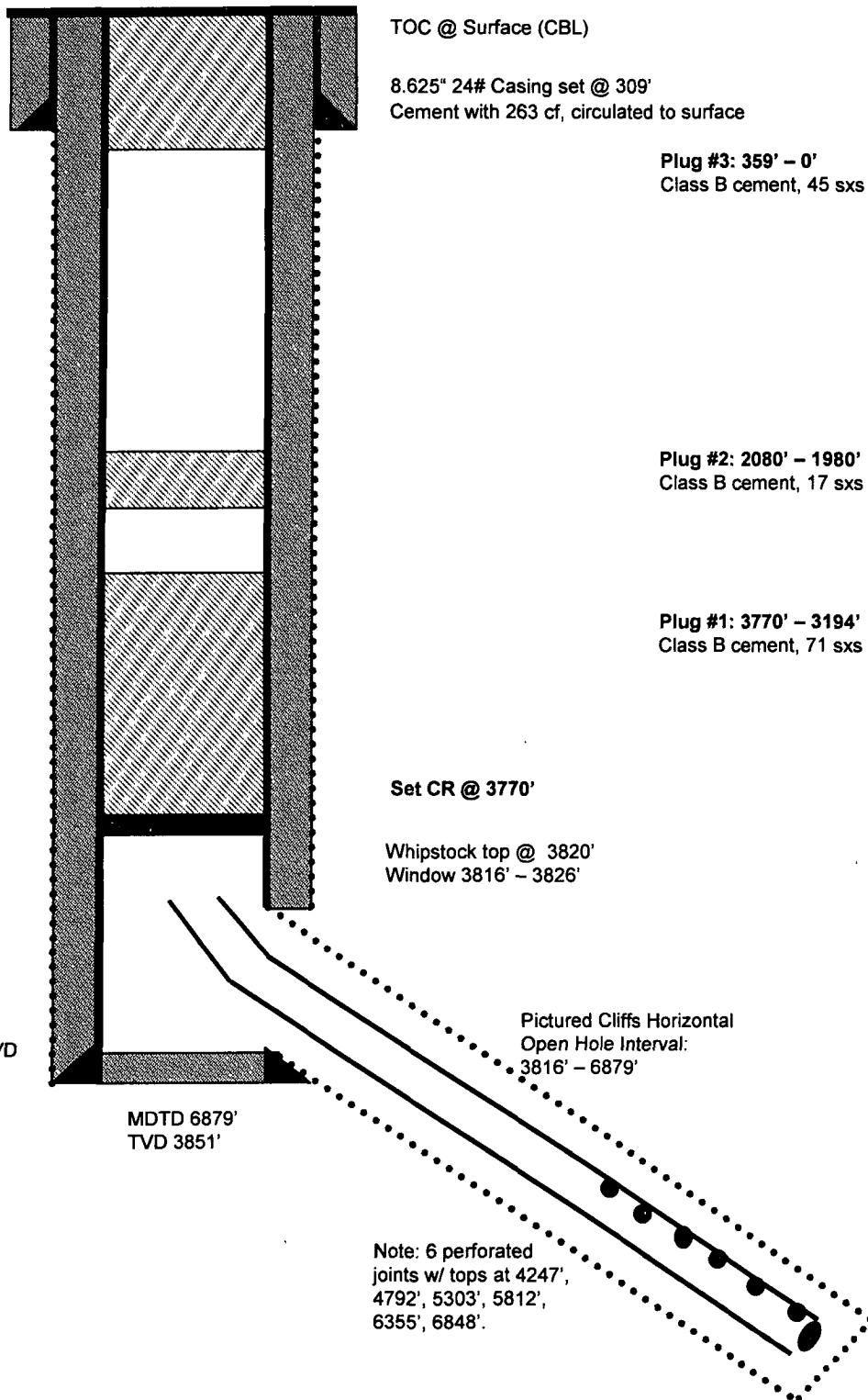
Plug #1: 3770' - 3194'
Class B cement, 71 sxs

Set CR @ 3770'

Whipstock top @ 3820'
Window 3816' - 3826'

Pictured Cliffs Horizontal
Open Hole Interval:
3816' - 6879'

Note: 6 perforated
joints w/ tops at 4247',
4792', 5303', 5812',
6355', 6848'.



Many Canyons 30-04-24 #34

Current

East Blanco Pictured Cliffs

Surface: 2500' FSL & 1100' FEL, Section 24, T-30-N, R-4-W

Bottom Hole: 2042' FNL & 1210' FWL, Section 24, T-30-N, R-4-W

Rio Arriba County, NM, API #30-039-30016

Today's Date: 3/03/10

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Elevation: 7133' GL

7146' KB

San Jose @ Surface

12.25" hole

TOC @ Surface (CBL)

8.625" 24# Casing set @ 309'

Cement with 263 cf, circulated to surface

2.375" tubing at 3761'

(1 jt, 2 4' pup jts, 113 jts, TA in 10k tension, 4 jts, SN, 25' orange peel mud anchor with weep hole. On/Off tool at 3785') 2.875" tubing from 4247' to 6879' MD.

Nacimiento @ 2030'

Ojo Alamo @ 3244'

Kirtland @ 3484'

Fruitland @ 3700'

Pictured Cliffs @ 3782'

Whipstock top @ 3820'

Window 3816' - 3826'

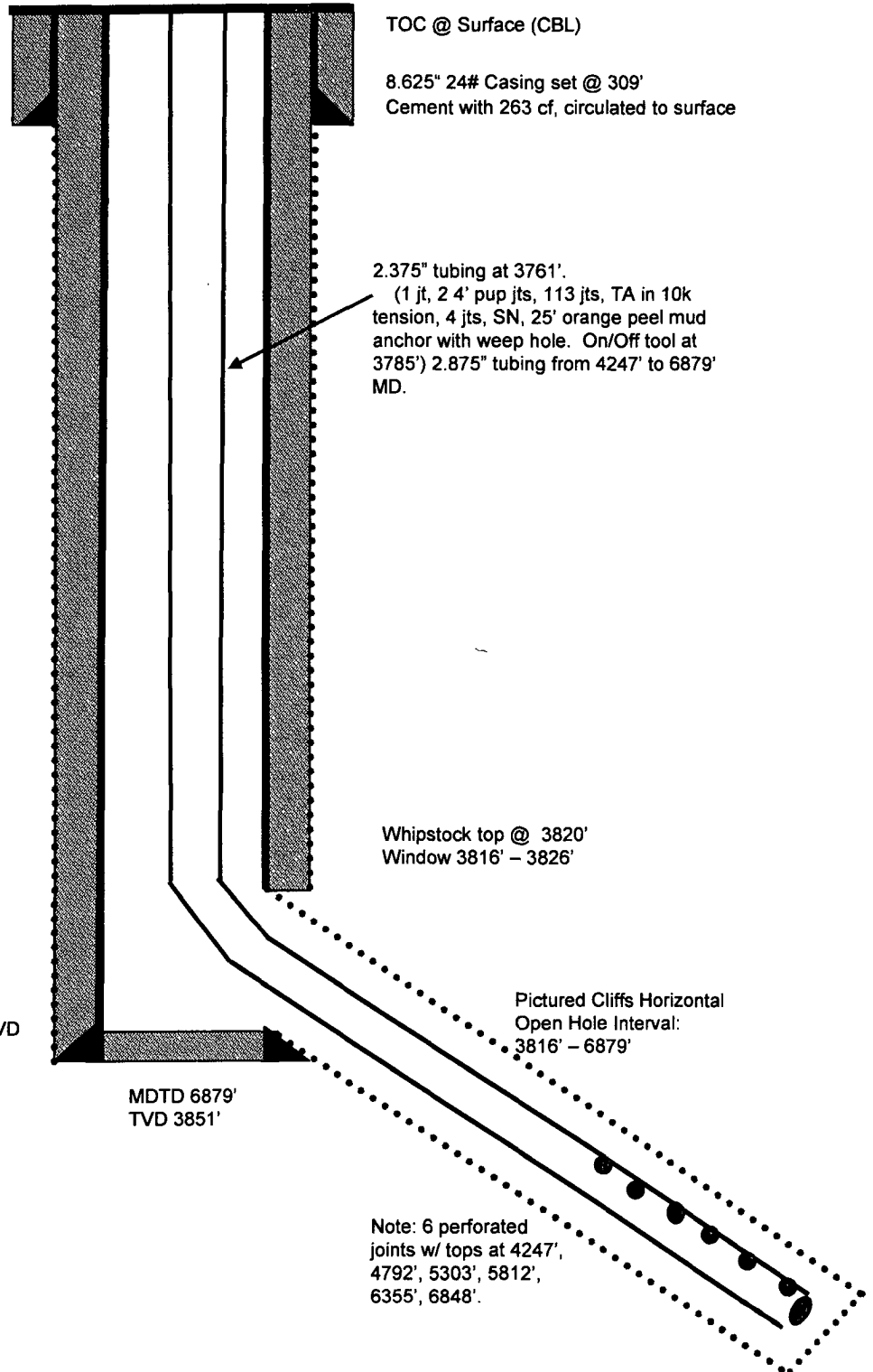
7.875" Hole

5.5" 15.5#, J-55 Casing set @ 3920' TVD
Cmt with 740 sxs (1126 cf)

MDTD 6879'
TVD 3851'

Pictured Cliffs Horizontal
Open Hole Interval:
3816' - 6879'

Note: 6 perforated
joints w/ tops at 4247',
4792', 5303', 5812',
6355', 6848'.



**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: 34H Many Canyons 30-4-24

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) Bring the top of the Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug to 3183'.
 - b) Place the Nacimiento plug from 2109' – 2009'.
 - c) You are required to have H2S monitoring equipment and personnel on location during plugging operations.

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.