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Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 28 2011

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

Farmington Field Office

Bureau of Land Management

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 page 2.

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee, or Tribe Name Jicarilla Apache Tribe
2 Name of Operator Black Hills Gas Resources		7 If Unit or CA Agreement Name and/or No
3a Address 3200 N 1st Street Bloomfield, NM 87413	3b. Phone No (include area code) (505) 634-1111	8 Well Name and No. Jicarilla 31-03-06 #2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1565' FSL & 1015' FWL Section 6 T31N R3W NE/SW		9. API Well No. 30-039-25071
		10. Field and Pool, or Exploratory Area Basin Fruitland Coal
		11. County or Parish, State Rio Arriba County, New Mexico

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 of all pertinent markers and zones. 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 Jicarilla 31-03-06 #2 per attached procedure dated 9/22/11.



14 I hereby certify that the foregoing is true and correct Name (Printed/ Typed)

Daniel Manus

Regulatory Technician

Title

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

OCT 07 2011

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.

Office

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

PLUG AND ABANDONMENT PROCEDURE

September 22, 2011

Jicarilla 31-03-06 #2

Basin Fruitland Coal

1565' FSL, 1015' FWL, Section 6, T31N, R3W, Rio Arriba County, NM

API 30-039-25071 / Long: _____ / Lat: _____

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 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. Rods: Yes _____, No X, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 2-3/8", Length 3680'.
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 and Fruitland Coal perforations and Kirtland and Ojo Alamo tops, 3621' – ³⁶²⁰~~3404~~)**: Round trip gauge ring and/or casing scraper to 3621'. TIH and set 4.5" CR at 3621'. Pressure test tubing to 1000#. Load casing with water and circulate well clean. Pressure test casing to 800#. *If the casing does not test, then spot or tag subsequent plugs as appropriate.* Mix 60 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the Pictured Cliffs top, the Fruitland Coal interval and cover through the Ojo Alamo top. PUH.
5. **Plug #2 (Nacimiento top, ^{1942 1842}~~1900~~ – ~~1800~~)**: Spot 12 sxs Class B cement inside casing to cover through the Nacimiento top. PUH.
6. **Plug #3 (Surface casing shoe, 203' – Surface)**: Attempt to pressure test the bradenhead annulus to 300 PSI; note the volume to load. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 20 sxs cement and spot a balanced plug from 203' 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 attempt to circulate cement to surface filling the casing from 203' and the annulus from the squeeze holes to surface. 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 31-03-06 #2

Current

Basin Fruitland Coal

1565' FSL & 1015' FWL, Section 6, T-31-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-25071

Today's Date: 9/22/11

Spud 5/8/91

Comp: 6/10/91

Elevation: 6812' GI

6842' KB

12 25" Hole

TOC @ Surface, circulated

8-5/8" 24#, Casing set @ 153'
Cement with 125 sxs, circulated to surface

Nacimiento @ 1850' *est

2-3/8" tubing @ 3680'
(117 jnts, SN)

DV Tool @ 2029'
Stage 2: Cement with 425 sxs

Ojo Alamo @ 3154'

Kirtland @ 3259'

Fruitland @ 3506'

Pictured Cliffs @ 3719'

Fruitland Coal Perforations:
3671' - 3717'

7-7/8" Hole

4.5" 11.6#, J-55 Casing @ 3927'
Stage 1: Cement with 425 sxs

3930' TD
3878' PBTD

Jicarilla 31-03-06 #2

Proposed P&A

Basin Fruitland Coal

1565' FSL & 1015' FWL, Section 6, T-31-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-25071

Today's Date: 9/22/11

Spud: 5/8/91

Comp: 6/10/91

Elevation: 6812' GI
6842' KB

12 25" Hole

Nacimiento @ 1850' *est

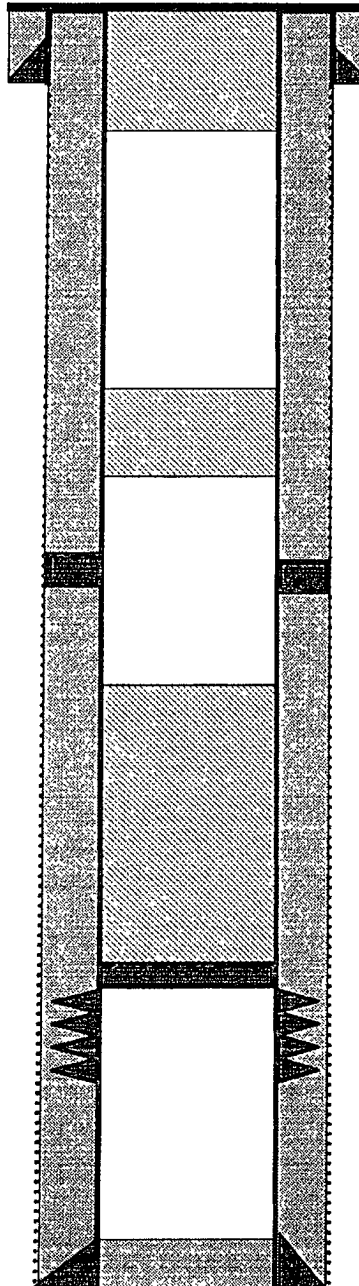
Ojo Alamo @ 3154'

Kirtland @ 3259'

Fruitland @ 3506'

Pictured Cliffs @ 3719'

7-7/8" Hole



TOC @ Surface, circulated

8-5/8" 24#, Casing set @ 153'
Cement with 125 sxs, circulated to surface

Plug #3: 203' - 0'
Class B cement, 20 sxs

Plug #2: 1900' - 1800'
Class B cement, 12 sxs

DV Tool @ 2029'
Stage 2 Cement with 425 sxs

Plug #1: 3621' - 3104'
Class B cement, 60 sxs

Set CR at 3621'

Fruitland Coal Perforations:
3671' - 3719'

4 5" 11.6#, J-55 Casing @ 3927'
Stage 1: Cement with 425 sxs

3930' TD
3878' PBTD

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 9/28/11 in order to determine if they would like to assume ownership of the well. If the Jicarilla Apache Nation has not contacted your office before the end of the 45 days you may proceed with plugging operations.

**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: 2 Jicarilla 31-03-06

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 3070'.
 - b) Place the Nacimiento plug from 1942' – 1840'.

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.