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Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Farmington Field Office
Bureau of Land ManagementFORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

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		5. Lease Serial No. Contract 460
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name Jicarilla Apache Tribe
3a. Address 3200 N 1st St, Bloomfield, NM 87413	3b. Phone No. (include area code) (505) 634-5104	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1940' FNL & 734' FWL SW/NW Section 16 T30n R3W		8. Well Name and No. Jicarilla 460-16 SJ #1
		9. API Well No. 30-039-25942
		10. Field and Pool, or Exploratory Area Cabresto Canyon Tertiary
		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 460-16 SJ #1 per attached procedure dated 4/18/12

Notify NMOCD 24 hrs
prior to beginning
operationsRCVD MAY 14 '12
OIL CONS. DIV.

DIST. 3

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

Daniel Manus

Regulatory Technician

Title

Signature

Date

5-3-12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

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

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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 PV

PLUG AND ABANDONMENT PROCEDURE

April 18, 2012

Jicarilla 460-16 SJ #1

Cabresto Canyon; San Jose Ext.

1940' FNL, 734' FWL, Section 16, T30N, R3W, Rio Arriba County, NM

API 30-039-25942 / 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 X, No _____, Unknown_____.
Tubing: Yes X, No _____, Unknown_____, Size 1.9", Length 1672'.
Packer: Yes_____, No X, Unknown_____, Type_____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate. Round trip 4.5" gauge ring or casing scraper to 1470' or as deep as possible.
Run gyroscopic survey on wireline from PBTD to surface prior to spotting cement plugs.
4. **Plug #1 (San Jose perforations, 1470' – 1370')**: RIH and set 4.5" cement retainer at 1470'. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not pressure test then spot or tag subsequent plugs as appropriate. Mix 12 sxs Class B cement and spot a balanced plug inside the casing to cover the San Jose perforations. PUH.
5. **Plug #2 (8-5/8" casing shoe top, 1232' – 1132')**: Mix 12 sxs Class B cement and spot a balanced plug inside the casing to cover the casing shoe top. PUH.
6. **Plug #3 (Surface, 100' – 0')**: 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 10 sxs cement and spot a balanced plug from 100' 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 100' 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 460-16 SJ #1

Current

Cabresto Canyon; San Jose Ext.

1940' FNL & 734' FWL, Section 16, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-25942

Today's Date: 4/18/12
Spud: 9/4/98
Comp: 10/2/98
Elevation: 7167' GI
7179' KB

12-1/4" Hole

TOC @ Surface per Sundry
and Completion report

8-5/8" 24#, K-55 Casing set @ 1182'
Cement with 800 sxs, circulated to surface

1.9" tubing at 1672'
(51 jts, SN, with rods and pump)

San Jose Ext. Perforations:
1520' - 1778'

7-7/8" Hole

4-1/2" 10.5#, J-55 Casing @ 2025'
Cement with 300 sxs, circulated to surface

2050' TD
1920' PBD

Jicarilla 460-16 SJ #1

Proposed P&A

Cabresto Canyon; San Jose Ext.

1940' FNL & 734' FWL, Section 16, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-25942

Today's Date: 4/18/12

Spud: 9/4/98

Comp: 10/2/98

Elevation: 7167' GI
7179' KB

12-1/4" Hole

TOC @ Surface per Sundry
and Completion report

Plug #3: 100' - 0'
Class B cement, 10 sxs

8-5/8" 24#, K-55 Casing set @ 1182'
Cement with 800 sxs, circulated to surface

Plug #2: 1232' - 1132'
Class B cement, 12 sxs

Plug #1: 1470' - 1370'
Class B cement, 12 sxs

Set CR @ 1470'

San Jose Ext. Perforations:
1520' - 1778'

7-7/8" Hole

4-1/2" 10.5#, J-55 Casing @ 2025'
Cement with 300 sxs, circulated to surface

2050' TD
1920' PBTB

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from May 4, 2012 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
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 1 Jicarilla 460-16 SJ

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) 564-7750.
3. The following modifications to your plugging program are to be made:
 - a) 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.