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JUN 13 2012

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Rington Field Office
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) 790' FSL & 890' FWL SW/SW Sec.21 T30N R3W UnitM		8. Well Name and No. Jicarilla 460 #2
		9. API Well No. 30-039-24112
		10. Field and Pool, or Exploratory Area E. BlancoPC & Cabresto Cyn 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 #2 per attached procedure.

Please note: Top of cement is at 2,700', therefore Black Hills believes the Jicarilla Water Administration will not consider this well as a potential water well.

Notify NMOCD 24 hrs
prior to beginning
operationsRCVD JUN 20 '12
OIL CONS. DIV.
DIST. 3

File a copy of the Referenced 2007 CBL + 1987 T.S. or run a new CBL and submit for review prior to cementing first plug.

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

Daniel Manus

Regulatory Techician

Title

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUN 18 2012

Conditions of approval 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

June 11, 2012

Jicarilla 460 #2

East Blanco PC / Cabresto Canyon; Tertiary
790' FSL, 890' FWL, Section 21, T30N, R3W, Rio Arriba County, NM
API 30-039-24112 / 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 _____, No X, Unknown _____, Size _____, Length _____.
Packer: Yes _____, No X, Unknown _____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

NOTE: PU tubing workstring, drill collars and mill. TIH and mill out CIBP at 3025' and composite plug at 3200'. Circulate well clean.

4. **Plug #1 (Pictured Cliffs interval and Fruitland and Kirtland tops, 3672' – 3377')**: PUH tubing workstring and TIH; tag existing CIBP at 3672'. Mix 27 sxs Class B cement and spot a balanced plug inside the casing above the CIBP to isolate the PC interval and cover through the Kirtland top. TOH with tubing.
5. **Plug #2 (Ojo Alamo perforations and top, 3174' – 3074')**: Round trip 4.5" gauge ring or casing scraper to 3174' or as deep as possible. TIH and set 4.5" CIBP at 3174'. Mix 12 sxs Class B cement and spot a balanced plug inside the casing above the CIBP to isolate the Ojo Alamo perforations and top. TOH with tubing.
6. **Plug #3 (Nacimiento perforations, 2992' – 2892')**: TIH and set 4.5" CIBP at 2992'. Mix 12 sxs Class B cement and spot a balanced plug inside the casing above the CIBP to isolate the Nacimiento perforations. TOH with tubing.
7. **Plug #4 (Nacimiento top, 2065' – 1965')**: Perforate 3 squeeze holes at ¹⁹⁷⁶2065'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 4.5" cement retainer at ¹⁹⁷⁶2015'. Establish rate into squeeze holes. Mix and pump 36 sxs cement, squeeze 24 sxs outside the casing and leave 12 sxs inside the casing to cover the Nacimiento top. TOH with tubing.

8. **Plug #5 (San Jose top and 7-5/8" Surface casing shoe, 191' - Surface):** Perforate 3 squeeze holes at 191'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 50 sxs Class B cement and pump down the 4.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
9. 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 #2

Current

East Blanco PC/ Cabresto Canyon; Tertiary

790' FSL & 890' FWL, Section 21, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24112

Today's Date: 4/20/12

Spud: 12/29/86

Wildcat Comp 1/19/87

PC Comp: 4/5/05

Tertiary Comp: 11/14/87

Elevation: 7191' GI

7203' KB

San Jose @ 0'

Nacimiento @ 2015' *est

Ojo Alamo @ 3177'

Kirtland @ 3427'

Fruitland @ 3556'

Pictured Cliffs @ 3687'

9-7/8" Hole

6-3/4" Hole

7-5/8" 26.4#, Casing set @ 141'
Cement with 60 sxs, circulated to surface

TOC @ 2700' (1987 T.S. & 2007 CBL)

CIBP @ 3025' (2007)

Nacimiento Perforations:
3042' – 3046'

Composite plug set at @ 3200' (2007)

Ojo Alamo Perforations:
3224' – 3286'

CIBP set at 3672' (2007)

Pictured Cliffs Perforations:
3688' – 4000'

CIBP set at 3900' (2005)

4.5" 11.6#, J-55 Casing @ 4104'
Cement with 225 sxs (284 cf)

4112' TD
3025' PBTD

Jicarilla 460 #2

Proposed P&A

East Blanco PC/ Cabresto Canyon; Tertiary

790' FSL & 890' FWL, Section 21, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24112

Today's Date: 4/20/12

Spud: 12/29/86

Wildcat Comp 1/19/87

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Tertiary Comp: 11/14/87

Elevation: 7191' GI

7203' KB

San Jose @ 0'

Nacimiento @ 2015' *est

Ojo Alamo @ 3177'

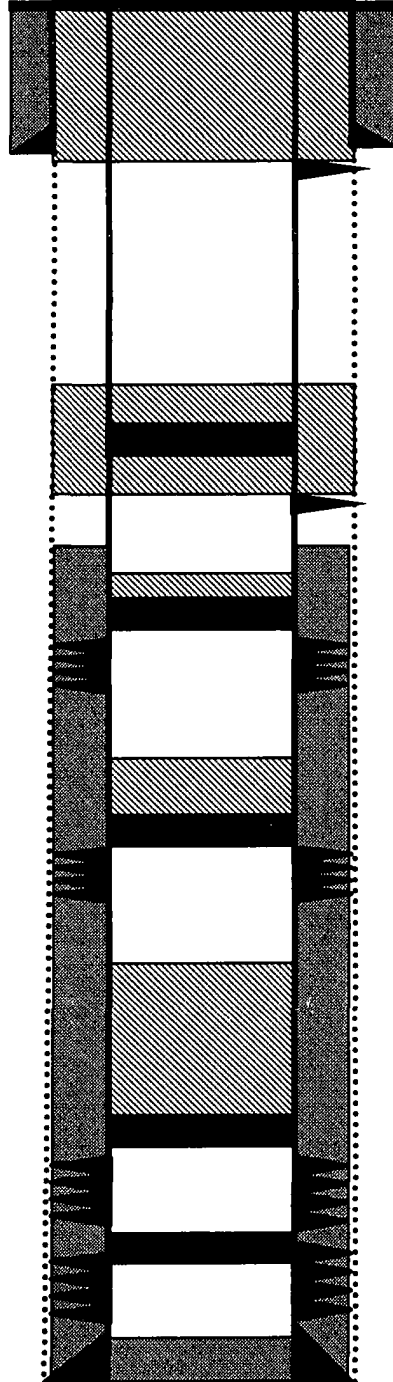
Kirtland @ 3427'

Fruitland @ 3556'

Pictured Cliffs @ 3687'

9-7/8" Hole

6-3/4" Hole



7-5/8" 26.4# Casing set @ 141'
Cement with 60 sxs, circulated to surface

Perforate @ 191'

Plug #5: 191' - 0'
Class B cement, 50 sxs

Cement Retainer @ 2015'

Perforate @ 2065'

TOC @ 2700' (1987 T.S. & 2007 CBL)

CIBP at 2992'

Nacimiento Perforations:
3042' - 3046'

Plug #3: 2992' - 2892'
Class B cement, 12 sxs

CIBP at @ 3174'

Ojo Alamo Perforations:
3224' - 3286'

Plug #2: 3174' - 3074'
Class B cement, 12 sxs

Plug #1: 3672' - 3377'
Class B cement, 27 sxs

CIBP set at 3672' (2007)

Pictured Cliffs Perforations:
3688' - 4000'

CIBP set at 3900' (2005)

4.5" 11.6# J-55 Casing @ 4104'
Cement with 225 sxs (284 cf)

4112' TD

**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: 2 Jicarilla 460

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) Place the Nacimiento plug from 1976' – 1876' 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.