

RECEIVED

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SEP 26 2012

FORM 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.

Farmington Field Office
Bureau of Land Management

Lease Serial No

Contract 457

6 If Indian, Allottee, or Tribe Name

Jicarilla Apache Tribe

7 If Unit or CA Agreement Name and/or No.

8 Well Name and No

Jicarilla 457-10 #11

9 API Well No.

30-039-29326

10 Field and Pool, or Exploratory Area

E. Blanco PC & Cabresto Cny Tert.

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 recompleate 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 recompleation 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)

Per the Notice of Intent dated August 30, 2012 to plug and abandon Jicarilla 457-10 #11, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

Notify NMOCD 24 hrs
prior to beginning
operations

RCVD OCT 1 '12
OIL CONS. DIV.
DIST. 3

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

Daniel Manus

Regulatory Techician

Title

Signature

Date

Sept 26 2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

SEP 28 2012

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 24, 2012

Jicarilla 457-10 No. 11

East Blanco PC / Cabresto Canyon; Tertiary
660' FNL, 660' FWL, Section 10, T30N, R3W, Rio Arriba County, NM
API 30-039-29326 / 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 2-3/8" , Length 3350' .
Packer: Yes , No , Unknown , Type .
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

Plug #1 (Pictured Cliffs interval and Fruitland and Kirtland tops, 3402- 3279'): Round trip 5.5" casing scraper to 3402' and tag existing CIBP set in 2005. TIH with tubing and tag existing CIBP. Mix 20 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.

4. **Plug #2 (Ojo Alamo perforations and top, 3182' – 3053'):** TIH and set 5.5" CR at 3182'. Pressure test tubing to 1000#. Attempt to pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate. Mix 22 sxs Class B cement and spot a balanced plug inside casing above CR to isolate Ojo Alamo perforations and top.
5. **Plug #3 (Nacimiento top, ¹⁹⁶⁵2083' – ¹⁸⁶⁵1983'):** Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH.
6. **Plug #4 (8-5/8" Surface casing shoe, 309' - 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 40 sxs cement and spot a balanced plug from 309' 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 309' 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 457-10 No. 11

Current

East Blanco PC/ Cabresto Canyon; Tertiary

660' FNL & 660' FWL, Section 10, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-29326

Today's Date: 9/5/12

Spud: 4/27/05

Comp: 1/20/06

Elevation: 7132' GI
7145' KB

12-1/4" Hole

TOC @ Surface (CBL)

8-5/8" 24#, K-55 Casing set @ 259'
Cement with 175 sxs, circulated 15 bbls to surface

Nacimiento @ 2033'

2-3/8" tubing at 3350'
(108 jts, with SN and 3' perf sub with rods and pump)

Ojo Alamo @ 3103'

Ojo Alamo Perforations:
3232' - 3274'

Kirtland @ 3329'

Fruitland @ 3582'

Pictured Cliffs @ 3644'

CIBP set at 3402' (2005)

Pictured Cliffs Perforations:
3646' - 3703'

7-7/8" Hole

5.5" 15.5#, K-55 Casing @ 3787'
Cement with 625 sxs,
circ 42 bbls to surface
TOC @ surface (CBL)

3787' TD
3402' PBD

Jicarilla 457-10 No. 11

Proposed P&A

East Blanco PC/ Cabresto Canyon; Tertiary

660' FNL & 660' FWL, Section 10, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-29326

Today's Date: 9/24/12

Spud: 4/27/05

Comp: 1/20/06

Elevation: 7132' GI
7145' KB

12-1/4" Hole

TOC @ Surface (CBL)

8-5/8" 24#, K-55 Casing set @ 259'
Cement with 175 sxs, circ 15 bbls to
surface

Plug #4: 309' - 0'
Class B cement, 40 sxs

Plug #3: 2083' - 1983'
Class B cement, 17 sxs

Nacimiento @ 2033'

Plug #2: 3182' - 3053'
Class B cement, 22 sxs

Ojo Alamo @ 3103'

Set CR @ 3182'

Ojo Alamo Perforations:
3232' - 3274'

Kirtland @ 3329'

Plug #1: 3402' - 3279'
Class B cement, 20 sxs

Fruitland @ 3582'

Pictured Cliffs @ 3644'

CIBP set at 3402' (2005)

Pictured Cliffs Perforations:
3646' - 3703'

7-7/8" Hole

5.5" 15.5#, K-55 Casing @ 3787'
Cement with 625 sxs
circ 42 bbls to surface
TOC @ surface (CBL)

3787' TD
3402'PBD

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from Sept 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: 11 Jicarilla 457-10

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 1965' – 1865'.
 - b) 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.