

RECEIVED

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCT 25 2012

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

SUNDRY NOTICES AND REPORTS ON WELLS *Ston Field (Off)*
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. **Contract 460-16 #5**

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 460-16 #5

9. API Well No.
30-039-25864

10. Field and Pool, or Exploratory Area
Cabresto Canyon Tert.

11. County or Parish, State
Rio Arriba County, New Mexico

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Black Hills Gas Resources, Inc.

3a. Address
3200 N 1st St, Bloomfield, NM 87413

3b. Phone No. (include area code)
(505) 634-5104

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1,039' FSL & 1,840' FEL Sec. 16 T30N R3W

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 recomplate 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 recompletion 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 #5 per attached procedure.

RCVD NOV 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

Oct 25, 2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

OCT 26 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
AV

PLUG AND ABANDONMENT PROCEDURE

October 18, 2012

Jicarilla 460-16 #5

Cabresto Canyon; Ojo Alamo Ext./ San Jose Ext.
1039' FSL, 1840' FEL, Section 16, T30N, R3W, Rio Arriba County, NM
API 30-039-25864 / 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 3107'.
Packer: Yes X , _____, Unknown _____ Type AS-1X...remaining pieces to be milled out.

If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

NOTE: Fish in hole. Bottom part of AS-1X pkr. TOF at 3129'. PU drill collars, workstring and washover mill with air package and drill out packer at 3129'. Circulate well clean. Round trip 5.5" gauge ring to 3264'.

NOTE: Black Hills will handle getting air package and necessary equipment to drill out packer. Supervisor will need to coordinate with Leslie Lam at Black Hills prior to MOL.

4. **Plug #1 (Pictured Cliffs, Fruitland and Kirtland tops, 3902' – 3496')**: Mix 52 sxs Class B cement and spot a balanced plug inside casing to cover the Pictured Cliffs, Fruitland and Kirtland tops. **Note: this plug may be modified on location based on success of drilling out packer.**
5. **Plug #2 (Ojo Alamo perforations and top, 3359' – 3214')**: TIH and set 5.5" CR at 3264'. Mix 44 sxs Class B cement. Squeeze 32 sxs below CR, pumping 20 sxs into Ojo Alamo perforations and leaving 12 sxs inside casing below CR then sting out of CR and leave 12 sxs above. PUH with tubing.
6. **Plug #3 (Nacimiento top, ²¹⁶⁴2127' – ²⁰⁶⁴2027')**: Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH.
7. **Plug #4 (San Jose perforations, 1642' – 1542')**: TIH and set 5.5" CR or CIBP at 1642'. Mix 17 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the San Jose perforations. PUH.

Jicarilla 460-16 #5

Current

Cabresto Canyon; Ojo Alamo Ext./San Jose Ext.

Long: _____ / Lat: _____ / API 30-039-25864

1039' FSL & 1840' FEL, Section 16, T-30-N, R-3-W, Rio Arriba County, NM

Today's Date: 10/18/12

Spud: 6/10/98

OA Comp: 7/22/98

SJ Comp: 10/13/98

Elevation: 7324' GI

7336' KB

San Jose @ 0'

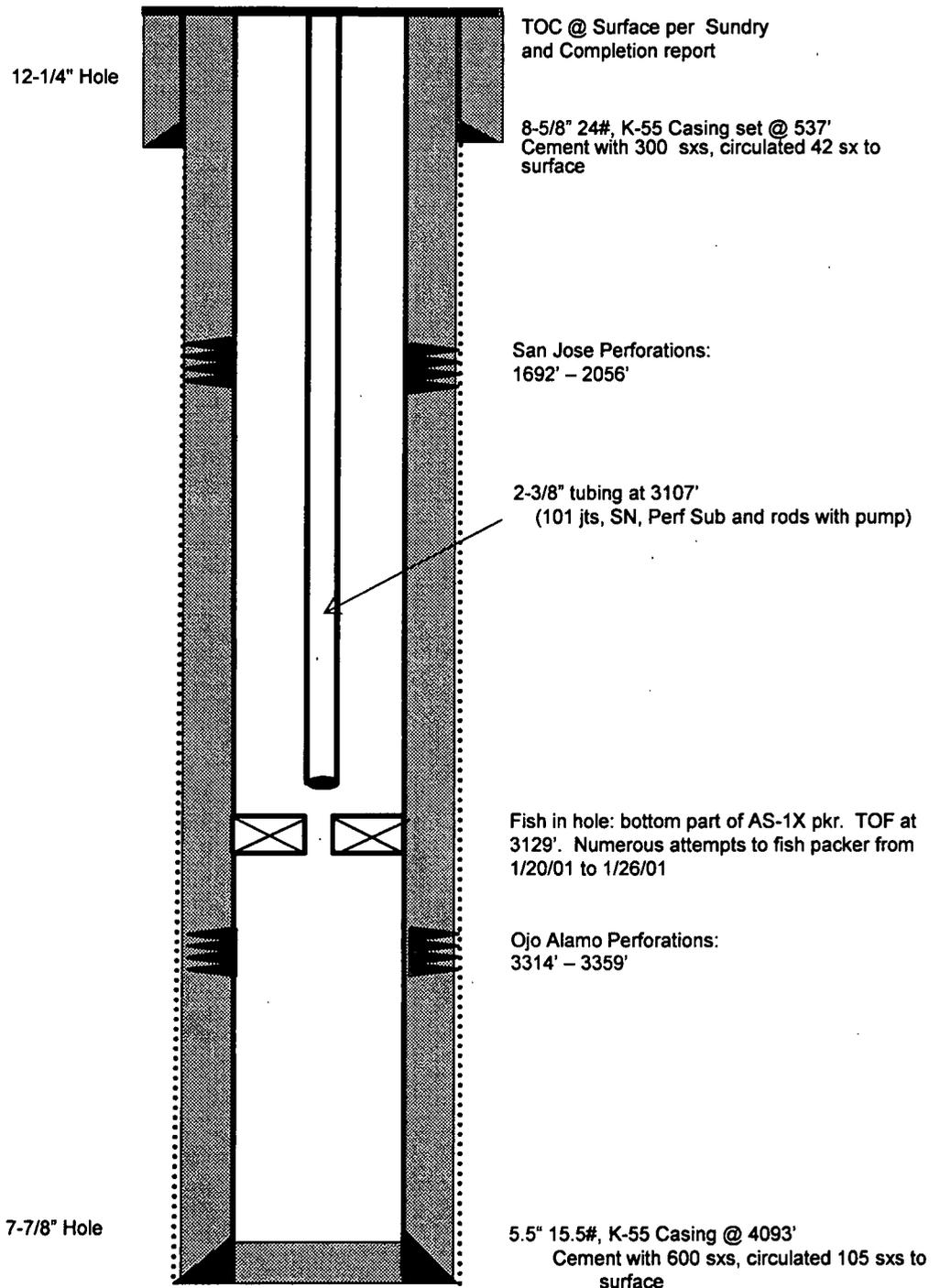
Nacimiento @ 2077'

Ojo Alamo @ 3308'

Kirtland @ 3546'

Fruitland @ 3746'

Pictured Cliffs @ 3852'



4115' TD
3950' PBSD

Jicarilla 460-16 #5

Proposed P&A

Cabresto Canyon; Ojo Alamo Ext./San Jose Ext.

Long: _____ / Lat: _____ / API 30-039-25864

1039' FSL & 1840' FEL, Section 16, T-30-N, R-3-W, Rio Arriba County, NM

Today's Date: 10/18/12
 Spud: 6/10/98
 OA Comp: 7/22/98
 SJ Comp: 10/13/98
 Elevation: 7324' GI
 7336' KB

San Jose @ 0'

Nacimiento @ 2077'

Ojo Alamo @ 3308'

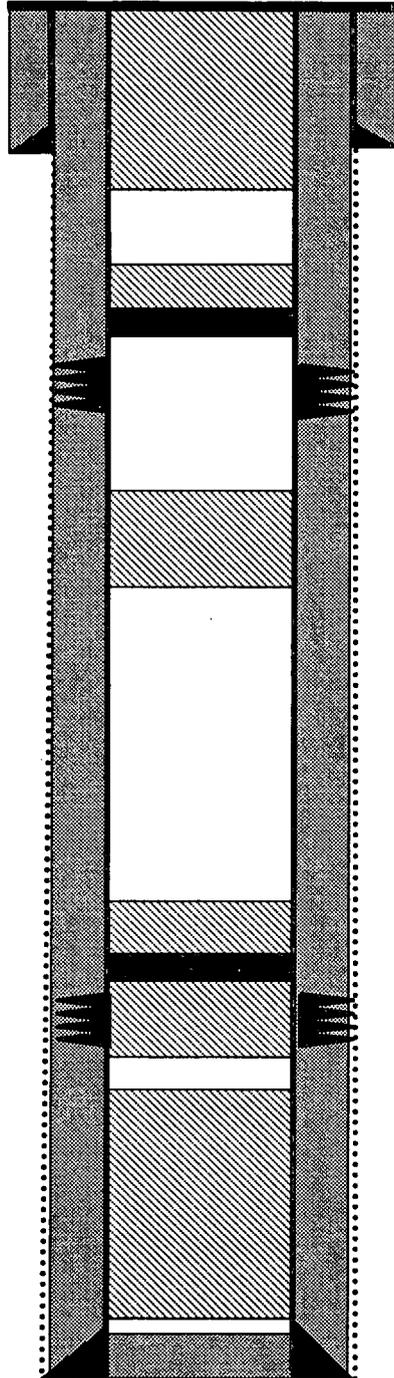
Kirtland @ 3546'

Fruitland @ 3746'

Pictured Cliffs @ 3852'

12-1/4" Hole

7-7/8" Hole



TOC @ Surface per Sundry and Completion report

8-5/8" 24#, K-55 Casing set @ 537'
 Cement with 300 sxs, circulated 42 sx to surface

Plug #5: 587' - 0'
 Class B cement, 70 sxs

Set CR @ 1642'

Plug #4: 1642' - 1542'
 Class B cement, 17 sxs

San Jose Perforations:
 1692' - 2056'

Plug #3: 2127' - 2027'
 Class B cement, 17 sxs

Set CR @ 3264'

Plug #2: 3359' - 3214'
 Class B cement, 44 sxs:
 12 sxs below CR and 20 sxs into OA perforations, leave 12 sxs above CR

Ojo Alamo Perforations:
 3314' - 3359'

Plug #1: 3902' - 3496'
 Class B cement, 52 sxs

5.5" 15.5#, K-55 Casing @ 4093'
 Cement with 600 sxs, circulated 105 sxs to surface

4115' TD
 3950' PBTd

**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: 5 Jicarilla 460-16

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 2164' – 2064'.
 - 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.