Form 3160- 5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
MAR 11
Farmington Field Office
Bureau of Land Management

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.

SUBMIT IN TRIPLICATE *- Other Instructions on page 2.*

5. Lease Serial No.
NM18327

6. If Indian, Allottee, or Tribe Name

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

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Many Canyons 29-04-28 #121

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

9. API Well No.
30-039-30231

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

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

10. Field and Pool, or Exploratory Area
Gobernador Pictured Cliffs

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
1895' FNL & 670' FWL (UL: E) Section 28 T29N R4W

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			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/ Resume)	☐ Water Shut-off
	☐ Altering Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other
BP	☐ Change Plans	☑ Plug and abandon	☐ Temporarily Abandon	**Amendment**
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug back	☐ 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 recomplete 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 is submitting this amendment sundry for the Many Canyon 29-04-28 #121 NOI P&A procedure sundry approved on October 30, 2012.

Amendment portion: Page two is added to the written procedure.

RCVD MAR 14 '13
OIL CONS. DIV.
DIST. 3

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

Daniel Manus — Title **Regulatory Technician**

Signature Daniel Manus — Date March 11, 2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Original Signed: Stephen Mason		MAR 13 2013
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

October 24, 2012

Many Canyons 29-04-28 #121
Gobernador Pictured Cliffs
Surface: 1895' FNL, 670' FWL, Section 28, T29N, R4W, Rio Arriba County, NM
Upper Lateral TD: 978' FSL, 1339' FEL, Section 28, T29N, R4W,
Lower Lateral TD: 718' FSL, 749'FEL, Section 28, T29N, R4W
API 30-039-30231 / 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 2-7/8" w/3.5" XO and 2 jts 3.5" tubing, Length ___4643'___.
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 7" casing scraper or gauge ring to 4615' or as deep as possible. Note: Upper Lateral KO window from 4665' to 4673'.

4. **Plug #1 (Pictured Cliffs interval and Fruitland top, 4615' – 4330'):** RIH and set 7" CIBP or CR at 4615'. Pressure test tubing to 1000#. ***Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate.*** Mix 65 sxs Class B cement and spot a balanced plug above CIBP or CR, inside the casing, to cover the Pictured Cliffs interval and the Fruitland top. TOH.

4169 3752

5. **Plug #2 (Kirtland and Ojo Alamo tops, ~~4081'~~ – ~~3743'~~):** Mix ~~80~~ sxs Class B cement and spot a balanced plug inside the casing to cover through the Kirtland and Ojo Alamo tops. TOH.

6. **Plug #3 (3094' to surface in 1.9" parasite string & 3094' to 2970' inside 7" casing):** Pump down 7" casing & attempt to establish circulation out 1.9" parasite string (make sure parasite string is open at surface.)
   If able to establish circulation, then circulate 25 bbls through parasite string. RIH and set 7" CR at 3020'. Pressure test tubing to 1000#. Pressure test casing to 800#. Mix approximately 80 sxs Class B cement. Pump 45 sxs to fill and circulate good cement out parasite string to surface and 15 sx to fill inside 7" casing below CR, then sting out of CR and leave 20 sx above CR.

   Note: If unable to establish circulation, then set CIBP at 3144' and spot 57 sxs Class B cement (250') inside 7" casing to isolate the parasite string. PUH.

2547 2447

7. **Plug #4 (Nacimiento top, ~~2454'~~ – ~~2354'~~):** Mix 29 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. PUH.

8. **Plug #5 (13-3/8" Surface casing shoe, 303' - 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 65 sxs cement and spot a balanced plug from 303' 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 303' and the annulus from the squeeze holes to surface. 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.

Todays Date: 10/4/12
Spud: 5/1/08
Elev: 7472' GL
7484' KB

Many Canyons 29-04-28 #121
Current Wellbore Diagram
Sec. 28, T29N, R04W
API # 30-039-30231

SURF CASING
13 3/8", 61#, J-55 csg @ 253'.
Cmt 340 sx, circ 25 bbls to surf.

1.9", 2.76#, J-55, IJ parasite string banded to outside of 7" csg and tied into 7" csg at 3094'

12 1/4" hole to 3122'

8 3/4" hole from 3122' to 5260'

147 jts, 2 7/8", J-55 tbg
tbg anchor set at 4478'
SN, perf sub, 2 jts 3 1/2" MA
EOT 4643'
3 /4" rods & pump

Nacimiento at 2404' MD = TVD

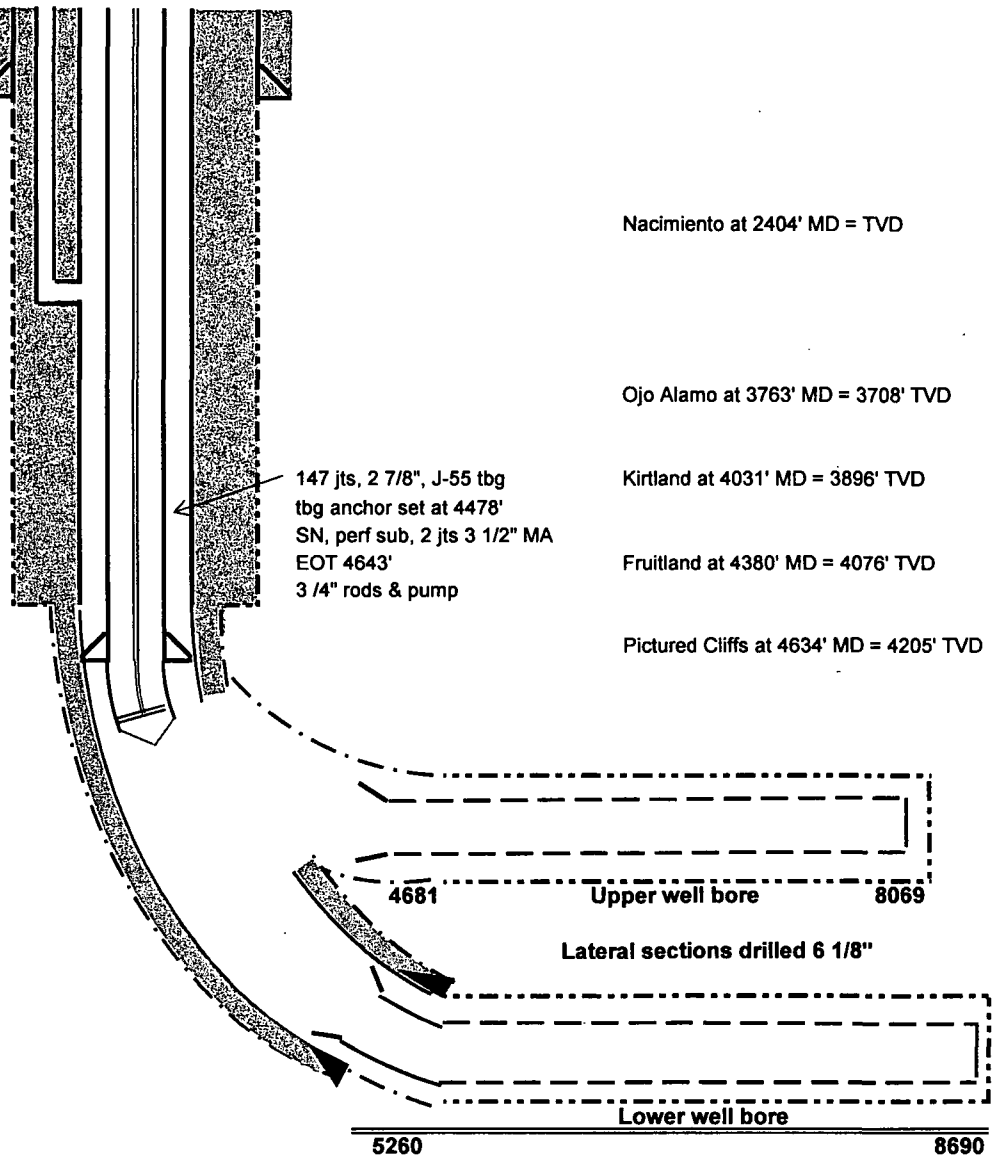
Ojo Alamo at 3763' MD = 3708' TVD

Kirtland at 4031' MD = 3896' TVD

Fruitland at 4380' MD = 4076' TVD

Pictured Cliffs at 4634' MD = 4205' TVD

Upper Lateral KO
window = 4665-4673'



PROD CASING
7" 23# J-55 casing set at 5260'.
1.9", 2.76#, J-55, IJ parasite string tied in to 7" at 3094'. 7" csg cmt'd w/ 813 sx lead + 512 sx tail. Circ 160 bbl to surface.

UPPER LATERAL DETAIL:
4 1/2", 11.6#, J-55 liner (uncemented)
Top of Liner (H Latch tool) at 4679' MD
Bottom of Liner at 7897' MD

9 perfed jts at 4693-4735', 5071-5113', 5450-5492', 5828-5870', 6207-6249', 6585-6627', 7006-7047', 7397-7439', 7813-7855'. Each jt has 28 - 3/4" holes

LOWER LATERAL DETAIL:
4 1/2", 11.6#, J-55 liner (uncemented)
Top of Liner (H Latch tool) at 5213' MD
Bottom of Liner at 8690' MD

8 perfed jts at 5216-5256', 5635-5675', 6096-6137', 6601-6642', 7104-7146', 7609-7649', 8112-8153', 8616-8657'. Each jt has 28 - 15/16" holes

Todays Date: 10/24/12
Spud: 5/1/08
Elev: 7472' GL
7484' KB

Many Canyons 29-04-28 #121
Proposed P&A Wellbore Diagram
Sec. 28, T29N, R04W
API # 30-039-30231

SURF CASING
13 3/8", 61#, J-55 csg @ 253'.
Cmt 340 sx, circ 25 bbls to surf.

1.9", 2.76#, J-55, IJ parasite string banded to outside of 7" csg and tied into 7" csg at 3094'

12 1/4" hole to 3122'

8 3/4" hole from 3122' to 5260'

Upper Lateral KO window = 4665-4673'

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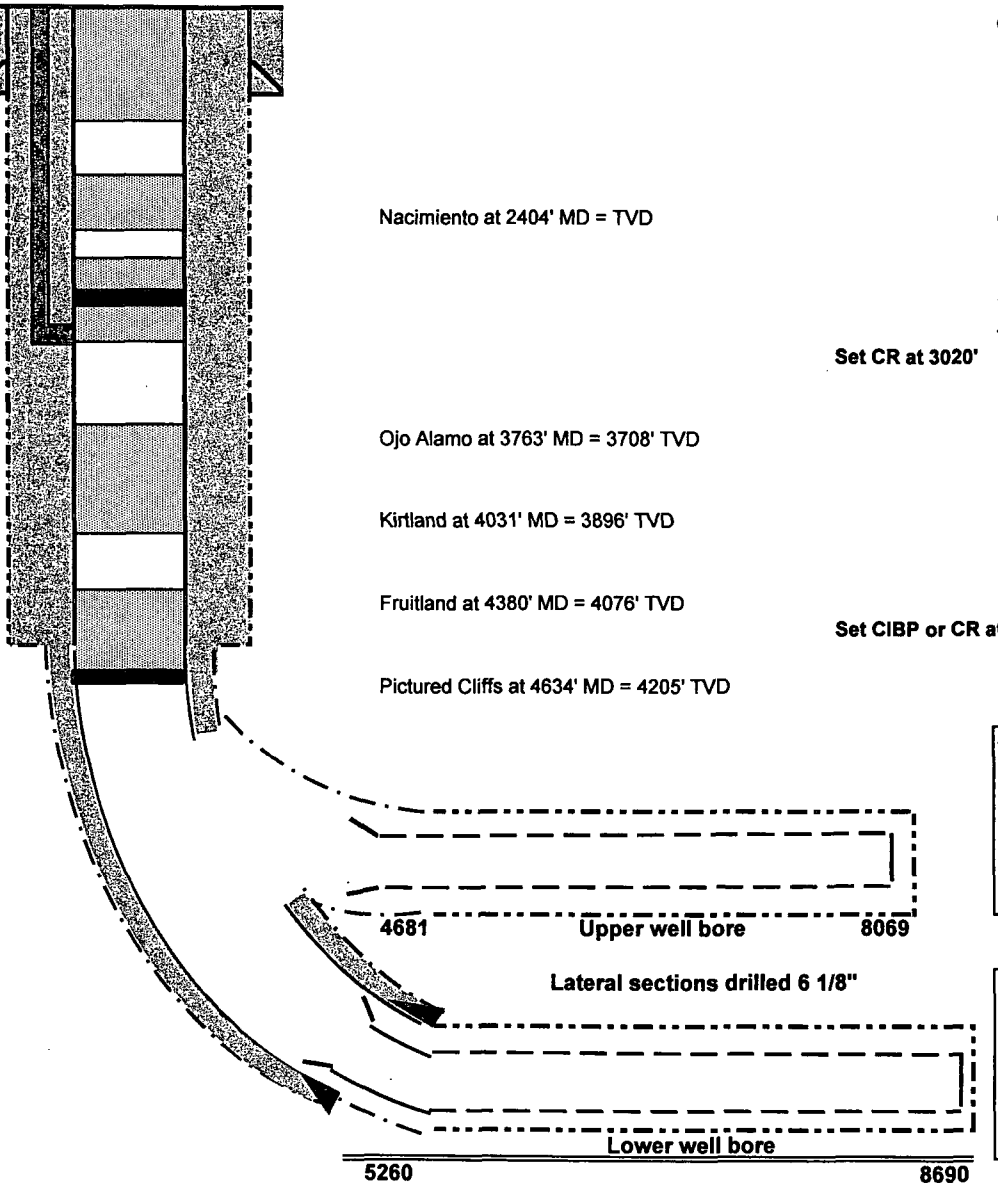

Nacimiento at 2404' MD = TVD

Ojo Alamo at 3763' MD = 3708' TVD

Kirtland at 4031' MD = 3896' TVD

Fruitland at 4380' MD = 4076' TVD

Pictured Cliffs at 4634' MD = 4205' TVD

Plug #5: 303' - 0'
Class B cmt, 65 sx

Plug #4: 2454' - 2354'
Class B cmt, 29 sx

Plug #3: 3094'-surface in 1.9" & 3094'-2970' in 7"
Class B cmt, 80 sx
45 sx in 1.9" parasite string & 35 sx in 7" csg

Set CR at 3020'

Plug #2: 4081' - 3713'
Class B cmt, 80 sx

Plug #1: 4615' - 4330'
Class B cmt, 65 sx

Set CIBP or CR at 4615'

UPPER LATERAL DETAIL:
4 1/2", 11.6#, J-55 liner (uncemented)
Top of Liner (H Latch tool) at 4679' MD
Bottom of Liner at 7897' MD

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