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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR **Farmington Field Office**
BUREAU OF LAND MANAGEMENT **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.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Jicarilla Contract 451
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) 853' FNL & 938' FWL NW/NW Section 3 T29N R3W (UL: D)		8. Well Name and No. Jicarilla 451-03 SJ #2
		9. API Well No. 30-039-26055
		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

LEFT

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 <i>bl</i>	<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 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 be 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 reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Per the Notice of Intent dated May 2, 2013, to plug and abandon Jicarilla 451-03 SJ #2, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

**Notify NMOCD 24 hrs
prior to beginning
operations**

OIL CONS. DIV DIST. 3

JUN 12 2013

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

Daniel Manus

Regulatory Technician

Title

Signature

Date

June 6, 2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUN 10 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

RV

**PLUG AND ABANDONMENT PROCEDURE
Proposed P&A (Originally PB in 2007)**

May 7, 2013

Jicarilla 451-03 SJ #2

Cabresto Canyon; SJ Extension
853' FNL & 938' FWL, NW, Section 3, T29N, R3W
Rio Arriba County, New Mexico, API #30-039-26055

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. Note: this well will be plugged rigless. RU cementing equipment. Comply with all NMOCD, BLM, and Operator safety regulations. Conduct safety meeting for all personnel on location. Record casing and bradenhead pressures. NU relief line and blow down well.
3. Rods: Yes , No , Unknown .
Tubing: Yes , No , Unknown , Size _____ , Length _____ .
Packer: Yes , No , Unknown , Type _____ .
4. **Plug #3 (8-5/8" Surface casing shoe, 262' - 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 25 sxs cement and spot a balanced plug from 262' to surface, circulate good cement out casing valve. 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 262' and the annulus from the squeeze holes to surface. Shut in well and WOC.
5. 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 451-03 SJ #2

Proposed P&A

Cabresto Canyon; SJ Extension

853' FNL & 938' FWL, NW, Section 3, T-29-N, R-3-W

Rio Arriba County, NM / API #30-039-26055

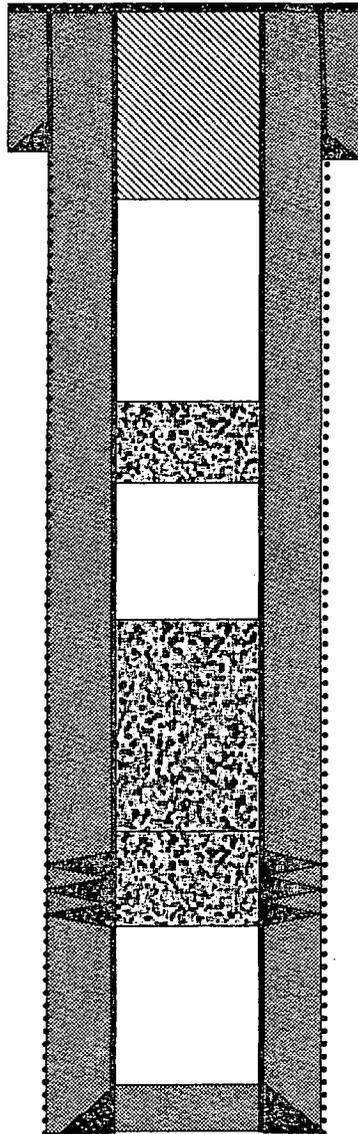
Today's Date: 6/6/13

Spud: 1/6/00

Completion: 2/6/00

Elevation: 7168' GI
7180' KB

12.25" hole



8.625" 24#, K-55 Casing set @ 212'
Cement with 130 sxs (Circulated 31 sx to
Surface)

Plug #3: 262' - 0'
Type III cement, 25 sxs

'07 Plug #2: 1011' - 845'
Type III cement, 11 sxs

'07 Plug #1A: 1601' - 1450'
Type III cement, 10 sxs

'07 Plug #1: 1637' - 1601'
Type III cement, 15 sxs

San Jose Perforations:
1624' - 1640'

4.5", 11.6#, J-55 Casing set @ 2100'
Cemented with 375 sxs,
Circulated 52 sxs to surface per sundry

6-3/4" hole

TD 2100'
PBSD 2059'

**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 451-03 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.