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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 07 2013

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
 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)
1572' FSL & 896' FEL NE/SE Section 18 T30N R3W (UL: I)

5. Lease Serial No.
Jicarilla Contract 459

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 459 SJ #1

9. API Well No.
30-039-26241

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

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.)

Per the Notice of Intent dated May 30, 2013, to plug and abandon Jicarilla 459 SJ #1, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

Black Hills Gas Resources will be using a close-loop system.

RCVD AUG 9 '13
OIL CONS. DIV.
DIST. 3

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

Daniel Manus

Regulatory Technician II

Title

Signature

Date

Aug 8, 2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

AUG 07 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)

NMOC D IV

PLUG AND ABANDONMENT PROCEDURE

July 30, 2013

Jicarilla 459 SJ #1

Cabresto Canyon, San Jose Ext.

1572' FSL, 896' FEL, Section 18, T30N, R3W, Rio Arriba County, NM

API 30-039-26241 / 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. 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.
2. Rods: Yes , No _____, Unknown_____.
Tubing: Yes , No _____, Unknown_____, Size 2-3/8" , Length 1700'.
Packer: Yes _____, No , Unknown_____, Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
3. **Plug #1 (San Jose perforations, 972' – 872')**: Round trip 4.5" gauge ring or casing scraper to 972', or as deep as possible. TIH and set 4.5" CR or CIBP at 972'. Pressure test tubing to 1000#. Pressure test casing to 800#. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 12 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the San Jose interval. PUH.
4. **Plug #2 (8-5/8" casing shoe and surface, 287' - 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 287' 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 287' 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 459 SJ #1 Proposed P&A

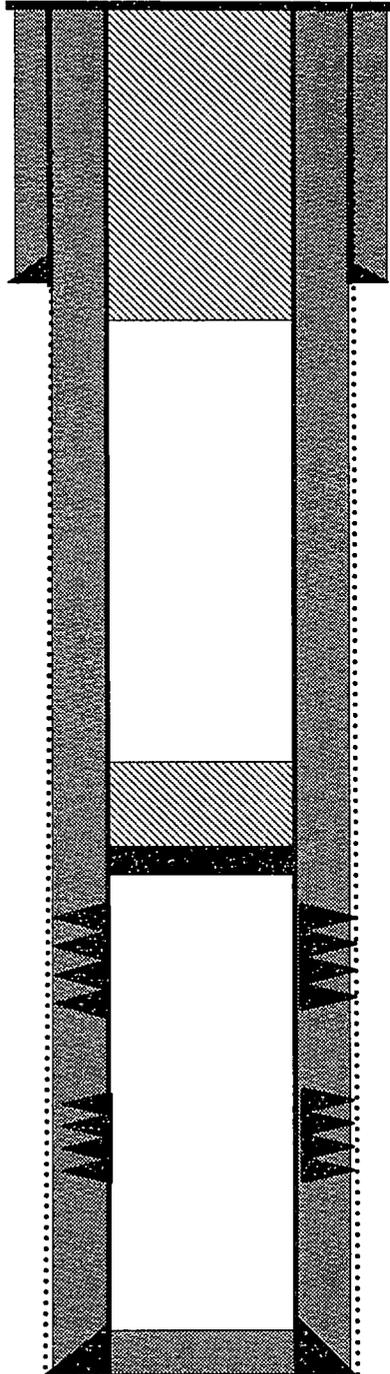
Cabresto Canyon, San Jose Ext.

1572' FSL & 896' FEL, Section 18, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-26241

Today's Date: 7/30/13
Spud: 11/21/99
Comp: 12/22/99
Elevation: 7082' GI
7094' KB

12-1/4" Hole



TOC @ Surface per Sundry
and Completion report

8-5/8", 24# , K-55 Casing set @ 237'
Cement with 120 sxs, circulated to surface

Plug #2: 287' - 0'
Class B cement, 25 sxs

Plug #1: 972' - 872'
Class B cement, 25 sxs

Set CR @ 972'

Upper San Jose Perforations:
1022' - 1318'

San Jose Perforations:
1502' - 1722'

4.5", 10.5 & 11.6#, K-55 Casing @ 1776'
Cement with 300 sxs
Circulated 45 sxs to surface

6-3/4" Hole

1800' TD
1760' PBTD

Jicarilla 459 SJ #1

Current

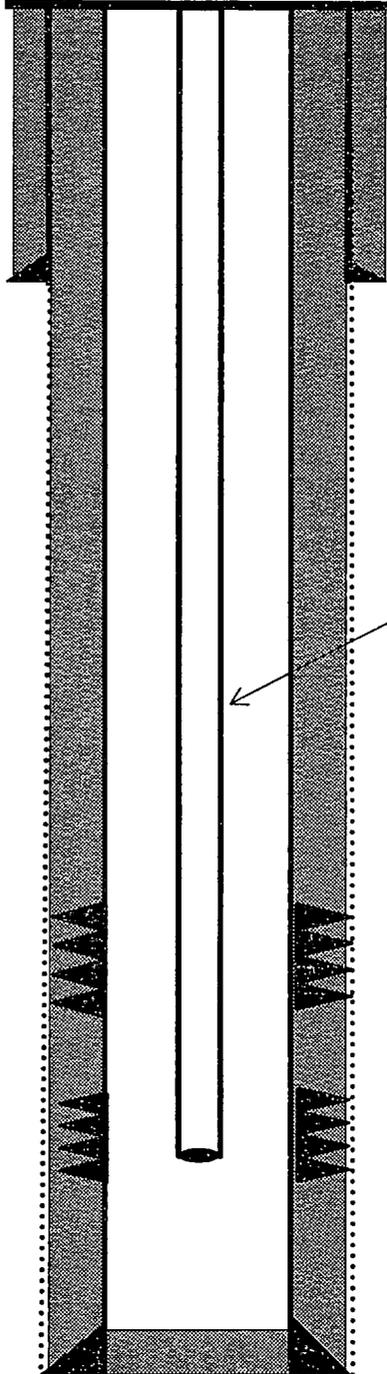
Cabresto Canyon, San Jose Ext.

1572' FSL & 896' FEL, Section 18, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-26241

Today's Date: 7/30/13
Spud: 11/21/99
Comp: 12/22/99
Elevation: 7082' GI
7094' KB

12-1/4" Hole



TOC @ Surface per Sundry and Completion report

8-5/8", 24#, K-55 Casing set @ 237'
Cement with 120 sxs, circulated to surface

2-3/8" tubing @ 1700'
(53 jts, SN, perf sub, 1 jt tubing with NC with rods and pump)

Upper San Jose Perforations:
1022' - 1318'

San Jose Perforations:
1502' - 1722'

6-3/4" Hole

4.5", 10.5 & 11.6#, K-55 Casing @ 1776'
Cement with 300 sxs
Circulated 45 sxs to surface

1800' TD
1760' PBD

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: 1 Jicarilla 459 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.