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Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAY 29 2014

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.

Exploratory Field Office
Bureau of Land Management

5. Lease/Serial No.	Jicarilla 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 457-9 #1
9. API Well No.	30-039-25902
10. Field and Pool, or Exploratory Area	East Blanco Pictured Cliffs
11. County or Parish, State	Rio Arriba County, New Mexico

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
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)	SHL: 1150' FSL & 1191' FEL SE/SE Section 9 T30N R3W (UL: P) BHL: 739' FSL & 1321' FEL SE/SW Section 10 T30N R3W (UL: N)

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 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.)

Black Hills Gas Resources intends to plug and abandon Jicarilla 457-09 #1 per attached procedure.

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

OIL CONS. DIV DIST. 3

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

JUN 12 2014

BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS

Notify NMOCD 24 hrs prior to beginning operations



H₂S POTENTIAL EXIST

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

Daniel Manus

Regulatory Technician

Title

Signature

Daniel Manus

Date

May 29, 2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Troy Salvors

Petroleum Eng.

Date 6/10/2014

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

FFO

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

March 10, 2014

Jicarilla 457-09 #1

East Blanco Pictured Cliffs

Surface 1150' FSL, 1191' FEL, Section 9, T30N, R3W, Rio Arriba County, NM

Lower Lateral TD: 739' FNL, 1581' FWL, Section 9, T30N, R3W

API 30-039-25902 / 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.

This project will use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.

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" tubing, Length 3669'
Tubing: Yes , No _____, Unknown _____, Size 2-7/8" tubing, Length 2329'
Packer: Yes , No _____, Unknown _____, Type Arrowset 1X 3674' (unset)
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
NOTE: ON/OFF tool at 3669'.
3. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 3696' – 3142')**: RIH and set 5.5" CR or CIBP at 3696'. Pressure test tubing to 1000#. **Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate.** Mix 69 sxs Class B cement and spot a balanced plug above CR or CIBP, inside the casing, to cover the Pictured Cliffs interval through the Ojo Alamo top. PUH.

See COA
4. **Plug #2 (Nacimiento top, 2166' - 2066')**: Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover Nacimiento top. PUH.
5. **Plug #3 (8-5/8" 24# casing shoe, 595' - 495')**: Mix 17 sxs Class B cement and spot a balanced plug inside the casing to cover 8-5/8" casing shoe. PUH.
6. **Plug #4 (Surface, 100' - 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 17 sxs cement and spot a balanced plug from 100' 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 casings 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.

2/7/2014

Jicarilla 457-09 #1
CURRENT Wellbore Diagram
SESE Sec. 9, T30N, R3W
Rio Arriba, NM
API# 30-039-25902

Spud: 7/29/98
Compl: 9/30/98

7238' GL
7251' KB

2 3/8" TUBING DETAIL (10/22/05) ROD DETAIL (10/24/05)

1 jts 2 3/8" tbg	2' & 8' pony rods
6' & 1' subs	145 3/4" rods
114 jts 2 3/8" J-55 tbg	1 4' guided pony
3' sub	1' pony
16' tbg pump	Plunger
SN	
XO	
ON/OFF tool @ 3669'	

Upper San Jose perms 9-10-98: Perfs 959-966, 1055-1063', sqz'd w/ 25 cf cmt 5/11/05. Perfs 1210-1214, 1255-1264, 1308-1315, 1394-1406', sqz'd w/ 50 cf cmt 5/11/05.

Lower San Jose perms 8-26-98: Perfs 1570-1575' & 1633-1644', sqz'd w/ 90 cf cmt 5/11/05. Perfs 1701-1710', sqz'd w/ 50 sx cmt 5/13/05.

DV tool @ 2908'

Ojo Alamo perms 8-15-98: 3206-3214, 3219-3225, 3235-3237, 3239-3243, 3247-3252, 3258-3266'. Sqz'd w/ 134 cf cmt 6/20/05.

Arrowset 1X packer @ 3674', packer is unset.

Pictured Cliffs perms: 8-08-98; 3746-3782'

2 7/8" Tubing Liner Detail:
On-Off tool, Arrowset 1X Packer, 74 jts 2 7/8", 8.7#, P-110 tbg from 3674' to 6003'. 4 perforated joints spaced throughout lateral.

12 1/4" hole

8 5/8" 24# surface casing set @ 545', cmt w/ 300 sx. Circ 50 sx to surface

7 7/8" hole

Nacimiento 2116'

Ojo Alamo 3192'

Kirtland 3428'

Fruitland 3615'

Pict Cliffs 3744'

Window from 3750-3763'
Knight Whipstock

5 1/2" 15.5# K-55 prod casing set @ 3994'. Stage 1 Cmt w/ 180 sx, circ 10 sx to surface. Stage 2 Cmt thru DV tool w/ 380 sx. Circ 58 sx to surface

PBTD = 3920'
TD = 4025'

4 3/4" hole

Lateral Distance MD from surface

3755'

6340'

Jicarilla 457-09 #1
Proposed P&A
SESE Sec. 9, T30N, R3W
Rio Arriba, NM
API# 30-039-25902

3/10/2014

Spud: 7/29/98
 Compl: 9/30/98

7238' GL
 7251' KB

12 1/4" hole

8 5/8" 24# surface casing set @ 545', cmt w/ 300 sx. Circ 50 sx to surface

7 7/8" hole

Nacimiento 2116'

Ojo Alamo 3192'

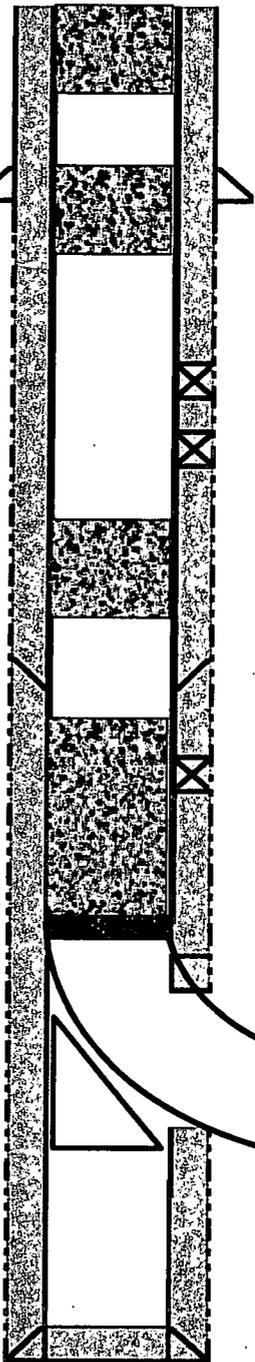
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Window from 3750-3763'
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PBTD = 3920'
 TD = 4025'

Plug #4: 100' - 0'
 Class B Cement, 17 sxs

Plug #3: 595' - 495'
 Class B Cement, 17 sxs

Upper San Jose perms 9-10-98: Perfs 959-966, 1055-1063', sqz'd w/ 25 cf cmt 5/11/05. Perfs 1210-1214, 1255-1264, 1308-1315, 1394-1406', sqz'd w/ 50 cf cmt 5/11/05.

Lower San Jose perms 8-26-98: Perfs 1570-1575' & 1633-1644', sqz'd w/90 cf cmt 5/11/05. Perfs 1701-1710', sqz'd w/50 sx cmt 5/13/05.

Plug #2: 2166' - 2066' See COA
 Class B Cement, 17 sxs

DV tool @ 2908'

Ojo Alamo perms 8-15-98: 3206-3214, 3219-3225, 3235-3237, 3239-3243, 3247-3252, 3258-3266'. Sqz'd w/ 134 cf cmt 6/20/05.

Plug #1: 3696' - 3142'
 Class B Cement, 69 sxs

Pictured Cliffs perms: 8-08-98; 3746-3782'

4 3/4" hole

Lateral Distance MD from surface

3755'

6340'

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: Jicarilla 457-9 #1

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Leases."
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) Set plug #2 (2068-1968) ft. to cover the Nacimiento formation
 - 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.