

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 18 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.

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. NIMDA 701-98-0013 Tract 1
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 C.A. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1625' FSL & 955' FEL Section 19 T29N R2W (UL: I)		8. Well Name and No. Jicarilla 29-02-19 #34
		9. API Well No. 30-039-29531
		10. Field and Pool, or Exploratory Area East Blanco Pictured Cliffs
		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 recompleat 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 recompleat 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 16, 2014, to plug and abandon Jicarilla 29-02-19 #34, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

BHGR will be using a closed loop system.

OIL CONS. DIV DIST. 3
JUN 27 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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/ Typed) Daniel Manus		Title Regulatory Technician	
Signature <i>Daniel Manus</i>		Date <i>June 17, 2014</i>	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by Troy Salvors		Title Petroleum Eng.	Date 6/24/2014
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.			
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)

NMOCDAY

PLUG AND ABANDONMENT PROCEDURE

June 10, 2014

Jicarilla 29-02-19 #34

East Blanco PC / La Jara Canyon, Tertiary
1625' FSL, 995' FEL, Section 19, T29N, R2W, Rio Arriba County, NM
API 30-039-29531 / 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 will use 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 _____, No X, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 2-3/8", Length 3486'.
Packer: Yes X, _____, Unknown _____, Type AS-1 packer at 1390'.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
TOH with tubing and LD packer.
4. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 3433' – 3036'):**
Round trip 5.5" csg scraper or gauge ring to 3433'. RIH and set 5.5" CR or CIBP at 3433'.
Pressure test tubing to 1000#. Circulate well clean. Spot 51 sxs Class B cement above the CR or CIBP to isolate the PC interval and cover through the Ojo Alamo interval. PUH and WOC. TIH and tag cement. Plug should be at least 50' above the top of the Ojo Alamo. PUH.
Note: if Plug #1 is set at the end of the day then don't set CR. TIH with open ended tubing to 3551' or as deep as possible and spot 75 sxs Class B cement (10 sx excess) and WOC overnight. ✓ TIH and tag plug next morning at 50' above OA top. ✓ If necessary top off plug. PUH.

See COA
5. **Plug #2 (Nacimiento top, 2036' - 1936'):** Mix 17 sxs Class B cement and spot a balanced plug inside the casing to isolate the Nacimiento top. TOH.
6. **Plug #3 (San Jose perforations, 936' – 836'):** TIH and set 5.5" CR at 936'. Pressure test tubing to 1000#. Attempt to pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate. Mix 17 sxs Class B cement and spot a balanced plug inside casing above CR to isolate San Jose perforations top. PUH.
7. **Plug #4 (8-5/8" Surface casing shoe, 385' - 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 50 sxs cement and spot a balanced plug from 385' 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 385' and the annulus from the squeeze holes to surface. Shut in well and WOC.
8. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. Cut off anchors and clean up location. Restore location per BLM stipulations.

Jicarilla 29-02-19 #34

Current

East Blanco Pictured Cliffs / La Jara Canyon, Tertiary

1625' FSL & 995' FEL, Section 19, T-29-N, R-2-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-29531

Today's Date: 6/10/14

Spud: 12/15/05

Comp: 2/19/06

Elevation: 7091' GI
7104' KB

12-1/4" Hole

TOC at surface (CBL, 2006)

8-5/8" 24#, J-55 Casing set @ 335'
Cement with 200 sxs, circulated to surface

2-3/8" tubing at 3486'
(110 jts, AS-1 packer @1390', R-Nipple, 2' pup, NC)

San Jose Perforations:
986' – 998'

San Jose Perforations:
1356' – 1362' (squeeze with
28 cf cement, 2006)

AS-1 packer at 1390'

Nacimiento @ 1986'

Ojo Alamo @ 3086'

Kirtland @ 3312'

Fruitland @ 3390'

Pictured Cliffs @ 3475'

Pictured Cliffs Perforations:
3483' – 3501'

7-7/8" Hole

5.5" 15.5#, J-55 Casing @ 3649'
Cement with 670 sxs, circulate 30 bbls to surface

3649' TD
3608' PBD

Jicarilla 29-02-19 #34

Proposed P&A

East Blanco Pictured Cliffs / La Jara Canyon, Tertiary

1625' FSL & 995' FEL, Section 19, T-29-N, R-2-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-29531

Today's Date: 6/10/14

Spud: 12/15/05

Comp: 2/19/06

Elevation: 7091' GI
7104' KB

12-1/4" Hole

TOC at surface (CBL, 2006)

Plug #4: 385' - 0'
Class B cement, 50 sxs

8-5/8" 24#, J-55 Casing set @ 335'
Cement with 200 sxs, circulated to surface

Set CR @ 936'

Plug #3: 936' - 836'
Class B cement, 17 sxs

San Jose Perforations:
986' - 998'

San Jose Perforations:
1356' - 1362' (squeeze with
28 cf cement, 2006)

Nacimiento @ 1986'

Plug #2: 2036' - 1936'
Class B cement, 17 sxs

Ojo Alamo @ 3086'

Plug #1: 3433' - 3036'
Class B cement, 51 sxs

Kirtland @ 3312'

Fruitland @ 3390'

Pictured Cliffs @ 3475'

Set CR @ 3433'

Pictured Cliffs Perforations:
3483' - 3501'

7-7/8" Hole

5.5" 15.5#, J-55 Casing @ 3649'
Cement with 670 sxs, circulate 30 bbls to surface

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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 29-02-19 #34

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) Bring the top of plug #2 to 1817 ft. to cover the Nacimiento top. Adjust cement volume accordingly.

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.