

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



New Mexico Oil Conservation Division approval and conditions listed below are made in accordance with OCD Rule 19.15.7.11 and are in addition to the actions approved by BLM on the following 3160-4 or 3160-5 form.

Operator Signature Date: August 14th, 2014

Well information:

API WELL #	Well Name	Well #	Operator Name	Type	Stat	County	Surf_Owner	UL	Sec	Twp	N/S	Rng	W/E
30-039-29988-00-00	MANY CANYONS 29 04 26	133	BLACK HILLS GAS RESOURCES, INC.	G	A	Rio Arriba	F	J	26	29	N	4	W

Application Type:

- P&A
 Drilling/Casing Change
 Recomplete/DHC
 Location Change
 Other:

Conditions of Approval:

Notify NMOCD 24hrs prior to beginning operations
Provide CBL to agencies for review/approval prior to cementing

NMOCD Approved by Signature

8/21/14

Date

RECEIVED

AUG 14 2014

UNITED STATES DEPARTMENT OF THE INTERIOR 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 (Oil Well, Gas Well, Other)
2. Name of Operator (Black Hills Gas Resources, Inc.)
3a. Address (P.O. Box 249, Bloomfield, NM 87413)
3b. Phone No. (505) 634-5104
4. Location of Well (1960' FSL & 1915' FEL NW/SE Section 26 T29N R4W (UL: J))

5. Lease Serial No. (NMNM 18325)
6. If Indian, Allottee, or Tribe Name
7. If Unit or CA. Agreement Name and/or No.
8. Well Name and No. (Many Canyons 29-04-26 #133)
9. API Well No. (30-039-29988)
10. Field and Pool, or Exploratory Area (Choza 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

Table with columns: TYPE OF SUBMISSION (Notice of Intent, Subsequent Report, Final Abandonment Notice) and TYPE OF ACTION (Acidize, Deepen, Production, Reclamation, etc.)

13. Describe Proposed or Completed Operation Clearly state all pertinent details including estimated starting date of any proposed work and approximate duration thereof.

Per the Notice of Intent dated July 16, 2014, to plug and abandon Many Canyons 29-04-26 #133, Black Hills Gas Resources is submitting the attached plug and abandon procedure.

BHGR will be using a closed loop system.

RCVD AUG 21 '14 OIL CONS. DIV.

DIST. 3 SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

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

Signature: Daniel Manus, Title: Regulatory Technician, Date: August 14, 2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: Troy Salvors, Title: Petroleum Eng., Date: 8/21/2014, Office: FFO

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)

NMOCDAV

PLUG AND ABANDONMENT PROCEDURE

July 14, 2014

Many Canyons 29-04-26 #133

Choza Mesa Pictured Cliffs

1960' FSL, 1915' FEL, Section 26, T29N, R4W, Rio Arriba County, NM

API 30-039-29988 / 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 X, Unknown _____.
Tubing: Yes X, No _____, Unknown _____, Size 2-7/8" tubing, Length 4028'.
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 to 4073' or as deep as possible. Note: Upper Lateral KO window from 4123' – 4128'.
3. **Plug #1 (Pictured Cliffs interval, Fruitland, Kirtland and Ojo Alamo tops, 4073' – 3613')**: TIH and set 7" CR or CIBP at 4073'. Pressure test tubing to 1000#. **Pressure test casing to 800#. If casing does not test then spot or tag subsequent plugs as appropriate.** Mix 96 sxs Class B cement and spot a balanced plug above CR or CIBP, inside the casing, to isolate the Pictured Cliffs interval and cover through the Ojo Alamo top. TOH.
4. **Plug #2 (Nacimiento top, 2413' – 2313')**: Mix 29 sxs Class B cement and spot a balanced plug inside the casing to cover the Nacimiento top. TOH and LD tubing.
5. **Plug #3 (9-5/8" Surface casing shoe, 341' - Surface)**: Perforate squeeze holes at 341'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 120 sxs Class B cement and pump down the 7" casing to circulate good cement out bradenhead. Shut in well and WOC.
6. ND cementing valves and cut off wellhead. Fill annuli with cement as necessary. Install P&A marker to comply with regulations. Record GPS coordinate for P&A marker on tower report. Photograph P&A marker in place. RD, MOL and cut off anchors. Restore location per BLM stipulations

Many Canyons 29-04-26 #133

CURRENT Wellbore Diagram

API # 30-039-29988

Sec. 26, T29N, R04W, Rio Arriba, NM

7/14/2014

Spud Date: 9/25/07
 Compl Date: 11/21/07

Elevation: 7396' GL
 7408' KB

12 1/4" hole

SURF CASING

9 5/8" 36# J-55 casing @ 291'.
 Cmt w/ 165 sx. Circ 10 bbl cmt to pit.

8 3/4" hole

Nacimiento 2363' MD = 2363' TVD

Ojo Alamo 3664' MD = 3663' TVD

Kirtland 3791' MD = 3790' TVD

Fruitland 3973' MD = 3967' TVD

Pictured Cliffs 4109' MD = 4086' TVD

Upper Lateral window 4123-4128' MD

Knight 1 X Whipstock at 4114'

RBP set @ 4132'

PROD CASING

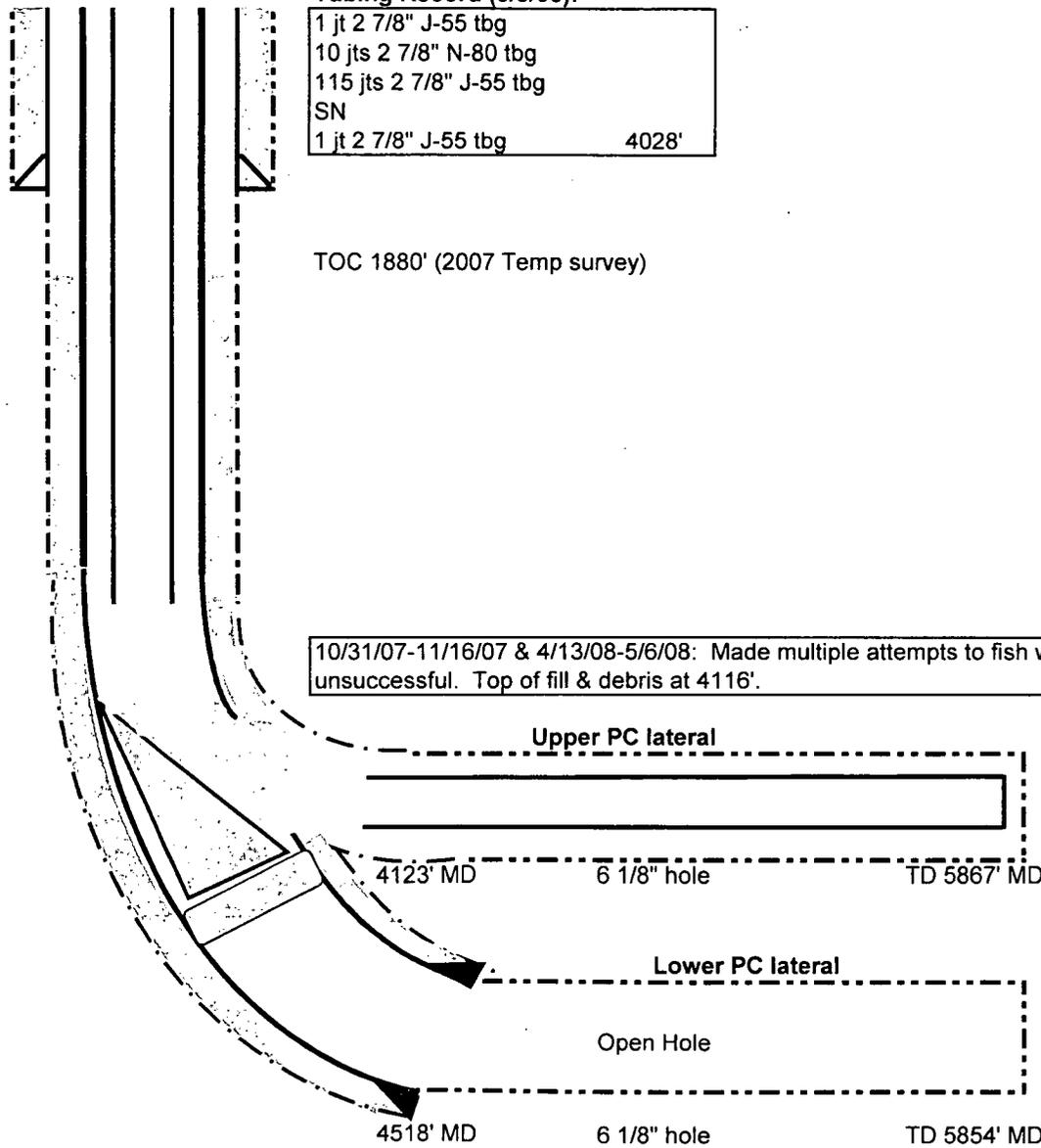
7", 23#, J-55 casing at 4518'.
 Cmt w/ 750 sx. Did not circ cmt.
 Ran Temp survey. TOC at 1880'.

Tubing Record (5/5/08):

1 jt 2 7/8" J-55 tbg
 10 jts 2 7/8" N-80 tbg
 115 jts 2 7/8" J-55 tbg
 SN
 1 jt 2 7/8" J-55 tbg 4028'

TOC 1880' (2007 Temp survey)

10/31/07-11/16/07 & 4/13/08-5/6/08: Made multiple attempts to fish whipstock, unsuccessful. Top of fill & debris at 4116'.



Upper Lateral Detail:

4 1/2", 11.6#, J-55 liner (uncemented). Top of liner at 4132' MD. Bottom of liner at 5752' MD. 5 pre-perf jts with tops at 5711', 5308', 4905', 4501', 4178'

Many Canyons 29-04-26 #133
Proposed P&A Wellbore Diagram
 API # 30-039-29988
 Sec. 26, T29N, R04W, Rio Arriba, NM

7/14/2014

Spud Date: 9/25/07
 Compl Date: 11/21/07

Elevation: 7396' GL
 7408' KB

12 1/4" hole

SURF CASING

9 5/8" 36# J-55 casing @ 291'.
 Cmt w/ 165 sx. Circ 10 bbl cmt to pit.

8 3/4" hole

Nacimiento 2363' MD = 2363' TVD

Ojo Alamo 3664' MD = 3663' TVD

Kirtland 3791' MD = 3790' TVD

Fruitland 3973' MD = 3967' TVD

Pictured Cliffs 4109' MD = 4086' TVD

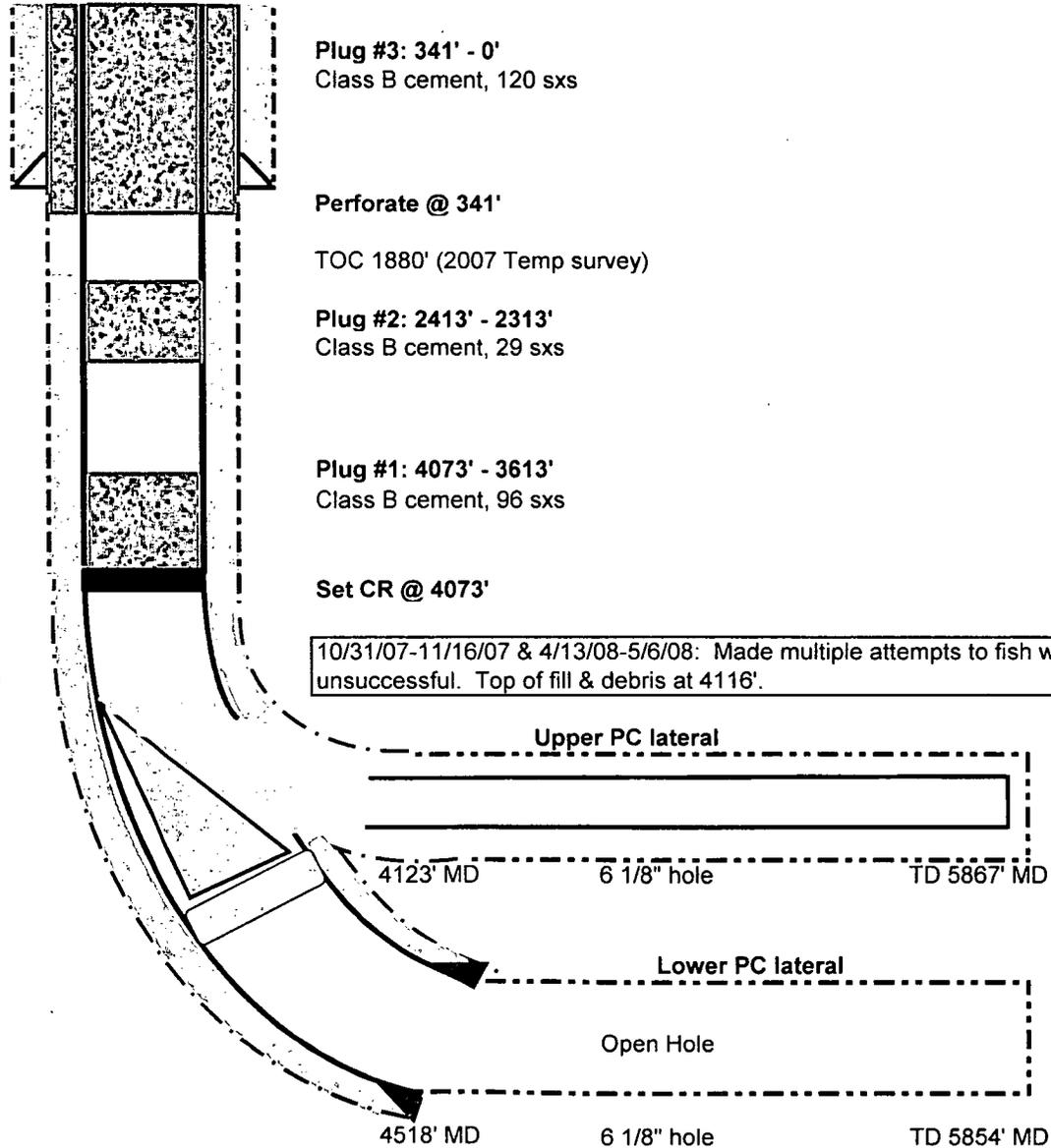
Upper Lateral window 4123-4128' MD

Knight 1 X Whipstock at 4114'

RBP set @ 4132'

PROD CASING

7", 23#, J-55 casing at 4518'.
 Cmt w/ 750 sx. Did not circ cmt.
 Ran Temp survey. TOC at 1880'.



Plug #3: 341' - 0'
 Class B cement, 120 sxs

Perforate @ 341'

TOC 1880' (2007 Temp survey)

Plug #2: 2413' - 2313'
 Class B cement, 29 sxs

Plug #1: 4073' - 3613'
 Class B cement, 96 sxs

Set CR @ 4073'

10/31/07-11/16/07 & 4/13/08-5/6/08: Made multiple attempts to fish whipstock, unsuccessful. Top of fill & debris at 4116'.

Upper PC lateral

4123' MD 6 1/8" hole TD 5867' MD

Lower PC lateral

4518' MD 6 1/8" hole TD 5854' MD

Open Hole

Upper Lateral Detail:

4 1/2", 11.6#, J-55 liner (uncemented). Top of liner at 4132' MD. Bottom of liner at 5752' MD. 5 pre-perf jts with tops at 5711', 5308', 4905', 4501', 4178'

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: Many Canyons 29-04-26 #133

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.

Operator must run a CBL from 4073 ft., or as deep as possible, to verify cement top. Outside plugs might be required, based on CBL result. Submit electronic copy of the log for verification to the following BLM address: tsalyers@blm.gov

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.