

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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)
640' FNL & 2165' FEL NW/NE Section 30 T29N R2W (UL: B)

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2016

5. Lease Serial No.
MDA 701-98-0013, Tract 1

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 29-02-30 #1

9. API Well No.
30-039-27246

10. Field and Pool, or Exploratory Area
Burro Cnyn Tert. / E Blanco PC

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.)

Black Hills Gas Resources intends to plug and abandon Jicarilla 29-02-30 #1 per attached procedure

Black Hills will use closed loop system.

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

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Notify NMOCD 24 hrs
prior to beginning
operations

OIL CONS. DIV DIST. 3

MAY 09 2016

**Reclamation plan has not been approved.*

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

Daniel Manus

Regulatory Technician II

Title

Signature

Date

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

PE

Date

5/4/16

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

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PLUG AND ABANDONMENT PROCEDURE

March 22, 2016

Jicarilla 29-02-30 #1

East Blanco PC / Burro Canyon; Tertiary
640' FNL, 2165' FEL, Section 30, T29N, R2W, Rio Arriba County, NM
API 30-039-27246 / 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 X, No _____, Unknown _____.
Tubing: Yes X, No _____, Unknown _____. Size 2-3/8", Length 1435'.
Packer: Yes _____, No X, Unknown _____. Type _____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.

NOTE: TIH with 2 3/8" BHGR workstring. Latch on & release RBP. Circulate well clean. TOH. Round trip 5.5" gauge ring or casing scraper to 1844' or as deep as possible.

4. **Plug #1 (Pictured Cliffs interval and Fruitland, Kirtland, Ojo Alamo tops, 3476' – 2792'):** RIH with open ended tubing. Mix and pump 90 sxs Class B cement (excess due to open perfs) and spot a plug inside the casing from 3476' isolate the PC interval, the Fruitland and Kirtland tops, and cover through the Ojo Alamo top. PUH and WOC. TIH and tag 50' above Ojo Alamo top, if necessary top off. TOH.
5. **Plug #2 (Nacimiento perforations, 1844' – 1744'):** TIH and set 5.5" CR or CIBP at 1844'. Mix 23 sxs Class B cement (excess due to open perfs) and spot a plug inside the casing above the CR or CIBP to isolate the Nacimiento interval. TOH and WOC. TIH and tag cement 50' above Nacimiento top, if necessary top off plug. TOH.
6. **Plug #3 (San Jose perforations, 1038' – 938'):** TIH and set 5.5" CR or CIBP at 1038'. Pressure test casing to 800 psi. If casing does not test then spot or tag subsequent plugs as necessary. Mix 17 sxs Class B cement and spot a plug inside the casing above the CR or CIBP to isolate the San Juan perforations. PUH with tubing.
7. **Plug #4 (8-5/8" Surface casing shoe, 316' - 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 40 sxs cement and spot a balanced plug from 316' 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 316' 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 29-02-30 #1

Proposed P&A

East Blanco PC/ Burro Canyon, Tertiary

640' FNL & 2165' FEL, Section 30-T-29-N, R-2-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-27246

Today's Date: 3/22/16

Spud: 9/25/02

Comp 10/28/03

Elevation: 7048' GI
7060' KB

12-1/4" Hole

TOC @ Surface, 2003 CBL

8-5/8" 24#, K-55 Casing set @ 266'
Cement with 157 sxs, circulated to surface

Plug #4: 316' - 0'
Class B cement, 40 sx

Plug #3: 1038' - 938'
Class B cement, 17 sx

Set CR @ 1038'

San Jose Perforations:
1088 - 1248'

Plug #2: 1844' - 1744'
Class B cement, 23 sx
(excess due to open perms)

Set CR @ 1844'

Nacimiento Perforations:
1894' - 1927'

DV Tool @ 2512'
2nd Stage: Cement with 1261 sx (2547
cf), circ 160 bbls cmt to surface

Nacimiento @ 1861'

Ojo Alamo @ 2842'

Kirtland @ 3207'

Fruitland @ 3386'

Pictured Cliffs @ 3426'

Plug #1: 3476' - 2792'
Class B cement, 90 sx
(excess due to open perms)

7-7/8" Hole

5.5" 15.5#, K-55 Casing @ 3712'
1st Stage: Cement with 328 sx (663 cf),
circ 35 bbls cmt to surface

3720' TD
3669' PBTD

Jicarilla 29-02-30 #1 Current

East Blanco PC/ Burro Canyon, Tertiary

640' FNL & 2165' FEL, Section 30-T-29-N, R-2-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-27246

Today's Date: 3/22/16
Spud: 9/25/02
Comp 10/28/03
Elevation: 7048' GI
7060' KB

12-1/4" Hole

TOC @ Surface, 2003 CBL

8-5/8" 24#, K-55 Casing set @ 266'
Cement with 157 sxs, circulated to surface

2-3/8" tubing @ 1435'
(44 jts, 4.7#, J-55, SN, 4' perf sub, 2-3/8" tail
joint with crossbar collar; rods and pump)

San Jose Perforations:
1088 - 1248'

RBP @ 1521' (2-3/8" Weatherford LH
release On-Off tool, 1.78" ID PN, AS-1X
RH release Pkr, bull plug)

Nacimiento Perforations:
1894' - 1927'

DV Tool @ 2512'
2nd Stage: Cement with 1261 sx (2547
cf), circ 160 bbls cmt to surface

Nacimiento @ 1861'

Ojo Alamo @ 2842'

Kirtland @ 3207'

Fruitland @ 3386'

Pictured Cliffs @ 3426'

7-7/8" Hole

5.5" 15.5#, K-55 Casing @ 3712'
1st Stage: Cement with 328 sx (663 cf),
circ 35 bbls cmt to surface

3720' TD
3669' PBTD

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 29-02-30 #1

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.

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.