

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)
870' FNL & 1975' FEL NW/SW Section 33 T30N R3W (UL: L)

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

RECEIVED
MAY 04 2016

5. Lease Serial No.
MDA 701-98-0043, 11460

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 30-03-33 #1

9. API Well No.
30-039-27595

10. Field and Pool, or Exploratory Area
Cabresto Canyon 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 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 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 reclamantion, 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 30-03-33 #1 per attached procedure. BHGR will be using a closed loop system.

Attachments:

Proposed Procedure
Current Wellbore diagram
Proposed wellbore diagram

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

OIL CONS. DIV DIST. 3

MAY 12 2016

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

** 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

5/6/16

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

KC

PLUG AND ABANDONMENT PROCEDURE

April 6, 2016

Jicarilla 30-03-33 #1

East Blanco PC / Cabresto Canyon; Tertiary
870' FNL, 1975' FEL, Section 33, T30N, R3W, Rio Arriba County, NM
API 30-039-27595 / 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 2689'.
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. TOH.

4. **Plug #1 (Pictured Cliffs interval, Fruitland and Kirtland tops, 3724' – 3291')**: RIH with open ended tubing. Mix and pump 65 sxs Class B cement (20% excess due to open perfs) and spot a plug from 3724' to isolate the PC interval and cover the Fruitland and Kirtland tops. PUH and WOC. TIH and tag 50' above Kirtland top, if necessary top off. PUH.
5. **Plug #2 (Ojo Alamo perforations and top, 3274' – 2968')**: RIH with open ended tubing and tag Plug #1. From top of Plug #1 mix and pump 45 sxs Class B cement (20% excess due to open perfs) and spot a plug from 3274' (or top of Plug #1) to cover the OA perforations and top. PUH and WOC. TIH and tag 50' above Ojo Alamo top, if necessary top off. PUH.
6. **Plug #3 (Nacimiento perforations and top, 2492' – 1998')**: Round trip 5.5" casing scraper to 2492'. TIH and set 5.5" CR or CIBP at 2492'. Pressure test casing to 800 psi. If casing does not test then spot or tag subsequent plugs as necessary. Mix 62 sxs Class B cement and spot a plug inside the casing above the CR or CIBP to isolate the Nacimiento interval. PUH.
7. **Plug #4 (8-5/8" Surface casing shoe, 290' - 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 35 sxs cement and spot a balanced plug from 290' 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 290' 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 30-03-33 #1 Current

East Blanco PC/ Cabresto Canyon, Tertiary

870' FNL & 1975' FEL, Section 33-T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-27595

Today's Date: 4/6/16
Spud: 4/1/04
Comp 8/5/04
Elevation: 7103' GI
7116' KB

12-1/4" Hole

TOC @ Surface, circulated 90 bbls

8-5/8" 24#, Casing set @ 240'
Cement with 175 sxs, circulated to surface

2-3/8" tubing @ 2689'
(2 3/8", 4.7#, J-55, SN, 4' perf sub, tail jt with
3/4" rods and pump)

Nacimiento @ 2048'

Nacimiento Perforations:
2542' - 2654'

Weatherford TS RBP @ 2750' (2005)

Nacimiento Perforations:
2800' - 2824'

Ojo Alamo @ 3018'

Ojo Alamo Perforations:
3028' - 3224'

Kirtland @ 3341'

Fruitland @ 3509'

Pictured Cliffs @ 3606'

Pictured Cliffs Perforations:
3609' - 3674'

7-7/8" Hole

5.5" 15#, J-55 Casing @ 3743'
Cement with 975 sxs, circ 90 bbls to
surface

3750' TD
3688' PBD

Jicarilla 30-03-33 #1 Proposed P&A

East Blanco PC/ Cabresto Canyon, Tertiary

870' FNL & 1975' FEL, Section 33-T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-27595

Today's Date: 4/6/16
Spud: 4/1/04
Comp 8/5/04
Elevation: 7103' GI
7116' KB

12-1/4" Hole

Nacimiento @ 2048'

Ojo Alamo @ 3018'

Kirtland @ 3341'

Fruitland @ 3509'

Pictured Cliffs @ 3606'

7-7/8" Hole

3750' TD
3688' PBD

TOC @ Surface, circulated 90 bbls

8-5/8" 24#, Casing set @ 240'
Cement with 175 sxs, circulated to surface

Plug #4: 290' - 0'
Class B cement, 35 sxs

Plug #3: 2492' - 1998'
Class B cement, 62 sxs

Set CR @ 2492'

Nacimiento Perforations:
2542' - 2654'

Nacimiento Perforations:
2800' - 2824'

Ojo Alamo Perforations:
3028' - 3224'

Plug #2: 3274' - 2968'
Class B cement, 45 sxs
(20% excess, long plug)

Plug #1: 3724' - 3291'
Class B cement, 65 sxs
(20% excess, long plug)

Pictured Cliffs Perforations:
3609' - 3674'

5.5" 15#, J-55 Casing @ 3743'
Cement with 975 sxs, circ 90 bbls to
surface

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 30-03-33 #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.
3. The following modifications to your plugging program are to be made:
 - a) Bring the top of plug #3 to **1875 ft.** to cover the Nacimienta top. **BLM picks top of Nacimienta at 1925 ft.** Adjust cement volume accordingly.

High to very high concentrations of H_2S (205 ppm – 1,731 ppm GSV) have been reported in wells which produce gas from the San Jose, Nacimienta and Ojo Alamo formations within a 1 mile radius of this location. It is imperative that H_2S monitoring and safety equipment be on location during P&A operations at this well site.

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.