

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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 reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Contract 462
2. Name of Operator Black Hills Gas Resources, Inc.		6. If Indian, Allottee, or Tribe Name Jicarilla Apache Tribe
3a. Address P.O. Box 249 Bloomfield, NM 87413		7. If Unit or CA. Agreement Name and/or No. UNITED STATES
3b. Phone No. (include area code) 505-634-1111		8. Well Name and No. Jicarilla 462-23 #12
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23, T30N, R03W 505' FNL & 1740' FWL		9. API Well No. 30-039-29322
		10. Field and Pool, or Exploratory Area E Blanco, Pictured Cliffs/Cabresto Canyon, Tertiary
		11. County or Parish, State Rio Arriba, NM

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 recompletes horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. 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 possibly plug and abandon this well as per the attached procedure dated 5-25-06. This well may be plugged and abandoned based on the results of the final Tertiary evaluation. The Jicarilla Apache Nation Office of Water Administration was contacted regarding the possible availability of this well bore upon abandonment. They have verbally declined the use of this well bore 6-27-06.



RECEIVED
JUL 3 AM 10 04
070 FARMINGTON NM

14. I hereby certify that the foregoing is true and correct.	
Name (Printed/ Typed) Loren Diele	Title Consultant (Agent)
Signature <i>[Signature]</i>	Date 6-29-06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title	Date JUL 14 2006
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.		

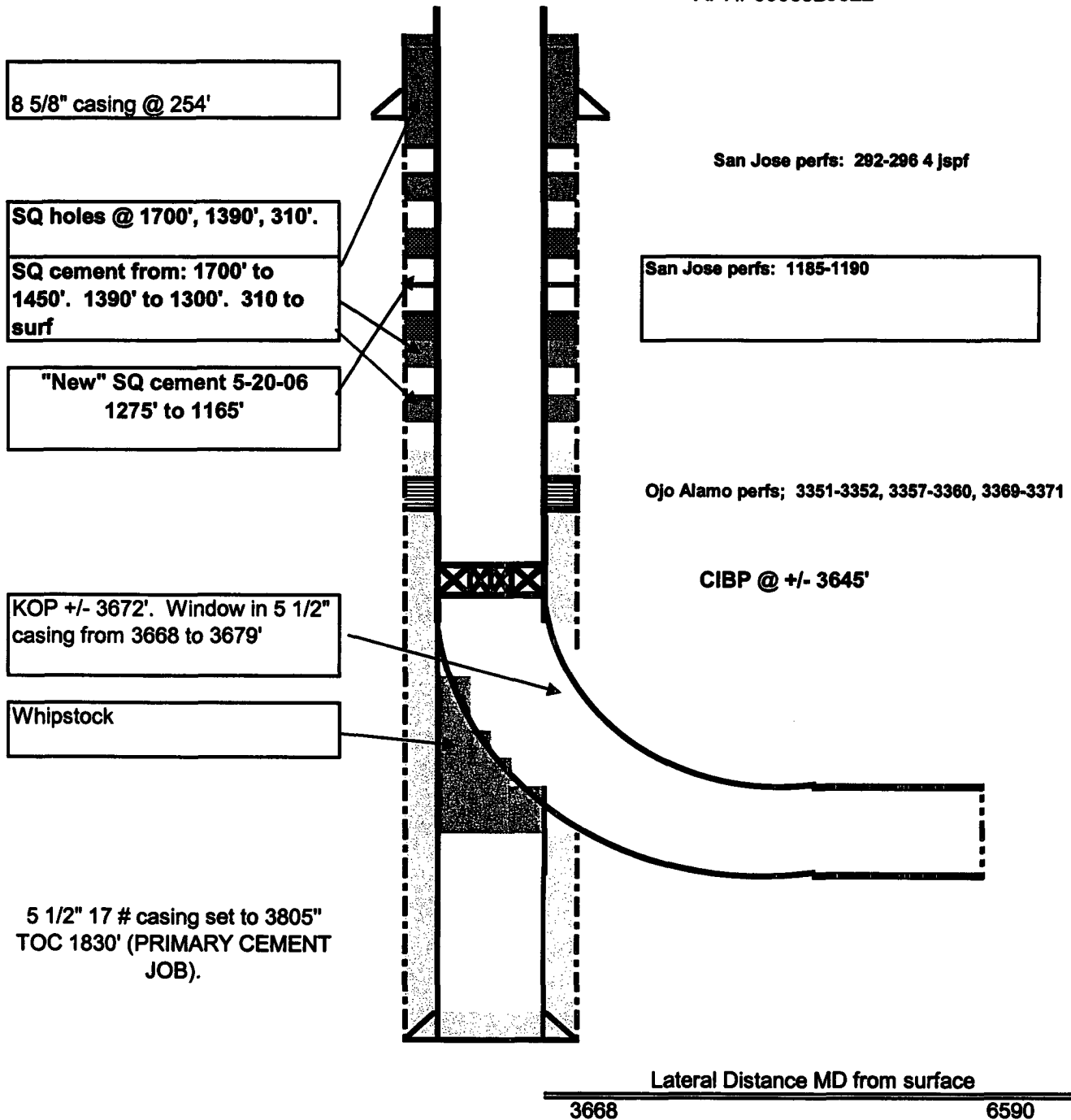
Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

NMOCD *[Signature]*

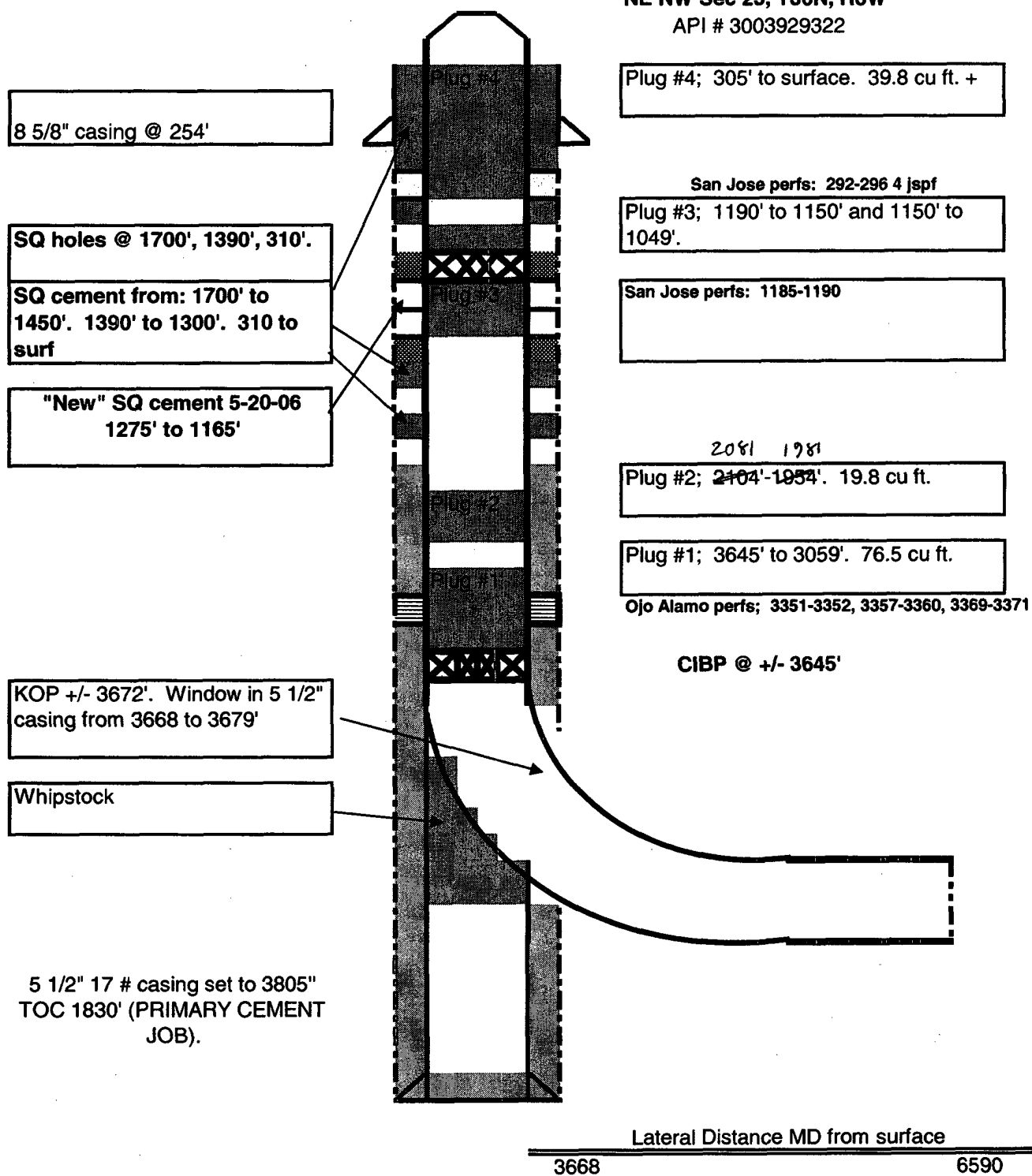
5/25/2006

Jicarilla 462-23 #12
Post Completion Well Bore Diagram
NE NW Sec 23, T30N, R3W
API # 3003929322



7/12/2006

Jicarilla 462-23 #12
Post Completion Well Bore Diagram
NE NW Sec 23, T30N, R3W
API # 3003929322



Black Hills Gas Resources

P&A Procedure

For the

JICARILLA 462-23 #12

API # 30-039-29322

NE NW Sec 23, T30N – R03W

Rio Arriba County, New Mexico

GL: 7233', KB: 7246', PBTD: 3645' (CIBP)
Surface casing: 8-5/8", 24 lb/ft, Casing @ 254', TOC = surf
Production casing: 5 1/2" 17 lb/ft, Casing @ 3805' TVD
Current prod tubing: N/A
Current pump/ rods: N/A
Current Perforated Zones:

San Jose	292'-296'
	1185'-1190'
Ojo Alamo	3351'-3352'
	3357'-3360'
	3369'-3371'
	CIBP @ 3645'
Pictured Cliffs	3672'-6590' MD horizontal OH

Proposed Work: P&A

1. Notify BLM, State and Tribal agencies of the intent to P & A this well.
2. MIRU completion rig. ND WH, NU BOP.
3. TIH with workstring to top of CIBP @ 3645'. Pump 58 sx Type V cement (76.5 cu ft) from 3645' to 3059' to cover the Fruitland, Kirtland and Ojo Alamo formations. Pull up to +/- 2800'. WOC for 2-3 hours.
4. Trip down to tag TOC, if TOC is below 3059' top off to bring TOC to 3059' or higher.
5. Pull up to 2104', pump 15 sx Type V cement (19.8 cu ft) to cover the top of the Nacimiento formation from ~~2104'~~ ²⁰⁸¹ to ~~1954'~~ ¹⁹⁸¹. TOOH.
6. TIH with cement retainer. Set retainer @ +/- 1150'. Pump 8 sx Type V cement (10.6 cu ft) cement. Sting out of the retainer and dump 10 sx (13.2 cu ft) of cement on top of the retainer. (Plugs = 1190' to 1150' and 1150' to 1049').
7. Pull up to 305', pump 30 sx Type V cement (39.8 cu ft) to fill the surface casing shoe to surface. Top off as needed.
8. Remove all surface equipment and prepare the location surface for reclamation.

The cement to be used will be Type III or Type V, depending on the service company availability.

Cement Yields:

Type III @ 14.5 ppg = 1.39 cu ft/sx

Type V @ 14.8 = 1.32 cu ft/sx

Formation tops:

Nacimiento;	2054
Ojo Alamo;	3168
Kirtland;	3398
Fruiltland;	3519
Pictured Cliffs;	3663
Lewis;	3772

Initiated by:

Loren Diede 5-25-06

REV 7-12-06

Approved by:

Leslie Lam

First call for services will be:

Logging/Perforating:	open	
Cement/Acid/Frac:	Key PPS	325-4192
Tools:	open	
Trucking:	open	

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 7/5/06 in order to determine if they would like to assume ownership of the well. If the Jicarilla Apache Nation has not contacted your office before the end of the 45 days you may proceed with plugging operations.