

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
☐ 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. (include area code)
505-634-1111

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 01, T29N, R03W 2045' FNL & 860' FEL Unit D

5. Lease Serial No.
MDA 701-98-0013

6. If Indian, Allottee, or Tribe Name
Jicarilla Apache Tribe

7. If Unit or CA. Agreement Name and/or No.
27474

8. Well Name and No.

Jicarilla 29-03-01 #2

9. API Well No.
30-039-26866

10. Field and Pool, or Exploratory Area
E. Blanco, PC/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 recompleat 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 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 this well as per the attached procedure dated 8-07-06.



14. I hereby certify that the foregoing is true and correct.

Name (Printed/ Typed)

Loren Diege

Title

Consultant (Agent)

Signature

Date

8-07-06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Original Signed: Stephen Mason**

Title

Date

AUG 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)

NMOCDB

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3 - 2, 3162.3 - 3, 3162.3 - 4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency -sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

Black Hills Gas Resources

P&A Procedure

For the

JICARILLA 29-03-01 #2

API # 30-039-26866

SE NE Sec 1, T29N – R03W

Rio Arriba County, New Mexico

GL: 7321', KB: 7336', PBTD: 3784'
Surface casing: 8-5/8", 24 lb/ft, Casing @ 260', TOC = surf
Production casing: 5 1/2" 15.5 lb/ft, Casing @ 3830', TOC = surf
Current prod tubing: 2 3/8" 4.7 lb/ft tubing to 3730'
Current pump/ rods: N/A
Current Perforated Zones:

Nacimiento **3254-3256'**
 3261-3265'
 3266-3268'

Pictured Cliffs **3726-3736'**

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. TOOH with 2 3/8" tubing and packer.
4. TIH with workstring and cement retainer, set retainer @ +/- 3680'. Pump 6 sx Type V cement (7.9 cu ft) from 3680' to 3736' to cement the Pictured Cliffs. Sting out of retainer and pump 23 sx Type V cement (30.4 cu ft) on top of the retainer to cover the Fruitland and Kirtland formations to 3460'.
5. Pull up to 3358', pump 16 sx Type V cement (21.1 cu ft) to cover the top of the Ojo Alamo from 3358' to 3208'. TOOH.
6. TIH with workstring and cement retainer, set retainer @ +/- 3200'. Pump 7 sx Type V cement (9.3 cu ft) cement. Sting out of the retainer and dump 5 sx (6.6 cu ft) of cement on top of the retainer.
7. Pull up to 2170', pump 16 sx Type V cement (21.1 cu ft) to cover the top of the Nacimiento from 2170' to 2020'.
8. Pull up to 310'. Pump 32 sx Type V cement (42.2 cu ft) to surface. Top off as needed.
9. 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;	2120
Ojo Alamo;	3308
Kirtland;	3523
Fruitland;	3646
Pictured Cliffs;	3724
Lewis;	3830

Initiated by:

Loren Diede 8-07-06

Approved by:

Leslie Lam

First call for services will be:

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

Jicarilla 29-03-01 #2
Post WO WB Diagram

API # 30-039-26866

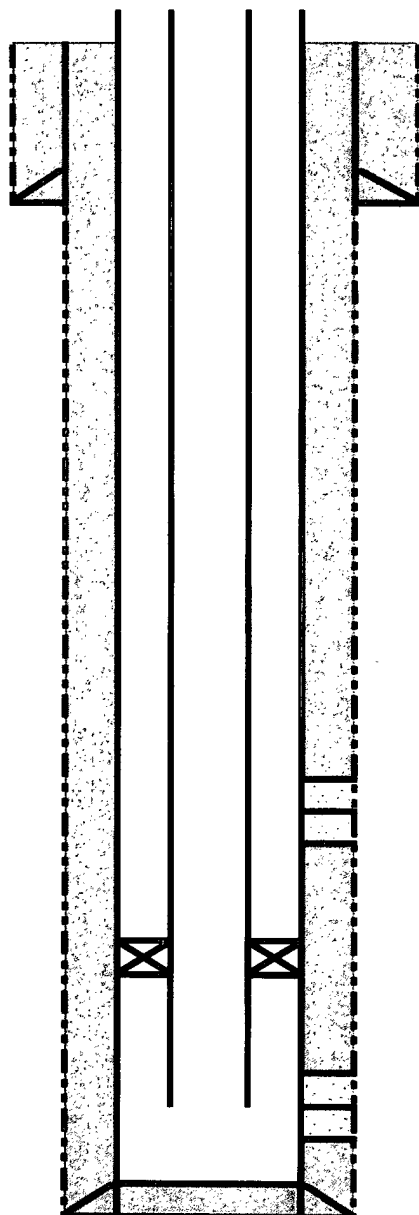
UNIT H, SE NE Sec 1, T29, R3W Rio Arriba, NM

2045 FNL, 860 FEL

GL ELEV 7321
KB ELEV 7336
SPUD DATE 6/5/2003

SURF CSG

8 5/8", 24# @ 260',
TOC surf



PROD CSG

5 1/2" 15.5#, J-55
@3830', TOC surf

PROD TBG DETAIL: KB depths

KB	13
109 jts 2 3/8" tbg	
ON OFF tool	
AS-1 Packer @	3353.8
12 jts 2 3/8" tbg	
Pup jt	
Pup jt	
1.78 R profile @	3725.2
Pup jt	
Mule shoe	
EOT	3729.71

OA perfs: 3254-3256, 3261-3265, 3266-3268. 2 jspf

Packer @ 3354'

PC perfs: 3726-3736, 4 jspf

PBTD=3784'

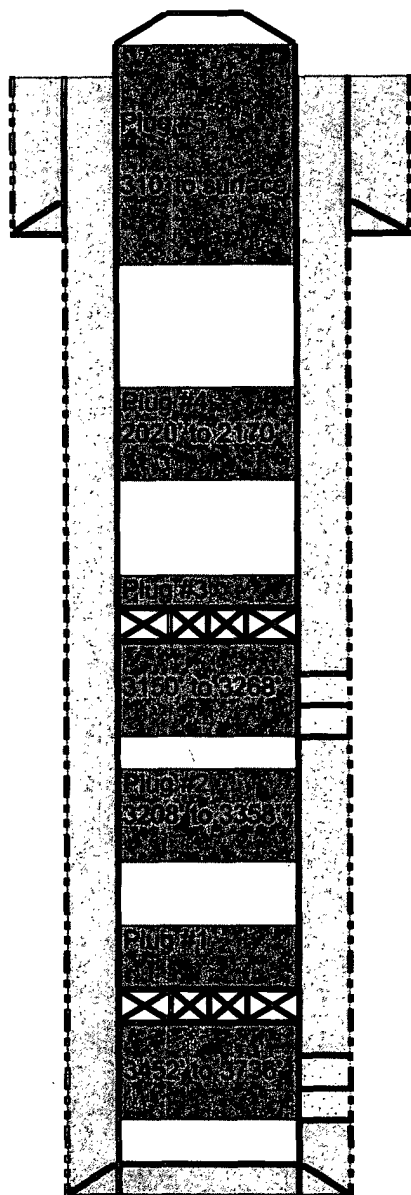
TD=3830'

Prepared: 7/2/05 L Diede

API # 30-039-26866

2045 FNL, 860 FEL

GL ELEV 7321
KB ELEV 7336
SPUD DATE 6/5/2003



PROD CSG
5 1/2" 15.5#, J-55
@3830', TOC surf

PBTD=3784'
TD=3830'

Prepared: 8/7/06 L Diede

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from August 8, 2006 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.