

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	
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 29, T30N, R03W 1177' FNL & 1116' FWL Unit D	

5. Lease Serial No. 11 25 Contract 464
6. If Indian, Allottee, or Tribe Name Jicarilla Apache Tribe
7. If Unit or CA. Agreement Name and/or No. Jicarilla 464 SJ #7
8. Well Name and No. 30-039-26244
9. API Well No. 30-039-26244
10. Field and Pool, or Exploratory Area Cabresto Canyon, Tertiary
11. County or Parish, State Rio Arriba, NM

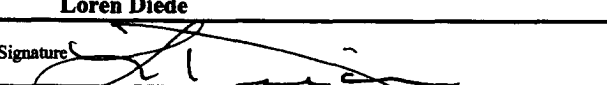
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 checked="" type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input checked="" 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 back this well as per the attached procedure revision dated 8-08-06. The previously completed Tertiary intervals will be plugged. An additional cement plug will be placed from 950' to 850'.

The Jicarilla Apache Nation Office of Water Administration will be take responsibility for this well and will intend to use it as a water supply well.

14. I hereby certify that the foregoing is true and correct. Name (Printed/ Typed) Loren Diede		Title Consultant (Agent)
Signature 		Date 8-15-06
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Original Signed: Stephen Mason		Date AUG 1 2 2006
Approved by 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 Office
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)

NMOCB

Black Hills Gas Resources

JICARILLA 464 SJ #7

API # 30-039-26244

NW NW Sec 29, T30N - R3W

Rio Arriba County, New Mexico

GL: 7242', KB: 7254', PBTD: 2054'

Surface casing: 8-5/8", 24 lb/ft, Casing @ 238', TOC = surf
Production casing: 4 1/2" 10.5 lb/ft, Casing @ 2100', TOC = surf
Current prod tubing: 2 3/8" 4.7# @ 1410'
Current Perforated Zones:

Lower San Jose: 1701-1720'
Upper San Jose: 1360-1366'
1407-1408'

Proposed Work: Plug back

1. BHGR office is to notify BLM, State and Tribal agencies 24 hrs prior to plugging operations.
2. MIRU completion rig, ND WH, NU BOP.
3. Pick up 2 3/8" tubing, TOO H.
4. TIH with 2 3/8" tbg and drill out the CIBP @ +/- 1550. TOO H.
5. TIH to 1720. Prepare to pump cement.
6. MIRU Cementers. Pump a balanced plug 41.2 cu ft (34.9 sx) Class B + 2% CaCl₂ cement. (1720' to 1260') Pull out of cement to +/- 1100'. WOC.
7. Trip down and tag cement. TOC is to be no lower than 1260'. Top out cement as needed to have the TOC above 1260'.
8. Pull up to 950'. Pump 8.73 cu ft (7.4 sx) Class B cement from 950' to 850'.
9. Pull up to 850' and reverse circulate the hole to clear all cement above 850'. TOO H. Lay down tubing and have sent to yard.
10. RDMO service unit.
11. Remove all surface equipment that is specific to the SJ well on this location. The Jicarilla Tribe will be taking over this well for a water well. Leave road and location in a clean and usable condition.

The Jicarilla Apache Nation Office of Water Administration will then be responsible for this well.

Cement type used will depend on cement company availability. The following cement yields are to be used:

Type III cement @ 14.5 ppg = 1.39 cu ft/sx
Type V cement @ 14.8 ppg = 1.32 cu ft/sx
Class B cement @ 15.6 ppg = 1.18 cu ft/sx

Initiated by:

Loren Diede

12-09-05

REV 3-23-06

REV 8-08-06

Approved by:

Leslie Lam

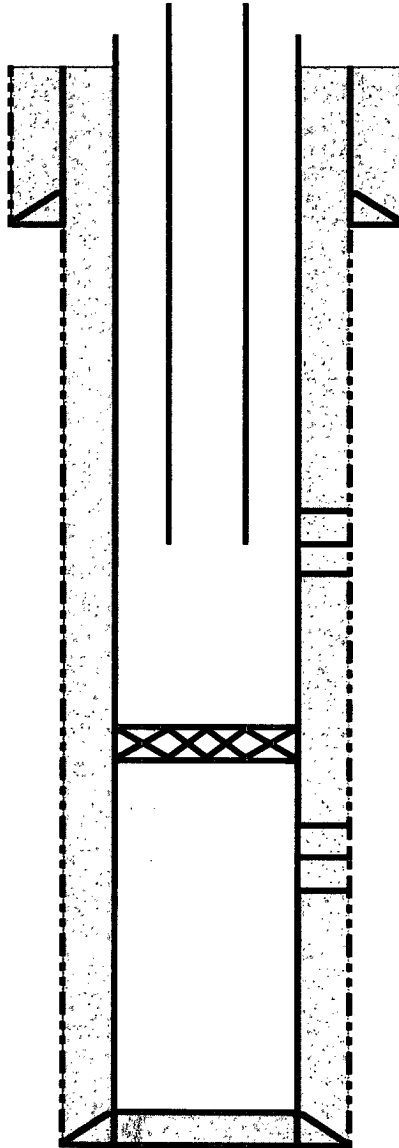
Jicarilla 464 SJ #7
Post W/O Wellbore Diagram
API #30-039-26244

UNIT D NW NW, Sec 29, T30N, R03W Rio Arriba, NM
SPUD DATE: 11-26-1999

Elev. GL= 7242'
Elev. KB= 7254'

SURF CSG

8 5/8" 24# @ 238'
KB, cmt 130 sx TOC



PROD TBG DETAIL:

43 jts 2 3/8" tbg
1.78" R profile nipple
1 jt 2 3/8" tbg
WLREG

EOT 1410'

Upper San Jose perfs: 1360-1366, 1407-1408. 4 jsp, BD with HCl. Tested = wet no gas

CIBP set @ 1550'

Lower San Jose Perfs: 1701-1720'. 2 jsp. Tested natural @ 5# 3/8". B/D and frac Lower SJ 12-9-99 w/ 75% N2 foam and 28000 # 12/20 sand + 4000# Flexsand @ 15 bpm, S/O at end of job. Tested @ 48-84 bwpd w variable gas test, 50 to 180 mcf. Tested 11-05 gas= TSTM, 8 bwph.

PROD CSG

4 1/2" 10.5# @2099'
KB; cmt; 300 sx
50/50/2 poz, 37 sx to pit.

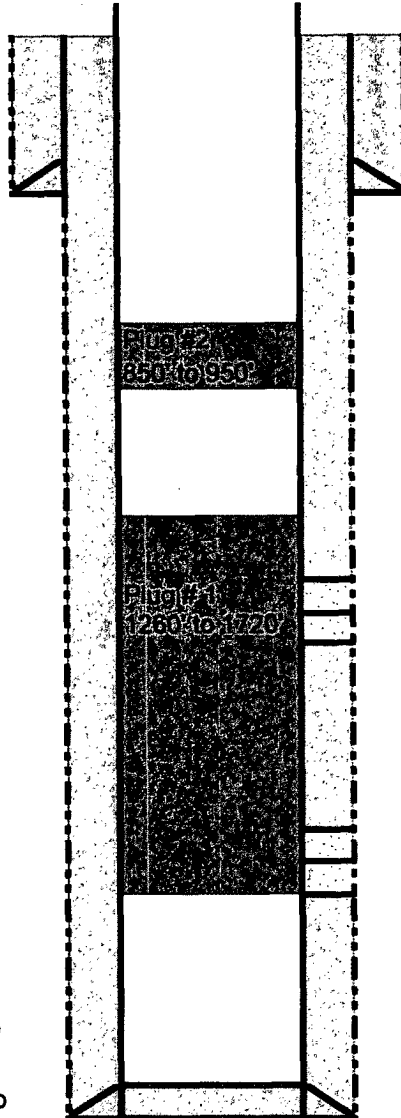
PBTD=2054'
TD=2100' KB

Prepared: 9-Dec-05

Jicarilla 464 SJ #7
Plug Back Wellbore Diagram
API #30-039-26244
UNIT D NW NW, Sec 29, T30N, R03W Rio Arriba, NM
SPUD DATE: 11-26-1999

Elev. GL= 7242'
Elev. KB= 7254'

SURF CSG
8 5/8" 24# @ 238'
KB, cmt 130 sx TOC



Plug from 850' to 950'

Upper San Jose perms: 1360-1366, 1407-1408.

Lower San Jose Perfs: 1701-1720'.

PROD CSG
4 1/2" 10.5# @2099'
KB; cmt; 300 sx
50/50/2 poz, 37 sx to
pit.

PBTD=2054'
TD=2100' KB

Prepared: 8-Aug-06