

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 reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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.

8. Well Name and No.

JICARILLA 29-02-05 No. 3

9. API Well No.

30-039-26859

10. Field and Pool, or Exploratory Area

E. Blanco PC

11. County or Parish, State

Rio Arriba County, New Mexico

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

PO Box 249 Bloomfield, NM 87413

3b. Phone No. (include area code)

505.634.1111 x24

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2080' FNL & 1820' FWL (SENW) Unit F

Sec. 5, T29N, R02W

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

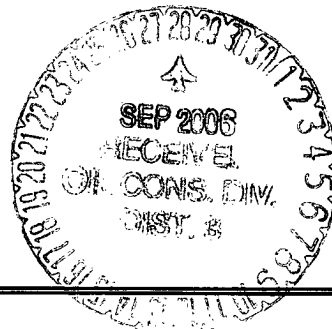
TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other

13. Describe Proposed or Completed Operations (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 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 Notices 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, Inc. intends to plug and abandon the above referenced well per the attached procedure.



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

Name (Printed/Typed)

Agatha Snell

Title

Eng. Tech.

Signature

Date

September 22, 2006

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Original Signed: Stephen Mason

Title

Date

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

SEP 28 2006

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to 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 reverse)

NMOCD

PLUG AND ABANDONMENT PROCEDURE

September 11, 2006

Jicarilla 29-02-05 #3
East Blanco Pictured Cliffs
2080' FNL & 1820' FWL, NW, Section 5, T29N, R2W
Rio Arriba County, New Mexico, API #30-039-26859

Note: All cement volumes use 100% excess outside pipe and 50' excess inside pipe. The stabilizing wellbore fluid will be 8.3 ppg, sufficient to balance all exposed formation pressures. All cement will be ASTM Type III, mixed at 14.8 ppg with a 1.32 cf/sx yield.

1. Install and test location rig anchors. Prepare blow pit. Comply with all NMOCD, BLM, and Black Hills safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. NU relief line and blow down well; kill with water as necessary. ND wellhead and NU BOP. Test BOP.
2. TOH and tally 2.375" tubing, total tally, 3904' with SN at 3867'. If necessary LD tubing and PU workstring. Round trip 5.5" gauge ring or casing scraper to 3862'.
3. **Plug #1 (Pictured Cliffs perforations, Fruitland, Kirtland and Ojo Alamo tops, 3862' – 3491')**: TIH and set CR at 3862'. Mix 43 sxs Type III cement and spot a plug inside the casing above CR to isolate the Pictured Cliffs interval and cover the Fruitland, Kirtland and Ojo Alamo tops. PUH to 2708'.
4. **Plug #2 (Nacimiento top, ^{2416'} ~~2708'~~ ^{2316'} – 2608')**: Mix 16 sxs Type III cement and spot a plug inside the casing to cover the Nacimiento top. PUH to 321'.
5. **Plug #3 (8.625" casing shoe and surface, 321' - Surface)**: Attempt to pressure test the bradenhead annulus to 300#. Note the volumes it takes to load. If it tests, then with tubing at 321', establish circulation out casing valve with water. Mix approximately 35 sxs cement and fill the inside of the 5.5" casing 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 set a plug to cover the surface casing shoe and fill the BH annulus and casing annulus as necessary. TOH and LD tubing. Shut in well.
6. ND BOP and cut off wellhead below surface casing flange. Install P&A marker with cement to comply with regulations. RD, MOL and cut off anchors. Restore location per BLM stipulations.

Jicarilla 29-02-05 #3

Current

East Blanco Pictured Cliffs

2080' FNL & 1820' FWL, NW, Section 5, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-28859

Today's Date: 9/11/06

Spud: 7/8/03

Completion: 8/21/03

Elevation: 7599' GI
7614' KB

12.25" hole

TOC @ Surface, circ 75 bbls per sundry

8.625" 24#, J-55 Casing set @ 271'
Cement with 155 sxs (Circulated to Surface)

WELL HISTORY

Dec '04: Bradenhead test; no flow.

Nacimiento @ 2658'

Ojo Alamo @ 3541'

Kirtland @ 3738'

Fruitland @ 3810'

Pictured Cliffs @ 3912'

2.375" Tubing at 3904'
(124 jts, SN @ 3867')

Pictured Cliffs Perforations:
3912' - 3937'

7.875" hole

5.5" 15.5#, K-55 Casing set @ 4057'
Cemented with 900 sxs,
Circulated 75 bbls to surface per sundry

TD 4060'
PBD 4013'

Jicarilla 29-02-05 #3

Proposed P&A

East Blanco Pictured Cliffs

2080' FNL & 1820' FWL, NW, Section 5, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-26859

Today's Date: 9/11/06

Spud: 7/8/03

Completion: 8/21/03

Elevation: 7599' GI
7614' KB

12.25" hole

TOC @ Surface, circ 75 bbls per sundry

8.625" 24#, J-55 Casing set @ 271'
Cement with 155 sxs (Circulated to Surface)

Plug #3: 321' - 0'
Type III cement, 35 sxs

Nacimiento @ 2658'

Plug #2: 2708' - 2608'
Type III cement, 16 sxs

Ojo Alamo @ 3541'

Plug #1: 3862' - 3491'
Type III cement, 43 sxs

Kirtland @ 3738'

Fruitland @ 3810'

Pictured Cliffs @ 3912'

Set CR @ 3862'

Pictured Cliffs Perforations:
3912' - 3937'

7.875" hole

5.5" 15.5#, K-55 Casing set @ 4057'
Cemented with 900 sxs,
Circulated 75 bbls to surface per sundry

TD 4060'
PBTD 4013'

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 9/22/06 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.