

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 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)
**1805' FSL & 1870' FEL (NW SE) Unit J
Sec 1, T29N, R3W**

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

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 29-03-01 #1

9. API Well No.
30-039-26663

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 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 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. The Jicarilla Apache Nation Office of Water Administration has been notified and have indicated (8-16-2007) that they do not want this well for use as a water source well.

RCVD AUG 23 '07

OIL CONS. DIV.

DIST. 3

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

Name (Printed/ Typed)

Loren Diede

Title

Consultant (Agent)

Signature

Date

10-Aug-07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

AUG 22 2007

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

PLUG AND ABANDONMENT PROCEDURE

August 9, 2007

Jicarilla 29-03-01 #1

Cabresto Canyon Tertiary
1805' FSL & 1870' FEL, SE, Section 1, T29N, R3W
Rio Arriba County, New Mexico, API #30-039-26663

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. PU and release pump. Reseat pump. Pressure test tubing to 1000#. TOH and LD rods and pump. TOH and tally 2.375" tubing, total tally, 2324'. If necessary LD tubing and PU workstring.
3. **Plug #1 (Pictured Cliffs, Fruitland, Kirtland, Ojo Alamo tops and Nacimiento perforations, 3712' – 3140')**: Mix 76 sxs Type III cement and spot a plug to cover the PC, Ft, Kt, OA tops and through the Nacimiento perforations and top. PUH and WOC. TIH and tag cement at 3140' or higher. PUH to 2314'.
2064 1964
4. **Plug #2 (Nacimiento top, 2314' – 2214')**: Mix 16 sxs Type III cement and spot a plug inside the casing to cover the Nacimiento top. TOH with tubing.
5. **Plug #3 (San Jose perforations and top, 1196' – 1096')**: TIH and set CR at 1196'. Mix 20 sxs Type III cement (excess due to casing leaks) and spot a plug inside the casing above CR to isolate the San Jose interval. TOH with tubing..
6. **Plug #4 (8.625" casing shoe and surface, 292' – Surface)**: Perforate 3 squeeze holes at 292'. Establish circulation to surface out the casing valve with water. Mix and pump approximately 70 sxs cement down the 4.5" casing to circulate good cement to surface. Shut in well and WOC.
7. 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 29-03-01 #1

Current

Cabresto Canyon Tertiary

1805' FSL & 1870' FEL, SE, Section 1, T-29-N, R-3-W

Rio Arriba County, NM / API #30-039-26663

Today's Date 8/9/07

Spud: 2/24/01

Completion: 7/2/01

Elevation: 7278' GI
7290' KB

12.25" hole

TOC @ 600' (CBL 2001)

San Jose @ 1246'

Nacimiento @ 2264'

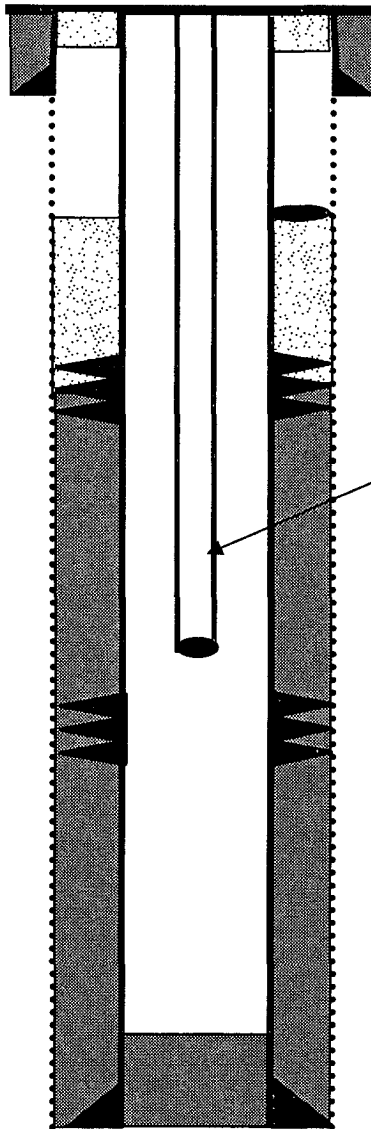
Ojo Alamo @ 3254'

Kirtland @ 3443'

Fruitland @ 3594'

Pictured Cliffs @ 3662'

7.875" hole



Sqz total 74 sxs from 64' – 95'. (2001)

8.625" 24#, Casing set @ 242'
Cement with 140 sxs (Circulated to Surface)

Isolate casing leaks 64' – 95', 270'
and 1643' – 1674'
Perforate 2 squeeze holes at 550';
cmt with 334 sxs. DO – did not
pressure test. (2001)

San Jose Perforations:
1246' – 1858' (2001)

2.375" Tubing at 2324'
(4.7#, J-55 w/rods and pump)

Nacimiento Perforations:
3190' – 3195'

5.5" 15.5#, Casing set @ 3917'
Cemented with 730 sxs,

TD 3960'
PBTD 3680'

Jicarilla 29-03-01 #1

Proposed P&A

Cabresto Canyon Tertiary

1805' FSL & 1870' FEL, SE, Section 1, T-29-N, R-3-W

Rio Arriba County, NM / API #30-039-26663

Today's Date 8/9/07

Spud: 2/24/01

Completion: 7/2/01

Elevation: 7278' GI
7290' KB

12.25" hole

TOC @ 600' (CBL 2001)

San Jose @ 1246'

Nacimiento @ 2264'

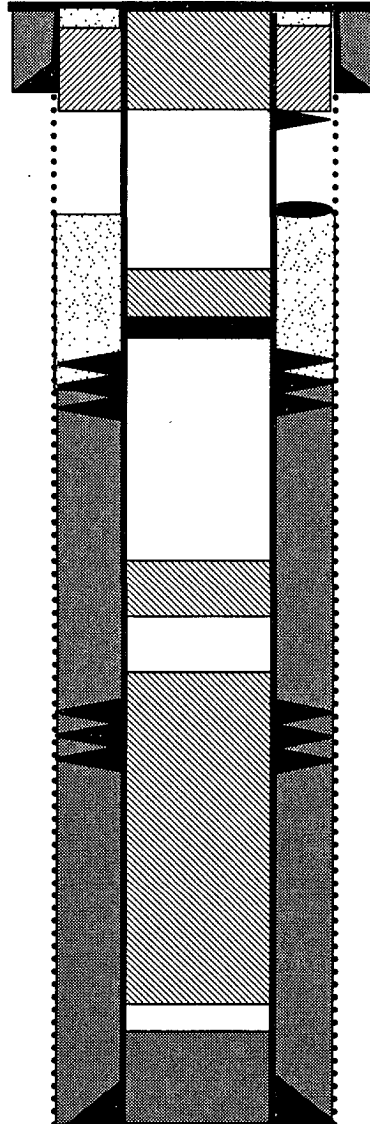
Ojo Alamo @ 3254'

Kirtland @ 3443'

Fruitland @ 3594'

Pictured Cliffs @ 3662'

7.875" hole



TD 3960'
PBD 3680'

Sqz total 74 sxs from 64' - 95'. (2001)

8.625" 24#, Casing set @ 242'
Cement with 140 sxs (Circulated to Surface)

Perforate @ 292'

Isolate casing leaks 64' - 95', 270'
and 1643' - 1674'
Perforate 2 squeeze holes at 550';
cmt with 334 sxs. DO - did not
pressure test. (2001)

Cmt Ret @ 1196'

San Jose Perforations:
1246' - 1858' (2001)

Plug #4: 292' - 0'

Type III cement, 70 sxs

Plug #3: 1196' - 1096'

Type III cement, 20 sxs
(excess due to casing lea

Plug #2: 2314' - 2214'

Type III cement, 16 sxs

Plug #1: 3712' - 3140'

Type III cement, 76 sxs

Nacimiento Perforations:
3190' - 3195'

5.5" 15.5#, Casing set @ 3917'
Cemented with 730 sxs,

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
1235 LA PLATA HIGHWAY
FARMINGTON, NEW MEXICO 87401**

Attachment to notice of
Intention to Abandon:

Re: Permanent Abandonment
Well: 1 Jicarilla 29-03-01

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) 599-8907.
3. The following modifications to your plugging program are to be made:
 - a) Place the Nacimiento plug to 2064' – 1964'.

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.