

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)
**560' FNL & 865' FWL (NW NW) Unit D
Sec 21, T29N, R2W**

5 Lease Serial No.
MDA 701-98-0013 Tract 4

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 29-02-21 #1

9. API Well No
30-039-27463

10. Field and Pool, or Exploratory Area
**Basin Fruitland Coal, La Jara 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 (7-31-07) 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 2 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)

NMOC

PLUG AND ABANDONMENT PROCEDURE

August 13, 2007

Jicarilla 29-02-21 #1

La Jara Canyon Tertiary San Jose Nacimiento / Basin Fruitland Coal
560' FNL & 865' FWL, NW, Section 21, T29N, R2W
Rio Arriba County, New Mexico, API #30-039-27463

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. Tally and PU 3395' of tubing workstring.
3. **Plug #1 (Fruitland Coal perforations, Fruitland, Kirtland, Ojo Alamo and Nacimiento tops, 3395' - 2570')**: TIH and tag existing CIBP at 3395'. Mix 117 sxs Type III cement and spot a plug inside the casing above CR to isolate the Fruitland Coal interval, cover the Kirtland, Ojo Alamo, fill the Nacimiento perforations and cover the Nacimiento top. PUH and WOC. TIH and tag cement 50' above the Nacimiento top. TOH with tubing.
perfs
2795'
→ Nacimiento top plug 1942' - 1842'
4. **Plug #2 (San Jose perforations and top, 1137' - 1037')**: RIH and set 5.5" cement retainer at 1137'. Mix 16 sxs Type III cement and spot a balanced plug inside casing above CR to isolate the San Jose interval. PUH to 340'
5. **Plug #3 (8.625" casing shoe and surface, 340' - Surface)**: Attempt to pressure test the bradenhead annulus to 300#. Note the volumes it takes to load. If it tests, then with tubing at 340', establish circulation out casing valve with water. Mix approximately 40 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 29-02-21 #1

Current

La Jara Canyon Tertiary San Jose Nacimiento / Basin Fruitland Coal

560' FNL & 865' FWL, NW, Section 21, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-27463

Today's Date: 8/10/07

Spud: 7/20/03

FtC Completion: Mar '04

Tertiary Completion: 5/16/07

Elevation: 7123' GI
7138' KB

San Jose @ Surface

Nacimiento @ 2620'

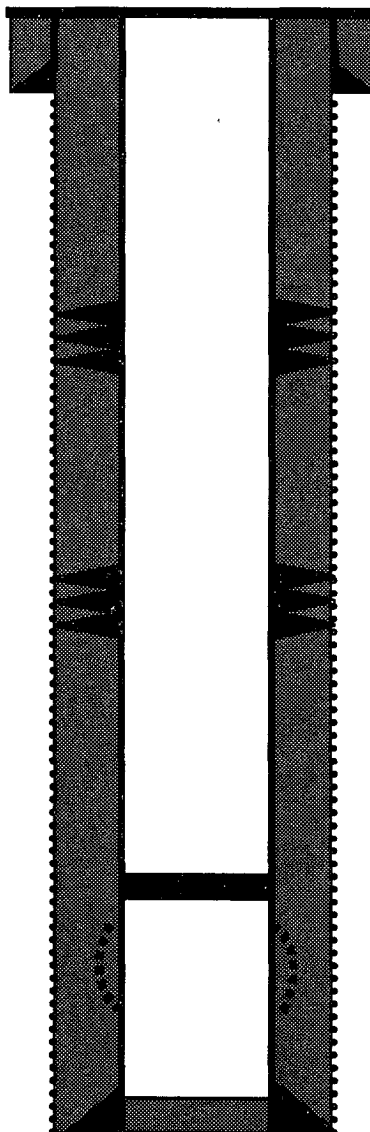
Ojo Alamo @ 2895'

Kirtland @ 3195'

Fruitland @ 3425'

7.875" hole

12.25" hole



TOC @ Surface, Circ 10 bbls

8.625" 24#, J-55 Casing set @ 290'
Cement with 175 sxs (Circulated to Surface)

WELL HISTORY

Apr '06: Set CIBP at 3395' and TA well. MIT witness by B. Hammond, JAT BLM.

May '07: Perf Nacimiento Tertiary 2895' – 97'. Treated San Jose Tertiary with acid. Swab tested upper perms. Prep to P&A.

San Jose Perforations:
1187' – 1195'

Nacimiento Perforations:
2895' – 2897'

CIBP set at 3395' (2006)

Fruitland Coal: Milled window
in 5.5" casing from 3456' to
3480', Cavitated coal

5.5" 15.5#, K-55 Casing set @ 3743'
Cemented with 810 sxs (cf)
Circulate 10 bbls to surface

TD 3783'
PBTD 3735'

Jicarilla 29-02-21 #1

Proposed P&A

La Jara Canyon Tertiary San Jose Nacimiento / Basin Fruitland Coal

560' FNL & 865' FWL, NW, Section 21, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-27463

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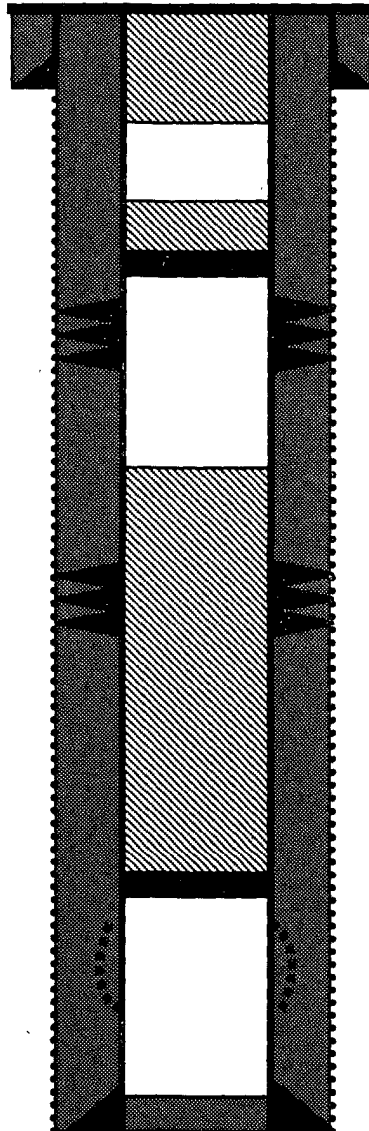
Ojo Alamo @ 2895'

Kirtland @ 3195'

Fruitland @ 3425'

12.25" hole

7.875" hole



TOC @ Surface, Circ 10 bbls

8.625" 24#, J-55 Casing set @ 290'
Cement with 175 sxs (Circulated to Surface)

Plug #3: 340' - 0'
Type III cement, 40 sxs

Cement Ret @ 1137'

Plug #2: 1137' - 1037'
Type III cement, 16 sxs

San Jose Perforations:
1187' - 1195'

Nacimiento Perforations:
2895' - 2897'

Plug #1: 3395' - 2570'
Type III cement, 117 sxs

CIBP set at 3395' (2006)

Fruitland Coal: Milled window
in 5.5" casing from 3456' to
3480', Cavitated coal

5.5" 15.5#, K-55 Casing set @ 3743'
Cemented with 810 sxs (cf)
Circulate 10 bbls to surface

TD 3783'
PBTD 3735'

**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 29-02-21

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 Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo/Nacimiento perf plug from 3395' - 2795'.
 - b) Place the Nacimiento top plug to 1942' – 1842'.

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.