

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 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 4, T29N, R03W 1650 FSL & 1750 FWL	

5. Lease Serial No. Contract 451
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 451 #1
9. API Well No. 30-039-23342
10. Field and Pool, or Exploratory Area Basin Fruitland Coal/ Blanco Mesa Verde
11. County or Parish, State Rio Arriba, NM

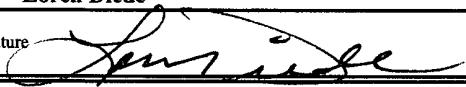
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 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 had previously submitted an NOI to P&A this well 6-30-07. The NOI was approved 7-08-2007. An error was found regarding the actual well bore configuration. The cement retainer and cement squeeze @ 6350' had been overlooked. Attached please find the corrected current well bore schematic and the corresponding corrected P&A procedure dated 9-05-07. (A copy of the drilling report regarding the 6350' cement retainer and cement squeeze is attached as well). The P&A work is to begin by 9-31-2007.

RCVD SEP 11 '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 Sep 05-2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title SEP 10 2007	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.		

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

September 5, 2007

Jicarilla Apache 451 #1

Basin Fruitland Coal / Blanco Mesaverde
1650' FSL, 1750' FWL, Section 4, T29N, R3W
Rio Arriba County, New Mexico, API 30-039-23342

Note: All cement volumes use 100% excess outside pipe and 50' excess inside. 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. Project will require a Pit Permit (C103) from the NMOCD.
2. Install and test rig anchors. Prepare waste fluid holding pit. Comply with all NMOCD, BLM and Black Hills safety rules and regulations. Conduct safety meeting for all personnel on location. MOL and RU daylight pulling unit. NU relief line and blow well down; kill with water as necessary. ND wellhead and NU BOP and stripping head; test BOP.
3. PU and tally 2.375" tubing workstring with drill bit for 5.5" casing. Drill out CIBP at 3600'. Drill out cement from 4180' to 4250'. Drill out BP at 5900'. Push BP and / or clean out to below Mesaverde perforations. Continue to TIH and tag existing CR at 6350'. Note: if tag is higher than 6300' and feels solid then consult with BLM representative to determine if Plug #1 is necessary.
4. **Plug #1 (Dakota / Gallup interval, 6350' – 6250')**: Load casing with water and circulate well clean. Mix 11 sxs Type III cement and spot a balanced plug inside casing to isolate the Dakota / Gallup interval. PUH and reverse circulate well clean. TOH with tubing.
5. **Plug #2 (Mesaverde perforations, 6153' – 6053')**: Round trip 5.5" gauge ring or casing scraper to 6153'. TIH and set 5.5" cement retainer at 6153'. Load casing and circulate well clean. Mix 16 sxs Type III cement and spot a balanced plug inside casing above CR to 6053' to cover the Mesaverde perforations. TOH with tubing.
6. **Plug #3 (Mesaverde top, 5976' – 5876')**: Perforate 3 squeeze holes at 5976'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 5.5" cement retainer at 5926'. Establish rate into squeeze holes. Mix and pump 43 sxs cement, squeeze 27 sxs outside the 5.5" casing and leave 16 sxs inside the casing to cover the Mesaverde top. TOH with tubing.
7. **Plug #4 (Chacra top, 4840' – 4740')**: Perforate 3 squeeze holes at 4840'. Attempt to establish rate into squeeze holes if the casing pressure tested. Set 5.5" cement retainer at 4790'. Establish rate into squeeze holes. Mix and pump 43 sxs cement, squeeze 27 sxs outside the 5.5" casing and leave 16 sxs inside the casing to cover the Mesaverde top. PUH to 4197'.
8. **Plug #5 (Pictured Cliffs tops and Fruitland perforations/top, 4197' – 3579')**: Mix 82 sxs Type III cement (30% excess, long-plug) from 4197' to 3579' to cover PC top and fill Fruitland perforations and cover the Fruitland top. PUH and reverse circulate cement to leave TOC at 3580'. PUH and WOC. TIH and tag cement at 3580' +/- TOH with tubing.
9. **Plug #6 (Kirtland and Ojo Alamo tops, 3570' – 3202')**: Perforate 3 squeeze holes at 3570'. if the casing pressure tested, then establish rate into squeeze holes. Set 5.5" cement retainer at 3520'. Establish rate into squeeze holes. Mix and pump 140 sxs cement, squeeze 97 sxs outside the casing and leave 43 sxs inside the casing to cover through the Ojo Alamo top. TOH with tubing.

10. **Plug #7 (Nacimiento top, 2095' – 1995')**: Perforate 3 squeeze holes at 2095'. if the casing pressure tested, then establish rate into squeeze holes. Set 5.5" cement retainer at 2045'. Establish rate into squeeze holes. Mix and pump 43 sxs cement, squeeze 27 sxs outside the casing and leave 16 sxs inside the casing to cover the Nacimiento top. TOH and LD tubing.
11. **Plug #8 (9.625" Surface casing shoe, surface, 574' – 0')**: Perforate 3 squeeze holes at 574'. Establish circulation out bradenhead with water. Circulate the BH annulus clean. Mix and pump approximately 200 sxs cement down 5.5" casing and circulate good cement out the bradenhead. Shut in well and WOC.
12. 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 Apache 451 #1

Current

Basin Fruitland Coal / Blanco Mesaverde

1650' FSL, 1750' FWL, Section 4, T-29-N, R-3-W,

Rio Arriba County, NM / API #30-039-23342

Today's Date: 9/5/07

Spud: 1/29/84

MV Completed: 3/29/84

FT Completed: 8/21/86

Elevation: 7151' GI

7163' KB

12.25" hole

9.625" 32.3#, K-55 Casing set @ 524'
Cement with 325 cf (Circulated to Surface)

Nacimiento @ 2045'

Ojo Alamo @ 3252'

Kirtland @ 3520'

Fruitland @ 3629'

Pictured Cliffs @ 3779'

Chacra @ 4790'

Mesaverde @ 5926'

TOC @ 3584' (1986 CBL)

CIBP @ 3600' (2005)

Perforate @ 3635'
Sqz w/60 cf cement; no circ, sqz 60
cf cement, no circ.(1986)

Perforate @ 3660'
Sqz w/90 cf cement;
no circulation (1986)

Fruitland Perforations:
3678' – 3779'
Perforations 4144' – 4147'
(10/16/86)

Perforate @ 4250'
Sqz w/473 cf cement;
no circulation, left cmt from 4180' –
4250' in hole (1986)

Set Drillable BP at 5900' (1986)

TOC @ 6050' (1984 CBL)

Mesaverde Perforations:
6203' – 6244'

**Perf'd 6425', Cmt Retainer @
6350, Sqz'd w/ 150 sxs
cement (1984)**

**Cmt Retainer @ 7195'
Sqz'd w/ 48 cf cement (1984)**

5.5", 17#/ 15.5#, N-80 / K-55 Casing set @ 7271'
Cement with 246 sxs (304 cf)

7.875" hole

Gallup @ 7308'

Dakota @ 8406'

TD 8700'
PBTD 4180'

Jicarilla Apache 451 #1

Proposed P&A

Basin Fruitland Coal / Blanco Mesaverde

1650' FSL, 1750' FWL, Section 4, T-29-N, R-3-W,

Rio Arriba County, NM / API #30-039-23342

Today's Date: 9/5/07

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Pictured Cliffs @ 3779'

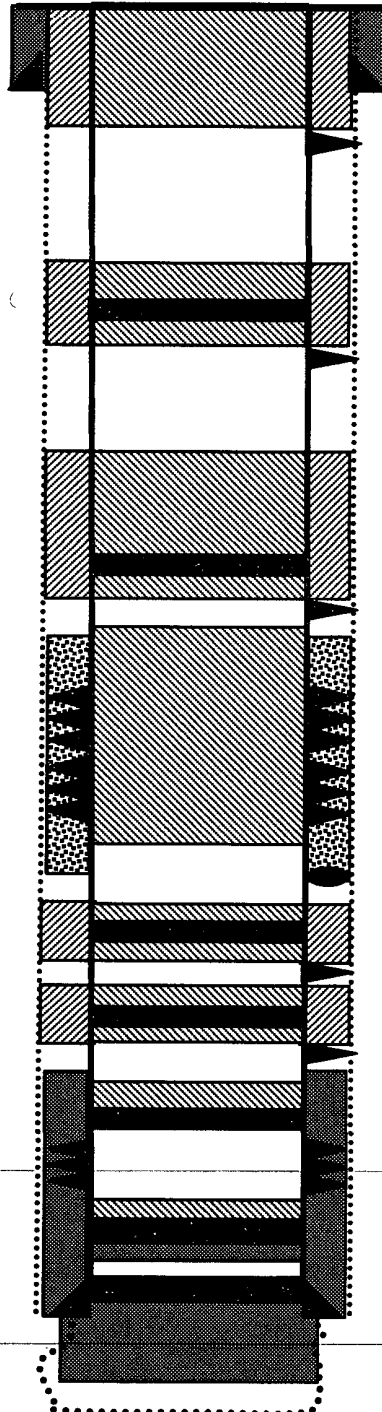
Chacra @ 4790'

Mesaverde @ 5926'

7.875" hole

Gallup @ 7308'

Dakota @ 8406'



9.625" 32.3#, K-55 Casing set @ 524'

Cement with 325 cf (Circulated to Surface)

Perforate @ 574'

Plug #8: 574' - 0'

Type III cement, 200 sxs

Cmt Retainer @ 2045'

Plug #7: 2095' - 1995'

Type III cement, 43 sxs:
27 outside and 16 inside

Perforate @ 2095'

Cmt Retainer @ 3520'

Plug #6: 3570' - 3202'

Type III cement, 140 sxs:
97 outside and 43 inside

Perforate @ 3570'

TOC @ 3584' (1986 CBL)

Perforate @ 3635'

Sqz w/60 cf cement; no circ, sqz 60
cf cement, no circ.(1986)

Perforate @ 3660'

Sqz w/90 cf cement;
no circulation (1986)

Fruitland Perforations:

3678' - 3779'

Perforations 4144' - 4147'
(10/16/86)

Perforate @ 4250'

Sqz w/473 cf cement;
no circulation, (1986)

Cmt Retainer @ 4790'

Plug #4: 4840' - 4740'

Type III cement, 43 sxs:
27 outside and 16 inside

Perforate @ 4840'

Cmt Retainer @ 5926'

Plug #3: 5976' - 5876'

Type III cement, 43 sxs:
27 outside and 16 inside

Perforate @ 5976'

TOC @ 6050' (1984 CBL)

Set CR @ 6153'

Plug #2: 6153' - 6053'

Type III cement, 16 sxs

Mesaverde Perforations:
6203' - 6244'

Perf'd 6425', Cmt Retainer
@ 6350', Sqz'd w/ 150 sxs
Cement (1984)

Plug #1: 6350' - 6250'

Type III cement, 11 sxs

Cmt Retainer @ 7195'

Sqz'd w/ 48 cf cement (1984)

5.5", 17# / 15.5#, N-80 / K-55 Casing set @ 7271'
Cement with 246 sxs (304 cf)

TD 8700'
PBTD 4180'

SOUTHLAND ROYALTY COMPANY
DAILY DRILLING REPORT
WORKING INTEREST WELLS
HISTORY

DDR100NB-C

PAGE 8

LL NAME OP TD	SRC PART	STATUS TYPE	FIELD DATE	OPERATIONS
			3-14-84	TD: 8,700 PBD: 7,423 MW: VIS: WL: PH: CHL: JARRING ON FISH. STUCK WHILE MAKING CONNECTION AT 7342', WORKED UP TO 7311'. RAN FREE POINT, FREE ABOVE 4680'. CUT OFF AT 4680' AND POOH. PU OVERSHOT AND JARS, TIH AND LATCH ONTO FISH. JARRED AND MOVED 7' AFE#: 344R \$ 537,038 ECC:\$ 499,420 PROPERTY: 0-020806
			3-15-84	TD: 8,700 PBD: 7,423 MW: VIS: WL: PH: CHL: POOH WITH WASH PIPE. JARRED FISH, WOULD NOT COME. BACKED OFF AND TOOH WITH OVERSHOT. TIH WITH OVERSHOT AND LATCHED ON TO RUN FREE POINT, 80% FREE ABOVE 4890'. CUT OFF AT 4885'. POOH WITH 205' OF 2-7/8" FISH. PU 226' OF WASH PIPE. LOADED HOLE WITH 2% KCL WTR, WASHED DOWN TO 5110'. NO MORE FILL. AFE#: 344R \$ 537,038 ECC:\$ 503,700 PROPERTY: 0-020806
			3-16-84	TD: 8,700 PBD: 7,423 MW: VIS: WL: PH: CHL: WOC. FIN POOH. LDDP & WP. TIH W/OS & JARS. WKD FSH OUT OF HOLE. TIH W/5-1/2" MOD "K" CMT RTNR SET @ 7195'. SQ W/40 SX5 OF CL "B". FIN PRESS 2400 PSI. RD W/150 BBL5 FW. POOH. PERFD HOLE @ 6425'. PMPD INTO CSG @ 4 BPM W/1500 PSI. CIRC TO SURF THRU BRADENHEAD. TIH WITH 5-1/2" MOD "K" CMT RTNR SET @ 6350'. CMTD W/150 SX5. FIN PRESS 1000 PSI. POOH. AFE#: 344R \$ 537,038 ECC:\$ 519,426 PROPERTY: 0-020806
			3-17-84	TD: 8,700 PBD: 7,423 MW: VIS: WL: PH: CHL: FLO BACK TO PIT THRU 1/8" CHOKE. RAN CBL - TOC @ 6050'. PERFD 7 HOLES @ 6203', 6209', 6217', 6222', 6227', 6239', 6244'. PMPD 350 GALS OF 15% HCL & 14 BALLS. FRACED WITH 41,200 GALS 70 QUALITY FOAM AND 43,000# OF 20/40 SAND. ATP 3000 PSI, AIR 22 BPM, ISIP 2700 PSI, 5 MIN SIP 2300 PSI, 15 MINS SIP 2200 PSI. AFE#: 344R \$ 537,038 ECC:\$ 561,487 PROPERTY: 0-020806
			3-18-84	TD: 8,700 PBD: 7,423 MW: VIS: WL: PH: CHL: