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SEP 16 2008

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)
Surface: 770' FNL & 725' FWL Unit D Sec 33, T29N, R2W

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 29-02-33 #2

9. API Well No.
30-039-26819

10. Field and Pool, or Exploratory Area
East Blanco, Pictured Cliffs

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	Abandon PC, FC and	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug back	<input type="checkbox"/> Water Disposal	convert to water well	

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 recomplete 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 recompletion 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, abandon the Pictured Cliffs and Fruitland Coal as per the attached procedure. The Jicarilla Apache Nation Department of Water Administration has indicated that they will want to keep this well for a water supply well after BHGR has plugged the well back to 2200'. The letter of transfer will be forthcoming.

RCVD SEP 24 '08
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 29-Aug-08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title	Date SEP 23 2008
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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)

**PLUG AND ABANDONMENT PROCEDURE
(Convert to Water Well)**

Jicarilla 29-02-33 #2

June 10, 2008

EB PC/ Basin FC / LaJara Canyon Tertiary
770' FNL & 725' FWL, NW, Section 33, T29N, R2W
Rio Arriba County, New Mexico, API #30-039-26819

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 Class G, mixed at 15.8 ppg with a 1.15 cf/sx yield.

1. Project will require a Pit Permit (C103) from the NMOCD or steel tanks.
2. Install and test location rig anchors. Prepare and line a waste fluid pit. Comply with all NMOCD, BLM, and Operator safety regulations. MOL and RU daylight pulling unit. Conduct safety meeting for all personnel on location. Record casing, tubing and bradenhead pressures. NU relief line and blow down well. Kill well with water as necessary and at least pump tubing capacity of water down the tubing. ND wellhead and NU BOP. Function test BOP.
3. Rods: Yes , No , Unknown
Tubing: Yes , No , Unknown , Size 1.5', Length 3626'.
Packer: Yes , No , Type .
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate.
4. **Plug #1 (Pictured Cliffs and Fruitland perforations and tops, 3458' – 3358')**: TIH and set a CR at 3458'. Pressure test casing to 800 PSI. If casing does not test, then spot or tag subsequent plugs as appropriate. Mix 17 sxs Class B cement and spot above CR to cover through the Kirtland top. PUH.
5. **Plug #2 (Kirtland and Ojo Alamo tops, 3330' – 2820')**: Mix 64 sxs Class B cement and spot a balanced plug inside the casing to cover the Kirtland and Ojo Alamo tops. PUH.
6. **Plug #3 (Nacimiento top, ^{2089 1989}2300' – 2200')**: Mix 17 sxs Class B cement and spot a balanced plug inside casing to cover the Nacimiento top.
7. ND BOP and NU wellhead. RD and MOL.

Jicarilla 29-02-33 #2

Current

EB PC/Basin FC, La Jara Canyon Tertiary

770' FNL & 725' FWL, Section 33, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-26819

Today's Date: 6/10/08

Spud: 6/20/03

Tertiary Completion: 11/19/03

PC Completion: 11/19/03

FtC Completion: 8/26/05

Elevation: 7251' GI
7256' KB

12.25" hole

TOC @ surface

8.625", 24# Casing set @ 262'
Cement with 175 sxs (Circulated to Surface)

Nacimiento @ 2250'

Ojo Alamo @ 2870'

Kirtland @ 3280'

Fruitland @ 3495'

Pictured Cliffs @ 3580'

1.5" Tubing at 3626'
(114 jts w/SN and Mud Anchor
with rods and pump)

Ojo Alamo Perforations:
2870' – 2880', Sqz'd w/150 sxs
total (2006)

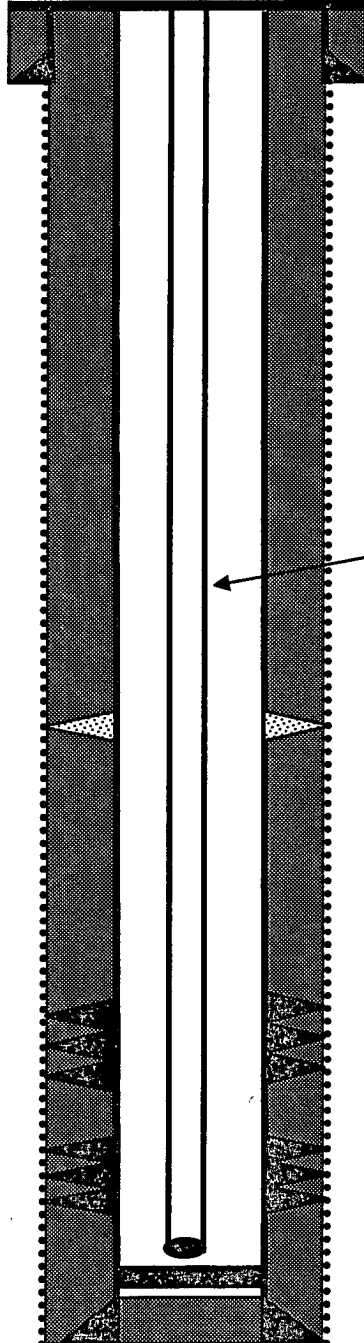
Fruitland Coal Perforations:
3508' – 3534'

Pictured Cliffs Perforations:
3560' – 3588'

CIBP set at 3710'

5.5" 15.5#, J-55 Casing set @ 3750'
Cemented with 1170 sxs

7.875" hole



TD 3750'
PBSD 3710'

Jicarilla 29-02-33 #2

Proposed Plugback

EB PC/Basin FC, La Jara Canyon Tertiary

770' FNL & 725' FWL, Section 33, T-29-N, R-2-W

Rio Arriba County, NM / API #30-039-26819

Today's Date: 6/10/08

Spud: 6/20/03

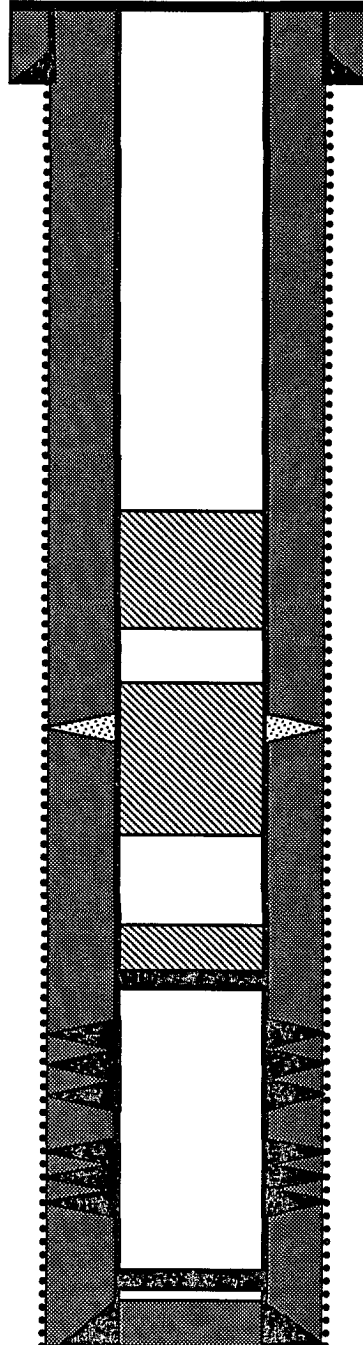
Tertiary Completion: 11/19/03

PC Completion: 11/19/03

FtC Completion: 8/26/05

Elevation: 7251' GI
7256' KB

12.25" hole



TOC @ surface

8.625", 24# Casing set @ 262'
Cement with 175 sxs (Circulated to Surface)

Nacimiento @ 2250'

Ojo Alamo @ 2870'

Kirtland @ 3280'

Fruitland @ 3495'

Pictured Cliffs @ 3580'

7.875" hole

Plug #3: 2300' - 2200'
Class B Cement, 17 sxs

Plug #2: 3330' - 2820'
Class B Cement, 64 sxs

Ojo Alamo Perforations:
2870' - 2880', Sqz'd w/150 sxs
total (2006)

Plug #1: 3458' - 3358'
Class B Cement, 17 sxs

Cement Retainer @ 3458'

Fruitland Coal Perforations:
3508' - 3534'

Pictured Cliffs Perforations:
3560' - 3588'

CIBP set at 3710'

5.5" 15.5#, J-55 Casing set @ 3750'
Cemented with 1170 sxs

TO 3750'
PBSD 3710'

**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: 2 Jicarilla 29-02-33

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 from 2089' – 1989'.

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.