

RECEIVED

Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOV 09 2009

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

3a. Address
3200 N 1st Street PO Box 249 Bloomfield, NM 87413

3b. Phone No. (include area code)
505-634-1111 ext 28

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1,850' FSL & 1,675' FWL NE/4 SW/4 Section 1 T25N R2W Unit K

Management
5. Lease Serial No.
NM 40644

6. If Indian, Allottee, or Tribe Name

7. If Unit or CA Agreement Name and/or No.

8. Well Name and No.
Howard Federal 1 #11

9. API Well No.
30-039-23690

10. Field and Pool, or Exploratory Area
Gavilan Mancos

11. County or Parish, State
Rio Arriba, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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"/> 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"/> Final Abandonment Notice	<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 has plug and abandon the Howard Federal 1 #11 on October 20, 2009 as per the attached report dated October 26, 2006

RCVD NOV 16 '09
OIL CONS. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct.
Name (Printed/ Typed)

Daniel Manus	Title Regulatory Technician
Signature <i>Daniel Manus</i>	Date <i>Nov. 9, 2009</i>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date NOV 16 2009
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.		
FARMINGTON FIELD OFFICE		

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

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or

present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3 - 2, 3162.3 - 3, 3162.3 - 4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency -sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau information Collection Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

505-325-2627 * fax: 505-325-1211

Black Hills Gas Resources
Howard Federal 1 #11

October 26, 2009

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1850' FSL & 1675' FWL, Section 1, T-25-N, R-2-W
Rio Arriba Country, NM
Lease Number: NM 40644
API#30-039-23690

Plug and Abandonment Report

Plugging Summary:

Notified BLM and NMOCD on 10/2/09

Notified BLM on 10/14/09

- 10/02/09 MOL and RU. Check well pressure: tubing and casing, 65 PSI; bradenhead, 0 PSI. Blow down well. Unseat pump. Rod weight approximately 15,000#. TOH and LD polish rod liner, 98 - 7/8" rods, 220 - 3/4" rods and pump. SI well. SDFD.
- 10/05/09 Check well pressures: casing and tubing, 60 PSI; bradenhead, 0 PSI. Blow well down. ND wellhead. Unseat donut pulling 80,000# string weight. Rig base shifting and base boards racking. Rearrange equipment on location, spotting rig on undisturbed soil. Pull 75,000#. Rig settled approximately 3" on opposite site and ground cracked between pads. Doug Zentz, Black Hills representative, established plan of stronger base matting and reorientation of rig to east / west. Requires new rig anchors. SD due to high winds. Note: RD rig and move to next well. Need new anchors prior to P&A of well.
- 10/14/09 MOL and RU. Check well pressures: casing and tubing, 60 PSI; bradenhead, 0 PSI. Blow well down. Unseat donut pulling 110,000# string weight. NU BOP, test. Release tubing anchor. String weight approximately 60,000#. SI well. SDFD.
- 10/15/09 Check well pressures: casing and tubing, 40 PSI; bradenhead, 0 PSI. TOH and tally 256 total joints 2.875" EUE tubing, SN, and 4' perf sub. Total tally: 7955.98'. Round trip 5.5" casing scraper to 6930'. SI well. SDFD.
- 10/16/09 Check well pressures: casing, 60 PSI; bradenhead, 0 PSI. TIH with 5.5" DHS cement retainer and set at 6881'. Load hole with 4 bbls of water and establish circulation. Pressure test tubing to 900 PSI, held OK. Sting out of cement retainer. Load hole with 119 bbls of water. Establish circulation with 8 additional bbls of water. Pressure test casing to 800 PSI for 15 minutes, held OK. Oscar Torres, BLM representative, required WOC after Plug #1.
Plug #1 with CR at 6881', spot 20 sxs Class B cement (23.6 cf) inside casing above CR up to 6701' to isolate the Gallup interval.
TOH with tubing and WOC. SI well. SDFD.
- 10/19/09 Open up well; no pressure. TIH and tag cement at 6688'. PUH to 5517'. Load hole with 4.5 bbls of water. Pressure test casing to 800 PSI for 5 minutes, held OK. Load hole with 5 bbls of water.
Plug #2 spot 20 sxs Class B cement (23.6 cf) inside the casing from 5517' up to 5337' to cover the Mesaverde top.
PUH to 3716'. Load hole with 5 bbls of water and establish circulation.

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October 26, 2009
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Plugging Summary – Continued:

10/19/09 **Plug #3** spot 59 sxs Class B cement (69.62 cf) inside the casing from 3716' up to 3201' to cover the Pictured Cliffs, Fruitland, Kirtland and Ojo Alamo tops. PUH to 2199'. Load hole with 4.5 bbls of water and establish circulation.

Plug #4 spot 17 sxs Class B cement (20.06 cf) inside the casing from 2199' up to 2046' to cover the Nacimiento top.

TOH and LD all tubing. Connect pump to bradenhead valve. Load hole with 15 bbls of water. Attempt to pressure test, no test. Load casing with 7.5 bbls of water. Perforate 3 bi-wire holes at 308'. Load casing with 6 bbls of water and establish circulation out bradenhead. Circulate well clean with 4 additional bbls of water.

Plug #5 mix and pump 103 sxs Class B cement (121.54 cf) down the 5.5" casing from 308' to surface, circulate good cement out the bradenhead.
SI well. SDFD.

10/20/09 Open up well, no pressure. Dig out wellhead. Issue Hot Work Permit. Cut off wellhead. Found cement at surface. Mix 15 sxs Class B cement and install P&A marker. RD. MOL.

P&A Marker GPS: N 36°25.484', W 107°00.283'

Mark Decker, Rick Romero and Oscar Torres, BLM representatives, were on location.