

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 21 2010

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 page 2.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Black Hills Gas Resources, Inc.

3a. Address **P.O. 249 / 3200 N 1st St
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)
874' FNL & 788' FWL NW/NW Sec. 28 T30N R3W Unit D

5. Lease Serial No.
MDA 701-90-0002

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 30-03-28 #2

9. API Well No.
30-039-26106

10. Field and Pool, or Exploratory Area
E. Blanco Pictured Cliffs & Cabresto Canyon Tertiary

11. County or Parish, State
Rio Arriba County, 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 of all pertinent markers and zones. Attach the Bond under which the work will be 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 the Jicarilla 30-03-28 #2 per the attached procedure, dated 4/29/2010.



H₂S POTENTIAL EXIST

RCVD JUN 25 '10

OIL CONS. DIV.

DIST. 3

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

Daniel R. Manus

Regulatory Technician

Title

Date

Signature

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Original Signed: Stephen Mason

Title

Date

JUN 24 2010

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

April 29, 2010

Jicarilla 30-03-28 #2

East Blanco PC & Cabresto Canyon Tertiary
874' FNL & 790' FWL, NW, Section 28, T30N, R3W
Rio Arriba County, New Mexico, API #30-039-26106

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 Class B, mixed at 15.6 ppg with a 1.18 cf/sx yield.

1. This project requires the Operator to obtain an approved NMOCD C-144 CLEZ Closed-Loop System Permit for the use of an A-Plus steel tank to handle waste fluids circulated from the well and cement wash up.
2. Install and test location rig anchors. Comply with all NMOCD, BLM, and Operator safety
3. 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.
4. Rods: Yes____, No X, Unknown____
Tubing: Yes X, No____, Unknown____, Size 2.375", Length 3763'.
Packer: Yes____, No X, Unknown____, Type____.
If well has rods or a packer, then modify the work sequence in Step #2 as appropriate.
5. **Plug #1 (Pictured Cliffs, Fruitland coal perforations, Fruitland, Kirtland and Ojo Alamo tops, 3608' – 3104' ~~3428'~~):** RIH and set 5.5" cement retainer at 3608'. Pressure test tubing to 1000 PSI. Mix 61 sxs Type B cement and spot a plug inside the casing above CR to isolate the Pictured Cliffs top, Fruitland Coal interval, Fruitland, Kirtland and Ojo Alamo tops. PUH.
6. **Plug #2 (Nacimiento top, ¹⁹⁵⁰1966' – ¹⁸⁵⁰1866')**: Spot 17 sxs Type B cement inside the casing above to cover the Nacimiento top. TOH with tubing.
7. **Plug #3 (San Jose perforations and top, 1625' – 1044')**: RIH and set cement retainer at 1625'. Attempt to pressure test casing to 800 PSI. If casing does not test then spot or tag this plug and subsequent plug as appropriate. Mix 72 sxs Type G cement and spot a balanced plug inside casing to isolate San Jose perforations and top. TOH and LD tubing.
8. **Plug #4 (8.625" casing shoe and surface, 299' - Surface):** Attempt to pressure test the bradenhead annulus to 300#. If the BH annulus holds pressure, then establish circulation out casing valve with water. Mix approximately 40 sxs Class B cement and spot a balanced plug from 299' 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 attempt to circulate cement to surface filling the casing and the annulus.
9. 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 30-03-28 #2

Current

East Blanco PC & Cabresto Canyon Tertiary

874' FNL & 790' FWL, NW, Section 28, T-30-N, R-3-W

Rio Arriba County, NM / API #30-039-26106

Today's Date: 4/29/10

Spud: 3/25/00

Completed: 6/29/00
Elevation: 7151' GI
7163' KB

San Jose @ 1094'

Nacimiento @ 1916' *est

Ojo Alamo @ 3178'

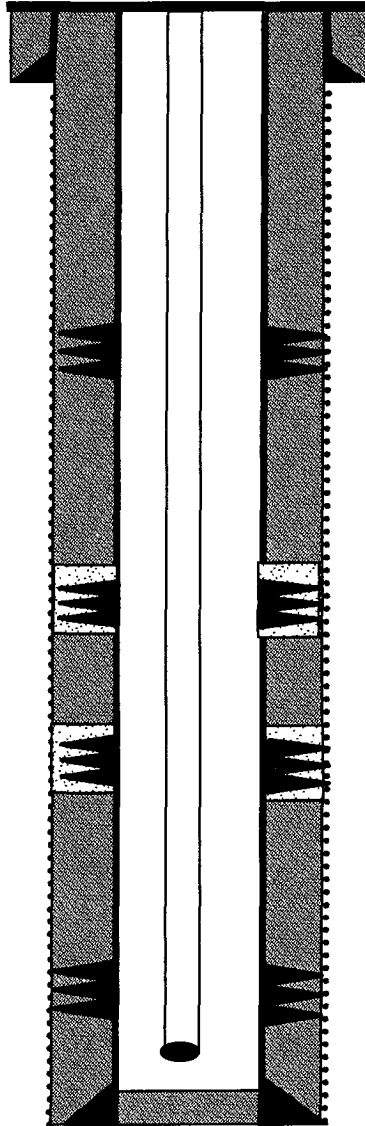
Kirtland @ 3326' *est

Fruitland @ 3533' *est

Pictured Cliffs @ 3658'

12.25" hole

7.875" hole



TOC @ surface, circulated 58 sxs

8.625" 24#, J-55 Casing set @ 249'
Cement with 240 sxs (Circulated to Surface)

San Jose Perforations:
1675' - 1712'

2.375" tubing at 3763'
(119 jts, 4.7#, J-55, SN and Notch
Collar)

Nacimiento Perforations:
2582' - 2631', sqz'd w/75 sxs
(2004)

Ojo Alamo Perforations:
3178' - 3212', sqz'd w/75 sxs
(2004)

Pictured Cliffs Perforations:
3658' - 3728'

5.5" 17#, Casing set @ 3917'
Cemented with 900 sxs
Circ 58 sxs to surface

TD 3950'
PBSD 3836'

Jicarilla 30-03-28 #2

Proposed P&A

East Blanco PC & Cabresto Canyon Tertiary

874' FNL & 790' FWL, NW, Section 28, T-30-N, R-3-W

Rio Arriba County, NM / API #30-039-26106

Today's Date: 4/29/10

Spud: 3/25/00

Completed: 6/29/00

Elevation: 7151' GI
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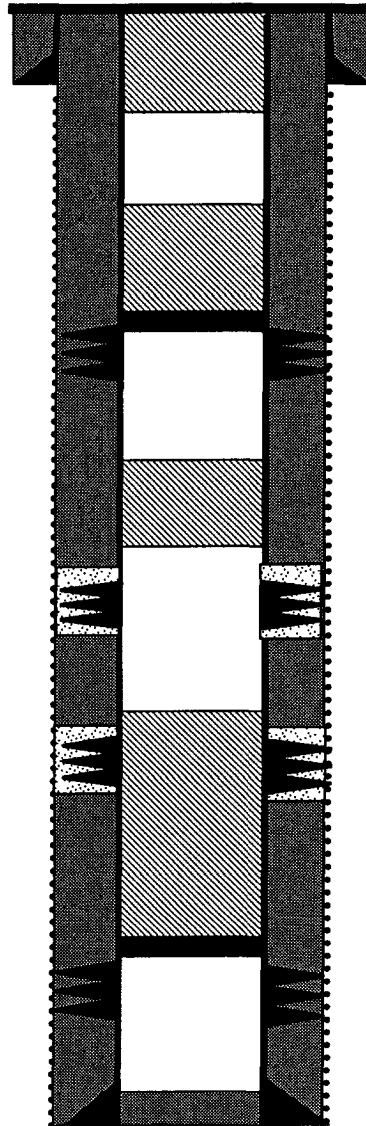
Kirtland @ 3326' *est

Fruitland @ 3533' *est

Pictured Cliffs @ 3658'

12.25" hole

7.875" hole



TD 3950'
PBTD 3836'

TOC @ surface, circulated 58 sxs

8.625" 24#, J-55 Casing set @ 249'
Cement with 240 sxs (Circulated to Surface)

Plug #4: 299' - 0'
Class B cement, 40 sxs

Set CR @ 1625'

San Jose Perforations:
1675' - 1712'

Plug #3: 1625' - 1044'
Class B cement, 72 sxs

Plug #2: 1966' - 1866'
Class B cement, 17 sxs

Nacimiento Perforations:
2582' - 2631', sqz'd w/75 sxs
(2004)

Ojo Alamo Perforations:
3178' - 3212', sqz'd w/75 sxs
(2004)

Plug #1: 3608' - 3128'
Class B cement, 61 sxs

Set CR @ 3608'

Pictured Cliffs Perforations:
3658' - 3728'

5.5" 17#, Casing set @ 3917'
Cemented with 900 sxs
Circ 58 sxs to surface

The Jicarilla Apache Nation requires 45 days to evaluate this well beginning from 6/21/10 in order to determine if they would like to assume ownership of the well. If the Jicarilla Apache Nation has not contacted your office before the end of the 45 days you may proceed with plugging operations.

**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 30-03-28

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) Bring the top of the Pictured Cliffs/Fruitland/Kirtland/Ojo Alamo plug to 3104'.
 - b) Place the Nacimiento plug from 1950' – 1850'.
 - c) You are required to have H2S monitoring equipment and personnel on location during plugging operations.

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.