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SEP 21 2010

Form 3160-5
(August 2007)UNITED STATES
DEPARTMENT OF THE INTERIOR Farmington Field Office
BUREAU OF LAND MANAGEMENT Bureau of Land ManagementFORM 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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. MDA 701-90-0002 |
| 2. Name of Operator Black Hills Gas Resources | | 6. If Indian, Allottee, or Tribe Name Jicarilla Apache Tribe |
| 3a. Address 3200 N 1st Street Bloomfield, NM 87413 | 3b. Phone No. (include area code) (505) 634-1111 | 7. If Unit or CA. Agreement Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Surface: 874' FNL & 788' FWL Sec. 28 T30N R3W NW/NW Unit D | | 8. Well Name and No. Jicarilla 30-03-28 #2 |
| | | 9. API Well No. 30-039-26106 |
| | | 10. Field and Pool, or Exploratory Area Cabresto Canyon Tertiary/E. Blanco PC |
| | | 11. County or Parish, State Rio Arriba County, New Mexico |

12. 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 of all pertinent markers and zones. 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 plugged & abandoned this well as per the attached report dated 9/03/10.

RCVD SEP 24 '10

OIL CONS. DIV.

DIST. 3

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

Daniel Manus

Regulatory Technician

Title

Signature

Date

Sept 21, 2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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.

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)

RECEIVED ON RECORD

SEP 22 2010

NMOCD

FARMINGTON FIELD OFFICE

A-PLUS WELL SERVICE, INC.

P.O. BOX 1979

Farmington, New Mexico 87499

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

Black Hills Gas Resources, Inc.

Jicarilla 30-03-28 #2

September 13, 2010

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874' FNL & 788' FWL, Section 28, T-30-N, R-3-W

Rio Arriba County, NM

Lease Number: MDA 701-90-0002

API #30-039-26106

Plug and Abandonment Report

Notified JAT-BLM on 8/30/10

08/31/10 MOL and RU rig. Check well pressures: casing, 120 PSI; tubing, 100 PSI; and bradenhead, 0 PSI. Start to blow down casing; H₂S monitor alarm tripped at 38 ppm. SI well. Change studs in BOP. Hook up pump truck to casing and tubing to blow down to pit. SI well. SDFD.

09/01/10 Check well pressure: casing, 80 PSI; tubing, 65 PSI; and bradenhead 0 PSI. Blow tubing down. No H₂S. Pump 80 bbls of water down casing to kill well; casing on a vacuum. Pump 20 bbls of water down tubing. ND wellhead. NU BOP and test. Unseat donut pulling 20,000#. TOH with 60 joints tubing. Couplings getting thin and tubing very pitted. TOH and LD total 119 joints 2.375" tubing, SN and 4' perf sub. PU tubing from previous well. Round trip 5.5" watermelon mill (casing scraper) to 3625'. TIH with 5.5" DHS cement retainer and set at 3608'. Attempt to pressure test tubing; pressured up to 1000 PSI. TOH with tubing and setting tool; bottom joint filled with coal fines. LD setting tool. SI well. SDFD.

09/02/10 Open up well and blow down 4 PSI casing pressure. No H₂S. TIH with tubing and tag CR at 3608'. Establish circulation down tubing and out casing with 76 bbls of water 3 bpm at 750 PSI. Pump 110 bbls and establish circulation with 4.5 bbls.

Plug #1 with cement retainer at 3608', spot 61 sxs Class B cement (71.98 cf) inside casing from 3608' up to 3057' to isolate the Pictured Cliffs interval and cover the Fruitland, Kirtland and Ojo Alamo tops.

TOH and WOC. TIH and tag cement at 3062'. PUH to 1968'. Pump 30 bbls of water; no circulation out casing valve.

Plug #2 spot 20 sxs Class B cement (23.6 cf) inside casing from 1968' up to 1788' to cover the Nacimiento top. No circulation out casing valve.

TOH with tubing. SI well. Dig out bradenhead valve and install fitting. Load bradenhead with 2 bbls of water; estimated TOC at 60'. SI well. SDFD.

09/03/10 Open up well; no pressures. TIH with tubing and tag cement at 1755'. TOH with tubing. TIH with 5.5" DHS cement retainer and set at 1625'. Circulate well clean with total 67 bbls of water. Pressure test casing to 800 PSI for 5 minutes.

Plug #3 with cement retainer at 1625', spot 72 sxs Class B cement (84.96 cf) inside casing from 1625' up to 974' to cover the San Jose perforations and top.

TOH with tubing and LD setting tool. RIH with open ended tubing.

Plug #4 spot 40 sxs Class B cement (47.2 cf) inside casing from 312' to surface, circulate good cement out casing valve.

TOH and LD tubing. ND BOP. Dig out wellhead. Monitor atmosphere. Issue Hot Work Permit. Cut off wellhead. Found cement down 62' in annulus and 10' in 5.5" casing.

Plug #5 RIH with 1.25" poly pipe and spot 15 sxs Class B cement (17.7 cf) to fill the annulus and casing; install P&A marker.

RD rig and equipment. MOL.

~~Rod Velarde and Bryce Hammond, JAT-BLM representatives, were on location.~~