

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

MAR 09 2011

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Contract 461
2. Name of Operator Black Hills Exploration & Production		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) 2025 FSL & 960 FWL Unit L (NW/SW) Section 14 T30N R3W		8. Well Name and No. Jicarilla 461 #1
		9. API Well No. 30-039-24109
		10. Field and Pool, or Exploratory Area East Blanco Pictured Cliffs
		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 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 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 Jicarilla 461 #1 per attached procedure dated 2/28/11.

Note: Warren Vigil from the Jicarilla Water Administration gave a verbal approval to proceed with the plugging operation on March 9, 2011.

RCVD MAR 14 '11

OIL CONS. DIV.

DIST. 3

CPB required before plug goes

14. I hereby certify that the foregoing is true and correct. Name (Printed/ Typed) Daniel Manus		Title Regulatory Technician	
Signature <i>[Signature]</i>		Date March 9, 2011	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by Original Signed: Stephen Mason		Title Stephen Mason	Date MAR 10 2011
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

Jicarilla 461 #1

Current

Wildcat Pictured Cliffs

2025' FSL & 960' FWL, Section 14, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24109

Today's Date: 2/28/11

Spud: 1/26/87

Comp: 2/7/87

Elevation: 7214' GI
7226' KB

9-7/8" Hole

7-5/8" 26.4#, Casing set @ 142'
Cement with 60 sxs, circulated to surface

Nacimiento @ 1856' *est

TOC @ 2700' (T.S.)

Ojo Alamo @ 3160'

108 jts 1.9", tubing @ 3691'
(2.9#, SN)

Kirtland @ 3404'

Fruitland @ 3554'

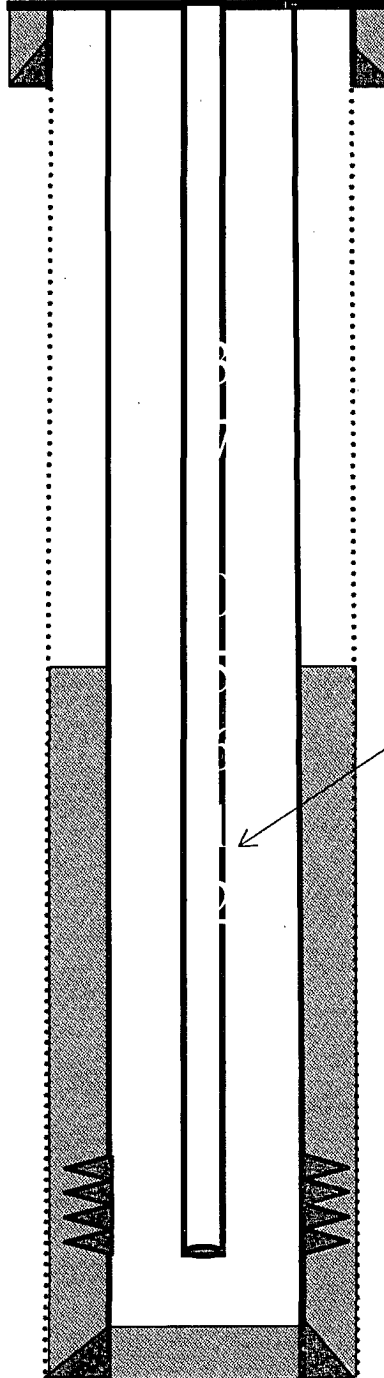
Pictured Cliffs @ 3651'

Pictured Cliffs Perforations:
3651' - 3763'

6.75" Hole

4.5" 11.6#, J-55 Casing @ 4001'
Cement with 525 sxs

4023' TD
3965' PBD



PLUG AND ABANDONMENT PROCEDURE

February 28, 2011

Jicarilla 461 #1

Wildcat Pictured Cliffs

2025' FSL, 960' FWL, Section 14, T30N, R3W, Rio Arriba County, NM

API 30-039-24109 / Long: _____ / Lat: _____

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 a 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 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 X____, Unknown____.
Tubing: Yes X____, No____, Unknown____, Size 1.9"____, Length 3691'____.
Packer: Yes____, No X____, Unknown____, Type____.
If this well has rods or a packer, then modify the work sequence in step #2 as appropriate.
- ✓ 4. **Plug #1 (Pictured Cliffs interval and Fruitland, Kirtland and Ojo Alamo tops, 3601' – ³⁰⁶⁰~~3110~~')**: Round trip 4.5" gauge ring or casing scraper to 3586'. TIH and set 4.5" CR at 3601'. Pressure test tubing to 1000#. Load casing with water and circulate well clean. Pressure test casing to 800#. *If the casing does not test, then spot or tag subsequent plugs as appropriate.* Mix 42 sxs Class B cement and spot a balanced plug inside the casing above the CR to isolate the PC interval and cover through the Ojo Alamo top. TOH.
- ✓ 5. **Plug #2 (Nacimiento top, ^{2052'}~~1906'~~ – ^{1952'}~~1806'~~')**: Perforate 3 squeeze holes at 1906'. Establish rate into squeeze holes if casing tested. Set 4.5" cement retainer at ^{2052'}~~1856'~~. Establish rate into squeeze holes. Mix 36 sxs Class B cement, squeeze 24 sxs outside casing and leave 12 sxs inside to cover the Nacimiento top. TOH and tubing.
- ✓ 6. **Plug #3 (7-5/8" Surface casing shoe, 192' - Surface)**: Perforate 3 squeeze holes at 192'. Establish circulation out bradenhead with water and circulate the BH annulus clean. Mix approximately 65 sxs Class B cement and pump down the 4.5" casing to circulate good cement out bradenhead. Shut in well and WOC.
7. 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 461 #1

Proposed P&A

Wildcat Pictured Cliffs

2025' FSL & 960' FWL, Section 14, T-30-N, R-3-W, Rio Arriba County, NM

Long: _____ / Lat: _____ / API 30-039-24109

Today's Date: 2/28/11

Spud: 1/26/87

Comp: 2/7/87

Elevation: 7214' GI
7226' KB

9-7/8" Hole

7-5/8" 26.4#, Casing set @ 142'
Cement with 60 sxs, circulated to surface

Perforate @ 192'

Plug #3: 192' - 0'
Class B cement, 65 sxs

Nacimiento @ 1856' *est

Cement Retainer @ 1856'

Plug #2: 1906' - 1806'
Class B cement, 36 sxs:
24 outside and 12 inside

Perforate @ 1906'

TOC @ 2700' (T.S.)

Plug #1: 3601' - 3110'
Class B cement, 42 sxs

Ojo Alamo @ 3160'

Kirtland @ 3404'

Fruitland @ 3554'

Pictured Cliffs @ 3651'

Set CR @ 3601'

Pictured Cliffs Perforations:
3651' - 3763'

6.75" Hole

4.5" 11.6#, J-55 Casing @ 4001'
Cement with 525 sxs

4023' TD
3965' PBTD

**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: 1 Jicarilla 461

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 2052' – 1952' inside and outside the 4 ½" casing.

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.