

WJS

DHC
3453-A

PWJS0703932592

FAX COVER SHEET

DATE: 2/7/07

OF PAGES (INCLUDING COVER) 5

TO: Will Jones

FROM: MIKE PIPPIN

COMPANY: DCD

PHONE #: 505-327-4573

FAX #: (505) 476-3462

FAX#: 505-564-8656

C107A Commingle Application:
 Jicarilla 452-06 #23
 Requested amendment to:
 DHC-3453

District I
1625 N. Fourth Street, Moore, NM 87040

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Arnie, NM 87010

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved

District III
1000 Rio Grande Road, Aztec, NM 87410

Pools

District IV

1720 S. St. Francis Dr., Santa Fe, NM 87505

REQUEST TO AMEND DHC-3453

EXISTING WELLBORE

Yes No

BLACK HILLS GAS RESOURCES, INC. c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401
Operator Address

JICARILLA 452-06 #23 Well No. G SEC. 6 T29N R03W Rio Arriba County
Lease Unit Letter-Section-Township-Range

OGRID No. 013925 Property Code 34023 API No. 30-039-27730 Lease Type: Federal State Fee

THIS IS PART OF THE BLACK HILLS CLEAN-UP PROGRAM

DATA ELEMENT	UPPER ZONE <input checked="" type="checkbox"/>	INTERMEDIATE ZONE	LOWER ZONE <input checked="" type="checkbox"/>
Pool Name	Basin Fruitland Coal		East Blanco Pictured Cliffs
Pool Code	71629		72400
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3656'-78'		3726'-52'
Method of Production (Flowing or Artificial Lift)	Flowing		Flowing
Bottomhole Pressure <small>(Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)</small>	1130		1150
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1165		1175
Producing, Shut-In or New Zone	Producing		Producing
Date and Oil/Gas/Water Rates of Last Production <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: 1/15/05 Rates: 22 MCF/D	Date: Rates:	Date: 1/13/05 Rates: 175 MCF/D
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil 0% Gas 11%	Oil Gas	Oil 100% Gas 89%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE February 7, 2007

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@mippinllc.com

DISTRICT I
1425 W. French Dr., Hobbs, N.M. 88240

DISTRICT II
1201 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1400 Elbe Branch Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87506

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87506

Form C-102
Revised June 10, 2003
Submit to Appropriate District Offices
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-27730		*Pool Code 72400	*Pool Name East Blanco; Pictured Cliffs
*Property Code 24245	*Property Name JCARILLA 452-6		*Well Number 23
*OUID No. 013925	BLACK HILLS	*Operator Name MALLON OIL COMPANY	*Elevation 7030'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
G	6	29-N	3-W		2060	NORTH	2215	EAST	RIO ARRIBA

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 150.09		*Joint or L&L		*Consolidation Code		*Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16 FD. 3 1/2" U.S.G.L.O. BC. 1917</p> <p>S 89-42-51 W 4043.30' (M)</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>LOT 4</p> <p>LOT 5</p> <p>LOT 6</p> <p>FD. 2 1/2" U.S.G.L.O. BC. 1917</p>	<p>2080'</p>	<p>2215'</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Kathy L. Schnebeck</i> Signature Kathy L. Schnebeck Printed Name Agent for Mallon Oil Company Title February 19, 2004 Date</p>
	<p>6</p>	<p>S 00-09-13 E 5127.7' (M)</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>12-16-03 Date of Survey Signature and Seal of Registered Surveyor: Certificate Number</p>

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1501 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1600 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACCEGE DEDICATION PLAT

*API Number 30-035-27730		*Pool Code 71629		*Pool Name Basin-Erwinland Coal	
*Property Code 24245 24023		*Property Name JICARILLA 452-6		*Well Number 23	
*OCRD No. 013925		*Operator Name Black Hills Gas Resources, Inc.		*Elevation 7030'	

10 Surface location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
G	6	29-N	3-W		2060	NORTH	2215	EAST	RIO ARriba

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 320			*Joint or Infill		*Consolidation Code		*Order No.		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>18 FD. 3 1/2" U.S.G.L.O. BC. 1917</p> <p>S 89-42-51 W 4043.30' (M)</p> <p>LAT. 36°45'19"N (NAD 83) LONG. 107°11'27"W</p>	LOT 3	LOT 2	LOT 1	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Allison Newcomb</i> Signature Allison Newcomb Printed Name Engineering Technician Title May 20, 2005 Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>12-16-03 Date of Survey <i>[Signature]</i> Signature and Seal of Professional Surveyor 14827 Certificate Number</p>
	LOT 4			
	LOT 5			
	LOT 6			

BLACK HILLS GAS RESOURCES, INC.
JICARILLA 452-06 #23 PC / FRTC
G Section 6 T29N R03W
2/7/07

Commingle Allocation Calculations
Requested Amendment to DHC-3453

The Tertiary perfs (2478'-88' & 1336'-88') are shut-in in the annulus above a packer.

OIL

The Basin Fruitland Coal gas pool does not make any oil in the vicinity of the subject well. The East Blanco Pictured Cliffs gas pool does produce a little oil. Therefore, any and all oil will be assigned to the Pictured Cliffs.

GAS

During completion operations in January 2005, stabilized gas tests were taken on the PC alone, then on the FRTC alone.

The Pictured Cliffs (only) choke test stabilized 175 MCF/D for a 24 hour period on 1/13/05.

The Fruitland Coal (only) choke test stabilized 22 MCF/D for a 24 hour period on 1/15/05.

Total gas = 175 + 22 = 197 MCF/D.

$$\% \text{ Pictured Cliffs} = \frac{175}{197} = 89\%$$

$$\% \text{ FRTC} = \frac{22}{197} = 11\%$$