

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Jic 458
2. Name of Operator Mallon Oil Company an wholly-owned subsidiary of Black Hills E & P		6. If Indian, Allottee or Tribe Name Jicarilla Apache
3a. Address 350 Indiana St., #400, Golden, CO 80401	3b. Phone No. (include area code) 720-210-1300	7. If Unit or CA/Agreement, Name and/or No. N/A
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) 1640' FNL and 790' FEL (SENE) Unit H		8. Well Name and No. Jicarilla 458-5 No. 5
		9. API Well No. 30-039-25947
		10. Field and Pool, or Exploratory Area Cabresto Canyon; Tertiary
		11. County or Parish, State Rio Arriba, NM

12. CHECK APPROPRIATE BOX(ES) 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"/> Alter 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 checked="" type="checkbox"/> Other <u>cement squeeze</u>
	<input type="checkbox"/> Change Plans	<input 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	

3. 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 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 Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Mallon Oil Company, an indirect wholly-owned subsidiary of Black Hills Exploration, Inc. has cement squeezed the San Jose, Nacimiento, and Ojo Alamo formations of the Cabresto Canyon pool. The procedures of the cement squeeze are attached.



04 MAY 12 PM 2:31
BLM
ALBUQUERQUE, N.M.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Allison Newcomb		Title Engineering Technician
Signature <i>Allison Newcomb</i>		Date 5/7/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature) <i>/s/ David R. Sitzler</i>	Name (Printed/Typed) Division of Multi-Resources
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 Date JUL - 1 2004

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Jicarilla 458-5 No. 5
1640' FNL and 790' FEL, Unit H
SENE Sec. 5-T030N-R003W
East Blanco Field
Rio Arriba County, NM
GL Elev: 7302'
KB Elev: 7314'

09/16/2003 Ojo Alamo- 3363'-3398' Lower Nacimiento- 3204'-3219'
Upper Nac-2900'-2919', 2930'-2936'

Present Operation: MIRU Triple P rig #7.

MIRU Triple P rig #7. TIH w/ bit, scraper & 2 7/8" work string to tag PBTD. Tagged fill @ 3995' KB. TOH w/ 2 7/8" work string, stand back in derrick, lay dn bit & scraper. SDFN.

09/17/2003 OA 3363'-3398', Lower Nacimiento- 3204'-3219'
Upper Nacimiento- 2900'-2919', 2930'-2936'

Present Operation: Squeeze cem OA & Nac. perfs.

TIH w/ 54 stands 2 7/8" tbg, set RBP @ 3453'. TOH two stands & single set packer @ 3293'. RU BJ to squeeze off OA perfs. Establish rate into OA perfs @ 2 bpm. P/ 24 bbls (100 sks) Type III neat cem. Flush P/ & lines, displ tbg w/ 19 1/2" bbls fresh H2O, 1/2 bbl below packer. Wait one hr bump pg to 625 psi-held. TOH two stands & lay dn a single. Set packer @ 3134'. RU BJ to squeeze off Lower Nac perfs. Establish rate into Nac perfs @ 1/2 bpm. P/ 12 bbls (50 sks) Type III neat cem. Flush pumps @ lines, displ tbg w/ 17 1/2 bbls fresh H2O, 1/2 bbl below packer. Pull two stands press up on pg 1000 psi-held. Pull three stands & set packer @ 2845'. RU BJ to squeeze off Upper Nac perfs. Establish rate in Nac perfs @ 1 bpm. P/ 2 1/2 bbls Type III neat cem., locked up, press to 3500 psi, shut dn. TOH to 1830', P/ fresh H2O dn back side to clean cem. off retrieving head, set packer @ 1830' just below SJ perfs. Press up on pg 1000 psi-held. TOH w/ rest of 2 7/8" work string & packer. Lay dn packer & SDFN.

09/18/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748' & 1789'-1804

Present Operation: Swab testing SJ formation.

Swab test SJ formation. Made 35 runs rec 50.4 bbls, csg press started @ 130 psi climbing to 170 psi @ the end of the day. See attached swab report.

09/19/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748' & 1789'-1804'.

Present Operation: Swab testing SJ formation.

Swab test SJ formation. Made 56 runs rec. 73.9 bbls., csg press st @ 175 psi climbing to 180 psi @ the end of the day. See attached swab report, in well file.

09/20/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748', 1789'-1804'

OA 3363'-3398', Lower Nacimiento -3204'-3219'

Upper Nacimiento -2900'-2919', 2930'-2936'

Present Operation: Squeeze cem SJ perfs w/ Magne Plus.

MIRU BJ Services. TIH w/ 2 7/8" work string open ended to 1815' KB. P/ 2 bbl H2O spacer followed by first stage covering perfs @ 1734'-48' & 1789'-1804' consisting of 4 bbls of Magne Plus cem. Displ tbgt w/ 3 bbls H2O. TOH 1000' to approx. 843', SD WOC. TIH to 1625', P/ 2 bbl H2O spacer followed by second stage job cov perfs @ 1597'-1606' consisting of 4 bbls of Magne Plus cem. Displ tbgt w/ 3 bbls of H2O. TOH 1000' to approx. 625', SD WOC. TIH to 1433', P/ 2 bbls H2O spacer followed by third stage job cov perfs @ 1414'-26', consisting of 4 bbls of Magne Plus cem. Displ tbgt w/ 3 bbls H2O. TOH, SD & WOC over weekend.

09/23/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748', 1789'-1804'

OA 3363'-3398', Lower Nacimiento -3204'-3219'

Upper Nacimiento -2900'-2919', 2930'-2936'

Present Operation: Tag cement.

st rig up. PU DC's & TIH, tg cem @ 1474' KB. Approx. 50' below perfs, test to 300 psi. would not hold press. WOO. TOH, SD & wait on compressor.

09/24/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748', 1789'-1804'

OA 3363'-3398', Lower Nacimiento - 3204'-3219'

Upper Nacimiento - 2900'-2919', 2930'-2936'

Present Operation: Drl out cem squeeze of the SJ.

st rig up. TIH to top of cem @ 1474'. MIRU Weatherford compressor unit. st drlg out cem @ 1474' to 1570', fell thru, tgd up again @ 1736'. No cem for 166'. Drl cem from 1736' to 1841', fell thru. TOH laying dn 13 jts, TIH w/ 8 stds tg @ 1961' to 2064', fell thru. Lay dn 3 jts SDFN.

09/25/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748' & 1789'-1804'
OA 3363'-3398', Lower NAC 3204'-3219'
Upper NAC 2900'-2919', 2930'-2936'

Present Operation: Drill out cem squeeze of the Upper NAC.

st rig up. TIH w/ stands out of derrick, run in five stands for a total of 33 stds + DC's. Tagged hard cem @ 2290' KB. Drill cem from 2290'-2699'. TOH laying dn 13 jts. SDFN.

09/26/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748' & 1789'-1804',
OA 3363'-3398', Lower NAC 3204'-3219'
Upper NAC 2900'-2919', 2930'-2936'

Present Operation: Drill out cem squeeze of the Upper NAC.

st up rig. TIH w/ stands out of derrick, run in 6 stds & a single for a total of 39 stds, single + DC's. Tagged fill & plugged bit, TOH to unplug bit. TIH, circulate up fill. st drlg cem from 2699' to 2888'. SDFN.

09/27/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748', & 1789'-1804'
OA 3363'-3398', Lower NAC 3204'-3219'
Upper NAC 2900'-2919', 2930'-2936'

Present Operation: Drl out cem squeeze NAC & OA.

st up rig. Drl cem from 2888' to 2973', fell thru. Laydn 6 jts. TIH w/ 6 stds tag cem @ 3132'. Drl cem from 3132' to 3264', fell thru. Laydn 5 jts, TIH w/ 4 stds tag cem @ 3355'. Drl cem from 3355' to 3419'. Laydn 13 jts & secure well. SDFN.

09/30/2003 SJ 1414'-1426', 1597'-1606', 1734'-1748', 1789'-1804',
OA 3363'-3398', Lower Nacimiento 3204'-3219',
Upper Nacimiento 2900'-2919', 2930'-2936'.

Present Operation: Test squeeze & retrieve RBP.

st rig up. TOH, stand back collars, break out bit & bit sub. PU packer, TIH w/ packer, single & 44 stds out of derrick to 2840', set packer. Packer would not hold, pull one std & reset packer @ 2777'. Test to 500# bled off 25#/min. first 5 min., slowed to 10#/min nest 10 min. TIH 8 stds to 3289' to test OA, test to 500# would not hold, suspect bad element on packer. TOH to check

packer. Change out packer & TOH to 2775' & test to 475 psi, bled off 125# in 15 min. TOH w/ packer & TIH w/ retrieving tool to latch onto RBP @ 3453'. Circulate sand off of RBP, latch on, secure well & SDFN. Ran out of daylight.

10/01/2003 PC 3934'-3953'.

Present Operation: Fracture stimulate Picture.

st rig up. Bleed press of csg & tbg. TOH w/ RBP, well st flowing, P/ 20 bbls KCL & finish TOH. TIH w/ 60 stands, single & packer. Set packer @ 3864'. MIRU BJ Svc to fracture stimulate PC formation. Safety meeting. st job w/ 150 bbls pad, then 36 bbls w/ 1/2# sand, then 78 bbls w/ 1.0# sand followed by 45 bbls w/ 2.0# sand. Well screened out on 2.0# stage, went to flush. Flushed to bottom perf w/ 30 bbls. RDMO BJ Svc. Rig to flow back well on 1/4" choke, st flowback, press @ 610#. SDFN. have flowback hand on location.