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District I
1625 N. French Dr., Hobbs, NM 88240
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1301 W. Grand Ave., Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised June 10, 2003

WELL API NO. 30-039-27595	
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. MDA 701-98-0013 Tract 1	
7. Lease Name or Unit Agreement Name 24209	
8. Well Number Jicarilla 30-03-33 No. 1	
9. OGRID Number 013925	
10. Pool name or Wildcat East Blanco; Pictured Cliffs and Cabresto Canyon, Tertiary	
4. Well Location Unit Letter B:870 feet from the North line and 1975 feet from the East line Section 33 Township 30N Range 03W NMPM Rio Arriba County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7103' GL	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐
OTHER: Downhole Commingle Formations ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mallon Oil Company, an indirect wholly owned subsidiary of Black Hills Exploration & Production, Inc. intends to complete the subject well and downhole commingled the Cabresto Canyon; Tertiary and East Blanco; Pictured Cliffs under Division Order R-11363. All gas production is to be allocated based on initial production tests as 5 percent to the East Blanco; Pictured Cliffs formation and 95 percent to Cabresto Canyon; Tertiary formation. See attached Supplemental Data Sheet for the information fracture pressures and flow test. The commingling will not reduce the value of the total remaining production. A Sundry Notice form 3160-5 has been sent, notifying the BLM of downhole commingling formations.

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

SIGNATURE Allison Newcomb TITLE Engineering Technician DATE 9/1/2004

Type or print name: Allison Newcomb E-mail address: anewcomb@bhep.com Telephone No. 720-210-1308
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #2 DATE SEP 16 2004
Conditions of approval, if any:

C103 Supplemental Information

Jicarilla 30-03-33 #1
Production and Pressure Data
Pictured Cliffs and Tertiary Formations

The Pictured Cliffs formation was perforated at intervals 3609'-3614', 3618'-3626', and 3665'-3674' with 2 jspf. Based upon pressure data obtained from the breakdown and fracture stimulation treatment the fracturing pressure of the Pictured Cliffs formation at mid-perforation is 2768 psi with a fracture gradient of 0.76 psi/ft. After fracture stimulation and clean up the Pictured Cliffs formation was flow tested for twenty-four hours. FTP 19 psig, 70 MCFPD.

The Tertiary formation was perforated at intervals 2542'-2546', 2592'-2596', 2650'-2654', 2800'-2802', 2808'-2810', 2822'-2824', 3028'-3034', 3039'-3041', 3110'-3114', 3120'-3124', 3130'-3134', 3140'-3142', 3146'-3148', 3150'-3154', 3196'-3206', 3212'-3216', and 3218'-3224' with 2 jspf. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the Nacimiento, Tertiary formation is 2012 psi at the mid perforation of 2683' with a fracture gradient of 0.75 psi/ft. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the Ojo Alamo, Tertiary formation is 2087 psi at the mid perforation of 3210' with a fracture gradient of 0.65 psi/ft. After fracture stimulation of the Tertiary formation a stabilized flow test was conducted for twenty-four hours FTP 19 psig, 1340 MCFPD.

The allocation method that has been agreed upon between Mallon Oil Company, an indirect wholly owned subsidiary of Black Hills Exploration and Production, Inc. and the Jicarilla Apache Nation is to use a percent based on the initial test for allocation of the produced volumes from the downhole commingled formations. In summary, the following calculations reflect the allocation percentages for the subject well.

Formation Name	Gas Flow Rate (MCFPD)	Water Rate (BWPD)	Allocation Factor
Pictured Cliffs	70		5%
Tertiary	1340		95%
Total	1410		100 %