

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

**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.

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**SUBMIT IN TRIPLICATE - Other Instructions on Reverse Side**

|                                                                                                                                   |                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| 1. Type of Well<br><input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other  |                                                   |
| 2. Name of Operator<br>Mallon Oil Company, an indirect wholly-owned subsidiary of Black Hills Explorati                           |                                                   |
| 3a. Address<br>350 Indiana St., #400, Golden, CO 80401                                                                            | 3b. Phone No. (include area code)<br>720-210-1300 |
| 4. Location of Well (Footage, Sec., T, R., M., or Survey Description)<br>1740' FSL & 2140' FEL (NWSW) Unit J<br>Sec. 18-T29N-R02W |                                                   |

|                                                                      |
|----------------------------------------------------------------------|
| 5. Lease Serial No.<br>MDA 701-98-0013 Tract 4                       |
| 6. If Indian, Allottee or Tribe Name<br>Jicarilla Apache             |
| 7. If Unit or CA/Agreement, Name and/or No.<br>33420                 |
| 8. Well Name and No.<br>Jicarilla 29-02-18 #3                        |
| 9. API Well No.<br>30-039-27594                                      |
| 10. Field and Pool, or Exploratory Area<br>Cabresto Canyon; Tertiary |
| 11. County or Parish, State<br>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 checked="" 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 type="checkbox"/> Other          |
|                                                       | <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 recompletion 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 and Production, Inc. initiated production on August 18, 2004.

|                                                                                                        |  |                                |
|--------------------------------------------------------------------------------------------------------|--|--------------------------------|
| 14. I hereby certify that the foregoing is true and correct<br>Name (Printed/Typed)<br>Julie Stifflear |  | Title<br>Production Accountant |
| Signature<br><i>Julie Stifflear</i>                                                                    |  | Date<br>August 18, 2004        |

|                                                                                                                                                                                                                                                           |                                                     |                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------|
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE                                                                                                                                                                                                                |                                                     |                     |
| Approved by (Signature)<br><i>/s/ David R. Sitzler</i>                                                                                                                                                                                                    | Name (Printed/Typed)<br>Division of Multi-Resources | Date<br>SEP 27 2004 |
| 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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)