

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
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

Form C-103
Revised June 10, 2003

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

WELL API NO. 30-039-26866
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name MDA 701-98-0013
8. Well Number Jicarilla 29-03-01 #2
9. OGRID Number 013925
10. Pool name or Wildcat East Blanco, Pictured Cliffs and Cabresto Canyon, Tertiary

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Black Hills Exploration & Production dba Mallon Oil Company

3. Address of Operator
350 Indiana St, Suite 400 Golden, CO 80401

4. Well Location

Unit Letter H:2045 feet from the North line and 860 feet from the East line

Section 01	Township 29N	Range 03W	NMPM	Rio Arriba	County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 7321' GL					

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Downhole Commingle formations <input checked="" type="checkbox"/>	

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.

Black Hills Exploration and Production dba Mallon Oil has completed the subject well and downhole commingled the East Blanco, Pictured Cliffs and Cabresto Canyon, Tertiary under Division Order R-11363. All gas production is to be allocated based on initial production tests as 10 percent to the East Blanco, Pictured Cliffs formation and 90 percent to Cabresto Canyon, Tertiary formation. Commingling will not reduce the value of the total remaining production. A Sundry Notice Form 3160-5 has been sent to the BLM. See attached Supplemental Data Sheet for the information fracture pressures and flow test.

DHC 1376 AZ

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 12/03/2003

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] DEPUTY OIL & GAS INSPECTOR, DIST. II DATE DEC 8 2003
Conditions of approval, if any: Refract Production for allocation after 90 days

C103 Supplemental Information

Jicarilla 29-03-01 #2

Production and Pressure Data

Picture Cliffs and Tertiary Formations

The Pictured Cliffs formation was perforated at intervals 3726 – 3736 with 4 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 2836 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 32 psig, TSM MCFPD, and 0 BWPD.

The Tertiary formation was perforated at intervals 3254 – 3268 with 4 jspf. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the tertiary formation is 2283 psi at the mid perforation of 3261' with a fracture gradient of 0.7 psi/ft. After fracture stimulation of the Tertiary formation a stabilized flow test was conducted for twenty-four hours FTP 43 psig, 8 MCFPD, and 0 BWPD.

The allocation method that has been agreed upon between Black Hills Exploration and Production dba Mallon Oil Company 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	TSM	0	10%
Tertiary	8	0	90%
Total	8+	0	100.000%