

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.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

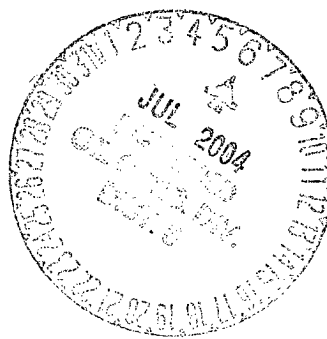
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. Jic 459
2. Name of Operator Mallon Oil Company, an indirect wholly-owned subsidiary of Black Hills E & P		6. If Indian, Allottee or Tribe Name Jicarilla Apache
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. 22210
4. Location of Well (Footage, Sec., T, R., M., or Survey Description) 1850' FNL and 750' FWL (SWNW) Unit E		8. Well Name and No. Jicarilla 459-19 No. 9
		9. API Well No. 30-039-25764
		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 and Ojo Alamo formations in the Cabresto Canyon Pool. Procedures of the cement squeeze are attached.



04 MAY 10 PM 12:04  
DIO ALBUQUERQUE, N.M.

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Allison Newcomb

Title Engineering Technician

Signature

*Allison Newcomb*

Date 5/7/04

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by (Signature)

*/s/ David R. Sitzler*

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.

(Continued on next page)

Jicarilla 459-19 No. 9  
1850' FNL and 570' FWL Unit E  
SWNW Sec. 19-T030N-R003W  
Rio Arriba County, NM

East Blanco Field  
GL Elev: 7264.5'

(OPERATION: ?) Tripl P Rig #7

10/07/2003 SJ 1745'-1751', 1851'-1864'

Present Operation: Trip tbg & run scraper.

MIRU Triple "P" Rig #7. TOH w/ tbg, tally same 1729' KB. PU bit, scraper & 4 jts tbg & TIH. TOH, prep to squeeze SJ perfs tomorrow 10/07/03.

Day #1 DC: \$4,680 CC: \$4,680

10/08/2003 SJ 1745'-1751', 1851'-1864'

Present Operation: Cement squeeze SJ.

CP: 60 psi. Blow dn well. P/ 15 bw dn csg. PU & TIH w/ Bolt 4 1/2" 10,000# mechanical set cem retainer w/ setting tool & 57 jts 2 3/8" tbg. Set retainer at 1826' KB. MIRU BJ Cem Svcs. Safety meeting. Press test lines. P/ 7 bw dn tbg & establish injection rate at .2 bpm at 1400 psi improving to 1.0 bpm at 1200 psi. PU on stinger to close retainer valve. Press test tbg & retainer to 2200 psi. Sting in to retainer and P/ 5 bw at 2.3 bpm and 1300 psi. Mix & P/ 50 sx of Type III neat cem 14.5 ppg & squeeze SJ perfs from 1850-1864'. Avg rate 1.5 bpm w/ press inc from 1200 psi to 1600 psi. Sting out of retainer. P/ 25 sk balanced plg across SJ perfs from 1745'-1751'. Estimate TOC @ 1450'. TOH slowly w/ 20 jts 2 3/8" tbg & finish TOH w/ 37 jts. tbg & stinger. WOC 2 hrs. P/ 16 bw dn csg. Hole did not load. Monitor surface csg valve- no surface reaction. SI well @ 12:00 pm. BJ stayed rigged up overnight. SDFD. Day #2 DC: \$9,893 CC: \$14,573

10/09/2003 SJ 1745'-1751', 1851'-1864'

Present Operation: Cement squeeze SJ.

P/ 14 sack balanced plg across SJ perfs from 1745'-1751'. Estimate TOC 1552'. TOH slowly w/ 9 stands + single. Let cement gel. Load hole and squeeze cement to 1000 psi. SD & SI.

Day #3 DC: \$5,587 CC: \$20,160

10/10/2003 SJ 1745'-1751', 1851'-1864'.

Present Operation: Drill out cem.

TIH open ended w/ 2 3/8" work string tag cem @ 1687' Press test SJ squeeze to 500 psi, held for 15 min. TOH w/ work string & stand back in derrick. TIH w/ 3 1/2" DC's out of derrick, TOH laying dn DC's on float to shi0p back to town. PU bit, bit sub, DC's & TIH w/ 2 3/8" work string to drill out cem.

Drill cem from 1687' to 1752', fell thru 5 ft, press test to 500 psi held 15 mins. Drill cem from 1757' to 1781'. SDFN.

Day #4 DC: \$4,495 CC: \$24,655

10/11/2003 SJ 1745'-1751', 1851'-1864'.

Present Operation: Drill out cem.

st up rig. Drill cem from 1781' to 1815', soft cem, tag hard cem top of retainer @ 1826'. Test to 500 psi held for 15 min. Hard drilling from 1815' to 1865', fell thru, test to 500 psi held for 15 min. Run in two jts. of tbgs to 1931' to make sure clear of cem. TOH to check bit. Bit worn out will trip in with new bit on Monday to drill CIBP. SDFW.

Day #5 DC: \$2,895 CC: \$27,550

10/14/2003 OA.

Present Operation: Circulate sand off CIBP & drill up same.

TIH tag sand @ 2542'. Circulate sand off of CIBP from 2542' to 2997'. Tag

CIBP, drill up same. TIH 12 jts to get below OA perfs. SDFN.

Day #6 DC: \$3,770 CC: \$31,320

10/15/2003 OA 3342'-3370'.

Present Operation: Cement squeeze OA 3342'-3370'.

TOH w/ 3 7/8" bit, DC's & tbgs. Stand back collars & TIH w/ bit, scraper & 2 3/8" work string to approx. 3420' roll hole w/ 60 bbls. H2O. TOH w/ bit, scraper & work string. Lay dn bit & scraper, PU packer, unloaded tool & TIH w/ 100 jts of 2 3/8" work string. Set packer @ 3180' KB. RU BJ Svc & open unloader, establish circulation, close unloader. Test csg to 500 psi/Held Bleed off csg, swing valves dn tbgs & obtain injection rate of 1.5 bbls/min. @ 700 psi (10 bbls ahead). Mix & P/ 75 sacks of Type III cem (14.6# - 18.5 bbls slurry) into OA zone from 3342' to 3370'. Displ w/ 13.8 bbls wtr & leave TOC @ 3300' +/- . Open unloader & equalize hole. Unseat packer & TOH. Final squeeze press @ 2440# bled to 2050# held for ten min. Shut BOP & apply 500# to csg.

Day #7 DC: \$10,125 CC: \$41,445

10/16/2003 3342'-3370', OA perfs.

Present Operation: Drill out cem squeeze OA 3342'-3370'.

TIH w/ bit, dc's & 2 3/8" work string, tag cem top @ 3162', test to 500 psi held 15 min. Drill cem from 3162' to 3378', fell thru, test to 500 psi held 15 min. TIH to PBTD @ 3923', tagged fill @ 3921'. st drlg out cem to float collar @ 4135'. Drl from 3921' to 3927', bit bouncing possible drlg on junk from CIBP or wiper plg. TOH to check bit, cone missing off of bit. Will have fisherman on location tomorrow morning. SDFN.  
Day #8 DC: \$3,970 CC: \$45,415

10/17/2003 3951'-3957', 3938'-3945', 3911'-3924', 3900'-3906', PC perfs.

Present Operation: Fish core, drill to PBTD, perforate PC.

PU magnet in run in on sand line, 1st & 2nd run recovered pieces of CIBP, 3rd run recovered cone off of bit. Continued w/ four more magnet runs cleaning out hole, recovering several large pieces of CIBP. RD & loadout Weatherford tools. TIH w/ bit, dc's & 2 3/8" work string. Cleaned out from 3927'-4030'. TOH laying dn 16 jts of tbg & drl collars, leaving 53 stds in derrick. RU Blue Jet Perforating & perforate the following intervals: 3951'-3957', 2 spf, 120 degrees phasing (12 shots), 3938'-3945', 2 spf, 120 degree phasing (14 shots), 3911'-3924', 2 spf, 120 degree phasing (26 shots) & 3900'-3906', 2 spf, 120 degree phasing (12 shots). SDFN.  
Day #9 DC: \$8,950 CC: \$54,365

10/18/2003 3951'-3957', 3938'-3945', 3911'-3924', 3900'-3906', PC perfs.

Present Operation: TIH w/ pkr & tbg, Prep for frac.

CP: 0. MIRU Wilson hydrotester. Test tbg to 6000 psi & TIH w/ 4 1/2" X 2 3/8" Eskimo 10K dual grip retrievable packer w/ on-off tool, slick jt (1.870" profile), overshot, 1 jt 2 3/8" tbg, sn, 106 jts 2 3/8" tbg & 2 3/8" x 2 7/8" x-o. WL re-entry guide on bottom of packer. Did not blow any jts. ND BOP's. Set packer @ 3409' KB w/ 10000# compression. Land tbg w/ suspension threads & top flange. NU frac valve & flowback iron. SI well @ 1:00 p. SDFD.  
Day #10 DC: \$7,446 CC: \$61,811

10/21/2003 3951'-3957', 3938'-3945', 3911'-3924', 3900'-3906', PC.

Present Operation: RDMO.

Clean rig mud tank, prepare to move to Jic 459-20 #8. RDMO.  
Day #11 DC: \$1,925 CC: \$63,736