

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
May 27, 2004

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

RCVD NOV 17 06
OIL CONS. DIV.

WELL API NO. 30-039-29834 26854
5. Indicate Type of Lease: FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. FEDERAL: JIC. Contract 459
7. Lease Name or Unit Agreement Name JICARILLA 459-17
8. Well Number: #10
9. OGRID Number: 013925
10. Pool name or Wildcat E.Blanco PC & 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 <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator BLACK HILLS GAS RESOURCES, INC.	
3. Address of Operator: c/o Agent, Mike Pippin LLC 3104 N. Sullivan, Farmington, NM 87401 505-327-4573	
4. Well Location Unit Letter <u>M</u> <u>140</u> feet from the <u>South</u> line and <u>1110</u> feet from the <u>West</u> line Section <u>17</u> Township <u>30N</u> Range <u>3W</u> NMPM Rio Arriba County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>7179' GL</u>	
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>	
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____	
Pit Liner Thickness: <u>12</u> mil Below-Grade Tank: Volume _____ bbls; Construction Material _____	

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"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Open PC & Administrative Downhole Commingle <input checked="" type="checkbox"/>		OTHER: <input 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 Gas Resources plans to perf the PC at about 3746'-68' & stimulate with a sand foam frac. The PC will then be commingled with the existing Tertiary perfs and produced on pump.

Black Hills requests administrative approval to downhole commingle the East Blanco Pictured Cliffs (72400) and Cabresto Canyon Tertiary (97037), which are both included in the pre-approved pools established by Division Order R-11363. Both intervals have common ownership and produce essentially dry gas. We have not experienced any significant cross flows between these two intervals, and all the fluids are compatible. Downhole commingling will improve recovery of liquids and gas, eliminate redundant surface equipment, and maximize productivity. Notice has been filed concurrently on form 3160-5 with the BLM.

The commingle allocations for each zone will be determined by separate testing during rig operations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Mike Pippin TITLE Agent, Petroleum Engineer DATE 11/17/06
Type or print name Mike Pippin E-mail address: mike@pippinllc.com Telephone No.: 505-327-4573

For State Use Only
APPROVED BY: [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 4 DATE DEC 13 2006
Conditions of Approval (if any): _____

B 12/13/06

Jicarilla 459-17 #10
Current Wellbore Diagram
 API # 30-039-25854
 SW SW, Sec17, T30N, R03W Rio Arriba, NM

Elev. GL= 7179'
 Elev. KB= 7192'

SURF CSG
 8 5/8" 24# K-55
 @538' KB, TOC surf

TUBING DETAIL

97 jts 2 3/8" tbg
 SN
 Notch Collar

EOT 3244

San Jose perfs: 1568-1573, 1618-1622, 1640-1642, 1646-1648, 7-14-2004, : BD 200 gal acid, Frac 7-19-2004, 59200# 20/40+24500# 20/40 RC, 50Q XL N2 foam

L San Jose / Nacimiento perfs: 7-2-2004, (1970-1978. Not fraced) 2120-2130, Frac 7-10-2004, 22000# 20/40 50Q N2XL foam.

DV Tool @ 3535'

Ojo Alamo perfs: 3244-3266, 5-20-1998, BD 1500 gal acid, frac74000# 12/20 N2XL foam. Acidize 1-14-2005

PROD CASING

4 1/2" 10.5# J-55
 @4004' KB;
 cmt;STG1; 95 sx
 50/50/2, circ 5 sx to
 surf; STG 2; 250 sx
 65/35/12 + 315 sx
 50/50/2, circ 125 sx to
 surf TOC= Surf

Proposed PC Perfs ~3746'-68'

PBTD=3603'
TD = 4010

Prepared: 10-Oct-06 Revised 11/17/06