

Submit 5 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

WELL API NO. 30-039-24106
5. Indicate Type of Lease: FEDERAL STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. FEDERAL: JIC. Contract 457
7. Lease Name or Unit Agreement Name JICARILLA 457
8. Well Number: #1
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 ☐ Gas Well ☐ Other ☐

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 L 1450 feet from the South line and 1190 feet from the WestEast line

Section 9 Township 30N Range 3W NMPM Rio Arriba County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

7154' GL

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: 12 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:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: Administrative Downhole Commingle ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/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.

This is part of the Black Hills Permit Clean-up Program.

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.

These Gas & Oil allocations are based on metered tests taken during rig operations in July & August 2005 in which the PC flowed 50 MCF/D & the Tertiary flowed 40 MCF/D respectively. See attached calculation. The Tertiary does not produce oil.

GAS: Pictured Cliffs 56%

GAS: Tertiary 44%

OIL: Pictured Cliffs 100%

OIL: Tertiary 0%

DHCL2475A2

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 12/4/06

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. 01

DATE

DEC 26 2006

Conditions of Approval (if any):

8 12/26/06