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

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

Form C-103
Revised June 10, 2003

WELL API NO. 30-039-26862 4
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. MDA 701-98-0013

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.)

7. Lease Name or Unit Agreement Name 25287
8. Well Number Jicarilla 29-02-08 #4
1. Type of Well: Oil Well ☐ Gas Well ☒ Other
2. Name of Operator Black Hills Exploration & Production dba Mallon Oil Company
9. OGRID Number 013925
3. Address of Operator 350 Indiana St, Suite 400 Golden, CO 80401
10. Pool name or Wildcat Ga Java Pictured Cliffs and ~~Cabresto Canyon~~, Tertiary

RECEIVED SEP 2003 OIL CONS. DIV. DIST. 3

4. Well Location
Unit Letter D:550 feet from the North line and 865 feet from the West line
Section 8 Township 29N Range 02W NMPM Rio Arriba County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 7366' GL

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	PLUG AND ABANDONMENT	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPLETION	☐	CASING TEST AND CEMENT JOB	☐		
OTHER:	☐			OTHER: Downhole Commingle formations	☒		

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 Tertiary and Pictured Cliffs under Division Order R-11445. All gas production is to be allocated based on initial production tests as 8.3 percent to the Pictured Cliffs formation and 91.7 percent to Tertiary formation. See attached Supplemental Data Sheet for the information fracture pressures and flow test.

DHC 1338 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 9/24/2003

Type or print name Allison Newcomb E-mail address: anewcomb@bhep.com Telephone No. 720-210-1308

(This space for State use)

APPPROVED BY _____ TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE SEP 26 2003

Conditions of approval, if any:

1. BLM must approve this request in addition to OCD
2. Report production allocations in 1-year

C103 Supplemental Information

Jicarilla 29-02-08 #4
Production and Pressure Date
Picture Cliffs and Tertiary Formations

The Pictured Cliffs formation was perforated at intervals 3675'-3680' 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 2455 psi with a fracture gradient of 0.65 psi/ft. After fracture stimulation and clean up the Pictured Cliffs formation was flow tested for twenty-four hours. FTP 8 psig, 85 MCFPD, and 50 BWPD.

The Tertiary formation was perforated at intervals 1373'-1379', 1466'-1472', 1473'-1479', 1514', and 1526'-1528 with 1 jspf. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the tertiary formation is 1089 psi at the mid perforation of 1452' with a fracture gradient of 0.75 psi/ft. After fracture stimulation of the Tertiary formation a stabilized flow test was conducted for twenty-four hours FTP 50 psig, 942 MCFPD, and 17 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	85	50	8.28%
Tertiary	942	17	91.72%
Total	1027	67	100.000%