



350 Indiana Street, Suite 400; Golden, CO 80401

Randal G. Harris, CPL  
Land Manager

Direct: (720) 210-1316  
Fax: (720) 210-1363  
rgharris@bhpc.com

February 2, 2004

30-039-27462

VIA FEDERAL EXPRESS  
Phone (505) 334-6178

Steve Hayden, District Geologist  
New Mexico Oil Conservation Division – Aztec  
1000 Rio Brazos Road  
Aztec NM 87410

RE: Application for Non-Standard Spacing Unit  
Jicarilla 29-02-16 #4 Well (Horizontal Re-Entry)  
N/2 Section 16, Township 29 North, Range 2 West  
Rio Arriba County, New Mexico



Dear Mr. Hayden:

With reference to our phone call this morning and Mallon Oil Company's Application, dated January 14, 2004, for designation of spacing and administrative approval to re-enter the subject well and drill a horizontal lateral; please find the following information enclosed to complete our application in this matter:

1. Form C-102, Well Location and Acreage Dedication Plat.
2. A waiver executed on behalf of the Jicarilla Apache Nation Oil and Gas Administration.

The proposed 320 acre spacing unit is encompassed entirely by Jicarilla Mineral Development Agreement No. 701-98-0013, to which Mallon Oil Company owns 100% of the working interest. The Jicarilla Apache Nation royalty is established at 20%. With the addition of the enclosed documents, if you find our application to be in order, please place our Application for Non-Standard Spacing in line for administrative approval.

Thank you, in advance, for your assistance in this matter. Please do not hesitate to contact me in the event you have any questions or desire additional information regarding this matter.

Yours truly,

**Mallon Oil Company**, an indirect wholly-owned subsidiary of  
Black Hills Exploration and Production

Randal G. Harris, CPL  
Land Manager

HOLD C104 FOR Directional Survey

New Mexico Oil Conservation Division  
Jicarilla 29-02-16 #4 (Horizontal Re-Entry)  
February 6, 2004  
Page Two

Enclosure (2)

cc: Jicarilla Apache Nation  
Oil and Gas Administration  
Dulce Rock Road  
Dulce, NM 87528

Michael E. Stogner  
New Mexico Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

U.S. Bureau of Land Management  
435 Montano Road, NE  
Albuquerque, NM 87107-4935

William F. Carr, Attorney  
110 N. Guadalupe St.  
Santa Fe, NM 87501

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised June 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-039-27462</b>	<sup>2</sup> Pool Code <b>72400</b>	<sup>3</sup> Pool Name <b>Pictured Cliffs</b>
<sup>4</sup> Property Code <b>24245</b>	<sup>5</sup> Property Name <b>Jicarilla</b>	<sup>6</sup> Well Number <b>29-02-16 #4</b>
<sup>7</sup> OGRID No. <b>013925</b>	<sup>8</sup> Operator Name <b>Mallon Oil Company</b>	<sup>9</sup> Elevation <b>7248' GL</b>

<sup>10</sup> Surface Location

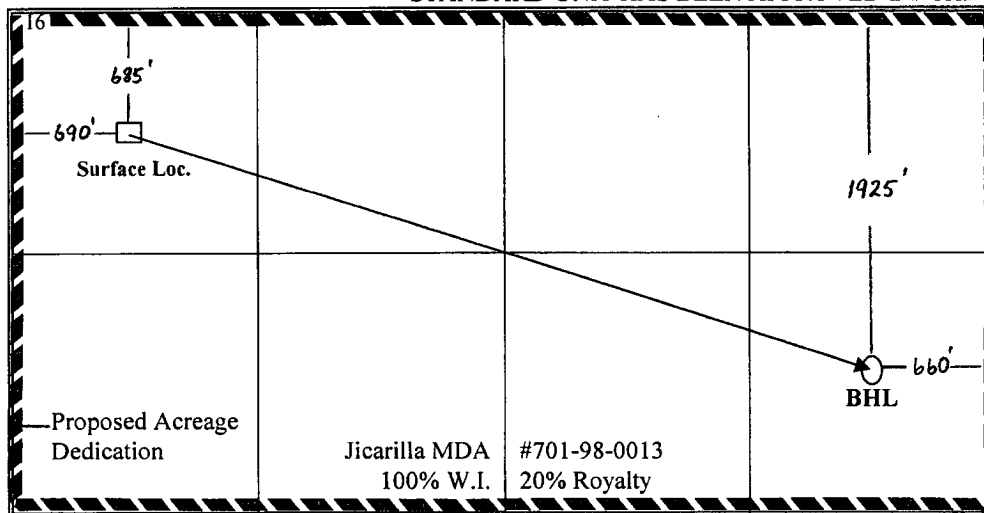
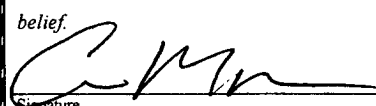
UL or lot no. <b>D</b>	Section <b>16</b>	Township <b>29N</b>	Range <b>2W</b>	Lot Idn	Feet from the <b>685</b>	North/South line <b>North</b>	Feet from the <b>690</b>	East/West line <b>West</b>	County <b>Rio Arriba</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. <b>D</b>	Section <b>16</b>	Township <b>29N</b>	Range <b>2W</b>	Lot Idn	Feet from the <b>1925</b>	North/South line <b>North</b>	Feet from the <b>660</b>	East/West line <b>East</b>	County <b>Rio Arriba</b>
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<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<sup>16</sup>  Surface Loc. Proposed Acreage Dedication Jicarilla MDA 100% W.I. #701-98-0013 20% Royalty	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Charles Maybee Printed Name Senior Petroleum Engineer / cmaybee@bhep.com Title and E-mail Address February 6, 2004 Date
<sup>18</sup> SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

HOLD C104 FOR *Directional Survey*



# Black Hills Exploration and Production

## Mallon Oil Company

350 Indiana Street, Suite 400; Golden, CO 80401

Randal G. Harris, CPL  
Land Manager

Direct: (720) 210-1316  
Fax: (720) 210-1363  
rgharris@bhpe.com

January 14, 2004

**CERTIFIED MAIL 7000 1670 0003 4354 7988**

*Return Receipt Requested*

Mr. Fred Vigil, Director  
Jicarilla Apache Nation Oil and Gas Administration  
Dulce Rock Road  
Dulce, NM 87528


RE: Application for Non-Standard Spacing Unit  
Jicarilla 29-02-16 #4 Well (Horizontal Re-Entry)  
N/2 Section 16, Township 29 North, Range 2 West  
Rio Arriba County, New Mexico

Dear Fred:

Mallon Oil Company, an indirect, wholly owned subsidiary of Black Hills Exploration and Production, Inc. is making application to the New Mexico Oil Conservation Division for approval of a non-standard spacing unit containing 320 acres comprising the N/2 of Section 16-T29N-R2W. This well was previously drilled at a location 685' FNL and 690' FWL in the NW/4NW/4 of Section 16-T29N-R2W. It is Mallon's desire to re-enter the wellbore for completion as a horizontal Pictured Cliffs well. The subject well is located on Tract 4 of MDA 701-98-0013. A copy of the proposed application is enclosed for your review.

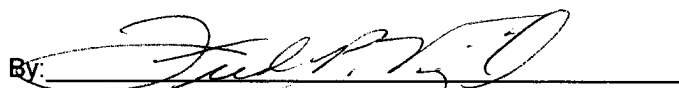
If you have no objections to the proposed non-standard spacing unit, please so indicate by signing below and returning one copy of this letter to us by fax and mail (envelope enclosed). In the event you wish to object, you must notify the New Mexico Oil Conservation Commission at 2040 South Pacheco Street, Santa Fe, NM 87505 within 20 days of receiving this notice.

Sincerely,

  
Randal G. Harris, CPL  
Land Manager

Jicarilla Apache Nation waives objection to the non-standard spacing unit described above this 27<sup>th</sup> day of January, 2004.

JICARILLA APACHE NATION OIL AND GAS ADMINISTRATION

By:   
Fred P. Vigil, Director