

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  
Revised June 10, 2003

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

WELL API NO.  
30-039-25765

5. Indicate Type of Lease  
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.  
Jicarilla Contract 464

7. Lease Name or Unit Agreement Name  
22184

8. Well Number  
Jicarilla 464-29 No. 9

9. OGRID Number  
013925

10. Pool name or Wildcat  
East Blanco; Pictured Cliffs and 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  
350 Indiana St, Suite 400 Golden, CO 80401

4. Well Location

Unit Letter G:2430 feet from the North line and 2405 feet from the East line

Section 29

Township 30N

Range 03W

NMPM

Rio Arriba

County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
7151' GL

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  
COMPLETION ☐

OTHER: Downhole Commingle Formations ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND  
ABANDONMENT ☐

CASING TEST AND  
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.

Black Hills Gas Resources, Inc. intends to recomplete the subject well and downhole commingle the Cabresto Canyon; Tertiary and East Blanco; Pictured Cliffs under Division Order R-11363. All gas production is to be allocated based on initial production tests as 60 percent to the East Blanco; Pictured Cliffs formation and 40 percent to Cabresto Canyon; Tertiary formation. See attached Supplemental Data Sheet for the information fracture pressures and flow test. The commingling will not reduce the value of the total remaining production. A Sundry Notice form 3160-5 has been sent, notifying the BLM of downhole commingling formations.

DHCL 1687AZ

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 10/26/2004

Type or print name: Allison Newcomb

E-mail address: anewcomb@bhep.com

Telephone No. 720-210-1308

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 62 DATE NOV 27 2004

Conditions of approval, if any:

# C103 Supplemental Information

Jicarilla 464-29 #9

Production and Pressure Data  
Pictured Cliffs and Tertiary Formations

The Pictured Cliffs formation was perforated at intervals 3692' - 3711' with 2 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 2813 psi with a fracture gradient of 0.76 psi/ft. After fracture stimulation and clean up the Pictured Cliffs formation was flow tested for twenty-four hours. 219 MCFPD.

The Tertiary formation was perforated at intervals 1557' - 1714' and 3185' - 3216 with 2 jspf. Based upon pressure data obtained from the breakdown and fracture stimulation treatment the fracturing pressure of the San Jose formation at mid-perforation is 1243 psi with a fracture gradient of 0.76 psi/ft. Based upon pressure data obtained from the breakdown and fracture stimulation treatment the fracturing pressure of the Ojo Alamo formation at mid-perforation is 2432 psi with a fracture gradient of 0.76 psi/ft. A stabilized flow test was conducted for twenty-four hours. 146 MCFPD.

The allocation method that has been agreed upon between Black Hills Gas Resources, Inc. 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	219		60%
Tertiary	146		40%
<b>Total</b>	<b>365</b>		<b>100.000%</b>