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.
30-039-27799

5. Indicate Type of Lease
STATE ☐ FEE ☐

6. State Oil & Gas Lease No.
Jicarilla Contract 451

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
24245

1. Type of Well:
Oil Well ☐ Gas Well ☒ Other

8. Well Number
Jicarilla 451-09 No. 11

2. Name of Operator
Black Hills Gas Resources, Inc.

9. OGRID Number
013925

3. Address of Operator
350 Indiana St, Suite 400 Golden, CO 80401

10. Pool name or Wildcat
East Blanco; Pictured Cliffs and Cabresto Canyon, Tertiary

4. Well Location

Unit Letter D: 735 feet from the North line and 705 feet from the West line

Section 9 Township 29N Range 03W NMPM Rio Arriba County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
7037' 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: Downhole Commingle Formations | ☒ | | | 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 complete 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 99 percent to the East Blanco; Pictured Cliffs formation and 1percent 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.

DHC 1722AZ

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 12/7/2004

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 DEC 10 2004

Conditions of approval, if any:

**C103 Supplemental Information**

Jicarilla 451-09 #11
Production and Pressure Date
Pictured Cliffs and Tertiary Formations

The Pictured Cliffs formation was perforated at intervals 3680' – 3700' and 3740' – 3750' 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 2823 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. 1500 MCFPD.

The Tertiary formation was perforated at intervals 1342' – 1344', 1348' – 1350', 1400' – 1402', 1426' – 1428', 1463' – 1465', 2040' – 2042', 2044' – 2046', 2118' – 2120', 2136' – 2138', 2152' – 2138', 2152' – 2154', 2195' – 2197', 2243' – 2245', 2250' – 2252', 2254' – 2256', 2387' – 2389', 2573' – 2575', 2578' – 2580', 2727' – 2729', 2734' – 2736', 2774' – 2776', 2780' – 2782', 2788' – 2790', 2862' – 2864', 2874' – 2876', 2968' – 2970', 2976' – 2978', 3024' – 3026' with 2 jspf and 3161' – 3163', 3165' – 3167', 3170' – 3172' and 3174' – 3178' with 4 jspf. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the upper San Jose, Tertiary formation is 1067 psi at the mid perforation of 1404' with a fracture gradient of 0.76 psi/ft. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the lower San Jose, Tertiary formation is 1594 psi at the mid perforation of 2097' with a fracture gradient of 0.76 psi/ft. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the upper Nacimiento, Tertiary formation is 1719 psi at the mid perforation of 2292' with a fracture gradient of 0.75 psi/ft. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the middle Nacimiento, Tertiary formation is 2011 psi at the mid perforation of 2682' with a fracture gradient of 0.75 psi/ft. Based upon the pressure data obtained from the fracture stimulation treatment of the formation the fracturing pressure of the lower Nacimiento, Tertiary formation is 2208 psi at the mid perforation of 2944' 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, 20 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 | 1500 | | 99% |
| Tertiary | 20 | | 1% |
| **Total** | 1520 | | 100.000% |