

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**SUNDRY NOTICES AND REPORTS ON WELLS**  
**Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.**FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 20005. Lease Serial No.  
4606. If Indian, Allottee or Tribe Name  
APACHE/JICARILLA

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
JICARILLA 460-15 49. API Well No.  
30-039-2590410. Field and Pool, or Exploratory  
E. BLANCO/PICTURED CLIFFS11. County or Parish, and State  
RIO ARRIBA COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

MALLON OIL COMPANY

Contact: ROBERT BLAYLOCK

E-Mail: rblaylock@bhep.com

3a. Address

350 INDIANA STREET, SUITE 400  
GOLDEN, CO 80401

3b. Phone No. (include area code)

Ph: 720.210.1380

Fx: 720.210.1301

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 15 T30N R3W SESE 180FSL 330FEL

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please find attached in an Adobe File: 1) Revised Drilling Program, BOP Diagram, Horizontal Drilling Plan.

The location was permitted for Mallon Oil Company with an APD submitted to the Bureau of Land Management (BLM) in Rio Puerco, New Mexico and New Mexico Oil Conservation Division (NMOCD) on May 29, 1998. BLM approval date is unknown, and NMOCD assigned it the API # 30-039-25904. The NMOCD Spud date with an East Blanco/Pictured Cliffs objective was July 21, 1998; TD reached on July 28, 1998; and a workover completion date was August 15, 2002. Mallon Oil Company proposes to re-enter and horizontally drill this location with a west lateral bore.

Please contact David Banko or Kathy Schneebeck at 303.820.4480, or at david@banko1.com or kathys@banko1.com, respectively, if you have any questions.  
Thank you.

P.S. SEE REVISED ATTACHMENTS.

14. Thereby certify that the foregoing is true and correct.

Electronic Submission #28511 verified by the BLM Well Information System  
For MALLON OIL COMPANY, sent to the Rio Puerco  
Committed to AFMSS for processing by ANGIE MEDINA-JONES on 03/05/2004 ()

Name (Printed/Typed) KATHY L. SCHNEEBECK

Title AGENT

Signature (Electronic Submission)

Date 03/05/2004

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By Adam S. Salameh

Title PETROLEUM ENGINEER

Date 3/24/04

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***HOLD C104 FOR Directional Survey

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, N.M. 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25904		*Pool Code 72400	*Pool Name E. Blanco/Pictured Cliffs
*Property Code 24245	*Property Name Jicarilla 460-15		*Well Number #4
*OGREID No. 013925	*Operator Name Mallon Oil Co.		*Elevation 7183'

<sup>10</sup> Surface Location

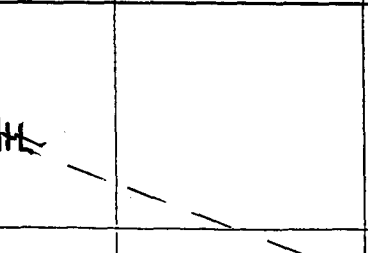
UL of lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	15	30 N	3 W		180	South	330	East	Rio Arriba

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	15	30 N	3 W		1,980	South	660	West	Rio Arriba

13 Dedicated Acres	14 Joint or Lease	15 Consolidation Code	16 Order No.
320			

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

<p>18</p>	<p>1917 B.C.</p>	<h3 style="text-align: center;">17 OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Kathy L. Schneebeck</u> Signature</p> <p><u>Kathy L. Schneebeck</u> Printed Name</p> <p><u>Agent for Mallon Oil Company</u> Title</p> <p><u>March 4, 2004</u> Date</p>
	<p>Calc. Corner</p> <p>1917 B.C.</p>	<p style="writing-mode: vertical-rl; transform: rotate(180deg);">N00-00-59W</p> <p style="transform: rotate(-45deg); font-weight: bold;">Surface</p> <p>180°</p> <p>330'</p> <p>N89-31-38W 2487.6'</p> <p>1917 B.C.</p>

04 MAR 18 AM 9:42  
BLM  
ALBUQUERQUE N.M.

ROYALTY

NEW MEXICO

REGISTERED PROFESSIONAL LAND SURVEYOR

8894

Date of Survey April 1, 2004

Equality and Best of Professional Opinion:

8894

Certificate Number

Mallon Oil Company  
Jicarilla 460-15 #4  
API #30-039-25904  
Surface: 180' FSL 330' FEL (SE/4 SE/4) Unit P  
End of Horizontal Hole: 1,980' FSL 660' FWL (NW/4 SW/4)  
Sec. 15 T30N R3W  
Rio Arriba County, New Mexico  
Lease: Contract 460

**CONFIDENTIAL**

**DRILLING PROGRAM**  
(Per Rule 320)

This Sundry Notice is submitted per CFR 3162.3-2. The existing well pad and reserve pit will be utilized "as is."

**This is a horizontal entry into and a deepening of the existing well Jicarilla 460-15 #4 to the Pictured Cliffs Formation. See also the attached Horizontal Re-completion Plan.**

**MALLON RESPECTFULLY REQUESTS THAT ALL INFORMATION REGARDING THIS WELL BE KEPT CONFIDENTIAL.**

**SURFACE FORMATION** – San Jose

Surface water protection plan: Surface casing previously cemented to surface – 07/21/98.

**GROUND ELEVATION** – 7,183' GL

**ESTIMATED FORMATION TOPS** (Water, oil, gas and/or other mineral-bearing formations).

**All Depths are True Vertical Depth (TVD)**

San Jose	Surface	Sandstone, shales and siltstones
Ojo Alamo	3,172'	Sandstone, shales and siltstones
Pictured Cliffs	3,654'	Sandstone, shales and siltstones
Lewis Shale	3,736'	Sandstone, shales and siltstones

TOTAL DEPTH	3,628' TVD (end of horizontal hole)	3,665' (anticipated horizontal section)
	7,990' MD	

Estimated depths of anticipated fresh water, oil, or gas:

Tertiary

Pictured Cliffs	3,654'	Gas
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**RE-ENTRY – HORIZONTAL DRILLING PROGRAM**

- A) A 5,000-psi WP double-gated BOP will be installed on the tubing head with blind rams on bottom and pipe rams on top controlled by an accumulator placed within easy access to drill and other crew members.
- B) No annular preventor with a 2,500-psi WP will be placed above BOP stack.
- C) Retrievable whipstock to be set at  $\pm 3,625'$ .
- D) Window to be milled out of 5-1/2" csg at 3,625'.

Jicarilla 460-15 #4

Surface: 180' FSL 330' FEL ( SE /4 SE /4)

BHL: 1,980' FSL 660' FWL ( NW /4 SW /4) (End of Lateral Bore)

Sec. 15 T 30N R 3W

Rio Arriba County, New Mexico

Jicarilla Contract 460

### SURFACE CASING AND CENTRALIZER DESIGN

Proposed Total Vertical Depth: 3,628 '  
Proposed Depth of Surface Casing: 550 '  
Estimated Pressure Gradient: 0.31 psi/ft  
Bottom Hole Pressure at 3,628 ' = 1,125 psi  
 $0.31 \text{ psi/ft} \times 3,628' = 1,125 \text{ psi}$   
Hydrostatic Head of gas/oil mud: 0.22 psi/ft  
 $0.22 \text{ psi/ft} \times 3,628' = 798 \text{ psi}$

#### Maximum Design Surface Pressure

Bottom Hole Pressure - Hydrostatic Head =  
(  $0.31 \text{ psi/ft} \times 3,628'$  ) - (  $0.22 \text{ psi/ft} \times 3,628'$  ) =  
1,125 psi - 798 psi = 327 psi

#### Casing Strengths 8-5/8" J-55 24# ST&C

Wt.	Tension (lbs)	Burst (psi)	Collapse (psi)
24 #	244,000	2,950	1,370
32 #	372,000	3,930	2,530

#### Safety Factors

Tension (Dry): 1.8 Burst: 1.0 Collapse: 1.125

Tension (Dry):  $24 \text{ #/ft} \times 550' = 13,200 \text{ #}$   
Safety Factor =  $\frac{244,000}{13,200} = 18.48$  ok

Burst: Safety Factor =  $\frac{2,950 \text{ psi}}{327 \text{ psi}} = 9.03$  ok

Collapse: Hydrostatic =  $0.052 \times 9.0 \text{ ppg} \times 550' = 257 \text{ psi}$   
Safety Factor =  $\frac{1,370 \text{ psi}}{257 \text{ psi}} = 5.32$  ok

Use 550' 8-5/8" J-55 24# ST&C

Use 2,000 psi minimum casinghead and BOP's but will test to 1,000 psi

#### Centralizers

8 Total  
1 near surface at 160'  
3 middle of bottom joint, second joint, third joint  
4 every other joint  $\pm 80'$

Total centralized  $\pm 440' (110' - 550')$

Note that field experience indicates that additional centralizers greatly increase the chance of "sticking" the surface casing prior to reaching surface casing total depth.

**BANKO  
PETROLEUM  
MANAGEMENT** INC.

RECEIVED  
BLM  
04 MAR 18 AM 9:42  
DIO ALBUQUERQUE, N.M.

**FEDERAL EXPRESS – Priority Overnight**

Ms. Angie Medina-Jones  
Bureau of Land Management  
Albuquerque Field Office  
435 Montañó Road NE  
Albuquerque, NM 87107-4935

March 17, 2004

RE: Sundry Notice – **Horizontal Re-entry – Replacement Pages**  
Mallon Oil Company  
**CONFIDENTIAL**  
**Jicarilla 460-15 #4**  
**API #30-039-25904**  
**Surface:** 180' FSL 330' FEL (SE/4 SE/4) Unit P  
**End of Horizontal Hole:** 1,980' FSL 660' FWL (NW/4 SW/4)  
Sec. 15 T30N R3W  
Rio Arriba County, New Mexico  
Lease: Contract 460

Dear Ms. Medina-Jones:

Enclosed please find replacement pages for the Sundry Notice (SN) for the above-referenced well. The original SN was submitted to the Bureau of Land Management (BLM) in Albuquerque, New Mexico, on March 5, 2004, filed on behalf of Mallon Oil Company (Mallon). Courtesy copies were sent directly to the Jicarilla Oil and Gas Administration (JOGA), and the Bureau of Indian Affairs (BIA).

We are sending the replacement pages for this Sundry Notice via overnight delivery to the BLM. The Department of Interior's websites including the Well Information System (WIS) are down per court order. This filing contained the following attachments: the drilling program – page-1, horizontal drilling plan, casing design, and access road map. This filing also contained the following attachments: the drilling program – page-1, horizontal drilling plan, casing design, and access road map.

The original SN submitted to WIS on March 5, 2004 inadvertently contained the incorrect footage for the end of horizontal hole. The footage has been revised

From: 980' FSL 660' FWL (SW/4 SW/4)  
To: 1,980' FSL 660' FWL (NW/4 SW/4)

Ms. Angie Medina-Jones

March 17, 2004

Page 2

We apologize for any inconvenience this may have caused. Please utilize the replacement pages. All other information in the original SN shall remain the same.

Your early attention to this application is greatly appreciated. Thank you for your concern.

Very truly yours,



Kathy L. Schneebeck  
Agent for Mallon Oil Company

KLS:slb

Enclosures

cc: Jicarilla Oil and Gas Administration (JOGA) (Courtesy copy)  
Bureau of Indian Affairs (Courtesy copy)  
Mallon Oil Company