

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

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| TRANSPORTER            | OIL |
|                        | GAS |
| OPERATOR               |     |
| PRODUCTION OFFICE      |     |

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-104  
Revised 10-01-78  
Format 08-01-83  
Page 1

REQUEST FOR ALLOWABLE  
AND  
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

I. Operator  
Mallon Oil Company

Address  
1099 18th Street, Suite 2750, Denver, CO 80202

Reason(s) for filing (Check proper box)

|  |   |                                     |
|--|---|-------------------------------------|
| <input checked="" type="checkbox"/> New Well | Change in Transporter of:               |                                     |
| <input type="checkbox"/> Recompletion        | <input type="checkbox"/> Oil            | <input type="checkbox"/> Dry Gas    |
| <input type="checkbox"/> Change in Ownership | <input type="checkbox"/> Casinghead Gas | <input type="checkbox"/> Condensate |

Other (Please explain)

If change of ownership give name  
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

|   |               |  |   |                            |
|---|---------------|--|---|----------------------------|
| Lease Name<br>Jicarilla 435 G   | Well No.<br>1 | Pool Name, including Formation<br>Otero Sanostee Gallup Ext. | Kind of Lease<br>State, Federal or Fee Indian | Lease No.<br>Contract #435 |
| Location<br>Unit Letter <u>F</u> : <u>1850</u> Feet From The <u>North</u> Line and <u>1850</u> Feet From The <u>West</u><br>Line of Section <u>9</u> Township <u>22N</u> Range <u>4W</u> , NMPM, <u>Sandoval</u> County |               |  |   |                            |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

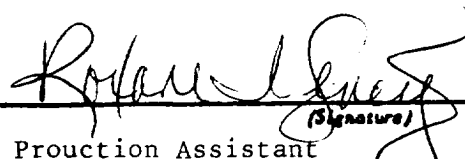
|   |   |
|---|---|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/><br>Permian Corporation | Address (Give address to which approved copy of this form is to be sent)<br>P.O. Box 1702, Farmington, NM 87401 |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>                           | Address (Give address to which approved copy of this form is to be sent)  |
| If well produces oil or liquids,<br>give location of tanks.   | Unit Sec. Twp. Rge.<br>F 9 22N 4W   |
| Is gas actually connected?  | When<br>no  |

If this production is commingled with that from any other lease or pool, give commingling order number:

NOTE: Complete Parts IV and V on reverse side if necessary.

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given is true and complete to the best of my knowledge and belief.

  
Production Assistant  
(Title)  
04-15-87  
(Date)

OIL CONSERVATION DIVISION  
APR 20 1987

APPROVED \_\_\_\_\_, 19\_\_\_\_  
BY \_\_\_\_\_ Original Signed by FRANK T. CHAVEZ  
SUPERVISOR DISTRICT # 3  
TITLE \_\_\_\_\_

This form is to be filed in compliance with RULE 1104.  
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviated tests taken on the well in accordance with RULE 111.  
All sections of this form must be filled out completely for allowable on new and recompleted wells.  
Fill out only Sections I, II, III, and VI for changes of owner well name or number, or transporter, or other such change of condition.  
Separate Forms C-104 must be filed for each pool in multiphase completed wells.

#### IV. COMPLETION DATA

|   |                             |                      |                 |  |          |  |           |             |              |
|---|-----------------------------|----------------------|-----------------|--|----------|--|-----------|-------------|--------------|
| Designate Type of Completion - (X)                |                             | Oil Well             | Gas Well        | New Well   | Workover | Deepen   | Plug Back | Same Res'v. | Diff. Res'v. |
|   |                             | X                    |                 |  |          |  |           |             |              |
| Date Spudded                                      | Date Compl. Ready to Prod.  |                      | Total Depth     |  |          | P.B.T.D.   |           |             |              |
| 12-26-86  | 03-20-87                    |                      | 6000' RKB       |  |          | 5934' RKB  |           |             |              |
| Elevations (DF, RKB, RT, GR, etc.)                | Name of Producing Formation |                      | Top Oil/Gas Pay |  |          | Tubing Depth                                       |           |             |              |
| 6853' RKB   | Gallup                      |                      | 4684'           |  |          | 5896'  |           |             |              |
| Perforations                                      |                             |                      |                 |  |          | Depth Casing Shoe                                  |           |             |              |
| 5824-5836 12' 48 holes (.34" diameter), see below |                             |                      |                 |  |          | 5968'  |           |             |              |
| TUBING, CASING, AND CEMENTING RECORD              |                             |                      |                 |  |          |  |           |             |              |
| HOLE SIZE   |                             | CASING & TUBING SIZE |                 | DEPTH SET  |          | SACKS CEMENT                                       |           |             |              |
| 12 1/4"   |                             | 8 5/8"               |                 | 201'   |          | 148 ft <sup>3</sup> Class B w/ 2%CaCl <sub>2</sub> |           |             |              |
| 7 7/8"  |                             | 4 1/2"               |                 | 5968'  |          | 1st: 441 ft <sup>3</sup> of 50/50 poz              |           |             |              |
|   |                             |                      |                 | w/ 2% gel, 10% salt & 1/4 #/sx floccle, DV @4403                           |          |  |           |             |              |
|   |                             |                      |                 | 2nd: 721 ft <sup>3</sup> Class B w/ 2% In-79 tailed by 410 ft <sup>3</sup> |          |  |           |             |              |

#### V. TEST DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

|                                 |                 |   |            |
|---------------------------------|-----------------|---|------------|
| Date First New Oil Run To Tanks | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
| 03-27-87                        | 04-14-87        | pumping                                       |            |
| Length of Test                  | Tubing Pressure | Casing Pressure                               | Choke Size |
| 21 3/4 hours                    |                 |   | 250        |
| Actual Prod. During Test        | Oil - Bbls.     | Water - Bbls.                                 | Gas - MCF  |
| 13.3                            | 13.3            | 0   | 35         |

#### GAS WELL

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MMCF     | Gravity of Condensate |
|                                  |                           | 1.15                      |                       |
| Testing Method (pilot, back pr.) | Tubing Pressure (Shut-In) | Casing Pressure (Shut-In) | Choke Size            |
|                                  |                           |                           |                       |

Casing cont.  
50/50 poz mix w/ 2% gel, 10% salt.  
Tubing Record  
Size - 2 3/8", Depth set - 5896'

Perforations cont.

|      |      |      |      |      |
|------|------|------|------|------|
| 4684 | 4928 | 5099 | 5234 | 5337 |
| 4735 | 4943 | 5106 | 5242 | 5339 |
| 4752 | 4950 | 5124 | 5260 | 5345 |
| 4765 | 4958 | 5141 | 5262 | 5350 |
| 4775 | 4973 | 5143 | 5264 | 5352 |
| 4799 | 4989 | 5145 | 5285 | 5364 |
| 4811 | 4998 | 5162 | 5290 | 5372 |
| 4836 | 5011 | 5167 | 5307 |      |
| 4847 | 5016 | 5175 | 5323 |      |
| 4875 | 5029 | 5205 | 5331 |      |
| 4885 | 5031 | 5209 | 5333 |      |
| 4913 | 5033 | 5232 | 5335 |      |

Total 55 perforations (.34" diameter)