

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Mallon Oil Co.

3. ADDRESS OF OPERATOR

1099 18th St., Suite 2750, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

790' FNL & 1850' FEL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

2134

19. PROPOSED DEPTH

6050

17. NO. OF ACRES ASSIGNED
TO THIS WELL

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6804' GL; 6816' RKB

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#/ft	200	148 ft ³ Class B w/3% CaCl ₂
7 7/8"	4 1/2"	10.5#/ft	6050 1st	473 ft ³ 50/50 pozmix w/2% gel
			2nd	1130 ft ³ Class B w/2% Econofill

Will drill 12 1/4" surface hole to 200 ft. and set 200 ft. of 8 5/8" 24#/ft J-55 used casing and cement with 148 ft³ of Class B cement w/3% CaCl₂. Will drill 7 7/8" hole to 6050 ft. Induction and Density logs will be run. If well appears productive, 6050 ft. of 4 1/2" 10.5#/ft J-55 new casing will be run with a cement stage collar at 4490 ft. Longstring will be cemented as follows: 1st stage - 473 ft³ of 50/50 pozmix cement w/2% gel; 2nd stage - 1130 ft³ of Class B cement w/2% Econofill. A temperature survey will be run to ensure that cement covers the Ojo Alamo formation. The well will be perforated and stimulated as required for completion as a Gallup oil well. The circulating medium will be clear water, natural mud, and water loss control additives. No abnormal pressures or temperatures are anticipated. A blowout preventer schematic is attached. The gas from this formation is not dedicated to a gas contract.

ESTIMATED TOPS: Ojo Alamo - 1533' Mancos - 4343'
Pictured Cliffs - 1972' Gallup - 4588'
Cliffhouse - 3450' Lower Gallup - 5877'
Point Lookout - 4088' TOTAL DEPTH - 6050'

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

Kevin H. McCord

TITLE

Petroleum Engineer
Agent for Mallon Oil Co.

DATE

12/17/87

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

DATE

APR 21 1988

Orig. Sgd. Linda S. C. Ruffell
AREA MANAGER

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

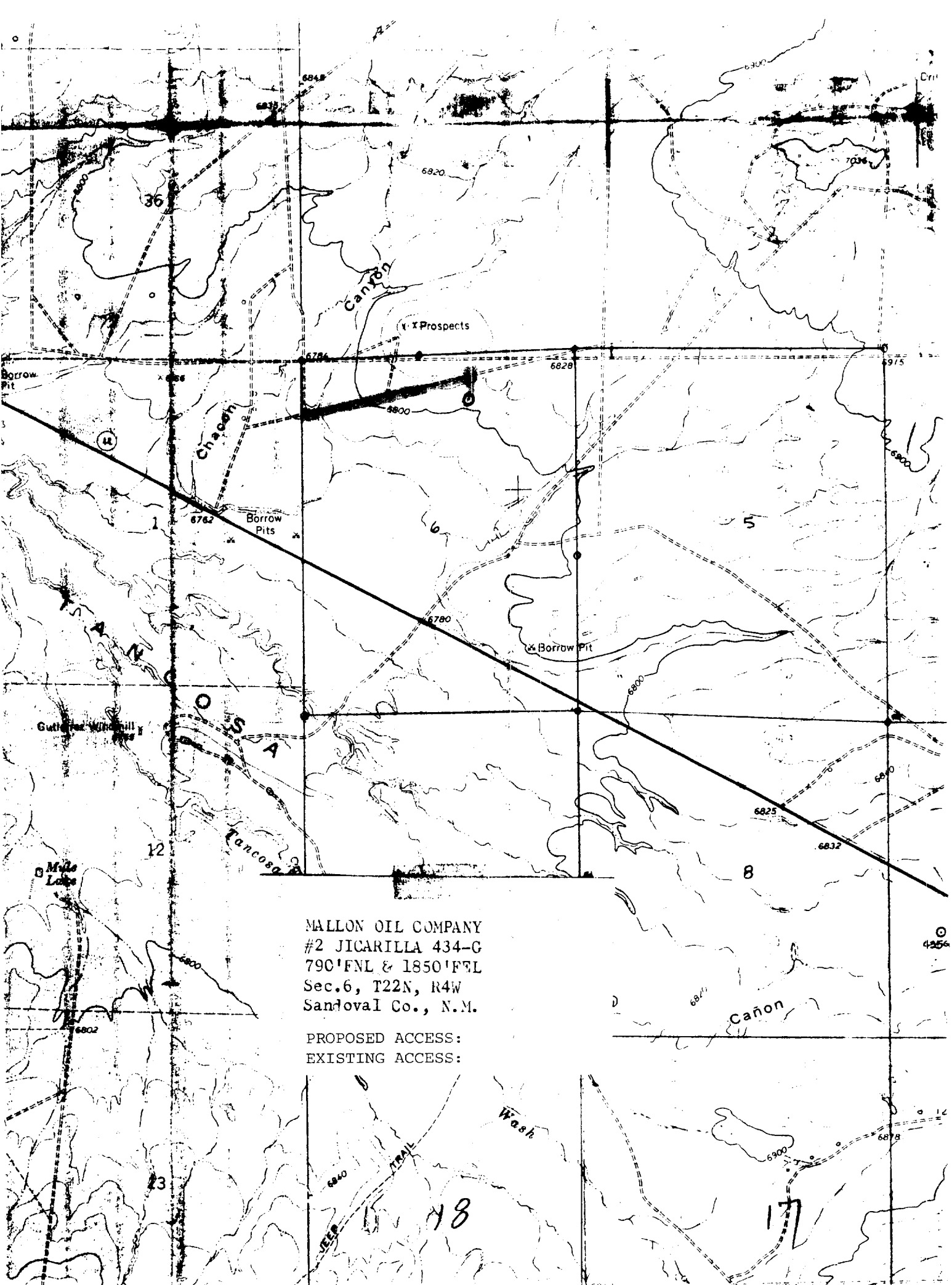
EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

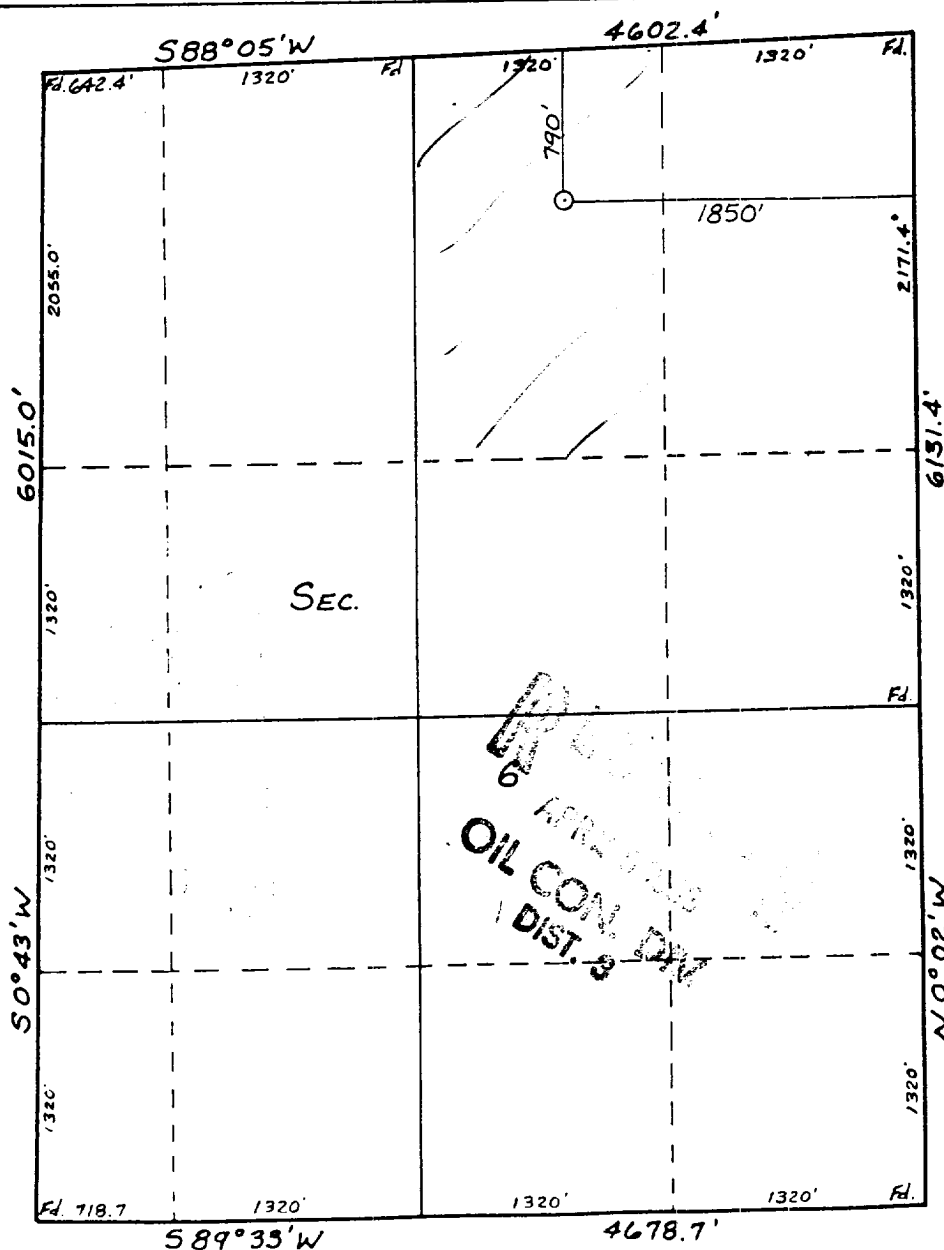
Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.



Operator MALLON OIL COMPANY		Lease JICARILLA 434-G		Well No. 2
Unit Letter B	Section 6	Township 22 N	Range 4 W	County Sandoval
Actual Footage Location of Well: 790 feet from the North line and 1850 feet from the East line				
Ground Level Elev. 6804	Producing Formation Santa Fe	Pool Santa Fe		Dedicated Acreage: 0.25 Acres

- ☐ Yes ☐ No If answer is "yes," type of consolidation _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Kevin H. McGough

Name	Kevin H. McCord Petroleum Engineer
Position	Agent for Mallon Oil Co.

Company 12/17/87

Date _____

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 knowledge and belief.

12-7-87

Date Surveyed
William E. Malinke II

Registered Professional Engineer
and ~~Land~~ Surveyor

RE #8466

Certificate No.

FORM 24-11