

Mallon Oil Company

Denver/Colorado ♦ Durango/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources Subsidiary

January 21, 1999

Mr. Mike Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Jicarilla 28-02-04 No. 1
1135' FNL and 1400' FEL
(SW NE) Unit G
Sec. 4, T28N-R02W

Dear Mr. Stogner:

Mallon Oil Company is requesting an unorthodox location for the Jicarilla 28-02-4 No. 1 (1135' FNL and 1400' FEL (SW NE) Unit G) Sec. 4, T28N-R02W. We would like to apply for an NSL for the following formations:

1. East Blanco; Pictured Cliffs
2. Cabresto Canyon; Ojo Alamo Ext.
3. Cabresto Canyon; Nacimiento Ext.
4. Cabresto Canyon; San Jose Ext.

The need for a Non-Standard Approval is due to geological reasons. According to a letter issued on November 24, 1998 by George F. Coryell, Senior Geologist at Mallon Resources Corporation; which states that the subject well must be located 1135' FNL, 1400' FEL, NW NE of Section 4, T28N-R02W to provide the best initial evaluation of the central portion of both Pictured Cliffs Sandstone and the Ojo Alamo Sandstone prospective trends. This location is positioned for the optimum combination of mapped parameters, including interval thickness, log response, and structure. This location is high-graded by geomorphic mapping which suggests cross-faulting or fracturing similar to that which appears to enhance production in East Blanco field, especially in the Pictured Cliffs Sandstone. Fracture permeability may be equally important for the Ojo Alamo Sandstone.

Mallon Oil Company is the only offset operator to the acreage shown.
Please contact me at (970) 382-9100, if any additional information is needed.

Sincerely



Christy Serrano
Production Clerk

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

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Santa Fe, NM 87504-2088Instructions on back
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 96822		3 Pool Name Cabresto Canyon; San Jose Ext.	
4 Property Code		5 Property Name Jicarilla 28-02-04			6 Well Number 1
7 OGRID No. 013925		8 Operator Name MALLON OIL COMPANY			9 Elevation 7277.4'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	4	28	2-W		1135	NORTH	1400	EAST	RIO ARRIBA

11 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

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

16 FD. U.S.G.L.O. BRASS CAP 1917		S 89-48-14 E 6271.70'		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Terrance G. Lindeman Printed Name Operations Superintendent Title October 24, 1998 Date	
		1135'		1004'	
		1400'		1320'	
		N 00-01-44 E 963.6'		1320'	
				1320'	
18 FD. U.S.G.L.O. BRASS CAP 1917				18 SURVEYOR CERTIFICATION 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. Date of Survey Signature 9-2 ROY A. RUSH NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894 Certificate Number	

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

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
		96821		Cabresto Canyon; Nacimiento Ext.	
4 Property Code		5 Property Name			6 Well Number
		Jicarilla 28-02-04			1
7 OGRM No.		8 Operator Name			9 Elevation
013925		MALLON OIL COMPANY			7277.4'

¹⁰ Surface Location



UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	4	28	2-W		1135	NORTH	1400	EAST	RIO ARRIBA

11	Bottom Hole Location If Different From Surface

Bottom Hole Location is 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
14 Redacted	15 Redacted	16 Redacted	17 Redacted	18 Redacted	19 Redacted	20 Redacted	21 Redacted	22 Redacted	23 Redacted

13 Dedicated Acres 160	14 Joint or Infill	15 Consolidation Code	16 Order No.
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	1135' 1400'	
	1320'	
	N 00-01-44 E 963.5'	
	1320'	
	1320'	18 SURVEYOR CERTIFICATION 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 belief. <div style="text-align: right;"> <div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> Date of Survey Signature  </div> <div style="border: 2px solid black; border-radius: 50%; padding: 10px; text-align: center;"> ROY K. RUSH NEW MEXICO 8894 REGISTERED PROFESSIONAL LAND SURVEYOR </div> </div> </div>
	FD. U.S.G.L.O. BRASS CAP 1917	8894 Certificate Number

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 87604-2088

OIL CONSERVATION DIVISION

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Revised February 21, 1984

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 96538		3 Pool Name Cabresto Canyon; Ojo Alamo Ext.	
4 Property Code		5 Property Name Jicarilla 28-02-04			6 Well Number 1
7 OGRD No. 013925		8 Operator Name MALLON OIL COMPANY			9 Elevation 7277.4'

¹⁰ Surface Location

Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	4	28	2-W		1135	NORTH	1400	EAST	RIO ARriba

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
<p>11 Bottom Hole Location If Different From Surface</p>																																																																																																			

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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160			
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<p>16 FD. U.S.G.L.O. BRASS CAP 1917</p>	<p>S 89-48-14 E 5271.70'</p> <div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> <div style="position: absolute; top: 0; right: 0; bottom: 0; left: 0; border: 1px solid black; width: 100%; height: 100%;"></div> <div style="position: absolute; top: 10%; right: 10%; transform: rotate(90deg);">1135'</div> <div style="position: absolute; top: 20%; right: 10%;">1004'</div> <div style="position: absolute; top: 30%; right: 10%;">1400'</div> <div style="position: absolute; top: 40%; right: 10%;">1320'</div> <div style="position: absolute; top: 50%; right: 10%;">1320'</div> </div> <p style="text-align: right;">FD. U.S.G.L.O. BRASS CAP 1917</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;"><i>Terrance G. Lindeman</i></p> <p style="text-align: center;">Signature</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">Terrance G. Lindeman</p> <p style="text-align: center;">Printed Name</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">Operations Superintendent</p> <p style="text-align: center;">Title</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">October 24, 1998</p> <p style="text-align: center;">Date</p> </div>
<p>N 00-01-44 E 963.6'</p>	<p style="text-align: right;">FD. U.S.G.L.O. BRASS CAP 1917</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">Date of Survey</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">Signature of Surveyor</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">Seal of Professional Surveyor</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">8894</p> <p style="text-align: center;">Certificate Number</p> </div>

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code 72400	Pool Name East Blanco; Pictured Cliffs
Property Code	Property Name Jicarilla 28-02-04		Well Number 1
OGRIID No. 013925	Operator Name MALLON OIL COMPANY		Elevation 7277.4'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	4	28	2-W		1135	NORTH	1400	EAST	RIO ARRIBA

11 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

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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39 Mill Guard Station
(historic)

JICARILLA 29-02-33 #1

JICARILLA 29-02-32 #1

JICARILLA 29-02-34 #1

T-29-N

T-28-N

JICARILLA 28-02-04 #1

Navajo Lake

JICARILLA 28-02-5 #1

JICARILLA 2

JICARILLA 28-02-10 #1

JICARILLA 28-02-08 #1

Juan Vigil Road

ST. HWY 537

Upper Barro Canyon W

JICARILLA 28-02-15 #1

