Mallon Oil Company

Denver/Colorado Durango/Colorado Carlsbad/New Mexico

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



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:

a Mallon Resources Subsidiary

- 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 F. say, Minerals & Natural Resources Department

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

PO Box 8066, Santa Fe, NM 87504-2088

DISTRICT II

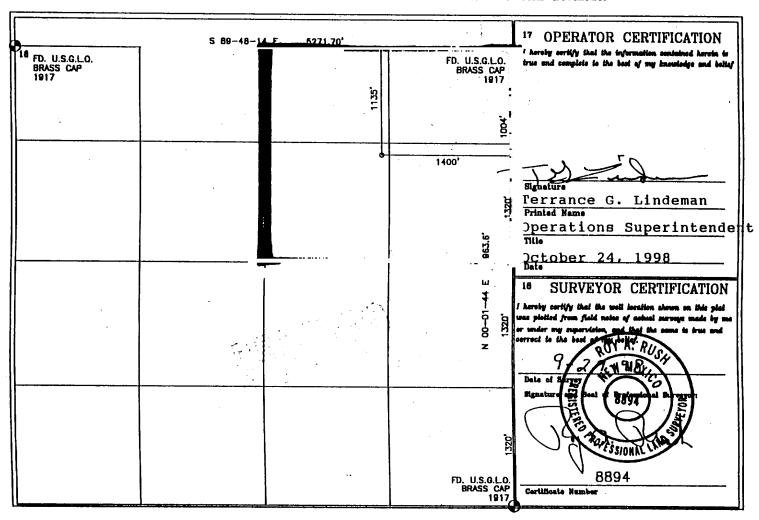
OIL CONSERVATION DIVISION 1000 Rio Brasos Rd., Axteo, N.M. 87410 P.O. Box 2088 Santa Fe, NM 87504-2088 DISTRICT IV

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number			96	Pool Code 822		Cabresto Canyon; San Jose Ext.				
⁴ Property Code				Well Number						
				Jica	rilla 28-	02-04			1	
'00RID No. 013925		*Operator Name MALLÓN OIL COMPANY							* Elevation 7277.4*	
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 Botto	om Hole	Location I	Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Dedicated Acre	s ¹⁰ Joint c	or Infill 14 C	Consolidation	n Code 140	rder No.			<u></u>		
160										

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



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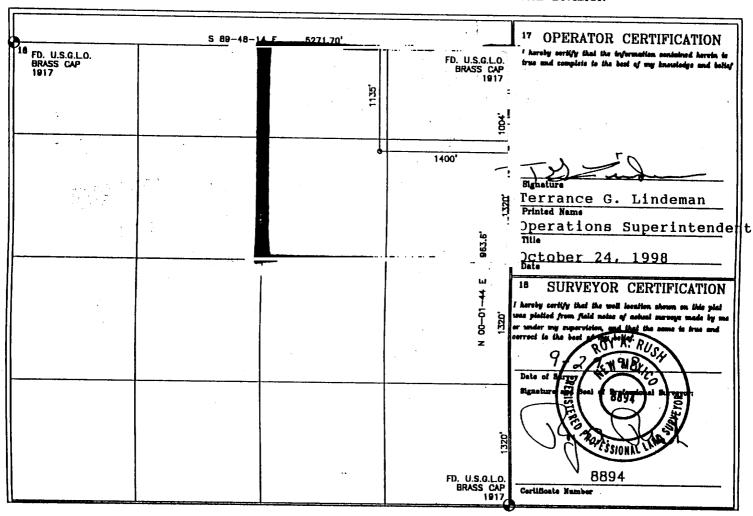
1000 Rio Brazos Rd., Asteo, N.M. 87410 DISTRICT IV PO Box 2066, Santa Fe, NM 87504-2086

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number		Pool Code			⁹ Pool Name					
			96	821		Cabrest	o Canyon;	Nacimier	nto Ext.	
⁴ Property Code		Property Name							• Well Humber	
		Jicarilla 28-02-04							1	
'OGRED No. 013925		*Operator Name							Elevation	
		MALLÓN OIL COMPANY							7277.4'	
					¹⁰ Surface	Location		———— <u> </u>		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Vest line	County	
G	4	28	2-W		1135	NORTH	1400	EAST	RIO ARRIBA	
			11 Botto	om Hole	Location I	Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Fast from the	East/West line	County	
							,			
Dedicated Acres	le Joint c	r Infill 14	Consolidation	Code "O	rder No.					
160										
NO ATTON										

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DISTRICT IV PO Box 2008, Santa Fe, NM 87504-2088

1000 Rio Brazos Rd., Asteo, N.M. 87410

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT											
API Number				Pool Code			Pool Name				
			<u> </u>	6538			Cabresto	Canyon;	Ojo Ala	mo Ext.	
⁴ Property Code			• Pro				Name		• Well Number		
				Jicari11a 28-02-04						1	
OGRID No.		Operator Name							* Elevation		
01392		MALLÓN OIL COMPANY						7277.4'			
Surface Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from t	he	North/South line	Feet from the	East/West lin	• County	
G	4	28	2-W		1135		NORTH	1400	EAST	RIO ARRIBA	
11 Bottom Hole Location If Different From Surface											
UL or lot no.	Bection	Township	Range	Lot Idn	Feet from t		North/South line	Fast from the	East/Vest lin	• County	
Dedicated Acres District or Infill 14 Consolidation Code 14 Order No.											
160										i	
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED											
		OR A N	NON-STA	NDARD L	INIT HAS	BE	EN APPROVED	BY THE DIV	ISION		

17 OPERATOR CERTIFICATION S 89-48-14 FD. U.S.G.L.O. BRASS CAP 1917 I hereby verify that the information contained herein is FD. U.S.G.L.O. BRASS CAP 1917 138 1400 Terrance G. Lindeman Printed Name Operations Superintendefft Title October 24. 1998 ш SURVEYOR CERTIFICATION 3 z Date of S 8894 FD. U.S.G.L.O. BRASS CAP Certificate Number

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

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DISTRICT III

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1000 Rio Brazos Rd., Axteo, N.M. 87410

API Number	Pool Code	ACREAGE DEDICATION PLA	T
	72400	Pool Name East Blanco; Pictur	ed Cliffs
⁴ Property Code	'Pro Jicarilla	* Well Number	
'OGRID No. 013925		orator Name	Elevation 7277.4

10 Surface Location UL or lot no. Bection Township Range Lot Idn Feat from the North/South line Feet from the East/West line County G 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/Vest line County Dedicated Acres Doint or Infili 14 Consolidation Code 160

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