

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 87240

District II

811 South First, Artesia, NM 87210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well X <input checked="" type="checkbox"/> Other	WELL API NO. 30-039-26395
2. Name of Operator Mallon Oil Company	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator P. O. Box 2797 Durango, CO 81302	6. State Oil & Gas Lease No.
4. Well Location Unit Letter <u>J</u> : <u>2340'</u> feet from the <u>South</u> line and <u>2335'</u> feet from the <u>East</u> line Section <u>12</u> Township <u>29N</u> Range <u>03W</u> NMPM Rio Arriba County	7. Lease Name or Unit Agreement Name: Jicarilla 29-03-12
8. Well No. 1	
9. Pool name or Wildcat East Blanco; Pictured Cliffs	
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 7175' GL	

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Commingle Well ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

Mallon Oil Company intends on completing the above referenced well and down hole Commingling of the Tertiary and Pictured Cliffs Formations.

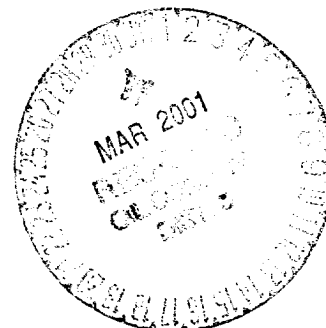
Division Order Number - Order No. R-11445

Names of Pools to be commingled - Cabresto Canyon; Tertiary and East Blanco Pictured Cliffs

Perforated Intervals: Pictured Cliffs Formation: 3643'-3672', 4 JSPF

Nacimiento Formation: 2882'-2892', 2909-2921', 2941'-2947', 4 JSPF

San Jose Formation: 1242'-1246', 1328'-135', 1418'-1427', 4 JSPF



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

SIGNATURE Terry Lindeman TITLE Operations Superintendent DATE 3/29/01

Type or print name Terry Lindeman Telephone No. 970-382-9100

(This space for State use) Original Signed by STEVEN J. HAYDEN

APPROVED BY STEVEN J. HAYDEN TITLE OFFICE OIL & GAS INSPECTOR, DIST. I DATE 5-30-01

Conditions of approval, if any:

~~CONFIDENTIAL~~

AHC 369 AZ

**Supplemental Information
C103 Jicarilla 29-03-12 No. 1**

The intervals of the two pools were stimulated and cleaned up simultaneously in order to reduce completion expenses. Based on the nearest commingled well (Jicarilla 29-03-02 No. 1), the following allocation figures will be used:

Pictured Cliffs Formation:	41.67%
Tertiary:	58.33%

Based on data obtained from the acid breakdowns performed on the zones in question, in the wellbore of the Jicarilla 29-03-02 No. 1, the following information will show the fracture pressures to be adequate for safely commingling all three zones.

The **Pictured Cliffs Formation** was perforated at 3674' – 3687', 3690' – 3699', 3702' – 3704', 3715' – 3718', 3737' – 3741' 3758' – 3764' with the mid-perf being 3719'. Following the acid breakdown the **fracturing pressure at mid-perf calculated to be 2200psi. (.59 psi / ft).**

The **Ojo Alamo Formation** was perforated at 3236' – 3269' with the mid-perf being 3252'. Following the fracture treatment the **fracturing pressure at mid-perf calculated to be 2530 psi. (0.78 psi / ft).**

The **San Jose Formation** was perforated at 1610' – 1629', 1641' – 1649' with the mid-perf being 1629'. Following the acid breakdown the **fracturing pressure at mid-perf calculated to be 1522 psi. (0.93 psi / ft.)**

Flow tests on each zone were conducted for a period of time as to allow for stabilization. These results are:

Pictured Cliffs Formation:	300 mcf, 12 BWPD
Ojo Alamo Formation:	30 mcf, 144 BWPD
San Jose Formation;	390 mcf, 48 BWPD
Total	720 mcf, 204 BWPD

The allocation method that was agreed upon between Mallon Oil Company and the Jicarilla Apache Tribe is to use a percentage based on the initial test.

Pictured Cliffs Formation:	300 / 720 = .4167 (41.67%)
Ojo Alamo Formation:	30 / 720 = .0686 (06.86%)
San Jose Formation;	390 / 720 = .5417 (54.17%)

To date we have down hole commingled several wells. Considering individual test production verses actual production rates the remaining production value does not appear to be inhibited.