

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN				5. LEASE DESIGNATION AND SERIAL NO.
1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>				MDA 701-98-0013
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache
2. NAME OF OPERATOR Mallon Oil Company				7. UNIT AGREEMENT NAME N/A
3. ADDRESS AND TELEPHONE NO. P.O. Box 2797 Durango, CO 81302 (970) 382-9100				8. FARM OR LEASE NAME, WELL NO. Jicarilla 29-02-04 No. 1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2180' FSL and 1180' FWL (NW/SW) Unit L				9. API WELL NO. 30-039-26659
At proposed prod. zone 2180' FSL and 1180' FWL (NW/SW) Unit L				10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 57 miles east of Bloomfield, New Mexico				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA L Sec. 04, T29N-R02W
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 3131' (Also to nearest drlg. unit line, if any)		16. NO. OF ACRES IN LEASE 39,360	17. NO. OF ACRES ASSIGNED TO THIS WELL 160 SW/4	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 5180'		19. PROPOSED DEPTH 4000'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7528' GR		22. APPROX DATE WORK WILL START 12/10/00		
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	250'	Circulate to surface
7-7/8"	5-1/2"	15.5#	4000'	570 sks circ. To surface

Mallon Oil Company proposes to drill to a depth sufficient to test the Pictured Cliffs formation. If productive, 5-1/2" casing will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal regulations. Specific programs as per on-shore Oil and Gas Order No. 1 are outlined in the following attachments:

Drilling Program

Exhibit 1: Blow Out Preventor Equipment/Plan
Exhibit A: Location and Elevation Plat
Exhibit B: Roads and Pipelines
Exhibit C: One Mile Radius Map

Exhibit D: Drilling Site Layout
Exhibit E: Production Facilities
Exhibit F: H2S Contingency Plan
Exhibit G: Environmental Assessment

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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: Terry Lindeman

TITLE: Operations Superintendent

DATE: 11/08/00

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY: S. Swanson TITLE: Asst. Field Mgr. DATE: FEB 06 2001

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

HOLD C104 FOR NSL

CONFIDENTIAL

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26659		² Pool Code 72400	³ Pool Name East Blanco; Pictured Cliffs
⁴ Property Code 27470	⁵ Property Name JICARILLA 29-02-04		⁶ Well Number 1
⁷ OGRID No. 13925	⁸ Operator Name MALLON OIL COMPANY		⁹ Elevation 7528

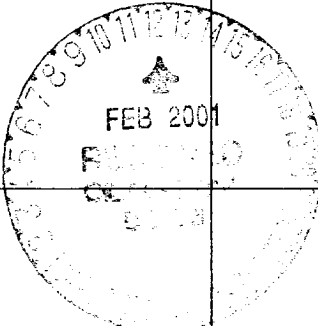
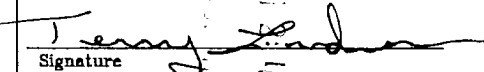
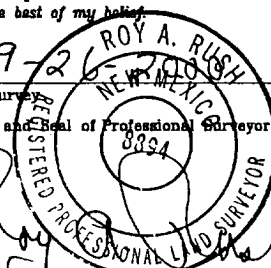

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	4	29-N	2-W		2180	South	1180	WEST	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
18 Dedicated Acres 160			19 Joint or Infill		24 Consolidation Code		18 Order No.		

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

<p>18 MARKED STONE</p> <div style="text-align: center; margin-top: 100px;">  </div>	<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <div style="text-align: right; margin-top: 10px;"> <p>NOV 21 PM 4:32</p> </div> <p style="text-align: center; margin-top: 20px;">  </p> <p>Signature _____</p> <p>Printed Name <u>Terry Lindeman</u></p> <p>Title <u>Operations Superintendent</u></p> <p>Date <u>11/08/00</u></p>	<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <div style="text-align: right; margin-top: 10px;"> <p>9-26-2000</p> </div> <p style="text-align: center; margin-top: 20px;">  </p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p style="text-align: center; margin-top: 20px;">  </p> <p>Certificate Number <u>8894</u></p>
<p>N 02° 11' 16" E 5.1'</p> <p>1180'</p> <p>LAT. 36°45'09" N LONG. 107°03'12" W</p> <p>2180'</p> <p>CALC. CORNER</p>	<p>N 89° 44' 14" E 529.9'</p>	<p>CALC. CORNER</p>

MALLON OIL COMPANY

JICARILLA 29-02-04 #1

SW/4 SEC. 4, T-29-N, R-2-W, N.M.P.M.

RIO ARRIBA COUNTY, NEW MEXICO

2180' FSL 1180' FWL

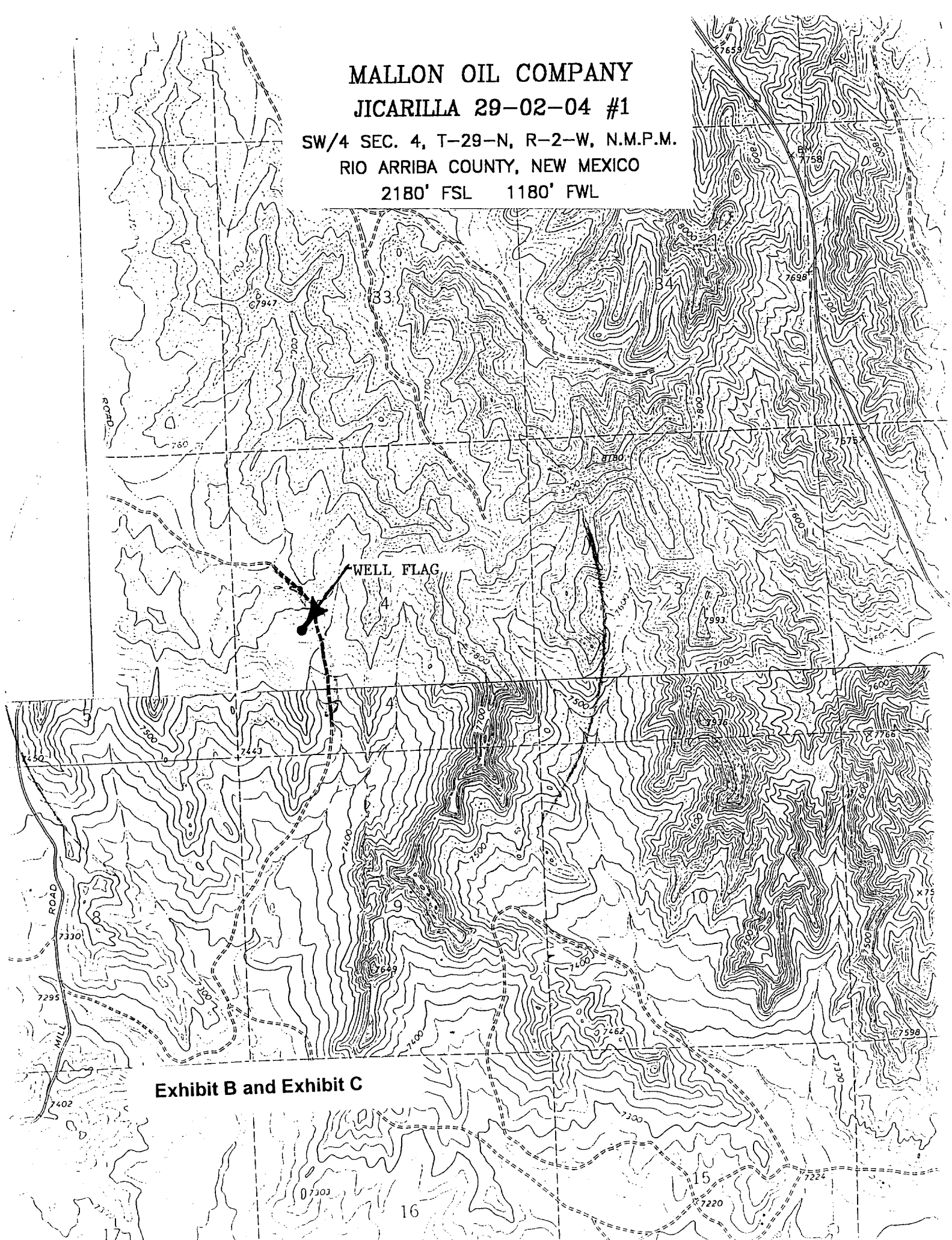


Exhibit B and Exhibit C

2-M SYSTEM

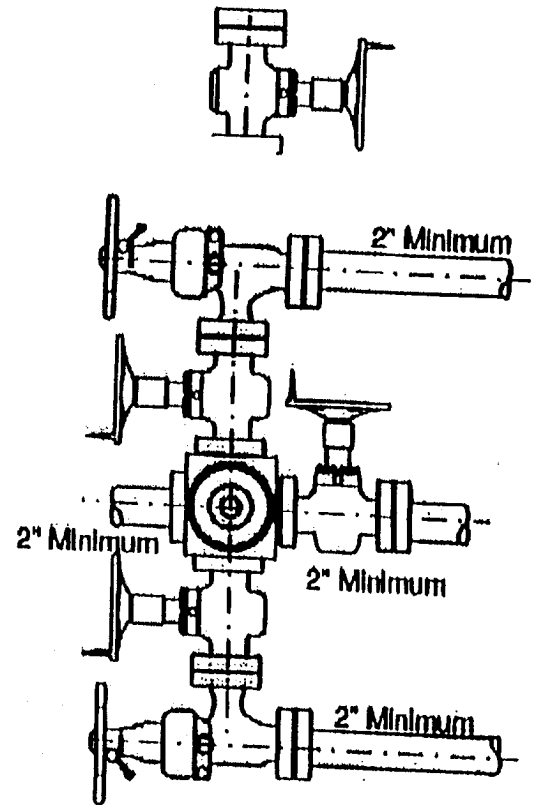
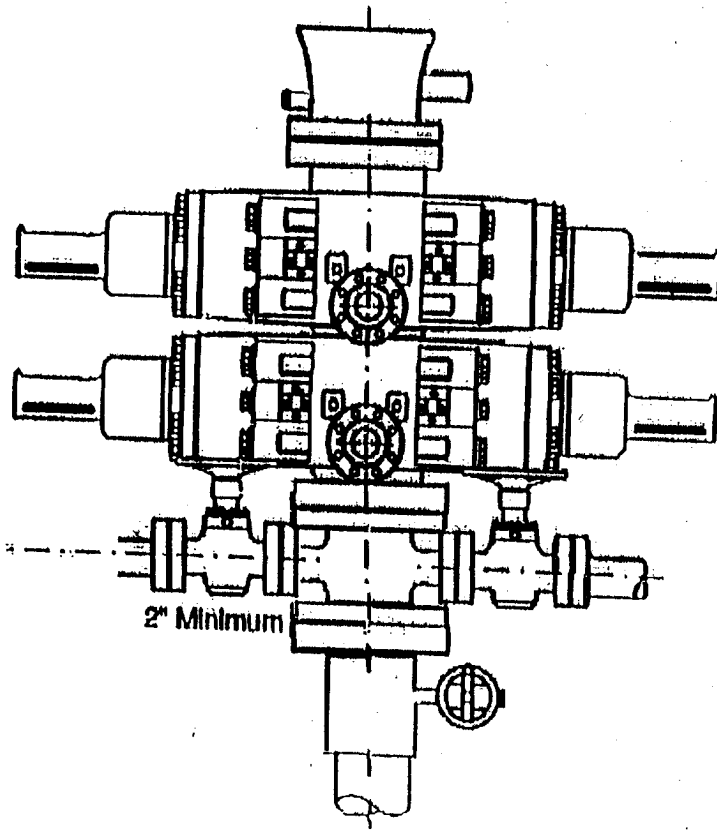


Exhibit 1