

Mallon Oil Company

a Mallon Resources Subsidiary

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

February 19, 1999

Oil Conservation Division
Dorothy Jaques
1000 Rio Brazos Rd.
Aztec, NM 87410

RECEIVED
FEB 22 1999
OIL CON. DIV
BATEL

Dear Ms. Jaques:

During the week of January 25, 1999, I received an unapproved C-104 for the Jicarilla 459-19 No. 9, along with a note stating that a NSP approval was needed. According to Case No. 9495, Order No. R8774, which is an application for the nine non-standard gas proration units submitted by Robert Bayless there is a NSP blanket over the irregular section which are located at T30n-R03W Sec. 6, Sec. 7, Sec. 18, Sec. 19, Sec. 30, Sec. 31. Please discuss this issue with Ernie Busch if you have any questions. I have enclosed a copy of the report mentioned above which was faxed on February 3, 1999 by Ernie Busch.

Also, I have enclosed original and 4 copies of the corrected C-104. I realize there is some confusion about which C-104 is correct. Please disregard the C-104's I have previously submitted. Please review the C-104 dated February 18, 1999 along with the approved completion report for approval.

Sincerely,

MALLON OIL COMPANY

Christy Serrano

Christy Serrano
Production Secretary

Ernie
Would you check
Mallon says this
Order covers the
NSL + NSP
R-8774 covers NSP
BUT NOT NSL
Ernie (E)