

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
Jicarilla 457

6 IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME
N/A

8 FARM OR LEASE NAME, WELL NO
Jicarilla 457-10 No.8
22860
30-039-25783

10. FIELD AND POOL, OR WILDCAT
E. Blanco, Pictured Cliffs 72400

11 SEC. T, R, M, OR BLK
AND SURVEY OR AREA
Sec. 10, T30N-R3W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *
50 miles east of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED *
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
3300'
(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
2532.97

17. NO. OF ACRES ASSIGNED
TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
4500'

19. PROPOSED DEPTH
4500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7197-7424'

22. APPROX. DATE WORK WILL START
February 28, 1998

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#	500'	Circ. to surface
7-8/8"	5-1/2"	15.5#	4500'	570 sks 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
- Exhibit H: Archaeological Clearance

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FEB 23 1998

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone, if productive 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: Production Superintendent DATE: 01/12/98

(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 Joe Incardine TITLE Lands and Mineral Resources DATE FEB 18 1998

*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 copy for NSL ✓
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DISTRICT I
P.O. Box 1960, Hobbs, N.M. 88241-1960

State of New Mexico
Energy, Minerals & Natural Resources Department

Exhibit A

Form C-102
Revised February 21, 1994

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Ed., Artec, N.M. 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

DISTRICT IV
PO Box 2066, Santa Fe, NM 87504-2066

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <i>30-039-25783</i>		*Pool Code <i>7240P</i>	*Pool Name <i>E. SWANCO</i> Pictured Cliff <i>4500'</i> T.D.
*Property Code <i>22860</i>	*Property Name JICARILLA 457-10		*Well Number 8
*GRID No. <i>13925</i>	*Operator Name MALLON OIL CO.		*Elevation 7197'

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
<i>K1</i>	10	30-N	3-W		2400	SOUTH	1500	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

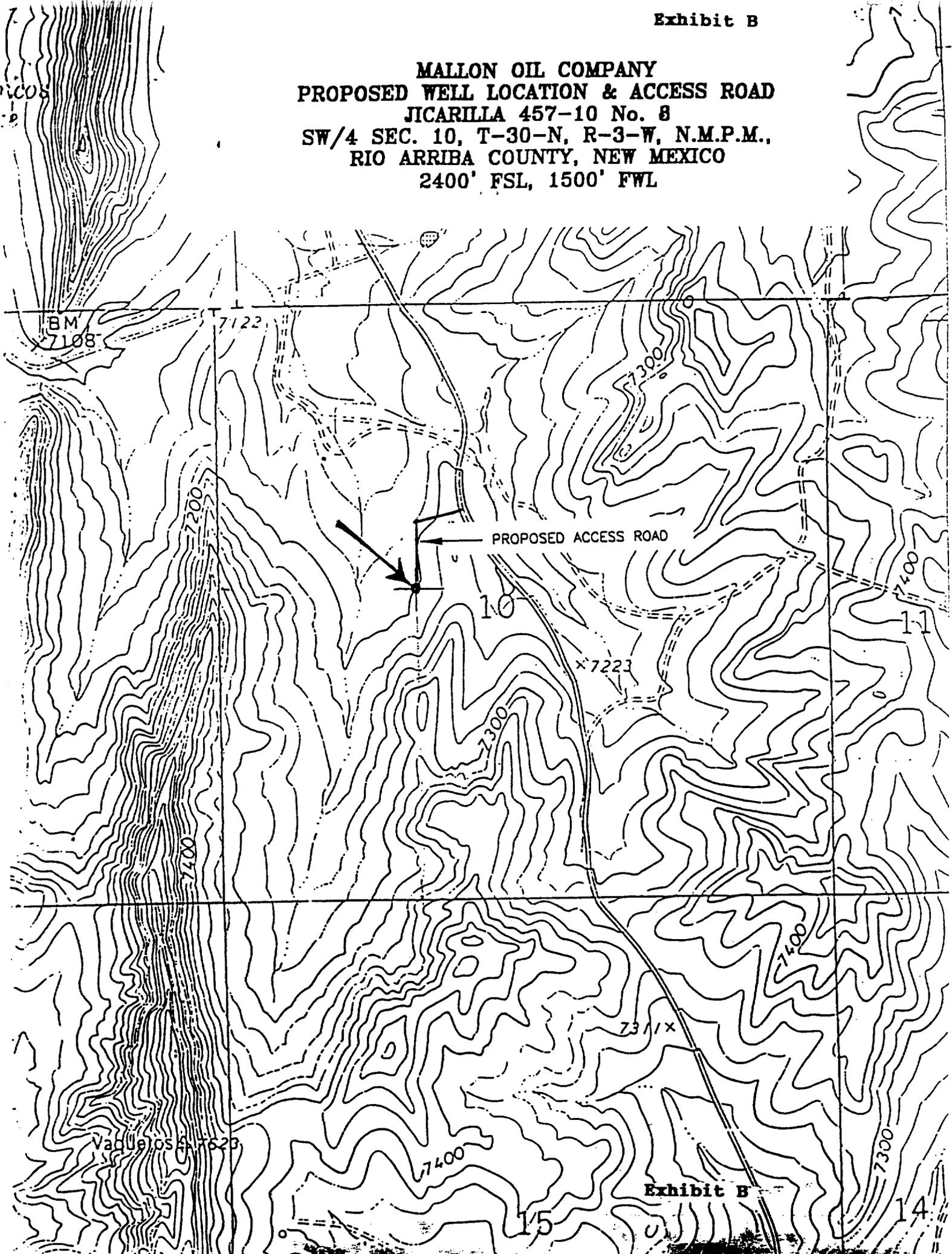
¹² Dedicated Acres <i>160</i>	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

(measured)					<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> <p><i>Terry Lindeman</i> Signature Terry Lindeman Printed Name Production Superintendent Title 1-12-98 Date</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> <p>12-NOV-98 Date of Survey Signature and Seal of Professional Surveyor: 8894 CERTIFICATE NUMBER</p>

Exhibit A

**MALLON OIL COMPANY
PROPOSED WELL LOCATION & ACCESS ROAD
JICARILLA 457-10 No. 8
SW/4 SEC. 10, T-30-N, R-3-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
2400' FSL, 1500' FWL**



~~CONFIDENTIAL~~

Form 3160-5
10-1-81 (1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals.

5. Lease Designation and Serial No.
JIC 457

6. Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Mallon Oil Company

3. Address and Telephone No.
P.O. Box 3256, Carlsbad, NM 88220 (505) 885-4596

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**2400' FSL and 1500' FWL (NE SW) Unit K
Sec. 10, T30N-R03W**

8. Well Name and No.
Jicarilla 457-10 No. 8

9. Well API No.
30-039-25783

10. Field and Pool, or Exploratory Area
East Blanco, Pictured Cliffs*

11. County or Parish, State
Rio Arriba County, New Mexico

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other: Spud
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)*

Mallon Oil Company spud the above referenced well on 4/9/98 at 3:00 pm. Drilled 12-1/4" hole, 8-5/8" x 24 lbs/ft surface csg was set at 541.50' and cemented with 300 sxs Class "B" cement. Circulated 90 sxs of cement to pit.

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MAY 11 1998
OIL CON. DIV.
DIST. 3

14. I hereby certify that the foregoing is true and correct

Signed **Christy Serrano**
Christy Serrano

Title Production Secretary Date 4/27/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By *[Signature]*

Title Lands and Mineral Resources Date MAY 7 1998

Conditions of approval, if any

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

*See Instruction on Reverse Side