ABOVE THE CHEFTER SIVEREN LEE SHUT

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSMEET . S MANDATORY FOR ILL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVIDING RULES AND REGULATIONS

Applicat	don Acri	0-0HO) PO	0) ownhole Com Pool Commi WFX-Wa [SWI]	10-0trections nmingling] ingling] (Ot terflood Expe 3-5alt Water	.3 - Off-Leese iлаюп] (РМ) Ohsposai] (II	IO-Simultan Jommingling Storage] K-Pressura Pi-Injection	ieous Dedica 1) (PLC-Po (OLM-Off-La Maintenanca Pressure Inc	ition) olfLesse Commingling) isse Measurament) i Expansion)	
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		Check [B]	_	ing - Storag	e - Measure		Jols	Q OLM	
		(C)			Pressure Inc SWD				
[3]	NOTI	FICAT			: - Check Th or Overridin		• • •	Does Not Apply where	
		[B]	Offset (Operators, [.easeholders	or Surfac	e Owner		
		[C] Application is One Which Requires Published Legal Notice							
		[D] 2 Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office							
		[E] For all of the above, Proof of Notification or Publication is Attached, and/or,							
		[F]	Waiver	are Attach	red				
[3]	INFO	RMAT	TON / DAT	A SUBMI	TTED IS C	OMPLET	E - Statem	ent of Understanding	
Regul appro RI. O	ations oval is as RRI) is ion of o	of the Officeurate a commo	il Conservat and complet n. I further	ion Division to the best verify that	n. Further, r of my knov all applicabl	I assert that viedge and e API Nur	at the attach I where app nbers are in	olied with all applicabled application for activities of application for activities of the all cluded. I understand ackage returned with	ministrative l interest (WI, that any
f				Note: Statement	must be completed	by an individual	with supervisory o	ngacdy .	
	ry Linde or Type N			Signature	yel	<u> </u>	Operation Title	ns Superintendent	7-14-98 Date

July 14, 1998

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Melinde

Mr. Mike Stogner Oil Conservation Division 2040 South Pacheco Street Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Mallon Oil Company is requesting an unorthodox location for the Jicarilla 459-20 Well No. 7 (1535' FNL, 225' FEL, Unit G) Sec. 20, T30N, R3W, Rio Arriba County, New Mexico.

Mallon Oil Company is the only offset operator to the acreage involved. Topography is the main cause for the placement of this well site. Originally the well was staked to the northeast. The location was change at the "on-site" because the acreage to the North and East was extremely steep that a severe cut and fill would have been required for the location as well as the access road. The main drainage forced the move even further to the South and North. The drainage was washed to tenfoot depths in this location. Additionally it was desirable to place the location at this site in order to extensive tree removal and to use the existing trail for access.

Please contact me at (505) 885-4596, if any additional information is needed.

Sincerely,

Duane C. Winkler Operations Manager

State of New Mexico maergy, Minerals & Natural Resources Depar

Bobbs, N.M. 88241-1980

COO Rta Braxos Rd., Artec, N.M. 87410

NETRICT IV 10 Box 2088, Santa Fe, MM 87504-2088

DO, Artesia, N.M. 88211-0719

rorm U~102 Revised Febuary 21, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

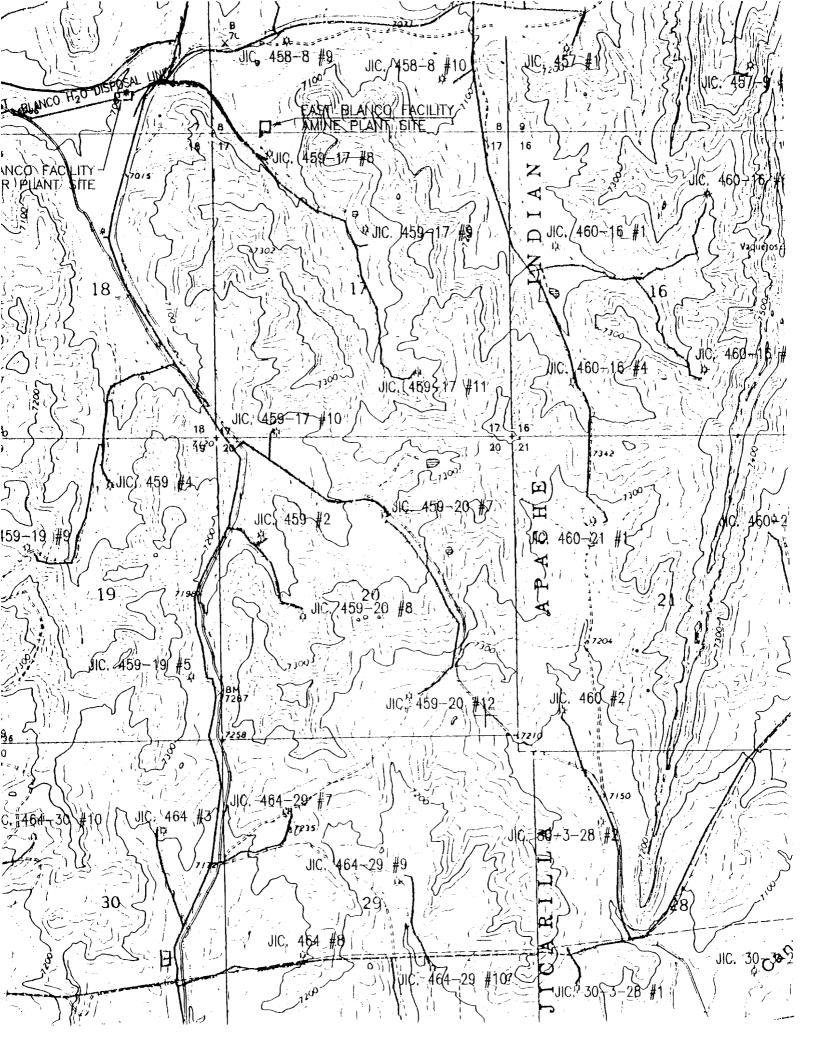
OIL CONSERVATION DIVISION

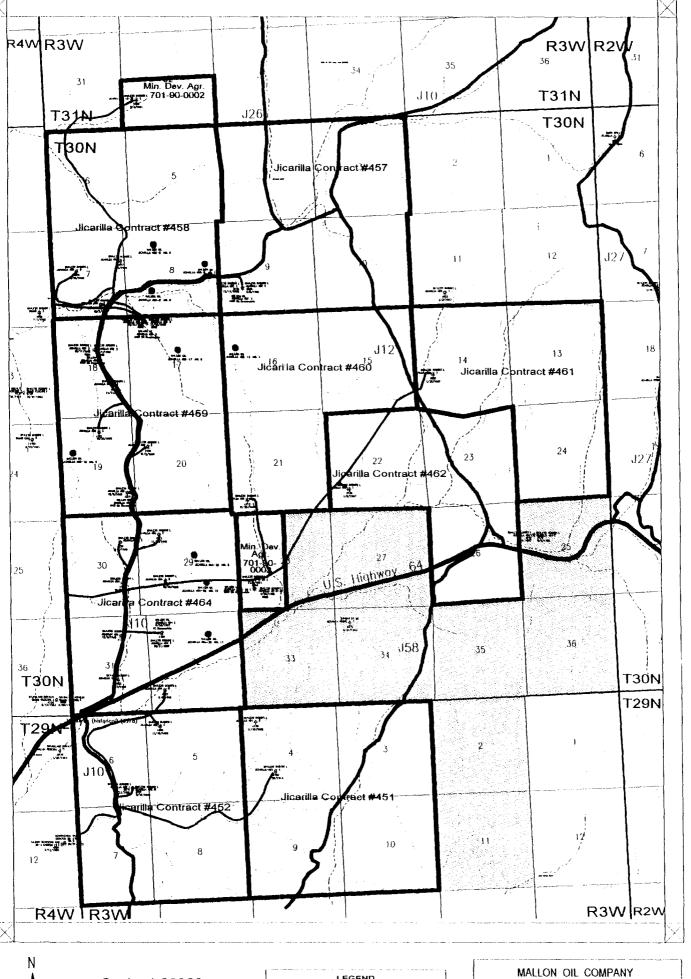
P.O. Box 2088 Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Pool Code Pool Name 30-039-25786 96538 Cabresto Canyon; Ojo Alamo Ext. Property Code Property Name * Weil Number 22862 JICARILLA 459-20 7 CGRID No. *Operator Name Devation 013925 MALLON OIL CO. 72391 Surface Location UL or lot no. Section Township Range lat Ida | North/South line Feet from the Feet from the Sast/Vest line County 20 30 - N3-W1535 NORTH 2255 FAST RIO ARRIBA 11 Bottom Hole Location If Different From Surface UL or lot ao. Section Township Range Lot Ida feet from the North/South line | Feet from the Bast, Yest line Bedicated Acres | Bloint or Infill | Consolidation Code | Border No. 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 10 WEST 526.8" (record) 17 OPERATOR CERTIFICATION splets to the best of my knowledge and benef Jan Cont 2255 Terry Lindeman Printed Name Production Superintendent Date 18 SURVEYOR CERTIFICATION OIL CON. DIV. क्राक्त क 00-02 Cartificate Rumbe

Exhibit A







Scale 1:63360.

0.2 0. 0.2 0.4 0.6 0.8 1. miles

Yellow = Development Contracts

Green = Proposed Acreage Purple Lines =

Approximate Pipeline Locations Permitted Well Locations

East Blanco Field San Juan Basin Rio Arriba County, New Mexico