NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE
1000 RIO BRAZOS ROAD
AZTEC NM 87410
(505) 334-6178 FAX: (505) 334-6170
http://emnrd.state.nm.us/ocd/District III/3distric.htm

This form is not to be used for reporting packer leakage tests in Southeast New Mexico

NORTHWEST NEW MEXICO PACKER-LEAKAGE TEST

Operator Mallon Oil Company Lease Name Jicarilla 459-20 Well No 7

Location of Well: Unit Letter G Sec 20 Twp 30N Rge 03W API # 30-039-25786

	NAME OF RESERVOIR OR POOL	TYPE OF PROD. (Oil or Gas)	METHOD OF PROD. (Flow or Art. Lift)	PROD.MEDIUM (Tbg. or Csg.)
Upper Completion	Cabresto Canyon; San Jose Ext.	Gas	Flow	Tubing
Lower Completion	Cabresto Canyon; Ojo Alamo Ext.	Gas	Flow	Tubing

PRE-FLOW SHUT-IN PRESSURE DATA

	Hour, date shut-in	Length of time shut-in	SI press. Psig	Stabilized? (Yes or No)
Upper Completion	1:00 pm 3/3/99	24 hrs	160 psi	Yes
Lower Completion	1:00 pm 3/3/99	24 hrs	615 psi	Yes

FLOW TEST NO. 1

Commenced at (hour, date)* 1:00 pm 3/4/99 — Zone producing (Upper or Lower): Lower (Ojo Alamo)

TIME (hour,date)	LAPSED TIME SINCE*	PRESSURE		PROD. ZONE TEMP.	REMARKS
		Upper Completion	Lower Completion		
1:00 pm 3/4/99	0	160	615		Open Ojo Alamo to flow
6:00 pm 3/4/99	5 hrs	160	120		Flowing
11:00pm 3/4/99	10 hrs	160	115		Flowing
4:00 am 3/5/99	15 hrs	160	110		Flowing
9:00 am 3/5/99	20 hrs	165	105		Flowing
1:00 pm 3/5/99	24 hrs	170	105		Shut in Ojo Alamo

Production rate during test

Oil:_____ BOPD based on_____ Bbls. in_____ Hours_____ Grav._____ GOR_____

Gas: 640 MCFPD; Tested thru (Orifice or Meter): Meter

MID-TEST SHUT-IN PRESSURE DATA

	Hour, date shut-in	Length of time shut-in	SI press psig	Stabilized? (Yes or No)
Upper Completion	NA	N/A	N/A	N/A
Lower Completion	N/A	N/A	N/A	N/A

(Continue on reverse side)

FLOW TEST NO. 2

Commenced at (hour, date)** 1:00 pm 3/5/99				Zone producing (Upper or Lowr): Upper (San Jose)	
TIME (hour,date)	LAPSED TIME Since**	PRESSURE Upper Completion	PRESSURE Lower Completion	PROD. ZONE	REMARKS
1:00 pm 3/5/99	0	.170	105		Open San Jose to flow
6:00 pm 3/5/99	5 hrs	70	570		Flowing
11:00 pm 3/5/99	10 hrs	70	590		Flowing
4:00 pm 3/6/99	15 hrs	70	600		Flowing
9:00 am 3/6/99	20 hrs	65	610		Flowing
1:00 pm 3/6/99	24 hrs	65	620		End pkr test

Production rate during test

Oil:_____BOPD based on_____Bbls. in_____Hours._____Grav._____GOR_____
Gas: 447 MCFPD:Tested thru (Orfice or Meter): Meter

Remarks: Pressure chart time running fast compared to recorded report time.

I hereby certify that the information herein contained is true and complete to the bes of my knowledge.

Approved MAR 17 1999 19__ Operator Mallon Oil Company New Mexico Oil Conservation Division

By ORIGINAL SIGNED BY ERNIE BUSCH By John Zellitti

Title DEPUTY OIL & GAS INSPECTOR, DIST. #3 Title Petroleum Engineer

Date March 15, 1999

NORTHWEST NEW MEXICO PACKER LEAKAGE TEST INSTRUCTIONS

1. A packer leakage test shall be commenced on each multiply completed well within seven days after actual completion of the well, and annually thereafter as prescribed by the order authorizing the multiple completion. Such tests shall also be commenced on all multiple completions within seven days following recompletion and/or chemical or fracture treatment, and whenever remedial work has been done on a well during which the packer or the tubing have been disturbed. Tests shall also be taken at any time that communication is suspected or when requested by the Division.

2. At least 72 hours prior to the commencement of any packer leakage test, the operator shall notify the Division in writing of the exact time the test is to be commenced. Offset operators shall also be so notified.

3. The packer leakage test shall commence when both zones of the dual completion are shut-in for pressure stabilization. Both zones shall remain shut-in until the well-head pressure in each has stabilized, provided however, that they need not remain shut-in more than seven days.

4. For Flow Test No. 1, one zone of the dual completion shall be produced at the normal rate of production while the other zone remains shut-in. Such test shall be continued for seven days in the case of a gas well and for 24 hours in the case of an oil well. Note: if, on an initial
packer leakage test, a gas well is being flowed to the atmosphere due to the lack of a pipeline connection the flow period shall be three hours.

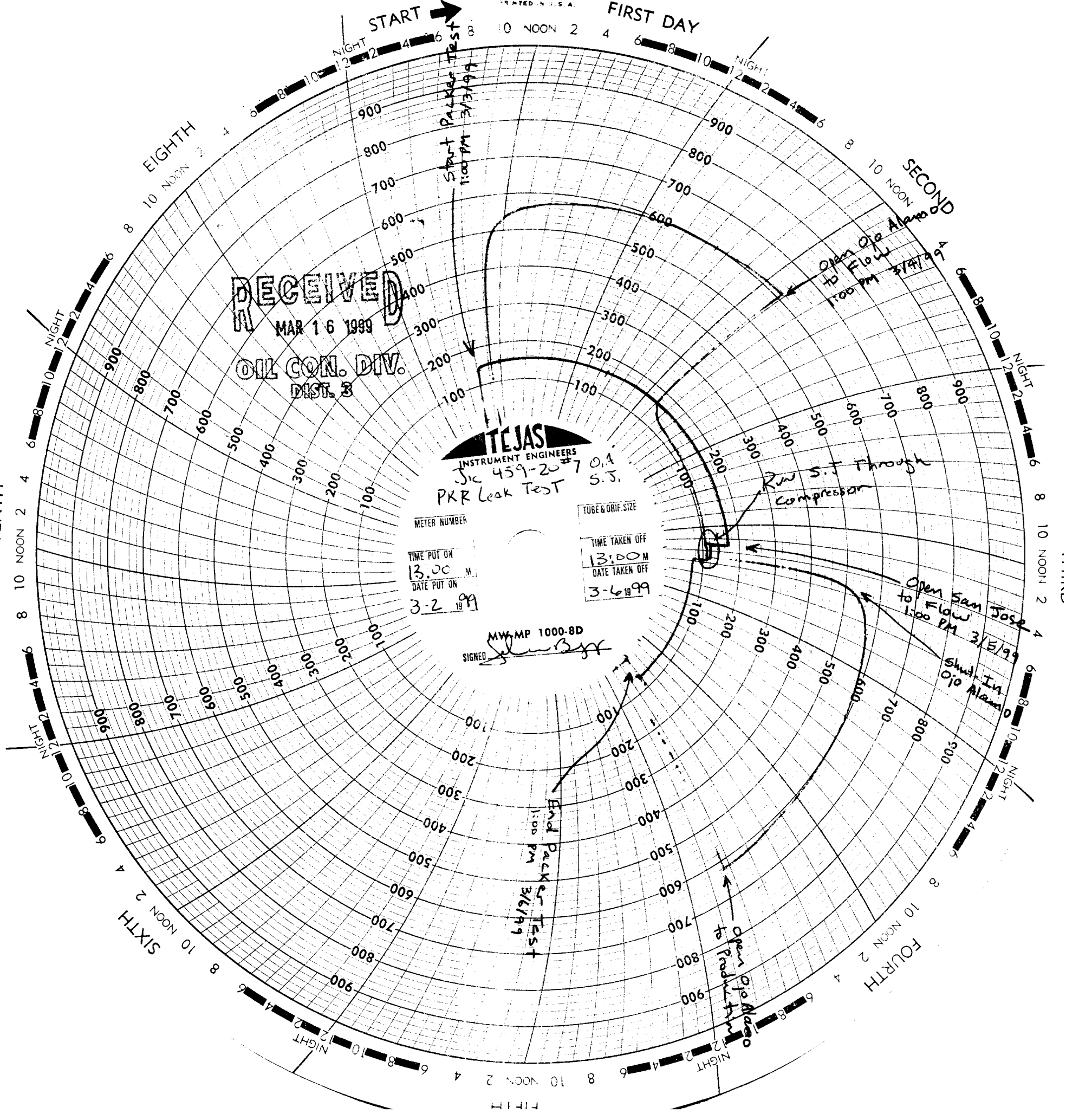
5. Following completion of Flow Test No. 1, the well shall again be shut-in, in accordance with Paragraph 3 above.

6. Flow Test No. 2 shall be conducted even though no leak was indicated during Flow Test No. 1. Procedure for Flow Test no. 2 is to be the same as for Flow Test No. 1 except that the previously produced zone shall remain shut-in while the zone which was previously shut-in is produced.

7. Pressures for gas-zone tests must be measured on each zone with a deadweight pressure gauge at time intervals as follows: 3 hours tests: immediately prior to the beginning of each flow-period, at fifteen-minute intervals during the first hour thereof, and at hourly intervals thereafter, including one pressure measurement immediately prior to the beginning of each flow period, at least one time during each flow period (at approximately the midway point) and immediately prior to the conclusion of each flow period. Other pressures may be taken as desired, or may be requested on wells which have previously shown questionable test data.

24-hour oil zone tests: all pressures, throughout the entire test, shall be continuously measured and recorded with recording pressure gauges the accuracy of which must be checked at least twice, once at the beginning and once at the end of each test, with a deadweight pressure gauge. If a well is a gas-oil or an oil-gas dual completion, the recording gauge shall be required on the oil zone only, with deadweight pressures as required above being taken on the gas zone.

8. The result s of the above-described tests shall be filed in triplicate within 15 days after completion of the test. Tests shall be filed with the Aztec District Office of the New Mexico oil Conservation Division on northwest new Mexico packer leakage Test Form Revised 11-16-98 with all deadweight pressures indicated thereon as well as the flowing temperatures (gas zones only) and gravity and GOR (oil zones only).


START
FIRST DAY
SECOND
THIRD
FOURTH
FIFTH
SIXTH
SEVENTH
EIGHTH
NOON
NIGHT
RECEIVED
MAR 16 1999
OIL CON. DIV.
DIST. 3
TEJAS
INSTRUMENT ENGINEERS
Jic 459-20 #7 0.4
PKR Leak Test
S.I.
METER NUMBER
TIME PUT ON
13.00 M
DATE PUT ON
3-2 1999
TUBE & ORIF. SIZE
TIME TAKEN OFF
13.00 M
DATE TAKEN OFF
3-6 1999
MW MP 1000-8D
SIGNED
Start Packer Test 3/3/99 11:00 PM
Open Ojo Alamo to Flow 1:00 PM 3/4/99
Rw S.I. Through Compressor
Open San Jose to Flow 1:00 PM 3/5/99
Shut In Ojo Alamo
End Packer Test 3/6/99 11:00 PM
Open Ojo Alamo to Production