



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 23, 1999

RECEIVED
APR 26 1999

OIL CON. DIV.
DIST. 3

Mallon Oil Company
P. O. Box 2797
Durango, Colorado 81302
Attention: Christy Serrano

Administrative Order NSL-2831-B

Dear Ms. Serrano:

Reference is made to the following: (i) your application dated April 9, 1999; and (ii) the records of the New Mexico Oil Conservation Division in Santa Fe ("Division"): all concerning Mallon Oil Company's ("Mallon") request for a non-standard gas well location within the San Jose formation for the existing Jicarilla 459-20 Well No. 8 (API No. 30-039-25787) located 2205 feet from the South line and 1530 feet from the West line (Unit K) of Section 20, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

By Division Administrative Order NSL-2831, dated July 27, 1990, Robert L. Bayless ("Bayless") was authorized to drill its proposed Jicarilla "459" Well No. 6 at an unorthodox gas well location 2205 feet from the South line and 1530 feet from the West line (Unit K) of Section 20 in order to test the East Blanco-Pictured Cliffs Pool. A standard 160-acre gas spacing and proration unit comprising the SW/4 of Section 20 was to have been dedicated to the well.

Apparently Bayless never drilled its proposed Jicarilla "459" Well No. 6. On March 8, 1998 Mallon spudded the subject Jicarilla 459-20 Well No. 8 under the authority of Division Administrative Order NSL-2831 at the above-described unorthodox Pictured Cliffs gas well location. On March 16, 1998 the well was TD-ed at 4,090 feet and on March 20, 1998 Mallon completed this well in the Cabresto Canyon-Ojo Alamo Pool with perforations from 3277 feet to 3326 feet.

By Division Administrative Order NSL-2831-A, dated October 22, 1998, Mallon received authorization to complete this well into the Cabresto Canyon-Ojo Alamo Pool at the above-described unorthodox gas well location within the SW/4 equivalent of Section 20.

It is our understanding that Mallon intends to dually complete this well in both the Cabresto Canyon-Ojo Alamo Pool and the San Jose formation. Pursuant to Division Rule 104.C(3)(a), this location is also unorthodox. The SW/4 of Section 20 is to be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit for San Jose gas production.

The application has been duly filed under the provisions of Division Rule 104.F.

Further all provisions of Orders NSL-2831 and NSL-2831-A shall remain in full force and affect until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /
U. S. Bureau of Land Management - Albuquerque
File: NSL-2831
NSL-2831-A

Mallon Oil Company

a Mallon Resources Subsidiary

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

April 9, 1999

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

RECEIVED
APR 12 1999
OIL CONSERVATION
DIVISION

RE: Jicarilla 459-20 No. 8
2205' FSL and 1530' FWL (NE SW) Unit K'
Sec. 20, T30N-R03W
Rio Arriba County, New Mexico

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL-2831) for the Pictured Cliffs formation, and also received Non Standard Location approval (NSL-2831-A) for the Cabresto Canyon; Ojo Alamo Ext.

Mallon Oil Company would like to apply for Non Standard Location approval for the Cabresto Canyon; San Jose Extension at the existing wellbore location. Enclosed is a copy of the C-102.

Please contact me at (970) 382-9100, if any additional information is needed.

Sincerely

Christy Serrano

Christy Serrano
Production Clerk

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 0 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-25787		Pool Code 96822	Pool Name Cabresto Canyon; San Jose Ext.
Property Code 22862	Property Name JICARILLA 459-20		Well Number 8
OGRIID No. 013925	Operator Name MALLON OIL CO.		Elevation 7240'

10 Surface Location

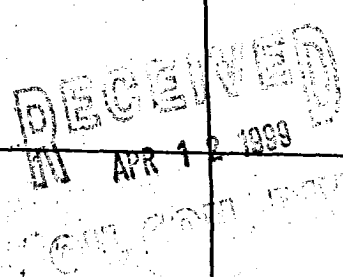
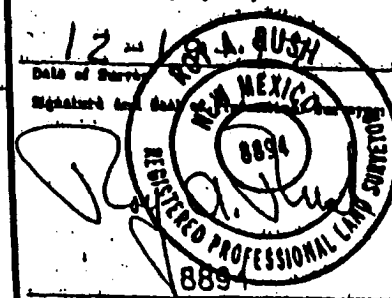
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	20	30-N	3-W		2205	SOUTH	1530	WEST	RIO ARRIBA

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

Dedicated Acres 160	Joint or Unit	Consolidation Code	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

U.S.G.L.O. B.C. 1917 EAST 2628.1' (RECORD)				17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
S 0°08'30" W 2639.0' (MEASURED)				<u>Christy Serrano</u> Signature <u>Christy Serrano</u> Printed Name Production Secretary Title <u>March 25, 1999</u> Date	
U.S.G.L.O. B.C. 1917				18 SURVEYOR CERTIFICATION 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.	
1530' N 0°11'45" E 2642.9' (MEASURED) U.S.G.L.O. B.C. 1917				<u>12-1</u> Date of Survey Signature and Seal Certificate Number	
N 89-57 E 5273.4' (RECORD)					