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Form 3160-3  
(July 1992)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OIL CON. DIV.  
DIST. 3

FORM APPROVED

OMB NO. 1004-0136

Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

|   |                       |  |               |
|---|-----------------------|--|---------------|
| 1a. TYPE OF WORK<br>Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>   |                       | 5. LEASE DESIGNATION AND SERIAL NO.<br>JIC459                              |               |
| b. TYPE OF WELL<br>Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>                  |                       | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME<br>Jicarilla Apache                   |               |
| 2. NAME OF OPERATOR<br>Mallon Oil Company 13925   |                       | 7. UNIT AGREEMENT NAME<br>N/A  |               |
| 3. ADDRESS AND TELEPHONE NO.<br>P.O. Box 3256<br>Carlsbad, NM 88220 (505) 885-4596  |                       | 8. FARM OR LEASE NAME, WELL NO.<br>Jicarilla 459-17 No. 10 22211           |               |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)<br>At surface 1850' FNL and 750' FWL (SW NW) Unit E |                       | 9. API WELL NO.<br>30-039-25854  |               |
| At proposed prod. zone 1850' FNL and 750' FWL (SW NW) Unit E  |                       | 10. FIELD AND POOL, OR WILDCAT<br>E. Blanco, Pictured Cliffs 22460         |               |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *<br>50 miles east of Bloomfield, New Mexico                                 |                       | 11. SEC., T., R., M., OR BLK.<br>AND SURVEY OR AREA<br>M Sec. 17, T30N-R3W |               |
| 15. DISTANCE FROM PROPOSED *<br>LOCATION TO NEAREST<br>PROPERTY OR LEASE LINE, FT.<br>(Also to nearest drlg. unit line, if any)                   |                       | 12. COUNTY OR PARISH 13. STATE<br>Rio Arriba NM                            |               |
| 16. NO. OF ACRES IN LEASE<br>2267.0   |                       | 17. NO. OF ACRES ASSIGNED<br>TO THIS WELL<br>160                           |               |
| 18. DISTANCE FROM PROPOSED LOCATION *<br>TO NEAREST WELL, DRILLING, COMPLETED,<br>OR APPLIED FOR, ON THIS LEASE, FT.                              |                       | 20. ROTARY OR CABLE TOOLS<br>Rotary  |               |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.)<br>7179' GL  |                       | 22. APPROX. DATE WORK WILL START<br>April 10, 1998                         |               |
| 23. PROPOSED CASING AND CEMENTING PROGRAM   |                       |  |               |
| SIZE OF HOLE  | GRADE, SIZE OF CASING | WEIGHT PER FOOT  | SETTING DEPTH |
| 12-1/4"   | 8-5/8"                | 24#  | 500'          |
| 7-8/8"  | 5-1/2"                | 15.5#  | 4500'         |
|   |                       |  | 570 sks       |

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: Existing Roads/Planned Access Roads  
Exhibit C: One Mile Radius Map

Exhibit D: Drilling Site Layout  
Exhibit E: Production Facilities  
Exhibit F: H2S Contingency Plan  
Exhibit G: Environmental Assessment

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is 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 L. Liddeman TITLE: Operations Superintendent DATE: 03/23/98

(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: (Original Signed) HECTOR A. VILLALOBOS TITLE: Asst. Field Manager DATE: MAY 5 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 5-104 FOR USG  
(S)

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

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

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                    |                                    |                            |  |
|------------------------------------|------------------------------------|----------------------------|--|
| *API Number<br><u>30-039-25854</u> |                                    | *Pool Code<br><u>72700</u> | *Pool Name<br>East Blanco Pictured Cliff |
| *Property Code<br><u>22211</u>     | *Property Name<br>JICARILLA 459-17 |                            | *Well Number<br>10                       |
| *OGRID No.<br><u>13925</u>         | *Operator Name<br>MALLON OIL CO.   |                            | *Elevation<br>7179                       |

<sup>10</sup> Surface Location

|               |         |          |       |         |               |                  |               |                |            |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County     |
| M             | 17      | 30-N     | 3-W   |         | 140           | SOUTH            | 1110          | WEST           | RIO ARriba |

<sup>11</sup> 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 |
|               |         |          |       |         |               |                  |               |                |        |

|                                      |                               |                                  |                         |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>160 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

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

|  |  |  |  |   |
|--|--|--|--|---|
| 16   |  |  |  | 17 OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br><br><u>Terry Lindeman</u><br>Signature<br>Terry Lindeman<br>Printed Name<br>Operations Superintendent<br>Title<br>3/24/98<br>Date |
|  |  |  |  |   |
| 18 SURVEYOR CERTIFICATION<br>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.<br><br>2-26-98<br>Date of Survey<br>Signature and Seal of Registered Surveyor<br>a. Rush<br>REGISTERED PROFESSIONAL LAND SURVEYOR<br>8894<br>Certificate Number |  |  |  |   |
|  |  |  |  |   |

1110' 140'

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DIST. 3

MALLON OIL CO.

JICARILLA 459-17 No.10

RIO ARriba COUNTY, NEW MEXICO

SEC. 17, T-30-N, R-3-W, N.M.P.M.

140' FSL, 1110' FWL

