

CONFIDENTIAL

Form 3160-3
(July 1992)

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

98 APR 21

5. LEASE DESIGNATION AND SERIAL NO.

JIC 458-8

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

Jicarilla Apache

7. UNIT AGREEMENT NAME

N/A

1a. TYPE OF WORK

Drill ☒

Deepen ☐

b. TYPE OF WELL

Oil Well ☐

Gas Well ☒

Other ☐

Single Zone ☐

Multiple Zone ☐

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 (Report location clearly and in accordance with any State requirements.)

At surface

800' FSL and 1190' FEL (SE/SE) Unit P

At proposed prod. zone

800' FSL and 1190' FEL (SE/SE) Unit P

8. FARM OR LEASE NAME, WELL NO.

Jicarilla 458-8 No. 10

9. API WELL NO.

30-039-25862

10. FIELD AND POOL, OR WILDCAT

E. Blanco, Pictured Cliffs 72460

11. SEC., T., R., M., OR BLK.

AND SURVEY OR AREA

Sec. 8, T30N-R03W

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *

56 miles east of Bloomfield, New Mexico

12. COUNTY OR PARISH

Rio Arriba

13. STATE

NM

15. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

2560

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.

19. PROPOSED DEPTH

4500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.)

7096' GL

22. APPROX. DATE WORK WILL START

May 20, 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 |
| | | | | |
| | | | | |

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 Lindeman

TITLE: Operations Superintendent

DATE

April 13, 1998

(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:

(Original Signed) HECTOR A. VILLALOBOS

APPROVED BY

TITLE

DATE

MAY 14 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.

CONFIDENTIAL

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

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

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

☐ AMENDED REPORT

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------------------|-----------------------------------|---------------------|--|
| *API Number 30-039-25862 | | *Pool Code 72400 | *Pool Name East Blanco Pictured Cliff |
| *Property Code 22182 | *Property Name Jicarilla 458-8 | | *Well Number #10 |
| *OGRID No. 13925 | *Operator Name Mallon Oil Co. | | *Elevation 7096' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| P | 8 | 30 N | 3 W | | 800 | South | 1190 | East | 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 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order 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

| | | | |
|--|-----------|------------|--|
| 16 RECEIVED MAY 19 1998 OIL CON. DIV. DIST. 3 | Calc. cor | | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <u>Christy Serrano</u> Printed Name <u>Christy Serrano</u> Title <u>Production Secretary</u> Date <u>4/20/98</u> |
| | 5140.1' | | |
| N00-02-00W | | 1190' | |
| 800' | | | |
| 1917 B.C. | | N89-54-00E | 5278.0' |
| 1917 B.C. | | | |

Exhibit A

MALLON OIL COMPANY

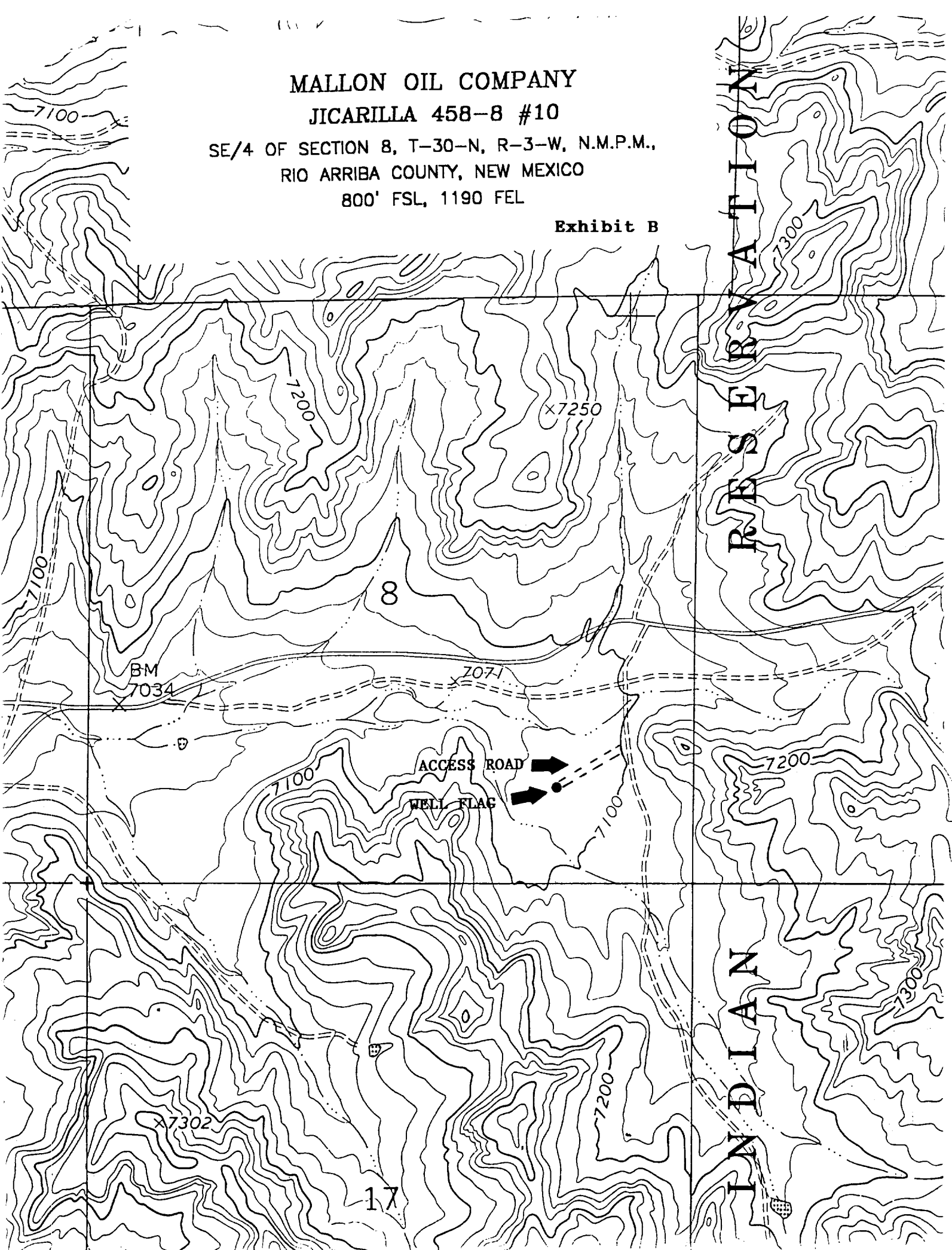
JICARILLA 458-8 #10

SE/4 OF SECTION 8, T-30-N, R-3-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

800' FSL, 1190 FEL

Exhibit B



DRILLING PROGRAM

Attached to Form 3160-3
Mallon Oil Company
Jicarilla 458-8 No. 10
800' FSL & 1190' FEL (SE/SE) Unit P
Sec. 8, T30N-R03W
Rio Arriba County, New Mexico

Lease Number: JIC458

1. Geologic name of surface formation: San Jose

2. Estimated tops of important geologic markers:

| | |
|-----------------|---------|
| San Jose | Surface |
| Ojo Alamo | 3230' |
| Kirtland | 3458' |
| Fruitland | 3478' |
| Pictured Cliffs | 3768' |
| Lower P.C. | 4017' |
| Total Depth | 4500' |

3. Estimated depths of anticipated fresh water, oil or gas:

| | | |
|-----------------|-------|-------------|
| San Jose | 50' | Fresh Water |
| Ojo Alamo | 3230' | Gas |
| Fruitland | 3478' | Gas |
| Pictured Cliffs | 3768' | Gas |

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 8-5/8" casing at 500' and circulating cement back to surface.