

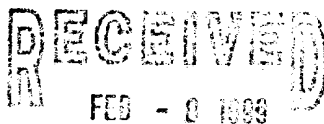


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

February 4, 1999

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



Telefax No. (970) 382-7650

*Administrative Order NSL-4199*

Dear Ms. Serrano:

Reference is made to your application dated January 18, 1999 for a non-standard gas well location within the San Jose formation for Mallon Oil Company's proposed Jicarilla 457-9 "SJ" Well No. 2 (API No. 30-039-25905) to be drilled 719 feet from the North line and 802 feet from the West line (Lot 4/Unit D) of Section 9, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 9 is to be dedicated to the well in order to form a standard 152.12-acre gas spacing and proration unit.

The application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
U. S. Bureau of Land Management - Albuquerque

# Mallon Oil Company

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

*a Mallon Resources Subsidiary*

January 18, 1999

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

RE: Jicarilla 457-9 SJ No. 2  
719' FNL and 802' FWL  
(NW NW) Unit D  
Sec. 9, T30N-R03W

Dear Mr. Stogner:

Mallon Oil Company is requesting an unorthodox location for Jicarilla 457-9 SJ No.2 (719' FNL and 802' FWL, NW NW, Unit D) Sec. 9, T30N-R03 Rio Arriba County, New Mexico, for the Cabresto Canyon; Ojo Alamo Ext.

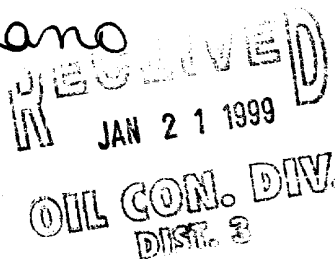
The well bore for this well is located on the same well pad as Jicarilla 457-9 No. 2 (695' FNL and 731' FWL, NW NW, Unit D) Sec. 9, T30N-R03W, which Mallon Oil Company has also applied for an NSL. Mallon Oil Company is the sole operator within a half mile radius. Enclosed is a copy of Mallon Oil Company's C-102, topographical map and a map showing an overall view of East Blanco lease.

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

Sincerely

*Christy Serrano*

Christy Serrano  
Production Clerk



**DIRECT IV**  
**PO Box 8088, Santa Fe, NM 87504-8088**

P.O. Box 2088  
Santa Fe, NM 87604-2088

For Lease - 5 Copies

☐ AMENDED REPORT

API Number 30-039-25905		Pool Code 96822	Pool Name Cabresto Canyon; San Jose Ext.
Property Code	Property Name JICARILLA 457-9 SJ		Well Number 2
OGDN No. 013925	Operator Name MALLON OIL COMPANY		Elevation 7210'

UL or lot no.	Section	Township	Range	Lot Blk	Feet from the	North/South Line	Feet from the	East/West Line	County
	9	30-N	3-W		719	NORTH	802	WEST	RIO ARriba

Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

#Dedicated Acres 160	#Tons of Mill	#Consolidation Code	#Order No.
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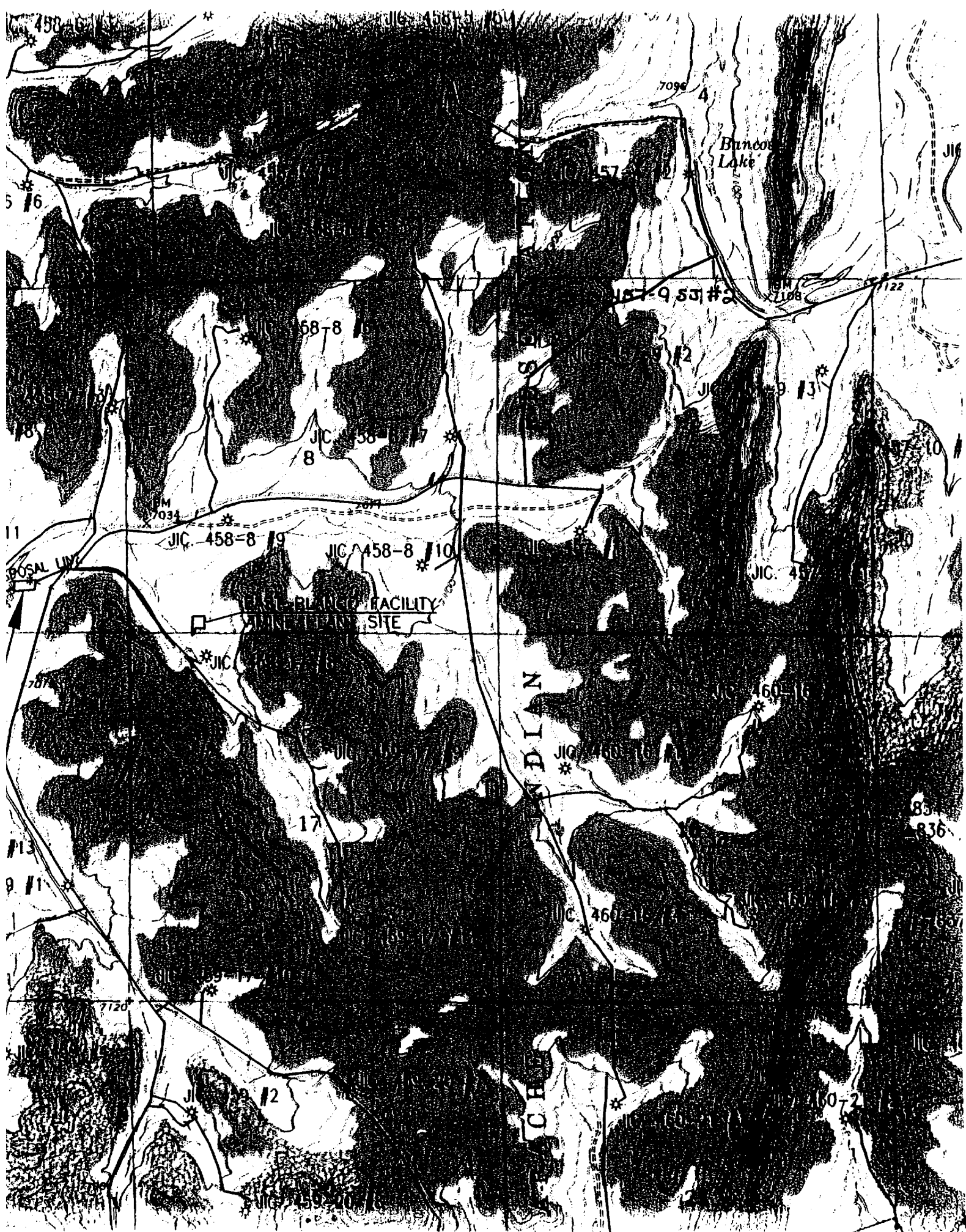
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

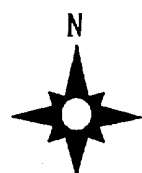
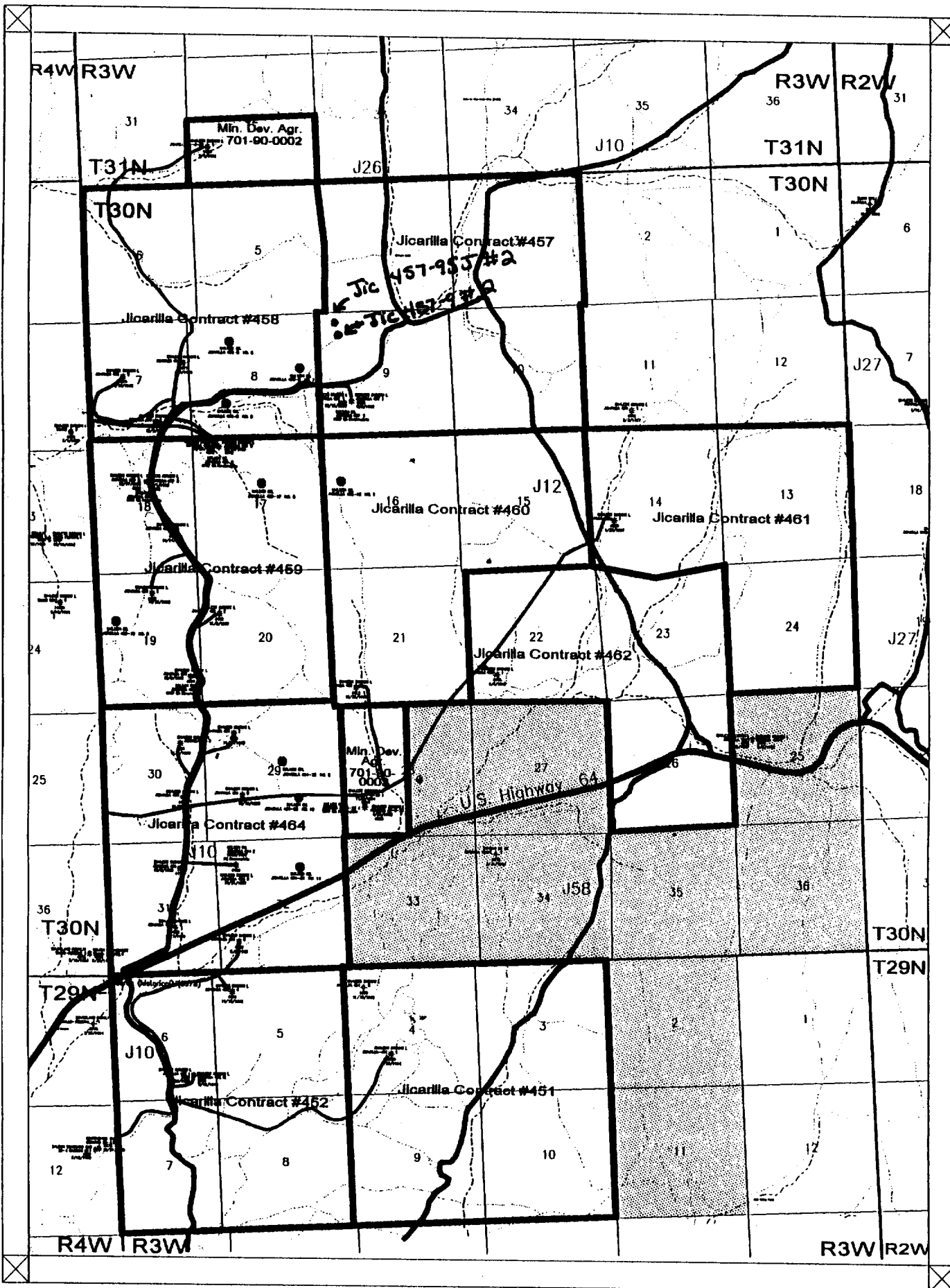
1917 U.S.A.L.A. NO. N 89-52-31 E 2884.70

91/4 CORNER SEC. 4

1917 USAFO AC

<p>16</p> <p>802'</p> <p>710'</p>		<p>1917 U.S.G.L.O. &amp; C.</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Terry Lindeman</i></p> <p>Signature</p> <p>Terry Lindeman</p> <p>Printed Name</p> <p>Operations Superintendent</p> <p>Title</p> <p>June 12, 1998</p> <p>Date</p>
<p>1917 U.S.G.L.O. &amp; C.</p>	<p>RECEIVED</p> <p>JAN 21 1999</p> <p>CON. DIV.</p> <p>DIST. 3</p>			<p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this page 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.</p> <p>5-19</p> <p>Date of Survey</p> <p><i>G. J. [Signature]</i></p> <p>Signature of Surveyor</p> <p>NEW MEXICO</p> <p>REGISTERED PROFESSIONAL LAND SURVEYOR</p> <p>8894</p> <p>Certificate Number</p>
<p>EXHIBIT A</p>				





Scale 1:63360.

0.2 0. 0.2 0.4 0.6 0.8 1. miles

LEGEND	
Yellow	= Development Contracts
Green	= Proposed Acreage
Purple Lines	=
	Approximate Pipeline Locations
•	Permitted Well Locations

MALLON OIL COMPANY	
East Blanco Field	
San Juan Basin	
Rio Arriba County, New Mexico	
	10/17/1997