



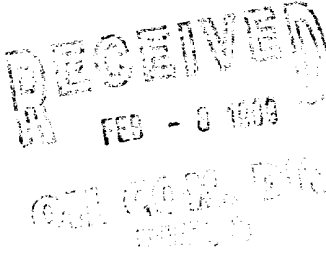
NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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-4202

Dear Ms. Serrano:

Reference is made to your application dated December 3, 1998 for a non-standard gas well location within both the San Jose formation and the Cabresto Canyon-Ojo Alamo Pool for Mallon Oil Company's proposed Jicarilla 458-5 Well No. 3 (API No. 30-039-25911) to be drilled 532 feet from the South line and 1361 feet from the East line (Lot 15/Unit O) of Section 5, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. Lots 9, 10, 15, and 16 (SE/4 equivalent) of Section 5 is to be dedicated to the well in order to form a standard 156.76-acre gas spacing and proration unit for both intervals.

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 location in both the San Jose formation and the Cabresto Canyon-Ojo Alamo Pool for the proposed Jicarilla 458-5 Well No. 3 is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

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

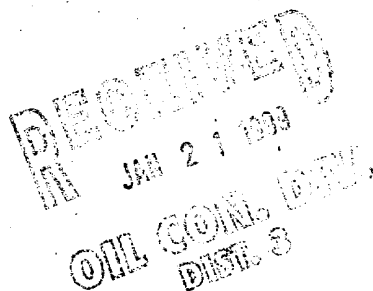
Mallon Oil Company

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

a Mallon Resources Subsidiary

December 3, 1998

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



Dear Mr. Stogner:

Mallon Oil Company is requesting an unorthodox location for the Jicarilla 458-5 No. 3 (532' FSL and 1361' FEL, SW SE, Unit O) Sec. 5, T30N-R03W, Rio Arriba County, New Mexico.

Mallon Oil Company is the only offset operator to the acreage involved. The well was moved from its originally staked location because of an archeological site Northeast of the original staking which ran into the well pad. Due to federal law #36 CFR part 800 which states the protection of historic and cultural properties, Mallon Oil Company agreed to move the well pad to the Southeast. The move to the Southeast was more desirable due to the fact that we encountered rough terrain Northwest of the original staking.

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

Sincerely

Christy Serrano

Christy Serrano
Production Clerk

JIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

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 30-039-25911		*Pool Code	*Pool Name Cabresto Canyon; San Jose Ext.
*Property Code	*Property Name JICARILLA 45B-5		*Well Number 3
*OGRM No. 013925	*Operator Name MALLON OIL COMPANY		*Elevation 7239



¹⁰ Surface Location

UL or lot no. 0	Section 5	Township 30-N	Range 3-W	Lot Idn	Feet from the 532	North/South line SOUTH	Feet from the 1361	East/West line EAST	County RIO ARriba
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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 Infill		*Consolidation Code		*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

<div>16</div> <div>RECEIVED JAN 21 1999 OIL CONSERVATION DIVISION</div>				<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <div></div> <div>Signature Duane C. Winkler Printed Name Operations Manager Title 12-8-98 Date</div>	
				<div>18 SURVEYOR CERTIFICATION</div> <p>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.</p> <div>5-13-98 Date of Survey</div> <div></div> <div>Signature Roy A. Rush Seal of Professional Surveyor 8894 REGISTERED PROFESSIONAL LAND SURVEYOR 8894 Certificate Number</div>	
				<div>1917 B.C.</div>	
				<div>1361'</div> <div>532'</div> <div>2633.4'</div> <div>N 0-08 W (G.L.O.)</div>	

S 89-44-13 W 5160.6'

EXHIBIT A

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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*Property Code	*Property Name JICARILLA 458-5			*Well Number 3
*ORD No. 013925	*Operator Name MALLON OIL COMPANY			*Elevation 7239

10 Surface Location

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11 Bottom Hole Location If Different From Surface

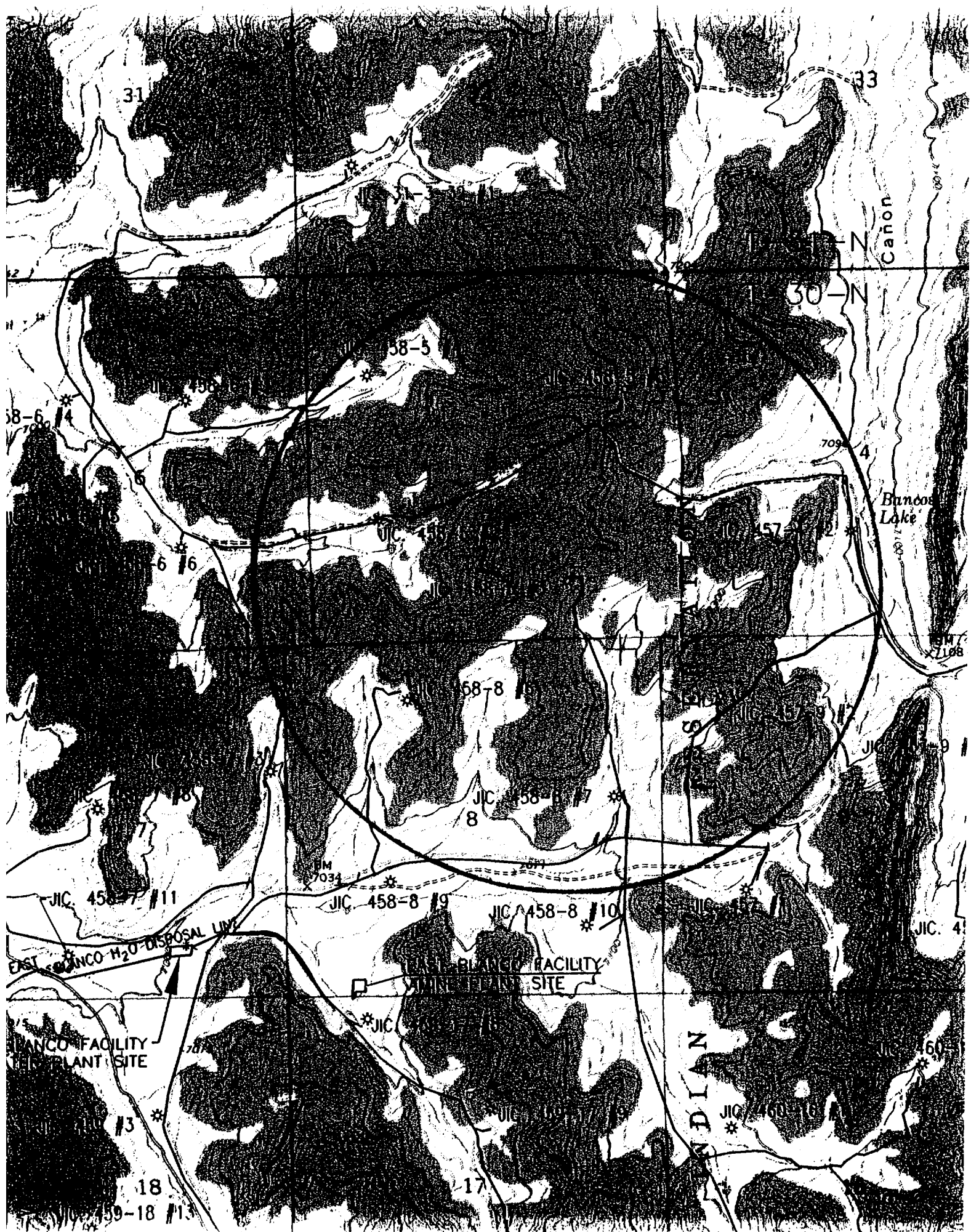
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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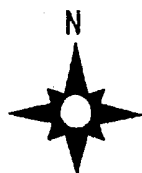
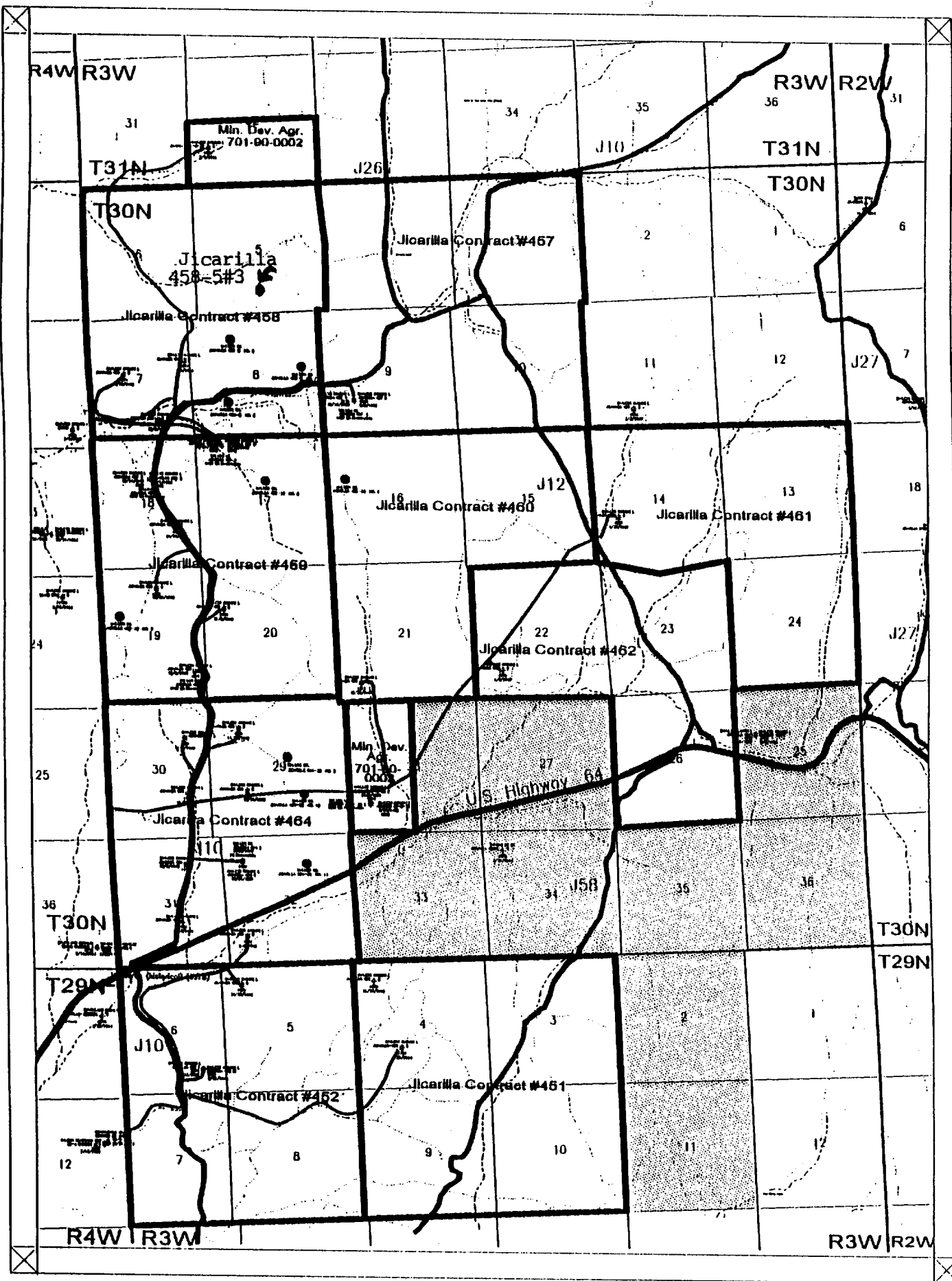
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			<p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</p> <p>5-13-98 Date of Survey Roy A. Rush Professional Land Surveyor 8894 Certification Number</p>	

S 89-44-13 W 5160.6'

EXHIBIT A





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