

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

| | | | |
|---|---------------------------------|--|------------------------|
| 1a TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/> | | 5 LEASE DESIGNATION AND SERIAL NO. Jic460 | |
| b TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/> | | 6 IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache | |
| 2 NAME OF OPERATOR Mallon Oil Company | | 7 UNIT AGREEMENT NAME N/A | |
| 3 ADDRESS AND TELEPHONE NO. P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596 | | 8 FARM OR LEASE NAME, WELL NO. Jicarilla 460-16 | |
| 4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1940' FNL, 734' FWL (SW NW) Unit | | 9 APL WELL NO. 30-039-25942 | |
| At proposed prod. zone 1940' FNL, 734' FWL (SW NW) Unit | | 10 FIELD AND POOL, OR WILDCAT Cabresto Canyon, San Jose E | |
| 14 DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 50 miles east of Bloomfield, New Mexico | | 11 SEC., T., R., M., OR BLK. Sec. 16, T30N-R03W | |
| 15 DISTANCE FROM PROPOSED * LOCATION TO NEAREST 690' PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) | | 12 COUNTY OR PARISH Rio Arriba | |
| 18 DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3550' | | 13 STATE NM | |
| 21 ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7168 | | 16 NO. OF ACRES ASSIGNED TO THIS WELL 160 | |
| 22 APPROX DATE WORK WILL START 08/10/98 | | 19 PROPOSED DEPTH 1750' | |
| 20 ROTARY OR CABLE TOOLS Rotary | | | |
| 23 PROPOSED CASING AND CEMENTING PROGRAM | | | |
| SIZE OF HOLE 11" 7-7/8" | GRADE, SIZE OF CASING 8-5/8" | WEIGHT PER FOOT 24# | SETTING DEPTH 1750' |
| QUANTITY OF CEMENT cir to surface OPEN HOLE | | | |

Mallon Oil Company proposes to drill to a depth sufficient to test the San Jose formation. If productive, it will be open hole completed. 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: This bore hole is on an existing pad. The surface use plan is already in place.

Drilling Program

Exhibit 1: Blow Out Preventor Equipment/Plan
Exhibit A: Location and Elevation Plat
Exhibit B: Roads and Pipelines
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.

SIGNED M. Gay Davis TITLE: Production Analyst DATE 8/3/98

(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: Continue all activity to the existing well pad.

APPROVED BY (Original Signed) HECTOR A. VILLALOBOS TITLE Asst. Field Mgr. DATE AUG 13 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 C-104 FOR USL

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Revised February 21, 1984

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

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

DISTRICT IV
PO Box 2008, Santa Fe, NM 87501-2008

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------------------------|---|---------------------------|--|
| API Number 30-039-25942 | | Pool Code 96822 | Pool Name Cabresto Canyon; San Jose Ext. |
| Property Code 23626 | Property Name JICARILLA 460-16 SJ | | Well Number 16 |
| OGRIID No. 013925 | Operator Name MALLON OIL CO. | | Elevation 7167' |

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 |
|---------------|-----------|-------------|------------|---------|---------------|------------------|---------------|----------------|-------------------|
| E | 16 | 30-N | 3-W | | 1940 | NORTH | 734 | 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 Infill | Consolidation Code | Order No. |
|-------------------------------|-----------------|--------------------|-----------|

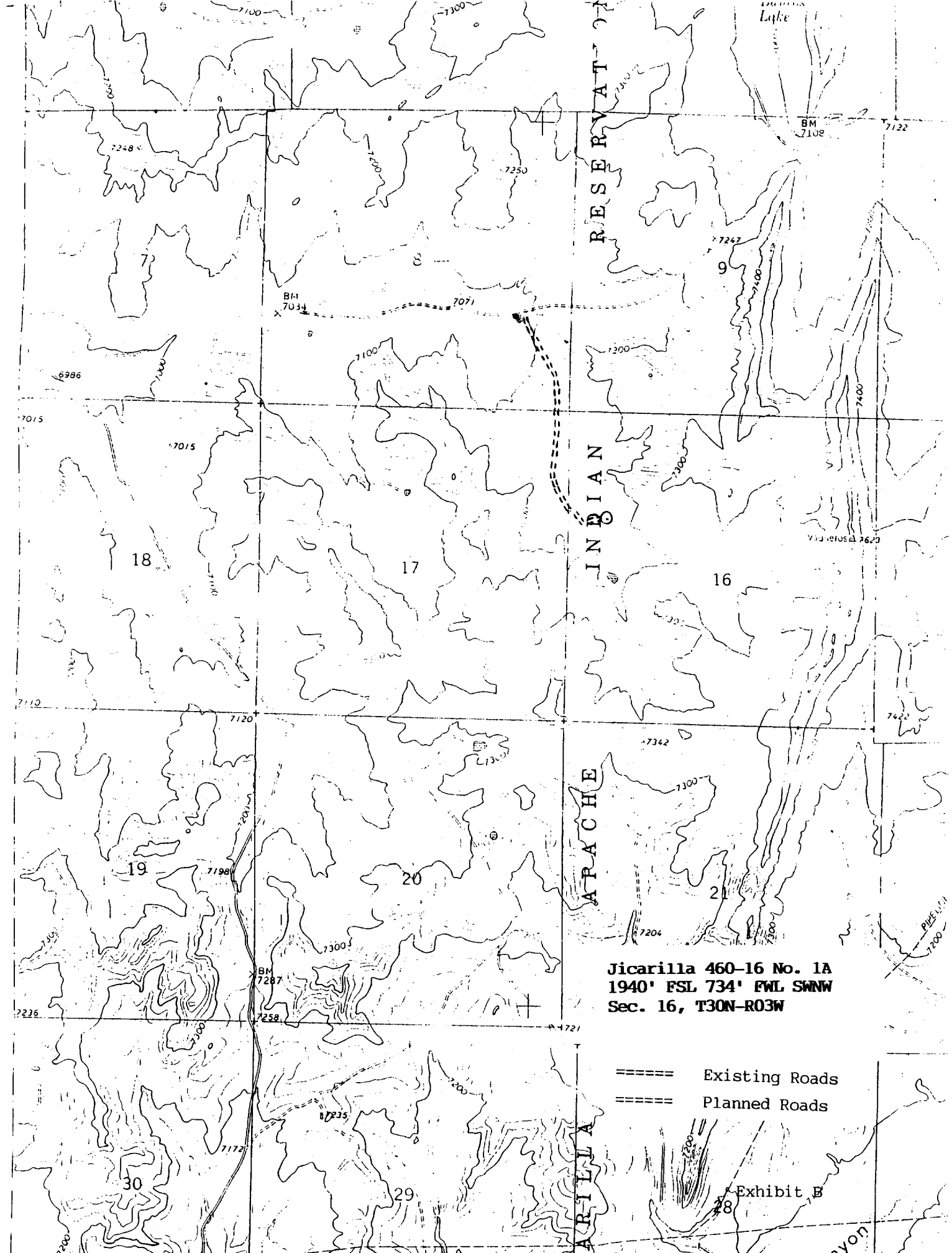
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

S 00-03-28 E 5284.9'

| | | | |
|---|---------------------------------|---|--|
| U.S.G.L.O. BRASS CAP 1917 N 00-02-18 W 2840' 734' | U.S.G.L.O. BRASS CAP 1917 | RECEIVED AUG 17 1998 OIL CON. DIV. DIST. 3 | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature <i>M. Gay Davis</i> Printed Name M. Gay Davis Title Production Analyst Date 8-3-98 |
| | | | 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 knowledge and belief Date of Survey 7-3-98 Signature of Professional Surveyor <i>[Signature]</i> Professional Surveyor No. 8894 Certified to the State of New Mexico |

RECEIVED
JAN 1 1964

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OF THE
U.S. DEPARTMENT OF
COMMERCE



Jicarilla 460-16 No. 1A
1940' FSL 734' FWL SWNW
Sec. 16, T30N-R03W

==== Existing Roads
==== Planned Roads

Exhibit B

NOTES:

1.) BASIS OF BEARING: SOLAR OBSERVATIONS.

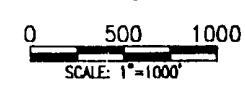
[Signature]


DATE



I, ROY A. RUSH, A NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR, CERTIFY THAT I CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

FD. 3-1/2" B.C.
1917 U.S.G.L.O.
CORNER



| REVISION | REV. BY | DATE |
|---|---------|------|
|  Daggett Enterprises, Inc. Surveying and Oil Field Services P. O. Box 2789 Farmington, NM 87499 Phone (505) 326-1772 Fax (505) 326-6019 REGISTERED LAND SURVEYOR NEW MEXICO No. 8894 | | |