

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

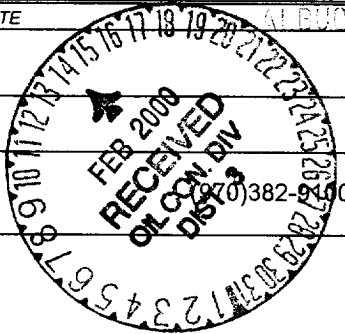
FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT --" for such proposals.

99 SEP 22 01 8:56

SUBMIT IN TRIPLICATE		5. Lease Designation and Serial No.
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other:		6. If Indian, Alakote or Tribe Name Jicarilla Apache Tribe
2. Name of Operator Mallon Oil Company		7. Unit or CA, Agreement Designation N/A
3. Address and Telephone No. P.O. Box 2797 Durango, CO 81302		8. Well Name and No. Jicarilla 458-6 No. 5
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2337' FSL and 1546' FWL (NE SW) Unit K Sec. 6, T30N-R03W		9. Well API No. 30-039-25951
		10. Field and Pool, or Exploratory Area East Blanco; Pictured Cliffs
		11. County or Parish, State Rio Arriba County, New Mexico



12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other: Change Surface Casing
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)\*

Mallon proposes to change the surface casing depth to 250 ft with cement circulated to surface. Mallon Oil Company feels that 250ft of surface casing will be more then adequate to protect any shallow water aquifers. Previous wells drilled by Robert L. Bayless in the East Blanco field utilized surface casing depths from 110'-160'. In the past year through our drilling program we have not encountered any water through or below these depths.

14. I hereby certify that the foregoing is true and correct

Signed Christy Serrano Title Production Clerk Date 9-20-99

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved B BC Title Permit Eng. Date 02/12/00

Conditions of approval, if any:

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as as to any matter within its jurisdiction.

\*See Instruction on Reverse Side

CONFIDENTIAL

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or recomplete a different reservoir.  
Use "APPLICATION FOR PERMIT -" for such proposals.

FORM APPROVED  
Budget Bureau No. 4004-0135  
Expires March 31, 1993

5. Lease Designation and Serial No.  
Jic 458

6. If Indian, Allottee or Tribe Name  
Jicarilla Apache Tribe

7. If Unit or CA, Agreement Designation  
N/A

8. Well Name and No.  
Jicarilla 458-6 No. 5

9. Well API No.  
30-039-25951

10. Field and Pool, or Exploratory Area  
East Blanco; Mancos

11. County or Parish, State  
Rio Arriba, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other:

2. Name of Operator

Mallon Oil Company

3. Address and Telephone No.

P.O. Box 2797 Durango, CO 81302

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2337' FSL and 1546' FWL (NE/SW) Unit K  
Sec. 6, T30N-R03W

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment ☐ Change of Plans  
☐ Recompletion ☐ New Construction  
☐ Plugging Back ☐ Non-Routine Fracturing  
☐ Casing Repair ☐ Water Shut-Off  
☐ Altering Casing ☐ Conversion to Injection  
☒ Other: Depth Change ☐ Dispose Water

on APD

(Note: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)

Mallon Oil Company requests a change of the existing APD for the above referenced well.  
The new targeted depth is 7000'. The attached portions of the APD reflect any associated changes. Please note the changes related to a closed mud system that we have recently started to use.

*Surface casing must be at least 320' deep for TD 5000' to 8000'*

14. I hereby certify that the foregoing is true and correct

Signed

Gay Davis

Title Office Manager

Date: 10/31/00

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved B

Title Lands and Mineral Resources

Date 11/22/00

Conditions of approval, if any:

*Orig. COA's still apply for surface and downhole requirements, exclusive of requirements*

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*\* Increase cement excess to 50% on L.S. and 100% on S.S. as per COA's on APD*

(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**

1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. <b>JIC 458</b>	
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 <b>Jicarilla Apache</b>	
2. NAME OF OPERATOR <b>Mallon Oil Company</b>		7. UNIT AGREEMENT NAME <b>N/A</b>	
3. ADDRESS AND TELEPHONE NO. <b>P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596</b>		8. FARM OR LEASE NAME, WELL NO. <b>Jicarilla 458-6 No. 5</b>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface <b>2337' FSL and 1546' FWL (NE/SW) Unit K</b> At proposed prod. zone <b>2337' FSL and 1546' FWL (NE/SW) Unit K</b>		9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * <b>55 miles east of Bloomfield, New Mexico</b>		10. FIELD AND POOL, OR WILDCAT <b>E. Blanco, Mancos</b>	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT <b>1546'</b> (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <b>Sec. 6, T30N-R3W</b>	
16. NO. OF ACRES IN LEASE <b>2560</b>		12. COUNTY OR PARISH <b>Rio Arriba</b>	
17. NO. OF ACRES ASSIGNED TO THIS WELL <b>114</b>		13. STATE <b>NM</b>	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. <b>1000'</b>		19. PROPOSED DEPTH <b>7000'</b> <i>4500'</i>	
20. ROTARY OR CABLE TOOLS <b>Rotary</b>		21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) <b>7061'</b>	
22. APPROX. DATE WORK WILL START <b>08/17/98</b>		23. PROPOSED CASING AND CEMENTING PROGRAM	
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
<b>12-1/4"</b>	<b>8-5/8"</b>	<b>24#</b>	<b>250'</b>
<b>7-7/8"</b>	<b>5-1/2"</b>	<b>15.5#</b>	<b>7000'</b>
			<b>Circulate to surface</b>
			<b>1200 sks to surface</b>

*Must be  $\geq 320'$*

Mallon Oil Company proposes to drill to a depth sufficient to test the Mancos 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 Preventer 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: *Terry Lipdeman*  
**Terry Lipdeman**

TITLE: Operations Superintendent

DATE: 10/31/00

(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 \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

**\*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.

*\* Increase excess to 50% only @ ~ 75% as listed*

## DRILLING PROGRAM

Attached to Form 3160-3  
Mallon Oil Company  
Jicarilla 458-6 No. 5  
2337' FSL & 1546' FWL (NE/ SW) Unit K  
Sec. 6, T30N-R3W  
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'
Lewis	3800'
Mesa Verde	5900'
Mancos	6200'
Total Depth	7000'

- 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
Lewis	3800'	Gas
Mesa Verde	5900'	Gas
Mancos	6200'	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.

- 4. Proposed casing program:**

<u>Hole Size</u>	<u>Interval</u>	<u>Casing OD</u>	<u>Casing weight, grade, thread</u>
12-1/4"	0'-250'	8-5/8"	24.0 lbs/ft, K55, ST&C ✓
7-7/8"	0'-7000'	5-1/2"	15.5 lbs/ft, K55, LT&C ✓

**Cement Program:**

8-5/8" surface casing: Cemented to surface with 110 sks Class B, or Type III cement containing 2% CaCl<sub>2</sub>, 0.25 lb/sk Cello Seal, slurry to be mixed at 15.6 lb/gal, yield 1.18 cu ft/sk. Circulate cement to surface. 75%  
x 0.0102

5-1/2" production casing: 1200 sks 50/50 POZ, containing 6- 1/4 lb/sk Gilsonite, .3% Fluid loss, 3% KCl mixed at 13.7 lb/gal, 1.26 cu ft/sk, 30% excess. Circulate cement to surface. 50%

**5. Minimum specifications for pressure control (2M System):**

The blowout preventor equipment (BOP) shown in Exhibit 1 will consist of a double ram type (2000 psi WP) preventor. The unit will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and drill pipe rams on bottom. The BOP will be nipped up on the 8-5/8" surface casing and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Pipe rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 2" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve, and choke lines and choke manifold with 2000 psi WP rating.

**6. Types and characteristics of the proposed mud system:**

The well will be drilled to TD with a combination of fresh water and fresh water polymer mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight</u> (ppg)	<u>Viscosity</u> (sec)	<u>Water loss</u> (cc)
320 0-250'	FW	8.5	30-33	NC
250-4000'	FW (Gel Polymer)	8.5-8.8	30-33	<10cc
4000'-TD	FW (Gel Polymer)	9.0-9.5	32-35	15-20 cc

Sufficient mud materials required to maintain mud properties and meet minimum lost circulation and weight increase requirements, will be kept at the well site at all times.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT --" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other:

2. Name of Operator

Mallon Oil Company

3. Address and Telephone No.

P.O. Box 2797 Durango, CO 81302

(970)382-9100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2337' FSL and 1546' FWL (NE/SW) Unit K  
Sec. 6, T30N-R03W

5. Lease Designation and Serial No.  
Jic 458

6. If Indian, Allottee or Tribe Name  
Jicarilla Apache Tribe

7. If Unit or CA, Agreement Designation  
N/A

8. Well Name and No.  
Jicarilla 458-6 No. 5

9. Well API No.  
30-039-25951

10. Field and Pool, or Exploratory Area  
East Blanco; Pictured Cliffs

11. County or Parish, State  
Rio Arriba, New Mexico

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent  
☒ Subsequent Report  
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other: Extension of APD  
☐ Change of Plans  
☐ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well  
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)

Mallon Oil Company request a one (1) year extension on the  
Application for Permit to Drill on the above well.

2nd ext

14. I hereby certify that the foregoing is true and correct

Signed

Gay Davis

Title Office Manager

Date: 9/27/00

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

/s/ Brian W. Davis

Approved B

Title

Date

OCT 6 2000

Conditions of approval, if any: