

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. JIC 458	
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache	
2. NAME OF OPERATOR Mallon Oil Company		7. FARM OR LEASE NAME, WELL NO. Jicarilla 458-6 No. 6	
3. ADDRESS AND TELEPHONE NO. P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596		8. FARM OR LEASE NAME, WELL NO. Jicarilla 458-6 No. 6	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1450' FSL and 1850' FEL (NW/SE) Unit J		9. API WELL NO. 30-039-25973	
At proposed prod. zone 1450' FSL and 1850' FEL (NW/SE) Unit J		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 55 miles east of Bloomfield, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 6, T30N-R3W	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 2500'		12. COUNTY OR PARISH Rio Arriba	
16. NO. OF ACRES TO BE 2560		13. STATE NM	
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. 2000'	
19. PROPOSED DEPTH 4500'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, (GR) Etc.) 7049'		22. APPROX. DATE WORK WILL START 08/17/98	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8"	24#	500'
7-7/8"	5-1/2"	15.5#	4500'
		QUANTITY OF CEMENT	
		Circulate to surface	
		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: 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: Lerry Lindeman TITLE: Operations Superintendent DATE: 07/27/98

(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:

APPROVED BY: (Original Signed) HECTOR A. VILLALOBOS TITLE: Asst Field Mgr DATE: AUG 21 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.

OK @

DRILLING PROGRAM

Attached to Form 3160-3
Mallon Oil Company
Jicarilla 458-6 No. 6
1450' FSL & 1857' FEL (NW/SE) Unit J
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'
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.

MALLON OIL COMPANY

JICARILLA 458-6 No.6

SE/4 SECTION 6, T-30-N, R-3-W, N.M.P.M.

RIO ARRIBA COUNTY, NEW MEXICO

1450' FSL 1857' FEL

