

DRILLING PROGRAM

Attached to Form 3160-3

Mallon Oil Company

Jicarilla 461-24 No. 7

871' FNL and 1687' FWL (NE/NW) Unit C

Sec. 24, T30N-R3W

Rio Arriba County, New Mexico

LEASE NUMBER: JIC461

1. Geologic name of surface formation: San Jose

2. Estimated tops of important geologic markers:

| | |
|-----------------|---------|
| San Jose | Surface |
| Nacimiento | 2600' |
| Ojo Alamo | 3230' |
| Kirtland | 3458' |
| Fruitland | 3478' |
| Pictured Cliffs | 3468' |
| Lower P.C. | 4017' |
| Total Depth | 4500' |

3. Estimated depths of anticipated fresh water, oil, or gas:

| | | |
|-----------------|-------|-----|
| San Jose | 1500' | Gas |
| Nacimiento | 2600' | Gas |
| 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.

4. Proposed casing program:

| <u>Hole Size</u> | <u>Interval</u> | <u>Casing OD</u> | <u>Casing weight, grade, thread</u> |
|------------------|-----------------|------------------|-------------------------------------|
| 12-1/4" | 0-500' | 8-5/8" | 24 lb/ft, K55, ST&C |
| 7-7/8" | 0-4500' | 5-1/2" | 15.5 lb/ft, K55, LT&C |

Cement program:

8-5/8" surface casing: Cemented to surface with 350 sks Class B containing 2% CaCl₂, 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.

5-1/2" production casing: Lead slurry 300 sks 65/35 mixed at 13.4 lb/gal, 1.62 cu ft/sk, 30% excess. Tail with 270 sks 50/50 POZ, containing 1/4 lb/sk Cello Seal mixed at 14.15 lb/gal, 1.26 cu ft/sk, 30% excess.

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------|--|---------------------------------------|--|----------------------------|----------------------|
| 1 API Number 30-039-25994 | | 2 Pool Code 72400 | | 3 Pool Name E Blanco PC | |
| 4 Property Code 23822 | | 5 Property Name JICARILLA 461-24 | | | 6 Well Number 7 |
| 7 OGRID No. 13925 | | 8 Operator Name MALLON OIL COMPANY | | | 9 Elevation 7323' |

10 Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|--------------|---------|----------------------|---------------------------|-----------------------|------------------------|----------------------|
| UL or lot no. C | Section 24 | Township 30-N | Range 3-W | Lot Idn | Feet from the 871 | North/South line NORTH | Feet from the 1687 | East/West line WEST | County 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

| | | | |
|---------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres 160 | 13 Joint or Infill | 14 Consolidation Code | 15 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

| | | | | | | | |
|--|--|--------------------------|--|---|--|--|--|
| 16 CALC'D. CORNER RE-ESTABLISHED FROM BEARING TREE 1295.60' 1314.60' 1687' 871' 5258.30' N 0-01-16 W FD. MARKED STONE | | N 87-49-36 E 5182.30' | | FD. U.S.G.L.O. BC. 1917 | | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Terry Lindeman Printed Name Operations Superintendent Title August 19, 1998 Date | |
| | | 24 | | RECEIVED OCT 22 1998 OIL CON. DIV. DIST. 3 | | 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 belief. 7-ROY A. RUSH Date of Survey Signature and Seal of Professional Surveyor 8894 Certificate Number | |

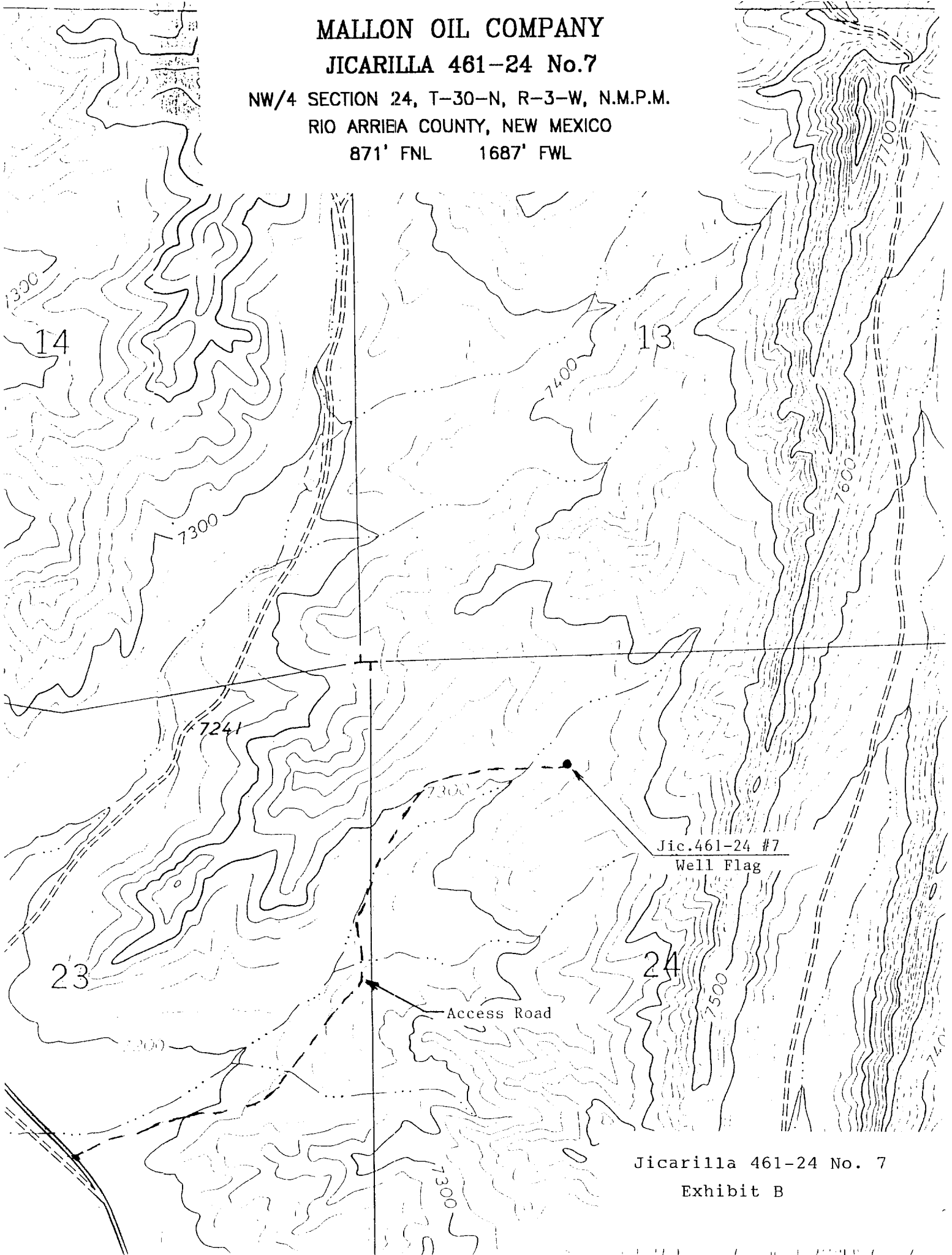
MALLON OIL COMPANY

JICARILLA 461-24 No.7

NW/4 SECTION 24, T-30-N, R-3-W, N.M.P.M.

RIO ARRIEA COUNTY, NEW MEXICO

871' FNL 1687' FWL



Jicarilla 461-24 No. 7

Exhibit B