

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

| | | | | | |
|--|-----------------------|---|---------------|--|--|
| BUREAU OF LAND MANAGEMENT | | | | 5. LEASE DESIGNATION AND SERIAL NO | |
| APPLICATION FOR PERMIT TO DRILL OR DEEPEN | | | | JIC 461 | |
| 1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/> | | | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache | |
| b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> | | | | 7. UNIT AGREEMENT NAME N/A | |
| 2. NAME OF OPERATOR Mallon Oil Company 013925 | | | | 8. FARM OR LEASE NAME, WELL NO. Jicarilla 461-24 No. 9 | |
| 3. ADDRESS AND TELEPHONE NO P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596 | | | | 9. API WELL NO. 30-039-25996 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1000' FSL and 1451' FEL (SW/SE) Unit O | | | | 10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs | |
| At proposed prod. zone 1000' FSL and 1451' FEL (SW/SE) Unit O | | | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 24, T30N-R3W | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 56 miles east of Bloomfield, New Mexico | | | | 12. COUNTY OR PARISH Rio Arriba | |
| 15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST 1000' PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) | | | | 13. STATE NM | |
| 18. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 25C9' | | 16. NO. OF ACRES IN LEASE 1920 | | 17. NO. OF ACRES ASSIGNED TO THIS WELL 160 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7290' GR | | 19. PROPOSED DEPTH 4500' | | 20. ROTARY OR CABLE TOOLS Rotary | |
| 22. APPROX DATE WORK WILL START 09/02/98 | | 23. PROPOSED CASING AND CEMENTING PROGRAM | | | |
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT | |
| 12-1/4" | 8-5/8" | 24# | 500' | Circulate to surface | |
| 7-7/8" | 5-1/2" | 15.5# | 4500' | 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

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

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SIGNED: Terry Lindeman TITLE: Operations Superintendent DATE: 08/19/98

(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 OCT 20 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.

CONFIDENTIAL

DRILLING PROGRAM

Attached to Form 3160-3

Mallon Oil Company

Jicarilla 461-24 No. 9

1000' FSL and 1451' FEL (SW/SE) Unit O

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.

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------------------|--|--------------------------------------|--|---------------------------|---------------------|
| *API Number 30-039-25926 | | *Pool Code 72400 | | *Pool Name E Blanco PC | |
| *Property Code 23822 | | *Property Name JICARILLA 461-24 | | | *Well Number 9 |
| *OGRID No. 13925 | | *Operator Name MALLON OIL COMPANY | | | *Elevation 7290' |

¹⁰ Surface Location

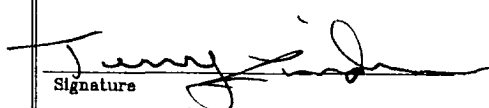
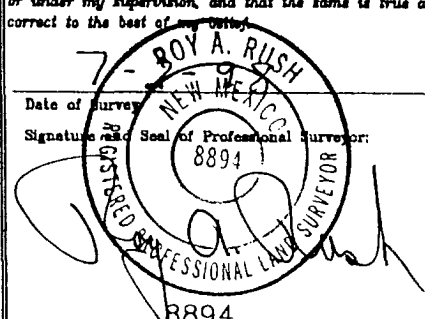
| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| 0 | 24 | 30-N | 3-W | | 1000 | SOUTH | 1451 | EAST | RIO ARriba |

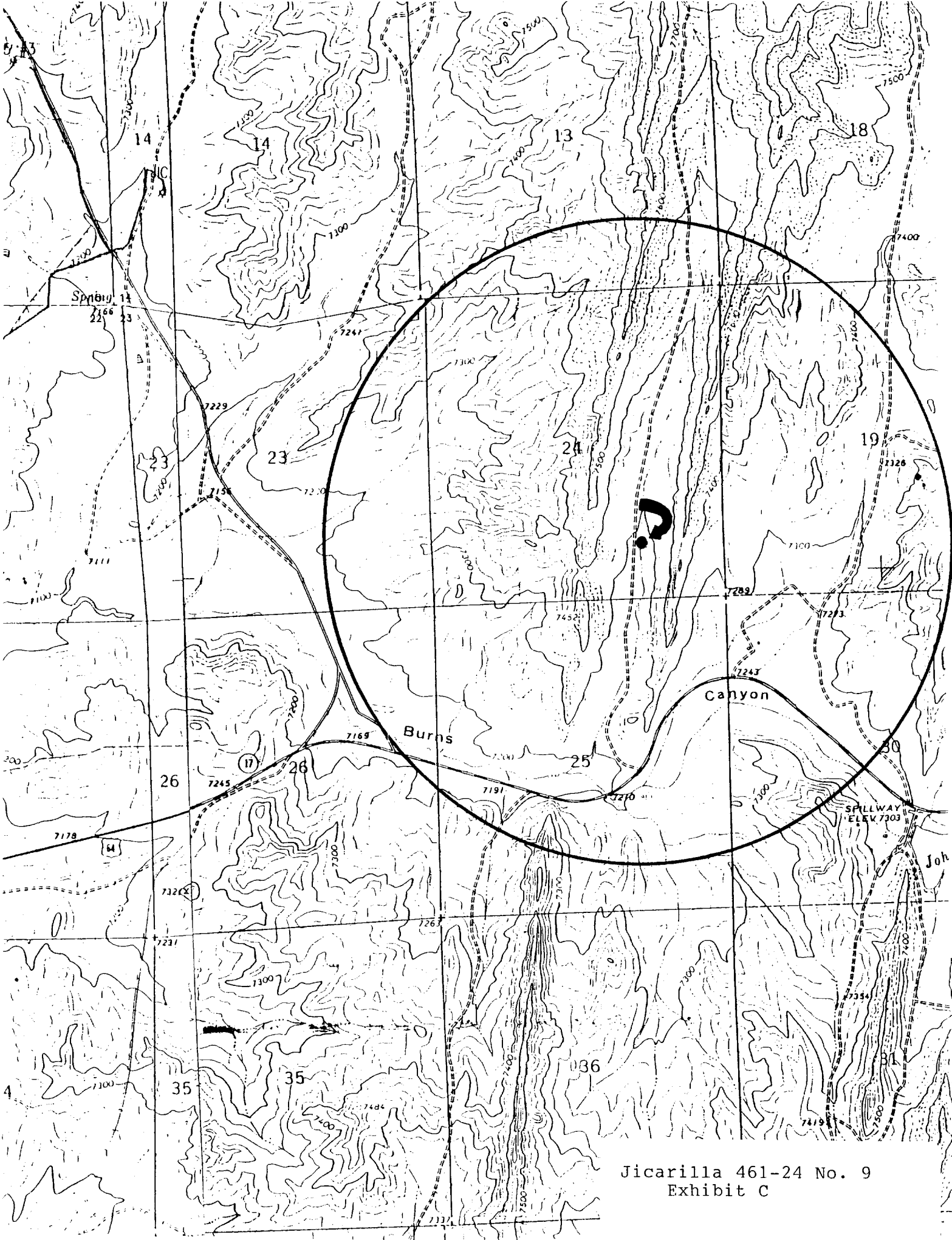
¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 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

| | | | | | | | | | | | |
|---|--|--|--|---|--|-------|--|-------|--|-------------------------------------|--|
| <div>16</div> <div>FD. U.S.G.L.O. B.C. 1917</div> <div>RECEIVED OCT 22 1998 OIL CON. DIV. DIST. 3</div> | | | | <div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div> Signature Terry Lindeman Printed Name Operations Superintendent Title August 19, 1998 Date</div> | | | | | | | |
| | | | | <div>18 SURVEYOR CERTIFICATION</div> <div>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</div> <div> Date of Survey Signature Seal of Professional Surveyor: 8894 Certificate Number</div> | | | | | | | |
| | | | | 5310.40' | | | | | | | |
| | | | | S 0-02-01 E 1327.60' | | | | | | | |
| FD. STONE | | | | S 88-24-09 W 5181.80 1295.5' | | 1000' | | 1451' | | 1295.5' FD. STONE & BEARING TREE | |



Jicarilla 461-24 No. 9
Exhibit C