

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

*Confidential*

**CONFIDENTIAL**

**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 461-13	
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 461-13 No. 3	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1000' FNL and 1000' FWL (NW/NW) Unit D At proposed prod. zone 1000' FNL and 1000' FWL (NW/NW) Unit D		9. API WELL NO. 30-039-26024	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 56 miles east of Bloomfield, New Mexico		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1000'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 13, T30N-R03W	
16. NO. OF ACRES IN LEASE 1920		12. COUNTY OR PARISH Rio Arriba	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2463'		19. PROPOSED DEPTH 4500'	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7400' GR	
22. APPROX DATE WORK WILL START 08/25/98		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'
			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 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: [Signature]  
TITLE: Operations Superintendent

DATE: 08/11/98

(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: NOV 10 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@* *Confidential*

## **DRILLING PROGRAM**

Attached to Form 3160-3

Mallon Oil Company

**Jicarilla 461-13 No. 3**

1000' FNL and 1000' FWL (NW/NW) Unit D

Sec. 13, 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% 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.

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. 88211-0719

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

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26024		*Pool Code 72400	*Pool Name East Blanco, Pictured Cliffs
*Property Code 23817	*Property Name JICARILLA 461-13		*Well Number 3
*GRID No. 013925	*Operator Name MALLON OIL COMPANY		*Elevation 7400'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	13	30-N	3-W		1000	NORTH	1000	WEST	RIO ARriba

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

N 89-52-56 E 5259.39'

<p>FD. U.S.G.L.O. B.C.</p> <p>2629.70'</p> <p>1000'</p> <p>2733.16'</p> <p>5466.32' W</p> <p>2733.16'</p> <p>(CALC. COR.)</p>	<p>2629.70</p> <p>U.S.G.L.O. B.C.</p>		<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Terry Lindeman</i></p> <p>Signature</p> <p>Terry Lindeman</p> <p>Printed Name</p> <p>Operations Superintendent</p> <p>Title</p> <p>August 11, 1998</p> <p>Date</p>
	<p>13</p>		<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>6-30-98</p> <p>Date of Survey</p> <p><i>[Signature]</i></p> <p>Signature</p> <p>NEW MEXICO</p> <p>REGISTERED PROFESSIONAL LAND SURVEYOR</p>
	<p>RECEIVED</p> <p>NOV 13 1998</p> <p>OIL CON. DIV.</p> <p>DIST. 3</p>		<p>Certificate Number</p>

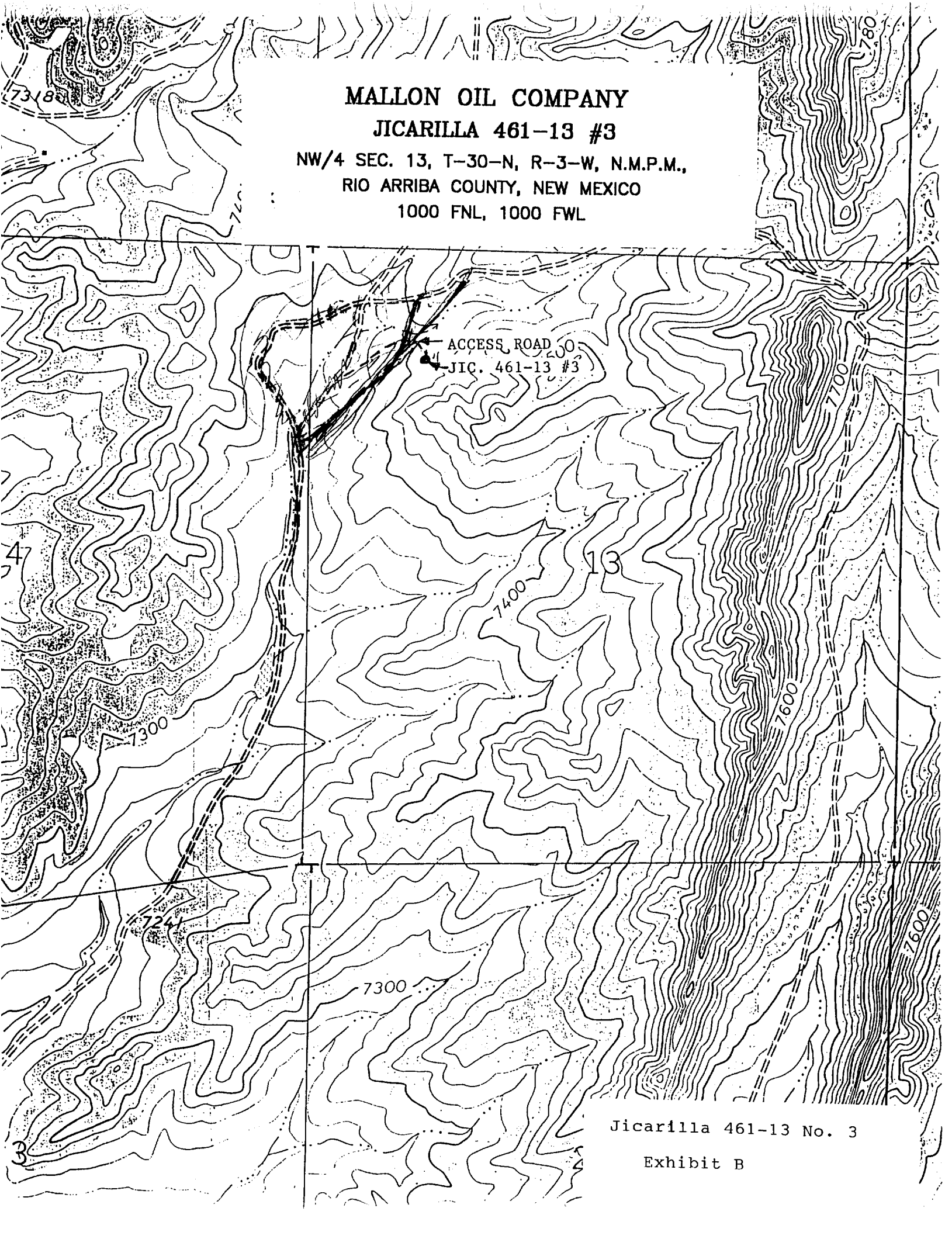
MALLON OIL COMPANY

JICARILLA 461-13 #3

NW/4 SEC. 13, T-30-N, R-3-W, N.M.P.M.,

RIO ARRIBA COUNTY, NEW MEXICO

1000 FNL, 1000 FWL



Jicarilla 461-13 No. 3

Exhibit B