

CONFIDENTIAL

Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE
(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 MDA 701-98-0013 | |
| 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. 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 Tract 1-33 #2 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 702' FNL and 583' FWL (NW/NW) Unit D At proposed prod. zone 702' FNL and 583' FWL (NW/NW) Unit D | | 9. API WELL NO. 30-039-26030 | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 52 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. 583' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 33, T30N-R03W | |
| 16. NO. OF ACRES IN LEASE 39,360 | | 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. 3319' | | 19. PROPOSED DEPTH 4500' | |
| 20. ROTARY OR CABLE TOOLS Rotary | | 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7063' GR | |
| 22. APPROX DATE WORK WILL START 11/15/98 | | 23. PROPOSED CASING AND CEMENTING PROGRAM | |
| SIZE OF HOLE 12-1/4" 7-7/8" | GRADE, SIZE OF CASING 8-5/8" 5-1/2" | WEIGHT PER FOOT 24# 15.5# | SETTING DEPTH 500' 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: Terry Landman TITLE: Operations Superintendent DATE: 10/24/98

(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. Dir. Mgt. DATE: NOV 25 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

HOLD C-104
FOR N5L (9)

John -

You had 1.13 for

252 on the A10 -

if on flat in road

under ash still

skipped

Yes

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 21, 199.
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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 30-039-26030 | | Pool Code 72400 | | Pool Name East Blanco Pictured Cliffs | |
| Property Code 53924 | | Property Name JICARILLA TRACT 1-33 | | | Well Number 2 |
| OGRID No. 013925 | | Operator Name MALLON OIL COMPANY | | | Elevation 7063' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| D | 33 | 30-N | 3-W | | 702 | NORTH | 583 | WEST | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | 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

FD. U.S.G.L.O.
BRASS CAP 1917

N 89-36-47 E 5229.00'

| | | | | | | | |
|--------------------|--|--|--|---|--|---|--|
| 16 702' 583' | | | | CALC. COR. | | 17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Terrance G. Lindeman Printed Name Operations Superintendent Title October 24, 1998 Date | |
| 33 | | | | RECEIVED DEC - 3 1998 OIL CONSERVATION DIV. | | 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. 9-7380Y A RUSH Date of Survey Signature and Seal of Professional Surveyor 8894 8894 Certificate Number | |
| | | | | | | | |

FD. U.S.G.L.O.
BRASS CAP
1917

MALLON OIL COMPANY
JICARILLA TRACT 1-33 #2

NW/4 SEC. 33, T-30-N, R-3-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
702' FNL, 583' FWL

