

Mallon Oil Company

a Mallon Resources Subsidiary

Denver/Colorado ♦ Durango/Colorado ♦ Carlsbad/New Mexico

January 21, 1999

Mr. Mike Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Jicarilla 30-03-33 No. 2
702' FNL and 583' FWL
(NW NW) Unit D
Sec. 33, T30N-R03W

Dear Mr. Stogner:

Mallon Oil Company is requesting an unorthodox location for the Jicarilla 30-03-33 No.2 (702' FNL and 583' FWL (NW NW) Unit D) Sec. 33, T30N-R03W. We would like to apply for an NSL for the following formations:

1. East Blanco; Pictured Cliffs
2. Cabresto Canyon; Ojo Alamo Ext.
3. Cabresto Canyon; Nacimiento Ext.
4. Cabresto Canyon; San Jose Ext.

The well was placed here in compliance with the Jicarilla Apache Tribe and the Bureau of Land Management new well spacing. Mallon Oil Company is the only offset operator to the acreage shown.

Please contact me at (970) 382-9100, if any additional information is needed.

Sincerely

Christy Serrano

Christy Serrano
Production Clerk

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
[B] ☒ Offset Operators, Leaseholders or Surface Owner
[C] ☒ Application is One Which Requires Published Legal Notice
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☒ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Christy Serrano
Print or Type Name

Christy Serrano
Signature

Production Clerk
Title

1-21-99
Date