

FORM APPROVED  
OMB NO. 1004-0136  
Expires February 28, 1995

# APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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:

Exhibit D: Drilling Site Layout  
Exhibit E: Production Facilities  
Exhibit F: H2S Contingency Plan  
Exhibit G: Environmental Assessment

24.

(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 FEB 2

**\*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

FEB-16-1999 10:55 FROM DAGGETT ENTERPRISES INC. TO 19703827650 P.01  
F.O. Box 1800, Hobbs, N.M. 88241-0180 Energy, Minerals & Natural Resources Department Revised February 21, 1999  
Instructions on back  
Submitted to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

INSTRUMENT X  
F.O. Drawer 20, Artesia, N.M. 88211-0710

INSTRUMENT XI  
1400 Rio Arriba Rd., Artesia, N.M. 87410

INSTRUMENT XII  
PO Box 2088, Santa Fe, NM 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Well Number 30-039-26106	Well Code 72400	Well Name East Blanco; Pictured Cliffs
Property Code 20459	Property Name JANAYILLA INACI 30-3-28	Well Number 2
Owner No. 013925	Operator Name MALLON OIL COMPANY	Location 7151'

10 Surface Location

TL or lat. no. D	Section 28	Township 30-N	Range 3-W	Lot No. 874	Feet from the 874	North/South line NORTH	Feet from the 790	East/West line WEST	County RIO ARriba
---------------------	---------------	------------------	--------------	----------------	----------------------	---------------------------	----------------------	------------------------	----------------------

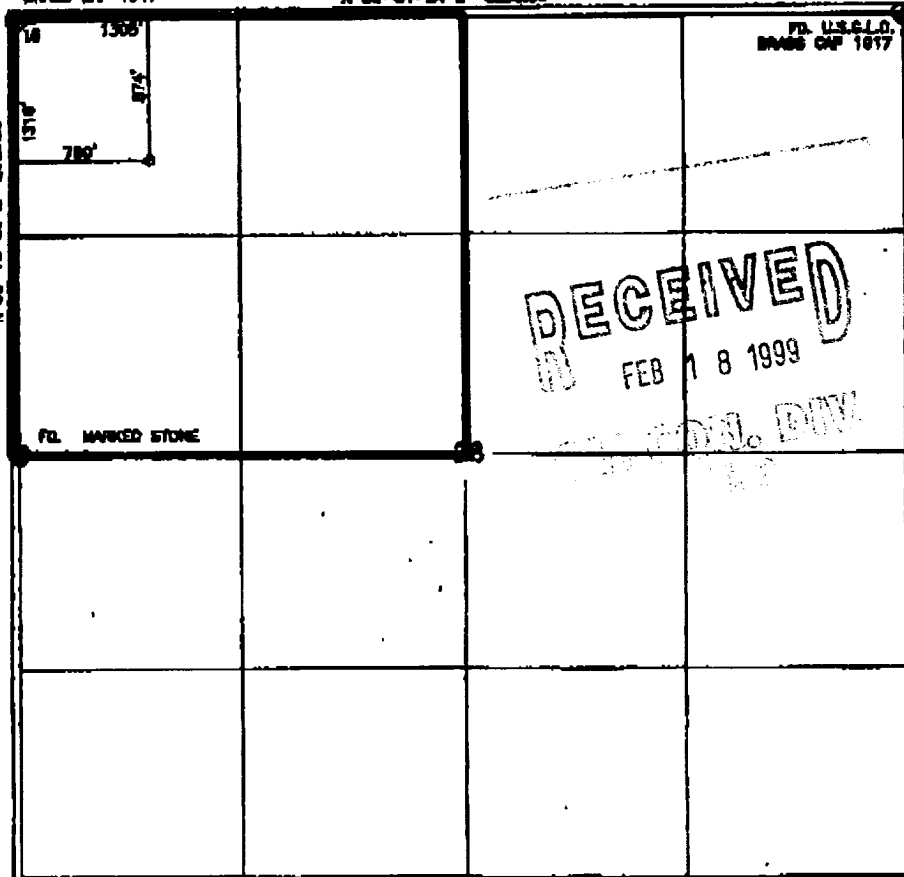
11 Bottom Hole Location if Different From Surface

TL or lat. no.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
----------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Submerged Acres 160	Depth or Well	Classification 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.  
DRAGS CIP 1017  
N 28-34-54 E 5223.00'



17 OPERATOR CERTIFICATION  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Christy Serrano  
Signature  
Christy Serrano  
Production Secretary  
Date  
2-17-99

18 SURVEYOR CERTIFICATION  
I hereby certify that the well location shown on this plat was plotted from field notes of known accuracy made by me or under my supervision, and that the same is true and correct to the best of my belief.

12-8  
Date of Survey  
Surveyor  
EDY A. BUSH  
NEW MEXICO  
PROFESSIONAL LAND SURVEYOR  
Certificate Number

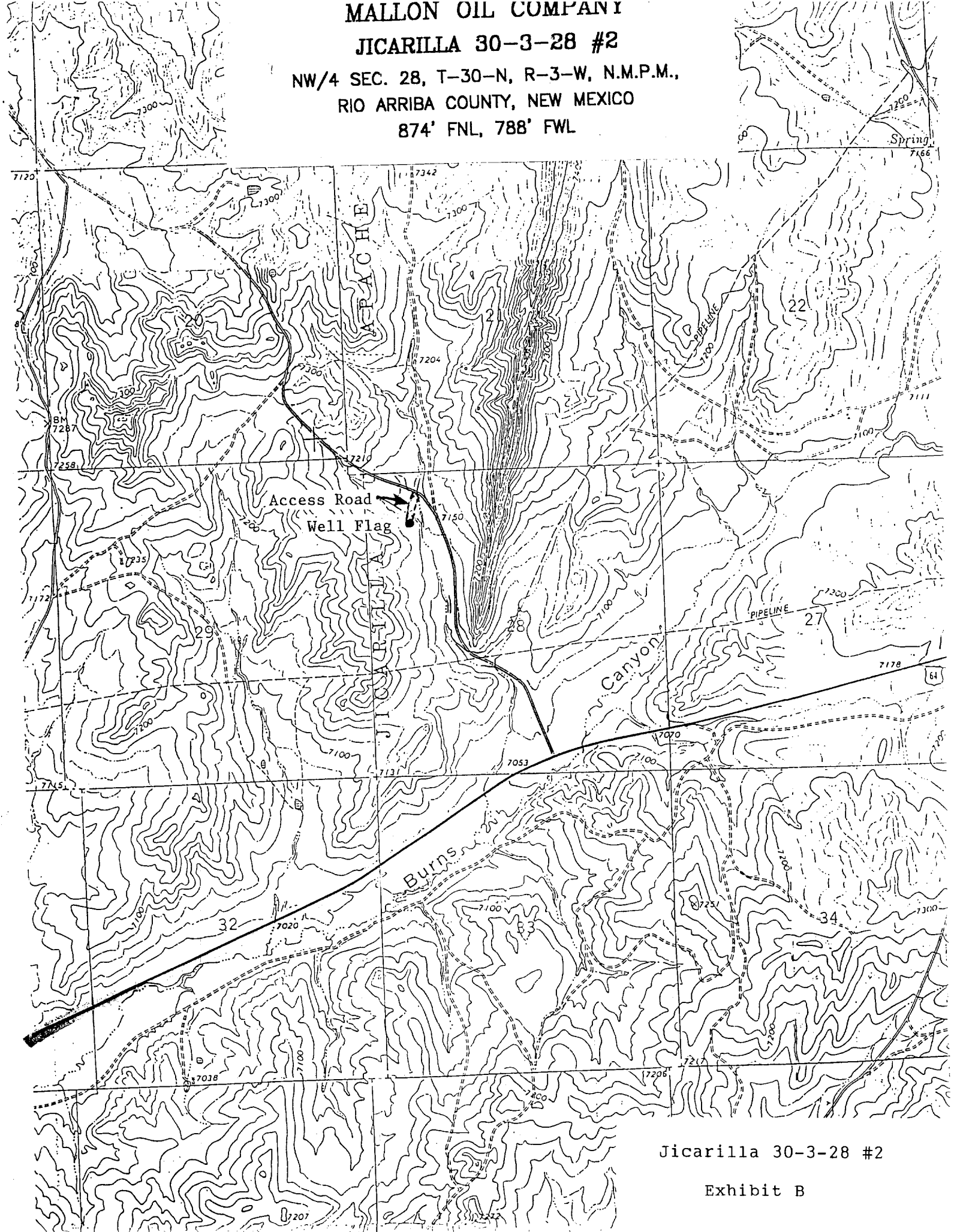
MALLON OIL COMPANY

JICARILLA 30-3-28 #2

NW/4 SEC. 28, T-30-N, R-3-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

874' FNL, 788' FWL



Jicarilla 30-3-28 #2

Exhibit B