

CONFIDENTIAL

Form 3160-3
(July 1992)

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

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"/> 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 24237	
3. ADDRESS AND TELEPHONE NO. P.O. Box 2797 Durango, CO 81302 (970) 382-9100		8. FARM OR LEASE NAME, WELL NO. Jicarilla 30-3-27 #4	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 636' FNL and 2067' FEL (NW/NE) Unit B		9. API WELL NO. 30-039-26112	
At proposed prod. zone 636' FNL and 2067' FEL (NW/NE) Unit B		10. FIELD AND POOL OR WILDCAT E. Blanco, Pictured Cliffs	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 53 miles east of Bloomfield, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 27, T30N-R03W	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 636'		12. COUNTY OR PARISH Rio Arriba	
16. NO. OF ACRES IN LEASE 39,360		13. STATE NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2263'	
19. PROPOSED DEPTH 4500'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7099' GR		22. APPROX. DATE WORK WILL START 12/21/98	
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
			Circulate to surface

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.

24. SIGNED: Terry Lindeman
Terry Lindeman TITLE: Operations Superintendent DATE: 12/14/98

(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 12/14/98

*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.

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Multi-Point Surface Use and Operation Plan

Attached to Form 3160-3

Mallon Oil Company

Jicarilla 30-3-27 #4

636' FNL and 2067' FEL, (NW/NE) Unit B

Sec. 27, T30N-R3W

Rio Arriba County, New Mexico

LEASE NUMBER: MDA 701-98-0013

1. Existing roads:

A. The well site and elevation plat for the proposed well is shown in Exhibit A. It was staked by Daggett Enterprises, Inc., Farmington, NM.

B. All roads to the location are shown in Exhibit B. The existing roads are illustrated in pink and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.

C. Directions to location: From Bloomfield, New Mexico, travel east on Highway 64 for 54 miles to J12. Turn left and travel approximately 500 feet. Turn left and travel approximately 1 mile to location.

D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed access road:

Exhibit B shows the new access road to be constructed and is illustrated in yellow. The road will be constructed as follows:

A. The maximum width of the running surface will be 15'. The road will be crowned and ditched. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

B. The average grade will be less than 1%.

C. No turnouts are planned.

D. No culverts, gates, or fence cuts are necessary.

E. A low water crossing will be utilized to cross natural drainages.

F. Surfacing material will consist of native soil. Any additional materials that are required will be purchased from the dirt contractor.

G. The proposed access road as shown in Exhibit B has been center line flagged by Daggett Enterprises, Inc., Farmington, NM.

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26112		*Pool Code 72400	*Pool Name East Blanco; Pictured Cliffs
*Property Code 24237	*Property Name JICARILLA 30-3-27		*Well Number 4
*GRID No. 013925	*Operator Name MALLON OIL COMPANY		*Elevation 7099'

10 Surface Location

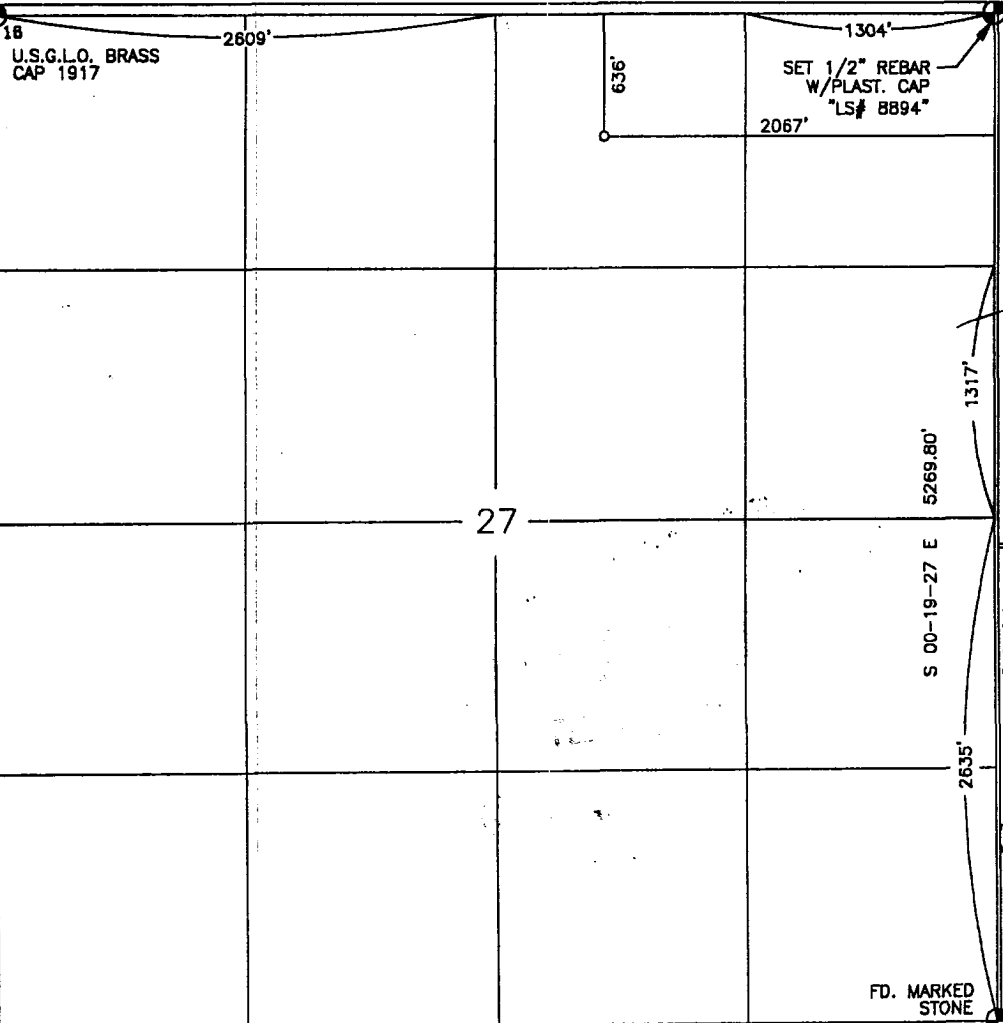
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	27	30-N	3-W		636	NORTH	2067	EAST	RIO ARRIBA

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

*Dedicated Acres 160	*Joint or Infill	*Consolidation Code	*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
S 89-39-27 W 5218.00'



17 OPERATOR CERTIFICATION

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

Signature
T. G. Lindeman
Printed Name
Operations Superintendent
Title
December 14, 1998
Date

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 knowledge and belief

Date of Survey
Signature
Seal of Registered Professional Land Surveyor
8894
Certificate Number

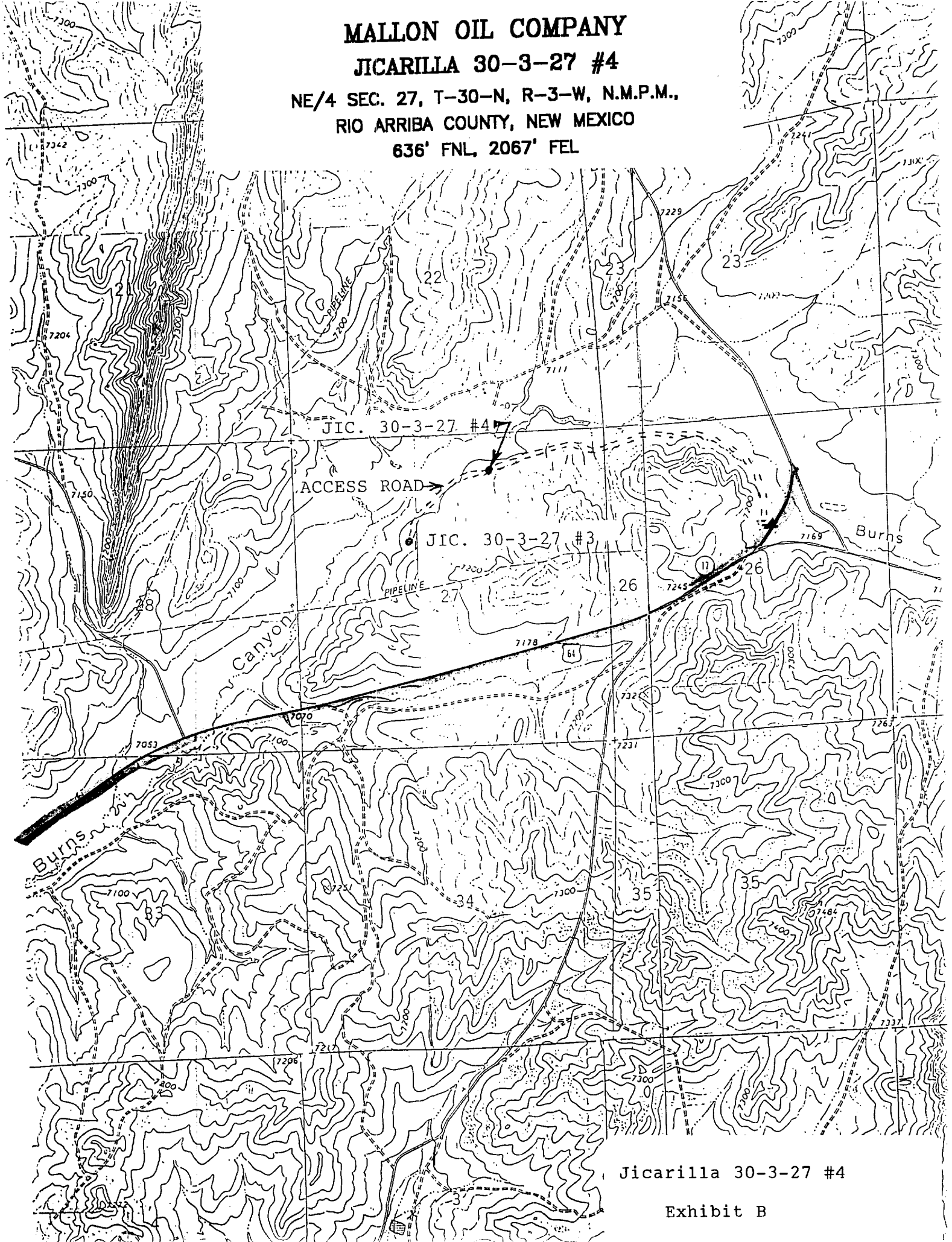
MALLON OIL COMPANY

JICARILLA 30-3-27 #4

NE/4 SEC. 27, T-30-N, R-3-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

636' FNL, 2067' FEL



Jicarilla 30-3-27 #4

Exhibit B