

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

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

5. LEASE DESIGNATION AND SERIAL NO.
MDA 701-98-0013

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
Jicarilla 30-3-35 #2

9. API WELL NO.
30-039-26118

10. FIELD AND POOL, OR WILDCAT
E. Blanco, Pictured Cliffs EXT

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 35, T30N-R03W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
NM

1a. TYPE OF WORK

Drill ☒

Deepen ☐

b. TYPE OF WELL

Oil Well ☐

Gas Well ☒

Other ☐

Single Zone ☐

Multiple Zone ☐

2. NAME OF OPERATOR

Mallon Oil Company

3. ADDRESS AND TELEPHONE NO.

P.O. Box 2797

Durango, CO 81302

(970) 382-9100

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface **621' FNL and 665' FWL (NW/NW) Unit D**

At proposed prod. zone **621' FNL and 665' FWL (NW/NW) Unit D**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *

53 miles east of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST **621'**

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, **1257'**

OR APPLIED FOR, ON THIS LEASE, FT.

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.)

7227' GR

16. NO. OF ACRES IN LEASE

39,360

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

19. PROPOSED DEPTH

4500'

20. ROTARY OR CABLE TOOLS

Rotary

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	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	500'	Circulate to surface
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 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:

Jerry Lademan

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:

NSL for J60 spacing-fits special Jicarilla permit
(Original Signed) **HECTOR A. VILLALOBOS**

APPROVED BY _____

TITLE: **Asst Field Mgr**

DATE **DEC 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

HOLD C104 FOR NSL (E)

Multi-Point Surface Use and Operation Plan

Attached to Form 3160-3

Mallon Oil Company

Jicarilla 30-3-35 #2

621' FNL and 665' FWL, (NW/NW) Unit D

Sec. 35, 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 J58. Turn right and travel approximately 0.6 miles. Turn left and travel approximately 0.15 miles 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 II
P.O. Drawer DD, Artesia, N.M. 88211-0719DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26118	² Pool Code 72400	³ Pool Name East Blanco; Pictured Cliffs EXT
⁴ Property Code 24235	⁵ Property Name JICARILLA 30-3-35	⁶ Well Number 2
⁷ GRID No. 013925	⁸ Operator Name MALLON OIL COMPANY	⁹ Elevation 7227'

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	35	30-N	3-W		621	NORTH	665	WEST	RIO ARRIBA

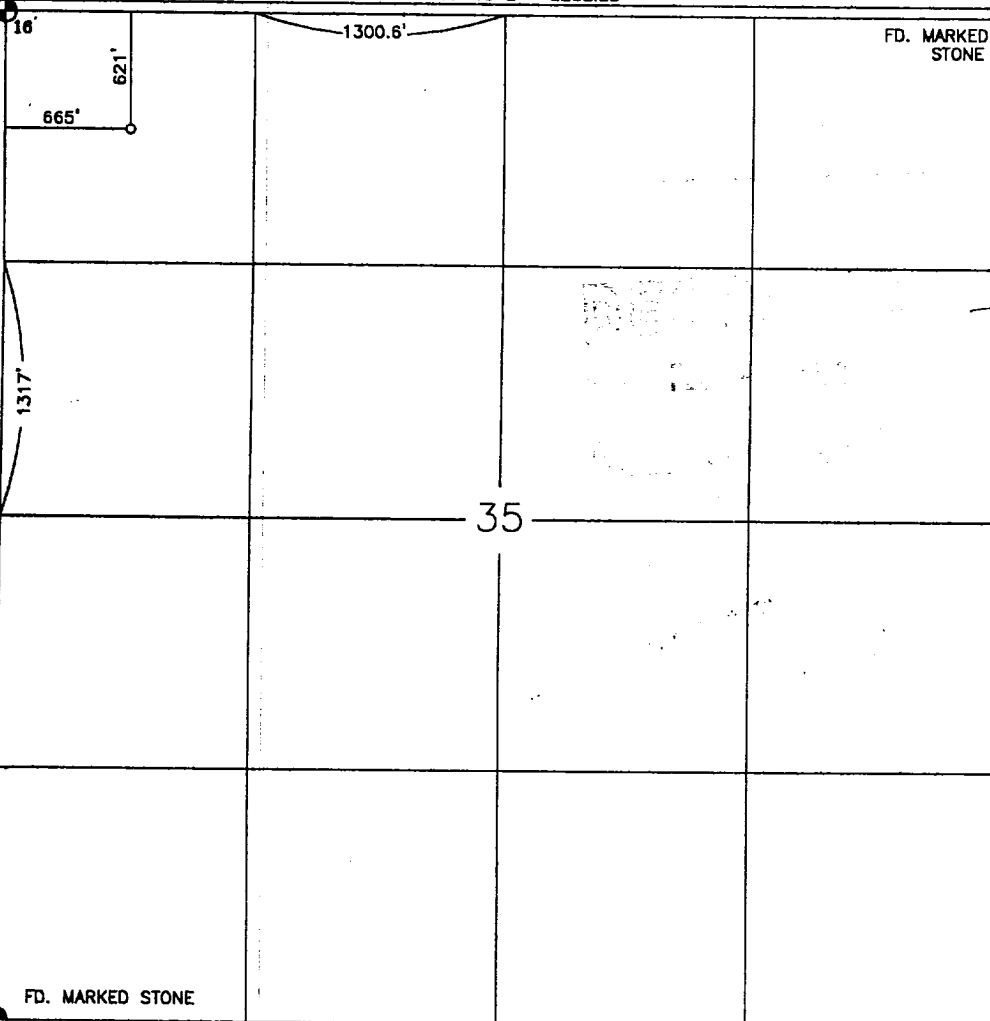
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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 DIVISIONFD. MARKED
STONE

N 89-41-10 E 5202.50'



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 belief.

Date of Survey

Signature and Seal of Registered Professional Land Surveyor

Certificate Number

N 00-02-46 W 5266.00'

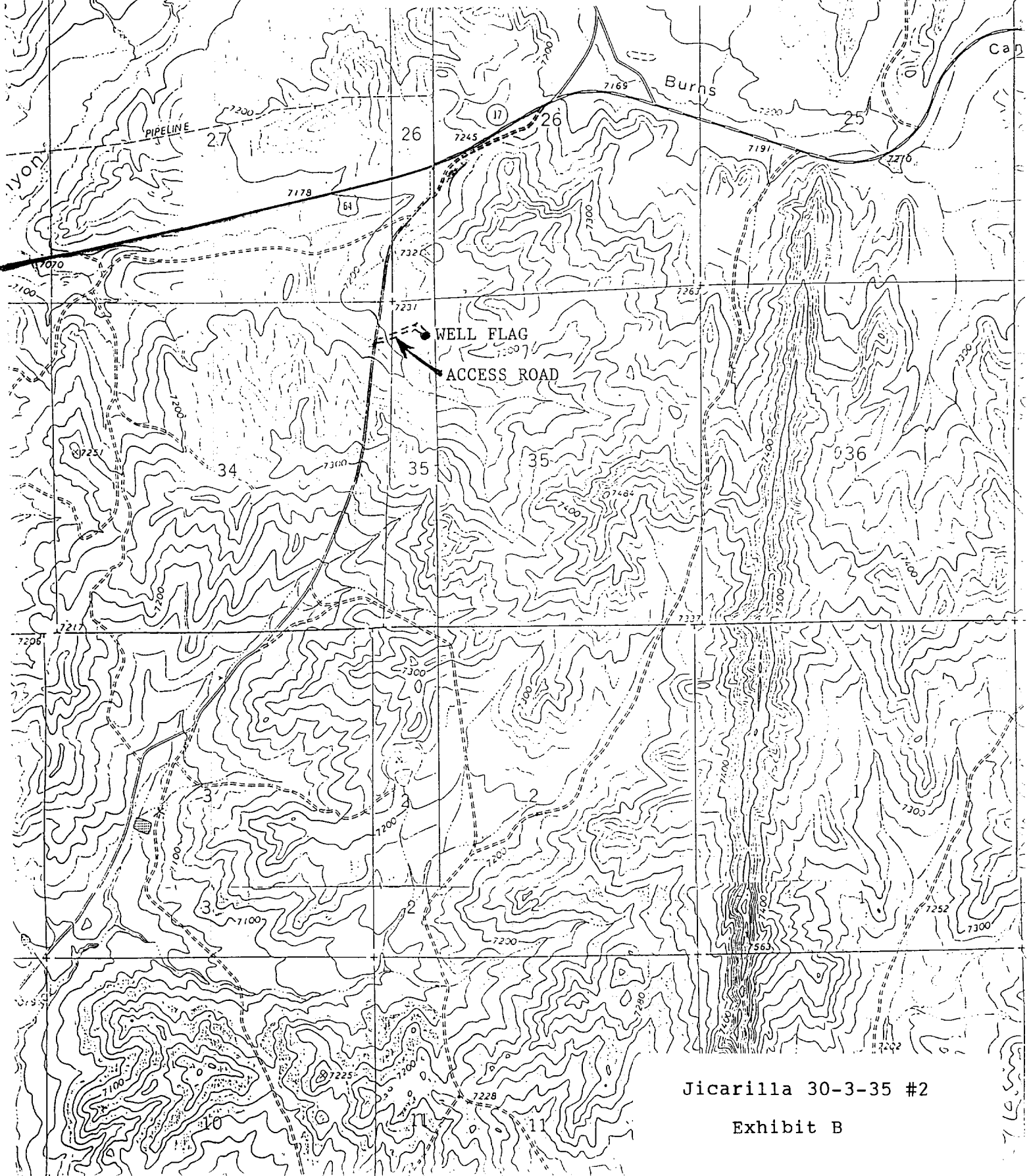
MALLON OIL COMPANY

JICARILLA 30-3-35 #2

NW/4 SEC. 35, T-30-N, R-3-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

621' FNL, 665' FWL



Jicarilla 30-3-35 #2

Exhibit B