

CONFIDENTIAL

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. JIC 458
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
3. ADDRESS AND TELEPHONE NO. P.O. Box 2797 Durango, CO 81302 (970) 382-9100		8. FARM OR LEASE NAME, WELL NO. Jicarilla 458-8 SJ #10
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 784' FSL and 1286' FEL (SE/SE) Unit P		9. APL WELL NO. 30-039-26178
At proposed prod. zone 784' FSL and 1286' FEL (SE/SE) Unit P		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 56 miles east of Bloomfield, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 8, T30N-R03W
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 784'	16. NO. OF ACRES IN LEASE 2,560	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. 100'	19. PROPOSED DEPTH 1800'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7093' GR		22. APPROX. DATE WORK WILL START 04/26/99
23. PROPOSED CASING AND CEMENTING PROGRAM		
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT
12-1/4"	8-5/8"	24#
7-7/8"	5-1/2"	15.5#

Mallon Oil Company proposes to drill this well to an approximate TD of 1800' in the San Jose formation. This well is placed on an existing well pad. There will not be any need for additional pad, access road, or pipeline disturbance. 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: Jerry Lindeman TITLE: Operations Superintendent DATE: 04/05/99

(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: [Signature] TITLE: Acting Asst Field Mgr DATE: MAY 14 1999

*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.

HOLD C104 FOR NSK (E)

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719DISTRICT III
1000 Rio Bravo 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

*API Number 30-039-26178		*Pool Code 72400	*Pool Name East Blanco; Pictured Cliffs
*Property Code 24591	*Property Name JICARILLA 458-B SJ		*Well Number SJ #10
*OCRID No. 13925	*Operator Name MALLON OIL COMPANY		*Elevation 7093'

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
P	8	30-N	3-W		784	SOUTH	1286	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

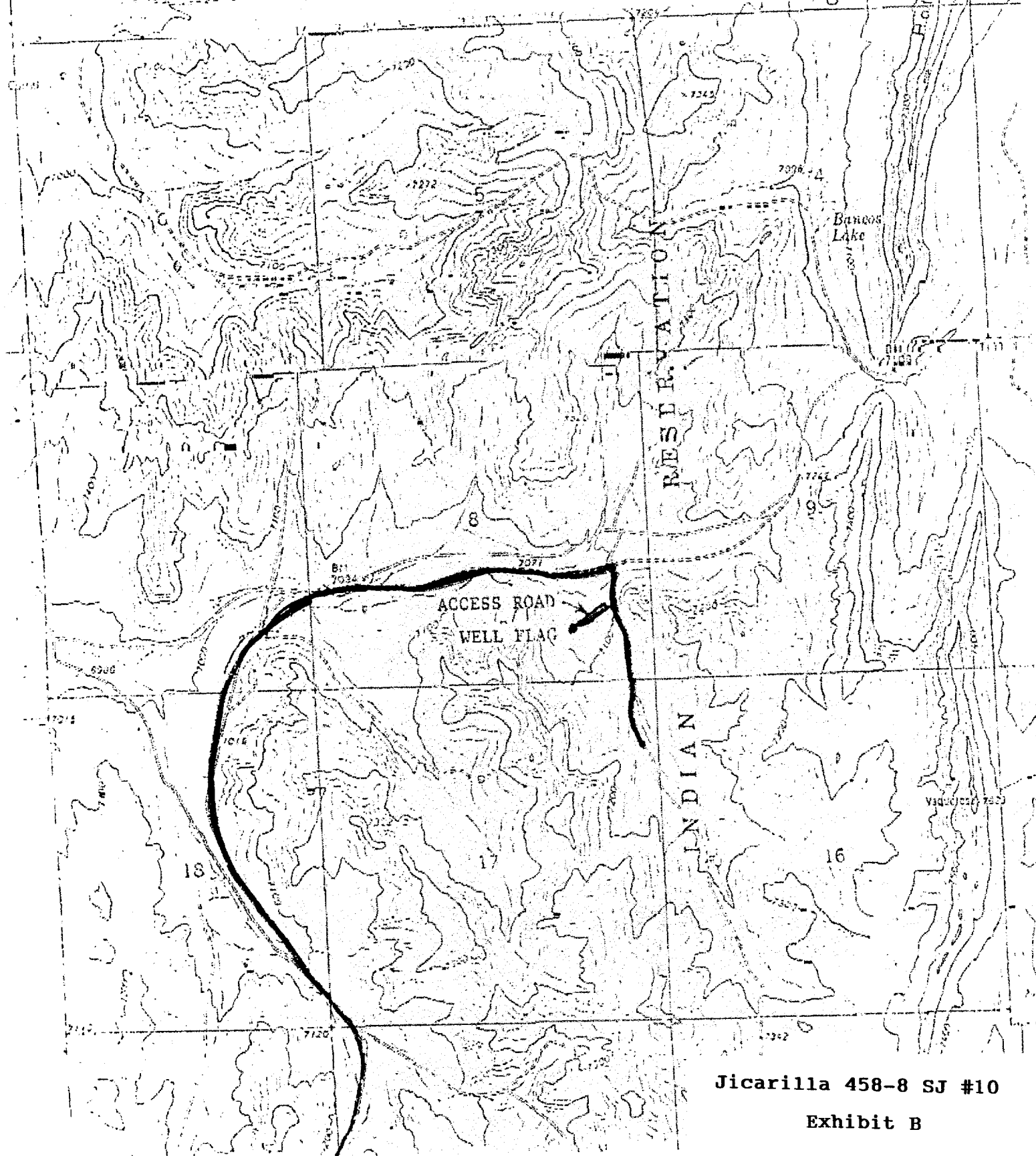
*Dedicated Acres	*Joint or Infill	*Consolidation Code	*Order No.
160			

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

<div data-bbox="548 1074 917 1357" data-label="Text"> <p>RECEIVED MAY - 7 1999 OIL CON. DIV. DIST. 3</p> </div> <div data-bbox="162 1904 292 1968" data-label="Text"> <p>FD. U.S.G.L.O. BRASS CAP 1917</p> </div> <div data-bbox="1015 1883 1144 1947" data-label="Text"> <p>FD. U.S.G.L.O. BRASS CAP 1917</p> </div>	<div data-bbox="1006 936 1120 968" data-label="Text"> <p>CALC. COR.</p> </div> <div data-bbox="1079 1351 1112 1436" data-label="Text"> <p>5144.75'</p> </div> <div data-bbox="1079 1468 1112 1606" data-label="Text"> <p>N 00-02-D W</p> </div> <div data-bbox="1006 1798 1063 1830" data-label="Text"> <p>1286'</p> </div> <div data-bbox="917 1872 950 1915" data-label="Text"> <p>784'</p> </div> <div data-bbox="747 1925 836 1947" data-label="Text"> <p>1319.52'</p> </div> <div data-bbox="373 1936 454 1957" data-label="Text"> <p>2639.05'</p> </div> <div data-bbox="511 1968 779 2000" data-label="Text"> <p>N 89-58-39 W 5278.09'</p> </div>	<div data-bbox="1140 940 1570 981" data-label="Section-Header"> <p>17 OPERATOR CERTIFICATION</p> </div> <div data-bbox="1140 978 1589 1032" data-label="Text"> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> </div> <div data-bbox="1156 1266 1256 1289" data-label="Text"> <p>Signature</p> </div> <div data-bbox="1148 1287 1432 1319" data-label="Text"> <p>T. G. Lindeman</p> </div> <div data-bbox="1156 1319 1300 1344" data-label="Text"> <p>Printed Name</p> </div> <div data-bbox="1148 1344 1620 1378" data-label="Text"> <p>Operations Superintendent</p> </div> <div data-bbox="1156 1378 1214 1404" data-label="Text"> <p>Title</p> </div> <div data-bbox="1148 1404 1416 1440" data-label="Text"> <p>April 5, 1999</p> </div> <div data-bbox="1156 1438 1218 1461" data-label="Text"> <p>Date</p> </div> <div data-bbox="1156 1470 1607 1506" data-label="Section-Header"> <p>18 SURVEYOR CERTIFICATION</p> </div> <div data-bbox="1148 1513 1619 1608" data-label="Text"> <p>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.</p> </div> <div data-bbox="1177 1627 1518 1904" data-label="Image"> </div> <div data-bbox="1177 1670 1307 1693" data-label="Text"> <p>Date of Survey</p> </div> <div data-bbox="1177 1693 1550 1723" data-label="Text"> <p>Signature and Seal of Professional Surveyor</p> </div> <div data-bbox="1177 1904 1347 1927" data-label="Text"> <p>Certificate Number</p> </div>
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Exhibit A

MALLON OIL COMPANY
JICARILLA 458-8 SJ #10
SE/4 SEC. 8, T-30-N, R-3-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
784' FSL, 1286' FEL



Jicarilla 458-8 SJ #10
Exhibit B