

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. 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 No. 7	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2301' FNL and 868' FEL (SE/NE) Unit H		9. API WELL NO. 30-039-26271	
At proposed prod. zone 2301' FNL and 868' FEL (SE/NE) Unit H		10. FIELD AND POOL, OR WILDCAT Sabresto Canyon, San Jose ext.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 51 miles east of Bloomfield, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA H Sec. 8, T30N-R03W	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 868'		12. COUNTY OR PARISH Rio Arriba	
16. NO. OF ACRES IN LEASE 2,560		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 100'		17. NO. OF ACRES ASSIGNED TO THIS WELL 156 151.31	
19. PROPOSED DEPTH 2100'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7120' GR		22. APPROX. DATE WORK WILL START 12/01/99	
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#	250'
6-3/4"	4-1/2"	14.7#	2100'
			QUANTITY OF CEMENT Circulate to surface
			240 sks 50/50 Poz w/additive
			25 for 1.55 field

Mallon Oil Co. proposes to drill this well to an approximate TD of 2100' in the San Jose formation. This well is placed on an existing well pad. Some additional pad extension may be required. The Jicarilla Oil and Gas Administration has waived any necessity of re-onsiting the well pad as long as any required archaeology survey is submitted. Environmental assessment was previously submitted under the initial well APD. If productive, 4-1/2" 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: Archaeology Report

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 TITLE: Operations Superintendent DATE: 11/01/99

(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: Thomas Gow TITLE: AFOM DATE: 12/13/99

*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.

WELP ORDER NSL
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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 30-039-26271		* Pool Code 96822	* Pool Name Cabresto Canyon; San Jose ext.
* Property Code 24591	* Property Name JICARILLA 458-8SJ		* Well Number 7
* OGRID No. 013925	* Operator Name MALLON OIL COMPANY		* Elevation 7120'

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
H	8	30-N	3-W		2301	NORTH	868	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

¹² Dedicated Acres 150.31	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

N 89-42-18 E 5277.50'

FD. U.S.G.L.O. BRASS CAP 1917		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Terry Lindeman</u> Printed Name: <u>Terry Lindeman</u> Title: <u>Operations Superintendent</u> Date: <u>November 1, 1999</u>
		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: <u>9-23-98</u> Signature and Title of Professional Surveyor: <u>[Signature]</u> Certificate Number: <u>8894</u>

FD. U.S.G.L.O.
BRASS CAP
1917

DRILLING PROGRAM

Attached to Form 3160-3

Mallon Oil Company

Jicarilla 458-8 SJ No. 7

2301' FNL and 868' FEL (SE/NE) Unit H

Sec. 8, T30N-R3W

Rio Arriba County, New Mexico

LEASE NUMBER: JIC 458

1. Geologic name of surface formation: San Jose

2. Estimated tops of important geologic markers:

San Jose	Surface
Total Depth	2100'

3. Estimated depths of anticipated fresh water, oil, or gas:

San Jose	1500'	Gas
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No other formations are expected to give up oil, gas, or fresh water in measurable quantities.
The surface fresh water sands will be protected by setting 8-5/8" casing at 500' and circulating cement back to surface.

4. Proposed casing program:

<u>Hole Size</u>	<u>Interval</u>	<u>Casing OD</u>	<u>Casing weight, grade, thread</u>
12-1/4"	0-250'	8-5/8"	24 lb/ft, K55, ST&C
6-3/4"	0-2100'	4-1/2"	10.5 lb/ft, K55, ST&C

Cement program:

8-5/8" surface casing: Cemented to surface with Class B containing 2% CaCl₂, 0.25 lb/sk Cello Seal, slurry to be mixed at 15.6 lb/gal, yield 1.18 cu ft/sk. Circulate cement to surface.

4-1/2" production casing: 50/50 Poz with 8 lbs/sk CPS, 5 lbs/sk Gilsonite, .4% FL-62, 3% salt. Cement to surface.

5. Minimum specifications for pressure control (2M System):

The blowout preventor equipment (BOP) shown in Exhibit 1 will consist of a double ram-type (2000 psi WP) preventor. The unit will be hydraulically operated and the ram-type preventor will be equipped with blind rams on top and drill pipe rams on bottom. The BOP will be nipped up on the 8-5/8" surface casing and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Pipe rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 2" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve, and choke lines and choke manifold with 2000 psi WP rating.



Jicarilla 458-8 SJ No. 7

Exhibit C