

CONFIDENTIAL

Form 3160-3  
(July 1992)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPPLICATE  
(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



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

2166' FNL and 1439' FWL (SE/NW) Unit F

At proposed prod. zone 2166' FNL and 1439' FWL (SE/NW) Unit F

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

50 miles east of Bloomfield, New Mexico

## 15. DISTANCE FROM PROPOSED \*

LOCATION TO NEAREST

1439'

PROPERTY OR LEASE LINE, FT.

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

## 18. DISTANCE FROM PROPOSED LOCATION \*

TO NEAREST WELL, DRILLING, COMPLETED,

100'

OR APPLIED FOR, ON THIS LEASE, FT.

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

7079' GR

## 16. NO. OF ACRES IN LEASE

2,560

## 19. PROPOSED DEPTH

1800'

## 22. APPROX. DATE WORK WILL START

09/01/99

## 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#	130' - 500'	Circulate to surface 150 CF = 100% 200 sks 50/50 Poz w/additive
7-7/8"	4-1/2"	14.7#	1800'	300 sks 50/50 Poz w/additive 620 CF = 50% excess

Mallon Oil Co. 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. Some additional pad extension may be required. The Jicarilla oil and Gas Administration has waived any necessity of re-siting 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

07/26/99

(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

Patricia M. Hester

TITLE: Acting Asst Field Mgr

DATE

07-07-00

\*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 0104 FOR USG

ok7c

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## **DRILLING PROGRAM**

Attached to Form 3160-3

Mallon Oil Company

**Jicarilla 458SJ No. 8**

2166' FNL and 1439' FWL (SE/NW) Unit F

Sec. 7, 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	1800'

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"	0-500'	8-5/8"	24 lb/ft, K55, ST&C
7-7/8"	0-1800'	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% CaCl<sub>2</sub>, 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.

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.

*Controlled*  
C

**6. Types and characteristics of the proposed mud system:**

The well will be drilled to TD with a combination of fresh water and fresh water polymer mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight</u> (ppg)	<u>Viscosity</u> (sec)	<u>Water loss</u> (cc)
0-500'	FW	8.5	30-33	NC
500-1800'	FW (Gel polymer)	8.5 - 8.8	30-33	<10 cc

**7. Auxiliary well control and monitoring equipment:**

- A. A kelly cock will be kept in the drill string at all times.
- B. A full-opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- C. The drilling fluids systems will be visually monitored at all times.

**8. Testing, logging, and coring program:**

Drill stem tests:	None anticipated
Logging:	TD to surface casing, GR, CNL - FDC, DLL, MSFL
Coring:	None planned

**9. Abnormal conditions, pressures, temperatures, and potential hazards:**

No abnormal pressures or temperatures are anticipated. The proposed mud program will be modified to control excess pressure if abnormal pressures are encountered. The estimated bottom-hole pressure (BHP) is 250 psig. Hydrogen sulfide gas is anticipated in the San Jose formation and an H<sub>2</sub>S drilling plan is attached.

**10. Anticipated starting date: September 1, 1999**

Anticipated completion of drilling operations: Expected duration of 6 days

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 30-039-26344		*Pool Code 96822	*Pool Name Cabresto Canyon; San Jose ext.
*Property Code 24998	*Property Name JICARILLA 458SJ		*Well Number 8
*GRID No. 013925	*Operator Name MALLON OIL COMPANY		*Elevation 7079'

<sup>10</sup> Surface Location

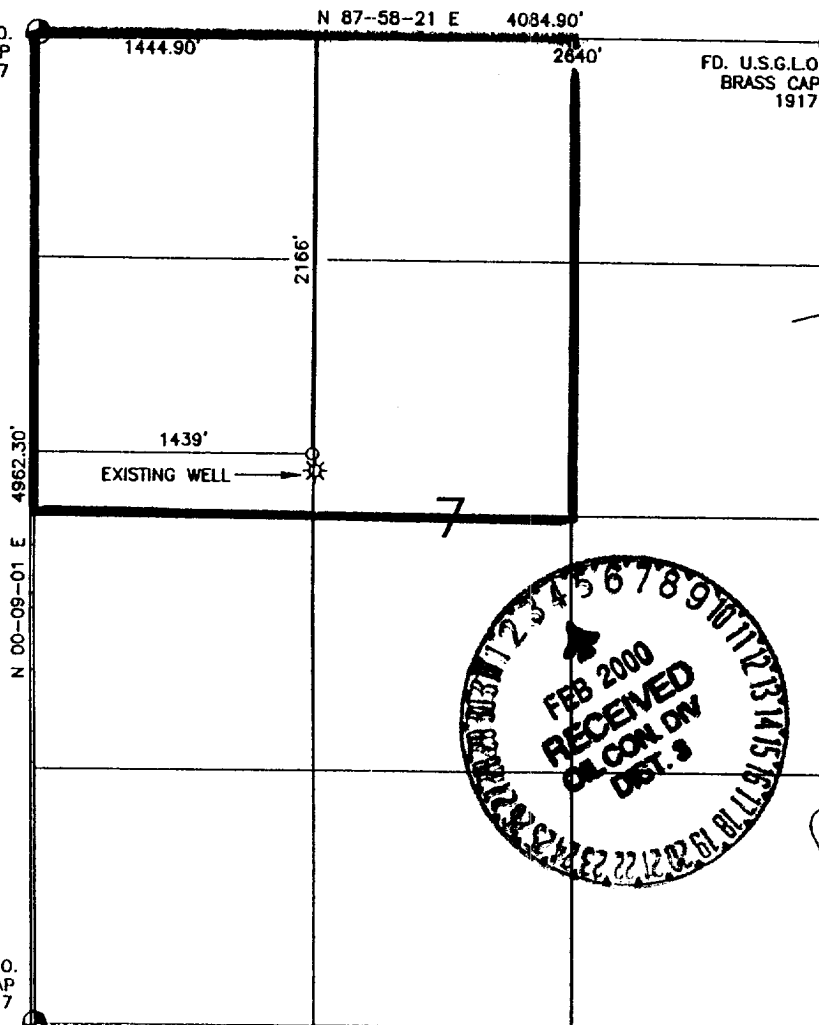
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	7	30-N	3-W		2166	NORTH	1439	WEST	RIO ARRIBA

<sup>11</sup> 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.			

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.  
BRASS CAP  
1917



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

Terry Lindeman

Printed Name

Operations Superintendent

Title

July 26, 1999

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 Surveyor

8894

Certificate Number

# 2-M SYSTEM

Jicarilla 458SJ No. 8

