

(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 checked="" 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 24.235 | |
| 3. ADDRESS AND TELEPHONE NO. P.O. Box 2797 Durango, CO 81302 (970) 382-9100 | | 8. FARM OR LEASE NAME, WELL NO. Jicarilla 30-03-35 #2 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1618' FNL and 1726' FWL (SE/NW) Unit F Proposed prod. zone 1618' FNL and 1726' FWL (SE/NW) Unit F | | 9. API WELL NO. 30-039-26686 | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 54 miles east of Bloomfield, New Mexico | | 10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs | |
| 15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1618' (Also to nearest drlg. unit line, if any) | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35, T30N-R03W | |
| 16. NO. OF ACRES IN LEASE 39,368 | | 12. COUNTY OR PARISH Rio Arriba | |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 457-160 NW/4 | | 13. STATE NM | |
| 18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1050' | | 19. PROPOSED DEPTH 4000' - | |
| 20. ROTARY OR CABLE TOOLS Rotary | | 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7253' GR - | |
| 22. APPROX DATE WORK WILL START 12/10/00 | | 23. PROPOSED CASING AND CEMENTING PROGRAM | |
| SIZE OF HOLE 12-1/4" | GRADE, SIZE OF CASING 8-5/8" | WEIGHT PER FOOT 24# | SETTING DEPTH 250' |
| 7-7/8" | 5-1/2" | 15.5# | 4000' - |
| QUANTITY OF CEMENT Circulate to surface | | 570 sks circ. 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.

SIGNED: Terry Lindeman TITLE: Operations Superintendent DATE: 11/08/00

(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 /s/ Brian W. Davis TITLE Acting Asst Field Mgr DATE JAN 26 2001

*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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------------------|--------------------------------------|---------------------|--|
| *API Number 30-039-26656 | | *Pool Code 72400 | *Pool Name East Blanco; Pictured Cliffs |
| *Property Code 00023235 | *Property Name JICARILLA 30-03-35 | | *Well Number 2 |
| *OGRID No. 13925 | *Operator Name MALLON OIL COMPANY | | *Elevation 7253' → |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| F | 35 | 30-N | 3-W | | 1618 | NORTH | 1726 | 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 |
|---|---------|----------|-------|---------|------------------|------------------|---------------------|----------------|------------|
| *Dedicated Acres 157-160 NW ₄ | | | | | *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

| | | | | | | | |
|---------------------------|--|--|--|---------------------|--|---|--|
| 16 FD. MARKED STONE | | S 89-4 -10 W 520.49' | | FD. MARKED STONE | | 17 OPERATOR'S CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief | |
| 1618' | | | | | | Signature Terry Lindeman Printed Name Operations Superintendent Title 11/08/00 Date | |
| 1726' | | LAT. = 36-46-17 N. LONG. = 107-07-21 W. | | | | 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 | |
| S 00-02-46 E 526.19' | | | | | | Date of Survey Signature and Seal of Professional Surveyor 8894 Certificate Number | |
| FD. MARKED STONE | | | | | | | |

MALLON OIL COMPANY

JICARILLA 30-03-35 #2

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

RIO ARRIBA COUNTY, NEW MEXICO

1618' FNL 1726' FWL

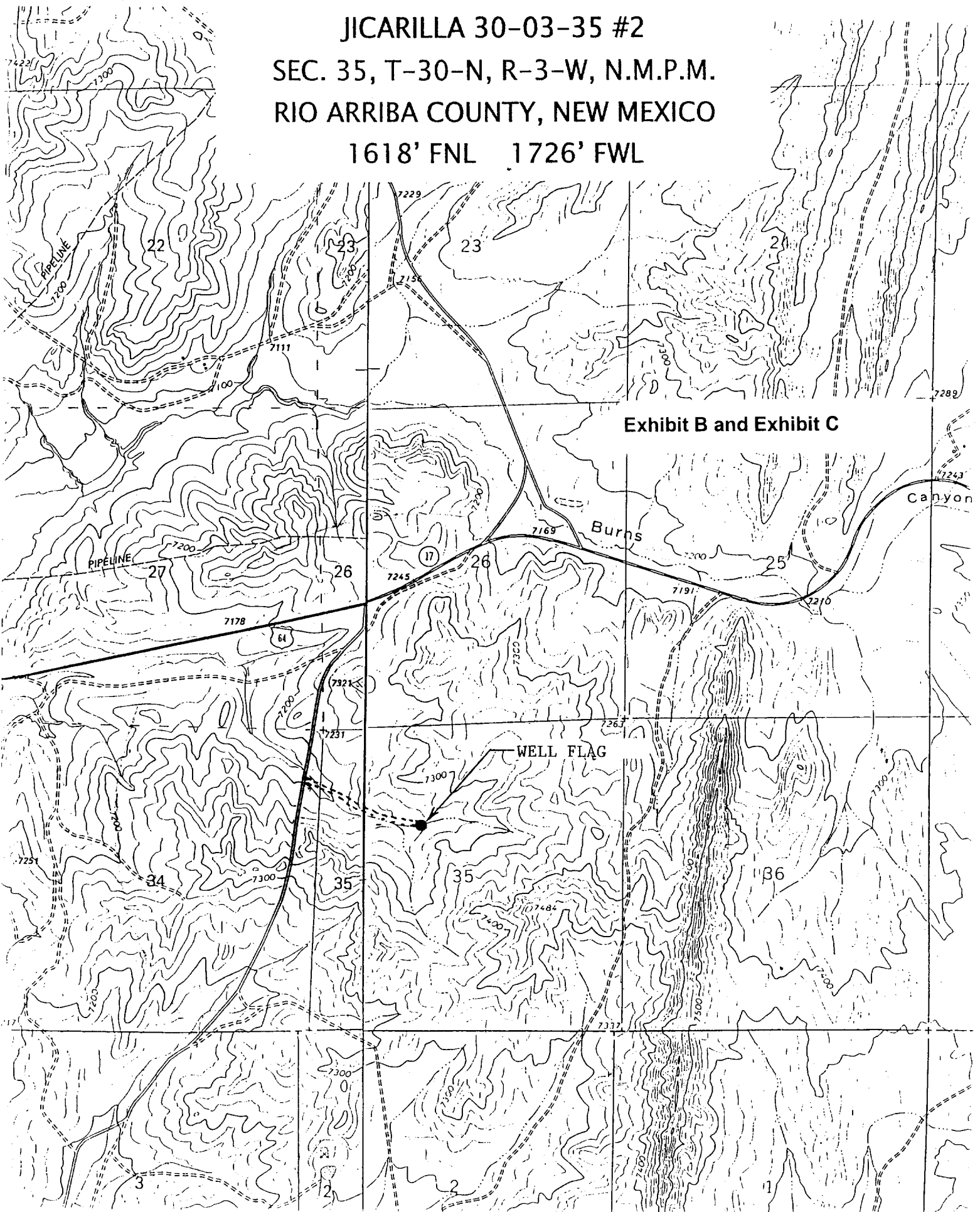


Exhibit B and Exhibit C

2-M SYSTEM

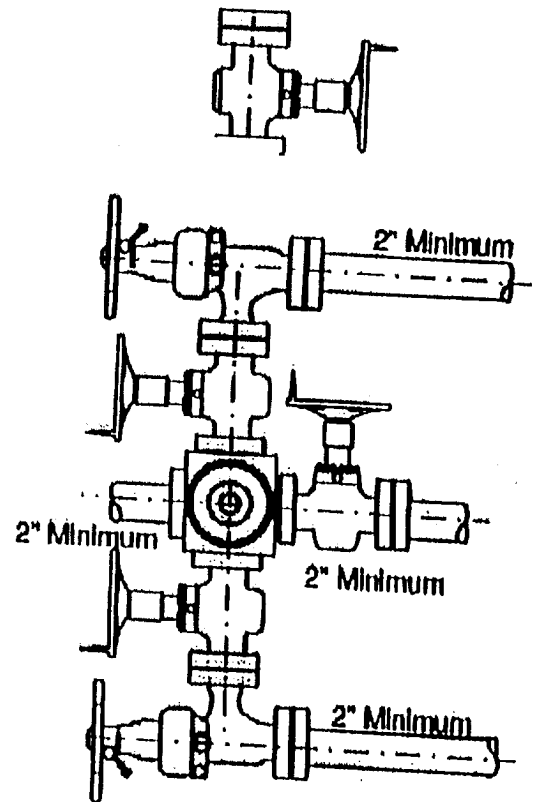
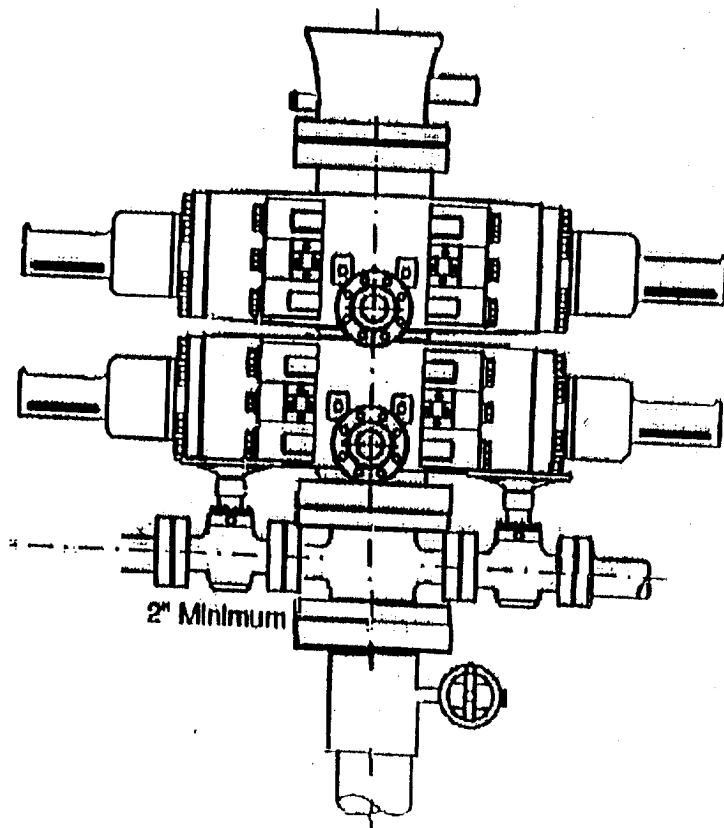


Exhibit 1