

JAMES BRUCE
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(505) 982-2043
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September 12, 1997

Hand Delivered

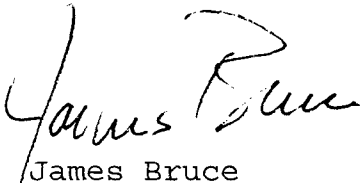
David Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Downhole commingling, Mescalero 30 Fed. Well No. 4, N½
§30-19S-34E, Lea County, New Mexico

Dear Mr. Catanach:

Enclosed is an administrative application regarding the above
matter, filed on behalf of Mallon Oil Company.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Mallon
Oil Company

cc: Hobbs District Office w/encl.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or re-entry to a different reservoir.

Use "APPLICATION FOR PERMIT-" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Mallon Oil Company

3. Address and Telephone No

P.O. Box 3256, Carlsbad, NM 88220 505-885-4596

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1330' FNL and 1330' FEL (SWNE), Unit G
Section 30-T19S-R34E

5. Lease Designation and Serial No.

NM-056376

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Mescalero 30 Federal No. 4

9. API Well No.

30-025-33813

10. Field and Pool, or Exploratory Area

Quail Ridge, Morrow

11. County or Parish, State

Lea County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other Multiple Complete

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Described Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Mallon Oil Company intends to complete the Strawn interval and downhole commingle Strawn and Morrow production. An application has been made, copy attached, to the State of New Mexico Oil Conservation Division for approval to downhole commingle the Strawn and Morrow zones.

14. I hereby certify that the foregoing is true and correct.

Signed Ray E. Jones Title Vice President - Engineering

Date September 2, 1997

(This space for Federal or State office use)

Approved By

Title

Date

Condition of Approval, If any:

JAMES BRUCE
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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Dear Sirs:

Mallon Oil Company ("Mallon") has filed an administrative application for downhole commingling with the New Mexico Oil Conservation Division. Mallon seeks to commingle production from the Morrow and Strawn formations in its Mescalero 30 Federal Well No. 4, located 1330 feet from the North and East lines of Section 30, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. If you object to this application, you must notify the Division in writing no later October 2, 1997. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505.

Very truly yours,



James Bruce

Attorney for Mallon Oil Company

EXHIBIT A

S½ Section 19:

Beach Exploration, Inc.
Suite 200
800 North Marienfeld
Midland, Texas 79701

S½ Section 20, S½ Section 29, and S½ §30:

Mallon Oil Company

N½ Section 29:

Union Oil Company of California
Suite 300
1004 North Big Spring
Midland, Texas 79701

Ted W. McVay
703 East Clinton
Hobbs, New Mexico 88240

Headington Minerals, Inc.
7557 Rambler Road
Dallas, Texas 75231

Ray Westall
P.O. Box 4
Loco Hills, New Mexico 88255

Mitchell Energy Corp.
P.O. Box 4000
The Woodlands, Texas 77380

Laurelind Corporation
P.O. Box 2143
Roswell, New Mexico 88202

Yates Energy Corporation
1010 Sunwest Center
Roswell, New Mexico 88201

Heyco Employees Ltd.
P.O. Box 1933
Roswell, New Mexico 88202

E½ Section 25-19S-33E :

Union Oil Company of California