

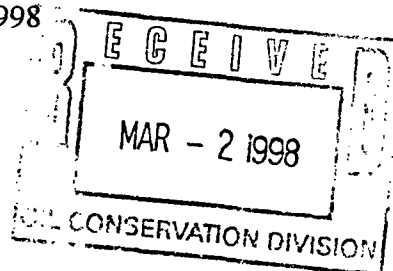
Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

NSP 3/23/98

a Mallon Resources subsidiary

February 27, 1998



Mr. Mike Stagner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stagner:

Enclosed, you will find, the East Blanco Field map for Mallon Oil Company, eleven (11) C-102 survey plats with attached topographic maps for the respective wells.

Mallon Oil Company is requesting an exemption to rule 104 due to topographic conditions for the following wells:

- | | |
|---------------------------|---------------------------|
| 1. Jicarilla 457-4 No. 2 | 5. Jicarilla 459-20 No. 8 |
| 2. Jicarilla 457-10 No. 8 | 6. Jicarilla 459-20 No. 7 |
| 3. Jicarilla 458-8 No. 7 | 7. Jicarilla 460-16 No. 1 |
| 4. Jicarilla 459-17 No. 9 | 8. Jicarilla 464-29 No. 9 |

Note: Jicarilla 460-16 No. 1 has two plats attached showing the well was moved 100 feet west to avoid an archaeological site.

In addition to topographical conditions, due to irregular sections in Sec. 19-30N-3W and Sec. 30-30N-3W we are requesting non standard pro-ration units, for the following wells:

- | | |
|----------------------------|------------|
| 1. Jicarilla 459-19 No. 9 | |
| 2. Jicarilla 464-30 No. 9 | 3089-25789 |
| 3. Jicarilla 464-30 No. 10 | |

The only offset operator to the west is Robert L. Bayless and we have notified them of our request.

If any additional information is needed please contact me at (505) 885-4596

Mallon Oil Company
Sincerely,

Terry Lindeman
Exploration/Production Superintendent

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

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

DISTRICT III

1000 Rio Brazos Rd., Artesia, N.M. 87410

DISTRICT IV

PO Box 2088, Santa Fe, NM 87504-2088

OIL- CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number	*Pool Code	*Pool Name
		PICTURE CLIFF 4500'
*Property Code	*Property Name	*Well Number
	JICARILLA 464-30	9
*GRID No.	*Operator Name	*Elevation
	MALLON OIL CO.	7195'

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
	30	30-N	3-W		400	SOUTH	800	WEST	RIO ARRIBA

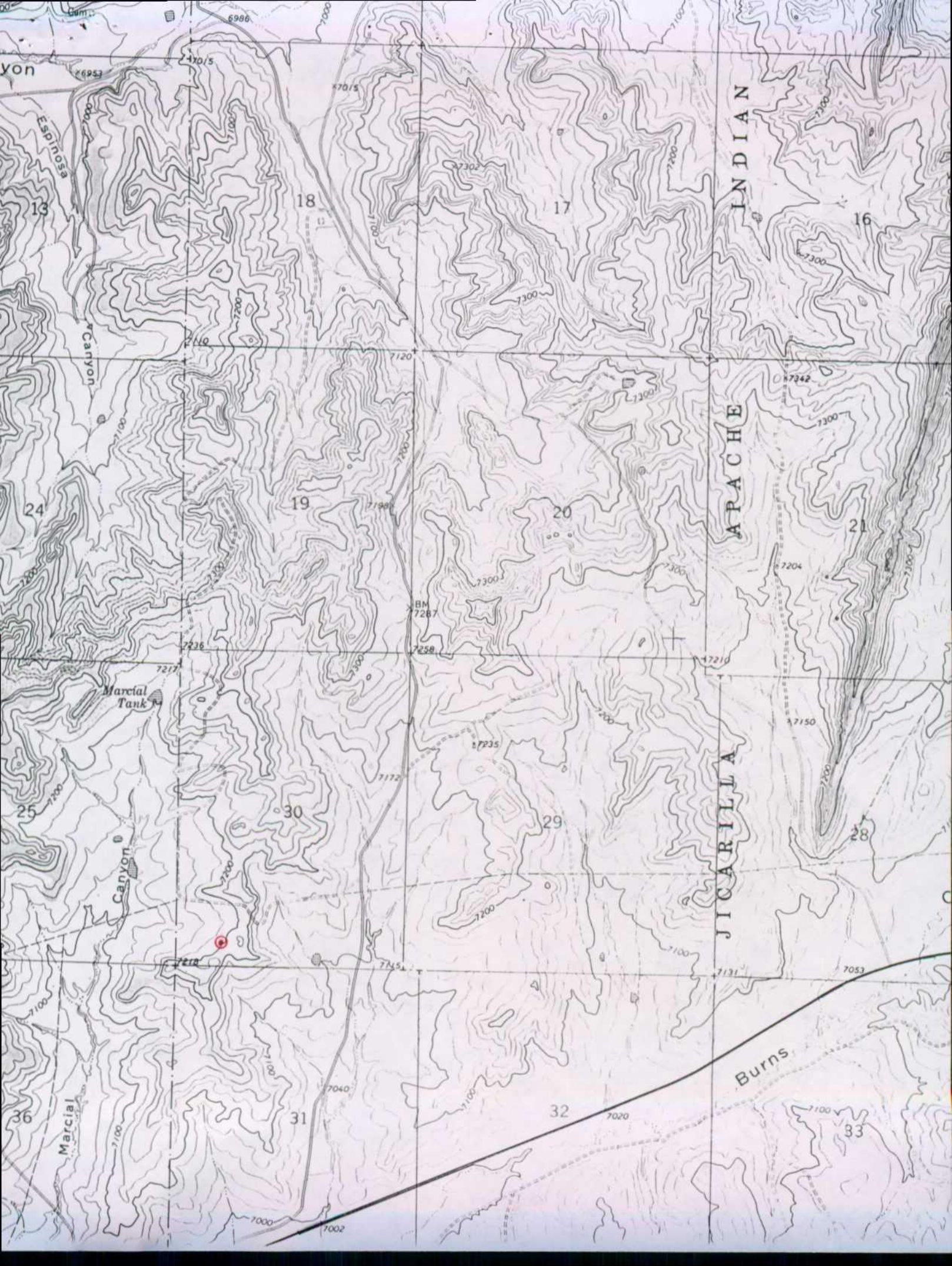
11 Bottom Hole Location If Different From Surface

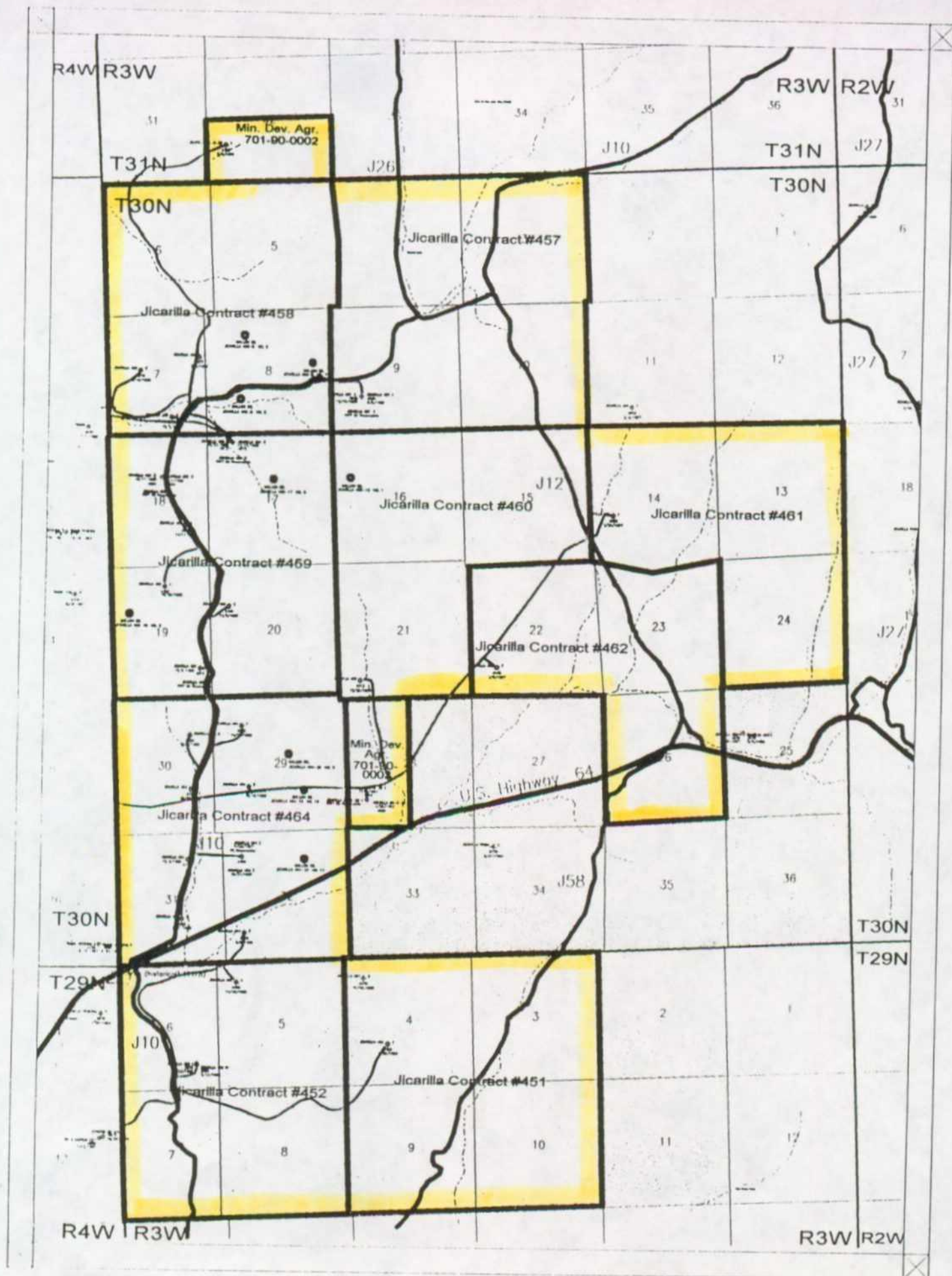
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 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. U.S.G.L.O. BRASS CAP 1917 43.22 N 00°02'00" W 2931.72' (RECORD) 5653.60' (MEASURED) 43.24 2622.18' (RECORD) 52.17 N 00°12'00" W FD. U.S.G.L.O. BRASS CAP 1917 800' 400' S 89°37'00" E 4061' (RECORD)	NE 1/4 SE 1/4	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Printed Name Title 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. 12-30 Date of Survey Signature and Seal of Registered Professional Land Surveyor 8894 Certificate Number
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Scale 1:63360.

0 2 0 0 2 0 4 0 6 0 8 1 miles



MALLON OIL COMPANY

East Blanco Field - San Juan Basin
Townships 29-30 North
Rio Arriba County, New Mexico

10/22/1997

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. Jicarilla 464
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 13925		7. UNIT AGREEMENT NAME N/A
3. ADDRESS AND TELEPHONE NO. P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596		8. FARM OR LEASE NAME, WELL NO. Jicarilla 464-30 No. 9 22864
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 400' FSL and 800' FWL (SW SW) Unit MN'		9. API WELL NO. 30-039-25789
At proposed prod. zone 400' FSL and 800' FWL (SW SW) Unit MN'		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs 72400
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 50 miles east of Bloomfield, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA N Sec. 30, T30N-R3W
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drif. unit line, if any) 800'	16. NO. OF ACRES IN LEASE 2410	17. NO. OF ACRES ASSIGNED TO THIS WELL 180 95.40
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2600'	19. PROPOSED DEPTH 4500'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7195 2421'	22. APPROX. DATE WORK WILL START February 28, 1998	

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#	500'	Circ. to surface
7-8/8"	5-1/2"	15.5#	4500'	570 sks

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
Exhibit H: Archaeological Clearance

RECEIVED
FEB 23 1998

OIL CON. DIV
DIST. 3

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: Production Superintendent DATE: 01/12/98

(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: Joe Incardine TITLE: Lands and Mineral Resources DATE: FEB 18 1998

*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 C-104 FOR DSL & NIP ✓

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

DISTRICT III
1000 Rio Brazos Ed., Artesia, N.M. 87410

DISTRICT IV
PO Box 2086, Santa Fe, NM 87504-2086

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25789		*Pool Code 72400	*Pool Name E/BLANCO PICTURED CLIFFS 4500'
*Property Code 22864	*Property Name JICARILLA 464-30		*Well Number 9
*OGRD No. 13925	*Operator Name MALLON OIL CO.		*Elevation 7195'

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
N	30	30-N	3-W		400	SOUTH	800	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

¹² Dedicated Acres 95.40	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

	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>Production Superintendent</u> Date: <u>1-12-98</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>12-30-97</u> Signature and Seal: <u>[Signature]</u> Professional Land Surveyor 8894 Certificate Number: <u>8894</u>	
	RECEIVED FEB 23 1998 OIL CON. DIV. DIST. 3	

Exhibit A

MALLON OIL COMPANY
PROPOSED WELL LOCATION & PIPELINE ACCESS
JICARILLA 464-30 NO. 9
SW/4 SEC. 30, T-30-N, R-3-W, N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO
400 FSL, 800' FWL

BM
7287

7236

7252

7217

Marcial
Tank

7172

30

7200

PROPOSED PIPELINE ACCESS

7145

7100

7100

7040

31

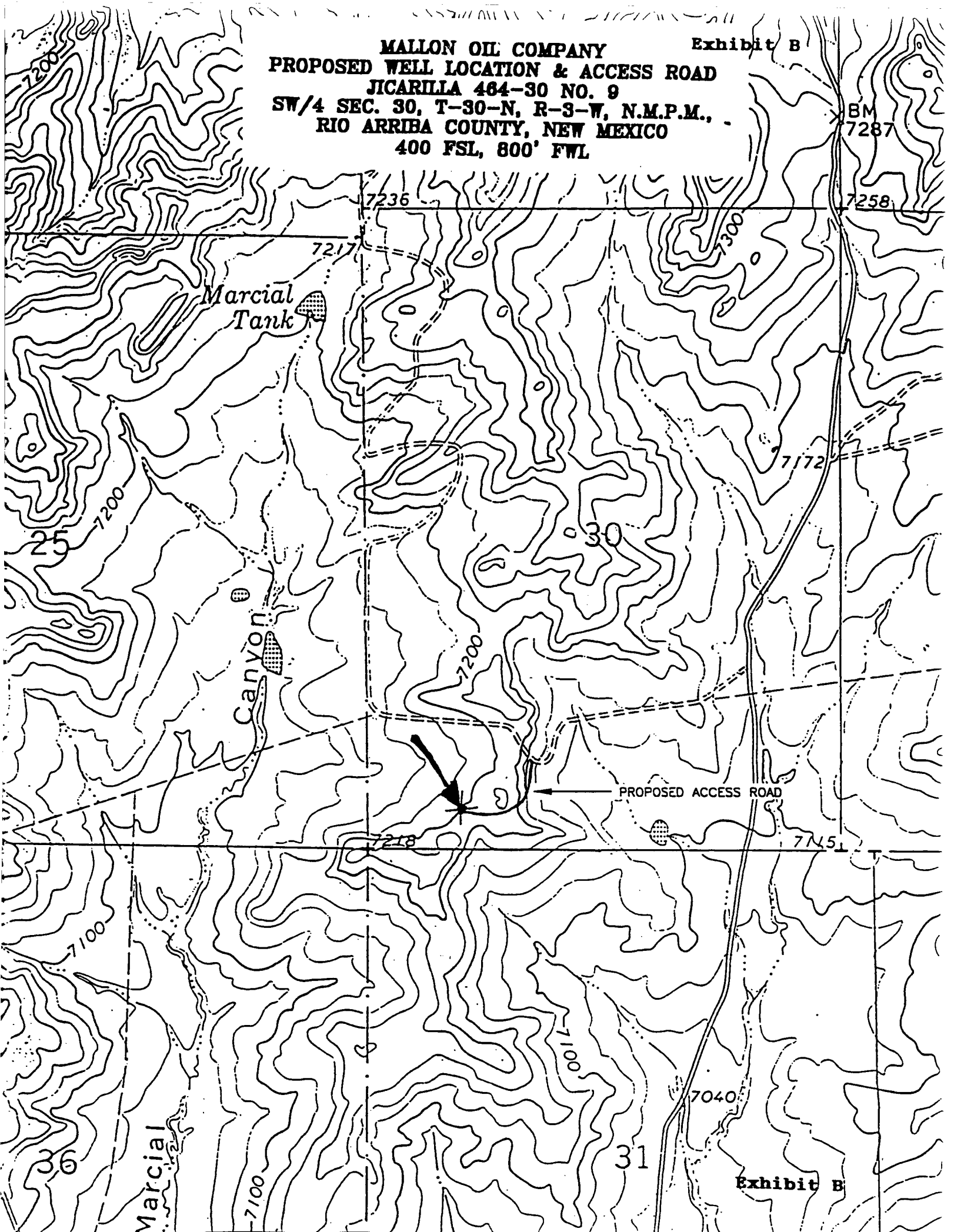
Marcial

7100

Exhibit B

MALLON OIL COMPANY
PROPOSED WELL LOCATION & ACCESS ROAD
JICARILLA 484-30 NO. 9
SW/4 SEC. 30, T-30-N, R-3-W, N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO
400 FSL, 800' FWL

Exhibit B



County RIO ARRIBA

Pool EAST BLANCO-PICTURED
CLIFFS

TOWNSHIP 30 N South, RANGE 3 W East, NEW MEXICO PRINCIPAL MERIDIAN

6	5	4	3	2	1
7	8	9	10	11	12
13	17	16	15	14	13
19	20	21	22	23	24
29	28	27	26	25	
31	32	33	34	35	36

EXT: ALL SECS 7-32 (R-8713, 8/12/88) EXT: W/2 Sec. 5 (R-10178, 8-30-94)