

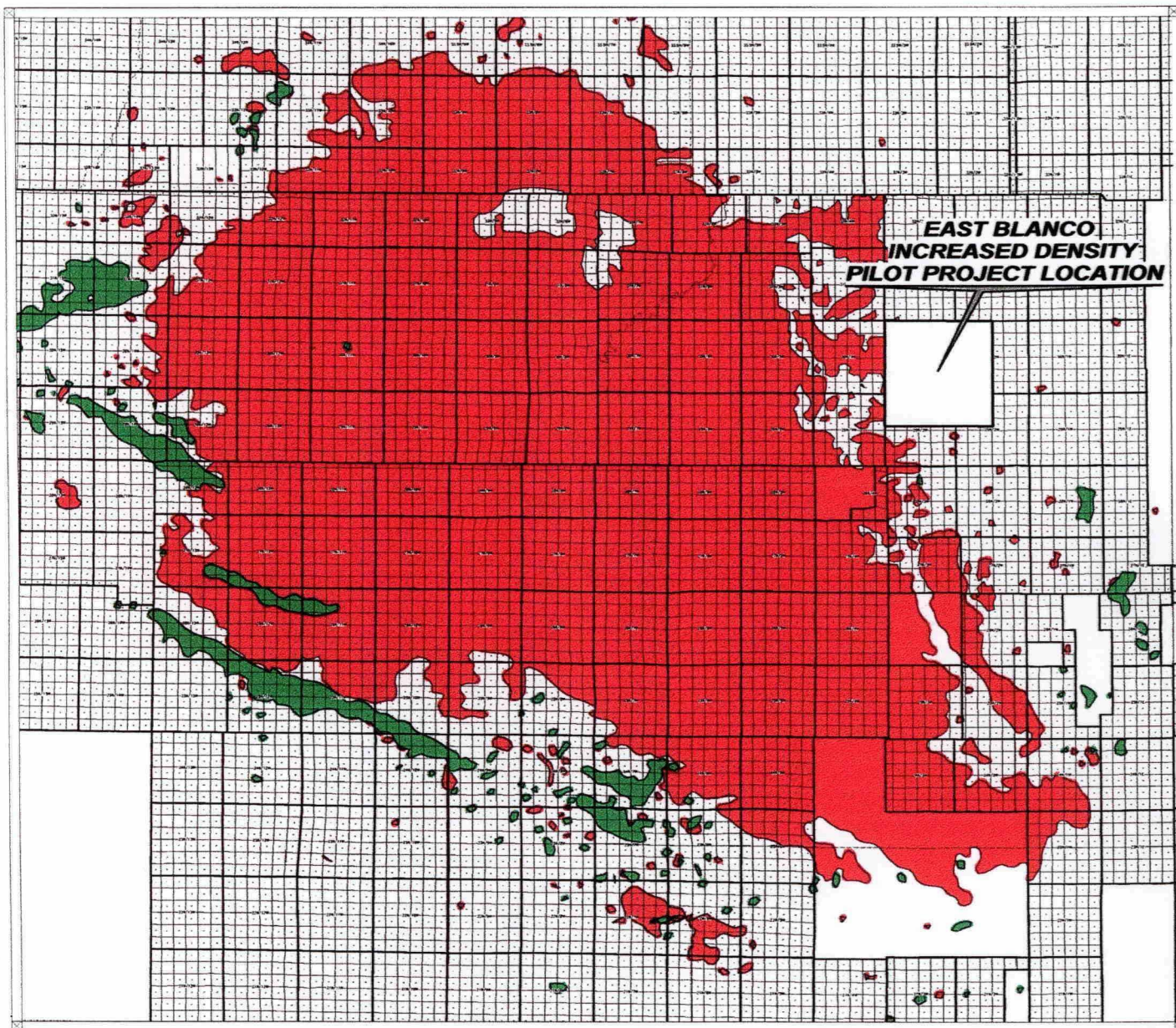
Mallon Oil Company

Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources

Case No. 12892

July 11, 2002

Exhibit No. 1



Scale 1:840000.

20000. 0. 20000. 40000. 60000. 80000. 100000 feet

MALLON OIL COMPANY

**Increased Density Proposal Location Map
San Juan Basin Oil & Gas Fields
NW New Mexico & SW Colorado**

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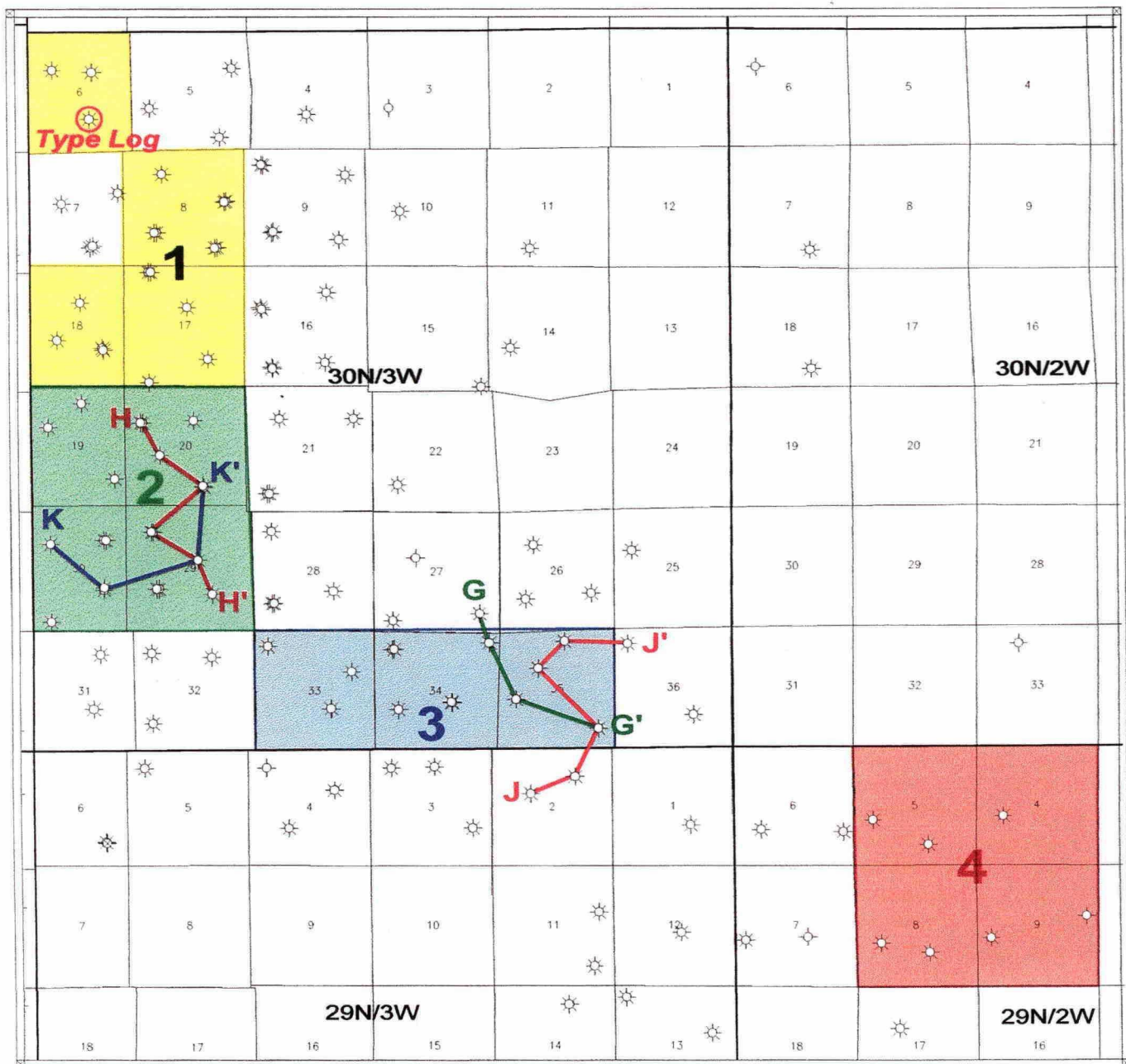
G.F.Coryell

July 2, 2002

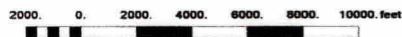
Figure 1

MALLON OIL COMPANY	
East Blanco / LaJara Canyon	
Increased Density Pilot Areas and	
Current Spacing Units	
Rio Arriba County	New Mexico
Patti L. Davis, CPL	July 3, 2002

Figure 2



Scale 1:84000.



MALLON OIL COMPANY

**East Blanco
Type Log and Cross-Section Locations
Increased Density Pilot Areas**

T29-30N, R2-3W	Rio Arriba County	NEW MEXICO
etidbase.gpf	G.F.Coryell	July 2, 2002

Figure 3

EAST BLANCO TYPE LOG
Mallon Oil Company
Jicarilla 458-6 No. 6
SE Sec. 6, T30N-R3W

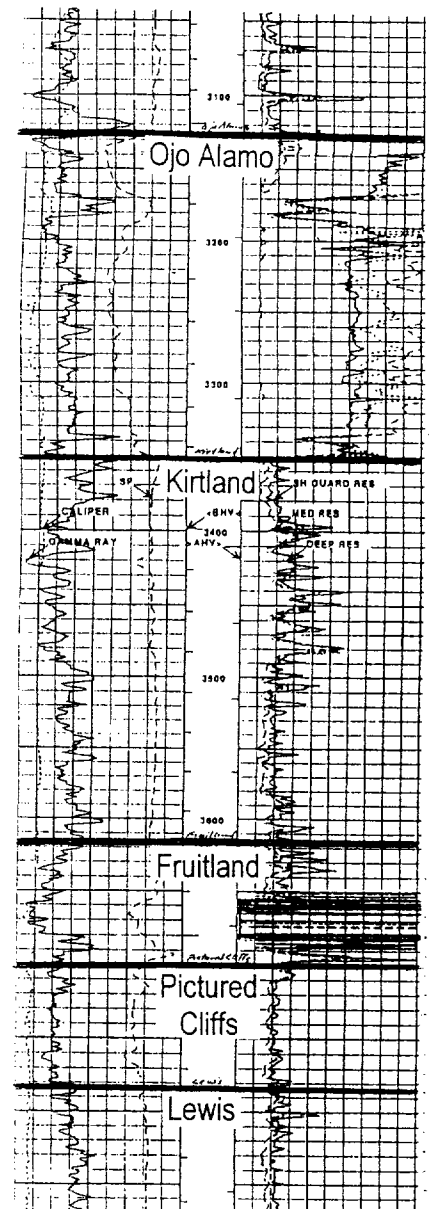
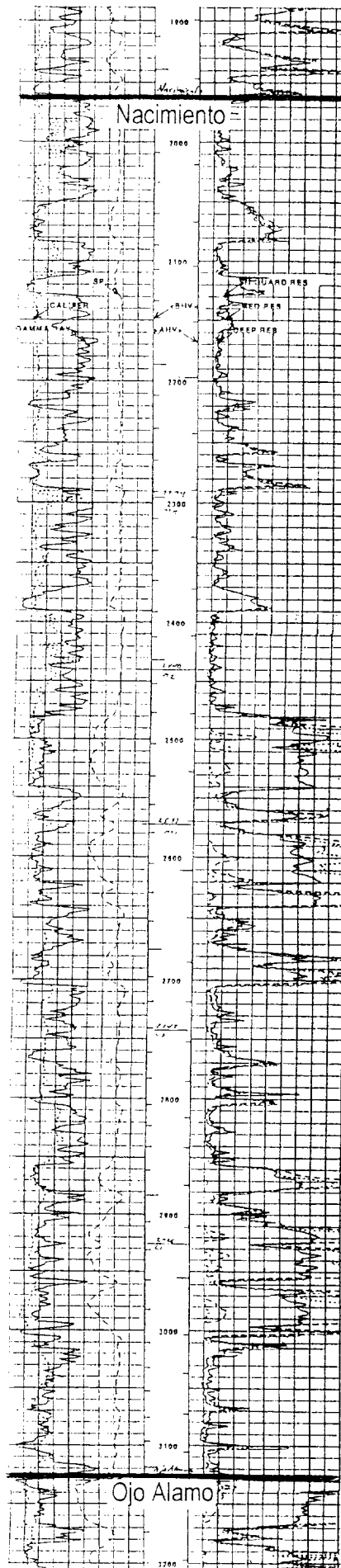
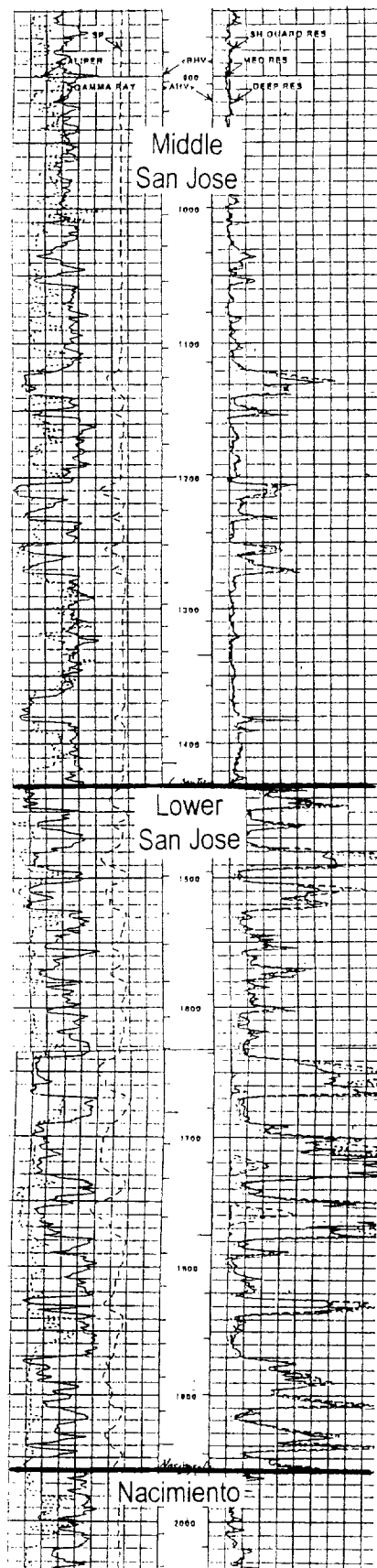
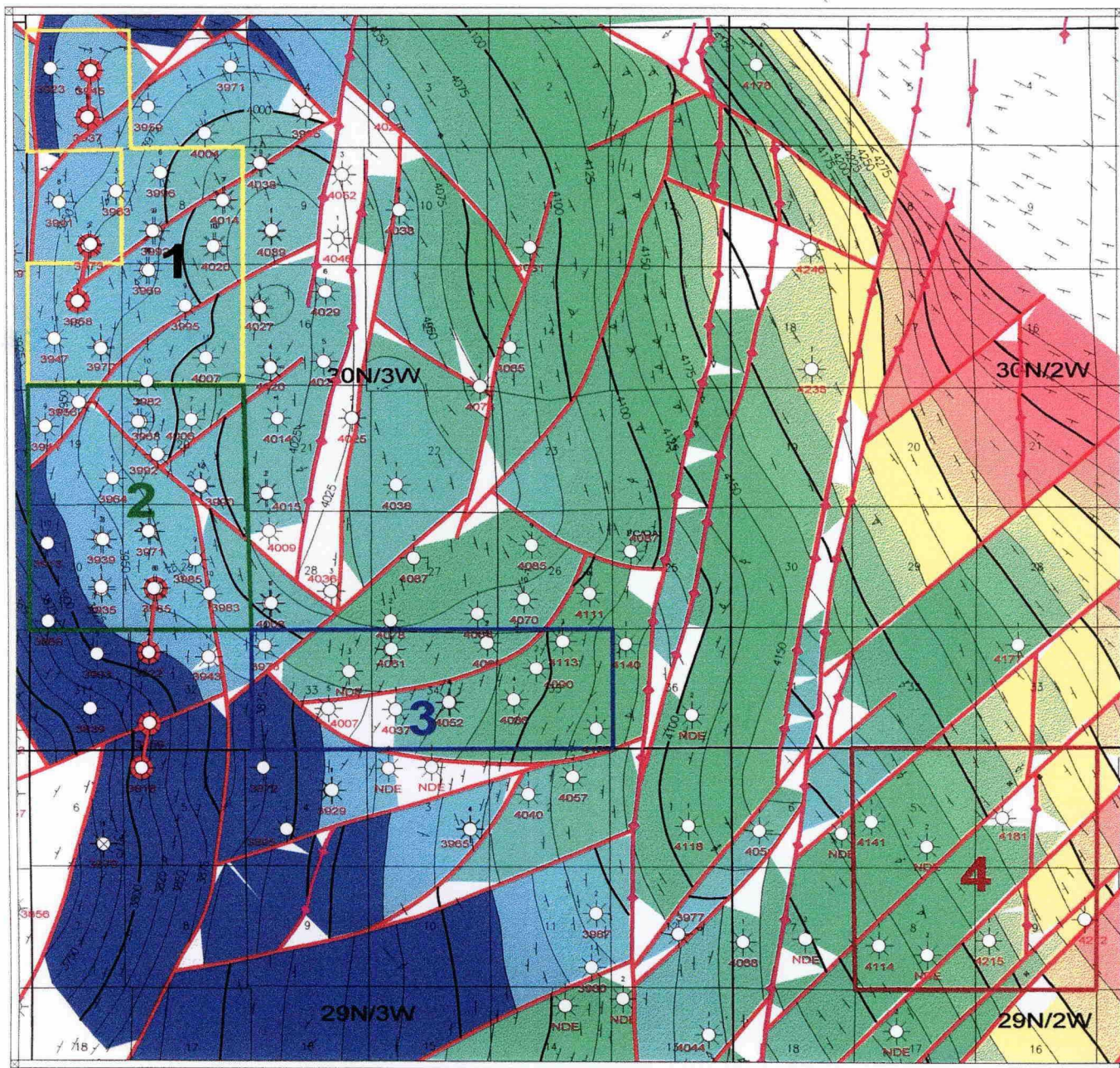


Figure 4
East Blanco
Type Log



- LEGEND**
-  Pictured Cliffs well pair with production communication
 -  Igneous dike
 -  Surface strike and dip

Scale 1:84000.

2000. 0. 2000. 4000. 6000. 8000. 10000. feet

MALLON OIL COMPANY

East Blanco
Ojo Alamo Structure, C.I.= 25 feet
Increased Density Pilot Areas

T29-30N, R2-3W

Rio Arriba County

NEW MEXICO

etoatid0.gpf

G.F.Coryell

July 2, 2002

Figure 5

K'

EAST BLANCO PICTURED CLIFFS DETAIL CROSS-SECTION

1
MALLON OIL
JICARILLA 484-30 10
030.ON 003.0W 030

2
BAYLESS ROBERT L
JICARILLA 484 1
030.ON 003.0W 030

3
MALLON OIL
JICARILLA 484-28 9
030.ON 003.0W 029

4
MALLON OIL
JICARILLA 484-20 12
030.ON 003.0W 020

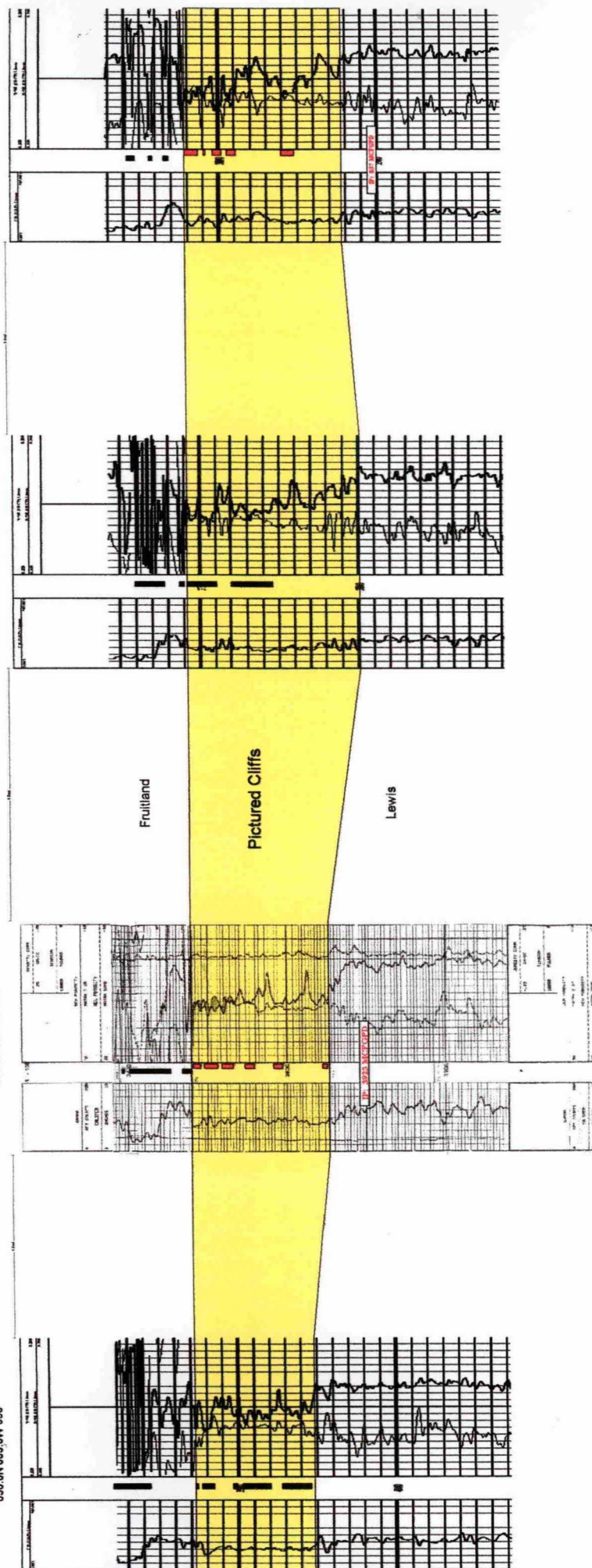


Figure 6 – Pictured Cliffs Cross-Section K-K'

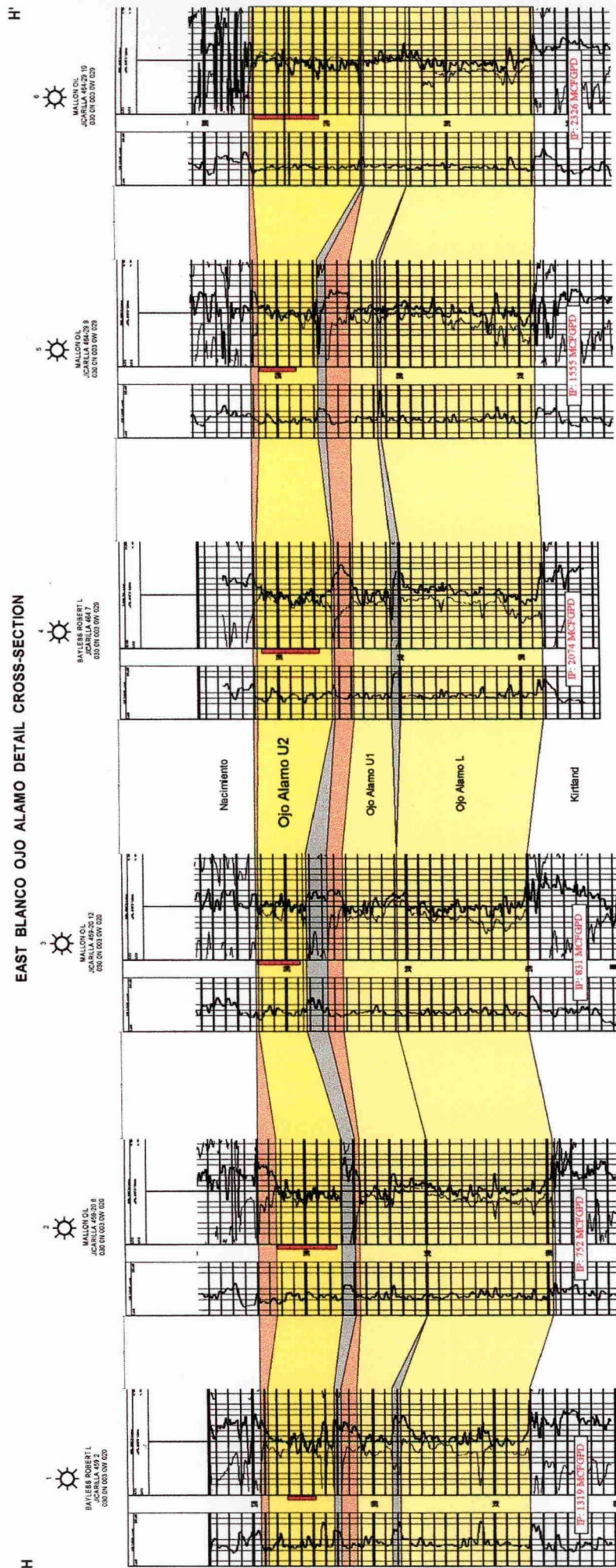


Figure 7 – Ojo Alamo Cross–Section H–H'

EAST BLANCO NACIMIENTO DETAIL STRATIGRAPHIC CROSS-SECTION

G'

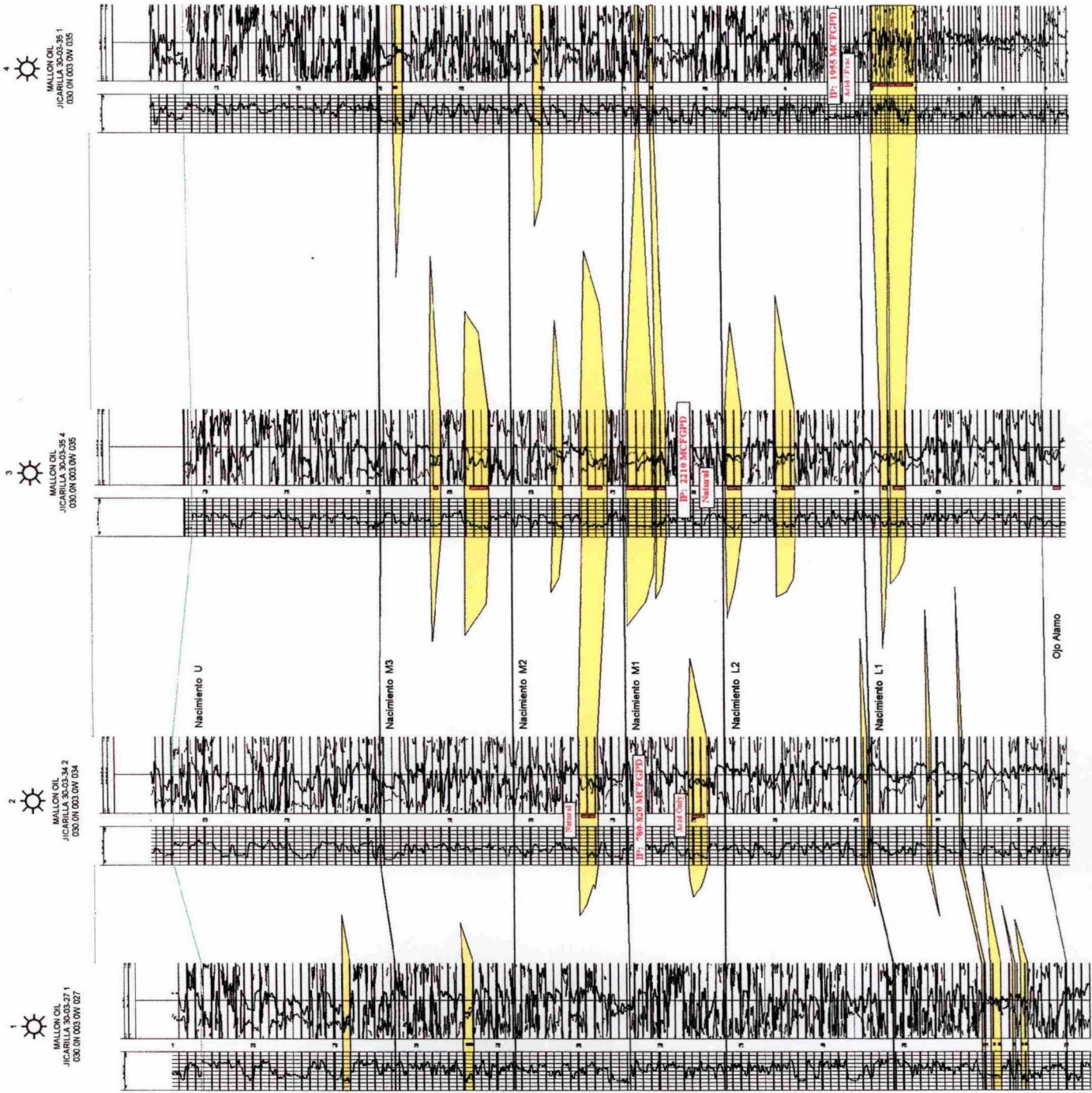


Figure 8 – Nacimiento Cross-Section G-G'

EAST BLANCO SAN JOSE DETAIL STRATIGRAPHIC CROSS-SECTION

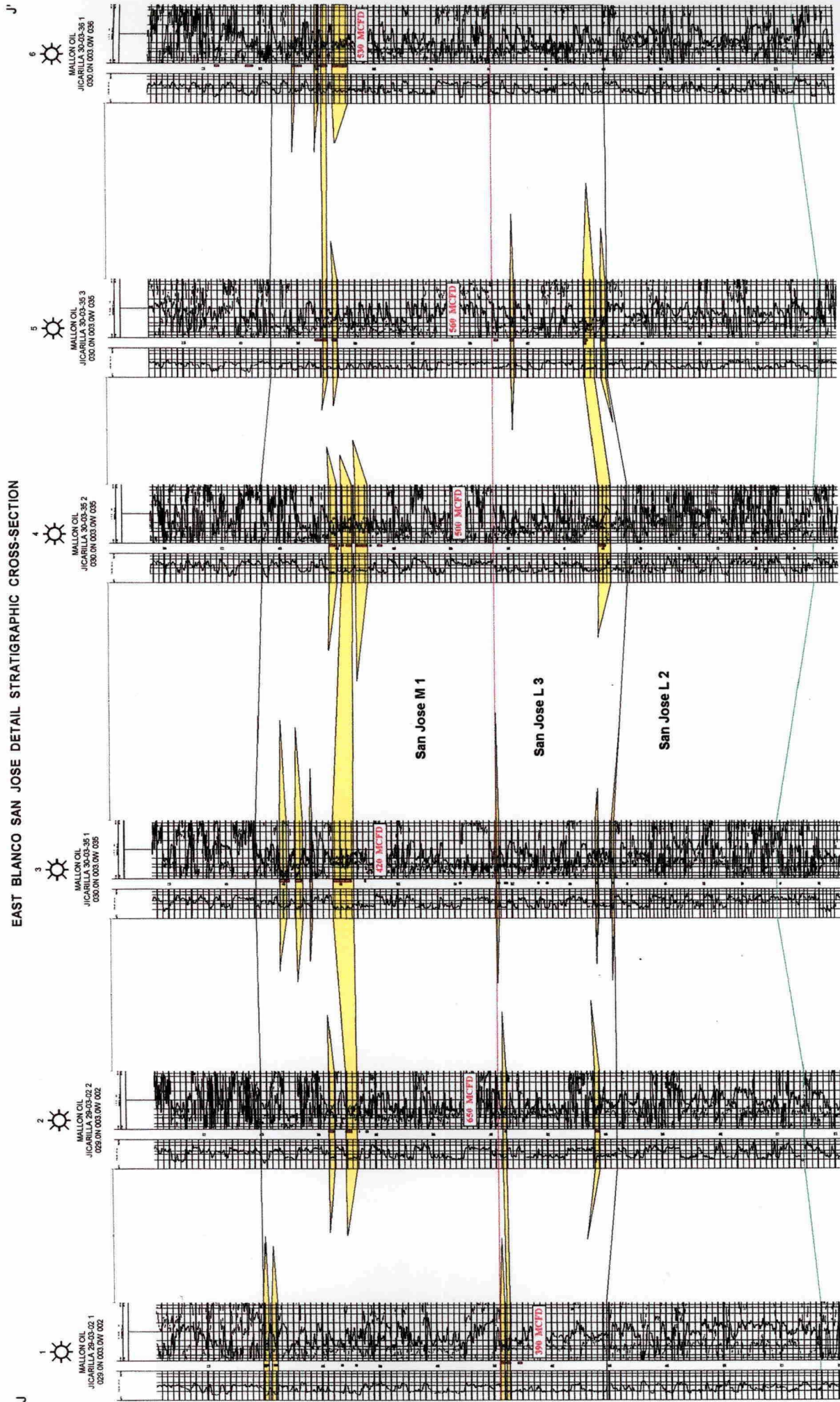


Figure 9 – San Jose Cross-Section J-J'

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Figure 10

Table of Formation Properties

Zone	Pictured Cliffs	Ojo Alamo	Nacimiento	San Jose
Average Depth	3475	2984	1878	1347
Average Thickness	48	49	25	68
Average Porosity, %	12	10	15	18
Estimated Water Saturation, %	50	40	35	25
Permeability, md	<0.5	1 – 5	25-50	25-50
Initial Pressure, psi	1150	1090	636	250
Temperature, ° F	120	114	93	88
Gas Gravity	.656	.607	.595	.596
CO ₂ %	.31	.17	.06	.01
N ₂ %	.19	2.32	.20	.50

Figure 11

Average Pictured Cliffs Well Performance

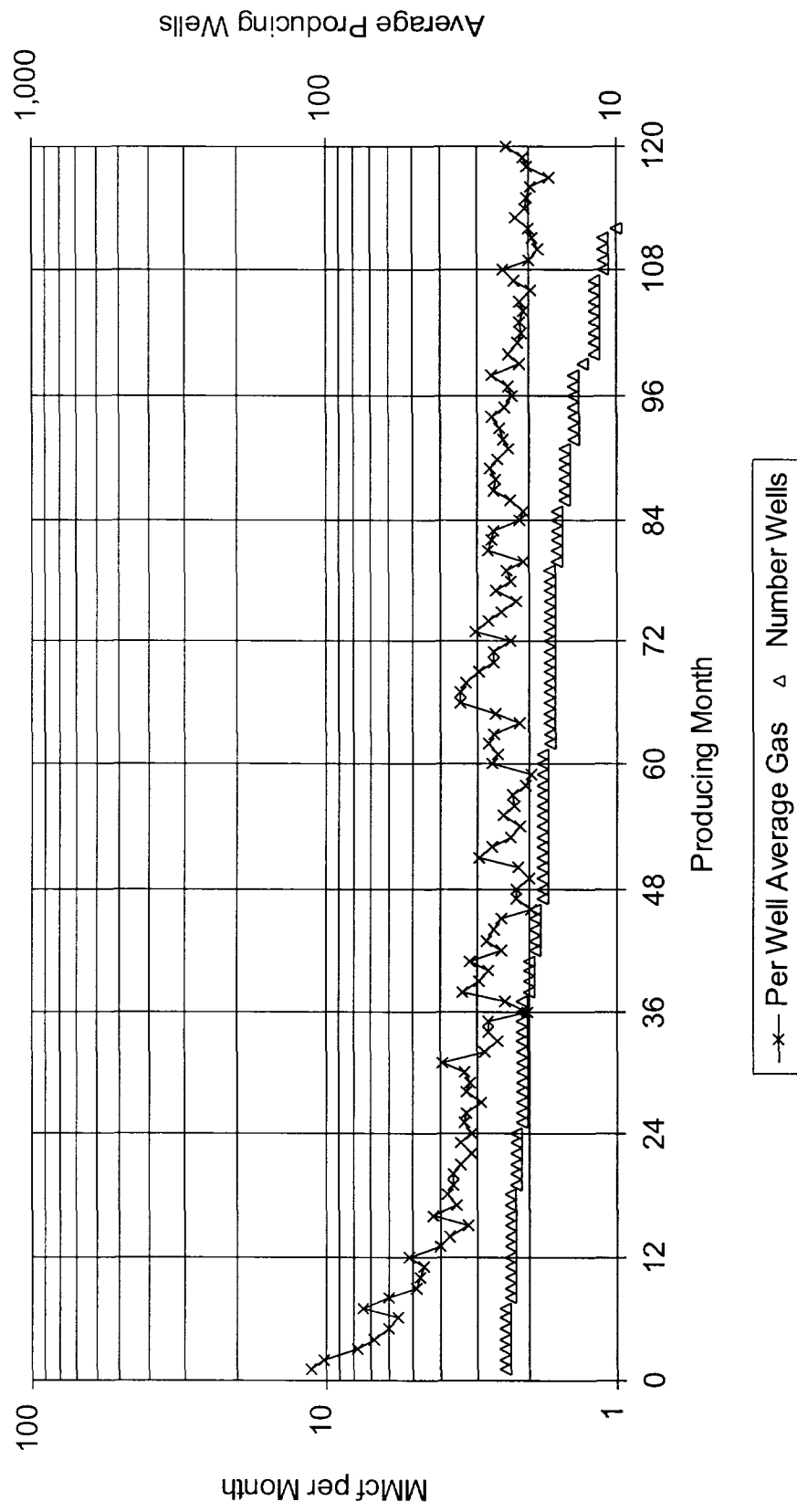
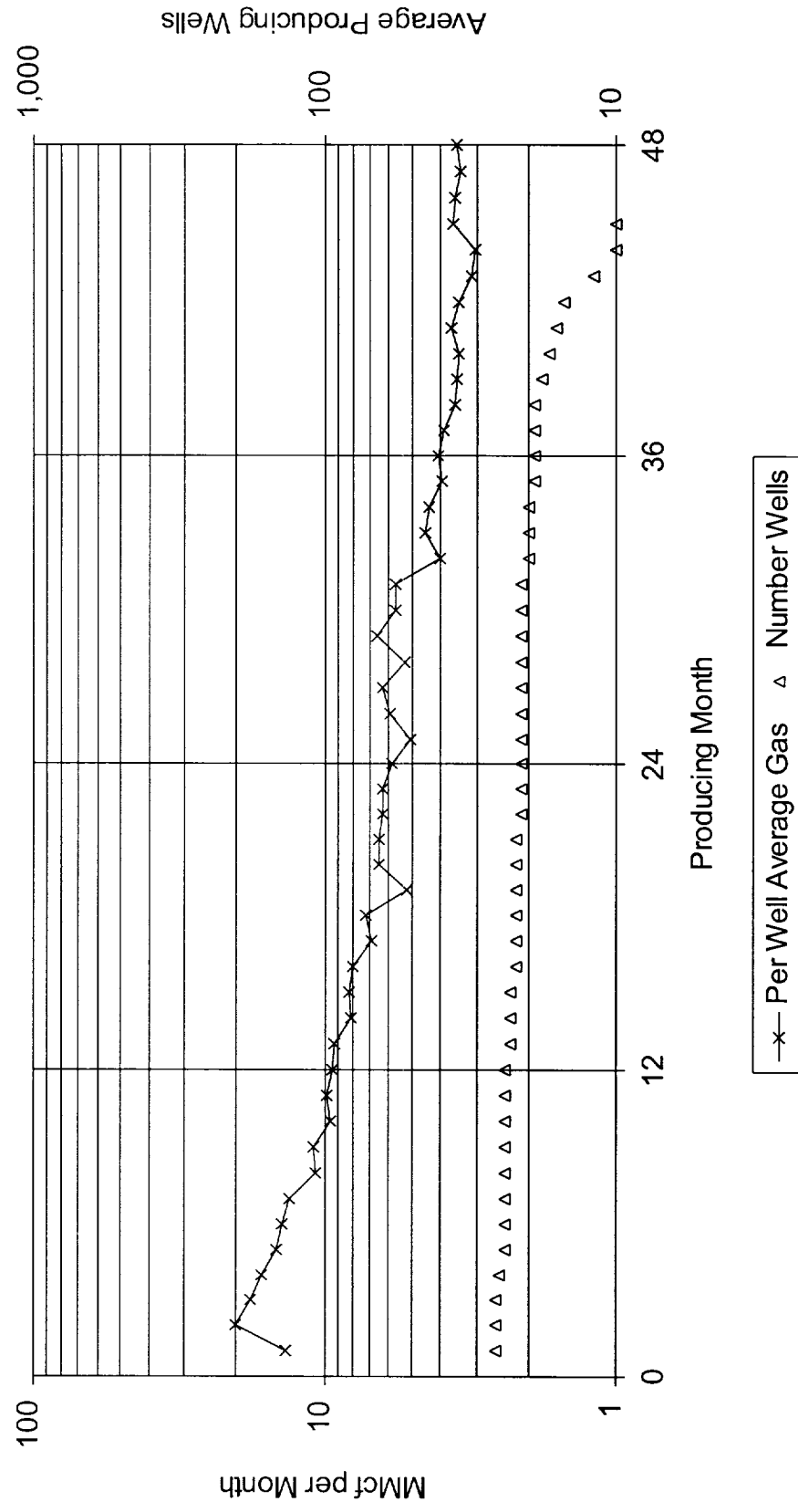


Figure 12

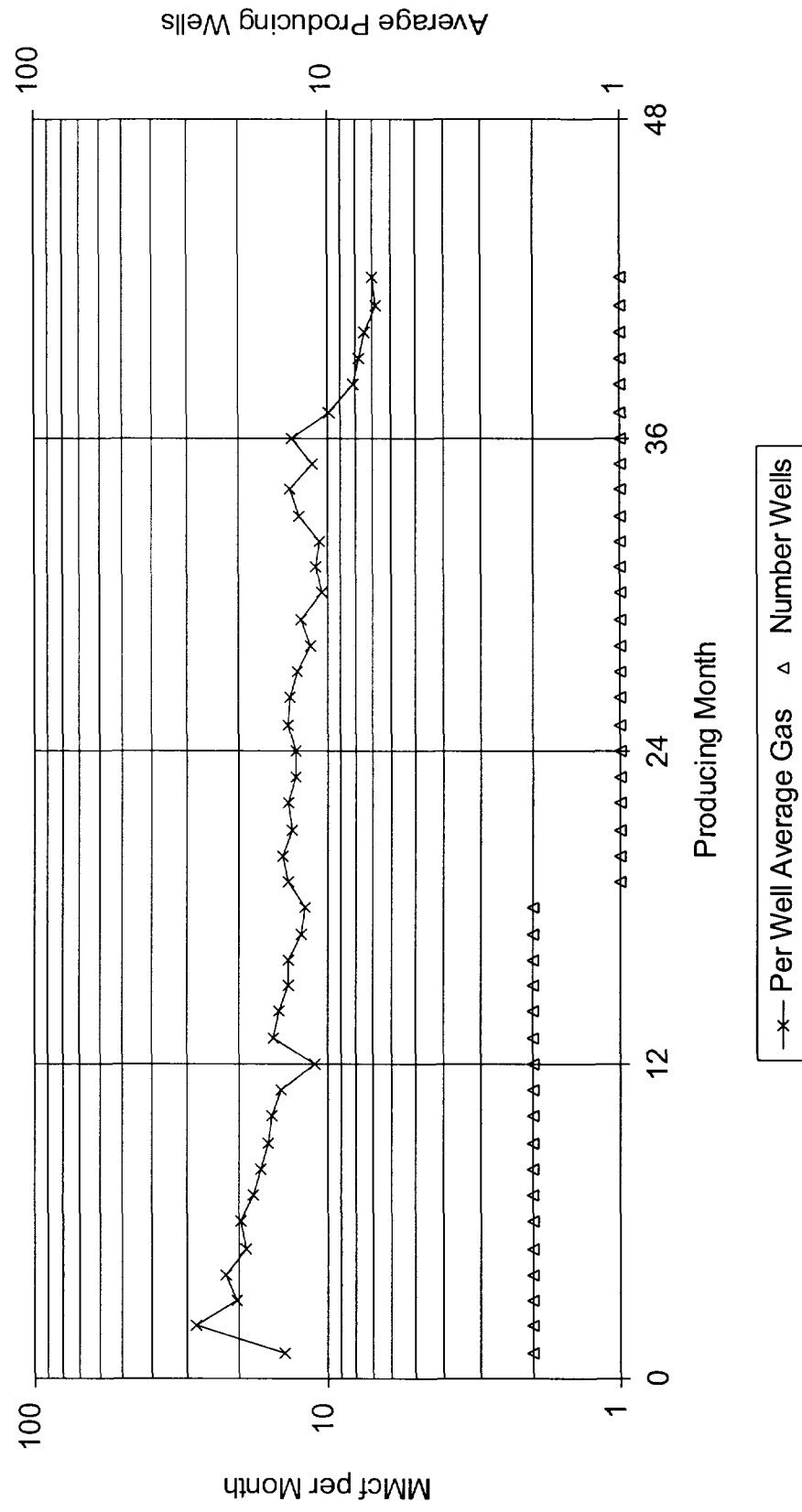
Average Ojo Alamo Well Performance



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Figure 13

Average Naciminto Well Performance



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Figure 14

Average San Jose Well Performance

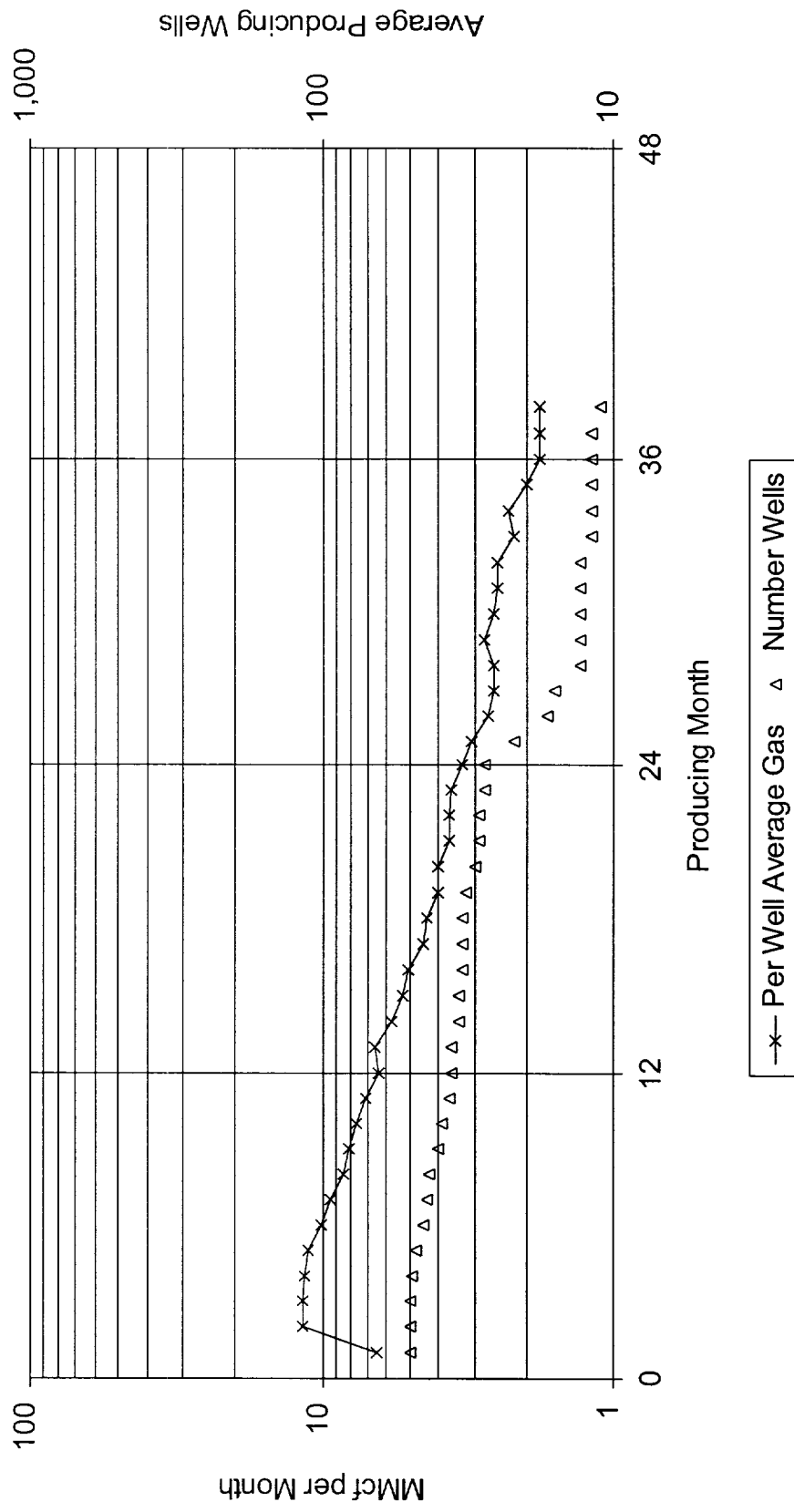
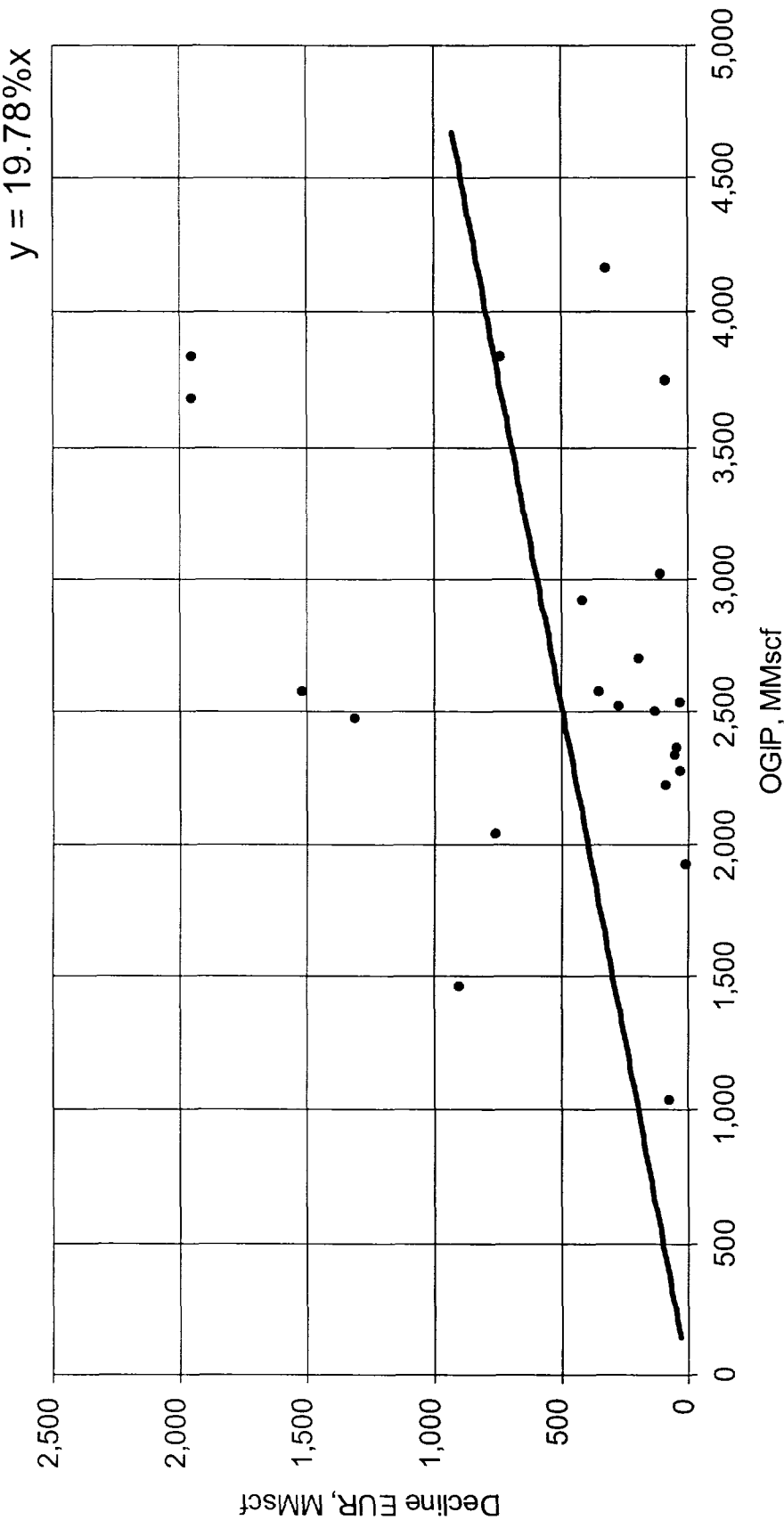


Figure 15

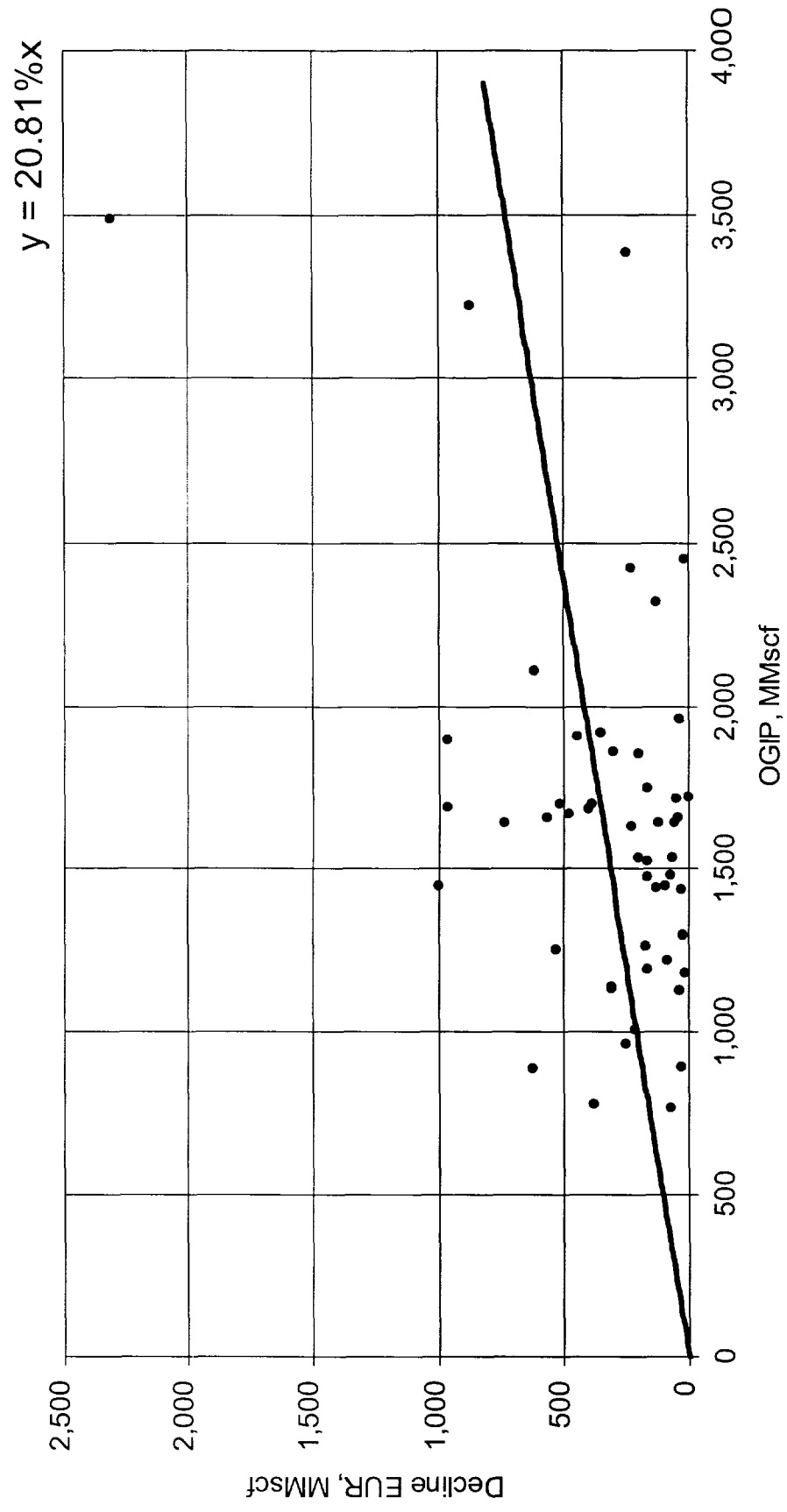
Pictured Cliffs Volumetric OGIP vs. Decline EUR



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Figure 16

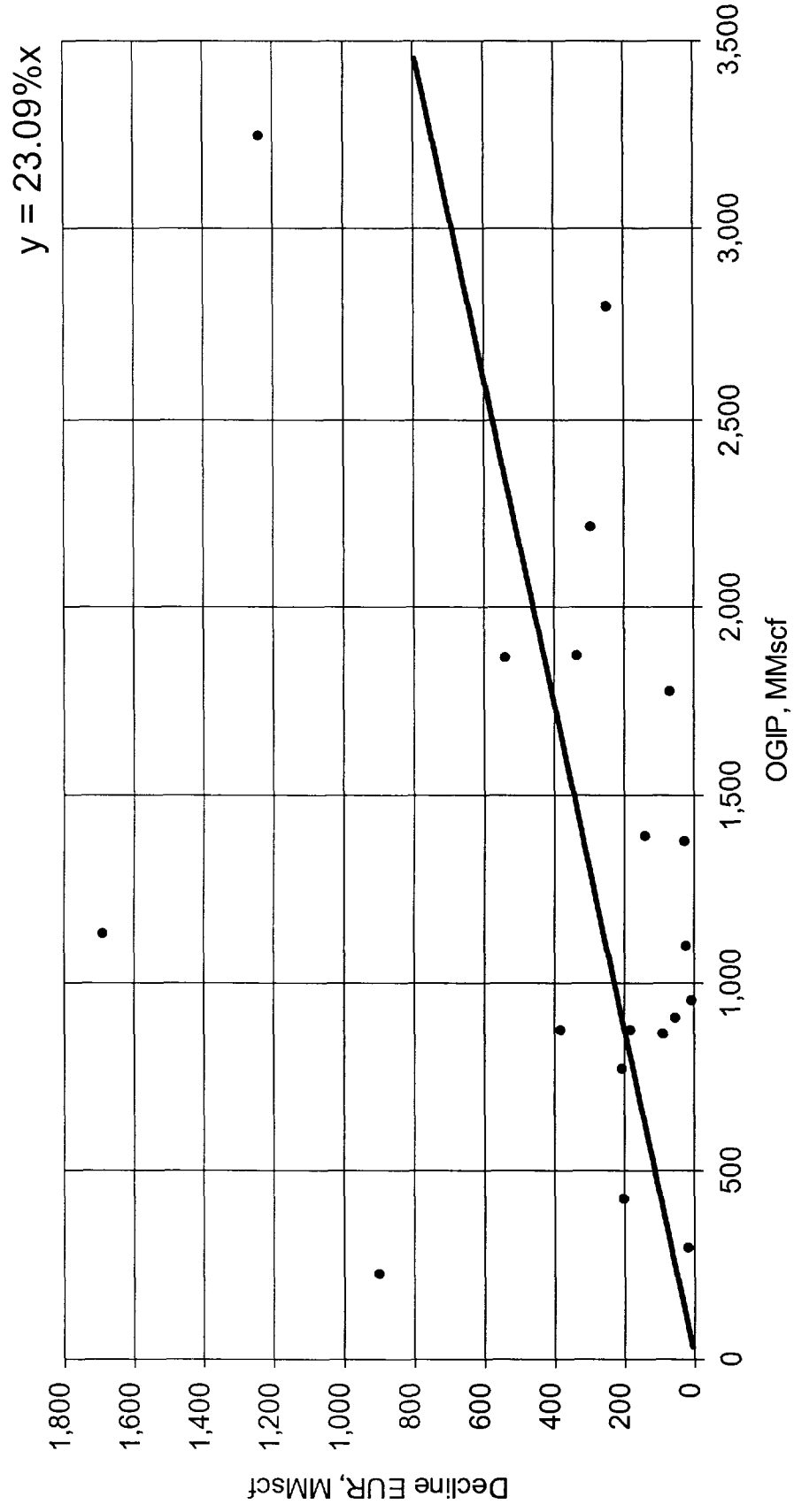
Ojo Alamo Volumetric OGIP vs. Decline EUR



Mallon Oil Co. Case 12892

Figure 17

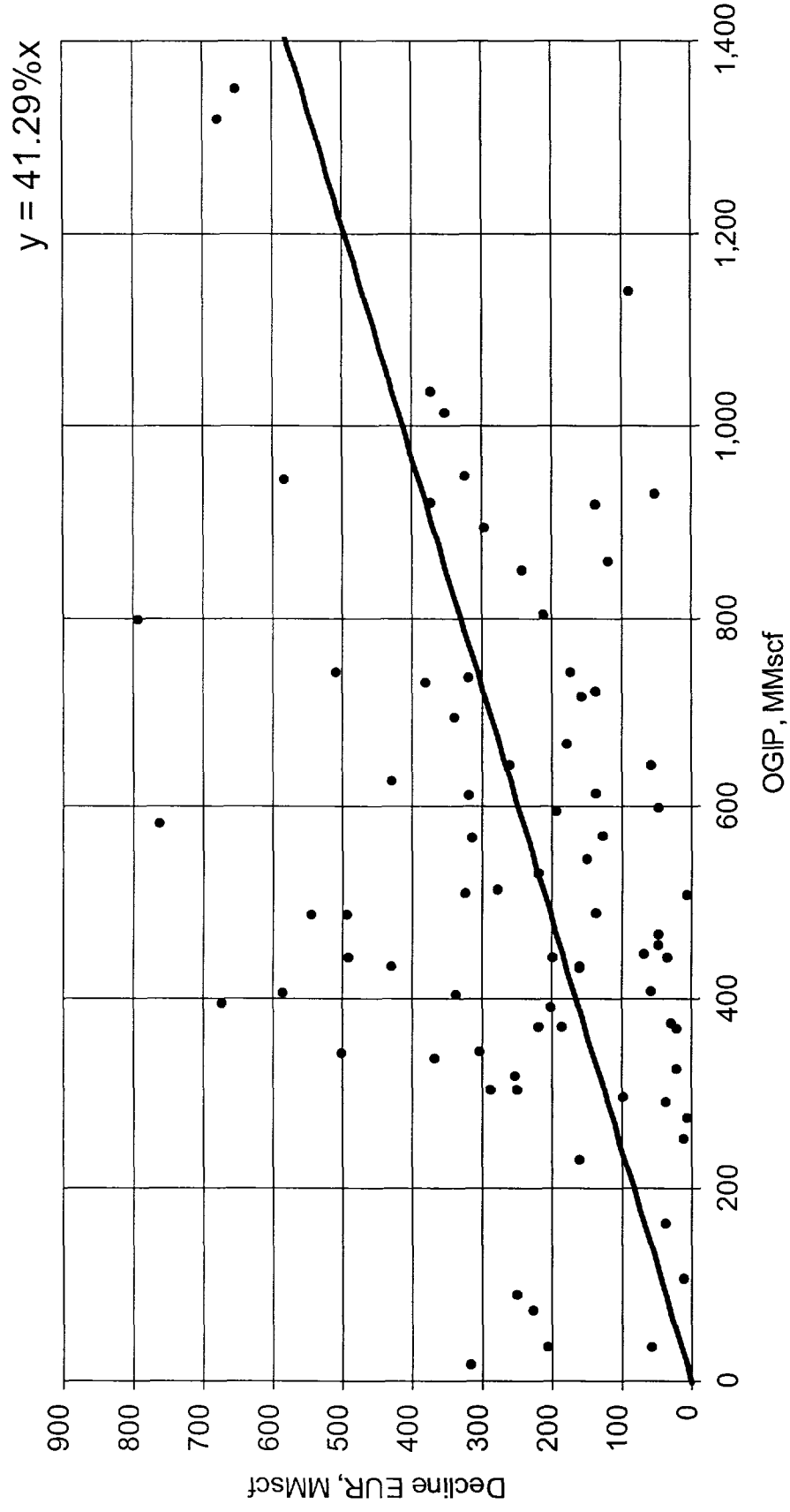
Nacimiento Volumetric OGIP vs. Decline EUR



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Figure 18

San Jose Volumetric OGIP vs. Decline EUR

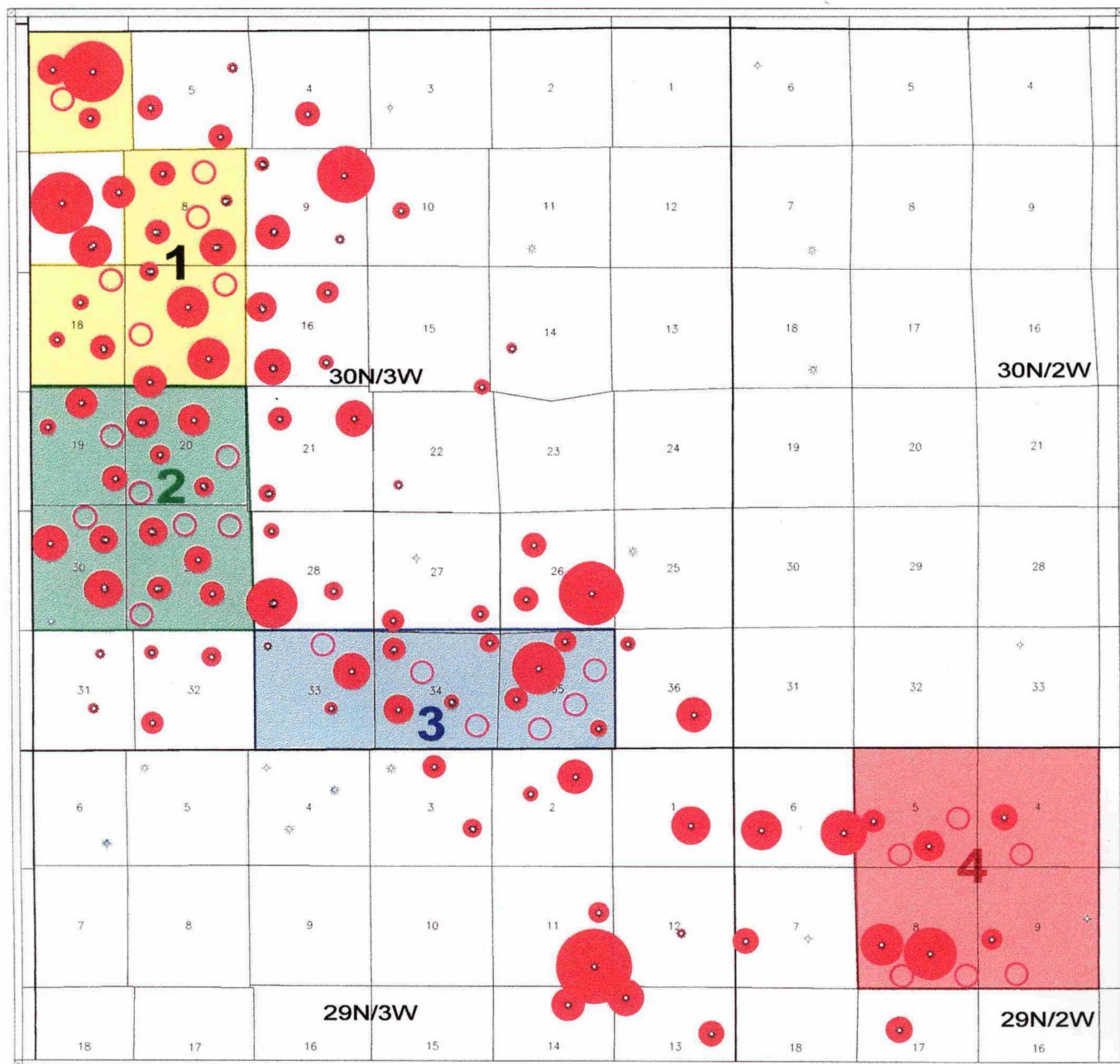


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Figure 19

Volumetric OGIP and Decline EUR Zone Totals

Zone Name	Number Spacing Units	Volumetric OGIP, Bcf	Decline EUR, Bcf	Recovery Efficiency, % OGIP
San Jose	78	42.4	19.5	46.1
Nacimiento	19	25.0	6.6	26.4
Ojo Alamo	51	84.0	16.5	19.6
Pictured Cliffs	22	58.9	11.3	19.2
Total of Four Zones	99	210.2	53.9	25.6



LEGEND

- % gas recovery, all zones
100% = 1/4 Sec. diameter
- Proposed pilot location

Scale 1:84000.

2000. 0. 2000. 4000. 6000. 8000. 10000. feet

MALLON OIL COMPANY

E. Blanco Pictured Cliffs + Tertiary
Percent Gas Recovery, 160 Acres
Increased Density Pilot Areas & Locs

T29-30N, R2-3W

Rio Arriba County

NEW MEXICO

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July 2, 2002

Figure 20