

New Mexico

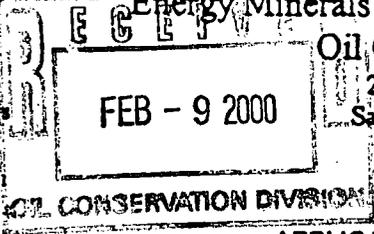
Form C-142
Date 06/30/99

District I - (505) 393-5161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-4178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131



Submit Original
Plus 2 Copies
to the Santa Fe
Office of the OCD

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

| | | | | | | | | |
|---|---------|----------|-------|------------------|------------------|-----------------------------|----------------|------------|
| Operator name & address MALLON OIL COMPANY 999 18TH STREET SUITE 1700 DENVER, COLORADO 80202 | | | | | | OGRID Number 13925 | | |
| Contact Party LORA L MUSTOE | | | | | | Phone 303-293-2333 X1330 | | |
| Property Name JICARILLA 458 SJ No 2 | | | | Well Number 2 | | API Number 30-039-26182 | | |
| UL | Section | Township | Range | Feet From The | North/South Line | Feet From The | East/West Line | County |
| 0 | 7 | 30N | 03W | 864 | SOUTH | 1345 | EAST | RIO ARRIBA |

II. Date/Time Information

| | | | |
|-----------------------|----------------------|----------------------------|--|
| Spud Date 11-17-99 | Spud Time 3:00 pm | Date Completed 12/22/99 | Pool CABRESTO CANYON: SAN JOSE EXT. |
|-----------------------|----------------------|----------------------------|--|

- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interests.
- V. AFFIDAVIT:

State of COLORADO)
County of DENVER) ss.
LORA MUSTOE, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature Lora Mustoe Title REVENUE COMPLIANCE CONTACT Date 2-3-00

SUBSCRIBED AND SWORN TO before me this 3RD day of February, 2000
Carol Narayo
Notary Public

My Commission expires: 01/22/03

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application for New Well status is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

| | | |
|--------------------------------|---------------------------|----------------------------|
| Signature <u>Mark Sahby</u> | Title <u>P.E. Spee</u> | Date <u>FEB 21 2000</u> |
|--------------------------------|---------------------------|----------------------------|

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: 2/21/00

NOTICE: The operator must notify all working interest owners of this approval and certification as a New Well.

PN2010849415

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL
SUBMITTED IN DUPLICATE
on reverse side)

FORM APPROVED
OMB NO. 1004-0137

Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL OIL GAS WELL WEL DRY OTHER _____

b. TYPE OF COMPLETION
NEW WORK DEEP- PLUG DIFF
WELL OVER EN BACK RESVR

5. LEASE DESIGNATION AND SERIAL NO.
Jic 458

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache Tribe

7. UNIT AGREEMENT NAME
N.A.

8. FARM OR LEASE NAME, WELL NO.
Jicarilla 458 SJ No. 2

9. API WELL NO.
30-039-26182

10. FIELD AND POOL, OR WILDCAT
Cabresto Canyon; San Jose Ext.

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 7, T30N-R03W

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 **864 FSI and 1345' FEL (SW SE) Unit O**
At top prod. interval reported below **864 FSI and 1345' FEL (SW SE) Unit O**
At total depth **864 FSI and 1345' FEL (SW SE) Unit O**

14. Permit No. **N/A** Date Issued **N/A**

12. COUNTY OR PARISH **Rio Arriba** 13. STATE **NM**

15. DATE SPUNDED **11/17/99** 16. DATE TD REACHED **11/21/99** 17. DATE COM (Ready to Prod.) **12/22/99** 18. ELEVATION (DF, RKB, RT, GR,) **7009** 19. ELEV. CASINGHEAD **7010**

20. TOTAL DEPTH, MD & TVD **2100'** 21. PLUGBACK TD, MD & TVD **2028'** 22. IF MULTIPLE COM HOW MANY* _____ 23. INTERVALS DRILLED BY _____ ROTARY TOOLS **Yes** CABLE TOOLS **No**

24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD*)
1641'-1646', 1474'-1485', 1452'-1461' Cabresto Canyon; San Jose Ext.

25. WAS DIRECTIONAL SURVEY MADE
Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
DIL; SDL/DSN

27. WAS WELL CORED
No

28. CASING RECORD (Report all strings set in well)

| CASING SIZE/GRADE | WEIGHT LB/FT | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED |
|-------------------|--------------|----------------|-----------|--|---------------|
| 8-5/8" | 24 | 238' | 12-1/4" | cmt 120 sxs Type 3 cmt, circ 12 sxs to surface | |
| 4-1/2" | 11.6 | 2097' | 6-3/4" | cmt 350 sxs 50:50 poz circ 48 sxs to surface | |

29. LINER RECORD

| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT | SCREEN (MD) |
|------|----------|-------------|--------------|-------------|
| N.A. | | | | |

30. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|------|----------------|-----------------|
| 1.9 | 1453' | |

31. PERFORATION RECORD (Interval, size, and number)
1641'-1646', 1474'-1485', 1452'-1461'
2 JSPF (50 holes)
Cabresto Canyon; San Jose Ext.

32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|---|
| 1641'-1646' | acidize 800 gal 7-1/2% HCL acid |
| 1474'-1461' | acidize 2080 gal 7-1/2% HCL acid, frac 32,000 gal 75% N2 foam, 17,000 lbs 12/20 Brady Sand; 25,000 lbs 12/20 sand |

33. PRODUCTION

DATE FIRST PRODUCTION **12/23/99** PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) **Flowing** WELL STA (Producing or Shut In) **Producing**

DATE OF TEST **12/14/99** HOURS TESTED **24** CHOKE SIZE **3/8"** PROD'N FOR TEST PERIOD **0** OIL - BBL **0** GAS - MCF **197** WATER - BBL **24** GAS-OIL RATIO **N.A.**

FLOW TBG PRESS **50** CASING PRESSURE **0** CALCULATED 24-HOUR RATE **0** OIL - BBL **0** GAS - MCF **197** WATER - BBL **24** OIL GRAVITY - API (CORR.) **N.A.**

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **Sold** TEST WITNESSED BY **J. Angel**

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Christy Serrano (Christy Serrano) Production Secretary DATE 1-20-00

*(See Instructions and Spaces for Additional Data on Reverse Side)
Title 18 U.S.C. 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

ACCEPTED FOR RECORD

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

GEOLOGIC MARKERS

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
|-----------|-----|--------|-----------------------------|----------|-------------|------------|
| | | | | | MEAS. DEPTH | TRUE |
| | | | | | | VERT DEPTH |
| | | | | San Jose | 1405' | |

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL
on reverse side

FORM APPROVED
OMB NO. 1004-0137

Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL
OIL WELL GAS WELL DRY OTHER _____

b. TYPE OF COMPLETION
NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF RESVR

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 **864 FSI and 1345' FEL (SW SE) Unit O**
At top prod. interval reported below **864 FSI and 1345' FEL (SW SE) Unit O**
At total depth **864 FSI and 1345' FEL (SW SE) Unit O**

5. LEASE DESIGNATION AND SERIAL NO.
Jic 458

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache Tribe

7. UNIT AGREEMENT NAME
N.A.

8. FARM OR LEASE NAME, WELL NO.
Jicarilla 458 SJ No. 2

9. API WELL NO.
30-039-26182

10. FIELD AND POOL, OR WILDCAT
Cabresto Canyon; San Jose Ext.

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 7, T30N-R03W

14. Permit No. **N/A** Date Issued **N/A**

12. COUNTY OR PARISH **Rio Arriba** 13. STATE **NM**

15. DATE SPUDDED **11/17/99** 16. DATE TD REACHED **11/21/99** 17. DATE COM (Ready to Prod.) **12/22/99** 18. ELEVATION (DF, RKB, RT, GR) **7009** 19. ELEV. CASINGHEAD **7010**

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24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)*
1641'-1646', 1474'-1485', 1452'-1461' Cabresto Canyon; San Jose Ext.

25. WAS DIRECTIONAL SURVEY MADE **Yes**

26. TYPE ELECTRIC AND OTHER LOGS RUN **DIL; SDL/DSN** 27. WAS WELL CORED **No**

28. CASING RECORD (Report all strings set in well)

| CASING SIZE/GRADE | WEIGHT LB/FT | DEPTH SET (MD) | HOLE SIZE | TOP OF CEMENT, CEMENTING RECORD | AMOUNT PULLED |
|-------------------|--------------|----------------|-----------|---------------------------------|---------------|
| 8-5/8" | 24 | 238' | 12-1/4" | cmt 120 sxs Type 3 cmt, | |
| | | | | circ 12 sxs to surface | |
| 4-1/2" | 11.6 | 2097' | 6-3/4" | cmt 350 sxs 50:50 poz | |
| | | | | circ 48 sxs to surface | |

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| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT | SCREEN (MD) |
|------|----------|-------------|--------------|-------------|
| N.A. | | | | |

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DATE FIRST PRODUCTION **12/23/99** PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) **Flowing** WELL STA (Producing or Shut In) **Producing**

| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N FOR TEST PERIOD | OIL - BBL | GAS - MCF | WATER - BBL | GAS-OIL RATIO |
|--------------|--------------|------------|------------------------|-----------|-----------|-------------|---------------|
| 12/14/99 | 24 | 3/8" | → | 0 | 197 | 24 | N.A. |

| FLOW TBG PRESS | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL - BBL | GAS - MCF | WATER - BBL | OIL GRAVITY - API (CORR.) |
|----------------|-----------------|-------------------------|-----------|-----------|-------------|---------------------------|
| 50 | 0 | → | 0 | 197 | 24 | N.A. |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **Sold** TEST WITNESSED BY **J. Angel**

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Christy Serrano (Christy Serrano) Production Secretary DATE 1-20-00

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. 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

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

GEOLOGIC MARKERS

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
|-----------|-----|--------|-----------------------------|----------|-------------|-----------------|
| | | | | | MEAS. DEPTH | TRUE VERT DEPTH |
| | | | | San Jose | 1405' | |

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|----------------------------|-------------------------------------|--------------------|---|
| API Number 30-039-26182 | | Pool Code 96822 | Pool Name Cabresto Canyon; San Jose Ext. |
| Property Code 24998 | Property Name JICARILLA 45B S.J. | | Well Number 2 |
| GRID No. 013925. | Operator Name MALLON OIL CO. | | Elevation 7009' |

Surface Location

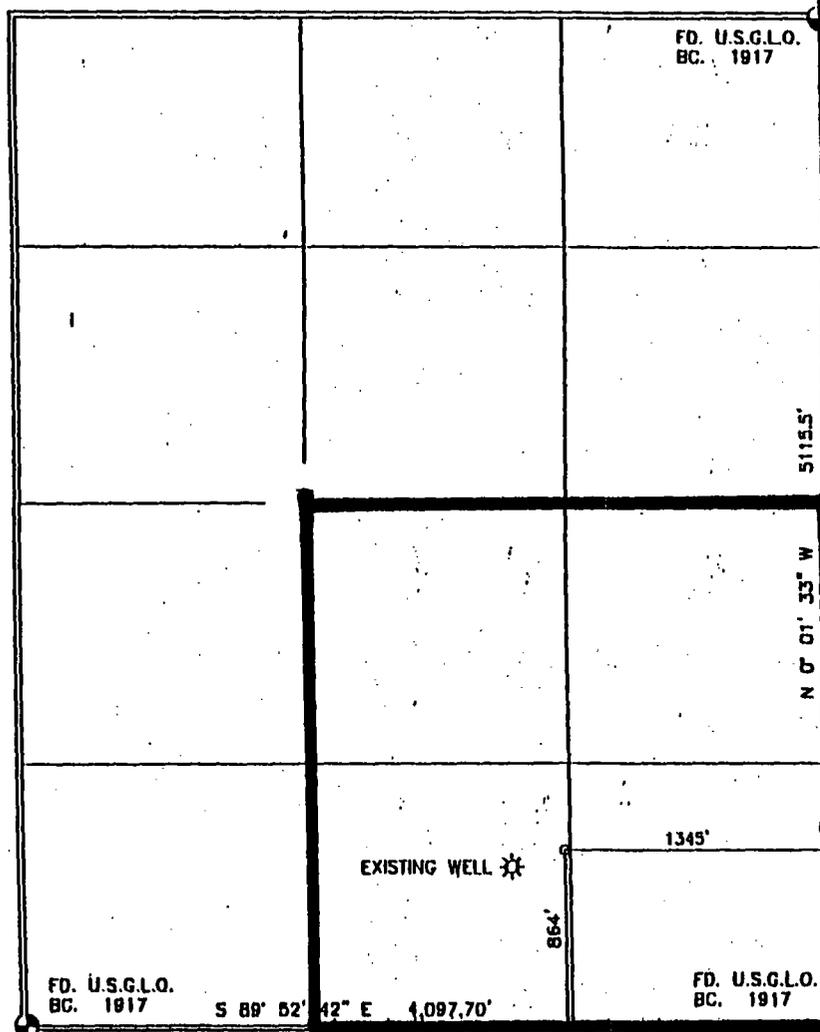
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| 0 | 7 | 30-N | 3-W | | 864 | SOUTH | 1345 | EAST | RIO ARRIBA |

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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Christy Serrano
Signature
Christy Serrano
Printed Name
Production Clerk
Title
November 16, 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 knowledge and belief

[Signature]
Date of Survey
and Seal of Professional Surveyor:
8894

8894
Certificate Number

Mallon Oil Company

a Mallon Resources Subsidiary

Denver/Colorado ♦ Durango/Colorado ♦ Carlsbad/New Mexico

January 20, 2000

Bureau of Land Management
435 Montano, NE
Albuquerque, NM 87107-4935

RE: Confidential Status

Jicarilla 458 SJ No. 2
Sec. 7, T30N-R03W

Dear Mrs. Hester

Mallon Oil Company requests that information (including logs and sundry notices) pertaining to the referenced wells be kept confidential for as much time as the Bureau of Land Management will allow.

Thank you for your assistance. Should you have any questions regarding this matter please feel free to contact me at (970) 382-9100.

Sincerely,

MALLON OIL COMPANY



Christy Serrano
Production Secretary

Enclosures

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 reentry 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 2797 Durango, CO 81302 (970)382-9100

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**864' FSL and 1345' FEL (SW SE) Unit O
 Sec. 7, T30N-R03W**

5. Lease Designation and Serial No.

6. If Indian, Allote or Tribe Name
Jicarilla Apache Tribe

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
Jicarilla 458 SJ No. 2

9. Well API No.
30-039-26182

10. Field and Pool, or Exploratory Area
Cabresto Canyon; San Jose Ext.

11. County or Parish, State
Rio Arriba, New Mexico

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

| TYPE OF SUBMISSION | TYPE OF ACTION |
|--|--|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Abandonment |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Plugging Back |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> Altering Casing |
| | <input checked="" type="checkbox"/> Other: Spud Sundry |
| | <input type="checkbox"/> Change of Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Non-Routine Fracturing |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Conversion to Injection |
| | <input type="checkbox"/> Dispose Water |

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

13. Describe 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 zone.)*

**Mallon Oil Company spud the above referenced well on November 17, 1999 at 3:00pm.
Drilled 12-1/4" hole, 8-5/8" x 24 lb/ft surface casing was set at 238'. Cemented 120 sxs Class 3 cmt,
circulated 12 sxs to surface.**

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

Signed Christy Soriano Title Production Clerk Date 12-1-99

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved B _____ Title _____ Date _____

Conditions of approval, if any:

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

CONFIDENTIAL

Mallon Oil Company
999 18th Street Suite 1700
Denver, Colorado 80202

A Mallon Resources subsidiary

phone 303-293-2333
fax 303-293-3601

February 3, 2000

New Mexico Energy and Natural Resources Dept
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Attn: Mark Ashley

Re: New Well Status

Dear Mark:

Enclosed for your perusal, are five (5) new applications for new well status for the following properties:

| | |
|------------------------|-------------------|
| Jicarilla 464 SJ No 3 | Rio Arriba County |
| Jicarilla 459 SJ No. 8 | Rio Arriba County |
| Jicarilla 458 SJ No 2 | Rio Arriba County |
| Jicarilla 459 SJ No 2 | Rio Arriba County |
| Jicarilla 464 SJ No 1 | Rio Arriba County |

As we receive accepted copies of the 3160-4's and 3160-5's, I will submit them to you.

The working interest ownership for all of the above wells is:

| | | | |
|--------------------------------|----------|--------------------|----------|
| James R Conway Revocable Trust | 2.50000% | William G Dedert | 2.50000% |
| John P Simmet | .83334% | Peter C Simmet | .83333% |
| Robert P Simmet | .83333% | Roger R Mitchell | .08848% |
| Eugene A Lehman | .11797% | Philip G Lux | .23594% |
| Richard W Stout | .23594% | Richard Kijowski | .11797% |
| Synergy Operating LLC | .20000% | Mallon Oil Company | 71.7037% |

Sincerely,

MALLON OIL COMPANY


Lora L. Mustoe