

3/23/98

4/13/98

MS

KV

NSL

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS-Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

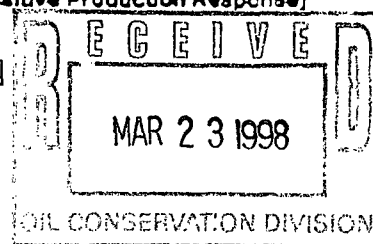
☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply[A] ☒ Working, Royalty or Overriding Royalty Interest Owners[B] ☒ Offset Operators, Leaseholders or Surface Owner[C] ☒ Application is One Which Requires Published Legal Notice[D] ☒ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,[F] ☒ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Terry Lindeman
 Print or Type Name

Terry Lindeman
 Signature

Operations Superintendent
 Title

3-19-98
 Date

Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources subsidiary

March 18, 1998

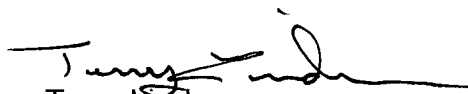
Mr. Mike Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Mallon Oil Company requests approval for an unorthodox location for the Jicarilla 458-8 Well No. 7 (2270' FNL, 795' FEL, Unit H) Sec 8, T30N, R3W, Rio Arriba County, New Mexico, Mallon Oil Company is the offset operator to the unit in question. The unorthodox location is due to topography. The terrain to the West and Northwest is mountainous and timbered. Due North follows a main drainage, and moving east of the drainage place the site to close to the section line. The Jicarilla Apache Tribe, during the course of the "on site" evaluations, has expressed that we refrain from placing locations in wooded areas when possible and also to try and locate close to existing roads and trails. There was also one known archeological site Northeast of the location preventing a move in that direction.

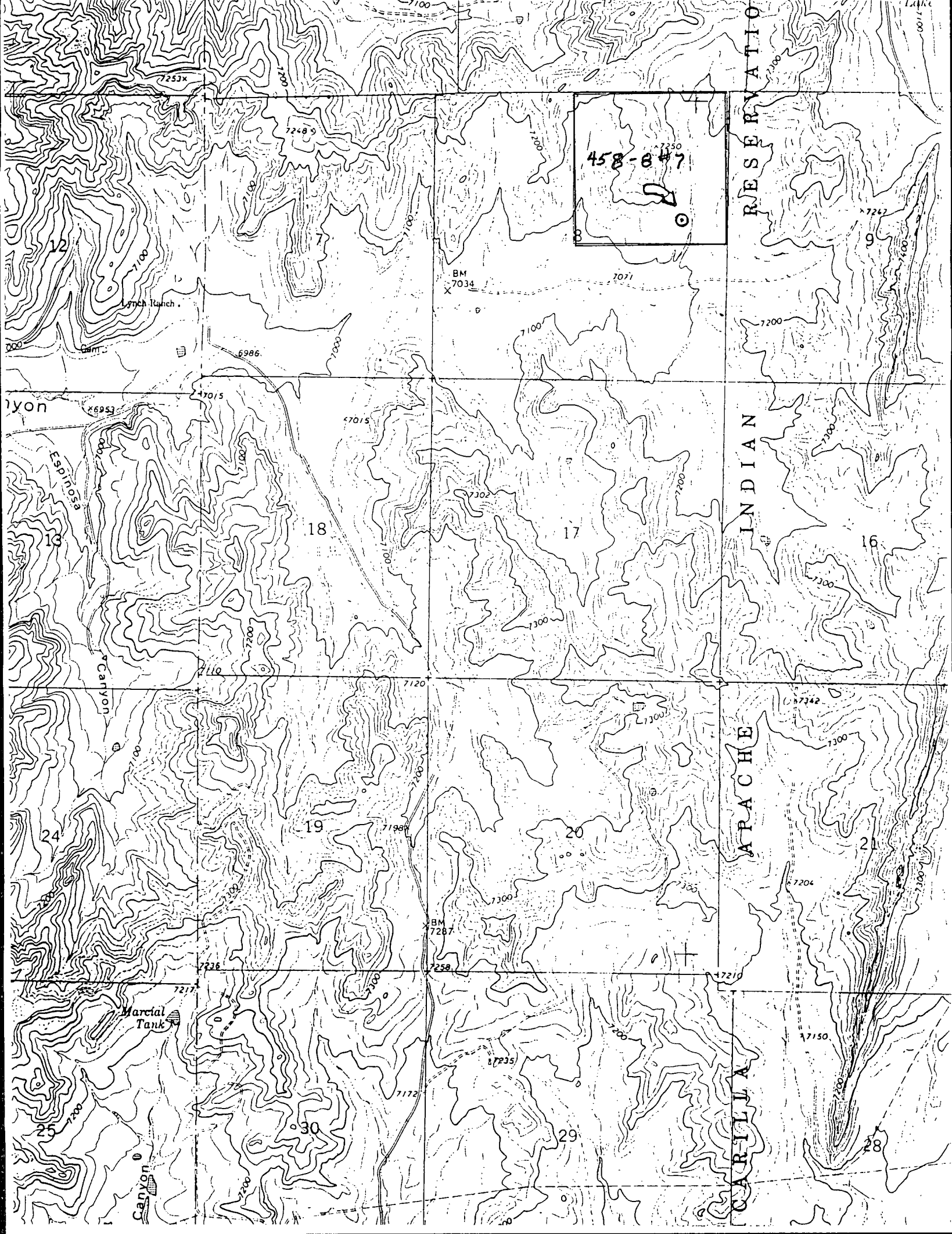
If any additional information is needed please contact me at (505) 885-4596.

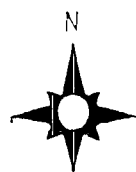
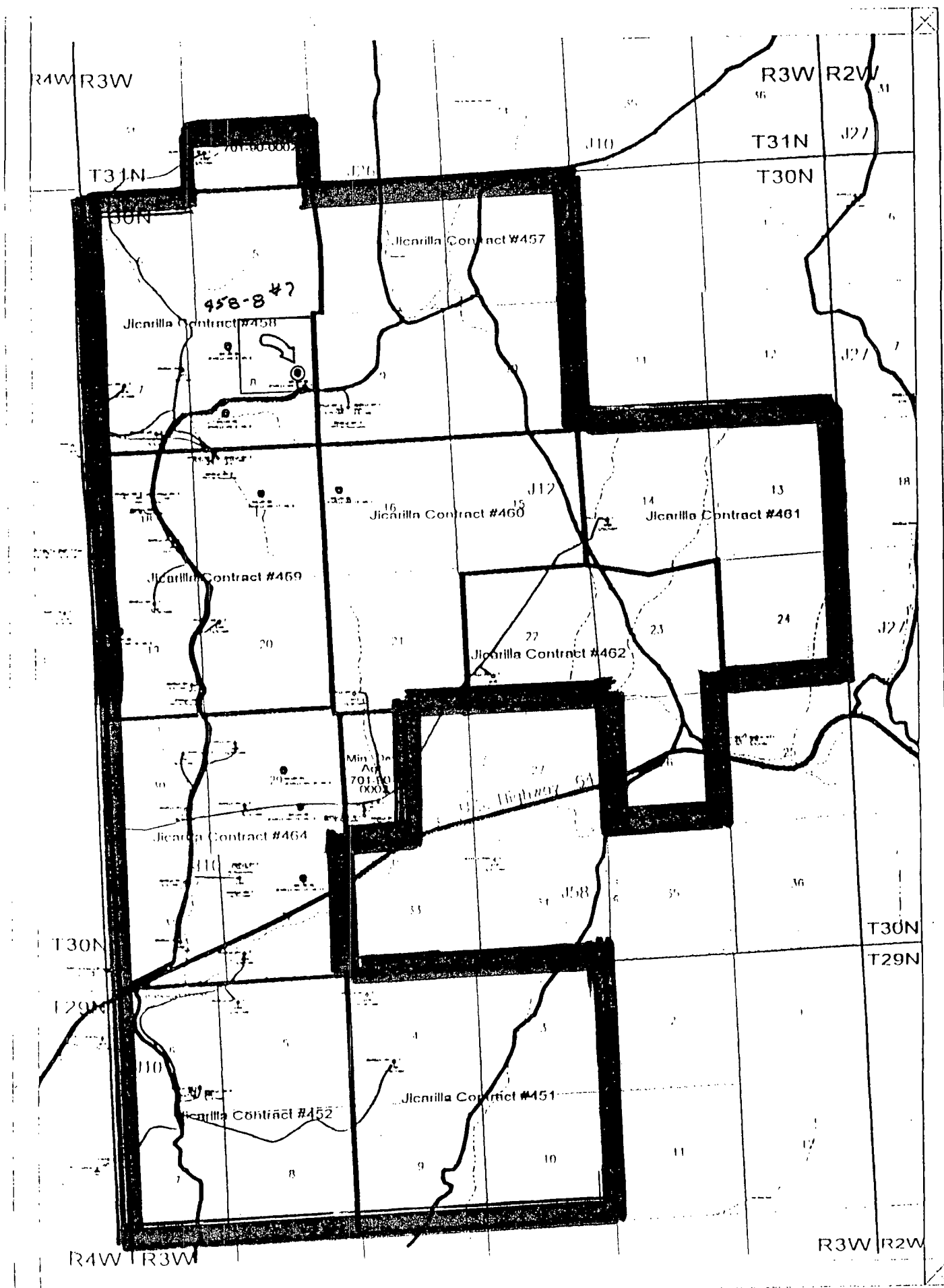
Sincerely,


Terry Lindeman
Operations Superintendent

Form C-102
Revised February 21, 1984
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Exhibit A





Scale 1:63360

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

10/21/1911



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

March 3, 1998

Mallon Oil Company
P. O. Box 3256
Carlsbad, New Mexico 88220

Attention: Terry Lindeman
Exploration/Production Superintendent

Re: *Application for administrative approval to drill the Jicarilla 458-8 Well No. 7 at an unorthodox location 2270 feet from the North line and 795 feet from the East line (Unit H) of Section 8, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.*

Dear Mr. Lindeman:

I am returning the subject application as incomplete, please refer to Division Rule 104.F(3), see copy attached, and submit the appropriate information to justify the drilling of this well at an unorthodox location within the requested spacing and proration unit, which needs to be identified. Please explain in detail and show on attached plats why all other possible standard locations to whatever zone is to be developed are not available to Mallon Oil Company for a drilling location.

Should you have any questions concerning this matter, you will first want to direct them to your legal counsel, Mr. James Bruce in Santa Fe at (505) 982-2043.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Aztec
James Bruce - Santa Fe
Kathy Valdes, NMOCD - Santa Fe

- (i) Affected parties in this instance shall be defined as those parties who own interests in the applicable half quarter section (80-acre spacing), quarter section (160-acre spacing), half section (320-acre spacing), or section (640-acre spacing) in which the non-standard spacing unit is situated and which acreage is not included in said non-standard spacing unit;
- (ii) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed non-standard spacing unit;
- (iii) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed non-standard spacing unit; and
- (iv) in the absence of an operator or lessee, then to all owners of record of unleased mineral interests. [5-25-64...2-1-96]
- (d) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Subpart (c) above by certified or registered mail-return receipt in accordance with Rule 1207(6)(a) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the non-standard spacing unit upon receipt of waivers from all said parties or if no said party has entered an objection to the non-standard spacing unit within 20 days after the Director has received the application. [5-25-64...2-1-96]
- (e) The Division Director may set any application for administrative approval for a non-standard spacing unit for public hearing. [5-25-64...2-1-96]

(3) Number of Wells Per Spacing Unit in Non-Prorated Gas Pools:
Unless otherwise permitted by special pool rules or authorized after notice and hearing, only one (1) well per spacing unit is permitted in non-prorated pools. [5-25-64...2-1-96]

104.E. Form C-102, "Well Location and Acreage Dedication Plat", for any well shall designate the exact legal subdivision allotted to the well and Form C-101, "Application for Permit to Drill, Deepen, or Plug Back", will not be approved by the Division without proper designation of acreage. [12-29-52...2-1-96]

104.F. UNORTHODOX LOCATIONS

(1) Well locations for producing wells and/or injection wells which are unorthodox based on the well location requirements of Rule 104.C(1)(a) above and which are necessary to permit the completion of an efficient production and injection pattern within a secondary recovery, tertiary recovery, or pressure maintenance project are hereby authorized, provided that any such unorthodox location within such project is no closer than the required minimum orthodoxy distance to the outer boundary of the lease or the unitized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. Such locations shall only require such prior approval as is necessary for an orthodoxy location. [1-1-50...2-1-96]

(2) The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodoxy or approved unorthodox location for such original horizon. [1-1-82...2-1-96]

(3) Applications for administrative approval of unorthodox locations pursuant to Rule 104.F(2), above, shall be accompanied by a plat showing the subject spacing unit, its proposed unorthodox well location, the diagonal and adjoining spacing units and/or leases (whichever is applicable) and wells, and a list of affected parties. If the proposed unorthodox location is based upon topography or archaeology, the plat shall also show and describe the existent topographical or archaeological conditions. If the proposed unorthodox location is based upon geology, the application shall include appropriate geologic exhibits and a discussion of the geologic conditions which result in the necessity for the unorthodox location. [2-9-66...2-1-96]

- (a) Adjoining and diagonal spacing units shall be defined as those immediately adjacent existing spacing units in the same pool(s) as the proposed unorthodox well and towards which the unorthodox well location encroaches. [2-9-66...2-1-96]
- (b) Affected parties shall be defined as those parties who own interests in leases or operate wells on adjoining or diagonal spacing units and include:
 - (i) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed well;
 - (ii) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed well; and
 - (iii) in the absence of an operator or lessee, all owners of record of unleased mineral interests in the same pool(s) as the proposed well. [2-9-66...2-1-96]
- (4) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) above by certified or registered mail-return receipt in accordance with Rule 1207(A)(5) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the unorthodox location upon receipt of waivers from all said parties or if no said party has entered an objection to the unorthodox location within 20 days after the Director has received the application. [2-9-66...2-1-96]

(5) The Division Director may set any application for administrative approval of an unorthodox location for public hearing, and may require that a directional survey be run in the unorthodox well to establish the actual location of the producing interval(s). [1-1-82...2-1-96]

104.G. Whenever an exception is granted, the Division may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location. [1-1-50...2-1-96]

104.H.

If the drilling tract is within an allocated oil pool or is

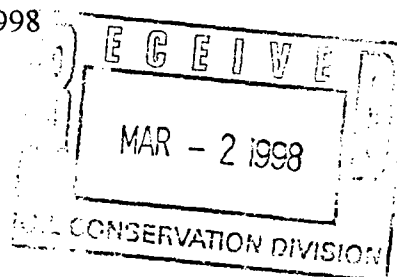
Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

NSL 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
3. Jicarilla 464-30 No. 10

Submit copy of notice.

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

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, 1984

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., 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

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JICARILLA 458-8	⁶ Well Number 7
⁷ CCMD No.	⁸ Operator Name MALLON OIL CO.	⁹ Elevation 7121'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
	8	30-N	3-W		2270	NORTH	795	EAST	RIO ARRIEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	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 UNDER ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

18

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.

9-17- BOYA. RUSH

Date of Survey

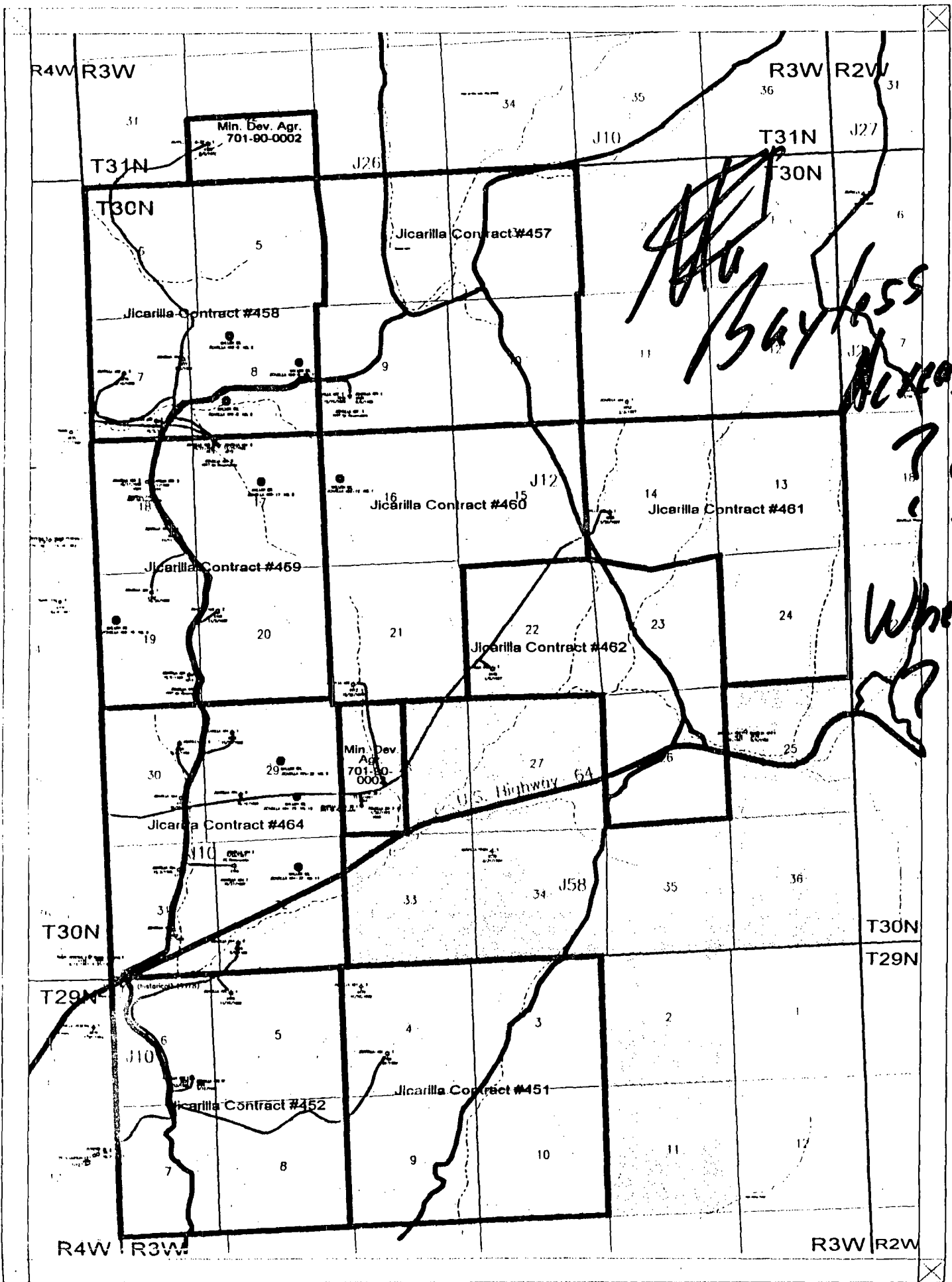
Signature and Title of Registered Surveyor

8894

8894

Certificate Number





Scale 1:63360.

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		
		10/23/1997

Pool EAST BLANCO-PICTURED
CLIFFS

NEW MEXICO PRINCIPAL MERIDIAN

The image shows a 36x36 grid, which is a 6x6 grid of 6x6 blocks. The numbers 1 through 36 are placed in the top-left corner of each 6x6 block, indicating a 6x6 grid of blocks. The numbers are arranged in a 6x6 grid pattern, with the first row containing numbers 1 through 6, the second row containing 7 through 12, and so on, up to the sixth row containing 31 through 36. The numbers are placed in the top-left corner of each 6x6 block, indicating a 6x6 grid of blocks.

EXT: ALL SECS 7-32 (R-8713 8/12/88) Ext. w/ 2 Sec. 5 (R-10178, 8-30-84)

Form 3160-3

(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. JIC458 No. 7		
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 12925		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 458-8 No. 7 22182		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2270' FNL and 795' FEL (SE NE) Unit H At proposed prod. zone 2270' FNL and 795' FEL (SE NE) Unit H		9. API WELL NO. 30-039-25759		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 50 miles east of Bloomfield, New Mexico		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs 72400		
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 795'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 17 Sec. 8, T30N-R03W		
16. NO. OF ACRES IN LEASE 2249.19'		12. COUNTY OR PARISH Rio Arriba		
17. NO. OF ACRES ASSIGNED TO THIS WELL 160/51-31		13. STATE NM		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2550'		19. PROPOSED DEPTH 4500'		
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7121'		
22. APPROX. DATE WORK WILL START October 20, 1997		23. 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'	520 sks 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.

24.

SIGNED: Terry Lindeman TITLE: Production Superintendent DATE: 10/15/97

(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: (Original Signed) HECTOR A. VILLALOBOS

APPROVED BY _____ TITLE _____ DATE _____

*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.

RECEIVED
DEC 12 1997OIL CON. DIV.
DIST. 3

Held C-104 for NSL (E)

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1984
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT I
P.O. Box 1990, Hobbs, N.M. 88241-1990

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 2028, 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 30-039-25759		*Pool Code 72400		*Pool Name E BLANCO; PC	
*Property Code 22182		*Property Name JICARILLA 458-8			*Well Number 7
*OGRD No. 13925		*Operator Name MALLON OIL CO.			*Elevation 7121'

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
14	8	30-N	3-W		2270	NORTH	795	EAST	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 151.31	*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

<p>16</p>				<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: </p> <p>Printed Name: Terry Lindeman</p> <p>Title: Production Superintendent</p> <p>Date: 10/9/97</p>	
<p>RECEIVED DEC 12 1997 OIL CON. DIV. DIST. 3</p>				<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey: 9-17-97</p> <p>Signature and Seal of Professional Surveyor: </p> <p>Certificate Number: 8894</p>	

RESERVATION

INDIAN

APACHE

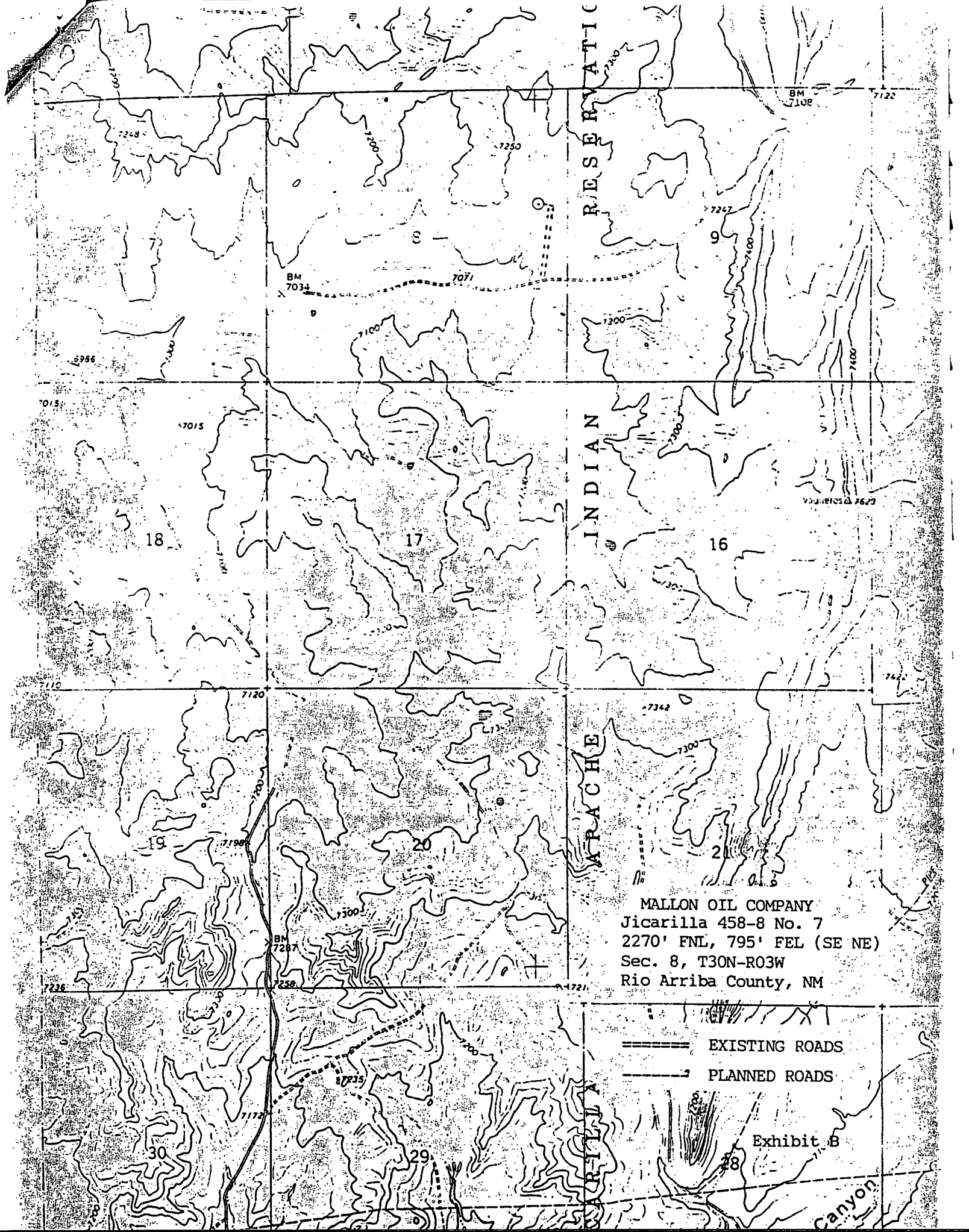
ARIZONA

MALLON OIL COMPANY
Jicarilla 458-8 No. 7
2270' FNL, 795' FEL (SE NE)
Sec. 8, T30N-R03W
Rio Arriba County, NM

EXISTING ROADS
PLANNED ROADS

Exhibit B

Canyon



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED

Budget Bureau No. 1004-0135

Expires March 31, 1993

5. Lease Designation and Serial No.
JIC 458

6. If Indian, Allote or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 458-8 No. 7

9. Well API No

10. Field and Pool, or Exploratory Area
East Blanco, Pictured Cliffs

11. County or Parish, State

Rio Arriba County, New Mexico

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)

2270' FNL, and 795' FEL (SE NE) Unit H
Sec. 8, T30N-R03W

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: Spud
☐ 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. 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 1-28-98.

RECEIVED
FEB 11 1998
BUREAU OF LAND MANAGEMENT
CITY OF ALBUQUERQUE

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

Signed

Terry Lindeman
Terry Lindeman

Title

Exploration/Production Superintendent

Date 02/04/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

[Signature]

Title

Lands and Mineral Resources

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

pmc.
2/11/98

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. JIC458/10: 50	
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 458-8 No. 7 22182	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2270' FNL and 795' FEL (SE NE) Unit H At proposed prod. zone 2270' FNL and 795' FEL (SE NE) Unit H		9. API WELL NO. 30-039-25759	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 50 miles east of Bloomfield, New Mexico		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs 72400	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 795'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 8, T30N-R03W	
16. NO. OF ACRES IN LEASE 2249.19'		12. COUNTY OR PARISH 13. STATE Rio Arriba NM	
17. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2550'		17. NO. OF ACRES ASSIGNED TO THIS WELL 160/51-31	
18. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7121'		19. PROPOSED DEPTH 4500'	
20. APPROX. DATE WORK WILL START October 20, 1997		21. ROTARY OR CABLE TOOLS Rotary	
22. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8"	24#	500'
7-8/8"	5-1/2"	15.5#	4500'
QUANTITY OF CEMENT		Circ. to surface	
570 sks		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.

24. SIGNED: Terry Lindeman TITLE: Production Superintendent DATE: 10/15/97

(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: (Original Signed) HECTOR A. VILLALOBOS

APPROVED BY _____ TITLE _____ DATE _____

*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.

HPCD C-104 FOR USL @

RECEIVED
OCT 20 1997

SEE FILE 101

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
PO 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

¹ API Number 30-039-25759	² Pool Code 72400	³ Pool Name E BLANCO; PC
⁴ Property Code 22182	⁵ Property Name JICARILLA 458-8	⁶ Well Number 7
⁷ OGED No. 13925	⁸ Operator Name MALLON OIL CO.	⁹ Elevation 7121'

¹⁰ Surface Location

UL or lot no. H	Section 8	Township 30-N	Range 3-W	Lot Idn	Feet from the 2270	North/South line NORTH	Feet from the 795	East/West line EAST	County RIO ARriba
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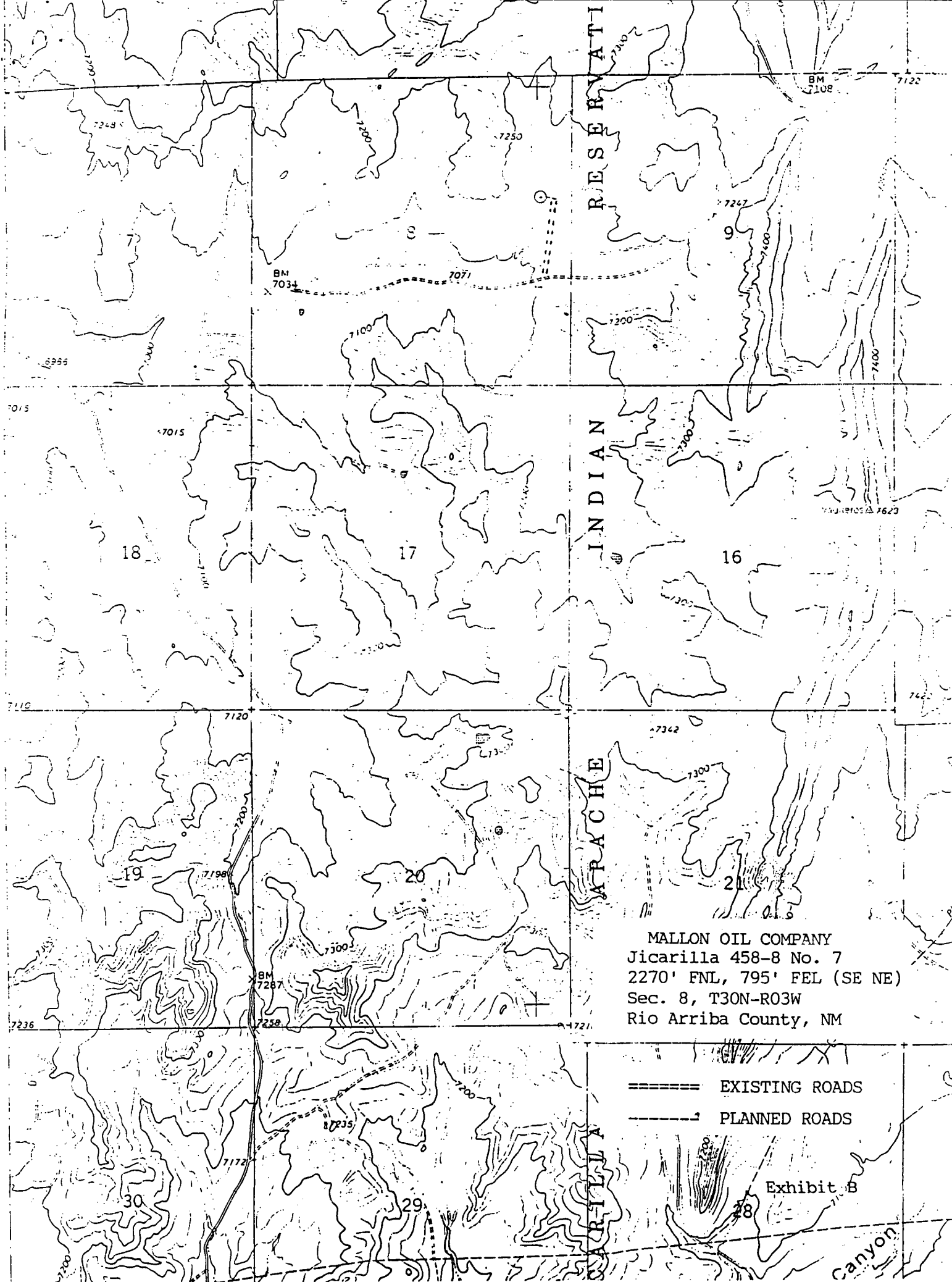
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 151.31	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

¹⁶					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Terry Lindeman Printed Name Production Superintendent Title 10/9/97 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 9-17- ROY A. RUSH Date of Survey Signature and Seal of Professional Surveyor 8894 8894 Certificate Number



MALLON OIL COMPANY
Jicarilla 458-8 No. 7
2270' FNL, 795' FEL (SE NE)
Sec. 8, T30N-R03W
Rio Arriba County, NM

===== EXISTING ROADS
----- PLANNED ROADS

Exhibit B

Jicarilla
Canyon

County RIO ARriba

POOL EAST BLANCO-PICTURED
CLIFFS

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

A 36x36 grid with numbers 1-36 placed in specific cells, representing a 36x36 Latin square. The numbers are arranged in a regular pattern, with each number appearing exactly once in each row and column. The numbers are placed in the following cells (row, column):

Row	Column	Number
1	1	1
1	13	2
1	25	3
1	37	4
1	49	5
1	61	6
1	73	7
1	85	8
1	97	9
1	109	10
1	121	11
1	133	12
1	145	13
1	157	14
1	169	15
1	181	16
1	193	17
1	205	18
1	217	19
1	229	20
1	241	21
1	253	22
1	265	23
1	277	24
1	289	25
1	301	26
1	313	27
1	325	28
1	337	29
1	349	30
1	361	31
1	373	32
1	385	33
1	397	34
1	409	35
1	421	36
2	2	1
2	14	2
2	26	3
2	38	4
2	50	5
2	62	6
2	74	7
2	86	8
2	98	9
2	110	10
2	122	11
2	134	12
2	146	13
2	158	14
2	170	15
2	182	16
2	194	17
2	206	18
2	218	19
2	230	20
2	242	21
2	254	22
2	266	23
2	278	24
2	290	25
2	302	26
2	314	27
2	326	28
2	338	29
2	350	30
2	362	31
2	374	32
2	386	33
2	398	34
2	410	35
2	422	36
3	3	1
3	15	2
3	27	3
3	39	4
3	51	5
3	63	6
3	75	7
3	87	8
3	99	9
3	111	10
3	123	11
3	135	12
3	147	13
3	159	14
3	171	15
3	183	16
3	195	17
3	207	18
3	219	19
3	231	20
3	243	21
3	255	22
3	267	23
3	279	24
3	291	25
3	303	26
3	315	27
3	327	28
3	339	29
3	351	30
3	363	31
3	375	32
3	387	33
3	399	34
3	411	35
3	423	36
4	4	1
4	16	2
4	28	3
4	40	4
4	52	5
4	64	6
4	76	7
4	88	8
4	100	9
4	112	10
4	124	11
4	136	12
4	148	13
4	160	14
4	172	15
4	184	16
4	196	17
4	208	18
4	220	19
4	232	20
4	244	21
4	256	22
4	268	23
4	280	24
4	292	25
4	304	26
4	316	27
4	328	28
4	340	29
4	352	30
4	364	31
4	376	32
4	388	33
4	400	34
4	412	35
4	424	36
5	5	1
5	17	2
5	29	3
5	41	4
5	53	5
5	65	6
5	77	7
5	89	8
5	101	9
5	113	10
5	125	11
5		

EXT: ALL SECS 7-32 (R-8713, 8/12/88) EXT: 1/2 Sec. 5 (R-10178, 8-30-94)

1. What is the main purpose of the document?
 2. What are the key findings of the study?
 3. What are the implications of the findings?
 4. What are the limitations of the study?
 5. What are the conclusions of the study?