

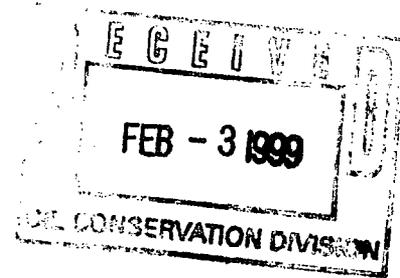
Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources subsidiary

August 12, 1998

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505



Attn: Mr. Mike Stogner

Re: Jicarilla 457-4 No. 2
1510 FSL, 2400 FWL (NESW) Unit K
Sec. 4, T30N-R03W
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL-3994) for the Pictured Cliffs formation.

In April 1998 Mallon Oil Company completed the well into the Cabresto Canyon; Ojo Alamo Extension formation which is also a non standard location.

Mallon Oil Company would like to apply for Non Standard Location approval for the Cabresto Canyon; Ojo Alamo Extension at the existing wellbore location. Mallon Oil Company is the sole operator within a half mile radius of this location.

Please find enclosed a copy of Mallon Oil Company's C-102 which was sent April 24, 1998 and a copy of the completion report (3160-4).

Should you need any further information, Please contact the undersigned at 505-885-4596.

Sincerely,

MALLON OIL COMPANY

A handwritten signature in cursive script that reads "Duane C. Winkler".

Duane C. Winkler
Operations Manager

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

CONFIDENTIAL

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

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 (Report location clearly and in accordance with any State requirements *)
At surface **1510' FSL AND 2400' FWL (NE SW) UNIT K**
At top prod. interval reported below **1510' FSL AND 2400' FWL (NE SW) UNIT K**
At total depth **1510' FSL AND 2400' FWL (NE SW) UNIT K**

5. LEASE DESIGNATION AND SERIAL NO
JIC457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
JICARILLA APACHE

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO
JICARILLA 457-4 NO. 2

9. API WELL NO
30-039-25780

10. FIELD AND POOL, OR WILDCAT
CABRESTO CANYON, OJO ALAMO EXT

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA
SEC. 4, T30N-R03W

14. PERMIT NO. **N/A** DATE ISSUED **N/A** 12. COUNTY OR PARISH **RIO ARRIBA** 13. STATE **NM**

15. DATE SPUDDED **3/27/98** 16. DATE TD REACHED **4/3/98** 17. DATE COMP (Ready to Prod.) **4/12/98** 18. ELEVATION (DF, RKB, RT, GR, ET) **7104' GL** 19. ELEV. CASINGHEAD **7105'**

20. TOTAL DEPTH, MD & TVD **3980'** 21. PLUGBACK TD, MD & TVD **3880'** 22. IF MULTIPLE COMP. HOW MANY* **N/A** 23. INTERVALS DRILLED BY **→** ROTARY TOOLS **YES** CABLE TOOLS **N/A**

24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD*)
3129' - 3156' Cabresto Canyon, Ojo Alamo Ext. 25. WAS DIRECTIONAL SURVEY MADE **YES**

26. TYPE ELECTRIC AND OTHER LOGS RUN
SDL/DSN, DILT 27. WAS WELL CORED **N/A**

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 LB	546'	12-1/4"	300 SXS OF CLASS "B" CEMENT CIRC 103 SXS TO SURFACE	
4-1/2"	10.5 LB	3897'	7-7/8"	836 SXS CMT, CIRC 94 SXS TO SURFACE	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT *	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					1.6"	3005'	3006'

31. PERFORATION RECORD (Interval, size, and number)
3129' - 3156' 4 JSPF 108 HOLES
CABRESTO CANYON, OJO ALAMO EXT.

32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL (MD) **3129' - 3156'** AMOUNT AND KIND OF MATERIAL USED
**1900 GALS 7-1/2% ACID
FRAC 21,000 LBS OF SAND**

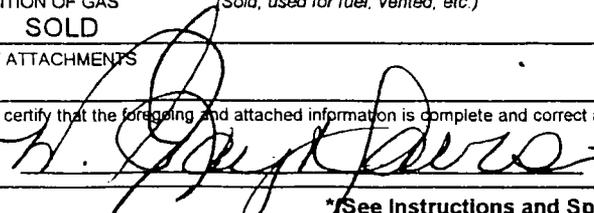
33. PRODUCTION
DATE FIRST PRODUCTION _____ PRODUCTION METHO (Flowing, gas lift, pumping - size and type of pump) **FLOWING** WELL STAT (Producing or Shut In) **SI**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS-OIL RATIO
4/10/98	24 HRS	3/8"	→	0	925	40	N/A

FLOW TBG PRESS	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR.)
280	0	→	0	925	40	N/A

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **SOLD** TEST WITNESSED BY **JOHNNY 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  Title: **PRODUCTION ANALYST** DATE **4/30/98**

* (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; core intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CORES, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH
				Ojo Alamo	3123'	
				Kirtland	3316'	
				Fruitland	3554'	
				Pictured Cliffs	3651'	
				Lewis	3756'	

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 PG, Artesia, N.M. 88211-0719

DISTRICT III
 1000 No. Draceno Rd., Aztec, N.M. 87410

DISTRICT IV
 PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, NM 87604-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*ALT Number 30-039-25780		*Pool Code 96538		*Pool Name Cabrasto Canyon; Ojo Alamo Ext.	
*Property Code 22865		*Property Name JICARILLA 457-4			*Well Number 2
*OCHID No. 013925		*Operator Name MALLON OIL CO.			*Elevation 7104'

¹⁰ Surface Location

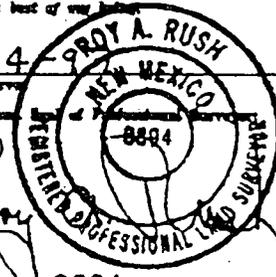
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	4	30-N	3-W		1510	SOUTH	2400	WEST	RIO ARRIBA

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

*Deeded Acres 160	*Joint or Infill	*Consolidation Code	*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

(RECORD)	2400'				1510'	BLM B.C. 1917	SET STONE	N 0-08 W 2633.4'	N 89-58 W 2573.3' (RECORD)	S 89-38 W 2627.7' (MEAS.)	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: <u>Christy Serrano</u> Printed Name: <u>Christy Serrano</u> Title: <u>Production Secretary</u> Date: <u>4-30-97</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>12-4-97</u> Signature and Seal of Professional Surveyor:  Certificate Number: <u>8894</u>		

~~CONFIDENTIAL~~

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:

~~CONFIDENTIAL~~

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)

1510' FSL 2400' FWL (NE SW) Unit K
Sec. 4, T30N-R03W

5. Lease Designation and Serial No.
Jic 457

6. If Indian, Allote or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 457-4 No. 2

9. Well API No.
30-039-25780

dup of # - #750

10. Field and Pool, or Exploratory Area

Cabresto Canyon, Ojo Alamo Ext.

11. County or Parish, State

Rio Arriba County, NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other: Production Csg
- 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 ran 4-1/2" x 10.5 lb/ft production csg set at 3897'. Cemented with 836 sxs of cmt, circ 94 sxs to surface. Pressure test csg on 4/8/98 to 1000 psi.

RECEIVED
AUG 11 1998

BLM, DOW

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

Signed Christy Serrano
Christy Serrano

Title Production Secretary Date _____

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By Patricia McKeel

Title Lands and Mineral Resources Date 7/13/98

Conditions of approval, if any: Casing changes require prior approval - verbal approval is required from BLM Pet Engineer - w/ written follow up

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

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UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

~~CONFIDENTIAL~~

RECEIVED
MAY 11 1998

OIL CON. DIV.
DIST. 3

WELL COMPLETION OR RECOMPLETION REPORT

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 3256, Carlsbad, NM 88220 (505) 885-4596

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)
At surface 1510' FSL AND 2400' FWL (NE SW) UNIT K
At top prod. interval reported below 1510' FSL AND 2400' FWL (NE SW) UNIT K
At total depth 1510' FSL AND 2400' FWL (NE SW) UNIT K

14. PERMIT NO. N/A DATE ISSUED N/A

5. LEASE DESIGNATION AND SERIAL NO.
JIC457

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
JICARILLA APACHE

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
JICARILLA 457-4 NO. 2

9. API WELL NO.
30-039-25780

10. FIELD AND POOL, OR WILDCAT
CABRESTO CANYON, OJO ALAMO EXT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SEC. 4, T30N-R03W

12. COUNTY OR PARISH
RIO ARRIBA

13. STATE
NM

15. DATE SPUNNED 3/27/98 16. DATE TD REACHED 4/3/98 17. DATE COMP (Ready to Prod.) 4/12/98 18. ELEVATION (DF, RKB, RT, GR, ET) 7104' GL 19. ELEV. CASINGHEAD 7105'

20. TOTAL DEPTH, MD & TVD 3980' 21. PLUGBACK TD, MD & TVD 3880' 22. IF MULTIPLE COM. HOW MANY* N/A 23. INTERVALS DRILLED BY → ROTARY TOOLS YES CABLE TOOLS N/A

24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD*)
3129' - 3156' Cabresto Canyon, Ojo Alamo Ext.

25. WAS DIRECTIONAL SURVEY MADE
YES

26. TYPE ELECTRIC AND OTHER LOGS RUN
SDL/DSN, DILT

27. WAS WELL CORED
N/A

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 LB	546'	12-1/4"	300 SXS OF CLASS "B" CEMENT CIRC 103 SXS TO SURFACE	
4-1/2"	10.5 LB	3897'	7-7/8"	836 SXS CMT, CIRC 94 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)
1.6"	3005'	3006'

31. PERFORATION RECORD (Interval, size, and number)
3129' - 3156' 4 JSPF 108 HOLES
CABRESTO CANYON, OJO ALAMO EXT.

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3129' - 3156'	1900 GALS 7-1/2% ACID FRAC 21,000 LBS OF SAND

33. PRODUCTION

DATE FIRST PRODUCTION PRODUCTION METHO (Flowing, gas lift, pumping - size and type of pump) FLOWING WELL STAT (Producing or Shut In) SI

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS-OIL RATIO
4/10/98	24 HRS	3/8"	→	0	925	40	N/A

FLOW TBG PRESS	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR.)
280	0	→	0	925	40	N/A

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
SOLD TEST WITNESSED BY
JOHNNY 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 [Signature] Title: PRODUCTION ANALYST DATE 4/30/98

(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 POREUS ZONES (Show all important zones of porosity and contents therein; core intervals; and all drill-stem, tests, including depth interval tested, cushion used, flowmg and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	TOP	
				MEAS. DEPTH	TRUE VERT. DEPTH
				3123'	
				3316'	
				3554'	
				3651'	
				3756'	

Ojo Alamo
 Kirtland
 Fruitland
 Pictured
 Cliffs
 Lewis

RECEIVED
 U.S. GEOLOGICAL SURVEY
 WASHINGTON, D.C.

~~CONFIDENTIAL~~

Form 3160-5
(JUNE 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1204-0125
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.

5. Lease Designation and Serial No.
JIC 457

6. Indian, Allottee or Tribe Name

Jicarilla Apache

7. Unit or CA, Agreement Designation

N/A

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

8. Well Name and No.

Jicarilla 457-4 No. 2

9. Well APN: 80

30-039-25758

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

1510' FSL and 2400' FWL (NE SW) Unit K
Sec. 4, T30N-R03W

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

11. County or Parish, State

Rio Arriba County, New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- 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 3/27/98 at 4:30 am. Drilled 12-1/4" hole, 8-5/8" x 24 lbs/ft surface csg was set at 546' and cemented with 300 sxs Class "B" cement. Circulated 103 sxs of cement to pit.

[Handwritten signatures and stamps]

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

Signed Christy Serrano
Christy Serrano

Title Production Secretary

Date 4/27/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By [Signature]

Lands and Mineral Resources

MAY 7 1998

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

DISTRICT I
P.O. Box 1880, Hobbs, N.M. 88241-1880

Energy, Minerals & Natural Resources Department

Revised February 21, 1994

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

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III
1000 Elv. Brasas Rd., Artec, N.M. 87410

P.O. Box 2088

Santa Fe, NM 87604-2088

AMENDED REPORT

DISTRICT IV
PO Box 2088, Santa Fe, NM 87604-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-039-25780		Pool Code 96538	Pool Name Cabrasto Canyon; Ojo Alamo Ext.
Property Code 22865	Property Name JICARILLA 457-4		Well Number 2
OGHD No. 013925	Operator Name MALLON OIL CO.		Elevation 7104'

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
K	4	30-N	3-W		1510	SOUTH	2400	WEST	RIIO 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 160	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

16		<p>RECEIVED MAY - 6 1998</p> <p>OIL CON. DIV. DIST. 3</p>	17 OPERATOR CERTIFICATION
			<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><u>Christy Serrano</u> Signature Christy Serrano Printed Name Production Secretary Title 4-30-98 Date</p>
18			18 SURVEYOR CERTIFICATION
			<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 be true and correct to the best of my belief</p> <p>12-4-98 Date of Survey</p> <p><u>[Signature]</u> Signature and Seal of Professional Surveyor</p> <p>NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894</p> <p>8894 Certificate Number</p>

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

DISTRICT III
 1000 Elv Brance 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

1 ART Number 30-039-25780		2 Pool Code 96538		3 Pool Name Cabresto Canyon; Ojo Alamo Ext.	
4 Property Code 22865		5 Property Name JICARILLA 457-4		6 Well Number 2	
7 OGRID No. 013925		8 Operator Name MALLON OIL CO.		9 Elevation 7104'	

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
K	4	30-N	3-W		1510	SOUTH	2400	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 160	13 Total 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		<p>RECEIVED MAY 1 1998 OIL CON. DIV. DIST. 3</p>	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief. Christy Serrano Signature Christy Serrano Printed Name Production Secretary Title 4-30-98 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. 12-4-98 Date of Survey Signature of Professional Land Surveyor 8894 Certificate Number

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 457	
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 457-4 No.2 22865	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1510' FSL and 2400' FWL (NE SW) Unit K		9. API WELL NO. 30-039-25780	
At proposed prod. zone 1510' FSL and 2400' FWL (NE SW) Unit K		10. FIELD AND POOL OR WILDCAT E. Blanco, Mancos 96288 30N3W4K;	
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 K Sec. 4, T30N-R3W	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 2400'		12. COUNTY OR PARISH Rio Arriba	
16. NO. OF ACRES IN LEASE 2532.97		13. STATE NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 5780'	
19. PROPOSED DEPTH 6500'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7178.6'		22. APPROX. DATE WORK WILL START February 28, 1998	
23. 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 7/8"	5 1/2"	15.5#	6500'
			914 sks Surface

Mallon Oil Company proposes to drill to a depth sufficient to test the Mancos 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

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: 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 Director of 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.

Handwritten notes: HOLD C-104 FOR JRS @ [unclear]

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., Artec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Exhibit A
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 <u>30-039-25780</u>		*Prod Code <u>96788</u>	*Pool Name <u>WILDCAT 30N3W4R, MANCOS (G)</u> <u>Mancos</u> <u>6500' T.D.</u>
*Property Code <u>22865</u>	*Property Name JICARILLA 457-4		*Well Number 2
*OGRID No. <u>13925</u>	*Operator Name MALLON OIL CO.		*Elevation 7104'

¹⁰ Surface Location

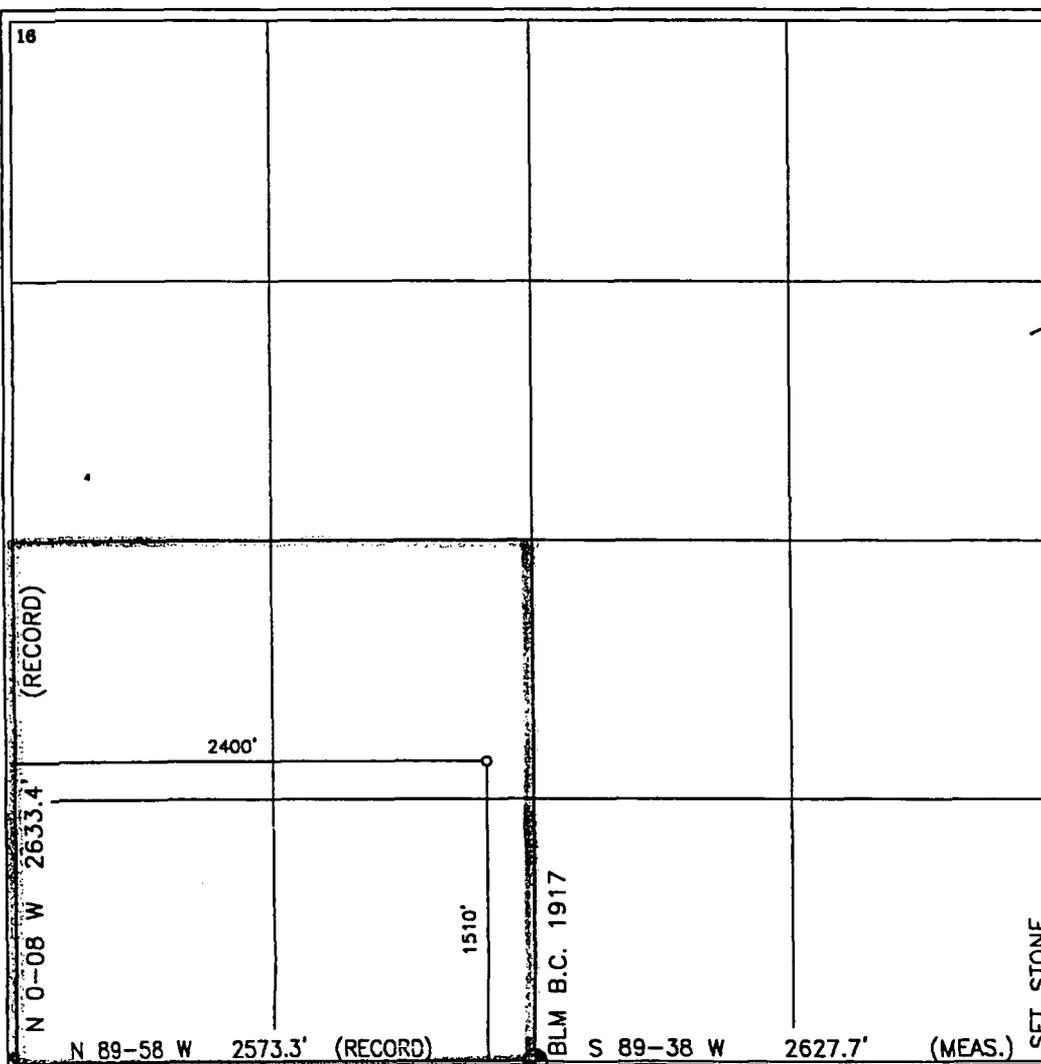
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	4	30-N	3-W		1510	SOUTH	2400	WEST	RIO ARRIBA

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 <u>160</u>	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

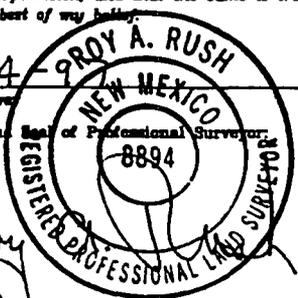
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Terry Lindeman
Signature
Terry Lindeman
Printed Name
Production Superintendent
Title
1-12-98
Date

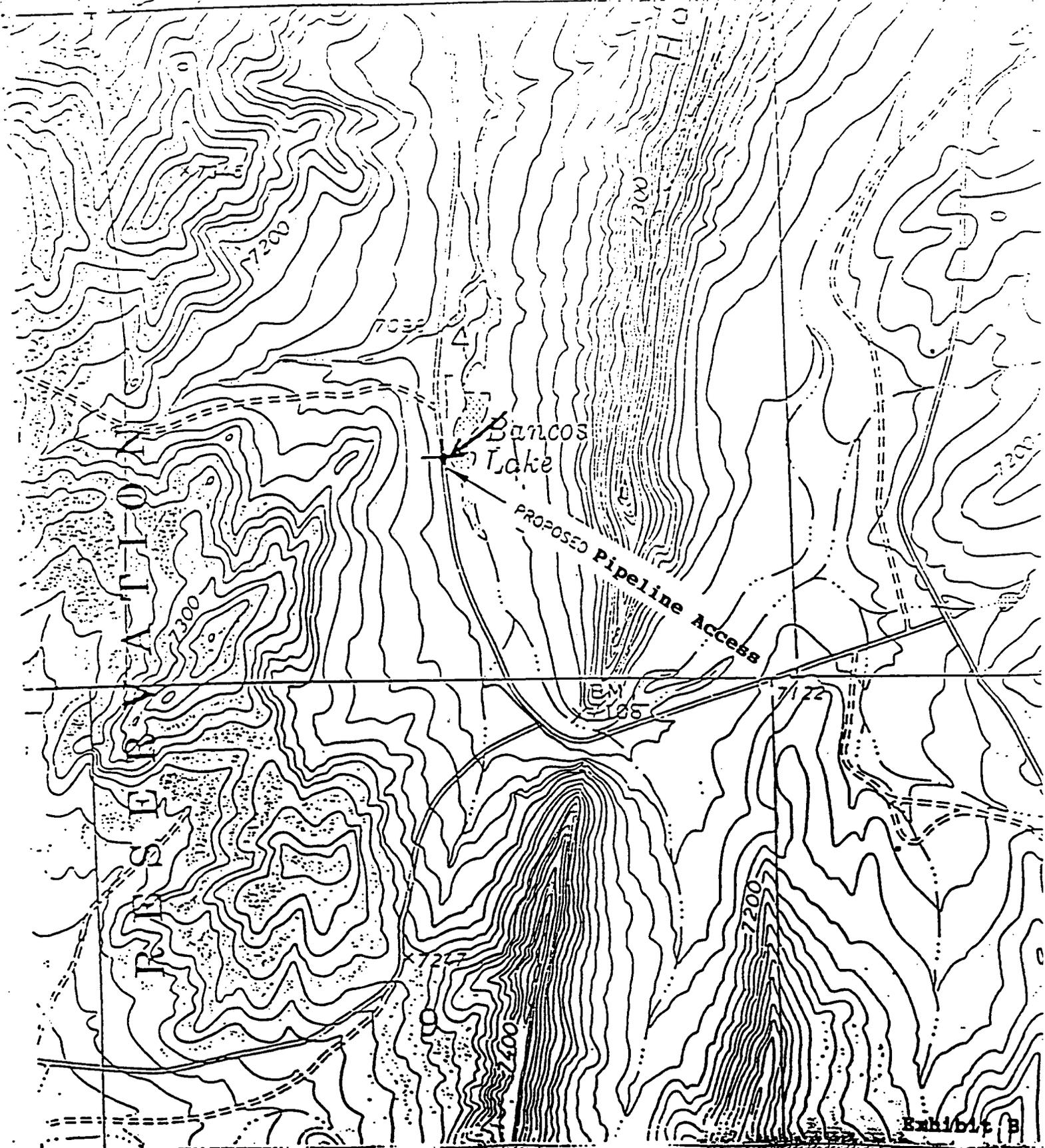
18 SURVEYOR CERTIFICATION

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.

12-4-98
Date of Survey
[Signature]
Signature and Seal of Professional Surveyor
8894
8894
Certificate Number



MALLON OIL COMPANY
PROPOSED WELL LOCATION & Pipeline Access
JICARILLA 457-4 No. 2
SW/4 SEC. 4, T-30-N, R-3-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
1510' FSL, 2400' FWL



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/03/99 10:29:57
OGOMES -TPVK
PAGE NO: 1

Sec : 04 Twp : 30N Rng : 03W Section Type : NORMAL

4 40.04	3 40.13	2 40.21	1 40.30
Indian owned	Indian owned	Indian owned	Indian owned
E 40.00	F 40.00	G 40.00	H 40.00
Indian owned	Indian owned	Indian owned	Indian owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/03/99 10:31:15
OGOMES -TPVK
PAGE NO: 2

Sec : 04 Twp : 30N Rng : 03W Section Type : NORMAL

L 40.00 Indian owned	K 40.00 Indian owned A	J 40.00 Indian owned	I 40.00 Indian owned
M 40.00 Indian owned	N 40.00 Indian owned	O 40.00 Indian owned	P 40.00 Indian owned

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 02/03/99 10:31:21
 OG6CLOG C105-WELL COMPLETION OR RECOMP CASING LOG OGOMES -TPVK

OGRID Identifier : 13925 MALLON OIL CO
 Prop Identifier : 22865 JICARILLA 457 4
 API Well Identifier : 30 39 25780 Well No : 002
 Surface Locn - UL : K Sec : 4 Twp : 30N Range : 03W Lot Idn :
 Multiple comp (S/M/C) : S TVD Depth (Feet) : 3980 MVD Depth (Feet) : 3880
 Spud Date : 03-27-1998 P/A Date :
 Casing/Linear Record:

S Size (inches)	Grade Weight (lb/ft)	Depth(ft) Top-Liner	Depth(ft) Bot-Liner	Hole Size (inches)	Cement (Sacks)	TOC (feet)	Code
8.625	24.0	0.0	546.0	12.250	300		C
4.500	10.5	0.0	3897.0	7.875	836		C

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD : ONGARD 02/03/99 10:31:31
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPVK

API Well No : 30 39 25780 Eff Date : 04-12-1998 WC Status : A
Pool Idn : 96538 CABRESTO CANYON;OJO ALAMO (G)
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 22865 JICARILLA 457 4

Well No : 002
GL Elevation: 7104

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: K	4	30N	03W	FTG 1510 F S	FTG 2400 F W	P

Lot Identifier:

Dedicated Acre: 160.00

Lease Type : J

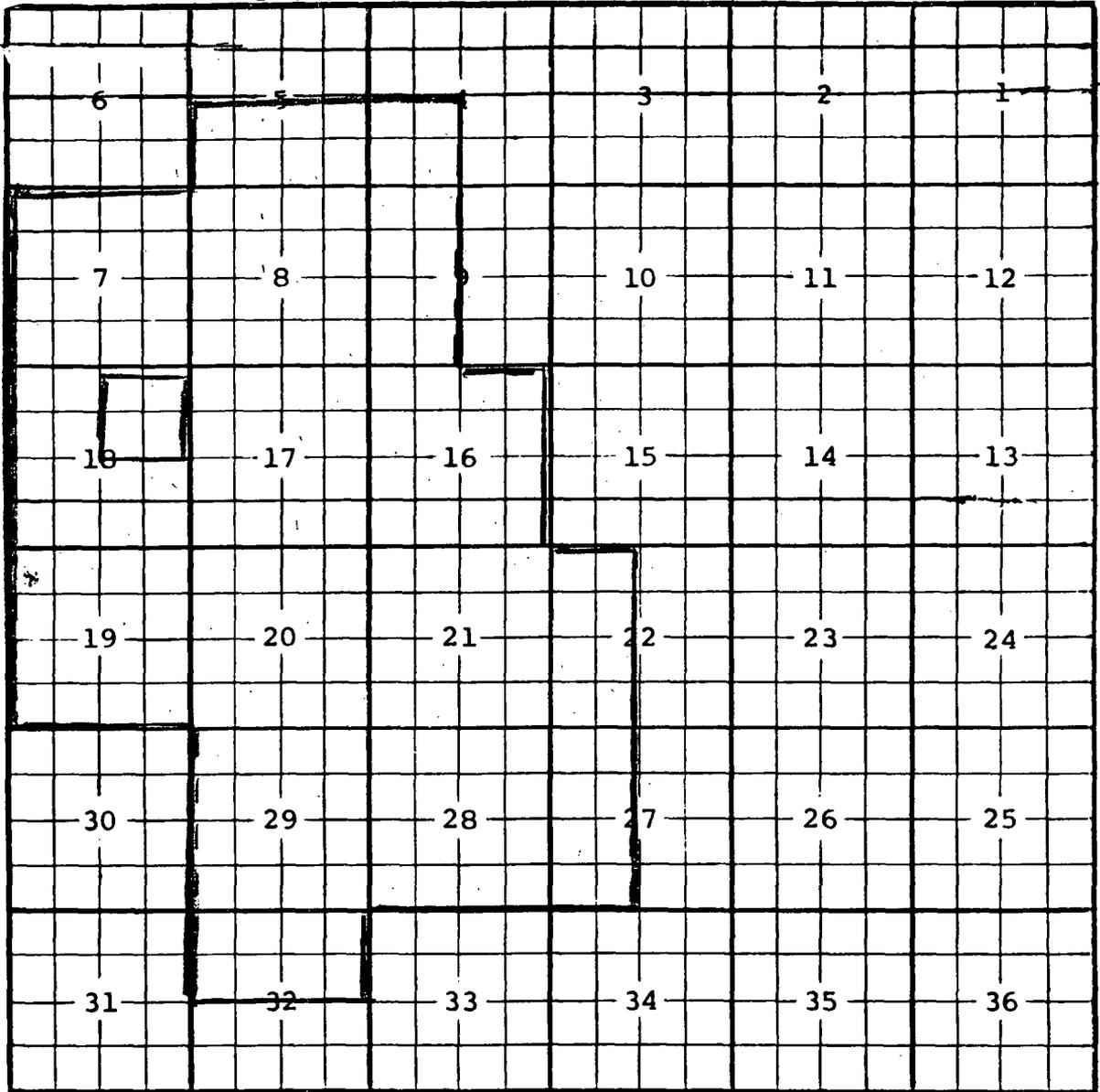
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

County Rio Arriba Pool Cabresto Canyon-Ojo Alamo

TOWNSHIP 30 North Range 3 West NMPM



Description: $\frac{NE}{4}$ Sec. 18 (R-10990, 5-20-98)

Ext: $\frac{SW}{4}$ Sec. 4, $\frac{S}{2}$ Sec. 5, All Secs. 7 and 8, $\frac{W}{2}$ Sec. 9, All Secs. 16 and 17, $\frac{NW}{4}$ and $\frac{S}{2}$ Sec. 18, All Secs. 19 through 21, $\frac{W}{2}$ Sec. 22, $\frac{W}{2}$ Sec. 27, All Secs. 28 and 29, $\frac{N}{2}$ Sec. 32 (R-11115, 1-7-99)