

NSL 3/2/99

Mallon Oil Company

a Mallon Resources Subsidiary

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

January 13, 1999

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



Attn: Mr. Mike Stogner

Re: Jicarilla 459-20 No. 7
1535' FNL and 2255' FEL (SW NE) Unit G
Sec. 20, T30N-R03W
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL 4109) for the Cabresto Canyon; Ojo Alamo Extension formation.

Mallon Oil Company would like to apply for Non Standard Location approval for the Cabresto Canyon; San Jose Ext. at the existing well bore 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.

Should you need any further information, please contact the undersigned at 970-382-9100.

Sincerely,

Mallon Oil Company

Christy Serrano
Production Secretary

Enclosures

STRICK I
O, Box 1000, Hobbs, N.M. 88241-1000

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

STRICK II
O, Drawer 00, Artesa, N.M. 88211-0710

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87604-2088

AMENDED REPORT

STRICK III
000 Rio Brazos Rd., Artesa, N.M. 87410

STRICK IV
O Box 2048, Santa Fe, NM 87604-2048

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------------------|------------------------------------|---------------------|--|
| *API Number 30-039-25786 | | *Pool Code 96822 | *Pool Name Cabresto Canyon; San Jose Ext. |
| *Property Code | *Property Name JICARILLA 459-20 | | *Well Number 7 |
| *CORD No. 013925 | *Operator Name MALLON OIL CO. | | *Elevation 7239' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| | 20 | 30-N | 3-W | | 1535 | NORTH | 2255 | 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 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

| | | |
|--|--|--|
| <p>¹²</p> <p>WEST 5 66.8' (record)</p> <p>1535'</p> <p>2255'</p> <p>5549.28' (record)</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><u>Christy Serrano</u> Signature Christy Serrano Printed Name Production Secretary Title January 13, 1999 Date</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>12-1 Date of Survey <u>ROY A. RUSH</u> Signature Professional Surveyor 8894 Certificate Number</p> | |

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980
DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107
Revised 4-1-91

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

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Filing Instructions
Bottom of Page

APPLICATION FOR MULTIPLE COMPLETION

MS.

| | | | |
|--------------------|---------------------------------------|-----------------------------|------------|
| Operator | Address | | |
| Mallon Oil Company | P.O. Box 2797 Durango, Colorado 81302 | | |
| Lease | Well No. | Unit Ltr. - Sec - Twp - Rge | County |
| Jicarilla 459-20 | No. 7 | G-20-30N-03W | Rio Arriba |

All applicants for multiple completion must complete Items 1 and 2 below.

| 1. The following facts are submitted: | Upper Zone | Intermediate Zone | Lower Zone |
|---|----------------------------------|-------------------|-----------------------------------|
| a. Name of Pool and Formation | Cabresto Canyon San Jose Ext. | | Cabresto Canyon Ojo Alamo Ext. |
| b. Top and Bottom of Pay Section (Perforations) | 1692' - 1778' | | 3252' - 3289' |
| c. Type of production (Oil or Gas) | Gas | | Gas |
| d. Method of Production (Flowing or Artificial Lift) | Flowing | | Flowing' |
| e. Daily Production <input type="checkbox"/> Actual <input type="checkbox"/> Estimated Oil Bbls. Gas MCF Water Bbls. | BO 0 BW 24 MCFD 422 | | BO 0 BW 80 MCFD 1240 |

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DIST. 3

2. The following must be attached:
- Diagrammatic Sketch of the Multiple Completion, showing all casing strings, including diameters and setting depths, centralizers and/or turbolizers and location thereof, quantities used and top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
 - Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
 - Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed it shall be submitted as provided by Rule 112-A.)

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge, and belief.

Signature Christy Serrano
Printed Name & Title Christy Serrano, Production Secretary
Date 1-13-99 Telephone 970-382-9100

OIL CONSERVATION DIVISION

Approved by: [Signature]
Title: WATER CONTROL SUPERVISOR, DIST. #
Date: JAN 13 1999

NOTE: If the proposed multiple completion will result in an unorthodox well location and/or a non-standard proration unit in one or more of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.

FILING INSTRUCTIONS:

- District Approval -- See rule 112-A-B -- Submit 4 copies of Form C-107 with attachments to appropriate district office.
- Division Director Administrative Approval -- See Rule 112-C -- Submit 2 copies of Form C-107 with attachments to Division office in Santa Fe and 2 copies of Form C-107 with attachments to appropriate district office.
- Multiple completions not qualifying for District or Division Director approval may be set for hearing as outlined in Rule 112-A-E.

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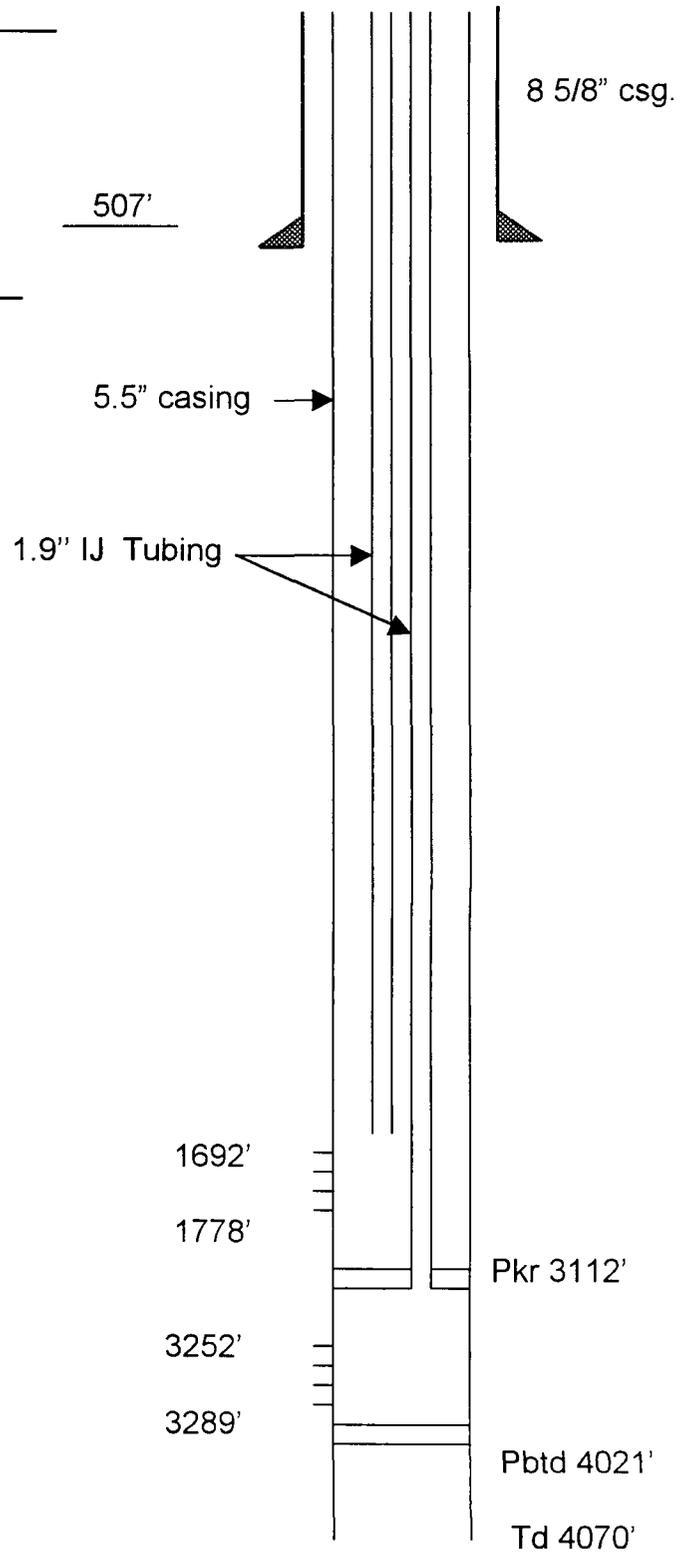
WELL NAME: JICARILLA 459-20 No. 7

FIELD: EAST BLANCO

LEGAL: SEC 20 TN 30 RW 03

PRODUCING INTERVAL: 1692'-1778'
3252'-3289'

NOTES: San Jose perms 1692'-1778'
Ojo Alamo perms 3252'-3289'



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, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd., Artec, N.M. 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------|--|-------------------------------------|--|--|--|
| 1 API Number 30-039-25786 | | 2 Pool Code 96538 | | 3 Pool Name Cabresto Canyon; Ojo Alamo Ext. | |
| 4 Property Code | | 5 Property Name JICARILLA 459-20 | | 6 Well Number 7 | |
| 7 GRID No. 013925 | | 8 Operator Name MALLON OIL CO. | | 9 Elevation 7239' | |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| | 20 | 30-N | 3-W | | 1535 | NORTH | 2255 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
| | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | | | |
|---|--|--------------|--------------|--------------------------|---|
| <p>16 RECEIVED JAN 4 1999 OIL CON. DIV. BTL 3</p> | <p>WEST 5 66.8' (record)</p> | <p>1535'</p> | <p>2255'</p> | <p>5549.28' (record)</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><u>Christy Serrano</u> Signature</p> <p><u>Christy Serrano</u> Printed Name</p> <p><u>Production Secretary</u> Title</p> <p><u>January 13, 1999</u> Date</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><u>12</u> Date of Survey</p> <p><u>[Signature]</u> Signature and Seal of Professional Surveyor</p> <p>ROY A. RUSH NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894</p> <p>8894 Certificate Number</p> | | | | |

[Handwritten signature]

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, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

AMENDED REPORT

DISTRICT III
1000 Rio Brazos Rd., Artec, N.M. 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------------------|------------------------------------|---------------------|--|
| *API Number 30-039-25786 | | *Pool Code 96822 | *Pool Name Cabresto Canyon; San Jose Ext. |
| *Property Code | *Property Name JICARILLA 459-20 | | *Well Number 7 |
| *GRID No. 013925 | *Operator Name MALLON OIL CO. | | *Elevation 7239' |

¹⁰ Surface Location

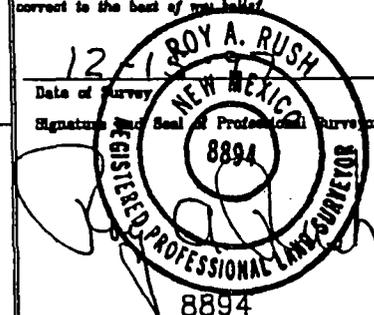
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| | 20 | 30-N | 3-W | | 1535 | NORTH | 2255 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 160 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|---|---|
| ¹⁸ WEST 566.8' (record) 1535' 2255' 5549.28' (record) S 00-02 E | 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>January 13, 1999</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>12-1</u> Signature: <u>[Signature]</u> Seal of Professional Surveyor:  Certificate Number: <u>8894</u> |

HOLD C104 FOR NSL @



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Form 3160-5
(JUNE 1990)

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

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

1535' FNL 2255' FEL (SW NE) Unit G
Sec. 20, T30N-R03W

5. Lease Designation and Serial No.

Jic 459

6. If Indian, Allotee or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 459-20 No. 7

9. Well API No.

30-039-25786

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

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

- 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 5-1/2" x 15.5 lb/ft production csg set at 4064'. Cemented with 607 sxs of cmt, circ 52 sxs to surface. Pressure test csg on 3/26/98 to 1000 psi.

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OIL COAL DIV.
DIST. 3

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

Signed

Christy Serrano
Christy Serrano

Title

Production Secretary

Date

6-23-98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

Patricia M. Hester

Title

Lands and Mineral Resources

Date

7/6/98

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

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District I
P.O. Box 1580, Hobbs, NM 88241-1580
District II
P.O. Drawer DD, Arriba 184 88211-0715
District III
1000 Rio Arriba Rd. Arriba, NM 87410
District IV
P.O. Box 2088, Santa Fe 184 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-104
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|---|---------------------------------|
| 1. Operator Name and Address Mallon Oil Company P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596 | | 2. OGRID Number 13925 |
| | | 3. Reason for Filing Code NW |
| 4. API Number 30-039-25786 | 5. Pool Name Cabresto Canyon; Ojo Alamo Ext. | 6. Pool Code 96538 |
| 7. Property Code 22862 | 8. Property Name Jicarilla 459-20 | 9. Well Number 7 |

II. 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| G | 20 | 30N | 3W | N/A | 1535 | North | 2255 | East | Rio Arriba |

11. Bottom Hole Location

| UL or Lot No. | Section | Township | Range | Lot Idn | Feet From the | North/South Line | Feet From the | East/West Line | County |
|-------------------------|-----------------------------------|----------|-------------------------|---------|-------------------------|------------------|--------------------------|----------------|---------------------------|
| | | | | | | | | | |
| 12. Use Code Flowing | 13. Producing Method Code 6/98 | | 14. Gas Connection Date | | 15. C-129 Permit Number | | 16. C-129 Effective Date | | 17. C-129 Expiration Date |

III. Oil and Gas Transporters

| 18. Transporter OGRID | 19. Transporter Name and Address | 20. POD | 21. OAG | 22. POD UL STR Location and Description |
|-----------------------|---|---------|---------|---|
| | El Paso Natural Gas P.O. Box 2511 Houston, TX 77252-25121 | 2821737 | Gas | G-20-30N-3W |
| | | | | |
| | | | | |
| | | | | |

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OIL CON. DIV.
DIST. 3

IV. Produced Water

| 23. POD | 24. POD UL STR Location and Description |
|---------|---|
| 2821738 | G-20-30N-3W |

V. Well Completion Data

| 25. Spud Date | 26. Ready Date | 27. TD | 28. PBTD | 29. Perforations |
|-----------------------|----------------|--------------------------|----------|--|
| 3/16/98 | 4/18/98 | 4070 | 4021 | 3252'-3289' |
| 30. Hole Size | | 31. Casing & Tubing Size | | 32. Depth Set |
| 12-1/4" | | 8-5/8" | | 507 |
| | | | | cmt 300 sxs, circ 93 sxs to surface |
| 7-7/8" | | 5-1/2" | | 4064.5 |
| 1.9" tbg set at 3111' | | pkr at 3112' | | cmt 607 sxs, circ 52 sxs to surface |

VI. Well Test Data

| 34. Date New Or | 35. Gas Delivery Date | 36. Test Date | 37. Test Length | 38. Tbg Pressure | 39. Csg Pressure |
|-----------------|-----------------------|---------------|-----------------|------------------|------------------|
| N/A | 6/98 | 3/27/98 | 24 | 380 | 0 |
| 40. Choke Size | 41. CR | 42. Water | 43. Gas | 44. AOP | 45. Test Method |
| 3/8" | 0 | 80 | 1240 | N/A | Flowing |

40. I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Christy Serrano*
Printed Name: Christy Serrano
Title: Production Secretary
Date: 4/24/98
Phone: (505) 885-4596

8/12/98
Approved By: *Ernie Busch*
Title: DEPUTY OIL & GAS INSPECTOR, DIST. #3
Approval Date: AUG 12 1998

47. If this is a change of operator fill in OGRID number and name of the previous operator

| Previous Operator Signature | Printed Name | Title | Date |
|-----------------------------|--------------|-------|------|
| | | | |

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

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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 OTHER _____

5. LEASE DESIGNATION AND SERIAL NO.
Jicarilla 459

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
Jicarilla 459-20 No. 7

9. API WELL NO.
30-039-25786

10. FIELD AND POOL, OR WILDCAT
Cabresto Canyon; Ojo Alamo Ext.

11. SEC. T., R., M., OR BLOCK AND SURVEY OR AREA
Sec. 20, T30N-R3W

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 1535' FNL and 2255' FEL (SW NE) Unit G
 At top prod. interval reported below 1535' FNL and 2255' FEL (SW NE) Unit G
 At total depth 1535' FNL and 2255' FEL (SW NE) Unit G

12. COUNTY OR PARISH
Rio Arriba County

13. STATE
NM

14. PERMIT NO.
N/A

DATE ISSUED
N/A

15. DATE SPUNDED
3/16/98

16. DATE TD REACHED
3/23/98

17. DATE COMP (Ready to Prod.)
4/18/98

18. ELEVATION (DF, RKB, RT, GR, ETC*)
7239' GL

19. ELEV. CASINGHEAD
7240'

20. TOTAL DEPTH, MD & TVD
4070'

21. PLUGBACK TD, MD & TVD
4021'

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*)
3252'-3289'

25. WAS DIRECTIONAL SURVEY MADE
Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN
OIL, SDL, DSN

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 lbs | 507' | 12-1/4" | cmt 300 sxs "B", circ 93 sxs to surface | |
| 5-1/2" | 15.5 lbs | 4064.5 | 7-7/8" | cmt 607 sxs, circ 52 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 | 3111' | 3112' |

31. PERFORATION RECORD (Interval, size, and number)

3252'-3289' 4 jsfp 148 holes
Ojo Alamo

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

| DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
|---------------------|----------------------------------|
| 3252'-3289' | 2750 gal 7-1/2% acid |

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33. OIL PRODUCTION

DATE FIRST PRODUCTION
6/98

PRODUCTION METHOD
Flowing

WELL STATUS (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 |
|--------------|--------------|------------|------------------------|-----------|-----------|-------------|---------------|
| 3/27/98 | 24 | 3/8" | | 0 | 1240 | 80 | N/A |

| FLOW TBG PRESS | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL - BBL | GAS - MCF | WATER - BBL | OIL GRAVITY - API (CORR.) |
|----------------|-----------------|-------------------------|-----------|-----------|-------------|---------------------------|
| 380 | | | 0 | 1240 | 80 | N/A |

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold

TEST WITNESSED BY
Kisor

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 H. D. Davis TITLE Production Secretary DATE 4/24/98

*(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

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

36. GEOLOGIC MARKERS

| FORMATION | TOP | WELL LOG | DESCRIPTION, CORES, ETC. | NAME | TOP | |
|-----------|-----|----------|--------------------------|-----------------|-------------|-----------------|
| | | | | | MEAS. DEPTH | TRUE VERT. DEP. |
| | | | | Ojo Alamo | 3246' | |
| | | | | Kirtland | 3480' | |
| | | | | Fruitland | 3669' | |
| | | | | Pictured Cliffs | 3776' | |
| | | | | Lewis | 3860' | |

Division I
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

*Hand for
NSL*

Form C-1
Revised February 21, 1988
Instructions on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Division II
P.O. Drawer 80, Artesia, N.M. 88211-0713

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

AMENDED REPORT

Division III
1000 Rio Brazos Rd., Artesia, N.M. 87413

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------------------|--|-----------------------------------|--|--|--|
| *API Number 30-039-25786 | | *Well Code 96538 | | *Well Name CABRESTO CANYON Ojo Alamo (G) EXT | |
| *Property Code | | *Property Name JCARILLA 459-20 | | *Well Number 7 | |
| *LOGED No. | | *Operator Name MALLON OIL CO. | | *Elevation 7239' | |

¹⁰ Surface Location

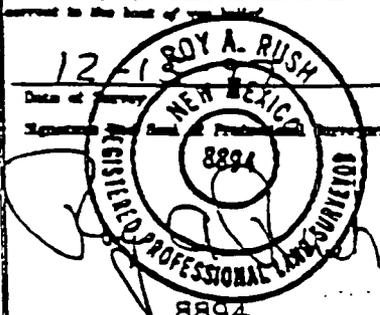
| Well or Lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| G | 20 | 30-N | 3-W | | 1535 | NORTH | 2255 | EAST | ROQUE |

¹¹ Bottom Hole Location if Different from Surface

| Well 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 WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | |
|--|--|--|
| ¹² WEST 5266.8' (record) 1535' 2255' 5549.2ft (record) | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Christy Serrano</u> Signature <u>Christy Serrano</u> Printed Name Production Secretary 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. RECEIVED APR 16 1988 OIL CON. DIV. DIST. 3 12-1 Date of Survey Signature  Certificate Number | |

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.

NEW APPLICANT
SUSPENSE PERIOD FOR THIS NOTICE
EXPIRES MONTH OF YEAR

5. Lease Designation and Serial No.
Jic 459

6. If Indian Allottee or Tribe Name
Jicarilla Apache Tribe

7. If Unit or CA Agreement Designation
N/A

8. Well Name and No.
Jicarilla 459-20 No. 7

9. Well API No.
30-039-25786

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)

1535 FNL 2255' FEL (SW NE) Unit G
Sec. 20, 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 Change of Plans
 Recompletion New Construction
 Plugging Back Non-Routine Fracturing
 Casing Repair Water Shut-Off
 Altering Casing Conversion to Injection
 Other Spud Dispose Water

Note: Report results of mudlog completion or other
completion in this section. Report and Log.

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 reference well on 3/16/98 at 5:00pm. Drilled 12-1/4" hole, 8-5/8" x 24 lb/ft surface csg was set at 507' and cemented 300 sxs Class "B" cement. Circulated 93 sxs of cement to pit.

RECEIVED
MAY - 7 1998

OIL CON. DIV.
DIST. 3

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

Signed Christy Serrano

Title Production Secretary

Date 4/22/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By David R. Stettin

Title Lands and Mineral Resources Date MAY 1 1998

Conditions of approval, if any:

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

5. LEASE DESIGNATION AND SERIAL NO
Jicarilla 459

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
Jicarilla 459-20 No. 7 *22862*

9. API WELL NO.
30-039-25786

10. FIELD AND POOL, OR WILDCAT
E. Blanco, Pictured Cliffs *72460*

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 20, T30N-R3W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
NM

1a. TYPE OF WORK
Drill Deepen

b. TYPE OF WELL
Oil Well Gas Well Other Single Zone Multiple Zone

2. NAME OF OPERATOR
Mallon Oil Company *13925*

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 1535' FNL and 2255' FEL (SW NE) Unit G
At proposed prod. zone 1535' FNL and 2255' FEL (SW NE) Unit G

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *
50 miles east of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED *
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 2255'
(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
2267'

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. 2300'

19. PROPOSED DEPTH
4500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) *7239124*

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 | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|------------------------|
| 12-1/4" | 8-5/8" | 24# | 500' | Circ. to surface |
| 7-8/8" | 5-1/2" | 15.5# | 4500' | <i>570 sks Surface</i> |

Mallon Oil Company proposes to drill to a depth sufficient to test the Pictured Cliffs formation. If productive, 5-1/2" casing will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal regulations. Specific programs as per on-shore Oil and Gas Order No. 1 are outlined in the following attachments:

Drilling Program

- Exhibit 1: Blow Out Preventor Equipment/Plan
- Exhibit A: Location and Elevation Plat
- Exhibit B: Roads and Pipelines
- Exhibit C: One Mile Radius Map

- Exhibit D: Drilling Site Layout
- Exhibit E: Production Facilities
- Exhibit F: H2S Contingency Plan
- Exhibit G: Environmental Assessment
- Exhibit H: Archaeological Clearance

RECEIVED
FEB 23 1998
OIL CON. DIV.
DIST. 3

* IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

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:
Joe Incardine

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.

Hold C-104 FOR USC

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, 1994

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

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

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|------------------------------|--|-------------------------------------|--|----------------------------|----------------------|
| 1 API Number 30-039-25786 | | 2 Pool Code 72400 | | 3 Pool Name E BLANCO PC | |
| 4 Property Code 22862 | | 5 Property Name JICARILLA 459-20 | | | 6 Well Number 7 |
| 7 OGRD No. 13925 | | 8 Operator Name MALLON OIL CO. | | | 9 Elevation 7239' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| | 20 | 30-N | 3-W | | 1535 | NORTH | 2255 | EAST | RIO ARRIBA |

11 Bottom Hole Location If Different From Surface

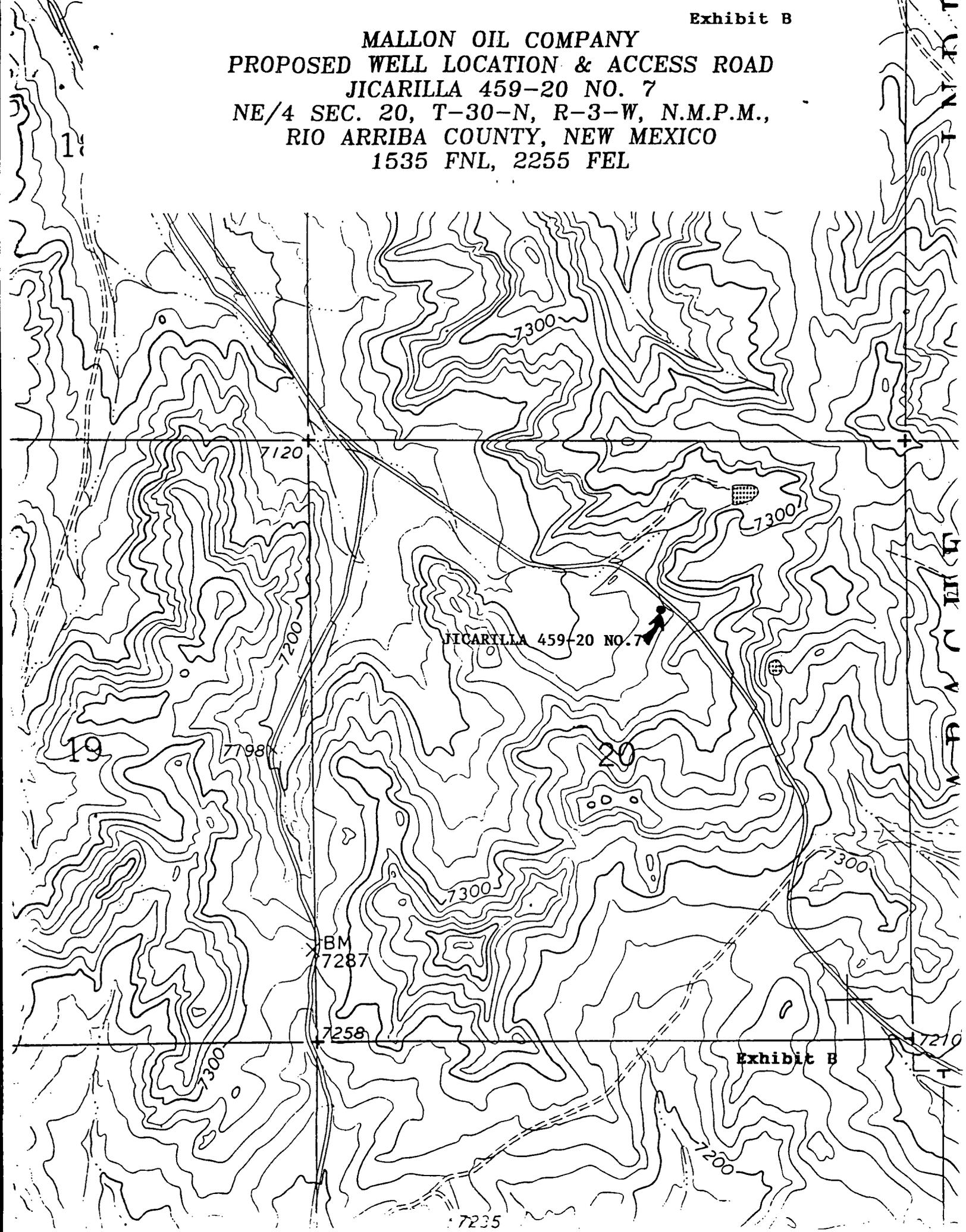
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres | 13 Joint or infill | 14 Consolidation Code | 15 Order No. |
| | | | |

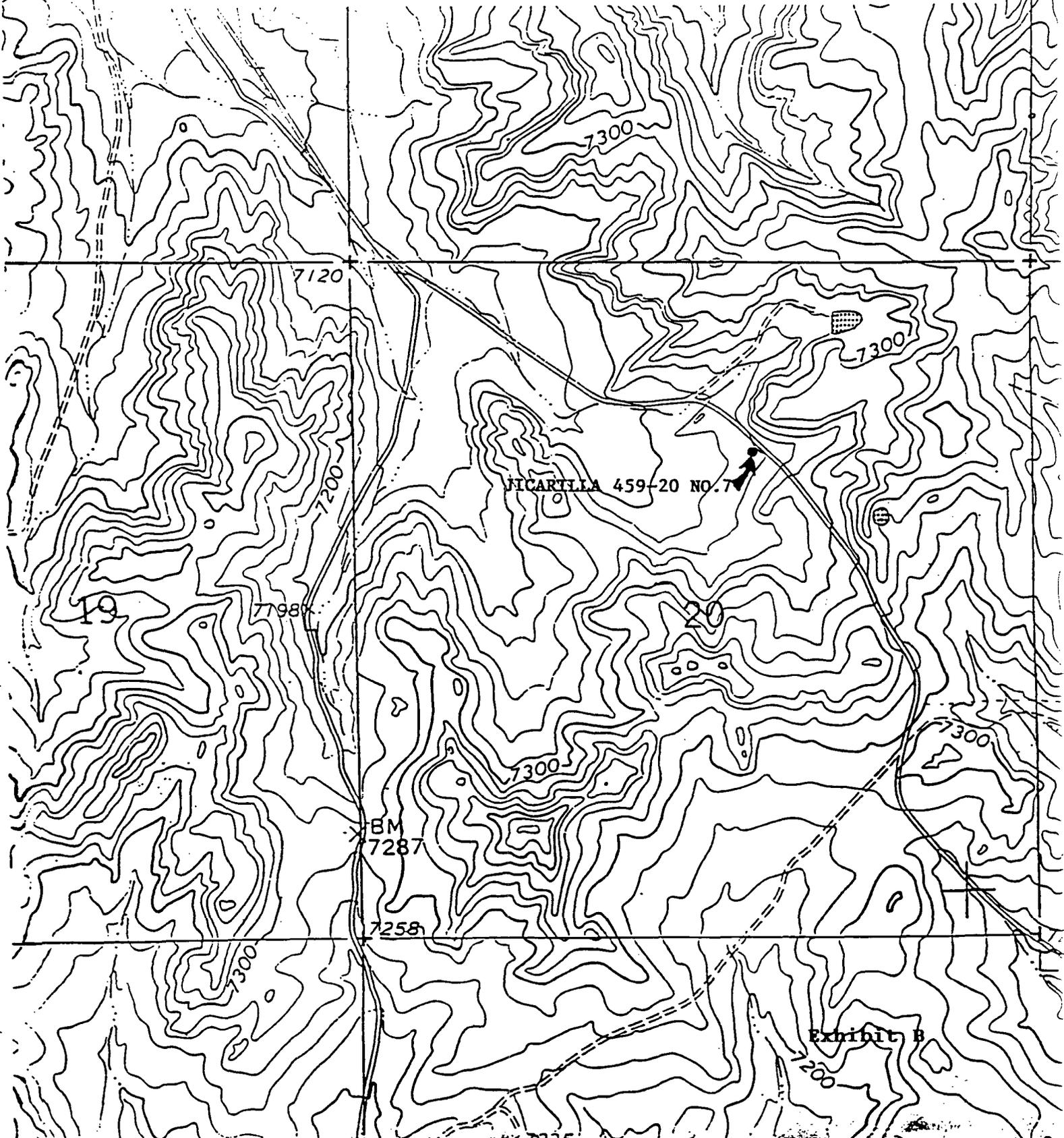
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | |
|---|--|--|
| 16 WEST 5 1/4 (record) 1535' 2255' | 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 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. | |
| | 12-1-98 Date of Survey  Signature and Seal of Professional Surveyor 8894 Certificate Number | |

MALLON OIL COMPANY
PROPOSED WELL LOCATION & ACCESS ROAD
JICARILLA 459-20 NO. 7
NE/4 SEC. 20, T-30-N, R-3-W, N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO
1535 FNL, 2255 FEL



MALLON OIL COMPANY
PROPOSED WELL LOCATION & PIPELINE ACCESS
JICARILLA 459-20 NO. 7
NE/4 SEC. 20, T-30-N, R-3-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
1535 FNL, 2255 FEL



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/10/99 14:44:01
OGOMES -TPL7
PAGE NO: 1

Sec : 20 Twp : 30N Rng : 03W Section Type : NORMAL

| | | | |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| D 40.00 Indian owned | C 40.00 Indian owned | B 40.00 Indian owned | A 40.00 Indian owned |
| E 40.00 Indian owned | F 40.00 Indian owned | G 40.00 Indian owned | H 40.00 Indian owned |
| A | | A | |

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

02/10/99 14:44:09
OGOMES -TPL7
PAGE NO: 2

Sec : 20 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 A A | P 40.00 Indian owned |

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



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 12, 1998

Mallon Oil Company
P. O. Box 3256
Carlsbad, New Mexico 88220
Attention: Duane C. Winkler

Administrative Order NSL-4109

Dear Mr. Winkler:

Reference is made to your application dated July 14, 1998 for a non-standard gas well location within the Undesignated Cabresto Canyon-Ojo Alamo Pool for the Jicarilla 459-20 Well No. 7 (API No. 30-039-25786) 1535 feet from the North line and 2250 feet from the East line (Unit G) of Section 20, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. The NE/4 of Section 20 is to be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit. It is our understanding that Mallon Oil Company drilled this well in March/April, 1998 to a total depth of 4070 feet.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery" followed by a date "8/12/98".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Albuquerque