

7/23/98 | 8/12/98 | MS | W | NSL

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

29-30 N-3 W

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]

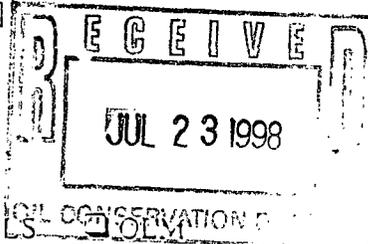
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling [X] 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] [X] Working, Royalty or Overriding Royalty Interest Owners
- [B] [X] Offset Operators, Leaseholders or Surface Owner
- [C] [X] Application is One Which Requires Published Legal Notice
- [D] [X] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] [X] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] [X] 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 Linderan Print or Type Name

Signature

[Handwritten Signature]

Operations Superintendent Title

Date

Mallon Oil Company

a Mallon Resources subsidiary

Denver/Colorado ♦ Carlsbad/New Mexico

July 14, 1998

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

Dear Mr. Stogner:

Mallon Oil Company is requesting an unorthodox location for the Jicarilla 459-17 Well No. 10 (~~1850' FNL, 759' FWL, Unit E~~) Sec. ~~29~~¹⁴, T30N, R3W, Rio Arriba County, New Mexico. ~~1110~~
140' FSL - 1110' FWL (M) 14

Mallon Oil Company is the only offset operator to the acreage involved. Topography is the main cause for the placement of this well site. Originally the well was staked to the northeast. The location was change at the "on-site" because the acreage to the North and East was used for grazing cattle and hay production. The surface leaseholder would not negotiate for surface damages. The relief in the remaining quarter quarter section was too prohibitive.

Please contact me at (505) 885-4596, if any additional information is needed.

Sincerely,



Duane C. Winkler
Operations Manager

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

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0718

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 30-039-25854		² Pool Code 96538		³ Pool Name Cabresto Canyon; Ojo Alamo Ext.	
⁴ Property Code 22211		⁵ Property Name JICARILLA 459-17			⁶ Well Number 10
⁷ OGRID No. 013925		⁸ Operator Name MALLON OIL CO.			⁹ Elevation 7179

¹⁰ Surface Location

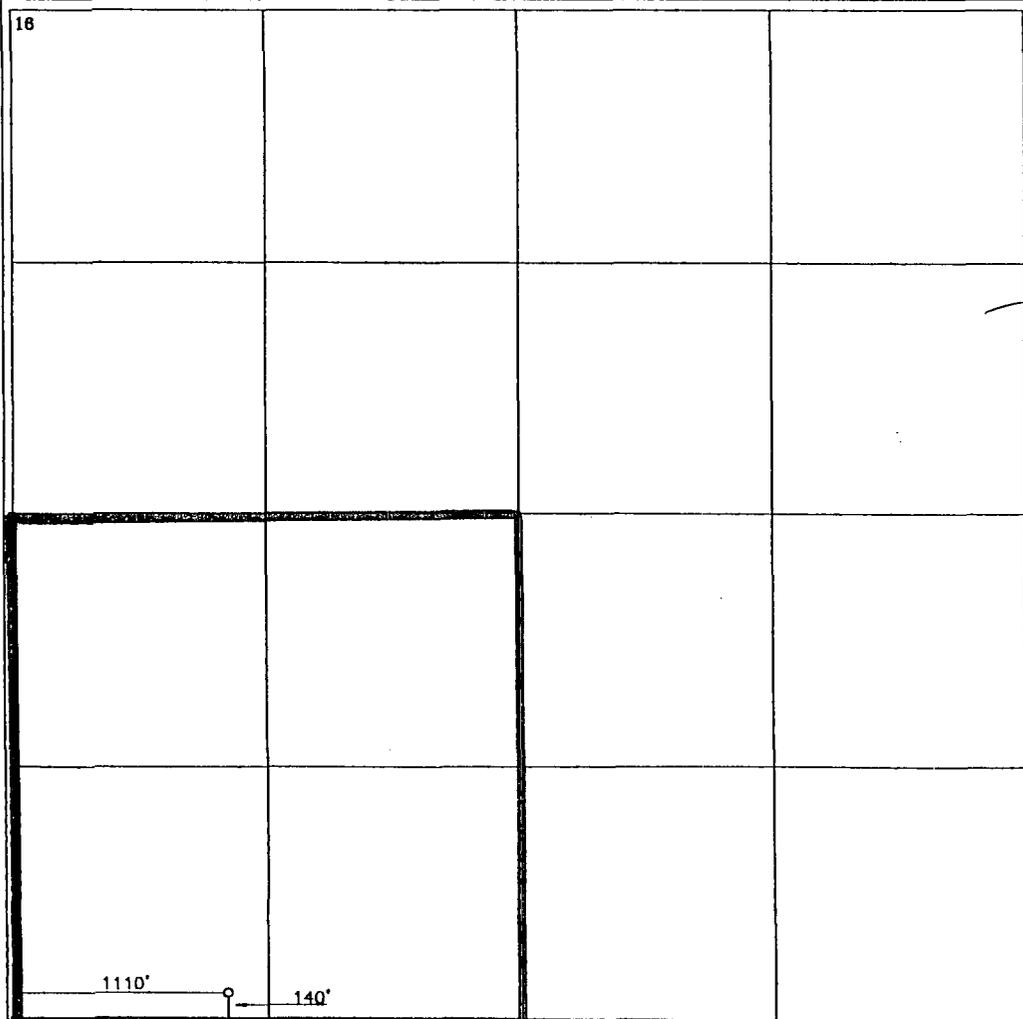
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	30-N	3-W		140	SOUTH	1110	WEST	RIO ARRIBA

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 1.60	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



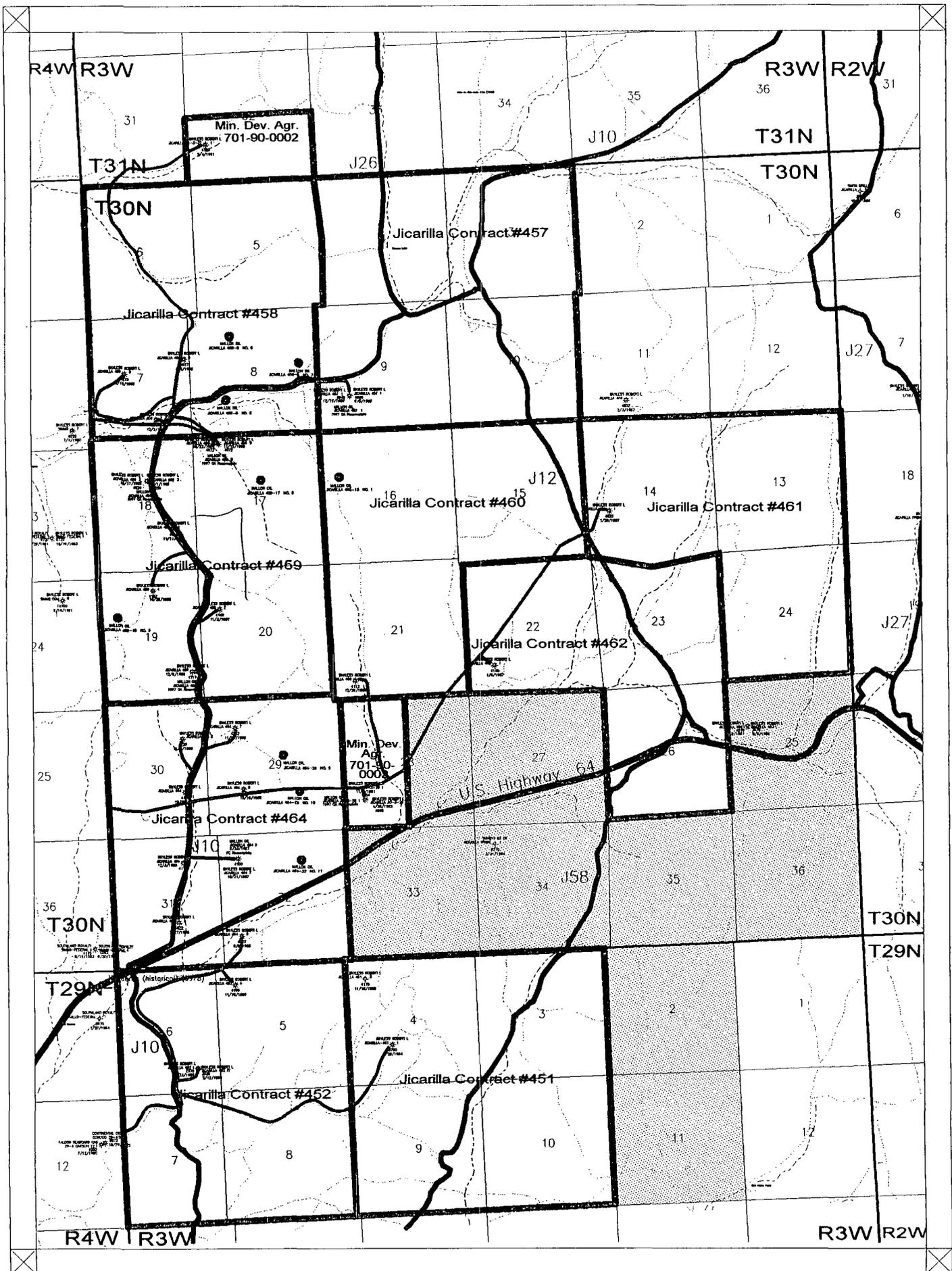
17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Terry Lindeman
Signature
Terry Lindeman
Printed Name
Operations Superintendent
Title
3/24/98
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.

2-26
Date of Survey
Signature and Seal of Registered Surveyor
ROY A. RUSH
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
8894
Certificate Number





Scale 1:63360.

0.2 0. 0.2 0.4 0.6 0.8 1. miles



LEGEND

- Yellow = Development Contracts
- Green = Proposed Acreage
- Purple Lines = Approximate Pipeline Locations
- Permitted Well Locations

MALLON OIL COMPANY

East Blanco Field
San Juan Basin
Rio Arriba County, New Mexico

10/17/1997

RECEIVED
MAY - 7 1998

Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CON. DIV.

SUBMIT IN TRIPLICATE

FORM APPROVED

OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO. JIC459

6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache

7. UNIT AGREEMENT NAME N/A

8. FARM OR LEASE NAME, WELL NO. Jicarilla 459-17 No. 10

9. API WELL NO. 30-039 25854

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

11. SEC., T., R., M., OR BLK AND SURVEY OR AREA Sec. 17, T30N-R3W

12. COUNTY OR PARISH Rio Arriba

13. STATE NM

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. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE 2267.0

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.

19. PROPOSED DEPTH 4500'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (SHOW WHETHER DF., RT., GR., Etc.) 7179' GL

22. APPROX. DATE WORK WILL START April 10, 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'	570 sks

CONFIDENTIAL

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: Existing Roads/Planned Access Roads
- 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 Liddeman TITLE: Operations Superintendent DATE: 03/23/98

(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: (Original Signed) HECTOR A. VILLALOBOS TITLE: Asst. Field Manager DATE: MAY 5 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.

Hold C-104 FOR NSL @

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

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

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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 72400		3 Pool Name East Blanco Pictured Cliff	
4 Property Code		5 Property Name JICARILLA 459-17		6 Well Number 10	
7 OGRID No.		8 Operator Name MALLON OIL CO.		9 Elevation 7179	

10 Surface Location

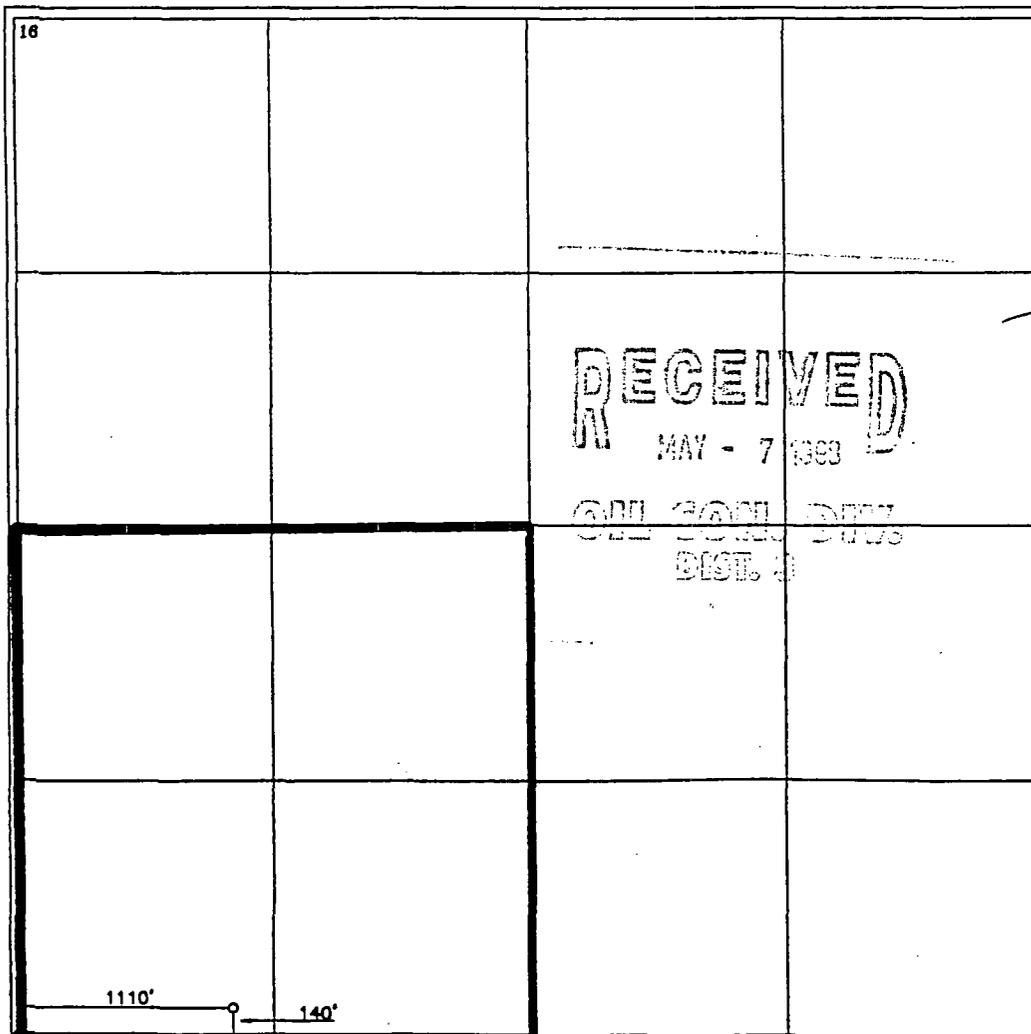
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11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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
Operations Superintendent
Title
3/24/98
Date

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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.

2-26
Date of Survey
ROSA A. RUSH
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
8894
Signature and Seal
8894
Certificate Number

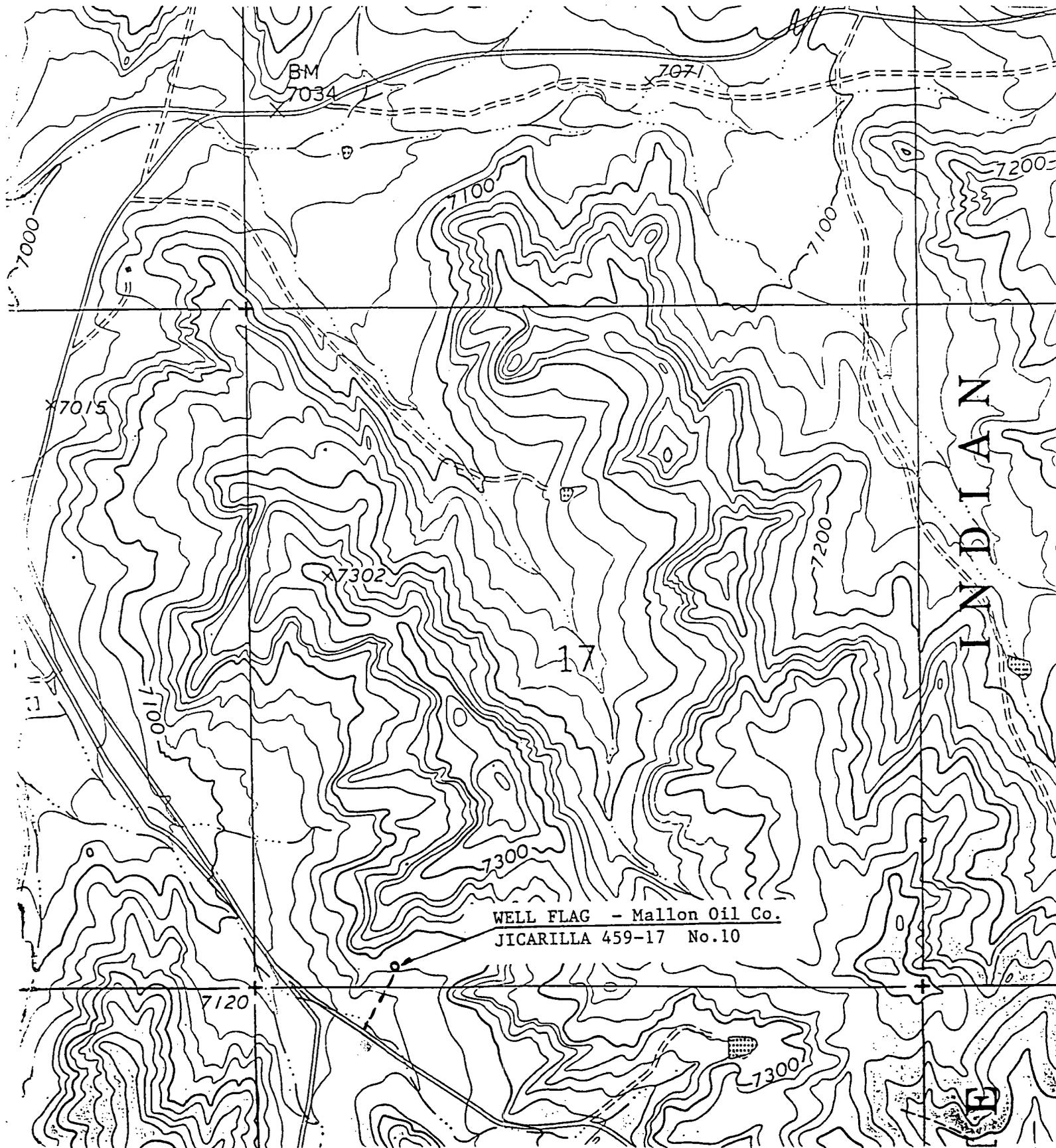
MALLON OIL CO.

JICARILLA 459-17 No.10

RIO ARRIBA COUNTY, NEW MEXICO

SEC. 17, T-30-N, R-3-W, N.M.P.M.

140' FSL, 1110' FWL



CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

08/12/98 09:35:27
OGOIV -EME5

OGRID Idn : 13925 API Well No: 30 39 25854 APD Status(A/C/P): A
Opr Name, Addr: MALLON OIL CO Aprvl/Cncl Date : 05-14-1998
999 18TH ST
STE 1700
DENVER,CO 80202
Prop Idn: 22211 JICARILLA 459 17 Well No: 10

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn : M	17	30N	03W			FTG 1850 F N	FTG 750 F W
OCD U/L : M		API	County	: 39			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): J Ground Level Elevation : 7179

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 4500 Prpsd Frmtn : E BLANCO PC

E7024: Only view is allowed

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

08/12/98 09:36:45
OGOIV -EME5

API Well No : 30 39 25854 Eff Date : 06-25-1998 WC Status :
Pool Idn : 96538 CABRESTO CANYON;OJO ALAMO (G)
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 22211 JICARILLA 459 17

Well No : 010
GL Elevation: 7179

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	M	17	30N	03W	FTG 1850 F N FTG	750 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

Sec : 17 Twp : 30N Rng : 03W Section Type : NORMAL

L 40.00 Indian owned	K 40.00 Indian owned	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
A		A	

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