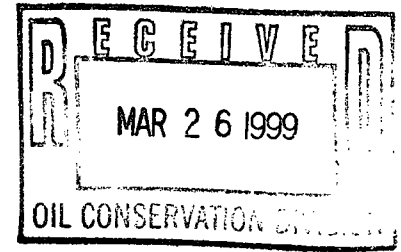


Mallon Oil Company

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

a Mallon Resources Subsidiary



March 25, 1999

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 459-20 SJ #12 (849' FSL and 1888' FEL (SW SE) Unit D) Sec. 20, T30N-R03W, Rio Arriba County, New Mexico.

Mallon Oil Company is the only offset operator to acreage involved. The well was originally staked as standard location. Upon the archeological survey a site was discovered on the original well pad thus forcing the location 300' more or less to the Northwest. Other obstacles to the North and South of this location were wildlife concerns and forestry concerns (i.e. ponderosa pines and elk migration and habitat).

Please contact me at (970) 382-9100, if any additional information is needed.

Sincerely

Christy Serrano

Christy Serrano
Production Clerk

DISTRICT III
1000 E. Bryan Rd., Alameda, N.M. 87410

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

OIL CONSERVATION DIVISION

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

Approved District Office
State Lease - 4 Copies
Fee Lease - 8 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|----------------------------|--|--------------------------------------|--|---|--------------------|
| API Number 30-039-25941 | | Pool Code 96822 | | Pool Name Cabresto Canyon; San Jose Ext. | |
| Property Code | | Property Name Jicarilla 459 20 SJ | | | Well Number 12 |
| OGRID No. 013925 | | Operator Name MALLON OIL CO. | | | Elevation 7250' |

10 Surface Location

| 1/4 or lot no. | Section | Township | Range | Lot 1/4 | Feet from the | North/South Line | Feet from the | East/West Line | County |
|----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| 0 | 20 | 30-N | 3-W | | 849 | SOUTH | 1888 | EAST | RIO ARriba |

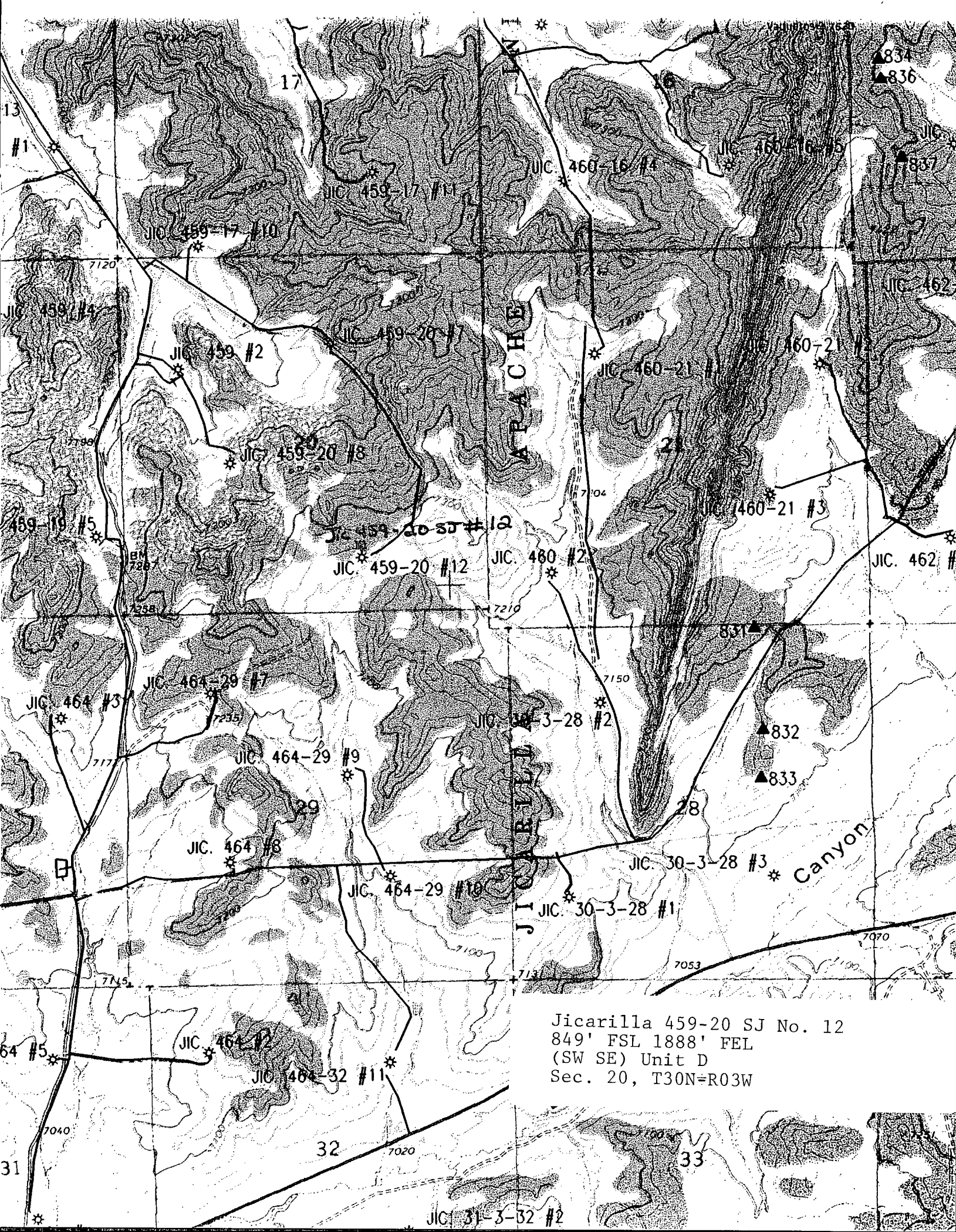
11 Bottom Hole Location If Different From Surface

| 1/4 or lot no. | Section | Township | Range | Lot 1/4 | Feet from the | North/South Line | Feet from the | East/West Line | County |
|----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

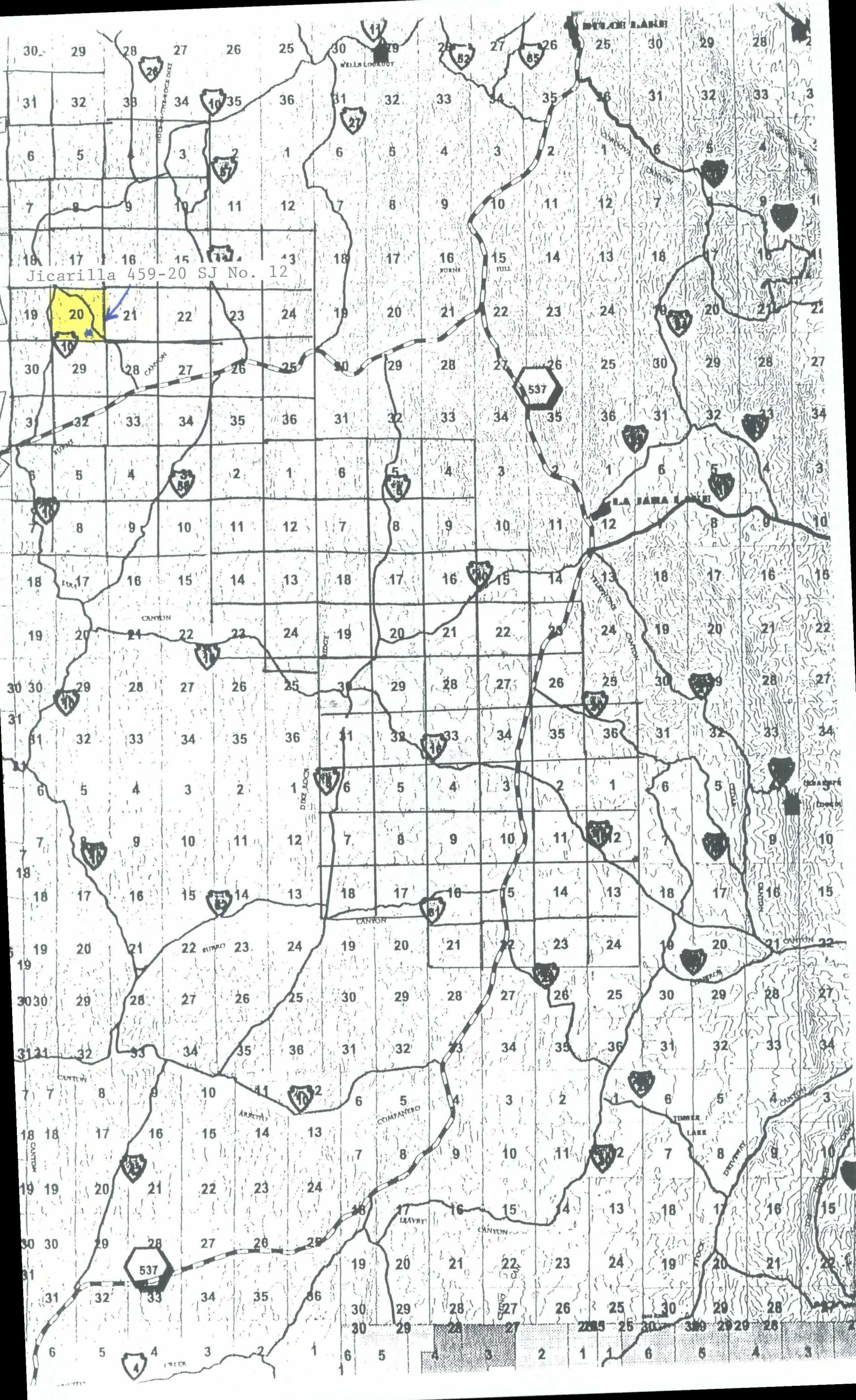
| | | | |
|------------------------|---------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Well | Consolidation Code | Order No. |
|------------------------|---------------|--------------------|-----------|

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 | U.S.G.L.O. BRASS CAP 1917 | 1888' | U.S.G.L.O. BRASS CAP 1917 | 1888' | N 88-57-00 E 2836.5' | 4278.5' | 17 | OPERATOR CERTIFICATION | |
| | | | | | | | | I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. | |
| | | | | | | | | Signature <i>M. Gay Davis</i> | |
| | | | | | | | | Printed Name M. Gay Davis | |
| 18 | U.S.G.L.O. BRASS CAP 1917 | 1888' | U.S.G.L.O. BRASS CAP 1917 | 1888' | N 88-57-00 E 2836.5' | 4278.5' | 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 7-2-98 | |
| | | | | | | | | Signature and Title of Surveyor <i>[Signature]</i> REGISTERED PROFESSIONAL LAND SURVEYOR NEW MEXICO 8894 | |



Jicarilla 459-20 SJ No. 12
849' FSL 1888' FEL
(SW SE) Unit D
Sec. 20, T30N=R03W



**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

CONFIDENTIAL

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other:

2. Name of Operator

Mallon Oil Company

3. Address and Telephone No.

P.O. Box 2797, Durango, CO 81302

(970) 382-9100

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

849' FSL and 1888' FEL (SW SE) Unit D
Sec 20, T30N-R03W

5. Lease Designation and Serial No.

Jic

6. If Indian, Allote or Tribe Name

Jicarilla Apache Tribe

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 459-20 SJ No. 12

9. Well API No.

30-039-25941

10. Field and Pool, or Exploratory Area

Cabresto Canyon, San Jose Ext.

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

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other: Spud Notice
☐ 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 8/29/98 at 2:30pm.
Drilled 12-1/4" hole, 8-5/8" x 24 lb/ft surface casing was set at 551'.
Cmt with 300 sxs, circ 93 sxs to pit.

RECEIVED
JAN 28 1999
OIL CON. DIV.
PCT. 3

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

Signed

Christy Serrano
Christy Serrano

Title Production Secretary

Date 1/13/99

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

Patricia M. Nestor

Lands and Mineral Resources

Title

Date 1-26-99

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.

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other instructions
on reverse side)

FORM APPROVED

Bureau of Land Management, No. 1004-0137

Expires: February 28, 1995

~~CONFIDENTIAL~~

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

| | | | |
|---|--|---|--|
| 1a. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. Jic 459 | |
| b. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF <input type="checkbox"/> RESVR <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache Tribe | |
| 2. NAME OF OPERATOR Mallon Oil Company | | 7. UNIT AGREEMENT NAME N/A | |
| 3. ADDRESS AND TELEPHONE NO. P. O. Box 2797 Durango, CO 81302 (970) 382-9100 | | 8. FARM OR LEASE NAME, WELL NO. Jicarilla 459-20 SJ No. 12 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 849' FSL and 1888" FEL (SW SE) Unit D At top prod. interval reported below 849' FSL and 1888" FEL (SW SE) Unit D At total depth | | 9. API WELL NO. 30-037-25941 | |
| 10. FIELD AND POOL, OR WILDCAT Cabresto Canyon; San Jose Ext | | 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec 20, T30N-R03W | |
| 14. PERMIT NO. N/A | | DATE ISSUED N/A | |
| 12. COUNTY OR PARISH Rio Arriba | | 13. STATE NM | |
| 15. DATE SPUDDED 8/29/98 | | 16. DATE TD REACHED 9/4/98 | |
| 17. DATE COMP (Ready to Prod.) 10/03/98 | | 18. ELEVATION (DF, RKB, RT, GR, ET) 7250' | |
| 19. ELEV. CASINGHEAD 7251' | | 20. TOTAL DEPTH, MD & TVD 1950' | |
| 21. PLUGBACK TD, MD & TVD 1860' | | 22. IF MULTIPLE COMP., HOW MANY* → | |
| 23. INTERVALS DRILLED BY → | | ROTARY TOOLS Yes | |
| 24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) 1059'-1072', 1076'-1090', 1266'-1274', 1455'-1468', 1637'-1649' 1661'-1669', 1682'-1705', 1786'-1790' Cabresto Canyon; San Jose Ext. | | 25. WAS DIRECTIONAL SURVEY MADE No | |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN DIGL, SDL-DSN | | 27. WAS WELL CORED No | |
| 28. CASING RECORD (Report all strings set in well) | | | |
| CASING SIZE/GRADE | | WEIGHT LB/FT | |
| 8-5/8" | | 24 lb | |
| DEPTH SET (MD) | | HOLE SIZE | |
| 551' | | 12-1/4" | |
| TOP OF CEMENT, CEMENTING RECORD | | AMOUNT PULLED | |
| Cmt 300 sxs, circ 93 sxs to surface | | | |
| 5-1/2" | | 15.5 lb | |
| 1944' | | 7-7/8" | |
| Cmt 360 sxs, circ 93 sxs to surface | | | |
| 29. LINER RECORD | | | |
| SIZE N/A | | TOP (MD) | |
| BOTTOM (MD) | | SACKS CEMENT | |
| SCREEN (MD) | | TUBING RECORD | |
| SIZE 2-3/8" | | DEPTH SET (MD) | |
| 1111' | | PACKER SET (MD) | |
| None | | | |
| 31. PERFORATION RECORD (Interval, size, and number) 1059'-1790' 4 JSPF (380 Holes) Cabresto Canyon; San Jose Ext. | | | |
| 32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL (MD) 1059'-1790' AMOUNT AND KIND OF MATERIAL USED Acidize 5026 bbls 7-1/2% HCL Frac 70,000 lbs 12-20 sand | | | |
| 33.* PRODUCTION | | | |
| DATE FIRST PRODUCTION 10/28/98 | | PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Flowing | |
| WELL STAT (Producing or Shut In) Producing | | | |
| DATE OF TEST 10/8/98 | | HOURS TESTED 24 | |
| CHOKE SIZE 3/8" | | PROD'N FOR TEST PERIOD → | |
| OIL - BBL 0 | | GAS - MCF 595 | |
| WATER - BBL 10 | | GAS-OIL RATIO N/A | |
| FLOW TBG PRESS 175 | | CASING PRESSURE 0 | |
| CALCULATED 24-HOUR RATE → | | OIL - BBL 0 | |
| GAS - MCF 595 | | WATER - BBL 10 | |
| OIL GRAVITY - API (CORR.) N/A | | | |
| 34. DISPOSITION OF GAS Sold | | TEST WITNESSED BY Raymond Key | |
| 35. LIST OF ATTACHMENTS | | | |
| 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records | | | |
| SIGNED Christy Serrano | | Production Secretary DATE 1/13/99 | |

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

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

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | NAME | TOP | |
|-----------|-----|--------|-----------------------------|----------|-------------|------------------|
| | | | | | MEAS. DEPTH | TRUE VERT. DEPTH |
| | | | | San Jose | 1633 TD | |

38.

GEOLOGIC MARKERS

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)

849' FSL and 1888' FEL (SW SE) Unit D
Sec. 20, T30N-R03W

5. Lease Designation and Serial No.

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

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

8. Well Name and No.

Jicarilla 459-20 No. 12 SJ

9. Well API No.

30-039-25941

10. Field and Pool, or Exploratory Area

Cabrest Canyon; San Jose Ext

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

- ☒ 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: Name Change ☐ 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 proposes to change the name of the above referenced well Jicarilla 459-20 No. 12 SJ to the following:

Jicarilla 459-20 SJ No. 12

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

Signed

Christy Servano

Title

Production Secretary

Date

1-12-99

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved B

Patricia M. Nester

Title

Lands and Mineral Resources

Date

1-26-99

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 II
P.O. Drawer DD, Artesia, N.M. 88411-0719

DISTRICT III
1000 N. Brannon Rd., Artesia, N.M. 87410

DISTRICT IV
PO Box 2046, Santa Fe, NM 87504-2046

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------------------|---------------------------------------|---------------------|--|
| *API Number 30-039-25941 | | *Pool Code 96822 | *Pool Name Cabresto Canyon; San Jose Ext. |
| *Property Code 23625 | *Property Name Jicarilla 459-20 SJ | | *Well Number 12 |
| *GRID No. 013925 | *Operator Name Mallon Oil Company | | *Elevation 7250' |

¹⁰ Surface Location

| | | | | | | | | | |
|-----------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| 1/4, or lot no. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
| 0 | 20 | 30-N | 3-W | | 849 | SOUTH | 1888 | EAST | RIO ARRIBA |

¹¹ Bottom Hole Location if Different From Surface

| | | | | | | | | | |
|-------------------------|---------|------------------|-------|---------------------|---------------|------------------|---------------|----------------|--------|
| 1/4, or lot no. | Section | Township | Range | Lot 1/4 | 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 | U.S.G.L.O. BRASS CAP 1917 | | 17 | OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Christy Serrano</i> Signature Christy Serrano Printed Name Production Secretary Title January 12, 1999 Date | |
| RECEIVED JAN 23 1999 OIL CON. DIV. DIST. 3 | | 5278.5' | | 18 | |
| U.S.G.L.O. BRASS CAP 1917 | | N 00-00-30 W | | 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. 7-2001-RUSH Date of Survey Signature and Seal of Registered Professional Land Surveyor NEW MEXICO 8894 Certification Number | |
| U.S.G.L.O. BRASS CAP 1917 | | N 88-57-00 E 2834.5' | | 1888' | |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-U135
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

RECEIVED
SEP 14 1998
OIL CON. DIV.
DIST. 3

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)

849' FSL, 1888' FEL (SW SE) Unit O
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. 428

9. Well API No.

30-039-2594, #12

10. Field and Pool, or Exploratory Area

Cabresto Canyon, San Jose Ext

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

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other:
☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Commingling

(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.)

Admendment to APD, Mallon Oil Company proposes to change surface hole size to 12-1/4" hole, to depth of 550", run 8-5/8" surface casing to 550' and cement back to surface. Air drill 7-7/8" hole to 1850' T.D.

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

Signed

Gay Davis

Title

Office Manager

Date

8/27/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

Patricia M. Hest

Title

Lands and Mineral Resources

Date

9-10-98

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

10/04 APPROVED
Budget Bureau No. 1004.0125
Expires March 31, 1995

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

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

849' FSL and 1888' FEL (SW SE) Unit D

Sec. 20, T30N-R03W

RECEIVED
SEP 14 1998
(505) 885-4588
OIL CON. DIV.
DIST. 3

5. Lease Designation and Serial No.

6. If Indian, Allocated or Title Name
Jicarilla Apache Tribe

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

8. Well Name and No.

Jicarilla 459-20 No. 12

9. Well API No.

10. Field and Pool, or Exploratory Area

Cabrest Canyon, San Jose Ex. 1

11. County or Parish, State

Rio Arriba County, New Mexico

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: Name Change
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Photo: Report number of multiple operations on well
Completion or (Re)completion 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 (or all markers and zones pertinent to this zone)."

Mallon Oil company proposes to change the name of the existing APD to Jicarilla 459-20 No. 12 SJ.

SJ #12

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

Signed

Christy Soriano

Title

Production Secretary

Date

9-3-98

15. SPACE FOR FEDERAL OR STATE OFFICIAL USE

Approved By

Patricia M. Hefner

Title

Lands and Mineral Resources

Date

9-10-98

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 or to any matter within its jurisdiction.

*See Instruction on Reverse Side

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. Jic 459 |
| b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache |
| 2. NAME OF OPERATOR Mallon Oil Company | | 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 459-20 ST 12 |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 849' FSL, 1888 FEL (SW SE) Unit 0 | | 9. API WELL NO. 30-039-2594 |
| At proposed prod. zone 849' FSL, 1888 FEL (SW SE) Unit 0 | | 10. FIELD AND POOL, OR WILDCAT Cabresto Canyon, San Jose E |
| 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 Sec. 20, T30N-R03W |
| 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 1850 | 20. ROTARY OR CABLE TOOLS Rotary |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) | | 22. APPROX. DATE WORK WILL START |
| 23. PROPOSED CASING AND CEMENTING PROGRAM | | |
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT |
| 17-1/2" | 13-3/8" J-55 | 48# |
| | | SETTING DEPTH |
| | | 550' |
| 11" | | 1850 |
| | | QUANTITY OF CEMENT |
| | | circ to surface |
| | | OPEN HOLE |

Mallon Oil Company proposes to drill to a depth sufficient to test the San Jose formation. If productive, it will be open hole completed. 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: This borehole is on an existing pad and the surface use plan is already implemented.

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: H. G. Davis TITLE: Production Analyst DATE: 8/3/98
M. Gay Davis

(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: Continue all operations to the existing well pad.
APPROVED BY: [Signature] TITLE: Asst. Field Mgr. DATE: 8/13/98

*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 USL (S)

DISTRICT II
P.O. Drawer 110, Artesia, N.M. 88211-0719

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

DISTRICT IV
PO Box 808A, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|-----------------------------|---------------------------------------|---------------------|--|
| *API Number 30.039 25941 | | *Pool Code 96822 | *Pool Name Cabresto Canyon; San Jose Ext. |
| *Property Code 23625 | *Property Name JICARILLA 450-20 SJ | | *Well Number 125 |
| *GRID No. 013925 | *Operator Name MALLON OIL CO. | | *Elevation 7250' |

10 Surface Location

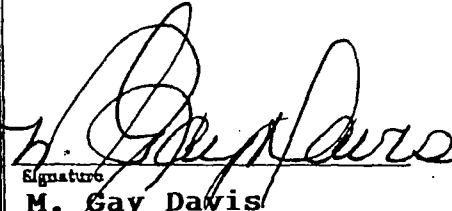
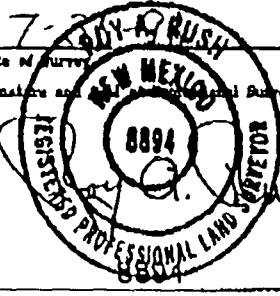
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|------------|
| 0 | 20 | 30-N | 3-W | | 849 | SOUTH | 1888 | 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 Estill | *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

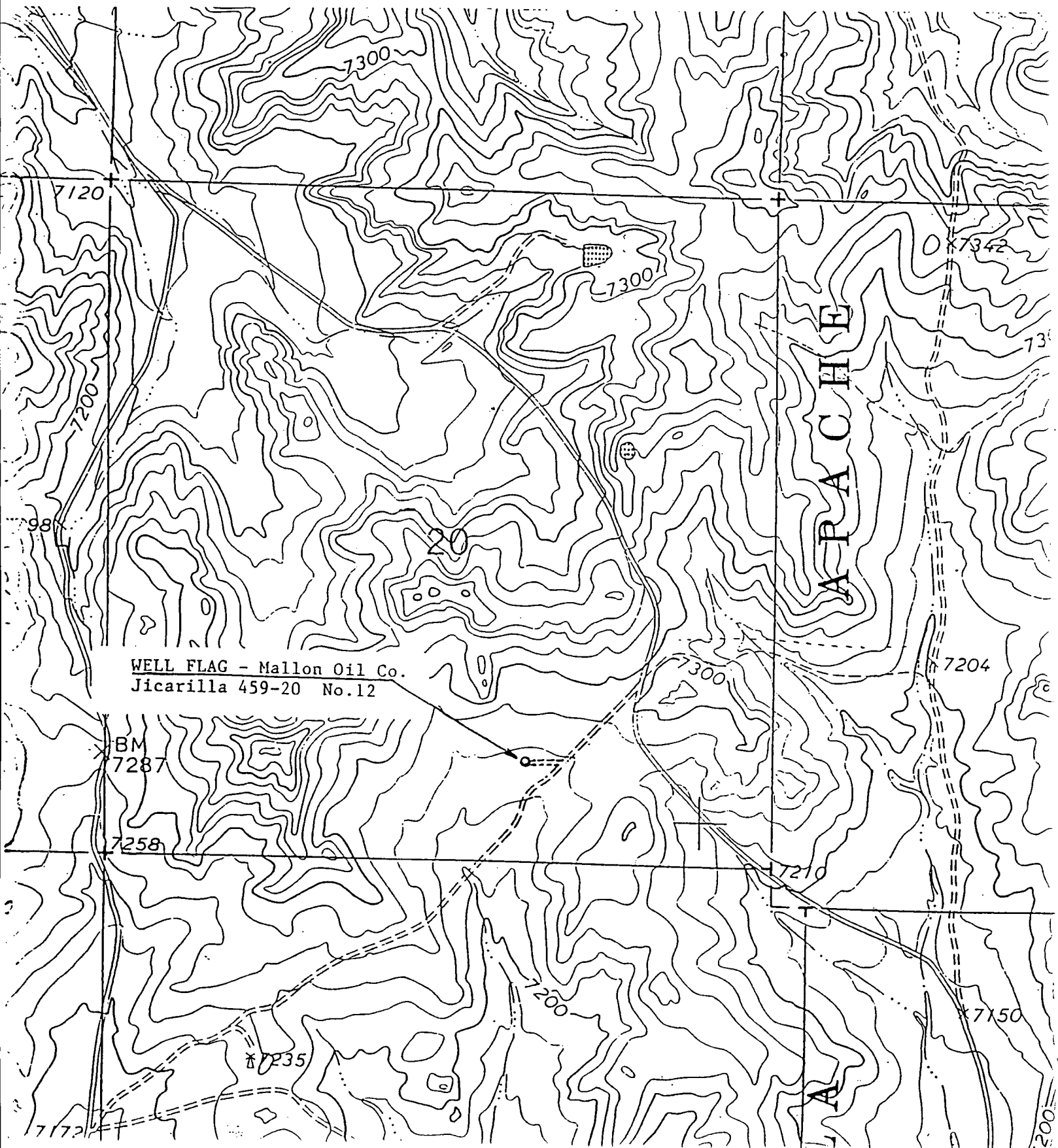
| | | | | | |
|--|--|---|--|--|--|
| <div>16</div> <div>RECEIVED AUG 17 1998 OIL CON. DIV. DIRECTOR</div> | | <div>U.S.G.L.O. BRASS CAP 1917</div> | | <div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div> Signature M. Gay Davis Printed Name Production Analyst Title August 3, 1998 Date</div> | |
| | | <div>5278.5'</div> <div>N 00-00-36 W</div> | | <div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>7-2 Date of Survey Signature and Title of Surveyor  Certificate Number</div> | |
| <div>U.S.G.L.O. BRASS CAP 1917</div> | | <div>849'</div> <div>N 89-57-00 E 2634.5'</div> | | | |

JICARILLA 459-20 No.12

SEC. 20, T-30-N, R-3-W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO

790' FSL, 1845' FEL



CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION03/26/99 13:30:34
OGOMES -TP0C
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
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

03/26/99 13:30:53
OGOMES -TP0C

API Well No : 30 39 25855 Eff Date : 06-30-1998 WC Status : A
Pool Idn : 72400 BLANCO PICTURED CLIFFS, EAST (GAS)
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 22862 JICARILLA 459 20

Well No : 012
GL Elevation: 7252

| | U/L | Sec | Township | Range | North/South | East/West | Prop/Act (P/A) |
|-----------|-----|-----|----------|-------|-------------|--------------|----------------|
| B.H. Locn | : O | 20 | 30N | 03W | FTG 790 F S | FTG 1845 F E | 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 |

CMD : ONGARD 03/26/99 13:31:06
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TP0C

API Well No : 30 39 25855 Eff Date : 06-30-1998 WC Status : A
Pool Idn : 96538 CABRESTO CANYON;OJO ALAMO (G)
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 22862 JICARILLA 459 20

Well No : 012
GL Elevation: 7252

| | U/L | Sec | Township | Range | North/South | East/West | Prop/Act (P/A) |
|-----------|-----|-----|----------|-------|-------------|--------------|----------------|
| B.H. Locn | : O | 20 | 30N | 03W | FTG 790 F S | FTG 1845 F E | P |

Lot Identifier:

Dedicated Acre: 160.00

Lease Type : J

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

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

CMD : ONGARD 03/26/99 13:31:23
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TP0C

API Well No : 30 39 25941 Eff Date : 10-03-1998 WC Status : A
Pool Idn : 96822 WILDCAT CABRESTO CANYON;SAN JOSE
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 23625 JICARILLA 450 20 SJ

Well No : 012
GL Elevation: 7250

| | U/L | Sec | Township | Range | North/South | East/West | Prop/Act (P/A) |
|-----------|-----|-----|----------|-------|-------------|--------------|----------------|
| B.H. Locn | : O | 20 | 30N | 03W | FTG 849 F S | FTG 1888 F E | 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

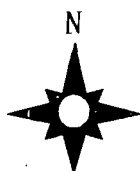
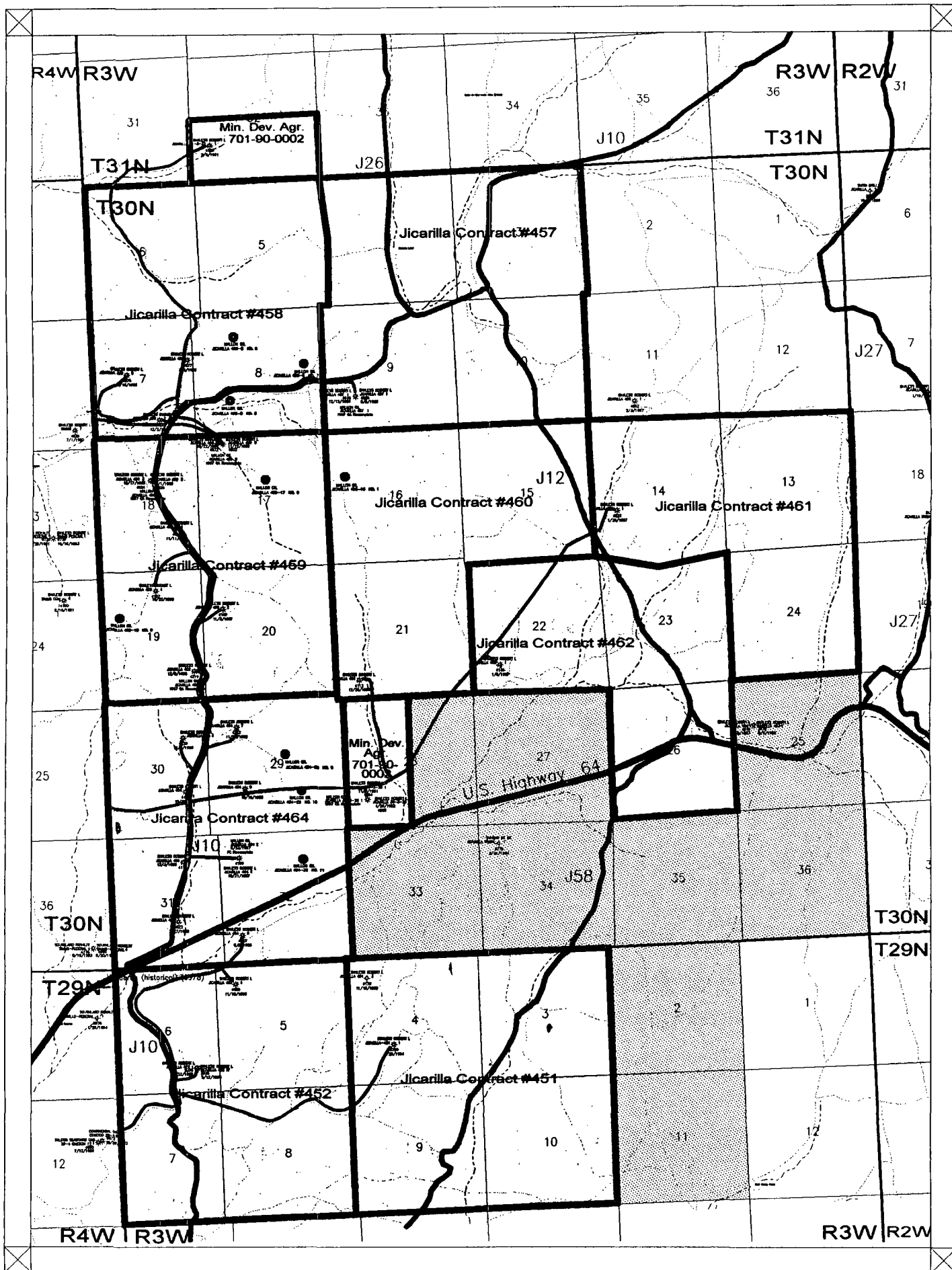
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|-----------|------|-----------|--------------|--------------|-------------|
| PF01 HELP | PF02 | PF03 EXIT | PF04 GoTo | PF05 | PF06 |
| PF07 | PF08 | PF09 | PF10 NEXT-WC | PF11 HISTORY | PF12 NXTREC |

CMD :
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INQUIRE LAND BY SECTION03/26/99 13:30:28
OGOMES -TP0C
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 A | F 40.00 Indian owned | G 40.00 Indian owned A | H 40.00 Indian owned |

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12



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