

6.21.95

598

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

June 7, 1995

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

**HAND DELIVERED**

Mr. David R. Catanach  
Underground Injection Control  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Re: Administrative Application for  
Salt Water Disposal Approval  
Mallon Oil Company's  
Mallon's "34" Federal Well No. 1  
Unit D, Sec 34, T19S, R34E, NMPM  
Lea County, New Mexico

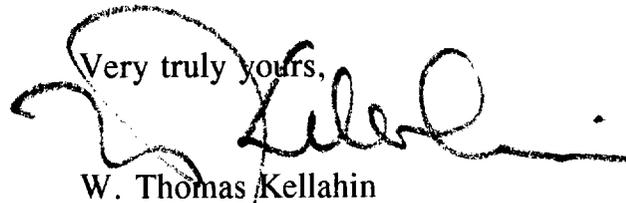
**RECEIVED**  
JUN 7 1995  
Oil Conservation Division

Dear Mr. Catanach:

On behalf of Mallon Oil Company and in accordance with Division Rule 701, we are enclosing an original and one copy of the completed and signed Application for Authorization to Inject (Division Form C-108 with attachments) for the referenced well.

Copies of the application have been sent to the surface owner and offsetting operators. In addition, we have had newspaper notification by newspaper published and that certification is enclosed.

Please call me if you need anything else in order to process this request.

Very truly yours,  
  
W. Thomas Kellahin

cc: OCD-Hobbs (w/ encl.)  
cc: Mallon Oil Company  
Attn: Ray Jones

## OFFSET OPERATOR NOTICE LIST

Devon Energy Corporation  
20 North Broadway Suite 1500  
Oklahoma City, OK, 73102

Strata Production Company  
Box 1030  
Roswell, New Mexico 88201

Manzano Oil Corporation  
Box 2107  
Roswell, New Mexico 88202

## SURFACE OWNER NOTICE LIST

Bureau of Land Management  
Roswell District Office  
1717 West Second Street  
Roswell, New Mexico 88202

## NEWSPAPER NOTICE

### Notice of Application for Authorization to Inject Salt Water

Mallon Oil Company, 999 18th St. Denver, CO 80202, has made application to the New Mexico Oil Conservation Division for authority to convert its existing Mallon "34" Federal Well No. 1 located 660 feet from the North line and 990 feet from the West line (Unit D) of Section 34, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico into a disposal well for the injection of produced salt water into the San Andres formation through perforations from approximately 5947 feet to 6306 feet. Said well is located approximately 1 mile north of a point on New Mexico Highway 180 approximately 10 miles northeast of the intersection of New Mexico Highways 176 and 180.

Interested parties with an objection or request for a hearing must file said objection/request in writing within 15 days of this notice with the Division, 2040 South Pacheco, Santa Fe, New Mexico 87505

Received 7-1-81  
**RECEIVED**

JUN - 7 1995

## APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose:  Secondary Recovery  Pressure Maintenance  Oil Disposal  Storage  
Application qualifies for administrative approval?  yes  no  
Conservation Division

II. Operator: Mallon Oil Company

Address: 999 18th Street, Suite 1700, Denver, CO 80202

Contact party: Ray Jones Phone: 303-293-2333

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project?  yes  no  
If yes, give the Division order number authorizing the project \_\_\_\_\_.

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

\* VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

\*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

\* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

\* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Ray E. Jones Title Vice President, Engineering

Signature: *Ray E. Jones* Date: 6/6/95

\* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

### III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

### XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

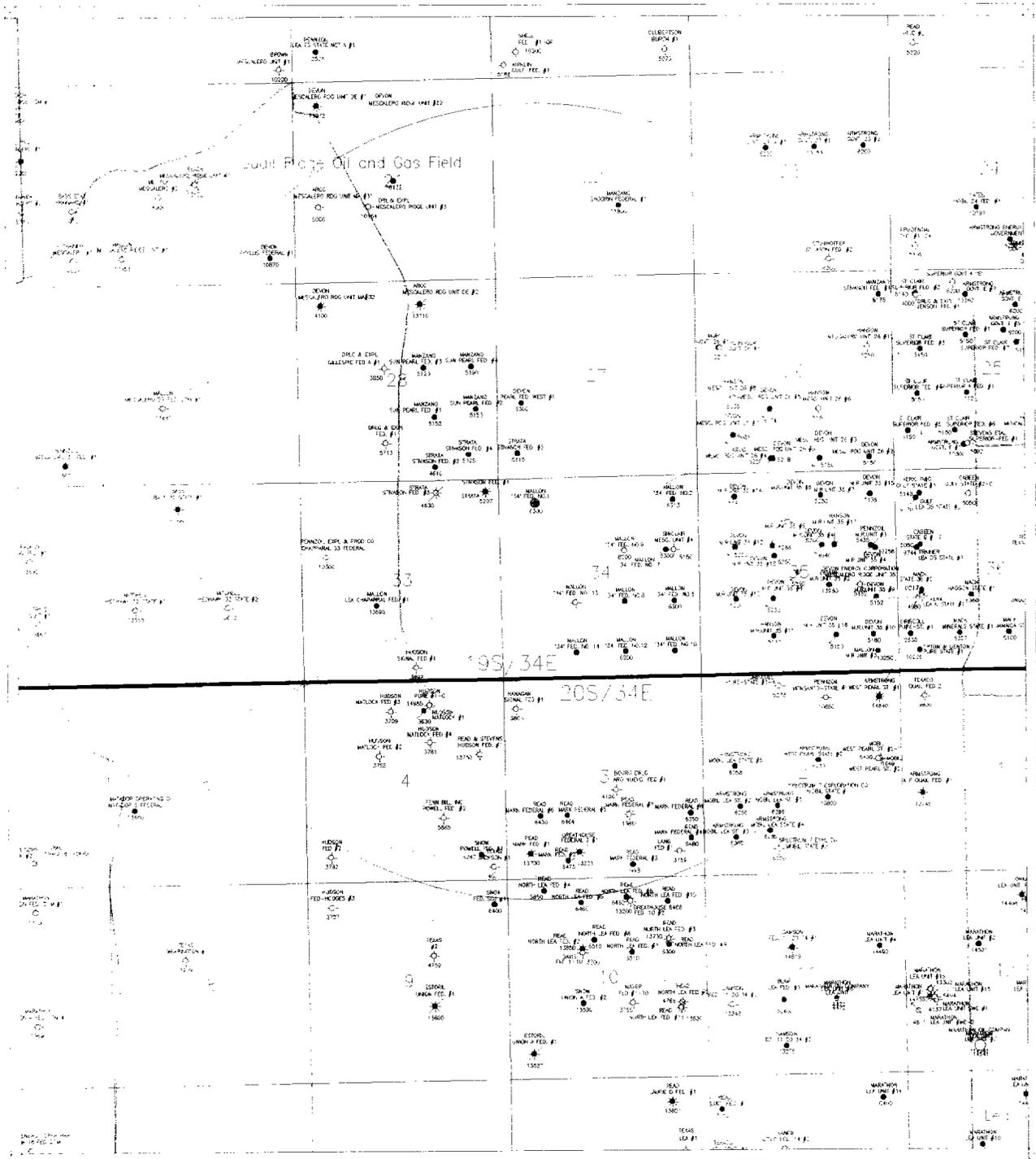
Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

---

**NOTICE:** Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.



miles

MALLOY COMPANY

Malloy, E.H., et al., No. 1  
Two Mile East Map  
La Cumbre, New Mexico



# MALLON OIL COMPANY

ENGINEERING CHART

SHEET NO. \_\_\_\_\_ OF \_\_\_\_\_

FILE \_\_\_\_\_

APPN \_\_\_\_\_

DATE \_\_\_\_\_

BY \_\_\_\_\_

SUBJECT WEST PEARL FEDERAL #1  
COMPLETION DATE 10/25/90

	DEPTH	BIT	CASING	CEMENT
	1310'	12 1/4"	8 5/8" 24#	450 SK LITE 250 SK 'C'
2000 GAL. 7 1/2% NeFe	3883'	2 7/8" TUBING		
25,000 GAL. 2% KCl	3884-3892'	SEVEN RIVERS PERFORATIONS		
53,000 # 12/20 SAND	3896-3899'	SEVEN RIVERS PERFORATIONS		
3,000 GAL. 7 1/2% NeFe	3950' RBP			
	3968-3989'	SEVEN RIVERS PERFORATIONS		
	4400' CIBP			
4000 GAL. 15% NeFe	4515-4541'	SQUEEZED PERFORATIONS		
500 GAL. ACID	4548-4552'	SQUEEZED PERFORATIONS		
50,000 GAL. X-LINKED GEL				
92,000 # 12/20 SAND	4670-4673'	QUEEN PERFORATIONS		
22,000 # 20/40 COATED SAND				
30,000 GAL. FOMED + 8 TONS CO <sub>2</sub>	4784-4805'	PENROSE PERFORATIONS		
45,000 # 20/40 SAND	4842-4859'	PENROSE PERFORATIONS		
16,000 # 16/30 RESIN COATED SAND	4939-4945'	PENROSE PERFORATIONS		
	5240' PBT D			
	5300'	7 7/8"	5 1/2" 15.5#	600 SK LITE 475 SK 'C'

# MALLON OIL COMPANY

ENGINEERING CHART

SHEET NO. \_\_\_\_\_ OF \_\_\_\_\_

FILE \_\_\_\_\_

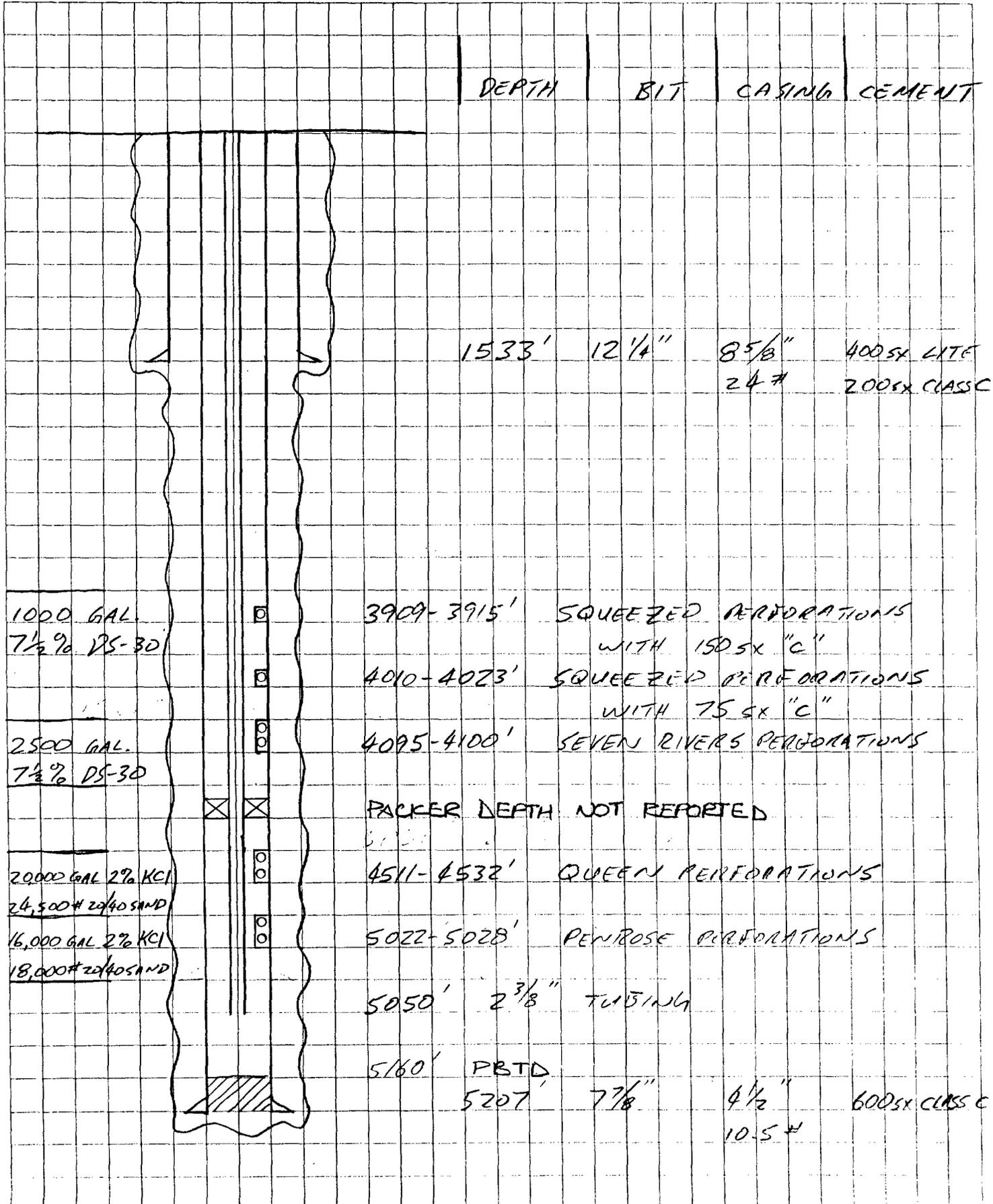
APPN \_\_\_\_\_

DATE \_\_\_\_\_

BY \_\_\_\_\_

SUBJECT STIVASON FEDERAL #1

COMPLETION DATE: 6/22/84



**MALLON OIL COMPANY**

MALLON 34 FEDERAL NO. 1  
660' FNL & 990' FWL  
Sec. 34, T19S-R34E  
Lea County, NM

III. INJECTION WELL DATA

Surface Casing: Hole size: 14-3/4", casing: 9-5/8" @ 1501'  
cemented with 950 sx circ to surface

Intermediate Casing: Hole size: 7-7/8", casing: 5-1/2" @ 6306'  
cemented with 1410 sx TOC @ 210' by  
temperature log

Total Depth: 6306'

Tubing: 2-7/8 tubing with Guiberson Uni VI packer at  
5850'

Name of Injection Formation: San Andreas

Field: Lea, Northeast

Injection Interval: Cased hole, 5947-6306' gross interval

Original Well Purpose: The well was drilled by Mallon Oil Company in  
1994 and completed as a Grayburg Producer

Perforated Intervals: 3956-3962'  
5094-5102'  
5132-5138'  
5986-6010'  
6094-6112'

Perforations above the San Andres will be cement  
squeezed and pressure tested before  
commencing water injection operations.

Depth and name of overlying and/or  
underlying oil and gas zones in this area: Delaware 5702'

Delaware also expected below San Andres in this  
area but well not drilled through the San Andres.

VI. TABULATION OF DATA ON ALL WELLS IN REVIEW AREA

No wells produce from the proposed disposal zone within the one-half mile radius. The West Pearl Federal #1 well in the NWSW Sec. 27 T19S R34E has a reported San Andres top of 5062'. It is suspected that this is still the Grayburg zone. However, well information and a wellbore diagram are included.

Formation top information is not currently known for the Stivason Federal #1 well in the NENE Sec 33 T19S R34E. The well was drilled to a depth of 5207'. This is not believed to be deep enough to penetrate the San Andres, however, well information and a wellbore diagram are included.

The Mallon '34' Federal No. 9 well in the SWNE Sec 34 T19S R34E is currently being completed. the well was drilled through the San Andres and well details and wellbore diagram are included. The San Andres section was cemented and the cement top for the production casing string is at 1430'. At this time, Mallon Oil Company has no plans to test the San Andres.

Well: Devon Energy Corporation  
West Pearl Federal #1

Location: 1980' FSL & 660' FWL  
-L- Sec. 27, T19S-R34E  
Lea County, New Mexico

Type Well: Oil Producer

Construction: 8-5/8" @ 1310' w/700 sx - Circ  
5-1/2" @ 5300 w/1075 sx - Circ

Date Drilled: 10/25/90

Record of Completion: Perfs - 3884-3892', 3896-3899'  
IPF - 41 BO  
Comp. - 4/8/91  
Add'l perfs: - 3968-3989', 4515-4541',  
4548-4552', 4670-4673', 4784-4805',  
4842-4859', 4939-4945'

Well: Strata Production Company  
Stivason Federal #1

Location: 330 FNL & 330 FEL  
-A-, Sec. 33, T19S-R34E  
Lea County, New Mexico

Type Well: Oil Producer

VI. TABULATION OF DATA ON ALL WELLS IN REVIEW AREA (Continued)

Construction: 8-5/8" @ 1533' w/600 sx - Circ  
4-1/2" @ 5207' w/600 sx

Date Drilled: 6/22/84

Record of Completion: Perfs. - 3909-3915', 4010-4023', 4095-4100'  
4511-4532', 5022-5028'  
IPF - 50 BO  
Comp. - 6/22/84

Well: Mallon Oil Company  
Mallon '34' Federal No. 9

Location: 1980 FNL & 1980 FEL  
-G-, Sec. 34, T19S-R34E  
Lea County, New Mexico

Type Well: Drilled as a producer

Construction: Hole size: 14-3/4"; Casing: 9-5/8" set @ 1502';  
Cement: 875 sx, circulated to surface  
Hole size: 8-3/4"; Casing: 5-1/2" set at 10395';  
Cement: 3190 sx, cement top at 1430' by  
temperature log

Date Drilled: 4/11/95 Spud

Record of Completion: Completion not finished

VII. PROPOSED OPERATION:

Storage tanks will be located on the well site along with a powered salt water disposal pump. A salt water gathering system will transport from our tank battery, located at our Mallon '34' Federal No. 2 well, 660 FNL 660 FEL Sec 34 T19S R34E. At the present time, seven wells produce 600 to 700 barrels water per day. If the wells' disposal capacity is such to handle additional water, other operator's wells in the area may be trucked in to the storage tanks.

The average injection rate is estimated at 600 BWPD and will be subject to pressure limitation.

The proposed maximum injection rate is 600 BWPD, and will be subject to pressure limitation

The system will be open.

The proposed average injection pressure is 1189 psi or as determined by step rate test and approved by state.

The proposed maximum injection pressure is 1189 psi or as determined by step rate test and approved by state.

The sources of injected water will be from the Delaware and Morrow.

**VIII. GEOLOGIC DATA**

<b><u>Geological Name:</u></b>	San Andres
<b><u>Lithological Detail:</u></b>	Primarily dolomite with thin interbeds of limestone, sandstone and shale.
<b><u>Formation Top:</u></b>	5947'
<b><u>Thickness:</u></b>	Thickness of the San Andres is at least 359' in this well.
<b><u>Depth:</u></b>	Well reached total depth while in San Andres limestone at 6306'.
<b><u>Geological Data of Drinking Water Zone:</u></b>	The underground source of drinking water overlying the zone of disposal is the Ogalla, which occurs 65 to 150 feet in this area and is approximately 100-200' thick.

**IX. PROPOSED STIMULATION PROGRAM**

A hydraulic fracture treatment is anticipated for San Andres zones not yet completed. Details have not been finalized at this time.

**X. LOG AND TEST DATA:**

Were previously filed by operator, Mallon Oil Company

**XI. ANALYSIS OF FRESH WATER WELL:**

No known fresh water wells within 1 mile of this proposed injection well.

XII. After examining all available geological and engineering data, we find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. A copy of our application has been furnished by certified mail to the surface owner and to each leasehold operator within one-half mile of our proposed injection well. See listing on Exhibit -C-.

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# MALLON OIL COMPANY

ENGINEERING CHART

FILE \_\_\_\_\_

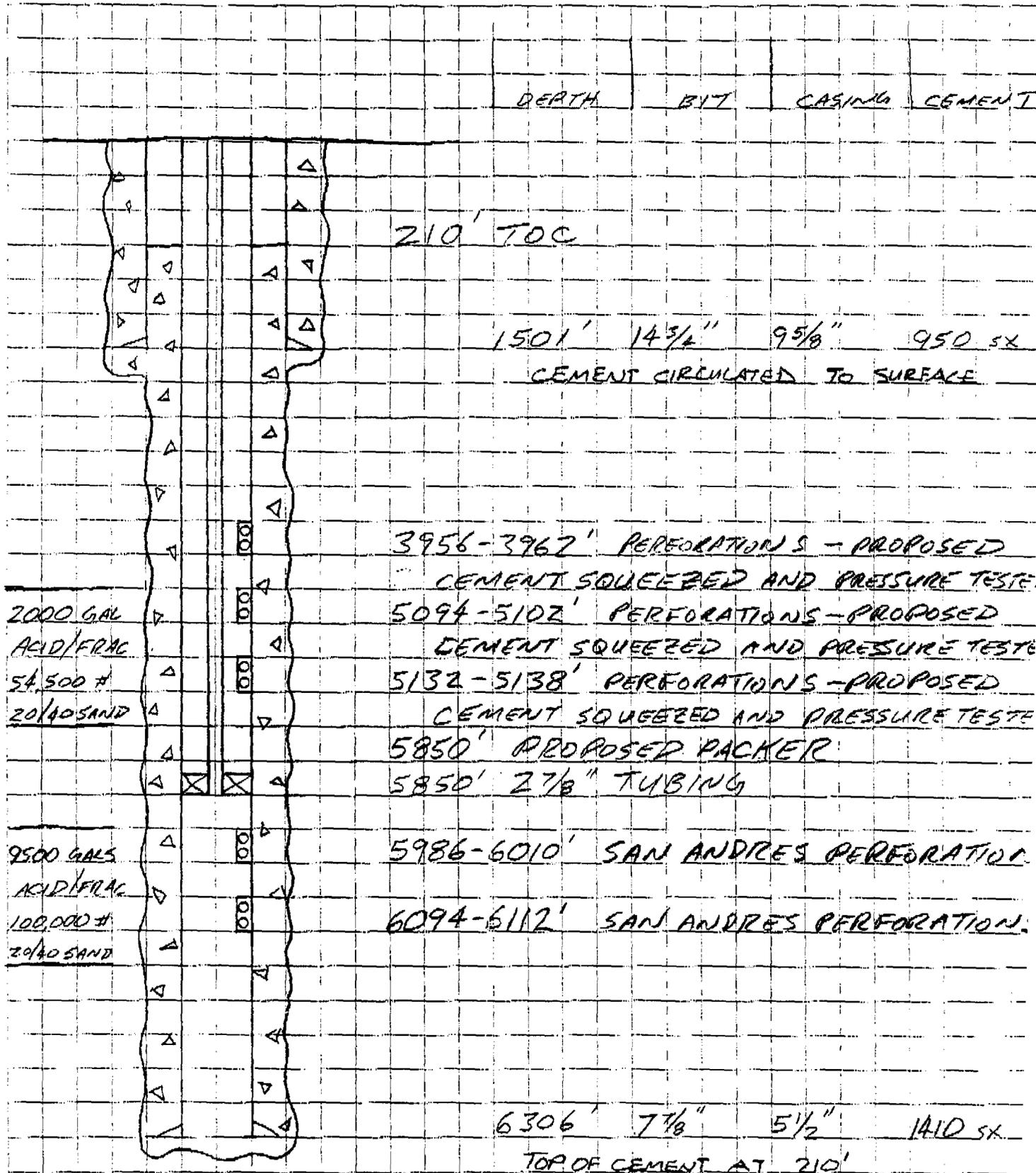
APPN \_\_\_\_\_

DATE \_\_\_\_\_

BY \_\_\_\_\_

SUBJECT MALLON 34 FEDERAL NO. 1

PROPOSED COMPLETION FOR INJECTION



# MALLON OIL COMPANY

ENGINEERING CHART

SHEET NO.

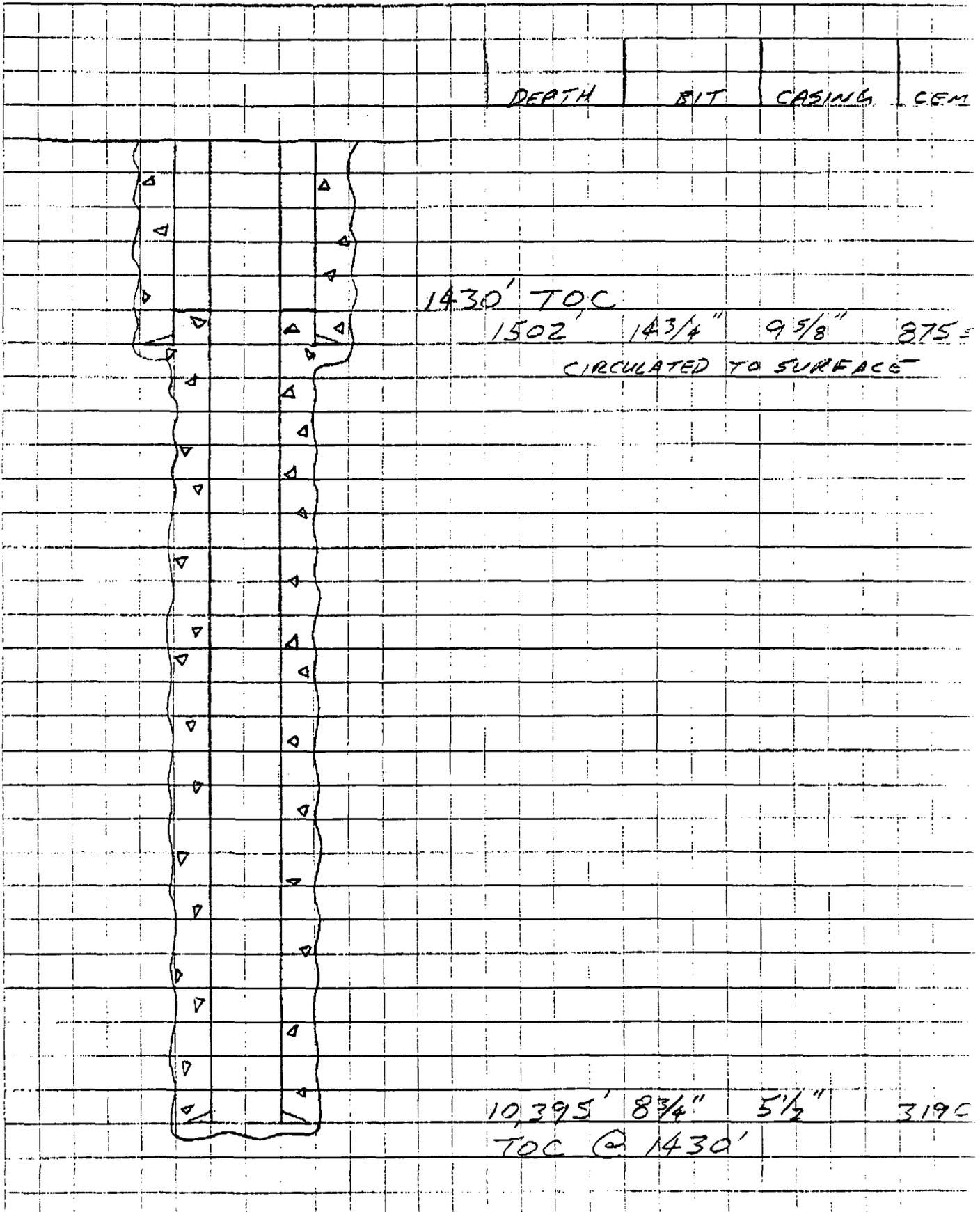
FILE

APPN

DATE

BY

SUBJECT MALLON 34 FEDERAL NO. 9  
COMPLETION NOT FINISHED





# THE WESTERN COMPANY OF NORTH AMERICA WATER ANALYSIS

HOBBS, NEW MEXICO LAB ANALYSIS #: HB010491

## GENERAL INFORMATION

OPERATOR: MALLON OIL CO	DEPTH: 0
WELL: MALLON 34 FED 2 AND 3	DATE SAMPLED: 3/20/95
FIELD:	DATE RECEIVED: 3/20/95
FORMATION:	SUBMITTED BY:
COUNTY:	WORKED BY: MIKE LEE
STATE:	PHONE #: 505-392-5556

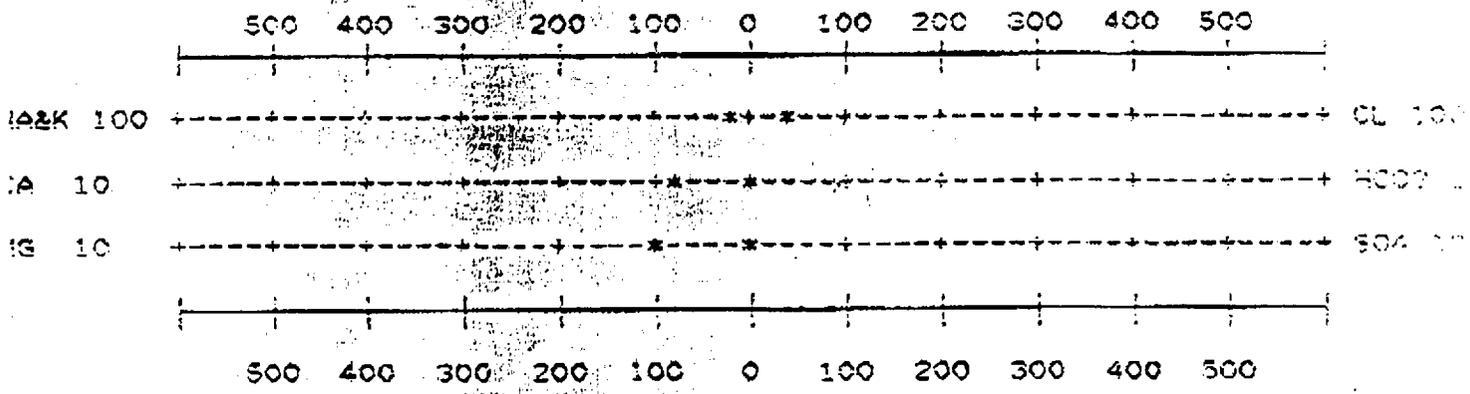
SAMPLE DESCRIPTION:  
*DECAWAKE*

## PHYSICAL AND CHEMICAL DETERMINATIONS

SPECIFIC GRAVITY: 1.125 @ 100°F	PH: 6.15
RESISTIVITY (CALC.): .065 OHMS @ 75 °F	
IRON (FE++): 10 PPM	SULFATE: 274 PPM
CALCIUM: 16678 PPM	TOTAL HARDNESS: 92627 PPM
MAGNESIUM: 12304 PPM	BICARBONATE: 216 PPM
CHLORIDE: 138365 PPM	SODIUM CHLORIDE (CALC): 227611 PPM
SODIUM+POTASS: 47325 PPM	TOT. DISSOLVED SOLIDS: 279007 PPM
KCL: NONE	H2S: NONE

REMARKS:

### STIFF TYPE PLOT (IN MEQ/L)



ANALYST: MIKE LEE

June 6, 1995

Addressee

Re: Salt Water Disposal Well  
Lea Northeast Field  
Sec. 34 T19S-R34E  
Lea, County, New Mexico

Dear Sirs:

Mallon Oil Company is making application to the New Mexico Oil Conservation Division for authority to convert the Mallon 34 Federal No. 1 to a water disposal well for water produced in the Lea, Northeast field. You are the operator of an oil or gas well within one-half mile of the proposed injector, located 660' FNL, 990' FWL, Section 34 T19S-R34E, NMPM, Lea County, New Mexico.

If you object to this Application, or feel that a public hearing is necessary, please contact the Oil Conservation Division, P.O. Box 2088, Santa Fe, NM 87504-2088. You may also contact Mallon Resources Corporation, 999 18th Street, Suite 1700, Denver, CO 80202, Tel: 303-293-2333.

Please return a signed copy of this letter to the undersigned if you have no objections to the above mentioned Application.

Sincerely,

Mallon Oil Company



Ray E. Jones  
Vice President, Engineering

enclosure

We have no objections:

---

**LEASEHOLD OPERATORS**

<b><u>FEDERAL LEASE</u></b>	<b><u>SECTION</u></b>	<b><u>OPERATOR</u></b>	<b><u>ADDRESS</u></b>
NM-04452	27: NW¼SW¼	Devon Energy Corp (NV)	20 North Broadway Suite 1500 Oklahoma City, OK 73102 (405) 235-3611 Attn: J.M. Lacey
NM-04452	27: SW¼SW¼	Strata Production Company	P.O. Box 1030 Roswell, NM 88202 (505) 622-1127 Attn: Bruce Stubbs
NM-04452	27: SE¼SW¼ Staked Location	Mallon Oil Company	999 18th Street Suite 1700 Denver, CO 80202 (303) 293-2333 Attn: Ray E. Jones
NM-57285	28: N½SE¼	Manazano Oil Corp.	P.O. Box 2107 Roswell, NM 88202 (505) 623-1996 Attn: Donnie Brown
NM-57285	33: N½NE¼	Strata Production Company	P.O. Box 1030 Roswell, NM 88202 (505) 622-1127 Attn: Bruce Stubbs
NM-052	34: All	Mallon Oil Company	999 18th Street Suite 1700 Denver, CO 80202 (303) 293-2333 Attn: Ray E. Jones
NM-94283 R-O-W	34: All	Mallon Oil Company	999 18th Street Suite 1700 Denver, CO 80202 (303) 293-2333 Attn: Ray E. Jones

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

July 18, 1996

**HAND DELIVERED**

Mr. Ben Stone  
Underground Injection Control  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87504

**Re: REQUEST TO ADD SUPPLEMENTAL PERFORATIONS**  
*Amended Administrative Order SWD-598*  
*Administrative Application for*  
*Salt Water Disposal Approval*  
*Mallon Oil Company's*  
*Mallon's "34" Federal Well No. 1*  
*Unit D, Sec 34, T19S, R34E, NMPM*  
*Lea County, New Mexico*

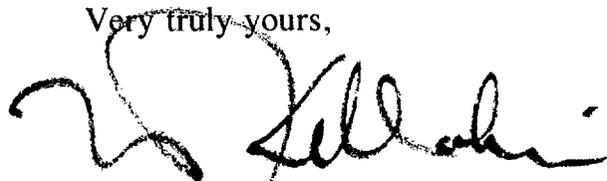
Dear Mr. Stone:

On May 15, 1996 and on behalf of Mallon Oil Company, I filed an application to add supplemental perforations for the referenced salt water disposal well.

In accordance with our telephone conversation yesterday, please find enclosed the following: (1) affidavit of newspaper publication of notice on May 17, 1996 providing fifteen days notice and (2) my certificate of notification attesting that copies of the application were sent by certified mail to the proper parties.

The fifteen day notice period has expired and I have not received any objection to approval of this case.

Very truly yours,



W. Thomas Kellahin

cc: *Mallon Oil Company*  
*Attn: Ray Jones*

14559

LEGAL PUBLICATION INVOICE

HOBBS DAILY NEWS - SUN

BOX 860

HOBBS, NEW MEXICO 88241-0860 505-393-2123

DATES PUBLISHED	LINES	TIMES	AMOUNT	TAX	TOTAL
May 17, 1996	3.99"	1	\$23.18	1.39	\$24.57

NAME:

Kellahin and Kellahin

ACCOUNT No. 442105

ADDRESS: El Patio Building  
117 N Guadalupe

CITY:

Santa Fe, NM 87504-2265

STATE:

ZIP:

DESCRIPTION

Notice of Application for Authorization to Inject Salt Water

Legal notices are charged as an accommodation and are payable upon receipt of this invoice.

*Kathleen Brennan*  
Publisher

Sworn and subscribed to before

me this 21 day of

May, 1996

*Sandra Cottrell*  
Notary Public.

My Commission expires  
August 29, 1999  
(Seal)

Seven Rivers Formations.  
Said well is located approxi-  
mately 1 mile north of a point  
on New Mexico Highway 180  
approximately 10 miles north-  
east of the intersection of  
New Mexico Highways 178  
and 180.

Interested parties with an  
objection or request for a  
hearing must file said objec-  
tion/request in writing within  
15 days of this notice with the  
Division, 2040 South  
Pacheco, Santa Fe, New  
Mexico, 87505.  
#14559

This newspaper is duly qualified  
to publish legal notices or adver-  
tisements within the meaning of  
Section 3, Chapter 167, Laws of  
1937, and payment of fees for  
said publication has been made.



AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

I, Kathi Bearden

Publisher

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of \_\_\_\_\_

1 weeks.

Beginning with the issue dated

May 17, 1996

and ending with the issue dated

May 17, 1996

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 21 day of

May, 1996

Sandra Crittitt

Notary Public.

My Commission expires

August 29, 1999

(Seal)

LEGAL NOTICE

May 17, 1996

NEWSPAPER NOTICE  
NOTICE OF APPLICATION  
FOR AUTHORIZATION TO  
INJECT SALT WATER

Mallon Oil Company, 999 18th St., Denver, CO 80202, has made application to the New Mexico Oil Conservation Division for authority to add additional perforations from 3956 feet to 4162 feet in its previously approved Salt Water Disposal Well, the Mallon "34" Federal Well No. 1 located 860 feet from the North line and 990 feet from the West line (Unit D) of Section 34, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico for the injection of produced salt water into the San Andres and Seven Rivers Formations. Said well is located approximately 1 mile north of a point on New Mexico Highway 180 approximately 10 miles northeast of the intersection of New Mexico Highways 176 and 180.

Interested parties with an objection or request for a hearing must file said objection/request in writing within 15 days of this notice with the Division, 2040 South Pacheco, Santa Fe, New Mexico, 87505.  
#14559

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

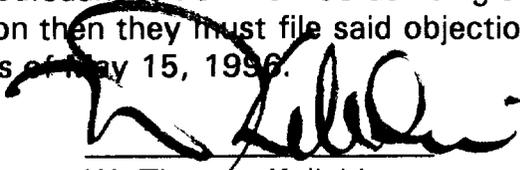
**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

In the matter of the hearing called  
by the Oil Conservation Division  
for the purpose of considering:

Amended Administrative Application of  
Mallon Oil Company for  
Salt Water Disposal Approval  
MALLON "34" Federal Well No. 1  
Lea County, New Mexico.

**CERTIFICATE OF MAILING AND COMPLIANCE WITH ORDER R-8054**

W. Thomas Kellahin, attorney in fact and authorized representative of Mallon Oil Company, states that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on the 15th day of May, 1996 I caused to be sent, by certified mail return receipt requested, notice of this application and a copy of the application for the referenced case along with the cover letter, to the parties shown in the application as evidenced by the attached copies of receipt cards, and that pursuant to Form C-108 advising said party that if they had an objection then they must file said objection with the Division within 15 days of May 15, 1996.

  
\_\_\_\_\_  
W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me on this 14th day of May 1996.

\_\_\_\_\_  
Notary Public

My Commission Expires: June 15th, 1998

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**  
 ■ Complete items 1 and/or 2 for additional services.  
 ■ Complete items 3, 4a, and 4b.  
 ■ Print your name and address on the reverse of this form so that we can return this card to you.  
 ■ Attach this form to the front of the mailpiece, or on the back if space does not permit.

Mallon/"34"  
 May 15, 1996

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Strata Production Company  
 PO Box 1030  
 Roswell, New Mexico 88201  
 Attn: Bruce Stubbs

4a. Article Number  
 334798536

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 5-17-96

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)  
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

P 334 798 536  
 US Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to  
 Strata Production Company  
 PO Box 1030  
 Roswell, New Mexico 88201  
 Attn: Bruce Stubbs

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	

April 1995

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**  
 ■ Complete items 1 and/or 2 for additional services.  
 ■ Complete items 3, 4a, and 4b.  
 ■ Print your name and address on the reverse of this form so that we can return this card to you.  
 ■ Attach this form to the front of the mailpiece, or on the back if space does not permit.

Mallon/"34"  
 May 15, 1996

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Manzano Oil Corporation  
 PO Box 2107  
 Roswell, New Mexico 88202  
 Attn: Donnie Brown

4a. Article Number  
 334 798 537

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 5/17/96

5. Received By: (Print Name)  
 J. ALSUP

6. Signature: (Addressee or Agent)  
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

P 334 798 537  
 US Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to  
 Manzano Oil Corporation  
 PO Box 2107  
 Roswell, New Mexico 88202  
 Attn: Donnie Brown

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	

April 1995

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**  
 ■ Complete items 1 and/or 2 for additional services.  
 ■ Complete items 3, 4a, and 4b.  
 ■ Print your name and address on the reverse of this form so that we can return this card to you.  
 ■ Attach this form to the front of the mailpiece, or on the back if space does not permit.

Mallon/"34"  
 May 15, 1996

I also wish to receive the following services (for an extra fee):  
 1.  Addressee's Address  
 2.  Restricted Delivery  
 Consult postmaster for fee.

3. Article Addressed to:  
 Bureau of Land Management  
 Roswell District Office  
 1717 West Second Street  
 Roswell, New Mexico 88202

4a. Article Number  
 334 798 538

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
 5/17/96

5. Received By: (Print Name)  
 Alicia Ruiz

6. Signature: (Addressee or Agent)  
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994 Domestic Return Receipt

Thank you for using Return Receipt Service.

P 334 798 538  
 US Postal Service  
**Receipt for Certified Mail**  
 No Insurance Coverage Provided.  
 Do not use for International Mail (See reverse)

Sent to  
 Bureau of Land Management  
 Roswell District Office  
 1717 West Second Street  
 Roswell, New Mexico 88202

Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$

3800, April 1995  
 PS  
 Mallon/"34"  
 May 15, 1996

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

■ Complete items 1 and/or 2 for additional services.  
■ Complete items 3, 4a, and 4b.  
■ Print your name and address on the reverse of this form so that we can return this  
c Mallon/"34"  
■ A  
■ P May 15, 1996  
■ W  
■ T  
d

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:  
Devon Energy Corporation  
20 North Broadway  
Ste. 1500  
Oklahoma City, OK 73102  
Attn: JM Lacey

4a. Article Number  
334 798 535

4b. Service Type  
 Registered  Certified  
 Express Mail  Insured  
 Return Receipt for Merchandise  COD

7. Date of Delivery  
5/20/96

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)  
X *James M. Lacey*

PS Form 3811, December 1994

Domestic Return Receipt

P 334 798 535

US Postal Service

**Receipt for Certified Mail**

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to

Devon Energy Corporation  
20 North Broadway  
Ste. 1500  
Oklahoma City, OK 73102  
Attn: JM Lacey

Certified fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$

April 1995

3800

Postmark or Date

Mallon/"34"

May 15, 1996

P

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

August 1, 1995

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

TELEPHONE (505) 982-4285  
TELEFAX (505) 982-2047

**HAND DELIVERED**

Mr. David R. Catanach  
Underground Injection Control  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Re: **REQUEST TO ADD SUPPLEMENTAL PERFORATIONS**  
Administrative Order SWD-598  
Mallon Oil Company's  
Mallon's "34" Federal Well No. 1  
Unit D, Sec 34, T19S, R34E, NMPM  
Lea County, New Mexico

Dear Mr. Catanach:

On June 7, 1995, on behalf of Mallon Oil Company, I submitted Division Form C-108 requesting authority to convert the referenced well to a salt water disposal well through existing and future perforations within a gross interval from approximately 5947 feet to 6306 feet all of which would be within the San Andres formation.

On July 6, 1995, the Division approved this application **but** limited injection to the existing perforations from 5986 feet to 6112 feet.

Today, Mallon Oil Company is "on location" in the process of recompleting this well for disposal and originally intended and still desires to add the following two additional sets of perforations, both of which are within the gross interval originally requested:

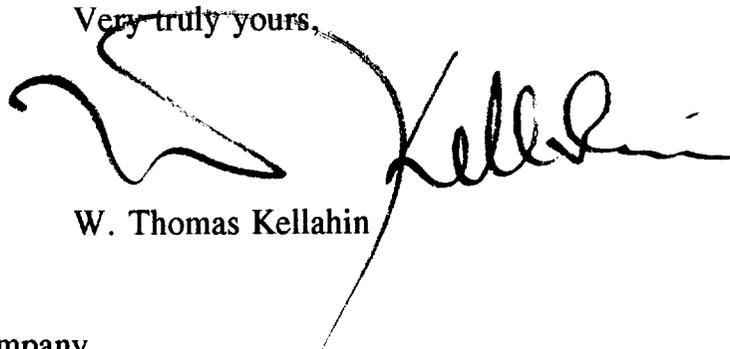
- (a) add perforations from 6180 feet to 6186 feet; and
- (b) add perforations from 6218 feet to 6260 feet.

Mr. David R. Catanach  
August 1, 1995  
Page 2.

Because these additional perforations are within the gross interval originally requested and within the same San Andres reservoir, I believe that you have the authority to approve these two sets of additional perforations by simply supplementing SWD Order-598 without filing a new C-108 or requiring new notices.

Please call me if you need anything else in order to process this request.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin'. The signature is written in a cursive style with a large, sweeping initial 'W' and a long, trailing flourish.

W. Thomas Kellahin

cc: Mallon Oil Company  
Attn: Ray Jones

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

June 27, 1995

**HAND DELIVERED**

Mr. David R. Catanach  
Underground Injection Control  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

*Re: Administrative Application for  
Salt Water Disposal Approval  
Mallon Oil Company's  
Mallon's "34" Federal Well No. 1  
Unit D, Sec 34, T19S, R34E, NMPM  
Lea County, New Mexico*

Dear Mr. Catanach:

On June 7, 1995 and on behalf of Mallon Oil Company, I filed an application for approval of the referenced salt water disposal well.

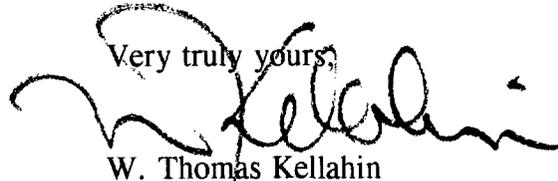
Please find enclosed the following:

(1) original of newspaper notice published June 11, 1995 providing fifteen notice and (2) my Certificate of Notice to the surface owner and the offset operators including return-receipt cards.

As of today, the fifteen day notice period has expired and I have not received any objection to approval of this case.

This matter is also docketed on the June 29th Examiner's docket as case 11315. I propose to dismiss the Examiner case if the administrative application can be approved. Please let me know.

Very truly yours,



W. Thomas Kellahin

cc: *OCD-Hobbs (w/ encl.)*

cc: *Mallon Oil Company*

*Attn: Ray Jones*

AFFIDAVIT OF PUBLICATION

State of New Mexico,  
County of Lea.

I. Kathi Bearden

General Manager

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

June 11 1995

and ending with the issue dated

June 11 1995

Kathi Bearden  
General Manager

Signed and subscribed to before

me this 14<sup>th</sup> day of

June 1995

Maurice J. Ruffino  
Notary Public.

My Commission expires  
March 24, 1998  
(Seal)

**LEGAL NOTICE**

June 11, 1995

**NOTICE OF APPLICATION  
FOR AUTHORIZATION TO  
INJECT SALT WATER**

Mallon Oil Company, 999 18th St., Denver CO 80202, has made application to the New Mexico Oil Conservation Division for authority to convert its existing Mallon 34 Federal Well No. 1 located 680 feet from the North line and 990 feet from the West line (Unit D) of Section 34, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico into a disposal well for the injection of produced salt water into the San Andres formation through perforations from approximately 5947 feet to 6306 feet. Said well is located approximately 1 mile north of a point on New Mexico Highway 180 approximately 10 miles northeast of the intersection of New Mexico Highways 176 and 180.

Interested parties with an objection or request for a hearing must file said objection/request in writing within 15 days of this notice with the Division, 2040 South Pacheco, Santa Fe, New Mexico 87505.

This Newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.