

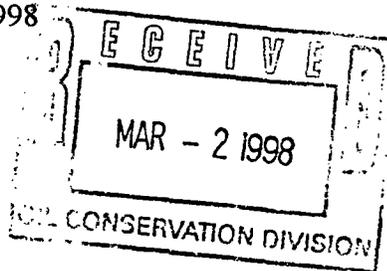
Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

NSP 3/23/98

a Mallon Resources subsidiary

February 27, 1998



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

Dear Mr. Stagner:

Enclosed, you will find, the East Blanco Field map for Mallon Oil Company, eleven (11) C-102 survey plats with attached topographic maps for the respective wells.

Mallon Oil Company is requesting an exemption to rule 104 due to topographic conditions for the following wells:

- | | |
|---------------------------|---------------------------|
| 1. Jicarilla 457-4 No. 2 | 5. Jicarilla 459-20 No. 8 |
| 2. Jicarilla 457-10 No. 8 | 6. Jicarilla 459-20 No. 7 |
| 3. Jicarilla 458-8 No. 7 | 7. Jicarilla 460-16 No. 1 |
| 4. Jicarilla 459-17 No. 9 | 8. Jicarilla 464-29 No. 9 |

Note: Jicarilla 460-16 No. 1 has two plats attached showing the well was moved 100 feet west to avoid an archaeological site.

In addition to topographical conditions, due to irregular sections in Sec. 19-30N-3W and Sec. 30-30N-3W we are requesting non standard pro-ration units, for the following wells:

1. Jicarilla 459-19 No. 9
2. Jicarilla 464-30 No. 9
3. Jicarilla 464-30 No. 10

The only offset operator to the west is Robert L. Bayless and we have notified them of our request.

If any additional information is needed please contact me at (505) 885-4596

Mallon Oil Company
Sincerely,

A handwritten signature in black ink, appearing to read "Terry Lindeman".

Terry Lindeman
Exploration/Production Superintendent

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., Artec, N.M. 87410

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code	*Pool Name Pictured Cliff 4500' T.D.	
*Property Code	*Property Name JICARILLA 464-30		*Well Number 10	
*GRID No.	*Operator Name MALLON OIL CO.		*Elevation 7230'	

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
	30	30-N	3-W		1700	NORTH	800	WEST	RIO ARRIBA

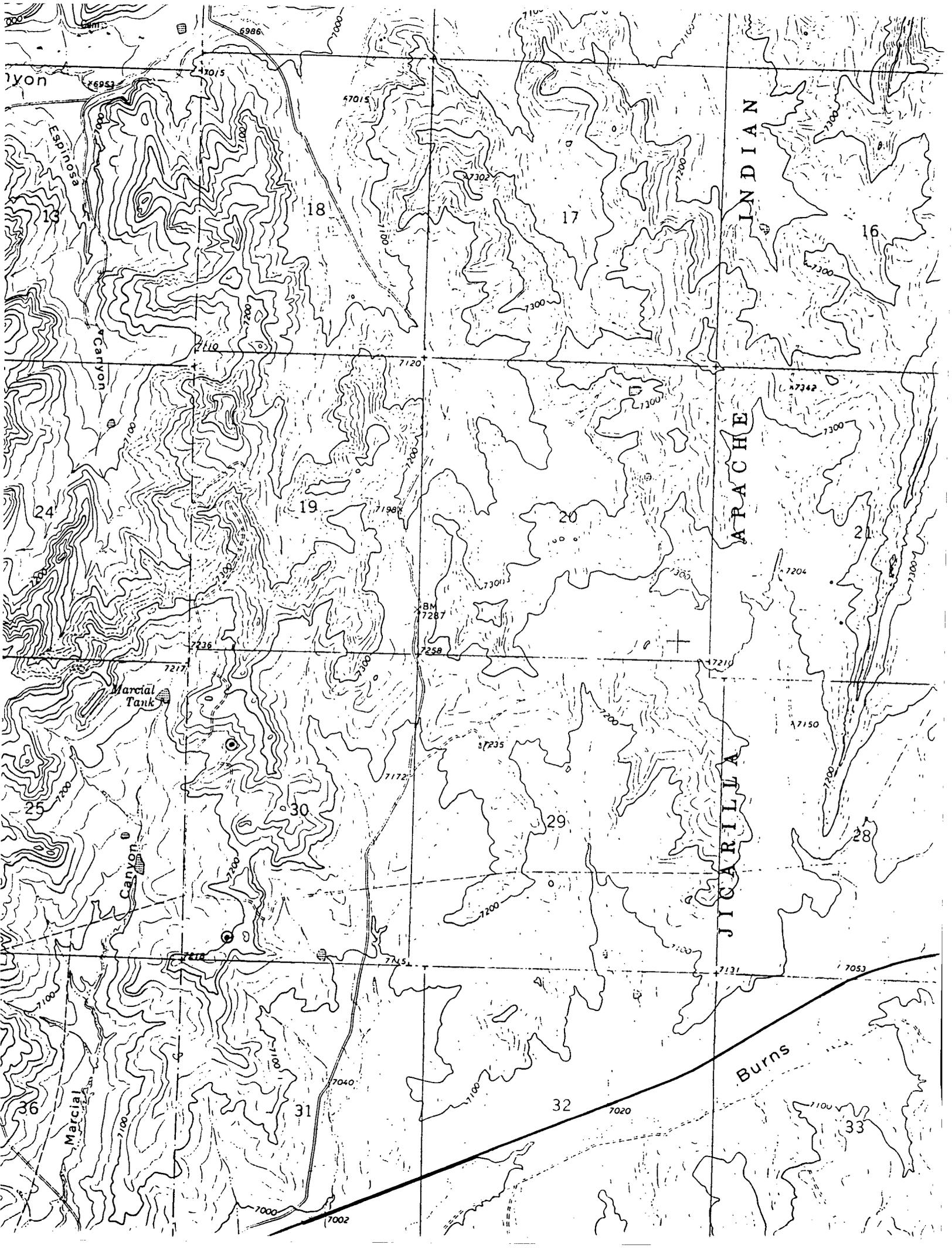
¹¹ Bottom Hole Location If Different From Surface

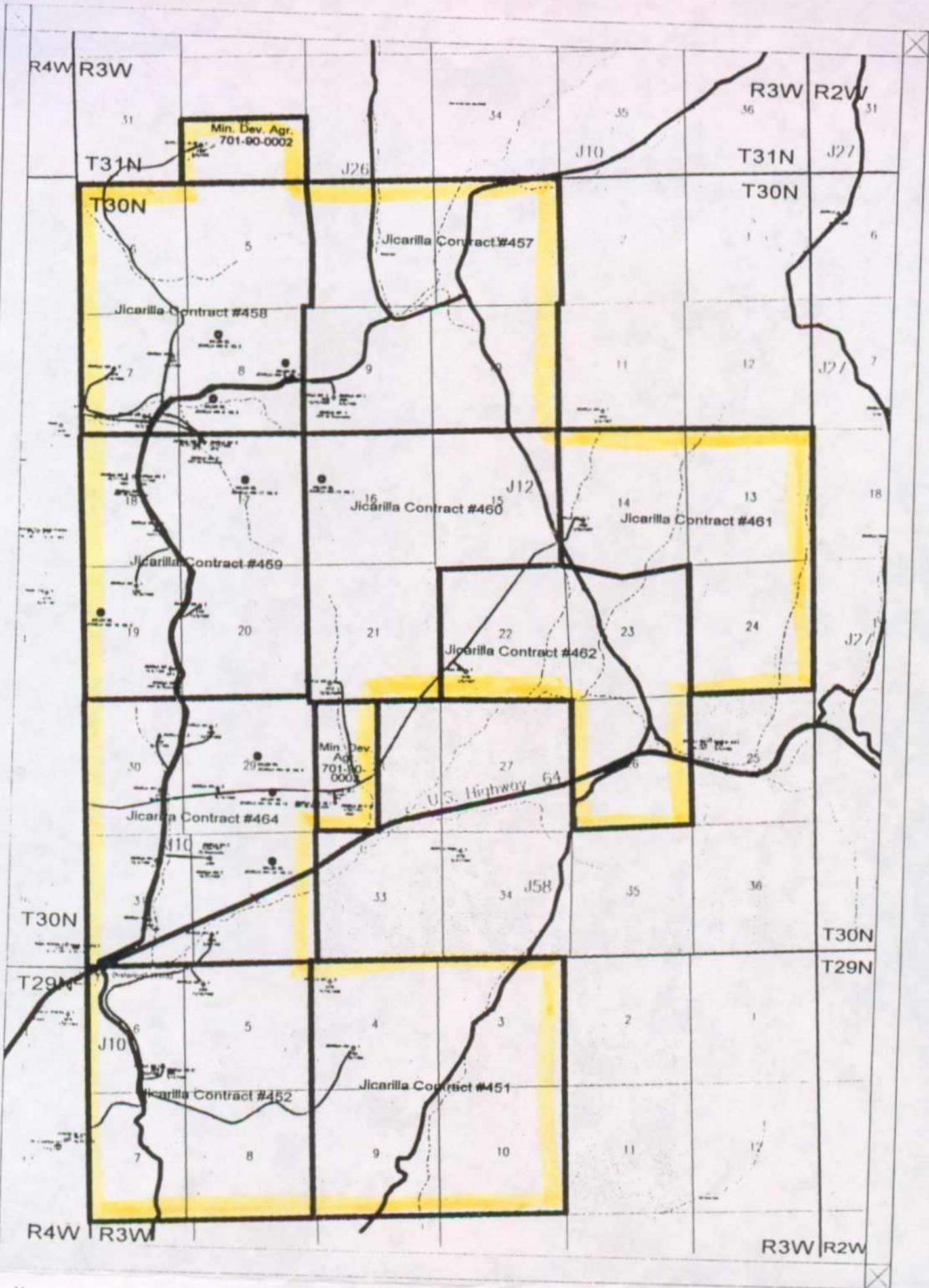
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	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

U.S.G.K.O. B.C. 1917 18 ① 43.22 1700' 800' (MEASURED) ② 48.24 5633.59' N 0°06'57" W ③ 43.23 ④ 52.17 U.S.G.L.O. B.C. 1917	WEST	4067' (RECORD)	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief _____ Signature _____ Printed Name _____ Title _____ Date	
	NW/4 NE/4	NE/4 NE/4	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 12-18 ROY A. RUSH NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894 _____ Signature and Seal of Professional Surveyor 8894 Certificate Number	
	SW/4 NE/4	SE/4 NE/4		
	NW/4 SE/4	NE/4 SE/4		
⑤ 48.60	⑥ 48.75			





R4W R3W

R3W R2W

T31N

T31N

T30N

T30N

T30N

T30N

T29N

T29N

R4W R3W

R3W R2W

Min. Dev. Agr.
701-90-0002

Jicarilla Contract #457

Jicarilla Contract #458

Jicarilla Contract #460

Jicarilla Contract #461

Jicarilla Contract #469

Jicarilla Contract #462

Jicarilla Contract #464

U.S. Highway 64

Min. Dev. Agr.
701-90-0002

Jicarilla Contract #452

Jicarilla Contract #451

J26

J10

J27

J12

J27

J27

J58

J10

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO Jicarilla 464
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache
2. NAME OF OPERATOR Mallon Oil Company 13925		7. UNIT AGREEMENT NAME N/A
3. ADDRESS AND TELEPHONE NO. P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596		8. FARM OR LEASE NAME, WELL NO. Jicarilla 464-30 No. 10 22864
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1700' FNL and 800' FWL (SW NW) Unit E		9. API WELL NO. 31-039-25788
At proposed prod. zone 1700' FNL and 800' FWL (SW NW) Unit E		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs 72560
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 F Sec. 30, T30N-R3W
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	800'	12. COUNTY OR PARISH Rio Arriba
16. NO. OF ACRES IN LEASE	2410	13. STATE NM
17. NO. OF ACRES ASSIGNED TO THIS WELL		
18. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	2100'	20. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH	4500'	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7230, 7124	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'	570 sks

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. 2

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: Jerry Lindeman TITLE: Production Superintendent DATE: 01/12/98

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Joe Incardine TITLE Lands and Mineral Resources DATE FEB 18 1998

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

HOLD C-104 FOR NSP @

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

OIL CONSERVATION DIVISION

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25788		*Pool Code 72400	*Pool Name E. PHARO Pictured Cliffs	*Well Number 4500' T.D.
*Property Code 22864	*Property Name JICARILLA 464-30			*Well Number 10
*OGRID No. 13925	*Operator Name MALLON OIL CO.			*Elevation 7230'

¹⁰ Surface Location

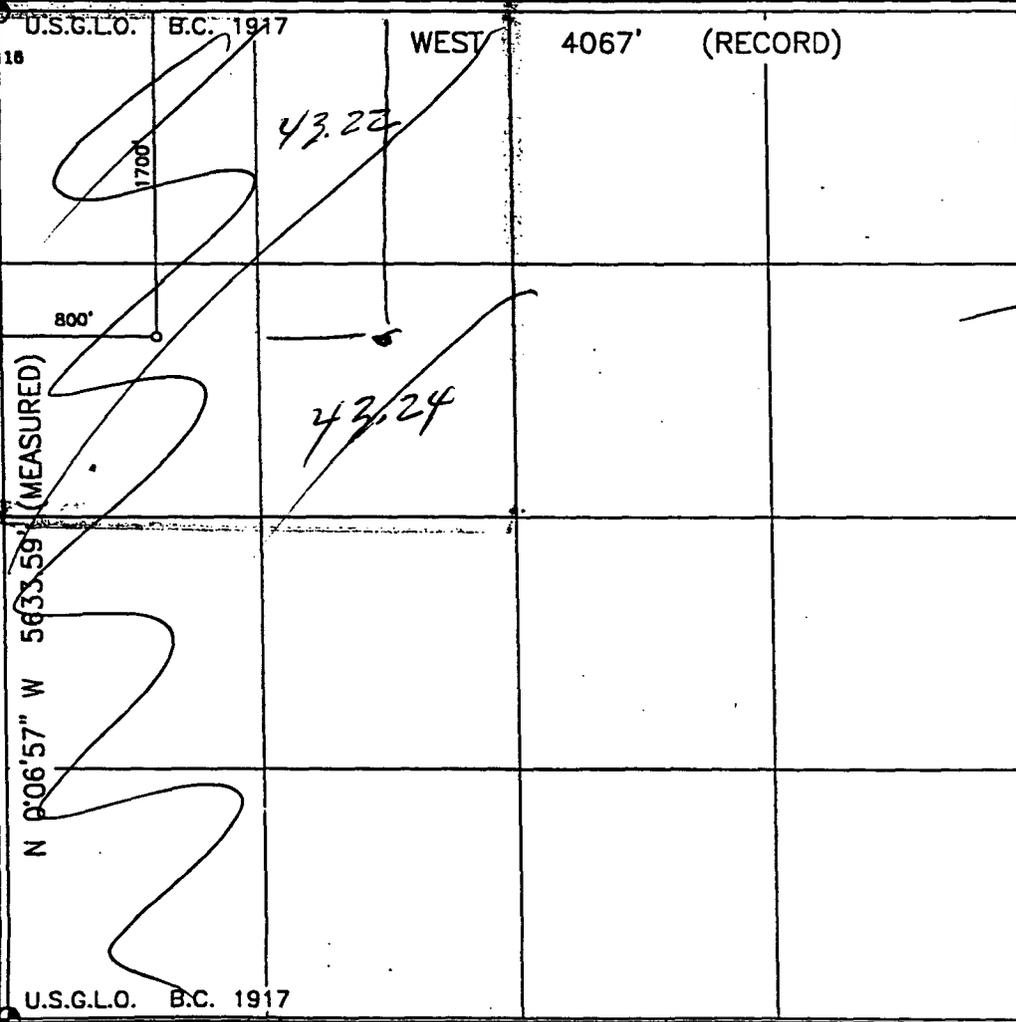
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	30	30-N	3-W		1700	NORTH	800	WEST	RIO ARRIBA

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 Acre 86.46	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

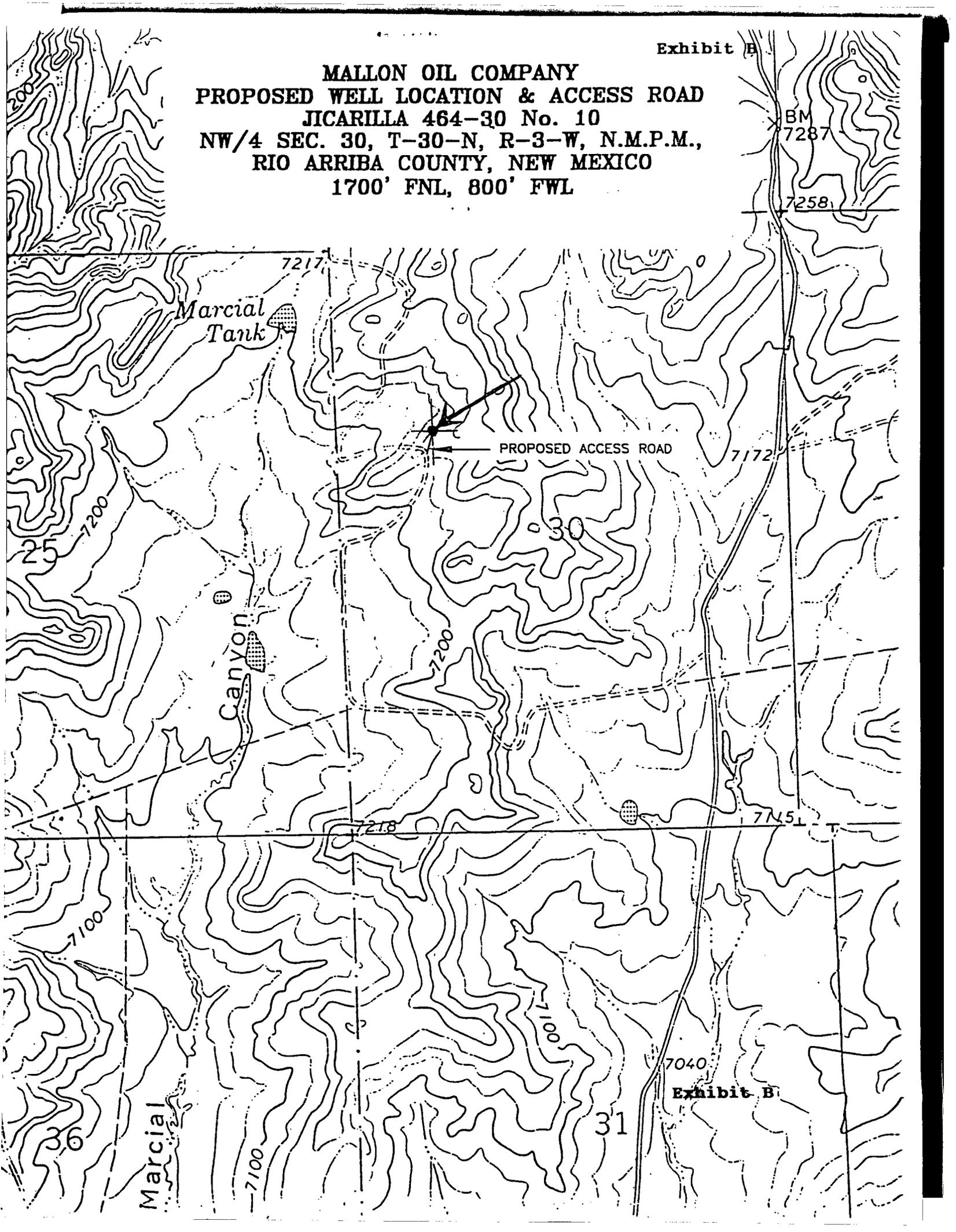
Terry Lindeman
 Signature
Terry Lindeman
 Printed Name
Production Superintendent
 Title
 1-15-93
 Date

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

12-18
 Date of Survey
PROY A. RUSH
 Signature and Seal of Professional Surveyor
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
8894
 8894
 Certificate Number

MALLON OIL COMPANY
PROPOSED WELL LOCATION & ACCESS ROAD
JICARILLA 464-30 No. 10
NW/4 SEC. 30, T-30-N, R-3-W, N.M.P.M.,
RIO ARRIBA COUNTY, NEW MEXICO
1700' FNL, 800' FWL



County RIO ARRIBA

Pool EAST BLANCO-PICTURED CLIFFS

TOWNSHIP 30 N South, RANGE 3 W East, NEW MEXICO PRINCIPAL MERIDIAN

	1	2	3	4	5	6
7	8	9	10	11	12	
13	14	15	16	17	18	
19	20	21	22	23	24	
25	26	27	28	29	30	
31	32	33	34	35	36	

EXT: ALL SECS 7-32 (R-8713, 8/12/88) EXT: W/2 Sec. 5 (R-10178, 8-30-94)

