

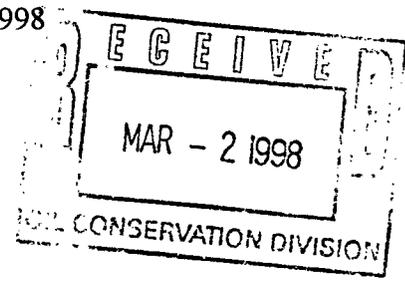
# Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

NSPPL (1)

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,

Terry Lindeman  
Exploration/Production Superintendent

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name	
<sup>4</sup> Property Code		<sup>5</sup> Property Name JICARILLA 459-19		<sup>6</sup> Well Number 9	
<sup>7</sup> OGRID No.		<sup>8</sup> Operator Name MALLON OIL CO.		<sup>9</sup> Elevation 7264.5	

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	19	30-N	3-W		1850	NORTH	750	WEST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.

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

18 ① 43.54 1850'	4075.5'	GLO
	② 43.43 750'	
③ 43.33		
④ 43.27	4066.9'	GLO

86.97

<sup>17</sup> OPERATOR CERTIFICATION

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

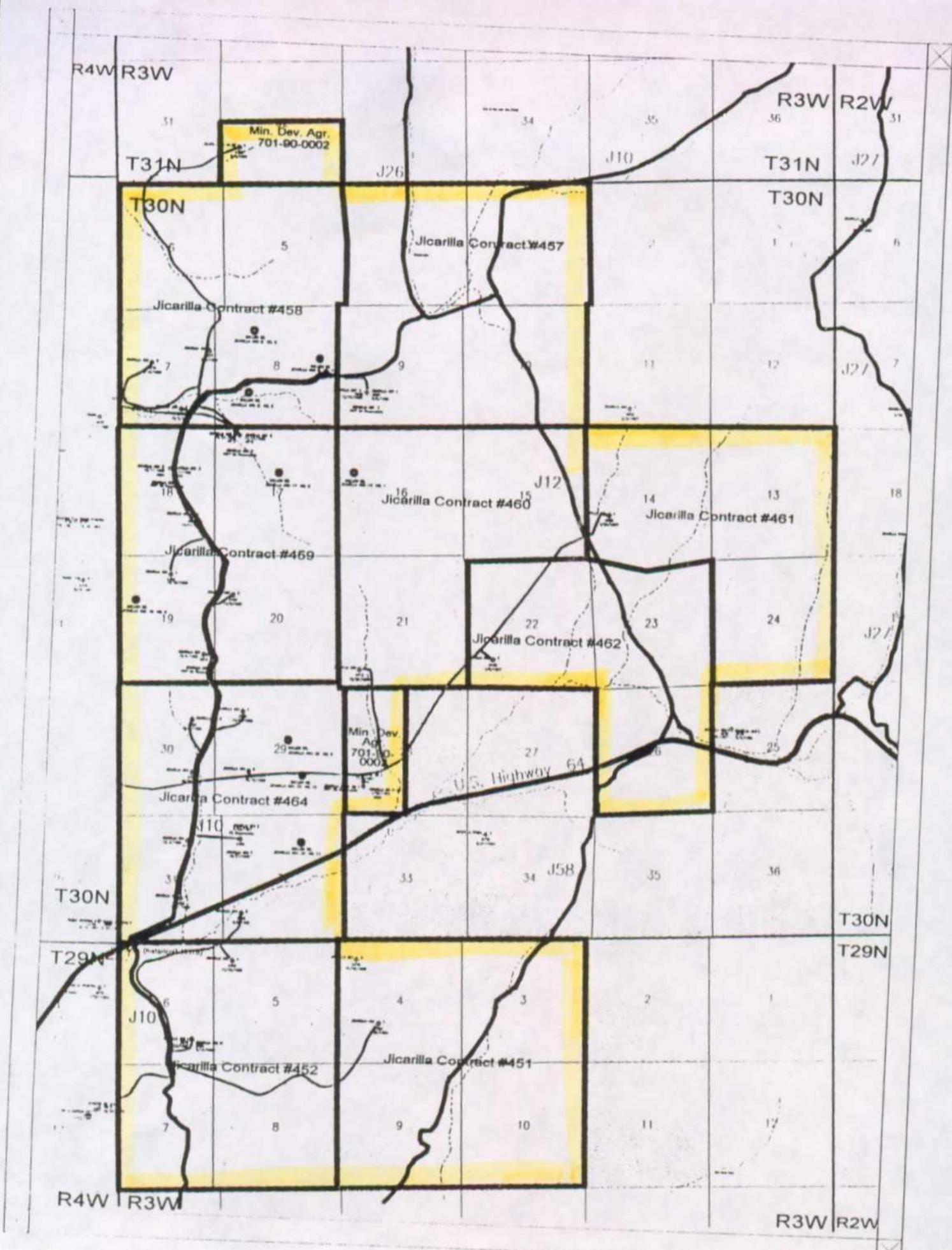
  
 Signature  
 Terry Lindeman  
 Printed Name  
 Production Superintendent  
 Title  
 10/9/97  
 Date

<sup>18</sup> SURVEYOR CERTIFICATION

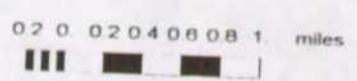
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

9-10-97  
 Date of Survey  
 Signature and Seal  
  
 Certificate Number





Scale 1:63360.



MALLON OIL COMPANY  
 East Blanco Field - San Juan Basin  
 Townships 29-30 North  
 Rio Arriba County, New Mexico

19221881

County RIO ARRIBA

Pool EAST BLANCO-PICTURED CLIFFS

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

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	37	38	39	40

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

---

---

---

---

---

---

---

---

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

57 OCT 1997

APPLICATION FOR PERMIT TO DRILL OR DEEPEN				5. LEASE DESIGNATION AND SERIAL NO JIC459	
1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>				6. INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache	
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"/>				7. UNIT AGREEMENT NAME N/A	
2. NAME OF OPERATOR Mallon Oil Company 13925				8. FARM OR LEASE NAME, WELL NO. Jicarilla 459-19 No. 9 22210	
3. ADDRESS AND TELEPHONE NO. P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596				9. API WELL NO. 30-039-25764	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1850' FNL and 750' FWL (SW NW) Unit E/F At proposed prod. zone 1850' FNL and 750' FWL (SW NW) Unit E/F				10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 19, T30N-R03W	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 50 miles east of Bloomfield, New Mexico				12. COUNTY OR PARISH Rio Arriba	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 750'				16. NO. OF ACRES IN LEASE 2249.19'	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1830' 1265'				17. NO. OF ACRES ASSIGNED TO THIS WELL 168 86.97	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 1264.5'				20. ROTARY OR CABLE TOOLS Rotary	
22. APPROX. DATE WORK WILL START October 20, 1997				13. STATE NM	
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, Surface	

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 Preventer 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 Kindeman TITLE: Production Superintendent DATE: 10/14/97

(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: \_\_\_\_\_ DATE: DEC 8 1997

\*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.

RECEIVED  
DEC 12 1997

OIL CON. DIV.  
DIST. 2

HOLD C-104 FOR NSL & NSP @

DISTRICT II  
P.O. Drawer 88, Artesia, N.M. 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Artesia, 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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25764		*Pool Code 72400	*Pool Name E BLANCO; PC
*Property Code 22210	*Property Name JICARILLA 459-19		*Well Number 9
*OCHID No. 13925	*Operator Name MALLON OIL CO.		*Elevation 7264.5 7265

<sup>10</sup> Surface Location

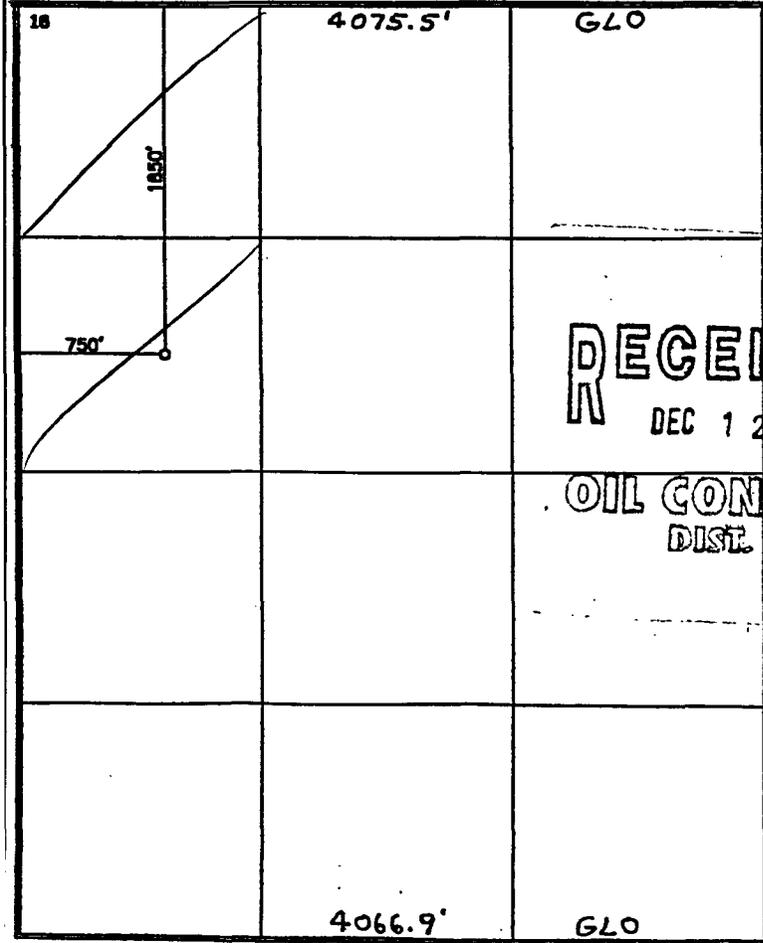
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	19	30-N	3-W		1850	NORTH	750	WEST	RIO ARRIBA

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 86.97	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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



RECEIVED  
DEC 12 1997

OIL CON. DIV.  
DIST. 3

<sup>17</sup> OPERATOR CERTIFICATION

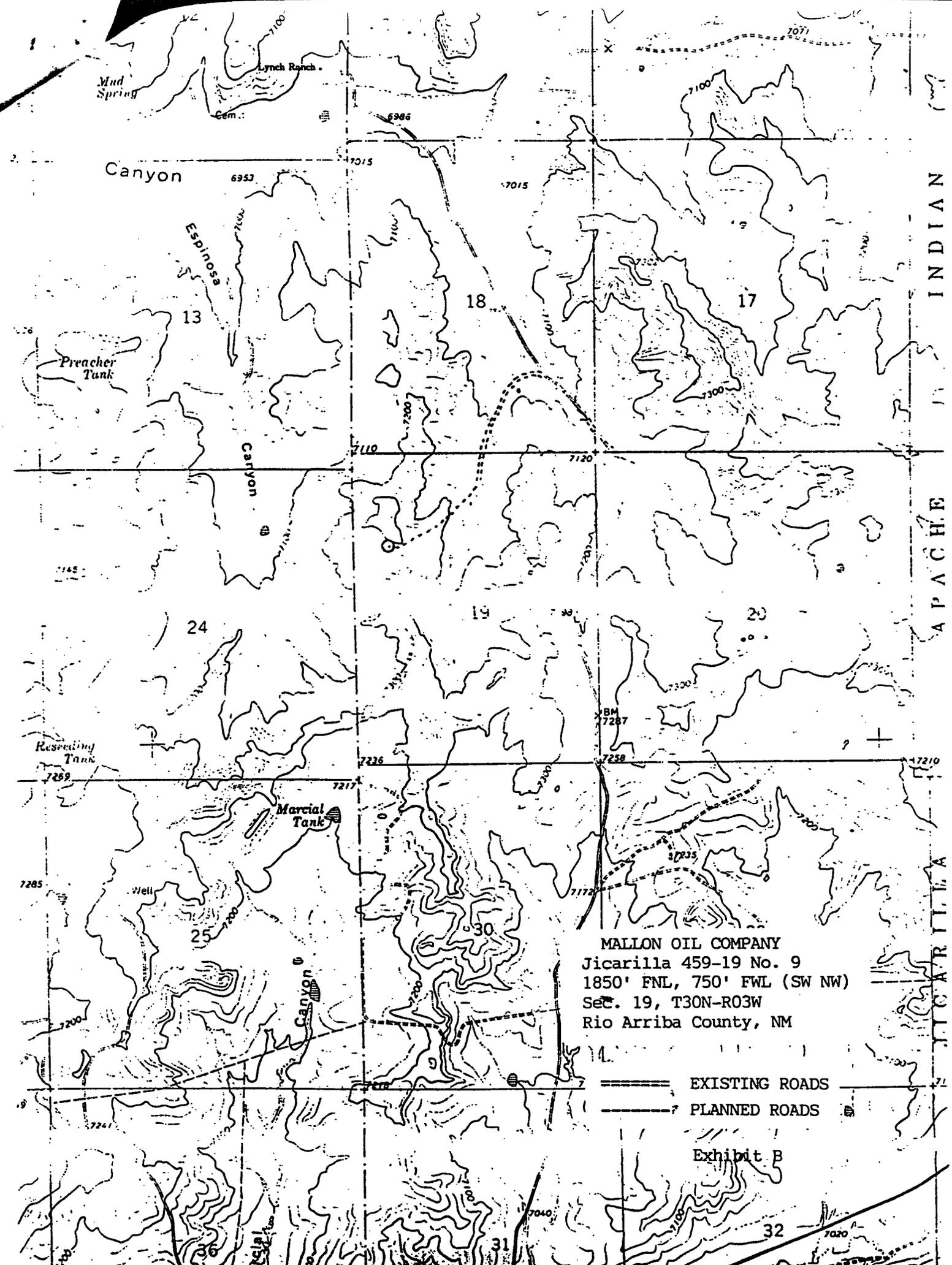
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Terry Lindeman*  
Signature  
Terry Lindeman  
Printed Name  
Production Superintendent  
Title  
10/9/97  
Date

<sup>18</sup> 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.

9-10-97  
Date of Survey  
A. RUSHT  
Signature and Seal of Surveyor  
NEW MEXICO  
8894  
REGISTERED PROFESSIONAL LAND SURVEYOR  
8894  
Certificate Number



MALLON OIL COMPANY  
Jicarilla 459-19 No. 9  
1850' FNL, 750' FWL (SW NW)  
Sec. 19, T30N-R03W  
Rio Arriba County, NM

==== EXISTING ROADS  
- - - - PLANNED ROADS

Exhibit B

This was  
found subsequent  
to NSP-1788(L)  
being issued. M.S. 4-9-98

Write an  
addendum  
NSP-1788(L)

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:

CASE NO. 9495  
Order No. R-8774

APPLICATION OF ROBERT L. BAYLESS  
FOR NINE NON-STANDARD GAS PRORATION  
UNITS, RIO ARRIBA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 12, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of October, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Robert L. Bayless, seeks an order establishing nine non-standard gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing, which includes but is not necessarily limited to the East Blanco-Pictured Cliffs Gas Pool, Cabresto-Gallup Gas Pool, and Campo-Gallup Gas Pool, in Sections 6, 7, 18, 19, 30, and 31 of Township 30 North, Range 3 West, and Sections 6 and 7 of Township 29 North, Range 3 West, all in Rio Arriba County, New Mexico, and described as follows:

Case No. 9495  
Order No. R-8774

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

<u>UNIT</u>	<u>ACRES</u>	<u>DESCRIPTION</u>
1	168.42	Section 6: Lots 3, 4, and 9
2	133.39	Section 6: Lot 10
3	174.62	Section 7: Lots 3 and 4
4	173.21	Section 7: Lots 5 and 6
5	173.06	Section 18: Lots 1 and 2
6	151.01	Section 18: Lots 3 and 4
7	167.39	Section 19: Lots 1 and 2
		Section 19: Lots 3 and 4
		Section 30: Lots 1 and 2
		Section 30: Lots 3 and 4
		Section 31: Lot 1 and NE/4 NW/4
		Section 31: Lots 2, 3, and 4, SE/4 NW/4, and E/2 SW/4

TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

<u>UNIT</u>	<u>ACRES</u>	<u>DESCRIPTION</u>
8	163.76	Section 6: Lots 3, 4, 5, and 6
9	173.69	Section 7: Lots 1, 2, 3, and 4

(3) Evidence presented indicates that variations in legal subdivisions of the U.S. Public Lands Survey within the above-described area precludes the establishment of standard 160-acre spacing and proration units.

(4) The principal gas producing formations within the above-described area are the Pictured Cliffs and Gallup formations, both of which are currently subject to 160-acre gas spacing.

(5) The applicant is the operator of all the acreage described above and no offset operator objected to the establishment of the proposed non-standard gas spacing units.

(6) Approval of the subject application will ensure the orderly development of the acreage described above within the subject pools and should prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The application of Robert L. Bayless for the establishment of the following described non-standard gas spacing and proration units in the East Blanco-Pictured Cliffs Gas Pool, Cabresto-Gallup Gas Pool, Campo-Gallup Gas Pool, or in any and all formations and/or pools developed on 160-acre spacing in the subject area, Rio Arriba County, New Mexico, is hereby approved:

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

<u>UNIT</u>	<u>ACRES</u>	<u>DESCRIPTION</u>
1	168.42	Section 6: Lots 3, 4, and 9
2	133.39	Section 6: Lot 10
3	174.62	Section 7: Lots 3 and 4
4	173.21	Section 7: Lots 5 and 6
5	173.06	Section 18: Lots 1 and 2
6	151.01	Section 18: Lots 3 and 4
7	167.39	Section 19: Lots 1 and 2
		Section 19: Lots 3 and 4
		Section 30: Lots 1 and 2
		Section 30: Lots 3 and 4
		Section 31: Lot 1 and NE/4 NW/4
		Section 31: Lots 2, 3, and 4,
		SE/4 NW/4, and E/2 SW/4

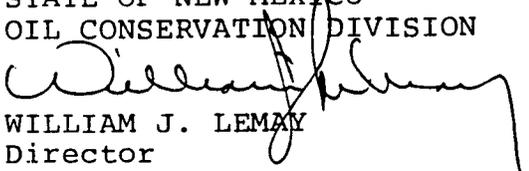
TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

<u>UNIT</u>	<u>ACRES</u>	<u>DESCRIPTION</u>
8	163.76	Section 6: Lots 3, 4, 5, and 6
9	173.69	Section 7: Lots 1, 2, 3, and 4

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

S E A L  
fd/