

N. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, NM 88210-2834

Form 3160-3

(July 1992)

SUBMIT IN TRIPPLICATE

(Other instructions on reverse side)

FORM APPROVED

OMB NO. 1004-0136

Expires February 28, 1995

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

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 LC-064200	
b. TYPE OF WELL Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
2. NAME OF OPERATOR Mallon Oil Company 13925		7. UNIT AGREEMENT NAME N/A 30-015-29831	
3. ADDRESS AND TELEPHONE NO. P.O. Box 3256 Carlsbad, NM 88220 (505) 885-4596		8. FARM OR LEASE NAME, WELL NO. Mallon 10 Federal 20662	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL, 660' FWL (NW NW) Unit D		9. API WELL NO. 3	
At proposed prod. zone 660' FNL, 660' FWL (NW NW) Unit D		10. FIELD AND POOL, OR WILDCAT Black River, Delaware	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 22 miles South of Carlsbad, NM		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 6270 Sec. 10, T24S-R26E	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 660'		12. COUNTY OR PARISH Eddy County	
16. NO. OF ACRES IN LEASE 640'		13. STATE NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1320'	
19. PROPOSED DEPTH 5,500'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 3360' GR		22. APPROX. DATE WORK WILL START August 25, 1997	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
20"	16"	.25' wall	40'
12-1/4"	9-5/8"	36#	500'
7-7/8"	5-1/2"	15.5#17#	5500'
			QUANTITY OF CEMENT Ready to mix surface Circ. to surface 1085 sks cmt

CARLSBAD CONTROLLED WATER BASIN

Mallon Oil Company proposes to drill to a depth sufficient to test the Delaware formation for oil. If productive, 5-1/2 casing will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal regulations. Specific programs as per on-shore Oil and Gas Order No. 1 are outlined in the following attachments:

Drilling Program

Exhibit 1: Blow Out Preventor Equipment/Plan
Exhibit A: Location and Elevation Plat
Exhibit B: Existing Roads/Planned Access Roads
Exhibit C: One Mile Radius Map

Exhibit D: Drilling Site Layout
Exhibit E: Production Facilities
Exhibit F: Archaeological Survey

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.

SIGNED: Duane C. Winkler
Duane C. Winkler

TITLE: Operation Manager

DATE: 07/01/97

(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: ORIS SOLE TONY L. PERMITS

TITLE

ADM. MINERALS

DATE

8.26.97

*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.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED