

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Mallon Oil Co.

3. ADDRESS OF OPERATOR
1099 18th St., Suite 2750, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 2310' FSL & 1675' FWL
At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
19. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
16. NO. OF ACRES IN LEASE 2134
17. NO. OF ACRES ASSIGNED TO THIS WELL 40
19. PROPOSED DEPTH 5975
20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6771' GL; 6783' RKB

5. LEASE DESIGNATION AND SERIAL NO.
Contract 434
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
Jicarilla 434 G
9. WELL NO.
#3
10. FIELD AND POOL, OR WILDCAT
Otero-Sanostee-Gallup
11. SEC. T. R. M., OR BLK. AND SURVEY OR AREA
Sec. 6, T22N, R4W
12. COUNTY OR PARISH
Sandoval
13. STATE
NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#/ft	200	148 ft ³ Class B w/3% CaCl ₂
7 7/8"	4 1/2"	10.5#/ft	5975 1st	473 ft ³ 50/50 pozmix w/2% gel
			2nd	1130 ft ³ Class B w/2% Econofill

Will drill 12 1/4" surface hole to 200 ft. and set 200 ft. of 8 5/8" 24#/ft J-55 used casing and cement with 148 ft³ of Class B cement w/3% CaCl₂. Will drill 7 7/8" hole to 5975 ft. Induction and Density logs will be run. If well appears productive, 5975 ft. of 4 1/2" 10.5#/ft J-55 new casing will be run with a cement stage collar at 4400 ft. Longstring will be cemented as follows: 1st stage - 473 ft³ of 50/50 pozmix cement w/2% gel; 2nd stage - 1130 ft³ of Class B cement w/2% Econofill. A temperature survey will be run to ensure that cement covers the Ojo Alamo formation. The well will be perforated and stimulated as required for completion as a Gallup oil well. The circulating medium will be clear water, natural mud, and water loss control additives. No abnormal pressures or temperatures are anticipated. A blowout preventer schematic is attached. The gas from this formation is not dedicated to a gas contract.

ESTIMATED TOPS: Ojo Alamo - 1440' Mancos - 4250'
Pictured Cliffs - 1879' Gallup - 4495'
Cliffhouse - 3357' Lower Gallup - 5784'
Point Lookout - 3995' TOTAL DEPTH - 5975'

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 Kevin H. McCord TITLE Petroleum Engineer DATE 12/17/87
Agent for Mallon Oil Co.
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE APR 21 1988
CONDITIONS OF APPROVAL, IF ANY: _____

Orig. Sgd. Linda S. C. Rindolf

AREA MANAGER

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State and Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

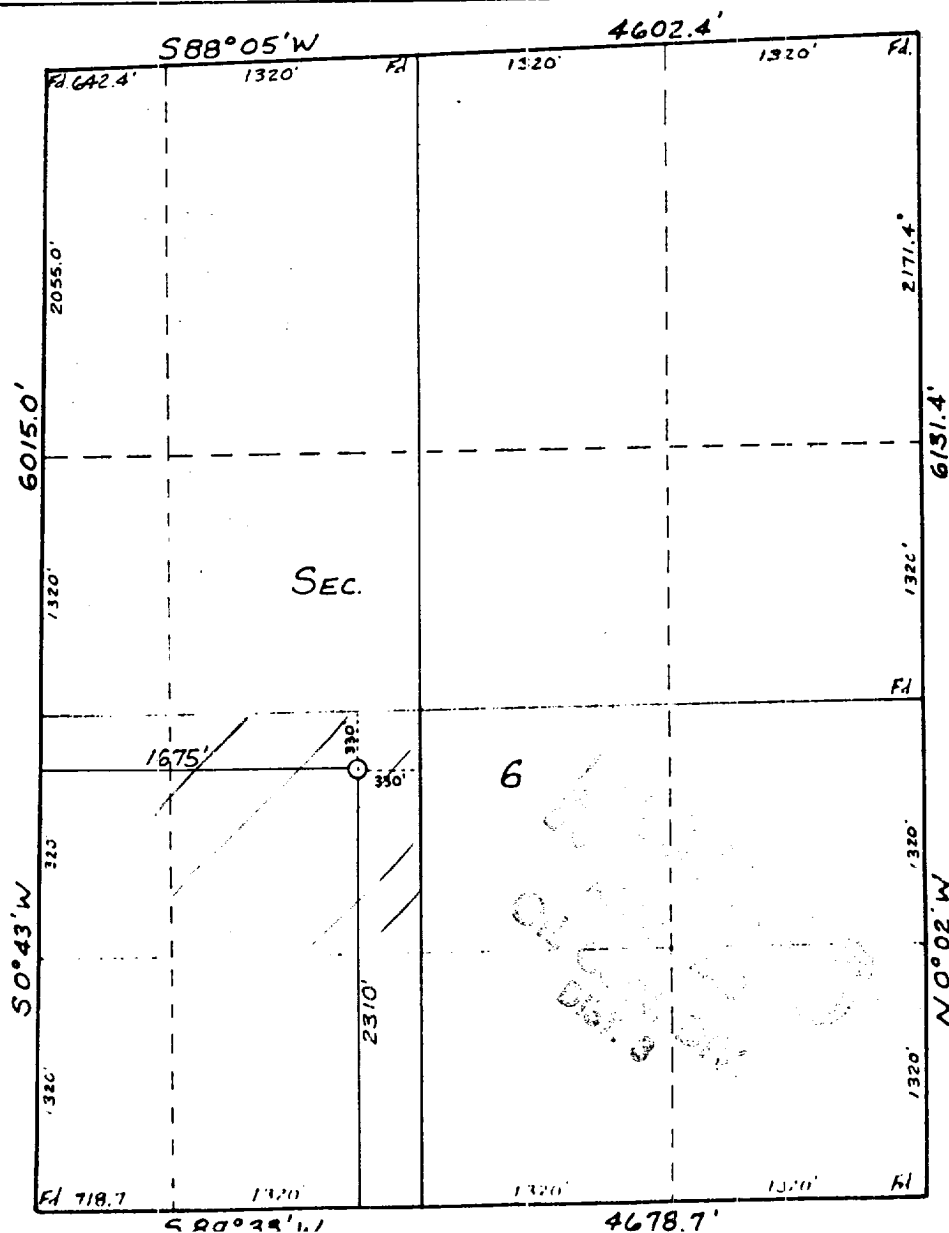
Operator MALLON OIL COMPANY		Lease JICARILLA 434-G		Well No. 3
Unit Letter A	Section 6	Township 22 N	Range 4 W	County Sandoval
Actual Footage Location of Well: 2310 feet from the South line and 1675 feet from the West line				
Ground Level Elev. 6771	Producing Formation Siler	Pool Jicarilla		Dedicated Acreage: 4.0 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



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

best of my knowledge and belief.

Kevin H. McCord

Name Kevin H. McCord
Petroleum Engineer

Position Agent for
Mallon Oil Co.

Company 12/17/87

Date: _____

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 knowledge and belief.

~~12-7-67~~

Date Surveyed: William E. Mahan II

Magistrate [illegible] [illegible] [illegible]
and [illegible] [illegible] [illegible]

REF ID: A69466

[Signature]

Certificate No. ED 0466

FORM 24-11

