

(July 1992)

CONFIDENTIAL

SUBMIT IN TRIPLICATE

(Other instructions on reverse side)

FORM APPROVED

OMB NO. 1004-0136

Expires February 28, 1995

RECEIVED

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

Drill

☒

Deepen

☐

b. TYPE OF WELL

Oil Well

Gas Well

☒

Other

Single Zone

☐

Multiple Zone

☐

2. NAME OF OPERATOR

Mallon Oil Company

3. ADDRESS AND TELEPHONE NO.

P.O. Box 3256

Carlsbad, NM 88220

(505) 885-4596

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

790' FNL and 900' FWL (NW/NW) Unit D

853 938

At proposed prod. zone

790' FNL and 900' FWL (NW/NW) Unit D

853 938

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

53 miles east of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST

790'

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION *

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1771'

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.)

7172' GR

22. APPROX DATE WORK WILL START

09/02/98

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'	Circulate to surface
7-7/8"	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

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 Lindeman

TITLE: Operations Superintendent

DATE: 08/19/98

(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:

(Original Signed) HECTOR A. VILLALOBOS

APPROVED BY

TITLE

Lands and Mineral Resources

DATE

*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.

CONFIDENTIAL

DRILLING PROGRAM

Attached to Form 3160-3

Mallon Oil Company

Jicarilla 451-3 No. 2

790' FNL and 900' FWL (NW/NW) Unit D

Sec. 3, T29N-R3W

Rio Arriba County, New Mexico

LEASE NUMBER: JIC451

1. Geologic name of surface formation: San Jose

2. Estimated tops of important geologic markers:

San Jose	Surface
Nacimiento	2600'
Ojo Alamo	3230'
Kirtland	3458'
Fruitland	3478'
Pictured Cliffs	3468'
Lower P.C.	4017'
Total Depth	4500'

3. Estimated depths of anticipated fresh water, oil, or gas:

San Jose	1500'	Gas
Nacimiento	2600'	Gas
Ojo Alamo	3230'	Gas
Fruitland	3478'	Gas
Pictured Cliffs	3768'	Gas

No other formations are expected to give up oil, gas, or fresh water in measurable quantities.
The surface fresh water sands will be protected by setting 8-5/8" casing at 500' and circulating cement back to surface.

4. Proposed casing program:

<u>Hole Size</u>	<u>Interval</u>	<u>Casing OD</u>	<u>Casing weight, grade, thread</u>
12-1/4"	0-500'	8-5/8"	24 lb/ft, K55, ST&C
7-7/8"	0-4500'	5-1/2"	15.5 lb/ft, K55, LT&C

Cement program:

8-5/8" surface casing: Cemented to surface with 350 sks Class B containing 2% CaCl₂, 0.25 lb/sk Cello Seal, slurry to be mixed at 15.6 lb/gal, yield 1.18 cu ft/sk. Circulate cement to surface.

5-1/2" production casing: Lead slurry 300 sks 65/35 mixed at 13.4 lb/gal, 1.62 cu ft/sk, 30% excess. Tail with 270 sks 50/50 POZ, containing 1/4 lb/sk Cello Seal mixed at 14.15 lb/gal, 1.26 cu ft/sk, 30% excess.

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised February 21, 1994

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26055		*Pool Code 72400	*Pool Name East Blanco; Pictured Cliffs
*Property Code 53931	*Property Name JICARILLA 451-3		*Well Number 2
*GRID No. 013925	*Operator Name MAJLON OIL COMPANY		*Elevation 7168'

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
D	3	29-N	3-W		853	NORTH	938	WEST	RIO ARMBIA

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

*Dedicated Acres 154.44	*Joint or Infill	*Consolidation Code	*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

N 89-42-24 E 5271'

16 FD. U.S.G.L.O. BRASS CAP 1917	17 FD. U.S.G.L.O. BRASS CAP 1917	18 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Christy Serrano Signature Christy Serrano Printed Name Production Secretary Title 1-13-99 Date	19 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. 8-13-99 Date of Survey Signature of Surveyor 889 Certificate Number

MALLON OIL COMPANY

JICARILLA 451-3 #2

NW/4 SEC. 3, T-29-N, R-3-W, N.M.P.M.,

RIO ARriba COUNTY, NEW MEXICO

853 FNL, 938 FWL

