Form 3160-3

UNITED STATES

FORM APPROVED

(July 1992) (Other instructions on OMB NO. 1004-0136 DEPARTMENT OF THE INTERIOR Expires February 28, 1995 reverse side) BUREAU OF LAND MANAGEMENT 5. LEASE DESIGNATION AND SERIAL NO. O? APPLICATION FOR PERMIT TO DRILL OR DEEPEN MDA 701-98-0013 1a. TYPE OF WORK 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Dell H Deepen Jicarilla Apache b. TYPE OF WELL 7 UNIT AGREEMENT NAME Oil Well Gas Well N/A Single Zone Multiple Zone 2. NAME OF OPERATOR 8. FARM OR LEASE NAME, WELL NO. Mallon Oil Company Jicarilla 29*-0*72-16 #1 3. ADDRESS AND TELEPHONE NO. 9. API WELL NO. P.O. Box 2797 Durango, CO 81302 (970) 382-9100 FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) 550' FSL and 660' FEL (SE/SE) Unit P At surface 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA At proposed prod. zone 550' FSL and 660' FEL (SE/SE) Unit P Sec. 16, T29N-R2W 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 12: COUNTY OR PARISH 13. STATE 57 miles east of Bloomfield, New Mexico Rio Arriba NM 15. DISTANCE FROM PROPOSED 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED 6185 LOCATION TO NEAREST TO THIS WELL 39,360 PROPERTY OR LEASE LINE, FT. 160 (Also to nearest drlg. unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 3168' TO NEAREST WELL, DRILLING, COMPLETED, 4500 OR APPLIED FOR, ON THIS LEASE, FT. Rotary 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7162' GR 22. APPROX.DATE WORK WILL START 12/15/98 PROPOSED CASING AND CEMENTING PROGRAM 23. SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT QUANTITY OF CEMENT SETTING DEPTH 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 D: **Drilling Site Layout** Location and Elevation Plat Exhibit A. Exhibit E: **Production Facilities** Exhibit B: Roads and Pipelines Exhibit F: **H2S Contingency Plan** One Mile Radius Map Exhibit C: 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 TITLE: Operations Superintendent SIGNED DATE 12/01/98 Terry Lindeman (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: TITLE OSST Field Man (Original Signed) HECTOR A. VILLALOBOS *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 CHOS FOR NSL

DISTRICT I P.O. Box 1980, Hobbs, N.M. 88241-1980 State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back

Submit to Appropriate District Office

Submit to Appropriate District Office State Lease — 4 Copies Fee Lease — 3 Copies

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

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

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

X AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| ¹ API Number | | | | *Pool Code | | ³ Pool Name | | | | | |
|---|---------|--------------------|--------------------|------------|---------------|------------------------------|---------------|---------------------|-------------|------------------------|--|
| 30-039-26108 | | | 72400 | | | East Blanco; Pictured Cliffs | | | EXT | | |
| Property Code | | | | | Proper | rty Name | | | Well Number | | |
| 2424 | , | JICARILLA 29-02-16 | | | | | | | 1 | | |
| OGRID No. | | | Operator Name | | | | | | | ⁸ Elevation | |
| 013925 | | | MALLON OIL COMPANY | | | | | | 7162' | | |
| ¹⁰ Surface Location | | | | | | | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line Cour | | County | |
| Р | 16 | 29-N | 2-W | | 550 | SOUTH | 660 | EAST RIC | | 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 | |
| | | | | | | | | | | | |
| Dedicated Acres 13 Joint or Infill 14 Consolidation Code 13 Order No. | | | | | | | | | | | |
| 160 | | | | | | | | | | | |
| NO ALLOWARLE WILL BE ASSIGNED TO THIS COMPLETION LINTED ALL INTERPRETS HAVE DEEN CONSOLIDATED | | | | | | | | | | | |

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



