CONFIDENTIAL

Form 3160-3 FORM APPROVED (July 1992) UNITED STATES (Other instructions on OMB NO. 1004-0136 DEPARTMENT OF THE INTERIOR reverse side) Expires February 28, 1995 BUREAU OF LAND MANAGEMENT 5. LEASE DESIGNATION AND SERIAL NO. APPLICATION FOR PERMIT TO DRILL OR DEEPEN MDA 701-98-0013 1a. TYPE OF WORK 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Drill X Deepen Jicarilla Apache b. TYPE OF WELL 7. UNIT AGREEMENT NAME Oil Well Gas Well X Multiple Zone 2. NAME OF OPERATOR 8. FARM OR LEASE NAME, WELL NO Mallon Oil Company Jicarilla 29-02-05 No. 1 3. ADDRESS AND TELEPHONE NO. APIWELL NO P.O. Box 2797 0-039-26328 Durango, CO 81302 (970) 382-9100 FIELD AND POOL, OR WILDCAT 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Blanco, Pictured Cliffs 2016' FSL and 858' FWL (NW/SW) Unit L At surface 2000 SEC., T., R., M., OR BLK. D SURVEY OR AREA At proposed prod. zone 2016' FSL and 858' FWL (NW/SW) Unit L OIL CON, DIV c. 5, T29N-R02W 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE DIST. 3 COUNTY OR PARISH 13. STATE 57 miles east of Bloomfield, New Mexico ƙio Arriba NM 15. DISTANCE FROM PROPOSED * 16. NO. O OF ACRES ASSIGNED LOCATION TO NEAREST IS WELL PROPERTY OR LEASE LINE, FT. 3250 39,360 16**2**0 (Also to nearest drlg. unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED. 4900' OR APPLIED FOR, ON THIS LEASE, FT. 4500' Rotary 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7541' GR 22. APPROX.DATE WORK WILL START 12/01/99 23 PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE WEIGHT PER FOOT GRADE, SIZE OF CASING SETTING DEPTH QUANTITY OF CEMENT 12-1/4" 8-5/8" 24# 250 Circulate to surface 7-7/8" 5-1/2" 15.5# 4500 570 cks 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: 99 **Drilling Program** Exhibit 1: Blow Out Preventor Equipment/Plan Exhibit D: **Drilling Site Layout** Exhibit A: Location and Elevation Plat **Production Facilities** Exhibit E: 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 to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any SIGNED TITLE: Operations Superintendent DATE 11/01/99 l erry Li**tte**man (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 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.

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*See Instructions On Reverse Side

P.C. DOX 1980, Hobbs, M. 88241-1980

Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994

Instructions on back

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

DISTRICT II P.O. Drawer DD, Artelia, 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

☐ AMENDED REPORT

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API Number				Pool Code			Pool Name				
50057126328			<i>β</i> 72	72400			st Blanco;				
Property Code			*Property Name							Vell Number	
25286			JICARILLA 29-02-05							1	
OGRID No.			Operator Name							• • • • • • • • • • • • • • • • • • •	
0(3925)			MALI ON CIT. COMPANY							Elevation	
		MALLON OIL COMPANY						7541'			
¹⁰ Surface Location											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet from the	East/West lin	e County	
L	5	29-N	2-W		2016	6	SOUTH	858	WEST	RIO ARRIBA	
11 Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	Range	Lot Idn	Feet from		North/South line	Feet from the	East/West lin		
							•		Past/ West III	e County	
Dedicated Acres	ated Acres 12 Joint or Infill 14 Cons		ongolidation	rolidation Code 12 Order No.			· · · · · · · · · · · · · · · · · · ·				
16 0				L COGE (r)	der No.			•			
NO ALLOWADIE WILL DE ACCIONED TO COMPANY											

LOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



