

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

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. MDA 701-98-0013	
1b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache	
2. NAME OF OPERATOR Mallon Oil Company		7. UNIT AGREEMENT NAME N/A 25287	
3. ADDRESS AND TELEPHONE NO. P.O. Box 2797 Durango, CO 81302 (970) 382-9100		8. FARM OR LEASE NAME, WELL NO. Jicarilla 29-02-08 No.2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1480' FSL and 2055' FEL (NW/SE) Unit J		9. API WELL NO. 30-039-26660	
At proposed prod. zone 1480' FSL and 2055' FEL (NW/SE) Unit J		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 77 miles east of Bloomfield, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 05, T29N-R02W	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 23,175		12. COUNTY OR PARISH Rio Arriba	
16. NO. OF ACRES IN LEASE 39,360		13. STATE NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160 SE/4		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2800	
19. PROPOSED DEPTH 4000' -		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7309' GR -		22. APPROX DATE WORK WILL START 12/20/00	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8"	24#	250'
7-7/8"	5-1/2"	15.5#	4000' -
			900 sks circ. To surface -

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 Liddeman TITLE: Operations Superintendent DATE: 11/08/00

(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: SW Anderson TITLE: Asst Field Mgr DATE: FEB 06 2001

*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 C104 FOR NSL

CONFIDENTIAL

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26660		*Pool Code 72400	*Pool Name East Blanco; Pictured Cliffs
*Property Code 00025287	*Property Name JICARILLA 29-02-08		*Well Number 2
*OGRID No. 13925	*Operator Name MALLON OIL COMPANY		*Elevation 7309' ~


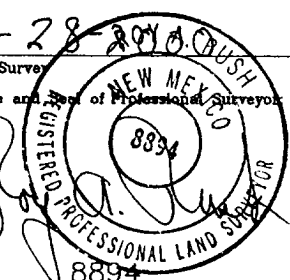
¹⁰ Surface Location

UL or lot no. J	Section 8	Township 29-N	Range 2-W	Lot Idn	Feet from the 1480'	North/South line SOUTH	Feet from the 2055'	East/West line EAST	County 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
18 Dedicated Acres 162.5 160 SF/4			19 Joint or Infill		20 Consolidation Code		21 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

<p>16</p>	<p>CALC'D CORNER</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <div data-bbox="1057 1134 1510 1444">  <p>Signature</p> <p>Terry Lindeman</p> <p>Printed Name</p> <p>Operations Superintendent</p> <p>Title</p> <p>11/08/00</p> <p>Date</p> </div>
<p>FD PIN & CAP STAMPED "LS8894"</p>	<p>LAT. = 36-44-11 N. LONG. = 107-03-52 W.</p> <p>2055'</p> <p>1480'</p> <p>5372.2'</p> <p>N 88-29-29 W</p>	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>9-28-2010</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <div data-bbox="1131 1630 1419 1910">  </div> <p>8894</p> <p>Certificate Number</p>

2-M SYSTEM

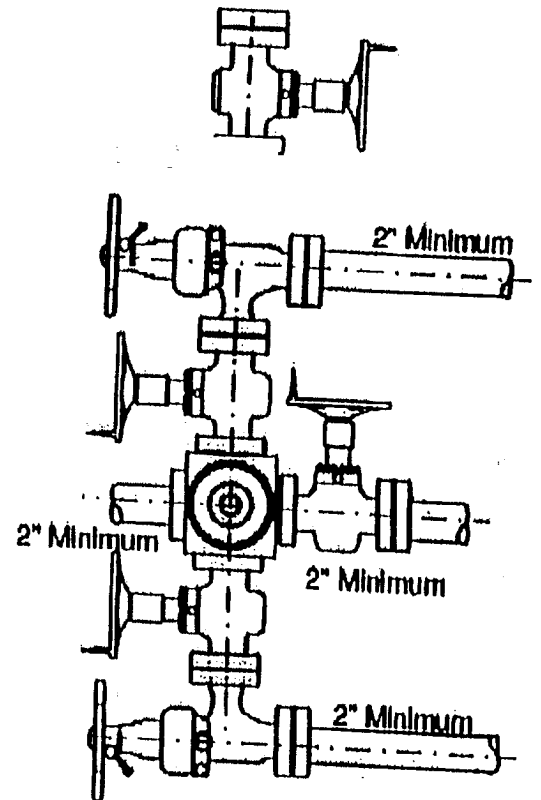
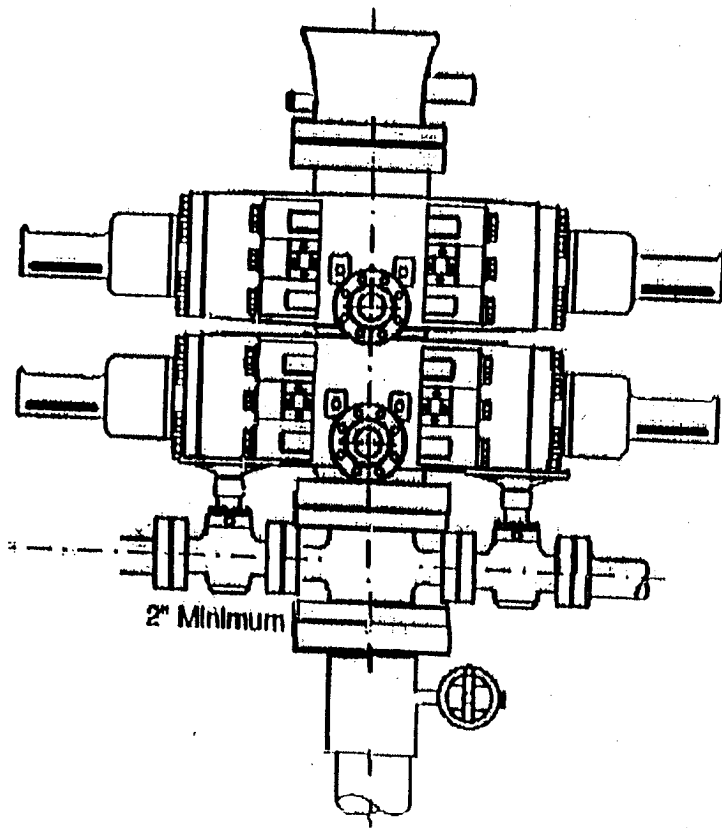


Exhibit 1

MALLON OIL COMPANY
JICARILLA 29-02-08 #2
SEC. 8, T-29-N, R-2-W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO
1480' FSL 2055' FEL

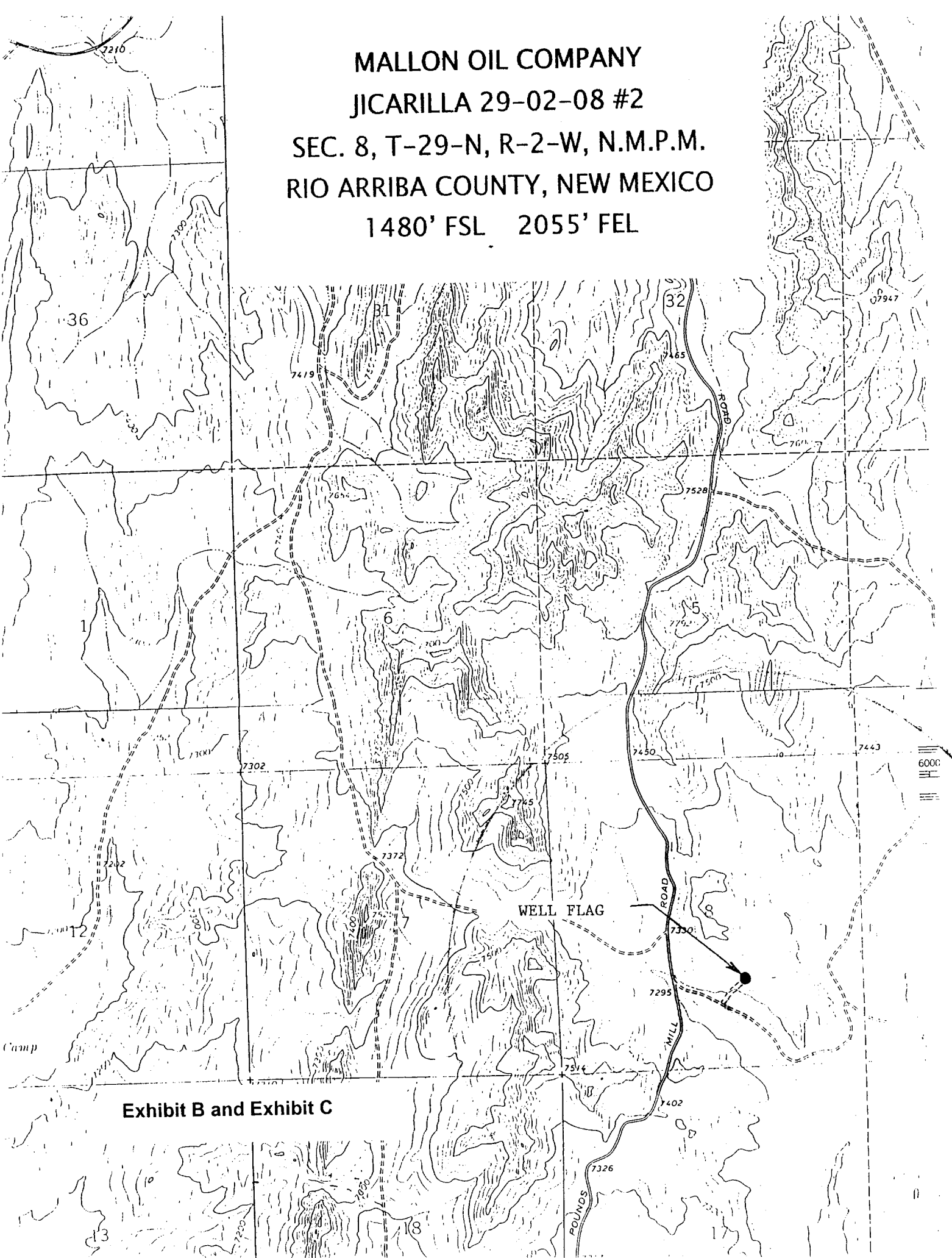


Exhibit B and Exhibit C