

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work ☒ DRILL ☐ REENTER

1b. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Mallon Oil Company

3a. Address

PO Box 2797, Durango, CO 81302

3b. Phone No. (include area code)

970-382-9100

4. Location of Well (Report location clearly and in accordance with any State Requirements. *)

At surface 2,170' FSL 2,085' FEL NW 1/4 SE 1/4

At proposed production zone Same

14. Distance in miles and direction from nearest town or post office. *

57 miles east of Bloomfield, NM

5. Lease Serial No.

MDA 701-98-0013

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.

Jicarilla 29-2-7

#2

9. API Well No.

30-039-26727

10. Field and Pool, or Exploratory

E. Blanco, Pictured Cliffs

11. Sec., T., R., M., or Bk. and Survey or Area

Sec. 7 T 29N R 2W

12. County or parish

Rio Arriba

13. State

New Mexico

15. Distance from proposed location to nearest property of lease line, ft. (Also nearest Drig. unit line, if any.)

Lease = ±1,183'

16. No. of acres in lease

39,360.0

17. Spacing Unit dedicated to this well

Statewide 160.5 E 1/4

18. Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft.

± 2,000'

19. Proposed depth

4,500'

20. BLM/BIA Bond No. on file

1318288

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

7,346' GR

22. Approximate date work will start *

March 16, 2001

23. Estimated duration

45-60 days drig + completion

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

[Signature]

Name (Printed/Typed)

David F. Banko

Date

February 22, 2001

Title

Agent for Mallon Oil Company

Approved by (Signature)

S/SW Anderson

Name (Printed/Typed)

Office

Auto

Date

MAR 28 2001

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

NSL

CONFIDENTIAL

DISTRICT I
1624 N. French Dr., Hobbs, N.M. 88240

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-192
Revised August 15, 2000

DISTRICT II
811 South First, Artesia, N.M. 88210

OIL CONSERVATION DIVISION

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

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

2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26727	² Pool Code 72400	³ Pool Name Blanco - Pictured Cliffs East
⁴ Property Code 27961	⁵ Property Name JICARILLA 29-2-7	⁶ Well Number 2
⁷ GRID No. 13925	⁸ Operator Name MALLON OIL COMPANY	⁹ Elevation 7346'

¹⁰ Surface Location

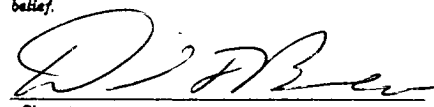
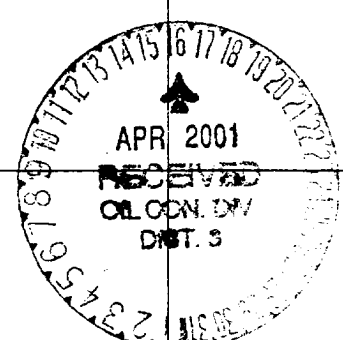
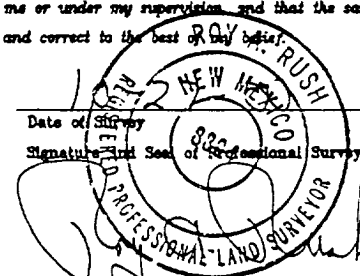
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	7	29-N	2-W		2170	SOUTH	2085	EAST	RIO ARriba

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

¹² Dedicated Acres 160 SE	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16	SEC. CORNER FD. MARKED STONE	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature David F. Banko Printed Name Agent for Mallon Oil Co. Title April 13, 2001 Date
		
	LAT. 39-44-18 N LONG. 107-04-58 W	18 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.  Date of Survey Signature and Seal of Professional Surveyor 8894 Certificate Number
SEC. CORNER FD. U.S.G.L.O. BC. 1917	S 89-12-52 W 5099.8'	SEC. CORNER FD. 1 1/2" AL CAP L.S. 8894"

MALLON OIL CO.

JICARILLA 29-2-7 No.2

SE/4 SEC. 7, T-29-N, R-2-W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO

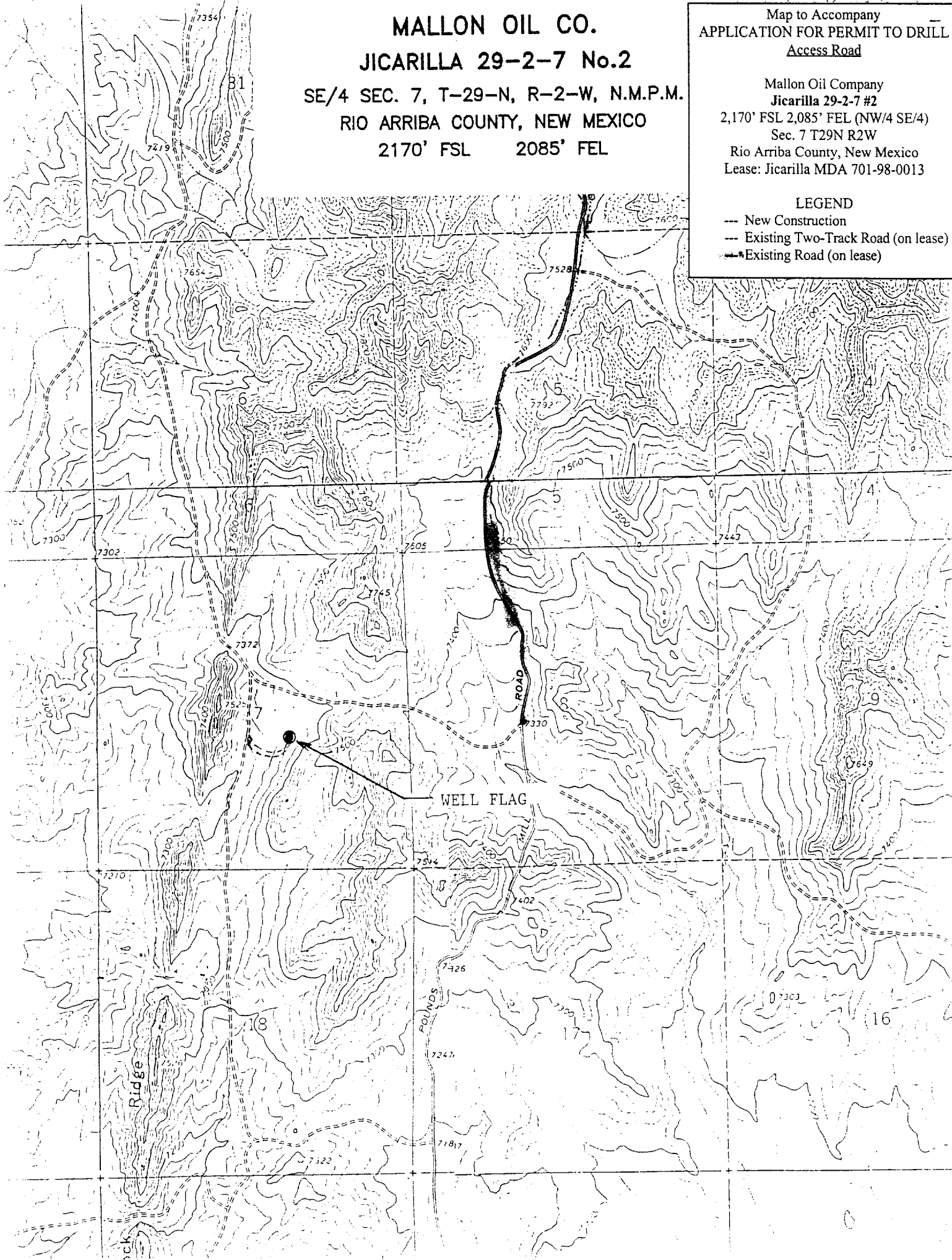
2170' FSL 2085' FEL

Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Access Road

Mallon Oil Company
Jicarilla 29-2-7 #2
2,170' FSL 2,085' FEL (NW/4 SE/4)
Sec. 7 T29N R2W
Rio Arriba County, New Mexico
Lease: Jicarilla MDA 701-98-0013

LEGEND

- New Construction
- Existing Two-Track Road (on lease)
- Existing Road (on lease)



Mallon Oil Company
Jicarilla 29-2-7 #2
 2,170' FSL 2,085' FEL (NW/4 SE/4)
 Sec. 7 T29N R2W
 Rio Arriba County, New Mexico
 Lease: Jicarilla MDA 701-98-0013

DRILLING PROGRAM
 (Per Rule 320)

SURFACE FORMATION – San Jose

GROUND ELEVATION – 7,346'

ESTIMATED FORMATION TOPS - (Water, oil, gas and/or other mineral-bearing formations)

San Jose	Surface	Sandstone, shales & siltstones
Nacimiento	2,800'	Sandstone, shales & siltstones
Ojo Alamo	3,230'	Sandstone, shales & siltstones
Kirtland	3,558'	Sandstone, shales & siltstones
Fruitland	3,668'	Sandstone, shales & siltstones
Pictured Cliffs	3,860'	Sandstone, shales & siltstones
Lewis	4,000'	Sandstone, shales & siltstones
Total Depth	4,500'	Sandstone, shales & siltstones

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

Tertiary

San Jose	1,500'	Gas
Nacimiento	2,800'	Gas
Ojo Alamo	3,230'	Gas
Fruitland	3,668'	Gas
Pictured Cliffs	3,860'	Gas

TOTAL DEPTH 4,500'

CASING PROGRAM

Depth	Hole Diameter	Casing Diameter	Casing Weight and Grade	Cement
0' – 250'	12-1/4"	8-5/8"	K-55 24# ST&C New	To surface (±175 sxs Class B)
0' – T.D.	7-7/8"	5-1/2"	K-55 15.5# LT&C New	TD to surface (±1,170 sxs lite or 65:35 poz and ±270 sxs 50:50 poz *

* Actual cement volume to be determined by caliper log.

Yields: Class B yield = 1.18 ft³/sx
 65:35 Poz yield = 1.62 ft³/sx
 50:50 Poz yield = 1.26 ft³/sx

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and protected.

2-M SYSTEM

Jicarilla 29-02-08 No. 1

