

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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


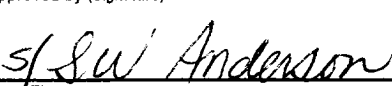
APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. Type of Work <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. MDA 701-98-0013
1b. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Jicarilla Apache
2. Name of Operator Mallon Oil Company		7. If Unit or CA Agreement, Name and No. ---
3a. Address PO Box 2797, Durango, CO 81302	3b. Phone No. (include area code) 970-382-9100	8. Lease Name and Well No. Jicarilla 29-3-14 #1
4. Location of Well (Report location clearly and in accordance with any State Requirements. *) At surface 820' FNL 2,005' FEL NW /4 NE /4 At proposed production zone Same		9. API Well No. 30-039-26728
14. Distance in miles and direction from nearest town or post office. * 57 miles east of Bloomfield, NM		10. Field and Pool, or Exploratory E. Blanco, Pictured Cliffs
15. Distance from proposed location to nearest property of lease line, ft. (Also nearest Drig, unit line, if any) Lease = ±3,500'		11. Sec., T., R., M., or Blk. and Survey or Area B Sec. 14 T 29N R 3W
16. No. of acres in lease 39,360.0		12. County or parish Rio Arriba
17. Spacing Unit dedicated to this well 160 NE /4		13. State New Mexico
18. Distance from proposed location to nearest well, drilling, completed or applied for, on this lease, ft. ± 2,500'		19. Proposed depth 4,500'
20. BLM/BIA Bond No. on file 1318288		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 7,173' GR
22. Approximate date work will start * March 19, 2001		23. Estimated duration 45-60 days drlg + 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 	Name (Printed/Typed) David F. Banko	Date February 23, 2001
Title Agent for Mallon Oil Company		
Approved by (Signature) 	Name (Printed/Typed) S. W. Anderson	Date MAR 26 2001
Title Asst. Field Manager		
Office AUFO		

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.

HOLD C104 FOR NSL

CONFIDENTIAL

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

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

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

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

OIL CONSERVATION DIVISION

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26728		*Pool Code 72400	*Pool Name Blanco - Pictured Cliffs East
*Property Code 27962	*Property Name JICARILLA 29-03-14		*Well Number 1
*GRID No. 13925	*Operator Name MALLON OIL COMPANY		*Elevation 7073'


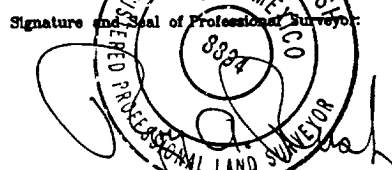
¹⁰ Surface Location

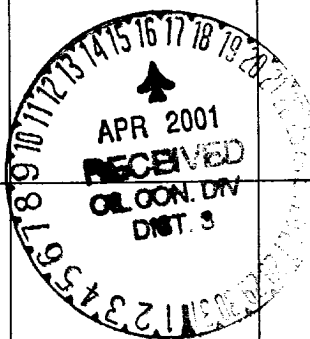
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	14	29-N	3-W		820'	NORTH	2005'	EAST	RIO ARriba

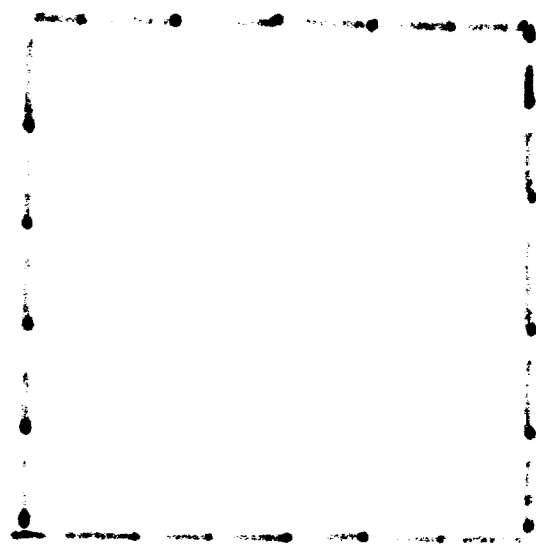
¹¹ Bottom Hole Location If Different From Surface

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			¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

<div>16</div> <div>FD. U.S.G.L.O. BC 1917</div> <div>S 89-55-29 W</div> <div>5279.6'</div> <div>820'</div> <div>LAT. 36°43'49"N LONG. 107°07'04"W</div> <div>2005'</div> <div>2644.6'</div> <div>S 00-02-39 W</div> <div>14</div> <div>FD. U.S.G.L.O. BC 1917</div>	<div>17</div> <div>OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</div> <div></div> <div>Signature David F. Banko</div> <div>Printed Name Agent for Mallon Oil Co.</div> <div>Title April 13, 2001</div> <div>Date</div>
	<div>18</div> <div>SURVEYOR CERTIFICATION</div> <div>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.</div> <div>10-30-2001</div> <div>Date of Survey</div> <div></div> <div>Signature of Professional Surveyor</div> <div>8894</div> <div>Certificate Number</div>





MALLON OIL COMPANY

JICARILLA 29-03-14 #1

NE/4 SEC. 14, T-29-N, R-3-W, N.M.P.M.

RIO ARRIBA COUNTY, NEW MEXICO

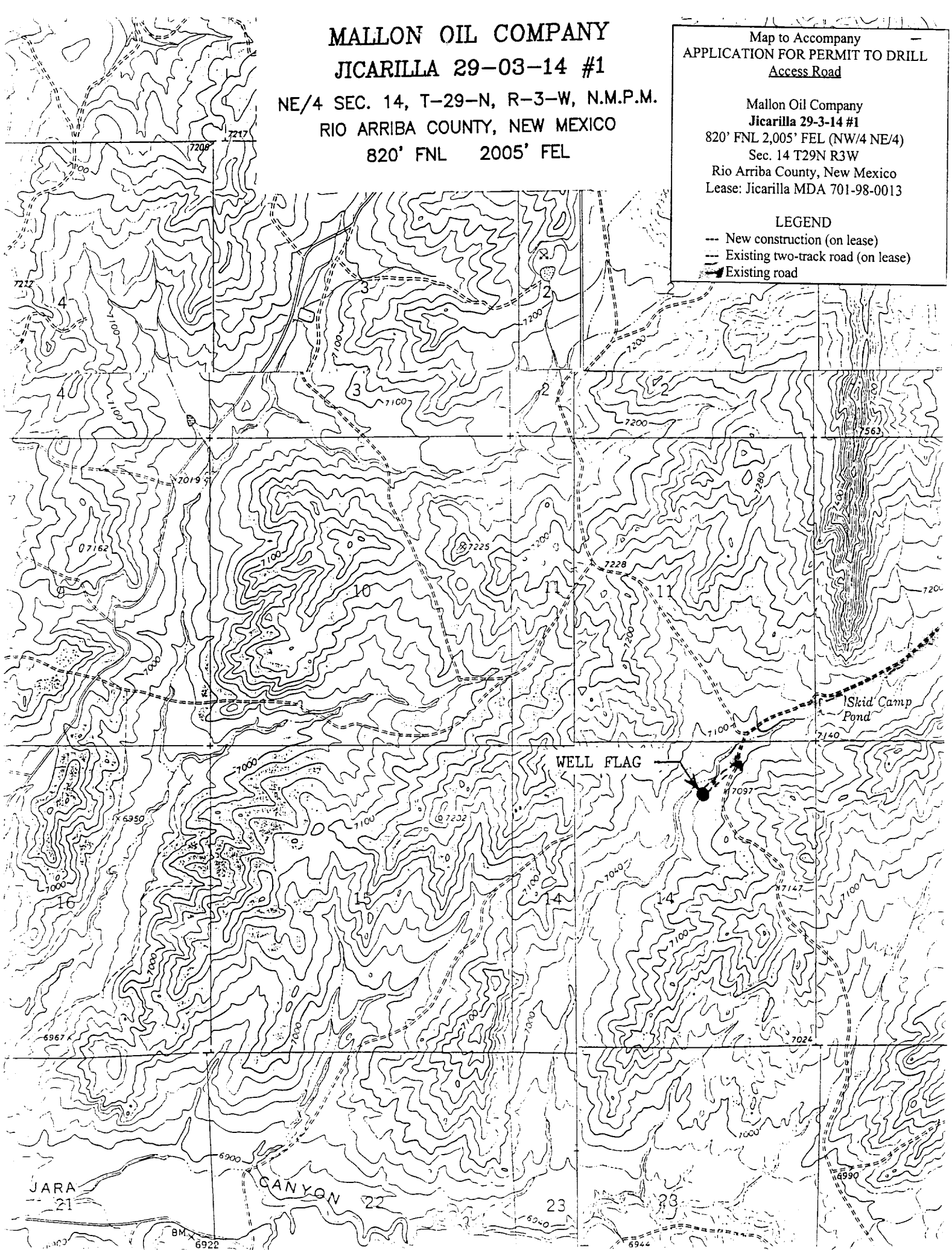
820' FNL 2005' FEL

Map to Accompany
APPLICATION FOR PERMIT TO DRILL
Access Road

Mallon Oil Company
Jicarilla 29-3-14 #1
820' FNL 2,005' FEL (NW/4 NE/4)
Sec. 14 T29N R3W
Rio Arriba County, New Mexico
Lease: Jicarilla MDA 701-98-0013

LEGEND

- New construction (on lease)
- Existing two-track road (on lease)
- Existing road



Mallon Oil Company
Jicarilla 29-3-14 #1
 820' FNL 2,005' FEL (NW/4 NE/4)
 Sec. 14 T29N R3W
 Rio Arriba County, New Mexico
 Lease: Jicarilla MDA 701-98-0013

DRILLING PROGRAM
 (Per Rule 320)

SURFACE FORMATION – San Jose

GROUND ELEVATION – 7,073'

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

San Jose	Surface	Sandstone, shales & siltstones
Nacimiento	2,990'	Sandstone, shales & siltstones
Ojo Alamo	3,520'	Sandstone, shales & siltstones
Kirtland	3,838'	Sandstone, shales & siltstones
Fruitland	3,948'	Sandstone, shales & siltstones
Pictured Cliffs	4,140'	Sandstone, shales & siltstones
Lewis	4,280'	Sandstone, shales & siltstones
Total Depth	4,500'	Sandstone, shales & siltstones

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

Tertiary

San Jose	1,790'	Gas
Nacimiento	2,990'	Gas
Ojo Alamo	3,520'	Gas
Fruitland	3,948'	Gas
Pictured Cliffs	4,140'	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.

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2-M SYSTEM

Jicarilla 29-02-08 No. 1

