



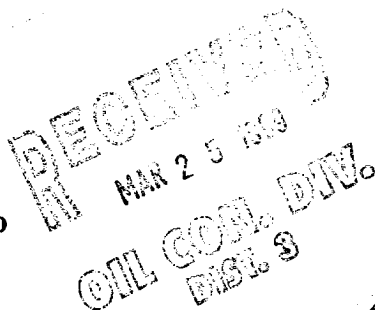
NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

March 22, 1999

Mallon Oil Company  
P. O. Box 2797  
Durango, Colorado 81302  
Attention: Christy Serrano

Telefax No. (970) 382-7650



*Administrative Order NSP-1788-A (L)*

Dear Ms. Serrano:

Reference is made to the following: (i) your application dated February 26, 1999; and (ii) the records of the Division including the file on New Mexico Oil Conservation Division ("Division") Administrative Order NSP-1788 (L): all concerning Mallon Oil Company's ("Mallon") request for a non-standard 86.97-acre gas spacing and proration unit consisting of the following described acreage in the Cabresto Canyon-Ojo Alamo Pool:

RIO ARriba COUNTY, NEW MEXICO  
F- 19 TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM  
Irregular Section 19: Lots 1 and 2.

Division Administrative Order NSP-1788 (L), as amended, established the above-described 86.97-acre area as a non-standard gas spacing and proration unit in the East Blanco-Pictured Cliffs Pool in which Mallon was given authorization to drill its Jicarilla 459-19 Well No. 9 (API No. 30-039-25764) at an unorthodox gas well location 1850 feet from the North line and 750 feet from the West line (Unit F) of Section 19.

It is our understanding that Mallon drilled this well to a total depth of 3970 feet in February, 1998 and on April 20, 1998 completed it in the Cabresto Canyon-Ojo Alamo Pool. Pursuant to Division Rule 104.C(3)(a), this location is also unorthodox.

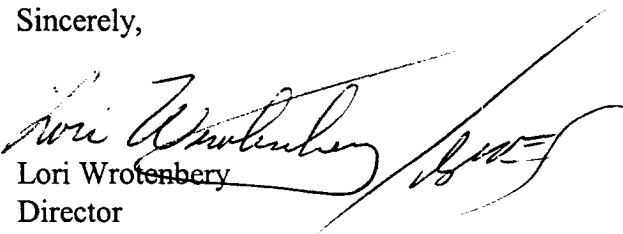
The application has been duly filed under the provisions of Division Rules 104.F and 104.D(2).

By the authority granted me under the provisions of Division Rules 104.F(2) 104.D(2)(b), the above-described unorthodox gas well location and 86.97-acre non-standard gas spacing and proration unit are hereby approved.

It Is Further Ordered That: (i) the portion of Division Order No. R-8744, issued in Case No. 9495 dated October 28, 1988, which established a 173.21-acre non-standard gas spacing and proration unit within this producing interval comprising Lots 3 and 4 of irregular Section 18 and Lots

1 and 2 of irregular Section 19, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico [see Ordering Paragraph No. (i) on page 3 of Order No. R-8774]; and (ii) Division Administrative Order NSP-1788 (L), dated March 23, 1998, as amended by the Division on April 10, 1998: shall both be placed in abeyance until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", is written over a horizontal line. The signature is fluid and cursive.

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec /  
U. S. Bureau of Land Management - Albuquerque  
File: NSP-1788 (L)



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7434

October 22, 1998

Mallon Oil Company  
P. O. Box 2797  
Durango, Colorado 81302

RECEIVED  
OCT 29 1998

OIL CON. DIV.  
RECEIVED

Attention: Duane C. Winkler

RE: *Administrative application for an unorthodox gas well location within the Undesignated Cabresto Canyon-Ojo Alamo Pool for your Jicarilla 459-19 Well No. 9 (API No. 30-039-25764) located 1850' FNL & 750' FWL (Lot 2/Unit F) of irregular Section 19, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.*

Dear Mr. Winkler:

I had a telephone conversation this morning with Ms. Christy Serrano concerning several pending applications for Mallon Oil Company in Rio Arriba County. One of these we discussed was for the Jicarilla 459-19 Well No. 9. My records indicate no response to a letter I sent on August 13, 1998 (see copy attached). Once these issues are sufficiently addressed, I'm confident that an order can be issued in short order.

Once again, should there be any questions concerning this matter, you can either contact: (i) your legal counsel, Mr. James Bruce in Santa Fe at (505) 982-2043, who has filed on numerous occasions such applications for Mallon Oil Company in the southeast; (ii) Mr. Ernie Busch, the Division's geologist in Aztec, New Mexico, at (505) 334-6178; or, (iii) me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
James Bruce - Santa Fe  
Christy Serrano - Mallon Oil Company, Durango



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

August 13, 1998

Mallon Oil Company  
P. O. Box 3256  
Carlsbad, New Mexico 88220

Attention: Duane C. Winkler

RE: *Administrative application for an unorthodox gas well location within the Undesignated Cabresto Canyon-Ojo Alamo Pool for your Jicarilla 459-19 Well No. 9 (API No. 30-039-25764) located 1850' FNL & 750' FWL (Lot 2/Unit F) of irregular Section 19, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.*

Dear Mr. Winkler:

The subject application filed with the Division on July 23, 1998 appears to be incomplete:

(1) A previous application for this well in the East Blanco-Pictured Cliffs Pool filed by Mallon Oil Company in February, 1998 was for the formation of a non-standard 86.97-acre gas spacing and proration unit comprising Lots 1 and 2 of said Section 19 [which resulted in the issuance of Division Administrative Order NSP-1788(L), as amended]. At that time notice was sent to Robert L. Bayless identified as "the only offset operator to the west." This application identifies Mallon as the sole operator within a one-half mile radius. This appears to be contradictory.

(2) The attached C-102 indicates that the dedicated acreage for Ojo Alamo gas production from this well is to be Lots 1 and 2 (the E/2 NW/4 equivalent) and the W/2 NE/4 of said irregular Section 19 consisting of 166.97 acres. This configuration is non-standard and since the four quarter-quarter sections and/or lots that form this 166.97-acre drilling tract are not considered to be within a single quarter section [see Division General Rules 104.C(3)(a) and 104.D(2)(b)(ii)] administrative approval cannot be granted. If however you were requesting the previously approved 86.97-acre non-standard gas spacing and proration unit that was the subject of NSP-1788(L) the Division could review such a request administratively since this configuration would meet the requirements under Rule 104.D(2).

Should there be any questions concerning this matter, you can either contact: (i) your legal counsel, Mr. James Bruce in Santa Fe at (505) 982-2043, who has filed on numerous occasions such applications for Mallon Oil Company in the southeast; (ii) Mr. Ernie Busch, the Division's geologist in Aztec, New Mexico, at (505) 334-6178; or, (iii) me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/kv

cc: New Mexico Oil Conservation Division - Aztec  
James Bruce - Santa Fe

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

## OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, NM 87504-2088☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25764	*Pool Code 96538	*Pool Name Cabresto Canyon; Ojo Alamo Ext.
*Property Code 22210	*Property Name JICARILLA 459-19	*Well Number 9
*OGED No. 013925	*Operator Name MALLON OIL CO.	*Elevation 7254.5

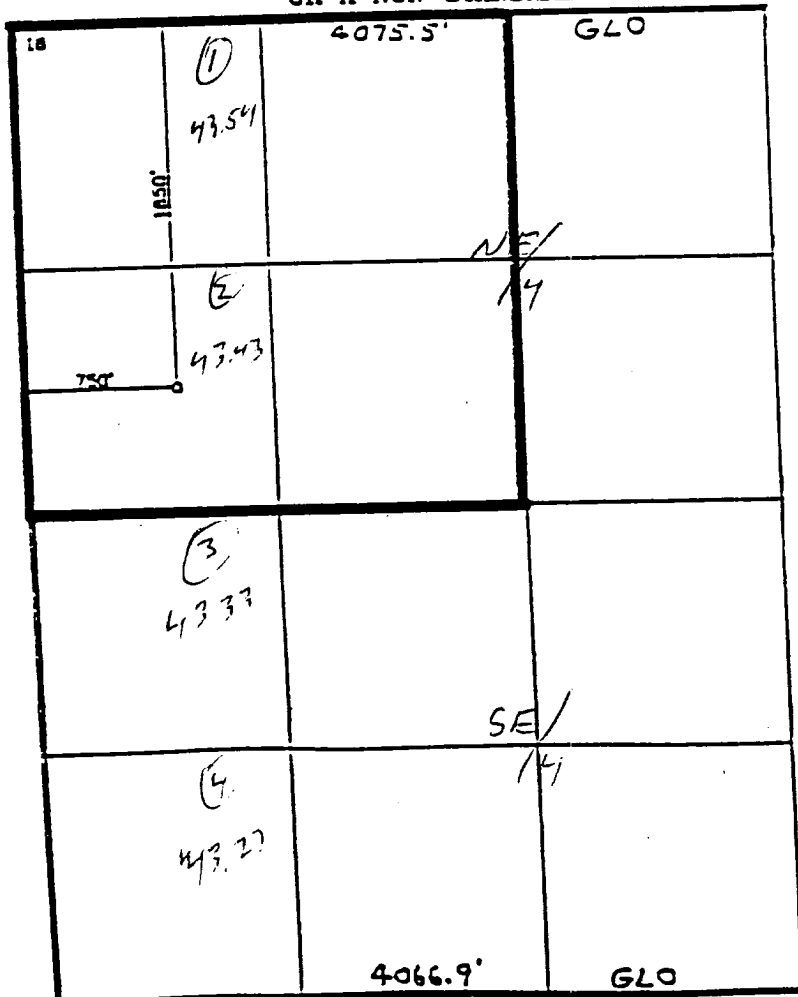
## 10 Surface Location

Sec. or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
	19	30-N	3-W		1850	NORTH	750	WEST	RIO ARriba

## 11 Bottom Hole Location if Different From Surface

Sec. or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County

*Dedicated Acres	*Name of Unit	*Consolidation Code	*Order No.
160			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

## 17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Terry Lindeman

Printed Name

Production Superintendent

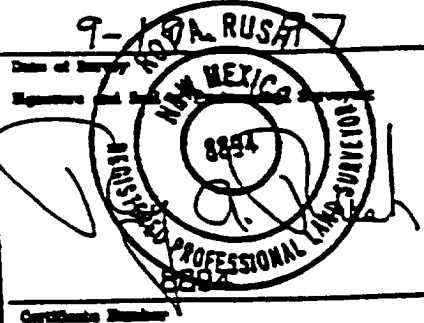
Title

10/9/97

Date

## 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.



Certificate Number