



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

February 4, 1999

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

RECEIVED
FEB - 8 1999

Telefax No. (970) 382-7650

OIL CONSERVATION DIVISION
FEB 8 1999

Administrative Order NSL-3994-A

Dear Ms. Serrano:

Reference is made to the following: (i) an application dated August 12, 1998 by Duane C. Winkler of Mallon Oil Company's ("Mallon") Carlsbad office; and (ii) the records of the New Mexico Oil Conservation Division's office in Santa Fe ("Division"): all concerning Mallon's request for an unorthodox gas well location in the Cabresto Canyon-Ojo Alamo Pool for the existing Jicarilla 457-4 Well No. 2 (API No. 30-039-25780) located 1510 feet from the South line and 2400 feet from the West line (Unit K) of Section 4, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico.

By Division Administrative Order NSL-3994, dated April 9, 1998, Mallon received authorization to drill to and complete the Jicarilla 457-4 Well No. 2 in the Mancos formation within a standard 160-acre gas spacing and proration unit comprising the SW/4 of Section 4 at the above-described unorthodox gas well location.

It is our understanding that Mallon drilled this well to a total depth of 3980 feet in March/April, 1998 and on April 12, 1998 completed it in the Cabresto Canyon-Ojo Alamo Pool with perforations from 3129 feet to 3156 feet, which pursuant to Division General Rule 104.C.(3)(a), is also unorthodox. Further, the SW/4 of Section 4 shall be dedicated to the well in order to form a standard 160-acre gas spacing and proration unit for this pool.

The application has been duly filed under the provisions of Division Rule 104.F.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location within the Cabresto Canyon-Ojo Alamo Pool is hereby approved.

Further, all provisions of original Order NSL-3994 shall remain in full force and affect until further notice.

Sincerely,

Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Albuquerque
File: NSL-3994

Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources subsidiary

August 12, 1998

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RECEIVED
JAN 21 1999

OIL CON. DIV.
DIST. 3

Attn: Mr. Mike Stogner

Re: Jicarilla 457-4 No. 2
1510 FSL, 2400 FWL (NESW) Unit K
Sec. 4, T30N-R03W
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL-3994) for the Pictured Cliffs formation.

In April 1998 Mallon Oil Company completed the well into the Cabresto Canyon; Ojo Alamo Extension formation which is also a non standard location.

Mallon Oil Company would like to apply for Non Standard Location approval for the Cabresto Canyon; Ojo Alamo Extension at the existing wellbore location. Mallon Oil Company is the sole operator within a half mile radius of this location.

Please find enclosed a copy of Mallon Oil Company's C-102 which was sent April 24, 1998 and a copy of the completion report (3160-4).

Should you need any further information, Please contact the undersigned at 505-885-4596.

Sincerely,

MALLON OIL COMPANY



Duane C. Winkler
Operations Manager

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		5 LEASE DESIGNATION AND SERIAL NO JIC457	
b TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <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	
3 ADDRESS AND TELEPHONE NO P.O. Box 3256, Carlsbad, NM 88220 (505) 885-4596		8 FARM OR LEASE NAME, WELL NO JICARILLA 457-4 NO. 2	
4 LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1510' FSL AND 2400' FWL (NE SW) UNIT K At top prod. interval reported below 1510' FSL AND 2400' FWL (NE SW) UNIT K At total depth 1510' FSL AND 2400' FWL (NE SW) UNIT K		9 API WELL NO 30-039-25780	
		10 FIELD AND POOL, OR WILDCAT CABRESTO CANYON, OJO ALAMO EXT	
		11 SEC. T. R. M. OR BLOCK AND SURVEY OR AREA SEC. 4, T30N-R03W	
		12. COUNTY OR PARISH RIO ARriba	13. STATE NM

15. DATE SPUNDED 3/27/98	16. DATE TD REACHED 4/3/98	17. DATE COMP (Ready to Prod.) 4/12/98	18. ELEVATION (DF, RKB, RT, GR, ET) 7104' GL	19. ELEV. CASINGHEAD 7105'
20. TOTAL DEPTH, MD & TVD 3980'	21. PLUGBACK TD, MD & TVD 3880'	22. IF MULTIPLE COMP. HOW MANY* N/A	23. INTERVALS DRILLED BY →	23. ROTARY TOOLS YES
24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) 3129' - 3156' Cabresto Canyon, Ojo Alamo Ext.				25. WAS DIRECTIONAL SURVEY MADE YES
26. TYPE ELECTRIC AND OTHER LOGS RUN SDL/DSN, DILT				27. WAS WELL CORED N/A

28. CASING RECORD (Report all strings set in well)					
CASING SIZE/GRADE	WEIGHT LB/FT	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24 LB	546'	12-1/4"	300 SXS OF CLASS "B" CEMENT	
4-1/2"	10.5 LB	3897'	7-7/8"	CIRC 103 SXS TO SURFACE	
				836 SXS CMT, CIRC 94 SXS TO SURFACE	

29. LINER RECORD				30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT * SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A				1.6"	3005'	3006'

31. PERFORATION RECORD (Interval, size, and number) 3129' - 3156' 4 JSPF 108 HOLES CABRESTO CANYON, OJO ALAMO EXT.		32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL (MD) 3129' - 3156' AMOUNT AND KIND OF MATERIAL USED 1900 GALS 7-1/2% ACID FRAC 21,000 LBS OF SAND	
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33. PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHO (Flowing, gas lift, pumping - size and type of pump) FLOWING			WELL STAT (Producing or Shut In) SI		
DATE OF TEST 4/10/98	HOURS TESTED 24 HRS	CHOKE SIZE 3/8"	PROD'N FOR TEST PERIOD →	OIL - BBL 0	GAS - MCF 925	WATER - BBL 40	GAS-OIL RATIO N/A
FLOW TBG PRESS 280	CASING PRESSURE 0	CALCULATED 24-HOUR RATE →	OIL - BBL 0	GAS - MCF 925	WATER - BBL 40	OIL GRAVITY - API (CORR.) N/A	

34. DISPOSITION OF GAS SOLD (Sold, used for fuel, vented, etc.)	TEST WITNESSED BY JOHNNY ANGEL
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35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *[Signature]* Title: **PRODUCTION ANALYST** DATE **4/30/98**

(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. 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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37. SUMMARY OF POROUS ZONES (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, flowing and shut-in pressures, and recoveries):

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cased intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):					J8. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP		
					MEAS. DEPTH	TRUE VERT. DEPTH	
				Ojo Alamo	3123'		
				Kirtland	3316'		
				Fruitland	3554'		
				Pictured Cliffs	3651'		
				Lewis	3756'		