

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
811 South First, Artesia, NM 87210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-103
Revised March 25, 1999

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-039-26102
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Mallon Oil Company		6. State Oil & Gas Lease No.
9. Address of Operator PO Box 2797 Durango, Co 81302		7. Lease Name or Unit Agreement Name: IMDA 70-93-0013
10. Well Location Unit Letter <u>P</u> : 877' feet from the <u>South</u> line and 723' feet from the <u>East</u> line. Section <u>35</u> Township <u>30N</u> Range <u>03W</u> NMPM Rio Arriba County		8. Well No. Jicarilla 30-03-35 #1
10. Elevation (Show whether DR, RKB, RT, GR, etc.) 7336' GL - 7348' KB		9. Pool name or Wildcat East Blanco; Pictured Cliffs Cabresto Canyon; Tertiary

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: Downhole Commingle ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Downhole Commingle ☒

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mallon Oil Company intends to complete the above referenced well and downhole commingle the Tertiary and Pictured Cliffs formations.

Division Order Number - Order No. R 11363

Names of Pools to be Commingled - Cabresto Canyon Tertiary and East Blanco Pictured Cliffs

Perforated Intervals: Pictured Cliffs Formation: 3724'-3729', 3735'-3752', 4 JSPF.

Tertiary Formation: 1292'-1310', 1320'-1322', 1345'-1351', 1387'-1419', 1441'-1444', w/4 JSPF and 3004 - 3056, w/2 JSPF.

04C753A2

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

SIGNATURE [Signature] TITLE District Manager DATE 04/20/01

Type or print name Robert Blaylock Telephone No. 970-382-9100

(This space for State use)

APPROVED BY [Signature] TITLE Oil & Gas Inspector DATE APR 23 2002

Conditions of approval, if any:

C103 Supplemental Information

Jicarilla 30-03-35 No. 1

Pictured Cliffs and Tertiary Formations

The Pictured Cliffs formation was perforated at intervals 3724'-3729', 3735'-3752' with 4 JSPF. The formation was broken down with 1750 gallons of 7 ½% HCl at 2800 psi, Average injection rate was 9 BPM @ 2200 psig with a ISIP 400 psig. The Pictured Cliffs formation was sand fractured with 180,547 lbs of 20/40 sand in a 1 – 4 PPG sand schedule in 109,806 gallons 70% N₂ foam. After clean up the twenty-four hour flow test of the formation was 453 MCFPD and 5 BWPD with a flowing tubing pressure of 130 psig.

The Tertiary formation was perforated at intervals 3004 – 3056 with 2 JSPF. The perforations were broken down with 3,500 gallons 7 ½% HCl at 1800 psig, average injection rate was 9 BPM @ 2200 psig. The interval was sand fractured with 49,400 lbs 20/40 sand in a 1 – 4 PPG sand schedule in 40,764 gallons of 70% N₂ foam. The Tertiary intervals 1292'-1310', 1320'-1322', 1345'-1351', 1387'-1419', 1441'-1444' were perforated with 4 JSPF. The perforations were broken down with 1000 gallons 7 ½% HCl at 1800 psig, average injection rate was 10 BPM @ 1700 psig with a ISIP 600 psig. The interval was sand fractured with 56,020 lbs 20/40 Brady sand in a 2 – 5 PPG sand schedule in 45,360 gallons of 70% N₂ foam. The Tertiary formation was put on production in December 2000 at an initial flow rate of 420 MCFPD and 48 BWPD.

In December 2001 the Tertiary formation was producing at a rate of 265 MCFPD and 30 BWPD, prior to commingling with the Pictured Cliffs formation and installing sucker rod pumping equipment when the production increased to a stabilized rate of 360 MCFPD and 45 BWPD. Therefore the allocations factors to be used to calculate the production allocations between the two pools are shown in the following table.

PRODUCTION ALLOCATION TABLE

Formation Name	Gas Rate (MCFPD)	Water Rate (BWPD)	Gas Allocation Factor	Water Allocation Factor
Pictured Cliffs	95	15	26.3889	33.3333
Tertiary	265	30	73.6111	66.6667

The downhole commingling of the production from E. Blanco Pictured Cliffs pool and the Cabresto Canyon Tertiary pool in this well will increase the value of the production from this well by allowing for the timely recovery of the production from both pools.

The leasehold ownership in both spacing units for these pools is identical and notification to leasehold owners is not required. Furthermore, all leases in the spacing units are Jicarilla Apache Nation leases and are being notified of this downhole commingling by sending a copy of this sundry to the Oil and Gas Administration of the Jicarilla Apache Nation.

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