(July 1992)

Oil Well

UNITED STATES

SUBMIT IN TRIPLICATE

FORM APPROVED

OMB NO. 1004-0136

(Other instructions on DEPARTMENT OF THE INTERIOR reverse side) Expires February 28, 1995 BUREAU OF LAND MANAGEMENT 5. LEASE DESIGNATION AND SERIAL NO. APPLICATION FOR PERMIT TO DRILL OR DEEPEN MDA 701-98-0013 1a. TYPE OF WORK 6. IF INDIAN, ALLOTTEE OR TRIBE NAME Drill X Deepen Jicarilla Apache b. TYPE OF WELL 7. UNIT AGREEMENT NAME Gas Weil X Other N/A --- Multiple Zone 2. NAME OF OPERATOR

8. FARM OR LEASE NAME, WELL NO Mallon Oil Company Jicarilla 30-3-33 #5 3. ADDRESS AND TELEPHONE NO.

P.O. Box 2797 Durango, CO 81302 (970) 382-9100 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1818' FSL and 1890' FEL (NW/SÉ) Unit J

APLWELL NO. 10. FIELD AND POOL, OR WILDCAT

E. Blanco, Pictured Cliffs 11. SEC., T., R., M., OR BLK AND SURVEY OR AREA

At proposed prod. zone 1818' FSL and 1890' FEL (NW/SE) Unit J 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE \*

Sec. 33, T30N-R03W 12. COUNTY OR PARISH

13. STATE 53 miles east of Bloomfield, New Mexico Rio Arriba NM 15. DISTANCE FROM PROPOSED 16. NO. OF ACRES IN LEASE 17. NO. OF ACRES ASSIGNED LOCATION TO NEAREST 1818 TO THIS WELL PROPERTY OR LEASE LINE, FT 39,360 160 (Also to nearest drlg. unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION\* 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED. 2766 OR APPLIED FOR, ON THIS LEASE, FT 4500 Rotary 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7105' GR 22. APPROX.DATE WORK WILL START

12/21/98 23 PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT 12-1/4" 8-5/8" 24# 500 Circulate to surface 7-7/8" 5-1/2" 15.5# 4500 570 sks

Mallon Oil Company proposes to drill to a depth sufficient to test the Pictured Cliffs formation. If productive, 5-1/2" casing will be cemented at TD. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal regulations. Specific programs as per on-shore Oil and Gas Order No. 1 are outlined in the following attachments:

|             | _         |
|-------------|-----------|
| l Irillina  | Program   |
| Di IIIII lu | FIUUIAIII |

Exhibit B:

Exhibit C:

Exhibit 1: Blow Out Preventor Equipment/Plan Exhibit A:

**Location and Elevation Plat** 

Roads and Pipelines

One Mile Radius Map

Exhibit D: **Drilling Site Layout** Exhibit E: **Production Facilities** 

**H2S Contingency Plan** Exhibit F: Exhibit G: Environmental Assessment

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is

to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any 24

SIGNED lerry Landeman

TITLE: Operations Superintendent

DATE 12/14/98

(This space for Federal or State office use)

PERMIT NO

APPROVAL DATE

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:

(Original Signed) HECTOR A. VILLALOBOS APPROVED BY

\*See Instructions On Reverse Side

Title 18 U.S.C. Section 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.

HOLD CIGA FOR NS 4

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 Febuary 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, NM 87504-2088

| ISTRICT IV<br>O Box 2088, San | ıta Fe, NM | 87504-2088   |              | •                 | Junica 1 C, 1                           | ·III. U                | 1001 2000                            |  | , [  | AMEN                  | NDED REPO                                |  |
|-------------------------------|------------|--------------|--------------|-------------------|---|------------------------|--------------------------------------|--|--|-----------------------|--|--|
|                               |            | ٦            | WELL I       | OCATI             | ON AND                                  | AC                     | REAGE DED                            | ICATION P                                    | LAT  |                       |  |  |
|                               |            |              |              |                   | <sup>2</sup> Pool Code <sup>2</sup> Poo |                        |                                      |  | ool Name   |                       |  |  |
| 30-0.                         | 39-        | 2610         | / 42         | 2700              |   |                        | East Blan                            | co; Pict                                     | ared C   | liff                  | SEXT                                     |  |
| Property C                    |            |              |              |                   |   | perty                  |                                      |  |  | . M                   | ell Number                               |  |
| 124209                        |            |              |              |                   | JICARILLA 30-03-33                      |                        |                                      |  | 5  |                       |  |  |
| OGRID No.                     |            |              |              |                   | Operator Name                           |                        |                                      |  | * Elevation  |                       |  |  |
| 013925                        |            |              |              |                   | MALLON OIL COMPANY                      |                        |                                      |  | 7105'  |                       |  |  |
|                               | <u>-</u>   |              |              |                   | 10 Surf                                 | ace                    | Location                             |  |  |                       |  |  |
| UL or lot no.                 | Section    | Township     | Range        | Lot Idn Feet from |   | the                    | North/South line                     | North/South line   Feet from the   F         |  | East/West line County |  |  |
| J                             | 33         | 30-N         | 3-W          |                   | 1818                                    |                        | SOUTH                                | 1890   | EA:  | EAST RIO ARRI         |  |  |
|                               |            |              | 11 Botto     | om Hol            | e Location                              | on I                   | f Different Fro                      | om Surface                                   |  |                       |  |  |
| UL or lot no.                 | Section    | <del> </del> |              |                   |   | m the North/South line |                                      | Feet from the                                | East/We:   | st line               | County                                   |  |
|                               |            |              |              |                   |   |                        |                                      |  |  |                       |  |  |
| Dedicated Acre                | s 15 Joint | or Infill 14 | Consolidatio | n Code            | Order No.                               |                        |                                      |  |  |                       |  |  |
| 160                           |            |              |              | İ                 |   |                        |                                      |  |  |                       |  |  |
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|                               |            | OR A N       | ION-STA      | NDARD             | UNIT HAS                                | 3 BE                   | EN APPROVED                          | BY THE DI                                    | VISION   |                       |  |  |
|                               |            |              |              | <del></del>       |   |                        | SET 4 (C. DETWO                      |  |  |                       |  |  |
|                               |            |              |              |                   |   | -                      | SET 1/2" REBAR<br>PLASTIC CAP L.S. 8 | 894  | PERATO   | R CEI                 | RTIFICATION                              |  |
|                               |            |              |              |                   |   |                        |                                      |  |  |                       | contained herein is                      |  |
|                               |            |              |              |                   |   |                        |                                      | srue una con                                 | spiece to the  | oest of my            | knowledge and belt                       |  |
|                               |            |              |              | \$ 15.<br>\$ 17.  |   |                        |                                      | 1  |  |                       |  |  |
|                               |            |              |              | e manufactural    |   | ak -                   | 187<br>3634                          | Ĵ  |  |                       |  |  |
|                               |            |              |              |                   | 7 64.2                                  | J                      | ·호급호                                 |  |  |                       |  |  |
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|                               |            |              |              |                   |   | }                      | And the second second                | 173  |  |                       | _  |  |
|                               |            |              |              |                   |   |                        |                                      | Signature                                    |  | -                     |  |  |
|                               |            |              |              |                   |   |                        |                                      | T. G.  | Linde  | man                   |  |  |
|                               |            |              |              |                   |   |                        | u<br>u                               | Printed No                                   |  | Cunar                 | <u>cintend</u> er                        |  |
|                               |            |              |              | l                 |   |                        | ת<br>מ<br>ה                          | Title  | ,10115   | <u>Super</u>          | <u>. Tirceird</u> ei                     |  |
|                               |            |              |              | 33 —              |   |                        | ·                                    | Decemb<br>Date                               | <u>er 14</u>   | , 199                 | 98                                       |  |
|                               |            |              | `            | ))                | •                                       | 1                      | la<br>Pr                             | · /  |  |                       | <del> </del>                             |  |
|                               |            |              |              |                   |   |                        |                                      | 18 SU  |  |                       | TIFICATION                               |  |
|                               |            |              |              |                   |   |                        | 7                                    | I hereby certi                               |  |                       | i shown on this pla<br>i surveys made by |  |
|                               |            |              |              |                   |   |                        | 1890՝                                | or under my                                  | supervision best med   | belief.D              | ue some is true and                      |  |
|                               |            |              |              |                   |   |                        |                                      |  | RUI  | HIS RUS               | 4  |  |
|                               |            |              |              |                   |   |                        |                                      | Date of Su                                   | - 38 M   | MEXIC                 | ++                                       |  |
|                               |            |              |              | <del> </del>      |   | $\dashv$               |                                      | Signature a                                  | gai Seal (1 1)   | Signation al          | 34-050                                   |  |
|                               |            |              |              |                   | 1818'                                   |                        |                                      |  | STERENCE OF THE PROPERTY OF TH | 1894iojai             |  |  |
|                               |            |              |              |                   | 20                                      |                        |                                      |  | EX.  | \ \ \ \               | \\$\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\  |  |
|                               |            |              |              |                   |   |                        |                                      |  | CON  | Land                  |  |  |
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N 89-35-26 E

FD. MARKED STONE

5213.5

Certificate Number

