

MALLON OIL COMPANY

1099 18th Street, Suite 2750, Denver, Colorado 80202
(303) 293-2333

September 26, 1989

RECEIVED

SEP 28 1989
OIL CONSERVATION DIV.
SANTA FE

Mr. Mike Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Application for Administrative Approval of
Unorthodox Location for Mallon Oil Company
Amoco-Red Bluff Federal #3 Well 130' FNL &
1805' FEL, Sec. 28, T26S, R29E, NMPM,
Eddy County, New Mexico

Dear Mr. Stogner:

We hereby request approval of an unorthodox location for the above captioned well under the provisions of NMOC Rule 104-F. Copies of the C-102, the Archeological Report, the Location Verification Map showing the topography, and a plat showing lessees of record are attached for your reference.

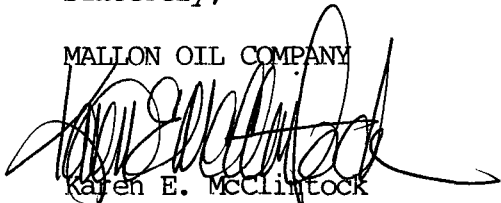
Mallon Oil Company's original #3 location, which was 330' FNL and 1885' FEL, cannot be drilled due to the lack of an archeological clearance. The Archeological Report explaining the significant nature of the cultural remains is attached for your review. As evidenced by the attached Location Verification Map, the topography allows only an unorthodox location of 130' FNL & 1805' FEL to be drilled within this spacing unit.

A copy of this application is being submitted to all operators of offsetting proration or spacing units by certified mail, with a request that they furnish your office with a waiver of objection.

Your attention to this matter is greatly appreciated.

Sincerely,

MALLON OIL COMPANY


Karen E. McClintock
Landman

Enclosures

WAIVER

_____ hereby waives objection to the above
application for unorthodox location.

By: _____

_____ Date

MALLON OIL COMPANY

1099 18th Street, Suite 2750, Denver, Colorado 80202
(303) 293-2333

September 26, 1989

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OCT - 5 1989

OIL CONSERVATION DIV.
SANTA FE

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New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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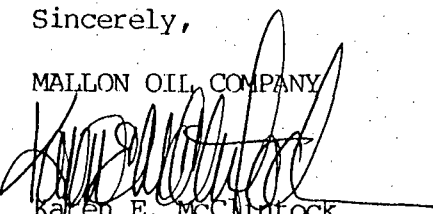
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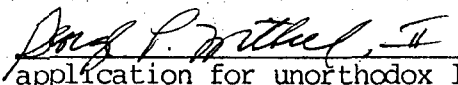
Sincerely,


MALLON OIL COMPANY


Karen E. McClintock
Landman

Enclosures

WAIVER

 hereby waives objection to the above application for unorthodox location.

By: 

10-3-89
Date

OIL CONSERVATION DIVISION
RECEIVED

'89 OCT 23 AM 8 59

MALLON OIL COMPANY

1099 18th Street, Suite 2750, Denver, Colorado 80202
(303) 293-2333

September 26, 1989

Mr. Mike Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RE: Application for Administrative Approval of
Unorthodox Location for Mallon Oil Company
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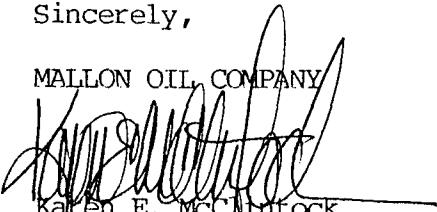
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Your attention to this matter is greatly appreciated.

Sincerely,

MALLON OIL COMPANY


Karen E. McClinton
Landman

Enclosures

WAIVER

Red Bluff Water Power Control Dist. hereby waives objection to the above application for unorthodox location.


By: Jim Ed Miller, General Manager

October 19, 1989
Date

Mr. Mike Stogner
September 26, 1989
Page Two

Operators of the offsetting proration or spacing units to the
Amoco-Red Bluff Federal #3 well:

Exxon Company, USA
P.O. Box 1600
Midland, TX 79702-1600

Red Bluff Water Power Control District
111 W. 2nd Street
Pecos, TX 79772

George Mitchell, Jr.
P.O. Box 50682
Midland, TX 79710

United States of America
Bureau of Land Management
P.O. Box 1397
Roswell, NM 88202-1397

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

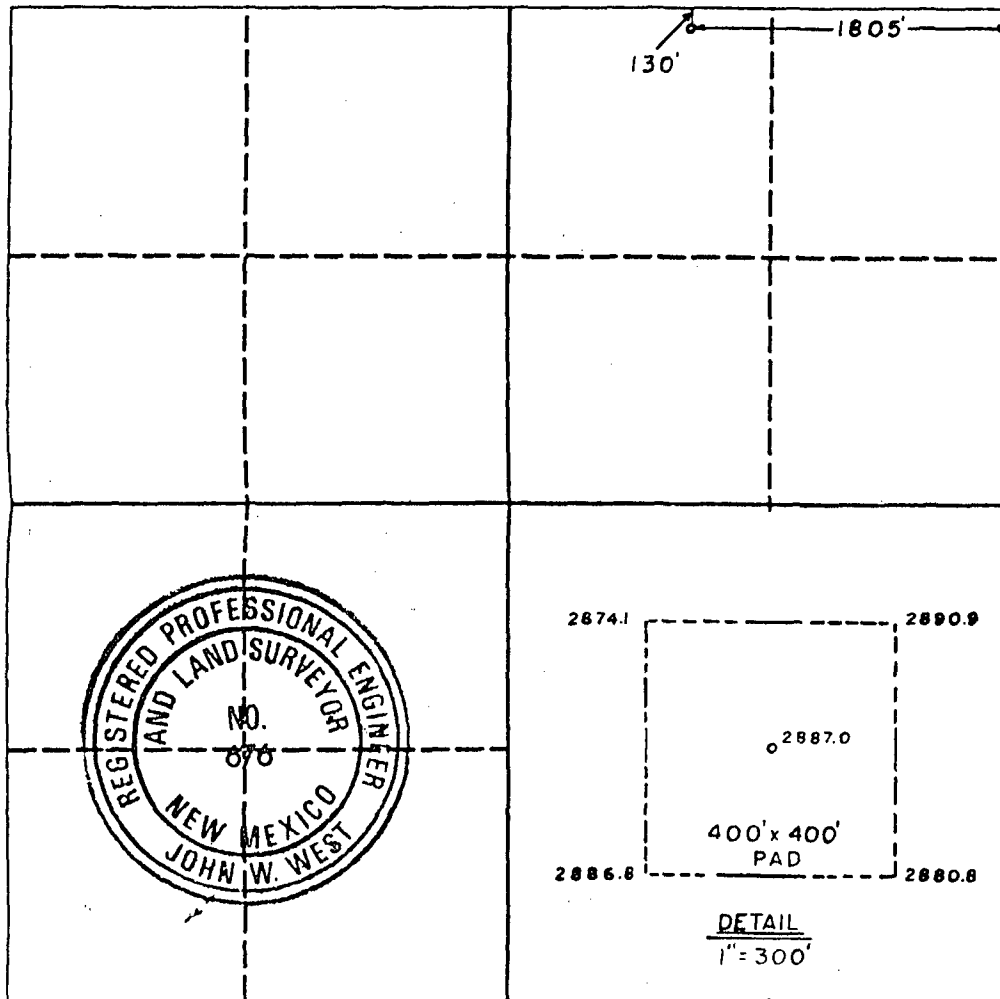
RECEIVED SEP 19 1989
Brady
Davis
DeHaven

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MALLON OIL COMPANY			Lease Amoco-Red Bluff Federal		Well No. 3
Unit Letter B	Section 28	Township 26 South	Range 29 East	County Eddy	
Actual Footage Location of Well: 130 feet from the North line and 1805 feet from the East line					
Ground level Elev. 2887.0		Producing Formation			Dedicated Acreage: Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

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 knowledge and belief.

Date Surveyed

9-12-89

Signature & Seal of
Professional Surveyor

John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

County EddyPool Brushy Draw - Delaware

TOWNSHIP 26 South						RANGE 29 East						NEW MEXICO PRINCIPAL MERIDIAN					
6						5						4					
7						8						9					
18						17						16					
19						20						21					
30						29						28					
31						32						33					

Description: SW/4 Sec. 13 (R-1355, 4-1-59)

Ext: NW/4 Sec. 24 (R-1681, 6-1-60) - NW/4 Sec. 13 (R-1720, 8-1-60)

- S/2 S/2 Sec. 12 (R-1942, 5-1-61) - SW/4 Sec. 24; N/2 NW/4 Sec. 25 (R-2062, 10-1-61)

- E/2 SE/4 Sec. 14, (R-2393, 1-1-63). Ext: E/2 sec 26 (R-6912, 3-5-82)

Ext: 1/2, 1/2 NW/4 Sec. 25, SW/4 NE/4, 1/2 SE/4 Sec. 27, NE/4 Sec. 34, All Sec. 35, NW/4 Sec. 36

(A-7307, 6-14-83) Ext: E/2 Sec. 23 (R-7322, 8-1-83)

Ext: W/2 Sec. 26, E/2 E/2 Sec. 27 (R-7334, 8-19-83)

Ext: W/2 Sec. 23 (A-7668, 9-21-84) Ext: E/2 Sec. 22 (R-7758, 12-13-84)

Ext: NW/4 NE/4 and W/2 Sec. 27 (R-7875, 4-16-85)

Ext: W/2 Sec. 15, W/2 Sec. 22 (R-8065, 10-31-85)

Ext: N/2 SW/4 Sec. 12 (R-8229, 5-19-86) Ext: NE/4 Sec. 13 (R-8252, 7-8-86)

Ext: NW/4 Sec. 12 (R-8562, 12-4-87) Ext: NE/4 Sec. 25, NE/4 Sec. 28 (R-8627, 4-1-88)

Ext: SE/4 Sec. 28 (R-8747, 9-19-88)

COUNTY Eddy POOL Brushy Draw - Delaware

TOWNSHIP 26 South RANGE 30 East NMFM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Ext: NW 1/4 Sec. 18 (A-8257, 7-8-86)



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 1, 1989

Mallon Oil Company
1099 18th Street
Suite 2750
Denver, CO 80202

Attention: Joe Cox

RE: NW/4 NE/4 (Unit B),
Section 28, T-26S, R-29E,
Eddy County.

Dear Mr. Cox:

Thank you for supplying us with the archeological report on your proposed Amoco Red Bluff Federal Well No. 3. This information will be included in your application filed with the N.M. Oil Conservation Division for an unorthodox oil well location in the proposed proration unit, pursuant to General Rule 104.F., at such time as it may be necessary to file with us.

Per my telephone conversation with you and Mr. Berry Hunt of the Bureau of Land Management in Carlsbad last week, it is my understanding that an alternate well site will be chosen to avoid the subject significant cultural site. Hopefully such a move will result in a standard location to the east; however, if an alternate location is unorthodox such an application will of course be entertained.

Thank you for your cooperation in this matter.

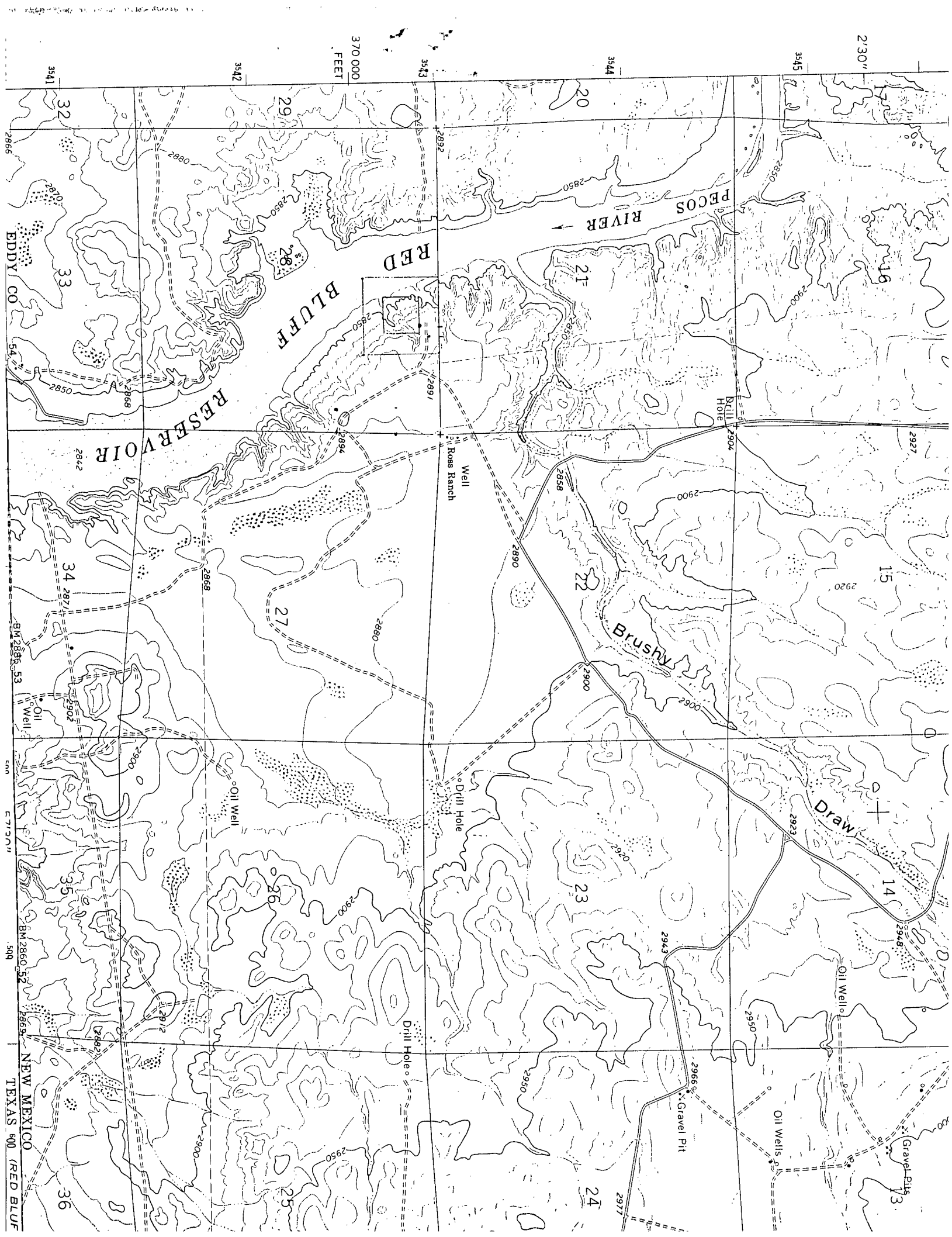
Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", written over a horizontal line.

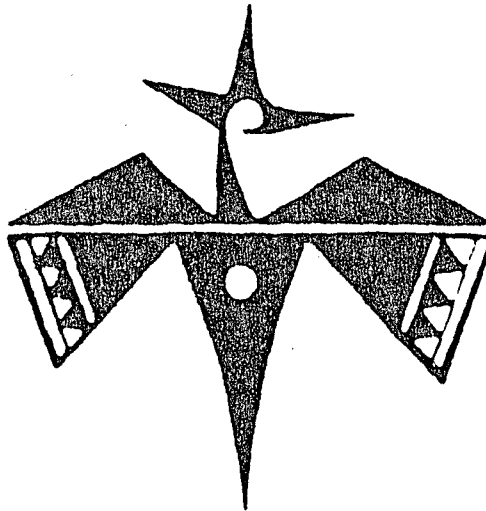
Michael E. Stogner
Petroleum Engineer

MES/ag

cc: US Bureau of Land Management - Carlsbad
Oil Conservation Division - Artesia



PECOS
ARCHEOLOGICAL
CONSULTANTS
P.O. BOX 1771
CARLSBAD, NM 88221



Archeological Clearance Report for
Mallon Oil Company's
Amoco Red Bluff Federal No. 3
Situated on Public Lands in Eddy County, N.M.
Report No. 89076

Archeological Clearance Report for
Mallon Oil Company's
Amoco Red Bluff Federal No. 3
Situated on Public Lands in Eddy County, N.M.
Report No. 89076

prepared by
James E. Hunt

submitted by
Pecos Archeological Consultants
P.O. Box 1771, Carlsbad, N.M., 88221
August 7, 1989
BLM Cultural Use Permit No. 6-2920-89-I
State Blanket Survey Permit No. 89-024

ABSTRACT

On July 12, 1989, Pecos Archeological Consultants (BLM Cultural Use Permit No. 6-2920-89-I, State Blanket Survey Permit No. 89-024) undertook an archeological inventory for a proposed drill location scheduled to be impacted by Mallon Oil Company. This project will be situated on public lands in Eddy County, New Mexico. These lands occur in section 28, T26S, R29E, NMPM, Eddy County, N.M. A total of 3.6 acres of federal surface ownership were investigated during this project, which was conducted in 5 man-hours by James E. Hunt and Robert J. Martin. One archeological site (PAC Field Site No. PAC/Ed-277) was recorded as occurring within the impact zone that will result from the planned activity. Due to the significant nature of the cultural remains within the impact zone, Pecos Archeological Consultants NOT recommending clearance for this project without further mitigative activities.

INTRODUCTION

On July 6, 1989, Pecos Archeological Consultants was requested by Mr. Joe Cox, representing Mallon Oil Company, to perform the archeological survey for a drill location scheduled to be constructed on public land in Eddy County, New Mexico. This land is administered by the Bureau of Land Management and federal law stipulates that an intensive archeological inventory be performed to identify what cultural resources might be affected by such activity prior to granting clearance to the project. Therefore, Pecos Archeological Consultants undertook this survey on July 12, 1989. Fieldwork for this project was performed by James E. Hunt and Robert J. Martin. The following is a report of the field activities and findings resulting from the survey.

SURVEY METHODOLOGY

Pecos Archeological Consultants conducted this survey by physically examining the entire 400 X 400 ft impact zone which will result from the planned construction. Pedestrian inspection along parallel transects was accomplished across the staked drill location. These transects were spaced 15 meters apart; however, established transects were departed from to examine nearby areas of high site probability. All prominent deflations and denuded areas were given special attention. Additionally, all attendant easements (if any) were surveyed in two parallel transects spaced 15 meters

apart. This project was conducted on one sunny day. Surface visibility in the region, which, due to floral cover, ranged between 25-40% of the ground under dry soil conditions, made this the most practical methodology for effectively sampling the impact zone which will result from this project as planned.

ENVIRONMENT

This project will be situated on the terrace of the Pecos River just north of the Texas/New Mexico border. To the west is the Pecos Floodplain on the edge of Red Bluff Reservoir. Local soils in the region consist of sandy loams which belong to the Reagan-Upton association. These soils are drained by sheetwash to the west, and they possess numerous inclusions of chert and quartzite gravels, some of which are suitable for chipped stone tool manufacture. In addition, outcroppings of caliche and caliche cobbles are exposed in these soils. Elevation in the project area is between 2850 ft and 2880 ft above sea level.

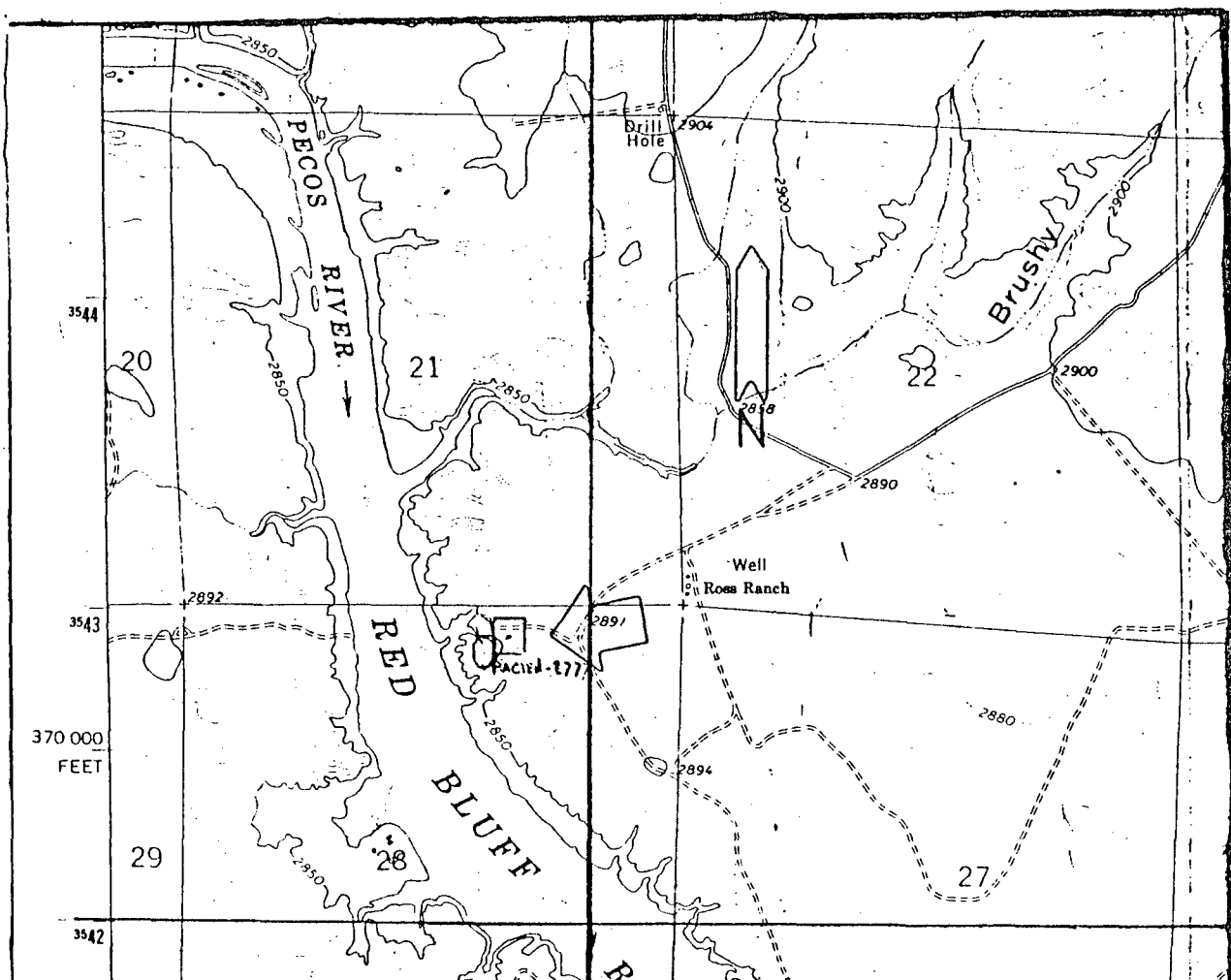
The plant community in the project area is quite sparse, due to a recent grassfire. The plant inventory includes creosote bush (*Larrea tridentata*), mesquite (*Prosopis juliflora*), acacia (*Acacia constricta*), broom snakeweed (*Gutierrezia sarothrae*), and various grasses. Some of the common faunal types in area are mule deer (*Odocoileus hemionus*), pronghorn antelope (*Antilocapra americana*), jackrabbit (*Lepus* sp.), cottontail rabbit (*Silvilagus* sp.), coyote (*Canis latrans*), as well as other small mammals, birds and reptiles.

LOCATIONAL DATA

Mallon Oil Company's drill location, designated the Amoco Red Bluff Federal No. 3, will measure 400 ft X 400 ft, or 3.6 acres. It will be situated 330 ft from the north line and 1885 ft from the east line, in the:

NW1/4 NE1/4, section 28, T26S, R29E, NMFM, Eddy County, N.M.

Map Reference: USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.

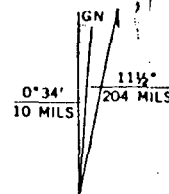


Mallon Oil Company's
 Amoco Red Bluff Federal No. 3
 Township 26 South, Range 29 East
 USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.
 1:24,000 ft

Topography by photogrammetric methods from aerial
 photographs taken 1967. Field checked 1968

Polyconic projection. 1927 North American datum
 10,000-foot grid based on New Mexico coordinate system,
 east zone
 1000-meter Universal Transverse Mercator grid ticks,
 zone 13, shown in blue

Fine red dashed lines indicate selected fence lines



UTM GRID AND 1968 MAGNETIC NORTH
 DECLINATION AT CENTER OF SHEET

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

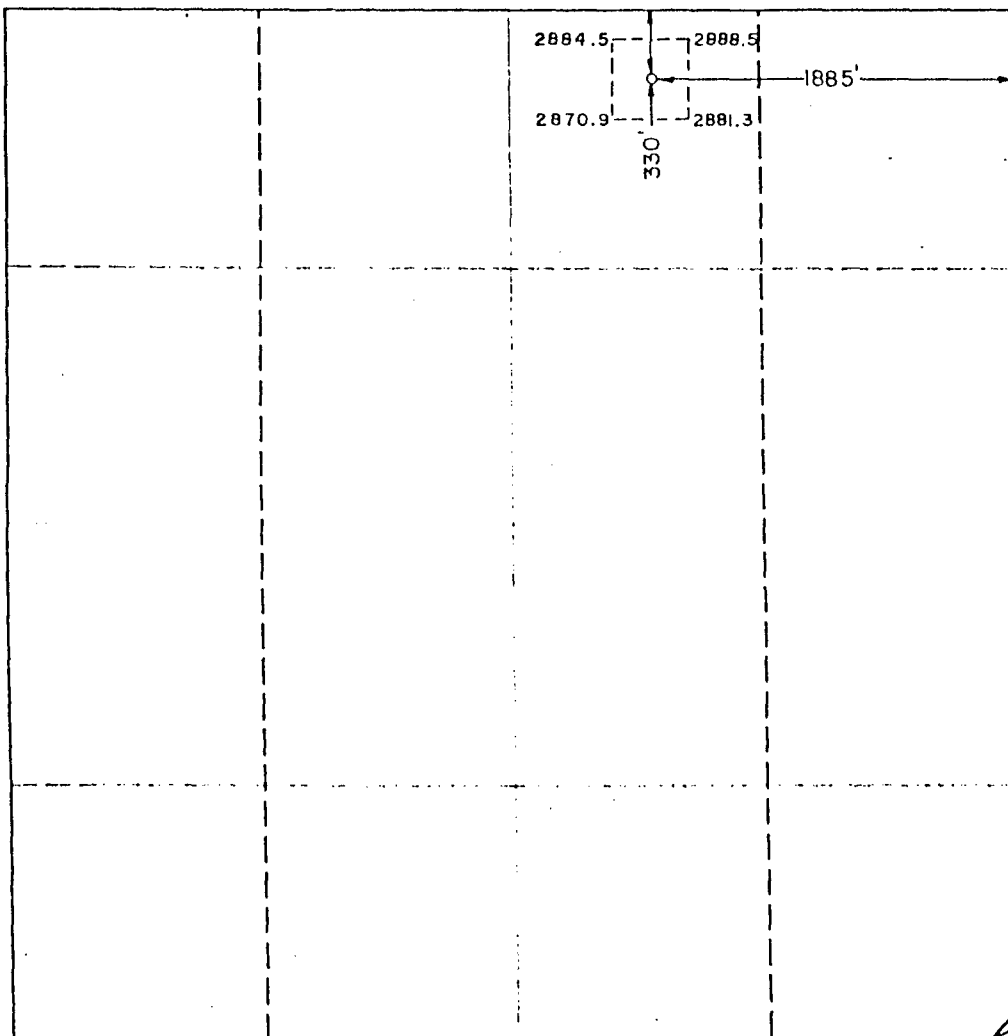
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Mallon Oil Company			Lease Amoco Red Bluff Fed.		Well No. 3
Unit Letter B	Section 28	Township 26 South	Range 29 East	County NMPM	Eddy
Actual Footage Location of Well: 330 feet from the North line and 1885 feet from the East line					
Ground level Elev. 2886.7		Producing Formation		Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
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☐ Yes ☐ No If answer is "yes" type of consolidation
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

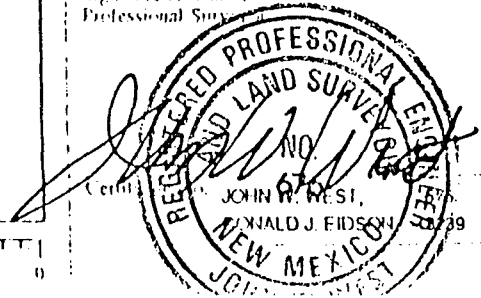
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed

May 24, 1989

Signature & Seal of
Professional Surveyor



0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

ARCHEOLOGICAL RESOURCES

On July 12, 1989, Pecos Archeological Consultants performed a literature search to determine if any archeological sites had already been recorded in the vicinity of the project area. Current BLM files and the National Register of Historic Places were consulted in this endeavor. No previously-recorded sites were found to occur in the project area.

Observed Archeological Resources:

One archeological site (FAC/ED-277) was found to occur in the impact zone.

FIELD SITE NO. PAC/Ed-277

Location: NW1/4 NW1/4 NE1/4, NE1/4 NW1/4 NE1/4, section 28, T26S, R29E, NMPM, Eddy County, N.M.
UTM Coordinates: Zone 13, N 3,542,860 ; E 595,660
Dimensions: 100 X 100 m
Temporality: Unknown
Elevation: 2880 ft above sea level
BLM Category: 2
Map Reference: USGS Ross Ranch Quadrangle, 7.5 Minute Series, 1968.

Observations:

PAC/Ed-277 is located on the edge of the terrace on the east bank of the Pecos River as it enters the north end of Red Bluff Reservoir. This is a highly eroded landform cut by shallow arroyos which drain the terrace to the west. Soils at the site consist of sandy loams that are host to numerous inclusions of fragmented caliche and gravels. These gravels are associated with the Ogallala formation, and much of it is suitable for chipped stone manufacture. Indeed, the cultural deposition is coextensive with an exposure of such material. Vegetation on the site consists of creosote bush (Larrea tridentata), acacia (Acacia constricta), broom snakeweed (Gutierrezia sarothrae) prickly-pear cactus (Opuntia macrocentra), and various grasses. In aspect, the site appears to be oriented towards 360 degrees and the nearest named drainage is the Pecos River.

Cultural remains at PAC/Ed-277 consist of a chipped stone scatter which includes locally available chert and

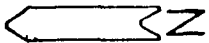
Cultural remains at PAC/Ed-277 consist of a chipped stone scatter which includes locally available chert and quartzite primary, secondary, tertiary decortication flakes, thinning flakes, angular debris and cores. The density of cultural material is between 1-3 pieces per 10-25 square meters. No diagnostic tools or surface features were encountered during this site examination. Given the highly-eroded nature of the terrace, it is unlikely that subsurface remains are present.

PAC/Ed-277's chipped stone assemblage seems to be indicative of relatively casual flake tool manufacture and use. Lithic material available on the site was utilized exclusively. It is probable that tools manufactured on site were then used to exploit locally-available floral and/or faunal resources. It is also possible that the artifact assemblage represents several different cultural events which occurred at different times.

According to the Roswell BLM District's prehistoric typology, PAC/Ed-277 would be classified as a "Lithic Procurement and Workshop Locale," or a Type 3-B site. Additional studies of the artifact assemblage and its distribution could also shed light on how the chipped

stone tools were made and used at PAC/Ed-277. Because the site possesses potential for additional data recovery which could contribute important information concerning the area's prehistory, PAC/Ed-277 should be considered eligible for nomination to the National Register of Historic Places.

PECOS FLOODPLAIN



100'

GRAVEL EXPOSURE

TERRACE

ARTIFACT

SCATTER

FIELD SITE NO. PACED-277

STAKED LOCATION

center hole

2890 FT

2880 FT

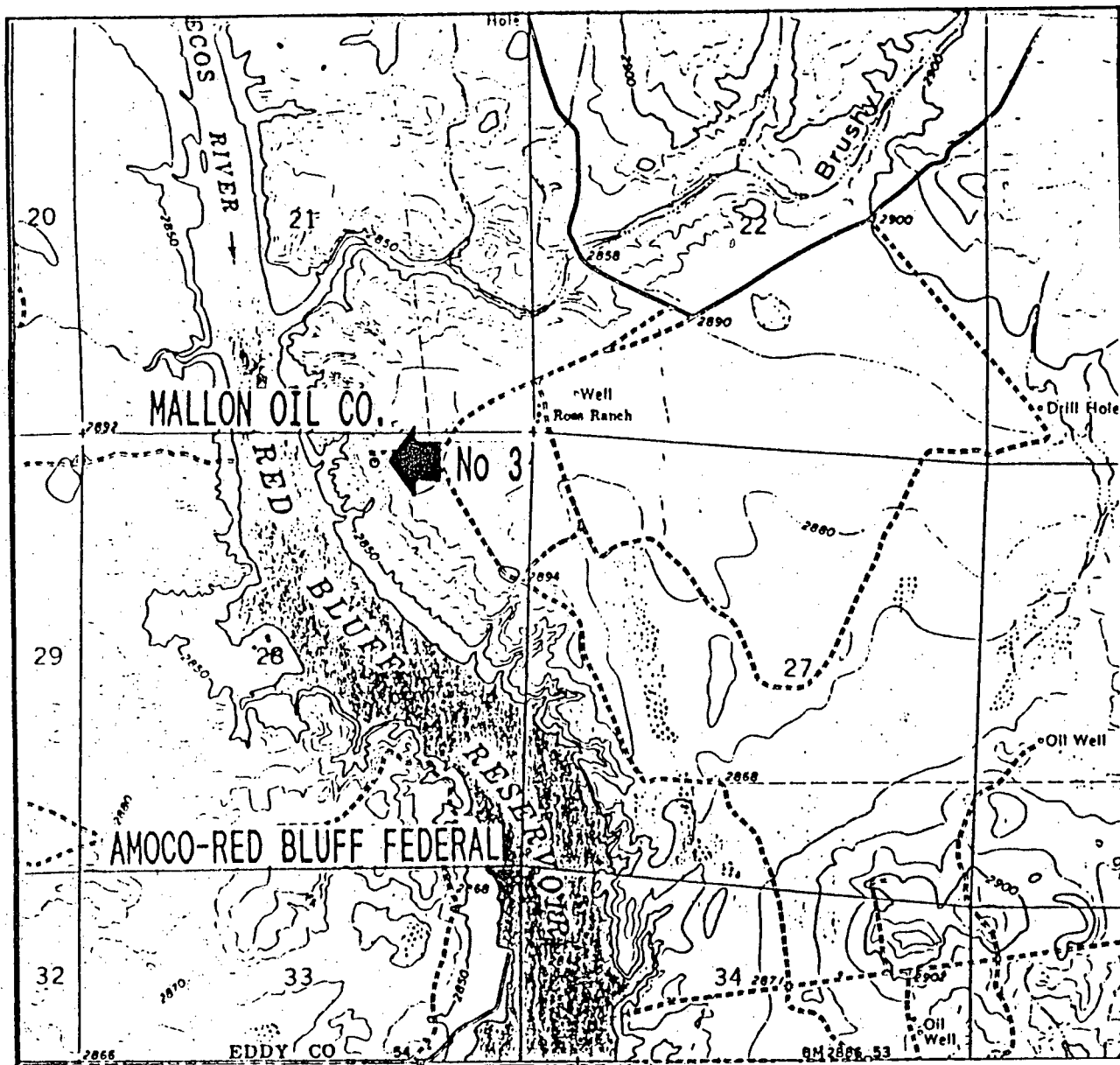
2870 FT

2860 FT

RECOMMENDATIONS

Due to the significant nature of the cultural resources in the project area, Pecos Archeological Consultants is NOT recommending clearance for Mallon Oil Company's project, as planned. A course of action which will mitigate the effects of construction on the archeological site, PAC/Ed-277, will have to be decided upon by the BLM and Mallon Oil Company before the project can proceed. What form this activity will take will be determined by factors not yet finalized by Mallon Oil Company's drilling requirements.

LOCATION VERIFICATION MAP



Map of Offsetting Lessees

Request for Administrative Approval of an Unorthodox Location

Operator: Mallon Oil Company
Well name: Amoco-Red Bluff Federal #3 well
Well Location: 130' FNL & 1805' FEL, Section 28, T26S, R29E,
Eddy County, New Mexico

