

Mallon Oil Company

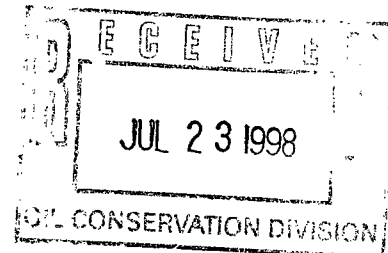
Denver/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources subsidiary

NSL 8/12/98

July 14, 1998

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



Attn: Mr. Mike Stogner

Re: Jicarilla 460-16 No. 1
1850' FNL, 690' FWL (SW NW) Unit E
Sec. 16, T30N-R03W
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL 3981) 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 23, 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

CONFIDENTIAL

SUBMIT IN DUPLICATE
(See other instr.)
(on reverse side)

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

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 _____		5. LEASE DESIGNATION AND SERIAL NO JIC 460	
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 460-16 No. 1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface: 1850' FNL, 690' FWL (SW NW), Unit E At top prod. interval reported below: 1850' FNL, 690' FWL (SW NW), Unit E At total depth: 1850' FNL, 690' FWL (SW NW), Unit E		9. API WELL NO 30-039-25760	
14. PERMIT NO. N/A		12. COUNTY OR PARISH Rio Arriba	
16. DATE TO REACHED 2/28/98		13. STATE NM	
15. DATE SPUNDED 2/22/98		18. ELEVATION (OF. RKB, RT, GR, E) 7168' GL	
17. DATE COMP (Ready to Prod.) 6/15/98		19. ELEV. CASING HEAD 7169'	
20. TOTAL DEPTH, MD & TVD 3970'		21. PLUGBACK TD, MD & TVD 3903'	
22. IF MULTIPLE COMP HOW MANY* N/A		23. INTERVALS DRILLED BY →	
24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 3164' - 3208' Ojo Alamo		25. WAS DIRECTIONAL SURVEY MADE YES	
26. TYPE ELECTRIC AND OTHER LOGS RUN GR, GDL, DSN, DIND, SGRD		27. WAS WELL CORED N/A	

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	537.21'	12-1/4"	Cmt 30 sxs Class "B" Circ	
				95 sxs to surface	
5-1/8"	15/5 lb	3958'	7-7/8"	Cmt 580 sxs circ 57 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					1.9	2997'	2998'

31. PERFORATION RECORD (Interval, size, and number)			32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
INTERVAL	SIZE	HOLES	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3164' - 3175'	4 JSPF	44 holes	3164' - 3208'	2500 gals 7-1/2 acid Frac 36,000 lbs sand
3183' - 3208'	4 JSPF	100 holes		
Ojo Alamo				

33. PRODUCTION	
DATE FIRST PRODUCTION ##	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) Flowing
DATE OF TEST 3/7/98	WELL STAT (Producing or Shut In) SI
HOURS TESTED 24	CHOKE SIZE 3/8"
FLOW TBG PRESS 200	PROD'N FOR TEST PERIOD →
CASING PRESSURE 0	OIL - BBL 0
CALCULATED 24-HOUR RATE →	GAS - MCF 673
	WATER - BBL 110
	GAS-OIL RATIO N/A
DISPOSITION OF GAS Sold	TEST WITNESSED BY Kisor

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 Christy Soriano Production Secretary DATE 4/23/98

*(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

CONFIDENTIAL

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, time tool open, flowing and shut-in pressures, and recoveries):

SUMMARY	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
1801				Ojo Alamo	3154'	
				Kirtland	3398'	
				Fruitland	3614'	
				Pictured Cliffs	3732'	
1802				Lewis	3795'	
1803						

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	3154'	
Kirtland	3398'	
Fruitland	3614'	
Pictured Cliffs	3732'	
Lewis	3795'	

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 600, Artesia, N.M. 88211-0719

DISTRICT III
1000 El Estero Rd., Artesia, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25760		*Pool Code 96538	*Pool Name Cabresto Canyon; Ojo Alamo Ext.
*Property Code 22183	*Property Name JICARILLA 460-16		*Well Number 1
*OGRM No. 13925	*Operator Name MALLON OIL CO.		*Elevation 7168'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	16	30-N	3-W		1850	NORTH	690	WEST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres 160	*Joint or Infill	*Consolidation Code	*Order No.
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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 10/15/97 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.	
				10-1 RYAN RUSH Date of Survey NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894 Certificate Number	

Exhibit A

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN				5. LEASE DESIGNATION AND SERIAL NO
1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>				JIC460
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache
2. NAME OF OPERATOR Mallon Oil Company 13925				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 460-16 No. 1 22183
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1850' FNL and 690' FWL (SW NW) Unit E At proposed prod. zone 1850' FNL and 690' FWL (SW NW) Unit E				9. API WELL NO. 30-039-2576-0
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 50 miles east of Bloomfield, New Mexico				10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs 724-0
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 690'				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA E Sec. 16, T30N-R03W
16. NO. OF ACRES IN LEASE 1999.99				12. COUNTY OR PARISH Rio Arriba
17. NO. OF ACRES ASSIGNED TO THIS WELL 160				13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3550'				19. PROPOSED DEPTH 4500'
20. ROTARY OR CABLE TOOLS Rotary				21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7168'
22. APPROX. DATE WORK WILL START October 20, 1997				23. PROPOSED CASING AND CEMENTING PROGRAM
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	17# 20#	500'	Circ. to surface
6-1/4"	4-1/2"	11.6#	4500'	365 sks Surface

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:

Drilling Program

Exhibit 1: Blow Out Preventor Equipment/Plan
Exhibit A: Location and Elevation Plat
Exhibit B: Roads and Pipelines
Exhibit C: One Mile Radius Map

Exhibit D: Drilling Site Layout
Exhibit E: Production Facilities
Exhibit F: H2S Contingency Plan
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: Terry Lindeman TITLE: Production Superintendent DATE: 10/16/97

(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 _____ TITLE _____ DATE DEC 15 1997

*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 C-104 FOR NSL@

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

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

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

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25760		*Pool Code 72400	*Pool Name E BLANCO, PC
*Property Code 22183	*Property Name JICARILLA 460-16		*Well Number 1
*GRID No. 13925	*Operator Name MALLON OIL CO.		*Elevation 7168'

¹⁰ Surface Location

UL or lot no. E	Section 16	Township 30-N	Range 3-W	Lot Idn	Feet from the 1850	North/South line NORTH	Feet from the 690	East/West line WEST	County RIO ARRIBA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

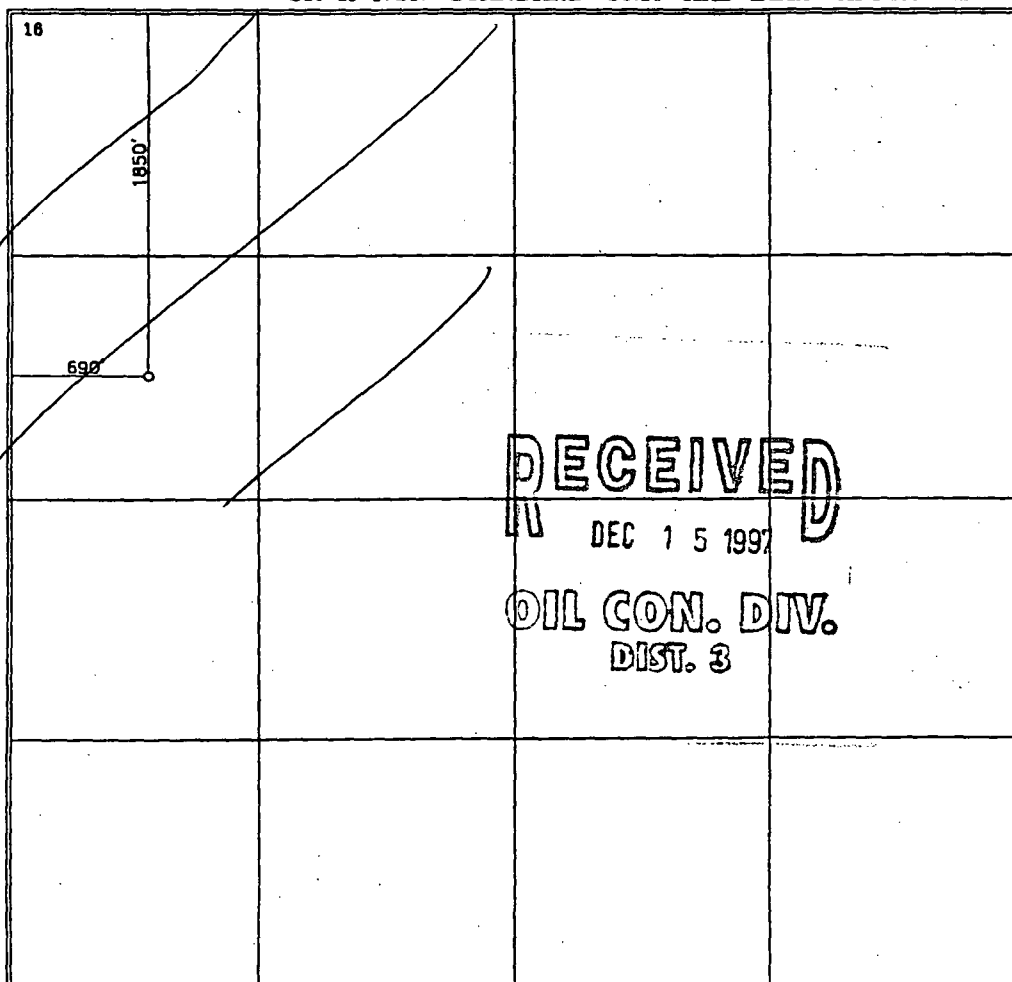
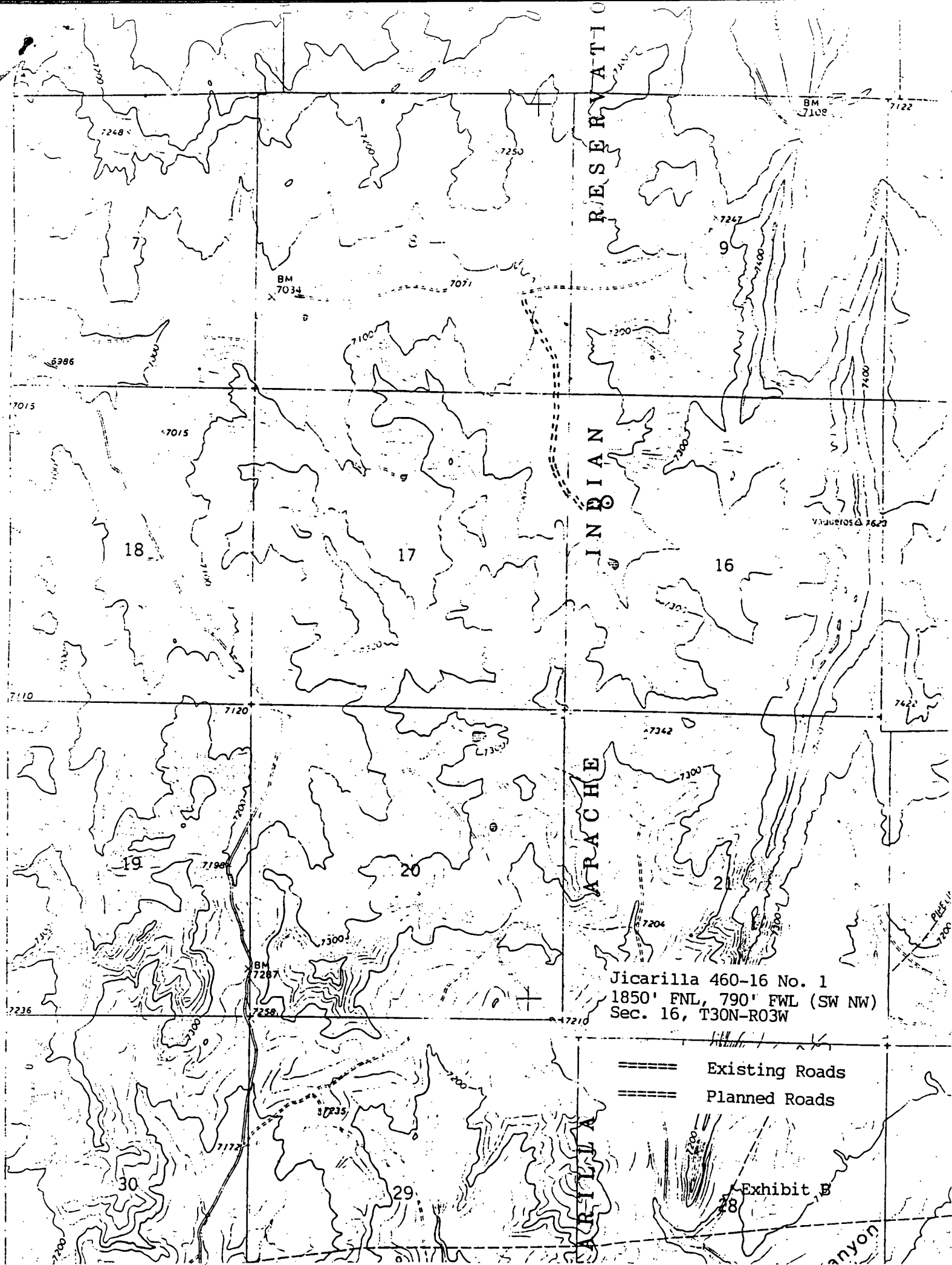
	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature Terry Lindeman</p> <p>Printed Name Terry Lindeman</p> <p>Title Production Superintendent</p> <p>Date 10/15/97</p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10-1804-RUSH Date of Survey</p> <p>Signature and Seal of Professional Surveyor 8894</p> <p>Certificate Number</p>

Exhibit A



County Rio Arriba Pool Cabresto Canyon-Ojo Alamo

TOWNSHIP 30 North Range 3 West NMPM

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	

Description: NE 1/4 Sec. 18 (R-10990, 5-20-98)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/12/98 13:42:53
OGOIV -EME5
PAGE NO: 1

Sec : 16 Twp : 30N Rng : 03W Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Indian owned	Indian owned	Indian owned	Indian owned
		A	
E 40.00	F 40.00	G 40.00	H 40.00
Indian owned	Indian owned	Indian owned	Indian owned
A			

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/12/98 13:43:04
OGOIV -EME5
PAGE NO: 2

Sec : 16 Twp : 30N Rng : 03W Section Type : NORMAL

L 40.00 Indian owned	K 40.00 Indian owned	J 40.00 Indian owned	I 40.00 Indian owned
M 40.00 Indian owned	N 40.00 Indian owned	O 40.00 Indian owned	P 40.00 Indian owned
A		A	

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

08/12/98 13:43:17
OGOIV -EME5

OGRID Idn : 13925 API Well No: 30 39 25760 APD Status(A/C/P): A
Opr Name, Addr: MALLON OIL CO Aprvl/Cncl Date : 12-08-1997
999 18TH ST
STE 1700
DENVER,CO 80202
Prop Idn: 22183 JICARILLA 460 16 Well No: 1

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----
Surface Locn : E	16	30N		03W		FTG 1850 F N	FTG 690 F E
OCD U/L : E		API	County :	39			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): J Ground Level Elevation : 7168

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 4500 Prpsd Frmtn : E BLANCO PC

E7024: Only view is allowed

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12