

Mallon Oil Company

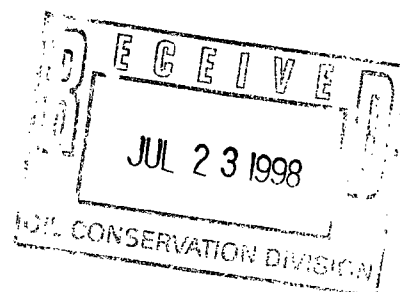
Denver/Colorado ♦ Carlsbad/New Mexico

NSL 8/12/98

a Mallon Resources subsidiary

July 13, 1998

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



Attn: Mr. Mike Stogner

Re: Jicarilla 458-8 No. 7
2270' FNL, 795' FEL (SE NE) Unit H
Sec. 8, T30N-R03W
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL 3993) 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

A handwritten signature in cursive script, appearing to read "Duane C. Winkler".

Duane C. Winkler
Operations Manager

Enclosures

CONFIDENTIAL

Form 3160-4
(July 1992)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

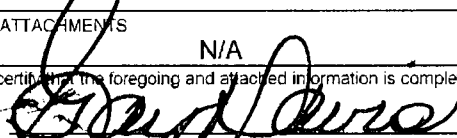
(See other instructions
on reverse side)

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL OIL <input type="checkbox"/> GAS <input type="checkbox"/> WELL <input type="checkbox"/> WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>						5. LEASE DESIGNATION AND SERIAL NO. JIC 458	
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 458-8 NO. 7	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 2270' FNL, 795 FEL, (SE NE), UNIT H At top prod. interval reported below 2270' FNL, 795 FEL, (SE NE), UNIT H At total depth 2270' FNL, 795 FEL, (SE NE), UNIT H						9. API WELL NO. 30-039-25759	
15. DATE SPUDDED 1/28/1998		16. DATE TD REACHED 2/7/98		17. DATE COMP (Ready to Prod.) 3/9/98		10. FIELD AND POOL, OR WILDCAT Cabresto Canyon; Ojo Alamo Ext.	
20. TOTAL DEPTH, MD & TVD 3950'		21. PLUGBACK TD, MD & TVD 3899'		22. IF MULTIPLE COMP., HOW MANY* N/A		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SEC. 8, T30N-R03W	
14. PERMIT NO. N/A				DATE ISSUED N/A		12. COUNTY OR PARISH RIO ARRIBA	
18. ELEVATION (DF, RKB, RT, GR, ETC.) 7121' GL				19. ELEV. CASINGHEAD 7122'		13. STATE NM	
24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) 3133' - 3170', 3175' - 3200'						25. WAS DIRECTIONAL SURVEY MADE YES	
26. TYPE ELECTRIC AND OTHER LOGS RUN SDL, DNS, GR, DIL, SGRD, GR, PERFS						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	502.67'	12-1/4"	CMT 345 SXS CLASS B			
				Circ 165 SXS TO SURFACE			
4-1/2"	11.6 LB	3949'	7-7/8"	Circ 100 xsx to surface			
29. LINER RECORD							
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT *	SCREEN (MD)	30. TUBING RECORD		
	N/A				SIZE	DEPTH SET (MD)	PACKER SET (MD)
					1.90	2991'	2992'
31. PERFORATION RECORD (Interval, size, and number) 200' 4 JSPF (248 HOLES)				32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL (MD) 3133'-3170', 3175'-3200' AMOUNT AND KIND OF MATERIAL USED 4500 GALS 7-1/2 ACID 56,110 LBS 12/20 SAND			
33.* PRODUCTION							
DATE FIRST PRODUCTION 3/9/1998		PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) FLOWING				WELL STAT (Producing or Shut In) PRODUCING	
DATE OF TEST 2/23/1998	HOURS TESTED 24 HRS	CHOKE SIZE 3/8"	PROD'N FOR TEST PERIOD →	OIL - BBL 0	GAS - MCF 2121	WATER - BBL 50	GAS-OIL RATIO 0
FLOW TBG PRESS 660	CASING PRESSURE 0	CALCULATED 24-HOUR RATE →	OIL - BBL 0	GAS - MCF 2121	WATER - BBL 50	OIL GRAVITY - API (CORR.) 0	
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SOLD						TEST WITNESSED BY KISOR	
35. LIST OF ATTACHMENTS N/A							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records							
SIGNED 				PRODUCTION ANALYST		DATE 4/24/98	

*(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):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH
				Ojo Alamo Kirtland Fruitland PC Lewis	3120 3345 3548 3674 3780	

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, 1984

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 Grande Rd., Aztec, N.M. 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87604-2088

☐ AMENDED REPORT

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87604-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-225759		*Pool Code 96538	*Pool Name Cabresto Canyon; Ojo Alamo Ext.
*Property Code 22182	*Property Name JICARILLA 458-8		*Well Number 7
*OGRD No. 013925	*Operator Name MALLON OIL CO.		*Elevation 7121'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
	8	30-N	3-W		2270	NORTH	795	EAST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

*Dedicated Acres 160	*Joint or Infill	*Consolidation Code	*Order No.
-------------------------	------------------	---------------------	------------

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

16						2270'	795'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Christy Serrano Signature Christy Serrano Printed Name Production Secretary Title July 14, 1998 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. 9-17-98 Date of Survey BOYA RUSH NEW MEXICO 8894 Signature and Seal of Professional Surveyor 8894 Certificate Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN DUPLICATE
(See other instructions
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 <input type="checkbox"/>		5 LEASE DESIGNATION AND SERIAL NO. JIC 458																									
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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 458-8 NO. 7																									
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25. CABLE TOOLS N/A			26. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD) 3133' - 3170', 3175' - 3200'																								
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39. HOURS TESTED 24 HRS																											
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41. PROD'N FOR TEST PERIOD →																											
42. OIL - BBL 0																											
43. GAS - MCF 2121																											
44. WATER - BBL 50																											
45. GAS-OIL RATIO 0																											
46. FLOW TBG PRESS 660																											
47. CASING PRESSURE 0																											
48. CALCULATED 24-HOUR RATE →																											
49. OIL - BBL 0																											
50. GAS - MCF 2121																											
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52. OIL GRAVITY - API (CORR.) 0																											
53. DISPOSITION OF GAS SOLD (Sold, used for fuel, vented, etc.)																											
54. TEST WITNESSED BY KISOR																											
55. LIST OF ATTACHMENTS N/A																											
56. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records																											
57. SIGNED [Signature] PRODUCTION ANALYST																											
58. DATE 4/24/98																											

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

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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Ojo Alamo Kirtland Fruitland PC Lewis	3120 3345 3548 3674 3780	

10/01/97 13:05 FAX 15: 350022

MALLON OIL CO

HOLD C-104 FOR
NSL (4)

Document I
P.O. Box 15881, Hobbs, N.M. 88241-15881

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C
Revised February 21,
Instructions on
Submit to Appropriate District Office
State Lease - 4 C.
Fee Lease - 3 C.

Document II
P.O. Box 15881, Hobbs, N.M. 88241-15881

Document III
1000 2nd Avenue S.W., Albuquerque, N.M. 87102

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, N.M. 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-039-25759	'Well Code 96538	'Well Name CABRESTO CANYON	'Well Name Alamo (G) EXT
'Property Code	'Property Name JICARILLA 458-8	'Well Number 7	
'Custodian No.	'Operator Name MALLON OIL CO.	'Elevation 7121'	

" Surface Location

Sec. or 1/4 Sec.	Section	Township	Range	Lat. or Long.	Feet from the	North/South Line	Feet from the	East/West Line	County
H	8	30-N	3-W		2270	NORTH	785	EAST	RIO ARRI

" Bottom Hole Location If Different From Surface

Sec. or 1/4 Sec.	Section	Township	Range	Lat. or Long.	Feet from the	North/South Line	Feet from the	East/West Line	County

'Dedicated Acres 160/51.51	'Date of Dedication	'Consolidation Code	'Order No.
-------------------------------	---------------------	---------------------	------------

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

	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Christy Serrano Christy Serrano Production Secretary 4-9-98	
	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. 9-17-98 BOYA RUSH NEW MEXICO 8894 REGISTERED PROFESSIONAL LAND SURVEYOR 8894	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals.

FORM APPROVED

Budget Bureau No. 1004-0135

Expires March 31, 1993

5. Lease Designation and Serial No.
JIC 458

6. If Indian, Alkote or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 458-8 No. 7

9. Well API No

10. Field and Pool, or Exploratory Area
East Blanco, Pictured Cliffs

11. County or Parish, State

Rio Arriba County, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other:

2. Name of Operator

Mallon Oil Company

3. Address and Telephone No.

P.O. Box 3256, Carlsbad, NM 88220

(505) 885-4596

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2270' FNL, and 795' FEL (SE NE) Unit H
Sec. 8, T30N-R03W

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other: Spud
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)*

Mallon Oil Company spud the above referenced well on 1-28-98.

14. I hereby certify that the foregoing is true and correct

Signed

Terry Lindeman

Title

Exploration/Production Superintendent

Date 02/04/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

Title

Lands and Mineral Resources

Date

Conditions of approval, if any:

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 CopiesDISTRICT III
1000 Rio Brazos Rd., Artesia, N.M. 87410OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088☐ AMENDED REPORTDISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-134-257-9		2 Pool Code 72400		3 Pool Name E BLANCO; PC		
4 Property Code 22182		5 Property Name JICARILLA 458-8			6 Well Number 7	
7 OGRID No. 13425		8 Operator Name MALLON OIL CO.			9 Elevation 7121'	

10 Surface Location

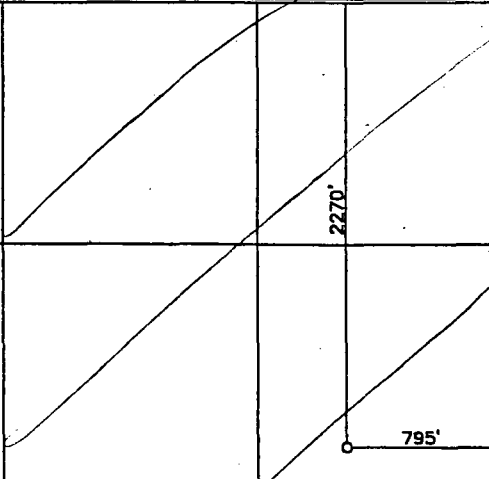
UL or lot no. H	Section 8	Township 30-N	Range 3-W	Lot Idn	Feet from the 2270	North/South line NORTH	Feet from the 795	East/West line EAST	County RIO ARriba
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11 Bottom Hole Location If Different From Surface

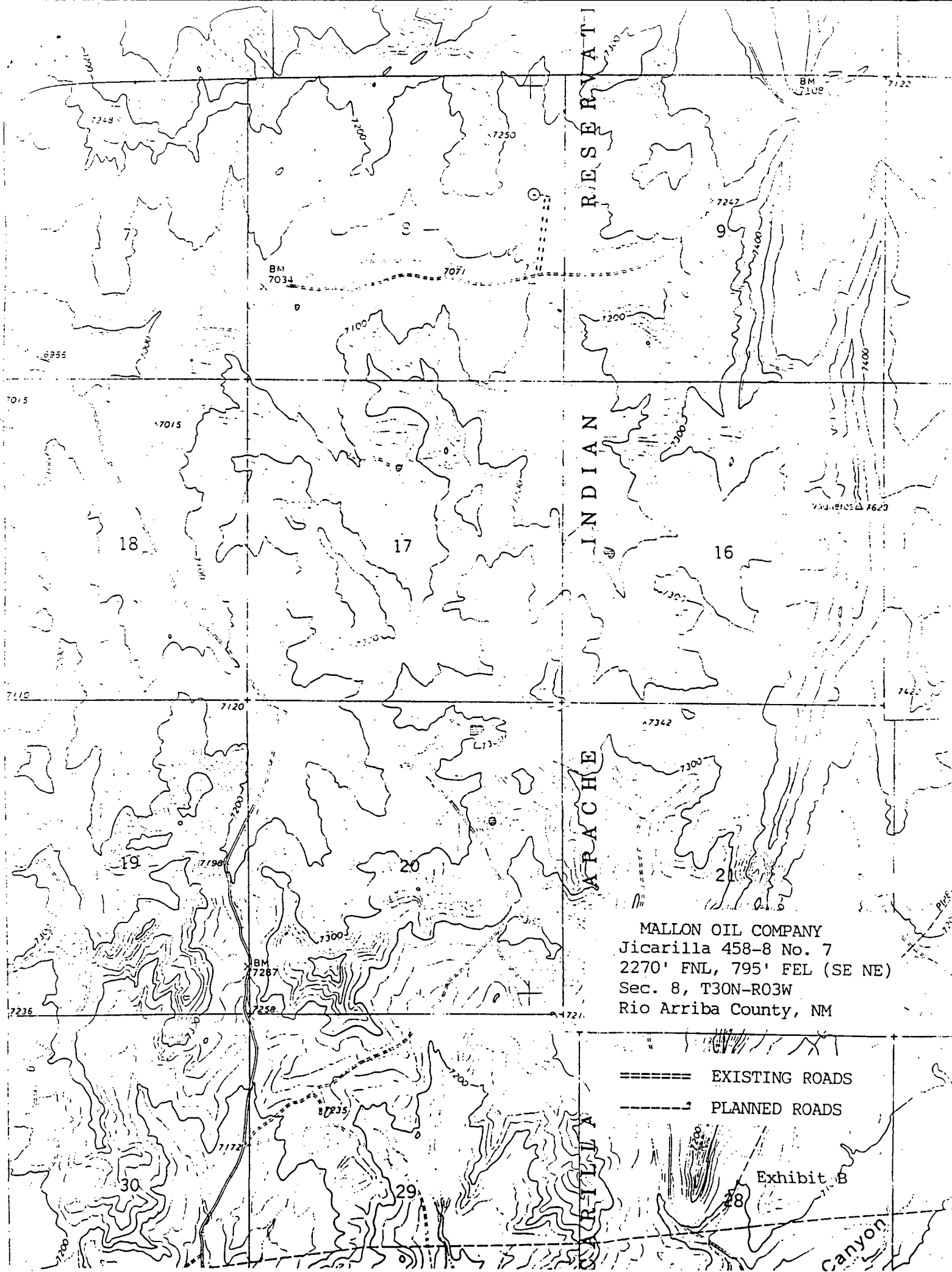
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 151.31	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16 					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 10/9/97 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. 9-17- ROY A. RUSH Date of Survey NEW MEXICO Signature and Seal of Professional Surveyor 8894 8894 Certificate Number	

RECEIVED
OIL CON. DIV.
SEP 12 1997



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/12/98 11:55:57
OGOIV -EME5
PAGE NO: 1

Sec : 08 Twp : 30N Rng : 03W Section Type : NORMAL

4 35.05 Indian owned	3 35.30 Indian owned A	2 35.54 Indian owned	1 35.77 Indian owned
E 40.00 Indian owned	F 40.00 Indian owned	G 40.00 Indian owned	H 40.00 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 11:56:05
OGOIV -EME5
PAGE NO: 2

Sec : 08 Twp : 30N Rng : 03W Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Indian owned	Indian owned	Indian owned	Indian owned
	A		
M 40.00	N 40.00	O 40.00	P 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 :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

08/12/98 11:56:22
OGOIV -EME5

OGRID Idn : 13925 API Well No: 30 39 25759 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: 22182 JICARILLA 458 8 Well No: 7

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn : H		8	30N		03W		FTG 2270 F N	FTG 795 F E
OCD U/L : H			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 : 7121

State Lease No: Multiple Comp (Y/N) : S
Prpsd Depth : 4500 Prpsd Frmtn : CABRESTO CYN OJO ALAMO

E7024: Only view is allowed

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

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

08/12/98 11:56:33
OGOIV -EME5

API Well No : 30 39 25759 Eff Date : 03-09-1998 WC Status : A
Pool Idn : 96538 CABRESTO CANYON;OJO ALAMO (G)
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 22182 JICARILLA 458 8

Well No : 007
GL Elevation: 7121

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : H	8	30N	03W	FTG 2270	F N FTG 795	F E	P ,
Lot Identifier:							
Dedicated Acre: 151.31							
Lease Type : J							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

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)



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

April 9, 1998

Mallon Oil Company
P. O. Box 3256
Carlsbad, New Mexico 88220
Attention: Terry Lindeman

Administrative Order NSL-3993

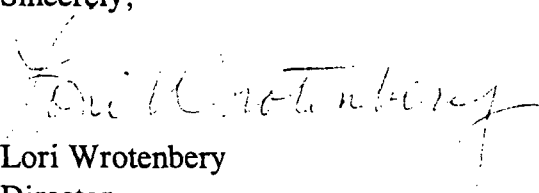
Dear Mr. Lindeman:

Reference is made to your application dated March 18, 1998 for a non-standard Pictured Cliffs gas well location for your proposed Jicarilla 458-8 Well No. 7 (API No. 30-039-25759) to be drilled 2270 feet from the North line and 795 feet from the East line (Unit H) of Section 8, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. Lots 1 and 2 and the S/2 NE/4 (N/E equivalent) of said Section 8 is to be dedicated to said well in order to form a standard 151.31-acre gas spacing and proration unit for the East Blanco-Pictured Cliffs Pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

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

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington