

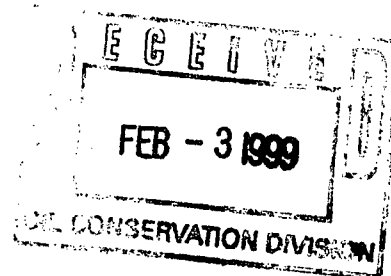
Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources subsidiary

August 12, 1998

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



Attn: Mr. Mike Stogner

Re: Jicarilla 457-4 No. 2
1510 FSL, 2400 FWL (NESW) Unit K
Sec. 4, T30N-R03W
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL-3994) 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 that reads "Duane C. Winkler".

Duane C. Winkler
Operations Manager

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

FORM APPROVED

OMB NO. 1004-0137

Expires: February 28, 1995

CONFIDENTIAL

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL OIL GAS
WELL ☐ WEL ☒ DRY ☐ OTHER _____b. TYPE OF COMPLETION
NEW WORK DEEP- PLUG DIFF
WELL ☒ OVER ☐ EN ☐ BACK ☐ RESVR ☐

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 (Report location clearly and in accordance with any State requirements *)

At surface

1510' FSL AND 2400' FWL (NE SW) UNIT K

At top prod. interval reported below

1510' FSL AND 2400' FWL (NE SW) UNIT K

At total depth 1510' FSL AND 2400' FWL (NE SW) UNIT K

14. PERMIT NO.

N/A

DATE ISSUED

N/A

12. COUNTY OR PARISH

RIO ARRIBA

13. STATE

NM

15. DATE SPUDDED

3/27/98

16. DATE TD REACHED

4/3/98

17. DATE COMP (Ready to Prod.)

4/12/98

18. ELEVATION (DF, RKB, RT, GR, ET)

7104' GL

19. ELEV. CASINGHEAD

7105'

20. TOTAL DEPTH, MD & TVD

3980'

21. PLUGBACK TO, MD & TVD

3880'

22. IF MULTIPLE COMP.
HOW MANY*

N/A

23. INTERVALS
DRILLED BY

→

ROTARY TOOLS

YES

CABLE TOOLS

N/A

24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD*)

3129' - 3156' Cabresto Canyon, Ojo Alamo Ext.

25. WAS DIRECTIONAL SURVEY MADE

YES

26. TYPE ELECTRIC AND OTHER LOGS RUN

SDL/DSN, DILT

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	546'	12-1/4"	300 SXS OF CLASS "B" CEMENT	
				CIRC 103 SXS TO SURFACE	
4-1/2"	10.5 LB	3897'	7-7/8"	836 SXS CMT, CIRC 94 SXS TO	
				SURFACE	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT *	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					1.6"	3005'	3006'

31. PERFORATION RECORD (Interval, size, and number)

3129' - 3156' 4 JSPF 108 HOLES

CABRESTO CANYON, OJO ALAMO EXT.

32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3129' - 3156'	1900 GALS 7-1/2% ACID FRAC 21,000 LBS OF SAND

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHO (Flowing, gas lift, pumping - size and type of pump)				WELL STAT (Producing or Shut In)	
		FLOWING				SI	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS-OIL RATIO
4/10/98	24 HRS	3/8"	→	0	925	40	N/A
FLOW TBG PRESS	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR.)	
280	0	→	0	925	40	N/A	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

SOLD

TEST WITNESSED BY

JOHNNY ANGEL

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

Title: PRODUCTION ANALYST

DATE

4/30/98

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

CONFIDENTIAL

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; enter 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	TRUE VERT. DEPTH
				Ojo Alamo	3123'	
				Kirtland	3316'	
				Fruitland	3554'	
				Pictured Cliffs	3651'	
				Lewis	3756'	

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 1 Copies

Fee Lease - 3 Copies

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

DISTRICT III
1000 El Dorado Rd., Artec, N.M. 87410

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*ALT Number 30-039-25780		*Pool Code 96538	*Pool Name Calcesto Canyon; Ojo Alamo Ext.
*Property Code 22865	*Property Name JICARILLA 457-4		*Well Number 2
*OGUID No. 013925	*Operator Name MALLON OIL CO.		*Elevation 7104'

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
K	4	30-N	3-W		1510	SOUTH	2400	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.
-------------------------	------------------	---------------------	------------

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

<div>16</div> <div>(RECORD)</div> <div>2400'</div> <div>N 0-08 W 2633.4'</div> <div>1510'</div> <div>BLM B.C. 1917</div> <div>N 89-58 W 2573.3' (RECORD)</div> <div>S 89-38 W 2627.7' (MEAS.)</div> <div>SET STONE</div>				<div>17 OPERATOR CERTIFICATION</div> <div>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</div> <div>Christy Serrano</div> <div>Signature</div> <div>Christy Serrano</div> <div>Printed Name</div> <div>Production Secretary</div> <div>Title</div> <div>4-30-98</div> <div>Date</div>
<div>18 SURVEYOR CERTIFICATION</div> <div>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.</div> <div>12-4-98</div> <div>Date of Survey</div> <div>ROY A. RUSH</div> <div>Signature</div> <div>NEW MEXICO</div> <div>8894</div> <div>REGISTERED PROFESSIONAL LAND SURVEYOR</div> <div>8894</div> <div>Certificate Number</div>				

CONFIDENTIAL
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

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.

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other:

CONFIDENTIAL

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)

1510' FSL 2400' FWL (NE SW) Unit K
Sec. 4, T30N-R03W

5. Lease Designation and Serial No.
Jic 457

6. If Indian, Allote or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 457-4 No. 2

9. Well API No.

30-039-25780

10. Field and Pool, or Exploratory Area

Cabresto Canyon, Ojo Alamo Ext.

11. County or Parish, State

Rio Arriba County, NM

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 ☐ Change of Plans
☐ Recompletion ☐ New Construction
☐ Plugging Back ☐ Non-Routine Fracturing
☐ Casing Repair ☐ Water Shut-Off
☐ Altering Casing ☐ Conversion to Injection
☒ Other: Production Csg ☐ 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 ran 4-1/2" x 10.5 lb/ft production csg set at 3897'. Cemented with 836 sxs of cmt, circ 94 sxs to surface. Pressure test csg on 4/8/98 to 1000 psi.

RECEIVED
AUG 11 1998

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

Signed

Christy Serrano
Christy Serrano

Title

Production Secretary

Date

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

Patricia McPherson

Lands and Mineral Resources

Date

7/13/98

Conditions of approval, if any:

Casing changes require prior approval - verbal approval is required from BLM Pet Engineer - w/ written follow up

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

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

~~CONFIDENTIAL~~

WELL COMPLETION OR RECOMPLETION REPORT

1a. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER ☐
b. TYPE OF COMPLETION NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF RESVR ☐

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 (Report location clearly and in accordance with any State requirements *)
At surface 1510' FSL AND 2400' FWL (NE SW) UNIT K
At top prod. interval reported below 1510' FSL AND 2400' FWL (NE SW) UNIT K
At total depth 1510' FSL AND 2400' FWL (NE SW) UNIT K

14. PERMIT NO. N/A DATE ISSUED N/A
15. DATE SPUDDED 3/27/98 16. DATE TD REACHED 4/3/98 17. DATE COMP (Ready to Prod.) 4/12/98 18. ELEVATION (DF, RKB, RT, GR, ET) 7104' GL 19. ELEV. CASINGHEAD 7105'
20. TOTAL DEPTH, MD & TVD 3980' 21. PLUGBACK TD, MD & TVD 3880' 22. IF MULTIPLE COMP. HOW MANY* N/A 23. INTERVALS DRILLED BY → ROTARY TOOLS YES CABLE TOOLS N/A
24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD*) 3129' - 3156' Cabresto Canyon, Ojo Alamo Ext. 25. WAS DIRECTIONAL SURVEY MADE YES
26. TYPE ELECTRIC AND OTHER LOGS RUN SDL/DSN, DILT 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	546'	12-1/4"	300 SXS OF CLASS "B" CEMENT	
				CIRC 103 SXS TO SURFACE	
4-1/2"	10.5 LB	3897'	7-7/8"	836 SXS CMT, CIRC 94 SXS TO SURFACE	

LINER RECORD				TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT * SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	
N/A				1.6"	3005'	3006'	

31. PERFORATION RECORD (Interval, size, and number)
3129' - 3156' 4 JSPF 108 HOLES
CABRESTO CANYON, OJO ALAMO EXT.

32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL (MD) 3129' - 3156'
AMOUNT AND KIND OF MATERIAL USED 1900 GALS 7-1/2% ACID FRAC 21,000 LBS OF SAND

33. PRODUCTION
DATE FIRST PRODUCTION PRODUCTION METHO (Flowing, gas lift, pumping - size and type of pump) FLOWING WELL STAT (Producing or Shut In) SI
DATE OF TEST 4/10/98 HOURS TESTED 24 HRS CHOKE SIZE 3/8" PROD'N FOR TEST PERIOD OIL - BBL 0 GAS - MCF 925 WATER - BBL 40 GAS-OIL RATIO N/A
FLOW TBG PRESS 280 CASING PRESSURE 0 CALCULATED 24-HOUR RATE OIL - BBL 0 GAS - MCF 925 WATER - BBL 40 OIL GRAVITY - API (CORR.) N/A

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SOLD TEST WITNESSED BY JOHNNY ANGEL

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 [Signature] Title: PRODUCTION ANALYST DATE 4/30/98

(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; core intervals; and all drill-stem tests, including depth interval tested, cushion used, flow and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
				Ojo Alamo	3123'	
				Kirtland	3316'	
				Fruitland	3554'	
				Pictured Cliffs	3651'	
				Lewis	3756'	

RECEIVED
MAY 11 1962
U.S. GEOLOGICAL SURVEY

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CONFIDENTIAL

FORM APPROVED
Budget Bureau No. 1004-0125
Expires March 31, 1993

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.

4. Lease Designation and Serial No.
JIC 457

5. Indian, Allottee or Tribe Name

Jicarilla Apache

7. Unit or CA Agreement Designation

N/A

8. Well Name and No.

Jicarilla 457-4 No. 2

9. Well API No.

30-039-25758

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)

1510' FSL and 2400' FWL (NE SW) Unit K
Sec. 4, 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 3/27/98 at 4:30 am. Drilled 12-1/4" hole, 8-5/8" x 24 lbs/ft surface csg was set at 546' and cemented with 300 sxs Class "B" cement. Circulated 103 sxs of cement to pit.

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

Signed

Christy Serrano
Christy Serrano

Title

Production Secretary

Date

4/27/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

Val B. Sitt

Lands and Mineral Resources

MAY 7 1998

Title

Date

Conditions of approval, if any

APR-29-1998 08:22

FROM DAGGETT ENTERPRISES INC. TO

15058850022 P.02

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

Energy, Minerals & Natural Resources Department

Revised February 21, 1994

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

Submit to Appropriate District Office

DISTRICT III
1000 Rio Grande Rd., Artec, N.M. 87410

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87604-2088

☐ AMENDED REPORTDISTRICT IV
PO Box 2088, Santa Fe, NM 87604-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25780		*Pool Code 96538	*Pool Name Cabrero Canyon; Ojo Alamo Ext.
*Property Code 22865	*Property Name JICARILLA 457-4		*Well Number 2
*OCHID No. 013925	*Operator Name MALLON OIL CO.		*Elevation 7104'

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
K	4	30-N	3-W		1510	SOUTH	2400	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	*Joint or Infill	*Consolidation Code	*Order No.
160			

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		<div style="text-align: center;"> RECEIVED MAY - 6 1998 OIL CON. DIV. DIST. 3 </div>		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Christy Serrano</u> Signature Christy Serrano Printed Name Production Secretary Title 4-30-98 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. 12-4-98 Date of Survey <u>ROY A. RUSH</u> Signature NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR -8894- 8894 Certificate Number		N 0-08 W 2633.4' 2400' 1510' BLM B.C. 1917 N 89-58 W 2573.3' (RECORD) S 89-38 W 2627.7' (MEAS.) SET STONE			

APR-29-1998 08:22
P.O. Box 1980, Hobbs, N.M. 88241-1980

FROM DAGGETT ENTERPRISES INC.

Energy, Minerals & Natural Resources Department

TO 15058850022 P.02

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 DD, Artesia, N.M. 88211-0719

DISTRICT III
1000 Elia Branch 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 30-039-25780	*Pool Code 96538	*Pool Name Cabrero Canyon; Ojo Alamo Ext.
*Property Code 22865	*Property Name JICARILLA 457-4	*Well Number 2
*OCHID No. 013925	*Operator Name MALLON OIL CO.	*Elevation 7104'

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
K	4	30-N	3-W		1510	SOUTH	2400	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	*Total 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					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and correct to the best of my knowledge and belief. Christy Serrano Signature Christy Serrano Printed Name Production Secretary Title 4-30-98 Date
<div>RECEIVED MAY 1 1998 OIL CON. DIV. DIST. 3</div>					
(RECORD)	2400'	1510'	BLM B.C. 1917	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. 12-4-98 Date of Survey 8894 Signature 8894 Certificate Number	
N 0-08 W 2633.4'			S 89-38 W 2627.7' (MEAS.)		

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

1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. Jicarilla 457
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 457-4 No.2 22865
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1510' FSL and 2400' FWL (NE SW) Unit K		9. API WELL NO. 30-039-25780
At proposed prod. zone 1510' FSL and 2400' FWL (NE SW) Unit K		10. FIELD AND POOL OR WILDCAT E. Blanco, Mancos 96288
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 50 miles east of Bloomfield, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA K Sec. 4, T30N-R3W
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 2400'	16. NO. OF ACRES IN LEASE 2532.97	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. 5780'	19. PROPOSED DEPTH 6500'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7178.6'	22. APPROX. DATE WORK WILL START February 28, 1998	
23. PROPOSED CASING AND CEMENTING PROGRAM		
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT
12 1/4"	8 5/8"	24#
7 7/8"	5 1/2"	15.5#
		SETTING DEPTH
		500'
		6500'
		QUANTITY OF CEMENT
		Circ. to surface
		914 sks Surface

Mallon Oil Company proposes to drill to a depth sufficient to test the Mancos 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
Exhibit H: Archaeological Clearance

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FEB 23 1998

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: 01/12/98

(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:

APPROVED BY Joe Incardine TITLE Director of Mineral Resources DATE FEB 18 1998

*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 JRS @

Exhibit A

MALLON OIL COMPANY
PROPOSED WELL LOCATION & ACCESS ROAD
JICARILLA 457-4 No. 2
SW/4 SEC. 4, T-30-N, R-3-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
1510' FSL, 2400' FWL

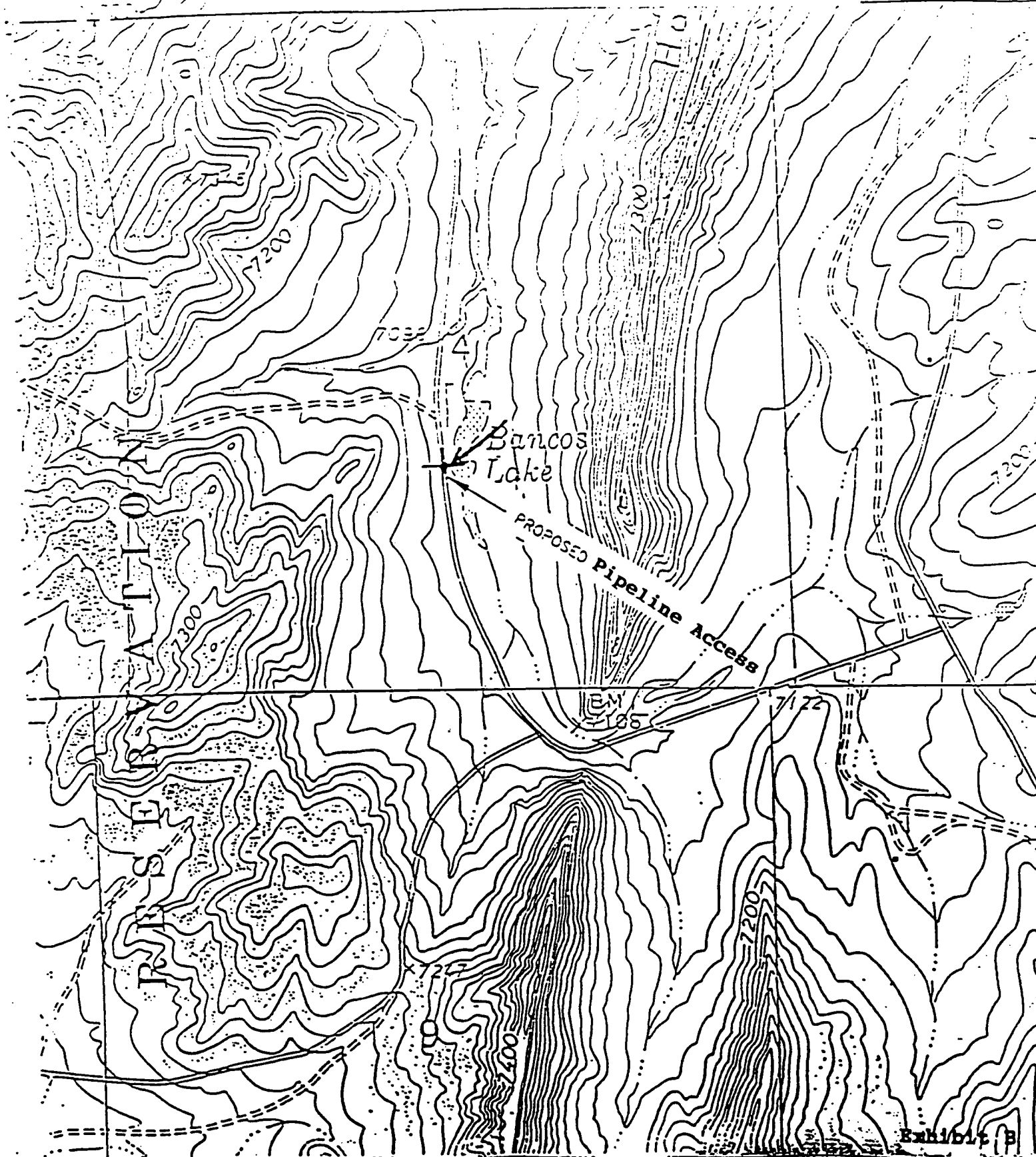
RESERVATION

Bancos Lake

PROPOSED ACCESS ROAD

BM
7108

MALLON OIL COMPANY
PROPOSED WELL LOCATION & Pipeline Access
JICARILLA 457-4 No. 2
SW/4 SEC. 4, T-30-N, R-3-W, N.M.P.M.,
RIO ARriba COUNTY, NEW MEXICO
1510' FSL, 2400' FWL



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/03/99 10:29:57
OGOMES -TPVK
PAGE NO: 1

Sec : 04 Twp : 30N Rng : 03W Section Type : NORMAL

4 40.04	3 40.13	2 40.21	1 40.30
Indian owned	Indian owned	Indian owned	Indian owned
E 40.00	F 40.00	G 40.00	H 40.00
Indian owned	Indian owned	Indian owned	Indian owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION02/03/99 10:31:15
OGOMES -TPVK
PAGE NO: 2

Sec : 04 Twp : 30N Rng : 03W Section Type : NORMAL

L 40.00 Indian owned	K 40.00 Indian owned A	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

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD : ONGARD 02/03/99 10:31:21
 OG6CLOG C105-WELL COMPLETION OR RECOMP CASING LOG OGOMES -TPVK

OGRID Identifier : 13925 MALLON OIL CO
 Prop Identifier : 22865 JICARILLA 457 4
 API Well Identifier : 30 39 25780 Well No : 002
 Surface Locn - UL : K Sec : 4 Twp : 30N Range : 03W Lot Idn :
 Multiple comp (S/M/C): S TVD Depth (Feet) : 3980 MVD Depth (Feet): 3880
 Spud Date : 03-27-1998 P/A Date :
 Casing/Linear Record:

S Size (inches)	Grade Weight (lb/ft)	Depth(ft) Top-Liner	Depth(ft) Bot-Liner	Hole Size (inches)	Cement (Sacks)	TOC (feet)	Code
8.625	24.0	0.0	546.0	12.250	300		C
4.500	10.5	0.0	3897.0	7.875	836		C

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 COMMENT	PF10 TLOG	PF11	PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

02/03/99 10:31:31
OGOMES -TPVK

API Well No : 30 39 25780 Eff Date : 04-12-1998 WC Status : A
Pool Idn : 96538 CABRESTO CANYON;OJO ALAMO (G)
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 22865 JICARILLA 457 4

Well No : 002
GL Elevation: 7104

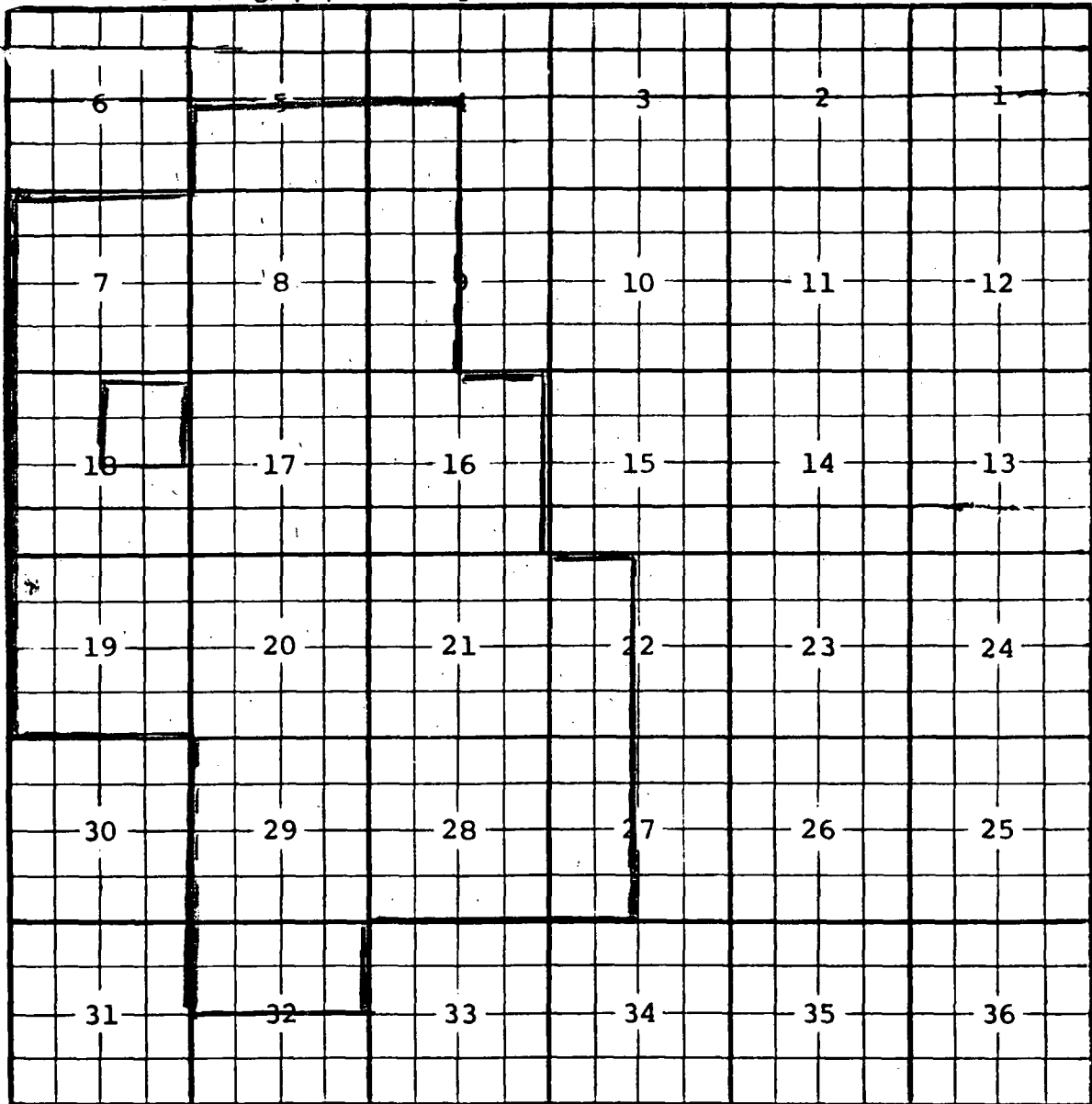
	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	---	---	---	---	---
B.H. Locn	:	K	4	30N	03W	FTG 1510 F S FTG 2400 F W	P
Lot Identifier:							
Dedicated Acre: 160.00							
Lease Type : J							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

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



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

Ext: SW 1/4 Sec. 4, S 1/2 Sec. 5, All Secs. 7 and 8, W 1/2 Sec. 9, All Secs. 16 and 17, NE 1/4 and S 1/2 Sec. 18, All Secs. 19 through 21, W 1/2 Sec. 22, W 1/2 Sec. 27, All Secs. 28 and 29, N 1/2 Sec. 32 (R-11115, 1-2-99)