

Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources subsidiary

March 18, 1998

Mr. Mike Stogner
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Mallon Oil Company is requesting an unorthodox location for the Jicarilla 464-29 Well No. 9 (2430' FNL, 2405' FEL, Unit G) Sec. 29, T30N, R3W, Rio Arriba County, New Mexico.

Mallon Oil Company is the only offset operator to the acreage involved. Topography is the main cause for the placement of this well site. Originally the well was staked to the northeast. The location was change at the "on-site" because the acreage to the North and East was extremely steep that a severe cut and fill would have been required for the location as well as the access road. The main drainage forced the move even further to the South and North. The drainage was washed to ten-foot depths in this location. Additionally it was desirable to place the location at this site in order to eliminate any tree removal and to use the existing trail for access.

Please contact me at (505) 885-4596, if any additional information is needed.

Sincerely,


Terry Lindeman
Operations Superintendent

Revised February 21, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Free Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0718

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number	'Pool Code	'Pool Name
30-039-25765	72400	East Blanco Pictured Cliff
'Property Code	'Property Name	'Well Number
	JICARILLA 464-29	9
'OGRID No.	'Operator Name	'Elevation
	MALLON OIL CO.	7151'

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
	29	30-N	3-W		2430	NORTH	2405	EAST	RIO ARriba

¹¹ Bottom Hole Location If Different From Surface

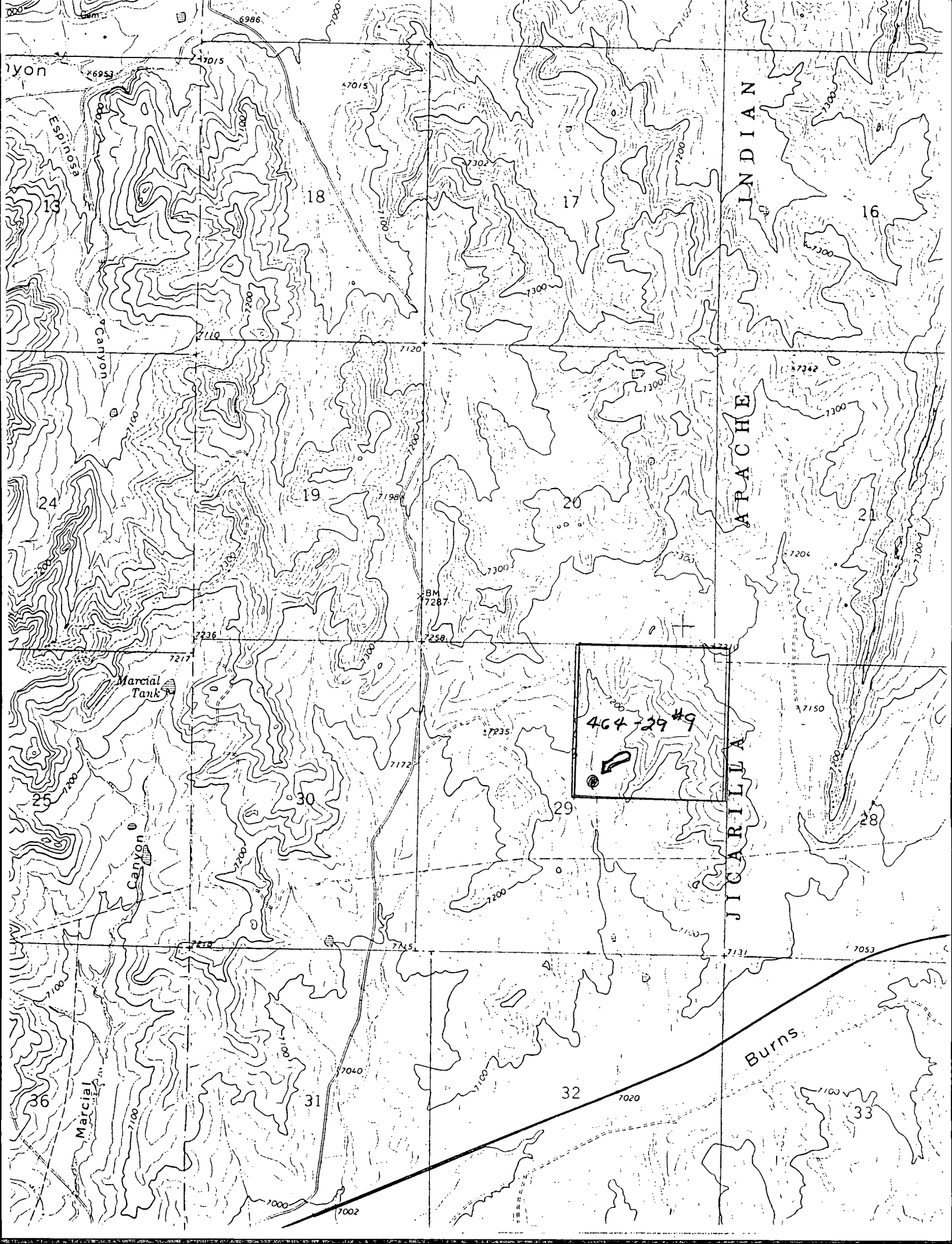
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

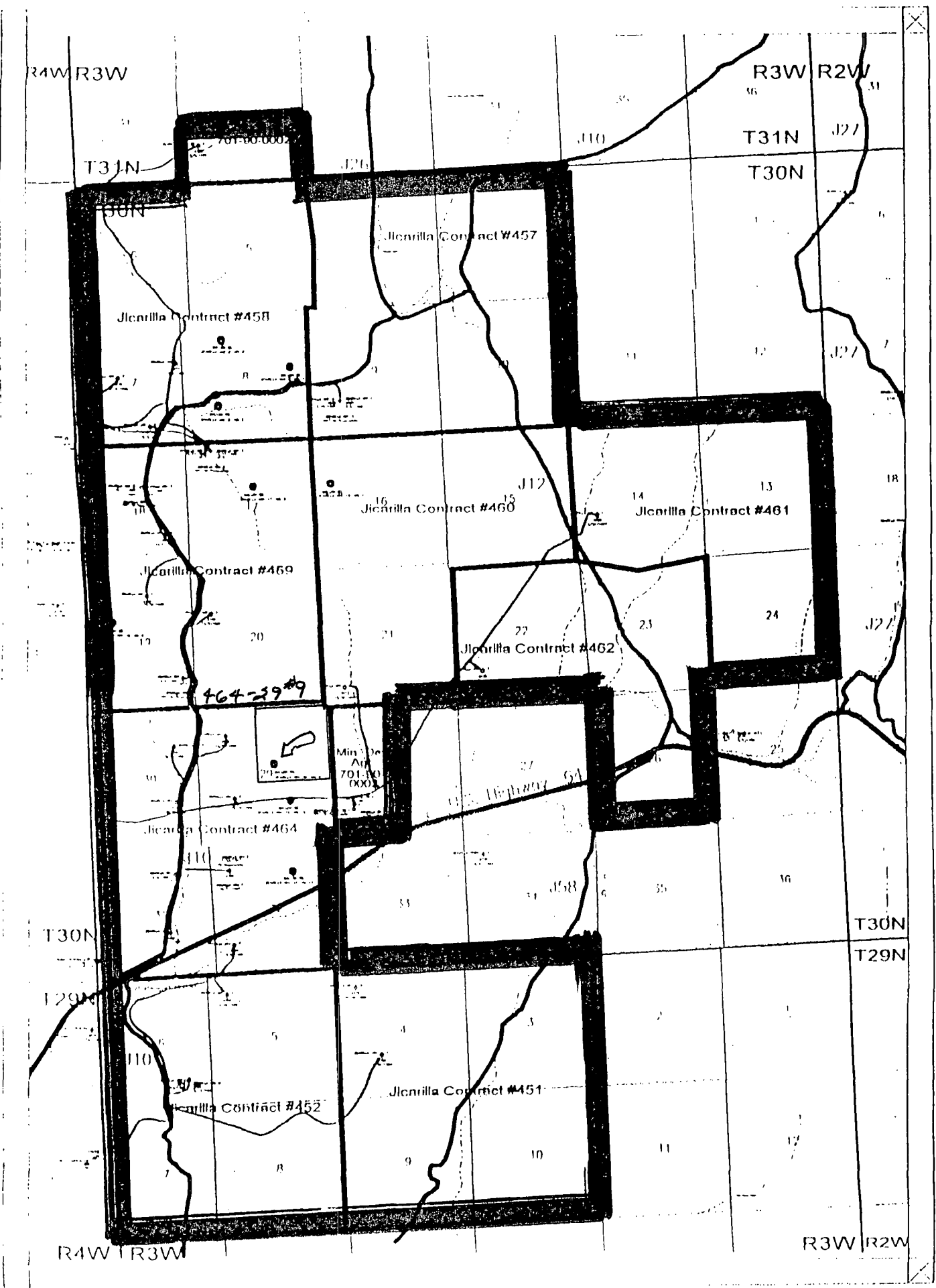
13 Dedicated Acres	14 Joint or Infill	15 Consolidation Code	16 Order No.
160			

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

18					<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><u>Terry Lindeman</u> Signature</p> <p><u>Terry Lindeman</u> Printed Name</p> <p><u>Production Superintendent</u> Title</p> <p><u>10/15/97</u> Date</p>
		2430'		2405'	
					<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><u>10-10-97</u> Date of Survey</p> <p><u>ORDY A. RUSH</u> Signature and Seal of Professional Surveyor</p> <p>NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894</p> <p><u>8894</u> Certificate Number</p>

Exhibit A





Scale 1:63360.

0 2 0 0 2 0 4 0 0 0 0 1 miles



MALLON OIL COMPANY

East Blanco Field - San Juan Basin
Townships 29-30 North
Rio Arriba County, New Mexico

10/21/17

3/23/98 | 4/13/98 | MS | MW | NSL

ABOVE THE LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS-Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

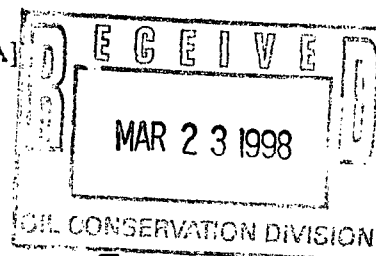
Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☒ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Terry Lindeman
Print or Type Name

Signature

Operations Superintendent
Title

Date

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"/>					5. LEASE DESIGNATION AND SERIAL NO JIC 464-29
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					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 464-29 No. 9
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2430' FNL and 2405' FEL (SW NE) Unit G At proposed prod. zone 2430' FNL and 2405' FEL (SW NE) Unit G					9. API WELL NO. 30-039-25765
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 W.C. 30N.3W.29G. HANCOS (G) 92
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 2405'					11. SEC., T., R., M., OR BLK. Sec. 29, T30N-R03W
16. NO. OF ACRES IN LEASE 2409.64					12. COUNTY OR PARISH Rio Arriba
17. NO. OF ACRES ASSIGNED TO THIS WELL 160,75.15					13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2100'					20. ROTARY OR CABLE TOOLS Rotary
19. PROPOSED DEPTH 6400'					22. APPROX. DATE WORK WILL START October 20, 1997
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7151'					
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#	6400'	575 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 D: Drilling Site Layout
Exhibit A: Location and Elevation Plat	Exhibit E: Production Facilities
Exhibit B: Existing Roads/Planned Access Roads	Exhibit F: H2S Contingency Plan
Exhibit C: One Mile Radius Map	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:

APPROVED BY: (Original Signed) HECTOR A. VILLALBA DATE: DEC 6 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-2

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

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

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <u>30-039-25765</u>		*Pool Code <u>72400</u>		*Pool Name <u>EAST BLANCO, PC</u>	
*Property Code <u>22184</u>		*Property Name JICARILLA 464-29			*Well Number 9
*OGRD No. <u>13425</u>		*Operator Name MALLON OIL CO.			*Elevation 7151'

¹⁰ Surface Location

UL or lot no. <u>G</u>	Section 29	Township 30-N	Range 3-W	Lot Idn	Feet from the 2430	North/South line NORTH	Feet from the 2405	East/West line EAST	County 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
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

¹² Dedicated Acres <u>175.15</u>	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

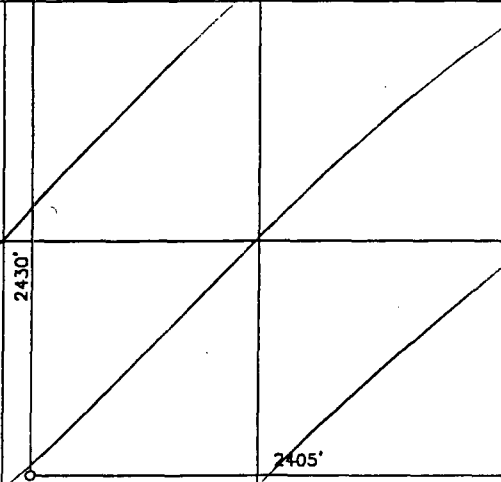
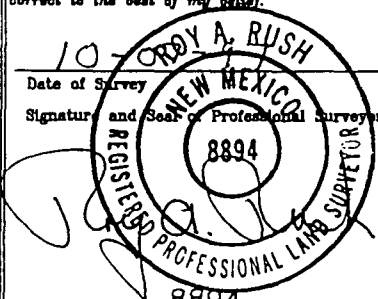
16		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Terry Lindeman</u> Printed Name Terry Lindeman Title Production Superintendent Date 10/15/97	
		18 SURVEYOR CERTIFICATION I hereby certify that 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. Date of Survey <u>10-15-97</u> Signature and Seal of Professional Surveyor:  Certificate Number <u>8894</u>	

Exhibit A

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 DD, Artesia, N.M. 88211-0719

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, NM 87504-2088

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-25765		*Pool Code 96771	*Pool Name WILDCAT 30N3W29; MANCOS (G)
*Property Code 22184	*Property Name JICARILLA 464-29		*Well Number 9
*OGRID No. 13925	*Operator Name MALLON OIL CO.		*Elevation 7151'

¹⁰ Surface Location

UL or lot no. G	Section 29	Township 30-N	Range 3-W	Lot Idn	Feet from the 2430	North/South line NORTH	Feet from the 2405	East/West line EAST	County 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 175.15		*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					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Terry Lindeman</u> Printed Name: <u>Terry Lindeman</u> Title: <u>Production Superintendent</u> Date: <u>10/15/97</u>	
					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. Date of Survey: <u>10-15-97</u> Signature and Seal of Professional Surveyor: <u>[Signature]</u> Certificate Number: <u>8894</u>	

Exhibit A

