

7/23/98 | 8/12/98 | MS | W | NSL

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

29-30 N-3 W

ADMINISTRATIVE APPLICATION COVERSHEET

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

Application Acronyms:

[NSP-Non-Standard Protraction 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

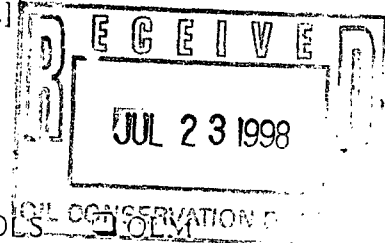
Check One Only for [B] or [C]

- [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

Terry Lindeman
 Signature

Operations Superintendent
 Title

Date

Mallon Oil Company

a Mallon Resources subsidiary

Denver/Colorado ♦ Carlsbad/New Mexico

July 14, 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 459-17 Well No. 10 (~~1850' FNL, 759' FWL, Unit E~~) Sec. 29, T30N, R3W, Rio Arriba County, New Mexico. ~~1110'~~ *140' FSL - 1110' FWL (M) 11*

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 used for grazing cattle and hay production. The surface leaseholder would not negotiate for surface damages. The relief in the remaining quarter quarter section was too prohibitive.

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

Sincerely,



Duane C. Winkler
Operations Manager

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 30-039-25854		*Pool Code 96538		*Pool Name Cabresto Canyon; Ojo Alamo Ext.	
*Property Code 22211		*Property Name JICARILLA 459-17			*Well Number 10
*OGRID No. 013925		*Operator Name MALLON OIL CO.			*Elevation 7179

¹⁰ Surface Location

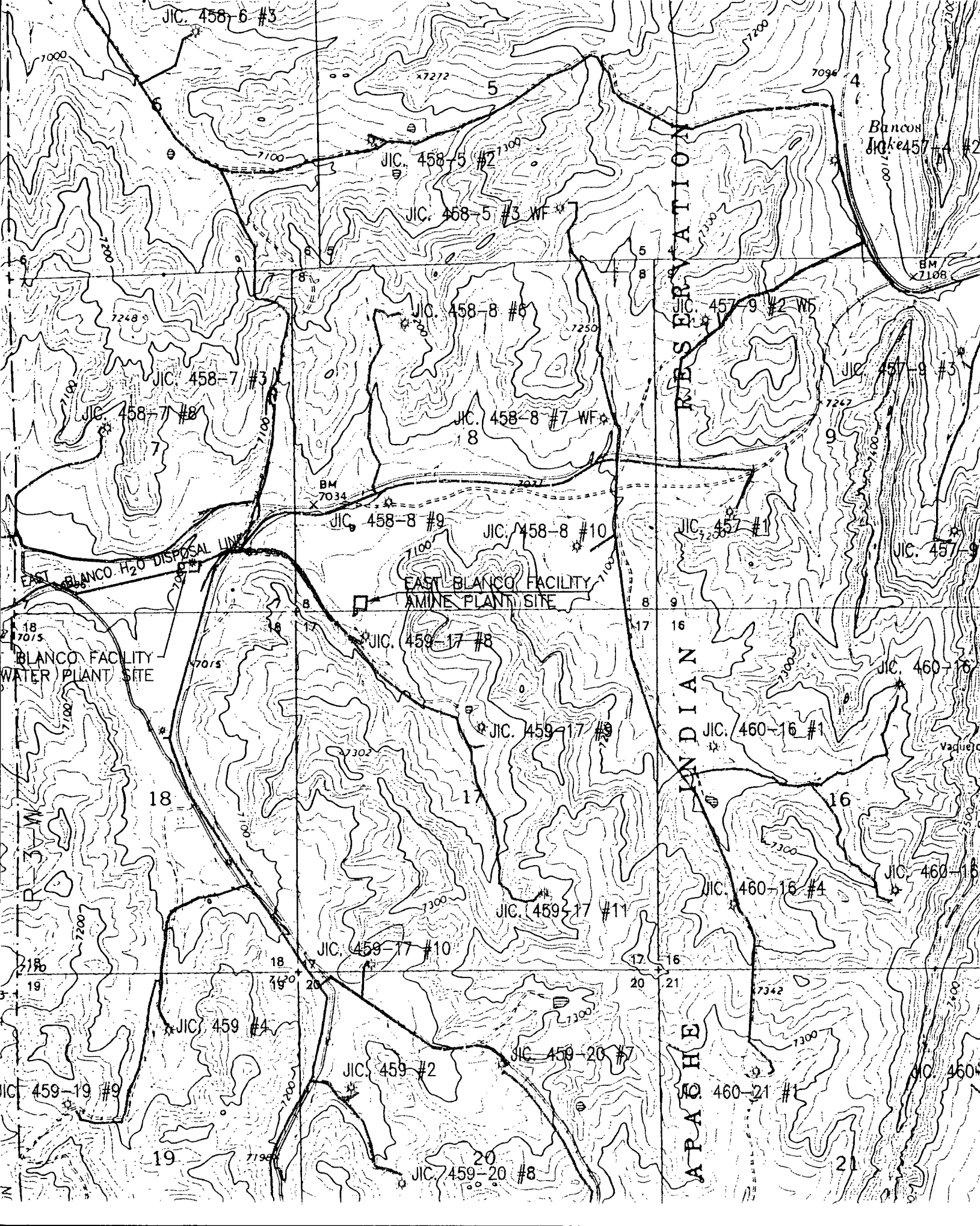
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	30-N	3-W		140	SOUTH	1110	WEST	RIO ARRIBA

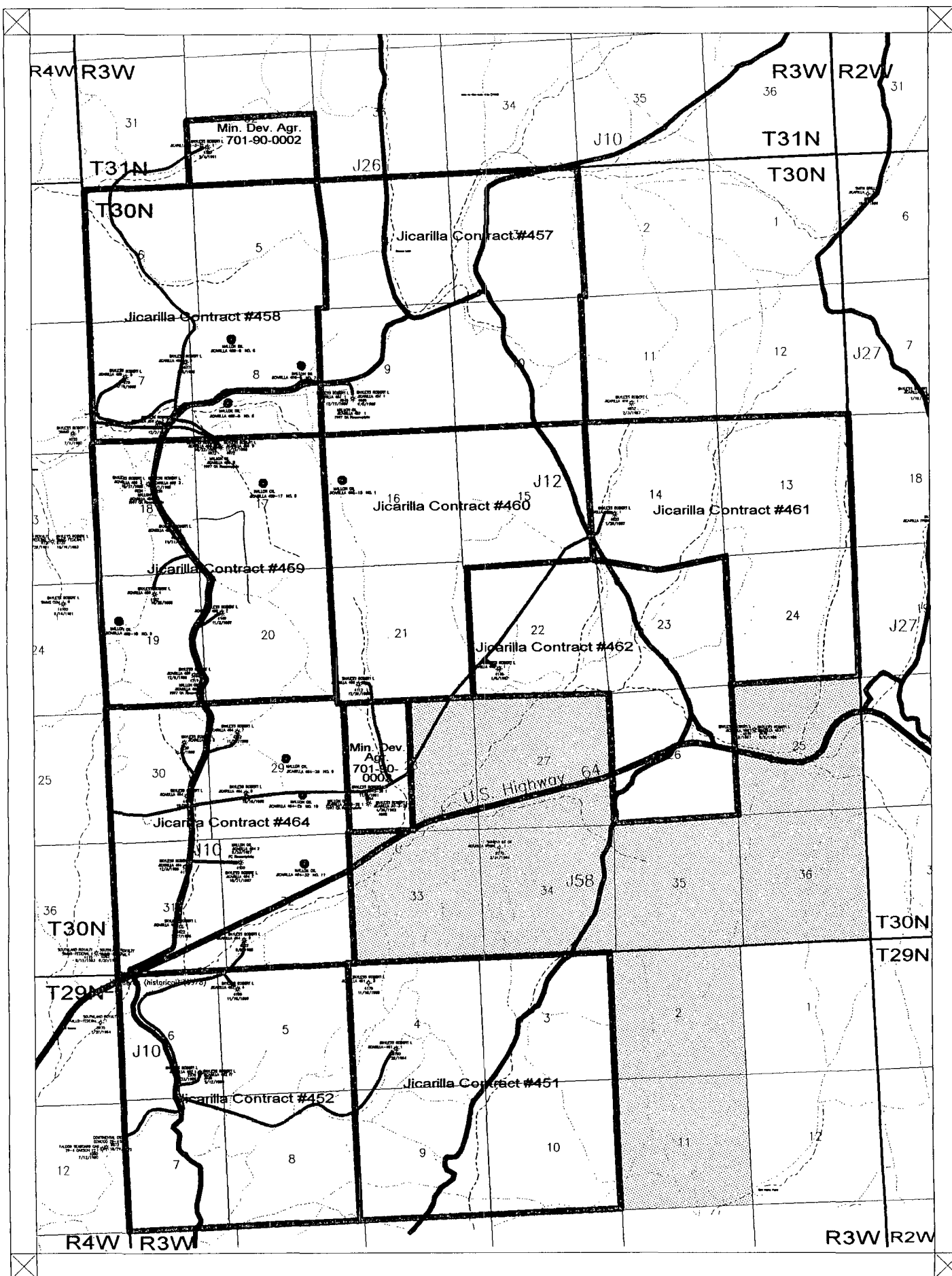
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 1.60		*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 Terry Lindeman Printed Name Operations Superintendent Title 3/24/98 Date
18					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. 2-26 Date of Survey Signature and Seal of Registered Surveyor 8894 Certificate Number





Scale 1:63360.

0.2 0. 0.2 0.4 0.6 0.8 1. miles



LEGEND

- Yellow = Development Contracts
- Green = Proposed Acreage
- Purple Lines = Approximate Pipeline Locations
- Permitted Well Locations

MALLON OIL COMPANY

East Blanco Field
San Juan Basin
Rio Arriba County, New Mexico

10/17/1997

RECEIVED
MAY - 7 1998

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CON. DIV.

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"/>				JIC459
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 459-17 No. 10
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1850' FNL and 750' FWL (SW NW) Unit E At proposed prod. zone 1850' FNL and 750' FWL (SW NW) Unit E				9. API WELL NO. 30-039 25854
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
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 17, T30N-R3W
16. NO. OF ACRES IN LEASE 2267.0				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.				19. PROPOSED DEPTH 4500'
20. ROTARY OR CABLE TOOLS Rotary				21. ELEVATIONS (SHOW WHETHER OF, RT, GR, Etc.) 7179' GL
22. APPROX. DATE WORK WILL START April 10, 1998				23. PROPOSED CASING AND CEMENTING PROGRAM
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	500'	Circ. to surface
7-8/8"	5-1/2"	15.5#	4500'	570 sks

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: Existing Roads/Planned Access Roads
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 Liddeman TITLE: Operations Superintendent DATE: 03/23/98

(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:

(Original Signed) HECTOR A. VILLALOBOS

APPROVED BY

TITLE: Asst. Field Manager DATE

MAY 5 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 N51 @

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

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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

¹ API Number	² Pool Code 72400	³ Pool Name East Blanco Pictured Cliff
⁴ Property Code	⁵ Property Name JICARILLA 459-17	⁶ Well Number 10
⁷ OGRID No.	⁸ Operator Name MALLON OIL CO.	⁹ Elevation 7179

¹⁰ Surface Location

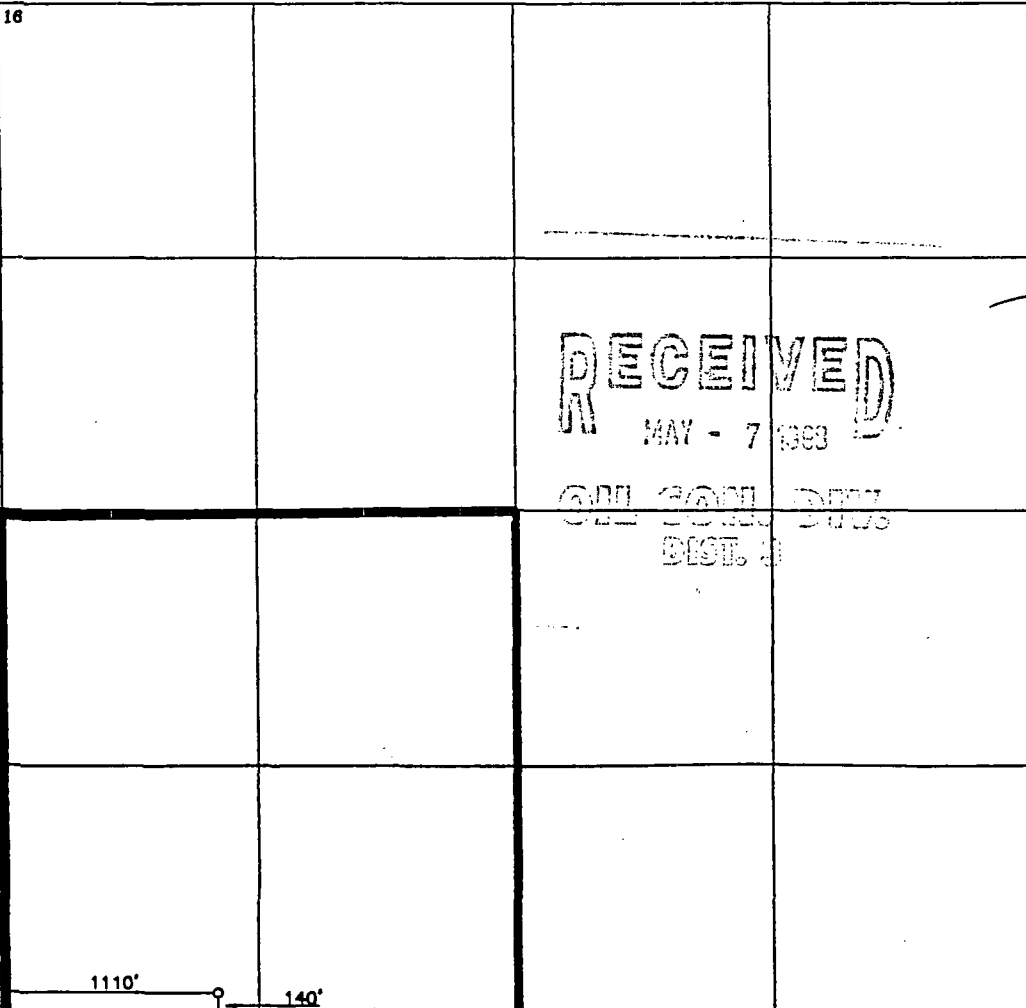

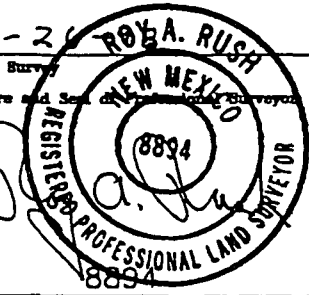
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	17	30-N	3-W		140	SOUTH	1110	WEST	RIO ARRIBA

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160			

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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>16</div> <div></div>	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <div></div> <div>Signature</div> <div>Terry Lindeman</div> <div>Printed Name</div> <div>Operations Superintendent</div> <div>Title</div> <div>3/24/98</div> <div>Date</div>	
	<div>18 SURVEYOR CERTIFICATION</div> <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> <div>2-26</div> <div>Date of Survey</div> <div></div> <div>Signature and Seal of Professional Land Surveyor</div> <div>8894</div> <div>Certificate Number</div>	
	<div>RECEIVED</div> <div>MAY - 7 1998</div> <div>OIL CONSERVATION DIVISION</div> <div>DIST. I</div>	

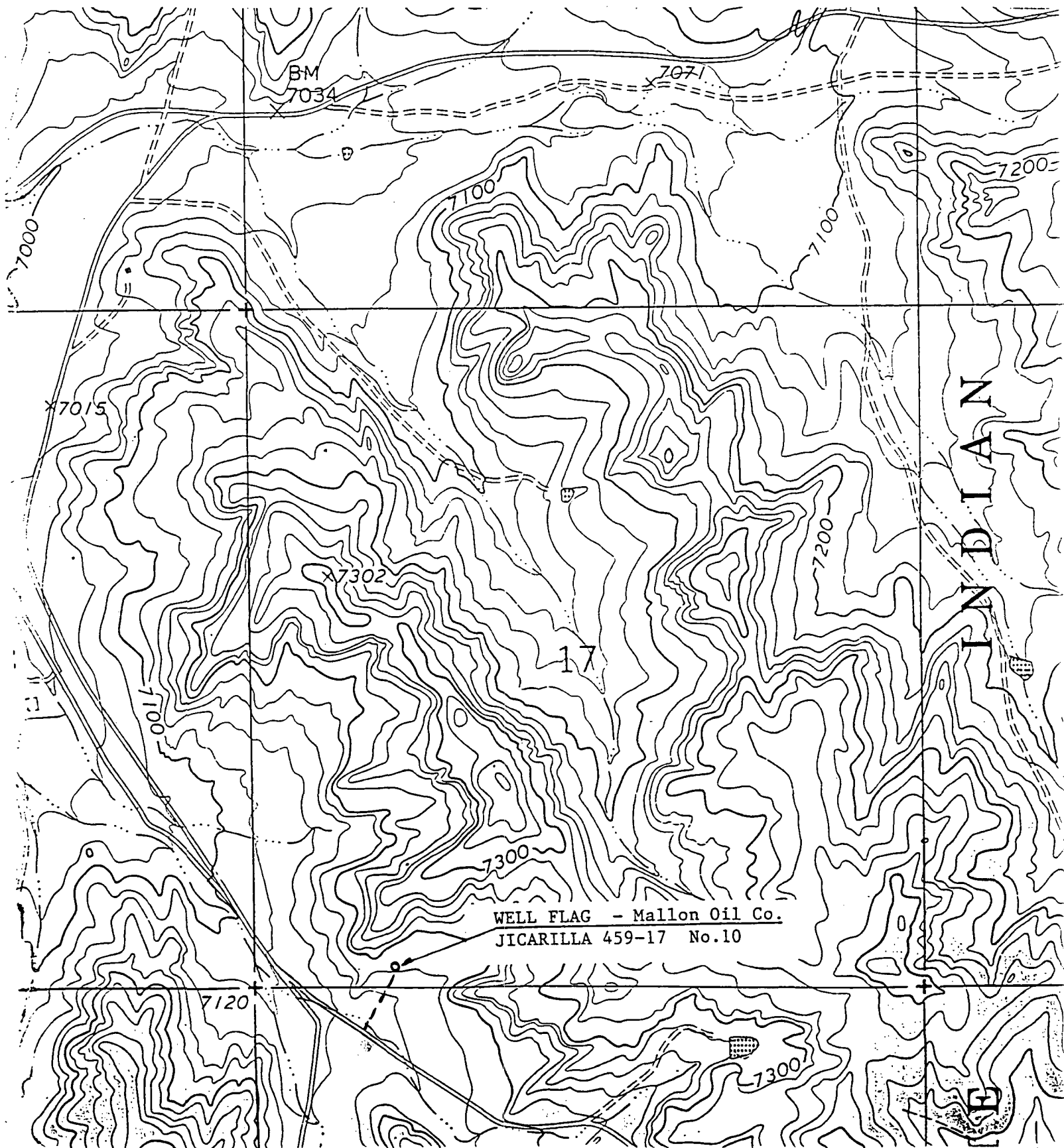
MALLON OIL CO.

JICARILLA 459-17 No.10

RIO ARriba COUNTY, NEW MEXICO

SEC. 17, T-30-N, R-3-W, N.M.P.M.

140' FSL, 1110' FWL



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 :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

08/12/98 09:35:27
OGOIV -EME5

OGRID Idn : 13925 API Well No: 30 39 25854 APD Status(A/C/P): A
Opr Name, Addr: MALLON OIL CO Aprvl/Cncl Date : 05-14-1998
999 18TH ST
STE 1700
DENVER, CO 80202
Prop Idn: 22211 JICARILLA 459 17 Well No: 10

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn : M	17	30N	03W			FTG 1850 F N	FTG 750 F W
OCD U/L : M		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 : 7179

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

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

08/12/98 09:36:45
OGOIV -EME5

API Well No : 30 39 25854 Eff Date : 06-25-1998 WC Status :
Pool Idn : 96538 CABRESTO CANYON;OJO ALAMO (G)
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 22211 JICARILLA 459 17

Well No : 010
GL Elevation: 7179

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	M	17	30N	03W	FTG 1850 F N	FTG 750 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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/12/98 09:35:18
OGOIV -EME5
PAGE NO: 2

Sec : 17 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	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12