

1/21/99 - 2/10/99 - MS - NW - NSL

ADDITIONAL INFORMATION FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

460-16 SJ #1

ADMINISTRATIVE APPLICATION COVERSHEET

E-16-30N-3W

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

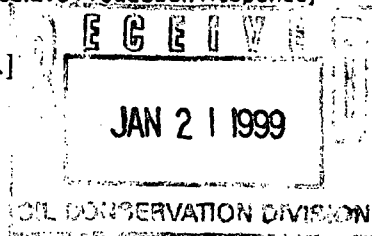
Check One Only for [B] or [C]

[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

NSL-3981
3981-A

[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.

Christy Serrano
Print or Type Name

Christy Serrano
Signature

Production Clerk
Title

1-19-99
Date

Mallon Oil Company

a Mallon Resources Subsidiary

Denver/Colorado ♦ Durango/Colorado ♦ Carlsbad/New Mexico

January 18, 1999

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

Attn: Mr. Mike Stogner

Re: Jicarilla 460-16 SJ No. 1
1940' FNL and 734' FWL (SW NW) Unit E
Sec. 16, T30N-R03W

Dear Mr. Stogner:

On March 23, 1998, Mallon Oil Company received a Non-Standard Location approval (NSL 3981) for the East Blanco; Pictured Cliffs formation. Also, on August 12, 1998 Mallon Oil Company received a Non-Standard Location (NSL-3981-A) for the Cabresto Canyon; Ojo Alamo Ext. Formation. These approvals were issued under the Jicarilla 460-16 No. 1 (1850' FNL and 690' FEL, SW NW, Unit E, Sec. 16, T30N-R03W).

Mallon Oil Company would like to apply for a Non-Standard Location approval for Jicarilla 460-16 SJ No. 1 (1940' FNL and 734' FWL, SW NW, Unit E, Sec. 16, T30N-R03W), Cabresto Canyon, San Jose Ext. Formation. The well bore for this well is located on the same well pad as the Jicarilla 460-16 No. 1 (1850' FNL and 690' FEL, SW NW, Unit E, Sec. 16, T30N-R03W). Mallon Oil Company is the sole operator within a half mile radius. Please find enclosed a copy of Mallon Oil Company's C-102 along with a Site Facility Diagram.

Should you need any further information, please contact the undersigned at 970-382-9100.

Sincerely,

Mallon Oil Company




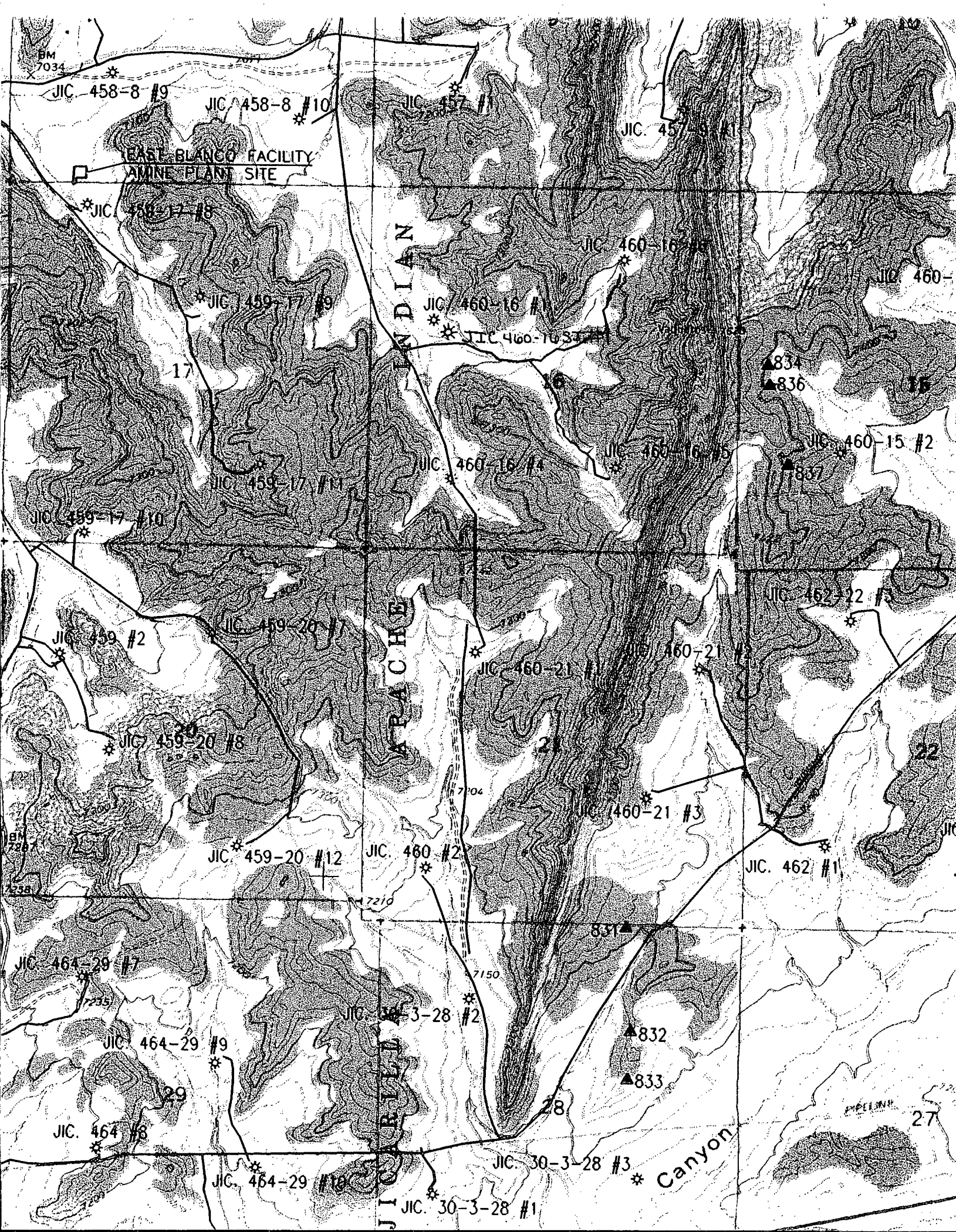
Christy Serrano
Production Secretary

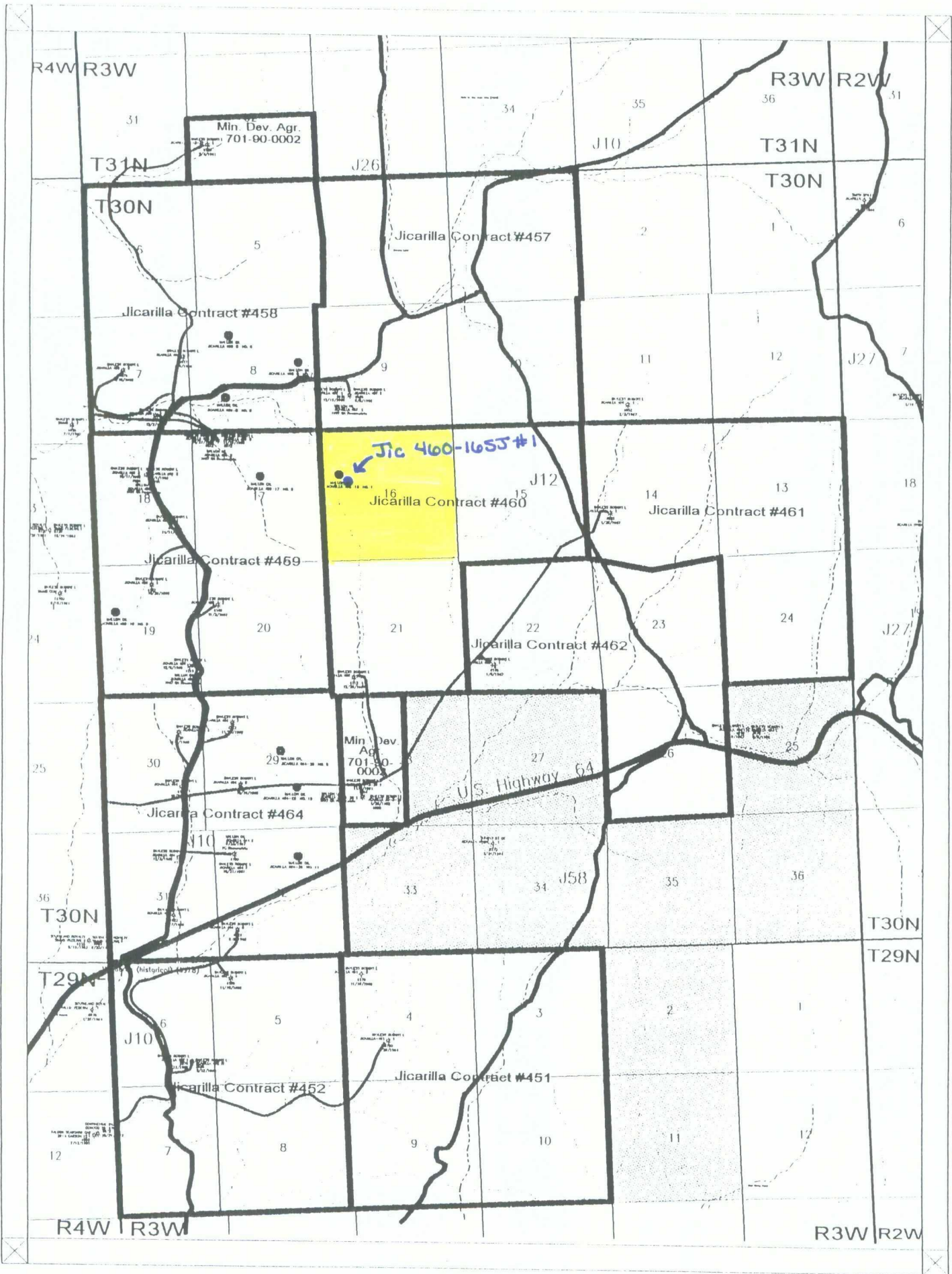
Revised February 21, 1984
Instructions on back
submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

U.S.G.L.O. BRASS CAP 1917	U.S.G.L.O. BRASS CAP 1917	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
N 09-02-18 W 2840' 734'	1940'	Signature <u>Christy Serrano</u> Printed Name Christy Serrano Title Production Secretary Date January 7, 1999
U.S.G.L.O. BRASS CAP 1917	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 knowledge and belief.
U.S.G.L.O. BRASS CAP 1917	1917	Date of Survey <u>7-3-99</u> Signature of Surveyor  8894 Certified True and Correct





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

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION02/02/99 14:36:49
OGOMES -TPVN
PAGE NO: 1

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

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

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

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION02/02/99 14:37:42
OGOMES -TPVN
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 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

02/02/99 14:38:14
OGOMES -TPVN

API Well No : 30 39 25942 Eff Date : 10-02-1998 WC Status :
Pool Idn : 96822 WILDCAT CABRESTO CANYON;SAN JOSE
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 23626 JICARILLA 460-16 SJ

Well No : 001
GL Elevation: 7167

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : E	16	30N	03W	FTG 1940	F N FTG	734 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

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:

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)

1940' FNI and 734' FWL (SW NW) Unit E
Sec. 16, T30N-R03W

5. Lease Designation and Serial No.

Jic 460

6. If Indian, Allottee or Tribe Name

Jicarilla Apache Tribe

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 460-16 No. 1 SJ

9. Well API No.

10. Field and Pool, or Exploratory Area

Cabresto Canyon; San Jose Ext.

11. County or Parish, State

Rio Arriba County, New Mexico

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 Notice
☐ 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 9-4-98 at 2:30 pm. Drilled 12-1/4" hole, 8-5/8" x 24 lb/ft csg was set at 1182' and cemented with 800 sxs Class "H" cmt. Circulated 140 sxs to surface.

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

Signed Christy Serrano

Title Production Secretary

Date 11-9-98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved B Patricia M. Hester
Conditions of approval, if any:

Title Land and Mineral Resources

Date 12-1-98

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form Approved

Budget Bureau No. 7004-0135

Expires March 31, 2000

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:

2. Name of Operator

Mallon Oil Company

3. Address and Telephone No.

P.O. Box 3256, Carlsbad, NM 88220

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

1940' FSL and 734' FWL (SW NW) Unit E

Sec. 16, T30N-R03W

5. Lease Designation and Serial No.

6. If Indian, Allocated or Tribal Name
Jicarilla Apache Tribe

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 460-16 1#

9. Well API No.

10. Field and Pool, or Exploratory Area

Cabrest Canyon: San Jose Ext

11. County or Parish, State

Rio Arriba County, New Mexico

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: Name Change
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(New Report requires completion of 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 proposes to change the name of the existing APD to Jicarilla 460-16 No. 1SJ.

SJ #1

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

Signed

Christy Serrano

Title

Production Secretary

Date

9-3-98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

Calvin M. Neale

Title

Lands and Mineral Resources

Date

9-10-98

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

(July 1992)

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. 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 013925		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 460-1C 23621	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1940' FNL, 734' FWL (SW NW) Unit E		9. API WELL NO. 30-039-25942	
At proposed prod. zone 1940' FNL, 734' FWL (SW NW) Unit E		10. FIELD AND POOL, OR WILDCAT Cabresto Canyon, San Jose E 96822	
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 Sec. 16, T30N-R03W	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST 690' PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		12. COUNTY OR PARISH Rio Arriba	
16. NO. OF ACRES IN LEASE 1999.99		13. STATE NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		18. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3550'	
19. PROPOSED DEPTH 1750'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7168		22. APPROX. DATE WORK WILL START 08/10/98	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
11"	8-5/8"	24#	1180'
7-7/8"			1750'
			Open Hole

Mallon Oil Company proposes to drill to a depth sufficient to test the San Jose formation. If productive, it will be open hole completed. 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: This bore hole is on an existing pad. The surface use plan is already in place.

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:

M: Gay Davis

TITLE: Production Analyst

DATE

8/3/98

(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

TITLE

DATE

*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 (C)

OIL CONSERVATION DIVISION

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

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 30-039-25942		2 Pool Code 96822		3 Pool Name Cabresto Canyon; San Jose Ext.	
4 Property Code 23626		5 Property Name JICARILLA 460-16 SJ			6 Well Number 16
7 OGRD No. 013925		8 Operator Name MALLON OIL CO.			9 Elevation 7167'

10 Surface Location

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	16	30-N	3-W		1940	NORTH	734	WEST	RIO ARriba

11 Bottom Hole Location If Different From Surface

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 160		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

S 00-03-28 E 5284.8'

U.S.G.L.O. BRASS CAP 1917		U.S.G.L.O. BRASS CAP 1917		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature M. Gay Davis Printed Name Production Analyst Title 8-3-98 Date	
U.S.G.L.O. BRASS CAP 1917		16 RECEIVED AUG 17 1998 OIL CON. DIV. DIST. 3		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. 7-3 ROY A. RUSH NEW MEXICO DATE OF SURVEY SIGNATURE OF SURVEYOR 8894 Carey Macke Nienhuys	

4. Proposed Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>Casing OD</u>	<u>Casing weight grade, Jt., Type Cond</u>
11"	0'-1180'	8-5/8"	24# K55 New
7-7/8"	1180'-1750'	Open hole	

Cement Program:

8-5/8" Surface casing: Cemented to Surface with 500 sks Class B 2% CaCl₂ +0.25 lb/sk Cello Seal mixed at 15.6#/gal, 1.18 cu. ft./sk.

5. Minimum Specifications for Pressure Control (2M System):

The blowout preventor equipment (BOP) shown in Exhibit 1 will consist of a double ram type (2000 psi WP) preventor. The unit will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and drill pipe rams on bottom. The BOP will be nipped up on the 8-5/8" surface casing and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Pipe rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 2" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve and choke lines and choke manifold with 2000 psi WP rating.