

Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

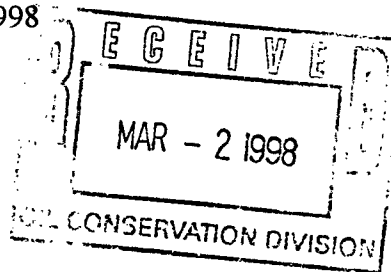
NSPPL #1

NSP 3/23/98

a Mallon Resources subsidiary

February 27, 1998

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



Dear Mr. Stagner:

Enclosed, you will find, the East Blanco Field map for Mallon Oil Company, eleven (11) C-102 survey plats with attached topographic maps for the respective wells.

Mallon Oil Company is requesting an exemption to rule 104 due to topographic conditions for the following wells:

- | | |
|---------------------------|---------------------------|
| 1. Jicarilla 457-4 No. 2 | 5. Jicarilla 459-20 No. 8 |
| 2. Jicarilla 457-10 No. 8 | 6. Jicarilla 459-20 No. 7 |
| 3. Jicarilla 458-8 No. 7 | 7. Jicarilla 460-16 No. 1 |
| 4. Jicarilla 459-17 No. 9 | 8. Jicarilla 464-29 No. 9 |

Note: Jicarilla 460-16 No. 1 has two plats attached showing the well was moved 100 feet west to avoid an archaeological site.

In addition to topographical conditions, due to irregular sections in Sec. 19-30N-3W and Sec. 30-30N-3W we are requesting non standard pro-ration units, for the following wells:

1. Jicarilla 459-19 No. 9
2. Jicarilla 464-30 No. 9
3. Jicarilla 464-30 No. 10

The only offset operator to the west is Robert L. Bayless and we have notified them of our request.

If any additional information is needed please contact me at (505) 885-4596

Mallon Oil Company
Sincerely,

Terry Lindeman
Exploration/Production Superintendent

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

Form C-102
Revised February 21, 1994

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JICARILLA 459-19	⁶ Well Number 9
⁷ OGEID No.	⁸ Operator Name MALLON OIL CO.	⁹ Elevation 7264.5

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
	19	30-N	3-W		1850	NORTH	750	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.

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 ① 43.54 1850'	4075.5'	GLO
② 43.43 750'		
③ 43.33		
④ 43.27	4066.9'	GLO

86.97

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.

Date of Survey

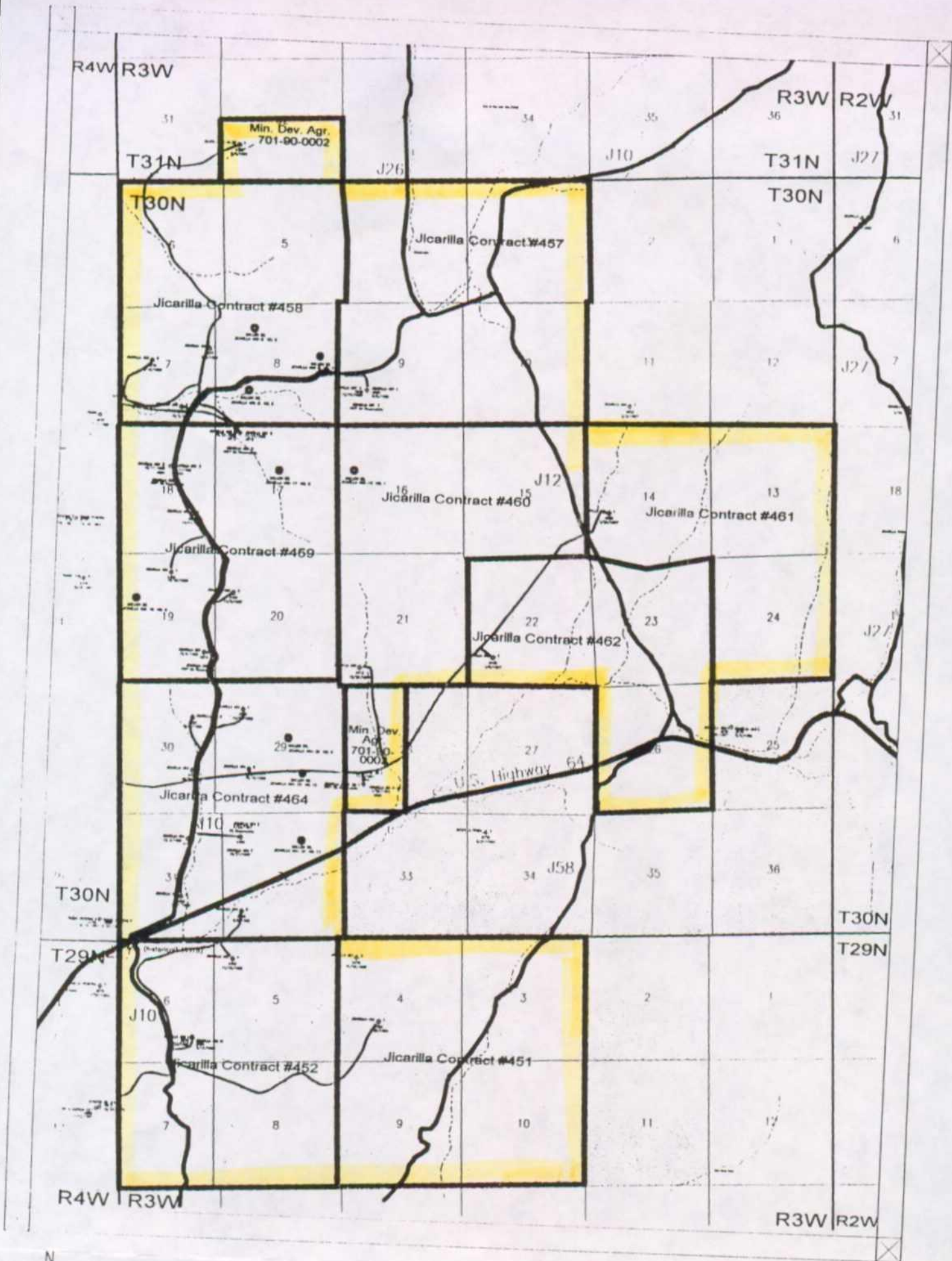
Signature and Seal of Registered Surveyor



Certificate Number

Exhibit A





Scale 1:63360.

0 0.2 0.4 0.6 0.8 1. miles

MALLON OIL COMPANY		
East Blanco Field - San Juan Basin		
Townships 29-30 North		
Rio Arriba County, New Mexico		
		19221881

County RIO ARriba

Pool EAST BLANCO-PICTURED
CLIFFS

TOWNSHIP 30 N South, RANGE 3 W East, NEW MEXICO PRINCIPAL MERIDIAN

	6	5	4	3	2	1
7	8	9	10	11	12	
13	12	11	10	9	8	7
19	20	21	22	23	24	
29	28	27	26	25	24	23
31	32	33	34	35	36	

EXT: ALL SECS 7-32 (R-8713, 8/12/88) Ext: W/2 Sec. 5 (R-10178, 8-30-94)

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

57 OCT 1997

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. 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. 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 459-19 No. 9 22210	
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/F At proposed prod. zone 1850' FNL and 750' FWL (SW NW) Unit E/F F		9. API WELL NO. 30-039-25764	
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) 750'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 19, T30N-R03W	
16. NO. OF ACRES IN LEASE 2249.19'		12. COUNTY OR PARISH Rio Arriba	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160 86.97		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1830' 7265		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 2264.5'		22. APPROX. DATE WORK WILL START October 20, 1997	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8"	24#	500'
7-8/8"	5-1/2"	15.5#	4500'
			QUANTITY OF CEMENT
			Circ. to surface
			570 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 Preventer 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 Kindeman TITLE: Production Superintendent DATE: 10/14/97

(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. VILLALOBOS TITLE _____ DATE DEC 8 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.

RECEIVED
DEC 12 1997

OIL CON. DIV.
DIST. 2

HOLD C-104 FOR NSC & NSP @

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

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

DISTRICT IV
P.O. 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 30-039-25764		*Pool Code 72400	*Pool Name E BLANCO; JPC
*Property Code 22210	*Property Name JICARILLA 459-19		*Well Number 9
*OGRID No. 13925	*Operator Name MALLON OIL CO.		*Elevation 7264.5 7265

¹⁰ Surface Location

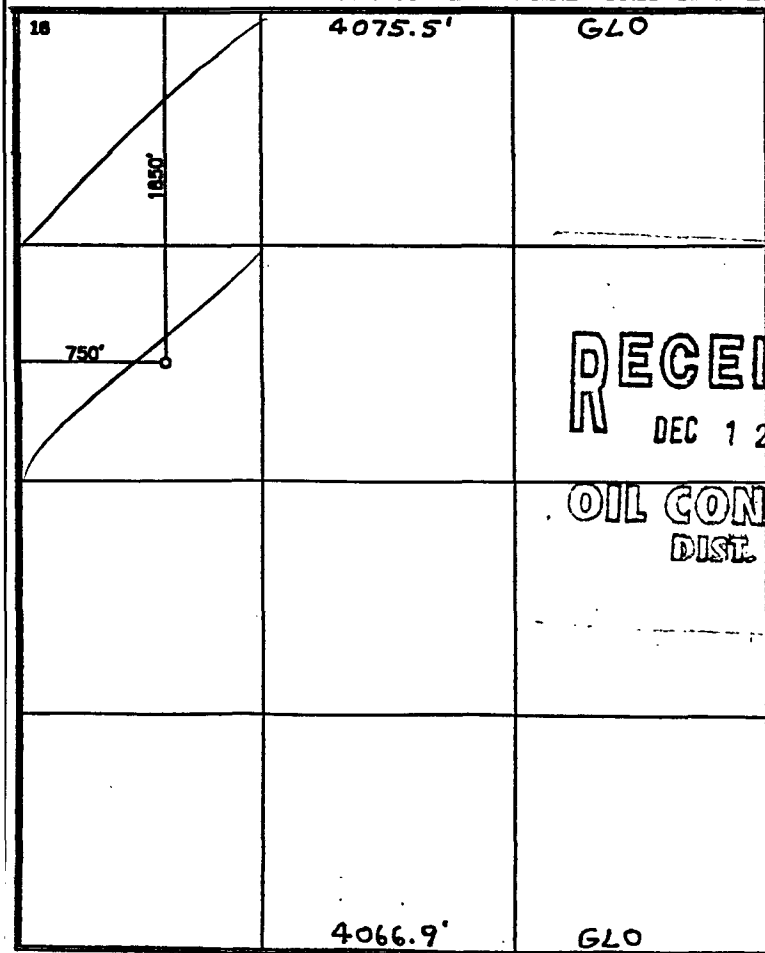
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	19	30-N	3-W		1850	NORTH	750	WEST	RIO ARRIBA

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 86.97	*Joint or Infill	*Consolidation Code	*Order No.
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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.

Terry Lindeman
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.

9-10-97
Date of Survey
A. RUSH
Signature and Seal of Surveyor
NEW MEXICO
8894
REGISTERED PROFESSIONAL LAND SURVEYOR
Certificate Number

Mud Spring

Lynch Ranch

Cem.

Canyon

Espinosa

Preacher Tank

Canyon

Reservoir Tank

Marcial Tank

Well

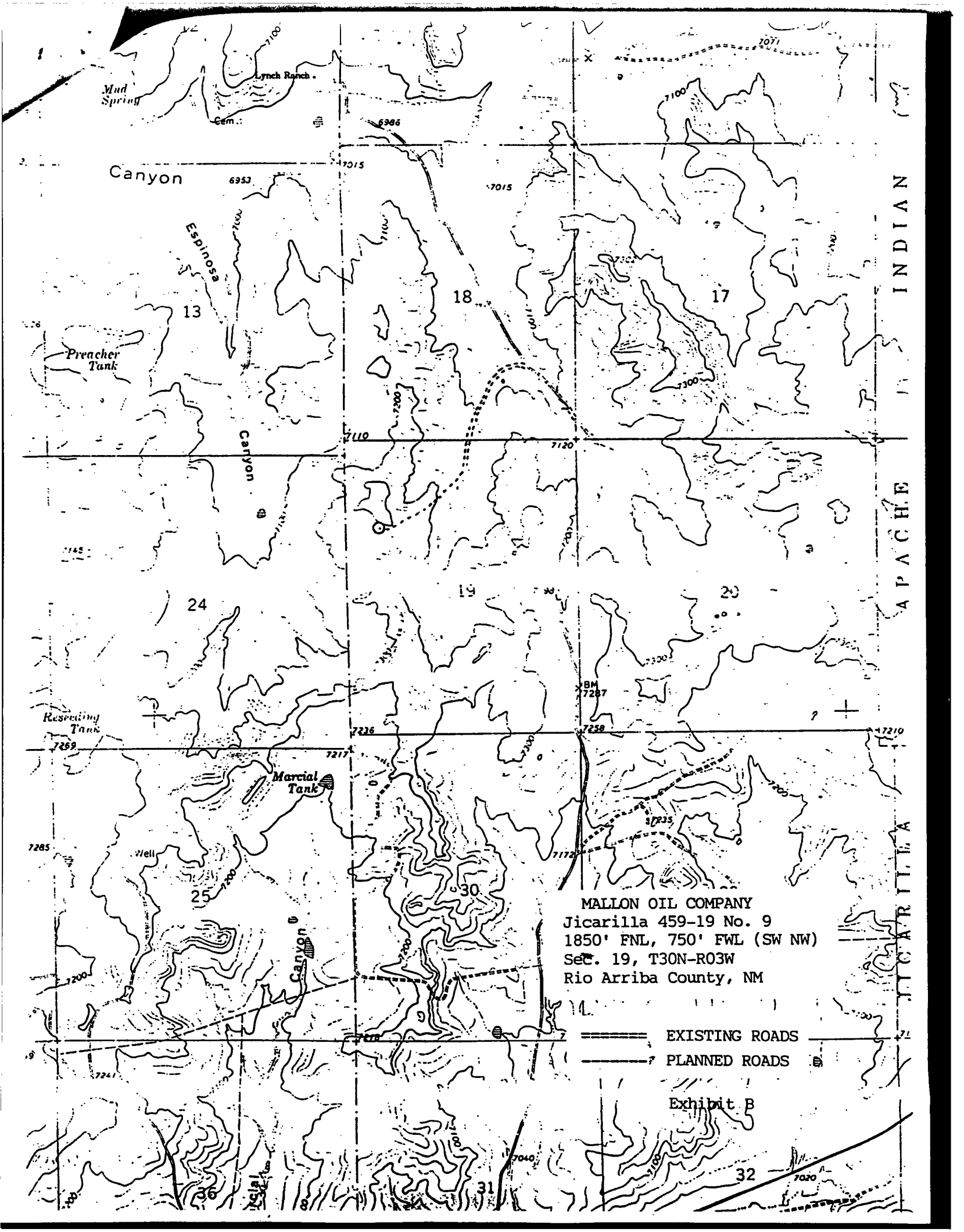
MALLON OIL COMPANY
Jicarilla 459-19 No. 9
1850' FNL, 750' FWL (SW NW)
Sec. 19, T30N-R03W
Rio Arriba County, NM

EXISTING ROADS

PLANNED ROADS

Exhibit B

INDIAN
APACHE
JICARILLA



This was
found subsequent
to NSP-1788(L)
being issued. M.S. 4-9-98

Write an
addendum
NSP-1788(L)

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 9495
Order No. R-8774

APPLICATION OF ROBERT L. BAYLESS
FOR NINE NON-STANDARD GAS PRORATION
UNITS, RIO ARriba COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 12, 1988, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 28th day of October, 1988, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Robert L. Bayless, seeks an order establishing nine non-standard gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing, which includes but is not necessarily limited to the East Blanco-Pictured Cliffs Gas Pool, Cabresto-Gallup Gas Pool, and Campo-Gallup Gas Pool, in Sections 6, 7, 18, 19, 30, and 31 of Township 30 North, Range 3 West, and Sections 6 and 7 of Township 29 North, Range 3 West, all in Rio Arriba County, New Mexico, and described as follows:

-2-

Case No. 9495

Order No. R-8774

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

<u>UNIT</u>	<u>ACRES</u>	<u>DESCRIPTION</u>
1	168.42	Section 6: Lots 3, 4, and 9
2	133.39	Section 6: Lot 10
		Section 7: Lots 3 and 4
3	174.62	Section 7: Lots 5 and 6
		Section 18: Lots 1 and 2
4	173.21	Section 18: Lots 3 and 4
		Section 19: Lots 1 and 2
5	173.06	Section 19: Lots 3 and 4
		Section 30: Lots 1 and 2
6	151.01	Section 30: Lots 3 and 4
		Section 31: Lot 1 and NE/4 NW/4
7	167.39	Section 31: Lots 2, 3, and 4, SE/4 NW/4, and E/2 SW/4

TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

<u>UNIT</u>	<u>ACRES</u>	<u>DESCRIPTION</u>
8	163.76	Section 6: Lots 3, 4, 5, and 6
9	173.69	Section 7: Lots 1, 2, 3, and 4

(3) Evidence presented indicates that variations in legal subdivisions of the U.S. Public Lands Survey within the above-described area precludes the establishment of standard 160-acre spacing and proration units.

(4) The principal gas producing formations within the above-described area are the Pictured Cliffs and Gallup formations, both of which are currently subject to 160-acre gas spacing.

(5) The applicant is the operator of all the acreage described above and no offset operator objected to the establishment of the proposed non-standard gas spacing units.

(6) Approval of the subject application will ensure the orderly development of the acreage described above within the subject pools and should prevent waste and protect correlative rights.

-3-
Case No. 9495
Order No. R-8774

IT IS THEREFORE ORDERED THAT:

(1) The application of Robert L. Bayless for the establishment of the following described non-standard gas spacing and proration units in the East Blanco-Pictured Cliffs Gas Pool, Cabresto-Gallup Gas Pool, Campo-Gallup Gas Pool, or in any and all formations and/or pools developed on 160-acre spacing in the subject area, Rio Arriba County, New Mexico, is hereby approved:

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

<u>UNIT</u>	<u>ACRES</u>	<u>DESCRIPTION</u>
1	168.42	Section 6: Lots 3, 4, and 9
2	133.39	Section 6: Lot 10
		Section 7: Lots 3 and 4
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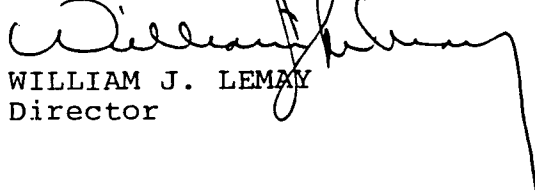
TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

<u>UNIT</u>	<u>ACRES</u>	<u>DESCRIPTION</u>
8	163.76	Section 6: Lots 3, 4, 5, and 6
9	173.69	Section 7: Lots 1, 2, 3, and 4

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

S E A L
fd/