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Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

NOV - 2 1993

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

|                                                                                                                                                        |                                                                             |                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------|
| Operator<br>Mallon Oil Company                                                                                                                         |                                                                             | Well API No.<br>30-015-20301 |
| Address<br>999 18th Street, Suite 1700, Denver, Colorado, 80202                                                                                        |                                                                             |                              |
| Reason(s) for Filing (Check proper box) <input type="checkbox"/> Other (Please explain)                                                                |                                                                             |                              |
| New Well <input type="checkbox"/>                                                                                                                      | Change in Transporter of:                                                   |                              |
| Recompletion <input type="checkbox"/>                                                                                                                  | Oil <input checked="" type="checkbox"/> Dry Gas <input type="checkbox"/>    |                              |
| Change in Operator <input checked="" type="checkbox"/>                                                                                                 | Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> |                              |
| If change of operator give name and address of previous operator<br>Penzoil Exploration & Production Company, P.O. Box 2967,<br>Houston, TX 77252-2967 |                                                                             |                              |

II. DESCRIPTION OF WELL AND LEASE

|                                                                                                                                                   |               |                                                                |                                         |                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------|----------------------------------------------------------------|-----------------------------------------|-----------------------|
| Lease Name<br>O'Neill Federal                                                                                                                     | Well No.<br>1 | Pool Name, Including Formation<br>Black River Bone Springs Gas | Kind of Lease<br>State (Federal) or Fee | Lease No.<br>LC065421 |
| Location<br>Unit Letter L : 1980 Feet From The South Line and 660 Feet From The West Line<br>Section 11 Township 24S Range 26E, NMPM, Eddy County |               |                                                                |                                         |                       |

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

|                                                                                                                                                        |                                                                                                           |      |      |      |                            |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|------|------|------|----------------------------|-------|
| Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/><br>MacLaskey Oil Field Services, Inc. | Address (Give address to which approved copy of this form is to be sent)<br>P.O. Box 580, Hobbs, NM 88241 |      |      |      |                            |       |
| Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>                                          | Address (Give address to which approved copy of this form is to be sent)                                  |      |      |      |                            |       |
| If well produces oil or liquids, give location of tanks.                                                                                               | Unit                                                                                                      | Sec. | Twp. | Rge. | Is gas actually connected? | When? |
|                                                                                                                                                        |                                                                                                           |      |      |      | No                         |       |

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

|                                                          |                                            |          |                          |          |                       |           |            |            |
|----------------------------------------------------------|--------------------------------------------|----------|--------------------------|----------|-----------------------|-----------|------------|------------|
| Designate Type of Completion - (X)                       | Oil Well                                   | Gas Well | New Well                 | Workover | Deepen                | Plug Back | Sam. Res'v | Diff Res'v |
|                                                          |                                            | X        |                          |          |                       |           |            |            |
| Date Spudded<br>5/17/70                                  | Date Compl. Ready to Prod.<br>8/16/70      |          | Total Depth<br>11,900'   |          | P.B.T.D.<br>5441'     |           |            |            |
| Elevations (D.F., RKB, RT, GR, etc.)<br>3299 GR          | Name of Producing Formation<br>Bone Spring |          | Top Oil/Gas Pay<br>5325' |          | Tubing Depth<br>5259' |           |            |            |
| Perforations<br>5325', 5326', 5327', 5328', 5329', 5330' |                                            |          |                          |          | Depth Casing Shoe     |           |            |            |
| TUBING, CASING AND CEMENTING RECORD                      |                                            |          |                          |          |                       |           |            |            |
| HOLE SIZE<br>20"                                         | CASING & TUBING SIZE<br>16"                |          | DEPTH SET<br>380'        |          | SACKS CEMENT<br>450   |           |            |            |
| 12-1/4"                                                  | 9-5/8"                                     |          | 7090'                    |          | 1150                  |           |            |            |

V. TEST DATA AND REQUEST FOR ALLOWABLE

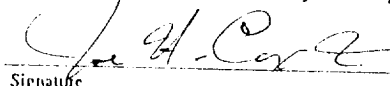
|                                                                                                                                                         |                 |                                               |            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------|------------|
| OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.) |                 |                                               |            |
| Date First New Oil Run To Tank                                                                                                                          | Date of Test    | Producing Method (Flow, pump, gas lift, etc.) |            |
| Length of Test                                                                                                                                          | Tubing Pressure | Casing Pressure                               | Choke Size |
| Actual Prod. During Test                                                                                                                                | Oil - Bbls.     | Water - Bbls.                                 | Gas - MCF  |

GAS WELL

|                                  |                           |                           |                       |
|----------------------------------|---------------------------|---------------------------|-----------------------|
| Actual Prod. Test - MCF/D        | Length of Test            | Bbls. Condensate/MCF      | Gravity of Condensate |
| Testing Method (pitot, back pr.) | Tubing Pressure (Shut-in) | Casing Pressure (Shut-in) | Choke Size            |

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.



Signature

Printed Name

Joe H. Cox, Jr. - Vice President  
Date 10-27-93 (303) 293-2333

OIL CONSERVATION DIVISION

Date Approved NOV 4 1993

By ORIGINAL SIGNED BY  
MIKE WILLIAMS  
Title SUPERVISOR, DISTRICT II

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.