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District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-101

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 97504-2088

Revised February 10, 1994

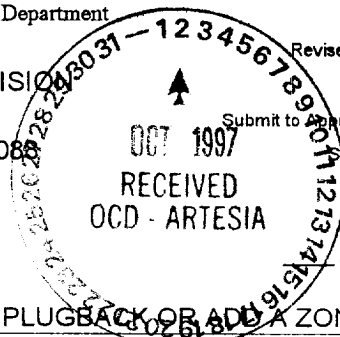
Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

AMENDED REPORT



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK OR ADD A ZONE

1. Operator Name and Address Mallon Oil Company P.O. Box 3256 Carlsbad, NM 88220		2. OGRID Number 013925
4. Property Code 21682	5. Property Name Mallon 3 State	3. API Number 38-015-29874
		6. Well No 2

7. Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
J	3	24S	26E	N/A	1980	South	1980	East	Eddy

8. Proposed 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
9. Proposed Pool 1 Black River, Delaware					10. Proposed Pool 2 627D				

11. Work Type Code N	12. Well Type Code O	13. Cable/Rotary R	14. Lease Type Code S	15. Ground Level Elevation 3327'
16. Multiple N/A	17. Proposed Depth 5500'	18. Formation Delaware	19. Contractor Unknown	20. Spud Date October 10, 1997

21. Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	9-5/8"	36#	500'	150 sacks	Surface
7-7/8"	5-1/2"	15.5# / 17#	5,500'	925 sacks	300'
					Part ID-1 10-10-97 API & Loc

22. Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

1. Drill 12-1/4" hole to 500', run and set 500' of 9-5/8" x 36# K55 LTC casing. Cement with 150 sks Class C + 2.00% CaCl2, yield 1.34 ppg 14.80. Circulate cement to surface. WOC 18 hours.

2. Drill 7-7/8" hole from 500'-5500'. Run and set 5500' of 5-1/2" x 15.5#/17# K55 LTC casing. Lead cement: 225 sks 35:65 POZ (35% POZ, 65% Class C) + 6% gel + 5% salt + .25lb/sk Celloseal yield 2.04 ppg 12.5. Tail cement: 700 sks Super C Modified, 61 lb/sk C cement, 15 lb/sk POZ A. 11 lb/sk BA 90 bonding, .61 lb/sk FL-52, .44 lb/sk FL-25, yield 1.44, ppg 13.6.

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Duane C. Winkler</i>		Approved by: ORIGINAL SIGNED BY TIM W. GUM	
Printed Name: Duane C. Winkler		Title: DISTRICT II SUPERVISOR	
Title: Operations Manager		Approval Date:	
Date: 09/26/97	Phone: (505) 885-4596	Attached: OCT 2 1997 10-2-98	