

N. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, NM 88210-2834

Form 3160-3

(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. LC-065421	
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
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. Black River 11 Federal Com #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FSL an 1980' FEL (NW SE) Unit J At proposed prod. zone 1980' FSL an 1980' FEL (NW SE) Unit J		9. API WELL NO. 30-015-29708	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 22.5 miles South of Carlsbad, NM		10. FIELD AND POOL, OR WILDCAT South Carlsbad, Morrow	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 11, T24S-R26E	
16. NO. OF ACRES IN LEASE 1120		12. COUNTY OR PARISH Eddy County	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2600'		19. PROPOSED DEPTH 12,000	
20. ROTARY OR CABLE TOOLS Rotary		21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 3276 GR	
22. APPROX. DATE WORK WILL START August 8, 1997		23. PROPOSED CASING AND CEMENT CARLSBAD CONTROLLED WATER BASIN	
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
25"	0"	42#	40'
17-1/2"	13-3/8"	48#	500'
12-1/4"	9-5/8"	47#	3800'
7-7/8"	5-1/2"	20#-23#	12,000'
QUANTITY OF CEMENT		Ready to mix surface	
25000 lbs to 25000		25000 lbs to 25000	
800 sx "C" modified		100 sx Class H	

Mallon Oil Company proposes to drill to a depth sufficient to test the Morrow formation for gas. 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 Plan
Exhibit E: Production Plan
Exhibit F: Hydrogen Sulfide Monitoring
Exhibit G: Archaeological Survey

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: Duane C. Winkler TITLE: Operation Manager

(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 (ORIG. SGD.) ARMANDO A. LOPEZ

TITLE Acting ADM, MINERALSDATE 7-1-97

*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.

THE
FEDERAL
BUREAU OF
INVESTIGATION
U. S. DEPARTMENT OF JUSTICE