

N. M. Oil Cons. Division

811 S. W.

ARTECH

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SEP 19 97

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

5. LEASE DESIGNATION AND SERIAL NO

NM0475051

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

N/A

8. FARM OR LEASE NAME, WELL NO.

Wadi 9 Federal No. 5 21071

9. API WELL NO.

30-015-29957

10. FIELD AND POOL, OR WILDCAT

Black River Delaware, West

11. SEC., T., R., M., OR BLK.

AND SURVEY OR AREA

96684

Sec. 9, T24S-R26E

12. COUNTY OR PARISH

Eddy County

13. STATE

NM

1a. TYPE OF WORK

Drill



Deepen



b. TYPE OF WELL

Oil Well



Gas Well



Other

Single Zone



Multiple Zone



2. NAME OF OPERATOR

Mallon Oil Company

13925

3. ADDRESS AND TELEPHONE NO.

P.O. Box 3256

Carlsbad, NM 88220

(505) 885-4596

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

660' FNL and 660' FEL (NE NE) Unit A

At proposed prod. zone

660' FNL and 660' FEL (NE NE) Unit A

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *

23 miles south of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

660'

16. NO. OF ACRES IN LEASE

1080

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION *

TO NEAREST WELL, DRILLING, COMPLETED,

2640'

19. PROPOSED DEPTH

5500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.)

3381' GR

22. APPROX DATE WORK WILL START

October 31, 1997

23. PROPOSED CASING AND CEMENTING PROGRAM

CARLSBAD CONTROLLED WATER BASIN

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--------------------|
| 20" | 16" | .25" wall | 40' | |
| 12-1/4" | 8-5/8" | 28#/32# | 500' | Circ. to surface |
| 7-7/8" | 5-1/2" | 15.5#/17# | 5500' | 1085 sks cmt |

WITNESS

Mallon Oil Company proposes to drill to a depth sufficient to test the Delaware formation for oil. 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 Month Lease

Exhibit D: Drilling Site Layout

Exhibit E: Production Unit

Exhibit F: Archaeological Clearance

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 preventor program, if any.

24. SIGNED: Duane C. Winkler TITLE: Operations Manager DATE: 09/17/97

(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: (ORIG. SCD) TONY L. FERGUSON

ADM, MINERALS

APPROVED BY

TITLE

DATE

NOV 14 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.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|--|--|
| API Number 30-015-29957 | Pool Code 96684 | Pool Name W Black River Delaware |
| Property Code | Property Name WADI "9" FEDERAL | Well Number 5 |
| OGRID No. | Operator Name MALLON OIL COMPANY | Elevation 3381 |

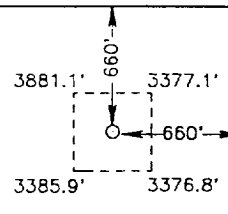
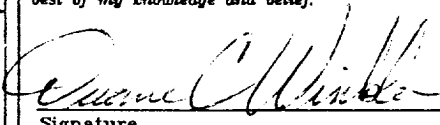

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 9 | 24 S | 26 E | | 660 | NORTH | 660 | EAST | EDDY |

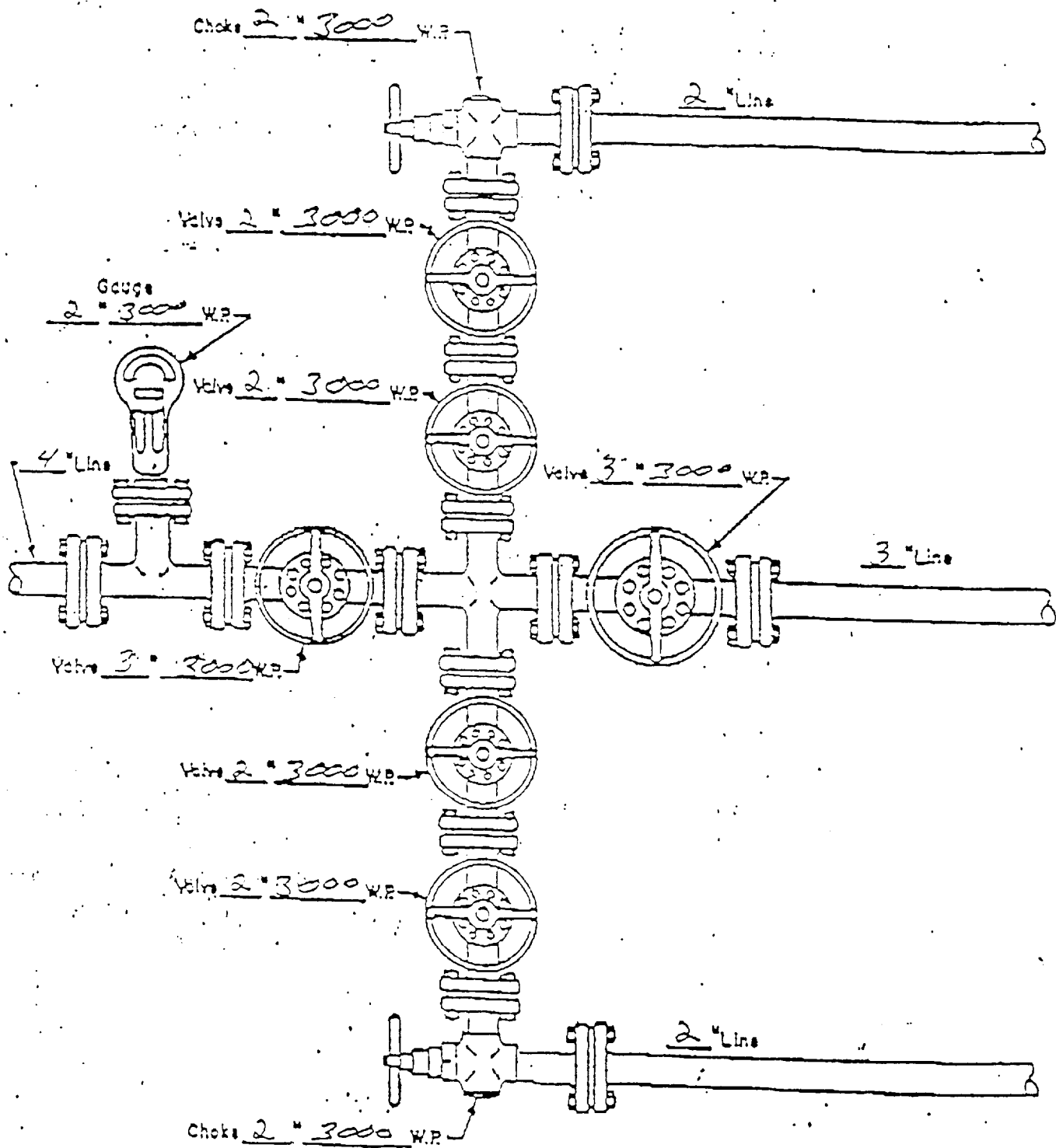
Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres | Joint or Infill | Consolidation Code | 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

| | | | | |
|--|--|--|--|---|
| | | |  | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Duane C. Winkler Printed Name Operations Manager Title 9/17/97 Date |
| | | | | 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. SEPTEMBER 5, 1997 Date Surveyed Signature & Seal of Professional Surveyor  W.O. Number 9-09-97 Certificate No. JOHN W. WEST, 676 RONALD J. EIDSON, 3239 GARY G. EIDSON, 12641 |
| | | | | |
| | | | | |

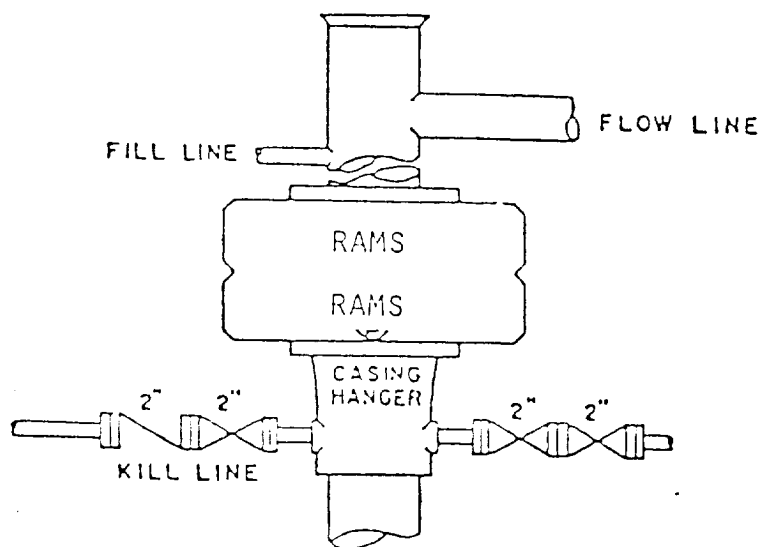
Choke Manifold



MANIFOLD
3000 #W.P.

- ☒ Manual
☐ Hydraulic

Exhibit 1



BOP STACK

3000 PSI WORKING PRESSURE

BOP ARRANGEMENT

Exhibit 1

Attachment to Exhibit #1
NOTES REGARDING THE BLOWOUT PREVENTERS

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum ID equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 3000 psi WP minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi WP minimum.
6. All choke and fill lines to be securely anchored, especially ends of choke stem.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.