

N. M. Oil Cons. Divis

811 S. 1ST ST.

ARTESIA, NM 88410-2334

Form 3160-3

(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE

(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



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' FSL and 760' FWL (SW SW) Unit M

At proposed prod. zone

660' FSL and 760' FWL (SW SW) Unit M

5. LEASE DESIGNATION AND SERIAL NO

NM027994-D

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

N/A

22912

8. FARM OR LEASE NAME, WELL NO

Mallon 24 Federal No. 1

9. API WELL NO.

30-015-30110

10. FIELD AND BOSS OR WILSON

D. PARCAYON

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

96143

Sec. 24, T23S-R26E

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

12 miles south of Carlsbad, New Mexico

12. COUNTY OR PARISH

Eddy County

13. STATE

NM

15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

760'

(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

3241'

19. PROPOSED DEPTH

5500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3404' GR

22. APPROX. DATE WORK WILL START

04/23/97

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
20"	16"	.25" wall	40'	
12-1/4"	9-5/8"	36#	500'	Circ. to surface
8-3/4"	5-1/2"	15.5#/17#	5500'	1085 sks cmt

CARLSBAD CONTROLLED WATER BASIN**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 Mile Radius Map

Exhibit D: Drilling Site Layout

Exhibit E: Production Facilities

Exhibit F: Archaeological Survey- Submit under separate letterhead

Post FD-1

3-6-98

API + Loc

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:

Kerry Lindeman

TITLE: Production Superintendent

DATE 01/19/98

(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

ADM. MINERALS

TITLE

Acting

DATE

2-11-98

*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.

**APPROVAL SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED**

013 V 12 10 10