

CONFIDENTIAL

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.
1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>				MDA 701-98-0013
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/>				6. IF INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache
2. NAME OF OPERATOR Mallon Oil Company				7. UNIT AGREEMENT NAME N/A
3. ADDRESS AND TELEPHONE NO. P.O. Box 2797 Durango, CO 81302 (970) 382-9100				8. FARM OR LEASE NAME, WELL NO. Jicarilla 28-02-05 #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *) At surface 1760' FSL and 1760' FEL (NW/SE) Unit J				9. API WELL NO. 30-039-2609.8
At proposed prod. zone 1760' FSL and 1760' FEL (NW/SE) Unit J				10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 57 miles east of Bloomfield, New Mexico				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 5, T28N-R2W
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL	
8448'		39,360	160	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH	20. ROTARY OR CABLE TOOLS	
5381'		4500'	Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7228' GR		22. APPROX. DATE WORK WILL START 12/15/98		
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	500'	Circulate to surface
7-7/8"	5-1/2"	15.5#	4500'	570 sks

Mallon Oil Company proposes to drill to a depth sufficient to test the Pictured Cliffs formation. 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: Roads and Pipelines
Exhibit C: One Mile Radius Map

Exhibit D: Drilling Site Layout
Exhibit E: Production Facilities
Exhibit F: H2S Contingency Plan
Exhibit G: Environmental Assessment

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:

[Signature]
Jerry Lindeman

TITLE: Operations Superintendent

DATE 12/01/98

(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 (Original Signed) HECTOR A. VILLALOBOS

TITLE *Asst Field Mgr*

DATE FEB 2

*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.

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DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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

Form C-102
Revised February 21, 199

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26098	² Pool Code 72400	³ Pool Name East Blanco; Pictured Cliffs EXT
⁴ Property Code 24-254	⁵ Property Name JICARILLA 28-02-05	⁶ Well Number 1
⁷ OGRID No. 013925	⁸ Operator Name MALLON OIL COMPANY	⁹ Elevation 7228'

¹⁰ 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	5	28-N	2-W		1760	SOUTH	1760	EAST	RIO ARRIBA

¹¹ 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

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

<p>16</p> <p>FD. U.S.G.L.O. BRASS CAP 1917</p> <p>5</p> <p>1760'</p> <p>1760'</p> <p>1760'</p> <p>FD. U.S.G.L.O. BRASS CAP 1917</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p>Signature T. G. Lindeman</p> <p>Printed Name Operations Superintendent</p> <p>Title December 1, 1998</p> <p>Date</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey 10/1/98</p> <p>Signature and Seal of Professional Surveyor 8894</p> <p>Certificate Number 8894</p> <p>FD. U.S.G.L.O. BRASS CAP 1917</p>
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1760' FSL, 1760' FEL

Exhibit B