

CONFIDENTIAL

SUBMIT IN TRIPLICATE

FORM APPROVED

OMB NO. 1004-0136

Expires February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

(Other instructions on
reverse side)

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. 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 29-2-9 #1	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2097' FSL and 615' FWL (NW/SW) Unit L		9. API WELL NO. 30-039-26094	
At proposed prod. zone 2097' FSL and 615' FWL (NW/SW) Unit L		10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs EXT	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 56 miles east of Bloomfield, New Mexico		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 9, T29N-R02W	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 4777'		12. COUNTY OR PARISH Rio Arriba	
16. NO. OF ACRES IN LEASE 39,360		13. STATE NM	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2514'	
19. PROPOSED DEPTH 4500'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7308' GR		22. APPROX. DATE WORK WILL START 12/21/98	
23. PROPOSED CASING AND CEMENTING PROGRAM			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
12-1/4"	8-5/8"	24#	500'
7-7/8"	5-1/2"	15.5#	4500'

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: Terry Lindeman TITLE: Operations Superintendent DATE: 12/14/98

(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 Joe Incardine TITLE: Acting Asst. Field Mgr DATE: JAN 28 1999

*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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NSL FOR 160 spacing fits special tie rules

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102⁷
Revised February 21, 1994

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

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

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

OIL CONSERVATION DIVISION

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-26094	² Pool Code 72400	³ Pool Name East Blanco; Pictured Cliffs <i>EXT</i>
⁴ Property Code 54247	⁵ Property Name JICARILLA 29-2-9	⁶ Well Number 1
⁷ OGRD No. 013925	⁸ Operator Name MALLON OIL COMPANY	⁹ Elevation 7308'

¹⁰ Surface Location

UL or lot no. L	Section 9	Township 29-N	Range 2-W	Lot Idn	Feet from the 2097	North/South line SOUTH	Feet from the 615	East/West line WEST	County RIO ARRIBA
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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
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¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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

¹⁶ CALC. CORNER 5270.0' 58 E N 0-38-24 E 615' 2097' SET P & C L.S. 8894	<div></div>	<div><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><i>T. G. Lindeman</i> Signature T. G. Lindeman Printed Name Operations Superintendent Title December 14, 1998 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>11 Date of Survey Signature and Seal of Professional Surveyor 8894 Certificate Number</p></div>
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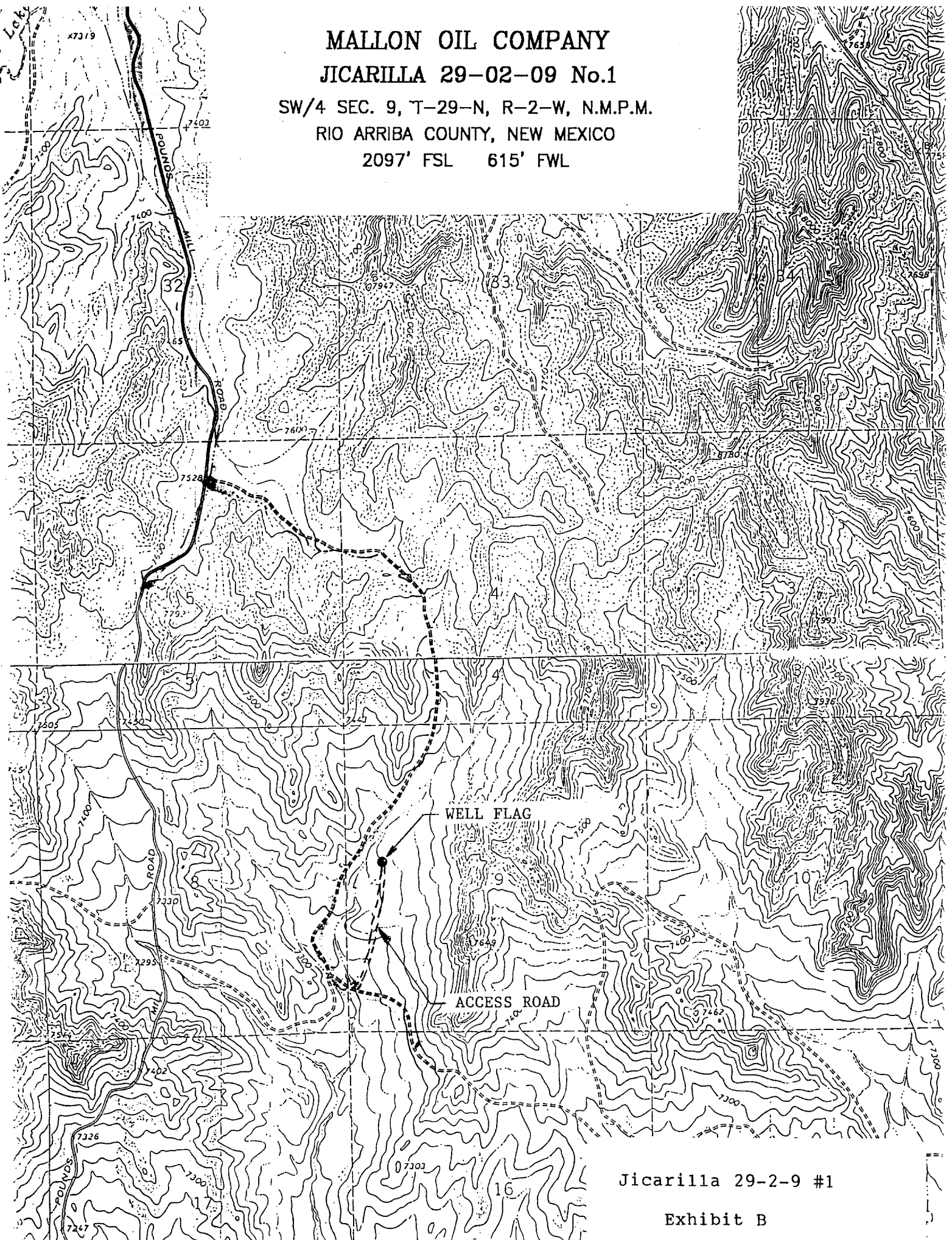
MALLON OIL COMPANY

JICARILLA 29-02-09 No.1

SW/4 SEC. 9, T-29-N, R-2-W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO

2097' FSL 615' FWL



Jicarilla 29-2-9 #1

Exhibit B