

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 ☒

Deepen ☐

b. TYPE OF WELL

Oil Well ☐

Gas Well ☒

Other ☐

Single Zone ☒

Multiple Zone ☐

2. NAME OF OPERATOR

Mallon Oil Company

3. ADDRESS AND TELEPHONE NO.

P.O. Box 2797

Durango, CO 81302

(970) 382-9100

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

At surface

1250' FNL and 1600' FEL (NW/NE) Unit B

At proposed prod. zone 1250' FNL and 1600' FEL (NW/NE) Unit B

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

55 miles east of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED *

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

3710'

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

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

2310'

16. NO. OF ACRES IN LEASE

39,360

17. NO. OF ACRES ASSIGNED

TO THIS WELL

156.89 NE 1/4

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

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

7251' GR

22. APPROX. DATE WORK WILL START

12/10/00

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#	250'	Circulate to surface
7-7/8"	5-1/2"	15.5#	4000'	570 sks circ. To surface

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.

SIGNED:

Terry Lindeman

TITLE: Operations Superintendent

DATE 11/08/00

(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:

Attached: All casing strings will be centralized

APPROVED BY

/s/ Brian W. Davis

TITLE

Acting Asst. Field Mgr

DATE

JAN 5 2001

*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.

CONFIDENTIAL

DISTRICT I
P.O. Box 1880, 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
P.O. 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, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-26638		*Pool Code 72400 -	*Pool Name East Blanco; Pictured Cliffs -
*Property Code 00023926	*Property Name JICARILLA 29-03-02		*Well Number 2
*GRID No. 13825 13925	*Operator Name MALLON OIL COMPANY		*Elevation 7251'

¹⁰ Surface Location

UL or lot no. B	Section 2	Township 29-N	Range 3-W	Lot Idn	Feet from the 1250	North/South line NORTH	Feet from the 1600	East/West line EAST	County RIO ARRIBA
--------------------	--------------	------------------	--------------	---------	-----------------------	---------------------------	-----------------------	------------------------	----------------------

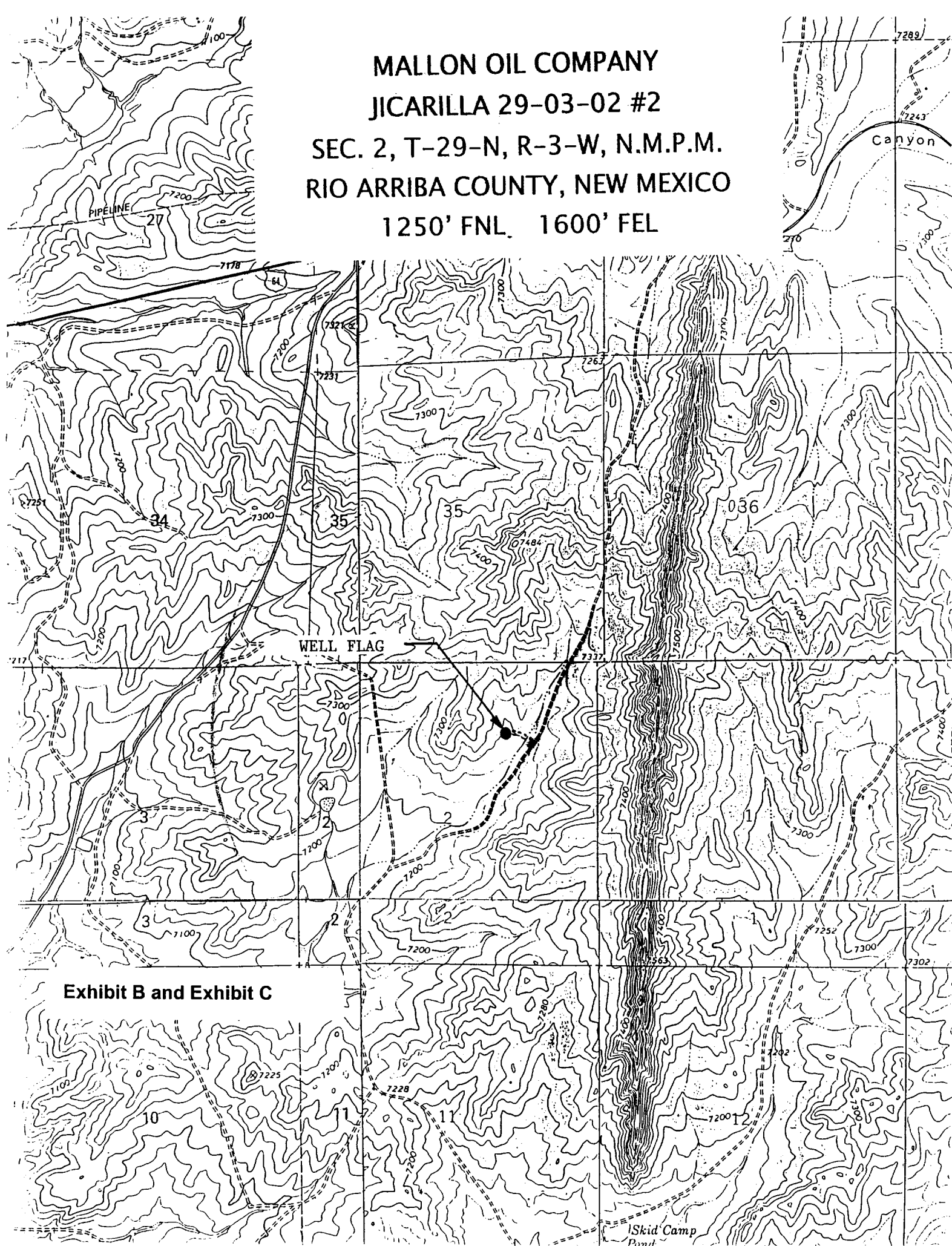
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 156.89 -152.7 NE		*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

16 FD. U.S.G.L.O. BC. 1917	S 89-36 W 508.19'	1250'	1600'	LAT. = 38-46-17 N. LONG. = 107-07-21 W.	FD. U.S.G.L.O. BC. 1917	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Terry Lindeman Printed Name Operations Superintendent Title 11/08/00 Date	
						18 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 Date of Survey Signature and Seal of Professional Surveyor: 8894 Certificate Number	
						JAN 2001 RECEIVED OIL CON. DIV DIST. 3	
						FD. U.S.G.L.O. BC. 1917	

MALLON OIL COMPANY
JICARILLA 29-03-02 #2
SEC. 2, T-29-N, R-3-W, N.M.P.M.
RIO ARRIBA COUNTY, NEW MEXICO
1250' FNL 1600' FEL



5. Minimum specifications for pressure control (2M System):

The blowout preventor equipment (BOP) shown in Exhibit 1 will consist of a double ram-type (2000 psi WP) preventor. The unit will be hydraulically operated and the ram-type preventor will be equipped with blind rams on top and drill pipe rams on bottom. The BOP will be nipped up on the 8-5/8" surface casing and used continuously until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Pipe rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 2" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve, and choke lines and choke manifold with 2000 psi WP rating.

6. Types and characteristics of the proposed mud system:

The well will be drilled to TD with a combination of fresh water and fresh water polymer mud system. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight</u> (ppg)	<u>Viscosity</u> (sec)	<u>Water loss</u> (cc)
0-250'	FW	± 8.5	30-33	NC
250' - TD	FW (Gel polymer)	± 9.0	32-35	10 - 20 cc

7. Auxiliary well control and monitoring equipment:

- A. A kelly cock will be kept in the drill string at all times.
- B. A full-opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.
- C. The drilling fluids systems will be visually monitored at all times.

8. Testing, logging, and coring program:

Drill stem tests:	None anticipated
Logging:	TD to surface casing, GR, CNL - FDC, DLL, MSFL
Coring:	None planned

9. Abnormal conditions, pressures, temperatures, and potential hazards:

No abnormal pressures or temperatures are anticipated. The proposed mud program will be modified to control excess pressure if abnormal pressures are encountered. The estimated bottom-hole pressure (BHP) is 1200 psig. Hydrogen sulfide gas is potentially present in the San Jose and Ojo Alamo formation and an H₂S drilling plan is attached.

10. Anticipated starting date: December 20, 2000

Anticipated completion of drilling operations: Expected duration of 6 days