

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT --" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

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 (Footage, Sec., T., R., M., or Survey Description)
 1450' FNL and 824' FEL (SE NE) Unit H
 Sec. 21, T30N-R03W

5. Lease Designation and Serial No.
 Jic 460

6. If Indian, Allotee or Tribe Name
 Jicarilla Apache

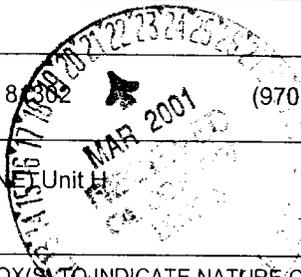
7. If Unit or CA, Agreement Designation
 N/A

8. Well Name and No.
 Jicarilla 460-21 No. 2

9. Well API No.
 30-039-25867

10. Field and Pool, or Exploratory Area
 Cabresto Canyon; Tertiary

11. County or Parish, State
 Rio Arriba County, New Mexico



12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other: Temporarily Abandon
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log Form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this zone.)

Mallon Oil Company is requesting approval to temporarily abandon this well according to the attached procedure. This well was completed and tested in a lower bench of the Ojo Alamo Formation that proved to be wet. There are two upper benches of the Ojo Alamo Formation that need to be tested before plugging this wellbore. Future drilling and pipeline installation in this area will significantly reduce the cost to gather gas from this well and will make low production volumes economic. The Fruitland Coal and the San Jose Formations both have potential in this area and could prove productive in this wellbore. Mallon Oil Company anticipates testing the potential of this well within two (2) years.

14. I hereby certify that the foregoing is true and correct

Signed John Zellitti Title District Petroleum Engineer Date 01/31/01

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By /s/ Brian W. Davis Title Lands and Mineral Resources Date MAR 15 2001

Conditions of approval, if any:

X

Jicarilla 460-21 No. 2
SE NE Sec.21, T30N, R3W
1,450' FNL & 824' FEL
East Blanco Field, Unit-H
Rio Arriba County, NM

Mallon Oil Company
Well Workover Procedure

1/31/01
JZ

Project: Temporarily abandoned the wellbore and perform a mechanical casing integrity test to 500 psig for 30 minutes.

Workover Procedure

Note: This well was left in a temporarily abandoned condition during the original completion. A CIBP was set a 3,127' KB just above the Ojo Alamo perforations and was tested to 1,000 psig. The wellbore was loaded with 2% KCl water.

- 1) MIRU hot oiler & water truck with 2% KCl water.
- 2) Load hole w/ 2% KCl water & perform mechanical casing integrity test as follows:
 - Install pressure chart recorder on casing.
 - Pressure casing to 500 psig.
 - Hold pressure for 30 minutes (Must have less than 10% loss in 30 minutes).

Note: Notify BLM & NM OCD prior to test for witnessing.

- 3) RDMO hot oiler, install bull plug in tbg valve.

Note: Think Safe - Be Safe!

Jicarilla 460-21 No. 2

SE NE Sec.21, T30N, R3W

1,450' FNL & 824' FEL

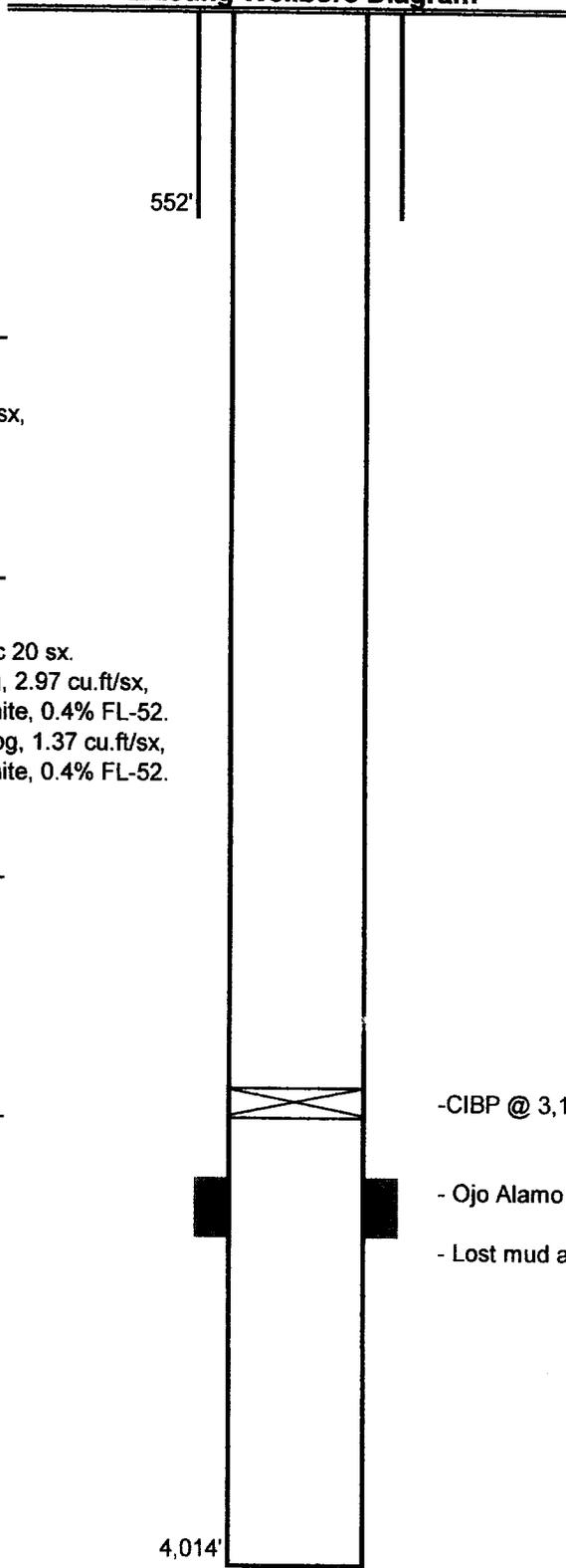
East Blanco Field, Unit-H

Rio Arriba County, NM

1/31/01

wvjj

Existing Wellbore Diagram



552'

4,014'

TD @ 4,040' KB.

-CIBP @ 3,127' KB. ✓

- Ojo Alamo Perfs @ 3,253' - 3,299' KB.

- Lost mud at 3,271' KB while drilling.

Surface Casing

8-5/8", 24#, K-55, ST&C, set @ 552' KB.

12-1/4" Hole.

Cmt w/ 300 sx Class-H, 15.6 ppg, 1.2 cu.ft/sx,

2% CaCl₂, 1/4 lbs/sx CF.

Circ. 56 sx to surface.

Production Casing

5-1/2", 15.5#, K-55, ST&C, set @ 4014' KB.

7-7/8" Hole.

StageTool @ 3,117' KB. Cmt 150 POZ, circ 20 sx.

Main: 150 sx 65/35 POZ, 12% gel, 11.1 ppg, 2.97 cu.ft/sx,

2% CaCl₂, 1/4 lbs/sx CF, 6 1/4 lbs/sx gilsonite, 0.4% FL-52.

Tailed w/300 sx 50/50 POZ, 2% gel, 13.4 ppg, 1.37 cu.ft/sx,

2% CaCl₂, 1/4 lbs/sx CF, 6 1/4 lbs/sx gilsonite, 0.4% FL-52.

Tubing

NA

Perforations

Ojo Alamo:

3,253' - 3,299' (46', 4 spf, 184 holes)

Capacities:

5-1/2" csg @ 0.0238 bbls/ft (DD @ 4.825").

Pc @ 4,040 psig, Pb @ 4,810 psig,

Ojo Alamo:

3,253' - 3,299'

BD w/ 3,000 gals 7 1/2% HCl acid, avg 6 bpm @ 1,100 psig, ISIP @ 670 psig.

Frac w/ 272 bbls gel, 465 mscf N₂, 51,800 lbs 12/20 sand, 1-4 ppg, avg 22 bpm @ 3,800 psig,

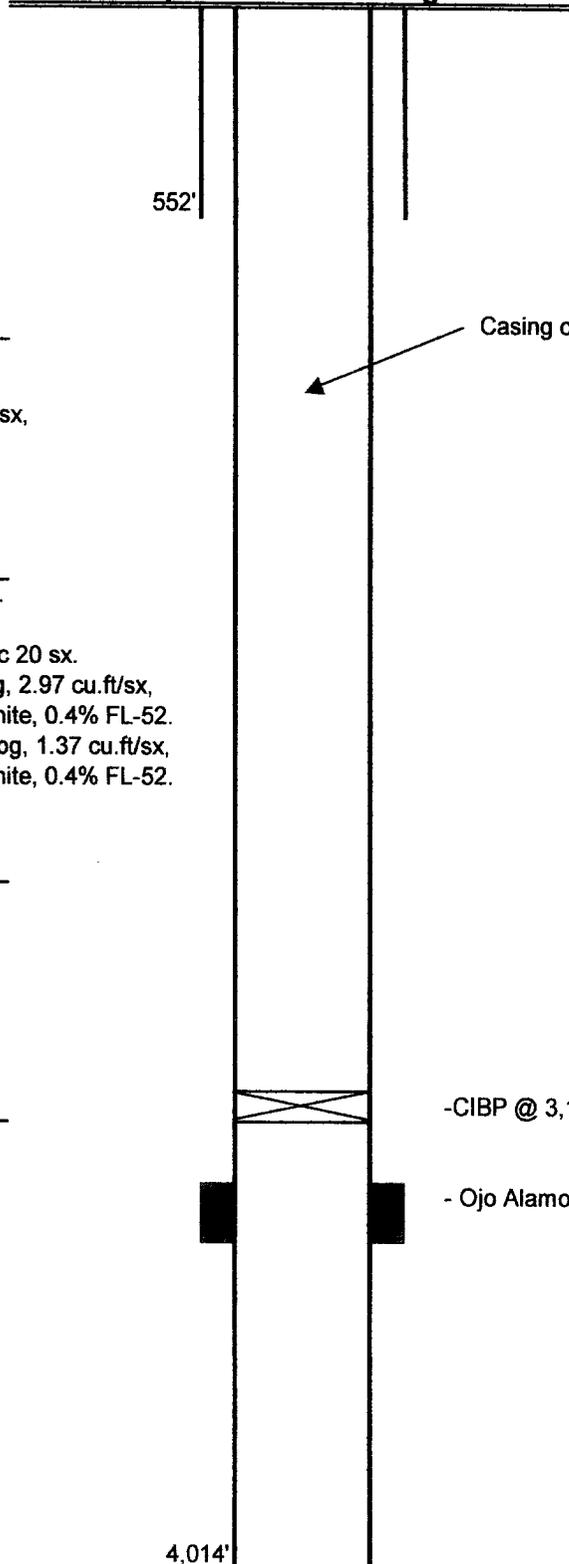
ISIP @ 1,900 psig, frac down 2-7/8" tubing.

Test for 5 days: 15 bwph, 39 hr SITP 150 psig, swab down each PM, gas show each AM.

Proposed Wellbore Diagram

East Blanco Field, Unit-H
Rio Arriba County, NM

Elev. GL @ 7,260'
Elev. KB @ 7,273' (13' KB)



Casing circulated w/ 2% KCl water.

Surface Casing

8-5/8", 24#, K-55, ST&C, set @ 552' KB.
12-1/4" Hole.
Cmt w/ 300 sx Class-H, 15.6 ppg, 1.2 cu.ft/sx,
2% CaCl₂, 1/4 lbs/sx CF.
Circ. 56 sx to surface.

Production Casing

5-1/2", 15.5#, K-55, ST&C, set @ 4014' KB.
7-7/8" Hole.
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Tubing

NA

Perforations

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3,253' - 3,299' (46', 4 spf, 184 holes)

-CIBP @ 3,127' KB.

- Ojo Alamo Perfs @ 3,253' - 3,299' KB.

4,014'

TD @ 4,040' KB.