

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

98 JUN 16 AM 7:25

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 532' FSL and 1361' FEL (SW/SE) Unit O
At proposed prod. zone 532' FSL and 1361' FEL (SW/SE) Unit O

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.
(Also to nearest drlg. unit line, if any) 1361'

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

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 7239' GL
22. APPROX. DATE WORK WILL START July 4, 1998

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	500'	Circ. 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: Existing Roads/Planned Access Roads
 - Exhibit C: One Mile Radius Map

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

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JUL 13 1998

OIL CON. DIV.
DIST. 3

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] TITLE: Operations Manager DATE: May 29, 1998

(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: JUN 26 1998

*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.

Hold C-104 For NSL

[Signature]

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 30-039-25911		⁸ Pool Code 72400		⁹ Pool Name East Blanco, Pictured Cliffs EXT	
⁴ Property Code 22858		⁵ Property Name JICARILLA 458-5			⁶ Well Number 3
⁷ OGRID No. 013925		⁸ Operator Name MALLON OIL COMPANY			⁹ Elevation 7239

¹⁰ Surface Location

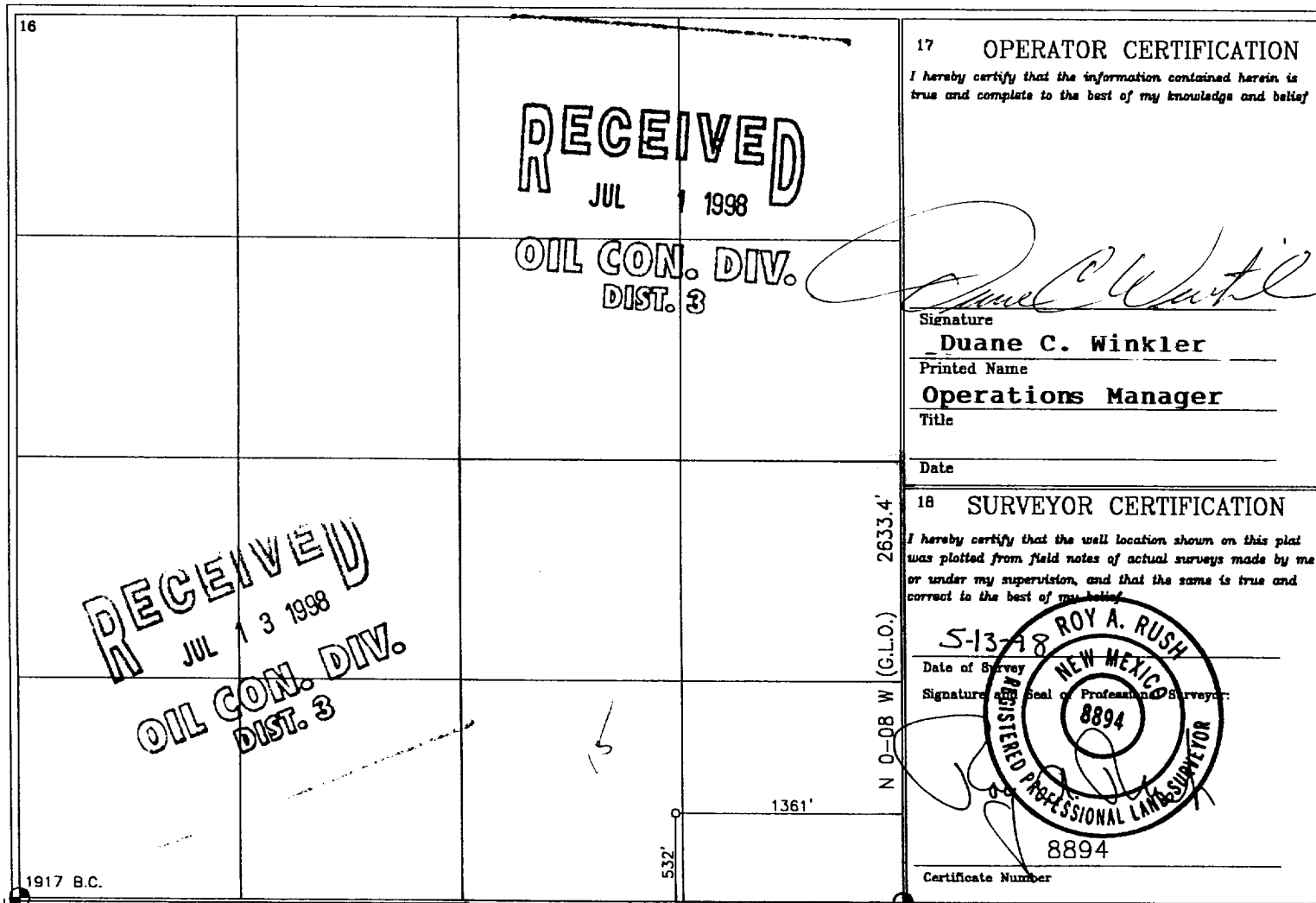
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	5	30-N	3-W		532	SOUTH	1361	EAST	RIO ARRIBA

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 160.154	¹³ Joint or Infill 86	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



S 89-44-13 W 5160.6'

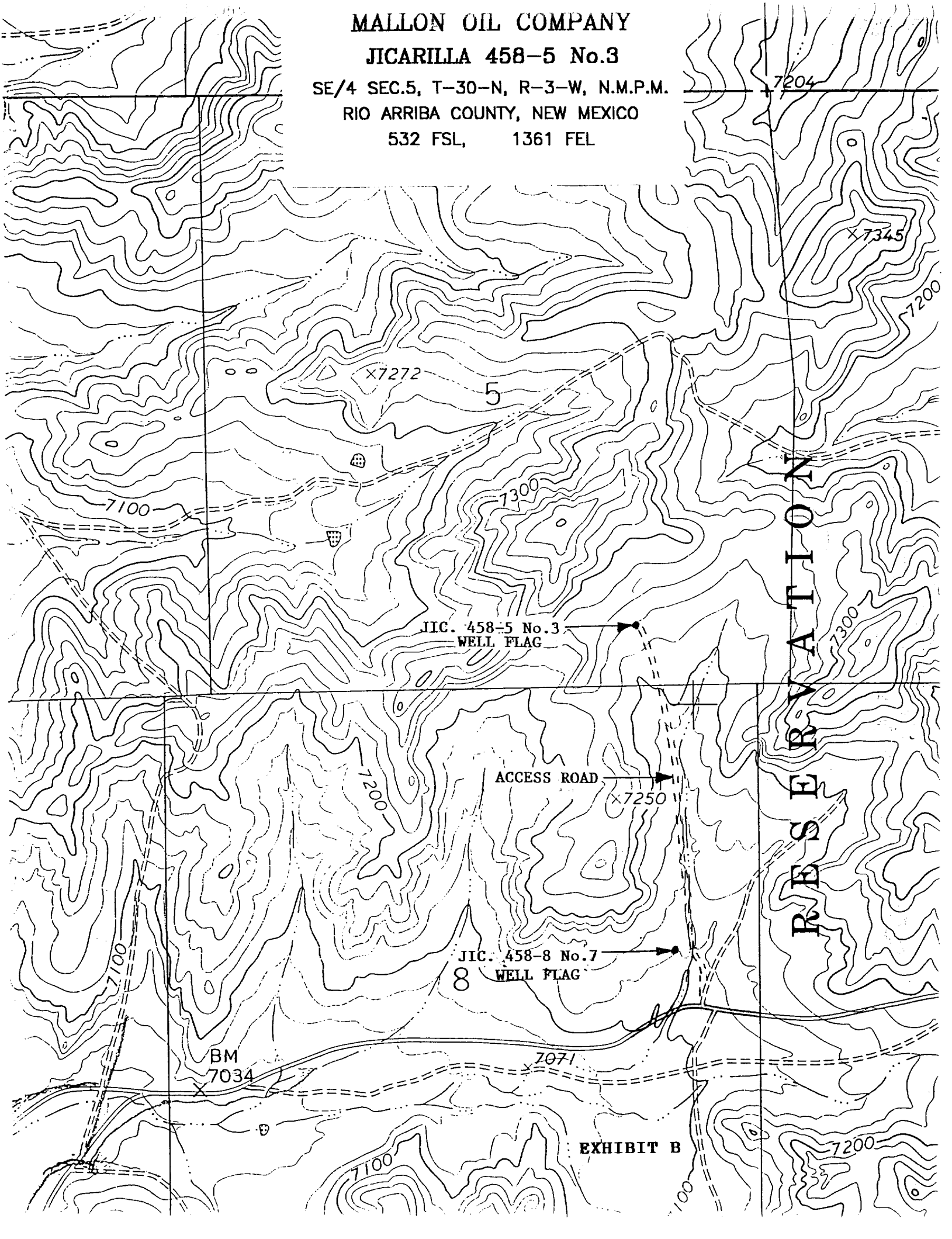
MALLON OIL COMPANY

JICARILLA 458-5 No.3

SE/4 SEC.5, T-30-N, R-3-W, N.M.P.M.

RIO ARRIBA COUNTY, NEW MEXICO

532 FSL, 1361 FEL



7204

X7345

7200

X7272

5

7100

7300

JIC. 458-5 No.3
WELL FLAG

7300

ACCESS ROAD

X7250

7200

JIC. 458-8 No.7
WELL FLAG

8

BM
7034

7071

EXHIBIT B

7200

7100

100

RESERVATION