

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 3256
Carlsbad, NM 88220 (505) 885-4596

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 1130' FNL and 1797' FEL (NW/NE) Unit B
At proposed prod. zone 1130' FNL and 1797' FEL (NW/NE) Unit B

5. LEASE DESIGNATION AND SERIAL NO.
Jicarilla Apache

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
Jicarilla 461-13 No. 2

9. APL WELL NO.
30-039-26027

10. FIELD AND POOL, OR WILDCAT
Blanco, Pictured Cliffs

11. SEC., T., R., M., OR BLK.
Sec. 13, T30N-R03W

12. COUNTY OR PARISH
Rio Arriba

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE *
56 miles east of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
1130'
(Also to nearest drlg unit line, if any)

16. NO. OF ACRES IN LEASE
1920

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.
2463'

19. PROPOSED DEPTH
4500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.)
7528' GR

22. APPROX DATE WORK WILL START
08/25/98

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

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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
Terry Lindeman

TITLE: Operations Superintendent

DATE: 08/11/98

(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: NOV 10 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.

OK
CONFIDENTIAL

DRILLING PROGRAM

Attached to Form 3160-3

Mallon Oil Company

Jicarilla 461-13 No. 2

1130' FNL and 1797' FEL (NW/NE) Unit B

Sec. 13, T30N-R3W

Rio Arriba County, New Mexico

LEASE NUMBER: JIC461

1. Geologic name of surface formation: San Jose

2. Estimated tops of important geologic markers:

San Jose	Surface
Nacimiento	2600'
Ojo Alamo	3230'
Kirtland	3458'
Fruitland	3478'
Pictured Cliffs	3468'
Lower P.C.	4017'
Total Depth	4500'

3. Estimated depths of anticipated fresh water, oil, or gas:

San Jose	1500'	Gas
Nacimiento	2600'	Gas
Ojo Alamo	3230'	Gas
Fruitland	3478'	Gas
Pictured Cliffs	3768'	Gas

No other formations are expected to give up oil, gas, or fresh water in measurable quantities.
The surface fresh water sands will be protected by setting 8-5/8" casing at 500' and circulating cement back to surface.

4. Proposed casing program:

<u>Hole Size</u>	<u>Interval</u>	<u>Casing OD</u>	<u>Casing weight, grade, thread</u>
12-1/4"	0-500'	8-5/8"	24 lb/ft, K55, ST&C
7-7/8"	0-4500'	5-1/2"	15.5 lb/ft, K55, LT&C

Cement program:

8-5/8" surface casing: Cemented to surface with 350 sks Class B containing 2% CaCl₂, 0.25 lb/sk Cello Seal, slurry to be mixed at 15.6 lb/gal, yield 1.18 cu ft/sk. Circulate cement to surface.

5-1/2" production casing: Lead slurry 300 sks 65/35 mixed at 13.4 lb/gal, 1.62 cu ft/sk, 30% excess. Tail with 270 sks 50/50 POZ, containing 1/4 lb/sk Cello Seal mixed at 14.15 lb/gal, 1.26 cu ft/sk, 30% excess.

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

OIL CONSERVATION DIVISION

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

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 30-039-26027	'Pool Code 72400	'Pool Name East Blanco; Pictured Cliffs	
'Property Code 23817	'Property Name JICARILLA 461-13		'Well Number 2
'OGRID No. 013925	'Operator Name MALLON OIL COMPANY		'Elevation 7528'

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
B	13	30-N	3-W		1130	NORTH	1797	EAST	RIO ARRIBA

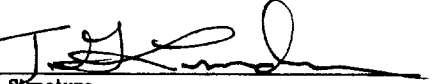
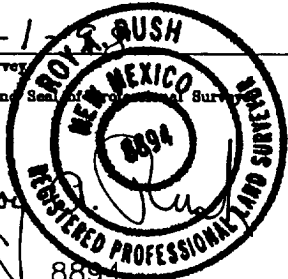
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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13 Dedicated Acres	14 Joint or Infill	15 Consolidation Code	16 Order No.
160			

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	N 89-52-56 E	5259.40'	2630.00'	FD. U.S.G.L.O. BC. 1917	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>
		1130'	1797'	 Signature <u>Terry Lindeman</u> Printed Name <u>Operations Superintendent</u> Title <u>August 11, 1998</u> Date	18 SURVEYOR CERTIFICATION <i>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.</i>
<div data-bbox="243 1564 599 1827"> <p>RECEIVED</p> <p>NOV 13 1998</p> <p>OIL CON. DIV.</p> <p>DIST. 3</p> </div>			5278.10'	7-1-98 Date of Survey Signature and Seal of Surveyor 	S 00-01-04 W Certificate Number
FD. U.S.G.L.O. BC. 1917			FD. U.S.G.L.O. BC. 1917		

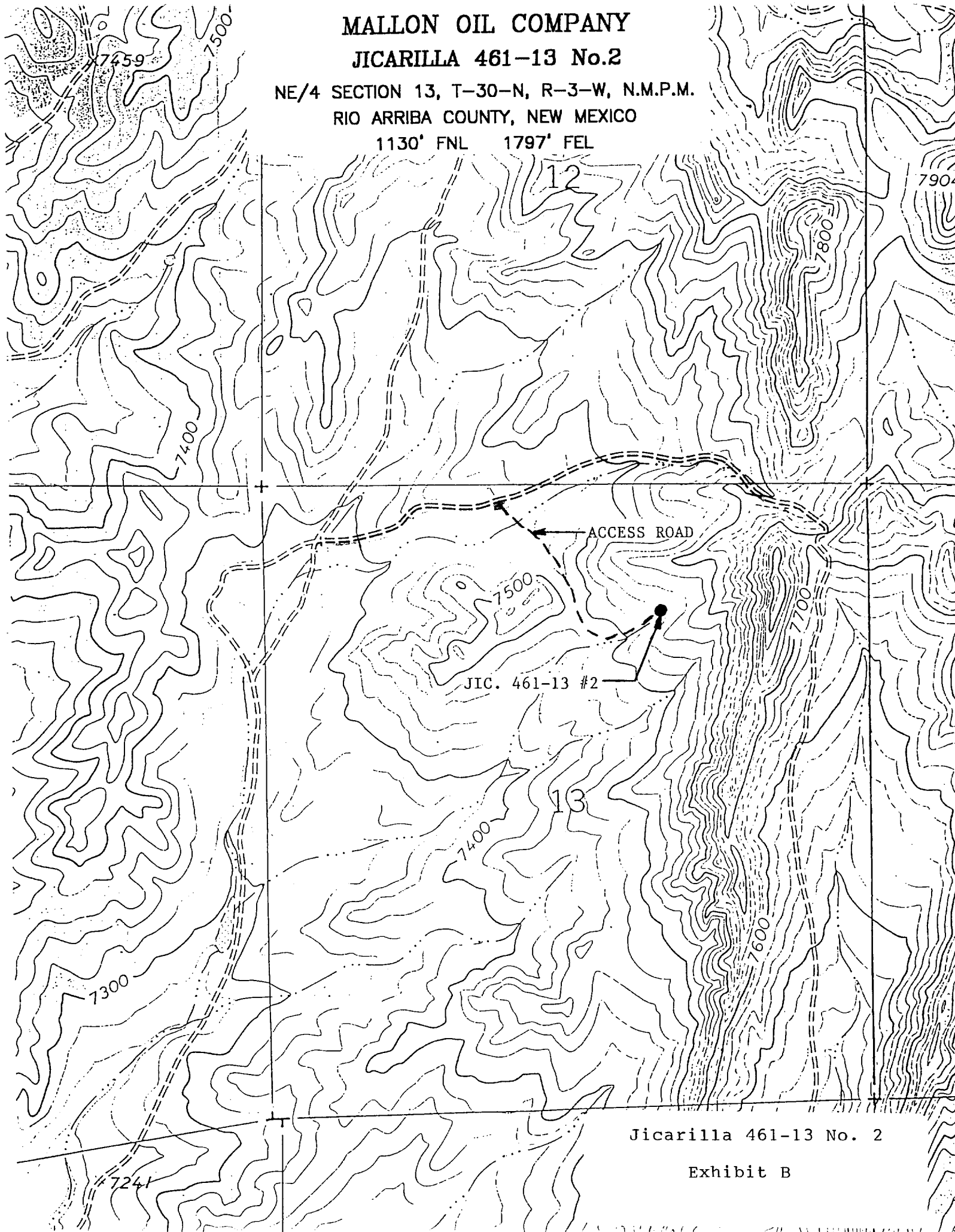
MALLON OIL COMPANY

JICARILLA 461-13 No.2

NE/4 SECTION 13, T-30-N, R-3-W, N.M.P.M.

RIO ARriba COUNTY, NEW MEXICO

1130' FNL 1797' FEL



Jicarilla 461-13 No. 2

Exhibit B