

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

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612 OLD SANTA FE TRAIL
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(505) 982-2043
(505) 982-2151 (FAX)

September 12, 1997

Hand Delivered

David Catanach
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: Downhole commingling, Mescalero 30 Fed. Well No. 4, N½
§30-19S-34E, Lea County, New Mexico

Dear Mr. Catanach:

Enclosed is an administrative application regarding the above
matter, filed on behalf of Mallon Oil Company.

Very truly yours,



James Bruce

Attorney for Mallon
Oil Company

cc: Hobbs District Office w/encl.

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 re-entry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals.

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-056376
2. Name of Operator Mallon Oil Company	6. If Indian, Allottee or Tribe Name N/A
3. Address and Telephone No P.O. Box 3256, Carlsbad, NM 88220 505-885-4596	7. If Unit or CA, Agreement Designation N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1330' FNL and 1330' FEL (SWNE), Unit G Section 30-T19S-R34E	8. Well Name and No. Mescalero 30 Federal No. 4
	9. API Well No. 30-025-33813
	10. Field and Pool, or Exploratory Area Quail Ridge, Morrow
	11. County or Parish, State Lea 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 <u>Multiple Complete</u>
	<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 <small>(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)</small>

13. Described 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 work.)*

Mallon Oil Company intends to complete the Strawn interval and downhole commingle Strawn and Morrow production. An application has been made, copy attached, to the State of New Mexico Oil Conservation Division for approval to downhole commingle the Strawn and Morrow zones.

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

Signed Ray E. Jones Title Vice President - Engineering Date September 2, 1997
Ray E. Jones

(This space for Federal or State office use)

Approved By _____ Title _____ Date _____
Condition of Approval, If any: _____

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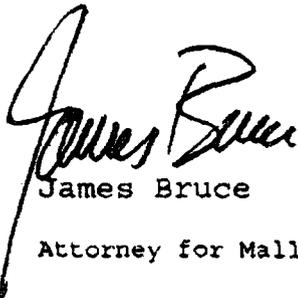
CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Dear Sirs:

Mallon Oil Company ("Mallon") has filed an administrative application for downhole commingling with the New Mexico Oil Conservation Division. Mallon seeks to commingle production from the Morrow and Strawn formations in its Mescalero 30 Federal Well No. 4, located 1330 feet from the North and East lines of Section 30, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico. If you object to this application, you must notify the Division in writing no later October 2, 1997. The Division's address is 2040 South Pacheco Street, Santa Fe, New Mexico 87505.

Very truly yours,



James Bruce

Attorney for Mallon Oil Company

EXHIBIT A

S½ Section 19:

Beach Exploration, Inc.
Suite 200
800 North Marienfeld
Midland, Texas 79701

S½ Section 20, S½ Section 29, and S½ §30:

Mallon Oil Company

N½ Section 29:

Union Oil Company of California
Suite 300
1004 North Big Spring
Midland, Texas 79701

Ted W. McVay
703 East Clinton
Hobbs, New Mexico 88240

Headington Minerals, Inc.
7557 Rambler Road
Dallas, Texas 75231

Ray Westall
P.O. Box 4
Loco Hills, New Mexico 88255

Mitchell Energy Corp.
P.O. Box 4000
The Woodlands, Texas 77380

Laurelind Corporation
P.O. Box 2143
Roswell, New Mexico 88202

Yates Energy Corporation
1010 Sunwest Center
Roswell, New Mexico 88201

Heyco Employees Ltd.
P.O. Box 1933
Roswell, New Mexico 88202

E½ Section 25-19S-33E

Union Oil Company of California