

NSL 8/12/98

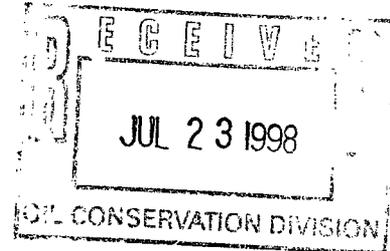
# Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources subsidiary

July 14, 1998

State of New Mexico  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505



Attn: Mr. Mike Stogner

Re: Jicarilla 460-16 No. 1  
1850' FNL, 690' FWL (SW NW) Unit E  
Sec. 16, T30N-R03W  
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL 3981) for the Pictured Cliffs formation.

In April 1998 Mallon Oil Company completed the well into the Cabresto Canyon; Ojo Alamo Extension formation which is also a non standard location.

Mallon Oil Company would like to apply for Non Standard Location approval for the Cabresto Canyon; Ojo Alamo Extension at the existing wellbore location. Mallon Oil Company is the sole operator within a half mile radius of this location.

Please find enclosed a copy of Mallon Oil Company's C-102 which was sent April 23, 1998 and a copy of the completion report (3160-4).

Should you need any further information, Please contact the undersigned at 505-885-4596.

Sincerely,

MALLON OIL COMPANY

A handwritten signature in cursive script that reads "Duane C. Winkler".

Duane C. Winkler  
Operations Manager

Enclosures

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. TYPE OF WELL  
OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. TYPE OF COMPLETION  
NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF RESVR

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: **1850' FNL, 690' FWL (SW NW), Unit E**

At top prod. interval reported below: **1850' FNL, 690' FWL (SW NW), Unit E**

At total depth: **1850' FNL, 690' FWL (SW NW), Unit E**

14. PERMIT NO. N/A | 15. DATE ISSUED N/A | 12. COUNTY OR PARISH Rio Arriba | 13. STATE NM

16. DATE TD REACHED 2/28/98 | 17. DATE COMP (Ready to Prod.) 6/15/98 | 18. ELEVATION (OF. RKB, RT, GR, E) 7168' GL | 19. ELEV CASINGHEAD 7169'

20. TOTAL DEPTH, MD & TVD 3970' | 21. PLUGBACK TD, MD & TVD 3903' | 22. IF MULTIPLE COMP HOW MANY\* N/A | 23. INTERVALS DRILLED BY → | ROTARY TOOLS YES | CABLE TOOLS N/A

24. PRODUCING INTERVAL (S) OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)\*  
**3164' - 3208' Ojo Alamo**

25. WAS DIRECTIONAL SURVEY MADE YES

26. TYPE ELECTRIC AND OTHER LOGS RUN  
**GR, GDL, DSN, DIND, SGRD**

27. WAS WELL CORED N/A

**CASING RECORD (Report all strings set in well)**

CASING SIZE/GRADE	WEIGHT LB/FT	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24 lb	537.21'	12-1/4"	Cmt 30 sxs Class "B" Circ		
5-1/8"	15/5 lb	3958'	7-7/8"	95 sxs to surface		
				Cmt 580 sxs circ 57 sxs to surface		

**LINER RECORD** (Interval, size, and number) | **TUBING RECORD**

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					1.9	2997'	2998'

**PERFORATION RECORD** (Interval, size, and number) | **ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.**

PERFORATION	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3164' - 3175' 4 JSPF 44 holes	3164' - 3208'	2500 gals 7-1/2 acid Frac 36,000 lbs sand
3183' - 3208' 4 JSPF 100 holes		

**PRODUCTION**

DATE FIRST PRODUCTION: **3/7/98** | PRODUCTION METHOD: **Flowing** | WELL STAT: **SI**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL - BBL	GAS - MCF	WATER - BBL	GAS-OIL RATIO
3/7/98	24	3/8"	→	0	673	110	N/A

FLOW TBG PRESS	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL - BBL	GAS - MCF	WATER - BBL	OIL GRAVITY - API (CORR.)
200	0	→	0	673	110	N/A

34. DISPOSITION OF GAS: **Sold** (Sold, used for fuel, vented, etc.) | TEST WITNESSED BY: **Kisor**

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED: **Christy Sorzano** Production Secretary | DATE: **4/23/98**

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and content thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

JOURNAL NAME	TOP	BOTTOM	INT. DRILLING CONDITIONS, ETC.
Ojo Alamo			
Kirtland			
Fruitland			
Pictured Cliffs			
Lewis			

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Ojo Alamo	3154'	
Kirtland	3398'	
Fruitland	3614'	
Pictured Cliffs	3732'	
Lewis	3795'	

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer 001, Artesia, N.M. 88211-0719

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87504-2088

AMENDED REPORT

DISTRICT III  
1000 Elv Strasser Rd., Artesia, N.M. 87410

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

* APT Number 30-039-25760		* Pool Code 96538	* Pool Name Cabresto Canyon; Ojo Alamo Ext.
* Property Code 22183	* Property Name JICARILLA 460-16		* Well Number 1
* OGRID No. 13925	* Operator Name MALLON OIL CO.		* Elevation 7168'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	16	30-N	3-W		1850	NORTH	690	WEST	RIO ARriba

<sup>11</sup> 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 160	* Joint or Infill	* Consolidation Code	* 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

<p>16</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Terry Lindeman</i> Signature Terry Lindeman Printed Name Production Superintendent Title 10/15/97 Date</p>		
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>10-15-97 Date of Survey NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894 8894 Certificate Number</p>		

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**

5. LEASE DESIGNATION AND SERIAL NO. **JIC460**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME **Jicarilla Apache**

7. UNIT AGREEMENT NAME **N/A**

8. FARM OR LEASE NAME, WELL NO. **Jicarilla 460-16 No. 1 22183**

9. API WELL NO. **30-039-25760**

10. FIELD AND POOL, OR WILDCAT **E. Blanco, Pictured Cliffs 72400**

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA **Sec. 16, T30N-R03W**

12. COUNTY OR PARISH **Rio Arriba** 13. STATE **NM**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE \* **50 miles east of Bloomfield, New Mexico**

15. DISTANCE FROM PROPOSED \* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. **690'**

16. NO. OF ACRES IN LEASE **1999.99**

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. **3550'**

19. PROPOSED DEPTH **4500'**

20. ROTARY OR CABLE TOOLS **Rotary**

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) **7168'** 22. APPROX. DATE WORK WILL START **October 20, 1997**

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8-3/4"	7"	17# 20#	500'	Circ. to surface
6-1/4"	4-1/2"	11.6#	4500'	365 sks 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: Production Superintendent DATE: 10/16/97

(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: (Original Signed) HECTOR A. VILLALOBOS

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE DEC 15 1997 *12/18/97?*

\*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@*

**RECEIVED**  
DEC 15 1997  
*12/18/97?*  
**OIL CON. DIV.**  
DIST. 5

DISTRICT I  
P.O. Box 1980, Hobbs, N.M. 88241-1980

State of New Mexico  
Energy, Minerals & Natural Resources Department

Form C-102  
Revised February 21, 1994  
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DISTRICT II  
P.O. Drawer DD, Artesia, N.M. 88211-0719

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, NM 87504-2088

AMENDED REPORT

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

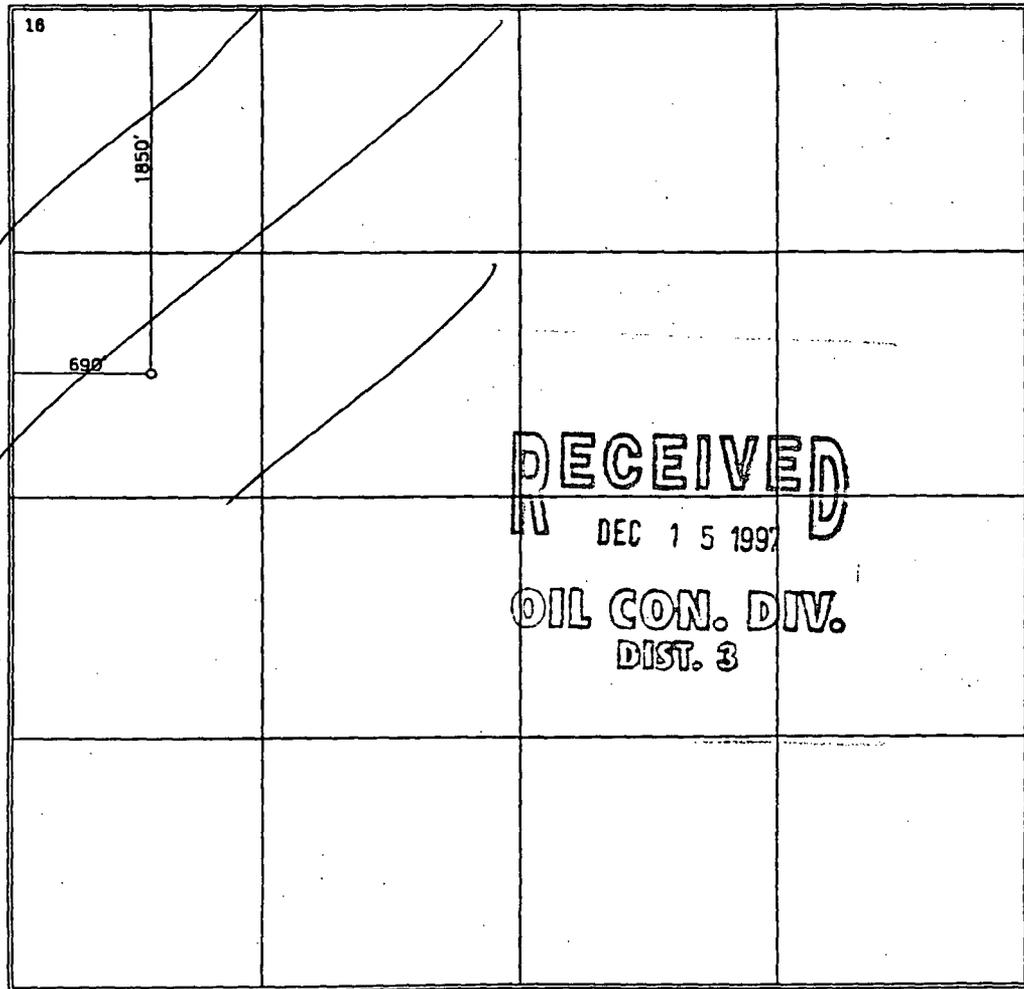
*API Number 30-039-25760		*Pool Code 72400	*Pool Name E BLANCO, PC
*Property Code 22183	*Property Name JICARILLA 460-16		*Well Number 1
*GRID No. 13925	*Operator Name MALLON OIL CO.		*Elevation 7168'

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
E	16	30-N	3-W		1850	NORTH	690	WEST	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	13 Joint or Infill	14 Consolidation Code	15 Order No.
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RECEIVED  
DEC 15 1997  
OIL CON. DIV.  
DIST. 3

17 OPERATOR CERTIFICATION

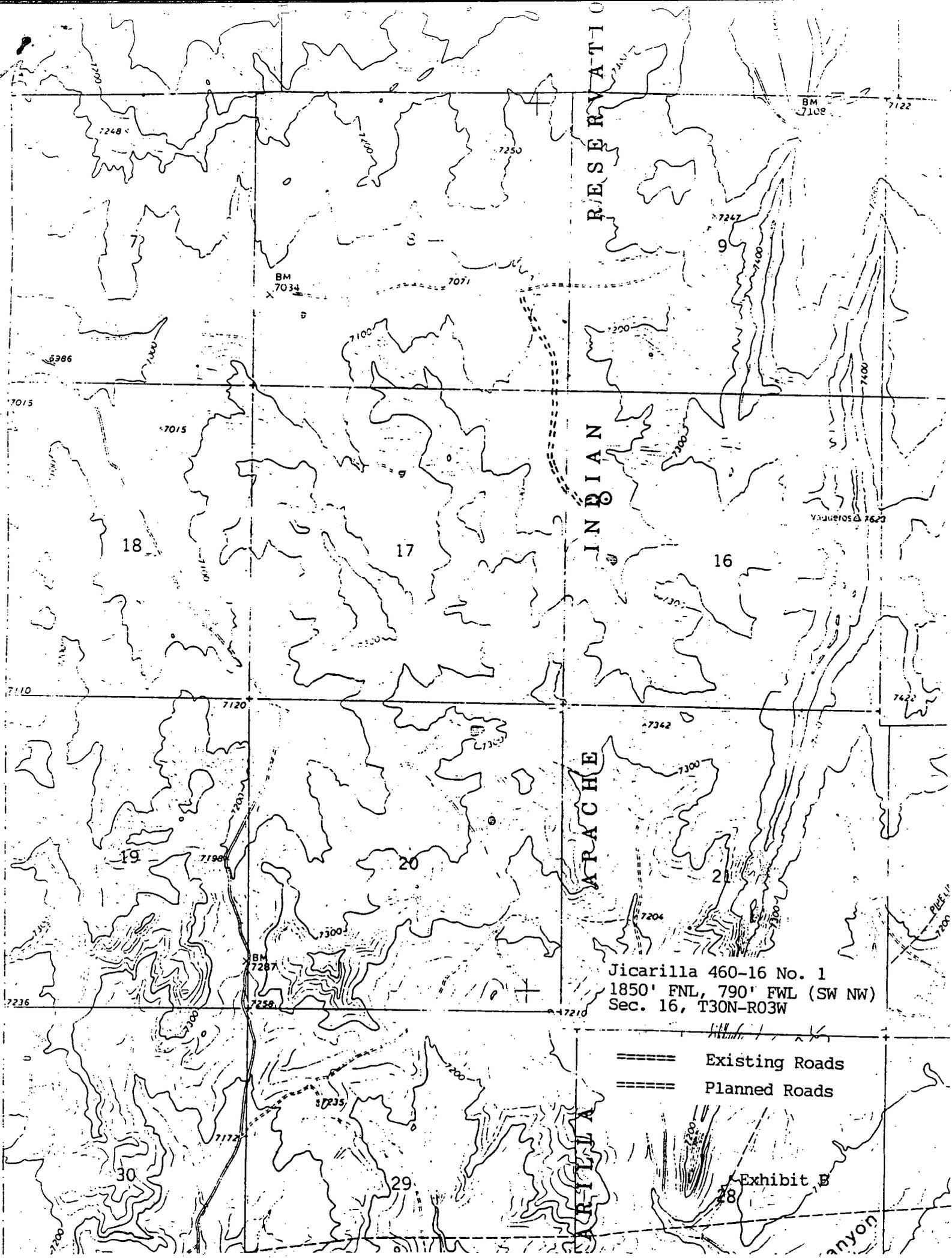
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

*Terry Lindeman*  
Signature  
Terry Lindeman  
Printed Name  
Production Superintendent  
Title  
10/15/97  
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.

10-ROY A. RUSH  
Date of Survey  
Signature and Seal of Professional Surveyor  
8894  
Certificate Number



RESERVATION

INDIAN

APACHE

JICARILLA

BM 7108 7122

BM 7034

VALUEROS 7623

Jicarilla 460-16 No. 1  
1850' FNL, 790' FWL (SW NW)  
Sec. 16, T30N-R03W

==== Existing Roads  
==== Planned Roads

Exhibit B

anyon



CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/12/98 13:42:53  
OGOIV -EME5  
PAGE NO: 1

Sec : 16 Twp : 30N Rng : 03W Section Type : NORMAL

D 40.00  Indian owned	C 40.00  Indian owned	B 40.00  Indian owned A	A 40.00  Indian owned
E 40.00  Indian owned A	F 40.00  Indian owned	G 40.00  Indian owned	H 40.00  Indian owned

PF01 HELP      PF02              PF03 EXIT      PF04 GoTo      PF05              PF06  
PF07 BKWD      PF08 FWD          PF09 PRINT      PF10 SDIV      PF11              PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

08/12/98 13:43:04  
OGOIV -EME5  
PAGE NO: 2

Sec : 16 Twp : 30N Rng : 03W Section Type : NORMAL

L 40.00  Indian owned	K 40.00  Indian owned	J 40.00  Indian owned	I 40.00  Indian owned
M 40.00  Indian owned	N 40.00  Indian owned	O 40.00  Indian owned	P 40.00  Indian owned
A		A	

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG6C101

ONGARD  
C101-APPLICATION FOR PERMIT TO DRILL

08/12/98 13:43:17  
OGOIV -EME5

OGRID Idn : 13925 API Well No: 30 39 25760 APD Status(A/C/P): A  
Opr Name, Addr: MALLON OIL CO Aprvl/Cncl Date : 12-08-1997  
999 18TH ST  
STE 1700  
DENVER,CO 80202  
Prop Idn: 22183 JICARILLA 460 16 Well No: 1

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn	: E	16	30N	03W		FTG 1850 F N	FTG 690 F E
OCD U/L	: E		API County	: 39			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : R  
Lease typ(F/S/P/N/J/U/I): J Ground Level Elevation : 7168

State Lease No: Multiple Comp (Y/N) : N  
Prpsd Depth : 4500 Prpsd Frmtn : E BLANCO PC

E7024: Only view is allowed

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12