

Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

NSL 8/12/98

a Mallon Resources subsidiary

July 13, 1998

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



Attn: Mr. Mike Stogner

Re: Jicarilla 458-8 No. 7
2270' FNL, 795' FEL (SE NE) Unit H
Sec. 8, T30N-R03W
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval (NSL 3993) 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 24, 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

CONFIDENTIAL

Form 3160-4
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*
(See other instructions
on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL OIL GAS
WELL WELL DRY OTHER _____

b. TYPE OF COMPLETION
NEW WORK DEEP- PLUG DIFF
WELL OVER EN BACK 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 **2270' FNL, 795 FEL, (SE NE), UNIT H**
At top prod. interval reported below **2270' FNL, 795 FEL, (SE NE), UNIT H**
At total depth **2270' FNL, 795 FEL, (SE NE), UNIT H**

14. PERMIT NO. **N/A** DATE ISSUED **N/A**

15. DATE SPUNDED **1/28/1998** 16. DATE TD REACHED **2/7/98** 17. DATE COMP (Ready to Prod.) **3/9/98** 18. ELEVATION (DF, RKB, RT, GR, ETC) **7121' GL** 19. ELEV. CASINGHEAD **7122'**

20. TOTAL DEPTH, MD & TVD **3950'** 21. PLUGBACK TD, MD & TVD **3899'** 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*)
3133' - 3170', 3175' - 3200'

26. TYPE ELECTRIC AND OTHER LOGS RUN
SDL, DNS, GR, DIL, SGRD, GR, PERFS

28. 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	502.67'	12-1/4"	CMT 345 SXS CLASS B	
4-1/2"	11.6 LB	3949'	7-7/8"	Circ 165 SXS TO SURFACE	
				Circ 100 xsx to surface	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT *	SCREEN (MD)
	N/A			

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
1.90	2991'	2992'

31. PERFORATION RECORD (Interval, size, and number)
200' 4 JSPF (248 HOLES)

32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.
DEPTH INTERVAL (MD) **3133'-3170', 3175'-3200'** AMOUNT AND KIND OF MATERIAL USED **4500 GALS 7-1/2 ACID
56,110 LBS 12/20 SAND**

33.* PRODUCTION
DATE FIRST PRODUCTION **3/9/1998** PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) **FLOWING** WELL STAT (Producing or Shut In) **PRODUCING**

DATE OF TEST **2/23/1998** HOURS TESTED **24 HRS** CHOKE SIZE **3/8"** PROD'N FOR TEST PERIOD **→** OIL - BBL **0** GAS - MCF **2121** WATER - BBL **50** GAS-OIL RATIO **0**

FLOW TBG PRESS **660** CASING PRESSURE **0** CALCULATED 24-HOUR RATE **→** OIL - BBL **0** GAS - MCF **2121** WATER - BBL **50** OIL GRAVITY - API (CORR.) **0**

34. DISPOSITION OF GAS **SOLD** (Sold, used for fuel, vented, etc.) TEST WITNESSED BY **KISOR**

35. LIST OF ATTACHMENTS **N/A**

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED **[Signature]** PRODUCTION ANALYST DATE **4/24/98**

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. 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

CONFIDENTIAL

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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Ojo Alamo Kirtland Fruitland PC Lewis	3120 3345 3548 3674 3780	

DISTRICT I
P.O. Box 1880, Hobbs, N.M. 88341-1880

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 21, 1984
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88311-0719

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87604-2088

AMENDED REPORT

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

DISTRICT IV
PO Box 2088, Santa Fe, NM 87604-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-039-225759		Pool Code 96538	Pool Name Cabresto Canyon; Ojo Alamo Ext.	
Property Code 22182	Property Name JICARILLA 458-8		Well Number 7	
OGED No. 013925	Operator Name MALLON OIL CO.		Elevation 7121'	

¹⁰ Surface Location

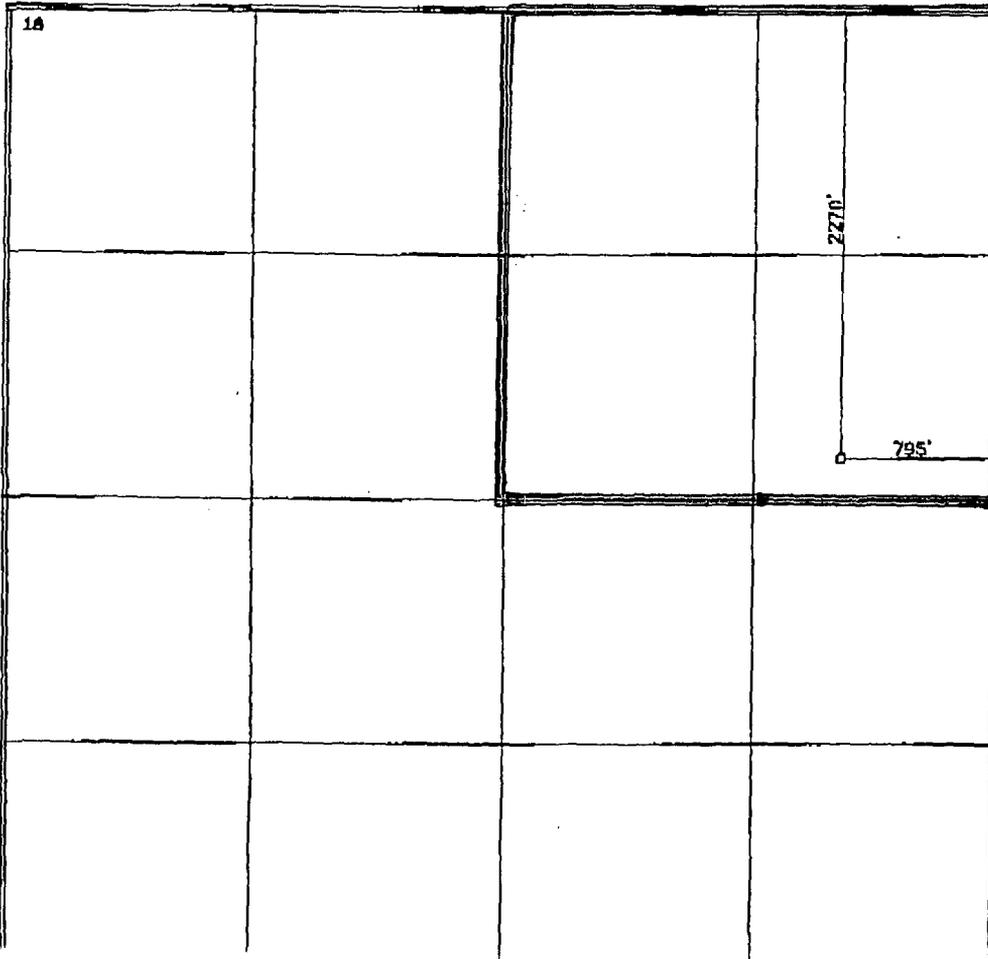
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	8	30-N	3-W		2270	NORTH	795	EAST	RIO ARRIBA

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

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

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



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Christy Serrano
Signature
Christy Serrano
Printed Name
Production Secretary
Title
July 14, 1998
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.

9-17-
Date of Survey
[Signature]
Signature and Seal of Professional Surveyor
8894
Certificate Number

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(See other instructions
on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER <input type="checkbox"/>		5 LEASE DESIGNATION AND SERIAL NO JIC 458	
b TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/>		6 INDIAN, ALLOTTEE OR TRIBE NAME JICARILLA APACHE	
2 NAME OF OPERATOR Mallon Oil Company		7 UNIT AGREEMENT NAME N/A	
3 ADDRESS AND TELEPHONE NO. P.O. Box 3256, Carlsbad, NM 88220 (505) 885-4596		8 FARM OR LEASE NAME, WELL NO. JICARILLA 458-8 NO. 7	
4 LOCATION OF WELL At surface 2270' FNL, 795 FEL, (SE NE), UNIT H At top prod. interval reported below 2270' FNL, 795 FEL, (SE NE), UNIT H At total depth 2270' FNL, 795 FEL, (SE NE), UNIT H		9 API WELL NO. 30-039-25759	
14 PERMIT NO N/A		10 FIELD AND POOL, OR WILDCAT Cabresto Canyon; Ojo Alamo Ext.	
15 DATE SPUDDED 1/28/1998		11 SEC. T., R., M., OR BLOCK AND SURVEY OR AREA SEC. 8, T30N-R03W	
16 DATE TD REACHED 2/7/98		12 COUNTY OR PARISH RIO ARRIBA	
17 DATE COMP (Ready to Prod.) 3/9/98		13 STATE NM	
18 ELEVATION (OF. RKB, RT. GR, ETC.) 7121' GL		19 ELEV. CASINGHEAD 7122'	

20 TOTAL DEPTH, MD & TVD 3950'	21 PLUGBACK TD, MD & TVD 3899'	22 IF MULTIPLE COMPS, 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) 3133' - 3170', 3175' - 3200'				25 WAS DIRECTIONAL SURVEY MADE YES	
26 TYPE ELECTRIC AND OTHER LOGS RUN SDL, DNS, GR, DIL, SGRD, GR, PERFS				27 WAS WELL CORED N/A	

28 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	502.67'	12-1/4"	CMT 345 SXS CLASS B	
4-1/2"	11.6 LB	3949'	7-7/8"	Circ 165 SXS TO SURFACE	
				Circ 100 xsx to surface	

29 LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)
	N/A			

30 TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
1.90	2991'	2992'

31 PERFORATION RECORD (Interval, size, and number)

200' 4 JSPF (248 HOLES)

32 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3133'-3170', 3175'-3200'	4500 GALS 7-1/2 ACID 56,110 LBS 12/20 SAND

33 INITIAL PRODUCTION

DATE FIRST PRODUCTION 3/9/1998	PRODUCTION METHOD (Flowing, gas lift, pumping - size and type of pump) FLOWING	WELL STAT (Producing or Shut In) PRODUCING
DATE OF TEST 2/23/1998	HOURS TESTED 24 HRS	CHOKE SIZE 3/8"
FLOW TBG PRESS 660	CASING PRESSURE 0	CALCULATED 24-HOUR RATE 0
	OIL - BBL 0	GAS - MCF 2121
	WATER - BBL 50	GAS-OIL RATIO 0

34 DISPOSITION OF GAS
SOLD (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY
KISOR

35 LIST OF ATTACHMENTS
N/A

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

SIGNED *[Signature]* PRODUCTION ANALYST DATE 4/24/98

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. 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

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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Ojo Alamo Kirtland Fruitland PC Lewis	3120 3345 3548 3674 3780	

HOLD C-104 FOR
N56-4

Division I
P.O. Box 1580, Hobbs, N.M. 88241-1580

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Division II
P.O. Box 200, Artesia, N.M. 88211-0200

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, N.M. 87504-2088

AMENDED REPORT

Division III
1000 2nd Avenue NE, Alameda, N.M. 87410

Division IV
P.O. Box 2000, Santa Fe, N.M. 87504-2000

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-039-25759	'Well Code 96538	'Well Name CABRESTO CANYON	'Well Name Alamo (G) EXT
'Property Code	'Property Name JICARILLA 458-8		'Well Number 7
'Cased No.	'Operator Name MALLON OIL CO.		'Elevation 7121'

10 Surface Location

TL or LR No.	Section	Township	Range	Lat. In	Feet from the	North/South Line	Feet from the	East/West Line	County
H	8	30-N	3-W		2270	NORTH	795	EAST	RIO ARRI

11 Bottom Hole Location if Different from Surface

TL or LR No.	Section	Township	Range	Lat. In	Feet from the	North/South Line	Feet from the	East/West Line	County

'Dedicated Acres 160/51.51	'Title or Well	'Consolidation Code	'Order No.
-------------------------------	----------------	---------------------	------------

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

15									

17 OPERATOR CERTIFICATION

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

Christy Serrano
 Christy Serrano
 Production Secretary
 4-9-98

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 under my supervision, and that the same is true and correct to the best of my belief.

9-17-98
 Date of Survey
 BOYA-RUSH
 NEW MEXICO
 8894
 REGISTERED PROFESSIONAL LAND SURVEYOR
 8894
 Certificate Number

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.

5. Lease Designation and Serial No.
JIC 458

6. If Indian, Alkote or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.
Jicarilla 458-8 No. 7

9. Well API No

10. Field and Pool, or Exploratory Area
East Blanco, Pictured Cliffs

11. County or Parish, State

Rio Arriba County, New Mexico

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 3256, Carlsbad, NM 88220 (505) 885-4596

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2270' FNL, and 795' FEL (SE NE) Unit H
Sec. 8, T30N-R03W

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

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other: Spud
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 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 spud the above referenced well on 1-28-98.

*print.
02/11/98*

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

Signed Terry Lindeman
Terry Lindeman

Title Exploration/Production Superintendent Date 02/04/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By [Signature]

Title Lands and Mineral Resources Date _____

Conditions of approval, if any:

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

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
JIC458

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Jicarilla Apache

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
Jicarilla 458-8 No. 7

9. API WELL NO.
30-029-25759

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

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
17
Sec. 8, 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.
795'
(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
2249.19'

17. NO. OF ACRES ASSIGNED
TO THIS WELL
160/51.31

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
2550'

19. PROPOSED DEPTH
4500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.)
7121'

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
12-1/4"	8-5/8"	24#	500'	Circ. to surface
7-8/8"	5-1/2"	15.5#	4500'	570 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.

24.
SIGNED: Terry Lindeman TITLE: Production Superintendent DATE: 10/15/97

(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 _____

*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 USL @

RECEIVED
OIL FIELD UNIT
BUREAU OF LAND MANAGEMENT

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

DISTRICT III
1000 Rio Brazos Rd., Artec, 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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <i>30-134-25759</i>		2 Pool Code <i>72400</i>		3 Pool Name <i>E BLANCO; PC</i>	
4 Property Code <i>22182</i>		5 Property Name JICARILLA 458-8			6 Well Number 7
7 OGRID No. <i>13425</i>		8 Operator Name MALLON OIL CO.			9 Elevation 7121'

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
<i>H</i>	8	30-N	3-W		2270	NORTH	795	EAST	RIO ARRIBA

11 Bottom Hole Location If Different From Surface

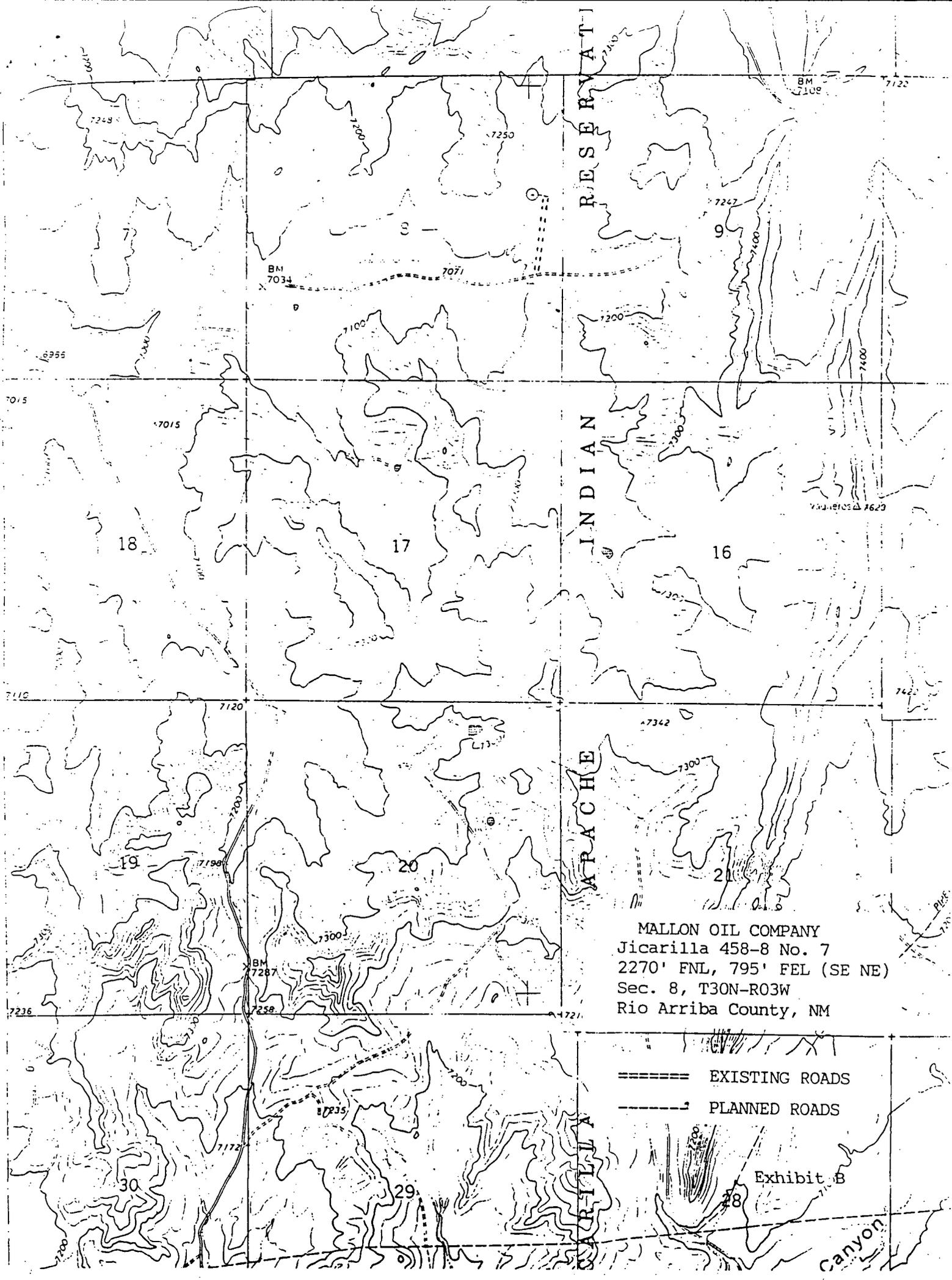
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres <i>151.31</i>	13 Joint or Infill	14 Consolidation Code	15 Order No.
-------------------------------------	--------------------	-----------------------	--------------

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					<p>17 OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i></p> <p><i>Terry Lindeman</i> Signature Terry Lindeman Printed Name Production Superintendent Title 10/9/97 Date</p>
					<p>18 SURVEYOR CERTIFICATION</p> <p><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></p> <p>9-17-97 Date of Survey BOY A. RUSH NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 8894 Signature and Seal of Professional Surveyor 8894 Certificate Number</p>

RECEIVED
OIL CONSERV. DIV.
SEP 22 1997



RESERVATI

INDIAN

APACHE

JICARILLA

Canyon

MALLON OIL COMPANY
 Jicarilla 458-8 No. 7
 2270' FNL, 795' FEL (SE NE)
 Sec. 8, T30N-R03W
 Rio Arriba County, NM

=====
 EXISTING ROADS
 - - - -
 PLANNED ROADS

Exhibit B

Sec : 08 Twp : 30N Rng : 03W Section Type : NORMAL

4 35.05 Indian owned	3 35.30 Indian owned A	2 35.54 Indian owned	1 35.77 Indian owned
E 40.00 Indian owned	F 40.00 Indian owned	G 40.00 Indian owned	H 40.00 Indian owned A

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 11:56:05
OGOIV -EME5
PAGE NO: 2

Sec : 08 Twp : 30N Rng : 03W Section Type : NORMAL

L 40.00 Indian owned	K 40.00 Indian owned A	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

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

CMD :
OG6C101

ONGARD
C101-APPLICATION FOR PERMIT TO DRILL

08/12/98 11:56:22
OGOIV -EME5

OGRID Idn : 13925 API Well No: 30 39 25759 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: 22182 JICARILLA 458 8 Well No: 7

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----
Surface Locn : H	8	30N		03W		FTG 2270 F N	FTG 795 F E
OCD U/L : H		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 : 7121

State Lease No: Multiple Comp (Y/N) : S
Prpsd Depth : 4500 Prpsd Frmtn : CABRESTO CYN OJO ALAMO

E7024: Only view is allowed

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

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

08/12/98 11:56:33
OGOIV -EME5

API Well No : 30 39 25759 Eff Date : 03-09-1998 WC Status : A
Pool Idn : 96538 CABRESTO CANYON;OJO ALAMO (G)
OGRID Idn : 13925 MALLON OIL CO
Prop Idn : 22182 JICARILLA 458 8

Well No : 007
GL Elevation: 7121

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: H	8	30N	03W	FTG 2270 F N FTG	795 F E	P ,

Lot Identifier:

Dedicated Acre: 151.31

Lease Type : J

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

April 9, 1998

Mallon Oil Company
P. O. Box 3256
Carlsbad, New Mexico 88220
Attention: Terry Lindeman

Administrative Order NSL-3993

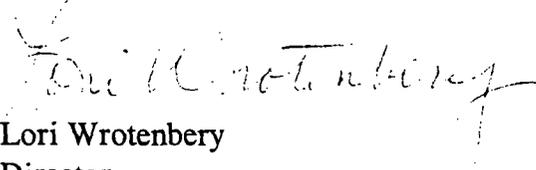
Dear Mr. Lindeman:

Reference is made to your application dated March 18, 1998 for a non-standard Pictured Cliffs gas well location for your proposed Jicarilla 458-8 Well No. 7 (API No. 30-039-25759) to be drilled 2270 feet from the North line and 795 feet from the East line (Unit H) of Section 8, Township 30 North, Range 3 West, NMPM, Rio Arriba County, New Mexico. Lots 1 and 2 and the S/2 NE/4 (N/E equivalent) of said Section 8 is to be dedicated to said well in order to form a standard 151.31-acre gas spacing and proration unit for the East Blanco-Pictured Cliffs Pool.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,


Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington