

Mallon Oil Company

Denver/Colorado ♦ Durango/Colorado ♦ Carlsbad/New Mexico

NSP 3/22/99

a Mallon Resources Subsidiary

February 26, 1999

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

Attn: Mr. Mike Stogner

Re: Jicarilla 459-19 No. 9
1850' FNL, 750' FWL (SW NW) Unit E
Sec. 19, T30N-R03W
Rio Arriba County, NM

Dear Mr. Stogner:

Mallon Oil Company received a Non Standard Location approval {NSP 1788 (L)} 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 to the North, East, and South with Robert L. Bayless the offset operator to the west.

Please find enclosed a copy of Mallon Oil Company's C-102 which was sent April 27, 1998 and a copy of the completion report (3160-4). Also the notice to Robert L. Bayless concerning this request.

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

Sincerely,

MALLON OIL COMPANY

Christy Serrano

Christy Serrano
Production Secretary

Enclosures

Mallon Oil Company

Denver/Colorado ♦ Carlsbad/New Mexico

a Mallon Resources subsidiary

March 18, 1998

Kevin McCord
P.O. Box 2406
Farmington, NM 87499

Dear Mr. McCord


Mallon Oil Company has requested non-standard pro-ration units based on section survey and also unorthodox location for topography reasons for the following well:

Jicarilla 459-19 No. 9 1850' ENL, 750' FWL Sec 19, T30N-R3W

Should you have any questions regarding this matter please feel free to contact me at (505) 885-4596.

Sincerely,

MALLON OIL COMPANY



Terry Lindeman
Operations Superintendent

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

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

DISTRICT III
1000 Rio Bravos Rd., Artec, N.M. 87410

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

State of New Mexico
En. of 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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-039-25786		² Pool Code 96538	³ Pool Name Cabresto Canyon; Ojo Alamo Ext.
⁴ Property Code	⁵ Property Name JICARILLA 459-19		⁶ Well Number 9
⁷ OGWD No. 013925	⁸ Operator Name MALLON OIL CO.		⁹ Elevation 7264.5

¹⁰Surface Location

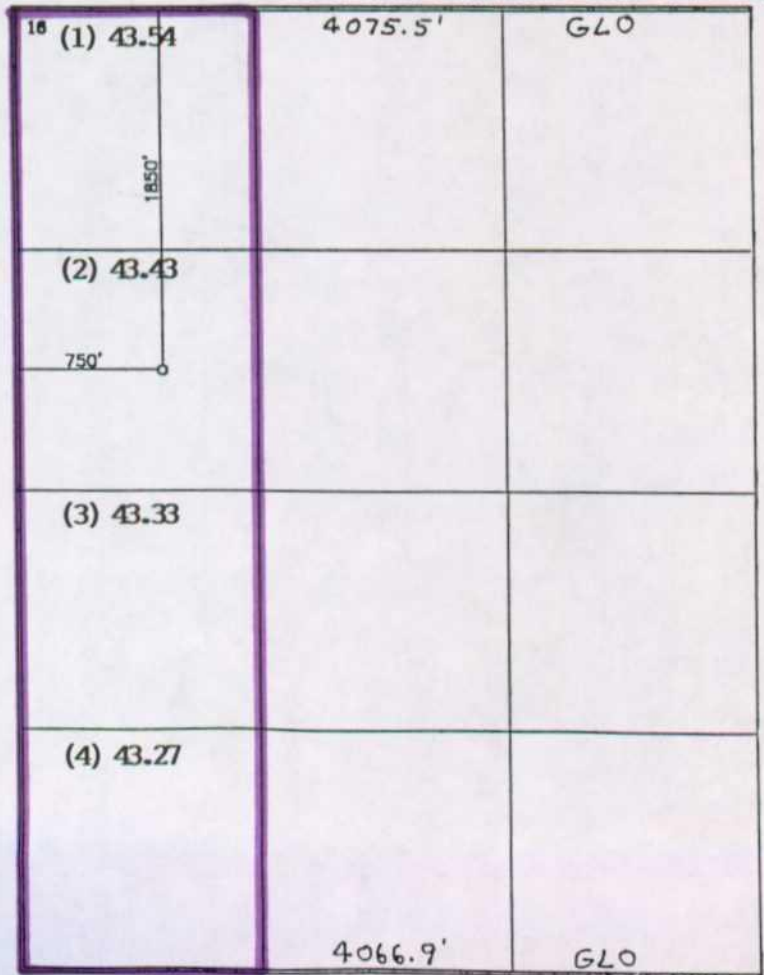
UL or lot no.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
E	19	30-N	3-W		1850	NORTH	750	WEST	RIO ARRIBA

¹¹Bottom 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 86.97	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



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
10/9/97
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.

9-187A RUSAT 7
Date of Survey
Signature and Seal of 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.

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

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

1850' FNL 750' FWL (SW NW) Unit E
Sec. 19, T30N-R03W

RECEIVED
SEP 22 1998

OIL CON. DIV.
INSTR. 3

5. Lease Designation and Serial No.
Jic 459

6. If Indian, Allote or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 459-19 No. 9

9. Well API No.

30-039-25764

10. Field and Pool, or Exploratory Area

Cabresto Canyon; Ojo Alamo Ext.

11. County or Parish, State

Rio Arriba County, NM

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 ☐ Change of Plans
☐ Recompletion ☐ New Construction
☐ Plugging Back ☐ Non-Routine Fracturing
☐ Casing Repair ☐ Water Shut-Off
☐ Altering Casing ☐ Conversion to Injection
☒ Other: Production Csg ☐ Dispose Water

(Check 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 ran 4-1/2" x 10.5 lb/ft production csg set at 4135'. Cemented with 800 sxs of cmt, circ 60 sxs to surface. Pressure test csg on 3/11/98 to 1000 psi.

no top of hole 22745 4/10/98

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

Signed

Christy Serrano
Christy Serrano

Title

Production Secretary

Date 8/19/98

(THIS SPACE FOR FEDERAL OR STATE OFFICE USE)

Approved By

Patricia M. Kish

Title

Lands and Mineral Resources

Date

9-17-98

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 MANAGEMENTSUBMIT 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 459	
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. IF 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 459-19 No. 9	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1850' FNL, 750' FWL, (SW NW), Unit E At top prod interval reported below 1850' FNL, 750' FWL, (SW NW), Unit E At total depth 1850' FNL, 750' FWL, (SW NW), Unit E		9. API WELL NO 63 30-039-257861	
14. Permit No. N/A		12. COUNTY OR PARISH Rio Arriba	
DATE ISSUED N/A		13. STATE NM	
15. DATE SPUDDED 2/14/1998		19. ELEV. CASINGHEAD 7265.5	
16. DATE TD REACHED 2/21/1998		18. ELEVATION (DF, RKB, RT, GR, ET) 7264.5 GL	
17. DATE CO (Ready to Prod.) 4/20/98		23. INTERVALS DRILLED BY → Yes	
20. TOTAL DEPTH, MD & TVD 3970		21. PLUGBACK TD, MD & TVD 3923	
22. IF MULTIPLE COMPS, HOW MANY* N/A		24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD*) 3190' - 3232' Ojo Alamo	
25. WAS DIRECTIONAL SURVEY MADE Yes		26. TYPE ELECTRIC AND OTHER LOGS RUN GR/DILT/SGRD, GR/SOL/DSN	
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	533'	12-1/4"	325 sxs Class B	
				Circ 100 sxs to surface	
5-1/2"	17 lb	3965'	7-7/8"	470 sxs Cmt	

LINER RECORD				TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A					1.90	3063'	3064'

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. DEPTH INTERVAL (MD)	
3190' - 3232'	4 JSPF 108 Holes	3190' - 3232'	3000 Gals 7-1/2 % Acid Frac 56,330 lbs 12/20 Sand

33. PRODUCTION		DATE FIRST PRODUCTION 4/20/98		PRODUCTION METHO (Flowing, gas lift, pumping - size and type of pump) Flowing		WELL STAT (Producing or Shut In) Shut In	
DATE OF TEST 3/6/1998	HOURS TESTED 24	CHOKE SIZE 3/8"	PROD'N FOR TEST PERIOD →	OIL - BBL 0	GAS - MCF 1334	WATER - BBL 30	GAS-OIL RATIO 0
FLOW TBG PRESS 410	CASING PRESSURE 0	CALCULATED 24-HOUR RATE →	OIL - BBL 0	GAS - MCF 1334	WATER - BBL 30	OIL GRAVITY - API (CORR.) 0	
34. DISPOSITION OF GAS Sold				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 Christy Serrano Title Production Secretary DATE 4/27/98

*(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

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	DEPTH	
					MEAS. DEPTH	TRUE VERT. DEPTH
				Ojo Alamo	333'	
				Kirtland	3574'	
				Fruitland	3805'	
				Pictured Cliffs	3896'	
				Lewis	3975'	

Form C-102
P.O. Box 1280, Santa Fe, N.M. 87504-1280

State of New Mexico
Department of Minerals & Natural Resources

HOLD C-104 FOR
NSL + NSP

Form C-102
Revised February 21, 1964
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Form C-102
P.O. Box 1280, Santa Fe, N.M. 87504-1280

OIL CONSERVATION DIVISION

P.O. Box 2028
Santa Fe, NM 87504-2028

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-039-2576A	*Pool Code 96538	*Pool Name Cabresto Canyon; Ojo Alamo Ext.
*Property Code 22210	*Property Name JICARILLA 459-19	*Well Number 9
*Owner No. 013925	*Operator Name MALLON OIL CO.	*Elevation 7264.5

Surface Location

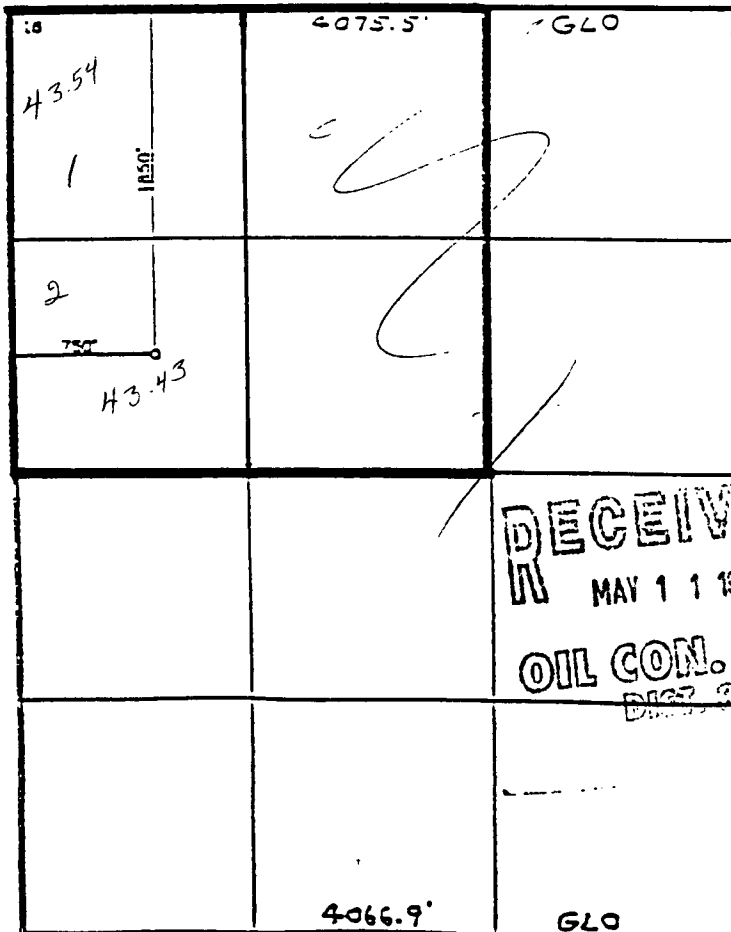
Sec. or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
19	19	30-N	3-W		1850	NORTH	750	WEST	RIO ARriba

Bottom Hole Location If Different From Surface

Sec. or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County

*Dedicated Acreage 86.97	*Name of Well	*Consolidation Code	*Order No.
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NO ALLOWABLE WELL 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 correct to the best of my knowledge and belief. Signature Terry Lindeman Printed Name Production Superintendent Date 10/9/97
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. 9-107A RUSAT Date of Survey Signature Professional Land Surveyor Certificate Number

~~CONFIDENTIAL~~

Form 3160-5
(JUNE 1980)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

FORM APPROVED

Budget Bureau No. 5004-0135

Expires March 31, 1993

5. Lease Designation and Serial No.
JIC459

6. If Indian, Allottee or Tribe Name

Jicarilla Apache

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Jicarilla 459-19 No. 9

9. Well API No.

10. Field and Pool, or Exploratory Area

E. 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)

1850' FNL and 750' FWL (SW NW) Unit E F
Sec. 19, T30N-R3W

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 ☒ Change of Plans
☐ Recompletion ☐ New Construction
☐ Plugging Back ☐ Non-Routine Fracturing
☐ Casing Repair ☐ Water Shut-Off
☐ Altering Casing ☐ Conversion to Injection
☐ Other: Change of Operator ☐ Dispose Water

(Note: Report results of multiple completion in 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 proposes to run 4-1/2" x 11.6 lb casing to total depth and cement 200' in surface casing.

RECEIVED
FEB 25 1998

OIL CON. DIV.
DIST. 3

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

Signed

Christy Serrano
Christy Serrano

Title

Secretary

Date

02/06/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

David R. Sife

Lands and Mineral Resources

Title

Date

FEB 23 1998

Conditions of approval, if any:

Cement 4 1/2" casing to surface.

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

~~CONFIDENTIAL~~

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	
1a. TYPE OF WORK Drill <input checked="" type="checkbox"/> Deepen <input type="checkbox"/>				JIC459	
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/>				6. F. INDIAN, ALLOTTEE OR TRIBE NAME Jicarilla Apache	
2. NAME OF OPERATOR Mallon Oil Company 13925				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 459-19 No. 9 22210	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1850' FNL and 750' FWL (SW NW) Unit E F At proposed prod. zone 1850' FNL and 750' FWL (SW NW) Unit E F				9. API WELL NO. 30-039-25764	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE * 50 miles east of Bloomfield, New Mexico				10. FIELD AND POOL, OR WILDCAT E. Blanco, Pictured Cliffs	
15. DISTANCE FROM PROPOSED * LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 750'				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 19, T30N-R03W	
16. NO. OF ACRES IN LEASE 2249.19'				12. COUNTY OR PARISH Rio Arriba	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160 86.97				13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1830' 2265'				19. PROPOSED DEPTH 4500'	
20. ROTARY OR CABLE TOOLS Rotary				21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.) 2264.5'	
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'	520 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: 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

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 Kindeman TITLE: Production Superintendent DATE: 10/14/97

(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:

APPROVED BY: (Original Signed) HECTOR A. VILLALOBOS TITLE: _____ DATE: DEC 8 1997

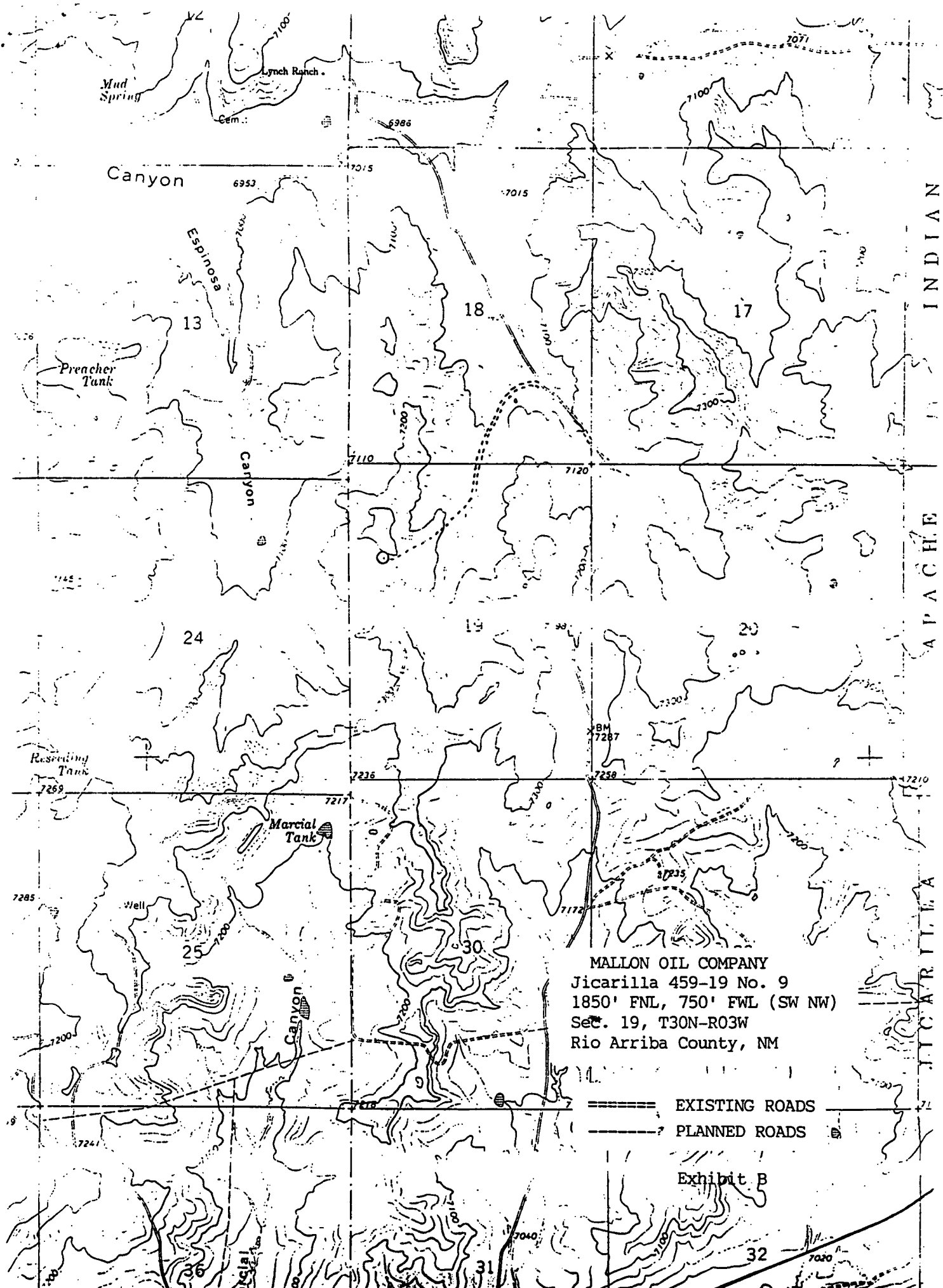
*See Instructions On Reverse Side

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.

RECEIVED
DEC 12 1997

OIL CON. DIV.

HOLD C-104 FOR NSC & NSP @



MALLON OIL COMPANY
Jicarilla 459-19 No. 9
1850' FNL, 750' FWL (SW NW)
Sec. 19, T30N-R03W
Rio Arriba County, NM

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

Exhibit B