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OP

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 97504-2088

Form C-101

Revised February 10, 1994

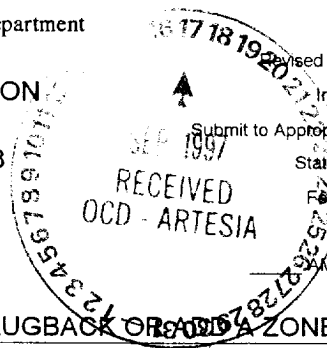
Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies

Fee Lease - 5 Copies

RECOMMENDED REPORT



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK OR RE-ENTER A ZONE

1. Operator Name and Address <b>Mallon Oil Company P.O. Box 3256 Carlsbad, NM 88220</b>		2. OGRID Number <b>013925</b>
4. Property Code <b>20475</b>	5. Property Name <b>Mallon 16 State</b>	3. API Number <b>38-015-29843</b>
		6. Well No. <b>5</b>

7. Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn.	Feet From the	North/South Line	Feet From the	East/West Line	County
M	16	24S	26E	N/A	660	South	660	West	Eddy

8. Proposed 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
9. Proposed Pool 1 <b>Black River, Delaware, West</b>					10. Proposed Pool 2 <b>96684</b>				

11. Work Type Code <b>N</b>	12. Well Type Code <b>O</b>	13. Cable/Rotary <b>R</b>	14. Lease Type Code <b>S</b>	15. Ground Level Elevation <b>3390'</b>
16. Multiple <b>N/A</b>	17. Proposed Depth <b>5,500'</b>	18. Formation <b>Delaware</b>	19. Contractor <b>Unknown</b>	20. Spud Date <b>September 29, 1997</b>

21. Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	32#	500'	200 sks	Circ to surface
7-7/8"	5-1/2"	15.5#-17#	5,500'	925 sks	300'

22. Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

- Drill 12-1/4" hole to 500', run and set 500' of 8-5/8" x 32# K55 LTC casing. Cement with 200 sks Class C + 2.00% CaCl<sub>2</sub>, yield 1.34 ppg 14.80. Circulate cement to surface. WOC 18 hours.
- Drill 7-7/8" hole from 500'-5500'. Run and set 5500' of 5-1/2" x 15.5#/17# K55 LTC casing. Lead cement: 225 sks 35:65 POZ (35% POZ, 65% Class C) + 6% gel + 5% salt + .25lb/sk Celloseal yield 2.04 ppg 12.5. Tail cement: 700 sks Super C Modified, 61 lb/sk C cement, 15 lb/sk POZ A. 11 lb/sk BA 90 bonding, .61 lb/sk FL-52, .44 lb/sk FL-25, yield 1.44, ppg 13.6.

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Duane C. Winkler</i>		Approved by: <b>ORIGINAL SIGNED BY TIM W. GUM</b>	
Printed Name: <b>Duane C. Winkler</b>		Title: <b>DISTRICT II SUPERVISOR</b>	
Title: <b>Operations Manager</b>		Approval Date: <b>SEP 22 1997</b>	
Date: <b>9/16/97</b>		Conditions of Approval: <b>9-22-98</b>	
Phone: <b>(505) 885-4596</b>		Attached: _____	

Post ID-1  
9-26-97  
API & New Loc