13925
15552

Form 3160-3
(July 1992)

UNITED STA[TES]
DEPARTMENT OF T[HE INTERIOR]
BUREAU OF LAND MA[NAGEMENT]

31584
3/30/98

FORM APPROVED
OMB NO. 1004-0136
Expires February 28, 1995

APPLICATION FOR PERMIT T[O DRILL OR DEEPEN]

30-025-34349

1a. TYPE OF WORK: Drill X Deepen

b. TYPE OF WELL: Oil Well X Gas Well Other Single Zone Multiple Zone

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: 990' FSL, 1980' FWL (SE SW) Unit N
At proposed prod. zone: 990' FSL, 1980' FWL (SE SW) Unit N

5. LEASE DESIGNATION AND SERIAL NO: NM04452

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT AGREEMENT NAME: N/A

8. FARM OR LEASE NAME, WELL NO: Mallon 27 Federal No. 1

9. API WELL NO: ~~30-025-32652~~

10. FIELD AND POOL, OR WILDCAT: Delaware

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 27, T19S-R34E

12. COUNTY OR PARISH: Lea County 13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 35 miles southwest of Hobbs, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 990'

16. NO. OF ACRES IN LEASE: 560

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 1450'

19. PROPOSED DEPTH: 6200'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, Etc.): 3715' GR

22. APPROX. DATE WORK WILL START:

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	20"	0.3 wall	40'	Redi-mix to surface
13-3/4"	9-5/8"	36#	1500'	700 sks Lite, 200 sks Class C
7-7/8"	5-1/2"	14# & 15.5#	TD	710 sks Lite, 200 sks Class H

CARLSBAD CONTROLLED WATER BASIN

Mallon Oil Company proposes to drill to a depth sufficient to test the Delaware formation for oil. 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 Onshore Oil and Gas Order No. 1 are outlined in the following attachments:

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Drilling Program
Exhibit 1: Blow Out Preventor Equipment/Plan
Exhibit A: Location and Elevation Plat
Exhibit B: Existing Roads
Exhibit C: Planned Access Roads
Exhibit D: One Mile Radius Map
Exhibit E: Well Site Layout
Exhibit F: Production Facilities
Exhibit G: Central Battery
Exhibit H: Choke Manifold

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: Duane C. Winkler TITLE: Operations Manager DATE: 09/05/97

(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: (ORIG. SGD.) ARMANDO A. LOPEZ TITLE: [illegible] MINERALS 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.

S.C. Reg. to well [illegible] 1-N to 1

DRILLING PROGRAM

Attached to Form 3160-3
Mallon Oil Company
Mallon "27" Federal No.1
990 FSL, 1980 FWL, Sec.27 T19S R34E
Lea County, New Mexico

Lease Number: NM-04452

1. Geologic Name of Surface Formation is :
   Quaternary Alluvium

2. Estimated Tops of Important Geologic Markers

Quaternary Alluvium	Surface
Rustler	1590
Top of Salt	1720
Base of Salt	3326
Yates	3513
Seven Rivers	3821
Queen	4516
Delaware	5800
Total Depth	6200

3. The Estimated Depths of Anticipated Fresh water, Oil or Gas:

Quaternary Alluvium	300'	Fresh Water.
Yates	3513'	Oil
Queen	4516'	Oil
Delaware	5800'	Oil

No other formations are expected to give up Oil, Gas, or Fresh Water in measurable quantities. The surface fresh water sands will be protected by setting 9 5/8" csg at 1500' and circulating cement back to surface. Potash will be protected by setting 5 1/2" csg at total depth and circulating cement back to 1300' from surface.

4. Proposed Casing Program:

Hole Size	Interval	Csg OD	Csg weight grade, Jt., Type Cond
25"	0-40'	20"	Conductor, 0.30" wall thickness
13 3/4"	0-1500'	9 5/8"	36# K-55 STC
7 7/8"	0-5300	5 1/2"	14# K-55 STC
	5300-TD	5 1/2"	15.5# K-55 STC

Cement Program:

20" Conductor csg:	Cemented with ready-mix to surface
9 5/8" Surface csg:	Cemented to Surface with 700 sx Pacesetter Lite 6.00% Gel (Bentonite)+0.25 lb/sk Cello-Seal 105.% Fresh Water
5 1/2" Production csg.	Cemented with 710 sacks Pacesetter Lite (C) 6.00% Gel (Bentonite)+0.25 lb/sk Cello-Seal 5.00% Salt+105.00% Fresh Water,This cement slurry is designed to bring TOC to 1300'.

5. Minimum Specifications for Pressure Control:
The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram type (3000psi WP) preventer. The unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and drill pipe rams on bttom. The BOP will be nippled up on the 9-5/8" surface csg and used continuosly until TD is reached. BOP and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Pipe rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and 2" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve and choke lines and choke manifold with 3000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of brine, cut brine, and polymer/KCL mud system. The applicable depths and properties of this system are as follows:

Depth	Type	Weight (ppg)	Viscosity (sec)	Waterloss (cc)
0-40	Fresh Water (spud)	8.5	40-45	N.C.
0-1500	F.W. (Gel/Lime)	8.5-9.0	32-36	N.C.
1500-TD	Brine Water	10.0	32-34	10-12cc

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the wellsite at all times.

7. Auxiliary Well Contol and Monitoring Equipment:

(A) A Kelly cock will be kept in the drill string at all times.

(B) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

(C) The drilling fluids systems will be visually monitored at all times.

8. Testing, Logging and Coring Program:

Drill Stem Tests:	None Anticipated
Logging:	TD to Surface casing, GR, CNL-FDC, DLL, MSFL
Coring:	None Planned

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The proposed mud program will be modified to control excess pressure if abnormal pressures are encountered. The estimated bottom hole temperature (BHT) at TD is 150 F and estimated maximum bottom-hole pressure (BHP) is 2800 psig.
No hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area.
No major loss circulation zones have been reported in offsetting wells.

10. Anticipated starting date: August 21, 1994
Anticipated completion of Drilling operations: Expected duration of 3 weeks.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

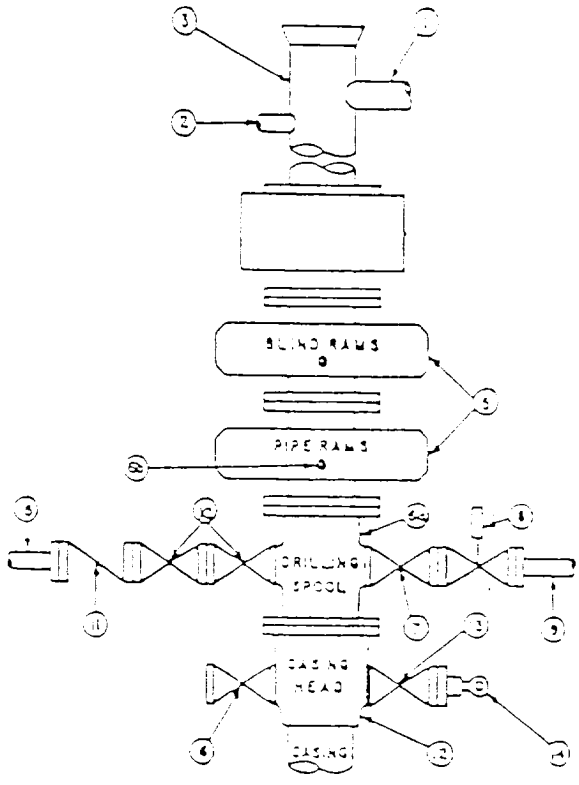
3,000 psi Working Pressure

3 MWP

STACK REQUIREMENTS

No.	Item		Min. I.D.	Min. Nominal
1	Flowline			
2	Fill up line			2"
3	Drilling nipple			
5	Two single or one dual hydraulically operated rams			
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets			
	—or—			
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)			
7	Valve	Gate ☐ Plug ☐	3-1/8"	
8	Gate valve—power operated		3-1/8"	
9	Line to choke manifold			3"
10	Valves	Gate ☐ Plug ☐	2-1/16"	
11	Check valve		2-1/16"	
12	Casing head			
13	Valve	Gate ☐ Plug ☐	1-13/16"	
14	Pressure gauge with needle valve			
15	Kill line to rig mud pump manifold			2"
	OPTIONAL			
16	Flanged valve		1-13/16"	

CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

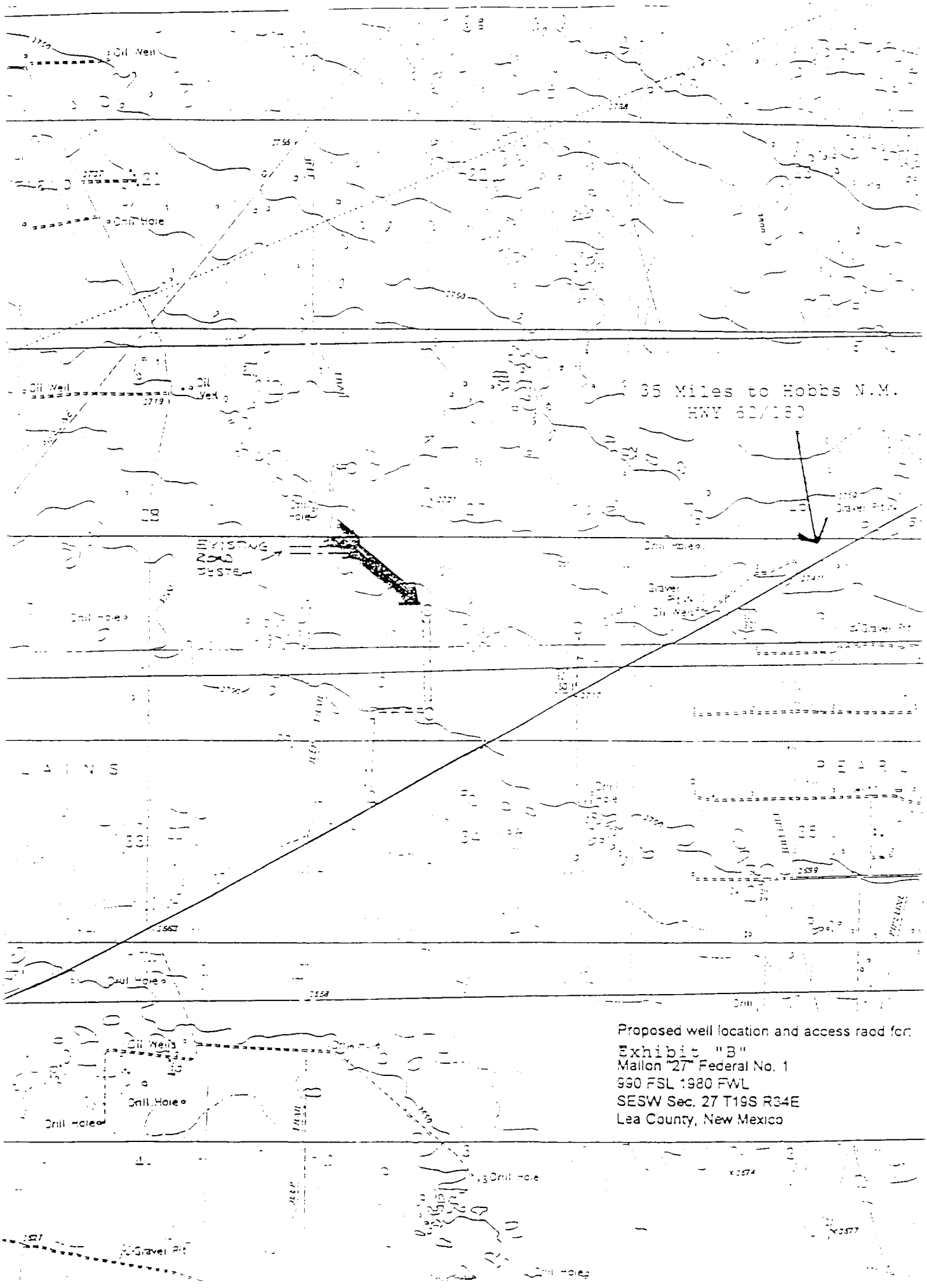
MEC TO FURNISH:

1. Bradenhead or casinghead and side

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate
7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

Mallon "27" Federal No 1
Lea County New Mexico
Exhibit "I"


35 Miles to Hobbs N.M.
HWY 62/180
EXISTING ROAD
Oil Well
Drill Hole
Gravel Pit
Proposed well location and access road for:
Exhibit "B"
Mallon "27" Federal No. 1
990 FSL 1980 FWL
SESW Sec. 27 T19S R34E
Lea County, New Mexico

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-10
Revised February 10, 19
Instruction on ba
Submit to appropriate District Offic
State Lease - 4 Copie
Fee Lease - 3 Copie

☐ AMENDED REPOR

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-34349	37384	1E Lea Delaware

Property Code	Property Name	Well Number
15552	MALLON "27" FEDERAL	1

OGRID No.	Operator Name	Elevation
13925	MALLON OIL COMPANY	3715'

Surface Location

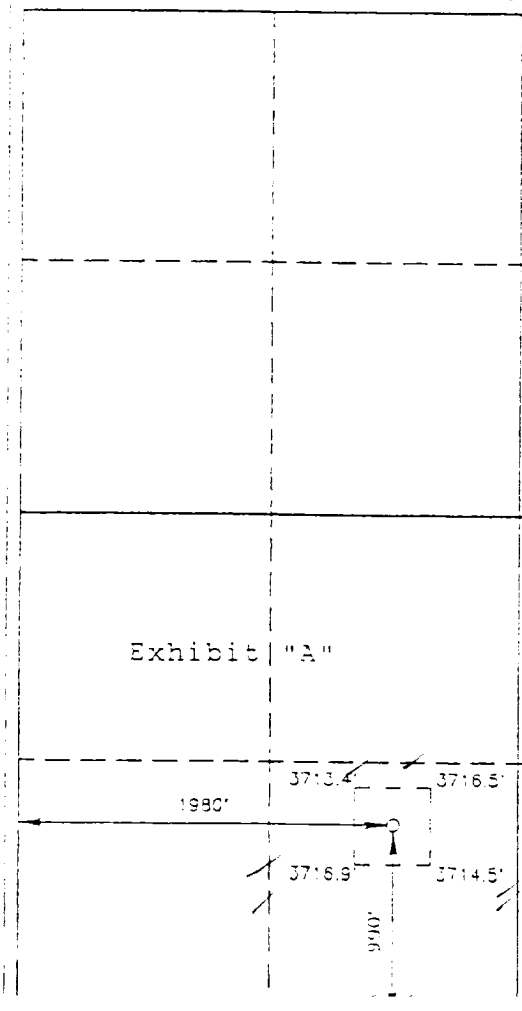
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	27	19S	34E		990	SOUTH	1980	WEST	LEA

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	Joint or Infill	Consolidation Code	Order No.
40			

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



OPERATOR CERTIFICATION

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

Signature
Diane C Winkler
Printed Name
Production Superintendent
Title
7-20-94
Date

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.

JUNE 7, 1994
Date Surveyed
Signature & Seal of Professional Surveyor

W.O. Num. 94-11-0987

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239