

P.O. Box 13077
Odessa, TX 79768



Bus. (432) 580-7161
Fax (432) 580-8554

May 8, 2007

Oil Conservation District
1625 N French Dr.
Hobbs, NM 88240

RE: Mar Oil and Gas Inc.
Compliance Order

Dear Sir:

BCM & Associates, Inc. has contracted with Mar Oil and Gas, Inc. of Santa Fe, NM to plug and abandon the following wells:

1. MalMar Unit # 104
2. MalMar Unit # 101
3. MalMar Unit # 102
4. MalMar Unit # 309
5. MalMar Unit # 112
6. Adlong 5 #1
7. SFPRR #10
8. TP #1

We have plugged the MalMar Unit #114, 204, and 112. We are presently plugging the MalMar Unit # 211.

Our intentions are to plug each well until all are plugged so that Mar Oil and Gas, Inc. will be in Compliance with State and Federal obligations.

Please contact me at the above address if I can be of further service to you.

Respectfully,

A handwritten signature in black ink, appearing to read 'Ben Montgomery' followed by a stylized flourish.

Ben Montgomery
President

cc: Billy Prichard
1611 SE 5th Street
Seminole, TX 79360