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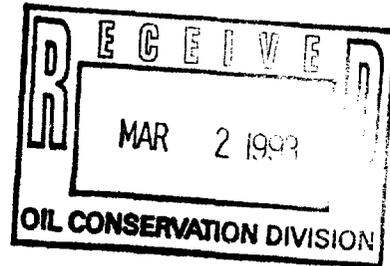
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March 2, 1993

**HAND-DELIVERED**

Michael E. Stogner  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503



Re: Case 10670:  
Application of Maralo Inc. for Pool Creation, Special Pool Rules and  
Discovery Allowable, Lea County, New Mexico

Dear Mr. Stogner:

Pursuant to your request at the February 18, 1993 hearing on the above-referenced application, I am enclosing a copy of Oil Conservation Division Form C-108 which was approved by the Division on January 29, 1993 authorizing Maralo to re-enter the subject well. Also enclosed for the case file are additional copies of Maralo's cross-section which was admitted as Exhibit No. 5.

If you need anything further from Maralo to proceed with your consideration of this application, please advise.

Very truly yours,

WILLIAM F. CARR  
ATTORNEY FOR MARALO INC.  
WFC:mlh

Enclosures

cc w/o enc.: Mr. Shane Lough  
Maralo Inc.  
Post Office Box 832  
Midland, TX 79702

Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-101  
 Revised 1-1-89

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

**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

API NO. (assigned by OCD on New Wells)  
30-025-25275

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a. Type of Work:  
 DRILL  RE-ENTER  DEEPEN  PLUG BACK

b. Type of Well:  
 OIL WELL  GAS WELL  OTHER   
 SINGLE ZONE  MULTIPLE ZONE

2. Name of Operator  
 Maralo, Inc.

3. Address of Operator  
 P. O. Box 832, Midland, TX 79702

4. Well Location  
 Unit Letter H : 1650 Feet From The North Line and 330 Feet From The East Line

Section 20 Township 9S Range 35E NMPM Lea County

7. Lease Name or Unit Agreement Name  
 Bonds

8. Well No.  
 1-1

9. Pool name or Wildcat  
 undesignated (Devonian)

10. Proposed Depth  
 12,660'

11. Formation  
 Devonian

12. Rotary or C.T.  
 Rotary

13. Elevations (Show whether DF, RT, GR, etc.)  
 4160' GR

14. Kind & Status Plug. Bond  
 Blanket

15. Drilling Contractor  
 Sitton Drilling Co.

16. Approx. Date Work will start  
 1-29-93

**PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
15"	12 3/4"	35#	499'	525 sx	Surf
11"	8 5/8"	32#	4036'	1480 sx	Surf
7 7/8"	5 1/2"	17# & 20#	12660	est. 1200 sx	circ to 8 5/8" csg

*Re-entry of Hilliard oil & Gas, Bonds # 1*

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Dorothea Owens TITLE Regulatory Analyst DATE January 15, 1993

TYPE OR PRINT NAME Dorothea Owens TELEPHONE NO. 915 684-7441

(This space for State Use)  
 ORIGINAL SIGNED BY JERRY SEXTON  
 DISTRICT I SUPERVISOR

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Permit Expires 6 Months From Approval Date Unless Drilling Underway.  
*Re-entry*

**JAN 29 1993**

*Copies 10 1-1-93*

**OIL CONSERVATION DIVISION**

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

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P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**

P.O. Drawer DD, Artesia, NM 86210

**DISTRICT III**

1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

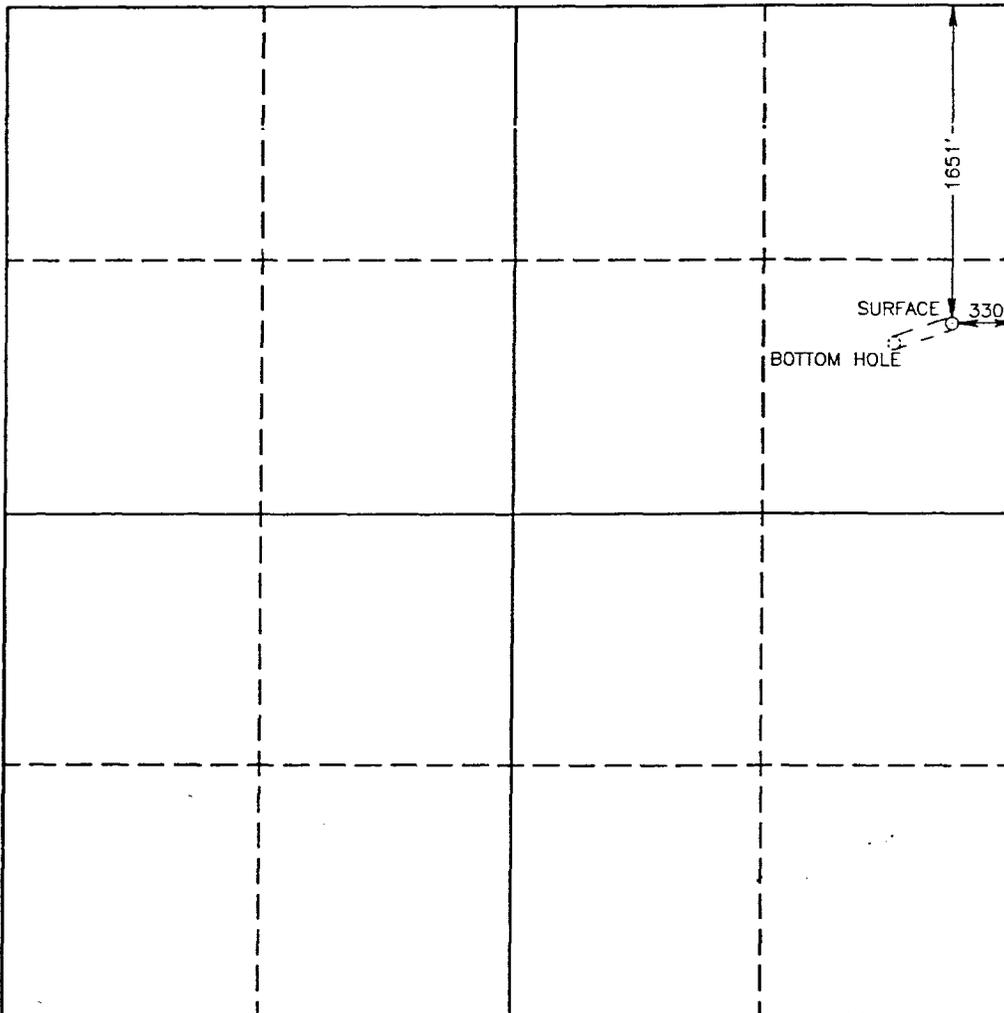
Operator <b>MARALO, INC.</b>			Lease <b>BONDS</b>		Well No. <b>1-R</b>
Unit Letter <b>H</b>	Section <b>20</b>	Township <b>9 SOUTH</b>	Range <b>35 EAST</b>	NMPM	County <b>LEA</b>
Actual Footage Location of Well: <b>1651</b> feet from the <b>NORTH</b> line and <b>330</b> feet from the <b>EAST</b> line					
Ground Level Elev. <b>4162.8'</b>	Producing Formation <b>DEVONIAN</b>		Pool <b>UNDESIGNATED</b>		Dedicated Acreage: <b>40 Acres</b>

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.) \_\_\_\_\_

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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 <i>Dorothea Owens</i>
Printed Name <b>DOROTHEA OWENS</b>
Position <b>REGULATORY</b>
Company <b>MARALO INC.</b>
Date <b>JANUARY 25, 1993</b>

**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 knowledge and belief.

Date Surveyed <b>JANUARY 22, 1993</b>
Signature & Seal of Professional Surveyor

Professional Surveyor Seal for Gary M. Jones, State of New Mexico. The seal includes a signature and the following information:

Certificate No.	JOHN W. WEST, 676
	RONALD J. EDSON, 3239
	GARY M. JONES, 7977

93-11-0130

