maralo inc.

March 13, 1996

NSL-OIL, 4

Mr. William LeMay, Director
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM 87504

RE: Application for Administrative Approval of Unorthodox Location
Gold Rush "30" Federal Lease, Well #4
UL. I, 2500' FSL & 660' FEL, Section 30, T23S, R30E
Eddy County, New Mexico

Dear Sir:

Maralo, Inc., hereby requests administrative approval of a non-standard oil well location within a standard 40-acre oil spacing and proration unit as stated above in accordance with Rule 104(F).

The necessity for the above unorthodox location is based upon topographical conditions (see attached Bureau of Land Management Sundry Notice signed March 7, 1996). Form C-102 Well Location and Acreage Dedication Plat, Vicinity Map, Location Verification Map(s) and Archaeological Survey are included.

Certified mail notification has been sent to the affected parties this date by copy of this application and attachments advising them of the objection procedure as stated in Rule 104(F)(4).

If you have any further questions, please contact Dorothea Logan or Shane Lough, Geologist at (915) 684-7441.

Thank you for your prompt assistance.

Sincerely,

Dorothea Logan

Dorothea Logan
Regulatory Analyst

attachments (12)
cc: Oil Conservation Division - Artesia - w/attachments (12)
US Bureau of Land Management - Carlsbad - w/attachments (12)
(1) Offset operator - w/attachments (12)

m 3160-5
ne 1990)

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

5. Lease Designation and Serial No.: NM 81622

6. If Indian, Allottee or Tribe Name: -

7. If Unit or CA, Agreement Designation: -

Type of Well: [X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.: Gold Rush "30" Federal #4

Name of Operator: MARALO, INC. (Bill Hunt)

9. API Well No.: -

Address and Telephone No.: P.O. BOX 832, MIDLAND, TX 79702 (915) 684-7441

10. Field and Pool, or Exploratory Area: Nash Draw-Brushy Canyon

Location of Well (Footage, Sec., T., R., M., or Survey Description): 660' FEL & 2500' FSL SEC.30 T23S R30E

11. County or Parish, State: Eddy Co., N.M.

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[ ] Notice of Intent	[ ] Abandonment	[X] Change of Plans
[ ] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[ ] Other _____	[ ] Dispose Water

(Note. Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 work.)*

1. Move location from original (660' FEL & 1980' FSL) to a spot 660' FEL & 2500' FSL of Section 30 T23S R30E.

2. This location moved at the request of the Bureau of Land Management, in order to get away from the deep part of Remuda Basin.

DEC 13 11 15 AM 195
CARLSBAD AREA
RECEIVED

I hereby certify that the foregoing is true and correct

Signed Joe T. Janica Title Agent Date 12-12-95

This space for Federal or State office use)

Approved by William C. Calkins Title State Director Date 3/7/96

Conditions of approval, if any:

8 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.

*See Instruction on Reverse Side

OPERATOR'S COPY

Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-81622

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: ———

1a. TYPE OF WORK: DRILL ☐ DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ OTHER — SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. UNIT AGREEMENT NAME: ———

8. FARM OR LEASE NAME, WELL NO.: Gold Rush "30" Federal 4

2. NAME OF OPERATOR: Maralo Inc. (Bill Hunt)

9. API WELL NO.:

3. ADDRESS AND TELEPHONE NO.: P.O. Box 832 Midland, Texas 79702 Ph 915-684-7441

10. FIELD AND POOL, OR WILDCAT: Eddy Undesignated Group

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 660' FEL & ~~1980'~~ 2500' FSL SEC.30 T23S-R30E Eddy Co.,NM
At proposed prod. zone: Same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 30 T23S-R30E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 10 mi East of Carlsbad, New Mexico.

12. COUNTY OR PARISH: Eddy | 13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	320	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
1330'	7500'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3074' GL SJS

22. APPROX. DATE WORK WILL START*: 10-1-95

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	20" conductor	.3 Wall Thick	40'	Cement to surface with Redi-mix
17½"	K-55 13 3/8"	54.5#	650'	800 Sx light circulate to surfa
12¼"	K-55 8 5/8"	32#	3100' [See Stips]	800 Sx light + 250 Sx Class "C"
7 7/8"	K-55 5½"	17-15.5#	7500	600 Sx + 900 Sx. 50/50 POZ

1. Drill 25" hole to 40' set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17½" hole to 650' run and set 650' of 13 3/8" K-55 54.5# ST&C casing. Cement with 800 Sx. Class "C" cement + 2% CaCl Circulate to surface.
3. Drill 12¼" hole to 3100' run and set 3100' of 8 5/8" K-55 32# ST&C casing. Cement with 800 Sx. Halco Light tail in with 250 Sx. Class "C" plus additives circulate cement to surface.
4. Drill 7 7/8" hole to 7500' run and set 7500' of 5½" K-55 17 &15.5# LT&C casing. Cement with 300 Sx. Halco Light + 300 Sx. Class "C"+ 2% CaCl tail in with 900 Sx. 50/50 POZ. Top of cement 2900' verify with Log or Temp. survey.

unorthodox location...

SUBJECT TO LIKE APPROVAL BY STATE

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 Joe T Janica TITLE Agent DATE 8-2-95

(This space for Federal or State office use)

PERMIT NO. ——— APPROVAL DATE ———

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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 William C Calvin TITLE Acting State Director DATE 3/7/96

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	47545	NASH DRAW-BRUSHY CANYON

Property Code	Property Name	Well Number
15310	GOLD RUSH 30 FEDERAL	4

OGRID No.	Operator Name	Elevation
014007	MARALO, INC.	3074

Surface Location

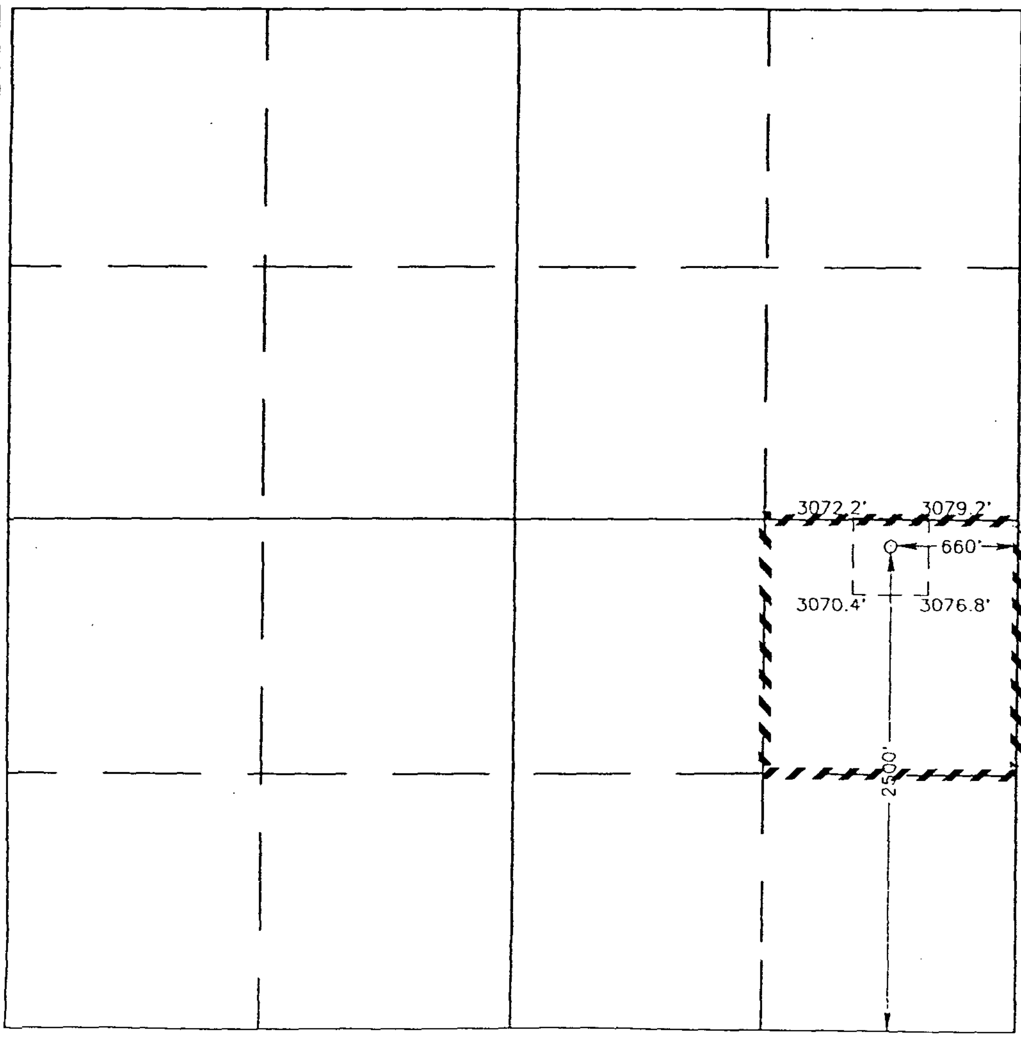
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	30	23 S	30 E		2500	SOUTH	660	EAST	EDDY

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 the the information contained herein is true and complete to the best of my knowledge and belief.

Joe T Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

12/12/95
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 supervison, and that the same is true and correct to the best of my belief.

NOVEMBER 17, 1995
Date Surveyed SJA

Signature & Seal of Professional Surveyor

RONALD J. EIDSON
NEW MEXICO
3239
REGISTERED PROFESSIONAL SURVEYOR

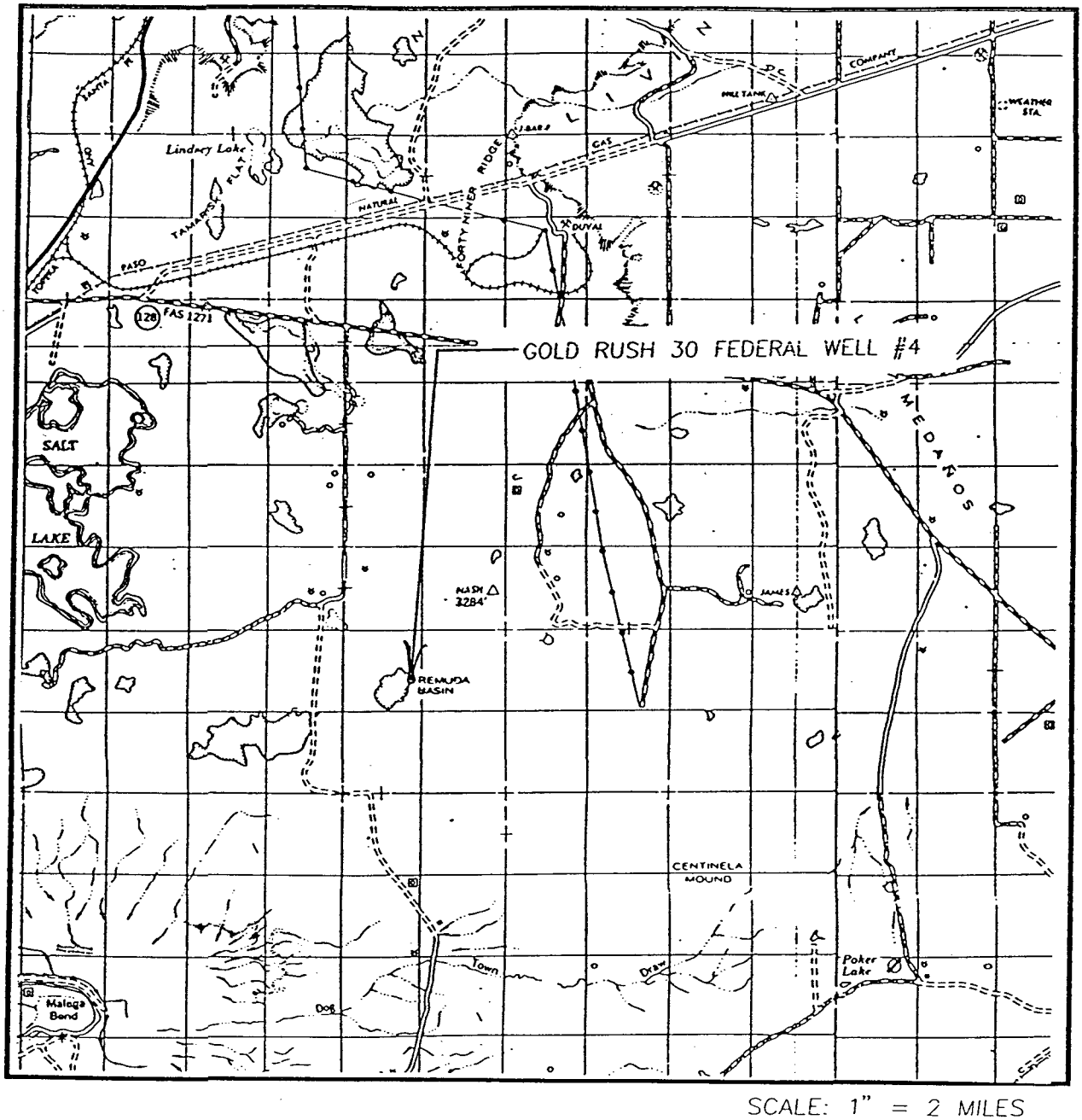
[illegible] 12-12-95

W.O. Num. 95-11-1810

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY EIDSON 12641

EXHIBIT "A"

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 30 TWP. 23-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2500' FSL & 660' FEL

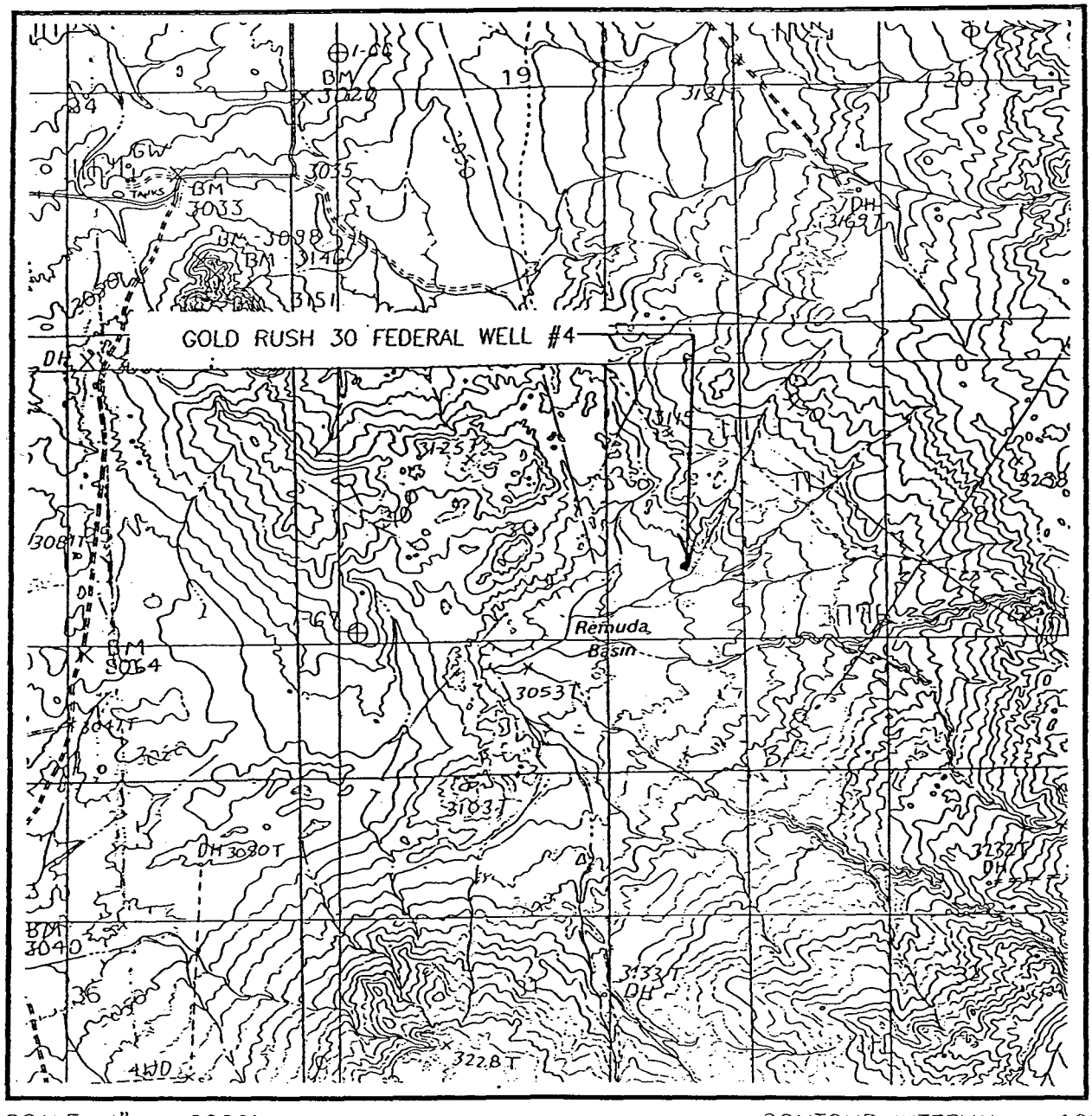
ELEVATION 3074

OPERATOR MARALO, INC.

LEASE GOLD RUSH 30 FEDERAL

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000' CONTOUR INTERVAL – 10'

SEC. 30 TWP. 23-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2500' FSL & 660' FEL

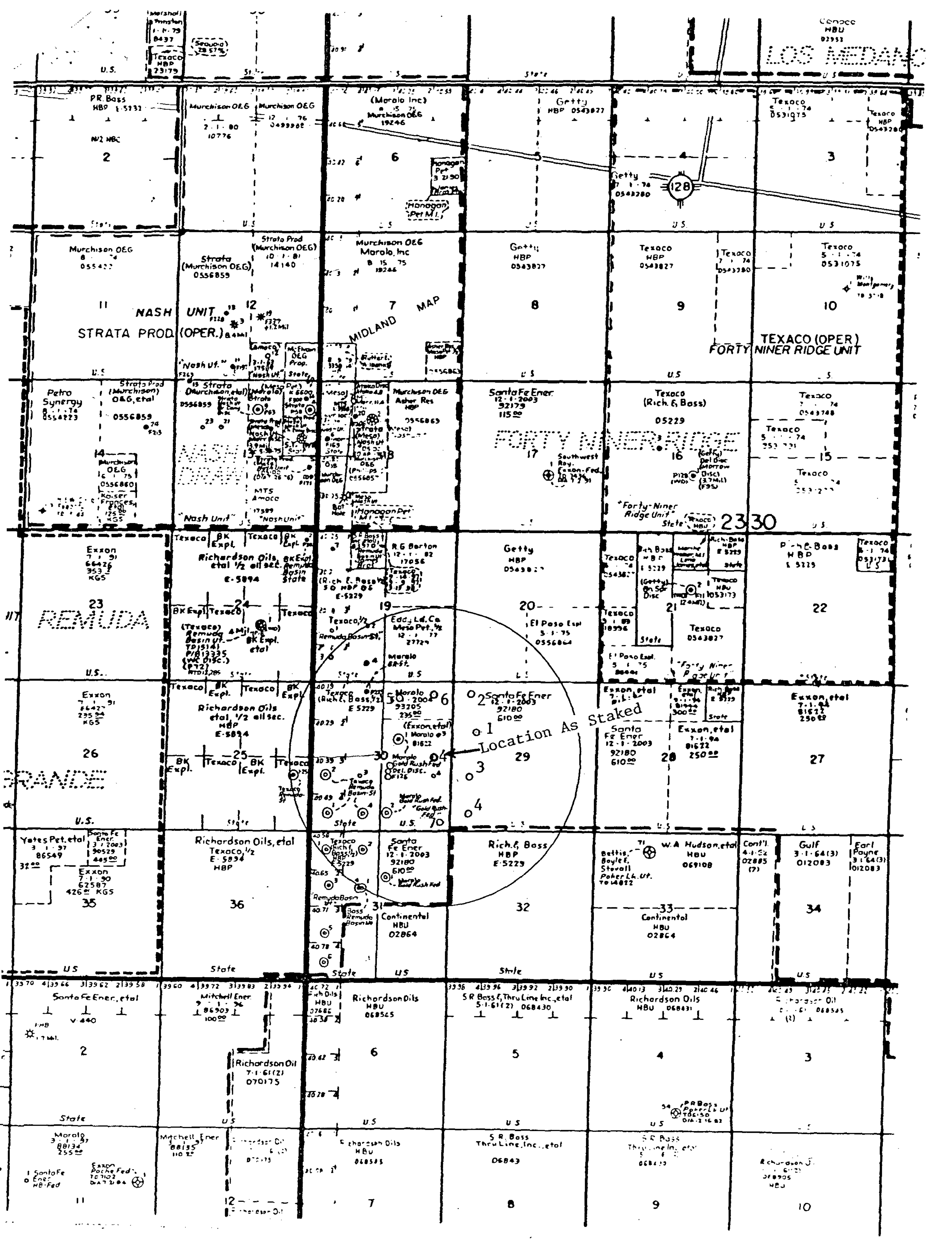
ELEVATION 3074

OPERATOR MARALO, INC.

LEASE GOLD RUSH 30 FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
REMUDA BASIN, N.M.

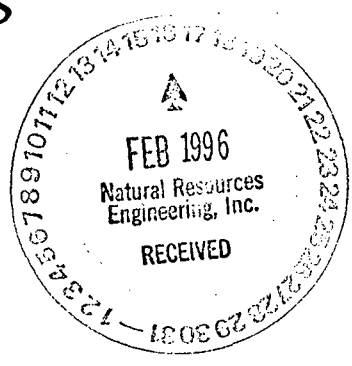
JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117


LOS MEDANOS
NASH UNIT
STRATA PROD (OPER.)
MIDLAND MAP
TEXACO (OPER.)
FORTY NINER RIDGE UNIT
FORTY NINER RIDGE
REMUDA
Location As Staked
Getty
Texaco
Exxon
Santa Fe Ener
Richardson Oils
Rich. & Bass
Continental
Gulf
Murchison O&G
El Paso
W.A. Hudson, etal
Richardson Oils, etal
S.R. Bass
Mitchell Ener
Earl Payne
Yates Pet, etal


Existing Road
Existing Road
Existing Road
Existing Road
Proposed Road
Location As Staked
Hermuda Basin
Gravel Pit
2 TANKS
BM
DH
GW
4WD

Desert West

ARCHAEOLOGICAL SERVICES



February 16, 1996

Mr. Joe Janica
Agent for
MARALO, INC.
P.O. Box 2188
Hobbs, NM 88241

Dear Mr. Janica

Enclosed please find Desert West Archaeological Services (DWAS) Clearance Report for MARALO, INC.'s proposed Gold Rush "30" Federal Well No.4 (2500' FSL; 660' FEL) and access road, located in Section 30, T23S, R30E, NMPM, Eddy County, New Mexico. One isolated occurrence (IO)) was encountered and recorded during the archaeological survey. Archaeological clearance for MARALO, INC.'s proposed Gold Rush "30" Federal Well No.4 and access road is recommended.

The Bureau of Land Management will review this report and make the final decision on archaeological clearance for this project.

If you have any questions, please call my office.

Sincerely,

Arita Slate

xc: Bureau of Land Management, Carlsbad Resource Area, Carlsbad, NM (2)

F/BH

P.O. Box 645 · Carlsbad, NM 88220 · Phone (505) 887-7646 · Fax (505) 887-2264

ARCHAEOLOGICAL SURVEY of MARALO, INC.'s proposed Gold Rush "30" Federal Well No.4 (2500' FSL; 660' FEL) and access road, located in Section 30, T23S, R30E, NMPM, Eddy County, New Mexico

LAND STATUS: Federal (BLM)
MAP REFERENCE: USGS 7.5 minute series, Remuda Basin, NM (prov. ed. 1985)

PREPARED FOR: MARALO, INC.

DWAS REPORT: 96-20F

David Wilcox, Project Director

DESERT WEST ARCHAEOLOGICAL SERVICES
P.O. BOX 645
Carlsbad, New Mexico 88221-0645
(505) 887-7646

PERMIT NO. 123-2920-95-D

DATE: February 15, 1996

Attention: Mr. Joe Janica

Distribution: MARALO, INC. (1)
Bureau of Land Management, Carlsbad Resource Area, Carlsbad, NM (2)

DESERT WEST ARCHAEOLOGICAL SERVICES
on lands administered by the
Department of the Interior
Bureau of Land Management
Roswell District, New Mexico

CULTURAL RESOURCES EXAMINATION
DWAS PERMIT NO.: 123-2920-95-D
DWAS Job No.: 96-20F

1. ABSTRACT:

An intensive archaeological survey of MARALO, INC.'s proposed Gold Rush "30" Federal Well No.4 (2500' FSL; 660' FEL)(450' x 450'; 4.64 acres) and access road (150' x 900'; 3.09 acres) was conducted on 2/11/96 by David Wilcox (Project Director). Mr. Joe Janica, Agent for MARALO, INC., requested the archaeological survey. Total area surveyed was 7.73 acres. The proposed project will be situated in Section 30, T23S, R30E, NMPM, Eddy County, New Mexico. One isolated occurrence (IO) was encountered and recorded during the survey. Archaeological clearance for the proposed well pad and access road is recommended.

2. LEGAL DESCRIPTION:

T23S, R30E, Section 30, NMPM, Eddy County, NM
Proposed Well Pad: (2500' FSL; 660' FEL) NE1/4SE1/4
Proposed Access Road: NW1/4NE1/4SE1/4; SW1/4SE1/4NE1/4; NW1/4SE1/4NE1/4

MAP REFERENCE: USGS 7.5 minute series, Remuda Basin, NM (prov. ed. 1985)(Figure 1)
LAND STATUS: Federal (BLM)

3. PROJECT DESCRIPTION:

Well Pad (450' x 450') and access road (900' x 150'). Total area surveyed was 7.73 acres. Within Remuda Basin, southeast of Salt Lake and south of County Road 128.

TOPOGRAPHY:

Alluvial fan sloping into the Remuda Basin with ephemeral drainages incising the relatively flat terrain. Stabilized dunes of moderate relief with shallow deflation basins on the northwestern area of survey. Southern area is heavily incised by ephemeral drainages which are dumping their load of limestone, caliche, gypsum and quartz sediments. Northeastern area of the survey is on the base of a small promintory consisting of limestone and gypsum. Material is eroding down by colluvial and fluvial activity into pad area.

Soils: Reeves-Gypsum land-Cottonwood association: Loamy soils that are very shallow to moderately deep over gypsum beds, and gypsum land.
Vegetation: mesquite, creosote, yucca, grasses, acacia and pencil cholla
Elevation: 3074'
Aspect: 360 degrees within Remuda Basin
Lithic Resources: outside of surveyed area
Water Source: (Permanent): Pecos River, west, 7 miles
(Potential): Remuda Basin, within project area

4. EXAMINATION PROCEDURE:

Straight and zig-zag line transects, spaced not greater than 15 meters apart.

Visibility: 70-80% due to vegetation cover
Area Delineation: staked by client
Lighting Conditions: excellent
Hours worked on ground: 2 hours
Weather: brisk, sunny and calm

5. FINDINGS:
BLM prefield conducted by David Wilcox on 2/9/96. According to BLM records, there are three previously recorded sites within a 3000' radius, however; none of these sites lie within a 600' radius of the impact area.

6. RESULTS OF SURVEY:
Archaeological survey of the proposed well pad and access road revealed the location of one isolated occurrence which is not relevant beyond the level of field recording.

Isolated Occurrences (IO)

IO#1, T23S, R30E, Section 30, NMPM, Eddy County, NM (NE1/4SW1/4SE1/4NE1/4) consists of mostly cream colored banded chert limited attribute flake fragment (LAFF) with no cortex. Map Reference: USGS 7.5 minute series, Remuda Basin, NM (prov. ed. 1985)

7. RECOMMENDATIONS:
Archaeological clearance is recommended for MARALO, INC.'s proposed Gold Rush "30" Federal Well No.4 (2500' FSL; 660' FEL) and access road, located in Section 30, T23S, R30E, NMPM, Eddy County, New Mexico. If any further cultural resources are encountered during construction, the BLM and DWAS should be notified immediately. Clearance, of course, is granted by the BLM.

Reviewed by Jon L. Blackwelder

Reviewed by

Reviewed by Cristi Slater

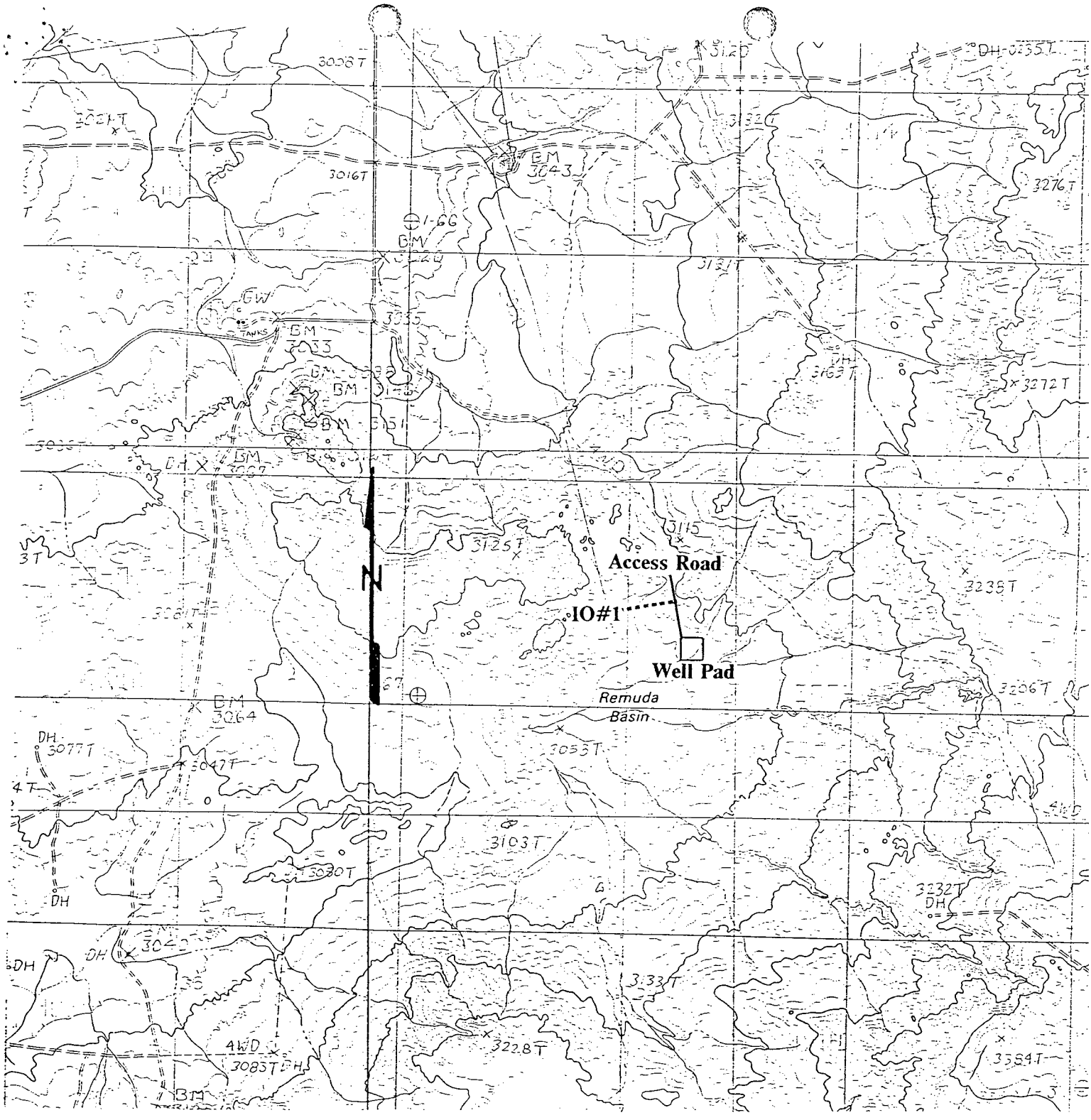
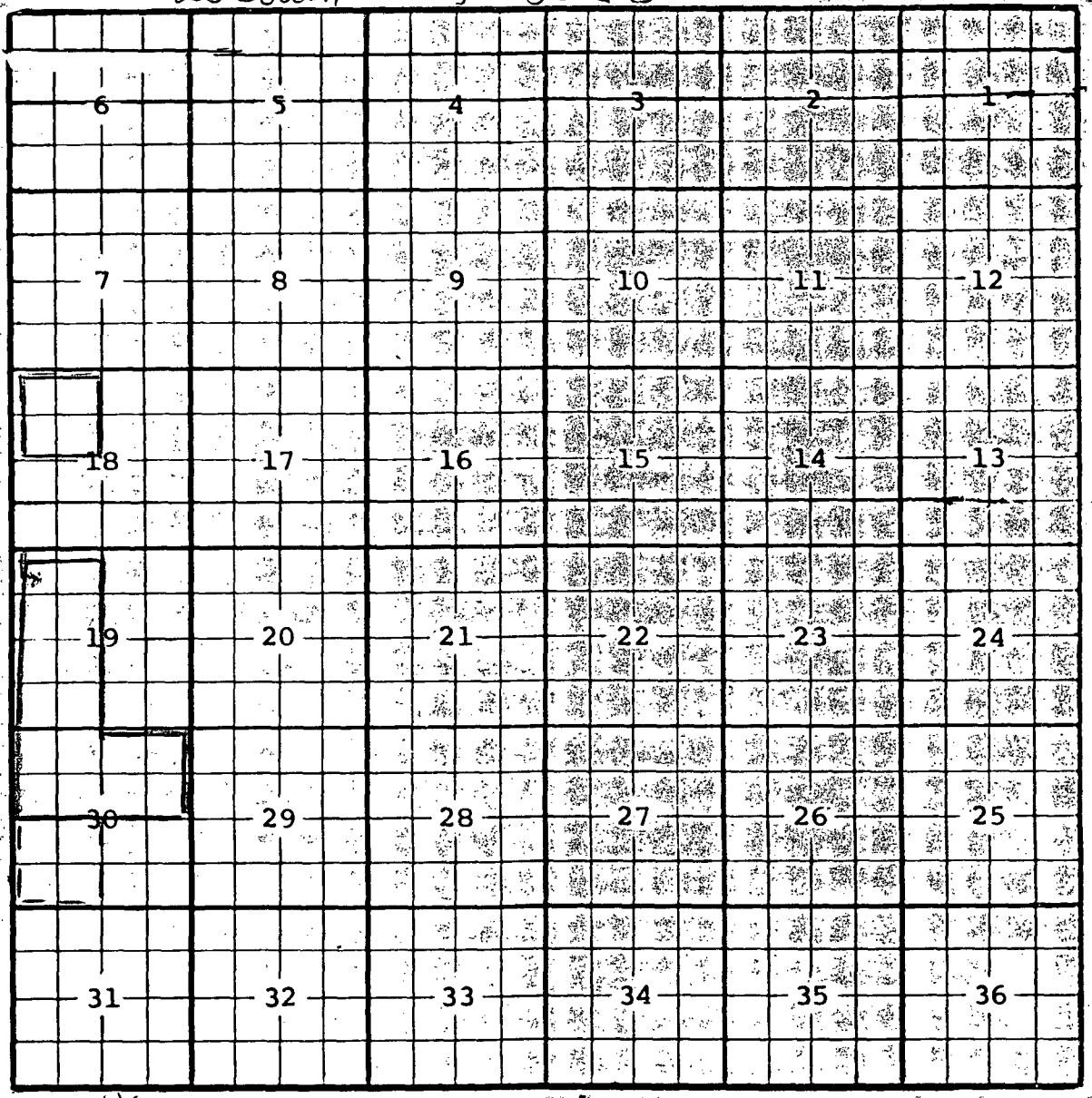


Figure 1. Showing MARALO, INC.'s proposed Gold Rush "30" Federal Well No.4 (2500' FSL; 660' FEL) and access road, located in Section 30, T23S, R30E, NMPM, Eddy County, New Mexico. MAP REFERENCE: USGS 7.5 minute series, Remuda Basin, NM (prov. ed. 1985)

County Eddy Pool Nash Draw-Brushy Canyon

TOWNSHIP 23 South Range 30 East NMPM



Ext: NW/4 Sec. 18 (R-10042, 12-28-93) Ext: W/2 Sec. 19, N/2 Sec. 30 (R-10459, 9-11-95)

CMD : ONGARD 04/17/96 15:52:25
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -EMEK

OGRID Idn : 14007 API Well No: 30 15 28872 APD Status(A/C/P): A
Opr Name, Addr: MARALO INC Aprvl/Cncl Date : 03-07-1996
PO BOX 832
MIDLAND,TX 79702

Prop Idn: 17626 GOLD RUSH 30 FEDERAL Well No: 4

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn :	I	30	23S	30E		FTG 2500 F S	FTG 660 F E
OCD U/L :	I	API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3074

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 7500 Prpsd Frmtn : DELAWARE

E0009: Enter data to modify record
PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12