

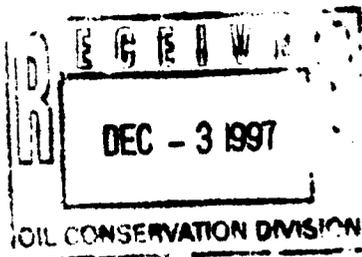
CTB

12/23/97

463



December 1, 1997



Engineering Department
State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: Request for Administrative Approval to
Lease Commingle & Off-Lease Storage
NM-81622 Gold Rush "30" Federal lease
NM-92180 Gold Rush "31" Federal lease

Gentlemen:

In accordance with OCD Rule #309-B, Maralo, Inc. makes an **APPLICATION FOR ADMINISTRATIVE APPROVAL TO LEASE COMMINGLE** production from certain wells on the Gold Rush "30" Federal (Nash Draw; Brushy Canyon) lease and the Gold Rush "31" Federal (Nash Draw; Brushy Canyon) lease at the Gold Rush "30" Federal battery located in unit P, Section 30, Township 23 South, Range 30 East, Eddy County, New Mexico.

This application also requests **ADMINISTRATIVE APPROVAL FOR OFF-LEASE STORAGE** in accordance with OCD Rule #309-C for the Gold Rush "31" Federal lease as detailed and consented on the attached sundry notice from the United States Bureau of Land Management.

A plat of each wells location and a battery diagram of the operation are enclosed. The production from each lease is from the same common source of supply and will be metered separately.

Working interest owners have been apprised of the operation and royalty/overriding interests will not be affected. Operating costs will be reduced by shared battery usage. The actual commercial value of such commingled production will not be lessened or changed.

If you require additional information, please call me at (915)
684-7441.

Sincerely,

A handwritten signature in cursive script that reads "Dorothea Logan". The signature is written in black ink and is positioned above the typed name.

Dorothea Logan
Regulatory Analyst

Attachments

cc: BLM/Roswell
OCD/Artesia
Navajo Crude Oil Marketing

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

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

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

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

OIL CONSERVATION DIVISION

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29747	Pool Code 47545	Pool Name NASH DRAW-BRUSHY CANYON 47545
Property Code 15310	Property Name GOLD RUSH "30" FEDERAL	Well Number 2
OGRID No. 014007	Operator Name MARALO, INC.	Elevation 3070

Surface Location

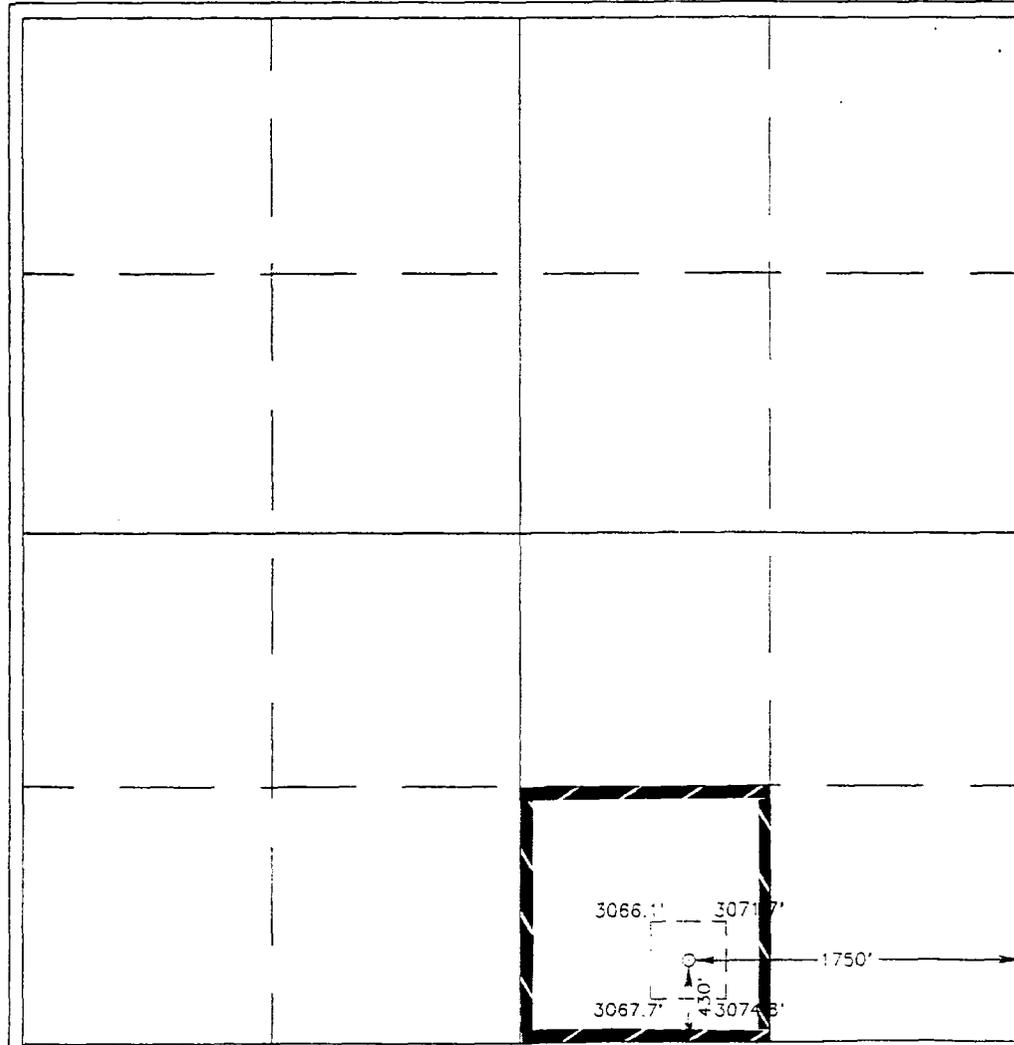
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	30	23 S	30 E		430	SOUTH	1750	EAST	EDDY

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 40	Joint or Infill	Consolidation Code	Order No.
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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.

Joe T. Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

06/04/97
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.

MAY 27, 1997
Date Surveyed

DMCC

Signature of Professional Surveyor
Professional Surveyor

Ronald J. Eidson
Signature

5-28-97

Certified to: JOHN W. WEST 676
Professional Surveyor EIDSON 3239
RONALD J. EIDSON 12641

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

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

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

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. Box 2068, Santa Fe, NM 87504-2068

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29736	Pool Code 47545	Pool Name NASH DRAW-BRUSHY CANYON
Property Code 21118	Property Name GOLD RUSH "31" FEDERAL	Well Number 1
OGRID No. 014007	Operator Name MARALO, INC.	Elevation 3117

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	23 S	30 E		660	NORTH	330	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 40	Joint or Infill	Consolidation Code	Order No.
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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

LOT 1 41.49 AC.		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature</p> <p>Joe T. Janica Printed Name</p> <p>Agent Title</p> <p>06/04/97 Date</p>
LOT 2 41.56 AC.		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 8, 1997 Date Surveyed</p> <p>JLP</p>
LOT 3 41.58 AC.		<p>Signature & Seal of Professional Surveyor</p> <p><i>John S. West</i> Professional Surveyor</p> <p>5-09-97 W.O. Num. 87-1-0793</p>
LOT 4 41.65 AC.		<p>Certificate No. JOHN S. WEST, 676 RONALD G. EIDSON, 3239 GARY G. EIDSON, 12641</p>

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

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

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

OIL CONSERVATION DIVISION
P.O. Box 2088

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

Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29364	Pool Code 47545	Pool Name NASH DRAW-BRUSHY CANYON
Property Code 17626	Property Name GOLD RUSH 30 FEDERAL	Well Number 7
OGRID No. 014007	Operator Name MARALO, INC.	Elevation 3093

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	23 S	30 E		330	SOUTH	330	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 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

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

<p style="text-align: center;">SEE DETAIL</p>	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: right;"><i>Joe T. Janica</i></p> <p>Signature Joe T. Janica Printed Name Agent Title 12-12-95 Date</p>
	<p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p style="text-align: center;">NOVEMBER 16, 1995</p> <p>Date Surveyed SJA</p> <p>Signature & Seal of Professional Surveyor <i>Ronald J. Eubank</i> 12-06-95 P.O. Box 95-114-773</p> <p>Certificate No. JOHN WOLFE 676 HOWARD E. EIDSON 3239 PROF. BARBARA BRINSON 12641</p>



CRUDE OIL MARKETING COMPANY

TELEPHONE
(915) 682-7900

110 WEST LOUISIANA, SUITE 320
MIDLAND, TEXAS 79701

FAX
(915) 682-1318

November 20, 1997

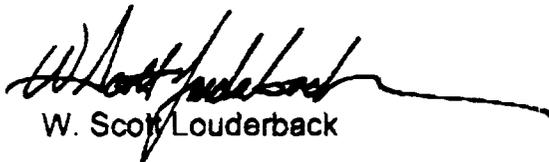
Dorothea Logan
Maralo, Inc.
P.O. Box 832
Midland, Texas 79702

RE: Gold Rush 30 Federal
Gold Rush 31 Federal

Dear Dorothea,

Navajo Crude Oil Marketing consents to the commingling of the oil off the above referenced leases. These leases are presenting metered into the one central facility located at the Gold Rush Federal #7 Battery.

Sincerely,



W. Scott Louderback

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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

BUREAU OF LAND MGMT
ROSWELL OFFICE

5. Lease Designation and Serial No.

NM-92180

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

GOLD RUSH "31" FEDERAL #1

9. API Well No.

30-015-29736

10. Field and Pool, or Exploratory Area

NASH DRAW (BRUSHY CANYON)

11. County or Parish, State

EDDY COUNTY, NEW MEXICO

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
MARALO, INC.

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FNL & 330' FEL, SECTION 31, T23S, R30E. EDDY COUNTY, NEW MEXICO
UNIT LETTER A

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Surface commingling and off-lease storage.
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

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

13. 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.)*

MARALO, INC. PROPOSES OFF-LEASE SURFACE COMMINGLING, STORAGE AND MEASUREMENT OF PRODUCTION FOR THE CURRENTLY DRILLING ABOVE NEW WELL, ON THE GOLD RUSH "30" FEDERAL LEASE, WELL #7 BATTERY SITE, IN THE NASH DRAW: BRUSHY CANYON POOL, LOCATED 330' FSL & 330' FEL FO SECTION 30, TOWNSHIP 23 SOUTH, RANGE 30 EAST, EDDY COUNTY, NEW MEXICO.

THE PRODUCTION FROM EACH LEASE WILL BE SEPARATELY METERED PRIOR TO COMMINGLING IN ACCORDANCE WITH OGD APPLICABLE PROVISIONS.

MAP AND SCHEMATIC DIAGRAM DETAILING EQUIPMENT AND FINAL METHOD OF HANDLING AND MEASURING PRODUCTION.

14. I hereby certify that the foregoing is true and correct

Signed Donna Huddleston Title REGULATORY ANALYST Date SEPTEMBER 22, 1997

(This space for Federal or State office use)

Approved by [Signature] Title PETROLEUM ENGINEER Date OCT 07 1997

Conditions of approval, if any:

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.

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

MARALO, INC (Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. NM92180 ; Lease Name: Gold Rush "31" Federal #1

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>660' FNL & 330' FEL</u>	<u>31</u>	<u>23S</u>	<u>30E</u>	<u>Nash Draw (Brushy Canyon)</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

with hydrocarbon production from the following formation(s) and well(s) on Federal lease No. NM81622 ; Lease Name: Gold Rush "30" Federal #7

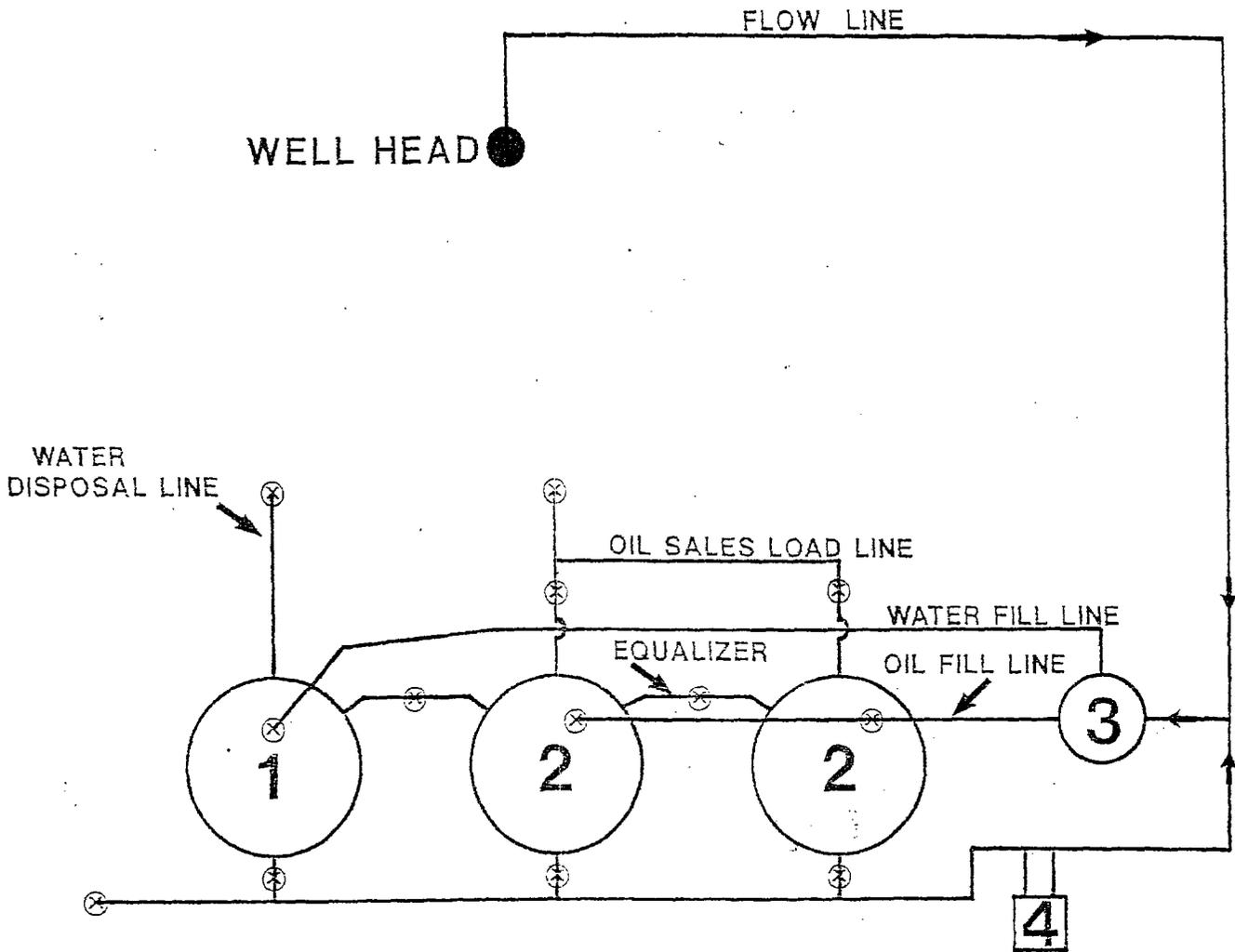
<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>2</u>	<u>430' FSL & 1750' FEL</u>	<u>30</u>	<u>23S</u>	<u>30E</u>	<u>Nash Draw (Brushy Canyon)</u>
<u>7</u>	<u>330' FSL & 330' Fel</u>	<u>30</u>	<u>23S</u>	<u>30E</u>	<u>Nash Draw (Brushy Canyon)</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Gold Rush "30" Federal #7</u>	<u>92</u>	<u>42.2</u>	<u>170</u>
<u>Gold Rush "30" Federal #2</u>	<u>238</u>	<u>42.2</u>	<u>450</u>
<u>Gold Rush "31" Federal #1</u>	<u>238</u>	<u>42.2</u>	<u>450 (estimated)</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

Continued ...

GOLD RUSH 30 FED. #7



- 1 500 BBL FIBERGLASS TANK FOR WATER
- 2 - 500 BBL STEEL WELDED TANKS FOR OIL PRODUCTION
- 3 4' X 20' HEATER TREATER
- 4 CIRCULATING PUMP
- ⊗ VALVE W/LOCKING DEVICE

marato INC.

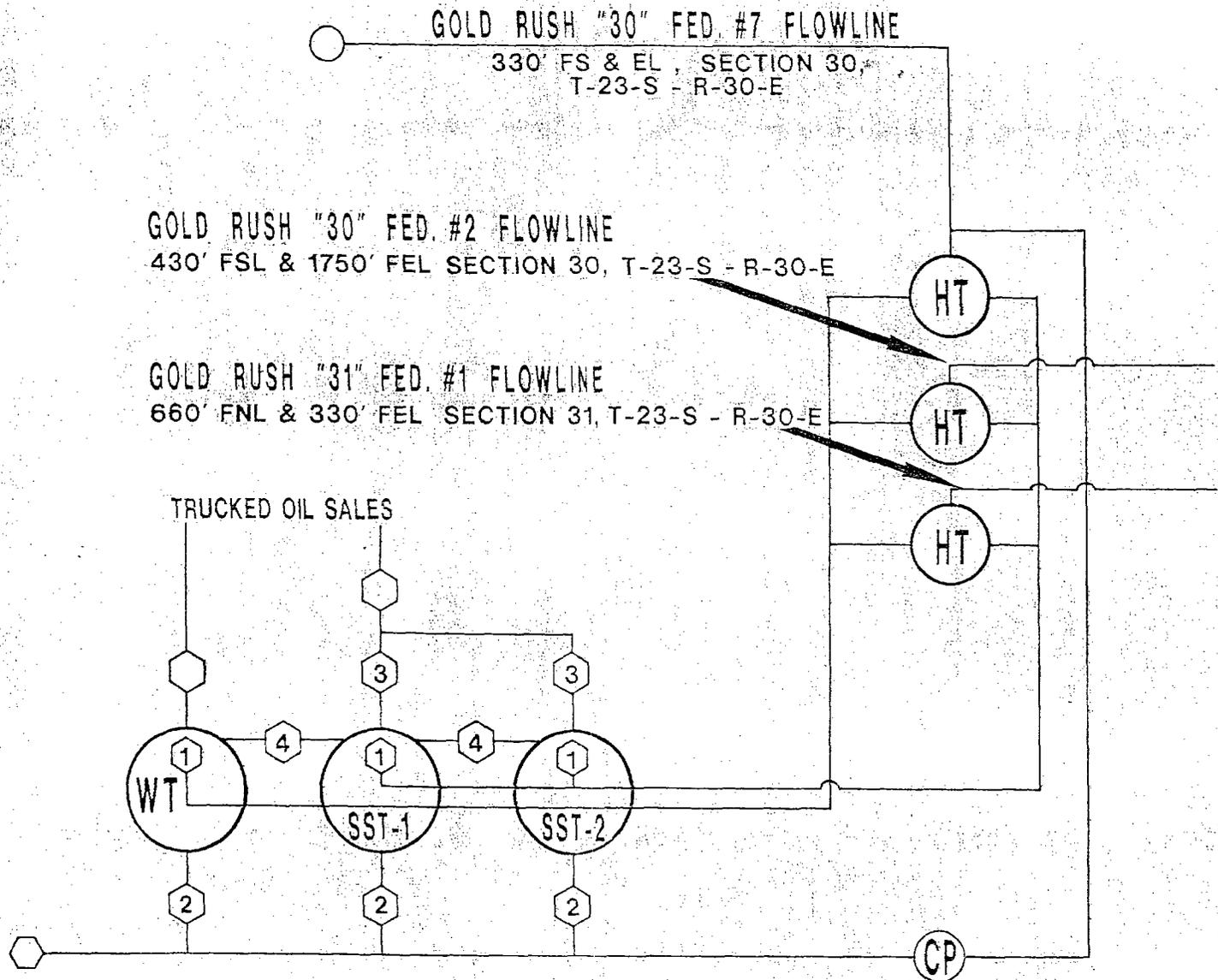
GOLD RUSH 30 FED. #7
 EDDY COUNTY, NEW MEXICO

330' FS & EL OF SECTION 30,
 T 23 S - R 30 E

NOT TO SCALE

SITE FACILITY DIAGRAM

GOLD RUSH "30" FED. #7, GOLD RUSH "30" FED. #2, & GOLD RUSH "31" FED. #1
 EDDY COUNTY, NEW MEXICO



PRODUCTION SYSTEM - CLOSED

1. OIL SALES BY TANK GAUGE TO TANK TRUCK
2. SEAL REQUIREMENTS:

A. PRODUCTION PHASE

- (1) ALL VALVES 2 SEALED CLOSED
- (2) ALL VALVES 3 SEALED CLOSED

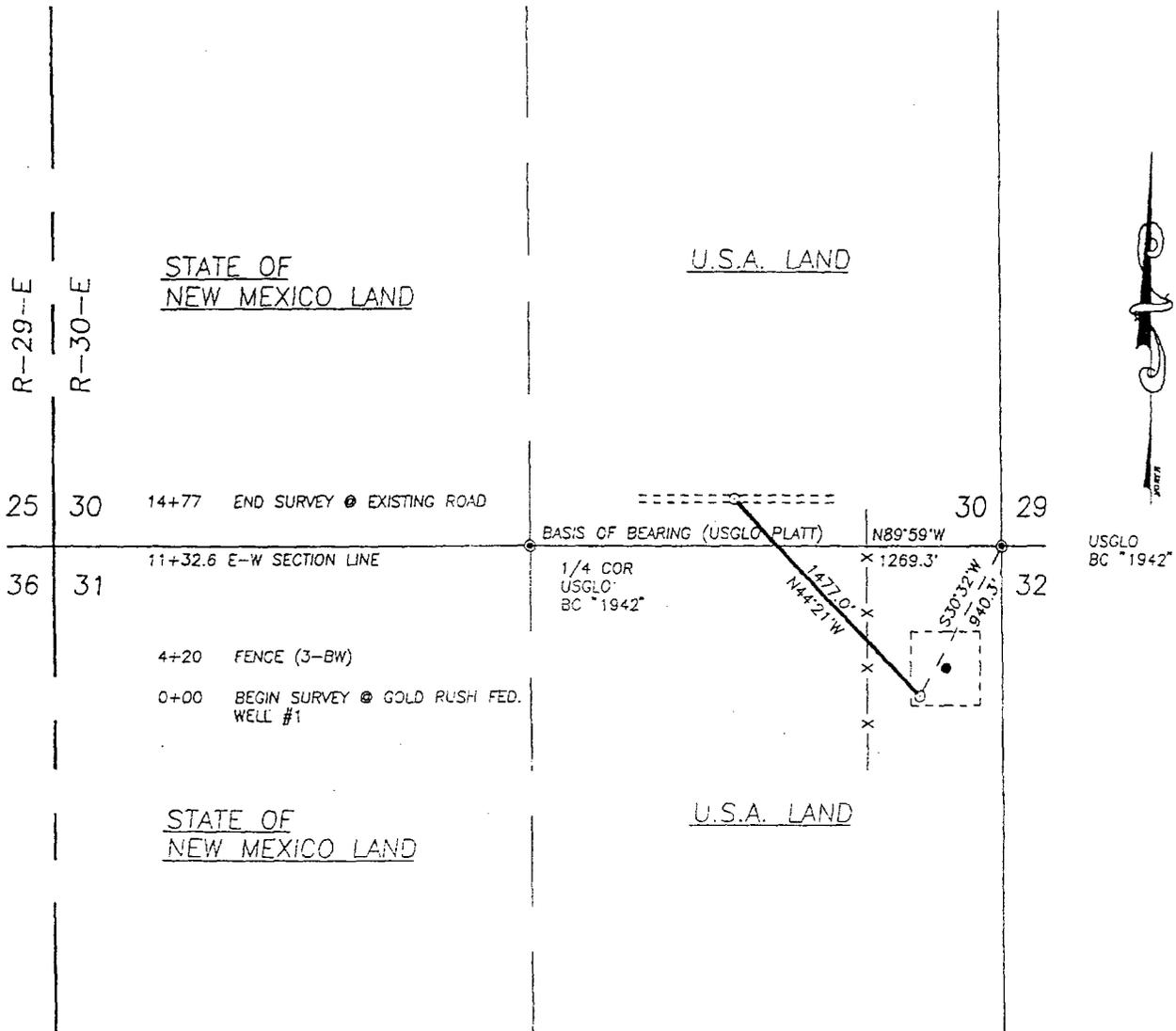
B. SALES PHASE (SALES FROM SST-1)

- (1) VALVE 1 ON SST-1 SEALED CLOSED
- (2) ALL VALVES 2 SEALED CLOSED
- (3) VALVE 3 ON SST-2 SEALED CLOSED
- (4) VALVE 4 SEALED CLOSED

(SALES FROM SST-2)

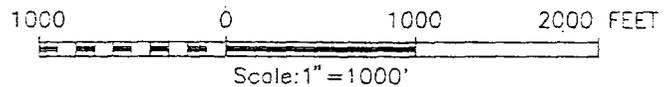
- (1) VALVE 1 ON SST-2 SEALED CLOSED
- (2) ALL VALVES 2 SEALED CLOSED
- (3) VALVE 3 ON SST-1 SEALED CLOSED
- (4) VALVE 4 SEALED CLOSED

SECTIONS 30 & 31, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE, 1477 FEET OR 0.280 MILES IN LENGTH AND BEING 25.0 FEET RIGHT AND 25.0 FEET LEFT OF THE ABOVE CENTERLINE SURVEY.



I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACTUAL SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

John W. West 5-29-97
 JOHN W. WEST, N.M. P.E. & P.S. No. 676
 TEXAS P.L.S. No. 1138
 RONALD EIDSON, N.M. P.S. No. 3239
 TEXAS P.L.S. No. 1883
 GARY GIBSON, N.M. P.S. No. 12641
 TEXAS P.L.S. No. 4735

JOHN W. WEST ENGINEERING COMPANY
 CONSULTING ENGINEERS & SURVEYORS - HOBBS, NEW MEXICO

MARALO, INC.

A ROAD CROSSING U.S.A. LAND IN SECTIONS 30 & 31, TOWNSHIP 23 SOUTH, RANGE 30 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 5/27/97	Sheet 1 of 1 Sheets
W.O. Number: 97-11-0904	Drawn By: D.McCARLEY
Date: 5/28/97 MARALO	MARL0904 Scale: 1" = 1000'