

February 11, 2000

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

RE: Commingling Order CTB-463  
Authorization to Commingle Nash Draw-Brushy Canyon (47545) Pool Production

Dear Mark:

The Working Interests of the specific Maralo, LLC Gold Rush "30" and Gold Rush "31" lease wells covered by the above order, were notified of the addition of the Gold Rush "31" Well #2 to OCD Commingling Order CTB-463 by the BLM approved commingling sundry dated December 9, 1999. (See attached)

The sundry, along with the BLM approved Well Completion dated January 20, 2000, was mailed to the Working Interests on January 27, 2000.

Please advise if you need further information.

Sincerely,

Dorothea Logan  
Regulatory Analyst  
Maralo, LLC

attachment (1)



~~AMEND CTB~~ 2/21/00  
AMEND CTB 463

**maralo** LLC

JAN 31 2000

CONSERVATION DIVISION

January 28, 2000

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

RE: Commingling Order CTB-463  
Authorization to Commingle Nash Draw-Brushy Canyon (47545) Pool Production

Dear Sir:

The above order was written to show the lease wells in the Lease Description. Please add another well to the Gold Rush "31" Federal Lease (Federal Lease No. NM-92180) as shown on the enclosed Form C-102 Well Location and Acreage Dedication Plat and approved BLM Form 3160-4 Well Completion.

There will be no change in the allocated production method, the installation and operation or the storage of the commingled production. An updated schematic diagram is enclosed to show the additional well tie-in.

Please amend the above commingling order to show the additional well. Should you need further information, please call Dorothea Logan, Regulatory Analyst at (915) 684-7441

Sincerely,



Dorothea Logan  
Regulatory Analyst  
Maralo, LLC

encls. (3)

cc: Oil Conservation Division - Artesia  
Bureau of Land Management - Roswell

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., Artec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 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 47545	Pool Name NASH DRAW-BRUSHY CANYON
Property Code 21118	Property Name GOLD RUSH "31" FEDERAL	Well Number 2
OGRID No. 14007	Operator Name MARALO, LLC.	Elevation 3157

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	31	23 S	30 E		1980	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	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

	<p><b>OPERATOR CERTIFICATION</b></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>08/19/99 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></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>AUGUST 12, 1999 Date Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor Professional Surveyor NEW MEXICO 3239 8-16-99 P.O. Num. 99-120655</p> <p>Certified to: J. EIDSON, 3239 EIDSON, 12641</p>

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

FOR APPROVED  
OMB NO. 1004-0137  
Expires: December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO.

OPERATOR'S COPY 2180

WELL COMPLETION OR RECOMPLETION REPORT AND LOG\*

1a. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_

1b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP EX  PLUG BACK  DIFF. REMV.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
MARALO, LLC (014007)

3. ADDRESS AND TELEPHONE NO.  
P. O. BOX 832, MIDLAND, TX 79702 (915) 684-7441

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface UNIT H  
1980' FNL & 330' FEL of SEC. 31, T23S, R30E, EDD CO. NM  
At top prod. interval reported below  
SAME  
At total depth  
SAME

14. PERMIT NO. \_\_\_\_\_ DATE ISSUED \_\_\_\_\_

7. UNIT AGREEMENT NAME \_\_\_\_\_

8. FARM OR LEASE NAME, WELL NO.  
GOLD RUSH "31" FEDERAL #2 (21118)

9. API WELL NO.  
30-015-30787

10. FIELD AND POOL, OR WILDCAT  
NASH DRAW; BRUSHY CANYON (47545)

11. SEC. T. R., M., OR BLOCK AND SURVEY OR AREA  
SEC 31, T23S, R30E

12. COUNTY OR PARISH  
EDDY

13. STATE  
NM

15. DATE SPUDDED 11/24/99 16. DATE T.D. REACHED 12/07/99 17. DATE COMPL. (Ready to prod.) 01/06/00 18. ELEVATIONS (DP, RKB, RT, GR, ETC.)\* 3157' 19. ELEV. CASINGHEAD -----

20. TOTAL DEPTH, MD & TVD 7328' 21. PLUG, BACK T.D., MD & TVD 7287' PBDT 22. IF MULTIPLE COMPL., HOW MANY\* \_\_\_\_\_ 23. INTERVALS DRILLED BY \_\_\_\_\_ ROTARY TOOLS 0 - TD CABLE TOOLS \_\_\_\_\_

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
7157 - 7253' LOVING SAND

25. WAS DIRECTIONAL SURVEY MADE  
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN  
GR/CNL/LDT & GR/AIT, GR/CNL, GR/CBL/CCL

27. WAS WELL CORED  
NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8 K-55	54.50#	650'	17 1/2"	200 SX CL H + 565 SX CL C - NO CIRC. +	
				208 SX CL C IN 1". CIRC 13 SX TO PIT	
8-5/8 K-55	32#	3310'	12 1/2"	800 50/50 POZ C, TAIL W/200 CL "C"	
5-1/2 J&K-55	15.5# & 17#	7328'	7-7/8"	450 SX POZ CL C, TAIL W/250 POZ CL C. (TOC @ 1420'	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD BY TEMP SURVEY

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	7253'	-

31. PREPARATION RECORD (Interval, size and number)  
7157 - 7253' (20 HOLES)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
7157 - 7253'	ACIDIZE W/1500 GALS 7 1/2% MCA
7157 - 7253'	FRAC'D W/34,000 GALS 35# XLKD GEL W/ 101,500# 16/30 MESH OTTAWA SD + 19,000# 16/30 MESH RESIN COAT SD.

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or Shut-in)
01/06/00	PUMPING 2" X 1 1/2" X24' PUMP	PRODUCING

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
01/11/00	24	-	→	148	113	132	764

FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
-	-	→				

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)  
SOLD

TEST WITNESSED BY  
DENNIS MANN (MARALO, LLC)

35. LIST OF ATTACHMENTS  
TEMPERATURE SURVEY, DEVIATION SURVEY, C-104, LOGS (2 SETS OF 2)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *Dorndrea Logan* TITLE REGULATORY ANALYST DATE JANUARY 20, 2000

\*(See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS	
				MEAS. DEPTH	TRUE VERT. DEPTH
	-0-	650	REDBED		
	650	3310	ANHY & SALT		
	3310	4530	SAND & DOLLO		
	4530	6640	SAND & SHALE		
	6640	7328	SAND		

38.

GEOLOGIC MARKERS

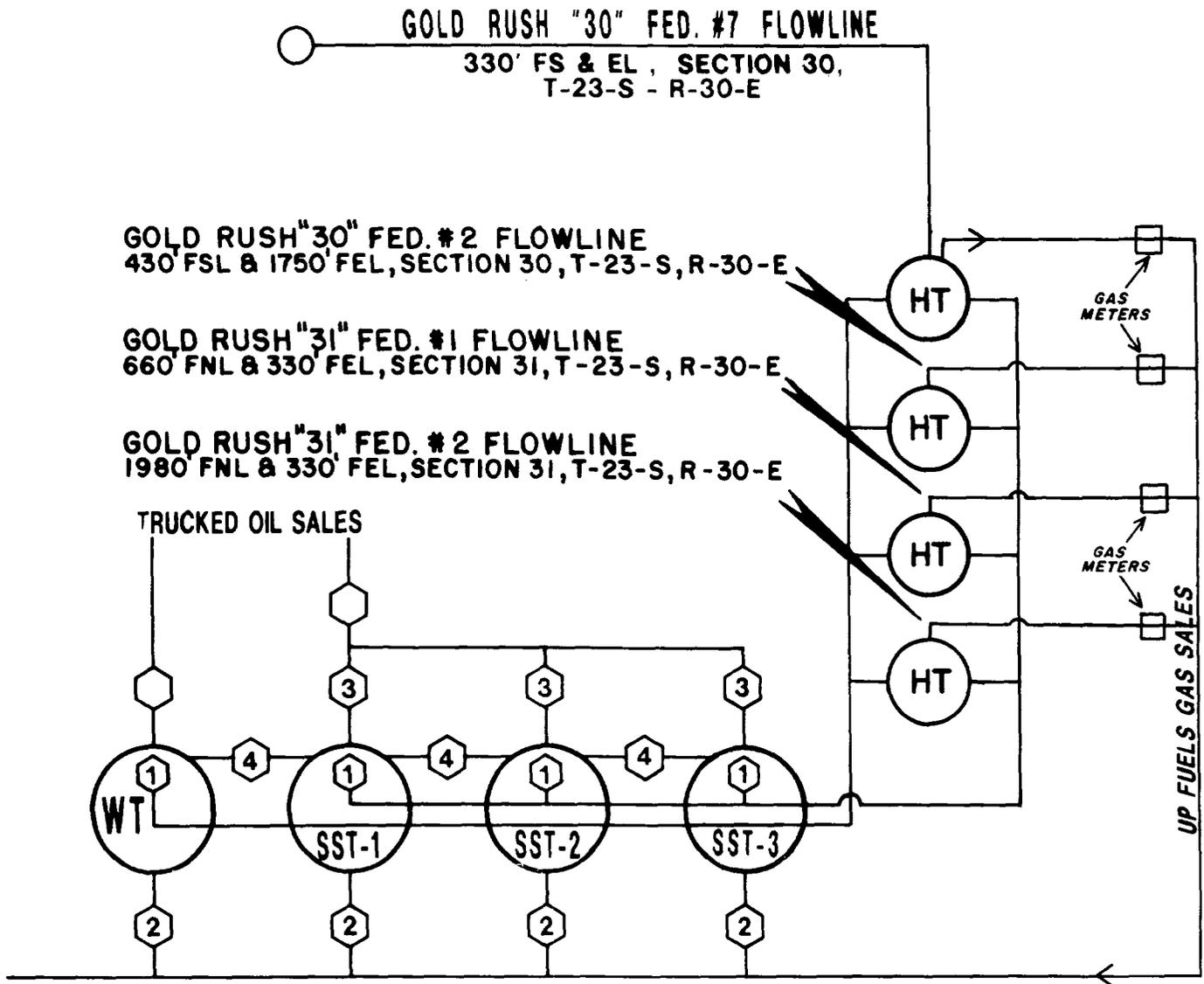
NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
LAMAR LINE	3466'	(-299')
BELL CANYON SS	3494'	(-327')
CHERRY CANYON SS	4352'	(-1185')
MANZANITA MARKER	4500'	(-1333')
BRUSHY CANYON SS	5956'	(-2789')
LOVING SS	7147'	(-3980')
BONE SPRING LINE	7264'	(-4097')

RECEIVED  
 2000 JAN 16  
 BLM  
 ROSWELL, NM



# SITE FACILITY DIAGRAM

## GOLD RUSH "30" FED. #7, (GOLD RUSH "30" FED. #2 & GOLD RUSH "31" FED. #1, #2) 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

##### (SALES FROM SST-3)

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