SWD 7/24/97
669

maralo inc.

July 7, 1997

JUL - 9 1997

Engineering Department
New Mexico Energy & Minerals Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RE: Form C-108 Application of Maralo, Inc. for Salt Water Disposal, Eddy County, New Mexico

Attention: Michael Stogner

Under the provisions of Rule 701 (B), enclosed please find Form C-108 application with attachments for authorization to inject into the **Bubbling Springs Unit Federal, Well #1, API #30-015-20992,** located 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 26, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico.

Sincerely,

Dorothea Logan

Dorothea Logan
Regulatory Analyst

Enclosures/Attachments

cc: OCD/Artesia - application w/attachments
BLM/Carlsbad - application w/attachments

Maralo Inc. / P.O. Box 832 / Midland, Texas 79702-0832 / (915) 684-7441
Fax / (915) 684-9836

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501

FORM C-108
Revised 7-1-81

ORIGINAL

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: ☐ Secondary Recovery ☐ Pressure Maintenance ☒ Disposal ☐ Storage
Application qualifies for administrative approval? ☐ yes ☐ no

II. Operator: MARALO, INC.

Address: P. O. BOX 832, MIDLAND, TX 79702

Contact party: RICHARD A. GILL, PETROLEUM ENGINEER Phone: (915) 684-7441

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? ☐ yes ☒ no
If yes, give the Division order number authorizing the project _____.

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

* VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: DOROTHEA LOGAN Title REGULATORY ANALYST

Signature: Dorothea Logan Date: JULY 7, 1997

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate Division

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;

(3) the formation name and depth with expected maximum injection rates and pressures; and

(4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108

Application For Authorization To Inject
Maralo, Inc
Bubbling Springs Unit Federal, Well #1
UL C, Section 26-T20S-R26E
Eddy County, New Mexico

I. The purpose of completing this well is to make a disposal well for produced Cisco Canyon water into the Cisco Canyon formation.

Maralo, Inc. plans to convert this well to a water injection well in the Cisco Canyon formation.

II. Operator: Maralo, Inc.
P. O. Box 832
Midland, TX 79702
Richard A. Gill (915) 684-7441
Petroleum Engineer

III. Well Data: See Exhibit "A" and "A1"

IV. This is not an expansion of an existing project.

V. See attached map, Exhibit "B"

VI. There is one well within the area of review.
See Exhibit "B1" and "B2"

VII. 1. Estimated average rate is 2200 bbls/day.
Estimated maximum rate is 3000 bbls/day.

2. This will be a closed system.

3. Average injection pressure---unknown
Maximum injection pressure--2000 psi.

4. Sources of injected water would be produced water from the Cisco Canyon Formation. See Exhibit "C" water analysis.

5. Water injection will be into a lower formation zone not proven productive. There is productive gas volume capability in the upper portion.

VIII. 1. The proposed injection interval is a portion of the Cisco Canyon carbonate formation at a depth of 8372 - 8617'.

VIII. continued

2. Regional portions of the Tansil, Queen & Yates fresh water zones are known to a total 1100' depth. There are no fresh water zones underlying the formation.

IX. The proposed disposal interval may be acidized with 15% HCL acid and a small frac treatment.

X. Well Logs are filed at the Artesia OCD office.

XI. There are no fresh water wells within one mile of the disposal well.

XII. Maralo, Inc. has examined geologic and engineering data and has found that there is no evidence of faulting or other hydrologic communication between potential fresh water aquifers and the desired injection zone.

XIII. Proof of Notice

Certified application letter with attachments sent to the surface owner, Bureau of Land Management. There are no offset operators within one-half mile of the well location. (Exhibit "D")

See Exhibit "E" for Proof of Publication in the Artesia Daily Press.

MARALO, INC.
BUBBLING SPRINGS UNIT FED #1
F-26-T20S-R26E
EDDY COUNTY, NEW MEXICO

Exhibit "A"

III. Well Data

A. 1. Lease Name/Location:
Bubbling Springs Unit Federal, Well #1
F-26-T20S-R26E
1980' FNL & 1980' FWL
API # 30-015-20992

2. Casing Strings:
Present Well Condition:
13-3/8" @ 200' w/350 sxs cement
8-5/8" @ 2835' w/1195 sxs cement

3. Proposed Well Condition:
Casing same as above.
2-7/8" 6.5# K-55 duo-line plastic coated injection tubing @ 8300'.
Cement plug @ 8800 - 9000'

4. Propose to use Baker nickel-plated Loc-Set packer set at +/- 8300'.

B. 1. Injection Formation: Cisco Canyon
Field/Pool: SWD Cisco Canyon

2. Injection Interval will be through perforations at a depth of 8372 - 8617'.

3. Well was spud in November, 1973 and plugged and abandoned in January, 1974. It will be a Cisco Canyon injection well when work is completed.

4. See attached schematic for additional well data. Exhibit A1

5. Within the area of the well, the next higher oil zone is the Bone Spring and next lower zone is the Strawn.

LEASE & WELL NAME: Bubbling Springs Fed. 1

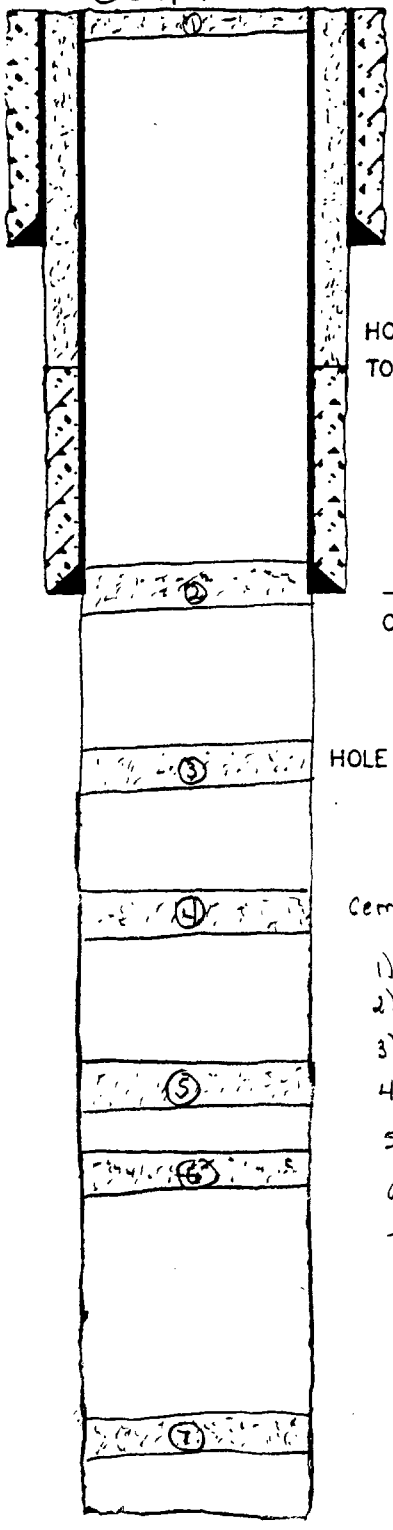
FIELD: NA COUNTY: Eddy ST.: NM

LOCATION: 1980' FNL & 1980' FWL, Sec. 26, T20S, R26E

DATE: 6/25/97 BY: RAK REV.: _____ BY: _____

EXHIBIT "A1"

CURRENT



HOLE SIZE: ____"
TOC: surf'

13 3/8" @ 200'
CMT 350 SX

HOLE SIZE: ____"
TOC: surf'

8 5/8" @ 2835'
CMT 1195 SX

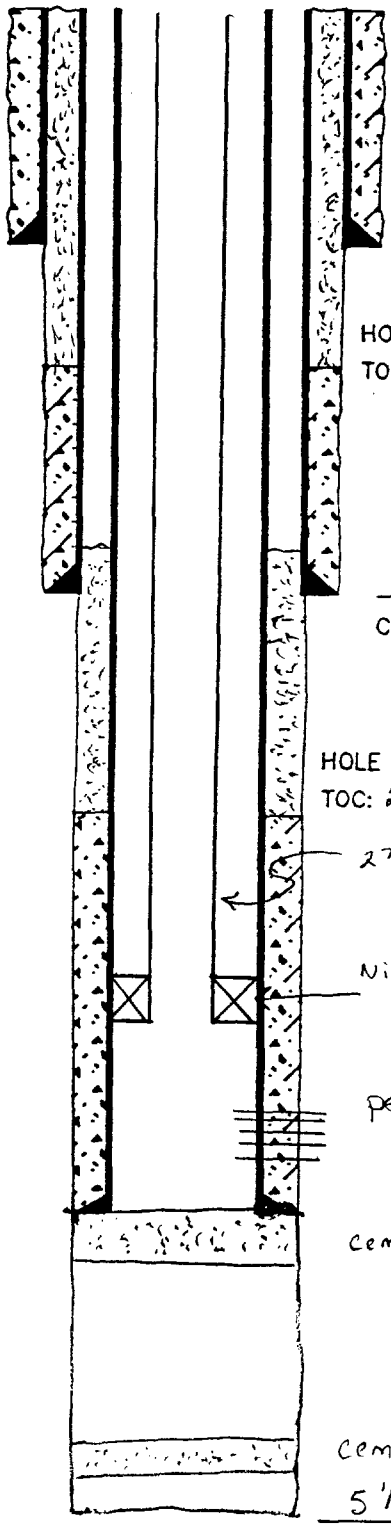
HOLE SIZE: 7 7/8"

Cement Plugs:

1) 0' - 10'
2) 2800 - 2900'
3) 4400 - 4500'
4) 5890 - 5990'
5) 7450 - 7600'
6) 8420 - 8520'
7) 9900 - 10,000'

TD: 10,378' PBD:

PROPOSED



HOLE SIZE: ____"
TOC: surf'

13 3/8" @ 200'
CMT 350 SX

HOLE SIZE: ____"
TOC: surf'

8 5/8" @ 2835'
CMT 1195 SX

HOLE SIZE: 7 7/8"
TOC: 2600'

2 7/8" fiberglass-lined tbg.

Nickle-plated Baker Lok-Set pkr @ 8300'.

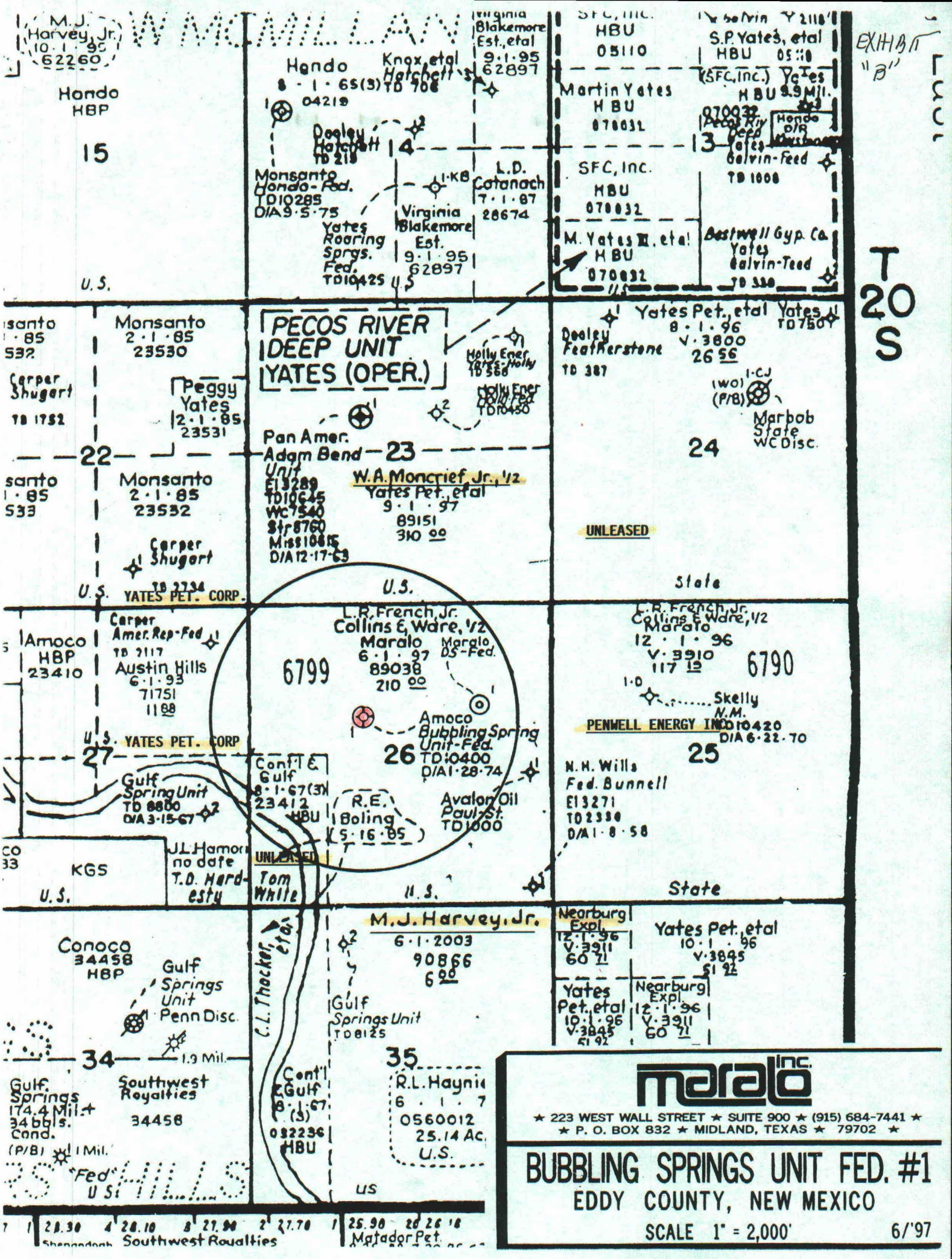
perfs 8372 - 8617'

cement plug @ 8800 - 9000'

cement plug @ 9900 - 10,000'

5 1/2" @ 8800'
CMT unknown SX

TD: 10,378' PBD:



maralo inc.

★ 223 WEST WALL STREET ★ SUITE 900 ★ (915) 684-7441 ★
★ P. O. BOX 832 ★ MIDLAND, TEXAS ★ 79702 ★

BUBBLING SPRINGS UNIT FED. #1

EDDY COUNTY, NEW MEXICO

SCALE 1" = 2,000' 6/'97

EXHIBIT B1

WELLBORE SKETCH AND WELL HISTORY

#101-D

ELEV.: KB 3309 ', 13 ' ABOVE GL

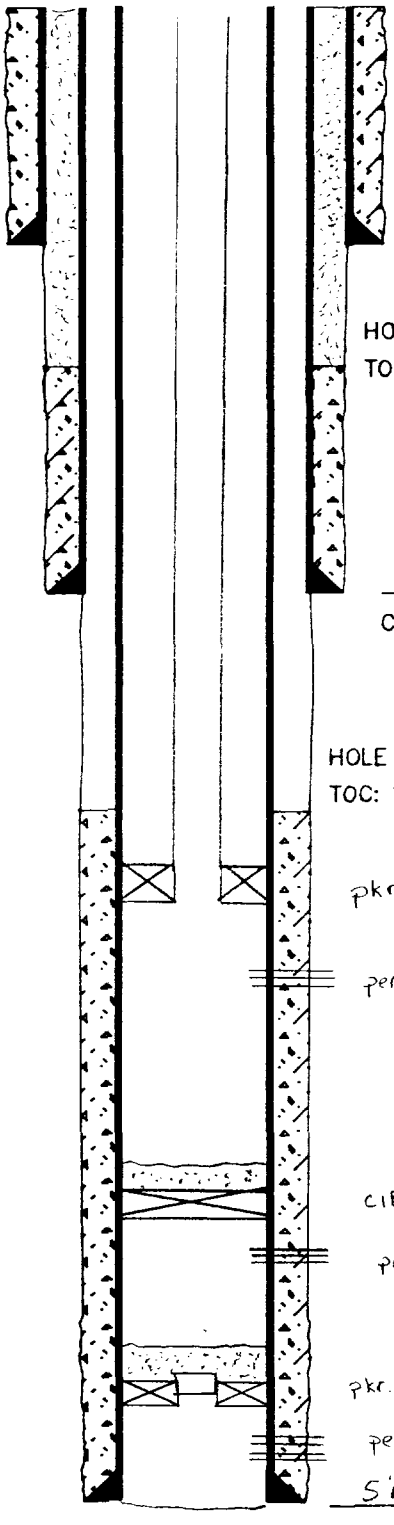
LEASE & WELL NAME: D.S. "26" Fed. #1

FIELD: McMillan COUNTY: Eddy ST.: NM

LOCATION: 1783' FNL & 1259' FEL

Sec. 26, T-20-S, R-26-E

DATE: 6/30/97 BY: RPG REV.: BY:



TD: 10,590' PBD: 9215'

CASING RECORD

SURFACE CASING

O.D.	WT/FT	GRADE	SET AT
13 3/8	54.5	J 55	336'
9 5/8	36	K 55	2800'

PRODUCTION CASING

5½	17	L 80	10,588'

TUBING

NO. JTS.	O.D.	THD.	TYPE	WT.	GDE.	SET AT
253	2⅞					8125'

WELL HISTORY:

2/13/95 perf 10,286 - 10,290'

10/6/95 OAP 10,291 - 10,298'

4/15/97 OAP 10,226 - 10,314'

4/22/97 Dump 35' cement on pkr (wl plug) @ 10,150'. PBTD now 10,115'

4/23/97 Perf 9314 - 9321'

A/ 1000 gals 7½%

5/19/97 Set CIBP @ 9250'. Cap w/ 35' cmt. PBTD now 9215

5/20/97 Set pkr @ 8125'.

5/23/97 Perf 8182 - 8191'

A/ 2500 gals 15% NEFE

(October 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE* (See other instruction reverse side)

OPERATOR'S COPY

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

EXHIBIT B2

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

5. LEASE DESIGNATION AND SERIAL NO.: NM-89038

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME, WELL NO.: D. S. "26" FEDERAL #1

9. API WELL NO.: 30-015-28257

10. FIELD AND POOL, OR WILDCAT: WILDCAT (MORROW)

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: SEC. 26, T20S, R26E, UNIT H

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other

2. NAME OF OPERATOR: MARALO, INC.

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

CONFIDENTIAL

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface: 1783' FNL & 1259' FEL

At top prod. interval reported below: 1783' FNL & 1259' FEL

At total depth: 1783' FNL & 1259' FEL

14. PERMIT NO.	DATE ISSUED	12. COUNTY OR PARISH	13. STATE
		EDDY	NM

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
12/22/94	01/28/95	02/23/95	3296' GR	-

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
10,588'	10,541'		→	0-10,588'	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*: 10,286 - 10,290' MORROW

25. WAS DIRECTIONAL SURVEY MADE: YES

26. TYPE ELECTRIC AND OTHER LOGS RUN: CNL/LDT/AIT GR/CCL/CBL FROM 10,541' TO TOC @ 7160'

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"	54.5#	340'	17-1/2"	400 SXS CL. "C" - SURF.	
9-5/8"	36#	2800'	12-1/4"	900 SXS CL. "C" - SURF.	
5-1/2"	17#	10588'	7-7/8"	1120 SXS 50/50 POZ MIX - 7160' TOC	

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	10,152'	10,152'

31. PERFORATION RECORD (Interval, size and number): 10,286 - 10,290' (TOTAL 22 HOLES)

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
02/23/95	FLOWING	PRODUCING

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
02/24/95	24 HRS. CALC.	14/64"		-	2,812	-	---

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
3292	0		0	2,812	0	N/A

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): SOLD - GAS CONNECTION DATE 06/28/95

ACCEPTED FOR RECORD
David R. Glass
JUL 26 1995
NEW MEXICO

TEST WITNESSED BY: PHILLIP SMITH

35. LIST OF ATTACHMENTS: DEVIATION REPORT, TEMPERATURE SURVEY, LOGS (2)

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

SIGNED Dorothea Logan TITLE REGULATORY ANALYST DATE JUNE 28, 1995

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

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.

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.
	-0-	243	SURF & ROCK
	243	336	ANHY & SALT
	336	1130	ANHY
	1130	1860	ANHY & SAND
	1860	2425	ANHY
	2425	3215	DOLO & LIME
	3215	3930	LIME
	3930	4475	LIME & CHERT
	4475	5825	LIME
	5825	6480	LIME & SAND
	6480	7422	LIME & SHALE
	7422	8045	LIME, SHALE & SAND
	8045	8191	DOLO & SHALE
	8191	8225	LIME, DOLO & SAND
	8225	8942	DOLO
	8942	9372	LIME
	9372	9695	LIME, SHALE & SAND
	9695	10034	LIME & SHALE
	10034	10328	LIME & SHALE
	10328	10380	SAND & SHALE
	10380	10588	LIME & SHALE

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
1ST BONE SPRING SS	5340'	(-2031')
2ND BONE SPRING SS	6026'	(-2717')
3RD BONE SPRING SS	7300'	(-3991')
WOLFCAMP	7636'	(-4325')
CISCO	8190'	(-4881')
STRAWN	9040'	(-5731')
ATOKA	9622'	(-6313')
MORROW	10,114'	(-6805')
BARNETT	10,436'	(-7127')

EXHIBIT "C"

P. O. BOX 1468
MONAHANS, TEXAS 79756
PH. 943-3234 OR 563-1040

Martin Water Laboratories, Inc.

709 W. INDIANA
MIDLAND, TEXAS 79701
PHONE 683-4521

RESULT OF WATER ANALYSES

TO: Mr. Phillip Smith
P.O. Box 832, Midland, TX 79702

LABORATORY NO. 69781
SAMPLE RECEIVED 6-12-97
RESULTS REPORTED 6-13-97

COMPANY Maralo, Inc. LEASE DS 26 Federal #1
FIELD OR POOL Wildcat
SECTION ____ BLOCK ____ SURVEY ____ COUNTY Eddy STATE NM
SOURCE OF SAMPLE AND DATE TAKEN:
NO. 1 Recovered water - taken from DS 26 Federal #1, 6-11-97
NO. 2 Recovered water - taken from DS 26 Federal #1, 6-12-97
NO. 3
NO. 4

REMARKS: Cisco Canyon

CHEMICAL AND PHYSICAL PROPERTIES

	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.0135	1.0128		
pH When Sampled				
pH When Received	7.72	7.76		
Bicarbonate as HCO_3	982	982		
Supersaturation as $CaCO_3$				
Undersaturation as $CaCO_3$				
Total Hardness as $CaCO_3$	2,020	1,900		
Calcium as Ca	612	596		
Magnesium as Mg	119	100		
Sodium and/or Potassium	3,070	2,941		
Sulfate as SO_4	2,099	2,099		
Chloride as Cl	4,047	3,763		
Iron as Fe	0.26	0.52		
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	10,930	10,481		
Temperature °F.				
Carbon Dioxide, Calculated				
Dissolved Oxygen,				
Hydrogen Sulfide	292	265		
Resistivity, ohms/m at 77° F.	0.620	0.650		
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks: In comparing the above with our records in this area, we find both waters are similar to what we would expect from Canyon or Cisco water. The similarity to our records would indicate both waters are composed of at least nearly all Cisco Canyon.

Form No. 3

By _____
Waylan C. Martin, M.A.

EXHIBIT "D"

BUBBLING SPRINGS UNIT FEDERAL WELL #1
UL F, SEC 26, T-20-S, R-26-E
EDDY COUNTY, NEW MEXICO

OFFSET OPERATOR NOTIFICATION:

PENWELL ENERGY INC.
600 N. MARIENFELD ST. STE 1100
MIDLAND, TX 79701

W. A. MONCRIEF, JR. OPERATOR
119 N. COLORADO, STE 400
MIDLAND, TX 79701

NEARBURG PRODUCING COMPANY
3300 N. "A" ST. BLDG 2, STE 120
MIDLAND, TX 79705

M. J. HARVEY JR.
P. O. BOX 12705
DALLAS, TX 75225-0705

YATES PETROLEUM CORP.
105 S. FOURTH ST.
ARTESIA, NM 88210

SURFACE OWNER:
BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA
620 EAST GREENE STREET
CARLSBAD, NEW MEXICO 88220-6292

Affidavit of Publication

No. 15878

STATE OF NEW MEXICO,

County of Eddy:

Gary D. Scott being duly sworn, says: That he is the Publisher of The Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of days" the state of New Mexico for 1 consecutive weeks on the same day as follows:

First Publication June 6, 1997

Second Publication

Third Publication

Fourth Publication

Subscribed and sworn to before me this 6th day of June 19 97

Barbara Ann Bass
Notary Public, Eddy County, New Mexico

My Commission expires September 23, 1999

EXHIBIT "E"

Copy of Publication

LEGAL NOTICE

Marbo, Inc., P.O. Box 832, Midland, Texas 79702, is filing Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for an injection well. The proposed well, the Bubbling Springs Unit Federal, Well #1 is located 1980' FNL and 1980' FWL of Section 26, Township 20 South, Range 26 East, Eddy County, New Mexico, will be used for water injection. Disposal waters from the Cisco Canyon formation will be injected into the Cisco Canyon formation at a depth of 8372 - 8617 feet with a maximum pressure of 2000 psi and a maximum rate of 3000 BWPD.

All interested parties opposing the aforementioned must file objections or requests for a hearing with the Oil Conservation Division, P.O. Box 6429, Santa Fe, New Mexico, 87505-6429, within 15 days. Additional information can be obtained by contacting Mike Lowery at (915) 684-7441.

Published in the Artesia Daily Press, Artesia, N.M. June 6, 1997.

Legal 15878

July 7, 1997

CERTIFIED MAIL - RETURN RECEIPT

Bureau of Land Management
Carlsbad Resource Area Headquarters
620 E. Green Street
Carlsbad, New Mexico 882290-6292

RE: NM-89038
Bubbling Springs Unit Federal #1
API #30-015-20992
(F) Sec. 26, T20S, R26E
1980' FNL & 1980' FWL
Eddy County, New Mexico

Dear Sir:

In accordance with Item XIV (Proof of Notice) Side 2, on the enclosed Revised Form C-108 (New Mexico OCD Application for Authority to Inject), Maralo Inc. hereby furnishes certified notice to the surface owner of the above well.

Should you have any questions, please feel free to contact me or Richard Gill, Petroleum Engineer, at (915) 684-7441.

Sincerely,

Dorothea Logan

Dorothea Logan
Regulatory Analyst

Enclosure: C-108 with all attachments

cc: Oil Conservation Division
Santa Fe, New Mexico

Oil Conservation Division, District II
Artesia, New Mexico