

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. 30-025- <del>37390</del> 37389
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. B2229
7. Lease Name or Unit Agreement Name:  MALMAR UNIT
8. Well No. 123
9. Pool name Maljamar (GB-SA)

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 Mar Oil and Gas Corp.

3. Address of Operator  
 P.O. Box 5155 Santa Fe NM 87502

4. Well Location  
 Unit Letter F 1320 FNL 2310 FWL  
 Section 18 Township 17S Range 33E NMPM County LEA

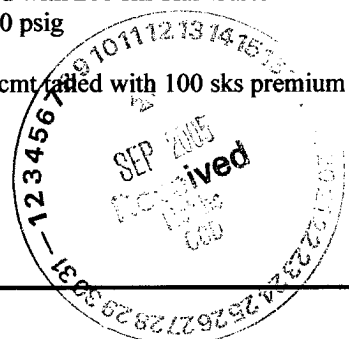
10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 4223 GL

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Spud and casing	X

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

August 24, 2005 spud well, drill 12 1/4" hole to 1323', ran new 8 5/8" X 24 # J55 casing to 1321' cemented with 200 sks Halliburton premium plus cmt, circulated three sks cmt to surface, 24 hrs wait on cmt, NU BOP and pressure test 2000 psig  
 Drilled 7 7/8" hole to 5090', ran new 5 1/2 X 15.50 # J55 casing to 5089' DV tool @ 3724'  
 Cement casing first stage 475 sks premium plus cmt, second stage 1225 sks class A cmt with 1% cc lead cmt cased with 100 sks premium plus cmt, circulate 10 sks cm to surface



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

SIGNATURE Duane C Winkler TITLE : VP Operations DATE :September 11, 2005

Type or print name Duane C Winkler Telephone No.505-989-1977

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE DEC 21 2005  
 Conditions of approval, if any: