

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Acting Director Oil Conservation Division

COMMINGLING ORDER CTB-545

Mar Oil & Gas Corporation P.O. Box 5155 Santa Fe, New Mexico 87508

Attention: Mr. Duane C. Winkler

The above named company is hereby authorized to surface commingle West Sawyer-San Andres Pool (Oil - 55490) oil and gas production from the following wells located in Sections 22 and 27, Township 9 South, Range 37 East, NMPM, Lea County, New Mexico, located on Federal Leases No. NMLC-067775, NM-2390, CA-71222, NMNM-03841777, NM-050475-A, and CASW-587:

USM Well No. 1 (API No. 30-025-24327) Unit B, Section 27 USM Well No. 3 (API No. 30-025-24621) Unit A, Section 27 USM Well No. 4 (API No. 30-025-24834) Unit G, Section 27 T.P. Federal Well No. 1 (API No. 30-025-24278) Unit F, Section 27 T.P. Federal Well No. 2 (API No. 30-025-24835) Unit C, Section 27 Federal "27" Well No. 1 (API No. 30-025-23841) Unit D, Section 27 Federal "27" Well No. 2 (API No. 30-025-25403) Unit E, Section 27 Federal "22" Well No. 2 (API No. 30-025-25602) Unit M, Section 22

Oil and gas production from each well or grouping of wells with identical ownership shall be continuously metered separately from other wells or groups of wells with identical ownership prior to all production being commingled and sold. Well tests may be used for allocating production between wells within each identically owned group of wells.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of commingling operations.

Commingling Order CTB-545 Mar Oil & Gas Corporation May 11, 2004 Page 2 of 2

DONE at Santa Fe, New Mexico, on this 11th day of May, 2004.

Quid

David Catanach Engineer/Examiner

DRC

cc: Oil Conservation Division – Hobbs Bureau of Land Management-Carlsbad

Lossed Tr Susper CTB 4/5/04 4/5/04

APR 0 5 2004

OIL CONSERVATION OIL CONSERVATION DIVISION

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508

PDeco409733700 David Catanach I told them to submit on C107B.

Oil Conservation Division 1625 N. French Dr. Hobbs, New Mexico 88210 March 24, 2004

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

(505)989-1977

Mr. Chris Williams:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

MAR has applied to Bureau Of Land Management to surface commingling the wells. The following information is to support the Surface Commingling and for your approval.

Sincerely: GPP1

Duane C. Winkler **VP** Operation

Oil Conservation Division



Approval:	Date:
-PP-0 / mil	Date.

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

March 24, 2004

Bureau Of Land Management Carlsbad Field Office 620 E. Greene Carlsbad, NM 88220 (505)234-5972

RE: Off-Lease Measurement, Storage, and Surface Commingling

Mr. Joe Lara:

The following information is to support the Surface Commingling Application. The Sundry Notice Form 3160-5 was submitted for Off-Lease Measurement, Storage and Surface Commingling for the following wells.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The wells are in the West Sawyer Field. All the wells produce from the San Andres formation. Estimated monthly production from each contributing well listed below. Well Name Present Production Estimated Production

wen name	Presen	i Produc	Estimated Produ			
	BOM	BWM	McfM	BOM	BWM	McfM
USM No 1	0	0	0	100	300	0
USM No 3	0	0	0	300	400	0
USM No 4	0	0	0	45	50	0
TP Federal No 1	0	90	0	50	100	300
TP Federal No 2	60	400	0	120	500	300
Federal 27 No 1	80	300	140	80	300	240
Federal 27 No 2	70	150	100	70	150	100
Federal 22 No 2	0	0	0	150	150	100

The Central Battery will be located at the TP Federal No 1 location. The attached schematic diagram is to identify all equipment that will be utilized.

Each well will be tested four days every month. The test facility will measure oil and water production in separated storage tanks and measure gas at the treator.

Example of production allocation & calculations:

Calculation: (bo) / (4) * days in month = BOPM (bw) / (4) * days in month = BWPM (mcf) / (4) * days in month = McfM

Production Test for the month of April In four days the well produces 8 bo, 12 bw, 10 mcf

Calculatio	n			Allocated Production
(8) / (4)	*	(30)	=	60 bopm
(12)/(4)	*	(30)	=	90 bwpm
(10)/(4)	*	(30)	=	75 mcfm

The Federal royalties will not be reduced. All interest owners have been notified. The surface is private. Mr. Bilbrey has been notified and gave verbal permission. Mr. BR Smillie has been notifying by mail.

The existing production surface equipment on the USM No 1, Federal 27 No 1 and Federal 22 No 2 batteries have corrosion holes in the storage tanks the equipment is unsafe for usage. The production equipment will be cleaned and clean out plates left off. Barriga Tank Service will haul the equipment to his yard for salvage with in six months of the tank cleaning. The existing production pipe lines are two inch steel bare pipe and were laid on the surface with no corrosion protection. The pipe has numerous patches the pipe line is not safe to produce through. MAR will flush the existing pipe lines with fresh water to a water tank and the oil will be stored for sales and the water will be disposed to water injection well.

Mr. Bilbrey has agreed to remove the old production pipe for welding material on his ranch. After all the production equipment has been removed from the old battery sites MAR will remediate the sites under BLM rules and regulations.

Sincerely:

you Clink,

Duane C. Winkler VP Operations

Bureau Of Land Management

Approval:

Date:





MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM SENW, SQ7, T95, R37E Lease # NMNM2390

To WIW



Truck LOADING

SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed Valve G Closed and Sealed

SALES PHASE

500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

A. Federal 22-2 B. Federal 27-1 C. Federal 27-2 D. T.P. Federal No. 1 E. T.P. Federal NO. 2 F. USM No. 1 G. USM No. 3 H. USM No. 4 I. SPARE

MAR OIL AND GAS CORP T.P. FEDERAL CENTRAL BATTERY MANIFOLD





A. Federal 22 No 2 Production Inlet to Manifold

B. Federal 27 No 1 Production Inlet to Manifold

C. Federal 27 No 2 Production Inlet to Manifold

D. T.P. Federal No 1 Production Inlet to Manifold

E. T.P. Federal No 2 Production Inlet to Manifold F. USM No 1 Production Inlet to Manifold

G. USM No 3 Production Inlet to Manifold

H. USM No 4 Production Inlet to Manifold

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

B.R. Smillie P.O. Box 927 Beaver Oklahoma, 73932 March 24, 2004

RE: Surface Pipe Line

Mrs. B.R. Smillie:

MAR Oil & Gas Corp is the operator of the following wells on your private surface in Lea County New Mexico.

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587 The present production equipment and production pipe lines are unsafe for usage. MAR will be installing new poly pipe along the lease road and in the road right-of-way. The pipe will be buried at any road crossing. There will be no other surface disturbance. The new pipe line is necessary for MAR to operate in a safe manner and be in compliance with the BLM rules and regulations.

Sincerely:

PCe____

Duane C. Winkler VP Operations

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. NM050475-A 6. If Indian, Allottee or Tribe Name 6. If Indian, Allottee or Tribe Name SUBMIT IN TRIPLICATE - Other Instructions on reverse side 1. Type of Well CA-SW-587 2. Name of Operator 8. Well Name and No. 2. Name of Operator 9. API Well No. 3a. Address 3b. Phone No. (include area code) 90 Box 5155, Santa Fe NM, 87502 505-989-1977 Unit M, 660' FSL, 660' FWL, S22 T9S, R37E 10. Field and Pool, or Exploratory Area West Sawyer, San Andres 11. County or Parish, State 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Notice of Intent Acidize Deepen Production (Start/Resume) Water Shut-Off Well Integrity Well Integrity Well Integrity	-	Juni 3760-5 UNITED STATES eptember 2001) DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT								
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Subsequent Report Change Plans Plug and Abandon Temporarily Abandon Right-Of-Way Final Abandonment Notice Convert to Injection Plug Back Water Disposal Right-Of-Way 3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration th If the proposal is to deepen directionally or recompletion or neutron in a new interval, a Form 3160-4 shall be filed only after all requirements, including reclamation, have been completed, and the operado determined that is sits is reducing the base road in the road right-of-way to the TP Federal No 1, SPN 8277, TASP, 873F, Lear County NM, Poly pipe will be barred at all road crossings, no additional surface disturbance, maximum pressure of the 2' SDR 11 poly pipe is 150 psig, MAR maximum operating pressure will be additional surface disturbance, maximum more starts or the cleaned and clean out plates will be left off the tank off produling at a cloaney NM, Poly pipe will IF. MRA has mailed a letter of notification 1 fm. BR Smille. 14. 1 hereby certify that the foregoing is true and correct Name (PrintedTyped) Date (PrintedTyped) Duane (PrintedTyped) Duane (PrintedTyped) Duane (PrintedTyped) Duane (PrintedTyped) Duane (PrintedTyped) Duane (Signature) <t< th=""><th>Notice of Intent</th><th></th><th></th><th>, D</th><th>-</th><th></th><th>Well Integrity</th></t<>	Notice of Intent			, D	-		Well Integrity			
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Name (PrintedITyped) Title VP Operations Duane C Winkler Date March 24, 2004 Signature Date March 24, 2004 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by (Signature) Name (PrintedTyped) Conditions of approval, if any, are attached. Approval of this notice 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. Office Date	Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution alloca MAR has mailed a letter of notif The existing production lines wi he equipment will be removed b	, R37E, Lea County NM, Poly pipe is 150 psig, MAR maxim ttion, the well will be tested ev fication t Mr. BR Smillie. Il be disconnected from the Co by Barriga Tank Service with	pipe will be burie um operating press very month, The su entral battery, the e in six months of th	d at all road sure will be rface is fee equipment v e completio	l crossings, no ad 30 psig, Well tes the land owner is will be cleaned ar on of the commin	ditional surface sting will be four s Mr. BR Smillie ad clean out plate	disturbace, maximum consective days, the average c will be left off the tanks,			
Duane C Winkler Title VP Operations Signature Date March 24, 2004 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by (Signature) Name (Printed/Typed) Title Conditions of approval, if any, are attached. Approval of this notice 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. Office Date										
Signature Date March 24, 2004 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by (Signature) Name (PrintedTyped) Conditions of approval, if any, are attached. Approval of this notice 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. Office		ng is true and correct								
Approved by (Signature) Name (PrintedTyped) Title Conditions of approval, if any, are attached. Approval of this notice 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. Office Date	Name (PrintedlTyped)	ng is true and correct		itle yr o	mtions					
Approved by (Signature) Name (Printed/Typed) Title Conditions of approval, if any, are attached. Approval of this notice 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. Office Date	Name (PrintedlTyped) Duane C Winkler	ng is true and correct		· · ·						
Conditions of approval, if any, are attached. Approval of this notice 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.	Name (PrintedlTyped) Duane C Winkler	u-		Date March	24, 2004					
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the U	Name (PrintedITyped) Duane C Winkler Signature	u-		Oate March 2 OR STAT	24, 2004 E OFFICE USE	nin in sinerin dirita ini	tle			
States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	Name (PrintedITyped) Duane C Winkler Signature Approved by (Signature) Conditions of approval, if any, ar	THIS SPACE	FOR FEDERAL	Oate March 2 OR STAT	24, 2004 E OFFICE USE	nin in sinerin dirita ini				

	UNITED STATE DEPARTMENT OF THE I BUREAU OF LAND MANA	NTERIOR			FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004
I	5. Lease Se	rial No.			
SUNDR	Y NOTICES AND REPO	RTS ON WELL	S	NMNM03	841777
Do not use th abandoned we	is form for proposals to ell. Use Form 3160-3 (APD	drill or to re-en)) for such propo	ter an osals.	6. If Indian,	Allottee or Tribe Name
SUBMIT IN TR	NPLICATE - Other instri	uctions on reve	erse side	7. If Unit or	CA/Agreement, Name and/or No.
1. Type of Well	~			CA NMN	
Oil Well Gas Well	Other	······································		8. Well Na	
2. Name of Operator				Federal 27	
MAR Oil and Gas Corp 3a. Address		3b. Phone No. (in	chude area code)	9. API We	
		1	cinde d'eu code)	30-025-25	id Pool, or Exploratory Area
PO Box 5155, Santa Fe NM, 875 4. Location of Well (Footage, Sec.,		505-989-1977	, · · · · · · · · · · · · · · · ·		ryer, San Andres
Unit E, 1980' FNL, 660' FWL, S		<i>y</i>			or Parish, State
				Lea, NM	
12. CHECK AP	PROPRIATE BOX(ES) TO	O INDICATE NA	TURE OF NOTICE, 1	REPORT, OI	R OTHER DATA
TYPE OF SUBMISSION		······································	TYPE OF ACTION		
<u> </u>	Acidize	Deepen		·····	Water Shut-Off
Notice of Intent	Alter Casing	Fracture Treat	Production (Sta	rt/Resume)	Well Integrity
	Casing Repair	New Constructi	_		Other Surface Commingle
Subsequent Report	Change Plans	Plug and Aband		bandon	Right-Of-Way
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposa		
Attach the Bond under which the following completion of the inv	he work will be performed or pro rolved operations. If the operation nal Abandonment Notices shall be for final inspection.) In the well the production equip ingle as follows: Lay on the su R37E, Lea County NM, Poly	wide the Bond No. on results in a multiple e filed only after all re- poment is unsafe for u urface new 2" SDR 1 pipe will be buried	a file with BLM/BIA. Requirements, including reclassing equirements, including reclassing usage 11 Poly Pipe along the le at all road crossings, no a	ired subsequent in a new interv amation, have b ase road in the additional surfa	ace disturbace, maximum
will be used for prodution allocat MAR has contacted Mr. Bilbrey disconnected from the Central ba	tion, the well will be tested even and Mr. Bilbrey has granted N attery, the equipment will be cl months of the completion of t	ery month, The surf MAR verbial permiss leaned and clean out he commingling, at	ace is fee the land owner sion to lay the pipe lines, t plates will be left off the	is Mr. Bilbrey The existing p tanks, the equ	y, Duane C Winkler with production lines will be
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct				
Duane C Winkler		Title	e VP Operations		
Signature CCC	Ce-	Dat	^e March 24, 2004		
	THIS SPACE I	OR FEDERAL O	R STATE OFFICE US	Ê	
Approved by (Signature)			Name (Printed/Typed)		Title
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	al or equitable title to those right	ce does not warrant of this in the subject leas	or se		Date
Title 18 U.S.C. Section 1001 and Ti States any false, fictitious or fraudul	itle 43 U.S.C. Section 1212, make	e it a crime for any pe as to any matter withir	rson knowingly and willful its jurisdiction.	ly to make to an	y department or agency of the United
(Continued on next page)					

Form 3160-5 (September 2001)	UNITED STATE DEPARTMENT OF THE I				OMB	M APPROVED No. 1004-0135 January 31, 2004
	5. Lease Se					
SUNDF	NMLC-0					
	his form for proposals to ell. Use Form 3160-3 (APL					ee or Tribe Name
abandoned w	ell. Use Form 3160-3 (APL)) for such prop	osals.		-	
	RIPLICATE - Other instr	uctions on rev	erse side	7. If Unit o	or CA/A	greement, Name and/or No.
1. Type of Well Gas Well Gas Well	Other		·	8. Well Na	ame and	l No.
2. Name of Operator				U.S. M. N	No 1	
MAR Oil and Gas Corp			· · · · · · · · · · · · · · · · · · ·	9. API We	ell No.	
3a. Address		3b. Phone No. (in	nclude area code)	30-025-2		·····
PO Box 5155, Santa Fe NM, 87	502	505-989-1977				or Exploratory Area
4. Location of Well (Footage, Sec.	., T, R., M., or Survey Description	n)	······································			an Andres
Unit B, 660' FNL, 1980' FEL, S	27 T9S, R37E			11. County		sh, State
				Lea, NM		
12. CHECK AF	PPROPRIATE BOX(ES) TO	J INDICATE NA	ATURE OF NOTICE, I	CEPORT, O	ROII	IEK DATA
TYPE OF SUBMISSION			TYPE OF ACTION			1011
	Acidize	Deepen	Production (Sta	rt/Resume)	D 1	Water Shut-Off
Notice of Intent	Alter Casing	Fracture Treat	Reclamation			Well Integrity
Subsequent Report	Casing Repair	New Construct	tion 🔲 Recomplete		\square	Other Surface Commingle
	Change Plans	Plug and Aban	ndon 🔲 Temporarily A	bandon		Right-Of-Way
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal			
following completion of the in testing has been completed. Fi determined that the site is ready MAR Oil & Gas Corp has shut i MAR proposes to surface comm Federal No 1, SE NW S27, T9S pressure of the 2" SDR 11 poly will be used for prodution allica MAR has contacted Mr. Bilbrey disconnected from the USM Ce removed by Barriga Tank Servi BLM rules and regulations, Atta	in the well the production equip ningle as follows: Lay on the su , R37E, Lea County NM, Poly pipe is 150 psig, MAR maximu- tion, the well will be tested ever and Mr. Bilbrey has granted N ntral battery, the USM equipmi- ce with in six months of the co achment Abattery diagram, Att	n results in a multiple e filed only after all pment is unsafe for arface new 2" SDR pipe will be buried um operating press ery month, The surf MAR verbial permi ent will be cleaned mpletion of the cor	e completion or recompletion requirements, including recl usage 11 Poly Pipe along the le 1 at all road crossings, no a ure will be 30 psig, Well t face is fee the land owner ssion to lay the pipe lines, and clean out plates will l	in a new inter amation, have ase road in the additional surf esting will be is Mr. Bilbrey The existing we left off the	val, a Fo been co e road r face dis four co y, Duan produc tanks, t	ight-of-way to the TP turbace, maximum onsective days, the average e C Winkler with tion lines will be he equipment will be
14. 1 hereby certify that the forego Name (PrintedlTyped)Duane C Winkler	ing is true and correct	Ti	tle VP Operations			
	21					<u></u>
Signature El		Da	ate March 24, 2004			
	THIS SPACE	Second States	OR STATE OFFICE US	E		
Approved by (Signature)			Name (Printed/Typed)		Title	
Conditions of approval, if any, a certify that the applicant holds le which would entitle the applicant to	re attached. Approval of this not gal or equitable title to those rig o conduct operations thereon.	ice does not warrant hts in the subject lea	or Office ase			Date
Title 18 U.S.C. Section 1001 and States any false, fictitious or fraud	Title 43 U.S.C. Section 1212, malulent statements or representations	te it a crime for any p as to any matter with	person knowingly and willful in its jurisdiction.	ly to make to a	пу depa	rtment or agency of the United

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(Continuea	l on	next	page)
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	UNITED STATE	INTERIOF				FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004				
BUREAU OF LAND MANAGEMENT							5. Lease Serial No.			
SUNDR	Y NOTICES AND REPO	DRTS ON	WELLS			NMLC-06	7775			
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.							Allot	ttee or Tribe Name		
SUBMIT IN TR	IPLICATE - Other instr	uctions o	on reverse	side		7. If Unit or	CA/	Agreement, Name and/or No.		
1. Type of Well ☐ Gas Well ☐ Gas Well ☐	Other					8. Well Na	me an	d No.		
2. Name of Operator						U.S. M. N	io 3			
MAR Oil and Gas Corp						9. API We		· · · · · · · · · · · · · · · · · · ·		
3a. Address		3b. Phon	e No. (include	area	code)	30-025-24	1621			
PO Box 5155, Santa Fe NM, 875	502	505-989	-1977			10. Field an	id Poo	I, or Exploratory Area		
4. Location of Well (Footage, Sec.,			-1717			West Saw	yer, S	San Andres		
Unit A, 519' FNL, 801' FEL, S2		7				11. County	or Pa	rish, State		
12 CHECK AP	PROPRIATE BOX(ES) T		TENATI	REO	F NOTICE RE	Eea, NM		HFR DATA		
TYPE OF SUBMISSION		·····	TY	PE O	F ACTION					
	Acidize	Deepe	n		Production (Start/	(Resume)		Water Shut-Off		
Notice of Intent	Alter Casing	Fractu	re Treat		Reclamation			Well Integrity		
	Casing Repair		Construction	Ē	Recomplete			Other Surface Commingle		
Subsequent Report	Change Plans		nd Abandon	ň	Temporarily Aba	ndon		Right-Of-Way		
Final Abandonment Notice	Convert to Injection	Plug E		ŏ	Water Disposal					
determined that the site is ready MAR Oil & Gas Corp has shut ir MAR proposes to surface commi Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allicat MAR has contacted Mr. Bilbrey disconnected from the USM Cen removed by Barriga Tank Servic BLM rules and regulations, Attac	n the well the production equip ingle as follows: Lay on the so R37E, Lea County NM, Poly bipe is 150 psig, MAR maximu- tion, the well will be tested evo- and Mr. Bilbrey has granted N tral battery, the USM equipme- te with in six months of the co	urface new 2 pipe will b um operatin ery month, MAR verbia ent will be ompletion of	2" SDR 11 Po e buried at all og pressure wi The surface is il permission cleaned and c the comming	bly Pig road ill be fee ti to lay lean c	crossings, no add 30 psig, Well test he land owner is the pipe lines, T but plates will be	ditional surfa ting will be Mr. Bilbrey he existing left off the t	ace di four c , Dua produ anks,	isturbace, maximum consective days, the average me C Winkler with ction lines will be the equipment will be		
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct									
Duane C Winkler			Title VP	Oper	ations					
Signature OCC	e		Date Ma	rch 2	4, 2004					
	THIS SPACE	FOR FED	ERAL OR S	TATE	OFFICE USE					
Approved by (Signature)			í	ame rinted/T	yped)		Title	e		
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	al or equitable title to those rig		warrant or [ffice				Date		
Title 18 U.S.C. Section 1001 and T States any false, fictitious or fraudu	itle 43 U.S.C. Section 1212, mak lent statements or representations	e it a crime as to any ma	for any person tter within its j	knowi urisdic	ingly and willfully ction.	to make to an	iy dep	artment or agency of the United		
(Continued on next page)						<u>*</u> }				

Orm 3160-5 September 2001) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	
BUREAU OF LAND MANAGEMENT	FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004
	5. Lease Serial No.
SUNDRY NOTICES AND REPORTS ON WELLS	NMLC-067775
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.	6. If Indian, Allottee or Tribe Name
SUBMIT IN TRIPLICATE - Other instructions on reverse side	7. If Unit or CA/Agreement, Name and/or No.
I. Type of Well Gas Well Other	8. Well Name and No.
2. Name of Operator	U.S. M. No 4
MAR Oil and Gas Corp	9. API Well No.
a. Address 3b. Phone No. (include area code)	30-025-24834
PO Box 5155, Santa Fe NM, 87502 505-989-1977	10. Field and Pool, or Exploratory Area
Location of Well (Footage, Sec., T, R., M., or Survey Description)	West Sawyer, San Andres
Unit G, 1980' FNL, 2180' FEL, S27 T9S, R37E	11. County or Parish, State
	Lea, NM
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE,	REPORT, OR OTHER DATA
TYPE OF SUBMISSION TYPE OF ACTION	
_ Acidize Deepen Production (St	start/Resume) 🔲 Water Shut-Off
Notice of Intent Alter Casing Fracture Treat Reclamation	Well Integrity
	Other Surface Commingle
Subsequent Report Casing Repair Rew Constitution Recomplete	
Final Abandonment Notice Convert to Injection Plug Back Water Dispose	
MAR proposes to surface commingle as follows: Lay on the surface new 2" SDR 11 Poly Pipe along the la Federal No 1, SE NW S27, T9S, R37E, Lea County NM, Poly pipe will be buried at all road crossings, no pressure of the 2" SDR 11 poly pipe is 150 psig, MAR maximum operating pressure will be 30 psig, Well will be used for prodution allication, the well will be tested every month, The surface is fee the land owner MAR has contacted Mr. Bilbrey and Mr. Bilbrey has granted MAR verbial permission to lay the pipe line: tisconnected from the USM Central battery, the USM equipment will be cleaned and clean out plates will removed by Barriga Tank Service with in six months of the completion of the commingling, at that time M BLM rules and regulations, Attachment Abattery diagram, Attachment B Map	b additional surface disturbace, maximum I testing will be four consective days, the average er is Mr. Bilbrey, Duane C Winkler with es, The existing production lines will be I be left off the tanks, the equipment will be
14. 1 hereby certify that the foregoing is true and correct Name (PrintedlTyped)	
Name (PrintedlTyped)	
Name (PrintedITyped) Title VP Operations Duane C Winkler File	
Name (PrintedITyped) Title VP Operations Duane C Winkler Citle VP Operations	JSE
Name (PrintedITyped) Title VP Operations Duane C Winkler Date March 24, 2004 Signature Date March 24, 2004 THIS SPACE FOR FEDERAL OR STATE OFFICE U	JSE Title
Name (PrintedITyped) Title VP Operations Duane C Winkler Date March 24, 2004 Signature Date Office THIS SPACE FOR FEDERAL OR STATE OFFICE U Approved by (Signature) Name (PrintedTyped) Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease Office	<u>28938 a. c. c. c. 22, 41. c. c. 48 c. p. c. c. c. c. c. c. al c. </u>
Name (PrintedITyped) Title VP Operations Duane C Winkler Date March 24, 2004 Signature Date March 24, 2004 THIS SPACE FOR FEDERAL OR STATE OFFICE U Approved by (Signature) Name (PrintedTyped)	Title

Form 3160-3 (September 2001)		UNITED STATE RTMENT OF THE I	NTI				FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004			
BUREAU OF LAND MANAGEMENT						5. Lease Serial No.				
Do		TICES AND REPO					NM-2390			
aban	doned well. Us	m for proposals to se Form 3160-3 (APD)) fo	r such propos	als.		6. If Indian, A	Allot	ttee or Tribe Nar	ne
	IT IN TRIPLIC	ATE - Other instru	icti	ons on rever	se sid	e	7. If Unit or	CAJ	Agreement, Nam	e and/or No.
1. Type of Well	Gas Well 🔲 Othe	r					8. Well Nam	ie an	id No.	
2. Name of Operator				· · · · ·			TP Federal	No	1	
MAR Oil and Gas Co	rp						9. API Well			
3a. Address			3	b. Phone No. (incli	ude area	code)	30-025-242	278		
PO Box 5155, Santa I	Fe NM, 87502		5)5-989-1977			10. Field and	l Poo	l, or Exploratory	Area
4. Location of Well (Fa	ootage, Sec., T, R.,	M., or Survey Description		····					San Andres	
Unit F, 1980' FNL, 19	980' FWL, S27 T	9S, R37E					11. County o	r Pai	rish, State	
12.01	IFOV ADDDOD		<u> </u>			TRACTICE DI	Lea, NM	<u>от</u>		•
		PRIATE BOX(ES) TO) IN	DICATENAT	UREC	DF NOTICE, RI	EPORT, OR	01	HER DATA	
TYPE OF SUBMI	ISSION	· · · · · · · · · · · · · · · · · · ·			TYPE C	OF ACTION				
-		Acidize		Deepen		Production (Start	/Resume)		Water Shut-Off	
Notice of Intent		Alter Casing		Fracture Treat		Reclamation			Well Integrity	
Subsequent Report	n 🖸	Casing Repair		New Construction		Recomplete		$\mathbf{\nabla}$	Other Surface	Commingle
—		Change Plans		Plug and Abandor	· 🗆	Temporarily Aba	andon		Right-C)f-Way
Final Abandonme	nt Notice	Convert to Injection		Plug Back		Water Disposal				
MAR proposes to surf every month, The surf verbial permission to The Central Battery w	face commingle, V face is fee the land lay the pipe lines vill be on the TP F	Well the production equip Well testing will be four d owner is Mr. Bilbrey, Federal No 1 Location, A fater will be measured in	· con Dua Attac	sective days, the ne C Winkler wit hment A is propo	average h MAR	has contacted Mi	r. Bilbrey and and test syste	Mr.		
14. 1 hereby certify that Name (PrintedITyp	00	ie and correct								
Duane C Winkler				Title T	VP Ope	rations			,	
Signature	De	u-	-	Date	March 2	24, 2004				
		THIS SPACE I	FÓR	FEDERAL OR	STAT	e office use				
Approved by (Sig	mature)				Name (Printed/	Typed)		Title	3	
certify that the applica which would entitle the	ant holds legal or e applicant to conduc	ed. Approval of this noti quitable title to those right to perations thereon.	hts ir	the subject lease	Office				Date	•
Title 18 U.S.C. Section States any false, fictitio	1 1001 and Title 43 ous or fraudulent stat	U.S.C. Section 1212, make tements or representations	e it a as to	crime for any pers any matter within it	on know ts jurisdi	vingly and willfully iction.	to make to any	dep	artment or agenc	y of the United
(Continued on next pe	age)									

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Form 3160-5 (September 2001) I SUNDR Do not use the abandoned we	FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004 5. Lease Serial No. NM-2390 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or N				
SUBMIT IN TR	IPLICATE - Other instru	ctions on rever	se side		C
1. Type of Well	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~			CA NMNM 7	
Oil Well Gas Well	Other			8. Well Name a	
2. Name of Operator MAR Oil and Gas Corp				Federal 27 No 9. API Well No	
3a. Address	••••••••••••••••••••••••••••••••••••••	3b. Phone No. (incl	ude area code)	30-025-23841	
PO Box 5155, Santa Fe NM, 875	02	505-989-1977	,		ool, or Exploratory Area
4. Location of Well (Footage, Sec.,			<u> </u>	West Sawyer,	, San Andres
Unit D, 660' FNL, 660' FWL, S2				11. County or P	arish, State
				Lea, NM	
12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE NAT	TURE OF NOTICE, F	REPORT, OR O	THER DATA
TYPE OF SUBMISSION			TYPE OF ACTION		
	Acidize	Deepen	Production (Sta	rt/Resume)	Water Shut-Off
Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity
Subsequent Report	Casing Repair	New Constructio	n 🔲 Recomplete		Other Surface Commingle
	Change Plans	Plug and Abando	n 🔲 Temporarily A	bandon	Right-Of-Way
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal		
MAR Oil & Gas Corp has shut in MAR proposes to surface commi Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allocat MAR has mailed a letter of notif The existing production lines will the equipment will be removed b old battery location to BLM rules	ingle as follows: Lay on the sun R37E, Lea County NM, Poly p ipe is 150 psig, MAR maximu- tion, the well will be tested even ication to Mr. BR Smillie. I be disconnected from the Cer y Barriga Tank Service with in	rface new 2" SDR 1 pipe will be buried a m operating pressur- ry month, The surfa ntral battery, the equ a six months of the c	I Poly Pipe along the lea t all road crossings, no a e will be 30 psig, Well to ce is fee the land owner ipment will be cleaned a ompletion of the commi	additional surface esting will be four is Mr. BR Smillie and clean out plate	disturbace, maximum consective days, the average , es will be left off the tanks,
14. 1 hereby certify that the foregoin	ng is true and correct				
Name (PrintedlTyped)		Title	ID O		
Duane C Winkler			VP Operations		·
Signature CCC		Date	March 24, 2004		
	THIS SPACE F	OR FEDERAL OF	R STATE OFFICE US	E	
Approved by (Signature)			Name (Printed/Typed)	Ti	tle
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	attached. Approval of this notic al or equitable title to those righ conduct operations thereon.	ce does not warrant of its in the subject lease	Office		Date
Title 18 U.S.C. Section 1001 and T States any false, fictitious or fraudu	itle 43 U.S.C. Section 1212, make	e it a crime for any per as to any matter within	son knowingly and willful its jurisdiction.	ly to make to any de	partment or agency of the United
(Continued on next page)					

Form 3160-5 (September 2001) UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.					FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004 5. Lease Serial No. NM-2390 6. If Indian, Allottee or Tribe Name					
SUBMIT IN TR	RIPLICATE - Other instru	ictio	ons on revers	e side	9	7. If Unit or	CAJ	Agreement, Name and/or No.		
1. Type of Well						o 111 11 11		1.57		
2. Name of Operator	_ Other			<u>.</u>		8. Well Na TP Federa				
MAR Oil and Gas Corp						9. API Wel				
3a. Address				3b. Phone No. (include area code)						
PO Box 5155, Santa Fe NM, 87	O Box 5155 Santa Fe NM 87502			505-989-1977				10. Field and Pool, or Exploratory Area		
4. Location of Well (Footage, Sec.	., T, R., M., or Survey Description)					West Sawyer, San Andres 11. County or Parish, State				
Unit C, 860' FNL, 1980' FWL,	527 195, K37E					11. County	orra	iish, State		
						Lea, NM				
12. CHECK AF	PROPRIATE BOX(ES) TO) INI	DICATE NATU	RE O	F NOTICE, RE	EPORT, OF	l OI	HER DATA		
TYPE OF SUBMISSION			T	YPE O	F ACTION		•	······		
Notice of Intent	Acidize		Deepen		Production (Start/	Resume)		Water Shut-Off		
_	Casing Repair	_	Fracture Treat New Construction	- H	Reclamation Recomplete			Well Integrity Other Surface Commingle		
Subsequent Report	Change Plans	_	Plug and Abandon	Н	Temporarily Aba	ndon		Right-Of-Way		
Final Abandonment Notice	Convert to Injection		Plug Back	ŏ	Water Disposal					
MAR Oil & Gas Corp has shut i MAR proposes to surface comm Federal No 1, SE NW S27, T9S pressure of the 2" SDR 11 poly will be used for prodution alloca MAR has contacted Mr. Bilbrey disconnected from the Central b Barriga Tank Service with in six regulations, Attachment Abatter	tingle as follows: Lay on the sur , R37E, Lea County NM, Poly p pipe is 150 psig, MAR maximum ation, the well will be tested eve and Mr. Bilbrey has granted M attery, the equipment will be cleat comonths of the completion of the	rface pipe v m op ry m LAR v eaned	new 2" SDR 11 P will be buried at a erating pressure w onth, The surface verbial permission and clean out pla	oly Pij Il road vill be is fee to lay utes wi	crossings, no add 30 psig, Well test the land owner is the pipe lines, T Il be left off the t	ditional surfa ting will be f Mr. Bilbrey he existing p anks, the equ	ice di our o , Dui rodu ipmo	sturbace, maximum consective days, the average me C Winkler with ction lines will be ent will be removed by		
14. 1 hereby certify that the foregoing	ing is true and correct									
Name (PrintedlTyped)			Title							
Duane C Winkler			Title VI	P Oper	ations		_	<u> </u>		
Signatur	e		Date M	arch 2	4, 2004					
	THIS SPACE F	OR	FEDERAL OR S	STATE	OFFICE USE					
Approved by (Signature)				Name Printed/T	yped)		Title	;		
Conditions of approval, if any, ar certify that the applicant holds le which would entitle the applicant to	e attached. Approval of this notic gal or equitable title to those righ o conduct operations thereon.	e doe ts in t		Office				Date		
Title 18 U.S.C. Section 1001 and 7 States any false, fictitious or fraudu	Fitle 43 U.S.C. Section 1212, make alent statements or representations a	itac Istoan	rime for any person ny matter within its	i knowi jurisdic	ingly and willfully tion.	to make to any	y dep	artment or agency of the United		
(Continued on next page)										

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District I 1625 N. French Drive, Hobbs, NM 88240 District II 1301 W. Grand Ave, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised June 10, 2003

OIL CONSERVATION DIVISION 1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP) OPED ATOD MALOR. MAD OT & CAR CODD

UPERATOR NAME:	MAR OIL & GAS COR						
APPLICATION TYPE:							
Pool Commingling X Lease	Commingling Pool and Lea	ase Commingling Off-	Lease Storage and Measure	ment (Only if not Surface (Commingled)		
LEASE TYPE: 🔲 Fee		Federal					
Is this an Amendment to exist							
Have the Bureau of Land Mar XYes No	nagement (BLM) and Stat	te Land office (SLO) b	een notified in writing (of the proposed commi	ngling		
(A) POOL COMMINGLING Please attach sheets with the following information							
(1) Pool Names and Codes	Gravities / BTU Non-Comming Production			Calculated Value of Commingled Production	Volumes		
· · · · · · · · · · · · · · · · · · ·							
				1			
(2) Are any wells producing at	top allowables? Yes	No			• • · · • • • • · · · · · · · · · · · ·		
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.							
(4) Measurement type: Metering Other (Specify)							
(5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved							
			· · · · · · · · · · · · · · · · · · ·				

(B) LEASE COMMINGLING Please attach sheets with the following information

Pool Name and Code. Sawyer San Andres West 55490 (1)

(2) Is all production from same source of supply? X Yes No

(3) Has all interest owners been notified by certified mail of the proposed commingling? X Yes 🛛 No

(4) Measurement type: X Metering X Other (Specify) Oil and Water production measured in separate test tanks, gas measured by meter

(C) POOL and LEASE COMMINGLING Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? Yes No Include proof of notice to all interest owners. (2)

(E) ADDITIONAL INFORMATION (for all application types) Please attach sheets with the following information

A schematic diagram of facility, including legal location. (1)

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

Lease Names, Lease and Well Numbers, and API Numbers. (3)

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

Q SIGNATURE:

TYPE OR PRINT NAME: Duane C Winkler

TITLE: VP Operations

DATE: April 6, 2004

E-MAIL ADDRESS: duanecwinkler@earthlink.net

TELEPHONE NO .: 505-989-1977

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

March 24, 2004

Bureau Of Land Management Carlsbad Field Office 620 E. Greene Carlsbad, NM 88220 (505)234-5972

RE: Off-Lease Measurement, Storage, and Surface Commingling

Mr. Joe Lara:

The following information is to support the Surface Commingling Application. The Sundry Notice Form 3160-5 was submitted for Off-Lease Measurement, Storage and Surface Commingling for the following wells.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The wells are in the West Sawyer Field. All the wells produce from the San Andres formation. Estimated monthly production from each contributing well listed below. Well Name Present Production Estimated Production

vi on i tanio	110001			Louin		auono
	BOM	BWM	McfM BOM	BWM	McfM	
USM No 1	0	0	0	100	300	0
USM No 3	0	0	0	300	400	0
USM No 4	0	0	0	45	50	0
TP Federal No 1	0	90	0	50	100	300
TP Federal No 2	60	400	0	120	500	300
Federal 27 No 1	80	300	140	80	300	240
Federal 27 No 2	70	150	100	70	150	100
Federal 22 No 2	0	0	0	150	150	100

The Central Battery will be located at the TP Federal No 1 location. The attached schematic diagram is to identify all equipment that will be utilized.

Each well will be tested four days every month. The test facility will measure oil and water production in separated storage tanks and measure gas at the treator.

Example of production allocation & calculations:

Calculation: (bo) / (4) * days in month = BOPM (bw) / (4) * days in month = BWPM (mcf) / (4) * days in month = McfM

Production Test for the month of April In four days the well produces 8 bo, 12 bw, 10 mcf

Calculatio	n			Allocated Production
(8) / (4)	*	(30)	=	60 bopm
(12)/(4)	*	(30)	=	90 bwpm
(10)/(4)	*	(30)	=	75 mcfm

The Federal royalties will not be reduced. All interest owners have been notified. The surface is private. Mr. Bilbrey has been notified and gave verbal permission. Mr. BR Smillie has been notifying by mail.

The existing production surface equipment on the USM No 1, Federal 27 No 1 and Federal 22 No 2 batteries have corrosion holes in the storage tanks the equipment is unsafe for usage. The production equipment will be cleaned and clean out plates left off. Barriga Tank Service will haul the equipment to his yard for salvage with in six months of the tank cleaning. The existing production pipe lines are two inch steel bare pipe and were laid on the surface with no corrosion protection. The pipe has numerous patches the pipe line is not safe to produce through. MAR will flush the existing pipe lines with fresh water to a water tank and the oil will be stored for sales and the water will be disposed to water injection well.

Mr. Bilbrey has agreed to remove the old production pipe for welding material on his ranch. After all the production equipment has been removed from the old battery sites MAR will remediate the sites under BLM rules and regulations.

Sincerely:

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Duane C. Winkler VP Operations

Bureau Of Land Management

Approval:



MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM SENW, SQ7, T95, R37E Lease # NMNM2390

To WIW



Truck LOADING

SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed Valve G Closed and Sealed

SALES PHASE

500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

A. Federal 22-2 B. Federal 27-1 C. Federal 27-2 D. T.P. Federal No. 1 E. T.P. Federal NO. 2 F. USM No. 1 G. USM No. 3 H. USM No. 4 I. SPARE

MAR OIL AND GAS CORP T.P. FEDERAL CENTRAL BATTERY MANIFOLD



- A. Federal 22 No 2 Production Inlet to Manifold
- B. Federal 27 No 1 Production Inlet to Manifold
- C. Federal 27 No 2 Production Inlet to Manifold
- D. T.P. Federal No 1 Production Inlet to Manifold
- E. T.P. Federal No 2 Production Inlet to Manifold
- F. USM No 1 Production Inlet to Manifold
- G. USM No 3 Production Inlet to Manifold
- H. USM No 4 Production Inlet to Manifold
- I. SPARE



MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

B.R. Smillie P.O. Box 927 Beaver Oklahoma, 73932 March 24, 2004

RE: Surface Pipe Line

Mrs. B.R. Smillie:

MAR Oil & Gas Corp is the operator of the following wells on your private surface in Lea County New Mexico.

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587 The present production equipment and production pipe lines are unsafe for usage. MAR will be installing new poly pipe along the lease road and in the road right-of-way. The pipe will be buried at any road crossing. There will be no other surface disturbance. The new pipe line is necessary for MAR to operate in a safe manner and be in compliance with the BLM rules and regulations.

Sincerely:

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Duane C. Winkler VP Operations

MAR OIL & GAS CORP SAWYER SAN ANDRES WEST

FEDERAL 27 # 1 FEDERAL 27 # 2 Richard Altman Colorado State Bank PO Box 5945 T.A./Comm. Loans Denver, CO 80217-5945

James Kelly Cox PO Box 2217 Midland, TX 79702

Headington Royalty 7557 Rambler Road, Suite 1100 Dallas, TX 75231

C.M. Monroe, Estate Robin Marie Watkins, Executrix 104 Westwood Drive, Apt 480 Lafayette, LA 70506

Doris Royal, Trust Frances D. Freese, Trustee 3462 Castleford Place Rowland Heights, CA 91748-5110

Southwest Petro PO Box 702377 Dallas, TX 75370-2377

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Deleted Interest

F.J. Trust Bradshaw Wells Fargo Bank, N.A. OGM MAC 4931-211 PO Box 5383 Denver, CO 80217-5825

F&F Oil & Gas 1749 CR 103 Runge, TX 78151

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147

Doris Royal Trust-Charles D. Lamb, Suc. c/o Gene W. Beckman, Attorney 374 East Advocado Crest RD La Habra Heights, CA 90631

Stelaron, Inc. PO Box 7787 Amarillo, TX 79114-7787

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147 Robert Burkett PO Box 5532 Midland, TX 79704-5532

GEMAC Resources PO Box 600671 Dallas, TX 75360-0671

Minerals Management PO Box 5810 Denver, CO 80217

Roec, Inc. 528 S. Corona Street Denver, CO 80209

Mark Shidler, I 1010 Lamar, Suite 500 Houston, TX 77002

James Kelly Cox PO Box 2217 Midland, TX 79702

Stelaron, Inc. PO Box 7787 Amarillo, TX 79114-7787

MAR OIL & GAS CORP SAWYER SAN ANDRES WEST

USM # 1	
USM # 3	
USM # 4	

Helen Adcock 1605 Stanolind Midland, TX 79705

Earl R. Bruno Family LTD PO Box 33416 Kerrville, TX 78029-3416

Floyd H. Davis 22301 Hamilton Pool Road Dripping Springs, TX 78620

James D. Dye Estate c/o Joseph Strange, I.E. PO Box 542886 Dallas, TX 75354-2886

King Foundation PO Drawer 840738 Dallas, TX 75284-0738

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Minerals Management PO Box 5810 Denver, CO 80217

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147

Sundance Minerals 306 W. 7th Street, Ste. 302 Fort Worth, TX 76102

Helen Adcock 1605 Stanolind Aidland, TX 79705 AETN01 Petroleum AETNA Petroleum PO Box 17006-GMF Denver, CO 80217

Penny P. Bruno 8515 Northview Pass Fair Oaks Ranch TX 78015

Sidney R. Davis 5316 Valburn Circle Austin, TX 78731

Priscilla Gravely 3510 St. Johns Dallas, TX 75205

Hulen Lemon c/o Mar Oil & Gas PO Box 5155 Santa Fe, NM 87502

Margo McCormick 1521 Park Avenue S.W. Albuquerque, NM 87104-1023

Mel B. O'Reilly 3808 La Hacienda Drive, NE Albuquerque, NM 87110

Mary L. Skavaril 222 East Torrence Road Columbus, OH 43214-3834

Warren, J.Ę.

AETN01 Petroleum AETNA Petroleum PO Box 17006-GMF Denver, CO 80217 Maureen Ashley 7434 S. Gary Place Tulsa, OK 74136

Amon G. Carter PO Box 1036 Fort Worth, TX 76101-1036

Georgi D. Duwe 6802 Rockledge Cove Austin, TX 78731

Kimball Art Foundation 301 Commerce Street Suite 2240 Fort Worth, TX 76102

Mabee Foundation 401 S. Boston, 30th Floor Tulsa, OK 74103-4017

Michael McCormick 128 W. Sunflower McAllen, TX 78501

Monica O'Reilly 3808 La Hacienda Drive, NE Albuquerque, NM 87110-6116

Solimar Inv. Inc. PO Box 5052 Midland, TX 79704

Wilco Western 6688 N. Central Expressway Suite 1150 Dallas, TX 75116

Earl R. Bruno Family LTD PO Box 33416 Kerrville, TX 78029-3416 Hulen Lemon c/o Mar Oil & Gas PO Box 5155 Santa Fe, NM 87502

Deleted Interest

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147

MAR OIL & GAS CORP SAWYER SAN ANDRES WEST

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T.P. FEDERAL # 1 T.P. FEDERAL # 2 Helen Adcock 1605 Stanolind Midland, TX 79705

Amon G. Carter PO Box 1036 Fort Worth, TX 76101-1036

Kimball Art Foundation 301 Commerce Street Suite 2240 Fort Worth, TX 76102

Minerals Management PO Box 5810 Denver, CO 80217

Doris Royal Trust-Charles D. Lamb, Suc. c/o Gene W. Beckman, Attorney 374 East Advocado Crest RD La Habra Heights, CA 90631

Sundance Minerals 306 W. 7th Street, Ste. 302 Fort Worth, TX 76102

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502 Earl R. Bruno Family LTD PO Box 33416 Kerrville, TX 78029-3416

F&F Oil & Gas 1749 CR 103 Runge, TX 78151

Hulen Lemon c/o Mar Oil & Gas PO Box 5155 Santa Fe, NM 87502

C.M. Monroe, Estate Robin Marie Watkins, Executrix 104 Westwood Drive, Apt 480 Lafayette, LA 70506

Solimar Inv. Inc. PO Box 5052 Midland, TX 79704

Helen Adcock 1605 Stanolind Midland, TX 79705

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147 Penny P. Bruno 8515 Northview Pass Fair Oaks Ranch TX 78015

GEMAC Resources PO Box 600671 Dallas, TX 75360-0671

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147

Southwest Petro -PO Box 702377 Dallas, TX 75370-2377

Hulen Lemon c/o Mar Oil & Gas PO Box 5155 Santa Fe, NM 87502

Deleted Interest

MAR OIL & GAS CORP SAWYER SAN ANDRES WEST

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FEDERAL 22 # 1 FEDERAL 22 # 2 Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147 . . .

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87502 (505)989-1977

CERTIFIED MAIL: 7003-1680-0001-4581-1014

April 5, 2004

Red Resources Inc 234 Handicap Avenue Pagosa Springs, CO 81147

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Red Resources Inc:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler Vice President Of Operation
CERTIFIED MAIL: 7003-1680-0001-4581-1007

April 5, 2004

Minerals Management PO Box 5810 Denver, CO 80217

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Minerals Management:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0994

April 5, 2004

F & F Oil & Gas 1749 CR 103 Runge, TX 78151

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

F & F Oil & Gas:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0987

April 5, 2004

James Kelly Cox PO Box 2217 Midland, TX 79702

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

James Kelly Cox:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0970

April 5, 2004

Stelaron Inc PO Box 7787 Amarillo, TX 79114-7787

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Stelaron Inc:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

DRU

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0963

April 5, 2004

F.J.Bradshaw Trust Wells Fargo Bank, NA OGM MAC 4931-211 PO Box 5383 Denver, CO 80217-5825

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

F.J. Bradshaw Trust:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0956

April 5, 2004

Roec, Inc. 528 S. Corona Street Denver, CO 80209

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Roec Inc.:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0949

April 5, 2004

Mark Shidler 1010 Lamar Suite 500 Houston, TX 77002

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mark Shidler:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0932

April 5, 2004

Robert Burkett PO Box 5532 Midland, TX 79704-5532

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Robert Burkett:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0925

April 5, 2004

GEMAC Resources PO Box 600671 Dallas, TX 75360-0671

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

GEMAC Resouces:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0918

April 5, 2004

Doris Royal Trust Frances D. Freese, Trustee 3462 Castleford Place Rowland Heights, CA 91748-5110

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Frances D. Freese Trustee:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0901

April 5, 2004

Richard Altman Colorado State Bank PO Box 5945 T.A./Comm.Loans Denver, CO 80217-5945

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Richard Altman:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0895

April 5, 2004

Headington Royalty 7557 Rambler Road Suite 1100 Dallas, TX 75231

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Headington Royalty:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0888

April 5, 2004

C.M. Monroe Estate Robin Marie Watkins, Executrix Lafayette, LA 70506

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Robin Marie Watkins Executrix:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0871

April 5, 2004

Southwest Petro PO Box 702377 Dallas, TX 75370-2377

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Southwest Petro:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0864

April 5, 2004

Helen Adcock 1605 Sanolind Midland, TX 79705

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Helen Adcock:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely: NW

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0857

April 5, 2004

Earl R. Bruno Family LTD PO Box 33416 Kerrville, TX 78029-3416

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Earl R. Bruno Family LTD:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0840

April 5, 2004

Floyd H. Davis 22301 Hamilton Pool Road Dripping Springs, TX 78620

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Floyd H. Davis:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

COCO

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0833

April 5, 2004

James D. Dye Estate c/o Joseph Strange, IE Dallas, TX 75354-2886

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Joseph Strange:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Poo

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0826

April 5, 2004

King Foundation PO Drawer 840738 Dallas, TX 75284-0738

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

King Foundation:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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QCW

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0819

April 5, 2004

Sundance Minerals 306 W. 7th Street Suite 302 Fort Worth, TX 76102

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Sundance Minerals:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation. USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0802

April 5, 2004

Aetna Petroleum PO Box 17006-GMF Denver, CO 80217

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Aetna Petroleum:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0796

April 5, 2004

Penny P. Bruno 8515 Northview Pass Fair Oaks Ranch, TX 78015

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Penny P. Bruno:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0789

April 5, 2004

Sidney R. Davis 5316 Valburn Circle Austin, TX 78731

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Sidney R. Davis:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0772

April 5, 2004

Priscilla Gravely 3510 St. Johns Dallas, TX 75205

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Priscilla Gravely:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0765

April 5, 2004

Margo McCormick 1512 Park Avenue S.W. Albuquerque, NM 87104-1023

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Margo McCormick:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0758

April 5, 2004

Mel B. O'Reilly 3808 La Hacienda Drive, NE Albuquerque, NM 87110

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mel B. O'Reilly:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0741

April 5, 2004

Mary L. Skavarill 222 East Torrence Road Columbus, OH 43214-3834

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mary L. Skavarill:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Cle

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0734

April 5, 2004

Maureen Ashley 7435 S. Gary Place Tulsa, OK 74136

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Maureen Ashley:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Dile

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0710

April 5, 2004

Georgi D. Duwe 6802 Rockledge Cove Austin, TX 78731 RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Georgi D. Duwe:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0727

April 5, 2004

Amon G. Carter PO Box 1036 Fort Worth, TX 76101-1036

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Amon G. Carter:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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»Ce

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0703

April 5, 2004

Kimball Art Foundation 301 Commerce Street Suite 2240 Fort Worth, TX 76102

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Kimball Art Foundation:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0680

April 5, 2004

Michael McCormick 128 W. Sunflower McAllen, TX 78501

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Michael McCormick:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0697

April 5, 2004

Mabee Foundation 410 S. Boston, 30th Floor Tulsa, OK 74103-4017

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mabee Foundation

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0673

April 5, 2004

Monica O'Reilly 3808 La Hacienda Drive, NE Albuquerque, NM 87110-6116

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Monica O'Reilly:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0666

April 5, 2004

Solimar Inv. Inc PO Box 5052 Midland, TX 79704

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Solimar Inv. Inc:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-0659

April 5, 2004

Wilco Western 6688 N. Central Expressway Suite 1150 Dallas, TX 75116

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Wilco Western:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation. USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

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Duane C. Winkler Vice President Of Operation
ČI.	DEPARTMENT OF THE BUREAU OF LAND MAN	UNITED STATES O DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT ORY NOTICES AND REPORTS ON WELLS		FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004 5. Lease Serial No.		
Do not u	Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.			<u>NM-2390</u> 6. If Indian, A	Allottee or Tribe Name	
	IN TRIPLICATE - Other inst	ructions on reverse	side	7. If Unit or	CA/Agreement, Name and/or No.	
Type of Well Gas W				8. Well Nau	and No.	
Oil Well Gas Well Other				TP Federal		
IAR Oil and Gas Corp				9. API Well		
L Address		3b. Phone No. (include	e area code)	30-025-24	835	
O Box 5155, Santa Fe N	NA 87500	505-989-1977		10. Field and	Pool, or Exploratory Area	
	e, Sec., T. R., M., or Survey Descripti				ver, San Andres or Parish, State	
- <u></u>				Lea, NM		
12. CHEC	K APPROPRIATE BOX(ES)	FO INDICATE NATU	RE OF NOTICE, R	EPORT, OR	OTHER DATA	
TYPE OF SUBMISSIO	N	T	THE OF ACTION			
] Notice of Intent] Subsequent Report	Acidize Alter Casing Casing Repair	Deepen Fracture Treat New Construction	Production (Star Reclamation Recomplete		 Water Shut-Off Well Integrity Other Surface Commingle 	
Final Abandonment No	tice Change Plans	Plug and Abandon Plug Back	Water Disposal	andon	Right-Of-Way	
testing has been comple		be mee emy aner an requi	rements, including recia			
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TP Federal No 2 NENW, SZT, TSS, ESTE

MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM $S \in NW$, SQ7, TSS, R37ELease # NMNM 2390

To WIW



SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed

Valve G Closed and Sealed

SALES PHASE

500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

Attachment A

NENW, SZ7, TES, R39E LEN NUNTU, NM LEN NUNTU, NM Proposed Propetime Right-OF-WMY T.P. Federal No 2 Fad 27 B 2 Fed 27 " E 2 7.9 80 # 150 # CST × 55 8 8 8 Y USM #2 Existing Loose Ru when Poly Pipe Li Attachment B

Off-Lease Measurement, Storage, and Surface Commingling Conditions Of Approval

1. This agency be notified of any change is your sales method or location of the sales meter.

- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval is subject to like approval by the New Mexico Oil Conservation Division.

5. Additional wells and/or leases require additional commingling approvals.

m 3160-5 slember 2001)	В	UNITED STATE DEPARTMENT OF THE I BUREAU OF LAND MANA Y NOTICES AND REPO	NTER GEM		ER	TOR'S CO	5. Lease Se	OMI Expires crial N	M APPROVED B No. 1004-0135 s: January 31, 2004 o.
D a	Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.				NM-2390 6. If Indian, Allottee or Tribe Name				
	BMIT IN TRI	PLICATE - Other instru	ictio	ns on reverse	side		7. If Unit o	r CA/	Agreement, Name and/or No.
Type of Well	Gas Well	Other					8. Well Na	ame an	id No.
Name of Operation							TP Feder	al No	1
	Oil and Gas Corp			9. API We	ll No.				
Address	. .		36.	Phone No. (include	e area o	code)	30-025-2		ol, or Exploratory Area
	nta Fe NM, 8750			-989-1977			<u>t</u>		San Andres
	., 1980' FWL, S	T, R, M, or Survey Description S27 T9S, R37E	,				11. County	or Pa	
12.	CHECK APP	PROPRIATE BOX(ES) TO) IND	ICATE NATU	RE O	F NOTICE, RI	Lea, NM EPORT, O		THER DATA
TYPE OF SUI	BMISSION			T١	PE O	F ACTION			
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3 Subsequent R	leport	Casing Repair Change Plans	_	lew Construction	Ч	Recomplete Temporarily Ab	andon	Ø	Other Surface Commingle Right-Of-Way
Final Abando	ament Notice	Convert to Injection	_	lug Back	ñ	Water Disposal	antoon		
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System is des	signed that Oil a	and Water will be measured in	seper	ated storage tank	s and g	gas will be meter	r at the treat	lor	
						ATTAC IONS O		-	7
hereby certify fame (Printed		g is true and correct							
		is true and correct		Title V	P Oper	ations			
Jame (Printed		eg is true and correct				ations			
lame (Printed) e C Winkler		ig is true and correct	-OR I	Date M	larch 2	4, 2004			
lame (Printed) e C Winkler	ITyped)	°u—	ORI	Date M EDERAL OR	larch 2	4, 2004 E OFFICE USI	z.	Tit	ile Date

Attachmont A

MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM $S \in NW$, S 27, T95, R 37ELease # NMNM 2390

To WIW



Truck LOADING

SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed Valve G Closed and Sealed

SALES PHASE

500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

Proposed Pipeline Right-OR-WAY SENW, S27, TRS, R37E LEN MOUNTY NM TP Federal No 1 10421 B2 r, d 27 E 18 81 7.2 Bat 50 New By Pipe Line X 653 X 653 Y USM P2 Existing lance Roads Attachment B

MAR OIL AND GAS CORP T.P. FEDERAL CENTRAL BATTERY MANIFOLD



A. Federal 22 No 2 Production Inlet to Manifold
B. Federal 27 No 1 Production Inlet to Manifold
C. Federal 27 No 2 Production Inlet to Manifold
D. T.P. Federal No 1 Production Inlet to Manifold
E. T.P. Federal No 2 Production Inlet to Manifold
F. USM No 1 Production Inlet to Manifold
G. USM No 3 Production Inlet to Manifold
H. USM No 4 Production Inlet to Manifold

I. SPARE

Off-Lease Measurement, Storage, and Surface Commingling Conditions Of Approval

1. This agency be notified of any change is your sales method or location of the sales meter.

- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 5. Additional wells and/or leases require additional commingling approvals.
- 6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.

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orm 3160-5 eptember 2001)	DEPARTMENT OF THE	DEPARTMENT OF THE INTERIOR				OMB No.	PROVED 1004-0135 uary 31, 2004	
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SUND Do not use 1	RY NOTICES AND REP	PORTS ON V	VELLS	n	NMLC-0			
abandoned v	this form for proposals t vell. Use Form 3160-3 (Af	PD) for such	proposals	,	6. If India	n, Allottee of	r Tribe Name	
	RIPLICATE - Other inst	tructions of	reve rse	side	7. lf Unit	or CA/Agree	ment, Name and/or No.	
Type of Well Gas Well	Other				8. Well N	lame and No		
Name of Operator					U.S. M.		-	
AR Oil and Gas Corp					9. API W			
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0 Box 5155, Santa Fe NM, 8	7502	505-989-1	977		10. Field	and Pool, or	Exploratory Area	
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nit B, 660' FNL, 1980' FEL,	S27 T9S, R37E				11. Count	ty or Parish, S	State	
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Subsequent Report	Casing Repair	New Co	onstruction	Recompl	ete	🗹 Othe	er Surface Commingle	
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(Continued on next page)

USM NO 1

ATTACHMENT A

MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM SENW, S27, T95, R37E Lease # NMNM2390

To WIW



Truck LOADING

SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed Valve G Closed and Sealed

SALES PHASE

500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

Existing Louis Read Attachment B Usm 42 USM We l NWNE SZT, TES, RZPE ATACHMUNT Lee Boundy NW Pight - OF-WWY Proposed Pige live Pight - OF-WWY × 157 L SJ T.P. Bat 8 - A OK 9 Feel 2 Fed 21" I a repet

Off-Lease Measurement, Storage, and Surface Commingling Conditions Of Approval

1. This agency be notified of any change is your sales method or location of the sales meter.

- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval is subject to like approval by the New Mexico Oil Conservation Division.

5. Additional wells and/or leases require additional commingling approvals.

-		C	PERATOR	SCOPY				
	DEPARTMENT OF THE INTERIOR			5. Lease Sc	OMB I Expires:	I APPROVED No. 1004-0135 January 31, 2004		
SUNDR	Y NOTICES AND REPO	RTS ON WE	LLS		NMLC-067775			
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.						e or Tribe Name		
	NPLICATE - Other instru	ictions on re	verse side		7. If Unit of	r CA/Ag	reement, Name and/or No.	
. Type of Well Gas Well Other					8. Well Na	me and	No.	
2. Name of Operator					<u>U.S. M. N</u>			
MAR Oil and Gas Corp		3h Phone No	(include area cod	le)	9. API We 30-025-2			
	600		•	-			or Exploratory Area	
<u>PO Box 5155, Santa Fe NM, 87:</u> Location of Well (Footage, Sec.		505-989-1977	!				n Andres	
Jnit A, 519' FNL, 801' FEL, S2		9			11. County	or Paris		
12. CHECK AP	PROPRIATE BOX(ES) TO	D INDICATE 1	NATURE OF 1	NOTICE, RE	Lea, NM EPORT, O		IER DATA	
TYPE OF SUBMISSION			TYPE OF A	ACTION				
Notice of Intent	Acidize	Deepen Fracture Tre	at 🔲 R	oduction (Start/ eclamation	(Resume)	ā	Vater Shut-Off Vell Integrity Other Surface Commingle	
Subsequent Report	Casing Repair	New Constr	=	ecomplete emporarily Aba	ndon		Right-Of-Way	
Final Abandonment Notice	Change Plans Convert to Injection	Plug Back		ater Disposal	щоон	•	Pergulation and and and	
Attach the Bond under which t following completion of the inv	actionally or recomplete horizontal the work will be performed or pro- volved operations. If the operation nal Abandonment Notices shall be of final inspection.) In the well the production equip- tingle as follows: Lay on the su , R37E, Lea County NM, Poly pipe is 150 psig, MAR maximu- tion, the well will be tested ever and Mr. Bilbrey has granted M- ntral battery, the USM equipmed we with in six months of the com-	Ily, give subsurfac wide the Bond No a results in a multi e filed only after a propert is unsafe f urface new 2" SI pipe will be bur um operating pro- ery month, The s MAR verbial per- ent will be clean mpletion of the o	e locations and me on file with BLN ple completion or all requirements, i for usage DR 11 Poly Pipe ied at all road cru- essure will be 30 surface is fee the mission to lay th ed and clean out	easured and true (/BIA. Require recompletion in ncluding reclar along the leas ossings, no ad psig, Well tes land owner is e pipe lines, T plates will be	e vertical dep ed subsequer n a new inter nation, have e road in th ditional sur ting will be Mr. Bilbre The existing left off the	e road 1 face dis four co y, Duar product tanks, 1	l pertuent markers and zones. s shall be filed within 30 days orm 3160-4 shall be filed once mpleted, and the operator has ight-of-way to the TP sturbace, maximum onsective days, the average we C Winkler with tion lines will be the equipment will be	
SEM rules and regulations, Aua	chinent Abattery diagram, Att	actilitent D Map						
			CO	SEE A NDITIO) FOR PPROVAL	
4. 1 hereby certify that the foregoi Name (PrintedlTyped)	ng is true and correct						<u> </u>	
huane C Winkler			Title VP Operati	ions			•	
Signature OCC	e		Date March 24,	2004				
A . pri . m 7	DOVE THIS SPACE	FOR FEDERA	and the second					
Approved by (Sicharuma)	TR STAN		Name			Title	<u>. 1997 - Andrea Andrea, anno 1997 - Andrea</u> 1	
Alle	e attach200 Approval of this not: gal or equitable title to those rig o conduct operations thereon.	ice does not warr thts in the subject	(Printed/Type ant or lease	2 a)			Date	
Fitte 18 U.S.C. Section 100h and [] states any false fictitious or fraudu	Title 43-U.STSSection 1212, mak	ke it a crime for an as to any matter v	y person knowing within its jurisdiction	gly and willfully	y to make to	any dep	artment or agency of the United	

Continued on next page)

Attachmenst A

USM NO 3 NENE 527, TRS, R37E

MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM SENW, SQ7, T95, R37E Lease # NMNM2390

To WIW



Truck LOADING

SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed

Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed Valve G Closed and Sealed

SALES PHASE

500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

New Poly Pipe Line Fursting Roads , USM 42 NENE, 527, 795, R37E Lea County NM Proposed Pipe Live Right-of-Way 14450 * 7.P. Bat œ مبرة 1-JAX OY USM NO 3) Ked 21 th La reper

Off-Lease Measurement, Storage, and Surface Commingling Conditions Of Approval

1. This agency be notified of any change is your sales method or location of the sales meter.

- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval is subject to like approval by the New Mexico Oil Conservation Division.

5. Additional wells and/or leases require additional commingling approvals.

•				NPY		
orm 3160-5 September 2001)	UNITED STATES DEPARTMENT OF THE IN RUBE ALL OF LAND MANA	NTERIOR	OPERATOR'S CO		OMB No Expires: Jan	PPROVED 1004-0135 mary 31, 2004
	BUREAU OF LAND MANA			5. Lease Se	erial No.	
	RY NOTICES AND REPOI			NMILC-06		·····
abandoned w	his form for proposals to (vell. Use Form 3160-3 (APD)) for such prop	osals.	6. If Indian	, Allottee o	or Tribe Name
	RIPLICATE - Other instru	ictions on rel	verse side	7. If Unit o	r CA/Agre	ement, Name and/or No.
I. Type of Well	Oil Well Gas Well Other					0
Name of Operator					ame and N No 4	
MAR Oil and Gas Corp				9. API We		
a. Address	· · ·	3b. Phone No.	include area code)	30-025-2	4834	
PO Box 5155, Santa Fe NM, 87	7502	505-989-1977		10. Field a	nd Pool, or	Exploratory Area
	., T, R., M., or Survey Description)			West Sav	wyer, San	Andres
Unit G, 1980' FNL, 2180' FEL				11. County	y or Parisb,	State
				Lea, NM		
12. CHECK AI	PPROPRIATE BOX(ES) TO	INDICATE N	ATURE OF NOTICE	, REPORT, O	R OTHE	R DATA
TYPE OF SUBMISSION			TYPE OF ACTION			
	Acidize	Deepen	Production (Start/Resume)	Wa Wa	ter Shut-Off
Notice of Intent	Alter Casing	Fracture Trea	=		🔲 We	Il Integrity
Subsequent Report	Casing Repair	New Constru	ction 🔲 Recomplete		🗹 Ott	er Surface Commingle
Subsequent Report	Change Plans	Plug and Aba	=	Abandon		Right Of Way
Final Abandonment Notice		Plug Back	Water Dispo	sal		
If the proposal is to deepen dir Attach the Bond under which following completion of the in testing has been completed. F determined that the site is read	ted Operation (clearly state all perti ectionally or recomplete horizontall the work will be performed or prov wolved operations. If the operation inal Abandonment Notices shall be y for final inspection.) in the well the production equipi	ly, give subsurface vide the Bond No. results in a multip filed only after al	locations and measured and on file with BLM/BIA. Re le completion or recomplet l requirements, including re	f true vertical der quired subsequer ion in a new inter	pths of all p nt reports s rval, a Forn	ertinent markers and zones. hall be filed within 30 days a 3160-4 shall be filed once
MAR proposes to surface comm rederal No 1, SE NW S27, T9S pressure of the 2" SDR 11 poly will be used for prodution allica MAR has contacted Mr. Bilbrey lisconnected from the USM Ce emoved by Barriga Tank Servi	shall be the production equips ningle as follows: Lay on the sum S, R37E, Lea County NM, Poly p pipe is 150 psig, MAR maximu- ation, the well will be tested ever y and Mr. Bilbrey has granted M ntral battery, the USM equipment ice with in six months of the con achment Abattery diagram, Atta	rface new 2" SD pipe will be buried in operating press ry month, The su tAR verbial perm nt will be cleane inpletion of the co	R 11 Poly Pipe along the ed at all road crossings, n sure will be 30 psig, We rface is fee the land own ission to lay the pipe line d and clean out plates wi	o additional sur Il testing will be er is Mr. Bilbre es, The existing Il be left off the	rface distu e four com y, Duane g productions tanks, the	rbace, maximum sective days, the average C Winkler with on lines will be e equipment will be
			SE.	E ATTA	CHEI) FOR
			CONDI	TINNE		PPROVAL
· · · · ·			CONDI		JER	FFNUVAL
14. 1 hereby certify that the forego	ing is the and correct			<u></u>		
Name (PrintedlTyped)						
Duane C Winkler]	litle VP Operations			·····
Signature	OC6		Date March 24, 2004			
AF	PROVEDPACE	OR FEDERAL	OR STATE OFFICE	USE		
Approved by (Signature)	Wid A Ellas	2	Name (Printed/Typed)		Title	• · · · · · · · · · · · · · · · · · · ·
Conditions of approval, if any, a certify that the applicant holds lo which would entitle the applicant t	gal or equitable title to those right	ce does not warra hts in the subject l	nt or ease			Date
Title 18 U.S.C. Section 1001 and	Dillo 49 USS 61 Se Sinn 1212, make	e it a crime for any as to any matter wi	person knowingly and wil thin its jurisdiction.	Ifully to make to	any depart	ment or agency of the United

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Existing loose Ruga. an New Ry Pipe Live) USM #2 : X H3 14450 × USM NOY USM NOY SUNE, S27, 795, R37E Keq County, NM Proposed Pipe line Right-of-Way T.P. Bat 50 LA 94 9 Fedra Fed 21" Lanshar L

Off-Lease Measurement, Storage, and Surface Commingling Conditions Of Approval

1. This agency be notified of any change is your sales method or location of the sales meter.

- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval is subject to like approval by the New Mexico Oil Conservation Division.

5. Additional wells and/or leases require additional commingling approvals.

5 7	100 100 100 100		Yq0.2 avg.or.		
]	UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT Y NOTICES AND REPORTS ON WELLS				FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004 Serial No.
	his form for proposals to ell. Use Form 3160-3 (APD			NMNM0 6. If India	13841777 n, Allottee or Tribe Name
	APLICATE - Other instru			7. If Unit (or CA/Agreement, Name and/or No.
1. Type of Well					NM 71222
Oil Well Gas Well Other Anne of Operator					ame and No.
MAR Oil and Gas Corp			_	Federal 2 9. API W	
3a. Address		3b. Phone No. (in	clude area code)	30-025-2	······································
PO Box 5155, Santa Fe NM, 875	502	505-989-1977			and Pool, or Exploratory Area
4. Location of Well (Footage, Sec., Unit E, 1980' FNL, 660' FWL, S		ı)			wyer, San Andres y or Parish, State
	` 		<u></u>	Lea, NM	
12. CHECK AP	PROPRIATE BOX(ES) TO	D INDICATE NA	TURE OF NOTICE, I	REPORT, C	DR OTHER DATA
TYPE OF SUBMISSION			TYPE OF ACTION		
Notice of Intent	Acidize	Deepen Fracture Treat	Production (Sta Reclamation	rt/Resume)	Water Shut-Off Well Integrity
Subsequent Report	Casing Repair	New Constructi			Other Surface Commingle
Final Abandonment Notice	Change Plans	Plug and Aband Plug Back	lon I Temporarily A		Right-Of-Way
testing has been completed. Fit determined that the site is ready MAR Oil & Gas Corp has shut it MAR proposes to surface commi Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allocat MAR has contacted Mr. Bilbrey lisconnected from the Central ba	nal Abandonment Notices shall be for final inspection.) In the well the production equip- ingle as follows: Lay on the su R37E, Lea County NM, Poly pipe is 150 psig, MAR maximu- tion, the well will be tested even and Mr. Bilbrey has granted N attery, the equipment will be cl months of the completion of the	e filed only after all r prenent is unsafe for un rface new 2" SDR pipe will be buried un operating pressu ery month, The surf MAR verbial permis leaned and clean ou the commingling, at	equirements, including rect usage 11 Poly Pipe along the le at all road crossings, no a re will be 30 psig, Well t ace is fee the land owner sion to lay the pipe lines, t plates will be left off th that time MAR will rem	ase road in the additional sur- testing will be is Mr. Bilbre , The existing e tanks, the e ediate the old ATTA	rface disturbace, maximum e four consective days, the average ey, Duane C Winkler with g production lines will be
14. 1 hereby certify that the foregoin Name (Printed/Typed)	ng is true and correct				
Juane C Winkler		Tit	e VP Operations		
Signature CCC	10				······································
		and the second second second	^{ie} March 24, 2004		
AF		FOR FEDERAL O	R STATE OFFICE US		
Approved by (Significate)	dH. Ellass		Name (Printed/Typed)		Title
conditions of approval, if any Are ertify that the applicant holds leg which would entitle the applicant to	Rattached. Approval of this noti gal or equitable title to those righ conduct operations thereon.	ce does not warrant of hts in the subject leas	or Se		Date
Title 18 U.S.C. Section 1001 and T tates any false, fictitious of fraudul	ille 43 U.S.C. Section 1212, make	e it a crime for any pe as to any matter within	rson knowingly and willful n its jurisdiction.	ly to make to	any department or agency of the United

Continued on next page)

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AttAchment A

Federal 27 No 2 SWNW, SP7, 795, R39E

MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM $S \in NW$, SQ7, T9S, R37ELease # NMNM 2390

To WIW



Truck LOADING

SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed Valve G Closed and Sealed SALES PHASE 500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

New Poly Pipe Live Existing Loase Roads] MILIANI I 11 a wsn In wash * T.P. Batt SWNW SQ7, 795, R37E LEN DUNTY NM Proposed Pipeline Right - OF-WWY ARdy Federal 27 No 2 E な 1-12 631 La rebai

Off-Lease Measurement, Storage, and Surface Commingling Conditions Of Approval

1. This agency be notified of any change is your sales method or location of the sales meter.

- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval is subject to like approval by the New Mexico Oil Conservation Division.

5. Additional wells and/or leases require additional commingling approvals.

	UNITED STATES DEPARTMENT OF THE INTERIOR			FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004		
1 · · · · · · · · · · · · · · · · · · ·	BUREAU OF LAND MANA			5. Lease Serial No.		
SUNDA Do not use ti abandoned w	SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.			NM-2390 6. If Indian, Alle	ottee or Tribe Name	
SUBMIT IN TR	RIPLICATE - Other instru	ctions on reven	se side	7. If Unit or CA	/Agreement, Name and/or No.	
1. Type of Well	and and a stand descent of the same same to be a stand to			CA NMNM 7		
Oil Well Gas Well Other Arrow of Operator					and No.	
MAR Oil and Gas Corp				Federal 27 No 9. API Well No		
3a. Address		3b. Phone No. (inclu	ude area code)	30-025-23841	l	
PO Box 5155, Santa Fe NM, 87	502	505-989-1977			ool, or Exploratory Area	
4. Location of Well (Footage, Sec. Unit D, 660' FNL, 660' FWL, S		West Sawyer 11. County or P	<u> </u>			
				Lea, NM		
	PROPRIATE BOX(ES) TO			EPORT, OR O	THER DATA	
TYPE OF SUBMISSION			TYPE OF ACTION			
Notice of Intent	Acidize	Deepen Fracture Treat	Production (Star		Water Shut-Off Well Integrity	
Subsequent Report	Casing Repair	New Construction		. 4		
Final Abandonment Notice	Change Plans	Plug and Abandon Plug Back	a Temporarily Ab	andon	Right-Of-Way	
following completion of the in-	in the well the production equipm single as follows: Lay on the surf , R37E, Lea County NM, Poly p pipe is 150 psig, MAR maximum ation, the well will be tested ever fication to Mr. BR Smillie. Il be disconnected from the Cem by Barriga Tank Service with in	results in a multiple co filed only after all req nent is unsafe for us face new 2" SDR 11 ipe will be buried at n operating pressure ry month, The surfac tral battery, the equi six months of the co	mpletion or recompletion i purements, including reclar age Poly Pipe along the lease all road crossings, no ad will be 30 psig, Well te exis fee the land owner i pment will be cleaned an ompletion of the commin tachment B Map	in a new interval, a mation, have been se road in the roa Iditional surface sting will be four is Mr. BR Smillion and clean out plat agling, at that tim E ATTAC	a Form 3160-4 shall be filed once a completed, and the operator has ad right-of-way to the TP disturbace, maximum r consective days, the average e, es will be left off the tanks,	
14. 1 hereby certify that the foregoin	ng is the and correct		<u></u>			
Name (PrintedlTyped)		1.				
Duane C Winkler	······································	Title	VP Operations		······································	
Signature CCC	h	Date	March 24, 2004			
APP	201/E THIS SPACE F		STATE OFFICE USE			
Approved by (Stanature)	ID UN.				itle	
Conditions of approval, if APP are certify that the applicant holds leg which would entrie the applicant to	e attached Approval of this notice gal or equitable title to those right conduct operations thereon.	e does not warrant or is in the subject lease	(Printed/Typed) Office		Date	
Title 18 U.S.C. Section 1001 and T States any false, fictitious or fraudul	iffe 43 UASIG Section 1212, make	it a crime for any pers	on knowingly and willfully	y to make to any d	epartment or agency of the United	

(Continued on next page)

Attachment A

Federal 27 Nol NWNW, SDJ, TES, R37E

MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM $s \in NW, s 27, T9s, R 37E$ Lease # NMNM 2390

To WIW



Truck LOADING

SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed Valve G Closed and Sealed SALES PHASE 500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

New Poly Pape Live Exisitin Thease J 1. 1 Chieft Line . 1 US m B2 K SN X × 5 × NW NW S57, 795, R39E LEA COUNTY, NM Proposed Pipeline Kight-Of-WHY 14450 T.P. Batt IR d' 8 Federal 27 Nol Z J. 2 a La May Fed 21"

Off-Lease Measurement, Storage, and Surface Commingling Conditions Of Approval

1. This agency be notified of any change is your sales method or location of the sales meter.

- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval is subject to like approval by the New Mexico Oil Conservation Division.

5. Additional wells and/or leases require additional commingling approvals.

B		OPEF	ATOR'S COPY	7				
Form 3160-5 (September 2001)	UNITED STATES DEPARTMENT OF THE INTERIOR			OMB No. 1004-0135				
	BUREAU OF LAND MANA			ļ		uary 31, 2004		
	RY NOTICES AND REPOR				5. Lease Serial No.			
	his form for proposals to c ell. Use Form 3160-3 (APD)		ал 5.		NM050475-A 6. If Indian, Allottee or Tribe Name			
SUBMIT IN TR	UPLICATE - Other instru	ctions on reverse	side	7. If Unit or (CA/Agree	ment, Name and/or No.		
1. Type of Well Gas Well Other					7 ne and No			
					22 No 2			
MAR Oil and Gas Corp	·	·		9. API Well	No.			
3a. Address		3b. Phone No. (include	area code)	30-025-250				
PO Box 5155, Santa Fe NM, 87		505-989-1977			-	Exploratory Area		
4. Location of Well (Footage, Sec. Unit M, 660' FSL, 660' FWL, S				West Sawy	the state of the s			
Omt M, 000 F3L, 000 F W L, 5.	22 173, NJ / E			Lea, NM				
12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE NATU	RE OF NOTICE, R		OTHE	R DATA		
TYPE OF SUBMISSION		TY	PE OF ACTION					
	Acidize	Deepen	Production (Star	t/Resume)	Wat	er Shut-Off		
Notice of Intent	Alter Casing	Fracture Treat	Reclamation	,	Well	Integrity		
Subsequent Report	Casing Repair	New Construction	Recomplete		Othe	r Surface Commingle		
C Subsequenceport	Change Plans	Plug and Abandon	Temporarily At	oandon		Right-Of-Way		
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal					
Attach the Bond under which t following completion of the im	n the well the production equipmingle as follows: Lay on the sur, R37E, Lea County NM, Poly ppipe is 150 psig, MAR maximumation, the well will be tested even fication t Mr. BR Smillie. Il be disconnected from the Cen	ride the Bond No. on file results in a multiple comp filed only after all require ment is unsafe for usag face new 2" SDR 11 P bipe will be buried at al m operating pressure w ry month, The surface utral battery, the equipm	with BLM/BIA. Require pletion of recompletion rements, including recla oly Pipe along the lea 1 road crossings, no a ill be 30 psig, Well to is fee the land owner ment will be cleaned a	red subsequent in a new interva amation, have b use road in the dditional surfa esting will be f is Mr. BR Sm and clean out p	reports sh al, a Form een comp road righ ace distur four cons illie blates wil	all be filed within 30 days 3160-4 shall be filed once leted, and the operator has tt-of-way to the TP bace, maximum ective days, the average		
and battery location to BLM rule				iigiiiig, at anat				
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			SEE A'	TTACH	ED F	OR		
			CONDITIO	-				
			GONDINO	NO UI	PAI I	IIVYAL		
14. 1 hereby certify that the foregoi Name (PrintedITyped)	ing is true and correct	<u></u>						
Juane C Winkler		Title VI	Operations	i				
Signature	Le		arch 24, 2004			· · · · · · · · · · · · · · · · · · ·		
	ROV STENS SPACE F	OR FEDERAL OR S	The second s	Ę				
Approved by (Signature)	A. Elass		Name Printed/Typed)		Title			
Conditions of approval, if any, ar certify that the applicant holds less which would entitle the applicant to	e attached. Approval of this notic gal or equitable title to those right conduct operations thereon.		Office			Date		
Fitle 18 U.S.C. Section 1001 and T States any false, fictitious or fraudu	Title 43 U.S.C. Section 1212, make lent statements or representations a	t it a crime for any person ts to any matter within its	1 knowingly and willful jurisdiction.	ly to make to ar	1y departn	nent or agency of the United		

ATTACHMENT A

Federal 22 NO2 SWSW, SDD, TES, K37E

MAR OIL & GAS COMPANY TP. FEDERAL CENTRAL BATTERY SITE FACILITY DIAGRAM SENW, SQ7, T95, R37E Lease # NMNM2390

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To WIW



Truck LOADING

SITE SECURITY

Production Phase Valve A Water Disposal Open Not Sealed Valve B Closed And Sealed Valve C Closed Not Sealed Valve D Open Not Sealed Valve E Open Not Sealed Valve F Truck Load Valve Close Not Sealed Valve G Open Not Sealed

SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed Valve B Closed Sealed Until Trucked Valve C Closed and Sealed Valve D Closed and Sealed Valve E Open To Produce Into Valve F Closed Not Sealed Valve G Closed and Sealed

SALES PHASE

500 BBL Oil Tank Valve A Open Not Sealed Valve B Closed & Sealed Till Valve C Closed and Sealed Valve D Closed and Sealed Valve E Closed and Sealed Valve F Closed Not Sealed Valve G Open to Produce Into

WELLS TO MANIFOLD

when Bly Pipe Line Existing Lesse Pood 11111111111111 D X USM⁴² X USU X 14450 SWSW, SO2, 795, R37E LEA NUMTY NW Proposed Prpeline Right-OF-WMY T.P. Bott d torx t IR d' 69 Federal 22 No 2 9 24-22/2-3 Fed 27 *1 L'archar

Off-Lease Measurement, Storage, and Surface Commingling Conditions Of Approval

1. This agency be notified of any change is your sales method or location of the sales meter.

2. This agency shall be notified of any spill or discharge as required by NTL-3A.

3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.

4. This approval is subject to like approval by the New Mexico Oil Conservation Division.

- 5. Additional wells and/or leases require additional commingling approvals.
- 6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

Oil Conservation Division 1220 S. St Francis Dr Santa Fe, New Mexico 87505 April 22, 2004

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mr. David Catanach:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation. The attachment A is the Facility Diagram for the Off Lease Measurement, Storage & Surface Commingling

Allocation / Testing / Commingling for the following Lease

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 Allocation:

The production will be allocated to the wells from the well tests.

Testing Wells:

The wells will be tested individually gas, oil and water volumes measured.

Daily Production Phase:

The wells produce through a common pipe to the designated treator.

The daily gas, oil and water volumes measured by metering.

Surface Commingling:

The oil and water commingled at common storage tanks and gas to a central delivery meter.

Allocation / Testing / Commingling for the following Lease

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Allocation:

The production will be allocated to the wells from the well tests.

Testing Wells:

The wells will be tested individually gas, oil and water volumes measured.

Daily Production Phase:

The wells produce through a common pipe to the designated treator.

The daily gas, oil and water volumes measured by metering.

Surface Commingling:

The oil and water commingled at common storage tanks and gas to a central delivery meter.

Allocation / Testing / Commingling for the following Lease

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222 Allocation:

The production will be allocated to the wells from the well tests.

Testing Wells:

The wells will be tested individually gas, oil and water volumes measured.

Daily Production Phase:

The wells produce through a common pipe to the designated treator.

The daily gas, oil and water volumes measured by metering.

Surface Commingling:

The oil and water commingled at common storage tanks and gas to a central delivery meter.

Allocation / Testing / Commingling for the following Lease

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587 Allocation:

The production will be allocated to the well.

Daily Production Phase:

The well produces through a common pipe to the designated treator.

The daily gas, oil and water volumes measured by metering.

Surface Commingling:

The oil and water commingled at common storage tanks and gas to a central delivery meter.

Sincerely:

PCU

Duane C. Winkler VP Operation

MAR OIL & Gas Corp T.P. Federal Central Battery Site Facility Diagram SE NW, SOT, T95, R37E

Attachment A



F22: Federal 22 No2 L# NM050475-A, CASW-587 A: Gas Meter, B: Water meter, C: Oil meter F21: Federal 27 Nol L# NM-2390, CA 11222 Federal 27 No 2 2# NM-0384/717 CA 71222 A: Gas Meter, B: Water Meter, C: Oil Meter TP: TP Federal Nol 1# 2390 TP Federal No2 1# 2390 A: Gas Metor, B: Water Meter, C: Dil Nieter USM: USM Noi L# NMLC-067775 USM Nog L# NMLC-067775 USM Nog L# NMLC-067775 USM Nog L# NMLC-067775 A. Gas Meter, B: Water Meter, C: Oil Meter

	SITE	SECURITY
Production Phase		Sales Phase
alue H closed & Sealed.	- -	Value H closed & Sealed Unitil Trucked
lalve I closed & Not sailed		Value I Closed & Sealed
alve I open & Not social		Value J Closed & Souled
latue K closed & sacled		Value K Open & Not Souled
lalue L open & Not salled		Value L Closed & Sealed

Wells To Manifold D: Federal 22 No 2 E: Federal 27 Nol, & Federal 27 N.2 F: TP Federal Nol, & TP Federal No 2 6: USM Nol, USMN03, USMN04

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87502 (505)989-1977

CERTIFIED MAIL: 7003-1680-0001-4581-0802

April 5, 2004

Aetna Petroleum PO Box 17006-GMF Denver, CO 80217

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Aetna Petroleum:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775 USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775 TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390 TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390 Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMN-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler Vice President Of Operation

Stomple LETTER SENT