

February 11, 2000

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

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

Dear Mark:

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

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

Please advise if you need further information.

Sincerely,

Dorothea Logan
Regulatory Analyst
Maralo, LLC

attachment (1)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

MARALO, LLC (014007)

3. Address and Telephone No.

P. O. BOX 832, MIDLAND, TX 79702 (915) 684-7441

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 330' FEL, SEC 31, T23S, R30E, EDDY CO., NM
UL. H

5. Lease Designation and Serial No.

NM-92180

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

GOLD RUSH "31" FEDERAL #2 (21118)

9. API Well No.

30-015-30787

10. Field and Pool, or Exploratory Area

NASH DRAW; BRUSHY CANYON (47545)

11. County or Parish, State

EDDY CO, NEW MEXICO

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other SURFACE COMMINGLING & OFF-LEASE STORAGE
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

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

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

GOLD RUSH "31" FEDERAL #2

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

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

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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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

Signed Dorothea Logan

Title REGULATORY ANALYST

Date DECEMBER 9, 1999

(This space for Federal or State office use)

Approved by (ORIG. SGD.) GARY GOURLEY

Title

Date

Conditions of approval, if any:

JAN 5 2000

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



JAN 31 2000

January 28, 2000

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

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

Dear Sir:

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

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

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

Sincerely,

A handwritten signature in cursive script that reads "Dorothea Logan".

Dorothea Logan
Regulatory Analyst
Maralo, LLC

encls. (3)

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

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

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

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 47545	Pool Name NASH DRAW-BRUSHY CANYON
Property Code 21118	Property Name GOLD RUSH "31" FEDERAL	Well Number 2
OGRID No. 14007	Operator Name MARALO, LLC.	Elevation 3157

Surface Location

UL or lot No. H	Section 31	Township 23 S	Range 30 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

					OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Joe T. Janica Printed Name Agent Title 08/19/99 Date				
					SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. AUGUST 12, 1999 Date Surveyed Signature Professional Surveyor NEW MEXICO 3239 310. Norm. 99-1-0655 Certificate No. 3239 Professional Surveyor EIDSON, 12641				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO.

OPERATOR'S COPY

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL:		OIL WELL <input checked="" type="checkbox"/>	GAS WELL <input type="checkbox"/>	DRY <input type="checkbox"/>	Other _____
1b. TYPE OF COMPLETION:		NEW WELL <input checked="" type="checkbox"/>	WORK OVER <input type="checkbox"/>	DEEP EX <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>
			DIFF. REMVR. <input type="checkbox"/>	Other _____	
2. NAME OF OPERATOR MARALO, LLC (014007)					
3. ADDRESS AND TELEPHONE NO. P. O. BOX 832, MIDLAND, TX 79702 (915) 684-7441					
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface UNIT H 1980' FNL & 330' FEL of SEC. 31, T23S, R30E, EDD CO. NM At top prod. interval reported below SAME At total depth SAME					
14. PERMIT NO.		DATE ISSUED			
15. DATE SPUDDED 11/24/99		16. DATE T.D. REACHED 12/07/99		17. DATE COMPL. (Ready to prod.) 01/06/00	
18. ELEVATIONS (DP, RKB, RT, GR, ETC.)* 3157'		19. ELEV. CASINGHEAD ----			
20. TOTAL DEPTH, MD & TVD 7328'		21. PLUG BACK T.D., MD & TVD 7287' PBTD		22. IF MULTIPLE COMPL., HOW MANY*	
23. INTERVALS DRILLED BY →		ROTARY TOOLS 0 - TD		CABLE TOOLS	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 7157 - 7253' LOVING SAND					25. WAS DIRECTIONAL SURVEY MADE NO
26. TYPE ELECTRIC AND OTHER LOGS RUN GR/CNL/LDT & GR/AIT, GR/CNL, GR/CBL/CCL					27. WAS WELL CORED NO
28. CASING RECORD (Report all strings set in well)					
CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8 K-55	54.50#	650'	17 1/2"	200 SX CL H + 565 SX CL C - NO CIRC. +	
				208 SX CL C IN 1". CIRC 13 SX TO PIT	
8-5/8 K-55	32#	3310'	12 1/2"	800 50/50 POZ C, TAIL W/200 CL "C"	
5-1/2 J&K-55	15.5# & 17#	7328'	7-7/8"	450 SX POZ CL C, TAIL W/250 POZ CL C.(TOC @ 1420'	
29. LINER RECORD					
SIZE	TOP (MD)	BOTTOM (MD)	BACKS CEMENT*	SCREEN (MD)	
30. TUBING RECORD BY TEMP SURVEY					
SIZE	DEPTH SET (MD)	PACKER SET (MD)			
2-7/8"	7253'	-			
31. PREPARATION RECORD (Interval, size and number)					
7157 - 7253' (20 HOLES)					
32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.					
DEPTH INTERVAL (MD)			AMOUNT AND KIND OF MATERIAL USED		
7157 - 7253'			ACIDIZE W/1500 GALS 7 1/2% NCA		
7157 - 7253'			FRAC'D W/34,000 GALS 35# XLKD GEL W/		
			101,500# 16/30 MESH OTTAWA SD + 19,000#		
			16/30 MESH RESIN COAT SD.		
33. PRODUCTION					
DATE FIRST PRODUCTION 01/06/00		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) PUMPING 2" X 1 1/2" X24' PUMP			WELL STATUS (Producing or shut-in) PRODUCING
DATE OF TEST 01/11/00	HOURS TESTED 24	CHOKE SIZE -	PROD'N. FOR TEST PERIOD →	OIL—BSL. 148	GAS—MCF. 113
				WATER—BSL. 132	GAS-OIL RATIO 764
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BSL.	GAS—MCF.	WATER—BSL.
					OIL GRAVITY-API (CORR.)
34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SOLD					
35. LIST OF ATTACHMENTS TEMPERATURE SURVEY, DEVIATION SURVEY, C-104, LOGS (2 SETS OF 2) 9 5 2000					
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records					
SIGNED <i>Dorinda Logan</i> DORINDA LOGAN		TITLE REGULATORY ANALYST		DATE JANUARY 20, 2000	

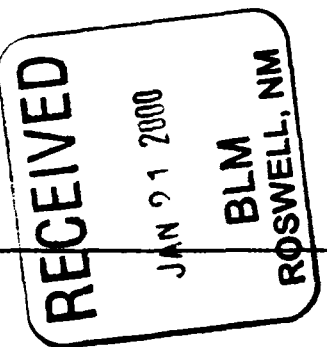
*(See Instructions and Spaces for Additional Data on Reverse Side)

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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
-0-		650	REDBED	LAMAR LINE	3466'	(-299')
650		3310	ANHY & SALT	BELL CANYON SS	3494'	(-327')
3310		4530	SAND & DOLLO	CHERRY CANYON SS	4352'	(-1185')
4530		6640	SAND & SHALE	MANZANITA MARKER	4500'	(-1333')
6640		7328	SAND	BRUSHY CANYON SS	5956'	(-2789')
				LOVING SS	7147'	(-3980')
				BONE SPRING LINE	7264'	(-4097')

38. GEOLOGIC MARKERS

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

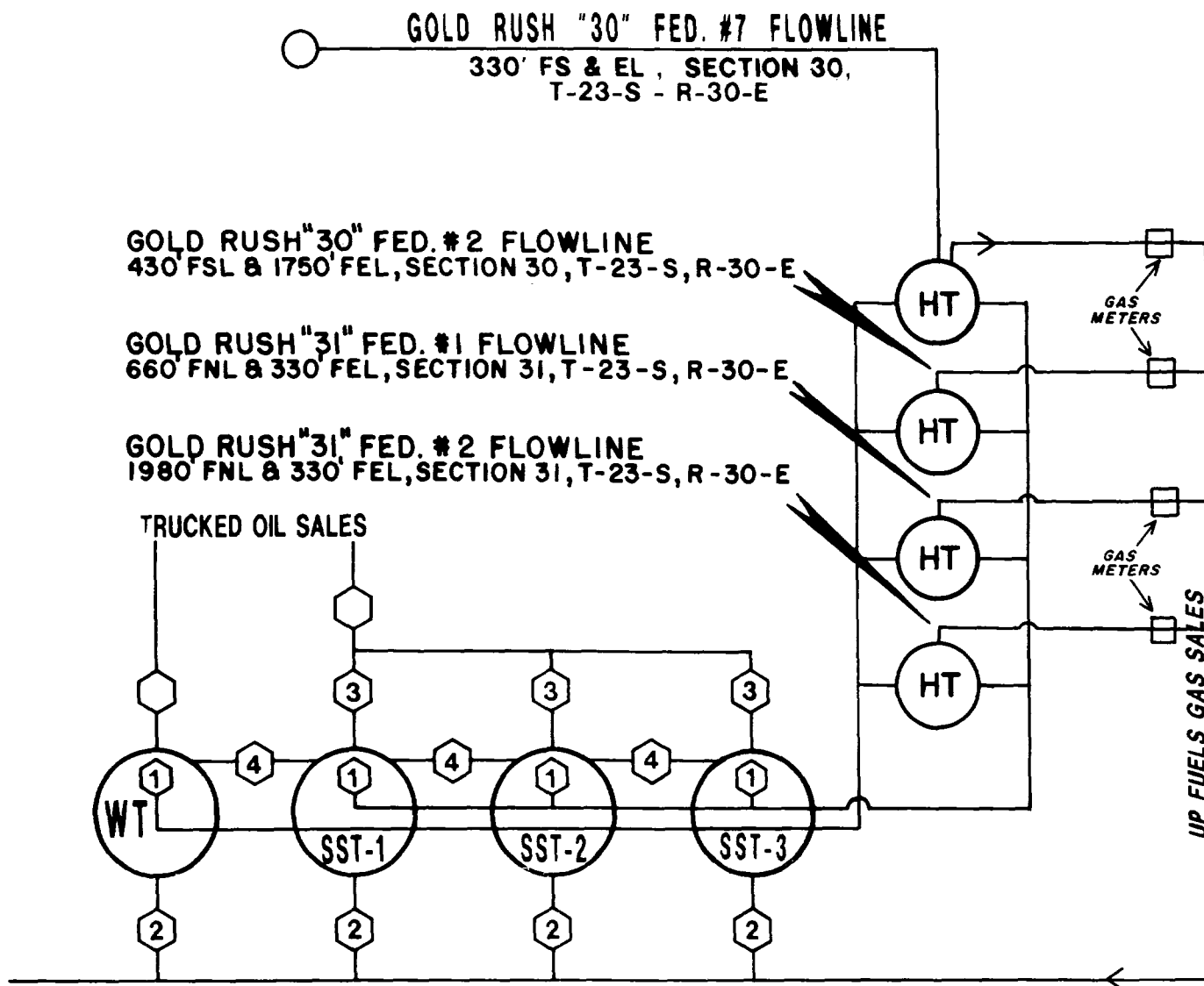


SITE FACILITY DIAGRAM

GOLD RUSH "30" FED. #7,

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

EDDY COUNTY, NEW MEXICO



PRODUCTION SYSTEM - CLOSED

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

A. PRODUCTION PHASE

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

B. SALES PHASE

(SALES FROM SST-1)

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

(SALES FROM SST-2)

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

(SALES FROM SST-3)

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