



## MARALO INC. AFE

WELL G R "30" State #1 PRO. DEPTH 7,900' PROSPECT Gold Rush DATE 9/19/94CO Eddy STATE NM LOCATION 1980 FWL & 330' FNL, Sec 30, T-23-S, R-30-EFM Bone Springs FIELD \_\_\_\_\_ AFE# \_\_\_\_\_

## WELL COST

## INTANGIBLES

## 240-XXX CODE

LOCATION, ROADWAY, DAMAGES	001	\$ 15,000	\$ 15,000
RIG MOBLIZATION	002	0	0
DRILLING: FTG <u>7,900'</u> @ \$ <u>12.00</u> /FT	003	94,800	94,800
DAYWORK <u>2</u> DAYS @ \$ <u>4700</u> /DAY	004	9,400	9,400
TURNKEY <u>-0-</u>	018	0	0
FUEL & WATER	005	10,000	10,000
MUD & CHEMICALS	006	6,000	6,000
CEMENT & CEMENTING SERVICES	007	26,000	10,000
CORING, DST, TEMPERATURE SURVEY	008	0	0
ELECTRICAL LOGGING + MUD LOGGING	009	20,000	20,000
PERFORATING -ACIDIZING - FRACTURING	010	50,000	0
SPECIAL SERVICES, (INSPECTION, RENTAL)	011	10,000	5,000
SERVICE UNIT	012	8,400	0
SUPPLIES (BIT, REAMERS, ETC)	013	6,000	5,000
SUPERVISION	014	10,000	6,000
TRUCKING & IDC LABOR	015	10,000	8,000
LOCATION CLEAN UP	016	6,000	8,000
LEGAL	019	1,000	1,000
ABANDONMENT COSTS	025	0	10,000
ADMINISTRATIVE OVERHEAD	040	5,000	3,000
MISC AND <u>5</u> % CONTINGENCY	017	14,380	10,600
TOTAL WELL INTANGIBLE		\$ 301,980	\$ 221,800

## TANGIBLES - WELL EQUIPMENT

## 230-XXX CODE

WELLHEAD ASSEMBLY	001	\$ 6,000	\$ 2,000
CASING:	002	87,700	41,500
CONDUCTOR <u>20</u> "OD <u>40</u> \$		3,000	
SURFACE <u>13 3/8</u> "OD <u>35</u> \$		6,300	
1ST INTERMEDIATE <u>8 5/8</u> "OD <u>3.10</u> \$		32,200	
2ND INTERMEDIATE "OD \$			
PRODUCTION <u>5 1/2</u> "OD <u>7,900</u> \$		46,200	
TUBING: <u>2 7/8</u> "OD <u>7,900</u> \$		25,000	
PACKERS, DOWNHOLE PUMPS, ETC	003	25,000	0
SURFACE PUMP EQ & POWER SUPPLY	004	7,000	0
SUCKER RODS	005	40,000	0
	006	15,000	0
TOTAL WELL TANGIBLES		\$ 180,700	\$ 43,500

## TANGIBLES - PRODUCTION &amp; LEASE FACILITIES

## 230-XXX CODE

STORAGE TANKS	010	\$ 14,000	\$ 0
FLUID - GAS SEPARATION EQUIPMENT	011	8,000	0
LACT UNITS & GAS FLOW METERS	012	0	0
MISCELLANEOUS CONTROLLABLE EQUIPMENT	013	3,000	0
FLOW LINE & LINE PIPE	014	2,500	0
MISC SMALL VALVES & FITTINGS	015	6,500	0
LABOR TO INSTALL FACILITIES	016	7,000	0
MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT	017	2,000	0
TOTAL FACILITY TANGIBLES		\$ 43,000	\$ 0
TOTAL TANGIBLES		\$ 223,700	\$ 43,500
TOTAL EXPENDITURE		\$ [REDACTED]	\$ [REDACTED]

COMPANY \_\_\_\_\_  
 BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
 APPROVED: \_\_\_\_\_ DISAPPROVED: \_\_\_\_\_ W.I. \_\_\_\_\_

MARALO INC. *[Signature]*  
 BY: \_\_\_\_\_  
 APPROVED ☒ DISAPPROVED \_\_\_\_\_ W.I. .125

8/30/94



August 1

CERTIFIED MAIL - RETURN  
RECEIPT REQUESTED

Bass Enterprises Production Co.  
201 Main St., Suite 2500  
Fort Worth, Texas 76102

Attn: Wayne Bailey

Re: Farmout Request  
NW/4 Section 30,  
T-23-S, R-30-E, NMPM,  
Gold Rush Pros. (NM-241)  
Eddy County, New Mexico

Dear Wayne:

This letter will serve as Maralo Inc.'s formal request for a farmout of Bass' remaining leasehold interest in the captioned acreage. The following terms and conditions are requested for a farmout:

1. Maralo will drill or cause to be drilled a test well to adequately test the Bone Springs formation at a depth of approximately 7,900' on or before December 31, 1994 at a legal location in the NE/4 NW/4 of Section 30, T-23-S, R-30-E, NMPM, Eddy County, New Mexico.
2. Upon establishment of commercial production from said well, Maralo proposes to earn the following:
  - a. One hundred percent (100%) of Bass' leasehold interest in the NW/4 of said Section 30, with Bass delivering Maralo an eighty percent (80%) Net Revenue Interest Lease.
  - b. After payout of the costs of said well, Bass shall have a one-time option to convert said reserved ORRI to a twenty-five percent (25%) working interest in said well and its proration unit, proportionately reduced.
3. In the event the drilling of said well results in a dry hole, and no acreage is earned, Maralo will have the option to drill a similar test on the captioned farmout acreage, within one hundred eighty (180) days of the plugging of the initial well. If the drilling of said second well results in the establishment of commercial production, Maralo shall earn the same interest outlined above.

Bass Enterprises Production Co.  
August 31, 1994  
Page -2-

4. All rights earned by Maralo shall be limited in depth from the surface down to one hundred feet (100') below the deepest perforation in said well made by Maralo.

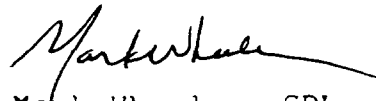
5. In order for Maralo to maintain its earned acreage outside of the proration unit established for the initial test well, Maralo must commence a continuous development program which would allow no more than one hundred eighty (180) days to elapse between the completion or plugging of the previous well and the commencement of actual drilling operations on the next succeeding well.

6. There shall be no obligation upon Maralo to commence operations on said well pursuant to the terms of the formal agreement, and the only penalty for failure to commence said operations will be the forfeiture of all rights that might be earned by said operations.

We have also enclosed herein for Bass' review and possible execution two copies of Maralo's AFE to drill the G R "30" State #1 well. If Bass desires to participate in this well instead of farming out its interest as detailed herein, please execute said AFE at your earliest convenience.

Please advise as soon as possible if the foregoing terms meet with your approval and begin preparation of a formal agreement. Should you have any questions concerning this request, please feel free to contact the undersigned.

Yours very truly,

  
Mark Wheeler, CPL  
District Landman

MW/pjd:NM-241(9)

xc: Joe Pulido  
John Thoma

ILLEGIBLE



No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
Bass Enterprises	
Street and No.	
201 Main Suite 2900	
P.O. State and ZIP Code	
Ft. Worth Tx 76102	
Postage	\$ 29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom Date, and Addressee's Address	
TOTAL Postage & Fees	\$2.29
Postmark or Date	
8/31/94	

PS Form 3800, June 1991

<p><b>SENDER:</b> Complete items 1-3 when additional services are desired, and complete items 3, 4, and 5 when you are not sure of the correct address.</p> <p>Put your address in the RETURN TO ADDRESS space. If the carrier does not deliver, we will attempt the next address on the list. If the carrier does not deliver, we will provide you with a return label for the return of the article and the date of delivery. A \$5 additional fee is charged for return services. Additional services requested:</p> <p>1. <input type="checkbox"/> Show to whom delivered, date, and address of addressee. 2. <input type="checkbox"/> Restricted Delivery          (Extra charge) (Extra charge)</p>		<p>3. Article Addressed to:</p> <p><b>Pass Enterprises</b>          201 Main St. Suite 200          Fort Worth TX 76102          Attn: David Bailey</p>	
<p>4. Article Number</p> <p><b>P 237-027-327</b></p>		<p>5. Signature - Addressee</p> <p><b>X</b></p>	
<p>6. Signature of Addressee</p> <p><b>X</b></p>		<p>7. Date of Delivery</p> <p><b>SEP 02 1994</b></p>	
<p>8. Addressee's Address (ONLY if requested and fee paid)</p> <p>Always obtain signature of addressee or agent and <b>DATE DELIVERED</b>.</p>		<p>9. Signature of Addressee</p> <p><b>X</b></p>	



September 20, 1994

TO THE WORKING INTEREST OWNERS SHOWN  
ON ATTACHED EXHIBIT "A":

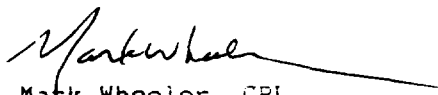
Re: Revised AFE  
GR "30" State #1 Well,  
NE/4 NW/4 Section 30,  
T-23-S, R-30-E, NMPM,  
Gold Rush Pros. (NM-241)  
Eddy County, New Mexico

Gentlemen:

Please find enclosed for your review and execution a revised AFE for the captioned well. Said AFE has been revised downward in total costs because of our review of final costs in recent wells that Maralo has operated which were drilled to approximately the same total depth.

Please replace our previous AFE with the enclosed and execute and return at your earliest convenience. Thank you for your continuing cooperation.

Yours very truly,

  
Mark Wheeler, CPL  
District Landman

/cmw:goldrush(10)

cc: R. A. Lowery / Joe Pulido / John Thoma  
Bass Enterprises - Attn: Wayne Bailey

P 237 027 328



**Receipt for  
Certified Mail**

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

Sent to	
Bass Enterprises	
Street and No	
201 Main St, #2900	
P.O., State and ZIP Code	
Ft. Worth TX 76102	
Postage	\$ .29
Certified Fee	1.00
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.00
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$2.29
Postmark or Date	
9/20/94	

PS Form 3800, June 1991

EXHIBIT "A"

GOLD RUSH PROSPECT (NM-241)  
Eddy County, New Mexico

Maralo Inc.  
Five Post Oak Park  
Suite 1010  
Houston, Texas 77027-3489

Texaco Exploration and Production Inc.  
P. O. Box 2100  
Denver, Colorado 80201

Santa Fe Energy Operating Partners, L.P.  
550 W. Texas, Suite 1330  
Midland, Texas 79701

Aquila Energy Resources Corporation  
10370 Richmond Avenue, Suite 700  
Houston, Texas 77042-4137

Collins & Ware, Inc.  
508 W. Wall, Suite 1200  
Midland, Texas 79701-5076



# MARALO INC. AFE

WELL G R "30" State #1 PRO. DEPTH 7 900' PROSPECT Gold Rush DATE 8/29/94

CO Eddy STATE NM LOCATION 1980' FWL & 330' FNL, Sec 30, T-23-S, R-30-E

FM Bone Springs FIELD \_\_\_\_\_ AFE# \_\_\_\_\_

## WELL COST

### INTANGIBLES

LOCATION, ROADWAY, DAMAGES

RIG MOBLIZATION

DRILLING: FTG 7 900' @ \$ 12.95 /FT  
DAYWORK 3 DAYS @ \$ 4700 /DAY  
TURNKEY -0-

FUEL & WATER

MUD & CHEMICALS

CEMENT & CEMENTING SERVICES

CORING, DST, TEMPERATURE SURVEY

ELECTRICAL LOGGING + MUD LOGGING

PERFORATING -ACIDIZING - FRACTURING

SPECIAL SERVICES, (INSPECTION, RENTAL)

SERVICE UNIT

SUPPLIES (BIT, REAMERS, ETC)

SUPERVISION

TRUCKING & IDC LABOR

LOCATION CLEAN UP

LEGAL

ABANDONMENT COSTS

ADMINISTRATIVE OVERHEAD

MISC AND 10 % CONTINGENCY

TOTAL WELL INTANGIBLE

### 240-XXX CODE

### COMPLETED

### DRY HOLE

001	\$ 20,000	\$ 20,000
002	0	0
003	102,300	102,300
004	14,100	14,100
018	0	0
005	16,000	16,000
006	15,000	15,000
007	36,000	26,000
008	10,000	8,000
009	26,000	26,000
010	50,000	0
011	10,000	5,000
012	8,400	0
013	6,000	5,000
014	12,000	6,000
015	20,000	12,000
016	6,000	8,000
019	5,000	5,000
025	0	10,000
040	7,000	4,200
017	36,800	28,700
	\$ 400,600	\$ 311,300

### TANGIBLES - WELL EQUIPMENT

#### WELLHEAD ASSEMBLY

#### CASING:

CONDUCTOR 20 "OD 40 \$ 3,000  
SURFACE 13 3/8 "OD 350 \$ 6,300  
1ST INTERMEDIATE 8 5/8 "OD 3,100 \$ 33,300  
2ND INTERMEDIATE \_\_\_\_\_ "OD \_\_\_\_\_ \$ \_\_\_\_\_  
PRODUCTION 5 1/2 "OD 7,300 \$ 47,400

TUBING: 2 7/8 "OD 7,300 \$ 27,000

PACKERS, DOWNHOLE PUMPS, ETC

SURFACE PUMP EQ & POWER SUPPLY

SUCKER RODS

TOTAL WELL TANGIBLES

### 230-XXX CODE

001	\$ 10,000	\$ 5,000
002	90,000	42,600
003	27,000	0
004	7,000	0
005	47,000	0
006	15,000	0
	\$ 196,000	\$ 47,360

### TANGIBLES - PRODUCTION & LEASE FACILITIES

STORAGE TANKS

FLUID - GAS SEPARATION EQUIPMENT

LACT UNITS & GAS FLOW METERS

MISCELLANEOUS CONTROLLABLE EQUIPMENT

FLOW LINE & LINE PIPE

MISC SMALL VALVES & FITTINGS

LABOR TO INSTALL FACILITIES

MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT

TOTAL FACILITY TANGIBLES

TOTAL TANGIBLES

TOTAL EXPENDITURE

### 230-XXX CODE

010	\$ 14,000	\$ 0
011	8,000	0
012	0	0
013	3,000	0
014	2,500	0
015	6,500	0
016	7,000	0
017	2,000	0
	\$ 43,000	\$ 0
	\$ 239,000	\$ 47,600
	\$ 639,600	\$ 358,900

COMPANY Bass Enterprises Production Co.

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED: DISAPPROVED W.I. 50

MARALO INC

BY: May 11th 1994

APPROVED X DISAPPROVED \_\_\_\_\_ W.I. 125

# MARALO INC. AFE

WELL G R "30" State #1 PRO. DEPTH 7,900' PROSPECT Gold Rush DATE 9/19/94

CO Eddy STATE NM LOCATION 1980' FWL & 330' FNL, Sec 30, T-23-S, R-30-E

FM Bone Springs FIELD \_\_\_\_\_ AFE# \_\_\_\_\_

## WELL COST

### INTANGIBLES

LOCATION, ROADWAY, DAMAGES

RIG MOBLIZATION

DRILLING: FTG 7,900' @ \$ 12.00 /FT

DAYWORK 2 DAYS @ \$ 4700 /DAY

TURNKEY -0-

FUEL & WATER

MUD & CHEMICALS

CEMENT & CEMENTING SERVICES

CORING, DST, TEMPERATURE SURVEY

ELECTRICAL LOGGING + MUD LOGGING

PERFORATING -ACIDIZING - FRACTURING

SPECIAL SERVICES, (INSPECTION, RENTAL)

SERVICE UNIT

SUPPLIES (BIT, REAMERS, ETC)

SUPERVISION

TRUCKING & IDC LABOR

LOCATION CLEAN UP

LEGAL

ABANDONMENT COSTS

ADMINISTRATIVE OVERHEAD

MISC AND 5 % CONTINGENCY

TOTAL WELL INTANGIBLE

240-XXX CODE

COMPLETED

DRY HOLE

001	\$ 15,000	\$ 15,000
002	0	0
003	94,800	94,800
004	9,400	9,400
018	0	0
005	10,000	10,000
006	6,000	6,000
007	26,000	10,000
008	0	0
009	20,000	20,000
010	50,000	0
011	10,000	5,000
012	8,400	0
013	6,000	5,000
014	10,000	6,000
015	10,000	8,000
016	6,000	8,000
019	1,000	1,000
025	0	10,000
040	5,000	3,000
017	14,380	10,600
	\$ 301,980	\$ 221,800

### TANGIBLES - WELL EQUIPMENT

#### WELLHEAD ASSEMBLY

#### CASING:

CONDUCTOR	20	"OD	40	\$ 3,000
SURFACE	13 3/8	"OD	350	\$ 6,300
1ST INTERMEDIATE	8 5/8	"OD	3,100	\$ 32,200
2ND INTERMEDIATE		"OD		\$
PRODUCTION	5 1/2	"OD	7,900	\$ 46,200
TUBING:	2 7/8	"OD	7,900	\$ 25,000

PACKERS, DOWNHOLE PUMPS, ETC

SURFACE PUMP EQ & POWER SUPPLY

SUCKER RODS

TOTAL WELL TANGIBLES

230-XXX CODE

001	\$ 6,000	\$ 2,000
002	87,700	41,500
003	25,000	0
004	7,000	0
005	40,000	0
006	15,000	0
	\$ 180,700	\$ 43,500

### TANGIBLES - PRODUCTION & LEASE FACILITIES

STORAGE TANKS

FLUID - GAS SEPARATION EQUIPMENT

LACT UNITS & GAS FLOW METERS

MISCELLANEOUS CONTROLLABLE EQUIPMENT

FLOW LINE & LINE PIPE

MISC SMALL VALVES & FITTINGS

LABOR TO INSTALL FACILITIES

MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT

TOTAL FACILITY TANGIBLES

TOTAL TANGIBLES

TOTAL EXPENDITURE

230-XXX CODE

010	\$ 14,000	\$ 0
011	8,000	0
012	0	0
013	3,000	0
014	2,500	0
015	6,500	0
016	7,000	0
017	2,000	0
	\$ 43,000	\$ 0
	\$ 223,700	\$ 43,500
	\$ 525,680	\$ 265,300

COMPANY Santa Fe Energy Operating Partners, LP MARALO INC.

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED: DISAPPROVED W.I. .125

BY: [Signature] APPROVED X DISAPPROVED \_\_\_\_\_ W.I. .125

8/30/94

## MARALO INC. AFE

WELL G R "30" State #1 PRO. DEPTH 7,900' PROSPECT Gold Rush DATE 9/19/94CO Eddy STATE NM LOCATION 1980' FWL & 330' FNL, Sec 30, T-23-S, R-30-EFM Bone Springs FIELD \_\_\_\_\_ AFE# \_\_\_\_\_

## WELL COST

## INTANGIBLES

## 240-XXX CODE

## COMPLETED

## DRY HOLE

LOCATION, ROADWAY, DAMAGES

001 \$ 15,000 \$ 15,000

RIG MOBLIZATION

002 0 0

DRILLING: FTG 7,900' @ \$ 12.00 /FT

003 94,800 94,800

DAYWORK 2 DAYS @ \$ 4700 /DAY

004 9,400 9,400

TURNKEY -0-

018 0 0

FUEL &amp; WATER

005 10,000 10,000

MUD &amp; CHEMICALS

006 6,000 6,000

CEMENT &amp; CEMENTING SERVICES

007 26,000 10,000

CORING, DST, TEMPERATURE SURVEY

008 0 0

ELECTRICAL LOGGING + MUD LOGGING

009 20,000 20,000

PERFORATING -ACIDIZING - FRACTURING

010 50,000 0

SPECIAL SERVICES, (INSPECTION, RENTAL)

011 10,000 5,000

SERVICE UNIT

012 8,400 0

SUPPLIES (BIT, REAMERS, ETC)

013 6,000 5,000

SUPERVISION

014 10,000 6,000

TRUCKING &amp; IDC LABOR

015 10,000 8,000

LOCATION CLEAN UP

016 6,000 8,000

LEGAL

019 1,000 1,000

ABANDONMENT COSTS

025 0 10,000

ADMINISTRATIVE OVERHEAD

040 5,000 3,000

MISC AND 5 % CONTINGENCY

017 14,380 10,600

TOTAL WELL INTANGIBLE

\$ 301,980 \$ 221,800

## TANGIBLES - WELL EQUIPMENT

## 230-XXX CODE

## WELLHEAD ASSEMBLY

001 \$ 6,000 \$ 2,000

## CASING:

002 87,700 41,500

CONDUCTOR 20 "OD 40 \$ 3,000SURFACE 13 3/8 "OD 350 \$ 6,3001ST INTERMEDIATE 8 5/8 "OD 3,100 \$ 32,200

2ND INTERMEDIATE \_\_\_\_\_ "OD \_\_\_\_\_ \$ \_\_\_\_\_

PRODUCTION 5 1/2 "OD 7,900 \$ 46,200TUBING: 2 7/8 "OD 7,900 \$ 25,000

003 25,000 0

PACKERS, DOWNHOLE PUMPS, ETC

004 7,000 0

SURFACE PUMP EQ &amp; POWER SUPPLY

005 40,000 0

SUCKER RODS

006 15,000 0

TOTAL WELL TANGIBLES

\$ 180,700 \$ 43,500

## TANGIBLES - PRODUCTION &amp; LEASE FACILITIES

## 230-XXX CODE

STORAGE TANKS

010 \$ 14,000 \$ 0

FLUID - GAS SEPARATION EQUIPMENT

011 8,000 0

LACT UNITS &amp; GAS FLOW METERS

012 0 0

MISCELLANEOUS CONTROLLABLE EQUIPMENT

013 3,000 0

FLOW LINE &amp; LINE PIPE

014 2,500 0

MISC SMALL VALVES &amp; FITTINGS

015 6,500 0

LABOR TO INSTALL FACILITIES

016 7,000 0

MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT

017 2,000 0

TOTAL FACILITY TANGIBLES

\$ 43,000 \$ 0

TOTAL TANGIBLES

\$ 223,700 \$ 43,500

TOTAL EXPENDITURE

\$ 525,680 \$ 265,300

COMPANY Texaco Exploration and Production, Inc. MARALO INC.

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

BY: Marla K. KuehlAPPROVED: \_\_\_\_\_ DISAPPROVED \_\_\_\_\_ W.I. .125APPROVED X DISAPPROVED \_\_\_\_\_ W.I. .125

8/30/94

# MARALO INC. AFE

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FM Bone Springs FIELD \_\_\_\_\_ AFE# \_\_\_\_\_

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TURNKEY -0-

FUEL & WATER

MUD & CHEMICALS

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CORING, DST, TEMPERATURE SURVEY

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SPECIAL SERVICES, (INSPECTION, RENTAL)

SERVICE UNIT

SUPPLIES (BIT, REAMERS, ETC)

SUPERVISION

TRUCKING & IDC LABOR

LOCATION CLEAN UP

LEGAL

ABANDONMENT COSTS

ADMINISTRATIVE OVERHEAD

MISC AND 5 % CONTINGENCY

TOTAL WELL INTANGIBLE

### 240-XXX CODE

### COMPLETED

### DRY HOLE

001	\$ 15,000	\$ 15,000
002	0	0
003	94,800	94,800
004	9,400	9,400
018	0	0
005	10,000	10,000
006	6,000	6,000
007	26,000	10,000
008	0	0
009	20,000	20,000
010	50,000	0
011	10,000	5,000
012	8,400	0
013	6,000	5,000
014	10,000	6,000
015	10,000	8,000
016	6,000	8,000
019	1,000	1,000
025	0	10,000
040	5,000	3,000
017	14,380	10,600
	\$ 301,980	\$ 221,800

### TANGIBLES - WELL EQUIPMENT

#### WELLHEAD ASSEMBLY

#### CASING:

CONDUCTOR	20	"OD	40	\$ 3,000
SURFACE	13 3/8	"OD	350	\$ 6,300
1ST INTERMEDIATE	8 5/8	"OD	3,100	\$ 32,200
2ND INTERMEDIATE		"OD		\$
PRODUCTION	5 1/2	"OD	7,900	\$ 46,200
TUBING:	2 7/8	"OD	7,900	\$ 25,000

PACKERS, DOWNHOLE PUMPS, ETC

SURFACE PUMP EQ & POWER SUPPLY

SUCKER RODS

TOTAL WELL TANGIBLES

### 230-XXX CODE

001	\$ 6,000	\$ 2,000
002	87,700	41,500
003	25,000	0
004	7,000	0
005	40,000	0
006	15,000	0
	\$ 180,700	\$ 43,500

### TANGIBLES - PRODUCTION & LEASE FACILITIES

STORAGE TANKS

FLUID - GAS SEPARATION EQUIPMENT

LACT UNITS & GAS FLOW METERS

MISCELLANEOUS CONTROLLABLE EQUIPMENT

FLOW LINE & LINE PIPE

MISC SMALL VALVES & FITTINGS

LABOR TO INSTALL FACILITIES

MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT

TOTAL FACILITY TANGIBLES

TOTAL TANGIBLES

TOTAL EXPENDITURE

### 230-XXX CODE

010	\$ 14,000	\$ 0
011	8,000	0
012	0	0
013	3,000	0
014	2,500	0
015	6,500	0
016	7,000	0
017	2,000	0
	\$ 43,000	\$ 0
	\$ 223,700	\$ 43,500
	\$ 525,680	\$ 265,300

COMPANY Bass Enterprises Production CO.

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED: DISAPPROVED W.I. 50%

MARALO INC.

BY: *[Signature]*

APPROVED X DISAPPROVED \_\_\_\_\_ W.I. .125

*8/30/94*

# MARALO INC. AFE

WELL G R "30" State #1 PRO. DEPTH 7,900' PROSPECT Gold Rush DATE 9/19/94

CO Eddy STATE NM LOCATION 1960' FWL & 330' FNL, Sec 30, T-23-S, R-30-E

FM Bone Springs FIELD \_\_\_\_\_ AFE# \_\_\_\_\_

## WELL COST

### INTANGIBLES

LOCATION, ROADWAY, DAMAGES

RIG MOBLIZATION

DRILLING: FTG 7,900' @ \$ 12.00 /FT

DAYWORK 2 DAYS @ \$ 4700 /DAY

TURNKEY -0-

FUEL & WATER

MUD & CHEMICALS

CEMENT & CEMENTING SERVICES

CORING, DST, TEMPERATURE SURVEY

ELECTRICAL LOGGING + MUD LOGGING

PERFORATING -ACIDIZING - FRACTURING

SPECIAL SERVICES, (INSPECTION, RENTAL)

SERVICE UNIT

SUPPLIES (BIT, REAMERS, ETC)

SUPERVISION

TRUCKING & IDC LABOR

LOCATION CLEAN UP

LEGAL

ABANDONMENT COSTS

ADMINISTRATIVE OVERHEAD

MISC AND 5 % CONTINGENCY

TOTAL WELL INTANGIBLE

240-XXX CODE

COMPLETED

DRY HOLE

001	\$ 15,000	\$ 15,000
002	0	0
003	94,800	94,800
004	9,400	9,400
018	0	0
005	10,000	10,000
006	6,000	6,000
007	26,000	10,000
008	0	0
009	20,000	20,000
010	50,000	0
011	10,000	5,000
012	8,400	0
013	6,000	5,000
014	10,000	6,000
015	10,000	8,000
016	6,000	8,000
019	1,000	1,000
025	0	10,000
040	5,000	3,000
017	14,380	10,600
	\$ 301,980	\$ 221,800

### TANGIBLES - WELL EQUIPMENT

#### WELLHEAD ASSEMBLY

#### CASING:

CONDUCTOR	20	"OD	40	\$ 3,000
SURFACE	13 3/8	"OD	350	\$ 6,300
1ST INTERMEDIATE	8 5/8	"OD	3,100	\$ 32,200
2ND INTERMEDIATE		"OD		\$
PRODUCTION	5 1/2	"OD	7,900	\$ 46,200

TUBING: 2 7/8 "OD 7,900 \$ 25,000

PACKERS, DOWNHOLE PUMPS, ETC

SURFACE PUMP EQ & POWER SUPPLY

SUCKER RODS

TOTAL WELL TANGIBLES

230-XXX CODE

001	\$ 6,000	\$ 2,000
002	87,700	41,500
003	25,000	0
004	7,000	0
005	40,000	0
006	15,000	0
	\$ 180,700	\$ 43,500

### TANGIBLES - PRODUCTION & LEASE FACILITIES

STORAGE TANKS

FLUID - GAS SEPARATION EQUIPMENT

LACT UNITS & GAS FLOW METERS

MISCELLANEOUS CONTROLLABLE EQUIPMENT

FLOW LINE & LINE PIPE

MISC SMALL VALVES & FITTINGS

LABOR TO INSTALL FACILITIES

MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT

TOTAL FACILITY TANGIBLES

TOTAL TANGIBLES

TOTAL EXPENDITURE

230-XXX CODE

010	\$ 14,000	\$ 0
011	8,000	0
012	0	0
013	3,000	0
014	2,500	0
015	6,500	0
016	7,000	0
017	2,000	0
	\$ 43,000	\$ 0
	\$ 223,700	\$ 43,500
	\$ 525,680	\$ 265,300

COMPANY COLLINS & WARE, INC.

BY: \_\_\_\_\_ DATE: \_\_\_\_\_

APPROVED: DISAPPROVED W.I. 2.495006%

MARALO INC.

BY: *Maralo Inc.*

APPROVED X DISAPPROVED \_\_\_\_\_ W.I. .125

*8/30/94*

# MARALO INC. AFE

WELL G R "30" State #1 PRO. DEPTH 7,900' PROSPECT Gold Rush DATE 9/19/94

CO Eddy STATE NM LOCATION 198C' FWL & 330' FNL, Sec 30, T-23-S, R-30-E

FM Bone Springs FIELD  AFE#

## WELL COST

### INTANGIBLES

	240-XXX CODE	COMPLETED	DRY HOLE
LOCATION, ROADWAY, DAMAGES	001	\$ 15,000	\$ 15,000
RIG MOBLIZATION	002	0	0
DRILLING: FTG <u>7,900'</u> @ \$ <u>12.00</u> /FT	003	94,800	94,800
DAYWORK <u>2 DAYS</u> @ \$ <u>4700</u> /DAY	004	9,400	9,400
TURNKEY <u>-0-</u>	018	0	0
FUEL & WATER	005	10,000	10,000
MUD & CHEMICALS	006	6,000	6,000
CEMENT & CEMENTING SERVICES	007	26,000	10,000
CORING, DST, TEMPERATURE SURVEY	008	0	0
ELECTRICAL LOGGING + MUD LOGGING	009	20,000	20,000
PERFORATING -ACIDIZING - FRACTURING	010	50,000	0
SPECIAL SERVICES, (INSPECTION, RENTAL)	011	10,000	5,000
SERVICE UNIT	012	8,400	0
SUPPLIES (BIT, REAMERS, ETC)	013	6,000	5,000
SUPERVISION	014	10,000	6,000
TRUCKING & IDC LABOR	015	10,000	8,000
LOCATION CLEAN UP	016	6,000	8,000
LEGAL	019	1,000	1,000
ABANDONMENT COSTS	025	0	10,000
ADMINISTRATIVE OVERHEAD	040	5,000	3,000
MISC AND <u>5</u> % CONTINGENCY	017	14,380	10,600
TOTAL WELL INTANGIBLE		\$ 301,980	\$ 221,800

### TANGIBLES - WELL EQUIPMENT

	230-XXX CODE		
WELLHEAD ASSEMBLY	001	\$ 6,000	\$ 2,000
CASING:	002	87,700	41,500
CONDUCTOR <u>20</u> "OD <u>40</u> '\$ <u>3,000</u>			
SURFACE <u>13 3/8</u> "OD <u>350</u> '\$ <u>6,300</u>			
1ST INTERMEDIATE <u>8 5/8</u> "OD <u>3,100</u> '\$ <u>32,200</u>			
2ND INTERMEDIATE "OD " '\$			
PRODUCTION <u>5 1/2</u> "OD <u>7,900</u> '\$ <u>46,200</u>			
TUBING: <u>2 7/8</u> "OD <u>7,900</u> '\$ <u>25,000</u>	003	25,000	0
PACKERS, DOWNHOLE PUMPS, ETC	004	7,000	0
SURFACE PUMP EQ & POWER SUPPLY	005	40,000	0
SUCKER RODS	006	15,000	0
TOTAL WELL TANGIBLES		\$ 180,700	\$ 43,500

### TANGIBLES - PRODUCTION & LEASE FACILITIES

	230-XXX CODE		
STORAGE TANKS	010	\$ 14,000	\$ 0
FLUID - GAS SEPARATION EQUIPMENT	011	8,000	0
LACT UNITS & GAS FLOW METERS	012	0	0
MISCELLANEOUS CONTROLLABLE EQUIPMENT	013	3,000	0
FLOW LINE & LINE PIPE	014	2,500	0
MISC SMALL VALVES & FITTINGS	015	6,500	0
LABOR TO INSTALL FACILITIES	016	7,000	0
MISCELLANEOUS NON-CONTROLLABLE EQUIPMENT	017	2,000	0
TOTAL FACILITY TANGIBLES		\$ 43,000	\$ 0
TOTAL TANGIBLES		\$ 223,700	\$ 43,500
TOTAL EXPENDITURE		\$ 525,680	\$ 265,300

COMPANY Aquila Energy Resources Corp.

BY:  DATE:

APPROVED:  DISAPPROVED  W.I. 10.004994%

MARALO INC

BY:

APPROVED X DISAPPROVED  W.I. .125

8/30/94

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

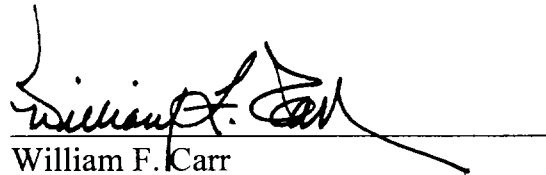
IN THE MATTER OF THE APPLICATION  
OF MARALO, INC. FOR  
COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 11156

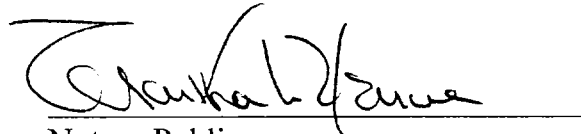
AFFIDAVIT

STATE OF NEW MEXICO       )  
  ) ss.  
COUNTY OF SANTA FE       )

William F. Carr, authorized representative of Maralo, Inc., the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto as provided in Rule 1207.

  
William F. Carr

SUBSCRIBED AND SWORN to before me this 14th day of December, 1994.

  
Notary Public

My Commission Expires:

August 19, 1995

**EXHIBIT A**

Bass Enterprises Production Company  
201 Main Street  
Fort Worth, TX 76102  
Attn: Wayne Bailey



CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO

JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

November 8, 1994

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Bass Enterprises Production Company  
201 Main Street  
Fort Worth, TX 76102  
Attn: Wayne Bailey

Re: Application of Maralo, Inc., for Compulsory Pooling, Eddy County, New Mexico

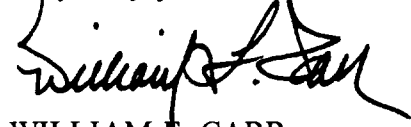
Dear Mr. Bailey:

This letter is to advise you that Maralo, Inc., has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of certain mineral interests in all formations to the base of the Bone Spring formation, in and under the NE/4 NW/4 of Section 30, Township 23 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. Maralo, Inc., proposes to dedicate the referenced pooled units to its GR 30 State Well No. 1 located at a standard oil well location 330 feet from the North line and 1980 feet from the West line in the NE/4 NW/4 of said Section 30.

This application has been set for hearing before a Division Examiner on December 1, 1994. You are not required to attend this hearing, but as an owner of an interest that may be subject to pooling, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases have been requested by the Division (Memorandum 2-90) to file a Prehearing Statement substantially in the form prescribed by the Division. Prehearing statements should be filed by 4:00 o'clock p.m. on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR MARALO, INC.  
WFC:mlh  
Enc.

P 176 017 250



# Receipt for Certified Mail

No Insurance Coverage Provided  
Do not use for International Mail  
(See Reverse)

To: Attn: Wayne Bailey	
Bass Enterprises Production Co.	
201 Main Street	
Fort Worth, TX 76102	
Postage	\$
Delivery Fee	
Special Delivery Fee	
Registered Mail Fee	
Return Receipt (hard copy)	
Return Receipt (electronic)	
Signature of Addressee (if required)	
Postage & Fee	\$
November 8, 1994	

PS Form 3800, June 1991

<p><b>3. Article Addressed to:</b> Bass Enterprises Production Co. 201 Main Street Fort Worth, TX 76102 Attn: Wayne Bailey</p>		<p><b>4. Article Number</b> P 176,017 250</p>	
<p><b>5. Signature - Address</b> X</p>		<p><b>Type of Service:</b>  <input checked="" type="checkbox"/> Registered  <input checked="" type="checkbox"/> Certified  <input type="checkbox"/> Express Mail  <input type="checkbox"/> Insured  <input type="checkbox"/> COD  <input type="checkbox"/> Return Receipt for Merchandise          Always obtain signature of addressee or agent and DATE DELIVERED.       </p>	
<p><b>6. Signature - Agent</b> X</p>		<p><b>8. Addressee's Address (ONLY if requested and fee paid)</b></p>	
<p><b>7. Date of Delivery</b> NOV 14 1994</p>			

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11156 Exhibit No. [REDACTED]

Submitted by: Maralo, Inc.

Hearing Date: December 15, 1994

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE

**LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE**

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