



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 7, 2004
Mar Oil and Gas Corporation
P.O. Box 5155
Santa Fe, NM 87502
Attn: To Whom It May Concern

**RE: Shut in order for Mar Oil & Gas Corporation: DD '24' Federal # 1, located in
Unit P, 990' FSL & 660' FEL, Township 19 South, Range 24 East, Eddy County, New
Mexico, API # 30-015-24496**

To Whom It may Concern,

In regards to the above referenced well, the New Mexico Oil Conservation Division (NMOCD) at the Artesia office has received in part regulatory information, specifically a completion report (BLM Form 3160-4), a subsequent sundry report (BLM Form 3160-5) and NMOCD Form C-102 that your company dedicated 160 acres to said well.

On of about 9/14/2004, I called your office and I also spoke to an agent representing Future Petroleum Corporation requesting additional and corrected information that is described below.

Due to lack of response from Mar Oil & Gas Corporation as recorded operator, this well is to be shut in immediately until required regulatory information is received. Please submit the following information in order to correct this matter:

- NMOCD form C-102 (Indicate the calculated dedicated acreage for a gas well, in this case @ 320 acres). Please note that this well is considered a gas well and information can be found in NMOCD Rule 104. (C) 2.
- An amended NMOCD Form C-104 as the one previously submitted and received on 9/14/2004 has been denied. An attached copy of the denied C-104 is provided below.
- An intent from you company to re enter this well bore and complete within the Wolfcamp formation should have been submitted prior work and should have been filed with the Bureau of Land Management. Our office has no record of any intent ever being filed.

Included with this document are parts of the NMOCD rules and regulations that I am aware of at this time that Mar Oil & Gas Corporation is in violation of.

Please call if you have any questions.

Respectfully yours,

Bryan G. Arrant

PES

CC: Tim Gum, District Supervisor-Artesia

Well File

BLM

(Pg. 2)

19.15.1.14 UNITED STATES
GOVERNMENT LEASES:

Operator shall file or cause to be filed with the division copies of "application for permit to drill, deepen or plug back," (BLM form no. 3160-3), "sundry notices and reports on wells," (BLM form no. 3160-5), and "well completion or recompletion report and log," (BLM form no. 3160-4), as approved by the bureau of land management for wells on U.S. government land. [1-1-50...2-1-96; 19.15.1.14 NMAC - Rn, 19 NMAC 15.A.14, 5-15-01]

19.15.13.1102 WELL
LOCATION AND ACREAGE DEDICATION
PLAT (Form C-102):

D. Amended form C-102 (in triplicate or quadruplicate) shall be filed in the event there is a change in any of the information previously submitted. The well location need not be certified when filing amended form C-102. [1-1-65...2-1-96; 19.15.13.1102 NMAC - Rn, 19 NMAC 15.M.1102, 06/30/04]

19.15.13.1104 REQUEST FOR
ALLOWABLE AND AUTHORIZATION TO
TRANSPORT OIL AND NATURAL GAS
(Form C-104):

A. Form C-104 completely filled out by the operator of the well must be filed in quintuplicate before an allowable will be assigned to any newly completed or recompleted well. (A recompleted well shall be considered one which has been deepened or plugged back to produce from a different pool than previously.) Form C-104 must be accompanied by a tabulation of all deviation tests taken on the well as provided by 19.15.3.111 NMAC.

D. No allowable will be assigned to any well until all forms and reports due have been received by the division and the well is otherwise in full compliance with these rules.



C-104 Mar Oil.jpg