

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK

DRILL ☒

DEEPEN ☐

B. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

MARALO LLC. 14007 (PHILLIP SMITH) 915-684-7441

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 832 MIDLAND, TEXAS 79702 915-684-7441

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1980' FNL & 330' FEL OF SEC. 31 T23S-R30E EDDY CO. NM

At proposed prod. zone SAME

Unit H

SECRETARY'S POTASH

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 10 miles East of Loving New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

330'

16. NO. OF ACRES IN LEASE

960

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1320'

19. PROPOSED DEPTH

7450'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3157' GR.

22. APPROX. DATE WORK WILL START*

As soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor 20"	NA	40'	Cement to surface with Redi-mix
17½"	K-55 13 3/8"	54.5	650'	50 Sx. circulate to surface
12½"	K-55 8 5/8"	32	3300'	1175 Sx. circulate to surface
7 7/8"	K-55 5½"	15.5	7350'	780 Sx. Top cement estimated @ 3000'

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.

2. Drill 17½" hole to 650'. Run and set 650' of 13 3/8" K-55 54.5# ST&C casing. Cement with 500 Sx. of Halco Light cement + additives, tail in with 250 Sx. of Premium Plus. Circulate cement to surface.

3. Drill 12½" hole to 3300'. Run and set 3300' of 8 5/8" 32# ST&C casing. Cement with 925 Sx. of Halco Light + additives, tail in with 250 Sx. of Premium Plus + additives, circulate cement to surface.

4. Drill 7 7/8" hole to 7350'. Run and set 7350' of 5½" K-55 15.5# LT&C casing. Cement with 320 Sx. of Halco Light + additives, tail in with 460 Sx. of Super Class "H" Modified + additives, estimate top of cement 3000'.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Joe T. Jones TITLE Agent

DATE 08/19/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.

CONDITIONS OF APPROVAL: _____

APPROVED BY

B/F Splendoria

STATE DIRECTOR

DATE

10-6-99

*See Instructions On Reverse Side



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

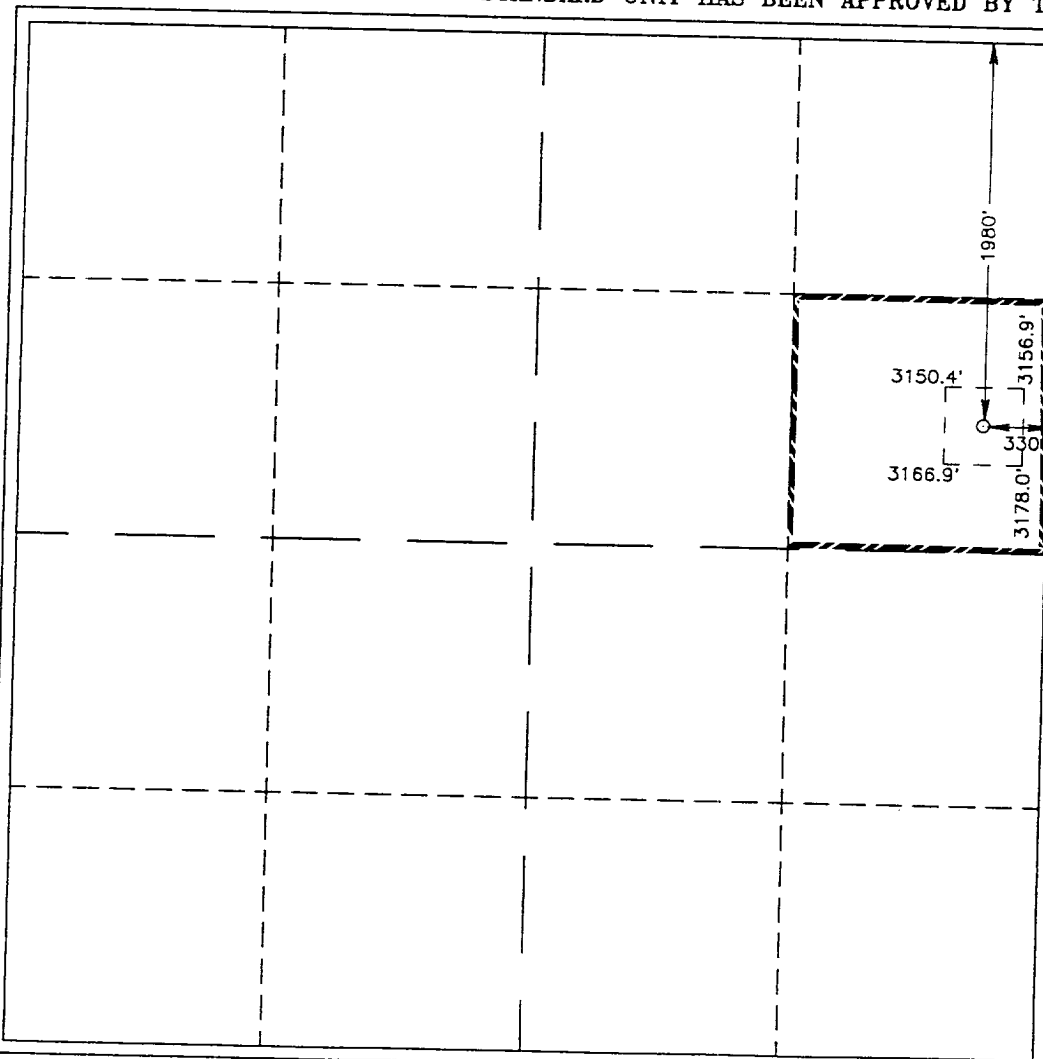
Surface Location

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.

Joe T. Janica
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 JLP

Signature & Seal of
Professional Surveyor

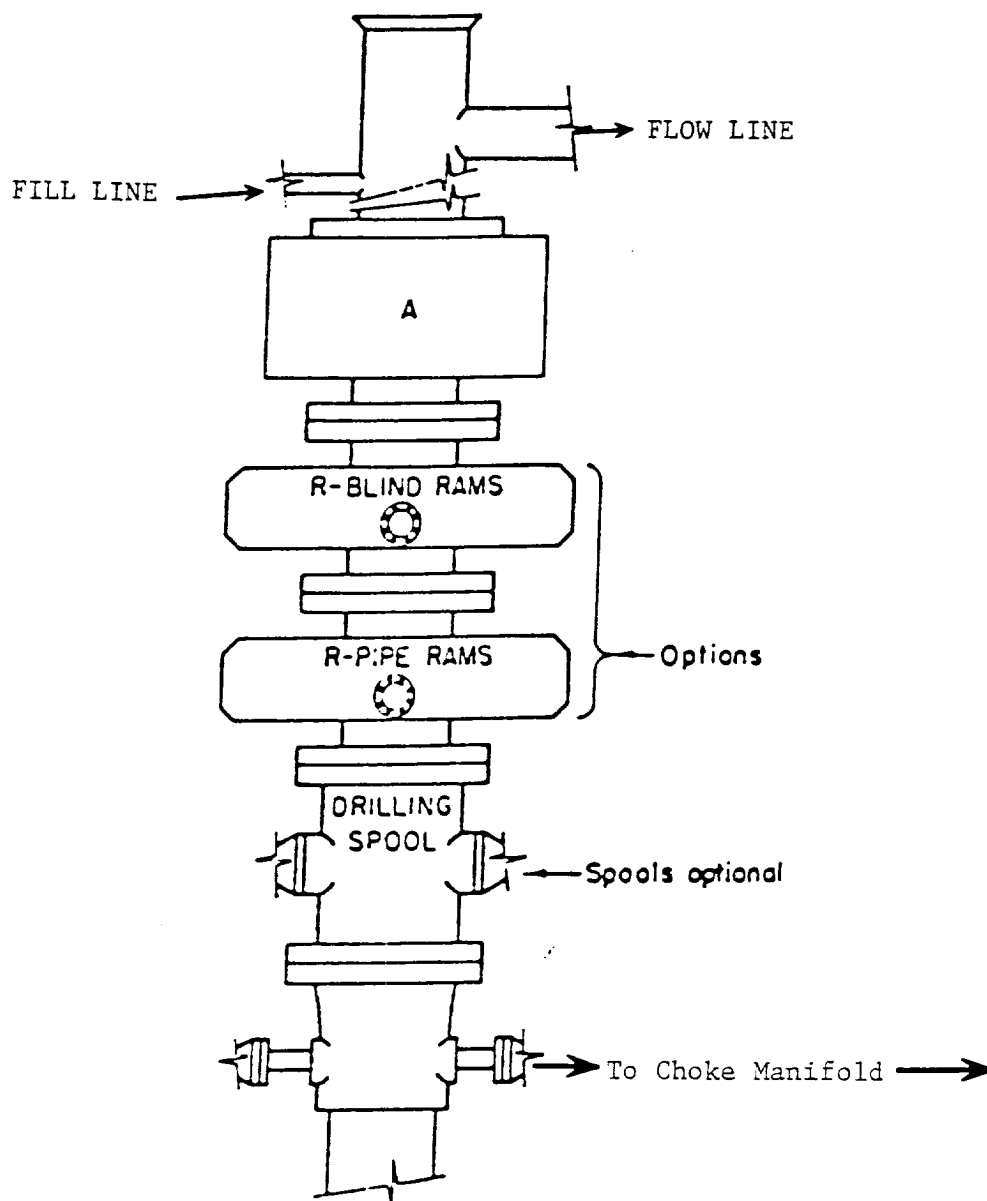
Renald J. Eidson
Signature

3239
P.O. Num. 99-120655

Certified by RENALD J. EIDSON, 3239

PROFESSIONAL SURVEYOR EIDSON, 12841

McDONALD, 12185

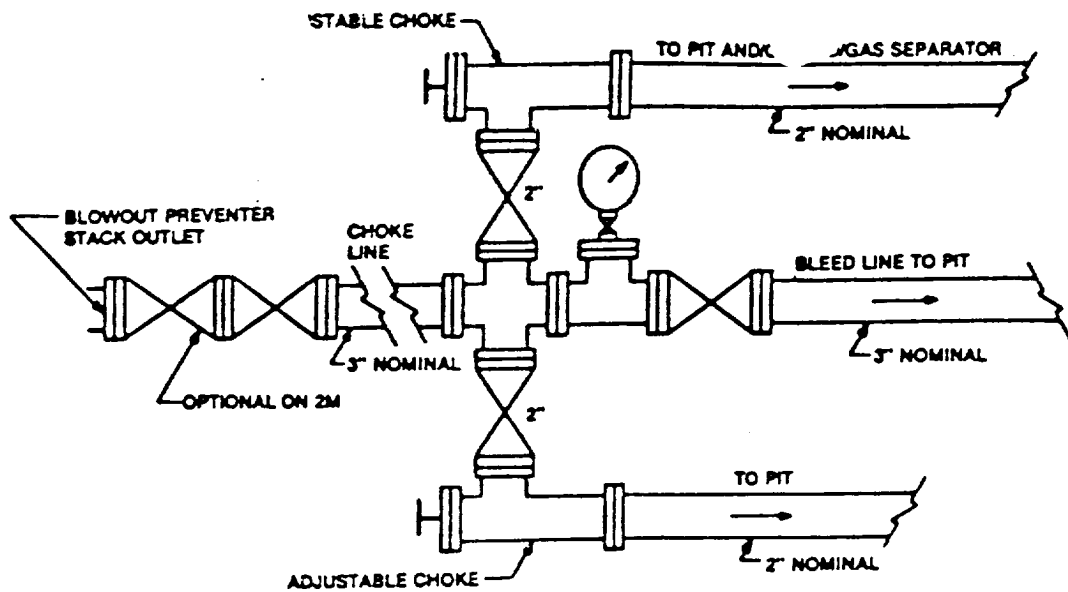


ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

MARALO LLC.
GOLD RUSH "31" FEDERAL # 2
UNIT "H" SECTION 31
T23S-R30E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

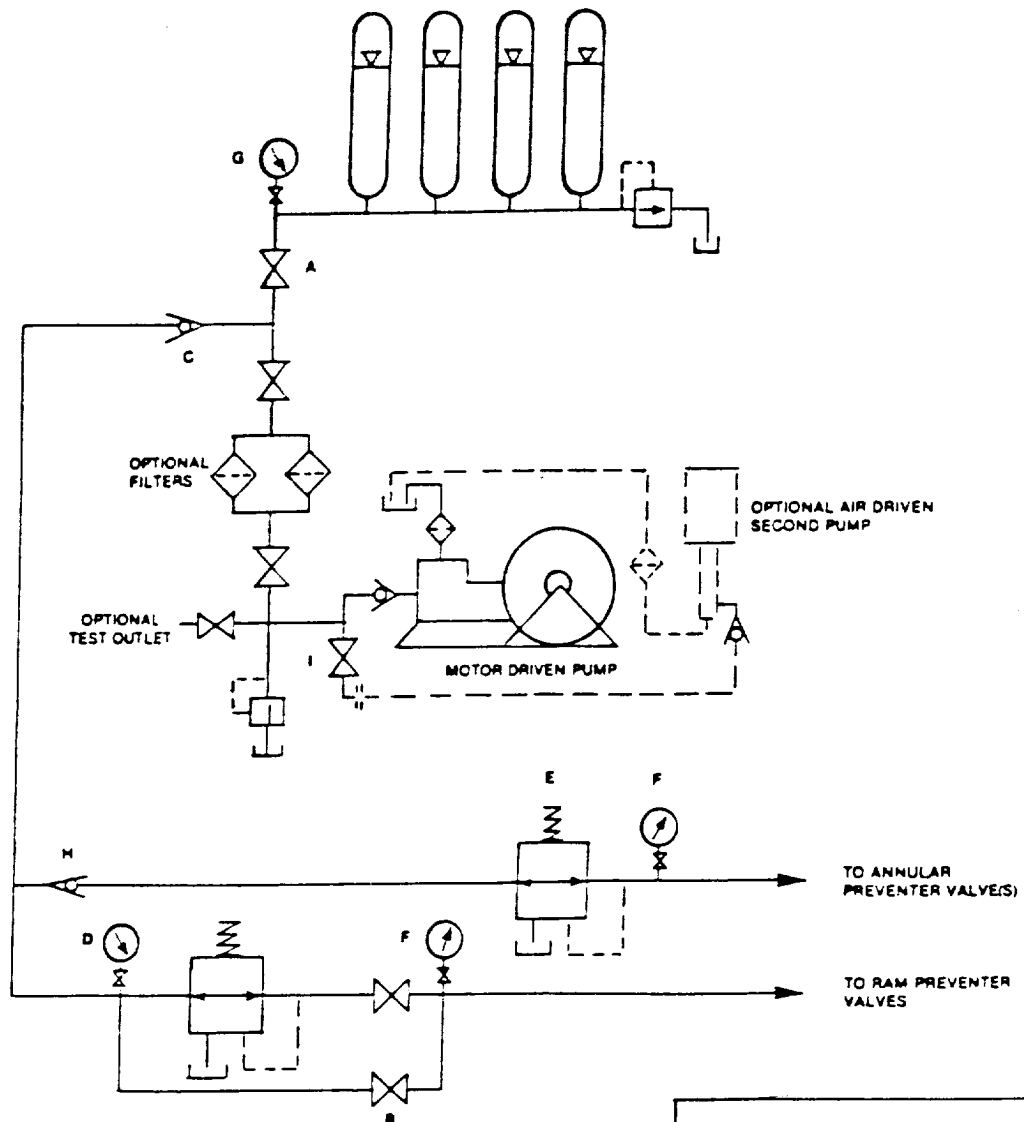


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

MARALO LLC.
GOLD RUSH "31" FEDERAL # 2
UNIT "H" SECTION 31
T23S-R30E EDDY CO. NM