

UNITED STATES N.M. Oil Corp. Division
DEPARTMENT OF THE INTERIOR 811 S. 1st Street
BUREAU OF LAND MANAGEMENT Artesia, NM 88210-2834

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
Lease Designation and Serial No.

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	6. If Indian, Allottee or Tribe Name
2. Name of Operator MARALO, LLC (014007)	7. If Unit or CA, Agreement Designation
3. Address and Telephone No. P. O. BOX 832, MIDLAND, TX 79702 (915) 684-7441	8. Well Name and No. GOLD RUSH "31" FEDERAL #2 (21118)
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	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	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other SURFACE COMMINGLING & OFF-LEASE STORAGE	<input type="checkbox"/> Dispose Water

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.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct		
Signed <u><i>Donna Logan</i></u>	Title <u>REGULATORY ANALYST</u>	Date <u>DECEMBER 9, 1999</u>
(This space for Federal or State office use)		
Approved by <u>(ORIG. SGD.) ALEXIS C. SWOBODA</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>DEC 29, 1999</u>
Conditions of approval, if any:		

MADE

SITE FACILITY DIAGRAM

GOLD RUSH "30" FED. #7

(GOLD RUSH "30" FED. #2 & GOLD RUSH "30" FED. #2)

EDDY COUNTY NEW MEX

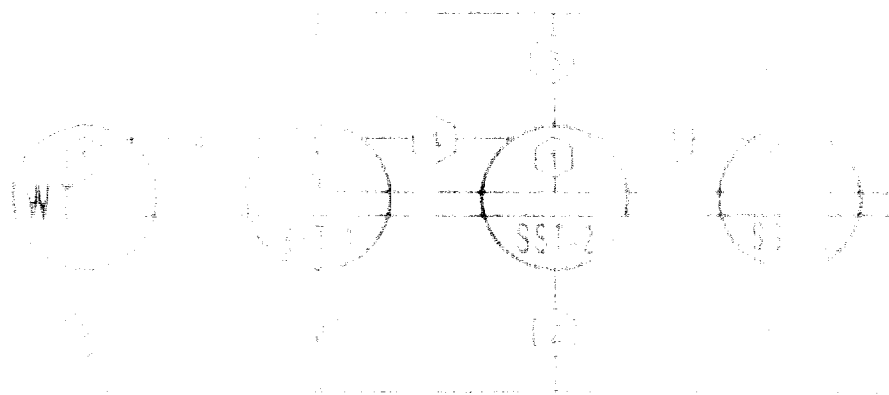
GOLD RUSH "30" FED. #7
330 FS & E. SECTION 30
1-2-3-4-5-6-7-8-9-10

GOLD RUSH "30" FED. #2 FLOWLINE
330 FS & E. SECTION 30, 1-2-3-4-5-6-7-8-9-10

GOLD RUSH "30" FED. #1 FLOWLINE
330 FS & E. SECTION 30, 1-2-3-4-5-6-7-8-9-10

GOLD RUSH "30" FED. #2 FLOWLINE
330 FS & E. SECTION 30, 1-2-3-4-5-6-7-8-9-10

TRUCK



PRODUCTION SYSTEM (1) SEEL

1. VALVE 1 ON SST 1 SEAL & TANK GAUGE TO TANK TRUCK (2) SE

A. PRODUCTION PHASE

1. VALVE 1 ON SST 1 SEAL & TANK GAUGE TO TANK TRUCK (2) SE

B. SALES PHASE

(SALES FROM SST 1)

(SALES FROM SST 2)

(SALES FROM SST 3)

- (1) VALVE 1 ON SST 1 SEAL & TANK GAUGE TO TANK TRUCK
- (2) VALVE 2 ON SST 1 SEAL & TANK GAUGE TO TANK TRUCK
- (3) VALVE 3 ON SST 1 SEAL & TANK GAUGE TO TANK TRUCK
- (4) VALVE 4 ON SST 1 SEAL & TANK GAUGE TO TANK TRUCK

- (1) VALVE 1 ON SST 2 SEAL & TANK GAUGE TO TANK TRUCK
- (2) VALVE 2 ON SST 2 SEAL & TANK GAUGE TO TANK TRUCK
- (3) VALVE 3 ON SST 2 SEAL & TANK GAUGE TO TANK TRUCK
- (4) VALVE 4 ON SST 2 SEAL & TANK GAUGE TO TANK TRUCK

- (1) VALVE 1 ON SST 3 SEAL & TANK GAUGE TO TANK TRUCK
- (2) VALVE 2 ON SST 3 SEAL & TANK GAUGE TO TANK TRUCK
- (3) VALVE 3 ON SST 3 SEAL & TANK GAUGE TO TANK TRUCK
- (4) VALVE 4 ON SST 3 SEAL & TANK GAUGE TO TANK TRUCK