

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

151

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other Instructions on reverse side

1. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other		5. Lease Serial No. NM-92180
2. Name of Operator MARALO, LLC (014007)		6. If Indian, Allottee or Tribe Name
3a. Address P. O. BOX 832, MIDLAND, TX 79702	3b. Phone No. (include area code) (915) 684-7441	7. If Unit or CA/Agreement, Name and/or No.
Location of Well (Footage, Sec., T., R., M., or Survey Description) 660' FNL & 1650' FEL, SEC. 31, T23S, R30E, EDDY COUNTY, NEW MEXICO UNIT LETTER B		8. Well Name and No. GOLD RUSH "31" FEDERAL #3
		9. API Well No. 30-015-30822
		10. Field and Pool, or Exploratory Area NASH DRAW; DELAWARE (47545)
		11. County or Parish, State EDDY COUNTY, NEW MEXICO

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other OFF LEASE
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	SURFACE COMMINGLING,
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	STORAGE & MEASUREMENT

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

GOLD RUSH "31" FEDERAL #3

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS ATTACHED**

MARALO, LLC PROPOSES OFF-LEASE SURFACE COMMINGLING, STORAGE AND MEASUREMENT OF PRODUCTION FOR THE ABOVE NEW WELL AT THE BATTERY FACILITY OF THE GOLD RUSH "30" FEDERAL LEASE, WELL #7 IN THE NASH DRAW; BRUSHY CANYON POOL. THE FACILITY IS 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.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DOROTHEA LOGAN		Title REGULATORY ANALYST
Signature <i>Dorothea Logan</i>		Date NOVEMBER 29, 2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA	Title PETROLEUM ENGINEER	Date DEC 06 2001
Conditions of approval, if any, are attached. Approval of this notice 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.		
Office		

RECEIVED
2001 NOV 30 AM 11 30
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4, and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that: This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering the burden estimating data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240 and the Office of Management and Budget, Interior Desk Officer, (1004-0135), Office of Information and Regulatory Affairs, Washington, D.C. 20503.

SITE FACILITY DIAGRAM

GOLD RUSH "30" FED. #7

(GOLD RUSH "30" FED. #2 & GOLD RUSH "31" FED. #1 #2 & #3)

EDDY COUNTY, NEW MEXICO

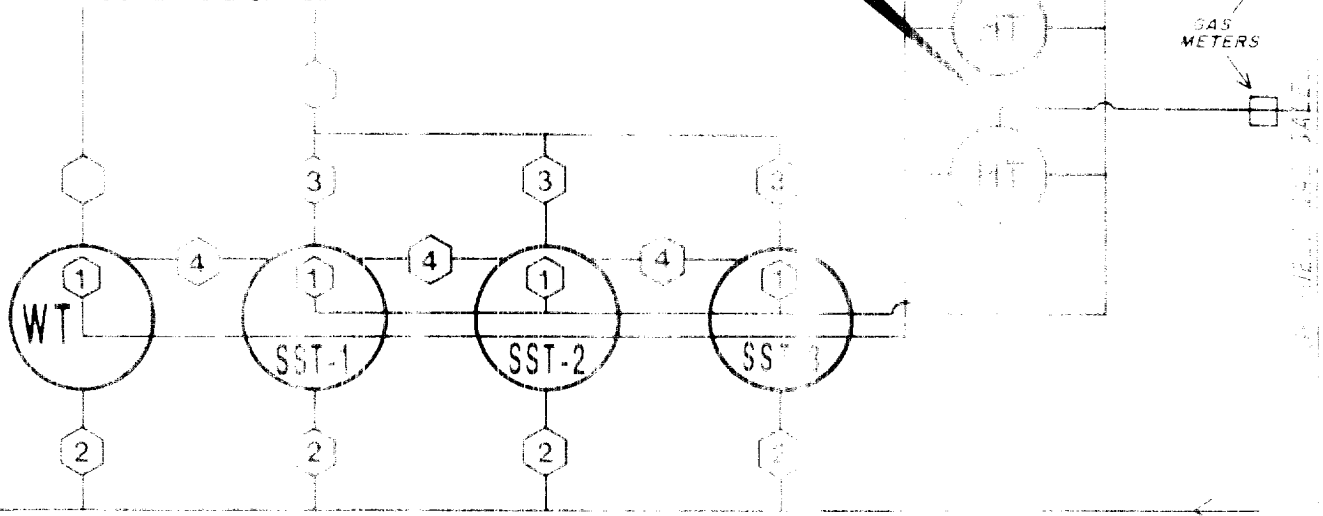
GOLD RUSH "30" FED. #7 FLOWLINE
330' FSL & EL SECTION 30
T-23-S R-30-E

GOLD RUSH "30" FED. #2 FLOWLINE
430' FSL & 1750' FEL, SECTION 30, T-23-S, R-30-E

GOLD RUSH "31" FED. #1 & #3 FLOWLINE
660' FNL & 330' FEL, SECTION 31, T-23-S, R-30-E

GOLD RUSH "31" FED. #2 FLOWLINE
1980' FNL & 330' FEL, SECTION 31, T-23-S, R-30-E

TRUCKED OIL SALES



PRODUCTION SYSTEM - CLOSED

1. OIL SALES BY TANK GUAGE TO TANK TRUCK 2. SEAL REQUIREMENTS

A. PRODUCTION PHASE

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