

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

**COMMINGLING ORDER CTB-545** 

Mar Oil & Gas Corporation P.O. Box 5155 Santa Fe, New Mexico 87508

Attention: Mr. Duane C. Winkler

The above named company is hereby authorized to surface commingle West Sawyer-San Andres Pool (Oil - 55490) oil and gas production from the following wells located in Sections 22 and 27, Township 9 South, Range 37 East, NMPM, Lea County, New Mexico, located on Federal Leases No. NMLC-067775, NM-2390, CA-71222, NMNM-03841777, NM-050475-A, and CASW-587:

USM Well No. 1 (API No. 30-025-24327) Unit B, Section 27 USM Well No. 3 (API No. 30-025-24621) Unit A, Section 27 USM Well No. 4 (API No. 30-025-24834) Unit G, Section 27 T.P. Federal Well No. 1 (API No. 30-025-24278) Unit F, Section 27 T.P. Federal Well No. 2 (API No. 30-025-24835) Unit C, Section 27 Federal "27" Well No. 1 (API No. 30-025-23841) Unit D, Section 27 Federal "27" Well No. 2 (API No. 30-025-25403) Unit E, Section 27 Federal "22" Well No. 2 (API No. 30-025-25602) Unit M, Section 22

Oil and gas production from each well or grouping of wells with identical ownership shall be continuously metered separately from other wells or groups of wells with identical ownership prior to all production being commingled and sold. Well tests may be used for allocating production between wells within each identically owned group of wells.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Hobbs district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 11th day of May, 2004.

David Catanach Engineer/Examiner

**DRC** 

cc: Oil Conservation Division – Hobbs Bureau of Land Management-Carlsbad Lossed to Susper CTB
4/5/04 4/5/04

RECEIVED

APR 0 5 2004

OIL CONSERVATION
OIL CONSERVATION
DEVISION

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977 Doved Catanach Sould Catanach I Told them to submit on C107B.

Oil Conservation Division 1625 N. French Dr. Hobbs, New Mexico 88210

March 24, 2004

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mr. Chris Williams:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

MAR has applied to Bureau Of Land Management to surface commingling the wells. The following information is to support the Surface Commingling and for your approval.

Sincerely:

Duane C. Winkler VP Operation

Oil Conservation Division

Approval: \_\_\_\_\_ Date: \_\_\_\_

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

Bureau Of Land Management Carlsbad Field Office 620 E. Greene Carlsbad, NM 88220 (505)234-5972 March 24, 2004

RE:

Off-Lease Measurement, Storage, and Surface Commingling

### Mr. Joe Lara:

The following information is to support the Surface Commingling Application.

The Sundry Notice Form 3160-5 was submitted for Off-Lease Measurement, Storage and Surface Commingling for the following wells.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775
USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775
USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775
TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390
TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390
Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222
Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222
Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The wells are in the West Sawyer Field. All the wells produce from the San Andres formation. Estimated monthly production from each contributing well listed below.

Well Name	Presen	Present Production				<b>Estimated Production</b>			
	BOM	<b>BWM</b>	McfM	BOM	<b>BWM</b>	McfM			
USM No 1	0	0	0	100	300	0			
USM No 3	0	0	0	300	400	0			
USM No 4	0	0	0	45	50	0			
TP Federal No 1	0	90	0	50	100	300			
TP Federal No 2	60	400	0	120	500	300			
Federal 27 No 1	80	300	140	80	300	240			
Federal 27 No 2	70	150	100	70	150	100			
Federal 22 No 2	0	0	0	150	150	100			

The Central Battery will be located at the TP Federal No 1 location. The attached schematic diagram is to identify all equipment that will be utilized. Each well will be tested four days every month. The test facility will measure oil and water production in separated storage tanks and measure gas at the treator.

Example of production allocation & calculations:

Calculation:

(bo) / (4) \* days in month = BOPM (bw) / (4) \* days in month = BWPM (mcf) / (4) \* days in month = McfM

Production Test for the month of April In four days the well produces 8 bo, 12 bw, 10 mcf

Calculation Allocated Production

(8) / (4) \* (30) = 60 bopm (12) / (4) \* (30) = 90 bwpm(10) / (4) \* (30) = 75 mcfm

The Federal royalties will not be reduced. All interest owners have been notified. The surface is private. Mr. Bilbrey has been notified and gave verbal permission. Mr. BR Smillie has been notifying by mail.

The existing production surface equipment on the USM No 1, Federal 27 No 1 and Federal 22 No 2 batteries have corrosion holes in the storage tanks the equipment is unsafe for usage. The production equipment will be cleaned and clean out plates left off. Barriga Tank Service will haul the equipment to his yard for salvage with in six months of the tank cleaning. The existing production pipe lines are two inch steel bare pipe and were laid on the surface with no corrosion protection. The pipe has numerous patches the pipe line is not safe to produce through. MAR will flush the existing pipe lines with fresh water to a water tank and the oil will be stored for sales and the water will be disposed to water injection well.

Mr. Bilbrey has agreed to remove the old production pipe for welding material on his ranch. After all the production equipment has been removed from the old battery sites MAR will remediate the sites under BLM rules and regulations.

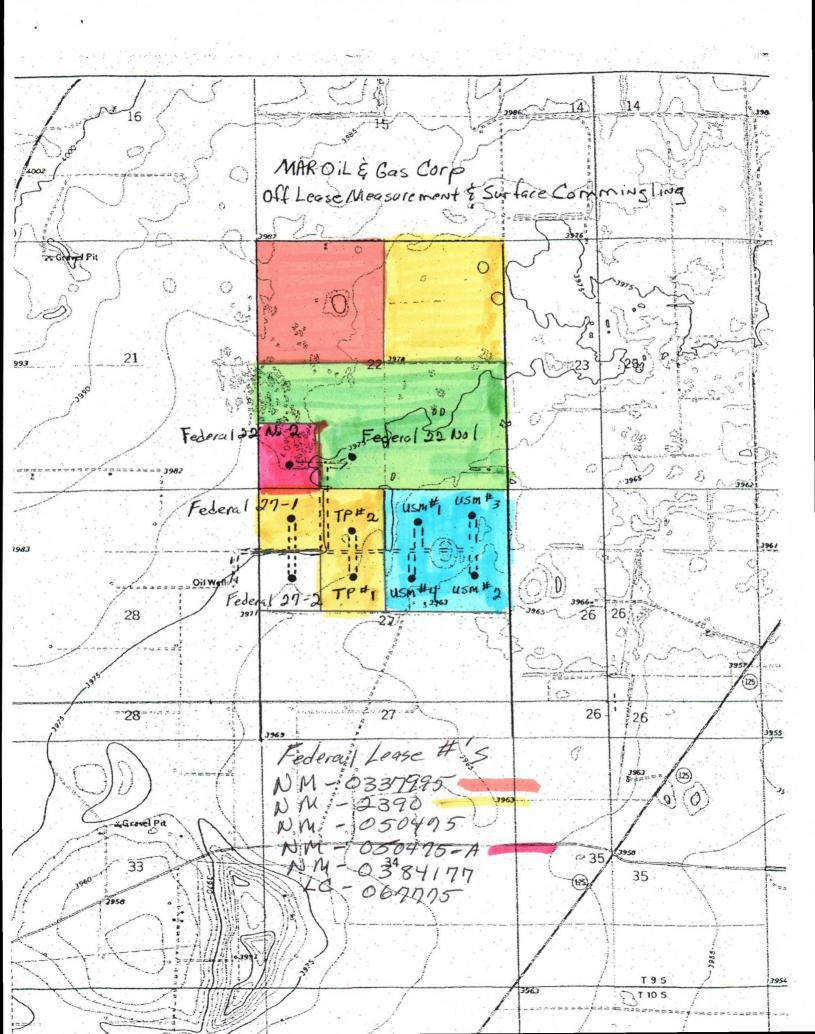
Sincerely	7	:
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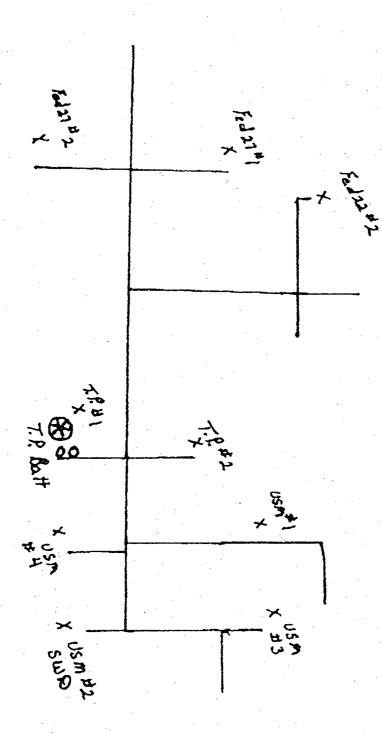
Duane C. Winkler VP Operations

**Bureau Of Land Management** 

Jeane C Winds.

Approval:	Date:	
* *		

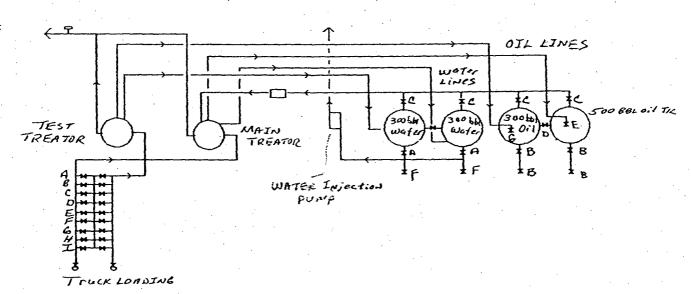




MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SENW, SQ7, T95, R37E
Lease # NANIM 2390

### To WIW

TO GAS SALES



### SITE SECURITY

### Production Phase

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

Valve B Closed Sealed Until Trucked

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Open To Produce Into

Valve F Closed Not Sealed

Valve G Closed and Sealed

### SALES PHASE

500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve G Open to Produce Into

### WELLS TO MANIFOLD

A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

F. USM No. 1

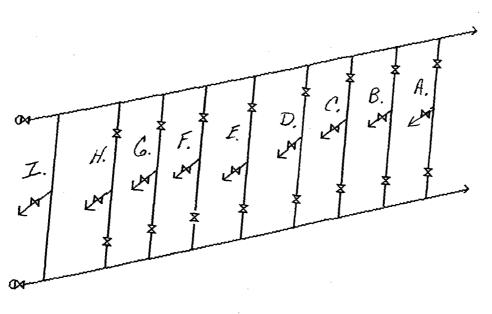
G. USM No. 3

H. USM No. 4

I. SPARE

## MAR OIL AND GAS CORP T.P. FEDERAL CENTRAL BATTERY MANIFOLD

To Main Treator



- A. Federal 22 No 2 Production Inlet to Manifold
- B. Federal 27 No 1 Production Inlet to Manifold
- C. Federal 27 No 2 Production Inlet to Manifold
- D. T.P. Federal No 1 Production Inlet to Manifold
- E. T.P. Federal No 2 Production Inlet to Manifold F. USM No 1 Production Inlet to Manifold
- G. USM No 3 Production Inlet to Manifold
- H. USM No 4 Production Inlet to Manifold

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

B.R. Smillie P.O. Box 927 Beaver Oklahoma, 73932 March 24, 2004

RE:

Surface Pipe Line

Mrs. B.R. Smillie:

MAR Oil & Gas Corp is the operator of the following wells on your private surface in Lea County New Mexico.

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587 The present production equipment and production pipe lines are unsafe for usage. MAR will be installing new poly pipe along the lease road and in the road right-of-way. The pipe will be buried at any road crossing. There will be no other surface disturbance. The new pipe line is necessary for MAR to operate in a safe manner and be in compliance with the BLM rules and regulations.

Sincerely:

Duane C. Winkler

**VP Operations** 

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

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.

5. Lease Serial No. NM050475-A

abandoned well. Use Form 3160-3 (APD) for such proposals.				6. If Indian, Allowee of Tribe Name			
SUBMIT IN TR	PLICATE = Other Instru	ictions on revers	se side	7. If Unit or CA/	Agreement, Name and/or No.		
1. Type of Well				CA-SW-587			
Oil Well Gas Well	Other			8. Well Name and No.			
2. Name of Operator				Federal No 22	No 2		
MAR Oil and Gas Corp				9. API Well No.			
3a. Address		3b. Phone No. (inclu	de area code)	30-025-25602			
PO Box 5155, Santa Fe NM, 875	02	505-989-1977		10. Field and Poo	il, or Exploratory Area		
4. Location of Well (Footage, Sec.,	***************************************			West Sawyer,	San Andres		
Unit M, 660' FSL, 660' FWL, S2		,		11. County or Par Lea, NM	rish, State		
12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE NAT	URE OF NOTICE, RI		HER DATA		
TYPE OF SUBMISSION		7	YPE OF ACTION				
	Acidize	☐ Deepen	Production (Start	Resume)	Water Shut-Off		
Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity		
F74	Casing Repair	New Construction	=	Ø	Other Surface Commingle		
✓ Subsequent Report	Change Plans	Plug and Abandon	•	<del>-</del>	Right-Of-Way		
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal	•			
determined that the site is ready  MAR Oil & Gas Corp has shut in  MAR proposes to surface commit  Federal No 1, SE NW S27, T9S,  pressure of the 2" SDR 11 poly p  will be used for prodution allocat  MAR has mailed a letter of notifi  The existing production lines will  the equipment will be removed b  old battery location to BLM rules	the well the production equipagle as follows: Lay on the su R37E, Lea County NM, Poly ipe is 150 psig, MAR maximution, the well will be tested evolution t Mr. BR Smillie. I be disconnected from the Cey Barriga Tank Service with in	oment is unsafe for use rface new 2" SDR 11 pipe will be buried at am operating pressure ery month, The surface entral battery, the equi- n six months of the co	Poly Pipe along the lease all road crossings, no ad- will be 30 psig, Well tes e is fee the land owner is prent will be cleaned an empletion of the comming	e road in the road ditional surface d ting will be four Mr. BR Smillie d clean out plates	right-of-way to the TP isturbace, maximum consective days, the average will be left off the tanks,		
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct						
Duane C Winkler Title VP Operations							
Signature	ie-	Date	March 24, 2004				
	THIS SPACE I	ENGLEMENT OF CONTRACT OF SERVICE	STATE OFFICE USE				
Approved by (Signature)			Name (Printed/Typed)	Titl	е		
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	al or equitable title to those right		Office		Date		

## UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

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.

6. If Indian, Allottee or Tribe Name	
NMNM03841777	
5. Lease Serial No.	

abandonoa wo	0001 01111 0100-0 (A) <i>D)</i>	roi sucii propos	uio.				
SUBMIT IN TRIPLICATE - Other instructions on reverse side					/Agreement, Name and/or No.		
1. Type of Well			Contraction of the Contraction o	CA NMNM 7	1222		
Oil Well Gas Well	Other			8. Well Name and No. Federal 27 No 2			
2. Name of Operator							
MAR Oil and Gas Corp				9. API Well N	0.		
3a. Address 3b. Phone No. (include area code)				30-025-25403	}		
PO Box 5155, Santa Fe NM, 875	502	505-989-1977		10. Field and Po	ool, or Exploratory Area		
4. Location of Well (Footage, Sec.,				West Sawyer			
Unit E, 1980' FNL, 660' FWL, S	327 T9S, R37E			11. County or P	arish, State		
12. CHECK API	PROPRIATE BOX(ES) TO	INDICATE NAT	URE OF NOTICE, R	Lea, NM EPORT. OR O	THER DATA		
TYPE OF SUBMISSION			TYPE OF ACTION				
D National States		Deepen	Production (Star	t/Resume)	Water Shut-Off		
Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity		
Subsequent Report	Casing Repair	New Construction	n Recomplete	$\square$	Other Surface Commingle		
<b>—</b>	Change Plans	Plug and Abandon	n 🔲 Temporarily At	andon	Right-Of-Way		
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal				
MAR Oil & Gas Corp has shut in MAR proposes to surface commit Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly pi will be used for prodution allocat MAR has contacted Mr. Bilbrey a disconnected from the Central bat Barriga Tank Service with in six regulations, Attachment Abattery	n the well the production equipmingle as follows: Lay on the sur. R37E, Lea County NM, Poly poipe is 150 psig, MAR maximum tion, the well will be tested ever and Mr. Bilbrey has granted Muttery, the equipment will be cle months of the completion of the	face new 2" SDR 11 ipe will be buried at in operating pressure by month, The surfactor AR verbial permission and clean out procession of the procession of t	Poly Pipe along the lea all road crossings, no activities all be 30 psig, Well to be is fee the land owner into the lay the pipe lines, olates will be left off the	Iditional surface sting will be four is Mr. Bilbrey, Do The existing productanks, the equipn	disturbace, maximum consective days, the average uane C Winkler with fuction lines will be nent will be removed by		
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct	Į.					
Duane C Winkler Title VP Operations							
Signature CC	ce-		March 24, 2004				
	THIS SPACE F	in Markovsk svatská kalsinsk	STATE OFFICE USE		A Company		
Approved by (Signature)			Name (Printed/Typed)	Tit	ile		
Conditions of approval, if any, are certify that the applicant holds legs which would entitle the applicant to	al or equitable title to those right	e does not warrant or s in the subject lease	Office		Date		

### **UNITED STATES** DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

5. Lease Serial No.

**SUNDRY NOTICES AND REPORTS ON WELLS** 

NMLC-067775

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.				6. If Indiar	6. If Indian, Allottee or Tribe Name					
SUBMIT IN TR	PLIC	ATE - Other instr	uçti	ons on rever	se side		7. If Unit o	r CA	/Agree	ement, Name and/or No.
1. Type of Well	<u> </u>			An electric services (1995)			5 St. M. V.			
Oil Well Gas Well	Other	<u> </u>					8. Well N	ame a	nd No	<b>)</b> .
2. Name of Operator							U.S. M. 1	_		
MAR Oil and Gas Corp  3a. Address			12	b. Phone No. (incl	uda araa	anda)	9. API W			
			- 1	•	uue area	coue)	30-025-2			Exploratory Area
PO Box 5155, Santa Fe NM, 875 4. Location of Well (Footage, Sec.,		M or Compan Description		05-989-1977			West Sav			•
Unit B, 660' FNL, 1980' FEL, S.			n)				11. County			
							Lea, NM			
	PROP	RIATE BOX(ES) To	O IN					R O	THE	R DATA
TYPE OF SUBMISSION					TYPEO	F ACTIO	N			
D Maria allara		Acidize	$\bar{\Box}$	Deepen			n (Start/Resume)			er Shut-Off
Notice of Intent		Alter Casing		Fracture Treat	ū	Reclamati		Ц		l Integrity
Subsequent Report	Ц	Casing Repair	Щ	New Construction		Recomple		$\nabla$	Oth	er Surface Commingle
Final Abandonment Notice	y	Change Plans	브	Plug and Abando		•	rily Abandon			Right-Of-Way
That Abandonnent Notice	u	Convert to Injection	u	Plug Back	u	Water Dis	sposal			
MAR Oil & Gas Corp has shut it MAR proposes to surface commit Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allicat MAR has contacted Mr. Bilbrey disconnected from the USM Cen removed by Barriga Tank Service BLM rules and regulations, Attack	ngle as R37E, ipe is ion, the and Mitral bate e with	s follows: Lay on the st Lea County NM, Poly 150 psig, MAR maxima well will be tested ever. Bilbrey has granted it ttery, the USM equipm in six months of the co	urface pipe um of ery m MAR ent w omple	e new 2" SDR 11 will be buried at perating pressure nonth, The surface verbial permissivill be cleaned an etion of the comm	Poly Picall road will be e is fee to on to lay	crossings, 30 psig, Whe land over the pipe 1 out plates	, no additional sur Vell testing will be wner is Mr. Bilbre lines, The existing will be left off the	face of four y, Du prod tanks	consolate Cane Couction	bace, maximum ective days, the average Winkler with In lines will be equipment will be
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is tru	e and correct								
Duane C Winkler				Title	VP Ope	rations				<u> </u>
Signature C	7 Ce			Date	March 2	4, 2004				
		THIS SPACE	FOF	FEDERAL OF	シック なる はまずれ	A. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	<b>£</b> USE			
Approved by (Signature)			<del></del>		Name (Printed/)	Typed)		Tit	le	
Conditions of approval, if any, are certify that the applicant holds less than the applicant holds less than the second of the s	attach	ed. Approval of this not	ice de	oes not warrant or the subject lease	Office					Date

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 200

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.

5. Lease Serial No.	
NMLC-067775	
6. If Indian, Allottee or Tribe Name	

abandoned we	ell. Use Form 3160-3 (APD) for suc	n proposa	nis.	•	
SUBMIT IN TR	PLICATE - Other instructions	on revers	e side	7. If Unit or CA/Ag	reement, Name and/or No.
1. Type of Well					
Oil Well Gas Well	Other			8. Well Name and	No.
2. Name of Operator				U.S. M. No 3	
MAR Oil and Gas Corp	Las Br	** /: 1	* * * * * * * * * * * * * * * * * * * *	9. API Well No.	
3a. Address	3b. Pho	ne No. (inclu	de area code)	30-025-24621	P14 A
PO Box 5155, Santa Fe NM, 875		)-1977			or Exploratory Area
4. Location of Well (Footage, Sec., Unit A, 519' FNL, 801' FEL, S2'				West Sawyer, Sa 11. County or Paris	
				Lea, NM	
12. CHECK AP	PROPRIATE BOX(ES) TO INDICA	ATE NATU	JRE OF NOTICE, RE	EPORT, OR OTH	IER DATA
TYPE OF SUBMISSION		T	YPE OF ACTION		
	☐ Acidize ☐ Deep	en	Production (Start/	Resume) U	/ater Shut-Off
Notice of Intent	☐ Alter Casing ☐ Fract	ure Treat	Reclamation	□ w	ell Integrity
Subsequent Report	☐ Casing Repair ☐ New	Construction	Recomplete	<b>☑</b> 0	ther Surface Commingle
	Change Plans Plug	and Abandon	Temporarily Aba	ndon	Right-Of-Way
Final Abandonment Notice	Convert to Injection Plug	Back	■ Water Disposal	_	
MAR proposes to surface commif- Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allicat MAR has contacted Mr. Bilbrey disconnected from the USM Cen removed by Barriga Tank Service	a the well the production equipment is uringle as follows: Lay on the surface new R37E, Lea County NM, Poly pipe will be the sipe is 150 psig, MAR maximum operation, the well will be tested every month, and Mr. Bilbrey has granted MAR verbitral battery, the USM equipment will be with in six months of the completion ochment Abattery diagram, Attachment B	2" SDR 111 or buried at a ring pressure. The surface al permission cleaned and f the commi	Poly Pipe along the lease all road crossings, no add will be 30 psig, Well test is fee the land owner is in to lay the pipe lines, The clean out plates will be	litional surface dist ing will be four co Mr. Bilbrey, Duand he existing product left off the tanks, the	urbace, maximum nsective days, the average C Winkler with ion lines will be ne equipment will be
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct				
Duane C Winkler Title VP Operations					
Signature CC		Date N	March 24, 2004		
	THIS SPACE FOR FED	ERAL OR	STATE OFFICE USE		
Approved by (Signature)			Name (Printed/Typed)	Title	
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	e attached. Approval of this notice does not all or equitable title to those rights in the st conduct operations thereon.	warrant or ubject lease	Office		Date

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

5. Lease Serial No.

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.

NMLC-067775
6. If Indian, Allottee or Tribe Name

<del></del>							
SUBMIT IN TRI	IPLICATE - Other instru	ctions on reve	rse side	7. If Unit or CAV.	Agreement, Name and/or No.		
1. Type of Well	<u> 1886 - An Charles III an Charles II an Aire an Airean I an Aireann Airea</u> I	a da di di Sensa de La Sensa de La Colonia.		1			
Oil Well Gas Well	Other			8. Well Name and No.			
2. Name of Operator				U.S. M. No 4			
MAR Oil and Gas Corp		·		9. API Well No	•		
3a. Address		3b. Phone No. (inc	lude area code)	30-025-24834			
PO Box 5155, Santa Fe NM, 875	i	ol, or Exploratory Area					
4. Location of Well (Footage, Sec.,	West Sawyer, 11. County or Pa						
Unit G, 1980' FNL, 2180' FEL, S	52/ 198, K3/E			11. County of 12	isu, state		
			,	Lea, NM			
12. CHECK API	PROPRIATE BOX(ES) TO	INDICATE NA	TURE OF NOTICE, R	EPORT, OR O	THER DATA		
TYPE OF SUBMISSION			TYPE OF ACTION		. '		
	Acidize	Deepen	Production (Start	t/Resume)	Water Shut-Off		
Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity		
Subsequent Report	Casing Repair	New Construction	on Recomplete	$\square$	Other Surface Commingle		
	Change Plans	Plug and Aband	on 🔲 Temporarily Ab	andon	Right-Of-Way		
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal				
MAR Oil & Gas Corp has shut in MAR proposes to surface commi Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allicati MAR has contacted Mr. Bilbrey disconnected from the USM Centremoved by Barriga Tank Service BLM rules and regulations, Attac	ngle as follows: Lay on the sur R37E, Lea County NM, Poly p ipe is 150 psig, MAR maximur ion, the well will be tested ever and Mr. Bilbrey has granted M tral battery, the USM equipmer with in six months of the com	face new 2" SDR I ipe will be buried a n operating pressur y month, The surfa AR verbial permiss at will be cleaned a upletion of the com	1 Poly Pipe along the least all road crossings, no acre will be 30 psig, Well teace is fee the land owner ission to lay the pipe lines, and clean out plates will be	Iditional surface of sting will be four s Mr. Bilbrey, Du The existing prod e left off the tanks	listurbace, maximum consective days, the average ane C Winkler with uction lines will be the equipment will be		
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct	]					
Duane C Winkler		Titl	VP Operations		·		
Signature	OCG-	Dat	e March 24, 2004				
	THIS SPACE F	ere i i i i kalanderi di singlesebile	R STATE OFFICE US	<b>F</b>			
Approved by (Signature)			Name (Printed/Typed)	Tit	le		
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	al or equitable title to those righ				Date		



# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

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.

5. Lease Se	rial No.	
NM-2390		
4 If Indian	Allottaa or Triba Nama	

adangoneg we	ell. USe FORM 3160-3 (APD) for	such proposi	ais.			
SUBMIT IN TR	se side	7. If Unit or CA/Agreement, Name and/or No.				
1. Type of Well						
Oil Well Gas Well	8. Well Name and No.					
2. Name of Operator	•			TP Federal No 1		
MAR Oil and Gas Corp  3a. Address	125	Dhana Na Gual		9. API Well No.		
		o. Phone No. (inclu	ide area code)	30-025-24278  10. Field and Pool, or Exploratory Area		
PO Box 5155, Santa Fe NM, 875		5-989-1977		West Sawyer, Sa		
4. Location of Well (Footage, Sec., Unit F, 1980' FNL, 1980' FWL,				11. County or Parish Lea, NM		
12. CHECK AP	PROPRIATE BOX(ES) TO INI	DICATE NAT	URE OF NOTICE, RE		ER DATA	
TYPE OF SUBMISSION		7	TYPE OF ACTION			
	Acidize	Deepen	Production (Start/	Resume) W	ater Shut-Off	
Notice of Intent	Alter Casing	Fracture Treat	Reclamation	□ w	ell Integrity	
Subsequent Report	Casing Repair	New Construction	Recomplete	<b>☑</b> 0	ther Surface Commingle	
		Plug and Abandon	Temporarily Aba	ndon	Right-Of-Way	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal	_		
MAR Oil & Gas Corp has shut in MAR proposes to surface comme every month, The surface is fee to verbial permission to lay the pipe. The Central Battery will be on the Test System is designed that Oil	n the well the production equipment ingle, Well testing will be four consthe land owner is Mr. Bilbrey, Duan e lines are TP Federal No 1 Location, Attach and Water will be measured in sepe	t is unsafe for use sective days, the se C Winkler with nment A is propo	age average will be used for p h MAR has contacted Mr sed site facility diagram	orodution allocation Bilbrey and Mr. B and test system	, the well will be tested	
14. 1 hereby certify that the foregoing Name (PrintedlTyped)	ng is true and correct	1				
Duane C Winkler		Title v	VP Operations			
Signature (?)	24	Date 1	March 24, 2004			
	THIS SPACE FOR	FEDERAL OR	STATE OFFICE USE			
Approved by (Signature)			Name (Printed/Typed)	Title		
	e attached. Approval of this notice dos gal or equitable title to those rights in conduct operations thereon.		Office		Date	

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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.

5. Lease Serial No.
NM-2390
6. If Indian, Allottee or Tribe Name

abanuoneu we	ii. Ose i oi	III 3100-3 (AFD)	101	such propose	ug.					
SUBMIT IN TRI	PLICATE	- Other instru	ctic	ins on revers	e side	8		7. If Unit o	r CA/	Agreement, Name and/or No.
1. Type of Well							CA NMNM 71222			
Oil Well Gas Well Other					8. Well Name and No.					
2. Name of Operator						Federal 27 No 1				
MAR Oil and Gas Corp						9. API Well No.				
3a. Address			3b	. Phone No. (inclu	de area	C	ode)	30-025-2		
PO Box 5155, Santa Fe NM, 875	02	·	50	5-989-1977				1		ol, or Exploratory Area
4. Location of Well (Footage, Sec.,	T, R., M., or									San Andres
Unit D, 660' FNL, 660' FWL, S2	7 T9S, R371	E						11. County Lea, NM		insh, State
12. CHECK APP	ROPRIAT	TE BOX(ES) TO	INI	DICATE NAT	URE O	)F	NOTICE, RI	<u> </u>		THER DATA
TYPE OF SUBMISSION				1	YPE O	)F	ACTION			
	Acidi	ze l	$\overline{\Box}$	Deepen		]	Production (Start	/Resume)		Water Shut-Off
Notice of Intent	_	Casing	_	Fracture Treat	ō		Reclamation	,	ō	Well Integrity
<b>53</b> 6 4 1 2 1	=	g Repair	_	New Construction	ā		Recomplete		$\overline{\Omega}$	Other Surface Commingle
✓ Subsequent Report	_	ge Plans	=	Plug and Abandon		•	Temporarily Aba	andon		Right-Of-Way
Final Abandonment Notice		ert to Injection		Plug Back	Ē		Water Disposal			
MAR proposes to surface commin Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly pi will be used for prodution allocat MAR has mailed a letter of notific The existing production lines will the equipment will be removed by old battery location to BLM rules	R37E, Lea ( ipe is 150 ps ion, the well cation to Mi be disconny Barriga Ta	County NM, Poly p sig, MAR maximur I will be tested ever BR Smillie. ected from the Cen unk Service with in	n op ry m tral six	will be buried at berating pressure conth, The surfact battery, the equipments of the co	all road will be e is fee pment v mpletio	th wi	crossings, no ad 0 psig, Well test ne land owner is Il be cleaned an of the commin	ditional surficting will be SMr. BR Sm	face of four nillie, plate	listurbace, maximum consective days, the average s will be left off the tanks,
14. 1 hereby certify that the foregoing Name (PrintedlTyped)	g is true and	correct								
Duane C Winkler		····		Title v	/P Oper	ra	tions			
Signatur Al Co				Date	March 2	24.	, 2004			
V		THIS SPACE F	OR	and the second of	17-18-17 Table		esistematicalis			
Approved by (Signature)					Name (Printed/)	Тур	ped)		Tit	le
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	al or equitab	le title to those right	e do	es not warrant or the subject lease	Office		·			Date
Title 18 U.S.C. Section 1001 and Ti States any false, fictitious or fraudul	tle 43 U.S.C.	Section 1212, make s or representations a	it a	crime for any pers	on know is jurisdi	vin ict	ngly and willfully	to make to a	ny de	partment or agency of the United

(Continued on next page)

### **UNITED STATES** DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

5. Lease Serial No.

**SUNDRY NOTICES AND REPORTS ON WELLS** 

NIM-2300

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name				
SUBMIT IN TR	IPLICATE - Other instru	ctions on rev	rerse sid	•	7. If Unit or	r CA/A	greement, Name and/or No.		
1. Type of Well			<u> (2.134) 480 (2008)</u>						
Oil Well Gas Well Other						8. Well Name and No.			
2. Name of Operator					TP Federa	ıl No 2	<u></u>		
MAR Oil and Gas Corp		_			9. API We	9. API Well No.			
3a. Address		3b. Phone No. (	include area	code)	30-025-24835				
PO Box 5155, Santa Fe NM, 875	02	505-989-1977			10. Field ar	nd Poo	l, or Exploratory Area		
4. Location of Well (Footage, Sec.,	T, R., M., or Survey Description)			·			San Andres		
Unit C, 860' FNL, 1980' FWL, S	27 T9S, R37E				11. County	or Par	ish, State		
					Lea, NM				
12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE N	ATURE C	F NOTICE, RE		R OT	HER DATA		
TYPE OF SUBMISSION			ТҮРЕ С	F ACTION					
	Acidize	Deepen		Production (Start/	Resume)		Water Shut-Off		
Notice of Intent	Alter Casing	Fracture Trea		Reclamation			Well Integrity		
Subsequent Report	Casing Repair	New Construc	ction 🔲	Recomplete			Other Surface Commingle		
	Change Plans	Plug and Aba	ndon 🔲	Temporarily Aba	ndon		Right-Of-Way		
Final Abandonment Notice	Convert to Injection	Plug Back		Water Disposal					
MAR Oil & Gas Corp has shut in MAR proposes to surface commif Federal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allocat MAR has contacted Mr. Bilbrey disconnected from the Central bat Barriga Tank Service with in six regulations, Attachment Abattery	ngle as follows: Lay on the sur R37E, Lea County NM, Poly p ipe is 150 psig, MAR maximur ion, the well will be tested ever and Mr. Bilbrey has granted M ttery, the equipment will be cle months of the completion of th	face new 2" SDR sipe will be buried on operating press ry month, The su AR verbial perm caned and clean of	t 11 Poly Pid at all road sure will be rface is fee ission to lay out plates wi	crossings, no add 30 psig, Well test the land owner is the pipe lines, T ill be left off the t	ditional surfiting will be Mr. Bilbrey he existing panks, the equals to the equals of	ace di four c /, Dua produc uipme	sturbace, maximum onsective days, the average ne C Winkler with ction lines will be nt will be removed by		
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct	1							
			itle VP Oper	rations					
Signatur	e		ate March 2						
	THIS SPACE F	PARKET STREET, STREET	ويوافقوا والمائم أوالواري والمراج	And St. Charles and the Control of the					
Approved by (Signature)	Nama			Title					
Conditions of approval, if any, are certify that the applicant holds leg which would entitle the applicant to	al or equitable title to those right	e does not warrants in the subject le	Office			•	Date		

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Ave, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM

87505

## State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised June 10, 2003

### **OIL CONSERVATION DIVISION**

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

	AR OIL & GAS CORP	COMMINGLING	(DIVERSE (	/ WINDING HILL Y	<del> </del>	
	<del></del>	1502			<del></del>	
OPERATOR ADDRESS: PO Box 5155, Santa Fe, NM 87502  APPLICATION TYPE:						
Pool Commingling X Lease Com	uningling Dool and Laces Com	mingling Off-Lease S	tornes and Massurer	ant (Only if not Surface I	"amminuled)	
			mage and measuren	ent (Only it not Surface )	Commugical	
LEASE TYPE: Fee	State X Feder			J N.		
Is this an Amendment to existing Have the Bureau of Land Manag					ingling	
XYes No	chichi (BLWI) and State Land	onice (SLO) occir noi	med in writing or	the proposed commi	mgrmg	
	` ,	L COMMINGLINGS with the following in				
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes	
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No.  (4) Measurement type: Metering Other (Specify)  (5) Will commingling decrease the value of production? Yes No If "yes", describe why commingling should be approved						
(B) LEASE COMMINGLING Please attach sheets with the following information						
(1) Pool Name and Code. Sawyer						
• • •	rce of supply? X Yes \[ \]N					
(3) Has all interest owners been notified by certified mail of the proposed commingling? X Yes ☐No (4) Measurement type: X Metering X Other (Specify) Oil and Water production measured in separate test tanks, gas measured by meter						
(C) POOL and LEASE COMMINGLING						
	Please attach sheet	is with the following in	nformation			
(1) Complete Sections A and E.						
ON OFF I FACE OF OR A CHAPTER STATE						
(D) OFF-LEASE STORAGE and MEASUREMENT Please attached sheets with the following information						
(1) Is all production from same source of supply? Yes No						
(2) Include proof of notice to all interest owners.						
O	E) ADDITIONAL INFO Please attach sheet	DRMATION (for all ts with the following i		pes)		
(1) A schematic diagram of facility						
	owing all well and facility locat	ions. Include lease numb	ers if Federal or Sta	te lands are involved.		
(3) Lease Names, Lease and Well Numbers, and API Numbers.						
I hereby certify that the information above is true and complete to the best of my knowledge and belief.						
(a) $(a-1)$						
SIGNATURE:	0	ITLE: VP Operations				

TELEPHONE NO.: 505-989-1977

E-MAIL ADDRESS: duanecwinkler@earthlink.net

TYPE OR PRINT NAME: Duane C Winkler

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

Bureau Of Land Management Carlsbad Field Office 620 E. Greene Carlsbad, NM 88220 (505)234-5972 March 24, 2004

RE:

Off-Lease Measurement, Storage, and Surface Commingling

Mr. Joe Lara:

The following information is to support the Surface Commingling Application. The Sundry Notice Form 3160-5 was submitted for Off-Lease Measurement, Storage and Surface Commingling for the following wells.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775
USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775
USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775
TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390
TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390
Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222
Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222
Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The wells are in the West Sawyer Field. All the wells produce from the San Andres formation. Estimated monthly production from each contributing well listed below.

Well Name	Presen	t Produ	ction	Estima	ted Pro	duction
	BOM	<b>BWM</b>	McfM BOM	<b>BWM</b>	McfM	
USM No 1	0	0	0	100	300	0
USM No 3	0	0	0	300	400	0
USM No 4	0	0	0	45	50	0
TP Federal No 1	0	90	0	50	100	300
TP Federal No 2	60	400	0	120	500	300
Federal 27 No 1	80	300	140	80	300	240
Federal 27 No 2	70	150	100	70	150	100
Federal 22 No 2	0	0	0	150	150	100

The Central Battery will be located at the TP Federal No 1 location. The attached schematic diagram is to identify all equipment that will be utilized. Each well will be tested four days every month. The test facility will measure oil and water production in separated storage tanks and measure gas at the treator.

Example of production allocation & calculations:

Calculation:

(bo) / (4) \* days in month = BOPM (bw) / (4) \* days in month = BWPM (mcf) / (4) \* days in month = McfM

Production Test for the month of April In four days the well produces 8 bo, 12 bw, 10 mcf

Calculation Allocated Production

(8) / (4) \* (30) = 60 bopm (12) / (4) \* (30) = 90 bwpm(10) / (4) \* (30) = 75 mcfm

The Federal royalties will not be reduced. All interest owners have been notified. The surface is private. Mr. Bilbrey has been notified and gave verbal permission. Mr. BR Smillie has been notifying by mail.

The existing production surface equipment on the USM No 1, Federal 27 No 1 and Federal 22 No 2 batteries have corrosion holes in the storage tanks the equipment is unsafe for usage. The production equipment will be cleaned and clean out plates left off. Barriga Tank Service will haul the equipment to his yard for salvage with in six months of the tank cleaning. The existing production pipe lines are two inch steel bare pipe and were laid on the surface with no corrosion protection. The pipe has numerous patches the pipe line is not safe to produce through. MAR will flush the existing pipe lines with fresh water to a water tank and the oil will be stored for sales and the water will be disposed to water injection well.

Mr. Bilbrey has agreed to remove the old production pipe for welding material on his ranch. After all the production equipment has been removed from the old battery sites MAR will remediate the sites under BLM rules and regulations.

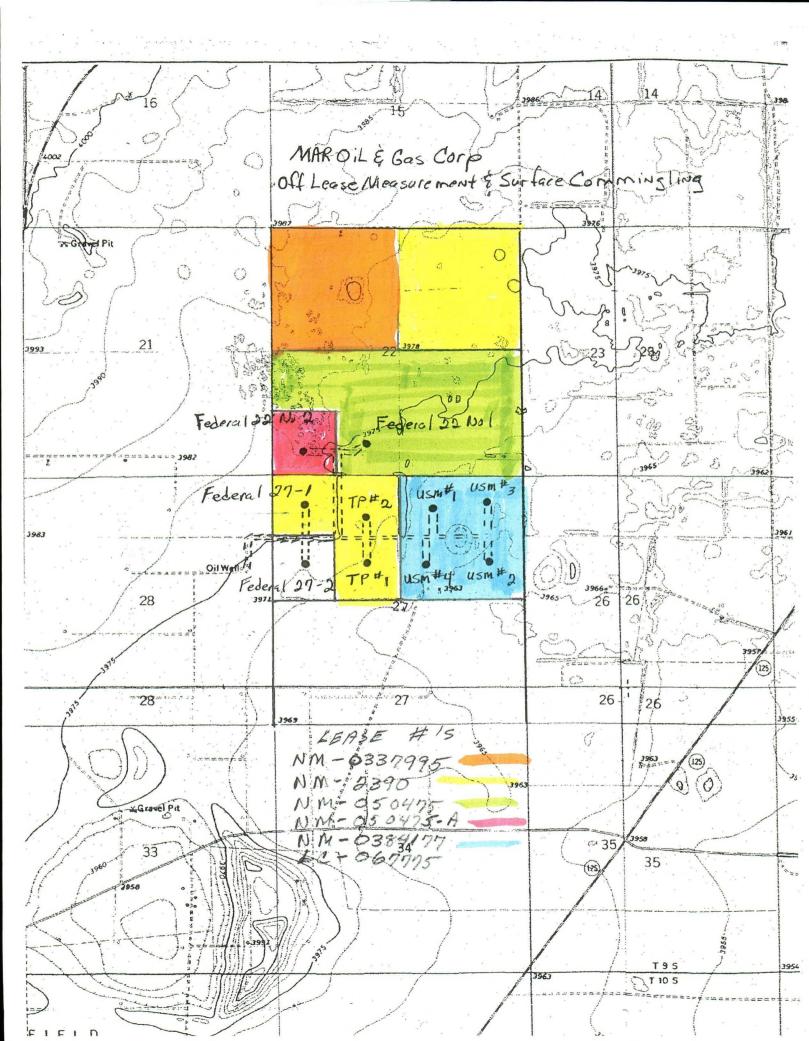
Sin	cerel	y:

Duane C. Winkler VP Operations

**Bureau Of Land Management** 

unel Winhle

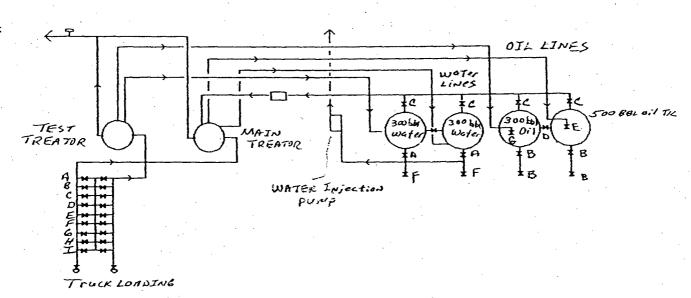
Approval:	Date:	



MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SENW, SA7, T95, R37E
Lease # NMNM 2390

### To WIW

TO GAS SALES



### SITE SECURITY

### Production Phase

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

Valve B Closed Sealed Until Trucked

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Open To Produce Into

Valve F Closed Not Sealed

Valve G Closed and Sealed

### SALES PHASE

### 500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve r Closed Not Sealed

Valve G Open to Produce Into

### WELLS TO MANIFOLD

A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

F. USM No. 1

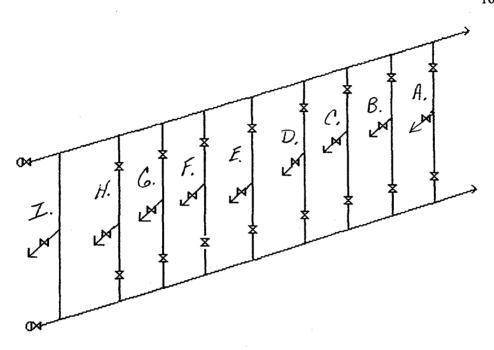
G. USM No. 3

H. USM No. 4

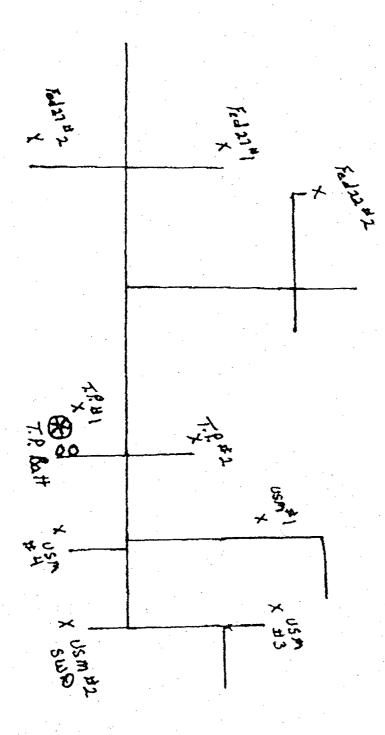
I. SPARE

### MAR OIL AND GAS CORP T.P. FEDERAL CENTRAL BATTERY MANIFOLD

To Main Treator



- A. Federal 22 No 2 Production Inlet to Manifold
- B. Federal 27 No 1 Production Inlet to Manifold
- C. Federal 27 No 2 Production Inlet to Manifold
- D. T.P. Federal No 1 Production Inlet to Manifold
- E. T.P. Federal No 2 Production Inlet to Manifold
- F. USM No 1 Production Inlet to Manifold
- G. USM No 3 Production Inlet to Manifold
- H. USM No 4 Production Inlet to Manifold
- I. SPARE



 $\mathcal{E}$ 

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

B.R. Smillie P.O. Box 927 Beaver Oklahoma, 73932

March 24, 2004

RE:

Surface Pipe Line

Ill when

Mrs. B.R. Smillie:

MAR Oil & Gas Corp is the operator of the following wells on your private surface in Lea County New Mexico.

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587 The present production equipment and production pipe lines are unsafe for usage. MAR will be installing new poly pipe along the lease road and in the road right-of-way. The pipe will be buried at any road crossing. There will be no other surface disturbance. The new pipe line is necessary for MAR to operate in a safe manner and be in compliance with the BLM rules and regulations.

Sincerely:

Duane C. Winkler

**VP** Operations

## MAR OIL & GAS CORP SAWYER SAN ANDRES WEST

FEDERAL 27 # 1 FEDERAL 27 # 2 Richard Altman Colorado State Bank PO Box 5945 T.A./Comm. Loans Denver, CO 80217-5945

James Kelly Cox PO Box 2217 Midland, TX 79702

Headington Royalty 7557 Rambler Road, Suite 1100 Dallas, TX 75231

C.M. Monroe, Estate Robin Marie Watkins, Executrix 104 Westwood Drive, Apt 480 Lafayette, LA 70506

Doris Royal, Trust Frances D. Freese, Trustee 3462 Castleford Place Rowland Heights, CA 91748-5110

Southwest Petro PO Box 702377 Dallas, TX 75370-2377

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Deleted Interest

F.J. Trust Bradshaw Wells Fargo Bank, N.A. OGM MAC 4931-211 PO Box 5383 Denver, CO 80217-5825

F&F Oil & Gas 1749 CR 103 Runge, TX 78151

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147

Doris Royal Trust-Charles D. Lamb, Suc. c/o Gene W. Beckman, Attorney 374 East Advocado Crest RD La Habra Heights, CA 90631

Stelaron, Inc. PO Box 7787 Amarillo, TX 79114-7787

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147 Robert Burkett PO Box 5532 Midland, TX 79704-5532

GEMAC Resources PO Box 600671 Dallas, TX 75360-0671

Minerals Management PO Box 5810 Denver, CO 80217

Roec, Inc. 528 S. Corona Street Denver, CO 80209

Mark Shidler, I 1010 Lamar, Suite 500 Houston, TX 77002

James Kelly Cox PO Box 2217 Midland, TX 79702

Stelaron, Inc. PO Box 7787 Amarillo, TX 79114-7787

## MAR OIL & GAS CORP SAWYER SAN ANDRES WEST

USM # 1 USM # 3 USM # 4 Helen Adcock 1605 Stanolind Midland, TX 79705

AETN01 Petroleum AETNA Petroleum PO Box 17006-GMF Denver, CO 80217 Maureen Ashley 7434 S. Gary Place Tulsa, OK 74136

Earl R. Bruno Family LTD PO Box 33416 Kerrville, TX 78029-3416 Penny P. Bruno 8515 Northview Pass Fair Oaks Ranch TX 78015 Amon G. Carter PO Box 1036 Fort Worth, TX 76101-1036

Floyd H. Davis 22301 Hamilton Pool Road Dripping Springs, TX 78620 Sidney R. Davis 5316 Valburn Circle Austin, TX 78731 Georgi D. Duwe 6802 Rockledge Cove Austin, TX 78731

James D. Dye Estate c/o Joseph Strange, I.E. PO Box 542886 Dallas, TX 75354-2886 Priscilla Gravely 3510 St. Johns Dallas, TX 75205 Kimball Art Foundation 301 Commerce Street Suite 2240 Fort Worth, TX 76102

King Foundation PO Drawer 840738 Dallas, TX 75284-0738 Hulen Lemon c/o Mar Oil & Gas PO Box 5155 Santa Fe, NM 87502 Mabee Foundation 401 S. Boston, 30th Floor Tulsa, OK 74103-4017

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502 Margo McCormick 1521 Park Avenue S.W. Albuquerque, NM 87104-1023 Michael McCormick 128 W. Sunflower McAllen, TX 78501

Minerals Management PO Box 5810 Denver, CO 80217 Mel B. O'Reilly 3808 La Hacienda Drive, NE Albuquerque, NM 87110 Monica O'Reilly 3808 La Hacienda Drive, NE Albuquerque, NM 87110-6116

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147 Mary L. Skavaril 222 East Torrence Road Columbus, OH 43214-3834 Solimar Inv. Inc. PO Box 5052 Midland, TX 79704

Sundance Minerals 306 W. 7th Street, Ste. 302 Fort Worth, TX 76102 Warren, J.Ę.

Wilco Western 6688 N. Central Expressway Suite 1150 Dallas, TX 75116

Helen Adcock 1605 Stanolind Midland, TX 79705 AETNO1 Petroleum AETNA Petroleum PO Box 17006-GMF Denver, CO 80217 Earl R. Bruno Family LTD PO Box 33416 Kerrville, TX 78029-3416 Hulen Lemon c/o Mar Oil & Gas PO Box 5155 Santa Fe, NM 87502

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147

**Deleted Interest** 

## MAR OIL & GAS CORP SAWYER SAN ANDRES WEST

T.P. FEDERAL # 1 T.P. FEDERAL # 2 Helen Adcock 1605 Stanolind Midland, TX 79705 Earl R. Bruno Family LTD PO Box 33416 Kerrville, TX 78029-3416 Penny P. Bruno 8515 Northview Pass Fair Oaks Ranch TX 78015

Amon G. Carter PO Box 1036 Fort Worth, TX 76101-1036 F&F Oil & Gas 1749 CR 103 Runge, TX 78151 GEMAC Resources PO Box 600671 Dallas, TX 75360-0671

Kimball Art Foundation 301 Commerce Street Suite 2240 Fort Worth, TX 76102 Hulen Lemon c/o Mar Oil & Gas PO Box 5155 Santa Fe, NM 87502 Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Minerals Management PO Box 5810 Denver, CO 80217 C.M. Monroe, Estate Robin Marie Watkins, Executrix 104 Westwood Drive, Apt 480 Lafayette, LA 70506 Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147

Doris Royal Trust-Charles D. Lamb, Suc. c/o Gene W. Beckman, Attorney / 374 East Advocado Crest RD La Habra Heights, CA 90631

Solimar Inv. Inc. PO Box 5052 Midland, TX 79704 Southwest Petro PO Box 702377
Dallas, TX 75370-2377

Sundance Minerals 306 W. 7th Street, Ste. 302 Fort Worth, TX 76102 Helen Adcock 1605 Stanolind Midland, TX 79705 Hulen Lemon c/o Mar Oil & Gas PO Box 5155 Santa Fe, NM 87502

Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502 Red Resources 234 Handisap Avenue Pagosa Springs, CO 81147 **Deleted Interest** 

## MAR OIL & GAS CORP SAWYER SAN ANDRES WEST

FEDERAL 22 # 1 FEDERAL 22 # 2 Mar Oil & Gas Corp PO Box 5155 Santa Fe, NM 87502

Red Resources 234 Handicap Avenue Pagosa Springs, CO 81147 MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87502 (505)989-1977

CERTIFIED MAIL: 7003-1680-0001-4581-1014

April 5, 2004

Red Resources Inc 234 Handicap Avenue Pagosa Springs, CO 81147

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Red Resources Inc:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

Vice President Of Operation

CERTIFIED MAIL: 7003-1680-0001-4581-1007

April 5, 2004

Minerals Management PO Box 5810 Denver, CO 80217

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

## Minerals Management:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0994

April 5, 2004

F & F Oil & Gas 1749 CR 103 Runge, TX 78151

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### F & F Oil & Gas:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0987

April 5, 2004

James Kelly Cox PO Box 2217 Midland, TX 79702

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

James Kelly Cox:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0970

April 5, 2004

Stelaron Inc PO Box 7787 Amarillo, TX 79114-7787

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Stelaron Inc:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0963

April 5, 2004

F.J.Bradshaw Trust Wells Fargo Bank, NA OGM MAC 4931-211 PO Box 5383 Denver, CO 80217-5825

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

## F.J. Bradshaw Trust:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

10 ces

CERTIFIED MAIL: 7003-1680-0001-4581-0956

April 5, 2004

Roec, Inc. 528 S. Corona Street Denver, CO 80209

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

#### Roec Inc.:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0949

April 5, 2004

Mark Shidler 1010 Lamar Suite 500 Houston, TX 77002

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Mark Shidler:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0932

April 5, 2004

Robert Burkett PO Box 5532 Midland, TX 79704-5532

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Robert Burkett:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0925

April 5, 2004

GEMAC Resources PO Box 600671 Dallas, TX 75360-0671

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### **GEMAC Resouces:**

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0918

April 5, 2004

Doris Royal Trust Frances D. Freese, Trustee 3462 Castleford Place Rowland Heights, CA 91748-5110

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Frances D. Freese Trustee:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0901

April 5, 2004

Richard Altman Colorado State Bank PO Box 5945 T.A./Comm.Loans Denver, CO 80217-5945

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Richard Altman:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0895

April 5, 2004

Headington Royalty 7557 Rambler Road Suite 1100 Dallas, TX 75231

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# **Headington Royalty:**

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0888

April 5, 2004

C.M. Monroe Estate Robin Marie Watkins, Executrix Lafayette, LA 70506

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

## Robin Marie Watkins Executrix:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0871

April 5, 2004

Southwest Petro PO Box 702377 Dallas, TX 75370-2377

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

## Southwest Petro:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0864

April 5, 2004

Helen Adcock 1605 Sanolind Midland, TX 79705

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Helen Adcock:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0857

April 5, 2004

Earl R. Bruno Family LTD PO Box 33416 Kerrville, TX 78029-3416

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Earl R. Bruno Family LTD:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

OCU

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0840

April 5, 2004

Floyd H. Davis 22301 Hamilton Pool Road Dripping Springs, TX 78620

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Floyd H. Davis:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0833

April 5, 2004

James D. Dye Estate c/o Joseph Strange, IE Dallas, TX 75354-2886

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# Joseph Strange:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0826

April 5, 2004

King Foundation PO Drawer 840738 Dallas, TX 75284-0738

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# King Foundation:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

Qaw

CERTIFIED MAIL: 7003-1680-0001-4581-0819

April 5, 2004

Sundance Minerals 306 W. 7<sup>th</sup> Street Suite 302 Fort Worth, TX 76102

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

## **Sundance Minerals:**

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0802

April 5, 2004

Aetna Petroleum PO Box 17006-GMF Denver, CO 80217

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Aetna Petroleum:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0796

April 5, 2004

Penny P. Bruno 8515 Northview Pass Fair Oaks Ranch, TX 78015

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

## Penny P. Bruno:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0789

April 5, 2004

Sidney R. Davis 5316 Valburn Circle Austin, TX 78731

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

## Sidney R. Davis:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0772

April 5, 2004

Priscilla Gravely 3510 St. Johns Dallas, TX 75205

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# Priscilla Gravely:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0765

April 5, 2004

Margo McCormick 1512 Park Avenue S.W. Albuquerque, NM 87104-1023

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# Margo McCormick:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0758

April 5, 2004

Mel B. O'Reilly 3808 La Hacienda Drive, NE Albuquerque, NM 87110

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mel B. O'Reilly:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

Vice President Of Operation

10 Co

CERTIFIED MAIL: 7003-1680-0001-4581-0741

April 5, 2004

Mary L. Skavarill 222 East Torrence Road Columbus, OH 43214-3834

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mary L. Skavarill:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0734

April 5, 2004

Maureen Ashley 7435 S. Gary Place Tulsa, OK 74136

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# Maureen Ashley:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0710

April 5, 2004

Georgi D. Duwe 6802 Rockledge Cove Austin, TX 78731

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# Georgi D. Duwe:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0727

April 5, 2004

Amon G. Carter PO Box 1036 Fort Worth, TX 76101-1036

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Amon G. Carter:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0703

April 5, 2004

Kimball Art Foundation 301 Commerce Street Suite 2240 Fort Worth, TX 76102

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

## Kimball Art Foundation:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0680

April 5, 2004

Michael McCormick 128 W. Sunflower McAllen, TX 78501

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Michael McCormick:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0697

April 5, 2004

Mabee Foundation 410 S. Boston, 30<sup>th</sup> Floor Tulsa, OK 74103-4017

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# **Mabee Foundation**

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0673

April 5, 2004

Monica O'Reilly 3808 La Hacienda Drive, NE Albuquerque, NM 87110-6116

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

# Monica O'Reilly:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0666

April 5, 2004

Solimar Inv. Inc PO Box 5052 Midland, TX 79704

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Solimar Inv. Inc:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

CERTIFIED MAIL: 7003-1680-0001-4581-0659

April 5, 2004

Wilco Western 6688 N. Central Expressway Suite 1150 Dallas, TX 75116

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

#### Wilco Western:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide long term production.

Sincerely:

Duane C. Winkler

orm 3160-5 September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

		Expires:			
5.	Lease	Serial No	).	 	_

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.

NM-2390
6. If Indian, Allottee or Tribe Name

04/4
r CA/Agreement, Name and/or No.
me and No.
al No 2
II No. 4835
nd Pool, or Exploratory Area
vyer, San Andres or Parish, State
R OTHER DATA
Water Shut-Off  Well Integrity  Other Surface Commingle  Right-Of-Way

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 recomplete 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 recompletion 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.)

? Oil & Gas Corp has shut in the well the production equipment is unsafe for usage

E proposes to surface commingle as follows: Lay on the surface new 2" SDR 11 Poly Pipe along the lease road in the road right-of-way to the TP ral No 1, SE NW S27, T9S, R37E, Lea County NM, Poly pipe will be buried at all road crossings, no additional surface disturbace, maximum are of the 2" SDR 11 poly pipe is 150 psig, MAR maximum operating pressure will be 30 psig. Well testing will be four consective days, the average re used for prodution allocation, the well will be tested every month, The surface is fee the land owner is Mr. Bilbrey, Duane C Winkler with has contacted Mr. Bilbrey and Mr. Bilbrey has granted MAR verbial permission to lay the pipe lines, The existing production lines will be nnected from the Central battery, the equipment will be cleaned and clean out plates will be left off the tanks, the equipment will be removed by ga Tank Service with in six months of the completion of the commingling, at that time MAR will remediate the old battery location to BLM rules and ations, Attachment Abattery diagram, Attachment B Map

# SEE ATTACHED FOR CONDITIONS OF APPROVAL

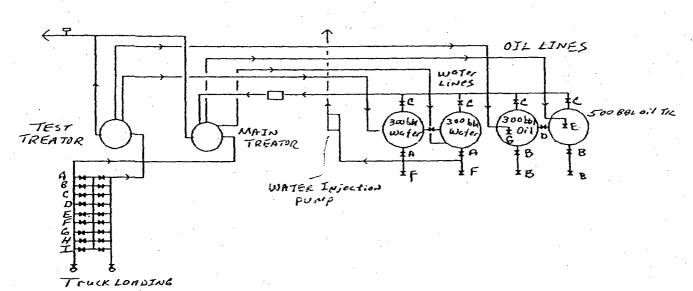
ereby certify that the foregoing is true and correct time (PrintedlTyped)					
C Winkler	Title VP Operations				
;natur COCO	Date March 24, 200	4			
THIS	PACÉ FOR FEDERAL OR STATE OF	ICE USE			
wed by (Signature)	Name (Printed/Typed)		Title		
ons of approval, if any, are attached. Approval of hat the applicant holds legal or equitable title to ould entitle the applicant to conduct operations them	those rights in the subject lease			Date	

U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United sy false, fictilious or fraudulent statements or representations as to any matter within its jurisdiction.

MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SENW, SO7, T95, R37E
Lease # NMNM 2390

### To WIW

OGAS ALES



### SITE SECURITY

### **Production Phase**

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

Valve B Closed Sealed Until Trucked

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Open To Produce Into

Valve F Closed Not Sealed

Valve G Closed and Sealed

### SALES PHASE

#### 500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve G Open to Produce Into

## WELLS TO MANIFOLD

A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

F. USM No. 1

G. USM No. 3

H. USM No. 4

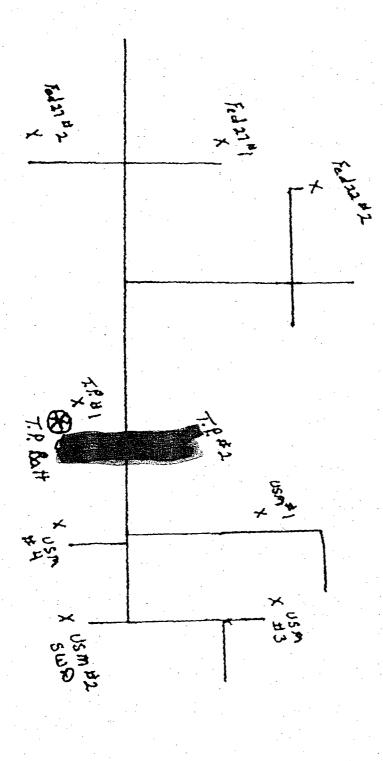
I. SPARE

NENW, SET, TES, RETE

LEN MUNTY, NIM

LEN MUNTY, NIM

Proposed Properties Right-OF-WAY T.P. Federal No 2



Attachmont B

Existing Loose Ru

new Poly Pipe Li

- 1. This agency be notified of any change is your sales method or location of the sales meter.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 5. Additional wells and/or leases require additional commingling approvals.
- 6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.

orm 3160-5 September 2001)

# UNITED STATES DEPARTMENT OF THE INTERIOR BURGALLOG LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 200

	DEFARIMENT OF THE L	, <u>,</u>	JAEKAI OU O	Expire	s: January 31, 2004
	BUREAU OF LAND MANA			5. Lease Serial N	ło.
	Y NOTICES AND REPO			NM-2390	
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.					ttee or Tribe Name
	IPLICATE - Other instr	uctions on revers	se sid <b>e</b>	7. If Unit or CA/	Agreement, Name and/or No.
Type of Well  Oil Well Gas Well	T Other			8. Well Name at	nd No
Name of Operator	_ Other	<del></del>		TP Federal No	
AR Oil and Gas Corp				9. API Well No	
Address		3b. Phone No. (inch	ıde area code)	30-025-24278	
N D 6155 Conto Fo NR / 976	:02	`			ol, or Exploratory Area
) Box 5155, Santa Fe NM, 875 Location of Well (Footage, Sec.,		1505-989-1977		West Sawyer,	
hit F, 1980' FNL, 1980' FWL,		<b>,</b>		11. County or Pa	arish, State
				Lea, NM	
12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE NAT	URE OF NOTICE, R	EPORT, OR O	THER DATA
TYPE OF SUBMISSION		7	TYPE OF ACTION		
	Acidize	Deepen Deepen	Production (Star	t/Resume)	Water Shut-Off
Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity
71	Casing Repair	New Construction		$\overline{\Omega}$	Other Surface Commingle
3 Subsequent Report	Change Plans	Plug and Abandon		oandon	Right-Of-Way
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal		<del></del>
R proposes to surface comm y month, The surface is fee t ial permission to lay the pipe Central Battery will be on the	n the well the production equi- ingle, Well testing will be four the land owner is Mr. Bilbrey, the lines the TP Federal No 1 Location, a and Water will be measured in	r consective days, the Duane C Winkler wit Attachment A is propo	average will be used for th MAR has contacted No osed site facility diagram	Ir. Bilbrey and M	
•					
			SEE ATTAC	HED EN	2
		001			-
		LUI	<b>VDITIONS O</b>	F APPRU	JVAL
hereby certify that the foregoing	ng is true and correct				
Jame (PrintedlTyped)		ł			
e C Winkler		Title	VP Operations		
ignature (	eu-	Date	March 24, 2004		
	THIS SPACE	FOR FEDERAL OF	RSTATE OFFICE US	Ē	
oved by (Signapure)	J.A. Illars		Name (Printed/Typed)	Ti	tle
	attached Approval of this not all or equitable title to those rig conduct operations thereon.				Date
			<del></del>		

8 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United any false, fictitious or fraudolesit statements or representations as to any matter within its jurisdiction.

MAR OIL & GAS COMPANY

TP. FEDERAL CENTRAL BATTERY

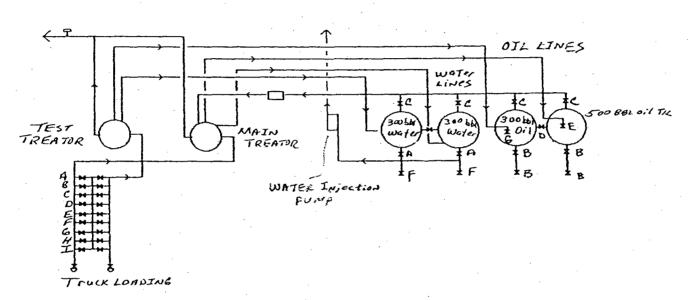
SITE FACILITY DIAGRAM

SENW, SQ7, T95, R37E

Lease # NMNM2390

#### To WIW

TO GAS SALES



### SITE SECURITY

#### **Production Phase**

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

Valve B Closed Sealed Until Trucked

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Open To Produce Into

Valve F Closed Not Sealed

Valve G Closed and Sealed

### SALES PHASE

### 500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve G Open to Produce Into

# WELLS TO MANIFOLD

### A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

F. USM No. 1

G. USM No. 3

H. USM No. 4

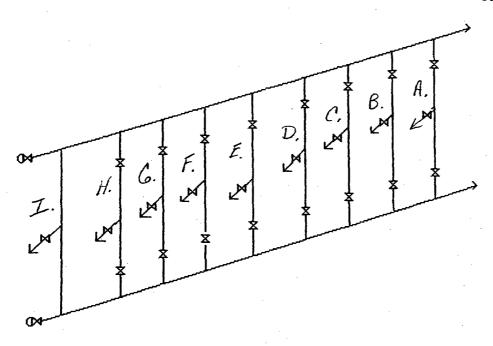
I. SPARE

Proposed Pipeline Right-OF-WAY SENW, S27, TRS, R37E TP Federal No! 7.7. W# new Poly Pipe Line Existing loans Roads

Attachmen ( B

### MAR OIL AND GAS CORP T.P. FEDERAL CENTRAL BATTERY MANIFOLD

To Main Treator



- A. Federal 22 No 2 Production Inlet to Manifold
- B. Federal 27 No 1 Production Inlet to Manifold
- C. Federal 27 No 2 Production Inlet to Manifold
- D. T.P. Federal No 1 Production Inlet to Manifold
- E. T.P. Federal No 2 Production Inlet to Manifold
- F. USM No 1 Production Inlet to Manifold
- G. USM No 3 Production Inlet to Manifold
- H. USM No 4 Production Inlet to Manifold
- I. SPARE

- 1. This agency be notified of any change is your sales method or location of the sales meter.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
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- 5. Additional wells and/or leases require additional commingling approvals.
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orm 3160-5 eptember 2001)

Notice of Intent

Subsequent Report

Final Abandonment Notice

### UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

OPERATOR'S COPY

FORM APPROVED

Well Integrity

Other Surface Commingle

Right-Of-Way

	OMB No. 1004-0135 Expires: January 31, 200
Lease	Serial No.

	SUN	DRY NO	TICES A	AND RE	PORTS	ON WE	ELLS
Do	not use	this for	m for pi	roposals	to drill	or to re	-enter ai
ab	andoned	well. Us	e Form :	3160-3 (A	PD) for	such pr	oposals.

NMLC-067775 6. If Indian, Allottee or Tribe Name 7. If Unit or CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on reverse side Type of Well Oil Well Gas Well Other 8. Well Name and No. 2. Name of Operator U.S. M. No 1 9. API Well No. AAR Oil and Gas Corp a. Address 3b. Phone No. (include area code) 30-025-24327 10. Field and Pool, or Exploratory Area 505-989-1977 O Box 5155, Santa Fe NM, 87502 West Sawyer, San Andres Location of Well (Footage, Sec., T, R., M., or Survey Description) Jnit B, 660' FNL, 1980' FEL, S27 T9S, R37E 11. County or Parish, State Lea, NM 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Water Shut-Off Acidize Deepen Deepen Production (Start/Resume)

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 recomplete 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 recompletion 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.)

Fracture Treat

Plug Back

**New Construction** 

Plug and Abandon

Reclamation

Recomplete

Water Disposal

Temporarily Abandon

MAR Oil & Gas Corp has shut in the well the production equipment is unsafe for usage

Alter Casing

Casing Repair

Change Plans

Convert to Injection

MAR proposes to surface commingle as follows: Lay on the surface new 2" SDR 11 Poly Pipe along the lease road in the road right-of-way to the TP Federal No 1, SE NW S27, T9S, R37E, Lea County NM, Poly pipe will be buried at all road crossings, no additional surface disturbace, maximum pressure of the 2" SDR 11 poly pipe is 150 psig, MAR maximum operating pressure will be 30 psig, Well testing will be four consective days, the average will be used for prodution allication, the well will be tested every month, The surface is fee the land owner is Mr. Bilbrey, Duane C Winkler with MAR has contacted Mr. Bilbrey and Mr. Bilbrey has granted MAR verbial permission to lay the pipe lines, The existing production lines will be disconnected from the USM Central battery, the USM equipment will be cleaned and clean out plates will be left off the tanks, the equipment will be removed by Barriga Tank Service with in six months of the completion of the commingling, at that time MAR will remediate the old battery location to BLM rules and regulations, Attachment Abattery diagram, Attachment B Map

# SEE ATTACHED FOR CONDITIONS OF APPROVAL

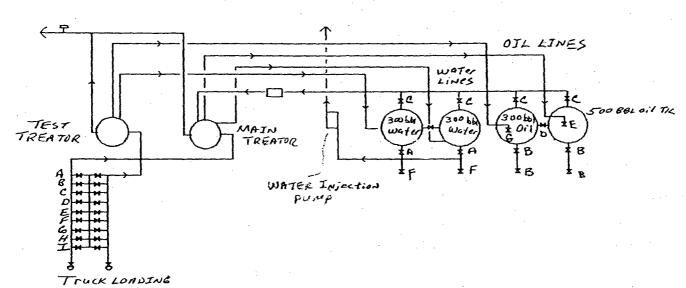
14. 1 hereby certify that the foregoing is true and correct Name (PrintedlTyped)		
Duane C Winkler	Title VP Operations	·
Signature Date	Date March 24, 2004	
APPROVE THIS SPI	ACE FOR FEDERAL OR STATE OFFICE USE	
Approved by (Spranty) - H. Flass	Name (PrintedTyped)	Title
Conditions of approval, if any, are attached. Approval of the certify that the applicant holds legal or equitable title to the which would entitle the applicant to conduct operations thereon	is notice does not warrant or ose rights in the subject lease i.	Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SENW, SQ7, T95, R37E
Lease # NMNM 2390

To WIW





#### SITE SECURITY

### **Production Phase**

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

Valve B Closed Sealed Until Trucked

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Open To Produce Into

Valve F Closed Not Sealed

Valve G Closed and Sealed

### SALES PHASE

### 500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve G Open to Produce Into

# WELLS TO MANIFOLD

A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

# F USM No. 1

G. USM No. 3

H. USM No. 4

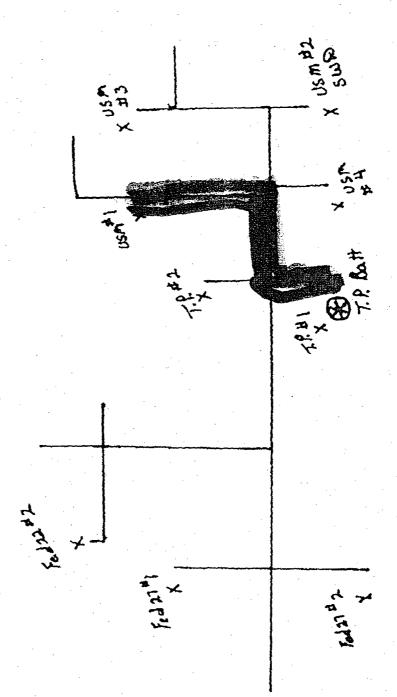
I. SPARE

Existing Loure Road Attachmust B USM No 1

NWNESST, TES,REDE

LA COUNTY NW

Proposed Pipe live Pight-Of-WMY



- 1. This agency be notified of any change is your sales method or location of the sales meter.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
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# OPERATOR'S COPY

om 3160-5 September 2001)

# **UNITED STATES** DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

BUREAU OF LAND MANAGEMENT				5. Lease Serial No.					
	Y NOTICES AND REPO					NMLC-067775			
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.				6. If Indian, Allottee or Tribe Name			: Name		
SUBMIT IN TR	SUBMIT IN TRIPLICATE - Other instructions on reverse side					7. If Unit or CA/Agreement, Name and/or No.			
Type of Well Gas Well	301					8. Well Na	me ar	nd No	
2. Name of Operator	Utner	<del></del>	<del></del>			1		IU 110.	
VIAR Oil and Gas Corp						9. API We		<del></del>	
a. Address		3b. Phone I	No. (include	area co	ode)	30-025-2		•	
	***		•					ol, or Explor	ratory Area
O Box 5155, Santa Fe NM, 875 Location of Well (Footage, Sec.,		505-989-19	911			1		San Andre	•
Init A, 519' FNL, 801' FEL, S2		<i>1)</i>			•	11. County			
·				٠		Lea, NM			
12. CHECK AP	PROPRIATE BOX(ES) TO	O INDICAT	E NATUR	RE OF	NOTICE, R			THER DA	TA ·
TYPE OF SUBMISSION			TY	PE OF	ACTION				
	Acidize	Deepen			Production (Star	t/Resume)		Water Shu	t-Off
Notice of Intent	Alter Casing	Fracture	Treat		Reclamation			Well Integ	rity
Subsequent Report	Casing Repair	New Cor	struction		Recomplete		$\square$	Other Sur	rface Commingle
Subsequent Report	Change Plans	Plug and	Abandon		Temporarily Ab	andon		Ri	ght-Of-Way
Final Abandonment Notice	Convert to Injection	Plug Bac	:k		Water Disposal				
MAR Oil & Gas Corp has shut in MAR proposes to surface commederal No 1, SE NW S27, T9S, ressure of the 2" SDR 11 poly prill be used for prodution allicat MAR has contacted Mr. Bilbrey isconnected from the USM Cenemoved by Barriga Tank Service LLM rules and regulations, Attanta.	ingle as follows: Lay on the st R37E, Lea County NM, Poly pipe is 150 psig, MAR maxim ion, the well will be tested ev and Mr. Bilbrey has granted I stral battery, the USM equipm we with in six months of the co	urface new 2" pipe will be to the urn operating ery month, The MAR verbial pent will be clearly be to the urn of urn of the urn of urn of the urn of urn	SDR 11 Popuried at all pressure with e surface is commission to the comming and comming the comming th	oly Pipo I road c ill be 36 s fee the to lay t tlean ou gling, a	rossings, no ac 0 psig, Well te e land owner is the pipe lines, at plates will be t that time MA	Iditional sur sting will be s Mr. Bilbre The existing e left off the AR will reme	face of four y, Du prod tanks	disturbace, consective ane C Win auction line is, the equip the old bar	maximum c days, the average akler with s will be ment will be ttery location to
4. 1 hereby certify that the foregoi	ng is true and correct						<del></del>		
Name (PrintedlTyped)			Title		.*	•			
huane C Winkler			Title VP	Opera	tions	· · · · · · · · · · · · · · · · · · ·			
Signature CVC			Date Ma	arch 24	, 2004				
Δ.C.D.	201/F THIS SPACE	FOR FEDER	RAL OR S	TATE	OFFICE US	E			
approved by (Siglatura)	18 Flass		1	Name Printed/Ty	ped)		Ti	tle	-
Conditions of approval, if AFF) are retify that the applicant holds leg which would entitle the applicant to	e attached Approval of this not gal or equitable title to those rig conduct operations thereon.	tice does not w ghts in the subj	arrami or	Office			<u> </u>	Date	

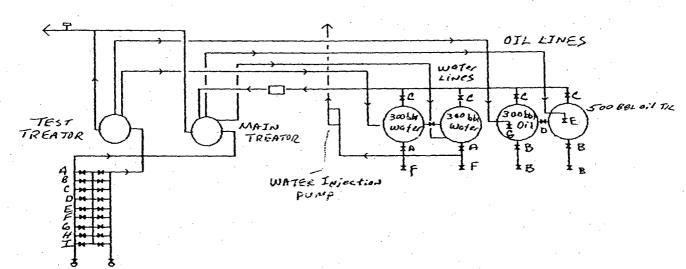
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# NENE S27, T95, R37E

MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SENW, S27, T95, R37E
Lease # NMNM2390

### To WIW

TO GAS SALES



### SITE SECURITY

### **Production Phase**

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Truck LOADING

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

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Valve G Closed and Sealed

### SALES PHASE

### 500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve G Open to Produce Into

valve o Open to Froduce mic

### WELLS TO MANIFOLD

A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

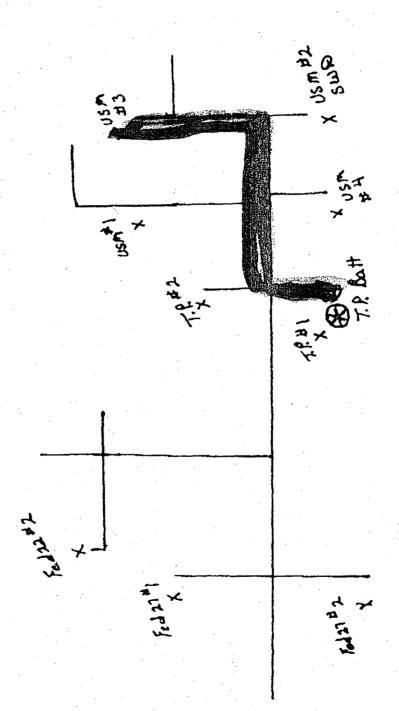
F. USM No. 1

G. USM No. 3

H. USM No. 4

I. SPARE

NENE, 527, 755, R37E Lea County NM Proposed Pipe Live Right-of-Way



- 1. This agency be notified of any change is your sales method or location of the sales meter.
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'orm 3160-5 September 2001)

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

5. Lease Serial No.

# 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.

NMLC-067775	
X 12-12-0 007775	~~~~ <del>~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~</del>

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  2. Name of Operator					, Allottee or Tribe Name	
					r CA/Agreement, Name and/or No.	
					ume and No.	
MAR Oil and Gas Corp la. Address PO Box 5155, Santa Fe NM, 87:	502	3b. Phone No. (include)	area code)	9. API Well No. 30-025-24834 10. Field and Pool, or Exploratory Area		
Location of Well (Footage, Sec., T, R, M., or Survey Description) Unit G, 1980' FNL, 2180' FEL, S27 T9S, R37E				West Sawyer, San Andres 11. County or Parish, State		
12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE NATU	RE OF NOTICE, RI	Lea, NM EPORT, O		
TYPE OF SUBMISSION			PE OF ACTION			
<ul> <li>Notice of Intent</li> <li>Subsequent Report</li> <li>Final Abandonment Notice</li> </ul>	Acidize Alter Casing Casing Repair Change Plans Convert to Injection	Deepen Fracture Treat New Construction Plug and Abandon Plug Back	Reclamation We		Water Shut-Off  Well Integrity  Other Surface Commingle  Right Of Way	
3. Describe Proposed or Complete If the proposal is to deepen dire	d Operation (clearly state all perticularly or recomplete horizontal	inent details, including est ly, give subsurface locatio	imated starting date of a	ny proposed e vertical dep	work and approximate duration thereouths of all pertinent markers and zones.	

3. 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 recomplete 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 recompletion 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.)

MAR Oil & Gas Corp has shut in the well the production equipment is unsafe for usage

MAR proposes to surface commingle as follows: Lay on the surface new 2" SDR 11 Poly Pipe along the lease road in the road right-of-way to the TP rederal No 1, SE NW S27, T9S, R37E, Lea County NM, Poly pipe will be buried at all road crossings, no additional surface disturbace, maximum ressure of the 2" SDR 11 poly pipe is 150 psig, MAR maximum operating pressure will be 30 psig, Well testing will be four consective days, the average will be used for prodution allication, the well will be tested every month, The surface is fee the land owner is Mr. Bilbrey, Duane C Winkler with MAR has contacted Mr. Bilbrey and Mr. Bilbrey has granted MAR verbial permission to lay the pipe lines, The existing production lines will be lisconnected from the USM Central battery, the USM equipment will be cleaned and clean out plates will be left off the tanks, the equipment will be emoved by Barriga Tank Service with in six months of the completion of the commingling, at that time MAR will remediate the old battery location to 3LM rules and regulations, Attachment Abattery diagram, Attachment B Map

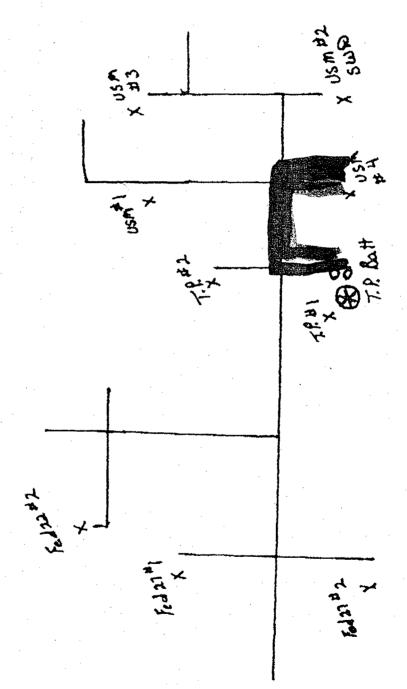
# SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. 1 hereby certify that the foregoing is true and correct Name (PrintedlTyped)	l					
Duane C Winkler	Title VP Or	Title VP Operations				
Signature & CCC	Date March	24, 2004				
T APPROVIEWAC	E FOR FEDERAL OR STA	TE OFFICE USE				
Approved by (Signatural)	Name (Printe	e d/Typed)	Title			
Conditions of approval, if any, are attached. Approval of this recertify that the applicant holds legal or equitable title to those which would entitle the applicant to conduct operations thereon.	notice does not warrant or rights in the subject lease	ĸ.		Date		
201/2	<del>-  </del>					

Title 18 U.S.C. Section 1001 and Title 17 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements of representations as to any matter within its jurisdiction.

Existing look for.

USM NO Y SWNE, SON, TAS, RBTE Leg County, NW Poposed Pipe line Right-of-WAY



3

- 1. This agency be notified of any change is your sales method or location of the sales meter.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 5. Additional wells and/or leases require additional commingling approvals.
- 6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.

### Form 3160-7/ (September 2001)

OPERATOR'S COPY

# UNITED STATES DEPARTMENT OF THE INTERIOR RUPEAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

1	5. Lease Serial No.					
	Y NOTICES AND REPOR			NMNM03	841777	
Do not use th abandoned w	6. If Indian, Allottee or Tribe Name					
SÚBMIT ÍN TR	MPLICATE - Other instru	ctions on reverse	side	7. If Unit or	CA/Agreement, Name and/or No.	
. Type of Well		· · · · · · · · · · · · · · · · · · ·	2000 D. D. D. W. & 144 D. D. D. N. J.	CA NMNI	M 71222	
Oil Well Gas Well	Other			8. Well Na		
2. Name of Operator				Federal 27	7 No 2	
AAR Oil and Gas Corp				9. API Wel		
a. Address		3b. Phone No. (include	area code)	30-025-25	5403	
O Box 5155, Santa Fe NM, 875	502	505-989-1977	•	10. Field and Pool, or Exploratory Area		
	T. R., M., or Survey Description)			West Sawyer, San Andres		
Jnit E, 1980' FNL, 660' FWL, S				11. County	or Parish, State	
				Lea, NM		
12. CHECK AP	PROPRIATE BOX(ES) TO	INDICATE NATUR	LE OF NOTICE, RI	EPORT, OI	R OTHER DATA	
TYPE OF SUBMISSION		TY	PE OF ACTION			
☐ Notice of Intent ☐ Subsequent Report	Acidize Alter Casing Casing Repair	Deepen Fracture Treat New Construction	Production (Start Reclamation Recomplete	/Resume)	<ul> <li>Water Shut-Off</li> <li>Well Integrity</li> <li>Other Surface Commingle</li> </ul>	
Change Plans Plug and Abandon Temporarily Al			Temporarily Ab	andon	Right-Of-Way	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal			
If the proposal is to deepen dire Attach the Bond under which the following completion of the inv	ctionally or recomplete horizontally he work will be performed or prov- volved operations. If the operation is all Abandonment Notices shall be	y, give subsurface location ide the Bond No. on file v results in a multiple comp.	is and measured and true with BLM/BIA. Require letion or recompletion i	e vertical dept ed subsequent n a new interv	work and approximate duration therece ths of all pertinent markers and zones, a reports shall be filed within 30 days ral, a Form 3160-4 shall be filed once been completed, and the operator has	

MAR Oil & Gas Corp has shut in the well the production equipment is unsafe for usage

MAR proposes to surface commingle as follows: Lay on the surface new 2" SDR 11 Poly Pipe along the lease road in the road right-of-way to the TP Federal No 1, SE NW S27, T9S, R37E, Lea County NM, Poly pipe will be buried at all road crossings, no additional surface disturbace, maximum pressure of the 2" SDR 11 poly pipe is 150 psig, MAR maximum operating pressure will be 30 psig, Well testing will be four consective days, the average will be used for prodution allocation, the well will be tested every month, The surface is fee the land owner is Mr. Bilbrey, Duane C Winkler with MAR has contacted Mr. Bilbrey and Mr. Bilbrey has granted MAR verbial permission to lay the pipe lines, The existing production lines will be disconnected from the Central battery, the equipment will be cleaned and clean out plates will be left off the tanks, the equipment will be removed by Barriga Tank Service with in six months of the completion of the commingling, at that time MAR will remediate the old battery location to BLM rules and regulations, Attachment Abattery diagram, Attachment B Map

# SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. 1 hereby certify that the foregoing is true and correct Name (PrintedlTyped)	· I			
Duane C Winkler	Title	Title VP Operations		
Signature CCle	Date	Date March 24, 2004		
APPROVE 18	SPACE FOR FEDERAL OR	STATE OFFICE USE		
Approved by (Signification) y	ss.	Name (Printed/Typed)	Title	
conditions of approval, if any are attached. Approval of ertify that the applicant holds legal or equitable title to which would entitle the applicant to conduct operations there	f this notice does not warrant or those rights in the subject lease con.	Office		Date

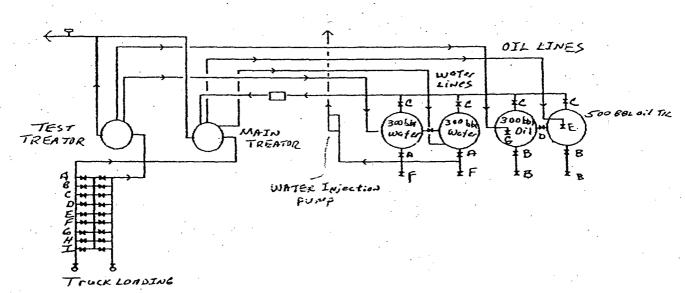
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United Itates any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# Fedoral 27 No 2 SWNW, S27, 795, R39E

MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SENW, SA7, TFS, R37E
Lease # NMNM 2390

To WIW

TO GAS SALES



### SITE SECURITY

### Production Phase

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

Valve B Closed Sealed Until Trucked

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Open To Produce Into

Valve F Closed Not Sealed

Valve G Closed and Sealed

### SALES PHASE

### 500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve G Open to Produce Into

### WELLS TO MANIFOLD

A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

F. USM No. 1

G. USM No. 3

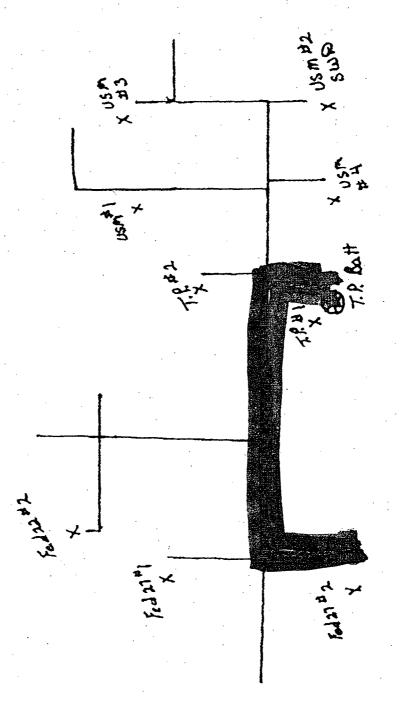
H. USM No. 4

I. SPARE

new Poly Pipe Line

EXISTING LOGSE Posts

SWNW SQT, TSS, R37E LEN COUNTY NM RIGHT-OF-WMY Federal 27 No 2



- 1. This agency be notified of any change is your sales method or location of the sales meter.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 5. Additional wells and/or leases require additional commingling approvals.
- 6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.

Form 3160-5 (September 2001) OPERATOR'S COPY

**UNITED STATES** DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** 

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

Date

5. Lease Serial No.

Do not use this form for proposals to drill or to re-enter an			NM-2390				
Do not use the abandoned we	ell. Use Form 3160-3 (AP	D) for such proposal	ап s.	6. If Indian	i, Allotte	e or Tribe Name	
SUBMIT IN TR	UPLICATE - Other inst	ructions on reverse	side	7. If Unit o	rr CA/Aş	greement, Name and/or No.	
1. Type of Well				CA NMN	IM 712:	22	
Oil Well Gas Well Other				8. Well Name and No.			
2. Name of Operator				Federal 2	7 No 1		
MAR Oil and Gas Corp				9. API W	all No.		
3a. Address 3b. Phone No. (include area code)			e area code)	30-025-2			
PO Box 5155, Santa Fe NM, 875	· · · · · · · · · · · · · · · · · · ·	505-989-1977	10. Field and Pool, or Exploratory Area West Sawyer, San Andres				
4. Location of Well (Footage, Sec., Unit D, 660' FNL, 660' FWL, S2		on)		West Sav		<del></del>	
				Lea, NM	[		
12. CHECK AP	PROPRIATE BOX(ES) T	O INDICATE NATU	RE OF NOTICE, R	EPORT, O	R OTI	ÆR DATA	
TYPE OF SUBMISSION		TY	PE OF ACTION				
	Acidize	Deepen .	Production (Star	t/Resume)	<b>D</b> 1	Water Shut-Off	
Notice of Intent	Alter Casing	Fracture Treat	☐ Reclamation		<b>D</b> 1	Well Integrity	
Subsequent Report	Casing Repair	New Construction	Recomplete		$\square$	Other Surface Commingle	
	Change Plans	Plug and Abandon	Temporarily Ab	andon		Right-Of-Way	
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal				
following completion of the investing has been completed. Find determined that the site is ready MAR Oil & Gas Corp has shut in MAR proposes to surface commifederal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allocated MAR has mailed a letter of notifithe existing production lines will the equipment will be removed by old battery location to BLM rules.	al Abandonment Notices shall for final inspection.)  In the well the production equingle as follows: Lay on the sR37E, Lea County NM, Polypipe is 150 psig, MAR maximition, the well will be tested election to Mr. BR Smillie.  I be disconnected from the Cy Barriga Tank Service with	ipment is unsafe for usag surface new 2" SDR 11 P y pipe will be buried at al num operating pressure w very month, The surface central battery, the equipm in six months of the com	rements, including reclar e oly Pipe along the lead il road crossings, no ad vill be 30 psig, Well te is fee the land owner in ment will be cleaned an inpletion of the commin chment B Map	mation, have se road in the iditional sur- sting will be s Mr. BR So and clean out agling, at the	ne road refrace dise four comillie,	right-of-way to the TP sturbace, maximum onsective days, the average will be left off the tanks,	
14. 1 hereby certify that the foregoin	ng is true and correct			<del></del>	<del></del>		
Name (PrintedlTyped)		Tiela					
Duane C Winkler		I ride VI	Operations				
Signatur Color		Date M	arch 24, 2004				
APPF	ROVE THIS SPACE	FOR FEDERAL OR S	TATE OFFICE USE				
Approved by (Stanature)	A HOM	1	Name Printed/Typed)		Title		

Office

Title 18 U.S.C. Section 1001 and Title 43 LASS Section 12 12, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

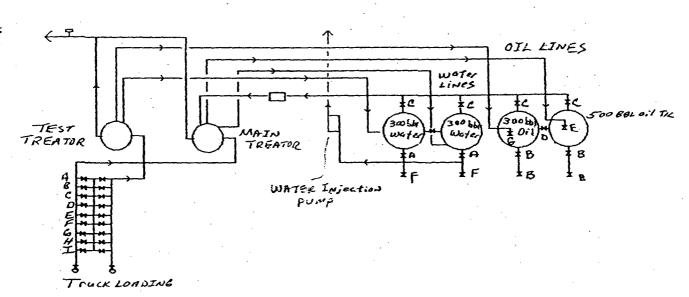
Conditions of approval, if any are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

# Federal 27 No! NWNW, S27, TES, R37E

MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SENW, S27, T95, R37E
Lease # NMNM 2390

#### To WIW

TO GAS SALES



### SITE SECURITY

### **Production Phase**

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

Valve B Closed Sealed Until Trucked

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Open To Produce Into

Valve F Closed Not Sealed

Valve G Closed and Sealed

### SALES PHASE

### 500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve G Open to Produce Into

#### .

WELLS TO MANIFOLD

### A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

F. USM No. 1

G. USM No. 3

H. USM No. 4

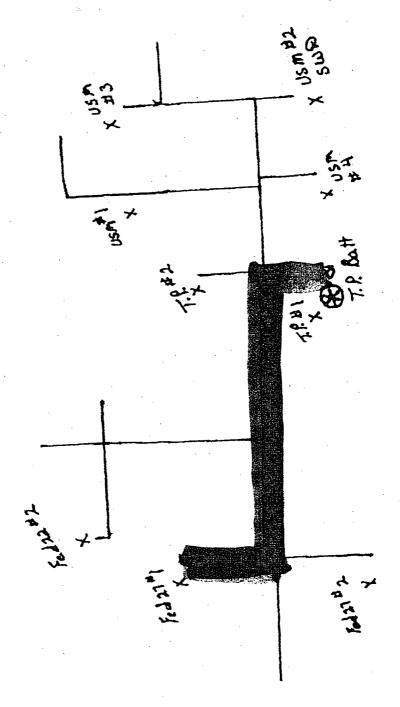
I. SPARE

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3

Les for plant

Federal 27 Not NWNW SS7, 795, R37E LEA COUNTY, NM LOPOSED PRELINE KISHJ-Of-WHY



- 1. This agency be notified of any change is your sales method or location of the sales meter.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
- 4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
- 5. Additional wells and/or leases require additional commingling approvals.
- 6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to this office for wells in Chaves or Roosevelt County or the BLM Carlsbad Field office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292 for wells in Eddy or Lea County if you have not already done so.

Form 3160-5 (September 2001) OPERATOR'S COPY

# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0135 Expires: January 31, 2004

BUREAU OF LAND MANAGEMENT				5. Lease Serial No.				
	Y NOTICES AND REP				NM05047	5-A		
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name			
SUBMIT IN TR	UPLICATE - Other inst	ructions on	reverse sid	6	7. If Unit or	CA/A	greement, Name and/or No.	
1. Type of Well	Chalde (1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 - 1996 International Control of the				CA-SW-5	87	·	
Oil Well Gas Well	Other				8. Well Na	me and	l No.	
2. Name of Operator					Federal N	o 22 N	lo 2	
MAR Oil and Gas Corp				9. API We	ll No.			
3a. Address		3b. Phone No. (include area code)			30-025-25602			
PO Box 5155, Santa Fe NM, 875	7502 505-989-1977			10. Field and Pool, or Exploratory Area				
4. Location of Well (Footage, Sec.,		on)					an Andres	
Unit M, 660' FSL, 660' FWL, S	22 19S, R37E				11. County	or Pan	sn, state	
	And the second second				Lea, NM			
12. CHECK AP	PROPRIATE BOX(ES) T	O INDICAT	E NATURE (	OF NOTICE, R		R OT	HER DATA	
TYPE OF SUBMISSION			TYPE	OF ACTION				
	Acidize	Deepen		Production (Start	t/Recume)		Water Shut-Off	
Notice of Intent	Alter Casing	Fracture	Treat [	Reclamation	(ICCSume)	=	Well Integrity	
-	Casing Repair	_	nstruction	Recomplete			Other Surface Commingle	
Subsequent Report	Change Plans		d Abandon	Temporarily Ab	andon	Œ.	Right-Of-Way	
Final Abandonment Notice	Convert to Injection	Plug Ba		Water Disposal	and on		Toght of way	
MAR proposes to surface commifederal No 1, SE NW S27, T9S, pressure of the 2" SDR 11 poly p will be used for prodution allocated MAR has mailed a letter of notification lines will be equipment will be removed by bid battery location to BLM rules.	R37E, Lea County NM, Pol- pipe is 150 psig, MAR maxin tion, the well will be tested e ication t Mr. BR Smillie. Il be disconnected from the Co by Barriga Tank Service with	y pipe will be num operating very month, T Central battery, in six months	buried at all roa pressure will be the surface is fee the equipment of the completi	d crossings, no ace 30 psig, Well tee the land owner i will be cleaned at on of the commit	Iditional sur- sting will be is Mr. BR Sr nd clean out	face di four c nillie plates	sturbace, maximum consective days, the average will be left off the tanks,	
		<i>,</i> '	,	<b>⊘</b>	rwa a i	1 km 3.49	FOO	
		•		SEE AT				
			C	MITIO	NS OF	AF	PROVAL	
			<b>€</b> 37 €	orano e a e d	ie vi	* # 4	* * * * ***** * * * * * * * * * * * *	
14. 1 hereby certify that the foregoin Name (PrintedlTyped)	ng is true and correct		<u> </u>			<del> </del>		
Duane C Winkler			Title VP Op	erations				
Signature Signature	ie-		Date March					
	THIS SPACE	FOR FEDE	and the survey of the state of the	TE OFFICE US	<b>E</b> 1 2 3 4 4 8			
Approved by (Sightyng)	AR Allan		Name		er i kan araba	Titl	e	
certify that the applicant holds les	e attached. Approval of this not gal or equitable title to those ri		varrant or Office				Date	
which would entitle the applicant to	contract operations mercon.							

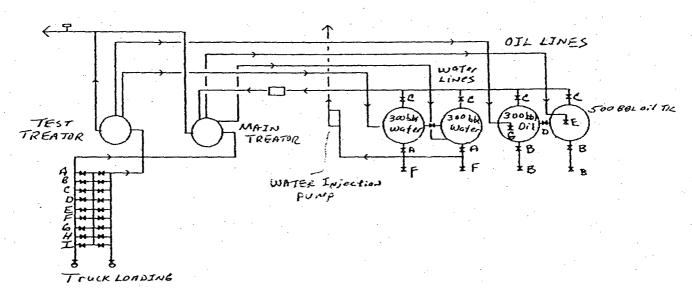
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# Federal 22 NO2 SWSW, SDD, TES, E37E

MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SENW, S27, T95, R37E
Lease # NMNM2390

To WIW

TO GAS



#### SITE SECURITY

### **Production Phase**

Valve A Water Disposal Open Not Sealed

Valve B Closed And Sealed

Valve C Closed Not Sealed

Valve D Open Not Sealed

Valve E Open Not Sealed

Valve F Truck Load Valve Close Not Sealed

Valve G Open Not Sealed

### SALES PHASE 300 BBL OIL TEST TANK

Valve A Open Not Sealed

Valve B Closed Sealed Until Trucked

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Open To Produce Into

Valve F Closed Not Sealed

Valve G Closed and Sealed

### SALES PHASE

### 500 BBL Oil Tank

Valve A Open Not Sealed

Valve B Closed & Sealed Till

Valve C Closed and Sealed

Valve D Closed and Sealed

Valve E Closed and Sealed

Valve F Closed Not Sealed

Valve G Open to Produce Into

### WELLS TO MANIFOLD

A. Federal 22-2

B. Federal 27-1

C. Federal 27-2

D. T.P. Federal No. 1

E. T.P. Federal NO. 2

F. USM No. 1

G. USM No. 3

H. USM No. 4

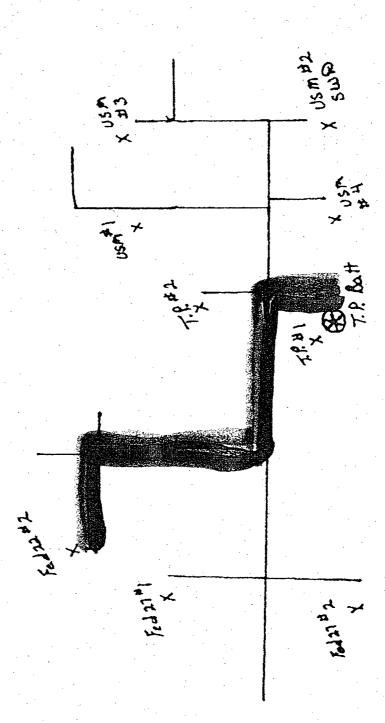
I, SPARE

11111111111111 D

Existing Lesse load

then By Pipe Line

SWSW, SD2, T95, RB7E LEN COUNTY NW Proposed Proeline Right-OF-WMY Federal 24 No 1



- 1. This agency be notified of any change is your sales method or location of the sales meter.
- 2. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
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MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87508 (505)989-1977

Oil Conservation Division 1220 S. St'Francis Dr Santa Fe, New Mexico 87505

April 22, 2004

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

Mr. David Catanach:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation. The attachment A is the Facility Diagram for the Off Lease Measurement, Storage & Surface Commingling

Allocation / Testing / Commingling for the following Lease

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

Allocation:

The production will be allocated to the wells from the well tests.

Testing Wells:

The wells will be tested individually gas, oil and water volumes measured.

**Daily Production Phase:** 

The wells produce through a common pipe to the designated treator.

The daily gas, oil and water volumes measured by metering.

Surface Commingling:

The oil and water commingled at common storage tanks and gas to a central delivery meter.

Allocation / Testing / Commingling for the following Lease

TP Federal No 1, Unit F, Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Allocation:

The production will be allocated to the wells from the well tests.

Testing Wells:

The wells will be tested individually gas, oil and water volumes measured.

**Daily Production Phase:** 

The wells produce through a common pipe to the designated treator.

The daily gas, oil and water volumes measured by metering.

Surface Commingling:

The oil and water commingled at common storage tanks and gas to a central delivery meter.

# Allocation / Testing / Commingling for the following Lease

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222 Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

### Allocation:

The production will be allocated to the wells from the well tests.

## Testing Wells:

The wells will be tested individually gas, oil and water volumes measured.

## Daily Production Phase:

The wells produce through a common pipe to the designated treator.

The daily gas, oil and water volumes measured by metering.

## Surface Commingling:

The oil and water commingled at common storage tanks and gas to a central delivery meter.

## Allocation / Testing / Commingling for the following Lease

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587 Allocation:

# The production will be allocated to the well.

# Daily Production Phase:

The well produces through a common pipe to the designated treator.

The daily gas, oil and water volumes measured by metering.

# Surface Commingling:

The oil and water commingled at common storage tanks and gas to a central delivery meter.

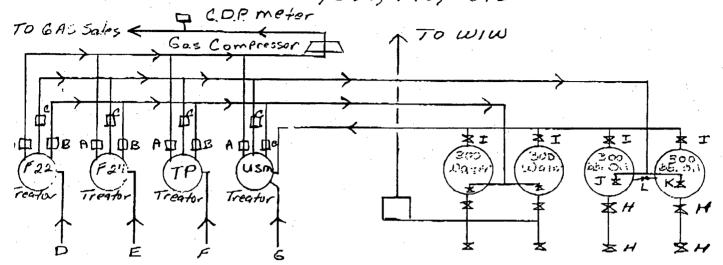
Sincerely:

Duane C. Winkler

-C. Co

VP Operation

MAR OIL & Gas Corp T.P. Federal Central Battery Site Facility Diagrams SE NW, SOT, T95, R37E



F22: Federal 22 NO2 L# NMO50475-A, CASW-587

A: Gas Meter, B: Water meter, C: Oil meter

F21: Federal 27 Not L# NM-2390, CA 11222 Federal 27 No 2 L# NM-0384/717 CA 71222

A: Gas Meter, B: Water Meter, C: Oil Meter

TP: TP Federal No1 1# 2390

TP Federal No 2 1# 2390

A: Gas Motor, B: Water Meter, C: Dil Nieter

USM: USM Not L# NMLC-067775 USM No 8 L# NMLC-067775 USM No 4 L# NMLC-067775

A. Gas Metor, B: Water Metor, C: Oil Meter

# SITE SECURITY

Production Phase lalve H closed & Sealed. lalve I closed & NOT sealed lalve I open & not socied lalve K closed & saled la lue L opon & Not souled Sales Phase Value H closed & Sould until Trucked Value I Closed & Sailed Value J Closed & Souled Value K Open & Not Souled Value L closed & souled

Wells To Manifold

D: Federal 22 No 2

E: Federal 27 No1, & Federal 27 No2 F: TP Federal No1, & TP Federal No2 6: USM No1, USMNO3, USMNO4

MAR OIL & GAS CORP P.O. Box 5155 Santa Fe, NM 87502 (505)989-1977

CERTIFIED MAIL: 7003-1680-0001-4581-0802

April 5, 2004

Aetna Petroleum PO Box 17006-GMF Denver, CO 80217

RE: Federal Minerals Off-Lease Measurement, Storage & Surface Commingling

### Aetna Petroleum:

MAR Oil & Gas Corp is the operator of the following wells in Lea County New Mexico. The wells are Federal Minerals on Private Surface and all wells produce from the San Andres formation.

USM No 1, Unit B, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 3, Unit A, Section 27, T9S, R37E, Lease # NMLC-067775

USM No 4, Unit G, Section 27, T9S, R37E, Lease # NMLC-067775

TP Federal No 1. Unit F. Section 27, T9S, R37E, Lease # NM-2390

TP Federal No 2, Unit C, Section 27, T9S, R37E, Lease # NM-2390

Federal 27 No 1, Unit D, Section 27, T9S, R37E, Lease # NM-2390 CA 71222

Federal 27 No 2, Unit E, Section 27, T9S, R37E, Lease # NMNM-03841777, CA 71222

Federal 22 No 2, Unit M, Section 22, T9S, R37E, Lease # NM050475-A, CA SW-587

The present production equipment and production pipe lines are unsafe for usage. MAR has applied to Bureau Of Land Management and the Oil Conservation Division to surface commingling the wells. The commingling will lower operating costs and provide Stample LETTER SENT long term production.

Sincerely:

Duane C. Winkler

Vice President Of Operation