





52 ECGP166A 11.47.36 OCT 29/1992

CARD ERROR MESSAGE

887 IKF5011I-W AN INTERMEDIATE RESULT OR A SENDING FIELD MIGHT HAVE ITS HIGH ORDER DIGIT POSITION TRUNCATED.

52

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11.47.36

OCT 29, 1992

CARD

ERROR MESSAGE

887

IKF5011I-W

AN INTERMEDIATE RESULT OR A SENDING FIELD MIGHT HAVE ITS HIGH ORDER DIGIT POSITION TRUNCATED.

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS  
MICHAEL H. FELDEWERT

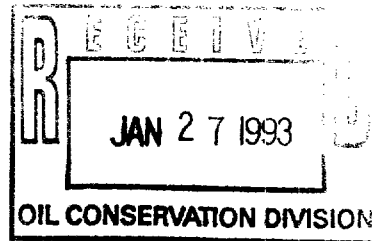
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
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January 27, 1993

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

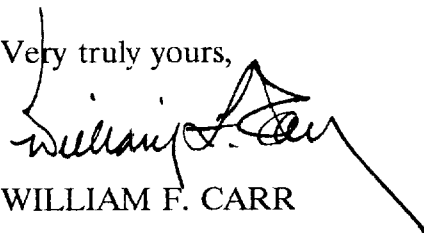


Re: In the Matter of the Amended Application of Maralo Inc. for Pool Creation, Special Pool Rules and a Discovery Allowable, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Amended Application of Maralo Inc. in the above-referenced case. Maralo Inc. respectfully requests that this matter be placed on the docket for the February 18, 1993 Examiner hearings.

Very truly yours,

  
WILLIAM F. CARR

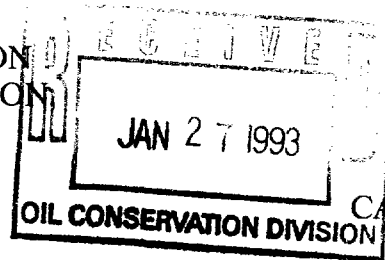
WFC:mlh

Enclosures

cc w/enclosure: Shane Lough

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MARALO, INC. FOR POOL CREATION  
SPECIAL POOL RULES  
AND A DISCOVERY ALLOWABLE,  
LEA COUNTY, NEW MEXICO.



CASE NO. 11670

AMENDED APPLICATION

MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order (1) designating a new pool as a result of discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, (2) promulgating special pool rules and regulations for this pool, including (a) 80-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis; and (b) special well location requirements, and (3) granting a discovery allowable and in support of this application states:

1. Applicant has recently completed its Barnes "20" Well No. 1 in the Devonian formation, located 766 feet from the North line and 2201 feet from the West line of Section 20, Township 9 South, Range 35 East, Lea County, New Mexico. Said well is producing through the open hole from 12635 feet to 12656 feet at a rate of approximately 50 barrels of oil per day.

2. Applicant believes that the following described lands are reasonably proven

to be productive of oil and gas in paying quantities from the Devonian formation and should be included in the original definition of the pool to be created because of this discovery:

**Township 9 South, Range 35 East, N.M.P.M.**

Section 20: E/2 NW/4

3. In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the new pool.

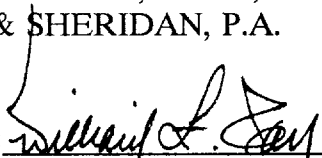
4. Applicant requests that the special pool rules provide that each well should be located on a standard unit containing 80-acres, more or less, consisting of a governmental quarter section and that each well shall be located no closer than 330 feet to the outer boundary of the spacing unit.

5. Pursuant to the provisions of Division Rule 509, Maralo Inc. seeks assignment of a discovery allowable to its Barnes "20" Well No. 1.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR

Post Office Box 2208

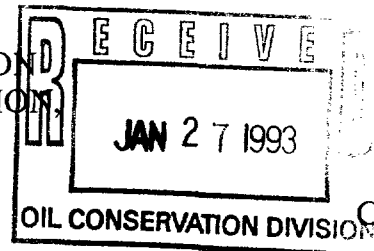
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MARALO, INC. FOR POOL CREATION,  
SPECIAL POOL RULES  
AND A DISCOVERY ALLOWABLE,  
LEA COUNTY, NEW MEXICO.



CASE NO. 10670

**AMENDED APPLICATION**

MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order (1) designating a new pool as a result of discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, (2) promulgating special pool rules and regulations for this pool, including (a) 80-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis; and (b) special well location requirements, and (3) granting a discovery allowable and in support of this application states:

1. Applicant has recently completed its Barnes "20" Well No. 1 in the Devonian formation, located 766 feet from the North line and 2201 feet from the West line of Section 20, Township 9 South, Range 35 East, Lea County, New Mexico. Said well is producing through the open hole from 12635 feet to 12656 feet at a rate of approximately 50 barrels of oil per day.

2. Applicant believes that the following described lands are reasonably proven



to be productive of oil and gas in paying quantities from the Devonian formation and should be included in the original definition of the pool to be created because of this discovery:

**Township 9 South, Range 35 East, N.M.P.M.**

Section 20: E/2 NW/4

3. In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the new pool.

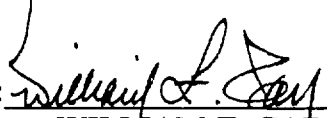
4. Applicant requests that the special pool rules provide that each well should be located on a standard unit containing 80-acres, more or less, consisting of a governmental quarter section and that each well shall be located no closer than 330 feet to the outer boundary of the spacing unit.

5. Pursuant to the provisions of Division Rule 509, Maralo Inc. seeks assignment of a discovery allowable to its Barnes "20" Well No. 1.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: \_\_\_\_\_

WILLIAM F. CARR

Post Office Box 2208

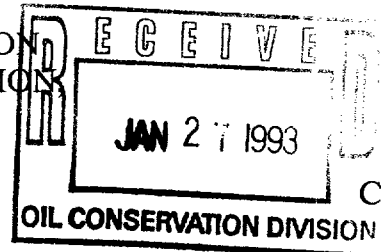
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MARALO, INC. FOR POOL CREATION  
SPECIAL POOL RULES  
AND A DISCOVERY ALLOWABLE,  
LEA COUNTY, NEW MEXICO.



CASE NO. 10670

AMENDED APPLICATION

MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order (1) designating a new pool as a result of discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, (2) promulgating special pool rules and regulations for this pool, including (a) 80-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis; and (b) special well location requirements, and (3) granting a discovery allowable and in support of this application states:

1. Applicant has recently completed its Barnes "20" Well No. 1 in the Devonian formation, located 766 feet from the North line and 2201 feet from the West line of Section 20, Township 9 South, Range 35 East, Lea County, New Mexico. Said well is producing through the open hole from 12635 feet to 12656 feet at a rate of approximately 50 barrels of oil per day.

2. Applicant believes that the following described lands are reasonably proven

to be productive of oil and gas in paying quantities from the Devonian formation and should be included in the original definition of the pool to be created because of this discovery:

**Township 9 South, Range 35 East, N.M.P.M.**

Section 20: E/2 NW/4

3. In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the new pool.

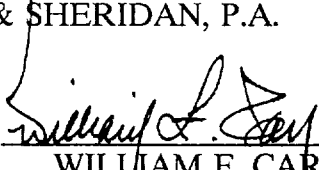
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5. Pursuant to the provisions of Division Rule 509, Maralo Inc. seeks assignment of a discovery allowable to its Barnes "20" Well No. 1.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:   
WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.



CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

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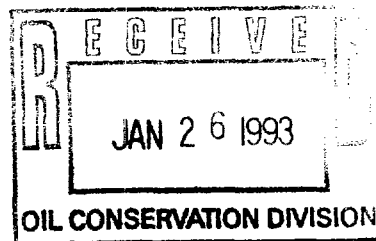
JACK M. CAMPBELL  
OF COUNSEL

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SANTA FE, NEW MEXICO 87504-2208  
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January 26, 1993

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503



10670

Re: In the Matter of the Application of Maralo Inc. for Pool Creation, Special Pool Rules  
and a Discovery Allowable, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Maralo Inc. and a draft of a legal advertisement in the above-referenced case. Maralo Inc. respectfully requests that this matter be placed on the docket for the February 18, 1993 Examiner hearings.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and "C".

WILLIAM F. CARR

WFC:mlh

Enclosures

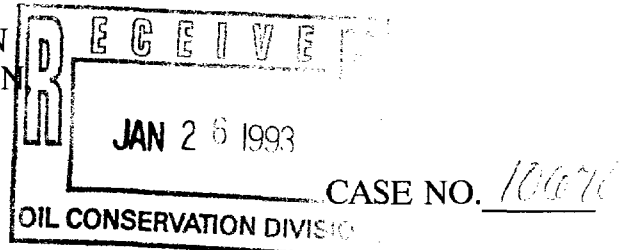
cc w/enclosure: Shane Lough

CASE 10270:

Application of Maralo Inc. for pool creation, special pool rules and a discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Devonian formation comprising the E/2 NW/4 of Section 20, Township 9 South, Range 35 East, N.M.P.M., the assignment of a discovery allowable, and the promulgation of special pool rules therefore including provisions for 80-acre spacing units and designated well location requirements. Said area is located approximately \_\_\_ miles \_\_\_ of \_\_\_, New Mexico.

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MARALO, INC. FOR POOL CREATION  
SPECIAL POOL RULES  
AND A DISCOVERY ALLOWABLE,  
LEA COUNTY, NEW MEXICO.



**APPLICATION**

MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order (1) designating a new pool as a result of discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, (2) promulgating special pool rules and regulations for this pool, including (a) 80-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis; and (b) special well location requirements, and (3) granting a discovery allowable and in support of this application states:

1. Applicant has recently completed its Barnes "20" Well No. 1 in the Devonian formation, located 766 feet from the North line and 2201 feet from the West line of Section 20, Township 9 South, Range 35 East, Lea County, New Mexico. Said well is producing through the open hole from 12635 feet to 12656 feet at a rate of approximately 50 barrels of oil per day.

2. Applicant believes that the following described lands are reasonably proven

to be productive of oil and gas in paying quantities from the Devonian formation and should be included in the original definition of the pool to be created because of this discovery:

**Township 9 South, Range 35 East, N.M.P.M.**

Section 20: E/2 NW/4

3. In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the new pool.

4. Applicant requests that the special pool rules provide that each well should be located on a standard unit containing 80-acres, more or less, consisting of a governmental quarter section and that each well shall be located no closer than 330 feet to the outer boundary of the spacing unit.

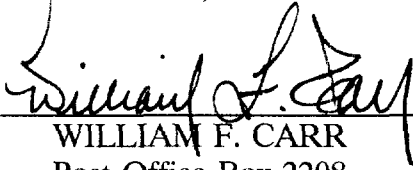
5. Pursuant to the provisions of Division Rule 509, Columbia Gas Development Corporation seeks assignment of a discovery allowable to its Barnes "20" Well No. 1.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:

A handwritten signature in black ink, appearing to read "William F. Carr", written over a horizontal line.

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

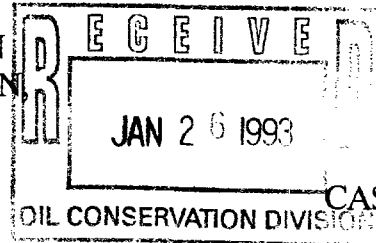
Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.



BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MARALO, INC. FOR POOL CREATION  
SPECIAL POOL RULES  
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LEA COUNTY, NEW MEXICO.



**APPLICATION**

MARALO, INC., by its undersigned attorneys, hereby makes application to the Oil Conservation Division for an Order (1) designating a new pool as a result of discovery of hydrocarbons in the Devonian formation, Undesignated Devonian Oil Pool, in its Maralo Inc. Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line in Unit C of Section 20, Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico, (2) promulgating special pool rules and regulations for this pool, including (a) 80-acre spacing or proration units on a permanent basis or, in the alternative, on a temporary basis; and (b) special well location requirements, and (3) granting a discovery allowable and in support of this application states:

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2. Applicant believes that the following described lands are reasonably proven

to be productive of oil and gas in paying quantities from the Devonian formation and should be included in the original definition of the pool to be created because of this discovery:

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Section 20: E/2 NW/4

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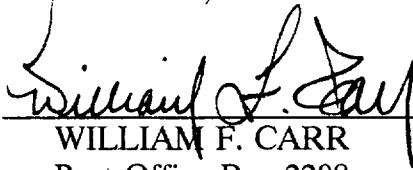
4. Applicant requests that the special pool rules provide that each well should be located on a standard unit containing 80-acres, more or less, consisting of a governmental quarter section and that each well shall be located no closer than 330 feet to the outer boundary of the spacing unit.

5. Pursuant to the provisions of Division Rule 509, Columbia Gas Development Corporation seeks assignment of a discovery allowable to its Barnes "20" Well No. 1.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993, that notice be given as required by law and the rules of the Division, and that the application be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By:   
WILLIAM F. CARR

Post Office Box 2208

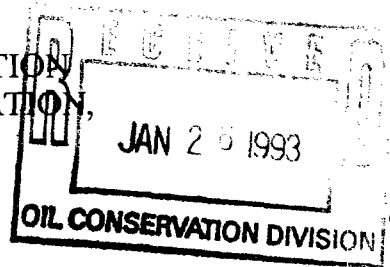
Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.

BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION  
OF MARALO, INC. FOR POOL CREATION,  
SPECIAL POOL RULES  
AND A DISCOVERY ALLOWABLE,  
LEA COUNTY, NEW MEXICO.



CASE NO. 10670

**APPLICATION**

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1. Applicant has recently completed its Barnes "20" Well No. 1 in the Devonian formation, located 766 feet from the North line and 2201 feet from the West line of Section 20, Township 9 South, Range 35 East, Lea County, New Mexico. Said well is producing through the open hole from 12635 feet to 12656 feet at a rate of approximately 50 barrels of oil per day.

2. Applicant believes that the following described lands are reasonably proven

to be productive of oil and gas in paying quantities from the Devonian formation and should be included in the original definition of the pool to be created because of this discovery:

**Township 9 South, Range 35 East, N.M.P.M.**

Section 20: E/2 NW/4

3. In order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid augmentation of risk arising from the drilling of an excessive number of wells and otherwise prevent waste and protect correlative rights, special rules and regulations providing for 80-acre spacing units should be promulgated for the new pool.

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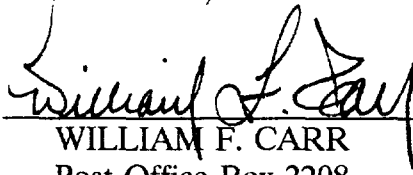
5. Pursuant to the provisions of Division Rule 509, Columbia Gas Development Corporation seeks assignment of a discovery allowable to its Barnes "20" Well No. 1.

WHEREFORE, Maralo, Inc. requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 18, 1993, that notice be given as required by law and the rules of the Division, and that the application be approved.



Respectfully submitted,

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.

By: 

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR MARALO INC.

*Admire as 10670*

*M.S. 6/8/93*

*OK 6/8/93*

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

*KS 6/9/93*

*8/6/93*  
*WST 6/12/93*

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

NOMENCLATURE  
CASE NO. 10670  
ORDER NO. R-\*\*\*  
*99/2*

APPLICATION OF MARALO, INC. FOR  
POOL CREATION, SPECIAL POOL RULES  
AND A DISCOVERY ALLOWABLE, LEA  
COUNTY, NEW MEXICO.

*M.S. 6/14/93*

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 18, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this \_\_\_\_\_ day of June, 1993 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Maralo, Inc., is the owner and operator of the Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line (Unit C) of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, which was completed in September, 1992 as an oil well in the Devonian formation in the open hole interval from approximately 12,635 feet to 12,656 feet.

(3) The applicant now seeks the creation of a new pool comprising the E/2 NW/4 of said Section 20 for the production of oil from the Devonian formation, and the promulgation of special rules therefor including provisions for 80-acre spacing and proration units, designated well location requirements whereby wells would be no closer than 330 feet to the outer boundary of a spacing unit. Further, the applicant seeks the assignment of an oil discovery allowable,

pursuant to Division General Rule 509, to the aforementioned Barnes "20" Well No. 1.

Ø 4 At the time of the hearing the applicant requested that the portion of this application requesting the assignment of a discovery allowable for its Barnes "20" Well No. 1 and for consideration of the poolwide 330 foot set-back requirements for well locations be dismissed.

Ø 5 Division records indicate that the subject well and proposed pool are within one mile of the now abandoned (no current producing wells) Jenkins-Devonian Pool, which currently comprises the NE/4 of Section 30, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico and is subject to the General Statewide Rules and Regulations including 40-acre oil spacing and proration units with wells to be located no closer than 330 feet from the outer boundary of the spacing unit.

(A) 6 The evidence presently available indicates that the aforesaid Barnes "20" Well No. 1 has discovered a completely separate common source of supply in the Devonian formation that is structurally separated from the Jenkins Pool.

(Ø) 7 Geologic evidence presented further indicates that the subject reservoir or structure has a limited ~~aerial~~ <sup>areal</sup> extent that may comprise only portions of the NE/4 and E/2 NW/4 of Section 20, the S/2 SE/4 of Section 17, and the NW/4 NW/4 of Section 21, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico.

(Ø) 8 The preliminary engineering evidence indicates that the small Devonian structure encountered by the above-described well is of high permeability and that the drainage radius of the well will be in excess of 40 acres.

(A) 9 In order to prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for said pool.

Ø 10 To assure orderly development of the proposed pool and to protect correlative rights, the temporary rules and regulations to be adopted should also provide for the same restrictive well location requirements being utilized in the majority of those pools with 80-acre spacing.

Ø 11 At the request of the applicant, temporary special rules and regulations for the proposed pool should be established for a period of twelve months in order to allow the operators in the subject pool the opportunity to gather sufficient reservoir information to show

that a <sup>n</sup>80-acre unit in this relatively small structure can be efficiently and economically drained and developed by one well.

(8)<sup>12</sup> A new pool classified as an oil pool for Devonian oil production should be created and designated the Northeast Jenkins-Devonian Pool, with vertical limits to include the Devonian formation and the horizontal limits comprising the E/2 NW/4 of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico. Further, the proposed pool should be established for a twelve-month period in order to allow the operators in the subject pool to gather sufficient reservoir information to show that an 80-acre unit in the area can be sufficiently and economically drained and developed by one well.

(6)<sup>13</sup> This case should therefore be reopened at an examiner hearing in June, 1994, at which time the operators in the subject pool should be prepared to appear and show cause why the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool should not be rescinded and to show cause why said pool should not be developed on 40 acre spacing.

IT IS THEREFORE ORDERED THAT:

(1) A new pool in Lea County, New Mexico, classified as an oil pool for Devonian production is hereby created and designated the Northeast Jenkins-Devonian Pool, with vertical limits comprising the Devonian formation and the horizontal limits comprising the following described area:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM  
Section 20: E/2 NW/4.

(2) The Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool, Lea County, New Mexico, are hereby promulgated as follows:

TEMPORARY SPECIAL RULES AND REGULATIONS  
FOR THE  
NORTHEAST JENKINS-DEVONIAN POOL

RULE 1: Each well completed or recompleted in the Northeast Jenkins-Devonian Pool or in the Devonian formation within one mile thereof, and not nearer to or within the limits of another Devonian oil pool, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2: Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2 or W/2 of a governmental

quarter section; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in that unit.

*Director*  
*two?*  
**RULE 3:** The Director of the Oil Conservation Division, hereinafter referred to as the "Division", may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a governmental quarter-quarter section or lot; or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within thirty days after the Director has received an application.

**RULE 4:** Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

*deeper?*  
**RULE 5:** The ~~Division~~ Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to ~~another~~ horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within twenty days after the Director has received the application.

**RULE 6:** A standard proration unit (79 through 81 acres) shall be subject to an 80-acre depth-bracket allowable of 490 barrels of oil per day. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

(3) The locations of all wells presently drilling to or completed in the Northeast Jenkins-Devonian Pool or in the Devonian formation within one mile thereof are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well within thirty days from the date of this order.



(4) Pursuant to Paragraph A of Section 70-2-18, NMSA (1978), contained in Chapter 271, Laws of 1969, existing wells in the Northeast Jenkins-Devonian Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or, pursuant to Paragraph C of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within sixty days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said sixty-day limitation, each well presently drilling to or completed in the Northeast Jenkins-Devonian Pool or in the Devonian formation within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(5) Unless called earlier upon the motion of the Division, this case shall be reopened at an examiner hearing in June 1994, at which time the operators in the subject pool should be prepared to appear and show cause why the temporary special pool rules for the Northeast Jenkins-Devonian Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

(6) The applicants' request for a discovery allowable to be assigned its Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line (Unit C) of Section 20, Township 9 South, Range 35 East, NMPM, Lea County, New Mexico, is hereby dismissed.

(7) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

8/2/93  
WJF

CASE NO. 10670 (Reopened)  
Order No. R-9912-A

IN THE MATTER OF CASE NO. 10670 BEING  
REOPENED UPON THE APPLICATION OF MARALO,  
INC. TO SET AN EFFECTIVE DATE FOR THE  
TEMPORARY SPECIAL RULES AND REGULATIONS  
FOR THE NORTHEAST JENKINS-DEVONIAN POOL  
PROMULGATED BY DIVISION ORDER NO. R-9912.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 15, 1993,  
at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this \_\_\_\_\_ day of August, 1993, the Division  
Director, having considered the testimony, the record, and the  
recommendations of the Examiner, and being fully advised in the  
premises,

FINDS THAT:

(1) Due public notice having been given as required by law,  
the Division has jurisdiction of this cause and the subject matter  
thereof.

(2) By Order No. R-9912 issued in Case No. 10670 on June 15,  
1993, the Division, upon application of Maralo, Inc., promulgated  
Temporary Special Rules and Regulations for the Northeast Jenkins-  
Devonian Pool, Lea County, New Mexico, including 80-acre spacing  
and proration units and designated well locations.

(3) The discovery well for the Northeast Jenkins-Devonian  
Pool was the Maralo, Inc. Barnes "20" Well No. 1 located in Unit  
C of Section 20, Township 9 South, Range 35 East, NMPM, Lea County,  
New Mexico.

(4) The applicant, Maralo, Inc., seeks to reopen this case at  
this time in order to set an effective date of March 1, 1993, for  
the Special Rules and Regulations for the Northeast Jenkins-

Devonian Pool.

(5) The original application was heard by a Division Examiner on February 18, 1993 and although testimony was presented concerning potential lease expiration in the area, no specific request for an effective date for the Temporary Special Rules and Regulations was made.

(6) The establishment of an effective date of March 1, 1993 as proposed by the applicant will avoid the expiration of a lease in this pool which has been dedicated to the Barnes "20" Well No. 1, will otherwise preserve the equities in the Barnes "20" Well No. 1, and will serve to protect correlative rights.

(7) No interest owner and/or offset operator appeared at the hearing in opposition to the application.

(8) The application of Maralo, Inc. for a March 1, 1993 effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool should be granted.

IT IS THEREFORE ORDERED THAT:

(1) The effective date for the Temporary Special Rules and Regulations for the Northeast Jenkins-Devonian Pool, as promulgated by Division Order No. R-9912, is hereby established as March 1, 1993.

(2) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY  
Director

S E A L



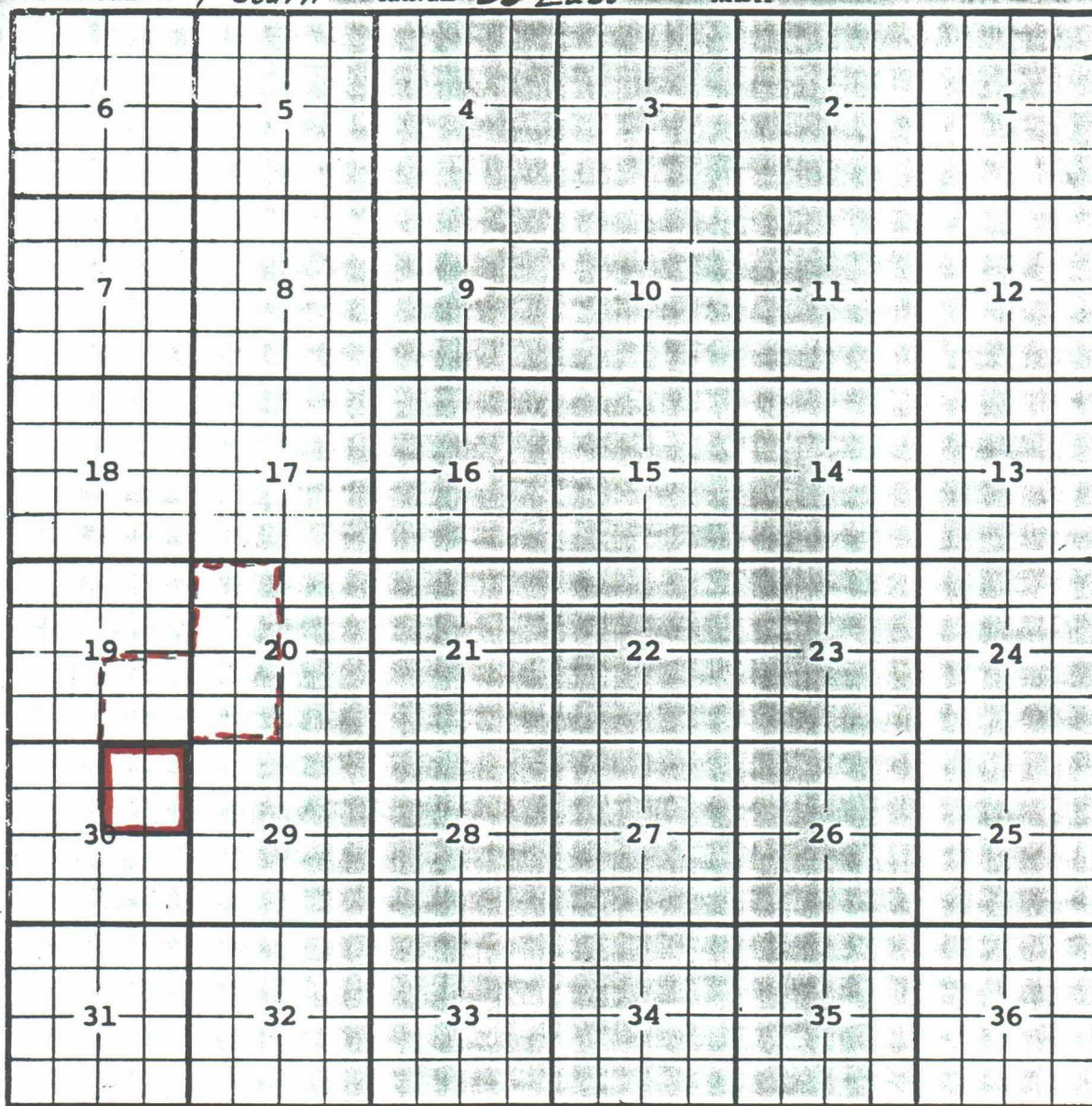
COUNTY *Lea*

POOL *Jenkins - Devonian*

TOWNSHIP *9 South*

RANGE *35 East*

NMPM



Description: *NE 1/4 Sec. 30 (R-7557, 9-1-63)*



DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

OIL CONSERVATION DIVISION  
RECEIVED

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

'92 SEP 22 AM 9 00

I.

Operator Maralo, Inc.	Well API No. 30-025-31601
Address P. O. Box 832, Midland, Texas 79702 0832	
Reason(s) for Filing (Check proper box) New Well <input checked="" type="checkbox"/> <input type="checkbox"/> Other (Please explain) Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>	
Casinghead Gas MUST NOT BE FLARED AFTER <u>11-1-92</u> UNLESS AN EXCEPTION TO R-4070 IS OBTAINED.	
If change of operator give name and address of previous operator	
THIS WELL HAS BEEN PLACED IN THE POOL DESIGNATED BELOW. IF YOU DO NOT CONCUR NOTIFY THIS OFFICE.	

II. DESCRIPTION OF WELL AND LEASE

Lease Name Barnes "20"	Well No. 1	Pool Name, Including Formation Undesignated (Devonian)	Kind of Lease State, Federal or Fee	Lease No.
Location Unit Letter <u>C</u> : <u>766</u> Feet From The <u>N</u> Line and <u>2201</u> Feet From The <u>W</u> Line Section <u>20</u> Township <u>9S</u> Range <u>35E</u> , NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil Amoco Pipeline ICT <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent) 502 N. West Ave., Levelland, Tx 79336					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit C	Sec. 20	Twp. 9S	Rge. 35E	Is gas actually connected? No	When ?

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well X	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded 6-6-92	Date Compl. Ready to Prod. 9-10-92	Total Depth 12,656	P.B.T.D. 12,555					
Elevations (DF, RKB, RT, GR, etc.) 4169.7 GR	Name of Producing Formation Devonian	Top Oil/Gas Pay 12,635	Tubing Depth 12,549					
Perforations Open hole 12635-12656	Depth Casing Shoe 12,635							
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT					
17 1/2	13 3/8"	450'	450sx Class C					
12 1/4	8 5/8	4200'	2600sx Howco Lt+200sx C					
7 7/8	5 1/2	12635	850sx Poz + 425 sx Howco + 925s Poz					
	2 7/8"	12,549						

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank 9-1-92	Date of Test 9-14-92	Producing Method (Flow, pump, gas lift, etc.) pumping 2 1/2" x 1 1/2" x 24" pump	
Length of Test 24	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls. 162	Water - Bbls. 25	Gas - MCF 83

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature Brenda Coffman CTS  
Printed Name Brenda Coffman Agent  
Date 9-15-92 Title  
Telephone No.

OIL CONSERVATION DIVISION

SEP 17 '92

Date Approved  
By [Signature]  
Title DISTRICT I SUPERVISOR

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

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FILE

U.S.G.S.

LAND OFFICE

OPERATOR

OIL CONSERVATION DIVISION

RECEIVED  
MEXICO OIL CONSERVATION COMMISSION  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG  
'92 SEP 22 AM 9 00Form C-105  
Revised 11-1-88

5a. Indicate Type of Lease

State ☐Fee ☒

5. State Oil &amp; Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name

Barnes "20"

9. Well No.

1

10. Field and Pool, or Wildcat

Undesignated (Devonian)

12. County

Lea

1a. TYPE OF WELL

OIL WELL ☒GAS WELL ☐DRY ☐

OTHER

b. TYPE OF COMPLETION

NEW WELL ☒WORK OVER ☐DEEPEN ☐PLUG BACK ☐DIFF. RESVR. ☐

OTHER

2. Name of Operator

Maralo, Inc.

3. Address of Operator

P. O. Box 832, Midland, Texas 79702

4. Location of Well

UNIT LETTER C LOCATED 766 FEET FROM THE North LINE AND 2201 FEET FROM

THE West LINE OF SEC. 20 TWP. 9S RGE. 35E NMPM

15. Date Spudded 6-6-92 16. Date T.D. Reached 9-31-92 17. Date Compl. (Ready to Prod.) 9-10-92 18. Elevations (DF, RKB, RT, GR, etc.) 4169.7 GR 19. Elev. Casinghead -

20. Total Depth 12,656 21. Plug Back T.D. 12,555 22. If Multiple Compl., How Many 23. Intervals Drilled By Rotary Tools 0-12656 Cable Tools -

24. Producing Interval(s), of this completion - Top, Bottom, Name

Open Hole 12,635 - 12,656

25. Was Directional Survey Made

yes

26. Type Electric and Other Logs Run

GR/CNL/LDT

27. Was Well Cored

No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB. FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8"	54.4#	450'	17 1/2	450sx Class C	
8 5/8		4200	12 1/4	2600sx Howco Lite + 200sx C	
5 1/2	17#	12,635	7 7/8	850sx Poz + 425 sx Howco Lite +	
				tailed in w/925sx 50/50 POZ	

29. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8	12,549	12,549

30. TUBING RECORD

31. Perforation Record (Interval, size and number)

9740-9747 squeezed

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
9740 - 9747	2000 gals 15% MCA acid
9740 - 9747	75sx Cl.H - squeezed
12635 - 12656	200gals 15% MCA

33. PRODUCTION

Date First Production 9-1-92 Production Method (Flowing, gas lift, pumping - Size and type pump) 2 1/2" x 1 1/2 x 24' pump Well Status (Prod. or Shut-in) producing

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
9-14-92	24			162	83	25	1951
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API (Corr.)	
			162	83	25		

34. Disposition of Gas (Sold, used for fuel, vented, etc.) flared until find market for gas

Test Witnessed By  
Phillip Smith

35. List of Attachments

C-104, logs

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.

SIGNED

Brenda Offman

TITLE

Agent

DATE

9-15-92

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

### Northwestern New Mexico

RECEIVED  
SEP 16 1992  
OCD HOBBS OFFICE

## INCLINATION REPORT

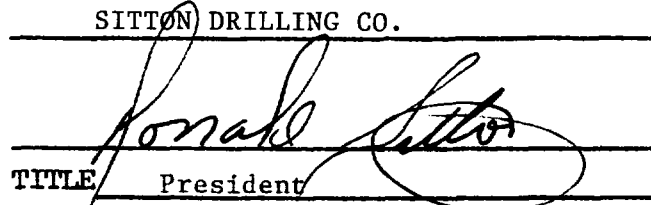
Pg 1

OPERATOR Maralo, Inc. OIL CONSERVATION DIVISION RECEIVED ADDRESS P. O. Box 832, Midland, Tx 79702LEASE NAME Barnes "20" 92 SEP 22 AM 9 00 WELL NO. 20-1 FIELD WildcatLOCATION Section 20, T-9-S, R-35-E, Lea County, New Mexico

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
421	1/2°	3.68	3.68
884	3/4°	6.11	9.80
1359	1/2°	4.16	13.95
1832	3/4°	6.24	20.20
2053	3/4°	2.92	23.11
2557	1/2°	4.41	27.52
3031	3/4°	6.26	33.78
3505	1°	8.30	42.07
3979	1°	8.30	50.37
4200	1/4°	0.97	51.33
4697	1/2°	4.35	55.68
5171	1/4°	2.07	57.76
5642	1/2°	4.12	61.88
6116	3/4°	6.26	68.13
6590	1/2°	4.15	72.28
7064	3/4°	6.26	78.54
7444	1°	6.65	85.18
7917	3/4°	6.24	91.43

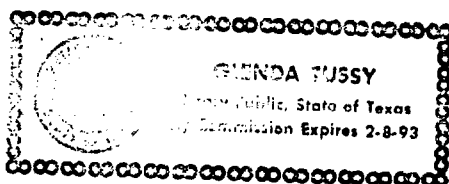
I hereby certify that the above data as set forth is true and correct to the best of my knowledge and belief.

SITTON DRILLING CO.

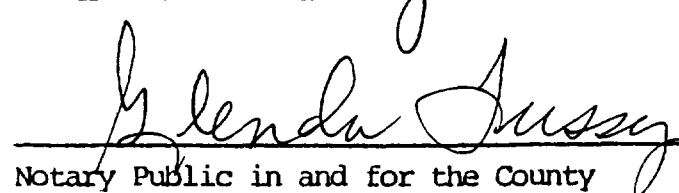

  
TITLE President

## AFFIDAVIT:

Before me, the undersigned authority, appeared Ronald Sitton known to me to be the person whose name is subscribed herebelow, who, on making deposition, under oath states that he is acting for and in behalf of the operator of the well identified above, and that to the best of his knowledge and belief such well was not intentionally deviated from the true vertical whatsoever.


  
AFFIANT'S SIGNATURE
Sworn and subscribed to in my presence on this the 7 day of August, 1992

SEAL


  
Notary Public in and for the County  
of Lubbock, State of Texas



## INCLINATION REPORT

Pg 2

Continued page 2

OPERATOR Maralo, Inc. ADDRESS \_\_\_\_\_

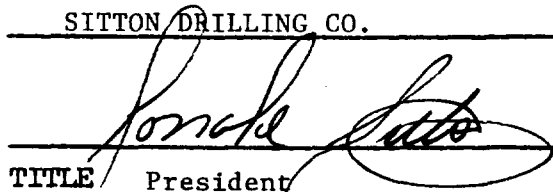
LEASE NAME Barnes 20 WELL NO. 1 FIELD \_\_\_\_\_

LOCATION 766/N + 2201/W 20-9-35

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
8390	3/4°	6.24	97.67
8864	1 °	8.30	105.97
9125	1/2°	2.28	108.25
9558	3/4°	5.72	113.96
10001	1/2°	3.88	117.84
10473	3/4°	6.23	124.07
10950	3/4°	6.30	130.37
11171	1/4°	0.97	131.33
11346	1/4°	0.76	132.10
11823	1/2°	4.17	136.27
12141	1 °	5.57	141.84
12581	1 1/4°	9.61	151.45
12644	1 °	1.10	152.55

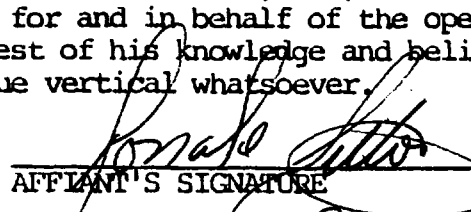
I hereby certify that the above data as set forth is true and correct to the best of my knowledge and belief.

SITTON DRILLING CO.

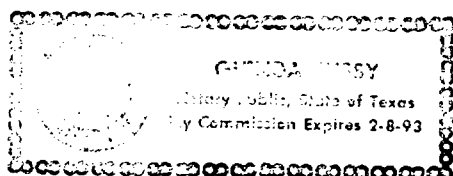
  
 TITLE President

## AFFIDAVIT:

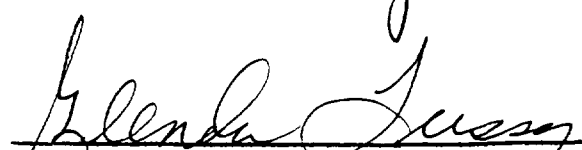
Before me, the undersigned authority, appeared Ronald Sitton  
 known to me to be the person whose name is subscribed herebelow, who, on making  
 deposition, under oath states that he is acting for and in behalf of the operator  
 of the well identified above, and that to the best of his knowledge and belief such  
 well was not intentionally deviated from the true vertical whatsoever.

  
 AFFILIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 7 day of August, 1992



SEAL

  
 Notary Public in and for the County  
 of Lubbock, State of Texas.

DISTRICT I OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS

Operator Maralo, Inc.	Well API No. 20-025-31601
Address P.O. Box 832, Midland, TX 79702-0832	
Reason(s) for Filing (Check proper box) New Well <input checked="" type="checkbox"/> Other (Please explain) <input checked="" type="checkbox"/> Recompletion <input type="checkbox"/> Change in Transporter of: Change in Operator <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> requesting a clearance to move oil Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> while testing - 800 barrels of oil	
If change of operator give name and address of previous operator	

II. DESCRIPTION OF WELL AND LEASE

Lease Name Barnes "20"	Well No. 1	Pool Name, Including Formation Grossroads (Devonian)	Kind of Lease State Fee	Lease No.
Location Unit Letter C : 766 Feet From The north Line and 2201 Feet From The west Line Section 20 Township 9S Range 35E, NMPM, Lea County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Amoco Pipeline ICT	Address (Give address to which approved copy of this form is to be sent) 502 N. West Ave Levelland, TX 79336					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When?
If this production is commingled with that from any other lease or pool, give commingling order number:						

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
Date Spudded	Date Compl. Ready to Prod.		Total Depth		P.B.T.D.			
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay		Tubing Depth			
Perforations Devonian					Depth Casing Shoe			
TUBING, CASING AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			

V. TEST DATA AND REQUEST FOR ALLOWABLE

OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

GAS WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature  
Debra Haney-Osburg Jt. Revenue  
Printed Name  
9/4/92 915/684-7441  
Date  
Telephone No.

OIL CONSERVATION DIVISION  
SEP 08 '92

Date Approved  
By  
Title  
DISTRICT 1 SUPERVISOR

INSTRUCTIONS: This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL & GAS CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-31601

5. Indicate Type of Lease  
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator  
Maralo, Inc.

3. Address of Operator  
P. O. Box 832, Midland, Texas 79702 0832

4. Well Location  
Unit Letter C : 766 Feet From The North Line and 2201 Feet From The West Line

Section 20 Township 9S Range 35E NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

4169.7 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☒  
OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud 6-6-92 11:00 p.m.

6-8-92 Ran 10 jts 13 3/8" 54.4#, 8rd J-55 csg. Set @ 450'. Cement circ to surface. Hole size 17 1/2". WOC 20 hours

6-16-92 Ran 96 jts 8 5/8" csg. Set @ 4200'. Cemented w/2600 sx HOwco Light w/1/4# flocele + 15# salt/sx. Tailed in w/200 sx Class "C" cmt + 1/4# flocele + 2% CaCl2. Cmt circ to surface. Hole size 12 1/4". WOC 24+ hours. Tested to 1000 psi - ok.

7-31-92 TD'd @ 12,656'.

8-3-92 Ran GR/CNL/LDT TD to csg. w/GR/CNL surface, GR/DLL/MSFL TD to csg.

LOG TOPS:

Tansill	2220	ABO	7742	Atoka	11312
Yates	2790	Wolfcamp Lime	8812	Mississippi Lime	11899
San Andres Porosity	4781	XX Marker	9062	Woodford	12572
Glorieta	5472	Bough C	9734	Devonian	12626
Tubb	6906	Strawn Marker	10,832		

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Brenda Callman TITLE Agent DATE 8-28-92

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY [Signature] TITLE Geologist DATE SEP 01 '92

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 9 copies

State of New Mexico

Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

Barnes "20"

2. Name of Operator

Maralo, Inc.

8. Well No.

1

3. Address of Operator

P. O. Box 832, Midland, Texas 79702 0832

9. Pool name or Wildcat

Undesignated  
Crossroads (Devonian)

4. Well Location

Unit Letter C : 766 Feet From The North Line and 2201 Feet From The West Line

Section 20

Township 9 S

Range 35 E

NMPM

Lea

County

10. Proposed Depth

12,800

11. Formation

Devonian

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

4169.7' GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

U.A.

16. Approx. Date Work will start

5-25-92

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2	13 3/8	54.50#	450'	500 sx Cl. C	Surface
12 1/4	8 5/8	32#	4200'	vol. to be det.	Surface
7 7/8	5 1/2	17#; 20#		vol to be det.	

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

*Brenda Coffman*

TITLE

Agent

DATE 5-20-92

TYPE OR PRINT NAME

Brenda Coffman

915 684-7441 ext. 19

TELEPHONE NO.

(This space for State Use)

APPROVED BY

*Larry Lyster*

TITLE

DISTRICT 1 SUPERVISOR

DATE

MAY 22 '92

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval  
Date Unless Drilling Underway

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARALO, INC.		Lease BARNES "20"		Well No. 1
Unit Letter C	Section 20	Township 9 SOUTH	Range 35 EAST NMPM	County LEA

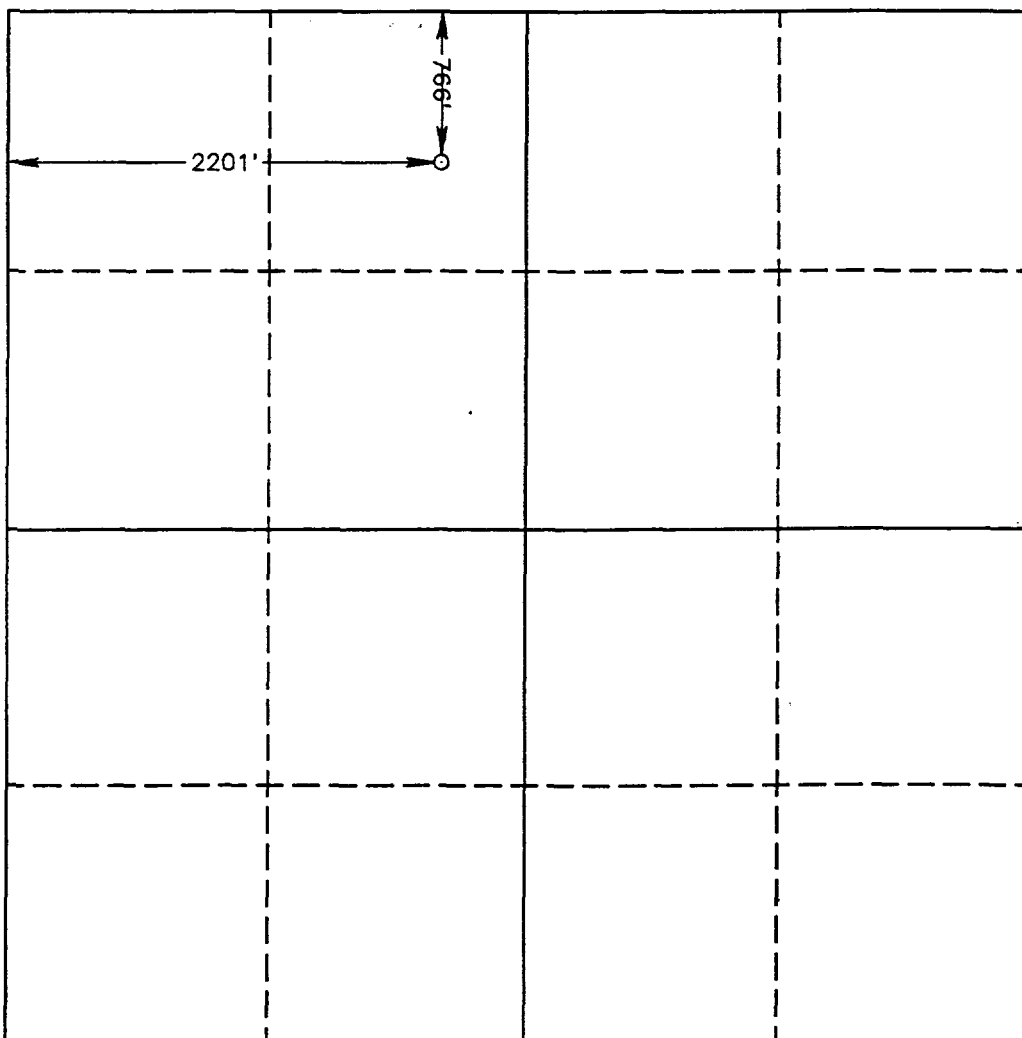
Actual Footage Location of Well:

766 feet from the NORTH line and		2201 feet from the WEST line	
Ground Level Elev. 4169.7'	Producing Formation Devonian	Pool <i>Undesignated crossroads</i> Devonian	Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
*Brenda Coffman*

Printed Name  
Brenda Coffman

Position  
Agent

Company  
Maralo, Inc.

Date  
5-20-92

SURVEYOR CERTIFICATION

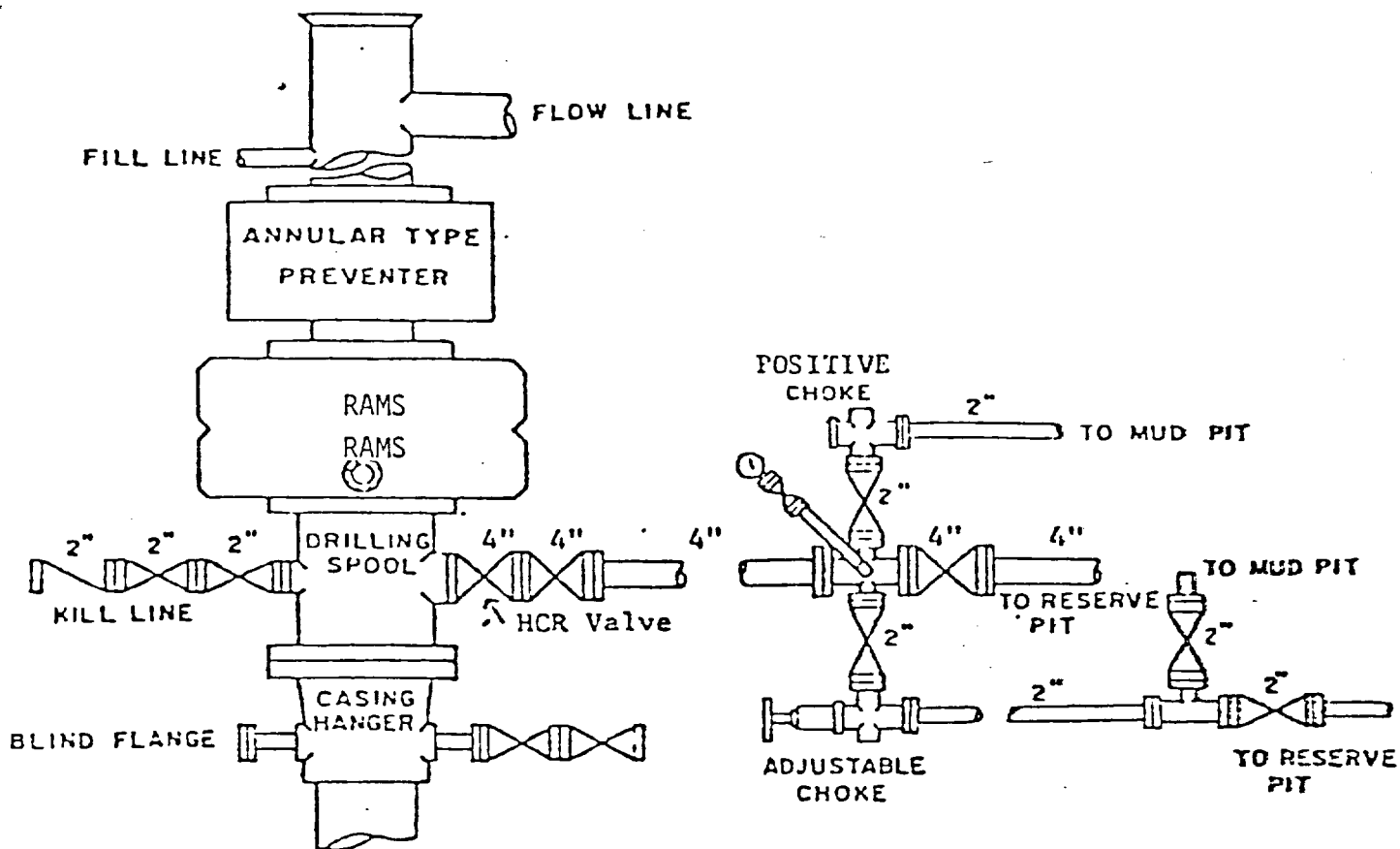
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
MAY 13, 1992

Signature & Seal of  
Professional Surveyor

*Ronald J. Eidson*  
Certificate No. JOHN W. WEST, 676  
RONALD J. EIDSON, 3239  
GARY L. JONES, 7877

92-11-0642



### BOP STACK

3000 PSI WORKING PRESSURE

BOP ARRANGEMENT