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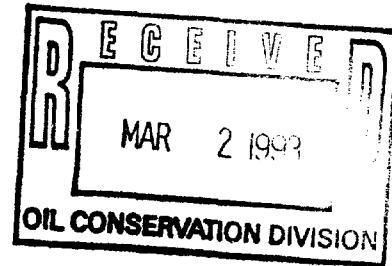
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March 2, 1993

HAND-DELIVERED

Michael E. Stogner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503



Re: Case 10670:
Application of Maralo Inc. for Pool Creation, Special Pool Rules and
Discovery Allowable, Lea County, New Mexico

Dear Mr. Stogner:

Pursuant to your request at the February 18, 1993 hearing on the above-referenced application, I am enclosing a copy of Oil Conservation Division Form C-108 which was approved by the Division on January 29, 1993 authorizing Maralo to re-enter the subject well. Also enclosed for the case file are additional copies of Maralo's cross-section which was admitted as Exhibit No. 5.

If you need anything further from Maralo to proceed with your consideration of this application, please advise.

Very truly yours,

WILLIAM F. CARR
ATTORNEY FOR MARALO INC.
WFC:mlh

Enclosures

cc w/o enc.: Mr. Shane Lough
Maralo Inc.
Post Office Box 832
Midland, TX 79702

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

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

API NO. (assigned by OCD on New Wells)

30-025-2527.5

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

Bonds

2. Name of Operator

Maralo, Inc.

8. Well No.

1-1

3. Address of Operator

P. O. Box 832, Midland, TX 79702

9. Pool name or Wildcat

undesignated (Devonian)

4. Well Location

Unit Letter H : 1650 Feet From The North Line and 330 Feet From The East Line

Section 20

Township 9S

Range 35E

NMPM

Lea

County

10. Proposed Depth

12,660'

11. Formation

Devonian

12. Rotary or C.T.

Rotary

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

4160' GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Sitton Drilling Co.

16. Approx. Date Work will start

1-29-93

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
15"	12 3/4"	35#	499'	525 sx	Surf
11"	8 5/8"	32#	4036'	1480 sx	Surf
7 7/8"	5 1/2"	17# & 20#	12660	est. 1200 sx	circ to 8 5/8" csg

Re-entry of Hilliard oil & Gas, Bonds #1

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 Dorothea Owens TITLE Regulatory Analyst DATE January 15, 1993

TYPE OR PRINT NAME Dorothea Owens TELEPHONE NO. 915 684-7441

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

JAN 29 1993

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.
Re-entry

2-9-93

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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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

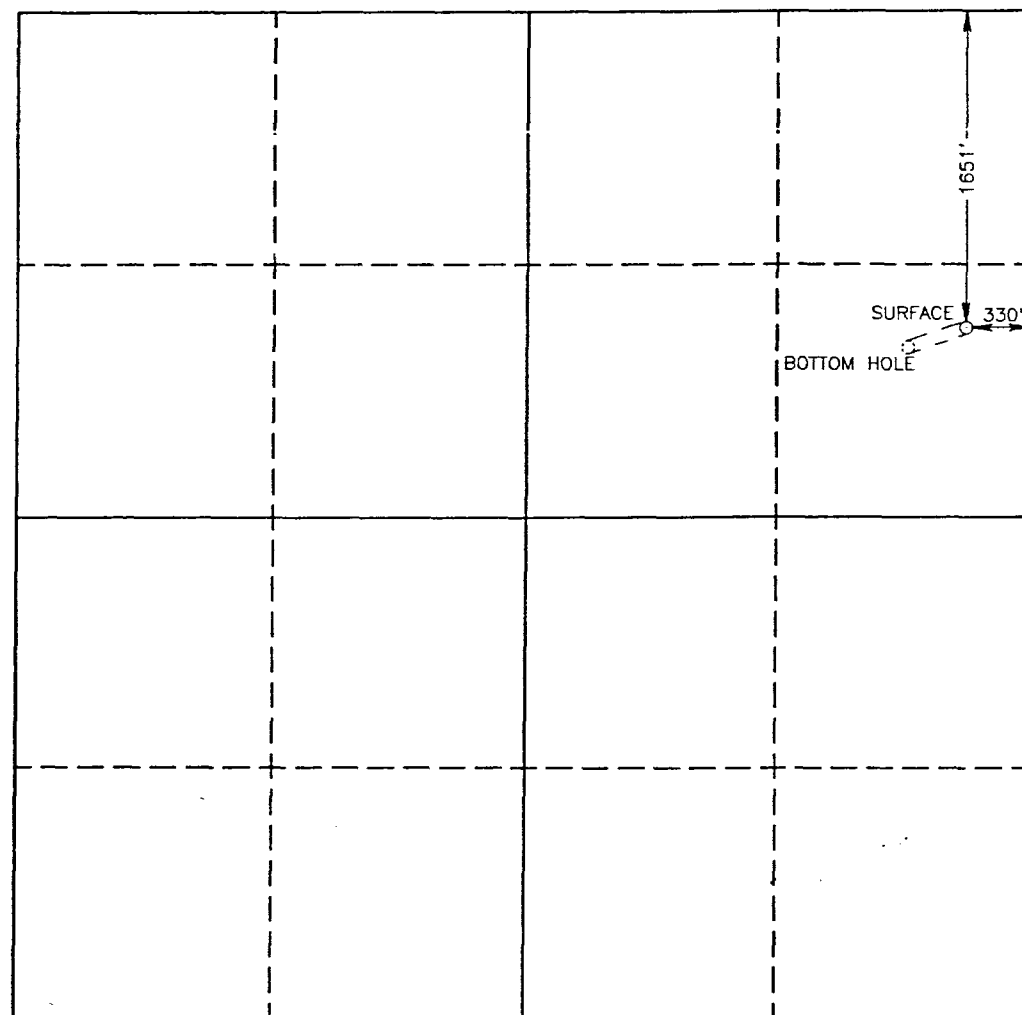
Operator MARALO, INC.			Lease BONDS		Well No. 1-R
Unit Letter H	Section 20	Township 9 SOUTH	Range 35 EAST	NMPM	County LEA
Actual Footage Location of Well: 1651 feet from the NORTH line and 330 feet from the EAST line					
Ground Level Elev. 4162.8'	Producing Formation DEVONIAN		Pool UNDESIGNATED		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

OPERATOR CERTIFICATION

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

Signature

Dorothea Owens

Printed Name

DOROTHEA OWENS

Position

REGULATORY

Company

MARALO INC.

Date

JANUARY 25, 1993

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

JANUARY 22, 1993

Signature & Seal of
Professional Surveyor

Certificate No. **JOHN W. WEST, 676**

RONALD J. EDSON, 3239

GARY L. JONES, 7977

93-11-0130