September 11, 2005

MAR Oil & Gas Corp P.O. Box 5155 Santa Fe, New Mexico 87502 505-989-1977 – Office

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

RE: Agreed Compliance Order (ACO)

Ms. Gail MacQuesten: The following wells are in compliance with Agreed Compliance Order.

Eumont Hardy Unit # 49	API - 30-025-23859	January first production
Hill A # 8	API - 30-025-23941	January first production
Federal A # 2	API - 30-025-25115	March first production
Rich Unit # 1	API - 30-025-23510	May first production
Eumont Hardy Unit # 25	API - 30-025-07870	June first production
Eumont Hardy Unit # 37	API - 30-025-09902	July first injection
USM # 4	API - 30-025-24834	July first production
USM # 1	API - 30-025-24327	August first production
MalMar Unit # 109	API - 30-025-27308	August Plug & Abandon
MalMar Unit # 316	API - 30-025-00516	Completed In Queen
MalMar Unit # 312	API - 30-025-01308	September first production
MalMar Unit # 309	API - 30-025-00519	Waiting on CMT to P.A.

MAR has filed all the appropriate forms with OCD District I and BLM District office Roswell New Mexico. MAR is in compliance with the A.C.O. thru August 2005. If you have any questions please contact me at 505-989-1977 extension 103.

Sincerely:

Duane C. Winkler VP Operations

cc Mr. Billy Prichard

