

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTOil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM 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.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

MAR Oil and Gas Corp

3a. Address

PO Box 5155, Santa Fe NM, 87502

3b. Phone No. (include area code)

505-989-1977

4. Location of Well (Footage, Sec., T, R., M., or Survey Description)

Unit E, 1980' FNL, 660' FWL, S27 T9S, R37E

5. Lease Serial No.

NMNM03841777

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

CA NMNM 71222

8. Well Name and No.

Federal 27 No 2

9. API Well No.

30-025-25403

10. Field and Pool, or Exploratory Area

West Sawyer, San Andres

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			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface Commingle
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Right-Of-Way</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

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 disturbance, 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 consecutive days, the average will be used for production 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 verbal 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 A battery diagram, Attachment B Map

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Duane C Winkler

Title VP Operations

Signature

Date March 24, 2004

APPROVED THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by (Signature)	Name (Printed/Typed)	Title	
(Orig. SGD.) DAVID F. GLASS			
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office	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.

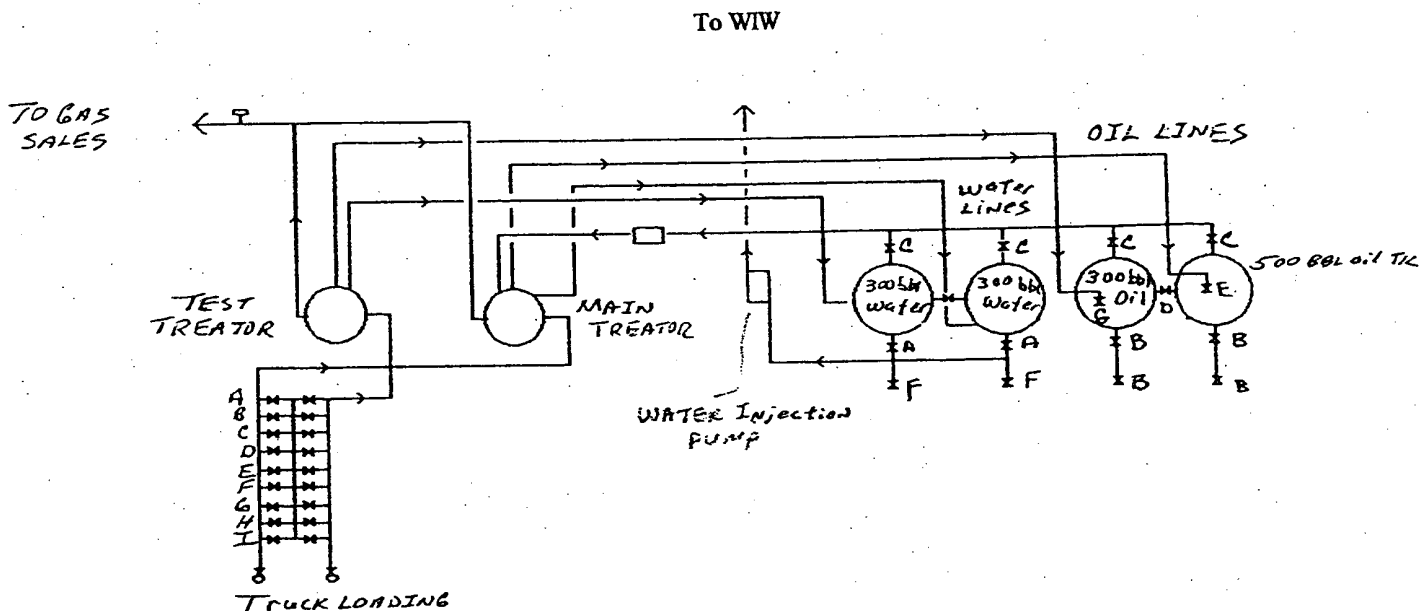
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GWW

Federal 27 No 2
SW NW, S27, T9S, R37E

Attachment A

MAR OIL & GAS COMPANY
TP. FEDERAL CENTRAL BATTERY
SITE FACILITY DIAGRAM
SE NW, S27, T9S, R37E
Lease # NMNM2390



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

(N)

Federal 97 No 2
SWNW 507, T9S, R37E
LEO COUNTY NM
Proposed Pipeline Right-Of-Way

Existing Lease Roads
New 80' by 80' Pipe Line

ATTACHMENT D

