

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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

Form C-101  
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

|   |  |   |  |
|---|--|---|--|
| <sup>1</sup> Operator Name and Address<br>MAR Oil & Gas Corp<br>PO Box 5155, Santa Fe, New Mexico 87502 |  | <sup>2</sup> OGRID Number<br>151228       |  |
| <sup>3</sup> Property Code<br>30415   |  | <sup>4</sup> API Number<br>30 - 025 36880 |  |
| <sup>5</sup> Property Name<br>Malmar Unit   |  | <sup>6</sup> Well No.<br>516              |  |
| <sup>9</sup> Proposed Pool 1<br>Maljamar - Grayburg - San Andres  |  | <sup>10</sup> Proposed Pool 2             |  |

**7 Surface Location**

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 4             | 7       | 17S      | 33E   |         | 1309          | South            | 1320          | West           | Lea    |

**8 Proposed Bottom Hole Location If Different From Surface**

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

**Additional Well Information**

|  |                                      |  |                                      |  |
|--|--------------------------------------|--|--------------------------------------|--|
| <sup>11</sup> Work Type Code<br>N  | <sup>12</sup> Well Type Code<br>O    | <sup>13</sup> Cable/Rotary<br>R                | <sup>14</sup> Lease Type Code<br>P S | <sup>15</sup> Ground Level Elevation<br>4230 |
| <sup>16</sup> Multiple<br>NA   | <sup>17</sup> Proposed Depth<br>4700 | <sup>18</sup> Formation<br>Graybury San Andres | <sup>19</sup> Contractor<br>Paterson | <sup>20</sup> Spud Date<br>October, 2004     |
| Depth to Groundwater 140'  |                                      | Distance from nearest fresh water well 5280'   |                                      | Distance from nearest surface water 10 miles |
| <b>Pit:</b> Liner: Synthetic Plastic 40 mils thick Clay <input type="checkbox"/> Pit Volume: 4500 bbls Drilling Method:<br>Closed-Loop System <input type="checkbox"/> Fresh Water X Brine X |                                      |  |                                      |  |

**21 Proposed Casing and Cement Program**

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC    |
|-----------|-------------|--------------------|---------------|-----------------|------------------|
| 12 1/4    | 8 5/8       | 20-24 #            | 1300'         | 1087            | Surface          |
| 7 7/8"    | 5 1/2"      | 15-15.5 #          | 4700'         | 905             | 500' in Surf Csg |
|           |             |                    |               |                 |                  |
|           |             |                    |               |                 |                  |
|           |             |                    |               |                 |                  |

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Infill drill Grayburg-San Andres to proposed depth of 4700', Surface: drill 12 1/4" hole to 1300' or 25' into top of the Salt, no blowout preventer will be used while drilling surface hole, Run 8 5/8" surface casing and cement back to surface  
NU BOP, drill 7 7/8" hole to proposed TD, Run Logs, Run 5 1/2" casing to surface, cement production casing 500' into bottom of surface casing.

Attachments: A-BOP Schematic

Attachment: B - Rig Layout

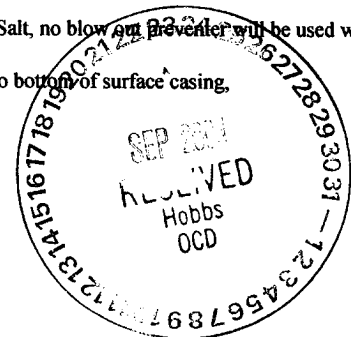
Attachment C - Cement Procedure

Attachment D - Mud Program

Attachment E - Location Plat

Attachment F - Map of Unit Boundary

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway



<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines X, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Duane C. Winkler

Title: V.P. Operations

E-mail Address: duanecwinkler@earthlink.net

Date: September 23, 2004

Phone: 505-989-1977

**OIL CONSERVATION DIVISION**

Approved by:

Title:

Approval Date:

Conditions of Approval Attached ☐

SEP 24 2004

PETROLEUM ENGINEER

Expiration Date:

State of New Mexico

DISTRICT I

1625 N. FRANCE DR., BOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

|                                   |   |                                    |
|-----------------------------------|---|------------------------------------|
| API Number<br><b>30-025-36880</b> | Pool Code<br><b>43329</b>                             | Pool Name<br><b>Maljamar GB/SA</b> |
| Property Code<br><b>30415</b>     | Property Name<br><b>MALMAR UNIT</b>                   | Well Number<br><b>516</b>          |
| OGRID No.<br><b>151228</b>        | Operator Name<br><b>MAR OIL &amp; GAS CORPORATION</b> | Elevation<br><b>4235'</b>          |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 4             | 7       | 17-S     | 33-E  |         | 1309'         | SOUTH            | 1320'         | WEST           | LEA    |

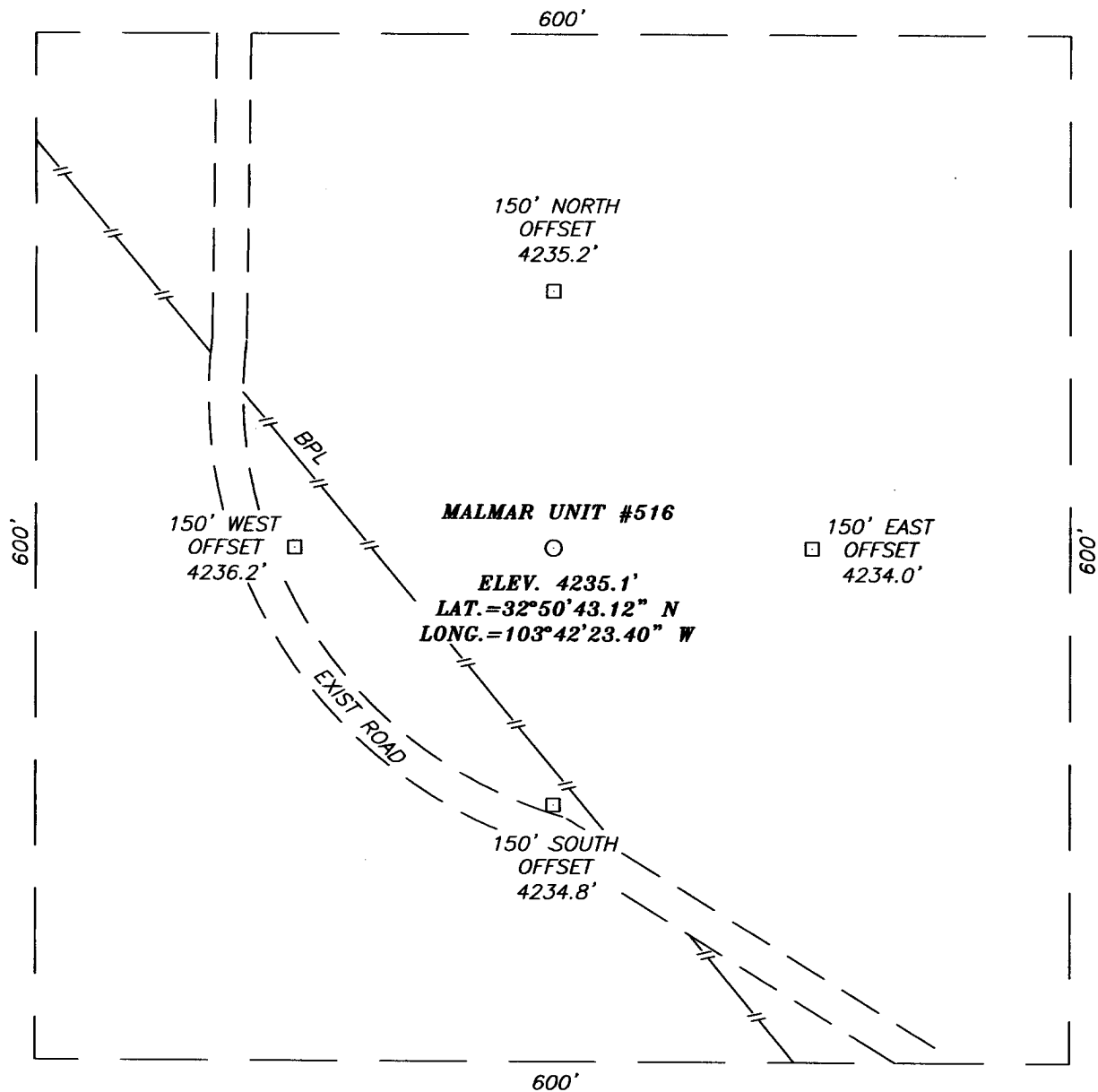
Bottom Hole Location If Different From Surface

| UL or lot No.                | Section         | Township           | Range     | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
|                              |                 |                    |           |         |               |                  |               |                |        |
| Dedicated Acres<br><b>40</b> | Joint or Infill | Consolidation Code | Order No. |         |               |                  |               |                |        |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

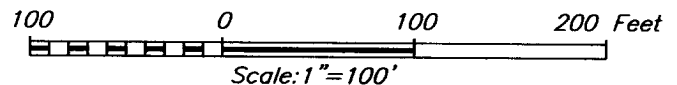
|  |   |
|--|---|
| <p>LOT 1</p> <p>41.33 AC<br/>LOT 2</p> <p>41.43 AC<br/>LOT 3<br/>41.53 AC</p> <p>LOT 4<br/>41.63 AC</p> <p>GEODETIC COORDINATES<br/>NAD 27 NME</p> <p>Y=671796.0 N<br/>X=692513.6 E</p> <p>LAT.=32°50'43.02" N<br/>LONG.=103°42'23.39" W</p> <p>1320'</p> <p>1309'</p> | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><b>ECW</b><br/>Signature<br/><b>Duane C Winkler</b><br/>Printed Name<br/><b>UP Operations</b><br/>Title<br/><b>9/23/04</b><br/>Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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 belief.</p> <p><b>JULY 8, 2004</b></p> <p>Date Surveyed <b>REV 09/14/04</b> <b>JR</b><br/>Signature &amp; Seal of Professional Surveyor<br/><b>GARY H. EDSON</b><br/><b>04-13-1212</b><br/>Certificate No. <b>GARY EDSON</b> <b>12641</b></p> |
|--|---|

**SECTION 7, TOWNSHIP 17 SOUTH, RANGE 33 EAST, N.M.P.M.,**  
LEA COUNTY, NEW MEXICO



**DIRECTIONS TO LOCATION**

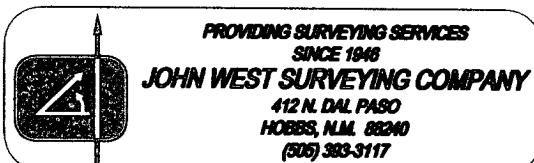
FROM THE INTERSECTION OF U.S. HWY #82 AND CO. RD. L-122 (HUMMINGBIRD RD.) GO SOUTH ON HUMMINGBIRD RD. FOR APPROX. 3.1 MILES TO A CALICHE ROAD ON THE RIGHT, TURN RIGHT (WEST) AND GO APPROX. 1.8 MILES TO CALICHE ROAD ON THE LEFT, TURN LEFT (SOUTH) AND GO 0.1 MILES. PROPOSED LOCATION IS 150' EAST.



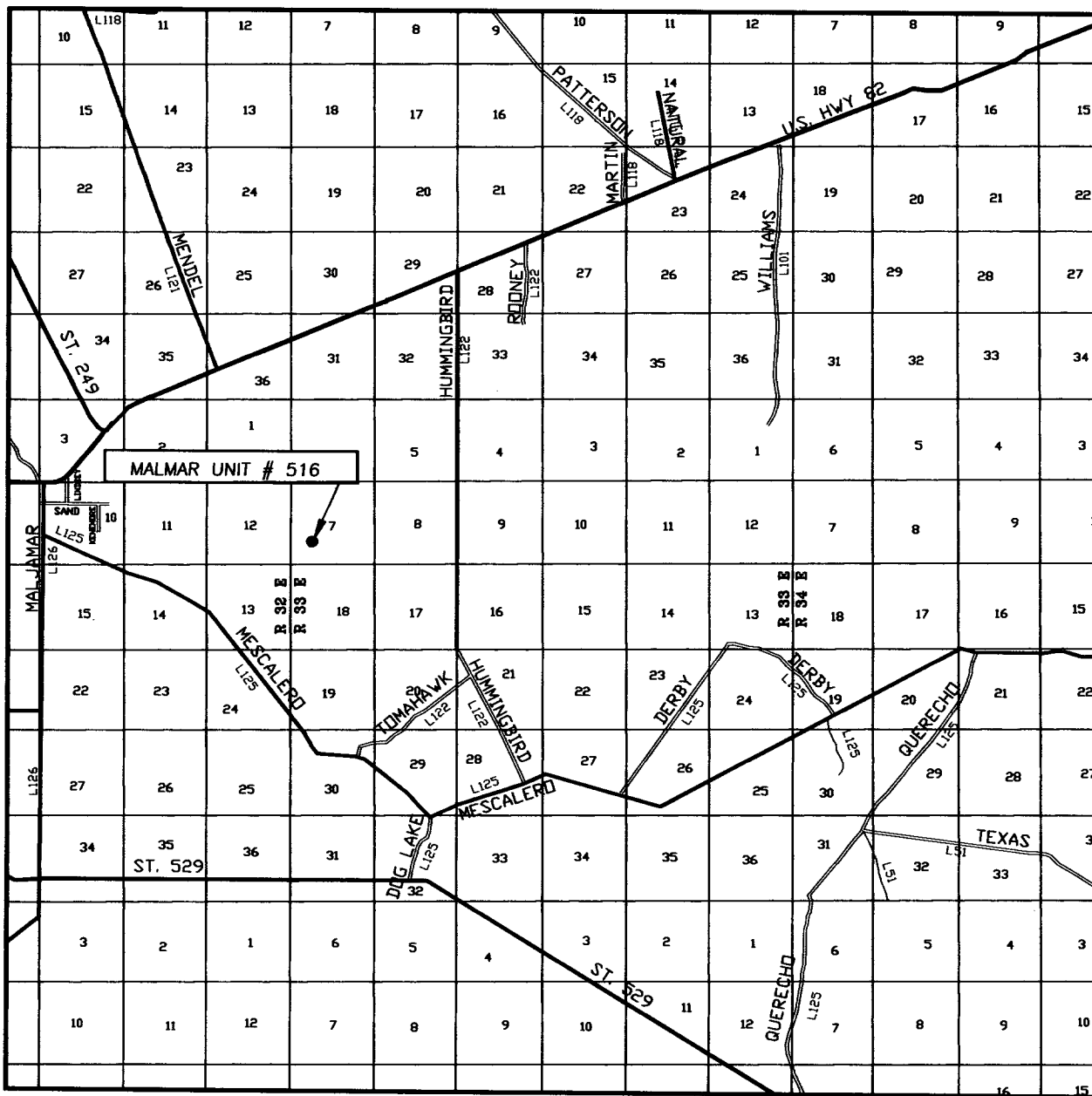
**MAR OIL & GAS CORPORATION**

MALMAR UNIT # 516 WELL  
LOCATED 1309 FEET FROM THE SOUTH LINE  
AND 1320 FEET FROM THE WEST LINE OF SECTION 7,  
TOWNSHIP 17 SOUTH, RANGE 33 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

|                         |             |                     |                |
|-------------------------|-------------|---------------------|----------------|
| Survey Date: 07/08/04   |             | Sheet 1 of 1 Sheets |                |
| W.O. Number: 04.11.0842 |             | Dr By: J. RIVERO    | Rev 1:09/14/04 |
| Date: 07/12/04          | Disk: CD#10 | 04110842            | Scale: 1"=100' |



## VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 7 TWP. 17-S RGE. 33-E

SURVEY \_\_\_\_\_ N.M.P.M.

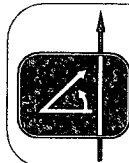
COUNTY \_\_\_\_\_ LEA \_\_\_\_\_

DESCRIPTION 1309' FSL & 1320' FWL

ELEVATION 4235'

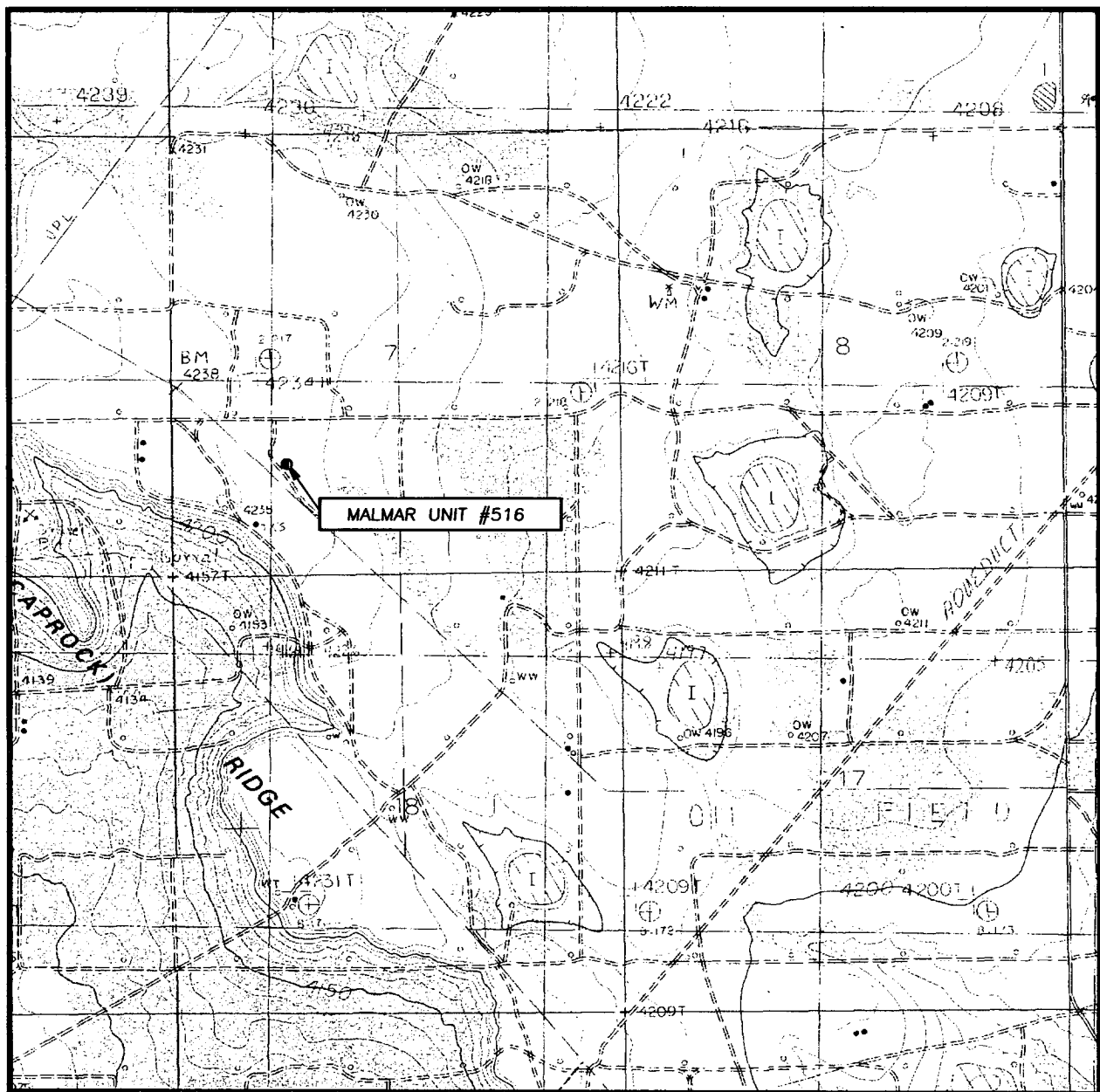
OPERATOR MAR OIL & GAS CORPORATION

LEASE \_\_\_\_\_ MALMAR UNIT



**PROVIDING SURVEYING SERVICES  
SINCE 1946  
JOHN WEST SURVEYING COMPANY  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(505) 323-3117**

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
DOG LAKE, N.M. - 5'

SEC. 7 TWP. 17-S RGE. 33-E

SURVEY \_\_\_\_\_ N.M.P.M.

COUNTY \_\_\_\_\_ LEA

DESCRIPTION 1309' FSL & 1320' FWL

ELEVATION \_\_\_\_\_ 4235'

OPERATOR \_\_\_\_\_ MAR OIL & GAS CORPORATION

LEASE \_\_\_\_\_ MALMAR UNIT

U.S.G.S. TOPOGRAPHIC MAP  
DOG LAKE, N.M.

