

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., 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-103  
Revised March 25, 1999

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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|--|
| WELL API NO.<br>30-025-25881             |
| 5. Indicate Type of Lease<br>STATE FEE X |
| 6. State Oil & Gas Lease No.             |

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|---|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS<br>(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.)<br>1. Type of Well:<br>Oil Well X Gas Well |  | 7. Lease Name or Unit Agreement Name:<br><del>West Sawyer</del><br>Pearl Marr |
| 2. Name of Operator<br>MAR Oil & Gas Corp   |  | 7. <del>Pearl Marr</del> No 3   |
| 3. Address of Operator<br>P.O. Box 5155 Santa Fe NM 87502   |  | 9. Pool name San Andres<br><del>West Sawyer</del>                             |
| 4. Well Location<br><br>Unit Letter: I, 1980 FSL 660 FEL<br><br>Section 33 Township 9S Range 37E NMPM County LEA  |  |   |
| 10. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3990 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 ☐ MULTIPLE COMPLETION ☐  
OTHER: Surface Commingle CTB-550 X

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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

MAR Oil & Gas Corp proposes to surface commingle the following wells

The wells are at the lower end of the production curve and the surface commingling would sustain viability for future production. The Pearl Marr No 4 and the Rich Unit No 1 are presently shut in because the battery facilities are not capable of handling the additional production. MAR proposes to install a separate treator at the Pearl Marr battery for the Rich Unit and measure all products separately for the Rich Unit and Pearl Marr production, then surface commingle to the proper storage tanks.

Rich Unit No 1, Unit L, 1980 FSL, 560 FWL, Sec 34, T9S, R37E, API No 30-025-23510 Pool: West Sawyer, San Andres

Pearl Marr No 3, Unit I, 1980 FSL, 660 FEL, Sec 33, T9S, R37E, API No 30-025-25881 Pool: West Sawyer, San Andres

Pearl Marr No 4, Unit M, 660 FSL, 660 FWL, Sec 34, T9S, R37E, API No 30-025-27145 Pool: West Sawyer, San Andres

The Central Battery will be at the Pearl Marr Battery Location Unit J, Sec 33, T9S, R37E

Production Allocations based on well tests

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

SIGNATURE [Signature] TITLE: VP Operation DATE: January 25, 2005

Type or print name Duane C Winkler

Telephone No. 505-989-1977

APPROVED BY [Signature]

TITLE PETROLEUM ENGINEER

DATE MAR 07 2005

Conditions of approval, if any: