

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT **OCD-HOBBS**FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007**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 Corporation

3a. Address  
PO Box 5155 Santa Fe, New Mexico 875023b. Phone No. (include area code)  
505-989-19774. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
660 FNL X 660 FWL  
Unit Letter D, Section 4, T10S, R37E Lea county, New Mexico5. Lease Serial No.  
NM-100236

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
Stephanie Federal # 0019. API Well No.  
30-025-2464610. Field and Pool, or Exploratory Area  
Sawyer SA; West11. County or Parish, State  
Lea County, New Mexico**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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off Lease Measurement
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. 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 and Gas Corp is requesting approval for the off lease sale and measurement of the gas that is produced from this well at the Mar Oil and Gas Corp. State 32 # 2Y (API # 30-025-28388) located 330 FSL X 330 FEL of Section 32, T9S, R37E Lea County, New Mexico. The gas from the Federal #1 (API # 30-025-24646) was sold through this meter located at State 32 # 2Y when Mar Oil and Gas acquired the property. There is only the gas from Federal #1 being sold to Targa Midstream through Meter Station # 146-001292. Daily gas production averages 6.77mcfd from the Federal # 1. There will be no commingling of gas production through the meter station.

Attached are the calibration data and gas analysis for the Federal #1 lease

Attached is the diagram of the gas line from the Federal # 1 separator to the sales point at the State 32 # 2Y

ACCEPTED FOR RECORD

AUG 7 2007

LES BABYAK  
PETROLEUM ENGINEER

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

Billy E. Prichard

Title Foreman

Signature

*Billy E. Prichard*

Date

5/21/07

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**Approved by *Chris Williams*

Title

Date

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.

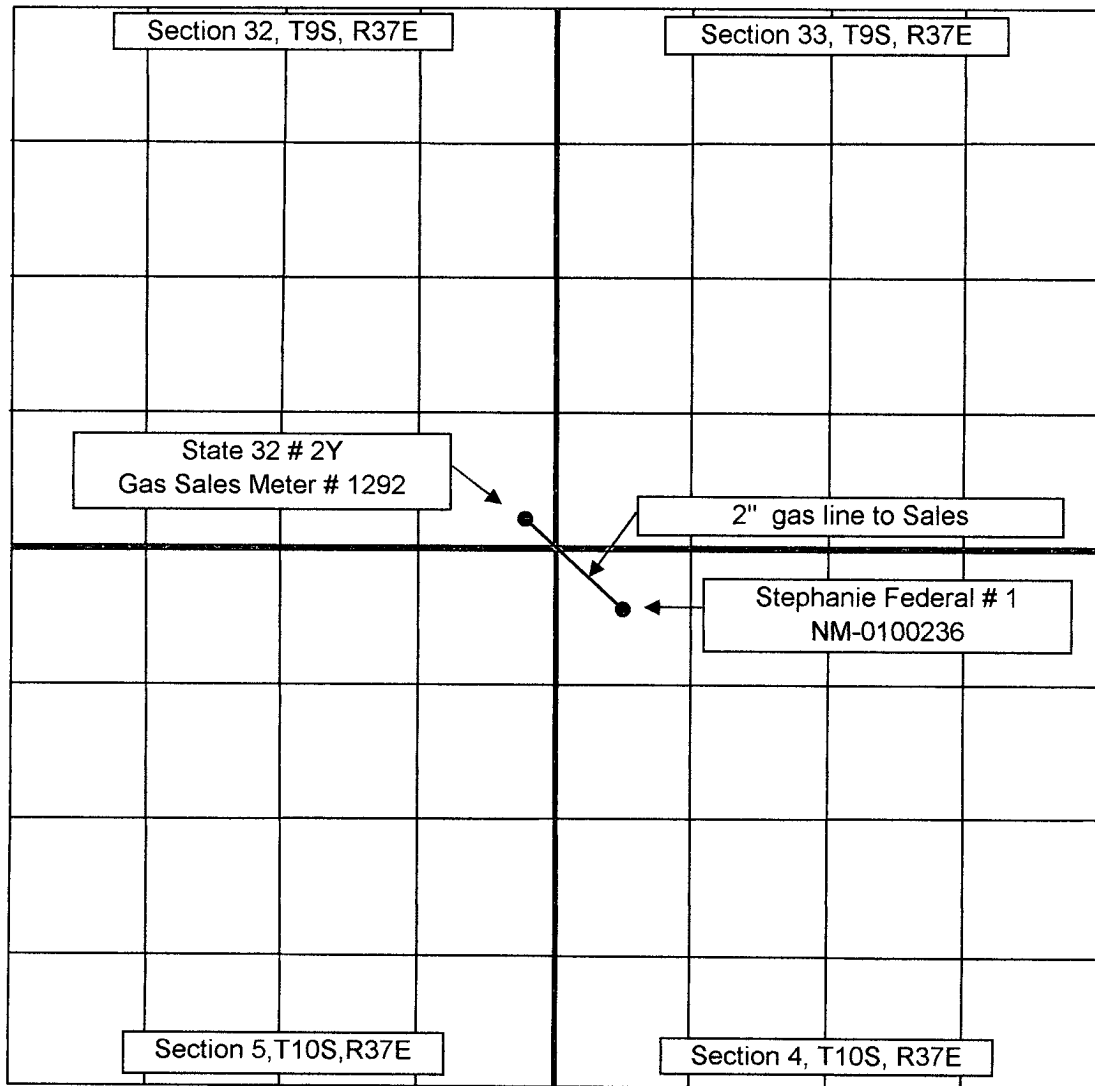
Office

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.

(Instructions on page 2)

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

Mar Oil and Gas Corporation  
Stephanie Federal # 1  
Map of gas sales line from  
NW,NW Section 4, T10S, R37E to  
SE,SE, Section 32, T9S, R37E



**MANLEY GAS TESTING, INC.**P.O. DRAWER 193  
OFFICE(432)367-3024

FAX(432)367-1166

ODESSA, TEXAS 79760  
E-MAIL: MANLEYGAST@AOL.COM

CHARGE..... 65 - 0 - 0      DATE SAMPLED..... 02-21-07  
REC. NO. .... 8      DATE RUN..... 03-01-07  
TEST NUMBER.. 32497      EFFEC. DATE..... 03-01-07

STATION NO. ... 146-001292  
PRODUCER ..... ~~REDHORN-HASKETT~~ Mar Oil & Gas  
LEASE NAME .... FEDERAL #1

LOCATION: TARGA MIDSTREAM - SAUNDERS - PLANT #146

PRESSURE (WHEN TAKEN)..... 31 PSIG      TEMPERATURE (WHEN TAKEN).... 77 F  
SAMPLED BY: NN      CYLINDER NO. ... 0

**FRACTIONAL ANALYSIS**  
CALCULATED @ 14.650 PSIA AND 60F

	MOL%	GPM (IDEAL)	
HYDROGEN SULFIDE...	2.775		
NITROGEN.....	6.859		
CARBON DIOXIDE.....	14.734		
METHANE.....	59.135		
ETHANE.....	7.706	2.048	CORRECTED H2S PPMV = 27750
PROPANE.....	4.876	1.335	
ISO-BUTANE.....	0.722	0.235	
NOR-BUTANE.....	1.466	0.460	
ISO-PENTANE.....	0.528	0.192	'Z' FACTOR (DRY) = 0.9960
NOR-PENTANE.....	0.446	0.161	'Z' FACTOR (WET) = 0.9956
HEXANES + .....	0.753	0.308	
TOTALS .....	100.000	4.739	

## ..CALCULATED SPECIFIC GRAVITIES..

IDEAL, DRY..... 0.8954  
IDEAL, WET ..... 0.8906  
REAL, DRY ..... 0.8986  
REAL, WET ..... 0.8942

## ..CALCULATED GROSS HEATING VALUES..

BTU/CF - IDEAL, DRY ..... 999  
BTU/CF - IDEAL, WET ..... 982  
BTU/CF - REAL, DRY ..... 1003  
BTU/CF - REAL, WET ..... 986

## DISTRIBUTION AND REMARKS:

2CC: PLANT / 1CC: HOUSTON  
2CC: PLANT

NOTE: BTU VALUES CALCULATED ON H2S-FREE BASIS

ANALYZED BY: JT

APPROVED: 

\*\* R \*\*

Totalflow Laptop Test Calibration Report  
Printed date: 04/26/2007

page 2

Station ID:  
Device ID : 250-1292

Location: *Mac City Gas*  
~~Redwood Transfer~~ PED-1

Collection Time: 04/26/2007 10:12:39  
Firmware Revision: FW  
SYSTEM:  
LEASE:  
OPERATOR:

STATE:  
PRODUCER:  
BUYER:

Firmware part number:

Tap location: DOWNSTREAM  
Tap type : FLANGE TAPS  
Orifice size: 0.5000 inches  
Pipe size: 2.0670 inches  
Orifice coefficient: 1350.2443  
Temperature bias: 0.0000 Deg F

Calibration	Date/Time	Low	Midlow	Mid	MidHigh	High
Differential	04/26/2007 10:00:00	0.0000	n/a	50.0000	n/a	100.0000
Static	04/26/2007 09:53:00	12.8000	n/a	50.0000	n/a	100.0000

Calibration check date: 04/26/2007 10:12:00  
DP as FOUND (in H2O) DP as LEFT

DP as FOUND (in H2O)		DP as LEFT		SP as FOUND (PSIA)		SP as LEFT	
Enter	Read	Enter	Read	Enter	Read	Enter	Read
0.0000	0.2185	50.0000	50.0000	12.8125	12.6875	50.0000	50.0000
50.0000	50.0938	100.0000	100.0000	50.0000	50.0313	100.0000	100.0313
100.0000	100.0000	80.0000	80.0313	100.0000	100.0938	75.0000	75.0500
80.0000	80.0313	6.0000	6.0313	75.0000	75.0938	25.0000	25.0000
6.0000	6.0313	0.0000	0.0000	25.0000	24.9375	12.8125	12.8125

Orifice plate inspected? Yes ☒ No ☐ Condition \_\_\_\_\_

H2S analysis done? Yes ☒ No ☐ Condition *022750 PPM*

H2O analysis done? Yes ☐ No ☒ Condition \_\_\_\_\_

Analysis/Btu updated? Yes ☒ No ☐ Condition \_\_\_\_\_

Air download status AN alarm? Yes ☐ No ☐

Temperature: Recorded \_\_\_\_\_ Tested \_\_\_\_\_

Remarks: \_\_\_\_\_

Tested by \_\_\_\_\_ Witness \_\_\_\_\_

Effective date: \_\_\_\_\_

*Nicky Reeves*

Mar Oil and Gas Corp  
Stephanie Federal # 1  
UL "D", Section 4, T10S, R37E  
Lea County, New Mexico  
Well and Facility Diagram

