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NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease: State [X] Fee [ ]

5. State Oil & Gas Lease No.: LG 2945

SUNDRY NOTICES AND REPORTS ON WELLS

(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.)

OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name:

Name of Operator: Maralo, Inc.

8. Farm or Lease Name: Maralo SV 16 State

Address of Operator: P. O. Box 832, Midland, Texas 79702 0832

9. Well No.: 1

Location of Well: UNIT LETTER L, 1748 FEET FROM THE South LINE AND 742 FEET FROM THE West LINE, SECTION 16 TOWNSHIP 18-S RANGE 35-E NMPM.

10. Field and Pool, or Wildcat: Mid Vacuum Dev.

15. Elevation (Show whether DF, RT, GR, etc.): 3931.0 GL

12. County: Lea

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [X]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [ ]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

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.

PROPOSED OPERATION: Restimulate current producing intervals - 11,716 - 11,725 & OH 11,796 - 11,831

1. Set pkr @ +/- 11,750' (between perfs and OH).
2. Swab test Devonian OH. Evaluate results. If no oil is produced, squeeze OH after swab testing perfs.
3. If warranted, acidize OH w/3000 gals 15% NEFE.
4. Swab back load and evaluate.
5. Set RBP @ +/- 11,750' (between perfs and OH). PU and set pkr. @ +/- 11,650' (isolating Devonian perfs 11,716 - 25)
6. Swab test and evaluate.
7. If warranted, acidize perfs w/3000 gals 15% NEFE w/sufficient ball sealers to ballout.
8. Swab back load and evaluate.
9. Drop 8-A pump and return to production. Monitor production rate.

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

Brenda Coffman — Brenda Coffman — 915 684-7441 — TITLE Agent — DATE 5-26-87

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON DISTRICT I SUPERVISOR — TITLE — DATE MAY 28 1987

CONDITIONS OF APPROVAL, IF ANY: