

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
NM-53239

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Corbin "13" Federal "A" #1

9. API Well No.

30-025-31698

10. Field and Pool, or Exploratory Area

Corbin; Delaware, West

11. County or Parish, State

Lea, NM

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Maralo, Inc.

3. Address and Telephone No.

P.O. Box 832, Midland, TX 79702

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

1830' FSL & 660' FEL, Sec 13, T18S, R32E, Unit I

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

SEE ATTACHED PROPOSAL

AND EXHIBITS A, B, & C:

APPLICATION TO SURFACE COMMINGLE, OFF LEASE STORAGE AND MEASUREMENT APPROVAL WITH
PLACEMENT OF AUTOMATIC CUSTODY TRANSFER EQUIPMENT.

RECEIVED
OCT 7 1 17 PM '93

14. I hereby certify that the foregoing is true and correct

Signed Dorothea Owens

Title Regulatory

Date September 20, 1993

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date 10/13/93

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side



September 21, 1993

Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

RE: APPLICATION TO SURFACE COMMINGLE, OFF LEASE STORAGE AND
MEASUREMENT APPROVAL WITH PLACEMENT OF AUTOMATIC CUSTODY
TRANSFER EQUIPMENT

Gentlemen:

Maralo, Inc., requests approval for surface commingling and off-lease storage and measurement of hydrocarbon production and utilization of Automatic Custody Transfer Equipment from the following formation(s) and well(s).

- ✓ Corbin "13" A Federal, Well #1, NM-53239
Corbin; Delaware, West Pool, 1830' FSL & 660' FEL
Sec. 13, T18S, R32E
- ✓ West Corbin "13" Federal Com, Well #1, NM-53239
Corbin; Wolfcamp, South Pool, 660' FSW & 660' FEL,
Sec. 13, T18S, R32E
- ✓ Uncle Sam "13" Federal, Well #1, NM-0392867
Corbin; Delaware, West Pool, 1650' FNL & 990' FEL,
Sec. 13, T18S, R32E

Production from the wells involved is as follows:

Corbin 13 A Federal Well #1					
UL	BOPD	BWPD	MCFPD	GRAVITY	FORMATION
I	110	36	53	35.6	Delaware
West Corbin "13" Federal Com. #1					
UL	BOPD	BWPD	MCFPD	GRAVITY	FORMATION
P	13	0	30	36.6	Wolfcamp
Uncle Sam "13" Federal Well #1					
UL	BOPD	BWPD	MCFPD	GRAVITY	FORMATION
H	52	8	36	36.0	Delaware

Page 2
Maralo, Inc.

The proposed operation is described in detail on the attached diagram. Plats are enclosed showing the location of the three (3) Federal wells which will contribute production to the proposed commingling/common storage facility and LACT unit (Exhibit A).

Attached is a LACT Facility Approval letter from Texas-New Mexico Pipeline Company, and a two-page schematic diagram which identifies the LACT equipment that will be utilized (Exhibit B). This facility shall permit the testing of each well at reasonable intervals.

The storage, measuring facility and LACT unit is located at SE-1/4, Sec. 13, T18S, R32E on the West Corbin "13" Federal Com Lease, Lea County, New Mexico. BLM will be notified if there is any future change in the facility location.

For allocation purpose, the production from each lease will be metered separately prior to being commingled into one common battery. The working interest owners have been notified of the proposal (Exhibit C).

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Signature Dorothea Owens
Dorothea Owens, Regulatory
Name _____
Maralo, Inc.
Company _____
September 21, 1993
Date _____

Submit to appropriate
District Office
State Lease - 4 copies
Free Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARALO, INC.		Lease CORBIN 13 FEDERAL A		Well No. 1
Unit Letter I	Section 13	Township 18 SOUTH	Range 32 EAST	County LEA
Actual Footage Location of Well: 1830 feet from the SOUTH line and 660 feet from the EAST line				
Ground Level Elev. 3837.4'	Producing Formation DELAWARE		Pool CORBIN, WEST	Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

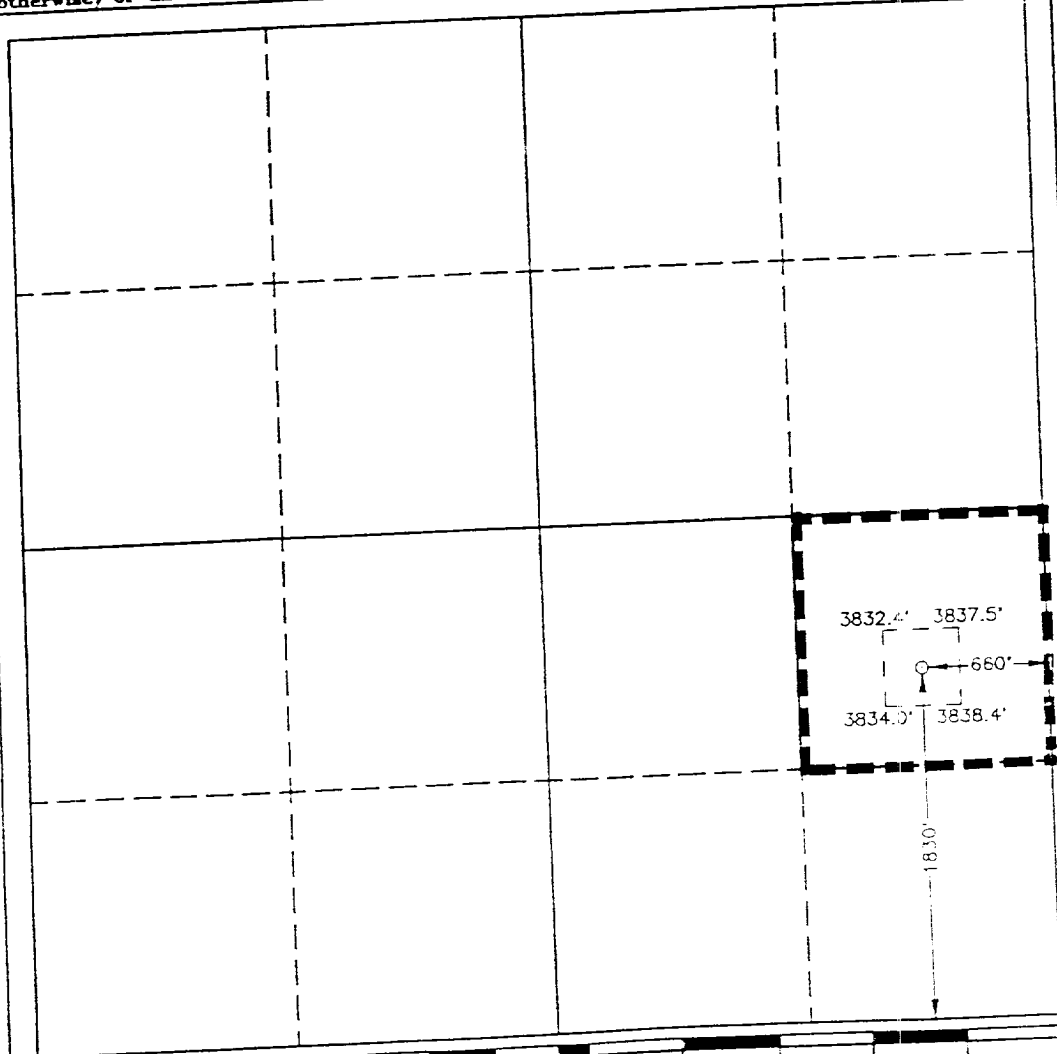
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Dorothea Owens

Printed Name

DOROTHEA OWENS

Position

REGULATORY

Company

MARALO, INC.

Date

JUNE 1, 1993

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed

JANUARY 23, 1993

Signature & Seal of
Professional Surveyor

Gary L. Jones
GARY L. JONES
NEW MEXICO
1977
Certification No. **JOHN W. WEST** 676
RONALD J. EIDSON 3239
GARY L. JONES 7977

93-11-0142

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Maralo, Inc.		Lease West Corbin 13 Fed.		Well No. 1
Unit Letter P	Section 13	Township 18 South	Range 32 East NMPM	County Lea
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the East line				
Ground Level Elev. 3833.0	Producing Formation Wolfcamp	Pool Corbin, South	Dedicated Acreage: 80 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

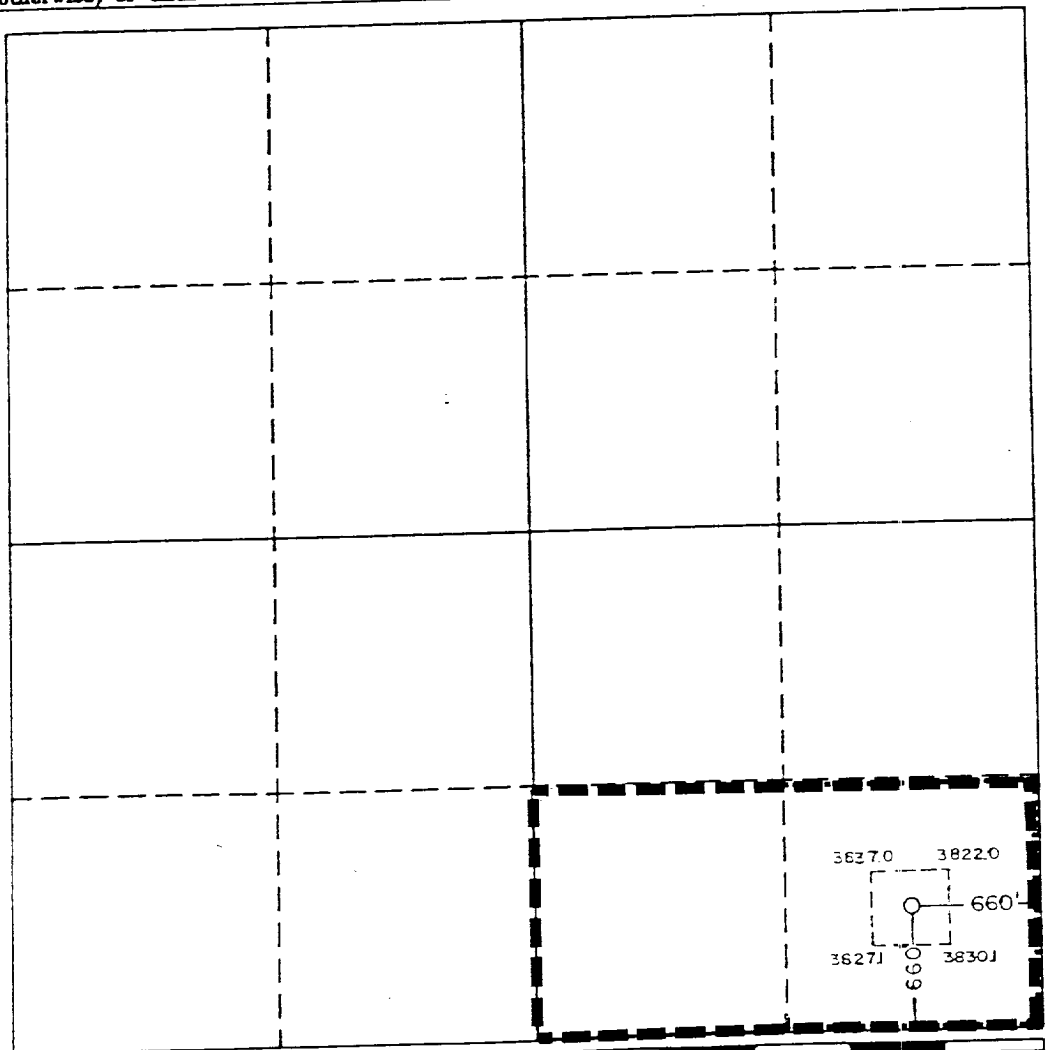
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☒ Yes ☐ No If answer is "yes" type of consolidation Communitization

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Joe T. Janica

Printed Name
Joe T. Janica

Position
Agent for Maralo, Inc.

Company
Maralo, Inc.

Date
6/2/92

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
May 28, 1992

Signature & Seal of
Professional Surveyor

GARY L. JONES
NEW MEXICO
7877
Certificate No. JONAS WEST, 678
RONALD L. BOSON, 2236
GARY L. JONES, 7877

W.O. No. 92-11-0734

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

DISTRICT 1
P.O. Box 1960, Hobbs, NM 88240

DISTRICT II

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

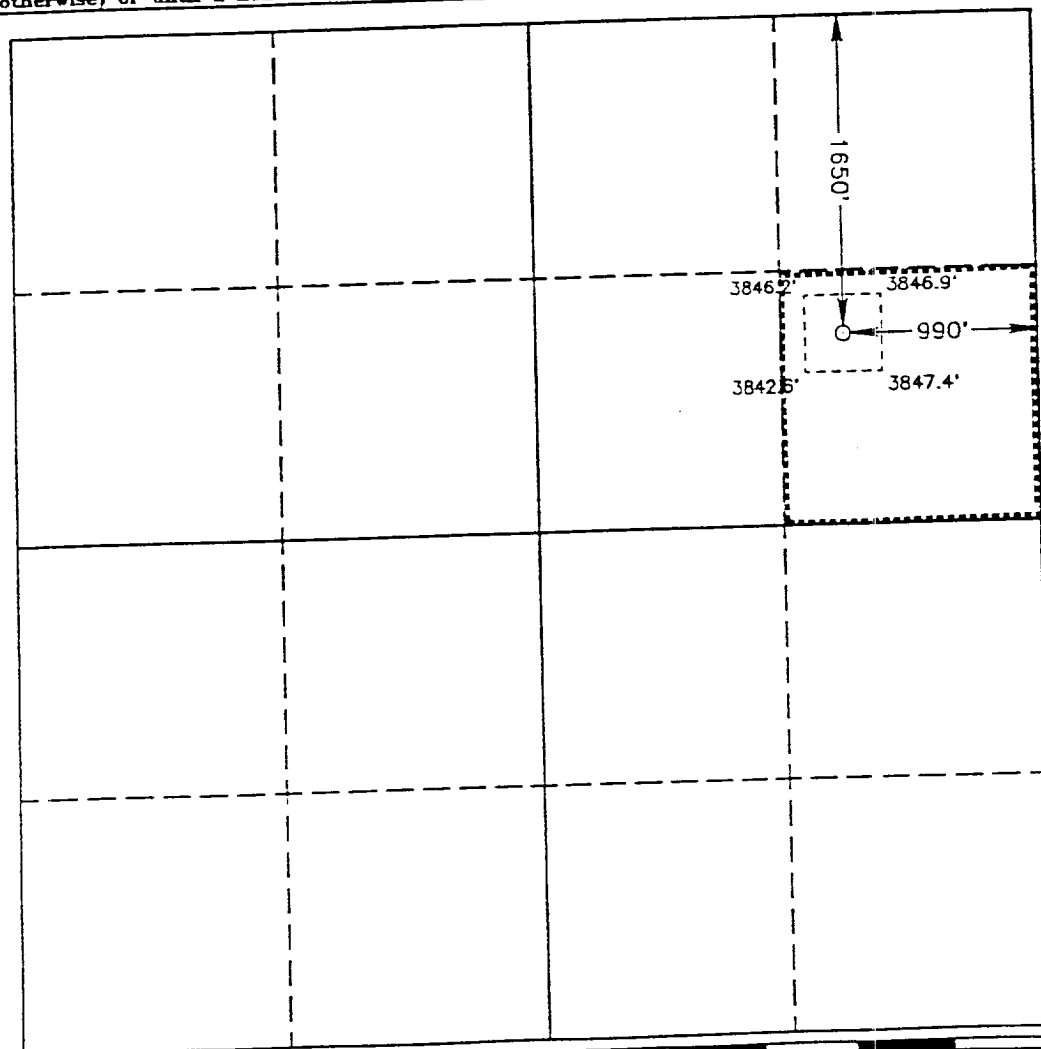
Operator MARALO INC.		Lease UNCLE SAM FEDERAL		Well No. 1	
Unit Letter H	Section 13	Township 18 SOUTH	Range 32 EAST	NMPM	County LEA
Actual Footage Location of Well:					
1650 feet from the		NORTH	line and	990	feet from the EAST line
Ground Level Elev. 3844.0'	Producing Formation Delaware		Pool Corbin West		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☒ No If answer is yes type of consolidation _____
If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION



OPERATOR CERTIFICATION

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

Signature _____

Printed Name _____

Joe T. Janica

Position	
----------	--

Agent for Maralo

Company
Maralo

Date _____

5-7-93

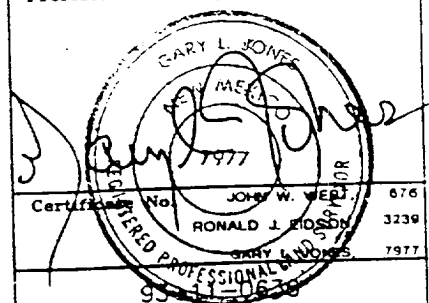
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed _____

APRIL 22, 1993

Signature & Seal of
Professional Surveyor





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

RECEIVED

JUL 29 1993

MARALO, INC

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

COMMINGLING ORDER PLC-102

Maralo, Inc.
P.O. Box 832
Midland, TX 79702

Attention: Dorothea Owens

The above-named company is hereby authorized to commingle West Corbin Delaware and South Corbin Wolfcamp Pool production from the following leases:

LEASE NAME: Corbin "13" A Federal Well No. 1
DESCRIPTION: NE/4 SE/4, Section 13, Township 18 South, Range 32 East, and

LEASE NAME: West Corbin "13" Federal Well No. 1
DESCRIPTION: S/2 SE/4, Section 13, Township 18 South, Range 32 East

both in Lea County, New Mexico

Production shall be allocated to each lease by separately metering the production from each lease prior to commingling.

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: The commingled production from the aforementioned leases shall be stored in a tank battery facility located in Unit P of Section 13, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico.

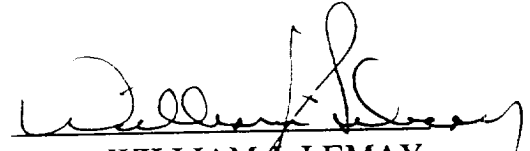
Commingling Order PLC-102

Maralo, Inc.

July 22, 1993

Page 2

DONE at Santa Fe, New Mexico, on this 22nd day of July, 1993.



WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad



September 9, 1993

State of New Mexico
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

RE: APPLICATION TO AMEND COMMINGLING ORDER PLC-102
GRANTED JULY 22, 1993

Attention: David Catanach, Engineer

Maralo, Inc., requests approval to amend the above referenced commingling order to include the Uncle Sam "13" Federal, Well No. 1 in the Corbin, West (Delaware) Field.

Current production for the new well to be added is listed below:

<u>Uncle Sam "13" Federal, Well #1</u>					
<u>UL</u>	<u>BOPD</u>	<u>BWPD</u>	<u>MCFPO</u>	<u>GRAVITY</u>	<u>FORMATION</u>
H	52	8	36	36.0	Delaware

A plat and battery diagram is enclosed.

For allocation purposes, the production from each lease will be metered separately prior to being commingled into one common battery.

Maralo, Inc., is 40% working interest owner on the leases. Attached please find notice sent to interest owners.

Sincerely,

A handwritten signature in cursive script that reads "Dorothea Owens".

Dorothea Owens
Regulatory Analyst

Attachments

FLOWLINE FROM CORBIN 13 A FED. #1

WEST CORBIN 13 FED. #1

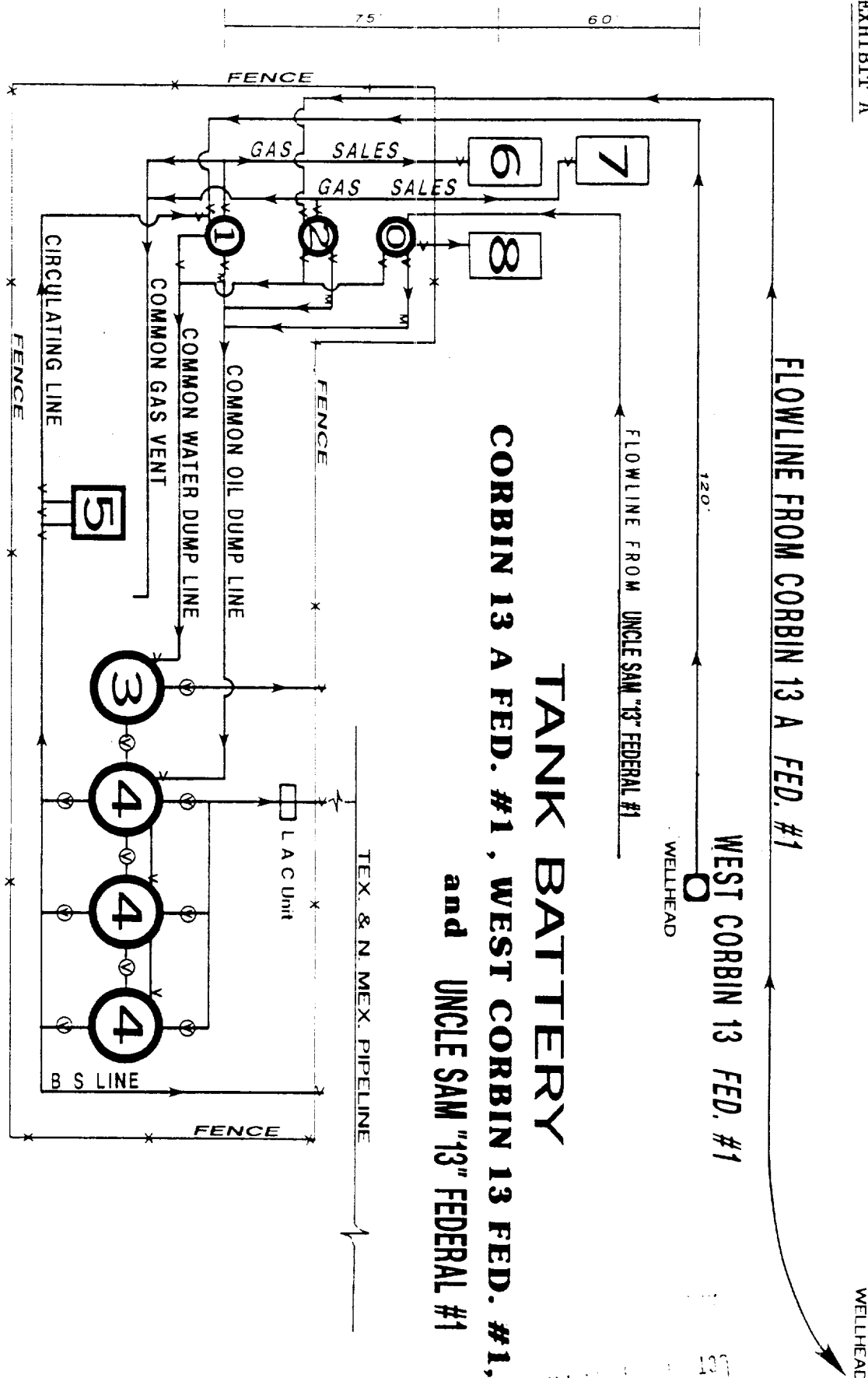
WELLHEAD

FLOWLINE FROM UNCLE SAM "13" FEDERAL #1

WELLHEAD

TANK BATTERY

CORBIN 13 A FED. #1, WEST CORBIN 13 FED. #1,
and UNCLE SAM "13" FEDERAL #1



- | | | | |
|---|--|---|--|
| 0 | 4 X 20' 50# HEATER TREATER FOR UNCLE SAM | 5 | CIRCULATING PUMP (GASOLINE POWERED) |
| 1 | 4 X 20' 50# HEATER TREATER FOR WEST CORBIN 13 FED. #1 | 6 | GAS SALES METER RUN FOR WEST CORBIN 13 FED. #1 |
| 2 | 4 X 20' 50# HEATER TREATER FOR CORBIN 13 A FED. #1 WITH OIL & WATER METERS | 7 | GAS SALES METER RUN FOR CORBIN 13 A FED. #1 |
| 3 | 15' 6" X 16' 500 BLS FIBERGLASS WATER TANK | 8 | GAS SALES METER RUN FOR UNCLE SAM |
| 4 | 15' 6" X 16' 500 BLS STEEL STOCK TANK | | |

V VALVE
V LOCKED VALVE
M METER

TEXAS-NEW MEXICO PIPE LINE COMPANY

DOUGLAS D. BEU
ASSISTANT DISTRICT MANAGER

PO BOX 8588
HOBBS NM 88241-2528
505-893-8185

September 15, 1993

Mr. Jerry Sexton
New Mexico Oil Conservation Division
Box 1980
Hobbs NM 88241

Re: West Corbin 13 Federal Com lease
Sec 13, T-18-S, R-32-E
Lea County, New Mexico
LACT Facility Approval

Dear Mr. Sexton:

Maralo Inc. has advised us they plan to apply for permission to install and operate a LACT unit on the following lease.

West Corbin 13 Federal Com Lease
Sec 13, T-18-S, R-32-E
Lea County, New Mexico

Texas-New Mexico Pipe Line Company will gather the production from this facility and supports the operator's application for a LACT unit. Please direct any correspondence regarding this unit to this office.

Sincerely,

Douglas D. Beu

By
[Signature]

JTJ:JJ

xc: Chrono
File
JDH (sa)
xmlact.txt

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-106
Revised 4-1-91

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

ACT Permit No. I-820

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator MARALO, INC.

Address P. O. BOX 832, MIDLAND, TX 79702 County LEA

Lease(s) to be served by this ACT Unit CORBIN "13" A FEDERAL, WEST CORBIN "13" FEDERAL, UNCLE SAM 13 FEDERAL

Pool(s) to be served by this ACT Unit DELAWARE & WOLFCAMP

Location of ACT System: Unit P Section 13 Township 18S Range 32E

Order No. authorizing commingling between leases if more than one lease is to be served by this system.

PLC-102 Date JULY 22, 1993

Order No. authorizing commingling between pools if more than one pool is to be served by this system

PLC-102 Date JULY 22, 1993

Authorized transporter of oil from this system TEXAS-NEW MEXICO PIPE LINE COMPANY

Transporter's address P. O. BOX 60028, SAN ANGELO, TX 76906

Maximum expected daily through-put for this system: _____ Bbls/day

If system fails to transfer oil due to malfunction or otherwise, waste by overflow will be averted by:

CHECK ONE: A. ☐ Automatic shut-down facilities
as required by Section (3) h-1 of
"RULE 309-A"

B. ☒ Alternative (3) h-2, providing adequate available
capacity to receive production during maximum
unattended time of lease operation

If "A" above is checked, will flowing wells be shut-in at the header manifold or at the wellhead?

_____ Maximum well-head shut-in pressure _____

If "B" above is checked, how much storage capacity is available above the normal high working level of the

surge tank 1000 BBLS.

What is the normal maximum unattended time of lease operation? FACILITY CHECKED EVERY 24 HOURS Hours.

What device will be used for measuring oil in this ACT unit?

CHECK ONE: ☒ Positive displacement meter

☐ Weir-type measuring vessel

☐ Positive volume metering chamber

☐ Other, describe _____

Remarks: ALL WELLS HAVE A FLOW METER ON EACH HEATER BEFORE COMMINGLING INTO SALE TANK.

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge and subject ACT system will be installed and operated in accordance with Rule 309-A. Approval of this Form C-106 does not eliminate necessity of an approved C-104 prior to running any oil or gas from this system.

Signature Dorothea Owens

Printed Name & Title DOROTHEA OWENS, REGULATORY

Date SEPTEMBER 20, 1993 Telephone (915) 684-7441

OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

Title: _____

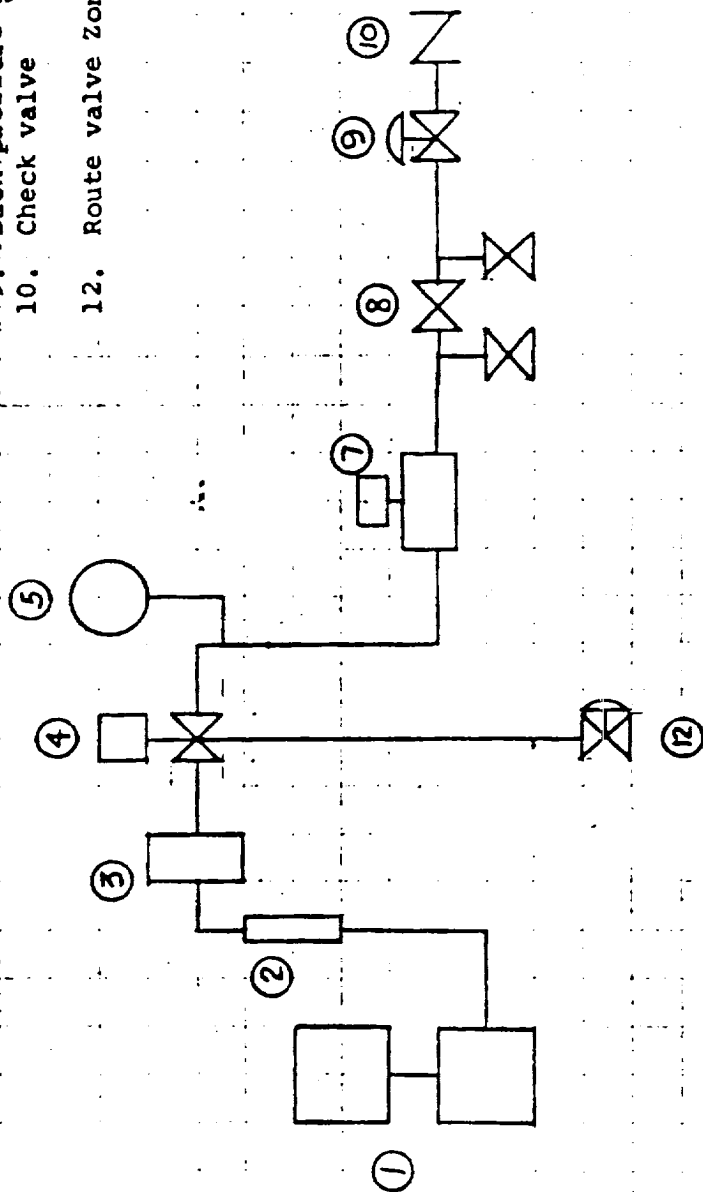
Date: _____

SEP 22 1993

INSTRUCTIONS: Submit 4 copies of Form C-106 with following attachments to appropriate district office. See Rule 309-A.

- 1) Lease plat showing all wells which will be produced in ACT system.
- 2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.
- 3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.

1. Pump & motor
2. BSGW monitor & probe
3. Strainer Air eliminator
4. Electric Divert valve
5. Sample container Zone A
7. A.O. Smith SC-13 P.D. meter
8. Prover loop
9. Back pressure valve
10. Check valve
12. Route valve Zone B



TA-1000-4X Temperature Averager
 6X137 AC Voltage Hour Meter
 1A187 Predetermining Counter
 788700 Barrel LNC
 7½ H.P. H-P Baldor Electric Motor 3450 RPM
 Model 2C-000-00060-00 Crown ENPO Pump

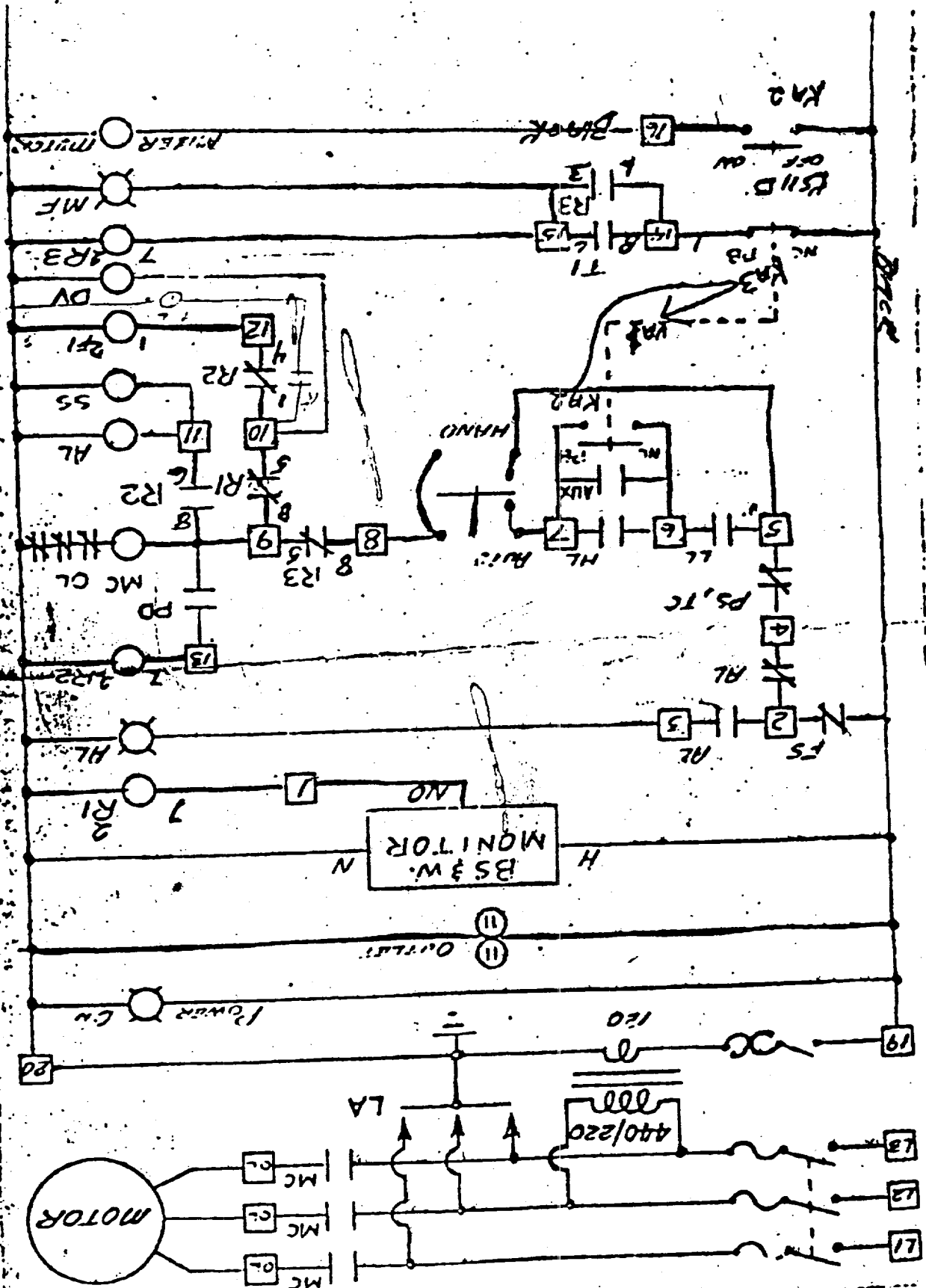


EXHIBIT C

RECEIVED

OCT 7 1 41 PM '93

ONE
ARE...



August 12, 1993

WORKING INTEREST OWNERS LISTED ON EXHIBIT "A":

Re: Notification of Combining Production from
W. Corbin Federal Com #13-1 Well,
Corbin Federal "13" A #1 Well, and
Uncle Sam "13" Federal Well #1
W. Corbin Prospect (NM-189)
Lea County, New Mexico

Gentlemen:

Please be advised that this letter shall serve as Maralo's formal notification to you that Maralo has applied with the Bureau of Land Management (BLM) and the Oil Conservation Division (OCD) for approval to combine production from the captioned wells into a single tank battery facility, with separate metering devices so that the apportionment between the federal leases with different royalty rates can be calculated.

Should you have any questions concerning this matter, please feel free to contact us.

Yours very truly,


Mark Wheeler, CPL
District Landman

MW/pjd:N.055

EXHIBIT "A"

WORKING INTEREST OWNERS
WEST CORBIN PROSPECT (NM-189)
Lea County, New Mexico

Maralo Inc.
Five Post Oak Park
Suite 1010
Houston, Texas 77027-3489
Phone: (713)622-5420
Fax: (713)960-1672

Barbara Fasken
303 W. Wall, Suite 1900
Midland, Texas 79701
Phone: (915)687-1777
Fax: (915)687-2509

Browning Oil Company, Inc.
8080 North Central Expressway
Suite 780, LB 41
Dallas, Texas 75206
Attn: Michael G. Starnes
Phone: (214)739-3481
Fax: (214)739-4458

Mizel Resources, a Trust
5801 East 41st Street, Suite 104
Tulsa, Oklahoma 74135
Phone: (918)663-7579
Fax: (918)663-1518

Larry A. Mizel
3600 S. Yosemite, Suite 810
Denver, Colorado 80237
Phone: (303)773-1100
Fax: (303)741-4134

J.T.I. Inc., an Oklahoma Corporation
5801 East 41st Street, Suite 603
Tulsa, Oklahoma 74135
Phone: (918)665-6419
Fax: (918)665-0807