

N.M. OIL & GAS PROPERTY NO. 6339
J. BOX POOL CODE 13195
UNITED EFF. DATE 6-11-96
DEPARTMENT OF API NO. 30-025-33474
BUREAU OF LAND MANAGEMENT

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FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

MARALO INC

(Bill Hunt)

3. ADDRESS AND TELEPHONE NO.

P.O. Box 832 Midland, Texas 79702

Ph. 915-684-7441

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1980' FEL & 660' FSL SEC. 13 T18S-R32E Lea Co. New Mexico

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 Miles South Southeast of Maljamar New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

80

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED* LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

1330'

19. PROPOSED DEPTH

5300'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3827'

(3829) GR.

22. APPROX. DATE WORK WILL START*

As soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	J-55 13 3/8"	54.5	40'	Cement to surface w/Redi-mix
12 1/4"	J-55 8 5/8"	24	450'	300 Sx. Circulate to surface.
7 7/8"	K-55 5 1/2"	15.5	5300'	570 Sx. Top cement 3800' 400'

1. Drill 17 1/2" hole to 40'. Set 40' of 13 3/8" conductor pipe at 40' cement to surface with Redi-mix.
2. Drill 12 1/4" hole to 450'. Run and set 450' of 8 5/8" J-55 24# ST&C casing. Cement with 300 Sx Class "C" + 2% CaCl circulate cement to surface.
3. Drill 7 7/8" hole to 5300'. Run and set 5300' of 5 1/2" K-55 15.5# LT&C casing. Cement with 320 Sx. Halco Light cement + additives, tail in with 250 Sx. Premium 50/50 POZ mix + additives. Bring cement top back to 3800'.

Subject to
 State Regulations and
 Special stipulations
 Attached

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. Joe T. Jancia Agent DATE 05/08/96

SIGNED

TITLE

DATE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Is/ TIMOTHY J. BURKE

TITLE

Acting Area Manager

DATE

6-5-96

***See Instructions On Reverse Side**

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.

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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

DISTRICT IV
P.O. BOX 2988, SANTA FE, N.M. 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33474	Pool Code 13195	Pool Name CORBIN-DELAWARE WEST
Property Code 06339	Property Name CORBIN "13" A FEDERAL	Well Number 3
UGRID No. 14007	Operator Name MARALO INC.	Elevation 3827

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	13	18 S	32 E		660	SOUTH	1980	EAST	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 40	Joint or Infill	Consolidation Code	Order No.
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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

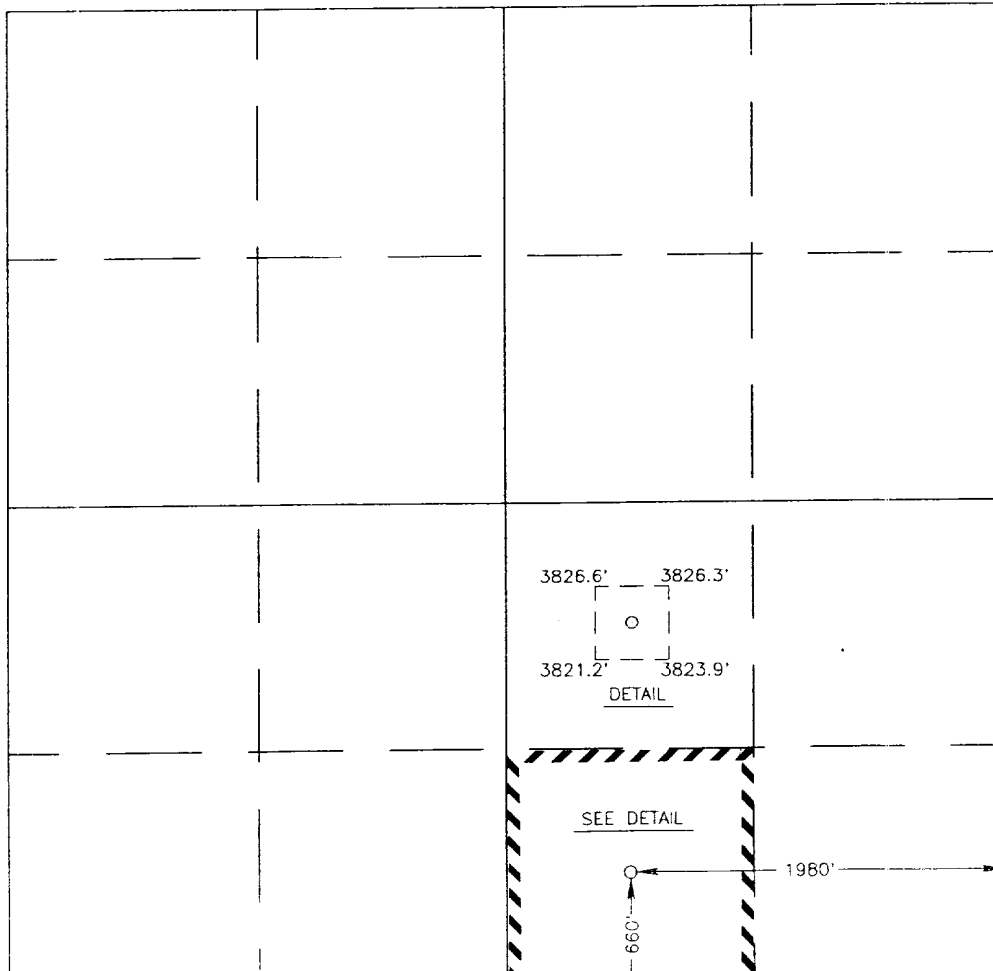
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 05/08/96 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the 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>APRIL 26, 1996</p> <p>Date Surveyed Signature & Seal of Professional Surveyor 4-26-96 Certificate No. JOHN A. WEST 676 RONALD E. EIDSON 3239 GARY H. EIDSON 12641</p>
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EXHIBIT "A"

APPLICATION TO DRILL

MARALO INC.

CORBIN "13-A" FEDERAL #3
1980' FEL & 660' FSL SEC. 13
T18-S R32E LEA CO NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1. Location: 1980' FEL & 660' FEL SEC.13 T18S-R32E LEA CO. NEW MEXICO
2. Elevation above sea level: 3829 GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
5. Proposed drilling depth: 5300'
6. Estimated tops of geological markers:

Rustler Anhydrite	1300'	Yates	2670'
Top of Salt	1400'	Seven Rivers	2880'
Base of Salt	2620'	Queen	4020'
		Grayburg	4615'
7. Possible mineral bearing formation:

Queen	Oil
Grayburg	Oil

8. Casing program:

Hole size	Interval	OD casing	Weight	Thread	Collar	Grade	Condition
17½"	0-40	13 3/8"	54.5	8-R	ST&C	J-55	New
12¼"	40-450'	8 5/8"	24	8-R	ST&C	J-55	New
7 7/8"	450-5300	5½"	15.5	8-R	LT&C	K-55	New

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CORBIN "13-A" FEDERAL #3
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T18-S R32E LEA CO. NM

9. Cementing and Setting Depth:

13 3/8"	Conductor	Set 40' of 13 3/8" conductor and cement to surface with Redi-Mix
8 5/8"	Surface	Set 450' of 8 5/8" J-55 24# J-55 ST&C casing. Cement with 300 Sx. Class "C" + 2% CaCl, circulate cement to surface.
5 1/2"	Production	Set 5300' of 5 1/2" K-55 15.5# 8-R LT&C casing. Cement with 320 Sx. Halco Light + additives tail in with 250 Sx. Premium 50/50 POZ Mix + additives, top of cement 3800'.

10. Pressure Control Equipment: Exhibit "E". A Blow-out Preventer (no less than 900 series 3000 psi working pressure) consisting of double ram type preventer with annular type preventer all units will be hydraulically operated. Exhibit "E-1" Choke Manifold and Closing Unit. Blind rams on top, pipe rams on bottom to correspond with size of drill pipe in use. BOP will be nipped up on 8 5/8 casing and remain on well until casing is run and cemented. BOP will be tested as well as choke manifold. BOP will be worked at least once each day while drilling and blind ram will be worked on trips when no drill pipe is in hole. Flow sensor PVT, full opening stabbing valve and upper kelley cock will be utilized.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Mud Visc.	Fluid Loss	Type Mud
40-450'	8.6-9	34-36	NC	Fresh water Spud Mud.
450-4500'	10-10.1	28-29	NC	Brine water
4500-5300'	10-10.2	29-32	10cc or less	Brine water with starch for fluid loss control

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirments will be kept at wellsite at all times. In order to run casing and log well, viscosity may have to be raised and the water loss may have to be lowered to maintain good hole conditions.

APPLICATION TO DRILL

MARALO INC.

CORBIN "13-A" FEDERAL #3
1980' FEL & 660' FSL SEC. 13
T18-S R32E LEA CO. NM

12. Testing, logging and coring program:

1. No DST'S or cores are planned for this well.
2. A two man mud logging unit will be rigged up at 2300' and remain on well to TD.
3. Open hole logs will be run on reaching TD. Dual-Laterlog, LDT, SFL, LDT, CNL, & SFL from TD to the surface casing shoe. Gamma Ray Caliper with Neutron from TD to surface.

13. Potential Hazards:

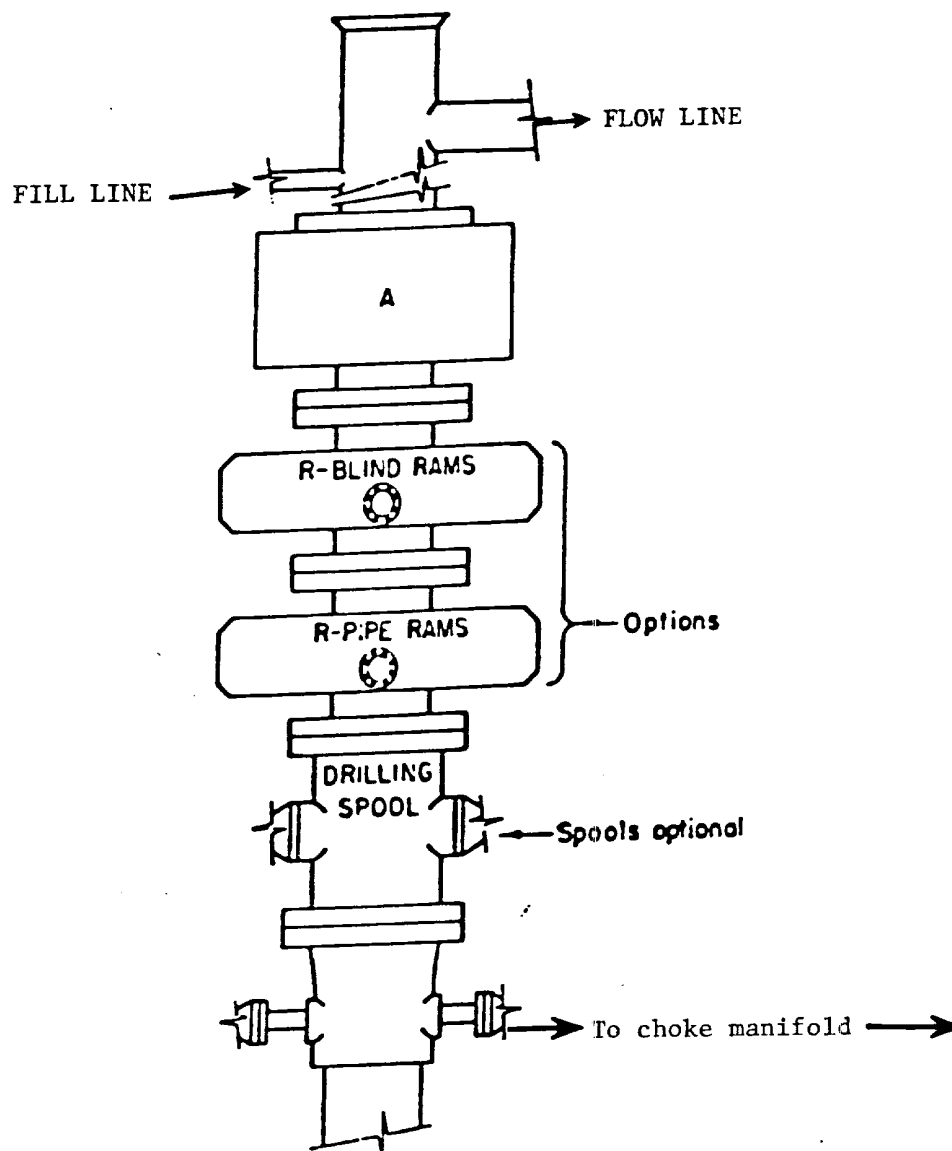
No abnormal pressures or temperature zones are expected in this well. (nothing abnormal was encountered in offset wells at this depth) Hydrogen Sulfide gas is not expected, however all precautions will be observed and detection equipment will be installed. No lost circulation is expected (none encountered in offset wells). Estimated BHP 3000 PSI estimated BHT 175°. H₂S contingency plan is included with this APD.

14. Anticipated spud date and duration of operation:

Road and location work will begin as soon as the Bureau of Land Management has approved this APD. Anticipated spud date will be as soon as approval is obtained. Drilling is expected to take from 15 to 20 days. If production casing is run an additional 30 days will be required to complete and build production facilities in order to place well on production.

15. Other facets of operation:

After running and cementing casing, cased hole correlation logs will be run from TD over the pay intervals. The Grayburg pay interval will be perforated and stimulated. The well will be swab tested and cleaned up and completed as an oil well.



ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
MARALO INC.
CORBIN "13-A" FEDERAL # 3
1980' FEL & 660' FSL SEC. 13
T18S-R32E LEA CO. NM