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CARLSBAD RESOURCE  
AREA HEADQUARTERS

30-025-31716

T. O'Brien 8-16-92  
TJH 8-16-92  
Re m8/16/92

3160(067)  
NM-85936

A.C. Lopez 8/19/92

AUG 21, 1992

Jon Cone  
8/19/92

CERTIFIED--RETURN RECEIPT REQUESTED  
P 696 486 672

Maralo, Inc.  
Attention: Joe T. Janica  
P. O. Box 832  
Midland, TX 79702

RE: Prohibition Federal No. 2  
NM-85936  
1980' FSL & 2080' FWL, Sec. 11, T22S, R32E  
Lea County, New Mexico

Dear Mr. Janica:

I am happy to approve your Application for Permit to Drill (APD) at the present location. Your copy of the APD, with attached stipulations is enclosed.

As you may be aware, there has been a significant increase in APD's in the Secretary's Potash Area. Unfortunately, this has resulted in time delays, which I sincerely hope have not unduly burdened your company.

If you have any additional information, please contact Tony Herrell at the Carlsbad Resource Area (505) 887-6544.

Sincerely,

Larry L. Woodard

Larry L. Woodard  
State Director

1 Enclosure:  
1 - Application for Permit to Drill (APD)

bcc:  
NM (910, L. Woodard)  
NM (920, R. Smith)  
NM (060, L. Cone)  
NM (065, A. Lopez)  
NM (067, T. Herrell)

067:THerrell:nm:08/15/92:A:\PROHFED2.AL

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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.

PH# (915)684-7441

3. ADDRESS AND TELEPHONE NO.

P.O. Box 832, Midland, TX 79702

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

At surface

1980' FSL & 2080' FWL Sec. 11, T22S-R32E

At proposed prod. zone

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

Approximately 27 miles West of Eunice, New Mexico

16. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

560'

18. NO. OF ACRES IN LEASE

160

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.

N.A.

19. PROPOSED DEPTH

10,100'

20. ROTARY OR CABLE TOOLS

Rotary

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

GR: 3746.4

22. APPROX. DATE WORK WILL START\*

6/30/92

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
New 17 1/2	13 3/8 J	54.5	1100'±	1000 sx circulate to surface
New 12 1/4	K 8 5/8	32.0	4720'±	1750 sx circulate to surface
New 7 7/8	5 1/2 N-80	17.0	10100'±	1000 sx top cement 4600'

1. Drill 17 1/2 hole to 1100'±. Run 13 3/8" csg to T.D. cement w/1000sx class "C" 2% CaCl. Circulate cement to surface.
2. Drill 12 1/4" hole to 4720'±. Run 8 5/8" csg to T.D. cement w/1750sx, 1500sx Howco LCM, tail in w/250sx premium neat cement. Circulate to surface.
3. Drill 7 7/8" hole to 10100'±. Log well, run 5 1/2" csg to T.D. cement w/1000sx premium 50/50 POz mix and cement. Bring cement back to 4600' w/25% excess.

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 prevention program, if any.

24.

SIGNED

Joel Janice

TITLE

Agent

DATE

5/19/92

(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

TITLE

DATE

\*See Instructions On Reverse Side

# 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 80, Artesia, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

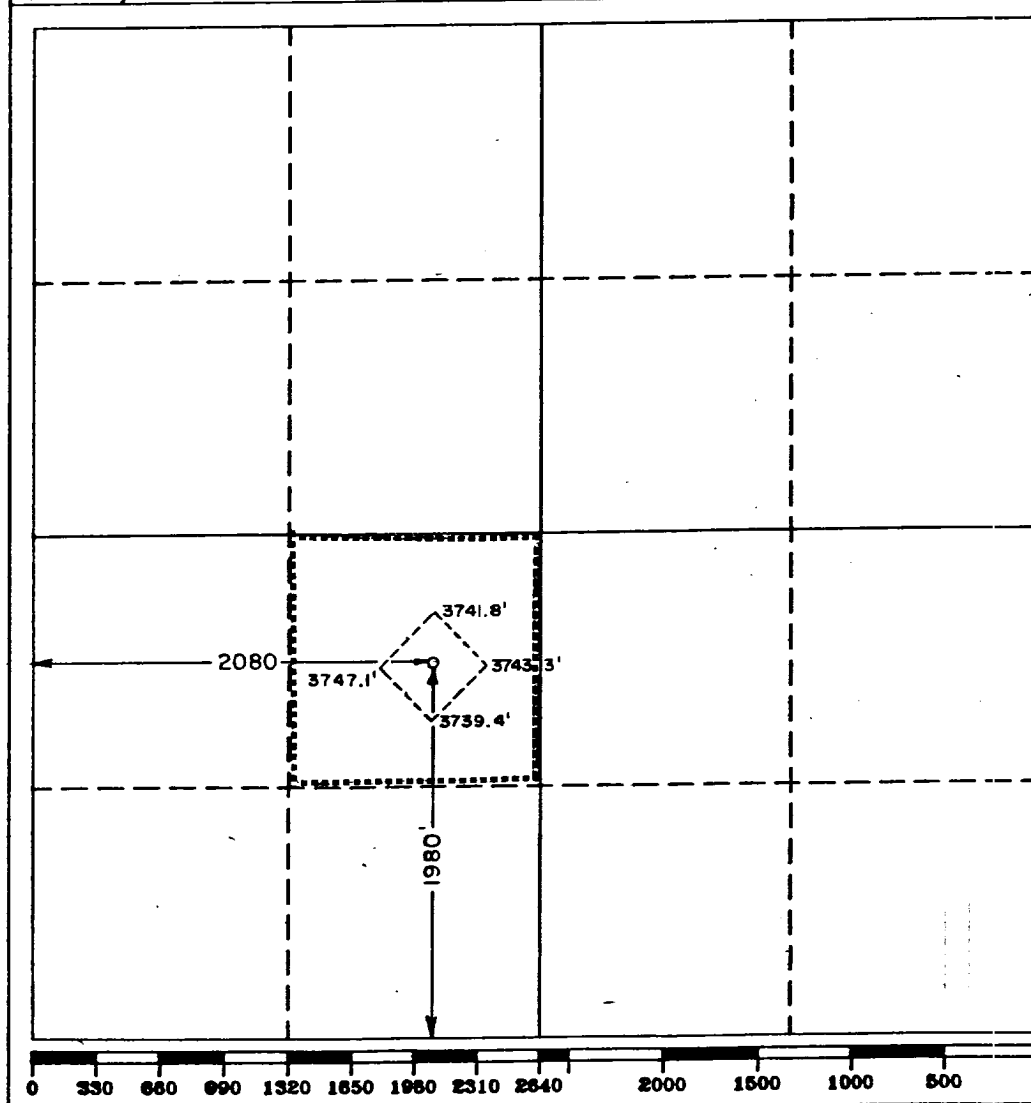
All Distances must be from the outer boundaries of the section

Operator Maralo, Inc.		Lease Prohibition Federal Unit		Well No. 2
Unit Letter K	Section 11	Township 22 South	Range 32 East NMPM	County Lea

Actual Footage Location of Well:

1980	feet from the South line and	2080	feet from the West line
Ground Level Elev. 3746.4'	Producing Formation Bone Springs	Pool Undesignated-Bone Springs	Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Unit  
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, force-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

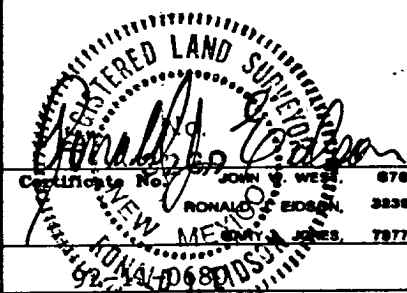
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature <i>Joe T. Janica</i>
Printed Name Joe T. Janica
Position Agent for Maralo, Inc.
Company Maralo, Inc.
Date 5/20/92

### 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 19, 1992
Signature & Seal of Professional Surveyor



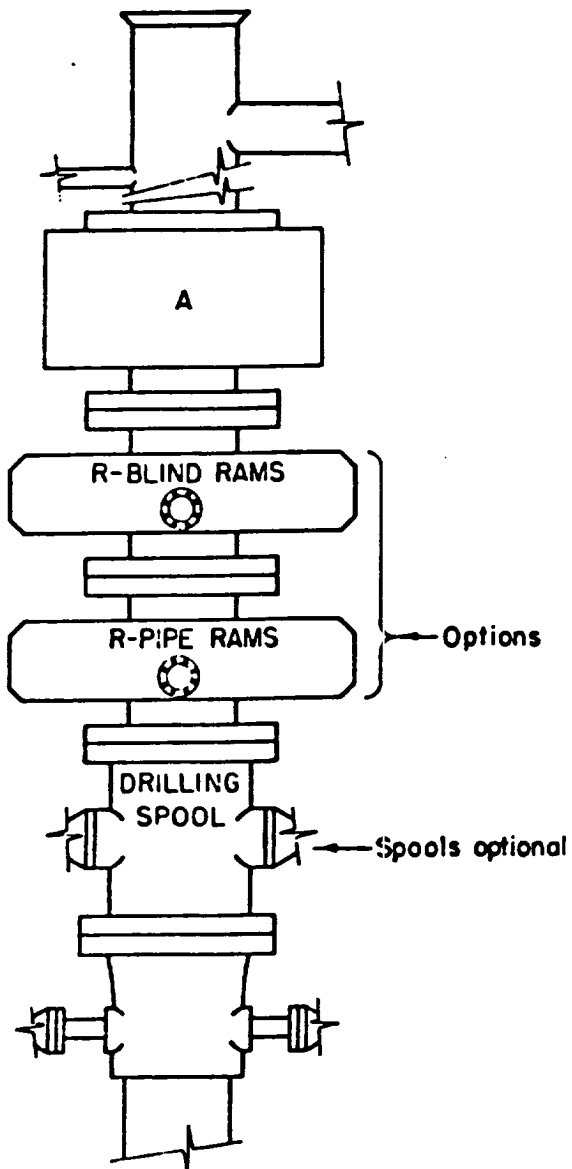
## APPLICATION TO DRILL

Maralo, Inc.  
Prohibition Federal Unit Well #2  
Sec. 11, Unit "K", T22S-R32E  
Lea County, New Mexico

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

1. Location: 2080' FWL, & 1980' FSL Section 11, T22S-R32E, Lea County, New Mexico
2. Elevation Above Sea Level: 3746' GL
3. Geologic Name of Surface Formation: Pleistocene Aeolian deposit
4. Drilling Tools and Associated Equipment: Conventional rotary drilling rig using mud for the circulation medium.
5. Proposed Drilling Depth: 10,100'
6. Estimated Geological Marker Tops:

Rustler Anhydrite	950'
DMG	4650'
Bone Springs	8800'
7. Mineral Bearing Formation: Water bearing-none; Oil bearing-Bone Springs, Brushey Canyon.
8. Casing Program:
  - (A) Surface casing - 13 3/8" 54.5#
  - (B) Intermediate casing - 8 5/8" 32#
  - (C) Production casing - 5 1/2" 17#
9. Setting depth of casing and cement for same:
  - (A) 13 3/8" 54.5# casing set @ 1100' cement with 1000 sx circulate cement to surface.
  - (B) 8 5/8" 32# casing set @ 4720' cement with 1750 sx circulate cement to surface.
  - (C) 5 1/2" 17# casing set @ 10,100' cement with 1000 sx 25% excess top cement to be 4600'



**ARRANGEMENT SRRA**

**EXHIBIT "E"**

BOP sketch of the type to be  
used on Maralo, Inc.  
Prohibition Federal Unit Well #2  
2080' FWL & 1980' FSL  
Sec. 11, T22S-R32E  
Lea County, New Mexico

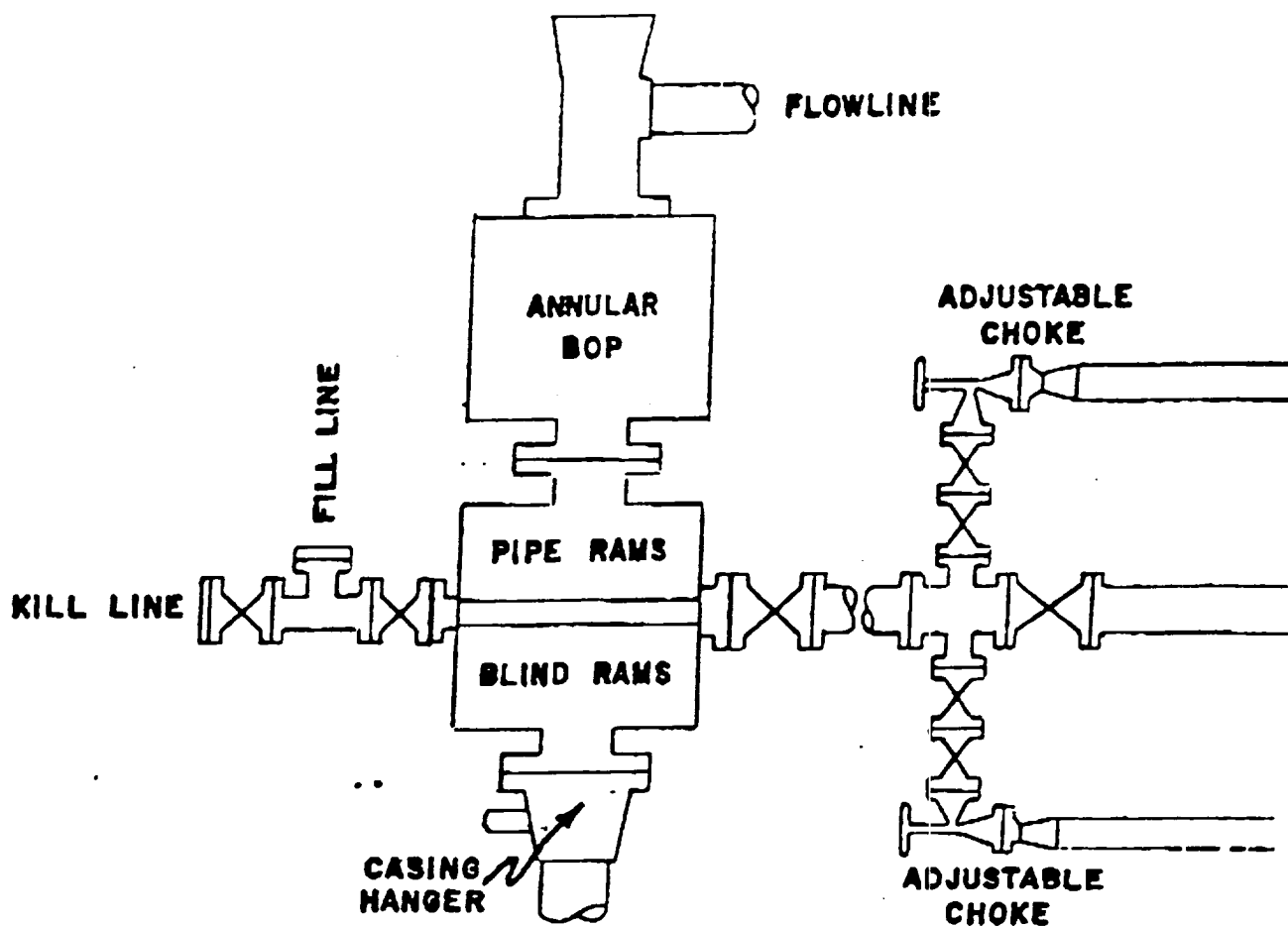
## BLOWOUT PREVENTOR ARRANGEMENT

11" SHAFFER TYPE LWS, 5000 psi WP

11" CAMERON SPHERICAL, 5000 psi WP

120 GALLON, 5 STATION KOOMEY ACCUMULATOR

5000 psi WP CHOKE MANIFOLD



### EXHIBIT E-1

Sketch of the type BOP and Manifold to  
be used on Maralo INC. Prohibition  
Federal Unit Well # 2  
2080' FWL & 1980' FSL Sec 11 T22S-R32E  
Lea county New Mexico

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SEP 04 1992

CCD HOUSE