

N. M. OIL CONS. COMMISSION

Form 3160-3

P. O. BOX 1880

(December 1990) HOBBS, NEW MEXICO 88240

SUBMIT IN DUPLICATE*

(Other instructions on reverse side)

3D-025-32142

Form approved.

Budget Bureau No. 1004-0136

Expires: December 31, 1991

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.

NM-85937 NM-64606

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Prohibition Federal Unit 3

8. FARM OR LEASE NAME, WELL NO.

Prohibition Federal Unit 635

9. API WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

Bootleg Ridge-Morrow 7265

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec 12, T22S-R32E

12. COUNTY OR PARISH

Lea

13. STATE

NM

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

June 20, 1993

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. 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 (915)685-7441

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

At surface

990' FEL & 1980' FNL, Sec 12, T22S-R32E

At proposed prod. zone

Same

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

Approximately 27 miles West of Eunice, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

990'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

3630'

16. NO. OF ACRES IN LEASE

480

19. PROPOSED DEPTH

15000'

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

GL 3617.7

23.

PROPOSED CASING AND CEMENT CARLSBAD CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	J 13 3/8"	54.5#	1100'±	700 sx
12 1/4"	K-S80 9 5/8"	36#	4750'±	3850 sx
8 1/2"	S-95 7"	29-26#	12000'±	
6 1/8"	P-110 4 1/2"	15.1#	11800'-15000'	

CIRCULATE WITNESS

3850 sx WITNESS

tie back 200' into 9 5/8" casing

SECRETARY'S POTASH

1. Cement 13 3/8" casing @ 1100'± with 700 sx class "C" 4% Gel 1/4# Flocele/sx. Tailin with 250 sx class "C" with 2% Cacl. Circulate cement to surface.
2. Cement 9 5/8" casing @ 4750'± with 3850 sx Howco light cement and tailin with 250 sx premium neat cement and circulate to surface.
3. Cement 7" casing @ 12000'± with 1200 sx 50/50 Poz mix cement to fill back to 4600' with 70% excess.
4. Cement 4 1/2" casing liner 11800' to 15000' with 425 sx premium cement. Fill from 15000' to 11800' with 50% excess.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS 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.

SIGNED

TITLE

Agent

DATE

5/14/93

(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

Acty State Director

DATE

7-16-93

*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.

OIL CONSERVATION DIVISION

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

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

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

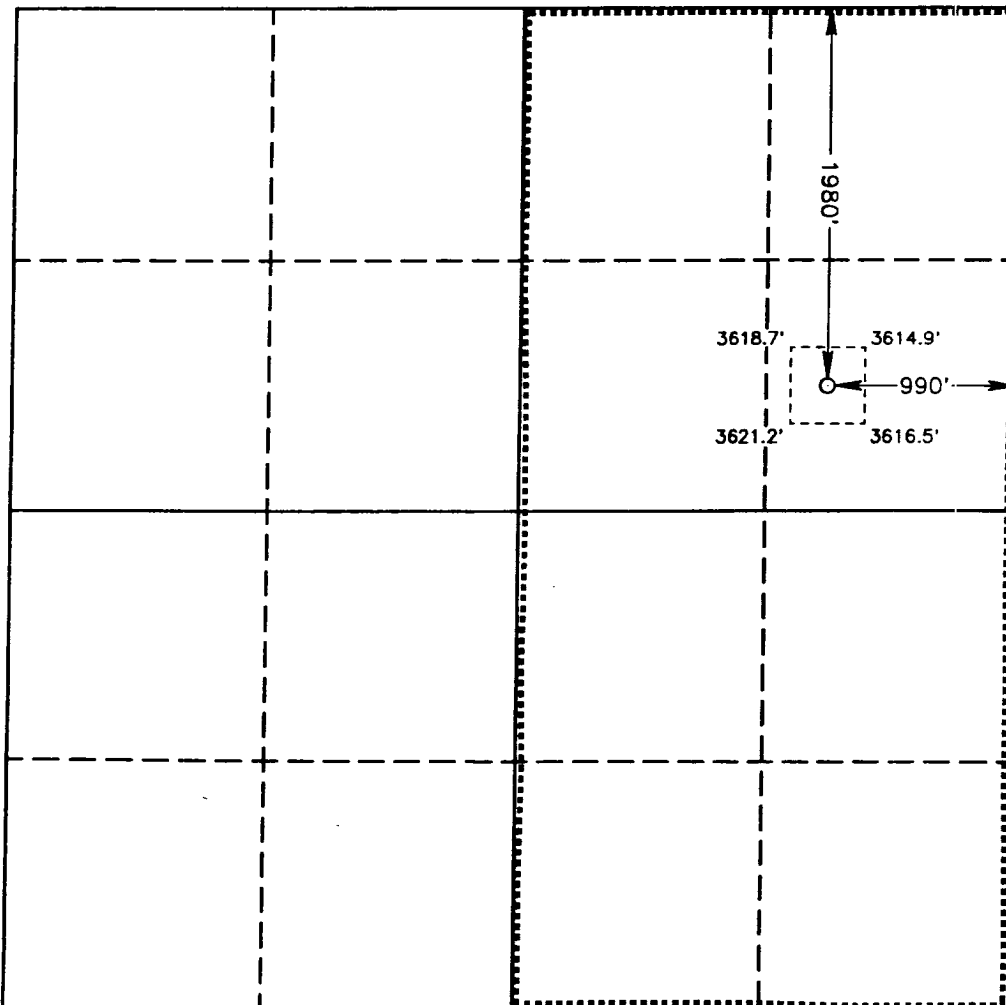
DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARALO, INC.			Lease PROHIBITION FEDERAL		Well No. 3
Unit Letter H	Section 12	Township 22 SOUTH	Range 32 EAST	NMPM	County LEA EDDY
Actual Footage Location of Well: 1980 feet from the NORTH line and 990 feet from the EAST line					
Ground Level Elev. 3617.7'	Producing Formation Morrow		Pool Bootleg Ridge		Dedicated Acreage: 320 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, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the 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

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 28, 1993

Signature & Seal of
Professional Surveyor

Gary L. Jones
GARY L. JONES
NEW MEXICO
1977
Certificate No. JOHN W. WELLS 676
RONALD J. EDSON 3239
GARY L. JONES 7977
11-8689

APPLICATION TO DRILL

Maralo, Inc.
Prohibition Federal Unit Well #3
Sec. 12, Unit "E", 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: 990' FEL & 1980' FNL Section 12, T22S-R32E, Lea County, New Mexico
2. Elevation Above Sea Level: GL 3617.7
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: 15000'
6. Estimated Geological Marker Tops:

Rustler Anhydrite	950'	Bilbrey Sand	14075'
DMG	4650'	Morrow Clastics	14335'
Bone Springs	8800'	TD	15000'
Wolfcamp	11950'		
Strawn	13000'		
Atoka	13450'		
7. Mineral Bearing Formation: Water bearing - none; gas bearing - possible Atoka and Morrow; Oil bearing - Bone Springs and Delaware
8. Casing Program:

(A) Surface Casing	- 13 3/8" 54.5# J-55 ST&C New
(B) First Intermediate casing	- 9 5/8" 40# K-55 ST&C New
(C) Second Intermediate casing	- 7" 26# & 29# S-95 LT&C New
(D) Production Casing Liner	- 4 1/2" 15.1# P-111 New
9. Setting depth of casing and cement for same:

(A)	13 3/8" 54.5# casing set @ 1100' cement with 1500 sx circulate cement.
(B)	9 5/8" 40# casing set @ 4720' cement with 1750 sx circulate cement.
(C)	7" 26# & 29# casing set @ 12000' cement with 2000 sx.
(D)	4 1/2" Liner 15.1# set @ 11800'-15000' cement with 600 sx.

10. Pressure Control Equipment: Exhibit "E". A 1500 series blow-out preventer will be installed on 13 3/8" casing and tested after each casing string is cemented. The pipe rams will be worked daily while drilling and the blind rams will be worked when the drill string is out of the hole. Flow sensors PVT, full opening stabbing valve and upper kelly cock will be utilized. Kill lines will be connected to drilling spool as indicated on Exhibit "E".

11. Proposed Circulation Medium:

Mud Program:

Depth	Mud Wt.	Visc.	F/L cc	Type of Mud
0- 1200	8.6- 9.0	34-36	NC	Spud Mud
1200- 4650	10.0-10.1	28-29	NC	B/W
4650-12000	8.6- 8.9	28-29	NC	Cut B/W
12000-13000	8.6- 9.0	28-30	20-30cc	Cut B/W w/starch
13000-13200	10.0-12.5	35-38	10-15cc	Cut B/W xc Polymer Pac-R System
13200-15000	10.0-12.5	35-40	8-10cc	Cut B/W xc Polymer Pac-R System

To log may need to raise Visc w/WL below 8cc

12. Testing, Logging, and Coring Programs: (A) Possible D.S.T. if shows dictate (B) Two man Mud Logging Unit will start @ 4650' + to total depth of 15000'+. (C) Open hole logs: DLL w/LDT-CNL w/PER Cal from 12000' to 4650+ with gamma ray to surface. DLL w/LDT-CNL-SFL and PEF-Cal from TD to 12000'. (D) No coring planned.
13. Potential Hazards: Abnormal pressure may be encountered in Atoka, Bilbrey and Morrow. No abnormal temperature zones are anticipated. Hydrogen sulfide gas is not expected to be a problem.
14. Anticipated Starting Date and Duration of Operation:
Commence June 20, 1993; 8 weeks to complete.
15. Other Facets of Operations: After running casing, cased hole gamma ray collar correlation logs will be run from total depth over possible pay intervals. The Morrow pay will be perforated and stimulated. The well will be swab tested and potentialized as a gas well.

PROPOSED BOPE AND CHOKE ARRANGEMENT

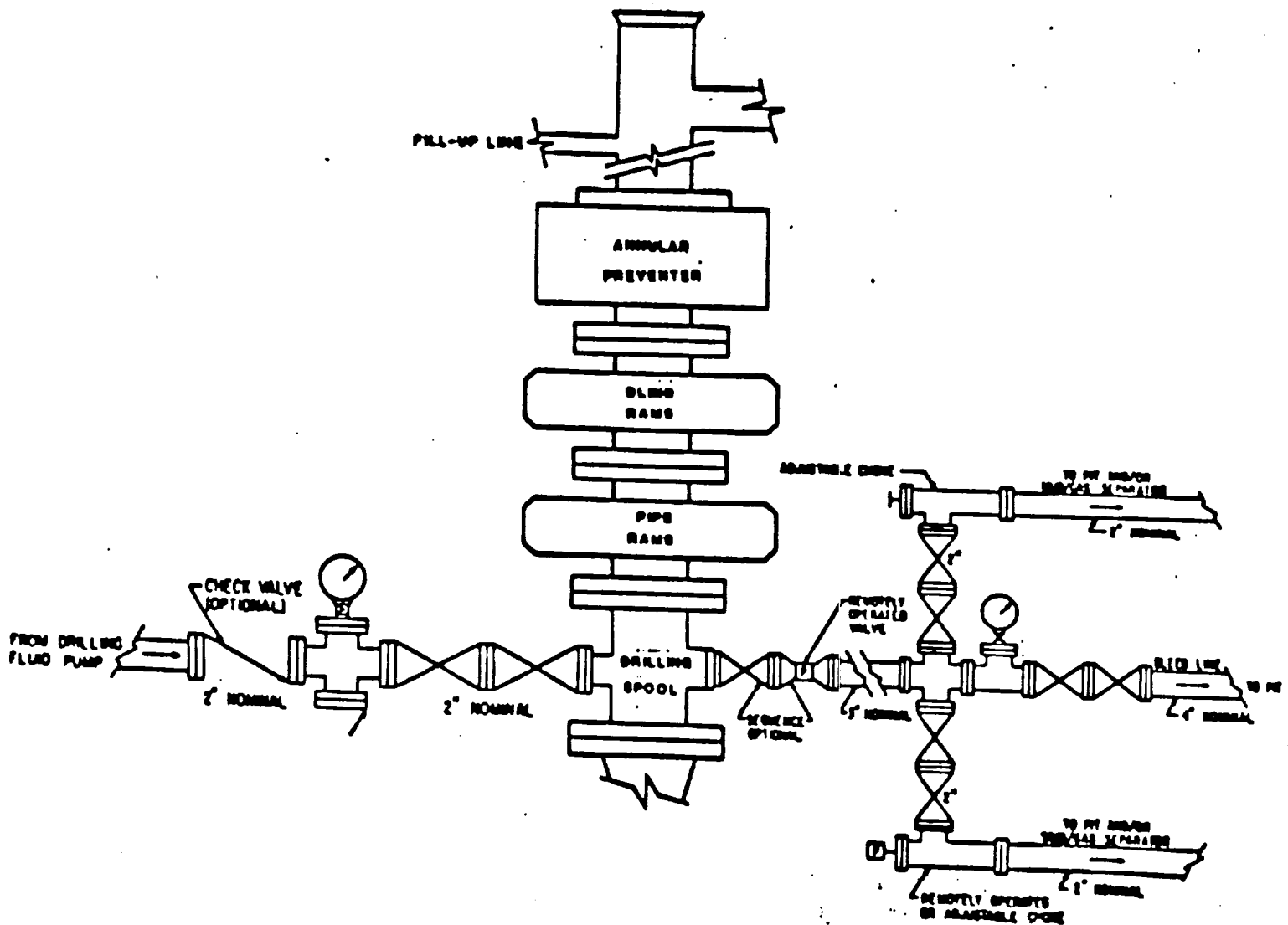


EXHIBIT "E"

BOP sketch of the type to be used on
 Maralo, Inc. Prohibition Federal Unit Well #3
 990' FEL & 1980' FNL
 Sec 12, T22S-R32E
 Lea County, New Mexico