

N.M. OIL CONS. CO.
P.O. BOX 1. J
HOBBES, NEW MEXICO
DEPARTMENTOPER. UGRID NO. 14007
PROPERTY NO. 635
POOL CODE 51683
EFF DATE 12-5-94
BUREAU OF LAND NO. 30-025-32758CATE*
1 ORForm approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT

5. LEASE DESIGNATION AND SERIAL NO.

NM-~~6468~~NM-85937

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Prohibition Federal Unit

8. FARM OR LEASE NAME WELL NO.

Prohibition Federal # 4

9. AM WELL NO.

10. FIELD AND POOL, OR WILDCAT

Red Tank- Bone Spring

11. SEC., T., R., M., OR B.LK.
AND SURVEY OR AREA

Sec. 14 T22S-R32E

12. COUNTY OR PARISH

Lea

13. STATE

NM

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.

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 2310' FNL, 1980' FEL, Section 14, T22S, R32E

At proposed prod. zone Same

Unit G

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

Approximately 27 Mi. west of Eunice New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

330'

16. NO. OF ACRES IN LEASE

2880

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.

900'

19. PROPOSED DEPTH

10,150'

20. ROTARY OR CABLE TOOLS

Rotary

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

3712 GR.

Carlsbad Controlled Water Basin

22. APPROX. DATE WORK WILL START*

12-15-94

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½	J-55 13 3/8	54.5	1100	950 Sx. Plus Additives Circulate
12½	J-55 8 5/8	32	4720	1700 Sx " " "
7 7/8	J-55, N-80 5½	17	10,150	1200 Sx. " " "

1. Drill 26" hole to 40' Set 20" conductor Cement to surface W/Redi-mix.
2. Drill 17½" hole to 1100'. Run and set 1100' of J-55 13 3/8 54.5#ST&C casing. Cement with 700 Sx. Class "C" + 4% Jel, 4# salt, ½# Flo-cele /Sx. Tail in with 250 Sx. of Class "C" + 2% CaCl. Circulate cement to surface.
3. Drill 12½" hole to 4720'. Run 4720' of J-55 8 5/8" 32# ST&C casing. Cement with 1500 Sx. of Hal-Light 15# salt & ½ # Flo-cele per Sx. Tail in with 200 Sx. class "C" Neat. Circulate cement to surface.
4. Drill 7 7/8" hole to 10,150'. Run and set 10,150' of N-80 & J-55 17# LT&C casing. Cement with 550 Sx. Hal-light + 6# salt & ½ # Flo-cele Per Sx. Tail in with 650 Sx. 50/50 POZClass "H" cement + 6 # salt /Sx. .5% Halad 9 + .3% CFR2.

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

Joe T. Janice

TITLE Agent

DATE 11/04/94

(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

Scott Powers

TITLE

(Acting)
AREA MANAGER

DATE

12/11/94

*See Instructions On Reverse Side

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COD HOBBS
OFFICE

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-32758	Pool Code 51683	Pool Name RED TANK - BONE SPRING
Property Code 6352	Property Name PROHIBITION FEDERAL UNIT	Well Number 4
OGRID No. 14007	Operator Name MARALO, INC.	Elevation 3712'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	14	22 S	32 E		2310'	NORTH	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	Joint or Infill	Consolidation Code	Order No.
40			

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

	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 Agent Title 11/04/94 Date
	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. Date Surveyed NO. 3239 Signature of Professional Surveyor W.O. Number 11-1828
	Certificate No. JOHN W. WEST, 676 RONALD J. EIDSON, 3239

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SEP 25 1934

U.S. ROBERT
OFFICE

APPLICATION TO DRILL

MARALO, INC.

Prohibition Unit 4
2310' FNL, 1980' FEL
Section 14, T22S, R32E
Lea County, N.M.

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

1. Location: 2310' FNL & 1980' FEL SEC. 14 T22S-R32E Lea Co.
New Mexico
2. Elevation Above Sea Level: 3712 GR.
3. Geologic Name of Surface Formation: Quaternary Aeolian Deposits
4. Drilling Tools and Associated Equipment: Conventional rotary
drilling rig using mud for the circulation medium.
5. Proposed Drilling Depth: 10,150'
6. Estimated Geological Marker Tops:

Rustler Anhy.	915'		
Salado Salt	1220'		
Castile	4430'	Cherry Canyon	6010'
Delaware	4828'	Brushy Canyon	7460'
Bell Canyon	4918'	Bone Spring	8780'
		1st bone Spring Sd.	9860'
7. Possible Mineral Bearing Formation:

Delaware	4835 Oil	1st Bone Spring Sd.	9870' Oil
Brushy Canyon	7475 Oil		
8. Casing Program:

Hole Size	Interval	OD Csg	Weight	Thread	Grade	Condition
26"	0-40	NA	NA	NA	NA	New
17½	0-1100	13 3/8	54.5	8-R	J-55	New
12¼	0-4720	8 5/8	32	8-R	J-55	New
7 7/8	0-10,150	5½	17	8-R	J-55 N-80	New

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OFFICE

APPLICATION TO DRILL

MARALO, INC.
Prohibition Unit #4
2310' FNL, 1980' FEL
Section 14, T22S, R32E
Lea County, N.M.

9. Cementing and Setting Depth:

20" Conductor	Set @ 40' cement with Redi-mix to surface
13 3/8" Surface Casing	Set @ 1100' cement with 950 Sx Class "C" plus additives circulate to surface.
8 5/8" Intermediate Casing	Set @ 4720' cement with 1500 Sx Hal-light tail in/200 Sx. neat circulate to surface.
5½" Production Casing	Set @ 10,150' cement with 550 Sx. Hal-light tail in with 650 Sx. 50/50 POZ Class "H" + 6# salt/Sx + .5% Halad 9 + .3% CFR2.

10. Pressure Control Equipment: Exhibit "E". A Blow-out Preventer (no less than 1500 series 5000 psi working pressure) consisting of double ram type preventer with bag type preventer. 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 13 3/8 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. No pressures greater than 3000 psi anticipated.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Mud Visc.	Fluid Loss	Type Mud
0-1100	8.6-9	34-36	NC	Spud mud
1100-4720	10.1-10.2	28-29	NC	Brine water
4720-7000	9.0-9.2	28-29	20-30 CC	Cut brine with starch for water loss control.
7000-10,150	9.0-9.5	29-35	10 CC or less	Cut brine with starch for water loss control.

APPLICATION TO DRILL

MARALO, INC.
Prohibition Unit #4
2310' FNL, 1980' FEL
Section 14, T22S, R32E
Lea County, N.M.

12. Testing, Logging and Coring Programs:

- A. No cores or DST'S are planned.
- B. Open hole logs will be run.
- C. CNL/LDT/GR from TD. to casing shoe Gr to surface.
DLL/GR/MSFL from TD. over pay section. Cased hole logs will be run from TD. over pay section for correlation in order to complete well.

13. Potential Hazards:

No abnormal pressures or temperature zones expected (nothing abnormal in offset wells or other wells in the area). Hydrogen sulfide gas is not anticipated however, precautions for detection will be observed. No major lost circulation is expected (none reported in this area). H2S contingency attached "13-A".

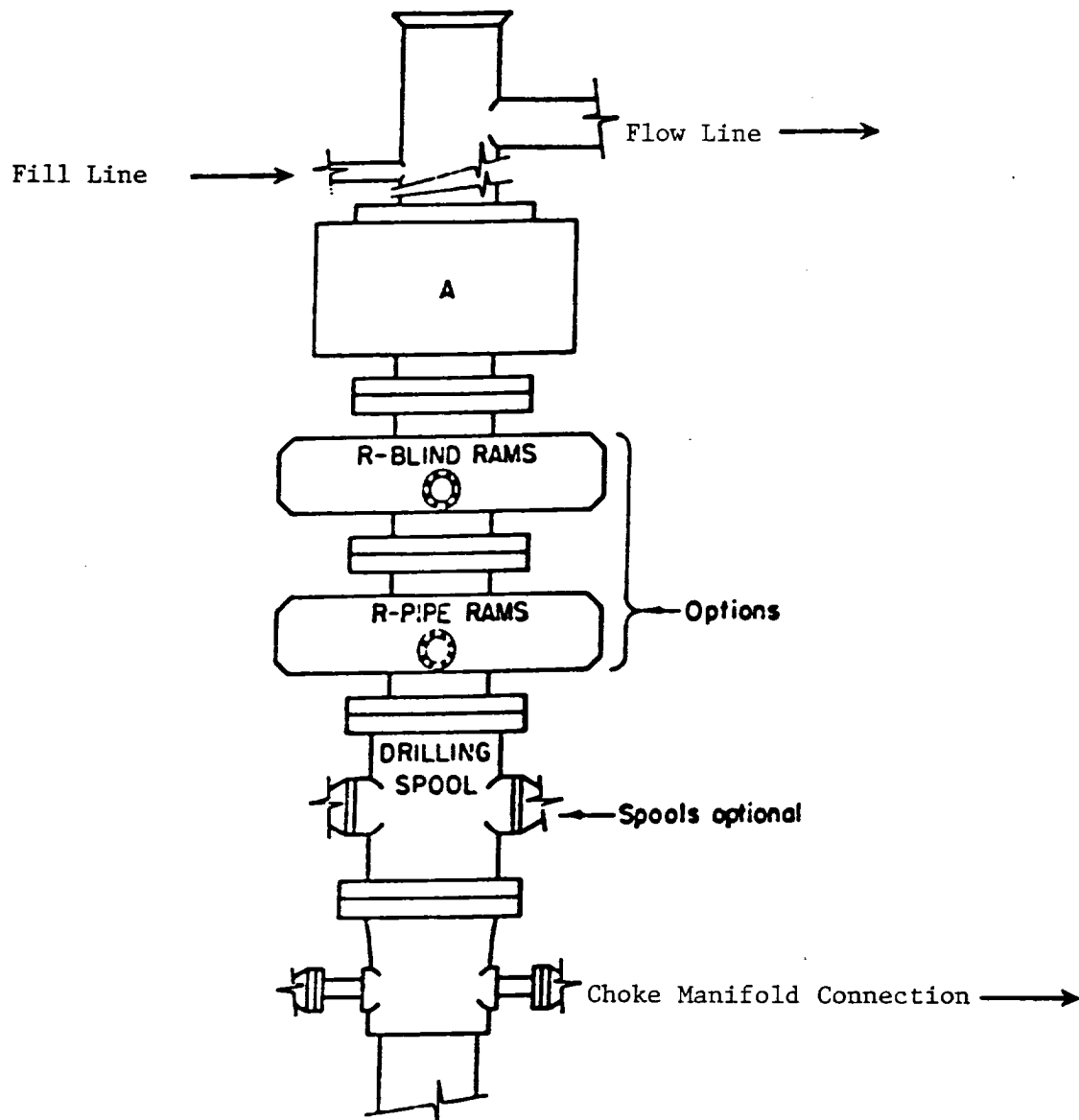
14. Anticipated Starting Date and Duration of Operation: Road and location construction will begin after BLM approval of APD. Anticipated spud date 12/15/94 Drilling expected to take 30 to 45 days. If production casing is run an additional 30 days to complete and construct surface facility and place well on production.

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 Bone Spring will be perforated and stimulated. The well will be swab tested and potentialied as an oil well.

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**JOHN HOBBS
OFFICE**



ARRANGEMENT SRRA

1500 Series
5000 PSI WP

EXHIBIT "E"
MARALO INC.
B.O.P. SKETCH TO BE USED ON
PROHIBITION UNIT # 4
2310' FNL & 1980' FEL SEC. 14
T22S-R32E EDDY CO. NM.