Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
MAR 23 2010
Bureau of Land Management

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

5 Lease Serial No
NMNM-078621

6 If Indian, Allottee or Tribe Name
N/A

7 If Unit of CA/Agreement, Name and/or No
N/A

1 Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8 Well Name and No
Brookhaven A 2H

2 Name of Operator
Maralex Resources, Inc

9 API Well No
30-045-34920

3a Address
P O Box 338, Ignacio, CO 81137

3b Phone No *(include area code)*
(970) 563-4000

10 Field and Pool or Exploratory Area
Basin Fruitland Coal Gas

4 Location of Well *(Footage, Sec , T ,R ,M , or Survey Description)*
660' FSL & 1840' FEL, Unit O, Section 29, T25N, R10W BHL: 1941'S, 685'E 29-25N-10W

11 Country or Parish, State
San Juan County, New Mexico

RECEIVED
OIL CONS. DIV. DIST. 3

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Change Name
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13 Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA Required subsequent reports must be filed within 30 days following completion of the involved operations If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

Maralex Resources, Inc. would like to change the permitted well Brookhaven A 2R from a vertical well to a horizontal well The name should be changed to Brookhaven A 2H Also, attached is a revised C-102 plat as well as a revised drilling program. All other information will remain unchanged

SEE ATTACHED FOR CONDITIONS OF APPROVAL

NOTIFY AZTEC OCD 24 HRS. PRIOR TO CASING & CEMENT

Hold C104 for Directional Survey and "As Drilled" plat

14 I hereby certify that the foregoing is true and correct Name *(Printed/Typed)*
D Jeremy Golob

Title Sr Engineer

Signature

Date 03/22/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Troy L. Salyers

Title Petroleum Engineer

Date 3/24/2010

Conditions of approval, if any, are attached Approval of this notice 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

Office FFO

Title 18 U S C Section 1001 and Title 43 U S C Section 1212, make 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

(Instructions on page 2)

NMOCD

Hold C104 for Directional Survey and "As Drilled" plat

Maralex Resources, Inc.
Brookhaven A 2H
660' FSL & 1840' FEL
Sec. 29, T. 25 N., R. 10 W.
San Juan County, New Mexico

Drilling Program

1. ESTIMATED FORMATION TOPS

Formation	GL Depth (MD)	GL Depth (TVD)	Elevation
Nacimiento	0'	0'	+6,729'
Ojo Alamo sandstone	744'	744'	+5,985'
Kirtland shale	869'	869'	+5,860'
Fruitland coal	1,589'	1,597'	+5,132'
Total Depth (TD)	3,230'	1,629'	+5,100'

2. NOTABLE ZONES

Oil & Gas Zones	Water Zone	Coal Zone
Fruitland	Nacimiento	Fruitland

Water zones will be protected with casing, cement and fresh water weighted mud. Fresh water encountered during drilling will be recorded by depth, cased and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. PRESSURE CONTROL

The drilling contract has not yet been awarded, thus the exact BOP model to be used is not yet known. (A typical 2,000 psi model is attached.)

Once out from under the surface casing, a minimum 2,000 psi BOP and choke manifold system will be used. BOP controls will be installed before drilling the surface casing plug and used until the well is completed or abandoned.

Pressure tests to 600 psi high for 30 minutes and 250 psi low for 10 minutes will be conducted with a test pump. All BOP, mechanical and pressure tests will be recorded on the driller's log. BOP will be inspected and operated at least daily to assure good mechanical working order. The inspection will be recorded on the daily drilling report.

Maralex Resources, Inc.
Brookhaven A 2H
660' FSL & 1840' FEL
Sec. 29, T. 25 N., R. 10 W.
San Juan County, New Mexico

4. CASING & CEMENT

Hole Size	O.D.	Weight	Grade	Type	Age	Depth Set
13-3/8"	10-3/4"	40.5#	J-55	ST & C	New	160'
9-7/8"	7"	23#	J-55	LT & C	New	1,897'
6-1/8"	4-1/2"	11.6#	J-55	LT & C	New	3,130'

Surface casing will be cemented to the surface with ~ 110 cubic feet (~100 sacks) standard cement with ¼ pound per sack cellophane + 2% CaCl2. Yield = 1.39 cubic feet per sack. Weight = 14.6 pounds per gallon. Volume = 100% annular excess. One centralizer will be installed.

Production casing will be cemented to the surface with ~ 25% annual excess. Cement with ~ 252 sacks (~492 cubic feet) Class B with 6% gel + 5 pounds per sack gilsonite + ¼ pound per sack cellophane + 2% CaCl2. Follow with ~ 150 sacks (~ 200 cubic feet) Class B with 0.4% Halad 344 + 5 pounds per sack gilsonite + ¼ pound per sack cellophane + ~ 35 sacks scavenger slurry. Lead cement will have a yield of 2.13 cubic feet per sack and weight of 12.1 pounds per gallon. Tail slurry will have a yield of 1.39 cubic feet per sack and weight of 14.6 pounds per gallon. Approximately 16 centralizers will be used.

Pre-perforated liner will be run from 3,130' (TD) to 1,700' MD and a liner hanger will be installed inside 7" production casing.

5. MUD PROGRAM

Range	Type	Pounds per Gallon	Viscosity	Fluid Loss
0' – 160'	Fresh Water	8.4	Polymer Sweeps	-
160' – 1,897'	LSND	8.4 – 9.1	30 – 60	< 10 cc
1,897 – TD	Air & Foam			

6. CORES, TESTS & LOGS

No cores or drill stem tests are planned. Dual induction, lateral, formation, density, compensated neutron, high resolution density and caliper logs are likely to be run.

Maralex Resources, Inc.
Brookhaven A 2H
660' FSL & 1840' FEL
Sec. 29, T. 25 N., R. 10 W.
San Juan County, New Mexico

7. DOWN HOLE CONDITIONS

No abnormal pressures, temperatures nor hydrogen sulfide are expected. Maximum expected bottom hole pressure will be </= 600 psi.

8. OTHER INFORMATION

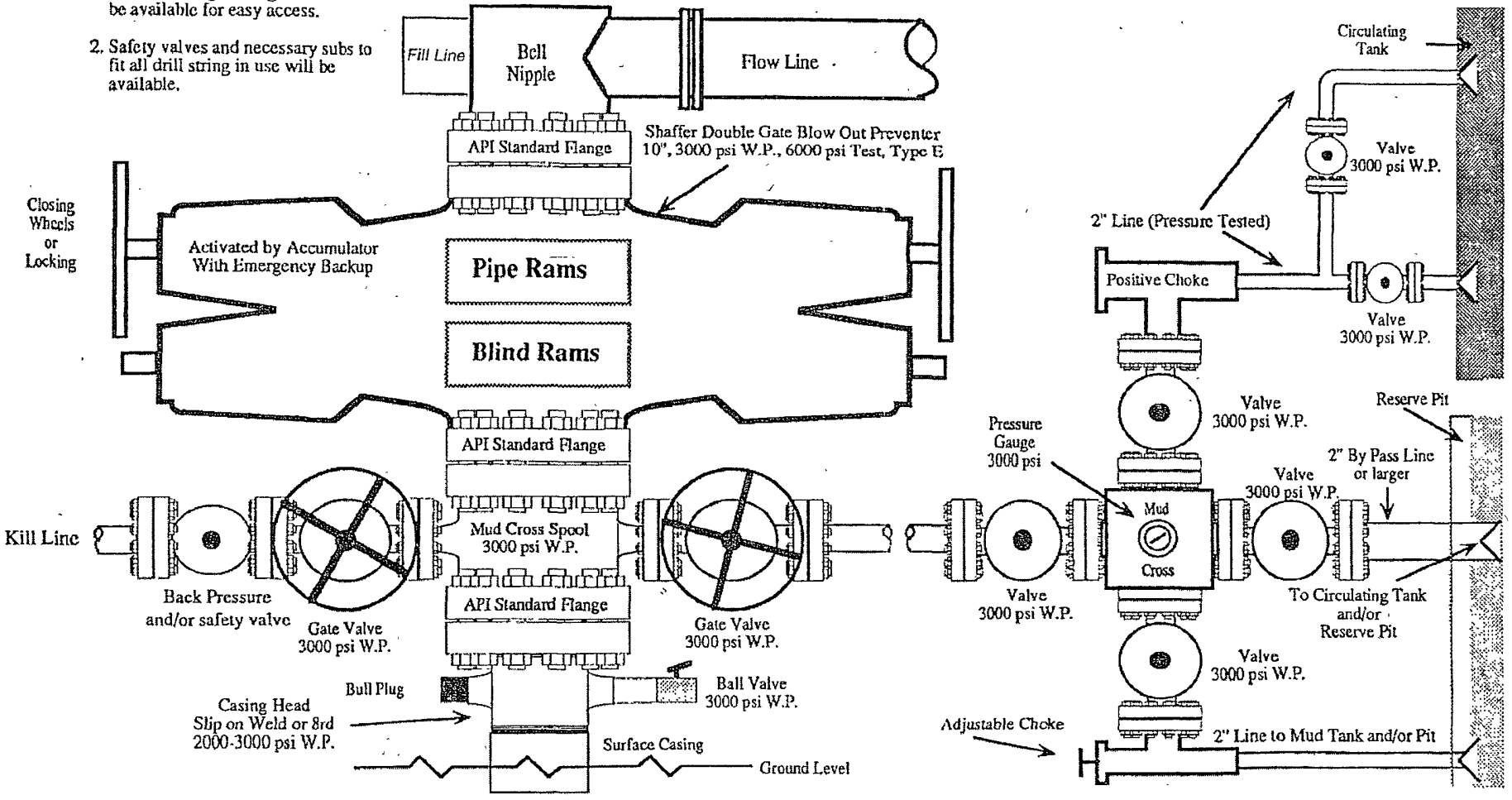
The anticipated spud date is upon approval. It is expected it will take ~ 2 weeks to drill and complete the well.

Will plug and abandon Brookhaven A 2 (30-045-05215) after Brookhaven A 2H is complete. The A 2 is 230' from the A 2H. ✓

2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

Weatherford

Drilling Services

Proposal

MARALEX RESOURCES, INC.

BROOKHAVEN A#~~2R~~ 2H

SAN JUAN COUNTY, NM

WELL FILE: **PLAN 3 ✓**

MARCH 18, 2010

Weatherford International, Ltd.
P.O. Box 61028
Midland, TX 79711 USA
+1.432.561.8892 Main
+1.432.561.8895 Fax
www.weatherford.com

Maralex Resources, Inc

Brookhaven A#2R
San Juan Co, New Mexico
Rig

Weatherford

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	1071.00	0.00	0.00	1071.00	0.00	0.00	0.00	0.00	0.00	
3	1321.00	30.00	0.00	1309.73	63.97	0.00	12.00	0.00	47.57	
4	1897.04	88.74	47.56	1601.81	450.32	242.69	12.00	52.16	497.15	
5	3129.91	88.74	47.56	1628.91	1282.01	1152.38	0.00	0.00	1723.81	Pbhl

FORMATION TOP DETAILS

No.	TVDPath	MDPath	Formation
1	1595.19	1824.62	Top Target Zone

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
Brookhaven A#2R	0.00	0.00	1952867.82	2698408.72	36°22'00.840N	107°55'01.884W	N/A

SITE DETAILS

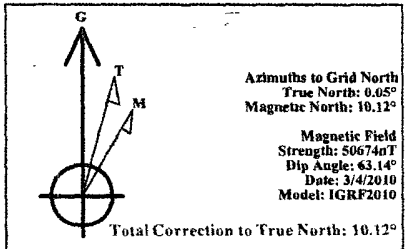
Brookhaven A#2R

Site Centre Latitude: 36°22'00.840N
Longitude: 107°55'01.884W

Ground Level: 6729.00
Positional Uncertainty: 0.00
Convergence: -0.05

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Pbhl	1628.91	1282.01	1152.38	1954149.83	2699561.10	Point



Azimuths to Grid North
True North: 0.05°
Magnetic North: 10.12°

Magnetic Field
Strength: 50674nT
Dip Angle: 63.14°
Date: 3/4/2010
Model: IGRF2010

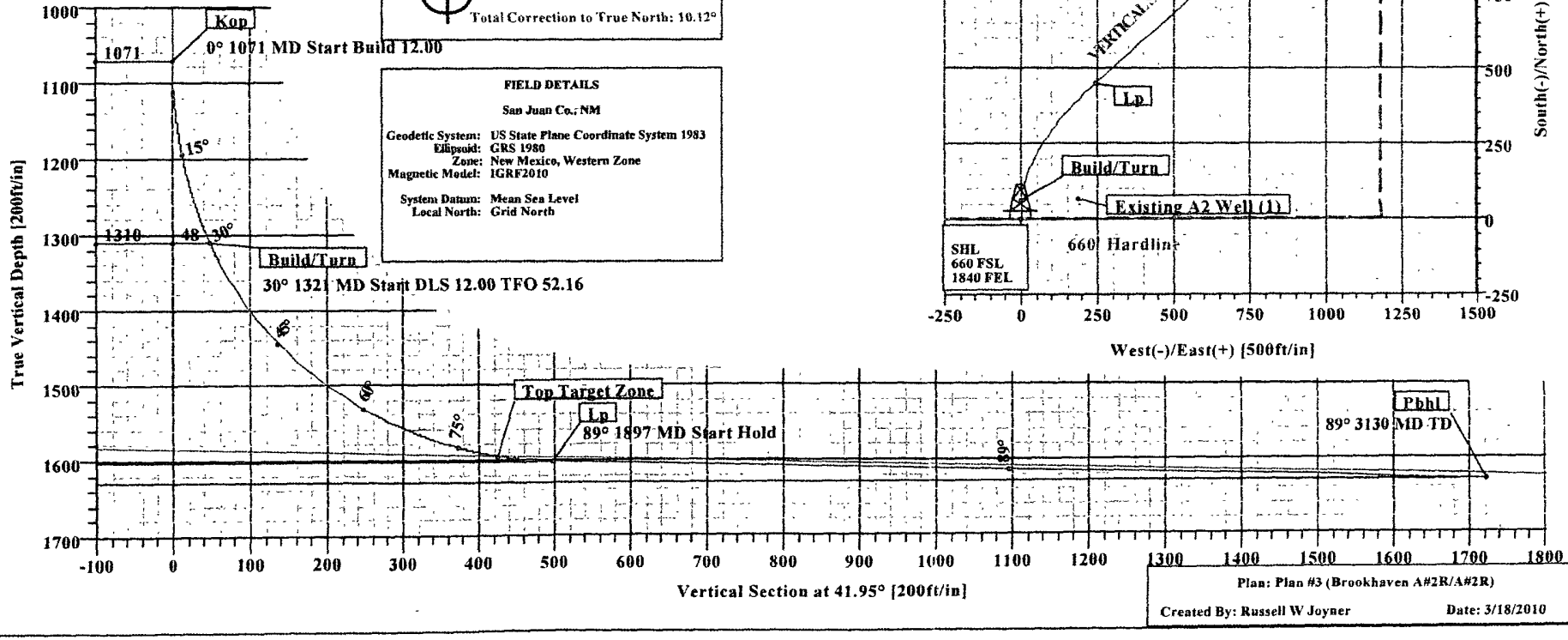
Total Correction to True North: 10.12°

FIELD DETAILS

San Juan Co., NM

Geodetic System: US State Plane Coordinate System 1983
Ellipsoid: GRS 1980
Zone: New Mexico, Western Zone
Magnetic Model: IGRF2010

System Datum: Mean Sea Level
Local North: Grid North



Plan: Plan #3 (Brookhaven A#2R/A#2R)

Created By: Russell W Joyner Date: 3/18/2010

Weatherford International Ltd.
WFT Plan Report

Weatherford

Company:	Maralex Resources	**Date:** 3/18/2010	**Time:** 12:34:49	**Page:**	1
Field:	San Juan Co., NM	**Co-ordinate(NE) Reference:**	Well: Brookhaven A#2R, Grid North		
Site:	Brookhaven A#2R	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	Brookhaven A#2R	**Section (VS) Reference:**	Well (0.00N,0.00E,41.95Azi)		
Wellpath:	A#2R	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Plan:	Plan #3	**Date Composed:**	3/4/2010
		Version:	1
Principal:	Yes	**Tied-to:**	From Surface

Field: San Juan Co., NM

Map System:	US State Plane Coordinate System 1983	**Map Zone:**	New Mexico, Western Zone
Geo Datum:	GRS 1980	**Coordinate System:**	Well Centre
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	IGRF2010

Site: Brookhaven A#2R

Site Position:			**Northing:**	1952867.82 ft	**Latitude:**	36	22	0.840 N
From:	Geographic		**Easting:**	2698408.72 ft	**Longitude:**	107	55	1.884 W
Position Uncertainty:		0.00 ft			**North Reference:**			Grid
Ground Level:		6729.00 ft			**Grid Convergence:**			-0.05 deg

Well: Brookhaven A#2R **Slot Name:**

Well Position:	+N/-S	0.00 ft	**Northing:**	1952867.82 ft	**Latitude:**	36	22	0.840 N
	+E/-W	0.00 ft	**Easting:**	2698408.72 ft	**Longitude:**	107	55	1.884 W
Position Uncertainty:		0.00 ft						

Wellpath: A#2R

Current Datum:	SITE	**Height**	0.00 ft	**Drilled From:**	Surface
Magnetic Data:	3/4/2010			**Tie-on Depth:**	0.00 ft
Field Strength:	50674 nT			**Above System Datum:**	Mean Sea Level
Vertical Section:	**Depth From (TVD)**	**+N/-S**	**+E/-W**	**Declination:**	10.07 deg
				Mag Dip Angle:	63.14 deg
	ft	ft	ft	**Direction**	deg
	0.00	0.00	0.00		41.95

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
1071.00	0.00	0.00	1071.00	0.00	0.00	0.00	0.00	0.00	0.00	
1321.00	30.00	0.00	1309.73	63.97	0.00	12.00	12.00	0.00	0.00	
1897.04	88.74	47.56	1601.81	450.32	242.69	12.00	10.20	8.26	52.16	
3129.91	88.74	47.56	1628.91	1282.01	1152.38	0.00	0.00	0.00	0.00	Pbhl

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Comment
1000.00	0.00	0.00	1000.00	0.00	0.00	0.00	0.00	0.00	0.00	
1071.00	0.00	0.00	1071.00	0.00	0.00	0.00	0.00	0.00	0.00	Kop
1100.00	3.48	0.00	1099.98	0.88	0.00	0.65	12.00	12.00	0.00	
1200.00	15.48	0.00	1198.44	17.32	0.00	12.88	12.00	12.00	0.00	
1300.00	27.48	0.00	1291.32	53.87	0.00	40.06	12.00	12.00	0.00	
1321.00	30.00	0.00	1309.73	63.97	0.00	47.57	12.00	12.00	0.00	Build/Turn
1400.00	36.52	12.63	1375.84	106.75	5.15	82.84	12.00	8.25	15.98	
1500.00	46.09	23.67	1450.97	169.01	26.19	143.20	12.00	9.57	11.04	
1600.00	56.42	31.53	1513.53	237.76	62.56	218.64	12.00	10.33	7.86	
1700.00	67.14	37.67	1560.79	310.00	112.68	305.87	12.00	10.72	6.14	
1800.00	78.06	42.89	1590.67	382.57	174.35	401.08	12.00	10.92	5.22	
1824.62	80.76	44.10	1595.19	400.13	191.01	425.27	12.00	10.99	4.90	Top Target Zone
1897.04	88.74	47.56	1601.81	450.32	242.69	497.15	12.00	11.01	4.79	Lp
1900.00	88.74	47.56	1601.88	452.31	244.88	500.09	0.00	0.00	0.00	
2000.00	88.74	47.56	1604.08	519.77	318.66	599.59	0.00	0.00	0.00	
2100.00	88.74	47.56	1606.27	587.23	392.45	699.08	0.00	0.00	0.00	

Weatherford International Ltd.

WFT Plan Report

Weatherford

Company:	Maralex Resources	**Date:** 3/18/2010	**Time:** 12:34:49	**Page:**	2
Field:	San Juan Co., NM	**Co-ordinate(NE) Reference:**	Well: Brookhaven A#2R, Grid North		
Site:	Brookhaven A#2R	**Vertical (TVD) Reference:**	SITE 0.0		
Well:	Brookhaven A#2R	**Section (VS) Reference:**	Well (0.00N,0.00E,41.95Azi)		
Wellpath:	A#2R	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Comment
2200.00	88.74	47.56	1608.47	654.69	466.24	798.58	0.00	0.00	0.00	
2300.00	88.74	47.56	1610.67	722.15	540.02	898.08	0.00	0.00	0.00	
2400.00	88.74	47.56	1612.87	789.61	613.81	997.57	0.00	0.00	0.00	
2500.00	88.74	47.56	1615.07	857.07	687.59	1097.07	0.00	0.00	0.00	
2600.00	88.74	47.56	1617.26	924.53	761.38	1196.57	0.00	0.00	0.00	
2700.00	88.74	47.56	1619.46	991.99	835.16	1296.06	0.00	0.00	0.00	
2800.00	88.74	47.56	1621.66	1059.45	908.95	1395.56	0.00	0.00	0.00	
2900.00	88.74	47.56	1623.86	1126.91	982.74	1495.06	0.00	0.00	0.00	
3000.00	88.74	47.56	1626.05	1194.37	1056.52	1594.55	0.00	0.00	0.00	
3100.00	88.74	47.56	1628.25	1261.83	1130.31	1694.05	0.00	0.00	0.00	
3129.91	88.74	47.56	1628.91	1282.01	1152.38	1723.81	0.00	0.00	0.00	Pbhl

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec	<--- Longitude ---> Deg Min Sec
Pbhl			1628.91	1282.01	1152.38	1954149.83	2699561.10	36 22 13.528 N	107 54 47.806 W

Casing Points

MD	TVD	Diameter	Hole Size	Name

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
1824.62	1595.19	Top Target Zone		1.26	45.00

Annotation

MD ft	TVD ft	
1071.00	1071.00	Kop
1321.00	1309.73	Build/Turn
1897.04	1601.81	Lp
3129.91	1628.91	Pbhl

Weatherford

Weatherford Drilling Services

GeoDec v5.03

Report Date:	March 04, 2010
Job Number:	
Customer:	Maralex Resources, Inc.
Well Name:	Brookhaven A#2R
API Number:	
Rig Name:	
Location:	San Juan NM
Block:	
Engineer:	R Joyner

Geodetic Latitude / Longitude	US State Plane 1983
System: Latitude / Longitude	System: New Mexico Western Zone
Projection: Geodetic Latitude and Longitude	Projection: Transverse Mercator/Gauss Kruger
Datum: North American Datum 1983	Datum: North American Datum 1983
Ellipsoid: GRS 1980	Ellipsoid: GRS 1980
Latitude 36.3666900 DEG	North/South 1952787.470 USFT
Longitude -107.9171900 DEG	East/West 2698403.255 USFT
	Grid Convergence: -.05°
	Total Correction: +10.12°

Geodetic Location WGS84		Elevation = 0.0 Meters
Latitude =	36.36669° N	36° 22 min .084 sec
Longitude =	107.91719° W	107° 55 min 1.884 sec

Magnetic Declination =	10.07°	[True North Offset]	
Local Gravity =	.9992 g	CheckSum =	7302
Local Field Strength =	50670 nT	Magnetic Vector X =	22543 nT
Magnetic Dip =	63.14°	Magnetic Vector Y =	4004 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z =	45202 nT
Spud Date =	Mar 04, 2010	Magnetic Vector H =	22896 nT

Signed:_____ Date:_____

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S St. Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
30-045-34920		

4 Property Code	5 Property Name	6 Well Number
	BROOKHAVEN A	2R

7 OGRID No	8 Operator Name	9 Elevation
	MARALEX RESOURCES, INC.	6729

10 Surface Location

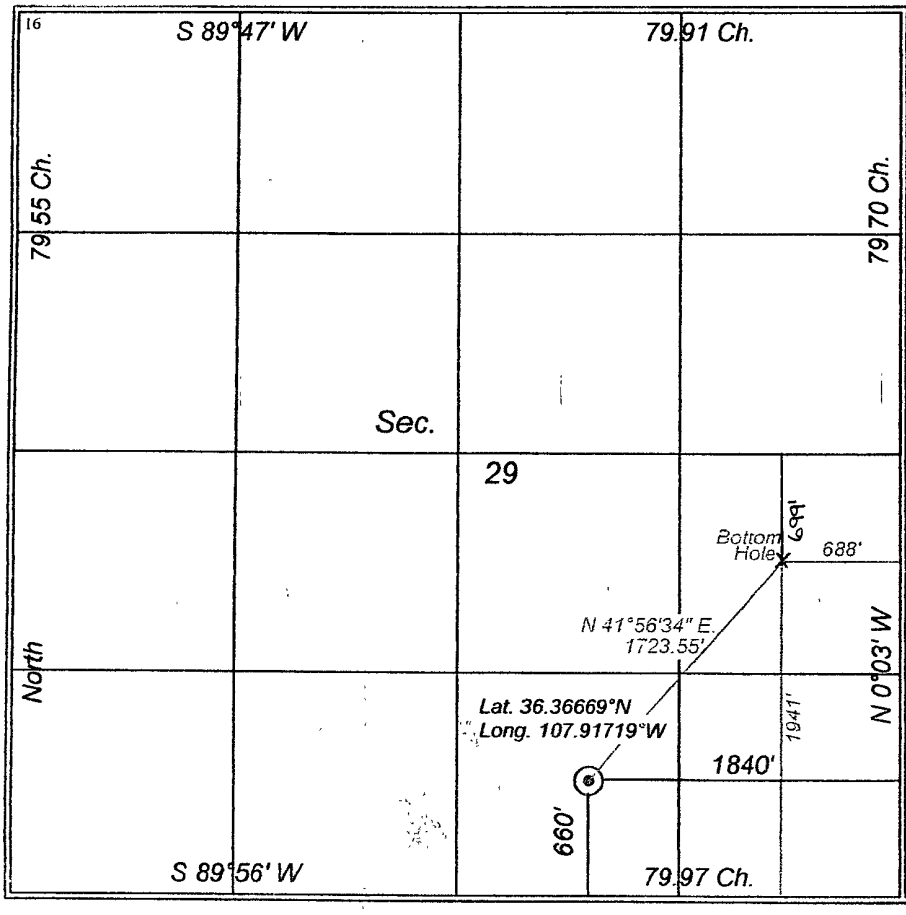
UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
O	29	25 N	10 W		660	South	1840	East	San Juan

11 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
I	29	25 N	10 W		1941	South	688	East	San Juan

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No
S/2 320			

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.



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Date

Printed Name

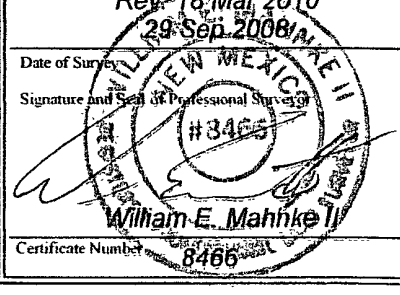
18 SURVEYOR CERTIFICATION

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 belief.

Rev. 18 Mar 2010
29 Sep 2008

Date of Survey

Signature and Seal of Professional Surveyor



William E. Mahnke II

Certificate Number 8466

DRILLING CONDITIONS OF APPROVAL

Operator:	**Maralex Resources**
Lease No.:	**NMSF-078621**
Well Name:	**Brookhaven A #2H**
Well Location:	**Sec.29, T25N, R10W; 660' FSL & 1840' FEL**

1) Test the BOP and all components to 1500 psi high for 10 minutes and 250 psi low for 10 minutes.

2) Install a minimum of 3 centralizers on the 10.75" surface casing.

3) Pressure test the surface casing to a minimum of 600 psi for 30 minutes.

4) Pressure test the 7" casing to 1500 psi for 30 minutes.

After hour contact: Troy Salyers 505-360-9815