



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

March 23, 1993

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE NEW MEXICO 87504  
(505) 827-5800

Maralex Resources, Inc.  
P.O. Box 421  
Blanco, NM 87412

Attention: A.M. O'Hare, President

RECEIVED  
MAR 24 1993  
OIL CON. DIV.  
DIST. 3

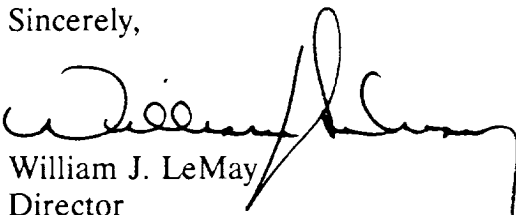
*Administrative Order NSL-3228*

Dear Mr. O'Hare:

Reference is made to your application dated January 20, 1993 for a non-standard coal gas well location for your **Gallegos Federal 26-13-11 Well No. 1**, which was drilled in December 1992 and located 2050 feet from the North line and 790 feet from the East line **(Unit H)** of **Section 11, Township 26 North, Range 13 West**, NMPM, Basin Fruitland Coal Gas Pool, San Juan County, New Mexico. The N/2 of said Section 11 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,



William J. LeMay  
Director

WJL/MES/amg

cc: Oil Conservation Division - Aztec  
US Bureau of Land Management - Farmington



STATE OF NEW MEXICO  
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
AZTEC DISTRICT OFFICE

1000 RIO BRAZOS ROAD  
AZTEC, NEW MEXICO 87410  
(505) 334-6178

Date: 2-18-95

*ATTN: Mike Stoggen*

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, NM 87504-2088

RE: Proposed MC \_\_\_\_\_  
Proposed NSL   A   \_\_\_\_\_  
Proposed WFX \_\_\_\_\_  
Proposed NSP \_\_\_\_\_

Proposed DIIC \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed PMX \_\_\_\_\_  
Proposed DD \_\_\_\_\_

Gentlemen:

I have examined the application received on 2-3-95

for the MARALEX RESOURCES, INC. CAMELOS FEB 2013-11 #1  
OPERATOR LEASE & WELL NO.

H-11-26N-13W and my recommendations are as follows:  
UL-S-T-R

*APPROVE*

Yours truly,

*[Signature]*



*Attn: E. Busch*

P.O. Box 421  
Blanco, New Mexico 87412  
(505) 325-5599 • Fax (505) 325-5512

January 20, 1993

**RECEIVED**  
FEB 3 1993  
OIL CON. DIV.  
DIST. 2

Mr. William J. LeMay  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

REF: Non-Standard Location  
Maralex Resources, Inc.  
Gallegos Federal 26-13-11 #1  
2050'FNL, 790'FEL  
Section 11, T26N, R13W  
San Juan County, New Mexico

Dear Mr. LeMay:

This is a request on behalf of Maralex Resources for administrative approval of the above referred to unorthodox location.

This well is located on the Navajo Agricultural Products Industries (NAPI) Block 9 and was staked to avoid future cultivated fields.

I have attached, for your review, a copy of the Application for Permit to Drill, a location plat, a plat indicating the offset operators, and a list of offset operators and their addresses.

The offset Fruitland Coal operators are being notified of this application by certified mail. Copies of these letters are enclosed.

Thank you for your consideration and approval of this application. If you have any questions, please do not hesitate to call on me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'A. M. O'Hare', written in a cursive style.

A. M. O'Hare  
President

FRUITLAND COAL OFFSET OPERATORS  
 MARALEX RESOURCES  
 GALLEGOS FEDERAL 26-13-11 #1

	MERRION & BAYLESS	MAX WEBB	
3	2	1	
MARALEX RESOURCES		MARALEX RESOURCES	
MARALEX RESOURCES	MARALEX RESOURCES GALLEGOS FEDERAL 26-13-11 #1	MARALEX RESOURCES	
10	11	12	
	DUGAN PRODUCTION	DUGAN PRODUCTION	

T26N

R13W

MARALEX RESOURCES, INC.  
OFFSET OPERATORS TO  
Gallegos Federal 26-13-11 #1  
2050'FNL & 790'FEL, Section 11, T26N, R13W  
San Juan County, New Mexico

OFFSET OPERATORS

Robert L. Bayless  
P. O. Box 168  
Farmington, New Mexico 87499

Merrion Oil & Gas Company  
Attn: Pat Hegarty  
P. O. Box 840  
Farmington, New Mexico 87499

Engineering & Production Services  
Attn: Max Webb  
P. O. Box 90  
Farmington, New Mexico 87499

Dugan Production Company  
Attn: John D. Roe  
P. O. Box 420  
Farmington, New Mexico 87499

January 20, 1993

CERTIFIED - RETURN RECEIPT

Engineering & Production Services  
Attn: Max Webb  
P. O. Box 90  
Farmington, New Mexico 87499

REF: Application for Unorthodox Location  
Maralex Resources, Inc.  
Gallegos Federal 26-13-11 #1  
2050'FNL, 790'FEL  
Section 11, T26N, R13W  
San Juan County, New Mexico

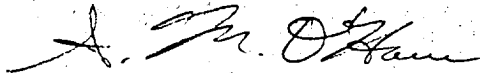
Dear Mr. Webb:

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A Copy of any remarks to the undersigned would be appreciated. The Oil Conservation Division will wait for twenty (20) days, after receipt of the application, before taking action on the application.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,



A. M. O'Hare  
President

January 20, 1993

CERTIFIED - RETURN RECEIPT

Merrion Oil & Gas Company  
Attn: Pat Hegarty  
P. O. Box 840  
Farmington, New Mexico 87499

REF: Application for Unorthodox Location  
Maralex Resources, Inc.  
Gallegos Federal 26-13-11 #1  
2050'FNL, 790'FEL  
Section 11, T26N, R13W  
San Juan County, New Mexico

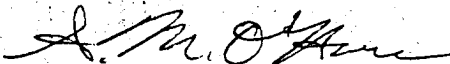
Dear Mr. Hegarty:

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A Copy of any remarks to the undersigned would be appreciated. The Oil Conservation Division will wait for twenty (20) days, after receipt of the application, before taking action on the application.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,



A. M. O'Hare  
President

January 20, 1993

CERTIFIED - RETURN RECEIPT

Robert L. Bayless  
P. O. Box 168  
Farmington, New Mexico 87499

REF: Application for Unorthodox Location  
Maralex Resources, Inc.  
Gallegos Federal 26-13-11 #1  
2050'FNL, 790'FEL  
Section 11, T26N, R13W  
San Juan County, New Mexico

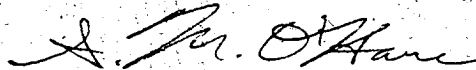
Dear Mr. Bayless:

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A Copy of any remarks to the undersigned would be appreciated. The Oil Conservation Division will wait for twenty (20) days, after receipt of the application, before taking action on the application.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,



A. M. O'Hare  
President



P.O. Box 421  
Blanco, New Mexico 87412  
(505) 325-5599 • Fax (505) 325-5512

January 20, 1993

CERTIFIED - RETURN RECEIPT

DUGAN PRODUCTION  
Attn: John D. Roe  
P. O. Box 420  
Farmington, New Mexico 87499

REF: Application for Unorthodox Location  
Maralex Resources, Inc.  
Gallegos Federal 26-13-11 #1  
2050'FNL, 790'FEL  
Section 11, T26N, R13W  
San Juan County, New Mexico

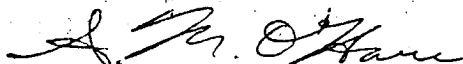
Dear Mr. Roe:

Enclosed you will find a copy of the above referred to application that has been submitted to the New Mexico Oil Conservation Division for administrative approval.

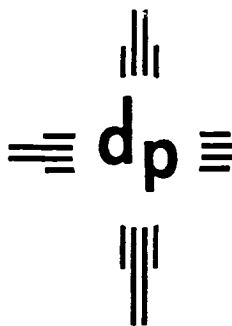
If you desire to submit remarks concerning the application, please send them to Mr. William J. LeMay, Director, New Mexico Oil Conservation Division, Santa Fe, New Mexico. A Copy of any remarks to the undersigned would be appreciated. The Oil Conservation Division will wait for twenty (20) days, after receipt of the application, before taking action on the application.

Thank you for your consideration in this matter and if you have any questions, please do not hesitate to call upon me.

Sincerely,



A. M. O'Hare  
President



711a Bill - 17-11  
C

# dugan production corp.

N DIVISION

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'93 JAN 29 AM 9 31

January 28, 1993

A.M. O'Hare  
President  
Maralex Resources, Inc.  
P.O. Box 421  
Blanco, NM 87412

Dear Mr. O'Hare:

We are in receipt of two letters from you, each dated January 20, 1993, serving as notice of Maralex's application to the New Mexico Oil Conservation Division (NMOCD) for unorthodox locations to drill the Gallegos Federal 26-13-11 #1 and the Gallegos Federal 26-13-24 #2 wells.

Each letter advised that a copy of your application to the NMOCD was enclosed and that the NMOCD would wait for twenty (20) days after receiving the application prior to taking administrative action. Dugan Production received these letters on January 28, 1993 by certified mail (the envelope was postmarked January 26, 1993). Neither application was enclosed and your letter does not provide sufficient information for us to comment. Dugan Production does have leasehold interest adjacent to each of the proposed locations. Please provide copies of each application. If your applications do not include the objective horizon and your proposed acreage dedication, we will also need this information.

By copy of this letter, we are advising the NMOCD that we would appreciate having the opportunity to comment regarding your request for administrative approval for two unorthodox locations offsetting acreage held by Dugan Production Corp. If, in fact, the NMOCD application was mailed on or about January 20, 1993, approximately half of the comment period will be expired prior to our receiving your applications.

Should you have questions as to our request, please feel free to call.

Sincerely,

*John D. Roe*

John D. Roe  
Manager of Engineering

JDR/cg

cc: New Mexico Oil Conservation Division

DISTRICT II  
O. Drawer DD, 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 <b>SG INTERESTS I, LTD.</b>			Lease <b>GALLEGO'S FEDERAL 26-13-11</b>		Well No. <b>1</b>
Unit Letter <b>H</b>	Section <b>11</b>	Township <b>26 N</b>	Range <b>13 W</b>	County <b>San Juan</b>	
Actual Footage Location of Well: <b>2050</b> feet from the <b>North</b> line and <b>790</b> feet from the <b>East</b> line					
Ground level Elev. <b>6057</b>	Producing Formation <b>Fruitland</b>		Pool <b>Basin Fruitland</b>		Dedicated Acreage: <b>3200</b> Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. 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.?  <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____            If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____            No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a pool-standard unit, eliminating such interest, has been approved by the Division.</p>					

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EIM  
NOV 16 AM 7:37

330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

N 89°56'W

79.90 CH.

NM 12235

2050'

790'

RECEIVED

NOV 30 1992

OIL CON. DIV  
DIST. 3

N 89°57'W

79.90 CH.

## OPERATOR CERTIFICATION

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

Signature

Printed Name

A. M. O'Hare

Position

President, Maralex

Company

Agent SG Interests

Date

11/12/92

## 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.

6-2-90

Date Surveyed

William E. Mahnke II

Signature and Seal of Professional Surveyor

WILLIAM E. MAHNKE II  
PROFESSIONAL SURVEYOR  
#8456  
CERTIFICATE NO. 8456  
PROFESSIONAL LAND SURVEYOR