Form 3160-3 (December 1990)

APPROVED BY

UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TRIPLICATE*
(Cther instructions on reverse side)

Form approved. Budget Bureau No. 1004-0136 Expires: December 31, 1991

DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT NM-0560223 6. IF INDIAN, ALLOTTER OR TRIBE NAME APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN b. TYPE OF WELL MULTIPLE ZONE SINGLE ZONE MELL 8. FARM OR LEASE NAME, WELL NO. OTHER 2. NAME OF OPERATOR Federal 26-12-29 # 9. API WELL NO. MARALEX RESOURCES, INC Attn: A. M. O'Hare 3. ADDRESS AND TELEPHONE NO. 30-045-10. FIELD AND POOL, OR WILDCAT P. O. Box 421 Blanco, N.M. 87412-0421 (505) 325-5599 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) Basin Fruitland Coal -At surface 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 1051'FSL 1078'FWL Same At proposed prod. sone Sec. 29, T26N, R12W 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. COUNTY OR PARISH | 13. STATE 22 Miles South of Farmington, N.M. N.M. San Juan 15. DISTANCE FROM PROPUSED* 15. NO. OF ACRES 15 LEASE 17. NO. OF ACRES ASSIGNED DISTANCE FROM PROFESSIONAL LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) TO THIS 1051' ′320 4227.60 19. PROPOSED DEPTA 20. ROTARY OR CAPLE TOOLS 18. DISTANCE FROM PROPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 7851 1235 Rotary 22. APPROX. DATE WORK WILL START* 21. ELEVATIONS (Show whether DF, RT, GR, etc.) This action is subject to technical and 6083 GR As Soon As Permitted procedural review purcuent to 43 CFR 3185.3 DRILLING OPERATIONS AUTHORIZED ARE 23. and appeal pursuant to 42 KCFR ST185.45ING AND CEMENTING PROGRAM SUBJECT TO COMPLUTE WITH ATTACHED WEIGHT PER FOOT SIZE OF HOLE GRADE, SIZE OF CASING SETTING DEPTH ENEMAL REQUIREMENTS & CaCl 8-3/4" 7" 20# J-55 120 6-1/4" 4-1/2" 133 ft₃ Class B w/2% Meta Silicate 1235 10.5# J-55 Class B Neat Tail Maralex Resources, Inc. proposes to drill a vertical well to develop the Fruitland Coal formation at the above described site in accordance with the attached drilling and surface use programs. As Part of the NAPI Project, this location has already been archaeologically surveyed. No additional archaeology reports will be submitted with this APD. All of the access road which extends from County Road 7140 is on the legse so no right-of-way permit is required. 5 DEC2 3 1992 OIL CON. DIV IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present probability and proposed new productive zone. It proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowday prevenier program, if any. 24 0'Hare N 11/30/92 President TTAG SIGNED (This space for Federal or State office use) APPROVAL DOTE . Application approval does not warrant or certify that the applicant holds legal or equitable title to those right in the subject lease which would entitle the duct operations thereon. CONDITIONS OF APPROVAL, IF ANY: a my pool elyfor Free !

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State of New Mexico Energy, Minerals and Natural Recourses Department

Submit to Appropriate District Office State Lease - 4 copies Pec Lease - 3 copies

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OIL CONSERVATION DIVISION RECEIVED

P.O. Box 2008 Santa Fe, New Meixc 7504-2088

<u>DISTRICT 1</u> P.O. Box 1980, Hobbs, NM 88240

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P.O. Drawer DD, Artesia, NM 88210 WELL LOCATION AND ACREAGE DEDICATION PLATERS OF N.M. All Distances must be from the outer boundaries of the section DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 26-12-29 Lease GALLEGOS FEDERAL RESOURCES Operator MARALEX County SAN JUAN T 26 Section 29 Unit Letter NMPM Μ 1078 Actual Footage Location of Well: SOUTH line feet from the line and Dedicated Acreage: feet from the Pool **Producing Formation** Basin Fruitland Coal Ground level Elev. Acres 6083 Fruitland Coal 1. Outline the acreage dedicated to the subject well by colored pencil or hachue marks on the 2. If more than one lease is dedicated to the well, outline each and identify the ownership the of (both as to working interest and royalty). 3. If more than one lease of different ownership id dedicated to the well, have the interest of awners been consolidated by communitization, unitization, force-pooling, etc.? If answer is "yes" type of consolidation No Yes If answer is "no" list the owners and tract descriptions which have actually been consolidate Use reverse side of this form if neccessary. No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, climinating such interest, has been proved by the Division. OPERATOR CERTIFICATION I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief. Singature Printed Name A. M. O'Hare Position President Maralex Resources, Inc. 11/30/92 SURVEYOR CERTIFICATION 29 I hereby certify that the well location shown SEC. on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed NOVEMBER 23, 1992 DEC2 B 1992 Professional Surves Of A. RUSA OIL CON. DIV. 1078 00-03 95, Certificate 1 5276.04 WEST 500 2000 1500 1980 2310 660 1320 1650

MARALEX RESOURCES INC. GALLEGOS FEDERAL 26-12-29 WELL NO.\$

SEC.29 T.26 N., R.12 W., N.M.P.M., SAN JUAN COUNTY, NEW MEXICO

PLAT NO. 1

