

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

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

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

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

OIL CONSERVATION DIVISION

Santa Fe, New Mexico 87504-2088

DEC 22 1992

OIL CON. DIV

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

7. Lease Name or Unit Agreement Name

Shiotani

b. Type of Well:

OIL
WELL ☐

GAS
WELL ☐

OTHER ☒

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. Name of Operator

Maralex Resources, Inc.

8. Well No.

8

3. Address of Operator

P.O. Box 421, Blanco, NM 87412-0421

9. Pool name or Wildcat

Basin Fruitland

4. Well Location

K

1530'

Feet From The

South

Line and

1472

Feet From The

West

Line

Section
32

Township
30N

Range
12W

NMPM

San Juan

County

10. Proposed Depth

1650'

11. Formation

Fruitland Coal

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

5408' GL

14. Kind & Status Plug. Bond

Single well Cash

15. Drilling Contractor

Walters

16. Approx. Date Work will start

Dec. 23, 1992

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	23#, J-55	150'	150 Class B	surface
7-7/8"	5-1/2"	15.5#, J-55	1650'	180 65/35 Poz	Surface
				100 Class B	

Maralex Resources, Inc., proposes to drill a vertical hole to develop the Fruitland Coal formation at the above described site. The well will be drilled with a fresh water LSND mud. A double ram type BOP will be used to maintain well control at all times during the drilling of the well. Sketches of the BOP and choke assembly are included as exhibits to this application. A full suite of logs will be run upon reaching TD. Both strings of casing will be cemented back to surface in single stage cement jobs. A strength cement will be placed across the pay zone and at least 500' above the bottom of the hole. A minimum of six centralizers will be used to optimize placement of the cement around the pipe on the long string.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE

A. M. O'Hare

TITLE

President

DATE

12/21/92

TYPE OR PRINT NAME

A. M. O'Hare.

TELEPHONE NO.

(This space for State Use)

APPROVED BY

Steve Smith

TITLE

DEPUTY OIL & GAS INSPECTOR, DIST. #3

DATE

DEC 23 1992

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL EXPIRES 6-23-93
UNLESS DRILLING IS CONTINUED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

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District Office
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Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088
Santa Fe, New Mexico 7504-2088

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

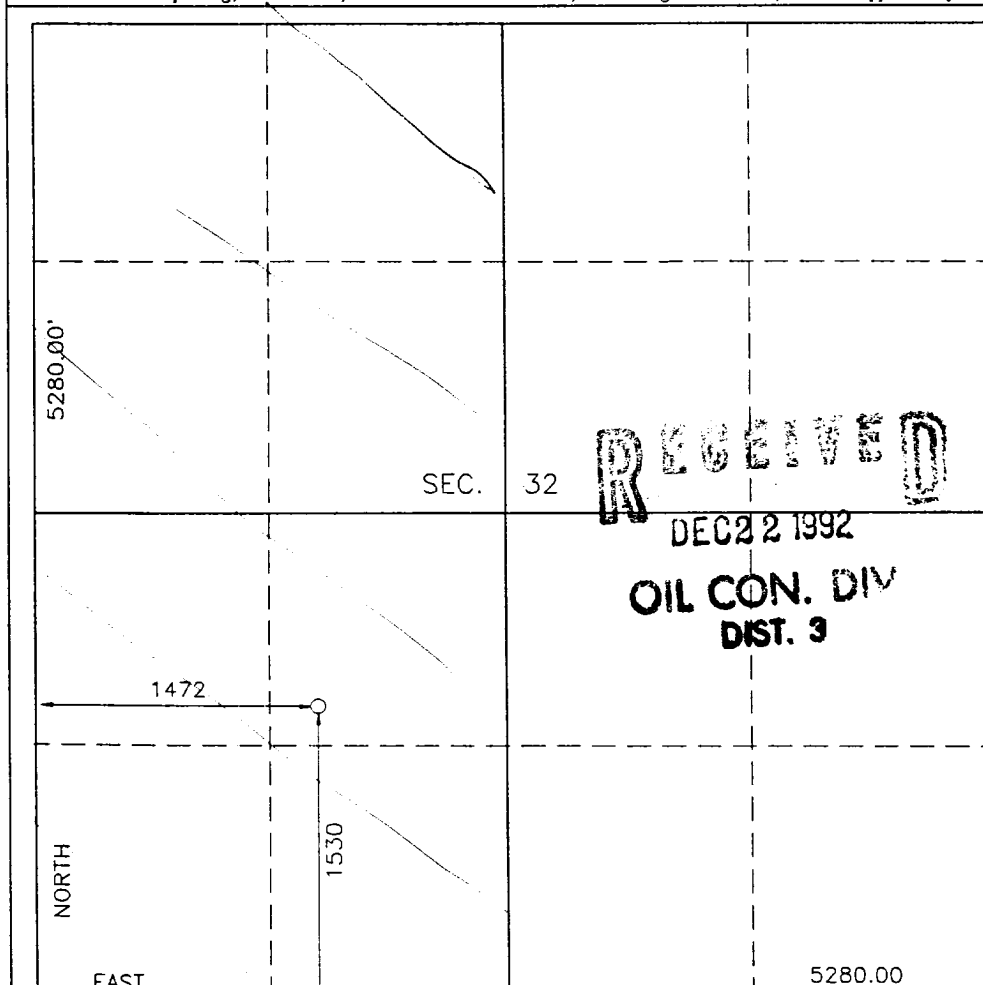
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARALEX RESOURCES INC.		Lease SHIOTANI		Well No. 8	
Unit Letter K	Section 32	Township T.30 N.	Range R.12 W.	NMPM	County SAN JUAN
Actual Footage Location of Well: 1530 feet from the SOUTH line and 1472 feet from the WEST line					
Ground level Elev. 5408	Producing Formation Basin Fruitland Coal		Pool Basin Fruitland	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchue marks on the plat below.
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).
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.?
☐ Yes ☐ 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, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Signature	<i>A. M. O'Hare</i>
Printed Name	A. M. O'Hare
Position	President
Company	Maralex Resources, Inc.
Date	12/21/92

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.	
Date Surveyed	DECEMBER 18, 1992
Signature & Seal	<i>ROY A. RUSH</i> ROY A. RUSH NEW MEXICO 8894
Certificate No.	8894

RECEIVED
DEC 22 1992
OIL CON. DIV
DIST. 3

MARALEX RESOURCES INC.

SHIOTANI WELL NO. 8

SEC. 32, T. 30 N., R. 12 W., N.M.P.M.,
SAN JUAN COUNTY, NEW MEXICO

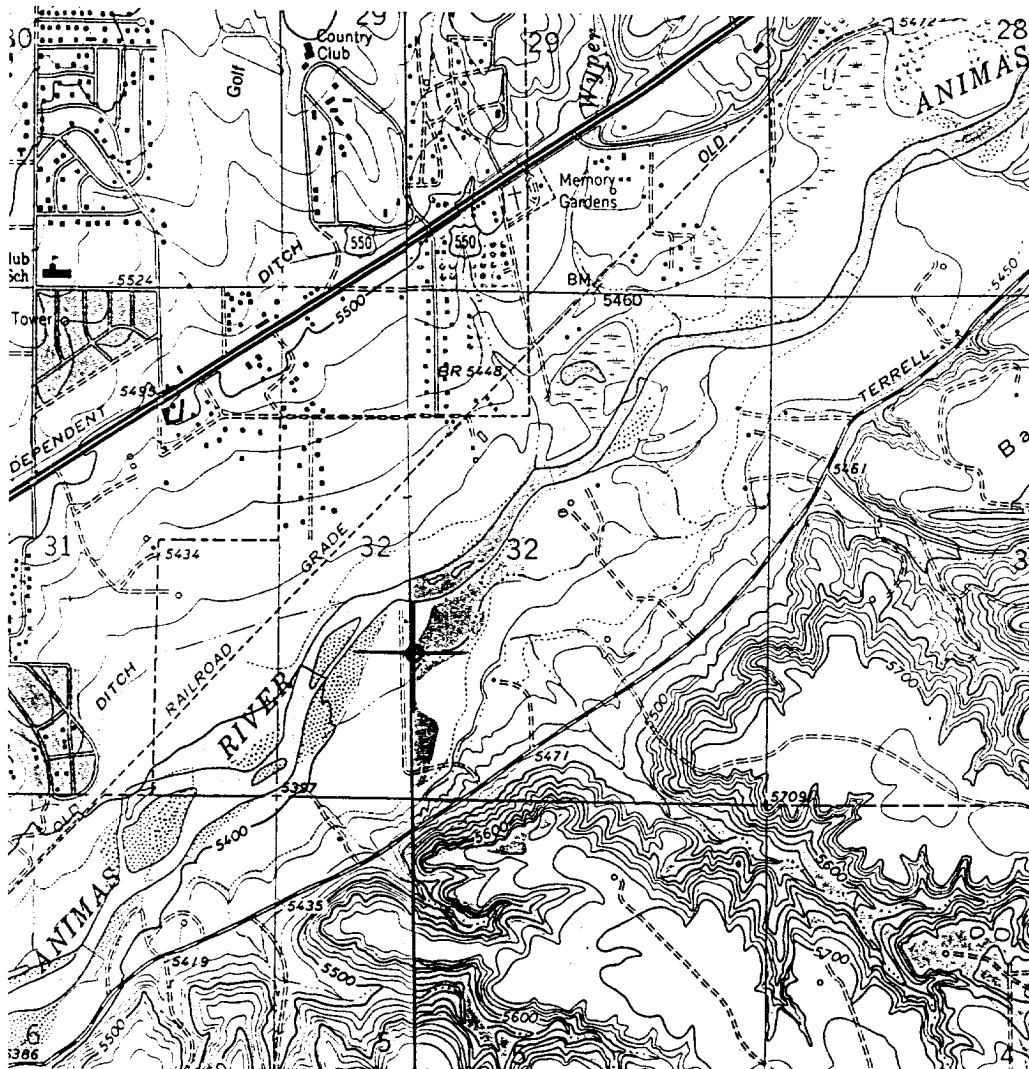


Exhibit #1
BOP Stack Arrangement

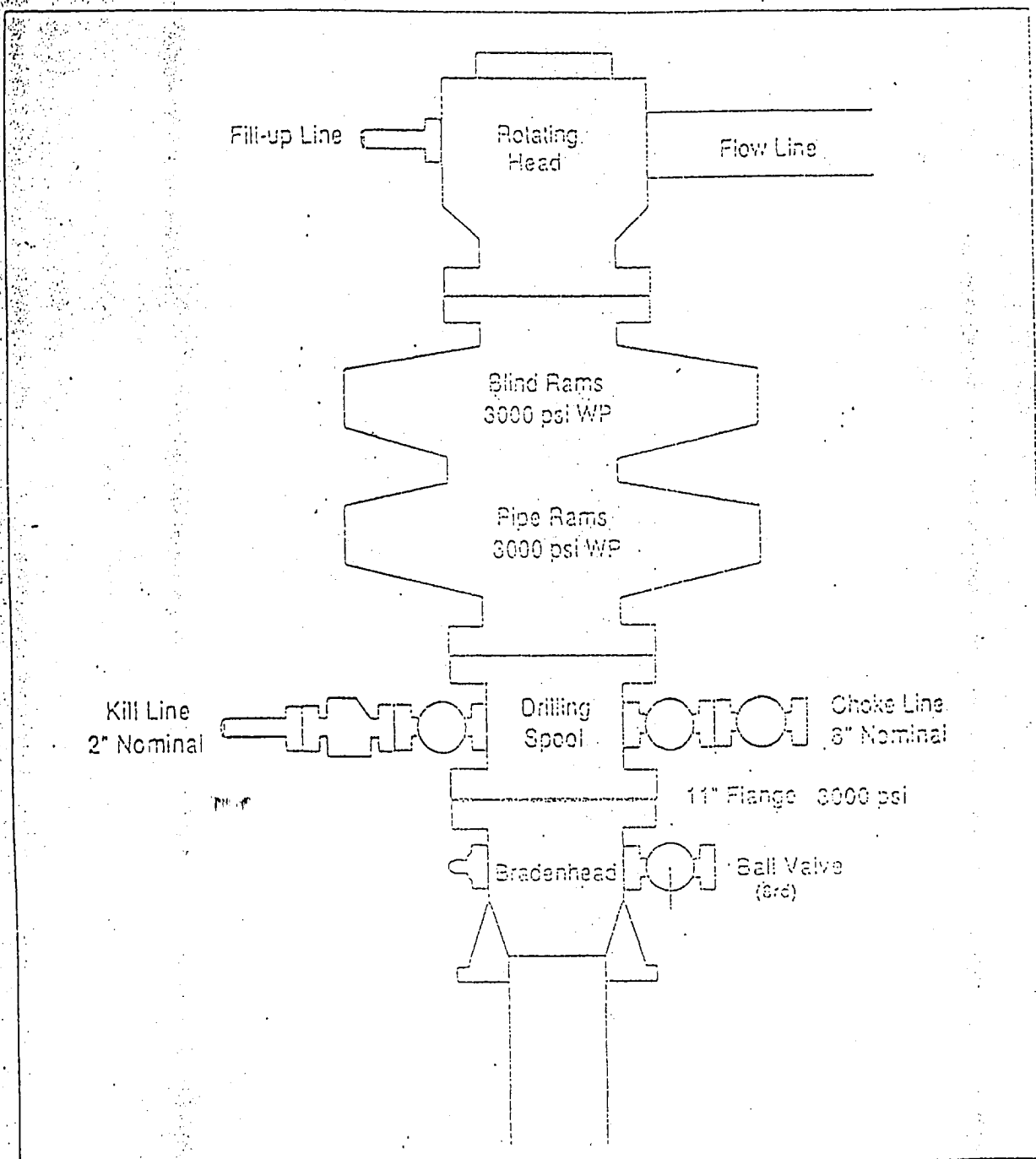


Exhibit #2
Choke Manifold & Accumulator Schematic

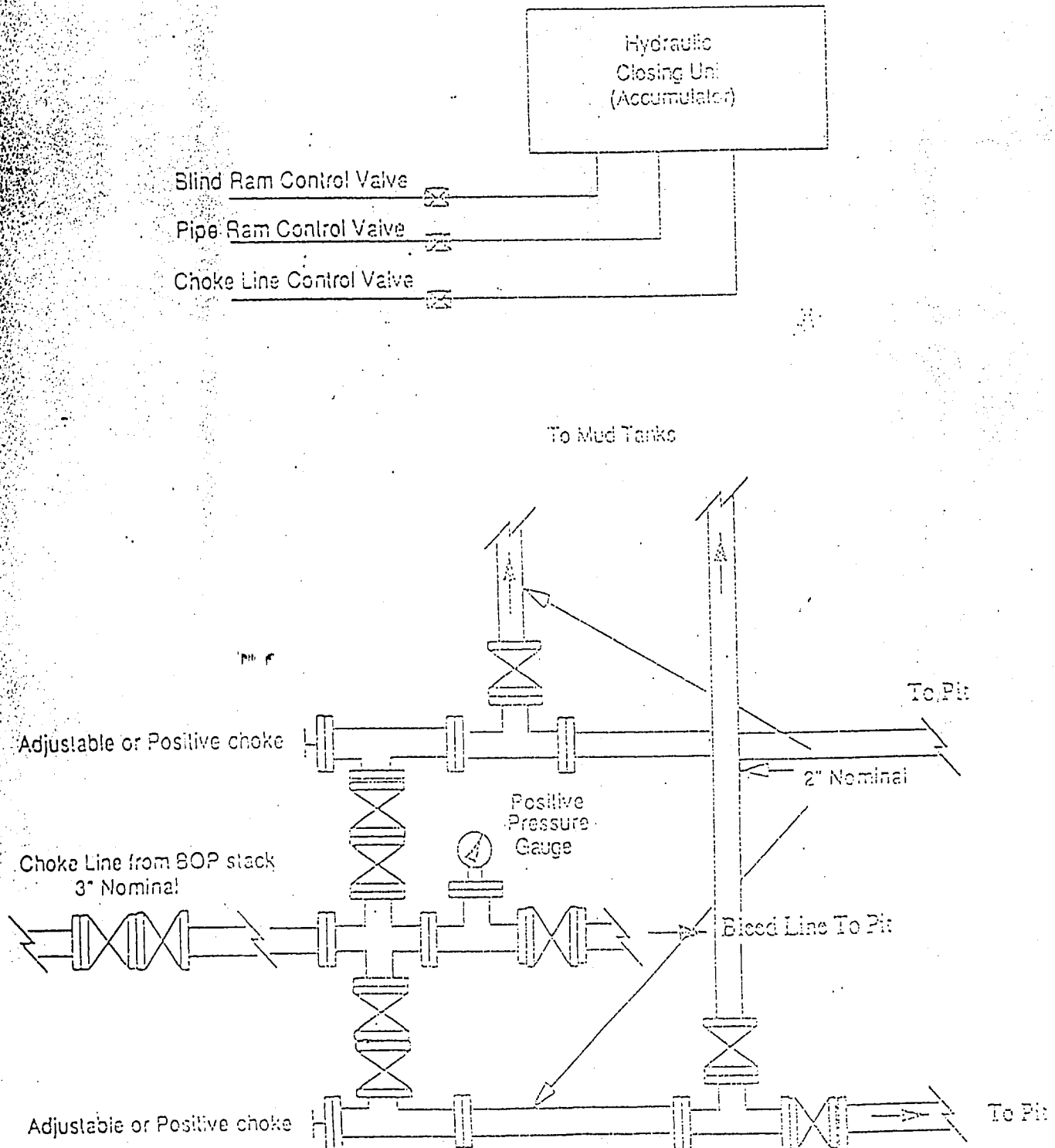


Exhibit #3
Blowout Prevention Equipment Specifications

1. All BOP equipment shall be fluid and/or mechanically operated.
2. BOP's and all fittings will be in good working condition.
3. Equipment through which the bit must pass shall be at least as large as the casing size being drilled.
4. The nipple above the BOP shall be at least the same size as the last casing set.
5. The upper kelly cock with handle and lower kelly cock shall be rated at the BOP working pressure.
6. A floor safety valve (full opening) or drill string BOP with appropriate pressure ratings shall be available on the rig floor with connections or subs to fit any tool joint in the string.
7. The minimum size choke line shall be 3 inches nominal diameter, with a minimum size for vent lines downstream of chokes of 2 inches nominal, and vent lines which by-pass shall be a minimum of 3 inches nominal and as straight as possible.
8. All valves, fittings and lines between the closing unit and the blowout preventer stack should be of steel construction with rated working pressure at least equal to working pressure rating of the stack. Lines shall be bundled and protected from damage.
9. Minimum size for kill line is 2 inches nominal.
10. Ram type preventers shall be equipped with extension hand wheels or hydraulic locks.