



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 27, 1995

Maralex Resources, Inc.
607 10th Street - Suite 208
Golden, Colorado 80401

Attention: *Jennifer A. Ritcher*

RE: *Applications for four Non-Standard Basin Fruitland Coal Gas Pool
Spacing/Proration Units
Section 18 and 19, Township 26 North, Range 13 West, NMPM, San
Juan County, New Mexico.*

Dear Ms. Ritcher:

Reference is made to your letter of application dated March 16, 1995 requesting administrative approval for four non-standard gas spacing units due to a variation in the legal subdivision of the U. S. Public Lands Survey. I have conferred with Mr. Frank Chaves, Supervisor of the Aztec District Office of the Division on this matter, and it would appear that the initial purpose of this application is to omit acreage which might otherwise have been interpreted as being included in a standard unit. Such an omission has in the past served to create confusion and caused the formation of numerous odd-shaped units to assure the orderly development of production.

I can assure you that four over-sized unorthodox gas spacing and proration units can be more easily obtained through the Division's administrative process that includes those small tracts of land to the west than the creation of the subject tracts.

Please reconsider including the deleted acreage and renewing this request accordingly. Thank you for your cooperation in this matter so as to avoid a possible situation that could be interpreted as violating correlative rights in the future.

Should you have any additional questions or comments concerning this matter, please contact me at (505) 827-8185.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/kv

cc: Oil Conservation Division - Aztec
William J. LeMay, Director - OCD, Santa Fe
U. S. Bureau of Land Management - Farmington



607 10th Street, Suite 208
Golden, Colorado 80401
(303) 278-7505
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OIL CONSERVATION DIVISION
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P.O. Box 338
Ignacio, Colorado 81137
(303) 563-4000
FAX (303) 563-4116

May 3, 1995

State of New Mexico
Energy, Minerals and
Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505
Attn: Michael E. Stogner
Chief Hearing Officer/Engineer

RE: Application for four non-standard Basin Fruitland Coal
Gas Pool Spacing/Proration Units
Sections 18 and 19, T26N-R13W
San Juan County, New Mexico

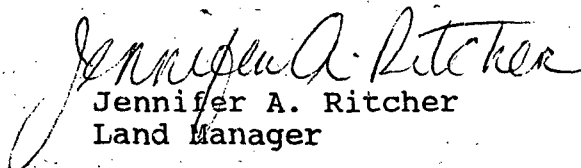
Dear Mr. Stogner:

Reference is made to your letter of April 27, 1995 concerning the captioned applications and to our subsequent telephone conversation of this date. Please be advised that the Lots located on the western side of Sections 18 and 19 in T26N-R13W, are unleased federal minerals with Navajo Tribal surface ownership. We have nominated these Lots several times for Federal lease sales during the past two years. We have been told by the BLM that the Navajo Nation will not grant approval for these Lots to be placed on a sale.

Therefore, we are requesting that the proration units be approved, excluding the Lots.

Should you have any questions, please contact me at the captioned Golden phone number.

Sincerely,


Jennifer A. Ritcher
Land Manager

cc: Oil Conservation Division, Aztec, NM
Frank Chavez