



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

April 20, 1999

Maralex Resources, Inc.
621 17th Street, Suite 1125
Denver, CO 80293

Dear Sirs:

Redwolf Production, Inc. proposes to drill a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that Maralex Resources, Inc. would be a 57.111863% working interest owner in the subject well.

I have enclosed an Authority for Expenditure for your consideration. If Maralex Resources, Inc. would like to participate in this well, please sign and return the enclosed AFE by May 12, 1999, and I will forward an Operating Agreement for your approval. We anticipate a spud date of approximately August 1, 1999.

As an alternative to participation, Redwolf Production, Inc. hereby tenders the following offer to purchase your interest in the subject acreage under the following terms of sale:

W/2 of the NE/4 Section 36, T26N, R13W
SW/4 of the NW/4 Section 36, T26N, R13W
SE/4 of the NW/4 Section 36, T26N, R13W
N/2 of the NW/4 Section 36, T26N, R13W

1. One hundred and four dollars (\$104.00) per net mineral acre for all rights from the surface to the base of the Basin Fruitland Coal formation.
2. Maralex Resources, Inc. will deliver an 84% net revenue interest in the subject acreage. Should your ownership be greater or less than an 84% net revenue interest, the purchase price will be prorated to reflect your actual net interest.


P. O. BOX 5382 • FARMINGTON, NEW MEXICO 87499

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12299 Exhibit No. 3
Submitted by: Redwolf Producing, Inc.
Hearing Date: December 2, 1999

3. Approval of title by Redwolf Production, Inc.
4. Acceptance of this offer by May 12, 1999.

Please indicate on the attached signature-page your election concerning the subject well and return one copy by May 12, 1999. If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Dana L. Delventhal".

Dana L. Delventhal
Vice President

Maralex Resources, Inc. elects to participate in the proposed well, subject to approval of a standard Oil and Gas Operating Agreement.

By: _____
Title: _____
Date: _____

Maralex Resources, Inc. elects to sell their interest in the subject acreage according to the preceding terms of sale.

By: _____
Title: _____
Date: _____

Area	Farmington, NM	Field	Basin Fruitland Coal	AFE No.	042099RW
Type: (X) 1. D & E 2. Repair 3. Other			Well Name	Bear No. 1	
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other			County and State	San Juan, New Mexico	
Project:	Drill and complete a Fruitland Coal well.		ID and Obj.	1300' - Fruitland Coal	
			Land Lease No.		
			AFE Date	20-Apr-99	
Operator	Redwolf Production, Inc.		Commencement Date	1-Aug-99	
			Completion Date:	15-Aug-99	

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: Maralex Resources, Inc. 57.111863 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery
Fuel, Water, Lubs., Elec.		1,600	Discount Factor.....%
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return
Drilling Contract-Daywork		5,000	Payout
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	Cash and Warehouse Outlay
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	Gross Cost \$174,460.00
Transportation		1,500	
Overhead-Partner Op'd.		4,000	Net \$ 99,637.36
Area Expense			
Co. Labor & Supervision			Approvals: Date
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	<i>David S. Wilkenthall</i>
Miscellaneous Costs (Meter)		13,000	Redwolf Production, Inc. 4/20/99
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	Maralex Resources, Inc.
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Maralex Resources, Inc.
621 17th Street, Suite 1125
Denver, CO 80293

4a. Article Number

Z 175 056 074

4b. Service Type

- | | |
|---|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

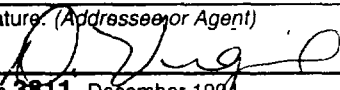
12-3-1999

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)

X



PS Form 3811, December 1994

1025-35 97-B-0179

Domestic Return Receipt

Thank you for using Return Receipt Service.



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

April 20, 1999

T. J. Foster
P. O. Box 1638
San Mateo, CA 94401

Dear Mr. Foster:

Redwolf Production, Inc. proposes to drill a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that you would be a 0.073827% working interest owner in the subject well. I have enclosed an Authority for Expenditure for your consideration. If you would like to participate in this well, please sign and return the enclosed AFE by May 12, 1999, and I will forward an Operating Agreement for your approval. We anticipate a spud date of approximately August 1, 1999.

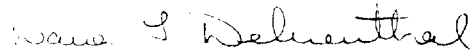
As an alternative to participation, Redwolf Production, Inc. hereby tenders the following offer to purchase your interest in the subject acreage under the following terms of sale:

SE/4 of the NW/4 Section 36, T26N, R13W

1. One hundred and four dollars (\$104.00) per net mineral acre for all rights from the surface to the base of the Basin Fruitland Coal formation.
2. T. J. Foster will deliver an 84% net revenue interest in the subject acreage. Should your ownership be greater or less than an 84% net revenue interest, the purchase price will be prorated to reflect your actual net interest.
3. Approval of title by Redwolf Production, Inc.
4. Acceptance of this offer by May 12, 1999.

Please indicate on the attached signature page your election concerning the subject well and return one copy by May 12, 1999. If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script, reading "Dana L. Delventhal".

Dana L. Delventhal
Vice President

T. J. Foster elects to participate in the proposed well, subject to approval of a standard Oil and Gas Operating Agreement.

By: _____

Title: _____

Date: _____

T. J. Foster elects to sell their interest in the subject acreage according to the preceding terms of sale.

By: _____

Title: _____

Date: _____

Area	Farmington, NM	Field	Basin Fruitland Coal	AFE No.	042099RW
Type: (X) 1. D & E 2. Repair 3. Other	Well Name			Bear No. 1	
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other	County and State			San Juan, New Mexico	
Project: Drill and complete a Fruitland Coal well.	TD and Obj.			1300' - Fruitland Coal	
Land Lease No.					
AFE Date			20-Apr-99		
Operator Redwolf Production, Inc.			Commencement Date: 1-Aug-99		
			Completion Date: 15-Aug-99		

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: T. J. Foster 0.073827 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery _____
Fuel, Water, Lubs., Elec.		1,600	Discount Factor _____%
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$ _____
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return _____%
Drilling Contract-Daywork		5,000	Payout _____
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	
Acidizing, Fracturing		24,000	Cash and Warehouse Outlay
Well Services, Elec.-Mud Log.		2,000	Gross Cost \$174,460.00
Transportation		1,500	
Overhead-Partner Op'd.		4,000	Net \$ 128.80
Area Expense			
Co. Labor & Supervision			Approvals: _____ Date
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	
Miscellaneous Costs (Meter)		13,000	Redwolf Production, Inc. 4/20/99
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	T. J. Foster
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

P 103 694 055

X

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
T.J. Foster	
Street & Number	
P.O. Box 1638	
Post Office, State, & ZIP Code	
San Mateo, CA 94401	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
4/21/99	

PS Form 3800, April 1995



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

April 20, 1999

Minatome Corporation
One Allen Center, Suite 400
Houston, TX 77002

Dear Sirs:

Redwolf Production, Inc. proposes to drill a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that Minatome Corporation would be a 2.151919% working interest owner in the subject well. I have enclosed an Authority for Expenditure for your consideration. If you would like to participate in this well, please sign and return the enclosed AFE by May 12, 1999, and I will forward an Operating Agreement for your approval. We anticipate a spud date of approximately August 1, 1999.

As an alternative to participation, Redwolf Production, Inc. hereby tenders the following offer to purchase your interest in the subject acreage under the following terms of sale:

SE/4 of the NW/4 Section 36, T26N, R13W

1. One hundred and four dollars (\$104.00) per net mineral acre for all rights from the surface to the base of the Basin Fruitland Coal formation.
2. Minatome Corporation will deliver an 84% net revenue interest in the subject acreage. Should your ownership be greater or less than an 84% net revenue interest, the purchase price will be prorated to reflect your actual net interest.
3. Approval of title by Redwolf Production, Inc.
4. Acceptance of this offer by May 12, 1999.

Please indicate on the attached signature page your election concerning the subject well and return one copy by May 12, 1999. If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script, reading "Dana L. Delventhal".

Dana L. Delventhal
Vice President

Minatome Corporation elects to participate in the proposed well, subject to approval of a standard Oil and Gas Operating Agreement.

By: _____

Title: _____

Date: _____

Minatome Corporation elects to sell their interest in the subject acreage according to the preceding terms of sale.

By: _____

Title: _____

Date: _____

FOR OFFICIAL USE ONLY

Area	<u>Farmington, NM</u>	Field	<u>Basin Fruitland Coal</u>	AFE No.	<u>042099RW</u>
Type: (X) 1. D & E 2. Repair 3. Other	Well Name			<u>Bear No. 1</u>	
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other	County and State			<u>San Juan, New Mexico</u>	
Project: <u>Drill and complete a Fruitland Coal well.</u>	TD and Obj.			<u>1300' - Fruitland Coal</u>	
			Land Lease No.		
			AFE Date <u>20-Apr-99</u>		
Operator <u>Redwolf Production, Inc.</u>	Commencement Date:			<u>1-Aug-99</u>	
			Completion Date: <u>15-Aug-99</u>		

(1) Location,	(2) Division of Int.	(3) Justification

(1) **Proposed Location:** NENE Section 36, T26N, R13W
San Juan County, New Mexico

Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest:	Minatome Corporation	2.151919	%WI
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(3) **Justification:** To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery _____
Fuel, Water, Lubs., Elec.		1,600	Discount Factor _____ %
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$ _____
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return _____ %
Drilling Contract-Daywork		5,000	Payout _____
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	Cash and Warehouse Outlay
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	Gross Cost <u>\$174,460.00</u>
Transportation		1,500	
Overhead-Partner Op'd.		4,000	Net <u>\$ 3,754.24</u>
Area Expense			
Co. Labor & Supervision			Approvals: _____ Date _____
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	
Miscellaneous Costs (Meter)		13,000	<i>Dana J. D. Drenthal</i> Redwolf Production, Inc. 4/20/99
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	Minatome Corporation
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

P 103 694 084



US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for international Mail (See reverse)

Sent to	
Minatome Corporation	
Street & Number	
One Allen Center, Suite 400	
Post Office, State, & ZIP Code	
Houston, TX 77002	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
4/21/99	

PS Form 3800, April 1995



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

April 20, 1999

Roger B. Nielsen
c/o Sunwest Bank of Albuquerque, N. A. Trust Dept.
P. O. Box 26900
Albuquerque, NM 87125

Dear Mr. Nielsen:

Redwolf Production, Inc. proposes to drill a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that you would be a 0.214686% working interest owner in the subject well. I have enclosed an Authority for Expenditure for your consideration. If you would like to participate in this well, please sign and return the enclosed AFE by May 12, 1999, and I will forward an Operating Agreement for your approval. We anticipate a spud date of approximately August 1, 1999.

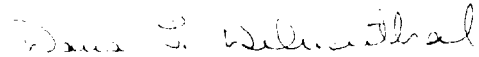
As an alternative to participation, Redwolf Production, Inc. hereby tenders the following offer to purchase your interest in the subject acreage under the following terms of sale:

SE/4 of the NW/4 Section 36, T26N, R13W

1. One hundred and four dollars (\$104.00) per net mineral acre for all rights from the surface to the base of the Basin Fruitland Coal formation.
2. Roger B. Nielsen will deliver an 84% net revenue interest in the subject acreage. Should your ownership be greater or less than an 84% net revenue interest, the purchase price will be prorated to reflect your actual net interest.
3. Approval of title by Redwolf Production, Inc.
4. Acceptance of this offer by May 12, 1999.

Please indicate on the attached signature page your election concerning the subject well and return one copy by May 12, 1999. If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in cursive script, reading "Dana L. Delventhal".

Dana L. Delventhal
Vice President

Roger B. Nielsen elects to participate in the proposed well, subject to approval of a standard Oil and Gas Operating Agreement.

By: _____
Title: _____
Date: _____

Roger B. Nielsen elects to sell their interest in the subject acreage according to the preceding terms of sale.

By: _____
Title: _____
Date: _____

Area	Farmington, NM	Field	Basin Fruitland Coal	AFE No.	042099RW
Type: (X) 1. D & E 2. Repair 3. Other	Well Name			Bear No. 1	
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other	County and State			San Juan, New Mexico	
Project:	Drill and complete a Fruitland Coal well.			TD and Obj. 1300' - Fruitland Coal	
			Land Lease No.		
			AFE Date 20-Apr-99		
Operator Redwolf Production, Inc.			Commencement Date: 1-Aug-99		
			Completion Date: 15-Aug-99		

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: Roger B. Nielsen 0.214686 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery _____
Fuel, Water, Lubs., Elec.		1,600	Discount Factor _____ %
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$ _____
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return _____ %
Drilling Contract-Daywork		5,000	Payout _____
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	Cash and Warehouse Outlay
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	Gross Cost \$174,460.00
Transportation		1,500	
Overhead-Partner Op'd.		4,000	Net \$ 374.54
Area Expense			
Co. Labor & Supervision			Approvals: _____ Date _____
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	
Miscellaneous Costs (Meter)		13,000	<i>Roger B. Nielsen</i> Redwolf Production, Inc.
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	Roger B. Nielsen
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

Bank of America



Bank of America Private Bank
Oil and Gas Management
P.O. Box 2546
Fort Worth, TX 76113-2546

Tel: 817.390.6161
Fax: 817.390.6494

May 14, 1999

RedWolf Production, Inc.
P.O. Box 5382
Farmington, New Mexico 87499

RE: Roger B. Nielsen
Bear No. 1
NENE Sec. 36-T26N-R13W (N/2 320 acre dedication)
San Juan Co., New Mexico

Gentlemen:

We have received certified mail P 103 694 087 for the referenced owner. We are forwarding same on to Mr. Nielsen as he handles his own oil and gas interest. Please make note of his address:

Mr. Roger Nielsen
6424 Belton
El Paso, Texas 79912

If I can be of further assistance you can reach me at (817) 390-6571.

Yours truly,

A handwritten signature in cursive script that reads "Deborah Coughlin".

Deborah Coughlin
Title Analyst

Cc: Roger Nielsen

SENDER:

■ Complete items 1 and/or 2 for insurance services.

■ Complete items 3, 4a, and 4b.

■ Print your name and address on the reverse of this form so that we can return this card to you.

■ Attach this form to the front of the mailpiece, or on the back if space does not permit.

■ Write "Return Receipt Requested" on the mailpiece below the article number.

■ The Return Receipt will show to whom the article was delivered and the date delivered.

Fold at line over top of envelope to the right of the return address

to receive the following services (for an extra fee):

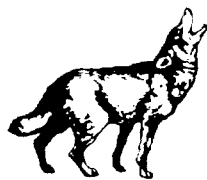
1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Roger B. Nielsen c/o Sunwest Bank of Albuquerque N.A. Trust Dept. P.O. Box 26900 Albuquerque, NM 87125	4a. Article Number P 103 694 087
	4b. Service Type <div><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified</div> <div><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</div> <div><input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD</div>
	7. Date of Delivery
5. Received By: (Print Name)	8. Addressee's Address (Only if requested and fee is paid)
6. Signature: (Addressee or Agent) X <i>David Lyons</i>	

Thank you for using Return Receipt Service.



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

November 5, 1999

Maralex Resources, Inc.
621 17th Street, Suite 1125
Denver, CO 80293
Attn: Mr. Rick Keller

Dear Mr. Keller:

As outlined in our letter of April 20, 1999, Redwolf Production, Inc. proposed the drilling of a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. Since we have been unable to obtain voluntary commitments from all owners in the N/2 spacing unit, Redwolf Production, Inc. will be seeking compulsory pooling for the subject acreage.

The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that you would be a 57.111863% working interest owner in the subject well. I have enclosed an Authority for Expenditure and Joint Operating Agreement for your consideration. If you would like to participate in this well, please return one executed Authority for Expenditure and Joint Operating Agreement for our files by November 19, 1999. As we are facing a lease deadline, we will commence drilling on or before December 1, 1999.

If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

Dana L. Delventhal
Vice President

AUTHORITY FOR EXPENDITURE

Production and Exploration

Area	Farmington, NM	Field	Basin Fruitland Coal	AFE No.	042099RW
Type: (X) 1. D & E 2. Repair 3. Other	Well Name			Bear No. 1	
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other	County and State			San Juan, New Mexico	
Project:	Drill and complete a Fruitland Coal well.			TD and Obj. 1300' - Fruitland Coal	
			Land Lease No.		
			AFE Date 20-Apr-99		
Operator Redwolf Production, Inc.			Commencement Date: 30-Nov-99		
			Completion Date: 1-Feb-99		

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: Maralex Resources, Inc. 57.11186 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery _____
Fuel, Water, Lubs., Elec.		1,600	Discount Factor _____ %
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$ _____
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return _____ %
Drilling Contract-Daywork		5,000	Payout _____
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	Cash and Warehouse Outlay
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	Gross Cost \$174,460.00
Transportation		1,500	
Overhead-Partner Op'd.		4,000	Net \$ 99,637.36
Area Expense			
Co. Labor & Supervision			Approvals: _____ Date _____
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	<i>Dana J. Delmuth</i>
Miscellaneous Costs (Meter)		13,000	Redwolf Production, Inc. 11/4/99
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	Maralex Resources, Inc.
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

3. Article Addressed to:

Maralex Resources, Inc.
621 17th Street, Suite 1125
Denver, CO 80293
Attn: Mr. Rick Keller

4a. Article Number

P 103 694 054

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

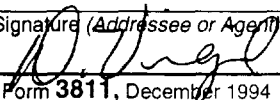
7. Date of Delivery

70 NOV 1994

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Addressee or Agent)



PS Form 3811, December 1994

102595-99-B-0223

Domestic Return Receipt

Thank you for using Return Receipt Service.



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

November 5, 1999

Roger B. Nielsen
6424 Belton
El Paso, TX 79912

Dear Mr. Nielsen:

As outlined in our letter of April 20, 1999, Redwolf Production, Inc. proposed the drilling of a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. Since we have been unable to obtain voluntary commitments from all owners in the N/2 spacing unit, Redwolf Production, Inc. will be seeking compulsory pooling for the subject acreage.

The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that you would be a 0.214686% working interest owner in the subject well. I have enclosed an Authority for Expenditure and Joint Operating Agreement for your consideration. If you would like to participate in this well, please return one executed Authority for Expenditure and Joint Operating Agreement for our files by November 19, 1999. As we are facing a lease deadline, we will commence drilling on or before December 1, 1999.

If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

Dana L. Delventhal
Vice President

AUTHORITY FOR EXPENDITURE

Production and Exploration

Area	<u>Farmington, NM</u>	Field	<u>Basin Fruitland Coal</u>	AFE No.	<u>042099RW</u>
Type: (X) 1. D & E 2. Repair 3. Other				Well Name	<u>Bear No. 1</u>
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other				County and State	<u>San Juan, New Mexico</u>
Project:	<u>Drill and complete a Fruitland Coal well.</u>			TD and Obj.	<u>1300' - Fruitland Coal</u>
				Land Lease No.	
				AFE Date	<u>20-Apr-99</u>
Operator <u>Redwolf Production, Inc.</u>				Commencement Date:	<u>30-Nov-99</u>
				Completion Date:	<u>1-Feb-99</u>

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: Roger B. Nielsen 0.214686 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery
Fuel, Water, Lubs., Elec.		1,600	Discount Factor _____ %
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return _____ %
Drilling Contract-Daywork		5,000	Payout
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	Cash and Warehouse Outlay
Transportation		1,500	Gross Cost <u>\$174,460.00</u>
Overhead-Partner Op'd.		4,000	Net <u>\$ 374.54</u>
Area Expense			
Co. Labor & Supervision			Approvals: _____ Date
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	
Miscellaneous Costs (Meter)		13,000	<i>Dana J. Deluenthal</i> Redwolf Production, Inc. <u>11/4/99</u>
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	Roger B. Nielsen
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

P 103 696 593

US Postal Service

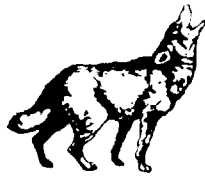
Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (*See reverse*)

Sent to	
Roger B. Nielsen	
Street & Number	
6424 Belton	
Post Office, State, & ZIP Code	
P.O. Box 12241	
Postage	El Paso, TX 79912
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
11/5/99	

PS Form 3800, April 1995



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

November 5, 1999

Robert Warren Umbach
George William Umbach
c/o Ronald J. Brotzman, Esq.
1810 30th Street
Boulder, CO 80301-1025

Dear Sirs:

As outlined in our letter of April 20, 1999, Redwolf Production, Inc. proposed the drilling of a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. Since we have been unable to obtain voluntary commitments from all owners in the N/2 spacing unit, Redwolf Production, Inc. will be seeking compulsory pooling for the subject acreage.

The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that you each would be a 0.156250% working interest owner in the subject well. I have enclosed an Authority for Expenditure and Joint Operating Agreement for your consideration. If you would like to participate in this well, please return one executed Authority for Expenditure and Joint Operating Agreement for our files by November 19, 1999. As we are facing a lease deadline, we will commence drilling on or before December 1, 1999.

If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

Dana L. Delventhal
Vice President

AUTHORITY FOR EXPENDITURE

Production and Exploration

Area	<u>Farmington, NM</u>	Field	<u>Basin Fruitland Coal</u>	AFE No.	<u>042099RW</u>
Type: (X) 1. D & E 2. Repair 3. Other				Well Name	<u>Bear No. 1</u>
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other				County and State	<u>San Juan, New Mexico</u>
Project:	<u>Drill and complete a Fruitland Coal well.</u>			TD and Obj.	<u>1300' - Fruitland Coal</u>
				Land Lease No.	
				AFE Date	<u>20-Apr-99</u>
Operator <u>Redwolf Production, Inc.</u>				Commencement Date:	<u>30-Nov-99</u>
				Completion Date:	<u>1-Feb-99</u>

(1) Location. (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: Robert Warren Umbach 0.15625 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery
Fuel, Water, Lubs., Elec.		1,600	Discount Factor _____ %
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return _____ %
Drilling Contract-Daywork		5,000	Payout
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	
Transportation		1,500	
Overhead-Partner Op'd.		4,000	
Area Expense			
Co. Labor & Supervision			
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	
Miscellaneous Costs (Meter)		13,000	
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

Cash and Warehouse Outlay

Gross Cost \$174,460.00

Net \$ 272.59

Approvals: _____ Date _____

Dana J. Deluenthal
 Redwolf Production, Inc. 11/4/99

Robert Warren Umbach

AUTHORITY FOR EXPENDITURE

Production and Exploration

Area	<u>Farmington, NM</u>	Field	<u>Basin Fruitland Coal</u>	AFE No.	<u>042099RW</u>
Type: (X) 1. D & E 2. Repair 3. Other				Well Name	<u>Bear No. 1</u>
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other				County and State	<u>San Juan, New Mexico</u>
Project: <u>Drill and complete a Fruitland Coal well.</u>				TD and Obj.	<u>1300' - Fruitland Coal</u>
				Land Lease No.	
				AFE Date	<u>20-Apr-99</u>
Operator <u>Redwolf Production, Inc.</u>				Commencement Date:	<u>30-Nov-99</u>
				Completion Date:	<u>1-Feb-99</u>

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: George William Umbach 0.15625 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery _____
Fuel, Water, Lubs., Elec.		1,600	Discount Factor _____ %
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$ _____
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return _____ %
Drilling Contract-Daywork		5,000	Payout _____
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	
Transportation		1,500	
Overhead-Partner Op'd.		4,000	
Area Expense			
Co. Labor & Supervision			
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	
Miscellaneous Costs (Meter)		13,000	
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

Cash and Warehouse Outlay

Gross Cost \$ 174,460.00

Net \$ 272.59

Approvals: _____ Date _____

Dana J. Deluenthal
 Redwolf Production, Inc. 11/4/99

George William Umbach

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

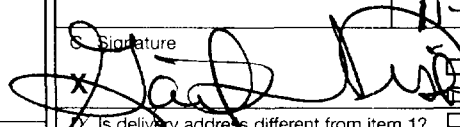
Robert Umbach
2336 Canyon #200
Bldg. CO
80302

COMPLETE THIS SECTION ON DELIVERYA. Received by (*Please Print Clearly*)

B. Date of Delivery

11-9-99

C. Signature

☐ Agent☒ AddresseeD. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.4. Restricted Delivery? (*Extra Fee*)☐ Yes2. Article Number (*Copy from service label*)



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

November 5, 1999

Robert Warren Umbach
George William Umbach
c/o George Foster Hannett, Esq.
P. O. Box 1849
Albuquerque, NM 87103

Dear Sirs:

As outlined in our letter of April 20, 1999, Redwolf Production, Inc. proposed the drilling of a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. Since we have been unable to obtain voluntary commitments from all owners in the N/2 spacing unit, Redwolf Production, Inc. will be seeking compulsory pooling for the subject acreage.

The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that you each would be a 0.156250% working interest owner in the subject well. I have enclosed an Authority for Expenditure and Joint Operating Agreement for your consideration. If you would like to participate in this well, please return one executed Authority for Expenditure and Joint Operating Agreement for our files by November 19, 1999. As we are facing a lease deadline, we will commence drilling on or before December 1, 1999.

If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

Dana L. Delventhal
Vice President

AUTHORITY FOR EXPENDITURE

Production and Exploration

Area	Farmington, NM	Field	Basin Fruitland Coal	AFE No.	042099R W
Type: (X) 1. D & E 2. Repair 3. Other				Well Name	Bear No. 1
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other				County and State	San Juan, New Mexico
Project:	Drill and complete a Fruitland Coal well.			TD and Obj.	1300' - Fruitland Coal
				Land Lease No.	
				AFE Date	20-Apr-99
Operator	Redwolf Production, Inc.			Commencement Date	30-Nov-99
				Completion Date:	1-Feb-99

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: Robert Warren Umbach 0.15625 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery
Fuel, Water, Lubs., Elec.		1,600	Discount Factor %
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return %
Drilling Contract-Daywork		5,000	Payout
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	Cash and Warehouse Outlay
Transportation		1,500	Gross Cost \$174,460.00
Overhead-Partner Op'd.		4,000	Net \$ 272.59
Area Expense			
Co. Labor & Supervision			Approvals: Date
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	
Miscellaneous Costs (Meter)		13,000	
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	Robert Warren Umbach
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

Dana S. Delmonte
 Redwolf Production, Inc. 11/4/99

AUTHORITY FOR EXPENDITURE

Production and Exploration

Area	Farmington, NM	Field	Basin Fruitland Coal	AFE No.	042099RW
Type: (X) 1. D & E 2. Repair 3. Other				Well Name	Bear No. 1
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other				County and State	San Juan, New Mexico
Project:	Drill and complete a Fruitland Coal well.			TD and Obj.	1300' - Fruitland Coal
				Land Lease No.	
				AFE Date	20-Apr-99
Operator	Redwolf Production, Inc.			Commencement Date:	30-Nov-99
				Completion Date:	1-Feb-99

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: George William Umbach 0.15625 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery
Fuel, Water, Lubs., Elec.		1,600	Discount Factor
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return
Drilling Contract-Daywork		5,000	Payout
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	
Transportation		1,500	
Overhead-Partner Op'd.		4,000	
Area Expense			
Co. Labor & Supervision			
Contract Labor		1,300	
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	
Miscellaneous Costs (Meter)		13,000	
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

Cash and Warehouse Outlay

Gross Cost	\$ 174,460.00
Net	\$ 272.59

Approvals: _____ Date _____

George W. Umbach
 Redwolf Production, Inc. 11/4/99

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

3. Article Addressed to:

**Robert Warren Umbach
George William Umbach
c/o George Foster Hannett, Esq.
P.O. Box 1849
Albuquerque, NM 87103**

4a. Article Number

P 103 696 594

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-99-B-0223

Domestic Return Receipt

Thank you for using Return Receipt Service.



November 24, 1999

Ms. Dana Delventhal
Redwolf Production, Inc.
PO Box 5382
Farmington, NM 87499

Re: Bear #1
N/2: Section 36, T26N-R13W
San Juan County, New Mexico

Dear Ms. Delventhal:

Pursuant to our conversation, enclosed is information evidencing the transfer from Total Minatome Corporation to Energen Resources MAQ, Inc. for the captioned lands.

Please provide all pertinent information concerning your proposed well, as well as any title opinion information concerning our interest.

Please call if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Corcoran".

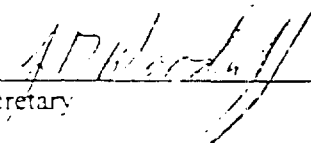
Richard Corcoran
District Landman

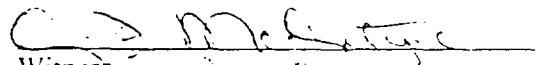
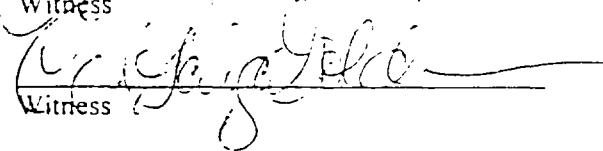
RC/tm
Enclosure

CERTIFIED COPY OF
CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
TOTAL MINATOME CORPORATION

I, J. David Woodruff, Jr., the undersigned Assistant Secretary of Energen Resources MAQ, Inc. (formerly known as Total Minatome Corporation), do hereby certify that the attached represents a full, true and correct copy of a certain Certificate of Amendment of Certificate of Incorporation of Total Minatome Corporation, which Certificate of Amendment was filed in the Office of the Secretary of State of the State of Delaware on October 15, 1998.

WITNESS my signature as Assistant Secretary of Energen Resources MAQ, Inc. over its corporate seal this 9th day of December, 1998.

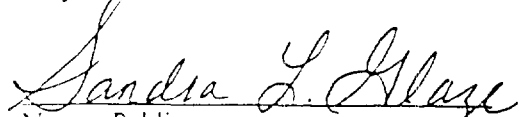

Assistant Secretary


Witness

Witness

STATE OF ALABAMA)
 :
COUNTY OF JEFFERSON)

I, the undersigned, a notary public in and for said county in said state, hereby certify that J. David Woodruff, Jr., whose name as Assistant Secretary of Energen Resources MAQ, Inc., a Delaware corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 9th day of December, 1998.


Notary Public
My commission expires: 12/10/2001

[NOTARIAL SEAL:

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF INCORPORATION
OF
TOTAL MINATOME CORPORATION

In accordance with the provisions of Sections 103 and 242 of the General Corporation Law of the State of Delaware, TOTAL Minatome Corporation, a corporation organized and existing under the laws of the State of Delaware, does hereby certify as follows:

1. That the Certificate of Incorporation of TOTAL Minatome Corporation, as heretofore filed and amended, shall, upon the filing and recording of this Certificate of Amendment, be further amended by amending Article I to read as follows:

"The name of the Corporation is Energen Resources MAQ, Inc."

2. That such amendment has been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said TOTAL Minatome Corporation has caused this certificate to be signed by Wm. M. Warren, Jr., its Chairman of the Board, and attested by J. David Woodruff, Jr., its Assistant Secretary, as of the 15th day of October, 1998.

TOTAL MINATOME CORPORATION

By: Wm. M. Warren, Jr.
Wm. M. Warren, Jr.
Its Chairman of the Board

ATTEST:

By

J. David Woodruff, Jr.
J. David Woodruff, Jr.
Its Assistant Secretary

State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "TOTAL MINATCME CORPORATION", CHANGING ITS NAME FROM "TOTAL MINATCME CORPORATION" TO "ENERGEN RESOURCES MAQ, INC.", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF OCTOBER, A.D. 1998, AT 11:15 O'CLOCK A.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



A handwritten signature in cursive script, reading "Edward J. Freel", is written over a horizontal line.

Edward J. Freel, Secretary of State

0826989 8100

981398261

AUTHENTICATION:

9356021

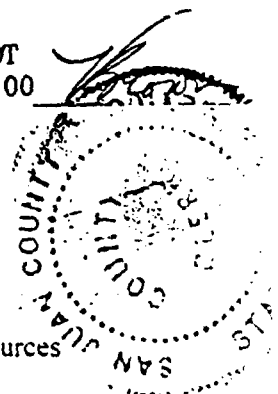
DATE:

10-15-98

STATE OF NEW MEXICO
LEASE NUMBERS

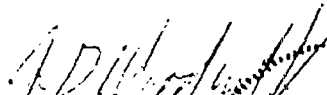
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	NM B-11017-58	NM E-286-23
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	NM B-11017-57	NM B-11124-32
	NM B-11017-56	NM B-11017-29
E-4500-3	NM B-11318-29	NM E-286-24
NM B-11125-79	NM B-10405-49	NM B-10405-52
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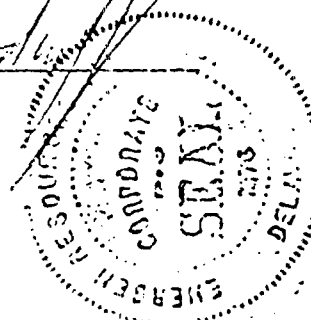
CERTIFIED COPY OF
CERTIFICATE OF AMENDMENT OF
CERTIFICATE OF INCORPORATION OF
TOTAL MINATOME CORPORATION

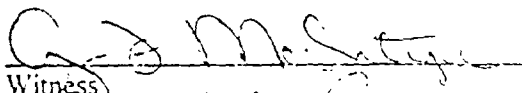


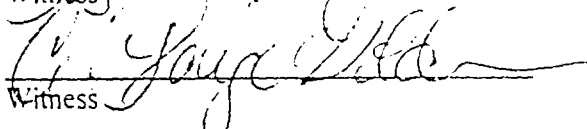
I, J. David Woodruff, Jr., the undersigned Assistant Secretary of Energen Resources MAQ, Inc. (formerly known as Total Minatome Corporation), do hereby certify that the attached represents a full, true and correct copy of a certain Certificate of Amendment of Certificate of Incorporation of Total Minatome Corporation, which Certificate of Amendment was filed in the Office of the Secretary of State of the State of Delaware on October 15, 1998.

WITNESS my signature as Assistant Secretary of Energen Resources MAQ, Inc. over its corporate seal this 9th day of December, 1998.


Assistant Secretary



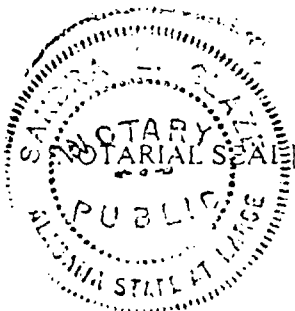

Witness

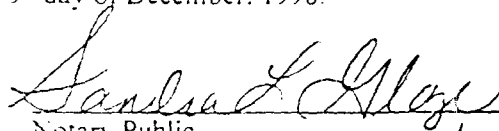

Witness

STATE OF ALABAMA)
 :
COUNTY OF JEFFERSON)

I, the undersigned, a notary public in and for said county in said state, hereby certify that J. David Woodruff, Jr., whose name as Assistant Secretary of Energen Resources MAQ, Inc., a Delaware corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 9th day of December, 1998.




Notary Public
My commission expires: 12/10/2001

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TOTAL MINATOME CORPORATION

By: Wm. M. Warren, Jr.

Wm. M. Warren, Jr.
Its Chairman of the Board

ATTEST:

By J. David Woodruff, Jr.

J. David Woodruff, Jr.
Its Assistant Secretary

State of Delaware
Office of the Secretary of State

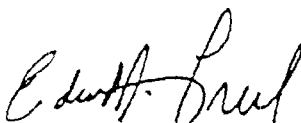
PAGE 1

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A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

9901145 B-1274 P-255 01/22/1999 07:46A PG 3 OF 3



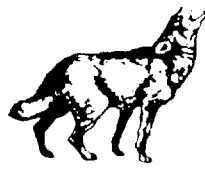

Edward J. Freel, Secretary of State

0826989 8100

981398261

AUTHENTICATION: 9356021

DATE: 10-15-98



REDWOLF PRODUCTION, INC.

CERTIFIED - RETURN RECEIPT REQUESTED

November 30, 1999

Energen Resources Corporation
2198 Bloomfield Highway
Farmington, NM 87401
Attn: Mr. Richard Corcoran

Dear Mr. Corcoran:

Redwolf Production, Inc. proposes to drill a Basin Fruitland Coal well in the NENE of Section 36, T26N, R13W, San Juan County, New Mexico. Since we have been unable to obtain voluntary commitments from all owners in the N/2 spacing unit, Redwolf Production, Inc. will be seeking compulsory pooling for the subject acreage at the December 2, 1999 NMOCD Examiner's hearing.

The dedicated acreage for this well would be the N/2 of Section 36, comprising 320 acres, more or less. Our records indicate that Energen would have a 2.151919% working interest in the subject well. I have enclosed an Authority for Expenditure and Joint Operating Agreement for your consideration. If you would like to participate in this well, please return one executed Authority for Expenditure and Joint Operating Agreement for our files. As we are facing a lease deadline, we will commence drilling on or before December 1, 1999.

If you have any questions, please give me a call at (505) 326-4125. Thank you for your consideration in this matter.

Sincerely,

Dana L. Delventhal
Vice President

Area	Farmington, NM	Field	Basin Fruitland Coal	AFE No.	042099RW
Type: (X) 1. D & E 2. Repair 3. Other				Well Name	Bear No. 1
Group: (X) 1. Dev. 2. Maint. 3. Expl. 4. Inv. 5. Other				County and State	San Juan, New Mexico
Project:	Drill and complete a Fruitland Coal well.			TD and Obj.	1300' - Fruitland Coal
				Land Lease No.	
				AFE Date	20-Apr-99
Operator	Redwolf Production, Inc.			Commencement Date:	30-Nov-99
				Completion Date:	1-Feb-99

(1) Location, (2) Division of Int. (3) Justification

(1) Proposed Location: NENE Section 36, T26N, R13W
 San Juan County, New Mexico
 Dedicated Acreage: N/2 of Section 36, comprising 320 acres m/l

(2) Division of Interest: Energen Resources Corp. 2.151919 %WI

(3) Justification: To develop Basin Fruitland Coal reserves in the N/2 of Section 36, T26N, R13W

Description	TANGIBLE Gross \$	INTANGIBLE Gross \$	GROSS ECONOMICS
Material Purchased	65,000		Gross Recovery _____
Fuel, Water, Lubs., Elec.		1,600	Discount Factor _____ %
Loc. Damages, Roads-Bridges		9,650	Discounted Profit \$ _____
Salvage & Dismantling Costs			
Drilling Contract-Footage		14,000	Rate of Return _____ %
Drilling Contract-Daywork		5,000	Payout _____
Drilling Bits & Reamers			
Fishing Tool Expense			
Directional Drilling Costs			
Mud Mat'ls, Chems. & Services		1,000	
Cement & Cementing Service		4,300	
Noncontrollable Materials			
Rentals		2,500	
Coring Costs			
Drill Stem Tests			
Perforating		1,500	Cash and Warehouse Outlay
Acidizing, Fracturing		24,000	
Well Services, Elec.-Mud Log.		2,000	Gross Cost \$174,460.00
Transportation		1,500	
Overhead-Partner Op'd.		4,000	Net \$ 3,754.24
Area Expense			
Co. Labor & Supervision			Approvals: _____ Date
Contract Labor		1,300	11/30/99
Fabrication & Installation		1,800	
Miscellaneous Services		6,450	<i>Dana S. Deluca-thal</i>
Miscellaneous Costs (Meter)		13,000	Redwolf Production, Inc.
Subtotal	\$ 65,000	\$ 93,600	
Tot. Cash & Wrhs. Outlay			
Material on Hand			
Contingency at 10%	6,500	9,360	Energen Resources Corporation
Grand Total	\$ 71,500	\$ 102,960	
TOTAL WELL COST	\$ 174,460		

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

Sent to	
Energen Resources Corporation	
Street & Number	
2198 Bloomfield Highway	
Post Office, State, & ZIP Code	
Farmington, NM 87401	
Postage	\$ 2.31
Attn: Mr. Richard Corcoran	
Certified Fee	1.40
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$ 4.96
Postmark or Date	
November 30, 1999	

PS Form 3800, April 1995



621 17th Street, Suite 1125
Denver, Colorado 80293
(303) 292-5636
FAX (303) 292-5382

P.O. Box 338
Ignacio, Colorado 81137
(970) 563-4000
FAX (970) 563-4116

November 29, 1999
VIA FACSIMILE (505) 325-8644

Attn: Dana L. Delventhal
REDWOLF PRODUCTION, INC.
PO Box 5382
Farmington, NM 87499

Re: Bear No 1
N2 Sec 36
T26N, R13W
San Juan County, New Mexico

Ladies and Gentlemen:


As discussed, we feel very positive about your captioned location and would like very much to participate in drilling the location and would have been happy to operate would we have thought that a gathering pipeline could be completed in a reasonable time. Our experience is that dealing with the Navajo Nation on "off lease" lands could cause delays to two years or more and economics will not allow us to tie up money for that time with no return. We are, however, sympathetic concerning your lease expiration and wish to cooperate in some way short of your having to force pool this interest.

Notwithstanding all said above we will not consider the 80/20 farmout you proposed by phone. However, we are comfortable that we could deliver an 80% NRI before payout, reserve the right to convert a portion of the reserved orri (the difference between 80% and our present NRI) to a 40% working interest when payout occurs and leave you an 82% NRI after payout.

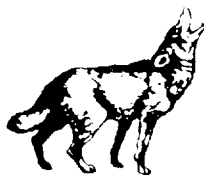
As discussed we have been forced to consider a tougher deal than this in the area and would prefer a 50/50 farmout but will consider the 60/40 if you will.

If you wish to consider this offer please notify me by phone and I will put together a formal farmout agreement in one or two days time for your consideration.

Very truly yours
MARALEX RESOURCES, INC.



Patrick M. Keller
Land Manager



REDWOLF PRODUCTION, INC.

December 1, 1999

Maralex Resources, Inc.
621 17th Street, Suite 1125
Denver, CO 80293
Attn: Mr. Patrick M. Keller

Dear Mr. Keller:

Thank you for your letter of November 29, 1999, proposing a 60/40 farmout on your acreage in the N/2 of Section 36, Township 26 North, Range 13 West. I have performed an economic evaluation of this proposal, and the economics are simply too tight for us to accept this offer.

I understand your reservations regarding the surface ownership and potential connect delays, and I share your concerns. We began our right-of-way acquisition in June of 1999, and hope to have approved documents within the first half of 2000. We will delay any discretionary work or spending until this approval is received. We would look forward to having you as a partner in this well, but certainly understand if you would rather not participate. Unfortunately, I see no way around the development of this acreage that would avoid the Indian surface ownership difficulties.

If you have any questions, please give me a call at (505) 326-4125. Thank you for your efforts concerning this project.

Sincerely,

Dana L. Delventhal
Vice President