

SUSA 12/1/2003

PMESD-331456197



RECEIVED

518 17th Street, Suite 1600
Denver, Colorado 80202
(303) 292-5636
FAX (303) 292-5382

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

NOV 10 2003

OIL CONSERVATION
DIVISION

November 4, 2003

State of New Mexico
Oil Conservation Division
Attn: Lori Wrottenbery, Director
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Unorthodox Location
Cecil Cast 2A
1577' FNL; 411' FWL
Section 19-T30N-R11W
San Juan County, NM

Ms. Wrottenbery:

Maralex Resources, Inc., is currently in the process of permitting the above-referenced location to drill. After extensive discussion and review with the surface owner, the above-referenced location was selected. Because the location is considered unorthodox, this letter is submitted to you in accordance with the rules and regulations set forth by the State of New Mexico, Oil Conservation Division. We therefore, are requesting administrative approval for the unorthodox location. Maralex Resources, Inc., is the division-designated operator of the adjoining spacing unit in Section 24, however, ownership is not common between the adjoining spacing unit and the spacing unit containing the proposed unorthodox well. Therefore, all working interest owners in the adjoining unit have been notified by certified mail (copies attached). A copy of the plat and well map are also attached.

Should you have any questions or require additional information, please feel free to contact me at 970/563-4000.
Thank you.

Sincerely,

MARALEX RESOURCES, INC.

Carla S. Shaw
Production Technician

Encl:

cc: Aztec District Office-Steve Hayden

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised May 08, 2003

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO.
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cecil Cast
8. Well Number 2A
9. OGRID Number 013998
10. Pool name or Wildcat Basin Fruitland Coal

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator Maralex Resources, Inc.

3. Address of Operator P.O. Box 338, Ignacio, Co 81137

4. Well Location

Unit Letter E : 1577 feet from the North line and 411 feet from the West line

Section 19 Township 30N Range 11W NMPM County San Juan

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
5572' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: Change Well Location <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Due to the surface owner's request, this sundry is submitted to inform the NMOCD of our intention to change the well location for the above pending Application for Permit to Drill (APD). The original submitted location was:

1715' FNL; 1100' FWL of Section 19-T30N-R11W, San Juan County, NM.

The new proposed location is:

1577' FNL; 411' FWL of Section 19-T30N-R11W, San Juan County, NM.

A copy of the surveyor's new Well Location and Acreage Dedication Plat (Form C-102) is attached.

All downhole information will stay the same as submitted on the original APD. Because the new location, however, is considered unorthodox, notification has been sent to the Director. A copy of the notification is attached.

A plugging bond is currently in the process of being obtained.

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 10/31/03

Type or print name A.M. O'Hare Telephone No. (970) 563-4000
 (This space for State use)

APPROVED BY _____ TITLE _____ DATE _____

Conditions of approval, if any:

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 71629		³ Pool Name Basin Fruitland Coal	
⁴ Property Code 15792		⁵ Property Name CICIL CAST			⁶ Well Number 2A
⁷ OGRID No. 013998		⁸ Operator Name MARALEX RESOURCES, INC.			⁹ Elevation 5572

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
2	19	30 N	11 W		1577	North	411	West	San Juan

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

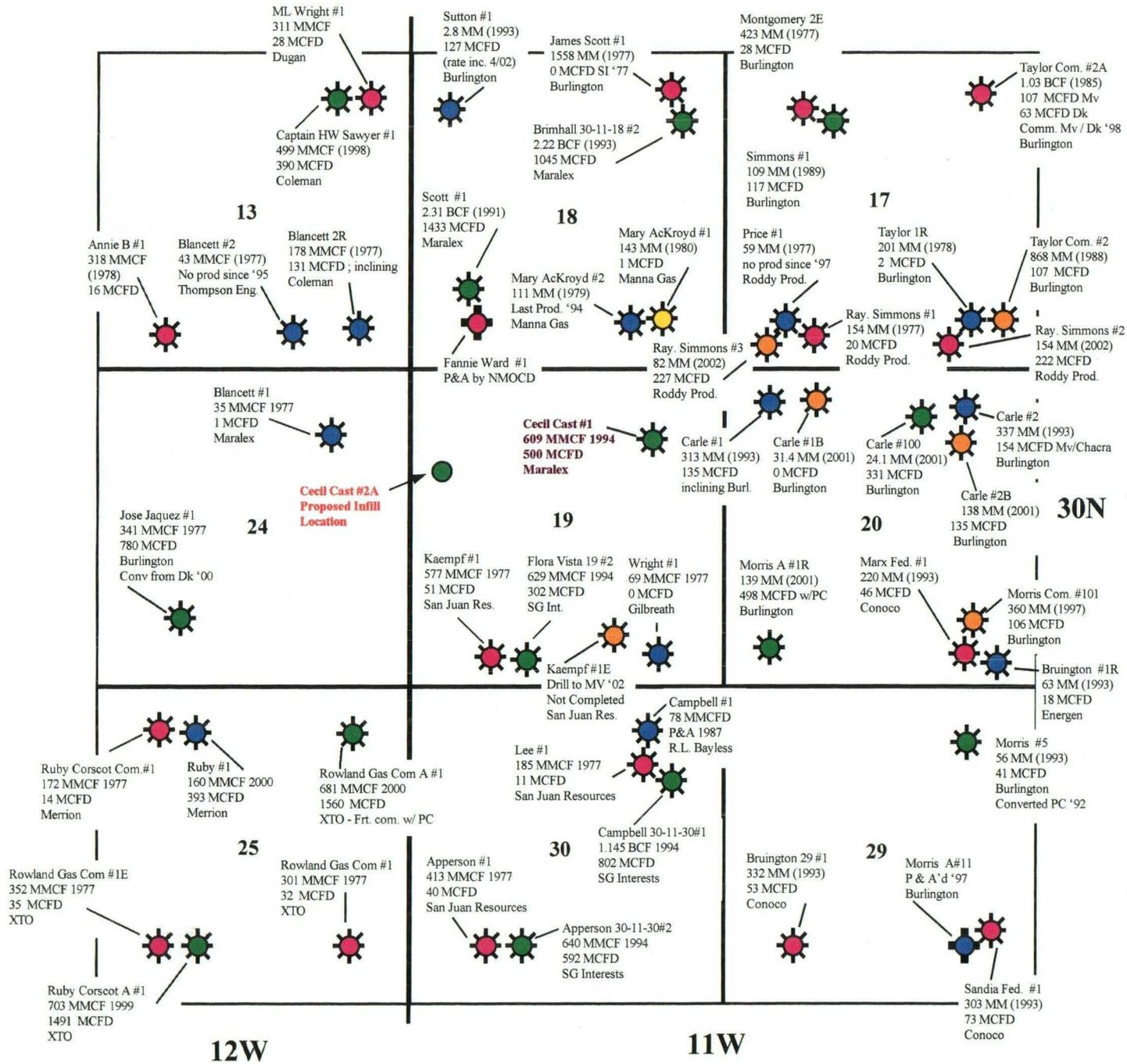
¹² Dedicated Acres 320	¹³ Joint or Infill Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16 N 89° 31' W (20.97)</p> <p>40.29 ch. (19.32)</p> <p>39.90 ch.</p> <p>1577</p> <p>FEE</p> <p>411'</p> <p>W 0° 22' W</p> <p>FEE</p> <p>39.75 ch.</p> <p>3</p> <p>Lot No. (TYP.) 4</p> <p>21.31 ch.</p> <p>N 89° 41' W</p> <p>19.38 ch.</p> <p>38.76 ch.</p>	<p>WEST</p> <p>39.71 ch. Fd.</p> <p>SF-078138</p> <p>FEE</p> <p>SEC.</p> <p>19</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>[Signature]</i></p> <p>Signature</p> <p>A.M. O'Hare</p> <p>Printed Name</p> <p>President</p> <p>Title</p> <p>10/31/03</p> <p>Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>30 Oct. 2003</p> <p>Date of Survey</p> <p><i>[Signature]</i></p> <p>Signature and Seal of Professional Surveyor</p> <p>#8466</p> <p>William J. Fabrice II</p> <p>Certificate Number 8466</p>	
			<p>39.99 ch.</p> <p>NO° 43' E</p>
			<p>NO° 20' E</p> <p>NO° 02' W</p>
			<p>NO° 20' E</p> <p>NO° 02' W</p>

WELL LOCATION / INFORMATION

Cecil Cast #2A Infill





518 17th Street, Suite 1600
Denver, Colorado 80202
(303) 292-5636
FAX (303) 292-5382

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

SAMPLE

November 4, 2003

BP America Production Company
Attn: Gary Weitz
380 Airport Road
Durango, CO 81303

RE: Working Interest Owners Consent to Unorthodox Location
Maralex Resources, Inc., Operator
Cecil Cast 2A
1577' FNL; 411' FWL Section 19-T30N-R11W
San Juan County, NM

Mr. Weitz:

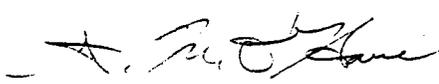
Maralex Resources, Inc. is proposing to drill a vertical wellbore on the above-referenced location to the Fruitland Coal formation. Maralex Resources, Inc. is the division-designated operator for the adjoining spacing unit in Section 24. The Blancett FC # 1 will be located 1815' FNL; 960' FEL of Section 24-T30N-12W and will also be drilled to the Fruitland Coal formation. You are a working interest owner under this well. As part of the approval process, we must receive your consent of the proposed Cecil Cast 2A unorthodox location. This location was requested by the surface owner to minimize impact on residences and cultivated fields. Your consent will in no way change the way you will be paid for the Blancett FC # 1 well.

I would greatly appreciate you providing your consent to this location by executing one copy of this letter and returning to me in the postage paid return envelope as quickly as possible so we can forward such to the New Mexico Oil Conservation Division.

If you have any questions, please feel free to contact me at 970/563-4000. Thank you in advance for your cooperation and prompt expediting of your consent.

Sincerely,

MARALEX RESOURCES, INC.


A.M. O'Hare
President

I hereby consent to the unorthodox location as proposed for the Cecil Cast # 2A Well.

BP AMERICA PRODUCTION COMPANY

DATE

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:

BP America Production Company
Durango Operations Center
380 Airport Rd.
Durango, CO 81301

2. Article Number

(Transfer from service label)

7002 2410 0007 1443 4966

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? YesIf 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)

 Yes**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:

Conoco Phillips
P.O. Box 2197 WL3
Houston, TX 77252

2. Article Number

(Transfer from service label)

7002 2410 0007 1443 4959

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? YesIf 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)

 Yes**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:

Burlington Resources
Attn: Jim Troiano
P.O. Box 4289
Farmington, NM 87499

2. Article Number

(Transfer from service label)

7002 2410 0007 1443 4942

PS Form 3811, August 2001

Domestic Return Receipt

102595-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

 Agent Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? YesIf 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)

 Yes

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 		A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee X	
1. Article Addressed to: Mr. George G. Vaught, Jr. P.O. Box 13557 Denver, CO 80201		B. Received by (<i>Printed Name</i>)	C. Date of Delivery
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes	
2. Article Number (<i>Transfer from service label</i>)		7002 2410 0007 1443 4935	
PS Form 3811, August 2001		Domestic Return Receipt	
		102595-02-M-1540	

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> 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. 		A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee X	
1. Article Addressed to: Mr. Paul L. McCuliss P.O. Box 3248 Little, CO 80161-3248		B. Received by (<i>Printed Name</i>)	C. Date of Delivery
		D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	
		4. Restricted Delivery? (<i>Extra Fee</i>) <input type="checkbox"/> Yes	
2. Article Number (<i>Transfer from service label</i>)		7002 2410 0007 1443 4928	
PS Form 3811, August 2001		Domestic Return Receipt	
		102595-02-M-1540	