



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

August 22, 1995

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

Attention: Jennifer A. Ritcher

Administrative Order NSP-1737

Dear Ms. Ritcher:

Reference is made to your application dated March 16, 1995 for a non-standard 320.00-acre gas spacing and proration unit consisting of the following acreage in the Basin-Fruitland Coal (Gas) Pool:

SAN JUAN COUNTY, NEW MEXICO
TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Irregular Section 19: Lots 1, 2, 5, and 6 and the NE/4

It is our understanding that this unit is to be dedicated to the SG Interests I, Ltd./Maralex Resources, Inc. West Bisti "26-13-19" Well No. 1 (API No. 30-045-29104), to be drilled at a standard coal gas well location 1190 feet from the North line and 790 feet from the East line (Lot 12/Unit A) of said irregular Section 19.

By the authority granted me under the provisions of Rule 6 of said Division Order No. R-8768, as amended, the above-described 320.00-acre non-standard gas spacing and proration unit is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Aztec
U. S. Bureau of Land Management - Farmington