



OIL CONSERVATION DIVISION
RECEIVED

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607 10th Street, Suite 208
Golden, Colorado 80401
(303) 278-7505
FAX (303) 278-7520

P.O. Box 338
Ignacio, Colorado 81137
(303) 563-4000
FAX (303) 563-4116

March 16, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

State of New Mexico
Energy, Minerals & Natural
Resources Dept.
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504

West Dist: "26-13-19" #1

Attn: Mr. Michael Stogner

N/2 - 19

RE: Application for Non-Standard
Proration Units
Township 26 North, Range 13 West
Sections 18 and 19
San Juan County, New Mexico

Dear Mr. Stogner:

Maralex Resources, Inc. (Maralex) hereby requests administrative approval for four (4) non-standard proration units in Sections 18 and 19, T26N-R13W, San Juan County, New Mexico. Maralex requests the designated proration units for its proposed four (4) Fruitland coal wells in Sections 18 and 19, T26N-R13W be as follows:

The N/2 of Sections 18 and 19 be Lots 1, 2, 5, 6, and the NE/4 (320 acres). The S/2 of Sections 18 and 19 be Lots 7, 8, 11, 12 and the SE/4 (320 acres).

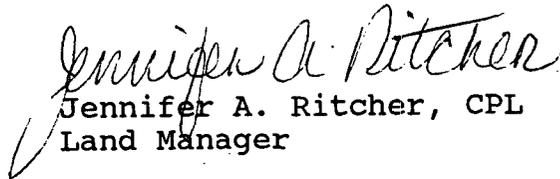
The non-standard unit and the unorthodox size is necessitated by a variation in the legal subdivision of the U. S. Public Land Surveys (see attached copy of OG plat).

Attached is a list of the names of the affected offset operators and all operators owning interests in Sections 18 and 19, T26N-R13W. These operators have been sent a copy of this application by certified mail and advised to notify the Commission of any objections within thirty days.

If you have any questions or need anything further,
please do not hesitate to contact me at the Golden telephone
number shown above.

Sincerely,

MARALEX RESOURCES, INC.


Jennifer A. Ritcher, CPL
Land Manager

Enclosures



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March 16, 1995

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TO: All Working Interest Owners and Operators
(See Attached Address List)

RE: Application for Non-Standard
Proration Unit
T26N-R13W
Sections 18 and 19
San Juan County, New Mexico

TO WHOM IT MAY CONCERN:

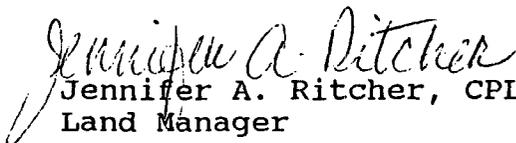
You are hereby notified that on March 16, 1995, Maralex Resources, Inc. filed an Application for Non-Standard Proration Unit with the New Mexico Oil Conservation Division for administrative approval of non-standard proration units for Sections 18 and 19, T26N-R13W, San Juan County, New Mexico (copy enclosed).

You are further notified that in the event no protest is received by the Director of the New Mexico Oil Conservation Division within thirty (30) days of receipt of this letter, the Director may grant administrative approval to the application.

If you have any questions or need anything further, please do not hesitate to contact me at the Golden address shown above.

Sincerely,

MARALEX RESOURCES, INC.


Jennifer A. Ritcher, CPL
Land Manager

Enclosures

Section 18-T26N-R13W
Operators and Offset Operators

Pendragon Resources L.P.
1600 Broadway, Suite 1950
Denver, CO 80202

Giant Exploration & Production Company
Attn: Steven K. Smith
P.O. Box 2810
Farmington, NM 87499-2810

Texaco Exploration and Production
P.O. Box 2100
Denver, CO 80201

Robert L. Bayless
P.O. Box 168
Farmington, NM 87499

Union Pacific Resources Company
Attn: Paul Dowden
P.O. Box 7
Fort Worth, TX 76101-0007

Key Production Company, Inc.
Attn: David R. Dix
1700 Lincoln St., Suite 2000
Denver, CO 80203-4520

Norcen Explorer, Inc.
Attn: Dianne L. Adiska
200 Westlake Park Blvd., Suite 800
Houston, TX 77079-2653

Merrion Oil & Gas Corporation
Attn: Crystal Williams
P.O. Box 840
Farmington, NM 87499

J. K. Edwards Associates, Inc.
1401 17th Street, Suite 1401
Denver, CO 80202

Bureau of Land Management
New Mexico State Office
P.O. Box 27115
Santa Fe, NM 87502-7115

Apache Corporation
1700 Lincoln, Suite 2000
Denver, CO 80203-4520

Bureau of Indian Affairs
Navajo Area Office
P.O. Box M
Window Rock, AZ 86515

Section 19-T26N-R13W
Operators and Offset Operators

Edna Ione Hall Living Trust
P.O. Box 1355
Roswell, NM 88201

Bureau of Land Management
State of New Mexico
P.O. Box 27115
Santa Fe, NM 87502-7115

R. P. Brewer Estate
40 NE Loop 410
San Antonio, TX 78216

Giant Exploration & Production Company
Attn: Steven K. Smith
P.O. Box 2810
Farmington, NM 87499-2810

Robert L. Bayless
P.O. Box 168
Farmington, NM 87499

Union Pacific Resources Company
Attn: Paul Dowden
P.O. Box 7
Fort Worth, TX 76101-0007

Key Production Company, Inc.
Attn: David R. Dix
700 Lincoln St., Suite 2000
Denver, CO 80203-4520

Norcen Explorer, Inc.
Attn: Dianne L. Adiska
200 Westlake Park Blvd., Suite 800
Houston, TX 77079-2653

Frank O. Elliott Living Trust
P.O. Box 1355
Roswell, NM 88201

Harry Doehla
50 Central Park South
New York, NY

Rodney P. Calvin
202 Patterson Building
Denver, CO 80202

Natalie Bergman
130 E. 63rd St.
New York, NY

John Sorensen
124 SW Ave.
Sioux Falls, SD

Howard Hall
Address Unknown

East Side Service
Address Unknown

Ariza Prod. Co.
P.O. Box 2810
Farmington, NM 87499

R. P. Brewer III Estate
200 Mercantile Nat. Bank Bldg.
40 NE Loop 410
San Antonio, TX 78216

India B. Chumney de Marigny
40 NE Loop 410
San Antonio, TX 78216

Fred Chumney Meaden
40 NE Loop 410
San Antonio, TX 78216

Elizabeth H. Chumney
40 NE Loop 410
San Antonio, TX 78216

Ameritrust Texas NA, Trustee
Fleming Rev. Trust Agreement
P.O. Box 33400
San Antonio, TX 78265

Bob and Edna Mae Bear
108 N. Main
Roswell, NM

W. T. Chumney Jr. Trust
40 NE Loop 410
San Antonio, TX 78216

MTrust Corp., Trustee for
Elizabeth Hixon
P.O. Box 900
San Antonio, TX 78293

Universal Resources Corp.
P.O. Box 11070
Salt Lake City, UT 84147

Dugan Production Corp.
P.O. Box 420
Farmington, NM 87499

Brookhaven Oil Co.
P.O. Box 644
Albuquerque, NM

Berry Sue Douthit and W. L. Douthit
105 Harvard Dr.
Midland, TX

Bureau of Indian Affairs
Navajo Area Office
P.O. Box M
Window Rock, AZ 86515

Betty Brewer Chumney
200 Mercantile Nat. Bank Bldg.
40 NE Loop 410
San Antonio, TX 78216

Sec : 19 Twp : 26N Rng : 13W Section Type : NORMAL

2 3 40.00 15.65 Federal owned U U A	1 40.00 Federal owned U	B 40.00 Federal owned U A	A 40.00 Federal owned U A
4 5 15.80 40.00 Federal owned U U	6 40.00 Federal owned U	G 40.00 Federal owned U	H 40.00 Federal owned U

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Mike Stogner

From: Frank Chavez
To: Mike Stogner
Subject: Maralex NSP Application
Date: Thursday, April 20, 1995 1:19PM

I whole heartedly agree to the idea of doing as much as we can to avoid hearings when issues can be addressed administratively. The Maralex application can probably be handled this way but I have some questions.

The purpose of the application is to leave out acreage which might otherwise have been interpreted as being included in a standard unit. Haven't we traditionally docketed this type of application for hearing? There is probably no direct correlative rights issue because the area being left out is unleased federal acreage and the rest of the acreage is federal, too. Do we have a precedent for this or are we setting a precedent? What if the unleased acreage was State or fee?

The Basin Fruitland Coal pool has special pool rules on spacing. It kind of looks more like the application may be an exception to the pool rules.

On the other hand, in the San Juan we have often created NSP's ahead of development to group together odd tracts into near standard units in order to avoid disorderly development and prevent small tracts from being undeveloped. In the past we have required operators to file NSP applications when they wanted to include small portions of acreage created by survey adjustments in an otherwise standard unit. Given this practice it might have been better to just accept their plat!

The real question is 'how do we interpret what is a standard quarter or half section if it contains small tracts due to survey corrections?' It appears that we may not have been consistent in doing this.

I'm just thinking out loud here.