

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTBLM APPROVED
BLM No. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator
Maralex Resources, Inc.3a. Address
P.O. Box 338, Ignacio, CO 811373b. Phone No. (include area code)
970/563-40004. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1710' FSL; 940' FWL
Section 26-T25N-R11W5. Lease Serial No.
NMNMO36252

6. If Indian, Allottee or Tribe Name

7. Well Name and No.
Gracia Federal 26 # 1

9. API Well No.

30-045-29489

10. Field and Pool, or Exploratory Area
Basin Fruitland Coal

11. County or Parish, State

San Juan County, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Bury Water Line
	☐ Change Plans	☐ Plug and Abandon	☐ Temporary Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

Describe Proposed or Completed Operation clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and cones, within the Borehole under which the work will be performed or provide the Borehole No. in file with BLM/BIA. Required subsequent reports shall be filed within 90 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-5 shall be filed once logging has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.

Maralex Resources, Inc. submits this sundry to comply with the BLM in burying the water disposal line run in May 2005 from the Gracia Federal 26-1 (SW/4 of Section 26) to the Trading Post Disposal #1 (NW/4 Section 26). The line was originally built on top of the ground on a temporary basis. Maralex received verbal approval from the BLM to run the above-ground line with the condition that the line would be buried within six months. The line runs from just west of the Gracia Federal 26-1 producing well to the Trading Post Disposal #1 tank battery. The pipeline is approximately 1700 feet long and consists of 3" SDR11 poly pipe. The line will be buried at a depth of 4 feet and has been pressure tested to 150 psig.

A map of the pipeline route is attached.

I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)

Jeremy Golob

Title Senior Petroleum Engineer

Signature

Date 10/17/05

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title Branch Chief

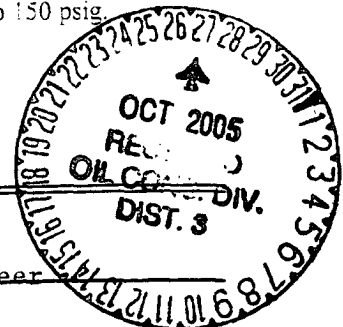
Date 10/26/05

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office PFO

Title 43 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Instructions on page 2



NMOC

PROPOSED 40' WATER LINE

FOR
MARALEX RESOURCES, INC.
GRACIA FEDERAL 26 #1 TO TRADING POST DISPOSAL #1
LOCATED IN THE WEST HALF OF SECTION 26, T25N, R11W,
OF THE N.M.P.M., COUNTY OF SAN JUAN, STATE OF NEW MEXICO.

