

Form 3160-3
(September 2001)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 32 PM 2

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

5. Lease Serial No.
NM94068

6. If Indian, Allottee or Tribe Name

7. If Unit or C.A. Agreement, Name and No.

CA NM112513

8. Lease Name and Well No.

Alamo Wash 34 # 32A

9. APT Well No.

30-045-33262

10. Field and Pool, or Exploratory

Basin Fruitland Coal

11. Sec., T., R., M. or Bk. and Survey or Area

Section 34-T25N-R11W

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other

☐ Single Zone ☐ Multiple Zone

2. Name of Operator

Maralex Resources, Inc.

3a. Address P.O. Box 338

Ignacio, CO 81137

3b. Phone No. (include area code)

970/563-4000

4. Location of Well (Report location clearly and in accordance with city State requirements.)

At surface 930' FNL; 660' FWL

At proposed prod. zone Same

Lot 2

14. Distance in miles and direction from nearest town or post office

Approximately 26 miles south of Bloomfield, NM

12. County or Parish

San Juan

13. State

NM

15. Distance from proposed

location to nearest

property or lease line, A

Also to nearest drig. unit line, if any:

660'

16. No. of acres in lease

320

17. Spacing Unit dedicated to this well

320 (N/2) 318.79

18. Distance from proposed location

to nearest well, drilling, completed,

applied for, on this lease, B

19. Proposed Depth

1420'

20. BLM/BIA Bond No. on file

3188110

21. Elevations (Show whether DF, KCB, RT, GL, etc.)

6575' GL

22. Approximate date work will start

August 15, 2005

23. Estimated duration

6 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest system lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above).

5. Operator certification

6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

[Signature]

Name (Printed/Typed)

Jeremy Golob

Date

07/29/05

Title

Senior Petroleum Engineer

Approved by (Signature)

[Signature]

Name (Printed/Typed)

Office

FFO

Date

1/17/07

Application approval 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.

Conditions of approval, if any, are attached.

Title 18 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)

DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS".

This action is subject to technical and
procedural review pursuant to 43 CFR 3165.3
and appeal pursuant to 43 CFR 3165.4

NMOC

8/19/07

RCVD JAN 19 2007
DIL CONS. DIV.
DIST. 3

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies
☐ AMENDED REPORT

2005 JUL 32 PM 2 38

WELL LOCATION AND ACREAGE DEDICATION PLAT

APT Number 30-045-33262	Pool Code 71629	Basin Fruitland Coal
Property Code 33249	Property Name ALAMO WASH 34	Well Number 32A
OGRID No. 013998	Operator Name MARALEX RESOURCES, INC.	Elevation 6575

10 Surface Location

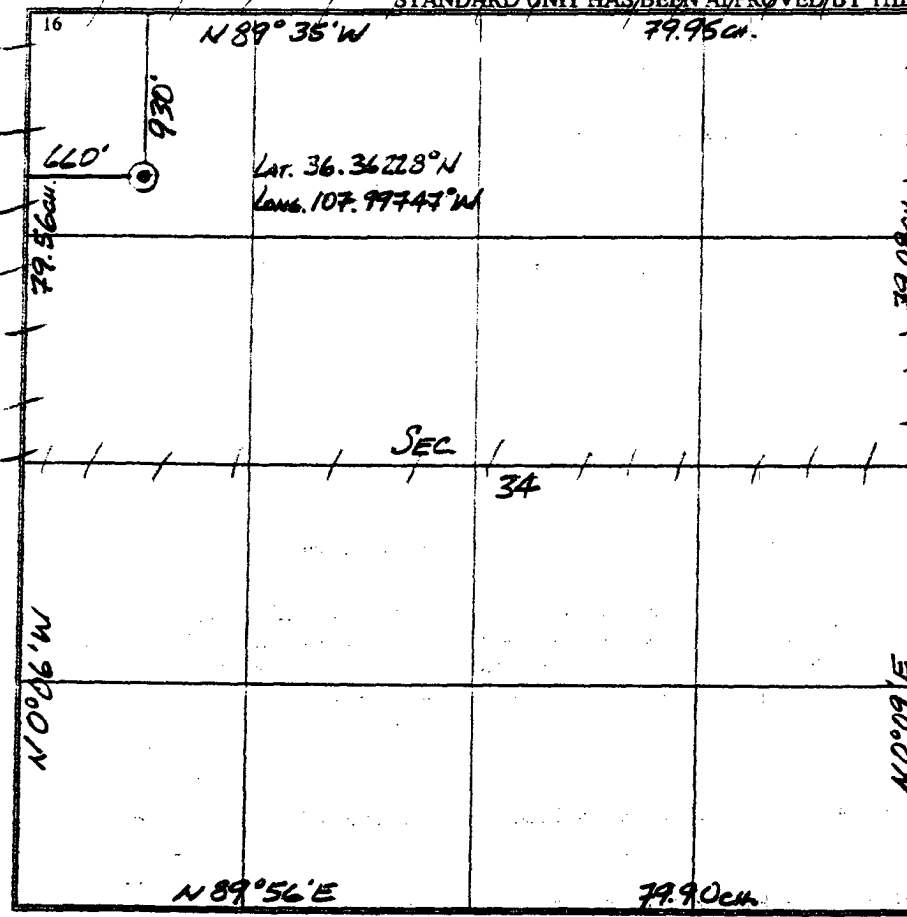
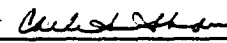
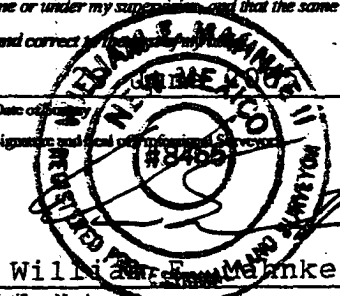
UL or lot no. D	Section 34	Township 25N	Range 11W	22E File (2)	Feet from the 930	North/South line North	Feet from the 660	East/West line West	County San Juan
---------------------------	----------------------	------------------------	---------------------	------------------------	-----------------------------	----------------------------------	-----------------------------	-------------------------------	---------------------------

11 Bottom Hole Location If Different From Surface

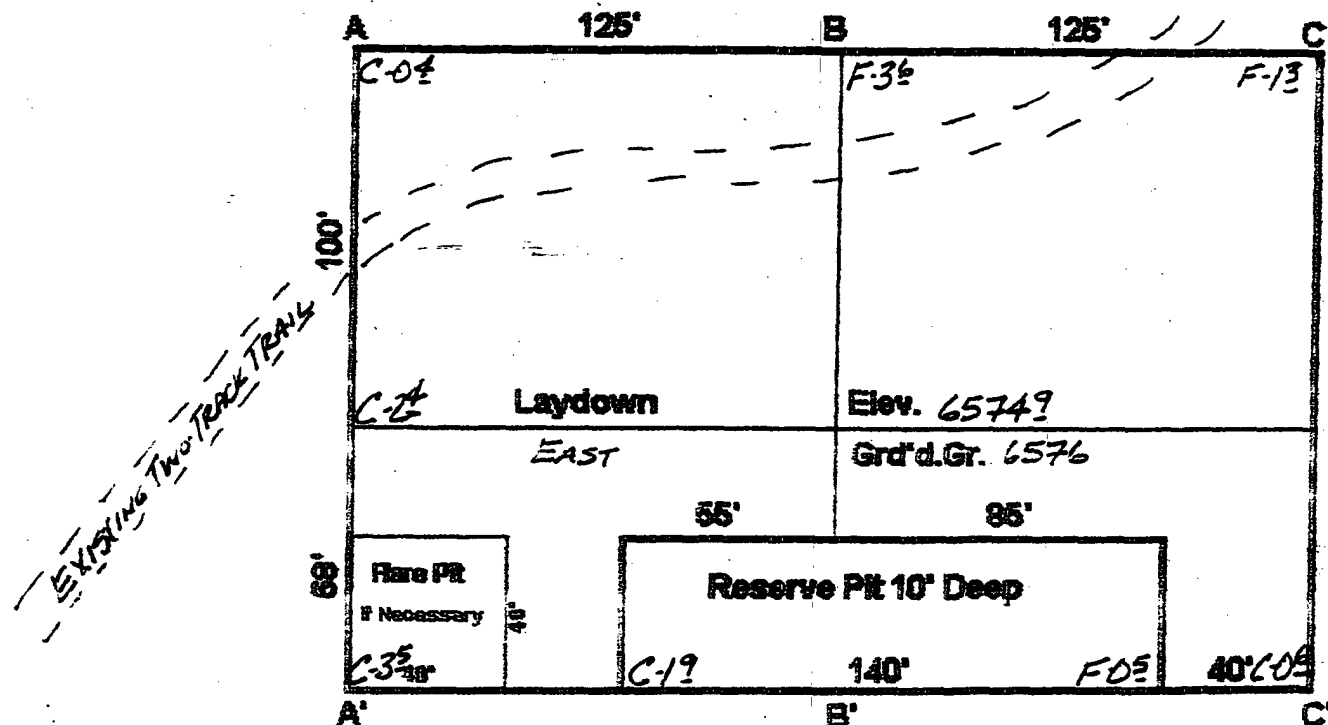
UL or lot no.	Section	Township	Range	Lot file	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	----------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 318.79	Joint or Infill	Consolidation Code	Order No.
----------------------------------	-----------------	--------------------	-----------

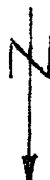
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Carla S. Shaw Printed Name Production Technician production@maralexresources.com Title and E-mail Address 7/05/05 Date
	18 SURVEYOR CERTIFICATION 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.  Date of survey Signature and Seal of Surveyor William E. Manke II Certificate Number 8466

MARALEX RESOURCES, INC.
 ALAMO WASH 34 #32A
 930' FNL & 660' FWL
 Sec. 34, T25N, R11W, NMPM
 San Juan Co., NM



SCALE: 1"=50'



A-A'	Vert: 1"=30'	Horiz: 1"=50'	C/L
6580			
6570			
B-B'			
6580			
6570			
C-C'			
6580			
6570			

ALAMO WASH 34 # 32A
930' FNL; 660' FWL
SECTION 34-T25N-R11W
SAN JUAN COUNTY, NM

Drilling Program

1. Formation Tops

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>Top</u>
Basal Fruitland Coal	1256'
Pictured Cliffs	1274'
Total Depth (TD)	1420'

* All elevations reflect the ungraded ground level of 6575'.

2. Notable Zones

Oil and Gas Zones

Fruitland Coal	1066'
Pictured Cliffs	1274'

The primary objective is the Basin Fruitland Coal formation. Completion may require fracturing. The entire wellbore will be cased. Water zones will be protected with casing, cement and weighted mud. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. Pressure Control

BOP systems will follow Onshore Order No. 2. The drilling contract has not been awarded yet, thus the exact BOP model to be used is not yet known. A typical model is shown on the attached page.

Once out from under the surface casing, a minimum of 2,000 psi BOP and choke manifold system will be used. BOP controls will

be installed before drilling the surface casing plug and used until the well is completed or abandoned.

Pressure tests to 1,000 psi will be conducted with a rig pump. All BOP mechanical and pressure tests will be recorded on the driller's log. BOPs will be inspected and operated at least daily to assure good mechanical working order. The inspection will be recorded on the daily drilling report.

4. Casing and Cement

Hole Size	OD	Weight(lb/ft)	Grade	Depth
12-1/4"	8-5/8"	24	J-55	160'
7-7/8"	5-1/2"	15.5	J-55	1420'

Surface casing will be cemented to surface.

Production casing will be cemented to surface in one stage.

The entire wellbore will be cased. Water zones will be protected with casing, cement and weighted mud. (Cement program is attached).

5. Mud Program

The proposed mud program is:

Depth	Type	ppg	vis(cp)	FL(cc)
0 -1200'	Fresh Wtr	8.4	Polymer Sweeps	-
1200' - TD	LSND	8.4-9.1	30-60	< 10

6. Coring, Testing and Logging

No cores are planned. The following logs are likely to be run:

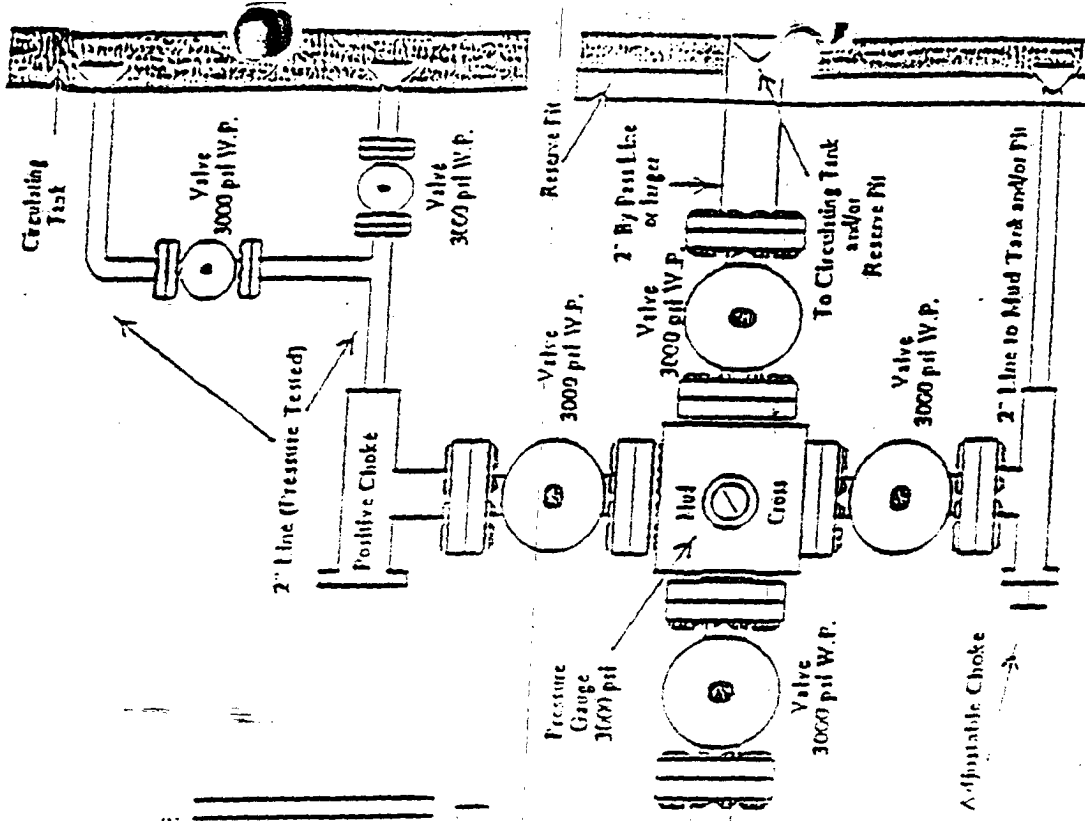
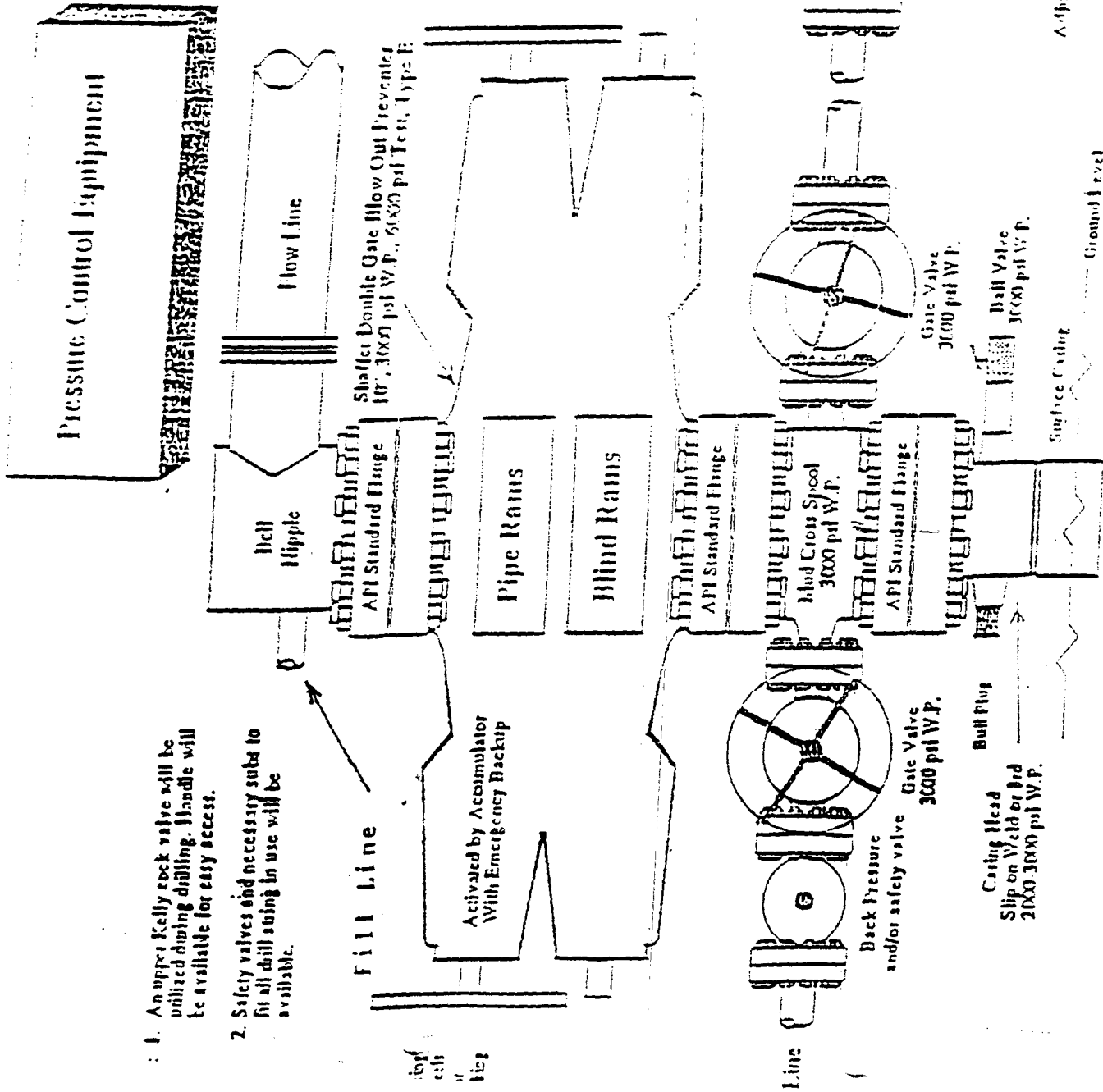
Dual Induction, Lateral Log, Formation Density, Compensated Neutron, High Resolution Density, Caliper

7. Downhole Conditions

Neither abnormal temperatures nor hydrogen sulfide are anticipated. Maximum pressure will be approximately 300 psi.

1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drilling in use will be available.



Note: This equipment is designed to meet requirements for a 2-1/4" rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.