

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

JUN 30 2009

FORM APPROVED
OMB 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 existing 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 ☐ Other		5. Lease Serial No. NMSF-079964
2. Name of Operator Maralex Resources, Inc.		6. Indian, Allottee or Tribe Name N/A
3a. Address P.O. Box 338, Ignacio, CO 81137	3b. Phone No. (include area code) 970-563-4000	7. If Unit or C/A/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1389' FSL and 1126' FEL, Sec. 26, T25N, R11W, NMPM		8. Well Name and No. Trading Post 26 #2R
		9. API Well No. 30-045-34418
		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
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. 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 recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing 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. proposes to enter the existing well and sidetrack per the following procedures:

1. Move in and rig u a drilling rig
2. Nipple up and test BOP's
3. Set a cast iron bridge plug @ +/- 1185'
4. Set and orient a whipstock on top of the cast iron bridge plug
5. Mill a window in the 5-1/2" casing @ +/- 1175'
6. Drill a new 4-3/4" directional horizontal lateral to a TD of +/- 2277' MD per the attached direction plan. Target bottom hole location at TD will be 1775' FEL; 661' FSL, 1372' TVD.
7. Run a 3-1/2" pre-perforated line to TD and tie back into the production casing @ +/- 1135'
8. Nipple down BOP and move out the drilling rig
9. Return the well to production

Estimated start date is 8/1/09 and duration will be approximately one week. The lateral will be in the Basal Fruitland Coal.
Bond number is BLM State Wide NM2726 B188110.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) D. Jeremy Golob		Title Senior Engineer
Signature		Date 06/29/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Original Signed: Stephen Mason	Title	Date JUL 01 2009
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	

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)

Hold C104
for Directional Survey
and "As Drilled" plat

NMOC

NOTIFY AFTER 24 HRS.
PRIOR TO CASING & CEMENT



Maralex Resources

**San Juan Basin N.M.
SEC 26-T25N-R11W
Trading Post 26-2R**

Lateral #1

Plan: Plan #2

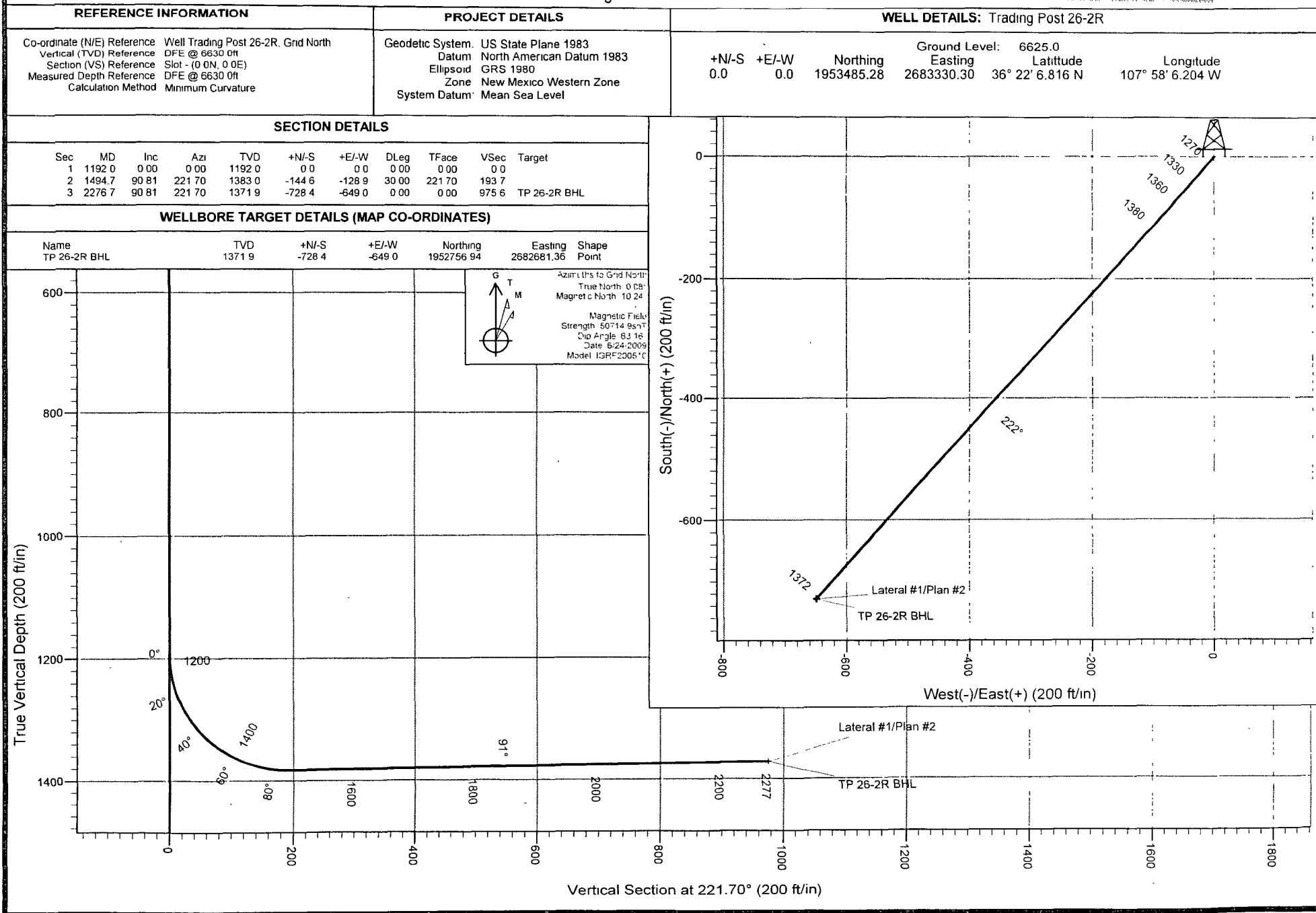
Standard Planning Report

24 June, 2009





Project: San Juan Basin N.M.
 Site: SEC 26-T25N-R11W
 Well: Trading Post 26-2R
 Wellbore: Lateral #1
 Design: Plan #2



Database: EDM 2003 21 Single User Db
Company: Maralex Resources
Project: San Juan Basin N.M.
Site: SEC 26-T25N-R11W
Well: Trading Post 26-2R
Wellbore: Lateral #1
Design: Plan #2

Local Co-ordinate Reference: Well Trading Post 26-2R
TVD Reference: DFE @ 6630 0ft
MD Reference: DFE @ 6630 0ft
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Project	San Juan Basin N M , North West N M , Fruitland Coal Pool		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		Using Well Reference Point
Map Zone:	New Mexico Western Zone		Using geodetic scale factor

Site		SEC 26-T25N-R11W			
Site Position:		Northing:	1,953,485.28ft	Latitude:	36° 22' 6.816 N
From:	Lat/Long	Easting:	2,683,330.30ft	Longitude:	107° 58' 6.204 W
Position Uncertainty:	0.0 ft	Slot Radius:	6-1/8"	Grid Convergence:	-0.08 °

Well	Trading Post 26-2R, Existing Vertical Well					
Well Position	+N/-S	0.0 ft	Northing:	1,953,485.28 ft	Latitude:	36° 22' 6.816 N
	+E/-W	0.0 ft	Easting:	2,683,330.30 ft	Longitude:	107° 58' 6.204 W
Position Uncertainty		0.0 ft	Wellhead Elevation:	ft	Ground Level:	6,625.0 ft

Wellbore	Lateral #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	6/24/2009	10.16	63.16	50,715

Design	Plan #2				
Audit Notes:					
Version:	Phase:	PLAN		Tie On Depth:	1,192.0
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)	
	0.0	0.0	0.0	221.70	

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
1,192.0	0.00	0.00	1,192.0	0.0	0.0	0.00	0.00	0.00	0.00	
1,494.7	90.81	221.70	1,383.0	-144.6	-128.9	30.00	30.00	0.00	221.70	
2,276.7	90.81	221.70	1,371.9	-728.4	-649.0	0.00	0.00	0.00	0.00	TP 26-2R BHL

Database: EDM 2003 21 Single User Db
Company: Maralex Resources
Project: San Juan Basin N M.
Site: SEC 26-T25N-R11W
Well: Trading Post 26-2R
Wellbore: Lateral #1
Design: Plan #2

Local Co-ordinate Reference: Well Trading Post 26-2R
TVD Reference: DFE @ 6630 0ft
MD Reference: DFE @ 6630 0ft
North Reference: Gnd
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0 0	0 00	0 00	0 0	0 0	0 0	0 0	0 00	0 00	0 00
1,192.0	0 00	0 00	1,192 0	0 0	0 0	0 0	0 00	0 00	0 00
1,200 0	2 40	221.70	1,200 0	-0 1	-0 1	0 2	30 00	30 00	0 00
1,210 0	5 40	221.70	1,210 0	-0 6	-0 6	0 8	30 00	30 00	0 00
1,220 0	8 40	221 70	1,219 9	-1 5	-1 4	2 0	30 00	30 00	0 00
1,230 0	11 40	221 70	1,229 7	-2 8	-2 5	3 8	30 00	30 00	0 00
1,240 0	14 40	221.70	1,239 5	-4 5	-4 0	6 0	30 00	30 00	0 00
1,250 0	17 40	221.70	1,249 1	-6 5	-5 8	8 7	30 00	30 00	0 00
1,260 0	20 40	221.70	1,258 6	-8 9	-8 0	12 0	30 00	30 00	0 00
1,270 0	23 40	221 70	1,267 8	-11 7	-10 4	15 7	30 00	30 00	0 00
1,280 0	26 40	221 70	1,276 9	-14 9	-13 2	19 9	30 00	30 00	0 00
1,290 0	29 40	221.70	1,285 8	-18 4	-16 4	24 6	30 00	30 00	0 00
1,300 0	32 40	221.70	1,294 3	-22 2	-19 8	29 7	30 00	30 00	0 00
1,310 0	35 40	221.70	1,302 6	-26 4	-23 5	35 3	30 00	30 00	0 00
1,320 0	38 40	221.70	1,310 6	-30 8	-27 5	41 3	30 00	30 00	0 00
1,330 0	41 40	221.70	1,318 3	-35 6	-31 7	47 7	30 00	30 00	0 00
1,340 0	44 40	221.70	1,325 6	-40 7	-36 3	54 5	30 00	30 00	0 00
1,350 0	47 40	221.70	1,332 6	-46 1	-41 1	61 7	30 00	30 00	0 00
1,360 0	50 40	221.70	1,339 2	-51 7	-46 1	69 2	30 00	30 00	0 00
1,370 0	53 40	221.70	1,345 3	-57 6	-51 3	77 1	30 00	30 00	0 00
1,380 0	56 40	221.70	1,351 1	-63 7	-56 7	85 3	30 00	30 00	0 00
1,390 0	59 40	221.70	1,356 4	-70 0	-62 4	93 8	30 00	30 00	0 00
1,400 0	62 40	221 70	1,361 3	-76 5	-68 2	102 5	30 00	30 00	0 00
1,410 0	65 40	221.70	1,365 7	-83 2	-74 2	111 5	30 00	30 00	0 00
1,420 0	68 40	221.70	1,369 6	-90 1	-80 3	120 7	30 00	30 00	0 00
1,430 0	71 40	221.70	1,373 0	-97 1	-86 5	130 1	30 00	30 00	0 00
1,440 0	74 40	221.70	1,376 0	-104 2	-92 9	139 6	30 00	30 00	0 00
1,450 0	77 40	221.70	1,378 4	-111 5	-99 3	149 3	30 00	30 00	0 00
1,460 0	80 40	221.70	1,380 3	-118 8	-105 9	159 1	30 00	30 00	0 00
1,470 0	83 40	221.70	1,381 7	-126 2	-112 4	169 0	30 00	30 00	0 00
1,480 0	86 40	221 70	1,382 6	-133 6	-119 1	179 0	30 00	30 00	0 00
1,490 0	89 40	221 70	1,383 0	-141 1	-125 7	189 0	30 00	30 00	0 00
1,494 7	90 81	221.70	1,383 0	-144 6	-128 9	193 7	30 00	30 00	0 00
1,500 0	90 81	221 70	1,382 9	-148 6	-132 4	199 0	0 00	0 00	0 00
1,600 0	90 81	221 70	1,381 5	-223 2	-198 9	299 0	0 00	0 00	0 00
1,700 0	90 81	221.70	1,380 1	-297 9	-265 4	399 0	0 00	0 00	0 00
1,800 0	90 81	221.70	1,378 6	-372 5	-331 9	499 0	0 00	0 00	0 00
1,900 0	90 81	221.70	1,377 2	-447 2	-398 4	598 9	0 00	0 00	0 00
2,000 0	90 81	221 70	1,375 8	-521 9	-465 0	698 9	0 00	0 00	0 00
2,100 0	90 81	221.70	1,374 4	-596 5	-531 5	798 9	0 00	0 00	0 00
2,200 0	90 81	221.70	1,373 0	-671 2	-598 0	898 9	0 00	0 00	0 00
2,276 7	90 81	221.70	1,371 9	-728 4	-649 0	975 6	0 00	0 00	0 00

TP 26-2R BHL

Design Targets

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
- hit/miss target									
- Shape									
TP 26-2R BHL	0 00	360 00	1,371.9	-728 4	-649 0	1,952,756.94	2,682,681.36	36° 21' 59 604 N	107° 58' 14 127 W
- plan hits target center									
- Point									