



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

October 25, 1990

GARREY CARRUTHERS
GOVERNOR

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STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
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Maralex Resources, Inc.
518 17th Street, Suite 1030
Denver, CO 80202

Attention: A. M. O'Hare

Administrative Order NSL-2914

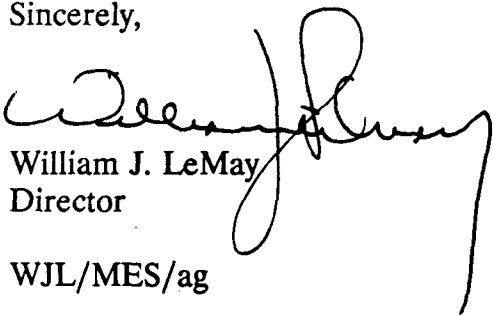
Dear Mr. O'Hare:

Reference is made to your application dated October 1, 1990 for a non-standard Basin-Fruitland coal gas well location for the existing Bradley H. Keys and Margaret N. Keys Trust Agreement Ltd. Scott Well No. 1 which was drilled in 1953 and completed in the Aztec Pictured Cliffs Pool at a standard gas well location 1880 feet from the South line and 1650 feet from the West line (Unit K) of Section 18, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

It is my understanding that the Pictured Cliffs zone will be properly plugged back and said well will be recompleted to the Basin-Fruitland Coal Gas Pool, which pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, is unorthodox. Further, Lots 3 and 4, E/2 SW/4 and SE/4 (S/2 equivalent) of said Section 18 shall be dedicated to the well forming a standard 326.45-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of said Division Order No. R-8768, the above-described unorthodox coal gas well location is hereby approved.

Sincerely,


William J. LeMay
Director

WJL/MES/ag

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington