STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

October 31, 1990

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

Maralex Resources, Inc. 518 17th Street
Suite 1030
Denver, CO 80202

Attention: A.M. O'Hare

Administrative Order NSL-2921

Dear Mr. O'Hare:

Reference is made to your application dated October 5, 1990 for a non-standard coal gas well location for your Marron W.N. Federal Well No. 8 to be located 1762 feet from the North line and 730 feet from the East line (Unit G) of Section 23, Township 27 North, Range 8 West, NMPM, Basin Fruitland Coal (Gas) Pool, San Juan County, New Mexico. The E/2 of said Section 23 shall be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

By the authority granted me under the provisions of Rule 8 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool as promulgated by 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