



OIL CONSERVATION DIVISION
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*Copy Sent to E. Bosch
10/11/90*

October 5, 1990

518 17th St., Suite 1030
Denver, Colorado 80202
(303) 571-4220

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

OK'd

Attn: William J. Lemay

Re: Unorthodox Location
Marron W.N. Federal Com No. 9
NE Sec. 27, T27N, R8W
San Juan County, NM

Gentlemen:

Maralex Resources, Inc. (Maralex) hereby submits the following application in triplicate for an unorthodox location for the subject well. Maralex is concurrently submitting an application for permit to drill (see Attachment No. 1) the subject well with the Bureau of Land Management.

The proposed well is located 1760' from the north line and 360' from the east line of Section 27. Attachment No. 2 is a completed C-102. An orthodox location for the well could not be found in the northeast quarter of Section 27 due to the topography and an existing pipeline. Directional drilling of the well is not feasible due to the shallow total depth and the distance from a legal location to the surface location required due to the above mentioned cause.

Topographic obstructions, as shown on Attachment No. 3 include steep slopes and cliff faces from Blanco Mesa into Largo Canyon. There do not appear to be any existing wells within the orthodox location window in this quarter section.

Attachment No. 4 shows existing wells in the area and all offset operators. To the best of our knowledge, the information on this map is current and correct. None of the offsetting wells are currently producing from the Basin Fruitland Coal pool.

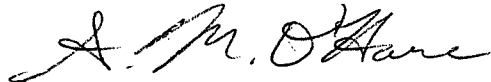
By copy of this letter sent through certified mail, the offset operators are being notified of this application for unorthodox location. They are being requested to return to the NMOCDD an executed waiver of objections to the unorthodox

location that is provided at the end of this letter. Maralex will submit to the NMOCd the return receipt cards signifying receipt by the offset operators of this notification as soon as they are returned to us.

By virtue of our purchase of ARCO's operating rights to the Fruitland Formation in all of Township 27 North, Range 8 West, San Juan County, New Mexico, Maralex is now the operator of the shallow rights designated under ARCO on Attachment No. 4.

Please call me at (303) 571-4220 at your earliest convenience if any additional information is required for processing of this application.

Sincerely,



A. M. O'Hare, P.E.
President
Maralex Resources, Inc.

cc: Great Lakes Chemical, Certified
Western Oil & Minerals Ltd., Certified
Meridian Oil Production, Co., Certified
Ibex Partnership, Certified
Bureau of Land Management,
Farmington Resource Area

If you have no objection to the proposed unorthodox location, please sign the waiver below and forward to the NMOCd in the envelop provided.

WE HEREBY WAIVE OUR RIGHT TO OBJECT TO THE UNORTHODOX LOCATION PROPOSED IN THIS APPLICATION BY MARALEX RESOURCES, INC.

Company Name

BY: _____

Date: _____

Attachments

Attachment No. 1
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Maralex Resources, Inc.

3. ADDRESS OF OPERATOR

518 17th Street, Suite 1030, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)

At surface 1760 FNL and 360 FEL (Unit Letter H)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 17 miles southeast of Blanco, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 360'

16. NO. OF ACRES IN LEASE

2560'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 280'

19. PROPOSED DEPTH

2350

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

6086 GR, 6099 KB

22. APPROX. DATE WORK WILL START*

November 1, 1990

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	23# J-55	300'	248 cuft/210 sx Class B w/2% CaCl ₂
7-7/8"	5-1/2"	23# J-55	2350'	370 cuft/300 sx 50:50 POZ w/2" gel
				118 cuft/100 sx Class B neat tail

Maralex Resources, Inc. proposes to drill a 12-1/4" hole to 300' using a native fresh water mud. The 8-5/8" surface string will be cemented back to surface. Casing will then be drilled out with a 7-7/8" bit using a low solids, non-dispersed fresh water mud. Upon reaching TD, a full suite of open hole logs will be run and 5-1/2" production casing will be set and cemented back to surface. In accordance with "On Shore Oil and Gas Order #1" attached is the Drilling Plan and Surface Use Plan that we will follow in drilling the subject well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

A. M. O'Hare

TITLE

President

DATE

10/5/90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

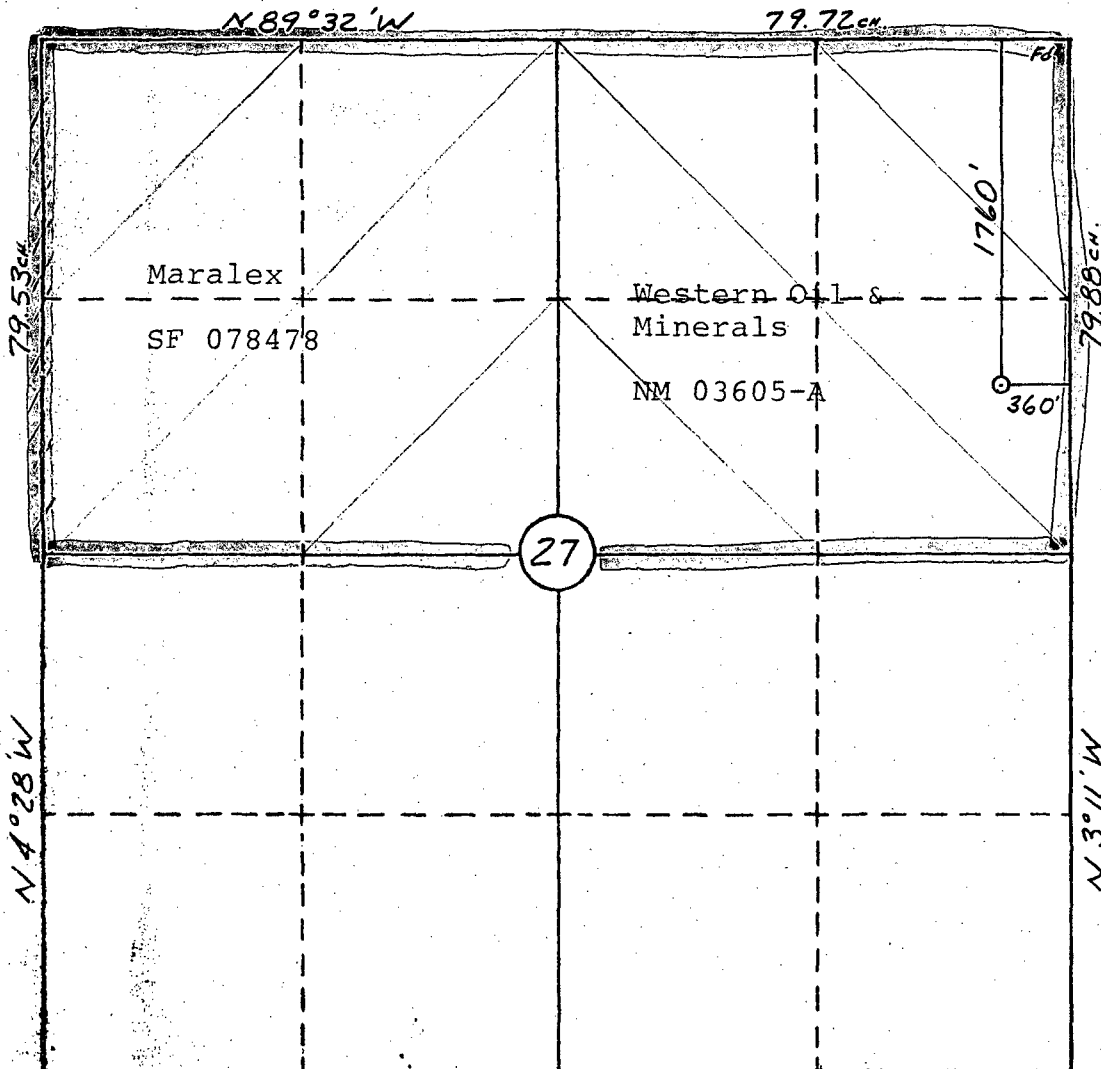
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator MARALEX RESOURCES, INC.			Lease MARRON W.N. FEDERAL COM		Well No. 9
Unit Letter H	Section 27	Township 27 N	Range 8 W	County San Juan	
Actual Footage Location of Well: 1760 feet from the North line and 360 feet from the East line					
Ground level Elev. 6086	Producing Formation Fruitland		Pool Basin Fruitland Coal Gas		Dedicated Acreage: 320 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation <u>Communitization</u></p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

A. M. O'Hare

Printed Name

A. M. O'Hare

Position

President

Company

Maralex Resources, Inc.

Date

10/5/90

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 to the best of my knowledge and belief.

9-28-90

Date Surveyed

William R. Mahnke II

Signature & Seal of Professional Surveyor

WILLIAM R. MAHNKE II
NEW MEXICO
#8466
CERTIFICATE NO. 8466
PROFESSIONAL LAND SURVEYOR

Standard 640 acre Section



Plat No. 1
MARALEX RESOURCES, INC.
MARRON W.N. FEDERAL COM #9
1760'FNL & 360'FEL
Sec. 27, T27N, R8W
San Juan Co., N.M.

SCALE 1:500

