

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

December 17, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Maralex Resources, Inc. P. O. Box 338 Ignacio, Colorado 81137

Attention:

Carla S. Shaw

Production Technician carlasue4@lycos.com

Administrative Order NSL-4967

Dear Ms. Shaw:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 10, 2003 (administrative application reference No. pMES0-331456197); (ii) your e-mail to me on Tuesday afternoon, December 16, 2003 seeking the status of this application; and (iii) the Division's records in Aztec and Santa Fe: all concerning Maralex Resources, Inc.'s ("Maralex") request for an exception to the well location requirements [Rule 7 (a) (1)] provided within the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended, for a non-standard infill gas well location within an existing 327.10-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629) comprising Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 19, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico.

This application has been duly filed under the provisions of: (i) Rule 7 (b) of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool"; (ii) Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission ("Commission") in Case No. 12119 on August 12, 1999; and (iii) Rule 1207.A (2), revised by Division Order No. R-11205, issued by the Commission in Case No. 12177 on June 17, 1999.

This unit is currently dedicated to Maralex's Cecil Cast Well No. 1 (API No. 30-045-29193), located at a standard coal gas well location 1400 feet from the North line and 1450 feet from the East line (Unit G) of Section 19.

By the authority granted me under the applicable provisions of the special pool rules governing the Basin-Fruitland Coal (Gas) Pool and Division Rule 104.F (2), the following described unorthodox infill gas well location to be drilled within the above-described 327.10-acre lay-down coal gas spacing unit is hereby approved:

Cecil Cast Well No. 2-A 1577' FNL & 411' FWL (Lot 2/Unit E) (API No. 30-045-31908).

Further, Maralex is hereby authorized to simultaneously dedicate production attributed to the Basin-Fruitland Coal (Gas) Pool from its existing Cecil Cast Well No. 1 with the proposed Cecil Cast Well No. 2-A.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Lori Wrotenbery

Director

LW/mes

cc: New Mexico Oil Conservation Division – Aztec

U. S. Bureau of Land Management - Farmington