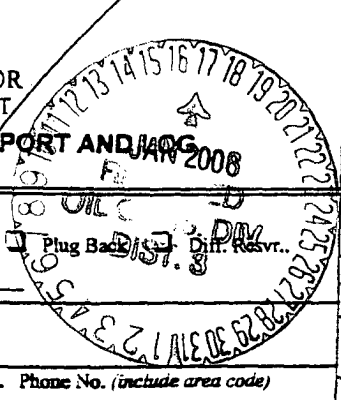


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004



1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other
2. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resrv.
Other _____

3. Name of Operator
Maralex Resources, Inc.

3. Address P.O. Box 338, Ignacio, CO 81137 3a. Phone No. (include area code) 970/563-4000

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface 860' FSL; 955' FEL (SESE)
At top prod. interval reported below Same as above.
At total depth Same as above.

5. Lease Serial No. SF080917

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

8. Lease Name and Well No. Atlantic Fruitland 5 #2A

9. API Well No. 30-045-33154

10. Field and Pool, or Exploratory Basin Fruitland Coal

11. Sec., T., R., M., on Block and Survey or Area Sec. 5-T30N-R10W

12. County or Parish San Juan 13. State NM

14. Date Spudded 11/14/05 15. Date T.D. Reached 11/17/05 16. Date Completed ☐ D & A ☒ Ready to Prod. 12/22/05 17. Elevations (DF, RKB, RT, GL)* 6263 GL

18. Total Depth: MD 3015' TVD 19. Plug Back T.D.: MD 2950' TVD 20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) CBL, Array Induction GR, Compensated Neutron 22. Was well cored? ☒ No ☐ Yes (Submit analysis) Was DST run? ☒ No ☐ Yes (Submit report) Directional Survey? ☐ No ☒ Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Skis & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4"	8-5/8" New 23#	Surf.	191'			120sx 2%CaCl2; 1/4# flocele		Surface	
7-7/8"	5-1/2" New 17#	Surf	3010'			325sx 65/35 Pozmix w/6% gel, 5# gilsonite, 1/4# flocele & 150 sx Standard w/0.2% Halad 9, 5# gilsonite & 1/4# flocele.		Surface	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2-3/8"	2883'							

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
Basin Frltd Coal			2715-2870	4"	4 JSPF	Open

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
See Attached Report	

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
12/27/05		24	→	0	105	5			Flowing
Choice Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
.250	SI		→	0	105	5		Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choice Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

ACCEPTED FOR RECORD
JAN 11 2006
FARMINGTON FIELD OFFICE
BY: [Signature]

NMOCD

3b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
hole size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

3c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
hole size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

1. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

1. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
Oja Alamo	1837	1912			
Kirtland-	1912				
Fruitland		2909			
P. Cliffs	2909	2950			

2. Additional remarks (include plugging procedure):

3. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.) 2. Geologic Report 3. DST Report
5. Summary Notice for plugging and cement verification 6. Core Analysis 7. Other:

4. Directional Survey

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) Carla S. Shaw Title Production Technician

Signature *Carla S. Shaw* Date 12/30/05

Under 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.

MARALEX RESOURCES, INC.

ATLANTIC FRUITLAND 5-2A

SUPPLEMENTAL INFORMATION FOR FORM 3160-4 WELL COMPLETION REPORT

Perforate 2860'-2870' with 4" HEGS guns. 4 spf, .42" ent, 90 deg. phasing. Open frac valve and pump KCL water. Formation broke at 3040 psi treating pressure. Pump 900 gals 7.5% HCL (job design was 300 gals, Halliburton needed to unload truck for no charge). Pump 1000 gals 12%/3% mud acid. Drop 64 1.1 S.G. ball sealers evenly in mud acid. Job balled out with 500 gals HF remaining in casing. Surge balls off perms and displace acid into formation with water (8 bbls overflush). ISIP 373 psig steady.

Stimulate Fruitland coal interval 2860'-2870' as follows:

7,997 gals Pad

5,987 gals at 1 ppg

3,992 gals at 2 ppg

2,988 gals at 3 ppg

1,993 gals at 4 ppg

1,345 gals at 5 ppg

2,767 gals at 6 ppg

Flush with 2760 gals

Job pumped at 25 BPM with Delta Frac 140 fluids. Total sand: 50,202# of 16/30 Brady with SandWedge additive.

Max treating pressure: 1107 psi. Final frac gradient: .59 psi/ft. 691 bbls load water.

ISIP: 463, 5 min: 271, 10 min: 228, 15 min: 175 psi

Run a CCL to get on depth and perforate the intervals: 2771'-2780', 2749'-2751', 2715'-2737' in 3 runs. 4 spf, 90 degree phasing, .42" holes. POOH, all guns fired.. Pressure test lines to 5000 psi. Open frac valve and pump water. Formation broke at 1557 psig. Pump 300 gals 7.5% HCL followed by 950 gals 12%/3% HF mud acid. Dropped 180 1.1 S.G. balls evenly throughout HF acid. Pump 69 bbls water flush. Observed slight ball action. job balled off reaching 4000 psi.

ISIP: 640 psig, 5 min: 511 psi, 10 min: 477 psi..

Stimulate Fruitland coal stage 2 as follows:

21,012 gals Pad

5,003 gals at 1 ppg

5,129 gals at 2 ppg

5,034 gals at 3 ppg

6,977 gals at 4 ppg

6,992 gals at 5 ppg

8,006 gals at 6 ppg

10,744 gals at 7 ppg

Flush with 2,665 gals

Job pumped at 40 BPM with Delta Frac 140 fluids. Total sand: 205,066# of 16/30 Brady with SandWedge additive.

Sand is tagged with radioactive tracer. Max treating pressure: 1490 psi. Final frac gradient: .89 psi/ft. 1703 bbls load water. Swapped sandwedge totes in 7 ppg stage. Coated 7 ppg stage with 80% of design.

ISIP: 1229, 5 min: 1,128, 10 min: 1,059, 15 min: 990 psi