

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 17, 2017

Maralex Resources Inc.
Attn: Mickey O'Hare
PO Box 338
Ignacio, CO 81137

To Whom it may concern:

On February 1, 2016, a memorandum was sent to your office at the above address requiring bradenhead tests for the year 2016, Area C. The reports were required to be submitted no later than November 1, 2016. Our well files indicate the required report has not been submitted on the Arellano #1, 30-039-05644.

The report is out of compliance with the Bradenhead Test Memorandum dated February 1, 2016. The well has been pulled from the 3-year test cycle and put on a yearly test cycle. To place this well back into its' regular area test rotation Maralex Resources Inc. must retest the well in compliance with the 2017 Bradenhead Test Memorandum.

Be advised, any additional wells showing non-compliance with the Bradenhead Test Memorandum may also be pulled from the three-year cycle and put into a one year test cycle.

If you have any questions, you can reach me at 505-334-6178, ext. 123.
Sincerely,

Monica Kuehling
Deputy Oil & Gas Inspector
District III, Aztec

CC: Well File