

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

(Other instructions on reverse side)

**FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995**

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER

SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Maralex Resources, Inc.

3. ADDRESS AND TELEPHONE NO.
 P.O. Box 338, Ignacio, CO 81137 970/563-4000

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface: 800' FSL; 840' FWL
 At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 27 miles southwest of Bloomfield

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 800'

16. NO. OF ACRES IN LEASE
 160

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.

19. PROPOSED DEPTH
 1480'

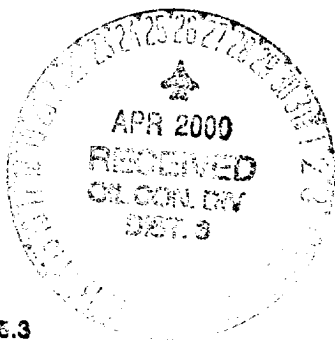
20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6513' GL

22. APPROX. DATE WORK WILL START*
 Immediately

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" ✓	24#	140'	140sx(165cf)Class B cmt w/2%cacl
7-7/8"	5-1/2" ✓	15.5#	1480'	100sx(118cf)Class B cmt followed w/230 sx(290cf)Class B neat cement; 50/50 Pozmix with FLA



This action is subject to technical and procedural review pursuant to 43 CFR 3160.3 and appeal pursuant to 43 CFR 3160.4.

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "SPECIAL REQUIREMENTS"

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 Dennis R. Stearns TITLE Engineering Manager DATE 01/24/2000

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE _____ DATE APR 24 2000

*See Instructions On Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-045-30127		2 Pool Code 71629		3 Pool Name Basin Fruitland Coal	
4 Property Code 25752		5 Property Name TRADING POST 24			6 Well Number 2
7 OGRID No. 013998		8 Operator Name MARALEX RESOURCES, INC.			9 Elevation 6513

10 Surface Location

UL or lot no.	Section	Township	Range	Lo. Ida	Feet from the	North/South line	Feet from the	East/West line	County
M	24	25 N	11 W		800	South	840	West	San Juan

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p> <p>S 89° 52' W</p> <p>39.86cm.</p> <p>S 89° 48' W</p> <p>39.98cm.</p> <p>39.98cm.</p> <p>N 0° 06' W</p> <p>40.05cm.</p> <p>N 0° 07' W</p> <p>840'</p> <p>800'</p> <p>S 89° 51' W</p> <p>39.74cm.</p> <p>N 89° 59' W</p> <p>39.89cm.</p>	<p>NO-G-9909-1358</p> <p>SEC.</p>	<p>24</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief;</p> <p><i>Dennis R. Reimers</i></p> <p>Signature</p> <p>Dennis R. Reimers</p> <p>Printed Name</p> <p>Engineering Manager</p> <p>Title</p> <p>01/24/2000</p> <p>Date</p>
	<p>APR 2000</p> <p>RECEIVED</p> <p>REGISTRATION DIV.</p> <p>MS 7.9</p>		<p>18 SURVEYOR CERTIFICATION</p> <p>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 belief.</p> <p>21 Dec, 1999</p> <p>Date of Survey</p>
	<p>NM94826</p>		<p>Signature and Seal of Professional Surveyor</p> <p><i>William F. Mahake II</i></p> <p>William F. Mahake II</p>
	<p>3466</p>		<p>Certificate Number 8466</p>

**TRADING POST 24 # 2
800' FSL; 840' FWL
SECTION 24-T25N-R11W
SAN JUAN COUNTY, NM**

Drilling Program

1. Formation Tops

The estimated tops of important geologic markers are:

<u>Formation Name</u>	<u>GL Depth</u>	<u>KB Depth</u>
Basal Fruitland Coal	1320'	1325'
Pictured Cliffs	1380'	1385'
Total Depth (TD)	1480'	1485'

* All elevations reflect the ungraded ground level of 6513'.

2. Notable Zones

Oil and Gas Zones

Fruitland Coal	1320'
Pictured Cliffs	1380'

The primary objective is the Basin Fruitland Coal formation. Completion may require fracturing. The entire wellbore will be cased. Water zones will be protected with casing, cement and weighted mud. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

3. Pressure Control

BOP systems will follow Onshore Order No. 2. The drilling contract has not been awarded yet, thus the exact BOP model to be used is not yet known. A typical model is shown on the attached page.

Once out from under the surface casing, a minimum of 2,000 psi BOP and choke manifold system will be used. BOP controls will be installed before drilling the surface casing plug and used until the well is completed or abandoned.

MARALEX RESOURCES, INC.
TRADING POST 24 #2
800'FSL & 840'FWL
Sec. 24, T25N, R11W, NMPM
San Juan Co., NM

