

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-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. MARALEX RESOURCES, INC. P.O. BOX 338 IGNACIO, CO 81137		OGRID Number 013998
Property Code 29849	Property Name TRADING POST 36	Well No. # 1
API Number 30-045-31111		

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	36	25N	11W		790	NORTH	990	EAST	SAN JUAN

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
SAME AS ABOVE									
Proposed Pool 1					Proposed Pool 2				

Work Type Code N	Well Type Code G	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 6727'
Multiple No	Proposed Depth 1550'	Formation Basin Ftrld Coal	Contractor To be Determined	Spud Date 07/15/02

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	23#	170'	150 sx	Surface
7-7/8"	5-1/2"	15.5#	1550'	260 sx	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See Attachment

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

Signature:

Printed name:

A.M. O'Hare

Title:

President

Date:

05/29/02

Phone:

970/563-4000

OIL CONSERVATION DIVISION

Approved by:

Title:

DEPUTY OIL & GAS INSPECTOR, DIST. IV

Approval:

JUN 11 2002

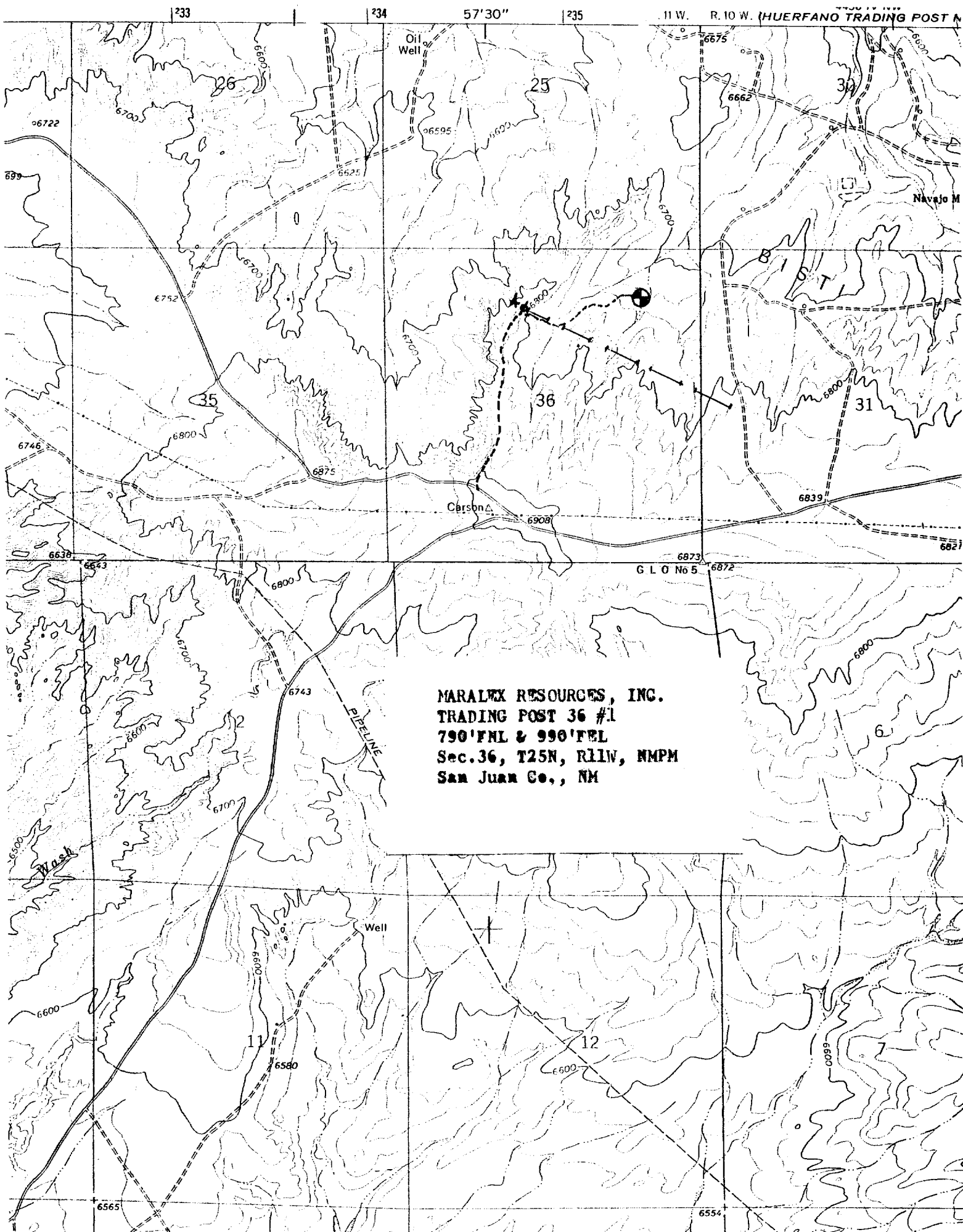
Expiration Date:

JUN 11 2003

Conditions of Approval:

Attached ☐

New Mexico Oil Conservation Division



**MARALEX RESOURCES, INC.  
APD ATTACHMENT  
TRADING POST 36 # 1  
790' FNL; 990' FEL  
SECTION 36-T25N-R11W  
SAN JUAN COUNTY, NM**

Maralex Resources, Inc., proposes to drill a vertical well at the above-designated location to test the Basin Fruitland Coal formation. A native mud will be used to drill the surface hole and produced water from Maralex's existing Fruitland wells will be used to drill the production hole. Both sets of casing will be cemented back to surface.

The drilling contract has not been awarded yet, thus the 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 1,000 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.

Upon completion of the well, Maralex intends to transport the produced gas from the Trading Post 36 # 1 location to the Trading Post # 1 tie-in point located in the NE/4 SW/4 of Section 30-T25N-R10W. A central delivery point will be located at the Trading Post # 1. Permission is also requested to bury a 2" water line, which will run between both wells. The water will be piped to an unlined evaporation pond located at the Trading Post 36 # 1 location. The proposed pond will be 190' x 190' with a total depth of 8' deep, 2:1 slope. A woven wire fence will be built to a minimum height of 6 feet with two strands of barbed wire on top. Each corner will be H-braced. The pond will be unlined to allow for percolation. The State of New Mexico, FIMO and the BLM all recognize, agree and have the authority to grant permission for use of the proposed unlined pit as there are no surface or subsurface waters to be impacted by percolation of the produced waters in the vicinity of the Trading Post Project.