

October 5, 1990

518 17th St., Suite 1030  
Denver, Colorado 80202  
(303) 571-4220

State of New Mexico  
Energy, Minerals and Natural Resources Dept.  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

**RECEIVED**

OCT 12 1990

**OIL CON. DIV.  
DIST. 3**

Attn: William J. Lemay

Re: Unorthodox Location  
Marron W.N. Federal Com No. 9  
NE Sec. 27, T27N, R8W  
San Juan County, NM

Gentlemen:

Maralex Resources, Inc. (Maralex) hereby submits the following application in triplicate for an unorthodox location for the subject well. Maralex is concurrently submitting an application for permit to drill (see Attachment No. 1) the subject well with the Bureau of Land Management.

The proposed well is located 1760' from the north line and 360' from the east line of Section 27. Attachment No. 2 is a completed C-102. An orthodox location for the well could not be found in the northeast quarter of Section 27 due to the topography and an existing pipeline. Directional drilling of the well is not feasible due to the shallow total depth and the distance from a legal location to the surface location required due to the above mentioned cause.

Topographic obstructions, as shown on Attachment No. 3 include steep slopes and cliff faces from Blanco Mesa into Largo Canyon. There do not appear to be any existing wells within the orthodox location window in this quarter section.

Attachment No. 4 shows existing wells in the area and all offset operators. To the best of our knowledge, the information on this map is current and correct. None of the offsetting wells are currently producing from the Basin Fruitland Coal pool.

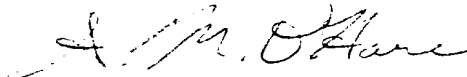
By copy of this letter sent through certified mail, the offset operators are being notified of this application for unorthodox location. They are being requested to return to the NMOCD an executed waiver of objections to the unorthodox

location that is provided at the end of this letter. Maralex will submit to the NMOCD the return receipt cards signifying receipt by the offset operators of this notification as soon as they are returned to us.

By virtue of our purchase of ARCO's operating rights to the Fruitland Formation in all of Township 27 North, Range 8 West, San Juan County, New Mexico, Maralex is now the operator of the shallow rights designated under ARCO on Attachment No. 4.

Please call me at (303) 571-4220 at your earliest convenience if any additional information is required for processing of this application.

Sincerely,



A. M. O'Hare, P.E.  
President  
Maralex Resources, Inc.

cc: Great Lakes Chemical, Certified  
Western Oil & Minerals Ltd., Certified  
Meridian Oil Production, Co., Certified  
Ibex Partnership, Certified  
Bureau of Land Management,  
Farmington Resource Area

If you have no objection to the proposed unorthodox location, please sign the waiver below and forward to the NMOCD in the envelop provided.

WE HEREBY WAIVE OUR RIGHT TO OBJECT TO THE UNORTHODOX LOCATION PROPOSED IN THIS APPLICATION BY MARALEX RESOURCES, INC.

\_\_\_\_\_  
Company Name

BY: \_\_\_\_\_

Date: \_\_\_\_\_

Attachments

Attachment No. 1  
**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

**SUBMIT IN TRIPLICATE\***  
(Other instructions on  
reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

**1a. TYPE OF WORK**

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

**b. TYPE OF WELL**

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

**2. NAME OF OPERATOR**

Maralex Resources, Inc.

**3. ADDRESS OF OPERATOR**

518 17th Street, Suite 1030, Denver, CO 80202

**4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\***

At surface 1760 FNL and 360 FEL (Unit Letter H)

At proposed prod. zone  
Same

**14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\***

Approximately 17 miles southeast of Blanco, NM

**15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.**

(Also to nearest drlg. unit line, if any) 360'

**16. NO. OF ACRES IN LEASE**

2560'

**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.**

280'

**19. PROPOSED DEPTH**

2350

**20. ROTARY OR CABLE TOOLS**

Rotary

**21. ELEVATIONS (Show whether DF, RT, GR, etc.)**

6086 GR, 6099 KB

**22. APPROX. DATE WORK WILL START\***

November 1, 1990

**23.**

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	23# J-55	300'	248 cuft/210 sx Class B w/29
7-7/8"	5-1/2"	23# J-55	2350'	CaCl <sub>2</sub>
				370 cuft/300 sx 50:50 POZ
				w/2" gel
				118 cuft/100 sx Class B neat
				tail

Maralex Resources, Inc. proposes to drill a 12-1/4" hole to 300' using a native fresh water mud. The 8-5/8" surface string will be cemented back to surface. Casing will then be drilled out with a 7-7/8" bit using a low solids, non-dispersed fresh water mud. Upon reaching TD, a full suite of open hole logs will be run and 5-1/2" production casing will be set and cemented back to surface. In accordance with "On Shore Oil and Gas Order #1" attached is the Drilling Plan and Surface Use Plan that we will follow in drilling the subject well.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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

*A. M. O'Hare*

TITLE President

DATE 10/5/90

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_

APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

**\*See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes 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.

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

Attachment No. 2  
State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

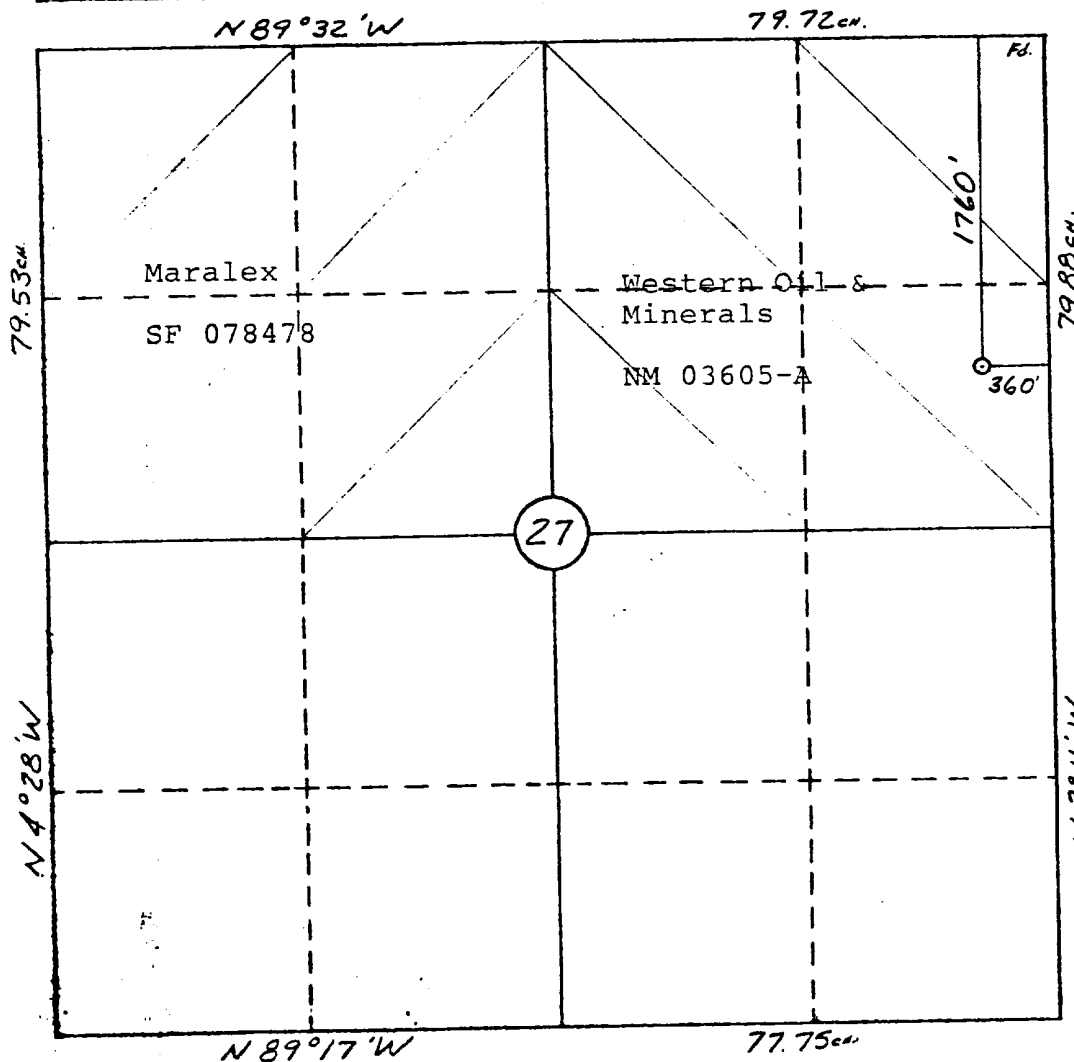
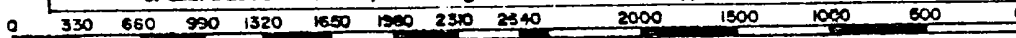
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>MARALEX RESOURCES, INC.</b>		Lease <b>MARRON W.N. FEDERAL COM</b>		Well No. <b>9</b>
Unit Letter <b>H</b>	Section <b>27</b>	Township <b>27 N</b>	Range <b>8 W</b>	County <b>San Juan</b>
Actual Footage Location of Well: <b>1760</b> feet from the <b>North</b> line and <b>360</b> feet from the <b>East</b> line				
Ground level Elev. <b>6086</b>	Producing Formation <b>Fruitland</b>	Pool <b>Basin Fruitland Coal Gas</b>		Dedicated Acreage: <b>320 Acres</b>
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation <u>Communitization</u> If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>				



OPERATOR CERTIFICATION

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

Signature A. M. O'Hare  
Printed Name **A. M. O'Hare**  
Position **President**  
Company **Maralex Resources, Inc.**  
Date **10/5/90**

SURVEYOR CERTIFICATION

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 knowledge and belief. **9-28-90**

Date Surveyed  
**William E. Mahnke II**

Signature & Seal of Professional Surveyor

**WILLIAM E. MAHNKE II**  
NEW MEXICO  
#8466  
Certification No. **8466**  
PROFESSIONAL LAND SURVEYOR

