

MARALEX PENALTY PROPOSAL

Blancett Well No. 2R location: 790 feet FSL and 830 feet FEL  
§13-30N-12W

Nearest orthodox location: 2640 + 130 = 2770 feet FSL §13

Proposed Penalty:  $(2770 - 790) / 2770 = 71.5\%$

Assessed against the well's  
ability to produce into a  
pipeline, measured every six  
months

NEW MEXICO  
OIL CONSERVATION DIVISION

MARALEX EXHIBIT 4

CASE NO. 11865

BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

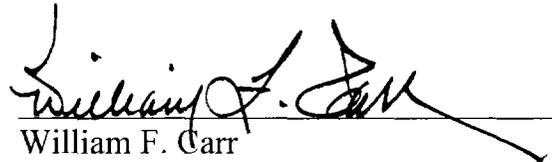
IN THE MATTER OF THE APPLICATION  
OF THOMPSON ENGINEERING &  
PRODUCTION CORP. FOR AN UNORTHODOX  
WELL LOCATION, SAN JUAN COUNTY,  
NEW MEXICO.

CASE NO. 11865

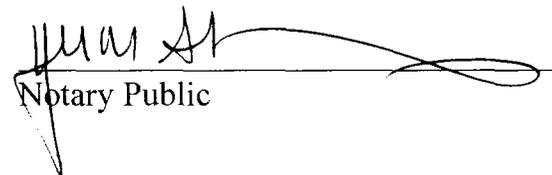
AFFIDAVIT

STATE OF NEW MEXICO     )  
  ) ss.  
COUNTY OF SANTA FE     )

William F. Carr, attorney in fact and authorized representative of Thompson Engineering & Production Corp., the Applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested persons entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

  
William F. Carr

SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of January, 1998.

  
Notary Public

My Commission Expires:

8/1/2001

**EXHIBIT A**

Maralex Resources  
c/o Mickey O'Hare  
Post Office Box 338  
Ignacio, CO 81137

Mr. Norman Gilbreath  
Post Office Box 208  
Aztec, NM 87410

Burlington Resources, Inc.  
c/o Mr. James Strickler  
3535 E. 30th Street  
Farmington, NM 87402

Manana Gas Inc.  
Attn: Ed Hartman  
2520 Tramway Terrace Ct., NE  
Albuquerque, NM 87122

**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11865 Exhibit No. B

Submitted by: Thompson Engineering &  
Production Corp.

Hearing Date: January 8, 1998

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
PAUL R. OWEN  
  
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

December 12, 1997

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Maralex Resources  
c/o Mr. Mickey O'Hare  
Post Office Box 338  
Ignacio, CO 81137

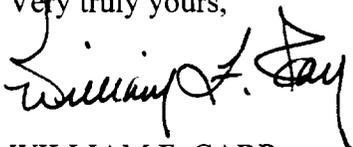
Re: *Oil Conservation Division Case 11865:  
Application of Thompson Engineering & Production Corp. for an Unorthodox  
Well Location, San Juan County, New Mexico*

Dear Mr. O'Hare:

This letter is to advise you that Thompson Engineering & Production Corp.'s application seeking approval of an unorthodox well location for its Blancett Well No. 2R in the Fruitland formation at an unorthodox location 790 feet from the South line and 830 feet from the East line of Section 13, Township 30 North, Range 12 West, N.M.P.M., San Juan County, New Mexico has been set for hearing before an Examiner of the Oil Conservation Division on January 8, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases before the Division have been requested to file a Pre-hearing Statement substantially in the form prescribed by the Division (Oil Conservation Division Memorandum 2-90). Pre-hearing statements should be filed by 4:00 o'clock p.m., on the Friday before a scheduled hearing.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR THOMPSON ENGINEERING & PRODUCTION CORP.  
WFC:mlh  
Enc.

Is your **RETURN ADDRESS** completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
  - 2.  Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Maralex Resources  
 c/o Mr. Mickey O'Hare  
 Post Office Box 338  
 Ignacio, CO 81137

4a. Article Number

P 551 044 694

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12/15/97

8. Addressee's Address (Only if requested and fee is paid)

12/15/97

5. Received By: (Print Name)

*Mickey O'Hare*

6. Signature: (Addressee of Agent)

*X SOFC KERRERA*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 551 044 694

US Postal Service  
**Receipt for Certified Mail**

Maralex Resources  
 c/o Mr. Mickey O'Hare  
 Post Office Box 338  
 Ignacio, CO 81137

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 2.77</b>
Postmark or Date	<i>December 12, 1997</i>

PS Form 3800, April 1995

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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MICHAEL H. FELDEWERT  
ANTHONY F. MEDEIROS  
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OF COUNSEL

JEFFERSON PLACE  
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SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

December 12, 1997

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**RETURN RECEIPT REQUESTED**

Mr. Norman Gilbreath  
Post Office Box 208  
Aztec, NM 87410

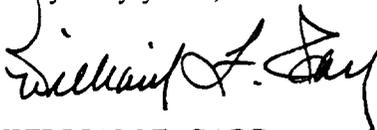
Re: *Oil Conservation Division Case 11865:  
Application of Thompson Engineering & Production Corp. for an Unorthodox  
Well Location, San Juan County, New Mexico*

Dear Mr. Gilbreath:

This letter is to advise you that Thompson Engineering & Production Corp.'s application seeking approval of an unorthodox well location for its Blancett Well No. 2R in the Fruitland formation at an unorthodox location 790 feet from the South line and 830 feet from the East line of Section 13, Township 30 North, Range 12 West, N.M.P.M., San Juan County, New Mexico has been set for hearing before an Examiner of the Oil Conservation Division on January 8, 1998. You are not required to attend this hearing, but as an owner of an interest that may be affected by this well location, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

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WFC:mlh

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3. Article Addressed to:

Mr. Norman Gilbreath  
Post Office Box 208  
Aztec, NM 87410

4a. Article Number

P 551 044 693

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12-15 9-7

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)  
*Norman Gilbreath*

6. Signature: Addressee or Agent  
*Norman Gilbreath*

PS Form 3811, December 1994

Domestic Return Receipt

P 551 044 693  
US Postal Service  
**Receipt for Certified Mail**

Mr. Norman Gilbreath  
Post Office Box 208  
Aztec, NM 87410

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 2.77</b>
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Thank you for using Return Receipt Service.

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& SHERIDAN, P.A.  
LAWYERS

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TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

December 12, 1997

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Burlington Resources, Inc.  
c/o Mr. James Strickler  
3535 E. 30th Street  
Farmington, NM 87402

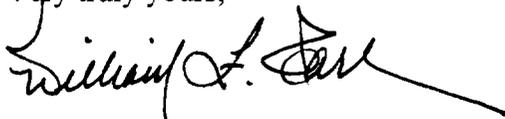
Re: ***Oil Conservation Division Case 11865:  
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Well Location, San Juan County, New Mexico***

Dear Mr. Strickler:

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3. Article Addressed to:

Burlington Resources, Inc.  
 c/o Mr. James Strickler  
 3535 E. 30th Street  
 Farmington, NM 87402

4a. Article Number

P 551 044 692

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

12/15/97

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)  
 J. Strickler  
 6. Signature: (Addressee or Agent)  
 X

PS Form 3811, December 1994

Domestic Return Receipt

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P 551 044 692

US Postal Service  
**Receipt for Certified Mail**

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 3535 E. 30th Street  
 Farmington, NM 87402

Postage	\$
Certified Fee	
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Attn: Ed Hartman  
2520 Tramway Terrace Ct., NE  
Albuquerque, NM 87122

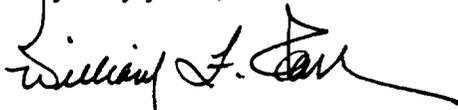
Re: ***Oil Conservation Division Case 11865:  
Application of Thompson Engineering & Production Corp. for an Unorthodox  
Well Location, San Juan County, New Mexico***

Dear Mr. Hartman:

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  - 2.  Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Manana Gas Inc.  
 Attn: Ed Hartman  
 2520 Tramway Terrace Ct., NE  
 Albuquerque, NM 87122

4a. Article Number

P 551 044 695

4b. Service Type

- Registered
- Express Mail
- Return Receipt for Merchandise
- COD
- Certified
- Insured

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

December 12, 1997

5. Received By: (Print Name)

Ed Hartman

6. Signature: (Addressee or Agent)

X *Ed Hartman*

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service.

P 551 044 695

US Postal Service

**Receipt for Certified Mail**

Manana Gas Inc.  
 Attn: Ed Hartman  
 2520 Tramway Terrace Ct., NE  
 Albuquerque, NM 87122

Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 3.46</b>
Postmark or Date	December 12, 1997

PS Form 3800 April 1995