

# FAX

June 7, 2002



New Mexico Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87405

Attn: Florene Davidson  
Fax: (505) 476-3462

Attached is a letter we have prepared protesting the drilling of a non-standard well location proposed by Texakoma. Please feel free to call me if you have any questions concerning this.

Dennis Reimers  
Maralex Resources, Inc.

Cover + 2



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June 7, 2002

Ms. Lori Wrotenbery  
Oil Conservation Division  
2040 South Pacheco Street  
Santa Fe, New Mexico 87405

Re: Objection Letter  
Texakoma Oil & Gas Corp.  
Application For Non-Standard Location  
BlackHills 16 No. 1  
772' FSL, 701' FEL, S16-T26N-R13W

Dear Ms. Wrotenbery:

This letter is in response to the notification that we received from Texakoma concerning their application for a non-standard location on the above referenced well. We received this letter on May 6, 2002, however have not responded due to my absence on a two week vacation. Maralex Resources has ownership in directly offsetting leases. We oppose the drilling of this location (in the non-standard location) for the following reasons:

- The Fruitland Coals in this area are well defined and similar in this area. The coal quality and thickness are the same in the standard location as they will be in the proposed unorthodox location.
- The variability on producing rates on the Fruitland wells in this area is strongly governed by completion techniques and how well the coal seam has been dewatered. We have a number of wells in this area that have waited 1-2 years to be put on line due to the significant delays in obtaining Navajo right-of-way for pipeline connections.
- The overall performance of the coals in this area will benefit with a uniform pattern of dewatering the coals. The drilling of this well in the proposed non-standard location will not benefit with the dewatering of the coals in the north half of section 16.

Objection Letter  
Texakoma Proposed Non-Standard Location  
BlackHills 16 No.1  
June 7, 2002  
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It is our understanding that the hearing concerning this well has been continued from June 13<sup>th</sup>, to June 27<sup>th</sup>. We do not plan to present a formal statement for the hearing, but offer this written objection to the drilling of this unorthodox location.

Sincerely,



Dennis R. Reimers  
Engineering Manager