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Maralex Resources, Inc.
518 17 Street, Suite 1600
Denver, CO 80202
Attn: Patrick Keller

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Burlington
Order R-11790
February 6, 2003
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KELLAHIN & KELLAHIN
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Specialization Recognized Specialist
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January 15, 2003

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tkellahin@aol.com

TO: NOTICE OF THE HEARING OF THE FOLLOWING NEW
MEXICO OIL CONSERVATION DIVISION CASE:

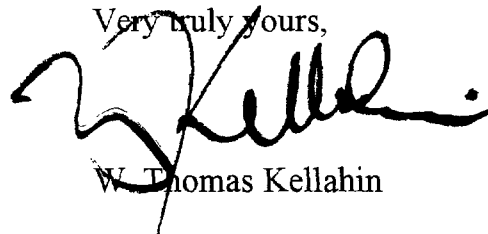
Re Application of Burlington Resources Oil & Gas
Company LP to instate Division Order R-11790
(Case 12869-Compulsory Pooling),
San Juan County, New Mexico

On behalf of Burlington Resources Oil & Gas Company LP, please find enclosed our application for a compulsory pooling for its James Scott Well No.1, which has been set for hearing on the New Mexico Oil Conservation Division Examiner's docket now scheduled for February 6, 2003. The hearing will be held at the Division hearing room located at 1220 South Saint Francis Drive, Santa Fe, New Mexico.

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, January 31, 2003, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF BURLINGTON RESOURCES OIL & GAS COMPANY LP
TO REINSTATE DIVISION ORDER R-11790
(CASE 12869--COMPULSORY POOLING)
SAN JUAN COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Burlington Resources Oil & Gas Company LP. ("Burlington") by its attorneys, Kellahin & Kellahin, and in accordance with Section 70-2-17.C NMSA (1978) and with Division Rule 1207.A(1)(b) seeks an order pooling all mineral interests in the Mesaverde formation underlying the N/2 of Section 18, T30N, R11W, NMPM, San Juan County, New Mexico, forming a standard 320-acre gas spacing and proration unit for the Mesaverde formations spaced on 320-acre spacing. This unit is to be dedicated to its James Scott Well No. 1 has been drilled and completed at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well.

In support of its application Burlington states:

1. Burlington has a working interest ownership in the oil and gas minerals from the surface to the base of the Dakota formation underlying the N/2 of Section 18, T30N, R11W, NMPM, San Juan County, New Mexico.
2. The subject tract is located within the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool.
3. This well was drilled at a standard gas well location in the N/2 (Unit A) of Section 18 to test for Dakota gas production. Burlington proposed to reenter and recompleate this well in the Mesaverde.

4. Burlington has the voluntary agreement with certain of the working interest ownership of the oil & gas minerals from the surface to the base of the Dakota formation underlying the N/2 of this section.

5. Burlington despite its good faith effort, has been unable to obtain the voluntary agreement the remaining mineral and working interest owner(s) in the spacing unit as identified on Exhibit "A."

6. On June 17, 2002, the Division entered Order R-11790 and granted Burlington prior application for a compulsory pooling order that provided among other things that the well must be commenced by September 30, 2002. As a result of clerical error, Burlington failed to obtain an extension of this order that has now expired.

7. All of the essential facts upon which Order R-11790 was based remain the same.

8. Pursuant to Section 70-2-17.C NMSA (1978) and in order to obtain its just and equitable share of potential production underlying this spacing unit, Burlington needs to reinstate this compulsory pooling order of the Division that pooling the identified and described mineral interests involved in order to protect correlative rights and prevent waste.

9. Burlington requests that this application be processed in accordance with Division Rule 1207.A(1)(b) and at the time of hearing will submit the data required by this rule.

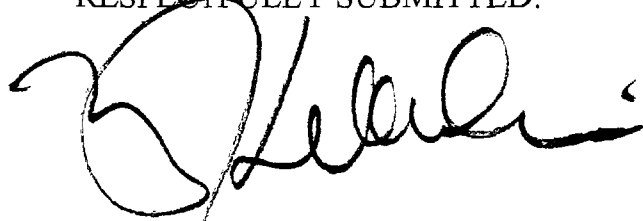
10. In accordance with the Division's notice requirements, a copy of this application has been sent to the parties whose interest is to be pooled as listed on Exhibit "A" notifying each of this case and of the applicant's request for a hearing of this matter before the Division on the next available Examiner's docket now scheduled for February 6, 2003.

WHEREFORE, Burlington, as applicant, requests that this application be set for hearing on February 6, 2003 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enter its order pooling the mineral interest described in the appropriate spacing unit for this well at a standard well location upon terms and conditions which include:

(1) Burlington Resources Oil & Gas Company LP be named operator.

- (2) Provisions for applicant and all working interest owners to participate in the costs of drilling, completing, equipping and operating the well;
- (3) In the event a mineral interest or working interest owner fails to elect to participate, then provision be made to recover out of production, the costs of the drilling, completing, equipping and operating the well, including a risk factor penalty of 200%;
- (4) Provision for overhead rates per month drilling and per month operating and a provision providing for an adjustment method of the overhead rates as provided by COPAS;
- (5) For such other and further relief as may be proper.

RESPECTFULLY SUBMITTED:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
P. O. Box 2265
Santa Fe, New Mexico 87501
(505) 982-4285

EXHIBIT "A"

Maralex Resources, Inc.
518 17 Street, Suite 1600
Denver, Colorado 80202
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