

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Maralex Disposal, LLC

3. Address and Telephone No.

P.O. Box 338, Ignacio, CO 81137

970/563-4000

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

950' FNL; 1600' FWL
Section 26-T25N-R11W

5. Lease Designation and Serial No.

NMNMO36252

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designat

8. Well Name and No.

Canyon No. 14

9. API Well No.

30-045-21470

10. Field and Pool, or Exploratory Area

Basin Dakota

11. County or Parish, State

San Juan County, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment☐ Recompletion☐ Plugging Back☐ Casing Repair☐ Altering Casing☒ Other Convert well to a Produced

Water Disposal Well

☐ Change of Plans☐ New Construction☐ Non-Routine Fracturing☐ Water Shut-Off☐ Conversion to Injection☐ Dispose Water(Note: Report results of multiple completion on 1
Completion or Recompletion Report and Log for

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work, if well is unreasonably or give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Maralex Disposal, LLC, intends to convert the Canyon No. 14 to a produced water disposal well. The existing Dakota perforations of 5902' to 5906' will be cement squeezed with 20 sacks of Class B Neat cement and the well will be re-completed in the Lower Dakota to permit the injection of produced water for disposal purposes from approximately 5960' to 6032'. 2-7/8" internally coated tubing with an injection packer will be set just above the top of the Lower Dakota Sands at a depth of approximately 5920'. The well will be put to injection in accordance with the New Mexico Energy Minerals and Natural Resources Department Administrative Order SWD-782 (copy attached).

The well will primarily be used to dispose of coal seam water from Fruitland wells that have been or will be drilled in this area. Maximum daily rate of injection could be as high as 2000 BWPD.

NOTIFY AZTEC OGD
IN TIME TO WITNESS

24 hour

14. I hereby certify that the foregoing is true and correct

Signed Robert ShawTitle Production TechnicianDate 08/09/00

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

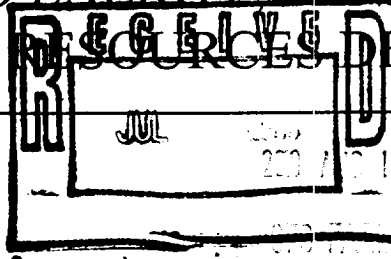
Title _____

Date 8/18/00



NEW MEXICO ENERGY MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary



Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-782

***APPLICATION OF MARALEX DISPOSAL, LLC FOR PRODUCED WATER
DISPOSAL, SAN JUAN COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Maralex Disposal, LLC made application to the New Mexico Oil Conservation Division on July 3, 2000, for permission to complete for produced water disposal its Canyon Well No. 14 (API No. 30-045-21470) located 950 feet from the North line and 1600 feet from the West line (Unit C) of Section 26, Township 25 North, Range 11 West, NMPM, San Juan County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its Canyon Well No. 14 (API No. 30-045-21470) located 950 feet from the North line and 1600 feet from the West line (Unit C) of Section 26, Township 25 North, Range 11 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the injection of produced water for disposal purposes into the Lower Dakota Sand formation from approximately 5,960 feet to 6,032 feet through 2 7/8 inch plastic-lined tubing set in a packer located at approximately 5,920 feet.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1192 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Lower Dakota Sand formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Aztec district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

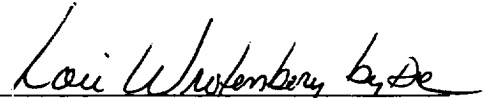
PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Administrative Order SWD-782
Maralex Disposal, LLC
July 18, 2000
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Approved at Santa Fe, New Mexico, on this 18th day of July, 2000.



LORI WROTENBERY, Director

LW/MWA/kv

cc: Oil Conservation Division – Aztec
U.S. Bureau of Land Management - Farmington