

AFFIDAVIT OF PUBLICATION

Ad No. 43038

STATE OF NEW MEXICO County of San Juan:

ALETHIA ROTH LISBERGER, being duly sworn says: That she is the Classified Advertising Manager of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meeting of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):

Wednesday, July 5, 2000

And the cost of the publication is: \$26.51

Alethia Rothlisberger

ON 7/5/2000 ALETHIA ROTH LISBERGER appeared before me, whom I know personally to be the person who signed the above document.

Nancy L. Slade
My Commission Expires April 10, 2004

COPY OF PUBLICATION

918 Legals
NOTICE

Maralex Disposal, LLC
P.O. Box 338
Ignacio, CO 81137

Contact Person:
Dennis Reimers
(970/563-4000)

Notice is given of Maralex Disposal, LLC application for permitting of a produced water disposal well located as follows:

950' FNL; 1600' FWL
Section 26-T25N-R11W
San Juan County,
New Mexico

The well will serve as a produced water disposal well for the Fruitland coal seam water from nearby production wells. Produced water disposal into the Lower Dakota Sand formation is requested. Anticipated injection rate of 1000 barrels of water per day is expected with a maximum injection pressure of 2000 psi.

Interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, within 15 days.

Legal No. 43038, published in The Daily Times, Farmington, New Mexico, Wednesday, July 5, 2000.

- Item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
 - Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Little Oil & Gas
2346 E. 20th
Farmington, NM 87401

2. Article Number (Copy from service label)
Z 319 044 041

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Pro New Mexico Energy, Inc.
460 St. Michael's Drive
Building 300, Suite 402
Santa Fe, NM 87505

2. Article Number (Copy from service label)

Z 319 044 039

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Dugan Production Company
709 E. Murray Drive
Farmington, NM 87401

2. Article Number (Copy from service label)
Z 319 044 040

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-M-1789

1. Received by (Please Print Clearly) 2. Date of Delivery

C. Signature

X *Cheri Wherry* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature

X *[Signature]* ☐ Agent ☐ Addressee

D. Is delivery address different from item 1? ☐ Yes ☐ No
If YES, enter delivery address below:

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

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C. Signature

[Signature] ☐ Agent ☐ Addressee

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☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

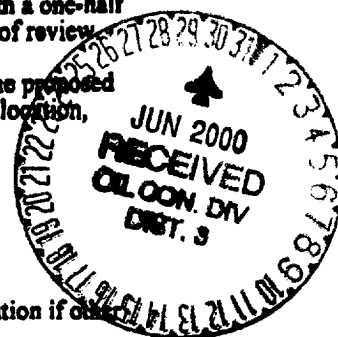
APPLICATION FOR AUTHORIZATION TO INJECT

- I. **PURPOSE:** Secondary Recovery Pressure Maintenance ☒ Disposal Storage
Application qualifies for administrative approval? Yes No
- II. **OPERATOR:** Maralex Disposal, LLC
ADDRESS: P.O. Box 338, Ignacio, CO 81137
CONTACT PARTY: Dennis R. Reimers **PHONE:** 970/563-4000
- III. **WELL DATA:** Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes ☒ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: A. M. O'Hare TITLE: Managing Member
SIGNATURE: *A. M. O'Hare* DATE: 06/26/00

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office



INJECTION WELL DATA SHEET

OPERATOR: Maralex Disposal, LLCWELL NAME & NUMBER: Canyon No. 14WELL LOCATION: 950' ENL. 1600' ENL. C 26 25N 11W
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12-1/4" Casing Size: 8-5/8"Cemented with: 300 sr. or ft³Top of Cement: Method Determined:

Intermediate Casing

Hole Size: Casing Size:Cemented with: sr. or ft³Top of Cement: Method Determined:

Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2"Cemented with: 800 sr. or ft³Top of Cement: Method Determined:Total Depth: 6060'

Injection Interval

5960 feet to 6032 feet

(Performed by XXXXXXXXXXXXXXXX)

5960'-5966' and 6014'-6032'

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" Lining Material: Type of Packer: Packer Setting Depth: Approximately 5920'Other Type of Tubing/Casing Seal (if applicable):

Additional Data

1. Is this a new well drilled for injection? Yes X No
 If no, for what purpose was the well originally drilled? Gas Production

2. Name of the Injection Formation: Lower Dakota Sand

3. Name of Field or Pool (if applicable): Basin Dakota

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Yes
5879-5883', 5900-5908', Set retainer at 5816', squeezed with 100 sx.
5011-5021' (Gallup) squeezed with 50 sx. Currently perforated at 5902-5906'.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Kirtland, behind surface casing; Fruitland Coal 1335', PC 1355', Mesa Verde Cliffhouse Sand 2100', Menefee 3605', Pt. Lookout 3790', Mancos 3975', Gallup 4820', Greenhorn 5710', Dakota 5807'.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

NMNM036252

6. If Indian, Allotment or Tribe Name

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

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 Change of Operator
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

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 directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Please be advised that Maralex Disposal, LLC, is the new operator of the Canyon No. 14.
The former operator was Maralex Resources, Inc. Effective date of change is July 1, 2000.



I hereby certify that the foregoing is true and correct

Signed [Signature] Title Managing Member

Date 06/22/00

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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.

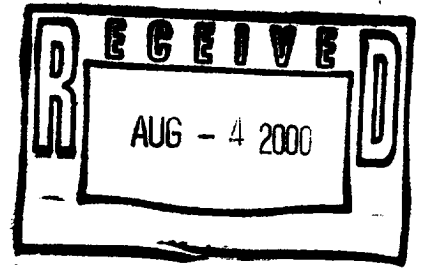
*See instruction on Reverse Side



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office
1474 Rodeo Road
P. O. Box 27115
Santa Fe, New Mexico 87502-0115



IN REPLY REFER TO:

NMNM 036252

3104 (930-jlv)

August 2, 2000

DECISION

Principal:

Maralex Disposal, L.L.C.
P.O. Box 338
Ignacio, CO 81137

BLM Bond No.: NM2810

Surety Bond No.: 04127001

Surety:

Fidelity and Deposit Company of Maryland
300 Saint Paul Place
Baltimore, MD 21203

Bond Amount: \$10,000.00

Execution Date: July 25, 2000

Individual Lease Bond Accepted

The bond described above has been examined and found satisfactory. It is accepted effective July 31, 2000, the date we received all required documents.

The bond constitutes coverage of all operations conducted by or on behalf of the principal on Oil and Gas Lease NMNM 036252.

Jennifer L. Viarreal
Jennifer L. Viarreal
Land Law Assistant
Fluids Adjudication Team

cc:

Fidelity and Deposit Company
of Maryland
P.O. Box 1227
Baltimore, MD 21203

cc: NMOC - Steve Hayden, Rylee v