PERMIT

8-26-1996

ACKNOWLEDGEMENT OF RECEIPT OF CHECK/CASH

I hereby acknowledge receipt of check No. 40033 dated 2/14/97,
or cash received on _____ in the amount of $ 50.00
from Sunco Trucking
for Disposal Well #1 (Facility Name) UIC-CL1-005 (OP No.)
Submitted by: _____ Date: _____
Submitted to ASD by: B. Chudes Date: 3/19/97
Received in ASD by: _____ Date: _____
Filing Fee X New Facility ___ Renewal ___
Modification ___ Other _____ (specify)
Organization Code 521.07 Applicable FY 97

To be deposited in the Water Quality Management Fund.
Full Payment ___ or Annual Increment ___

SUNCO TRUCKING COMPANY
WATER & OILFIELD HEAVY HAULING
708 S. TUCKER - P.O. BOX 443
FARMINGTON, NEW MEXICO 87499
(505) 327-0416

95-54/1022
CHECK NO. 040033

FIRST NATIONAL BANK
FIRST IN FARMINGTON AND THE FOUR CORNERS
FARMINGTON, AZTEC, BLOOMFIELD, SHIPROCK, NEW MEXICO

CHECK DATE 02/14/97
AMOUNT $ 50.00

PAY DOLLARS AND CENTS
$50.00

PAY TO THE ORDER OF
NMED - WATER QUALITY MANAGEMENT
2040 SOUTH PACHECO ST
SANTA FE, NM 87505

Mary D. Lay

⑈040033⑈ ⑆102200546⑆ 010107617⑈

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 20, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-920

Mr. George Coleman
Coleman Oil and Gas, Inc.
P.O. Box 443
Farmington, New Mexico 87499

RE: Discharge Plan UIC-CLI-005
Permit Condition Amendment
Class I Non-Hazardous Oil Field Waste Disposal Well
Sunco Disposal Well No. 1
Eddy County, New Mexico

SAN JUAN NM

Dear Mr. Coleman:

Pursuant to the request received from Coleman Oil and Gas, Inc.(Coleman) on November 18, 1996, permit condition number 4 of the August 26, 1996 approval has been amended. Enclosed are two copies of the conditions of approval with the amended condition. Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 10 working days of receipt of this letter.

Please be advised that the amendment of this plan does not relieve Coleman of liability should operations result in pollution of surface water, ground water, or the environment.

The OCD hopes that this has clarified your concern, and we appreciate your input into this process.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

RCA/mwa

xc: OCD Aztec Office

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 20, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-881

Mr. George Coleman
Coleman Oil and Gas, Inc.
P.O. Box 443
Farmington, New Mexico 87499

RE:

Permit Condition Clarification
Coleman Oil and Gas, Inc.
Class I Disposal Well and
Sunco Trucking Water Disposal Company
San Juan County, New Mexico

Dear Mr. Coleman:

The New Mexico Oil Conservation Division (OCD) has completed reviewed of the letter dated December 23, 1996 from Curtis & Dean on behalf of Coleman Oil and Gas, Inc. (Coleman). The letter requested to modify the terms and conditions of the permits for the disposal pond and the injection well. Determinations by the OCD are provided below. Paragraph numbering corresponds to the December 23, 1996 letter.

The injection well:

1. Section 3109.G.4 of the Water Quality Control Commission (WQCC) states that a discharge plan shall not be approved for a period longer that five years. Therefore, the approval period will not be extended beyond five years.

2. The monitoring requirements of Section 5207.B.2 state that continuous monitoring devices shall be used to record injection pressure, flow rate, flow volume, and annulus pressure. Therefore, the requirements of the August 26, 1996 approval will continue to be used.

ATTACHMENT TO DISCHARGE PLAN UIC-CLI-005 APPROVAL
COLEMAN OIL AND GAS, INC., CLASS I WELL
DISCHARGE PLAN REQUIREMENTS (AMENDED)
(March 20, 1997)

1. Coleman Commitments: Coleman will abide by all commitments submitted in the discharge plan application dated May 6, 1996, and supplemental information dated May 13, 1996 and June 21, 1996, and OCD Order SWD-457.

2. Maximum Injection Pressure: The maximum operating injection pressure at the wellhead will be 2,850 psi in accordance with OCD Order SWD-457. 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 2,850 psi. The pressure limiting device shall annually be demonstrated to operate to the satisfaction of the OCD.

   Coleman 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 ground surface.

3. Mechanical Integrity Testing: In accordance with OCD testing procedures, a mechanical integrity test will be conducted on the well annually and any time the tubing is pulled or the packer is reseated. A pressure recorder will be used and copies of the chart submitted to the OCD Santa Fe Office and the OCD Aztec District Office within 30 days following the test date. The OCD will be notified prior to the test so that they may witness the test. Mechanical integrity testing charts will be maintained at Coleman for the life of the well.

4. Annulus: Until the facility operates 24 hours per day, the casing-tubing annulus will be completely filled with an inert fluid and connected to a casing differential tank with the same inert fluid to maintain a constant casing-tubing fluid level in the annulus at all times. A sight glass will be installed on the casing differential tank to monitor and record, on a daily basis, for tubing or casing leaks. Once 24 hour operation begins, the casing-tubing annulus will be completely filled with an inert fluid and a minimum pressure of 100 psi maintained. Any loss or gain of inert fluid will be documented and reported to the OCD Aztec District Office immediately.

5. Continuous Monitoring and Recording: Continuous monitoring and recording devices will be installed and mechanical charts made of injection pressure, flow rate, flow volume, and annular pressure. Mechanical charts are to be maintained at Coleman for the life of the well.

6. Maintenance Records: All routine maintenance work on the well will be recorded and maintained at Coleman for the life of the well.

7. Wastes Permitted for Injection: Injection will be limited to fluids as permitted under OCD Order SWD-457, and non-exempt non-hazardous oil field wastes as permitted under the OCD 711 facility for Sunco Trucking Water Disposal Company. All non-exempt non-hazardous oil field waste will be tested for the constituents listed below in number 9. Under the OCD 711 permit, all non-exempt non-hazardous oil field waste require approval from the OCD prior to acceptance and disposal. OCD Form C-138 shall be used to request prior approval for acceptance and disposal.

8. Chemical Analysis of Injection Fluids: The following analyses of injection fluids will be conducted on a quarterly basis:

   a. Aromatic and halogenated volatile hydrocarbon scan by either EPA method 8010/8020 or EPA method 8240.

   b. General water chemistry to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate total dissolved solids (TDS), pH, and conductivity.

   c. Heavy metals using the ICAP scan (EPA method 6010) and Arsenic and Mercury using atomic absorption (EPA methods 7060 and 7470).

   Records of all analyses will be maintained at Coleman for the life of the well.

9. Quarterly Reporting: The following reports will be signed and certified in accordance with WQCC section 5101.H. and submitted quarterly to both the OCD Santa Fe and Aztec Offices:

   a. Results of the chemical analysis of the injection fluids (number 9).

   b. Monthly average, maximum and minimum values for injection pressures; flow rate and flow volume; and, annular pressure.

   c. Monthly volumes of injected Class I non-exempt non-hazardous oil field waste (OCD Form C-138).

10. Monthly Reporting: Monthly reporting of the disposal of produced water will be in accordance with OCD Rule 1115 which requires monthly submittal of OCD Form C-115 to the OCD Santa Fe Office.

11. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.

12. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

13. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities associated with the well or modifications to existing facilities associated with the well must place the tank on an impermeable type pad within the berm.

14. Above Ground Saddle Tanks: Above ground saddle tanks must have impermeable pad and curb type containment unless they contain fresh water or fluids that are gases at atmospheric temperature and pressure.

15. Labeling: All tanks, drum, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

16. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps.

17. Underground Process/Wastewater Lines: All underground process/wastewater, and brine transfer pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years there after. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD.

18. Well Workover Operations: OCD approval will be obtained from the Director prior to performing remedial work or any other workover. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A.) with appropriate copies sent to the OCD Aztec District Office.

19. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent overtopping or system failure.

20. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Aztec District Office.

Coleman shall immediately notify the Supervisor of the Aztec District Office and the Environmental Bureau 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.

21. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of the well. A written commitment to comply with the terms and conditions of the previously approved discharge plan and a bond must be submitted by the purchaser and approved by the OCD prior to transfer.

22. Closure: The OCD will be notified when operations of the well are discontinued for a period in excess of six months. Prior to closure of the well a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

23. Plugging Bond and /or Letter of Credit: Coleman shall have in effect, for the life of the well, a Division approved plugging bond and/or letter of credit for the estimated amount required to plug the well according to the proposed closure plan and adjusted for inflation. The required plugging bond and/or letter of credit shall be adjusted at the time of discharge plan renewal.

24. Training: All personnel associated with operations at the Coleman Class I disposal well will have appropriate training in accepting, processing, and disposing of Class I non-exempt non-hazardous oil field waste to insure proper disposal. All training documentation shall be maintained at Coleman for the life of the well.

25. Certification: Coleman, by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Coleman further acknowledges that these conditions and requirements of this permit modification may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

COLEMAN OIL AND GAS, INC.

by_____
Title

3. The monitoring requirements of Section 5207.B.1 state that the discharger shall provide analysis of the injection fluids at least quarterly. Therefore, the request to change to annual testing will not be allowed.

4. The OCD guidelines for berming require containment of one-third more that the total volume of the largest tank or all interconnected tanks. Even though Coleman's interconnected pits\tanks are compartmentalized, containment of one-third more that the total volume of all interconnected tanks is still required. Required berming may include berming of the entire facility.

5. The policy of the OCD is to always solicits input from operators regarding additional facility requirements.

6. Coleman submitted a request, dated November 18, 1996, to the OCD to install a casing differential tank on the back side of the well to monitor for leaks instead of the one hundred psi minimum required in the August 26, 1996 approval. Coleman's request will be allowed and is addressed in a separate letter.

The disposal pond:

7. Section IX.B.2 of Order Number 9485-A states that no oil shall be allowed in the pond(s). Incidental oil associated with produced water will be removed as soon as possible from the pond(s).

8. Testing under number eight of Landfarm Operation of Order Number R-10756 will meet testing requirements required under number nine of the August 26, 1996 approval.

9. If systems become inoperative and cannot be returned to operation within 24 hours, the OCD Aztec District Office will be notified immediately.

10. Berming requirements at the disposal facility are the same as the injection well (see number four above).

11. The OCD policy is the same for disposal facilities (see number five above).

12. Section XII.B.1.&2 of OCD Order Number R-9485-A states that the listed requirements for hydrogen sulfide concentrations are needed to prevent harm by hydrogen sulfide gas. Therefore, the required concentrations levels will be adhered to.

13. During the location of a leak in the primary liner, no new fluids will be introduced to the pond. Sump fluids may be pumped back into the pond as part of the leak location process. The introduction of new fluids may proceed only after the leak has been located and repaired.

If have any questions, please call me at (505) 827-7152.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

RCA/mwa

xc: OCD Aztec Office

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

August 26, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-950

Mr. George Coleman
Coleman Oil and Gas, Inc.
P.O. Box 443
Farmington, New Mexico 87499

RE: Approval of Discharge Plan UIC-CLI-005 (Formerly GW-235)
Class I Non-Hazardous Oil Field Waste Disposal Well
Coleman Oil and Gas, Inc.
Sunco Disposal Well No. 1
Unit Letter E, Sec 2, Twn 29 N, Rng 12 W
San Juan County, New Mexico

Dear Mr. Coleman:

The discharge plan UIC-CLI-005 for the Coleman Oil and Gas (Coleman) Class I non-exempt non-hazardous oil field waste disposal well located in unit letter E, Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, **is hereby approved** under the conditions contained in the enclosed attachment. The application consists of the original New Mexico Oil Conservation Division (OCD) Order SWD-457 issued January 13, 1992, the discharge plan application for a Class I disposal well dated May 6, 1996, and supplemental information dated May 13, 1996 and June 21, 1996. Enclosed are two copies of the conditions of approval. **Please sign and return one copy to the OCD Santa Fe Office within five working days of receipt of this letter.**

The discharge plan was submitted pursuant to Section 5101.B.3 of the New Mexico Water Quality Control Commission (WQCC) Regulations. It is approved pursuant to Sections 5101.A and 3109.C. Please note Sections 3109.E and 3109.F which provide for possible future amendments or modifications of the plan. Please be advised that approval of this plan does not relieve Coleman of liability should operations result in pollution of surface or ground waters, or the environment.

Please be advised that all exposed pits, including lined pits and open top tanks (exceeding 16 feet in diameter) shall be screened, netted, or otherwise rendered nonhazardous to wildlife including migratory birds.

The monitoring and reporting shall be as specified in the above referenced materials. Please note that Section 3104 of the regulations requires that when a plan has been approved, discharges must be consistent with the terms and conditions of the plan. Pursuant to Section 3107.C Coleman is required to notify the Director of any facility expansion, production increase, pressure increase, or process modification that would result in any change in the discharge of water quality or volume.

Pursuant to Section 3109.G.4, this plan is for a period of five (5) years. This approval will expire August 26, 2001, and Coleman should submit an application for renewal in ample time before this date. Note that under Section 5101.G of the regulations, if a discharger submits a discharge plan renewal application at least 180 days before the discharge plan expires and is in compliance with the approved plan, then the existing discharge plan will not expire until the application for renewal has been approved or disapproved.

The discharge plan application for the Coleman Class I non-hazardous oil field waste disposal well is subject to WQCC Regulation 3114. Every billable facility submitting a discharge plan will be assessed a fee equal to the filing fee of $50 plus a flat fee of $1,380 for Class I injection wells. The OCD has not received the $50 filing fee or the $1,380 flat fee. The $50 dollar filing fee is due upon receipt of this approval. The flat fee of $1,380 may be paid in a single payment due on the date of the discharge plan approval or in five equal installments over the expected duration of the discharge plan. Installment payments shall be remitted yearly, with the first installment due on the date of the discharge plan approval and subsequent installments due on this date of each calendar year.

Please make all checks payable to: **NMED-Water Quality Management** and addressed to the OCD Santa Fe Office.

On behalf of the staff of the Oil Conservation Division, I wish to thank you and your staff for your cooperation during this discharge plan review.

Sincerely,

William J. LeMay
Director

WJL/mwa
Attachment
xc: OCD Aztec Office
David Catanach, UIC Director, OCD Santa Fe

ATTACHMENT TO DISCHARGE PLAN UIC-CLI-005 APPROVAL
COLEMAN OIL AND GAS, INC., CLASS I WELL
DISCHARGE PLAN REQUIREMENTS

1. Payment of Discharge Plan Fees: The $50 dollar filing fee is due upon receipt of this approval. The $1,380 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.

2. Coleman Commitments: Coleman will abide by all commitments submitted in the discharge plan application dated May 6, 1996, and supplemental information dated May 13, 1996 and June 21, 1996, and OCD Order SWD-457.

3. Maximum Injection Pressure: The maximum operating injection pressure at the wellhead will be 2,850 psi in accordance with OCD Order SWD-457. 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 2,850 psi. The pressure limiting device shall annually be demonstrated to operate to the satisfaction of the OCD.

   Coleman 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 ground surface.

4. Mechanical Integrity Testing: In accordance with OCD testing procedures, a mechanical integrity test will be conducted on the well annually and any time the tubing is pulled or the packer is reseated. A pressure recorder will be used and copies of the chart submitted to the OCD Santa Fe Office and the OCD Aztec District Office within 30 days following the test date. The OCD will be notified prior to the test so that they may witness the test. Mechanical integrity testing charts will be maintained at Coleman for the life of the well

5. Annulus: The casing-tubing annulus will be filled with an inert fluid and a minimum pressure of 100 psi maintained.

6. Continuous Monitoring and Recording: Continuous monitoring and recording devices will be installed and mechanical charts made of injection pressure, flow rate, flow volume, and annular pressure. Mechanical charts are to be maintained at Coleman for the life of the well.

7. Maintenance Records: All routine maintenance work on the well will be recorded and maintained at Coleman for the life of the well.

8. Wastes Permitted for Injection: Injection will be limited to fluids as permitted under OCD Order SWD-457, and non-exempt non-hazardous oil field wastes as permitted under the OCD 711 facility for Sunco Trucking Water Disposal Company. All non-exempt non-hazardous oil field waste will be tested for the constituents listed below in number 9. Under the OCD 711 permit, all non-exempt non-hazardous oil field waste require approval from the OCD prior to acceptance and disposal. OCD Form C-138 shall be used to request prior approval for acceptance and disposal.

9. Chemical Analysis of Injection Fluids: The following analyses of injection fluids will be conducted on a quarterly basis:

   a. Aromatic and halogenated volatile hydrocarbon scan by either EPA method 8010/8020 or EPA method 8240.

   b. General water chemistry to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate total dissolved solids (TDS), pH, and conductivity.

   c. Heavy metals using the ICAP scan (EPA method 6010) and Arsenic and Mercury using atomic absorption (EPA methods 7060 and 7470).

   Records of all analyses will be maintained at Coleman for the life of the well.

10. Quarterly Reporting: The following reports will be signed and certified in accordance with WQCC section 5101.H. and submitted quarterly to both the OCD Santa Fe and Aztec Offices:

    a. Results of the chemical analysis of the injection fluids (number 9).

    b. Monthly average, maximum and minimum values for injection pressures; flow rate and flow volume; and, annular pressure.

    c. Monthly volumes of injected Class I non-exempt non-hazardous oil field waste (OCD Form C-138).

11. Monthly Reporting: Monthly reporting of the disposal of produced water will be in accordance with OCD Rule 1115 which requires monthly submittal of OCD Form C-115 to the OCD Santa Fe Office.

12. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.

13. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

14. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities associated with the well or modifications to existing facilities associated with the well must place the tank on an impermeable type pad within the berm.

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16. Labeling: All tanks, drum, and other containers should be clearly labeled to identify their contents and other emergency information necessary if the tank were to rupture, spill, or ignite.

17. Below Grade Tanks/Sumps: All below grade tanks, sumps, and pits must be approved by the OCD prior to installation or upon modification and must incorporate secondary containment and leak-detection into the design. All pre-existing sumps and below-grade tanks must demonstrate integrity on an annual basis. Integrity tests include pressure testing to 3 pounds per square inch above normal operating pressure and/or visual inspection of cleaned out tanks and/or sumps.

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    Coleman shall immediately notify the Supervisor of the Aztec District Office and the Environmental Bureau 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.

22. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of the well. A written commitment to comply with the terms and conditions of the previously approved discharge plan and a bond must be submitted by the purchaser and approved by the OCD prior to transfer.

23. Closure: The OCD will be notified when operations of the well are discontinued for a period in excess of six months. Prior to closure of the well a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

24. Plugging Bond and /or Letter of Credit: Coleman shall have in effect, for the life of the well, a Division approved plugging bond and/or letter of credit for the estimated amount required to plug the well according to the proposed closure plan and adjusted for inflation. The required plugging bond and/or letter of credit shall be adjusted at the time of discharge plan renewal.

25. Training: All personnel associated with operations at the Coleman Class I disposal well will have appropriate training in accepting, processing, and disposing of Class I non-exempt non-hazardous oil field waste to insure proper disposal. All training documentation shall be maintained at Coleman for the life of the well.

26. OCD Inspections: Additional requirements may be placed on the well and associated facilities based upon results from OCD inspections.

27. Certification: Coleman Oil and Gas, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Coleman Oil and Gas, Inc. further acknowledges that these conditions and requirements of this permit modification may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

COLEMAN OIL AND GAS, INC.

by_____
Title

ATTACHMENT TO DISCHARGE PLAN UIC-CLI-005 APPROVAL
COLEMAN OIL AND GAS, INC., CLASS I WELL
DISCHARGE PLAN REQUIREMENTS

1. Payment of Discharge Plan Fees: The $50 dollar filing fee is due upon receipt of this approval. The $1,380 flat fee shall be submitted upon receipt of this approval. The required flat fee may be paid in a single payment due at the time of approval, or in equal annual installments over the duration of the plan, with the first payment due upon receipt of this approval.

2. Coleman Commitments: Coleman will abide by all commitments submitted in the discharge plan application dated May 6, 1996, and supplemental information dated May 13, 1996 and June 21, 1996, and OCD Order SWD-457.

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   c. Heavy metals using the ICAP scan (EPA method 6010) and Arsenic and Mercury using atomic absorption (EPA methods 7060 and 7470).

   Records of all analyses will be maintained at Coleman for the life of the well.

10. Quarterly Reporting: The following reports will be signed and certified in accordance with WQCC section 5101.H. and submitted quarterly to both the OCD Santa Fe and Aztec Offices:

    a. Results of the chemical analysis of the injection fluids (number 9).

    b. Monthly average, maximum and minimum values for injection pressures; flow rate and flow volume; and, annular pressure.

    c. Monthly volumes of injected Class I non-exempt non-hazardous oil field waste (OCD Form C-138).

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18. Underground Process/Wastewater Lines: All underground process/wastewater, and brine transfer pipelines must be tested to demonstrate their mechanical integrity at present and then every 5 years there after. Permittees may propose various methods for testing such as pressure testing to 3 pounds per square inch above normal operating pressure or other means acceptable to the OCD.

19. Well Workover Operations: OCD approval will be obtained from the Director prior to performing remedial work or any other workover. Approval will be requested on OCD Form C-103 "Sundry Notices and Reports on Wells" (OCD Rule 1103.A.) with appropriate copies sent to the OCD Aztec District Office.

20. Housekeeping: All systems designed for spill collection/prevention, and leak detection will be inspected daily to ensure proper operation and to prevent overtopping or system failure.

21. Spill Reporting: All spills/releases shall be reported pursuant to OCD Rule 116. and WQCC 1203. to the OCD Aztec District Office.

    Coleman shall immediately notify the Supervisor of the Aztec District Office and the Environmental Bureau 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.

22. Transfer of Discharge Plan: The OCD will be notified prior to any transfer of ownership, control, or possession of the well. A written commitment to comply with the terms and conditions of the previously approved discharge plan and a bond must be submitted by the purchaser and approved by the OCD prior to transfer.

23. Closure: The OCD will be notified when operations of the well are discontinued for a period in excess of six months. Prior to closure of the well a closure plan will be submitted for approval by the Director. Closure and waste disposal will be in accordance with the statutes, rules and regulations in effect at the time of closure.

24. Plugging Bond and /or Letter of Credit: Coleman shall have in effect, for the life of the well, a Division approved plugging bond and/or letter of credit for the estimated amount required to plug the well according to the proposed closure plan and adjusted for inflation. The required plugging bond and/or letter of credit shall be adjusted at the time of discharge plan renewal.

25. Training: All personnel associated with operations at the Coleman Class I disposal well will have appropriate training in accepting, processing, and disposing of Class I non-exempt non-hazardous oil field waste to insure proper disposal. All training documentation shall be maintained at Coleman for the life of the well.

26. OCD Inspections: Additional requirements may be placed on the well and associated facilities based upon results from OCD inspections.

27. Certification: Coleman Oil and Gas, Inc., by the officer whose signature appears below, accepts this permit and agrees to comply with all terms and conditions contained herein. Coleman Oil and Gas, Inc. further acknowledges that these conditions and requirements of this permit modification may be changed administratively by the Division for good cause shown as necessary to protect fresh water, human health and the environment.

Accepted:

COLEMAN OIL AND GAS, INC.

by George E Coleman
Title President

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 20, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-920

Mr. George Coleman
Coleman Oil and Gas, Inc.
P.O. Box 443
Farmington, New Mexico 87499

RE: Discharge Plan UIC-CLI-005
Permit Condition Amendment
Class I Non-Hazardous Oil Field Waste Disposal Well
Sunco Disposal Well No. 1
Eddy County, New Mexico

Dear Mr. Coleman:

Pursuant to the request received from Coleman Oil and Gas, Inc.(Coleman) on November 18, 1996, permit condition number 4 of the August 26, 1996 approval has been amended. Enclosed are two copies of the conditions of approval with the amended condition. Please sign and return one copy to the New Mexico Oil Conservation Division (OCD) Santa Fe Office within 10 working days of receipt of this letter.

Please be advised that the amendment of this plan does not relieve Coleman of liability should operations result in pollution of surface water, ground water, or the environment.

The OCD hopes that this has clarified your concern, and we appreciate your input into this process.

Sincerely,

Roger C. Anderson
Environmental Bureau Chief

RCA/mwa

xc: OCD Aztec Office

ATTACHMENT TO DISCHARGE PLAN UIC-CLI-005 APPROVAL
COLEMAN OIL AND GAS, INC., CLASS I WELL
DISCHARGE PLAN REQUIREMENTS (AMENDED)
(March 20, 1997)

1. Coleman Commitments: Coleman will abide by all commitments submitted in the discharge plan application dated May 6, 1996, and supplemental information dated May 13, 1996 and June 21, 1996, and OCD Order SWD-457.

2. Maximum Injection Pressure: The maximum operating injection pressure at the wellhead will be 2,850 psi in accordance with OCD Order SWD-457. 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 2,850 psi. The pressure limiting device shall annually be demonstrated to operate to the satisfaction of the OCD.

   Coleman 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 ground surface.

3. Mechanical Integrity Testing: In accordance with OCD testing procedures, a mechanical integrity test will be conducted on the well annually and any time the tubing is pulled or the packer is reseated. A pressure recorder will be used and copies of the chart submitted to the OCD Santa Fe Office and the OCD Aztec District Office within 30 days following the test date. The OCD will be notified prior to the test so that they may witness the test. Mechanical integrity testing charts will be maintained at Coleman for the life of the well.

4. Annulus: Until the facility operates 24 hours per day, the casing-tubing annulus will be completely filled with an inert fluid and connected to a casing differential tank with the same inert fluid to maintain a constant casing-tubing fluid level in the annulus at all times. A sight glass will be installed on the casing differential tank to monitor and record, on a daily basis, for tubing or casing leaks. Once 24 hour operation begins, the casing-tubing annulus will be completely filled with an inert fluid and a minimum pressure of 100 psi maintained. Any loss or gain of inert fluid will be documented and reported to the OCD Aztec District Office immediately.

5. Continuous Monitoring and Recording: Continuous monitoring and recording devices will be installed and mechanical charts made of injection pressure, flow rate, flow volume, and annular pressure. Mechanical charts are to be maintained at Coleman for the life of the well.

6. Maintenance Records: All routine maintenance work on the well will be recorded and maintained at Coleman for the life of the well.

7. Wastes Permitted for Injection: Injection will be limited to fluids as permitted under OCD Order SWD-457, and non-exempt non-hazardous oil field wastes as permitted under the OCD 711 facility for Sunco Trucking Water Disposal Company. All non-exempt non-hazardous oil field waste will be tested for the constituents listed below in number 9. Under the OCD 711 permit, all non-exempt non-hazardous oil field waste require approval from the OCD prior to acceptance and disposal. OCD Form C-138 shall be used to request prior approval for acceptance and disposal.

8. Chemical Analysis of Injection Fluids: The following analyses of injection fluids will be conducted on a quarterly basis:

   a. Aromatic and halogenated volatile hydrocarbon scan by either EPA method 8010/8020 or EPA method 8240.

   b. General water chemistry to include calcium, potassium, magnesium, sodium, bicarbonate, carbonate, chloride, sulfate total dissolved solids (TDS), pH, and conductivity.

   c. Heavy metals using the ICAP scan (EPA method 6010) and Arsenic and Mercury using atomic absorption (EPA methods 7060 and 7470).

   Records of all analyses will be maintained at Coleman for the life of the well.

9. Quarterly Reporting: The following reports will be signed and certified in accordance with WQCC section 5101.H. and submitted quarterly to both the OCD Santa Fe and Aztec Offices:

   a. Results of the chemical analysis of the injection fluids (number 9).

   b. Monthly average, maximum and minimum values for injection pressures; flow rate and flow volume; and, annular pressure.

   c. Monthly volumes of injected Class I non-exempt non-hazardous oil field waste (OCD Form C-138).

10. Monthly Reporting: Monthly reporting of the disposal of produced water will be in accordance with OCD Rule 1115 which requires monthly submittal of OCD Form C-115 to the OCD Santa Fe Office.

11. Drum Storage: All drums containing materials other than fresh water must be stored on an impermeable pad with curbing. All empty drums should be stored on their sides with the bungs in place and lined up on a horizontal plane. Chemicals in other containers such as sacks or buckets must also be stored on an impermeable pad with curbing.

12. Process Areas: All process and maintenance areas which show evidence that leaks and spills are reaching the ground surface must be either paved and curbed or have some type of spill collection device incorporated into the design.

13. Above Ground Tanks: All above ground tanks which contain fluids other than fresh water must be bermed to contain a volume of one-third more than the total volume of the largest tank or of all interconnected tanks. All new facilities associated with the well or modifications to existing facilities associated with the well must place the tank on an impermeable type pad within the berm.

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Accepted:

COLEMAN OIL AND GAS, INC.

by_____
Title

ATTACHMENT TO DISCHARGE PLAN UIC-CLI-005 APPROVAL
COLEMAN OIL AND GAS, INC., CLASS I WELL
DISCHARGE PLAN REQUIREMENTS (AMENDED)
(March 20, 1997)

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Accepted:

COLEMAN OIL AND GAS, INC.

by_____
Title

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

Mike T.

September 8, 1997

CERTIFIED MAIL
RETURN RECEIPT NO. P-288-258-969

Mr. Kenneth V. Huseman
Key Energy Group, Inc.
6010 Hwy. 191, Suite 212
Odessa, TX 79762

RE: Transfer of Sunco Trucking Water Disposal Co., Class I Non-Hazardous Disposal Well to Key Four Corners, Inc.
SW/4 NW/4 of Section 2, Township 29 North, Range 12 West, NMPM
San Juan County, New Mexico
Discharge Plan UIC-CLI-005

Dear Mr. Huseman:

The New Mexico Oil Conservation Division (OCD) has received the request from Key Four Corners, Inc. (Key) dated August 25, 1997 for the transfer of ownership of the Sunco Water Disposal Company Class I Non-Hazardous Disposal Well, Discharge Plan UIC-CLI-005, located in SW/4 NW/4 of Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, to Key Four Corners, Inc. The request **is hereby approved** in accordance with Water Quality Control Commission Regulation 5101.I.

In addition, Key must file form C-104 with the OCD for a change of operator. A replacement bond reflecting the new operator must also be filed with the OCD. Until such financial assurance is in place, the transferor's (Sunco Water Disposal Company) financial assurance will not be released.

All modifications and alternatives to the approved disposal methods must receive prior OCD approval. Key is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised, approval of this transfer does not relieve Key of liability should their operation result in pollution of surface waters, ground water or the environment.

Please be advised that all tanks exceeding 16 feet in diameter and exposed pits, ponds or lagoons must be screened, netted or otherwise rendered nonhazardous to migratory birds. Upon written application by the permittee, an exception to screening, netting, or covering may be granted by the district supervisor upon a showing that an alternative method will protect migratory birds or that the facility is not hazardous to migratory birds. In addition, OCD Rule 310 prohibits oil from being stored or retained in earthen reservoir, or in open receptacles.

If there are any questions, please contact Mark Ashley at (505) 827-7155.

Sincerely,

William J. LeMay
Director

WJL/mwa

xc: OCD Aztec Office
Mr. George E. Colman, Sunco Trucking Co.
CERTIFIED MAIL RETURN RECEIPT NO. P-288-258-970
Mr. Ron Fellabaum, Sunco Trucking Co./Key Four Corners, Inc.
CERTIFIED MAIL RETURN RECEIPT NO. P-288-258-971

STATE OF NEW MEXICO
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
PO BOX 2088
SANTA FE, NM 87504-2088

FORM C-108
Revised 7-1-81

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: ____ Secondary Recovery ____ Pressure Maintenance X Disposal ____ Storage
Application qualifies for administrative approval? X Yes ___ No

II. OPERATOR: Coleman Oil & Gas
ADDRESS: P.O. Box 443 Farmington, NM 87499

CONTACT PARTY: Chuck Badsgard PHONE: 327-0416

III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project: X Yes ___ No
If yes, give the Division order number authorizing the project #SWD-457

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 geological data on the injection zone including appropriate lithologic detail, geological 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/1 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 source 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: Chuck Badsgard TITLE: Vice-President

SIGNATURE: Chuck Badsgard DATE: 5/4/96

* 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 circumstance of the earlier submittal. _____

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

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

OIL CONSERVATION DIVISION
STATE OF NEW MEXICO
2040 S. PACHECO
SANTA FE NEW MEXICO 87505

APPLICATION FOR DISPOSAL WELL MODIFICATION FROM CLASS II TO CLASS I

COLEMAN OIL & GAS INC.
P.O. BOX 443
FARMINGTON NM 87499
ATTN: CHUCK BADSGARD
PHONE: 505-327-0416

PREPARED BY:
CREATIVE FUTURE TECHNOLOGIES
P.O. BOX 364
FARMINGTON NM 87499
PHONE: 505-632-0662

MAY 3, 1996

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X. Well Test Data

XI. Fresh Water Data

XII. Affirmitive Statement & Contingency Plan

XIII. Proof of Notice

XIV. Certification

XV. Attachments

I. Purpose

This discharge plan proposes to reclassify the existing Coleman Oil and Gas disposal well from a Class II to a Class I facility. This will allow additional sources of Oil & Gas produced wastes at this commercial facility however shall still be RCRA exempt.

II. Operator

Coleman Oil & Gas
P.O. Box 443
Farmington NM 87499
Attn: Chuck Badsgard
Phone: 505-327-0416

III. Well Data

A. Description

1.) Lease name; Sunco Disposal Well#1
Location; Section 2, T29N, R12W
Drawing; See attached"Exhibit A"

2.) Casing and Cementing; surface casing is 8 5/8" 24# K-55 set at 209' in 12-1/2" hole with 150 sacks of B cement 2% $CACL_2$ and 1/4# flocel circulated back to surface taking 180 cubic feet, long string 5-1/2" 15.5# K-55 set at 4762' with DV tool at 2244.17' cementing; first stage with 230 sx 65/35 Pozmix, 6% gel 5# sx Gilsonite, 1/4# sx Celoflake, and tailed with 265 sx class"B" with 5# sx Gilsonite and 1/4# Celoflake; second stage was cemented with 465 sx 65/35 Pozmix 6% gel and tailed with 50 sx class "B" neat cement with 2% Calcium Chloride. See attached "Exhibit B #1

3.) Tubing Size and Depth; 2-7/8" J-55 8rd plastic lined set at 4281'; See attached "Exhibit B #2"

4.) Packer Information; 5-1/2' Arrow model XL-W retrievable seal bore with plastic coated bottom 2.688" seal bore set at 4282'

B. Formation

1.) Point Lookout 4380' to 4480'

2.) Interval perforated at 4350' to 4460' with 2 SPF and 220 holes; See attached"Exhibit C"

3.) Well was drilled for injection only.

4.) No other perforations.

5.) The depth of the next higher oil and gas producing zone is Pictured Cliffs at 2285' and the next lower is the top of the Dakota at 6550'.

IV. Expansion of Existing Well

A. Currently operating under order #SWD-457

V. Map Identifying Leases

A. 1/2 Mile radius; See attached "Exhibit D"
B. One mile radius; See attached "Exhibit D"

VI. Area of Review Well Data

A. Chart; See attached "Exhibit E"
B. Hydrogeological Calculation; See attached "Exhibit F"

VII. Proposed Operation

1.) Injection rate; 2000-2800 BPD
2.) System; open
3.) Injection pressure; 2850 PSI; See attached "Exhibit G"
4.) Water sources shall include Oil & Gas produced Class I non-hazardous RCRA exempt; See attached "Exhibit H"
5.) Injection zone does not produce oil and gas and has an estimated TDS of 17,180 MG/L based on an analysis taken from the McGrath #4 well located in Unit B, Section 34, T30N, R12W; See attached "Exhibit I"

VIII. Injection Zone Data

The injection zone is the Point Lookout Sandstone of the Mesa Verde formation. It is a light to medium

gray angular to subangular, very fine grained sandstone with laminations of light to dark gray carbonaceous shale. It has a maximum porosity of 13 to 14% with an average of 10%. The average thichness is 100 feet and is at the depth of 4380' to 4480'. The underground water sources are the Nacimiento which is exposed at the surface and the Ojo Alamo which occurrs from 500' to 700'; See attached "Exhibit J"

IX. Stimulation Program

The proposed stimulation program is to breakdown the perforated interval 4380' to 4480' with 5,000 to 7,500 gallons of 15% HCL and ball sealers.

X. Well Test Data

This data has previously been submitted.

XI. Fresh Water Data

The State Engineers Office shows one water well within one mile of the proposed well which was drilled in the SE,SE of Section 34,T30N,R12W in 1977 and was capped with a welded steel plate. There is no current information availible.

XII. Affirmative Statement & Contingency Plan

We have examined the geologic data availible and there is no apparent evidence of open faults or any other hydrologic connection between the Point Lookout formation and any underground source of drinking water.

In the accidental event of the cross transfer of disposed waters and fresh water the source will be stopped immediatly upon detection and take the steps necessary to provide the extraction and monitoring equipment.

XIII. Proof of Notification

The public notice was previously listed: See attached "Exhibit K"

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: Chuck Bansbach TITLE: Vice-President

SIGNATURE: Chuck Bansbach DATE: 5/6/96

ATTACHMENTS

Exhibit A

Exhibit B #1

Exhibit B #2

Exhibit C

Exhibit D

Exhibit E

Exhibit F

Exhibit G

Exhibit H

Exhibit I

Exhibit J

Exhibit K

Office
State - 4 copies
Fee - 3 copies

Energy, Minerals and Natural Resources Department

Revised 1-1-

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator			Lease		Well No.
COLEMAN ~~DRILLING~~ Oil & Gas			Sunco Disposal		1
Unit Letter	Section	Township	Range		County
E	2	29N	12W	NMPM	SAN JUAN

Actual Footage Location of Well:
1595 feet from the NORTH line and 1005 feet from the WEST line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
5859	MV	Flora Vista	N/A Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

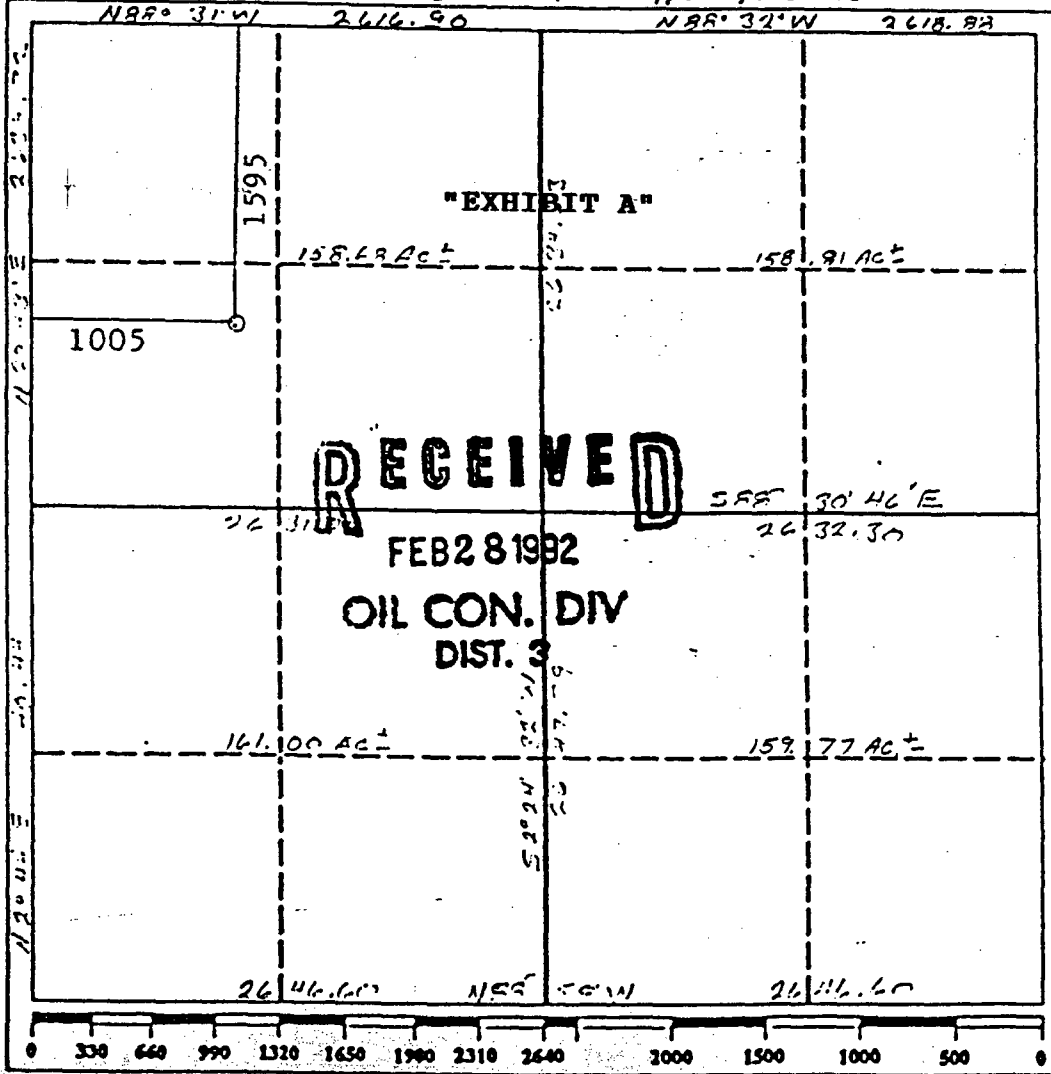
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary. _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



RECEIVED
FEB 28 1992
OIL CON. DIV
DIST. 3

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Ron Mahan
Printed Name: RON MAHAN
Position: CONTRACTS MGR
Company: COLEMAN O&G
Date: 2/28/92

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

June 4, 1991
Date Surveyed
Signature & Seal of Professional Surveyor: Cecil B. Tulk
NEW MEXICO 9672 REGISTERED PROFESSIONAL LAND SURVEYOR
Certificate No. 9672

Coleman Oil & Gas
Sunco Well #1
Unit E, Section 2, T29N, R12W
San Juan County, New Mexico

DRILLING HISTORY

02-02-92 Ran 138 jts 15.5# K-55 ST&C and LT&C casing measuring 4768.40' and landed at 4762' KB. Ran centralizers mid first joint, top of 3rd, 5th, 7th, 9th, 11th, 67th, and 69th joints. DV tool was run in top of 68th joint and is at 2244.17' KB. Ran cement basket above and below DV tool. Rig up Western Company and cemented 1st stage with 230 sx 65/35 Pozmix, 6% gel, 5 #/sx gilsonite, and 1/4#/sx celoflake and tailed in with 265 sx Class "B" with 5 #/sx gilsonite and 1/4#/sx celoflake. Preceded job with 20 bbls mud flush. Full returns throughout job. Bumped plug with 1500 psi at 4:00 p.m. Dropped bomb and opened Baker DV tool with 500 psi. Circulated out good amount of cement from above DV tool. Waited 4 hrs and cemented 2nd stage with 465 sx 65/35 Pozmix, 6% gel and tailed in with 50 sx Class "B" neat cement with 2% calcium chloride. Preceded job with 20 bbls mud flush. Full returns through job, circulated 25 bbls good cement to surface. Tool closed with 2500 psi and held good. Plug down 9:05 p.m. Set slips and cut off casing.

Harold W. Elledge
Petroleum Engineer

"EXHIBIT B #1"

"EXHIBIT B #1 CINTINUED"

Pipe Tally — Sunco Well #1

Coleman Oil & Gas — 5 1/2" 15.5# LT&C & ST&C Casing — 2/2/92

Jt.	Length	CUM	Jt.	Length	CUM	Jt.	Length	CUM	Jt.	Length	CUM	Jt.	Length	CUM	Jt.	Length	CUM
1	42.55	42.55	51	41.76	1926.50	101	1.79	2517.83	151	32.40	2550.23	201	28.96	4143.22	251	32.72	4801.12
2	40.46	83.01	52	41.52	1968.02	102		2517.83	152	32.29	2582.52	202	31.41	4174.63	252	41.78	4842.90
3	42.02	125.03	53	41.75	2009.77	103	B	2517.83	153	27.91	2610.43	203	30.39	4205.02	253	21.00	4863.90
4	35.46	160.49	54	41.72	2051.49	104	a	2517.83	154	30.44	2640.87	204	31.37	4236.39	254		4863.90
5	34.50	194.99	55	41.76	2093.25	105	k	2517.83	155	30.73	2671.60	205	29.44	4265.83	255	l	4863.90
6	39.58	234.57	56	41.72	2134.97	106	e	2517.83	156	31.25	2702.85	206	28.08	4293.91	256	e	4863.90
7	43.50	278.07	57	33.45	2168.42	107	r	2517.83	157	33.18	2736.03	207	32.38	4326.29	257	f	4863.90
8	32.94	311.01	58	28.68	2197.10	108		2517.83	158	31.37	2767.40	208	32.42	4358.71	258	t	4863.90
9	35.59	346.60	59	30.30	2227.40	109	D	2517.83	159	29.84	2797.24	209	39.88	4398.59	259		4863.90
10	30.55	377.15	60	31.63	2259.03	110	V	2517.83	160	28.36	2825.60	210	33.12	4431.71	260		4863.90
11	21.40	398.55	61	33.77	2292.80	111		2517.83	161	32.45	2858.05	211	32.18	4463.89	261	o	4863.90
12	34.96	433.51	62	31.26	2324.06	112	T	2517.83	162	30.56	2888.61	212	30.70	4494.59	262	u	4863.90
13	36.24	469.75	63	31.03	2355.09	113	o	2517.83	163	31.35	2919.96	213	30.55	4525.14	263	t	4863.90
14	35.51	505.26	64	42.88	2397.97	114	o	2517.83	164	31.73	2951.69	214	32.28	4557.42	264		4863.90
15	35.69	540.95	65	29.33	2427.30	115	l	2517.83	165	30.30	2981.99	215	32.22	4589.64	265		4863.90
16	21.45	562.40	66	27.75	2455.05	116		2517.83	166	32.06	3014.05	216	32.33	4621.97	266		4863.90
17	36.15	598.55	67	28.62	2483.67	117		2517.83	167	30.28	3044.33	217	40.85	4662.82	267		4863.90
18	41.58	640.13	68	29.68	2513.35	118		2517.83	168	30.84	3075.17	218	33.03	4695.85	268		4863.90
19	41.78	681.91	69		2513.35	119		2517.83	169	32.65	3107.82	219	39.85	4735.70	269		4863.90
20	21.91	703.82	70		2513.35	120		2517.83	170	30.70	3138.52	220	32.70	4768.40	270		4863.90
21	33.94	737.76	71	2.69	2516.04	121		2517.83	171	29.34	3167.86	221		4768.40	271		4863.90
22	25.13	762.89	72		2516.04	122		2517.83	172	31.20	3199.06	222		4768.40	272		4863.90
23	41.77	804.66	73	s	2516.04	123		2517.83	173	32.76	3231.82	223		4768.40	273		4863.90
24	36.15	840.81	74	h	2516.04	124		2517.83	174	32.69	3264.51	224		4768.40	274		4863.90
25	41.80	882.61	75	o	2516.04	125		2517.83	175	32.55	3297.06	225		4768.40	275		4863.90
26	41.62	924.23	76	e	2516.04	126		2517.83	176	29.66	3326.72	226		4768.40	276		4863.90
27	41.78	966.01	77	&	2516.04	127		2517.83	177	28.36	3355.08	227		4768.40	277		4863.90
28	41.84	1007.85	78	f	2516.04	128		2517.83	178	32.14	3387.22	228		4768.40	278		4863.90
29	41.74	1049.59	79	l	2516.04	129		2517.83	179	31.67	3418.89	229		4768.40	279		4863.90
30	40.92	1090.51	80	o	2516.04	130		2517.83	180	32.30	3451.19	230		4768.40	280		4863.90
31	33.86	1124.37	81	a	2516.04	131		2517.83	181	30.59	3481.78	231		4768.40	281		4863.90
32	41.89	1166.26	82	t	2516.04	132		2517.83	182	31.92	3513.70	232		4768.40	282		4863.90
33	41.72	1207.98	83	c	2516.04	133		2517.83	183	33.01	3546.71	233		4768.40	283		4863.90
34	41.48	1249.46	84	o	2516.04	134		2517.83	184	29.61	3576.32	234		4768.40	284		4863.90
35	41.74	1291.20	85	l	2516.04	135		2517.83	185	29.13	3605.45	235		4768.40	285		4863.90
36	41.84	1333.04	86	l	2516.04	136		2517.83	186	28.61	3634.06	236		4768.40	286		4863.90
37	41.82	1374.86	87	a	2516.04	137		2517.83	187	34.11	3668.17	237		4768.40	287		4863.90
38	41.08	1415.94	88	r	2516.04	138		2517.83	188	41.18	3709.35	238		4768.40	288		4863.90
39	41.84	1457.78	89		2516.04	139		2517.83	189	41.16	3750.51	239		4768.40	289		4863.90
40	41.84	1499.62	90		2516.04	140		2517.83	190	32.97	3783.48	240		4768.40	290		4863.90
41	41.88	1541.50	91		2516.04	141		2517.83	191	28.73	3812.21	241		4768.40	291		4863.90
42	42.58	1584.08	92		2516.04	142		2517.83	192	28.54	3840.75	242		4768.40	292		4863.90
43	41.45	1625.53	93		2516.04	143		2517.83	193	29.39	3870.14	243		4768.40	293		4863.90
44	30.73	1656.26	94		2516.04	144		2517.83	194	28.25	3898.39	244		4768.40	294		4863.90
45	36.15	1692.41	95		2516.04	145		2517.83	195	29.56	3927.95	245		4768.40	295		4863.90
46	32.62	1725.03	96		2516.04	146		2517.83	196	40.28	3968.23	246		4768.40	296		4863.90
47	41.81	1766.84	97		2516.04	147		2517.83	197	41.18	4009.41	247		4768.40	297		4863.90
48	34.45	1801.29	98		2516.04	148		2517.83	198	41.16	4050.57	248		4768.40	298		4863.90
49	41.75	1843.04	99		2516.04	149		2517.83	199	30.64	4081.21	249		4768.40	299		4863.90
50	41.70	1884.74	100		2516.04	150		2517.83	200	33.05	4114.26	250		4768.40	300		4863.90
col	1884.74			631.30			1.79			1596.43			654.14			95.50	
cum	1884.74			2516.04			2517.83			4114.26			4768.40			4863.90	

float & shoe 2.69

68 jts 2513.35

dv tool 1.79

70 jts 2250.57'

Joints #1 thru #56 are LT&C, the rest are ST&C

DV tool at 2244.17' KB

Anticipated PBTD 4717' KB

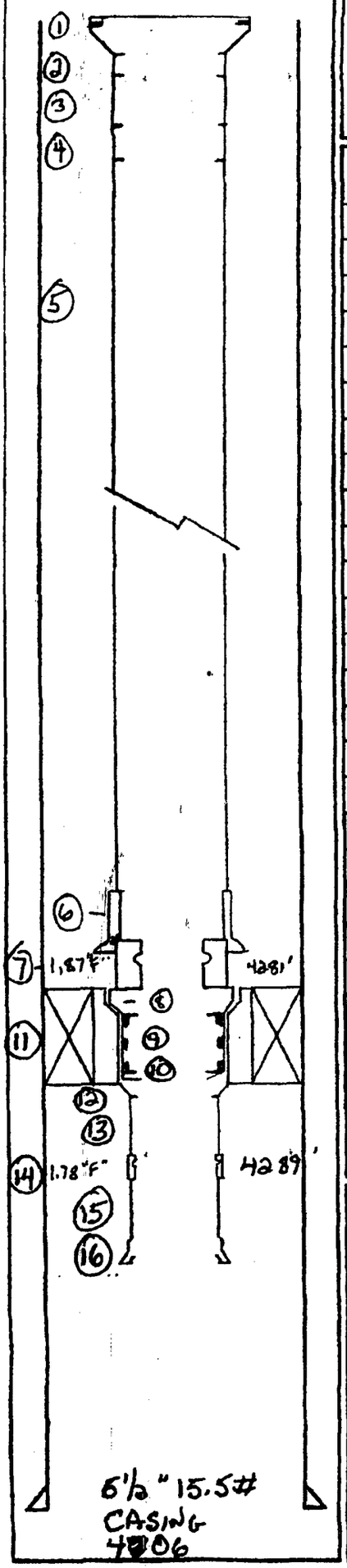
Casing landed at 4762' KB

CIRC CEMENT

TD 4760'

"EXIBIT B #2"

WELL PROFILE



OPERATOR Coleman Oil & Gas Co.
WELL # Sungo WDW #1
FIELD Crouch Mesa
COUNTY San Juan
STATE New Mexico
DATE 7/27/94
☐ NEW COMPLETION ☒ WORKOVER

	Casing	Liner	Tubing
SIZE	5½		2⅞
WEIGHT	15.5		6.5
GRADE			
THREAD			EUE
DEPTH	4706		4265

ITEM NO.	EQUIPMENT AND SERVICES	LENGTH	DEPTH
		KB 13.00	
1	DONUT TYPE TUBING HANGER	.76	
2	2⅞ EU PIN X PIN NIPPLE	.46	
3	2⅞ PLASTIC LINED PUP JOINT	10.15	
4	2⅞ PLASTIC LINED PUP JOINT	6.22	
5	135 JTS 2⅞ PLASTIC LINED TUBING	4248.78	
6	2⅞ x 5½" ARROW 'T-2' PLASTIC COATED ON-OFF TOOL (MEAS W/ S.NIPPLE)	1.66	
7	2⅞ x 1.87 STAINLESS STEEL NIPPLE W/ 1.87" 'F' PROFILE		4281
8	2.688 x 5½" ARROW J-LATCH	.90	
9	3 EA 2.688 BONDED SEAL UNITS	3.57	
10	2.688 1/2 MULESHOE BOTTOM	1.42	
11	5½ x 2.688 ARROW 'XL-W' RETRIEVABLE SEAL BORE PACKER	4.68	4282
12	5½ x 2.688 TUBING ADAPTER BOTTOM	1.14	
13	2⅜ PLASTIC COATED PUP JOINT	5.69	
14	2⅜ x 1.78 STAINLESS STEEL NIPPLE W/ 1.78" 'F' PROFILE	.87	4289
15	2⅜ PLASTIC COATED PUP JOINT	6.10	
16	2⅜ x 5½ W/L ENTRY GUIDE COLLAR	.55	4296

COMMENTS:

SEAL ASSY & TUBING WERE LANDED W/ 4000# TENSION
T-2 ON-OFF TOOL IS LEFT HAND RELEASE
J-LATCH SEAL ASSY IS RIGHT HAND RELEASE

PREPARED BY	OFFICE	PHONE
B. J. WARBURTON	FARMINGTON, NM	(505) 326-5141

"EXIBIT B #2 CONTINU[illegible]" Pg 1 of 2

PIPE RECORD

Coleman Oil & Gas LEASE Sinco Disposal WELL NO. 1 7/28 19[illegible]

PIPE TALLY - Show every piece of equipment going into the hole in the order run.

COLUMN 1		COLUMN 2		COLUMN 3		COLUMN 4		COLUMN 5		COLUMN 6		COLUMN 7		COLUMN 8	
GRADE	WT.	GRADE	WT.	GRADE	WT.	GRADE	WT.	GRADE	WT.	GRADE	WT.	GRADE	WT.	GRADE	WT.
JOINT NO.	FEET	JOINT NO.	FEET	JOINT NO.	FEET	JOINT NO.	FEET	JOINT NO.	FEET	JOINT NO.	FEET	JOINT NO.	FEET	JOINT NO.	FEET
	55		6 10		87		5 69		1 10		4 68		90		1 66
2 3/8" x 5 1/2" Wireline Entry Guide		2 3/8" Plastic Lined Pup Joint		2 3/8" x 1.78" SS "F" Nipple		2 3/8" Plastic Lined Pup Joint		5 1/2" x 2.688" Tubing Adaptor Bottom		5 1/2" x 2.688" Arrow "XL-U" Ret. Seal Bore Packer		2.688" x 5 1/2" Arrow J-Latch		2 7/8" x 5 1/2" Arrow T-2 On-Off Tool w/1.87" F Nipple	
	55		6 10		87		5 69		1 10		4 68		90		1 66

Jts. on rack before running | Jts. left on rack after running | No. Jts. run

COLUMN NO.	ITEM	JTS.	O.D.	WEIGHT	GRADE	THREAD	MAKE	FEET
1	Wireline Entry Guide	—	2 3/8	—	—	—	MTN STATES	55
2	Plastic Lined Pup Joint	1	2 3/8	—	—	—	MTN STATES	6 10
3	1.78" Stainless "F" Nipple	—	2 3/8	—	—	—	MTN STATES	87
4	Plastic Lined Pup Joint	1	2 3/8	—	—	—	MTN STATES	5 69
5	Tubing Adaptor Bottom	—	2 1/16	—	—	—	MTN STATES	1 10
6	Arrow XL-U Retrievable Packer	—	5 1/2				Arrow	4 68
7	Arrow J-Latch	—	2 1/16				Arrow	90
8	Arrow T-2 On/Off Tool		2 7/8				Arrow	1 66

REMARKS *ASTERISK DESIGNATES CENTRALIZER ON JOINT

Top Packer @ 4280.93' KB - Bottom @ 4290.92' KB
Pup Joints used to space with as. A.B.
Modified w/ Teflon Rings

TOTAL	24	55
JOINTS NOT RUN		
TOTAL		
TOP ROTARY DRIVE BUSHING TO TOP OF CASING HEAD FLANGE (+)		
SET AT		
CO. REP.		

"EXIBIT B #2 CONT[illegible]" Pg 2 of 2

PIPE RECORD

LEASE Coleman Oil & Gas LEASE Sunco Disposal WELL NO. 1 7/28 19

PIPE TALLY - Show every piece of equipment going into the hole in the order run.

COLUMN 1 GRADE WT. JOINT NO.	FEET	COLUMN 2 GRADE WT. JOINT NO.	FEET	COLUMN 3 GRADE WT. JOINT NO.	FEET	COLUMN 4 GRADE WT. JOINT NO.	FEET	COLUMN 5 GRADE WT. JOINT NO.	FEET	COLUMN 6 GRADE WT. JOINT NO.	FEET	COLUMN 7 GRADE WT. JOINT NO.	FEET	COLUMN 8 GRADE W JOINT NO.	FEET
	29 55		64 30		61 30		62 25		TAKEN OUT		6 22		46		71
	38 05		64 05		63 20		63 65		31 —		10 15				
	65 10		63 30		63 90		61 65		31 12						
	62 45		62 95		62 85		63 85		31 02						
	63 40		61 95		62 90		65 10		31 48						
	62 78		60 80		63 50		65 10		32 58						
	65 28		64 55		60 30		61 55		31 33						
	63 20		62 60		64 60		62 65		188 53						
	62 63		64 —		62 35		505 80								
	62 75		63 60		63 55										
	62 55		61 70		63 63	New Pipe									
	59 62		57 95		64 35		29 97	in							
	61 90		61 25		62 50		32 52	in							
	63 60		65 15		61 15		32 53	in							
	62 05		63 45		63 75		29 98	out							
	65 10		61 15		62 65		31 54	out							
	63 80		63 70		61 90		62 45	in							
	65 25		65 05		63 90		31 50	in							
	65 —		63 30		61 75		188 97	in							
	62 75		61 10		65 —										
	1226 81		1255 70		1259 03						16 37		46		76

27/8" AB Modified Flat Joints

27/8" EUE X Pin Nipple

Donut Type Tubing Hanger

Jts. on rack before running | Jts. left on rack after running | No. Jts. run

COLUMN NO.	ITEM	JTS.	O.D.	WEIGHT	GRADE	THREAD	MAKE	FEET
1	Tubing	39	27/8	6.5	J-55	8 rd	Salta	1226 81
2	Tubing	40	"	"	"	"	Salta	1255 70
3	Tubing	40	"	"	"	"	Salta	1259 03
4	Tubing	16	"	"	"	"	Salta	505 80
5	Pup Joint	2	"	"	"	"	Salta	16 37
6	EUE Pin x Pin Nipple	1	"				Mt. States	46
7	Donut Hanger	1					A-1	76
8								

REMARKS *ASTERISK DESIGNATES CENTRALIZER ON JOINT

TOTAL	Page 1 & Page 2	4286 48
JOINTS NOT RUN	Trade out	. 44
	Bad Joints w/new	. .
TOTAL		4286 92
TOP ROTARY DRIVE BUSHING TO TOP OF CASING HEAD FLANGE (+)		13 00
	Bottom Packer Assm.	4299 92
CO. REP.		

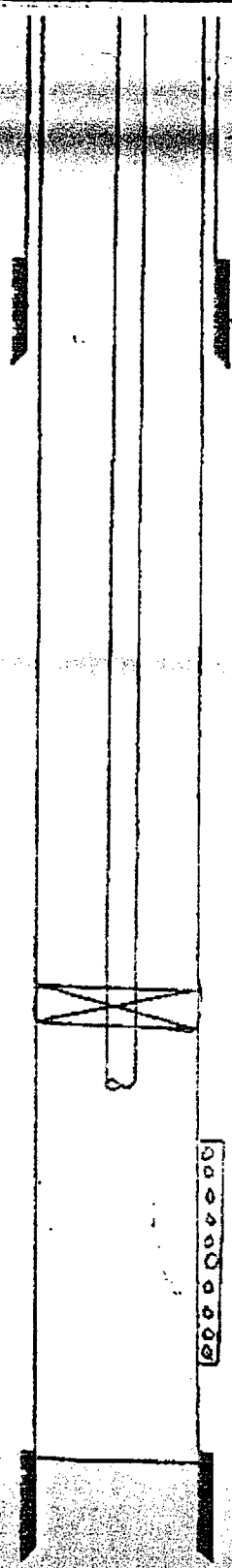
"EXHIBIT C"

WALSH ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

204 N. Auburn
Farmington, New Mexico 87
(505) 327-4892

COLEMAN OIL & GAS
SUNCO DISPOSAL WELL #1



8 5/8", 24.0#, K-55
SET AT 209'

MOUNTAIN STATES ARROW SET 1 PACKER AT 4295'

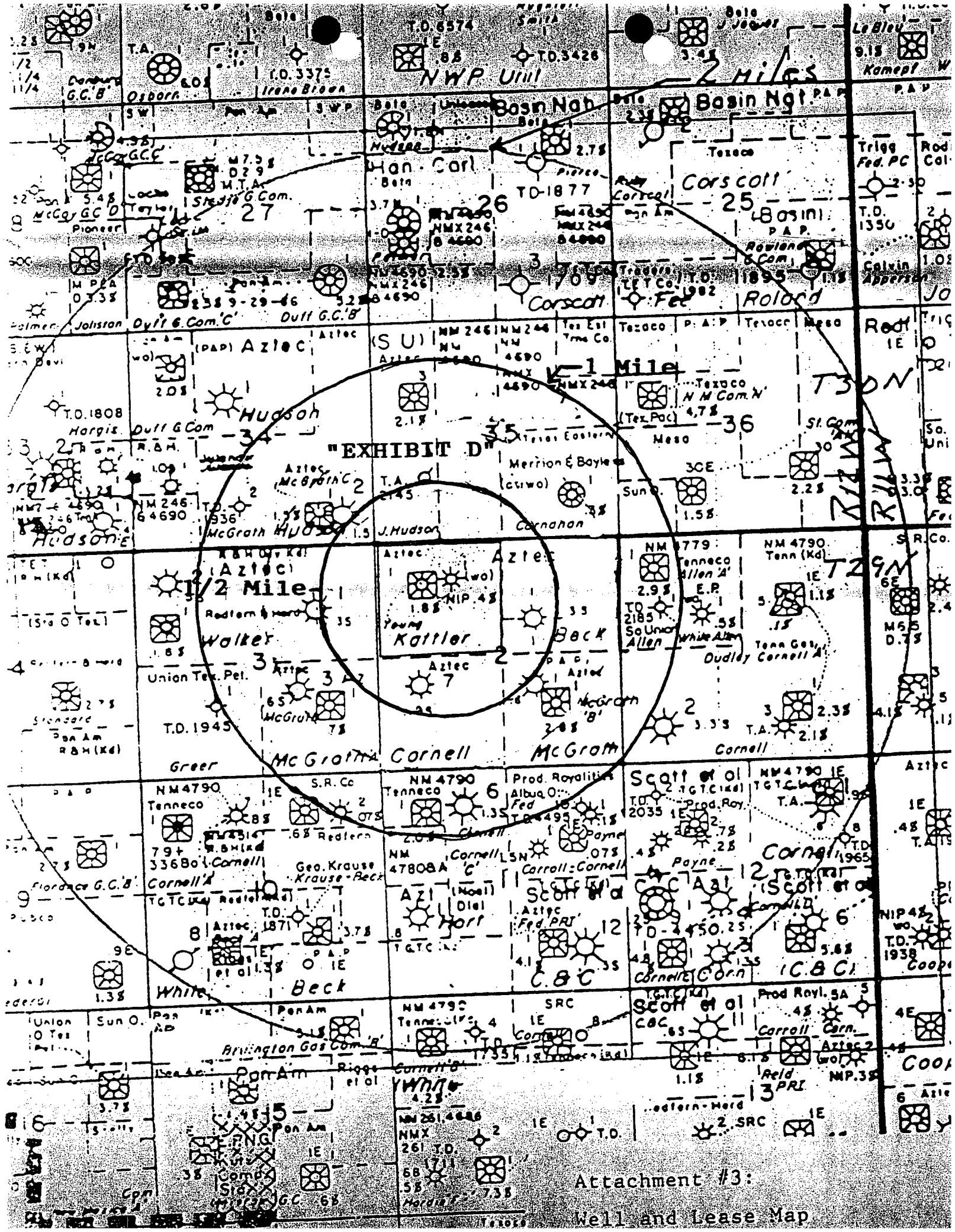
136 JTS 2 7/8, 6.5#, J55, PLASTIC COATED TBG SET AT 4295'. (ONE JOINT BELOW PACKER)

PERFS 4350 - 4460
2 SPF 220 TOTAL HOLES.

PBTD - 4706'

5 1/2", 15.5#, K-55
SET AT 4760

Paul Thompson 10/19/93



Attachment #3:

Well and Lease Map

EXHIBIT E

RECORD#	API NUMBER	UL	SEC	TWN	RGE	WELL NAME	WELL #	OPERATOR	POOL	TYPE	DATE	DEP
1	30-045-08851	D	01	29N	12W	Allen A	1	Amoco	Basin Dak	CO	4-25-62	6786
7	30-045-26014	L	01	29N	12W	Allen A	1E	Amoco	Basin Dak	CO	4-12-85	6625
12	30-045-08839	D	02	29N	12W	Young	1	Meridian	Basin Dak	CO	8-13-61	6740
15	30-045-08704	J	02	29N	12W	McGrath B	1	Meridian	Basin Dak	CO	12-3-61	6720
21	30-045-08712	I	03	29N	12W	McGrath A	1	Meridian	Basin Dak	CO	4-29-64	6689
79	35-045-13092	D	11	29N	12W	Cornell C	1	Amoco	Basin Dak	CO	12-6-61	6604
21211	30-045-26141	G	34	30N	12W	Duff Gas Com	1E	Amoco	Basin Dak	CO	1-7-85	6608
21212	30-045-08945	P	34	30N	12W	McGrath C	1	Meridian	Basin Dak	CO	3-6-63	6637
21213	30-045-11770	E	35	30N	12W	Hudson	3	Meridian	Basin Dak	CO	8-15-66	6750
21214	30-045-08946	P	35	30N	12W	Carnahan	1	Merrion	Basin Dak	ZA	12-19-60	6760
21215	30-045-08946	P	35	30N	12W	Carahan Com	1	Merrion	FL Mesa V	ZA	1-61	6760
21216	30-045-25844	P	35	30N	12W	Carahan Com	2	Merrion	Basin Dak	CO	7-23-84	6780

*The completion records are also attached.

EXHIBIT F

Calculated Area of Review by Hydreologic Equation

$$\sqrt{\frac{QT}{L*\theta_d*(1-SW) \times \pi}} = r$$

Where:

Q =volume of fluid in ft^3/yr
T =life of project
h =reservoir height
θ_d=reservoir porosity
SW=water saturation
π=pi
r =radius

Q =5.615 ft^3/bbl * 2000 bbl/day * 365 days/year
Q =4,098,950 ft^3/year
T =20 years
L =100 ft
Q_d=.14
SW=.30
π=3.14

$$r = \sqrt{\frac{(4,098,950)\ (20)}{(100)(.14)(1-.30)\pi}} = \sqrt{\frac{81,979,000}{30,772}} = 1632'$$

**Calculated Area of Review is 1632'

Chuck's Copy

1-3-94

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

DRUG FREE

"Exhibit G"

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 22, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Walsh Engineering & Production Corporation
204 North Auburn
Farmington, NM 87401

Attention: Paul C. Thompson

RE: Injection Pressure Increase, Coleman Sunco Disposal Well No. 1, Section 2, Township 29 North, Range 12 West, San Juan County, New Mexico

Dear Mr Thompson:

Reference is made to your request dated December 8, 1993 to increase the surface injection pressure on the above referenced well. This request is based on a step rate tests conducted on this well on December 7, 1993. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

Well and Location	Maximum Injection Surface Pressure
Coleman Sunco Disposal Well No. 1 1595' FNL - 1005' FWL Unit E, Section 2, Township 29 North, Range 12 West	2850 psig
This well located in San Juan County, New Mexico.	

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

William J. LeMay
Director

WJL/BES/amg

cc: Oil Conservation Division - Aztec
File: SWD-457
PSI-X, 4th Quarter

"Exhibit H"

API FORM 45.1

ANALYSIS NO. S1-7

FIELD RECEIPT NO.

API WATER ANALYSIS REPORT FORM

Company: Coleman Oil & Gas		Sample No.: 2	Date Sampled: 02-25-92
Field	Legal Description: Sec 2 T29N R8W	County or Parish: San Juan	State: NM
Lease or Unit: Sunco Disposal	Well: #1	Depth: 4	Formation: M.V. (Pt. Lookout)
Type of Water (Produced, Supply, etc.): Produced	Sampling Point: Pit		Water, B/D
			Sampled By

DISSOLVED SOLIDS

CATIONS

	mg/l	me/l
Sodium, Na (calc.)	7451	323.94
Calcium, Ca	168	8.40
Magnesium, Mg	39	3.20
Barium, Ba	—	—
Potassium, K	720	18.41

ANIONS

Chloride, Cl	11879	335.10
Sulfate, SO_4	185	3.85
Carbonate, CO_3	0	0
Bicarbonate, HCO_3	915	15.00
Hydroxide, OH	0	0

Total Dissolved Solids (calc.) 21357

Iron, Fe (total) 25 ppm

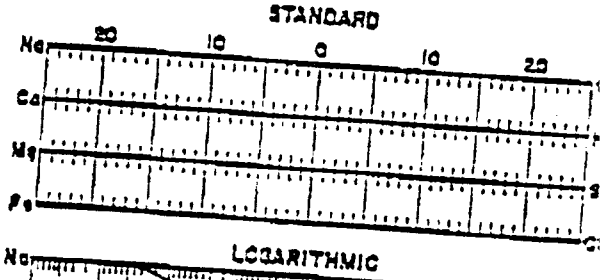
Sulfide, as H_2S neg

OTHER PROPERTIES

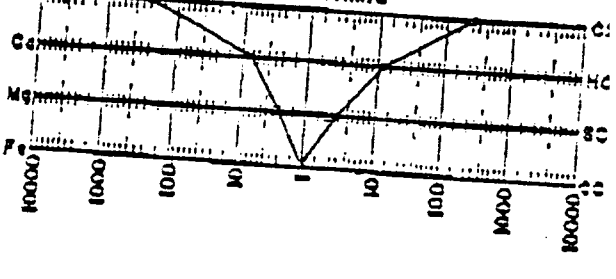
pH		7.01
Specific Gravity, 60/60 F.		1.013
Resistivity (ohm-meters)	78 F.	.35
Total Hardness		580

WATER PATTERNS — me/l

STANDARD



LOGARITHMIC



REMARKS & RECOMMENDATIONS:

ANALYST: Lee

PLEASE REFER ANY QUESTIONS TO:

THE WESTERN CO. OF NORTH AMERICA
FARMINGTON, N.M.
BRIAN AULT-District Engineer
(505) 327-6222

HALLIBURTON COMPANY
FARMINGTON, NM "Exhibit I"

LABORATORY WATER

To: Southland Royalty

Attn: Doug Harris

Box 570

Farmington, N.M. 87499

Date 9/12/84

 4255-4377

Submitted by Doug Harris Date Rec.

Well No. McGrath #4 Depth. 4255' - 4377' Formation Point Lookout

County. Field Source DST #2 4255' - 4377'

	Top Recovery	Bottom Recovery	Sample Chamber
Resistivity	3.16@ 65°F	.97@ 71°F	.68 @ 68°F
Specific Gravity			
pH	8.47	7.53	7.86
Calcium (Ca)	55	210	210 *MP
Magnesium (Mg)	NT	NT	35
Chlorides (Cl)	2900	6950	9900
Sulfates (SO_4)			
Bicarbonates (HCO_3)	320	705	670
Soluble Iron (Fe)	NT	NT	NT

Remarks:

*Milligrams per liter

Respectfully submitted,

Analyst:

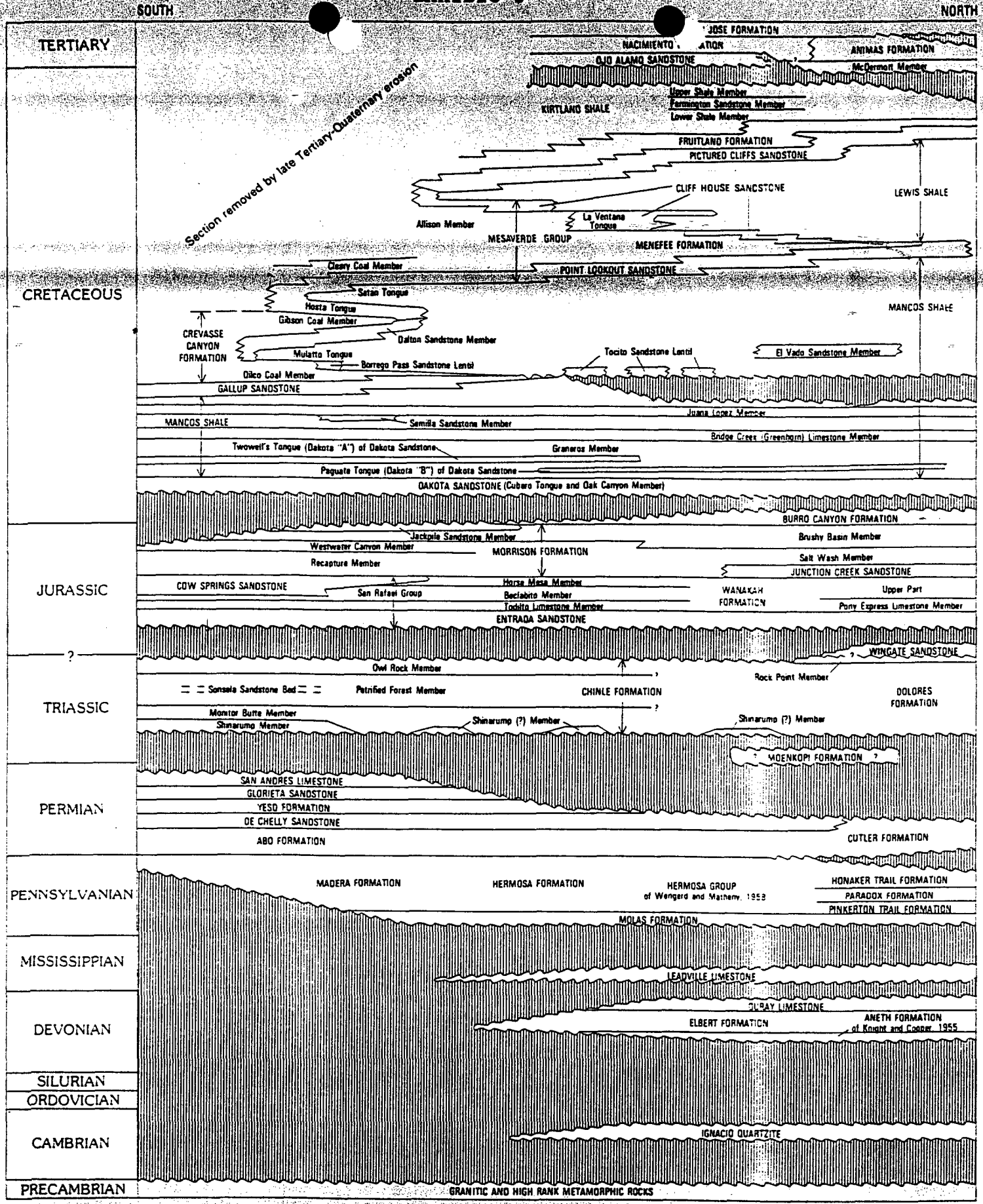
cc:

HALLIBURTON COMPANY

By

NOTICE

"Exhibit J"



(Modified from Molenaar, 1977a,b, and 1989)

Figure 3. Time– and rock–stratigraphic framework and nomenclature.

CONVERSION FACTORS

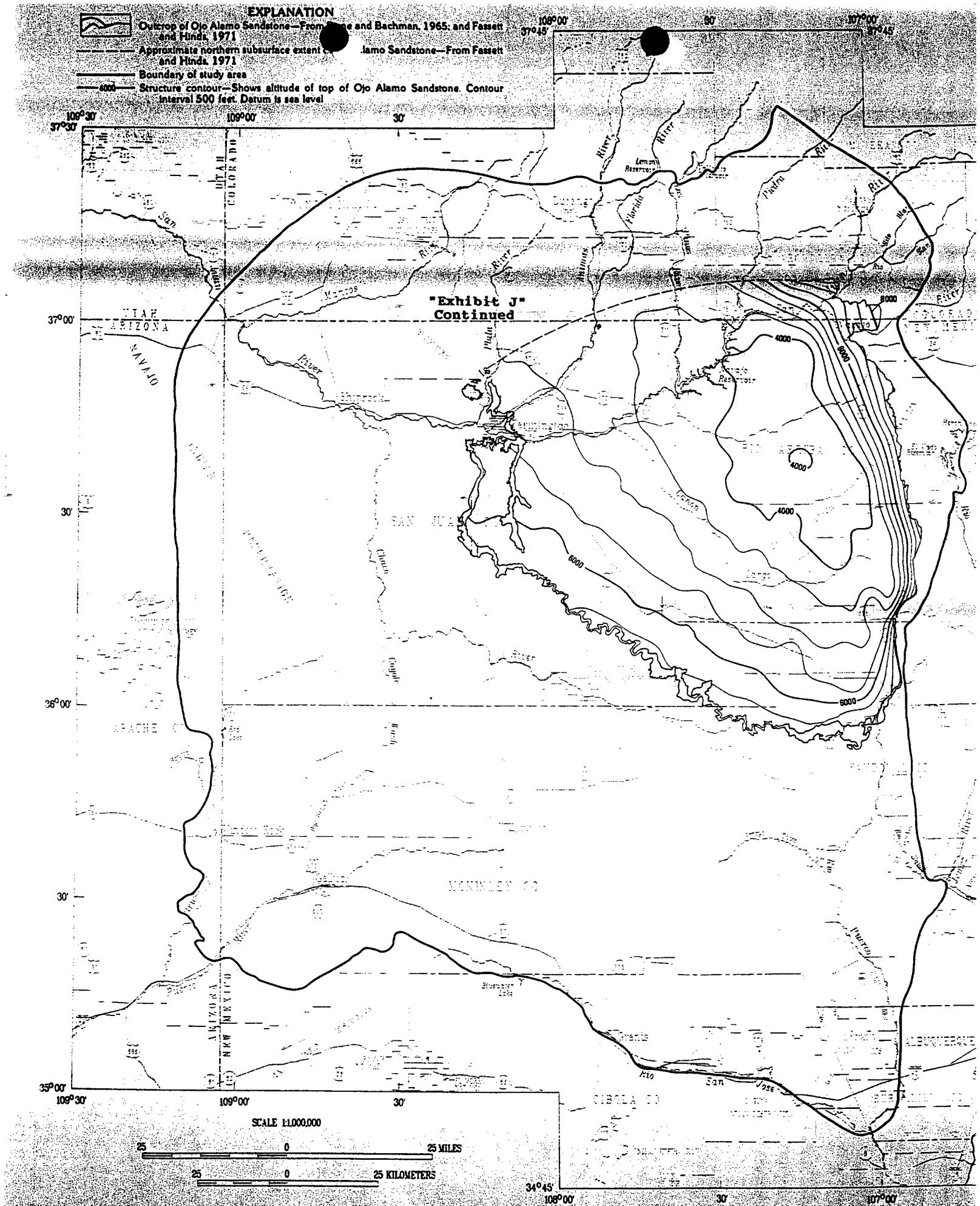


Figure 6. Approximate altitude and configuration of the top of the Ojo Alamo Sandstone.

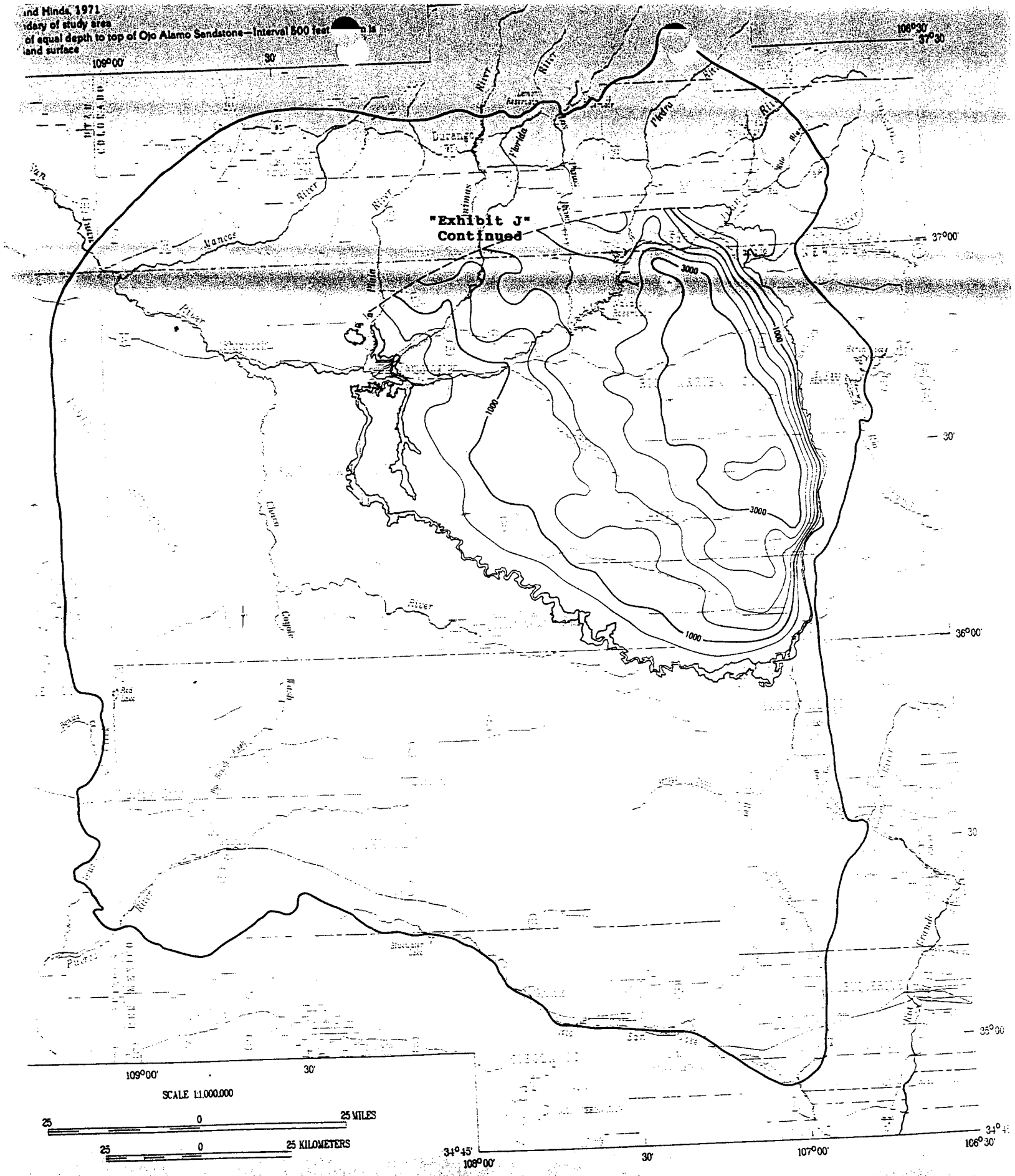


Figure 5. Approximate depth to the top of the Ojo Alamo Sandstone.

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-128
Revised 5/1/57

WELL LOCATION AND ACREAGE DEDICATION PLAT

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

Operator	Lease	Well No.
Tennessee Gas Transmission Company	Allen Dakota Gas Unit "A"	1

Unit Letter	Section	Township	Range	County
	1	29 North	12 West	San Juan County

Actual Footage Location of Well: 790 feet from the North line and 790 feet from the West line

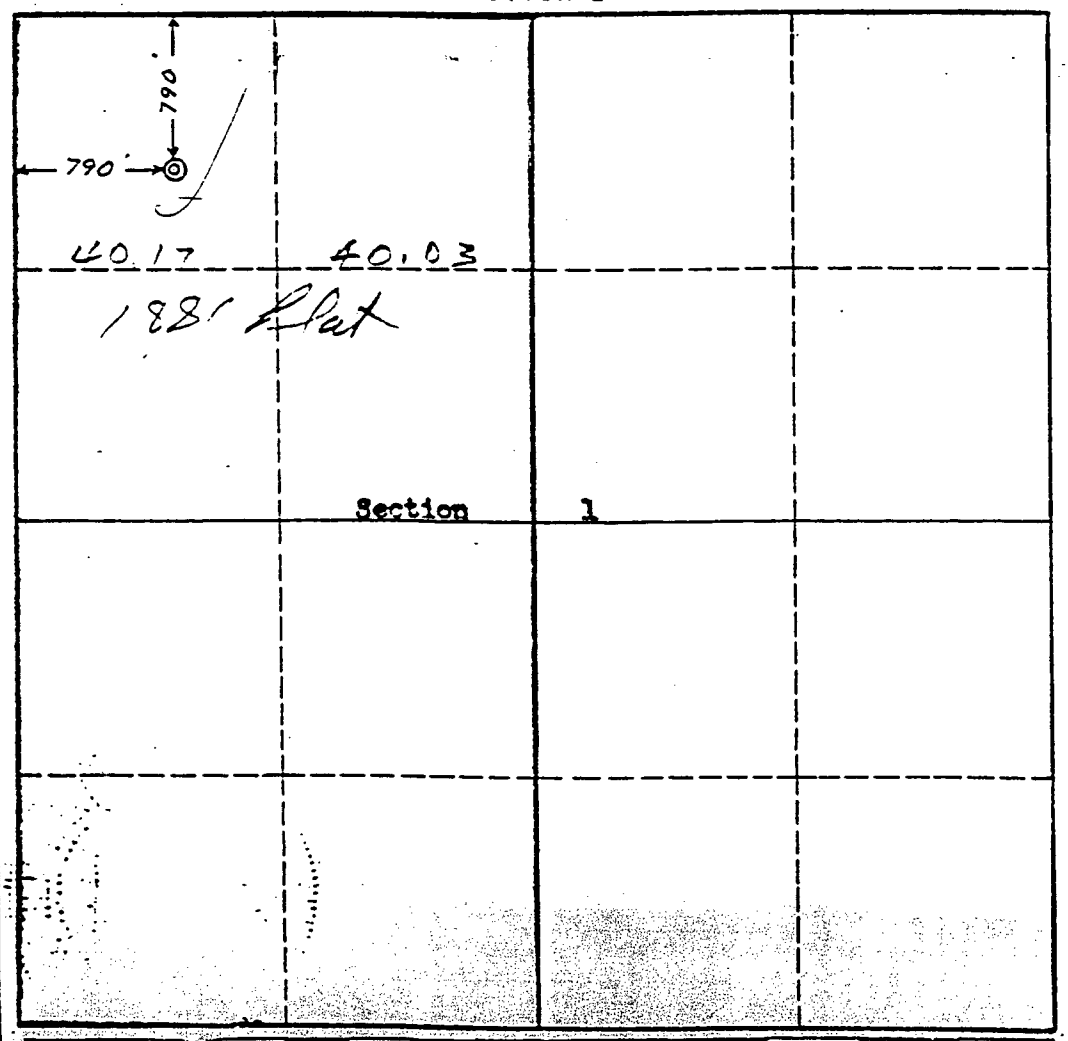
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5905.5	Dakota	Basin	~~360~~ 320 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES X NO _____. *("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)*
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES _____ NO _____. If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

RECEIVED
MAR 13 1961
OIL CONSERVATION COM.
DIST. 3

SECTION B



I hereby certify that the information in *SECTION A* above is true and complete to the best of my knowledge and belief.

Name: J.J. Lacey

Position: District Petroleum Engineer

Company: Tennessee Gas Transmission

Date: March 10, 1961

I hereby certify that the well location shown on the plat in *SECTION B* was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

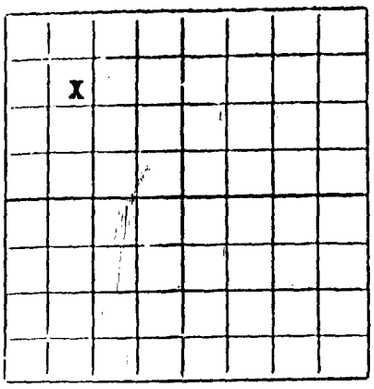
Date Surveyed: 9 March 1961

Registered Professional Engineer and/or Land Surveyor: Robert H. Ernst

Certificate No. PE & LS 2463

San Juan Engineering Co.

(Revised 7/1/52)
(Form C-105)



AREA 640 ACRES
LOCATE WELL CORRECTLY

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE. If State Land submit 6 Copies

Tenneco Corporation (Company or Operator) Allen Dakota Gas Unit "A" (Lease)

Well No. 1, in NW ¼ of NW ¼, of Sec. 1, T. 29N, R. 12W, NMPM.

Basin Dakota Pool, San Juan County.

Well is 790 feet from N line and 790 feet from W line of Section 1. If State Land the Oil and Gas Lease No. is NM 520 NM 524

Drilling Commenced March 12, 19 61. Drilling was Completed May 19, 19 61.

Name of Drilling Contractor Great Western Drilling Company

Address Farmington, New Mexico

Elevation above sea level at Top of Tubing Head 5905 GL. The information given is to be kept confidential until ....., 19.....

OIL SANDS OR ZONES

No. 1, from 6714 to 6718 No. 4, from 6605 to 6620

No. 2, from 6700 to 6706 No. 5, from 6518 to 6524

No. 3, from 6689 to 6693 No. 6, from 6527 to 6533

RECEIVED JUL 3 1961 O. C. M.

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from None to ..... feet. .....

No. 2, from ..... to ..... feet. .....

No. 3, from ..... to ..... feet. .....

No. 4, from ..... to ..... feet. .....

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8 5/8" OD	24#	New	264'	Guide	--	--	Surface
4 1/2"	9.5#	New	4628'	Float	--	6518-6718	Production
4 1/2"	11.6#	New	2157'				

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
12 1/4"	8 5/8"	264'	200 Sx	Two Plug		
7 7/8"	4 1/2"	6785'	300 Sx	Two Plug		

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

Sand Frac Perfs 6714-18; 6700-06; 6689; 93, with 10,000# 20-40 sand and 20,000 gal water.

Sand Frac Perfs 6605-20 with 250 gal BDA, 43,000# 20-40 sand and 68,000 gal water.

Sand Frac Perfs 6518-24 and 6527-33 with 250 gal BDA 40,000# 20-40 sand and 52,000 gal water.

Result of Production Stimulation

TEST-- Flw 2882 MCFPD, AOF 3162, 10 BBl cond per MMCF on 3/4" choke TP 230, CP 710, SITP 2096, BHP 2566.

Depth Cleaned Out

NEW MEXICO
MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
TENNECO OIL COMPANY	ALLEN "A"	1E

Unit Letter	Section	Township	Range	County
L	1	29N	12W	San Juan

Actual Footage Location of Well:
1450 feet from the South line and 790 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5831	Dakota	Basin Dakota	~~320~~ Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

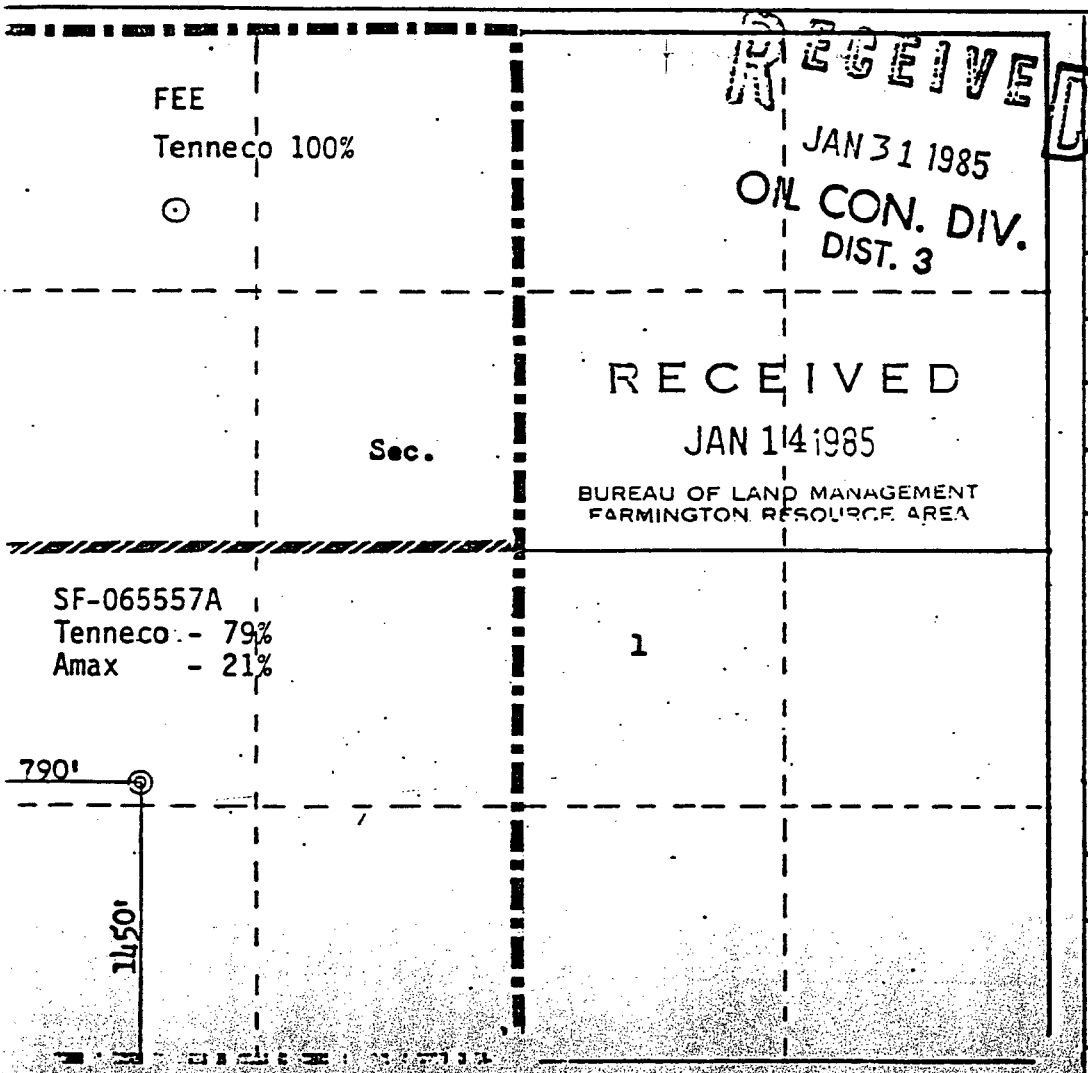
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Scott McKinney

Name: Scott McKinney

Position: Sr. Regulatory Analyst

Company: Tenneco Oil Co

Date: January 10, 1985

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: October 27, 1984

Registered Professional Engineer and Land Surveyor:

Fred B. Kerr Jr.

Certificate No.: 3950

Form 9-331)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NO.: SF-065557A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1. OIL WELL ☐ GAS WELL ☒ OTHER

7. UNIT AGREEMENT NAME:

2. NAME OF OPERATOR: Tenneco Oil Company

8. FARM OR LEASE NAME: Allen A

3. ADDRESS OF OPERATOR: P.O. Box 3249, Englewood, CO 80155

9. WELL NO.: 1E

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface: 1450' FSL, 790' FWL

10. FIELD AND POOL, OR WILDCAT: Basin Dakota

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEc.1, T29N, R12W

14. PERMIT NO.: 30-045-26214

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

12. COUNTY OR PARISH: San Juan

13. STATE: NM

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	☐	PULL OR ALTER CASING	☐	WATER SHUT-OFF	☐	REPAIRING WELL	☐
FRACTURE TREAT	☐	MULTIPLE COMPLETE	☐	FRACTURE TREATMENT	☐	ALTERING CASING	☐
SHOOT OR ACIDIZE	☐	ABANDON*	☐	SHOOTING OR ACIDIZING	☐	ABANDONMENT*	☐
REPAIR WELL	☐	CHANGE PLANS	☐	(Other) Progress report			
(Other)				(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			

17. 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.)*

3/22/85 MIRU w/Four Corners rig #7. Spud 12 1/4" surface 10:15 am 3/22/85. Drlg. TOOH RU & run 7 jts, 8 5/8 32# K-55 STC csg. Total 303 w/tools, set @318' KB. RU Western & cmt w/15 bbl H2), 274 sx (325CF), "B" w/1/4 #/sx cello-flake + 2% CaCl, plug dn 3:30 pm 3/22/85. Circ 15 bbl excess cmt. WOC NUBOP test blind rams & manifold to 1000 psi ok. TIH tag cmt @287, drill plug & cmt to 5' end of shoe, test csg & pipe rams to 1000 psi ok. Drill ahead.

3/31/85 RU run 163 jts, 5 1/2" 17# N-80 LT&C, total w/tools 6642.50. RU & circ cmt 1st stage w/20 bbls mud flush, 120 sx 221 CF 65-35 POZ 6% gel, + 1/4 #/sx cello-flake, tailed w/100 sx 118 CF "B" w/ 1/4 #/sx cello-flake. Plug on 4:15 am 4/1/85. Drop bomb Open tool & circ.

4/01/85 Cmt 2nd stage w/20 bbl mud flush 500 sx 65/35 6% gel 1/4# cello seal tailed w/100 sx "B" 1/4# cello seal. Drop bomb open tool & circ. Cmt 3rd stage w/20 bbl mud flush 200 sx 65/35 6% gel 1/4# cello seal. Plug dn 1:30 pm 4/1/85. Circ 2 bbl excess cemt. Rig release @3:30 pm 4/1/85

RECEIVED
APR 15 1985
OIL CON. DIV.
DIST. 3

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

SIGNED Scott McKinney TITLE Sr. Regulatory Analyst DATE April 4, 1985

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECOR

APR 12 1985

FARMINGTON RESOURCE ARE

BY

*See Instructions on Reverse Side

NMOCC

Title 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.

Testing Method (pitot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size
back pressure	1325	1325	3/4"

CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

OIL CONSERVATION COMMISSION

APPROVED 6-12-85 JUN 12 1985 19

BY Original Signed by FRANK T. CHAVEZ

FORM C-128
REVISED 5/1/58

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

TION A.

Operator Aztec Oil and Gas Company Lease Young Date July 27, 1961

Well No. 1-D Unit Letter D Section 2 Township 29N Range 12W NMPM

Located 990 Feet From North Line, 990 Feet From West Line

County San Juan G. L. Elevation 5847 Dedicated Acreage ~~320~~ 319.94 Acres

Name of Producing Formation Dakota Pool Basin

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below? Yes X No

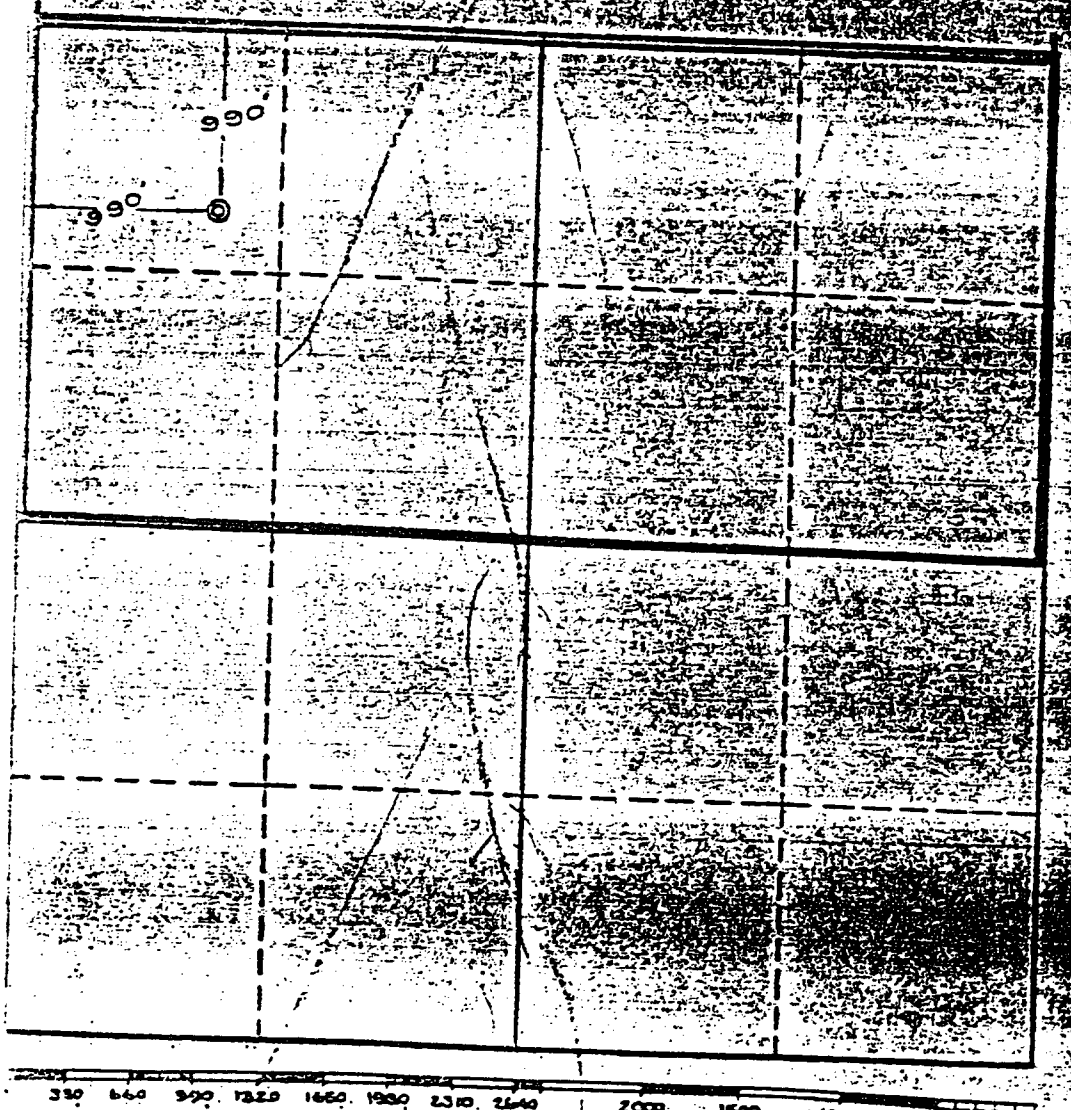
2. If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No If answer is "Yes," Type of Consolidation

3. If the answer to question Two is "No," list all the owners and their respective interests below:

OWNER LAND DESCRIPTION

RECEIVED
JUL 31 1961
OIL CON. COM.
DIST. 3

SECTION B.



This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Aztec Oil and Gas Company
(OPERATOR)

ORIGINAL SIGNED BY JOE C. SALMON
(REPRESENTATIVE)

Joe C. Salmon, Dist. Supt.
Drawer 570, Farmington, N.M.
(ADDRESS)

This is to certify that the well location shown on this plat in Section B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed July 27, 1961

Four States Engineering Co.
Farmington, New Mexico

REGISTERED ENGINEER OR LAND SURVEYOR

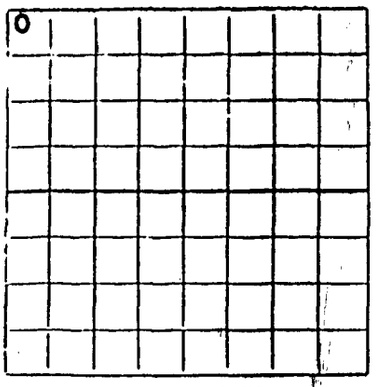
Certificate No. 3084

COPIES RECEIVED	6
DISTRIBUTION	
	1
	2
OFFICE	
TRANSPORTER OIL	
TRANSPORTER GAS	
PRORATION OFFICE	
OPERATOR	1

(Revised 7/1/58)
(Form C-105)

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico



AREA 640 ACRES
LOCATE WELL CORRECTLY

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE If State Land submit 6 Copie.

Aztec Oil & Gas Company (Company or Operator) Young (Lease)

Well No. 1-D, in NW ¼ of ¼, of Sec. 2, T. 29N, R. 12W, NMPM.

Basin Dakota Pool, San Juan County.

Well is 990 feet from North line and 990 feet from West line of Section 2. If State Land the Oil and Gas Lease No. is .....

Drilling Commenced 8/1/61, 19..... Drilling was Completed 8/13/61, 19.....

Name of Drilling Contractor Summit Drilling Company

Address Box # 190, Farmington, New Mexico

Elevation above sea level at Top of Tubing Head G.L. - 5847 The information given is to be kept confidential until non-confidential, 19.....

OIL SANDS OR ZONES

No. 1, from 6446 to 6456 No. 4, from ..... to .....

No. 2, from 6521 to 6546 No. 5, from ..... to .....

No. 3, from 6609 to 6644 No. 6, from ..... to .....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from ..... to ..... feet. .....

No. 2, from ..... to ..... feet. .....

No. 3, from ..... to ..... feet. .....

No. 4, from ..... to ..... feet. .....

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8 5/8	24	new	294				
4 1/2	11.6	new	1162				
4 1/2	9.5	new	5566				
2 3/8	4.7	new	6426				

SEP 7 1961
OIL CON. COM.
DIST. 3

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
12 ¼	8 5/8	307	275	displacement		
7 7/8	4 1/2	6739	700	two plug		
	2 3/8	6436				

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

Sand-water fraced with 60,000# 20/40 sand, 30,000# 10/20 sand, 2036 Bbls. water flushed with160 Bbls. water.

Result of Production Stimulation Maximum - 3400, Avg. 2800, I.R. - 33.3 bpm, dropped 108 rubber ball sealers, 5 min. shut-in pr.- 1200

Depth Cleaned Out 6705

FORM C-128
REVISED 5/1/58

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Date November 16, 1961

Aztec Oil and Gas Company — Lease McGrath

Well No. 1-1 — Unit Letter J — Section 2 — Township 29N — Range 12W — NMPM

Located 1650 Feet From South Line, 1650 Feet From East Line

County San Juan — G. L. Elevation 5892 — Dedicated Acreage 320 S/2 Acres

Name of Producing Formation Dakota — Pool Basin

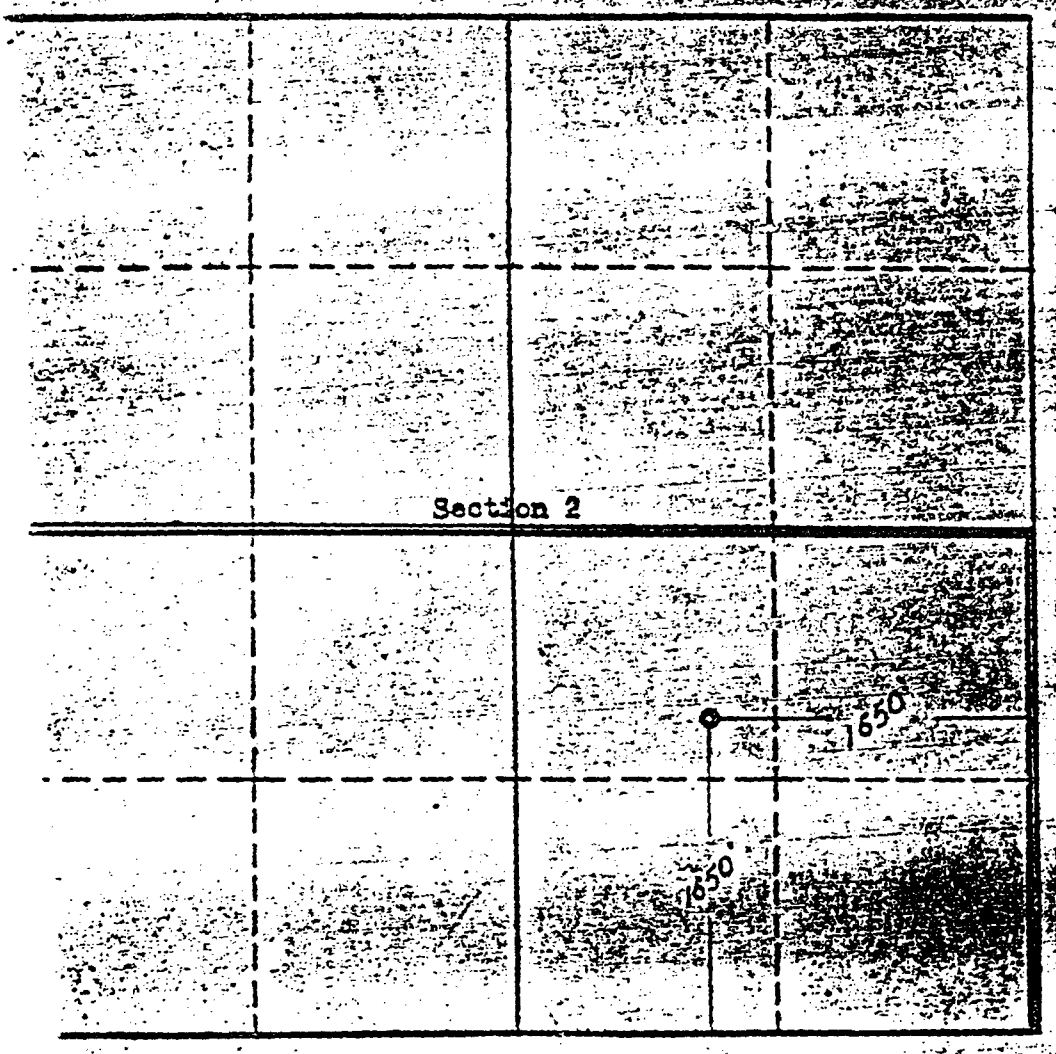
1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below? Yes _____ No X

2. If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No _____ If answer is "Yes," Type of Consolidation Communitization

3. If the answer to question Two is "No," list all the owners and their respective interests below:

OWNER	LAND DESCRIPTION

SECTION B.



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NOV 20 1961
OIL CON. COM.
DIST. 3

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Aztec Oil and Gas Company
(OPERATOR)

ORIGINAL SIGNED BY JOE C. SALMON
(REPRESENTATIVE)

Joe C. Salmon, Dist. Supt.

P. O. Drawer 570, Farmington
(ADDRESS)

This is to certify that the location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed Nov. 15, 1961

Four States Engineering Co.
FARMINGTON, NEW MEXICO

E. L. Patet
REGISTERED ENGINEER OR LAND SURVEYOR

Certificate No. 3084

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

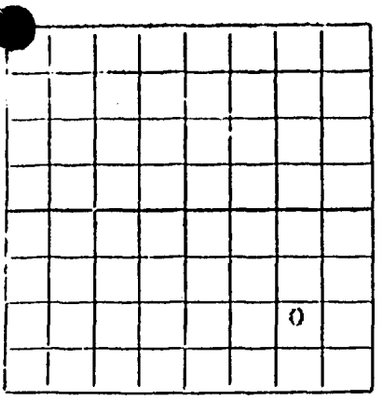
(Revised 7/1/58)
(Form C-105)

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

WELL RECORD

Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE If State Land submit 6 Copie.



AREA 640 ACRES
LOCATE WELL CORRECTLY

Aztec Oil and Gas Company — McGrath Unit
(Company or Operator) (Lease)

Well No. P-1, in SE ¼ of ¼, of Sec. 2, T. 29N, R. 12W, NMPM.

Fruitland Dakota Pool, San Juan County.

Well is 1690 feet from South line and 1650 feet from East line of Section 2. If State Land the Oil and Gas Lease No. is (Patented)

Drilling Commenced 11/19/61, 19..... Drilling was Completed 12/3/61, 19.....

Name of Drilling Contractor Brannon & Murray Drilling Co.

Address P.O. Box # 672, Coleman, Texas

Elevation above sea level at Top of Tubing Head G.L. 5092 The information given is to be kept confidential until well completed, 19.....

OIL SANDS OR ZONES

No. 1, from 6486 to 6494 No. 4, from ..... to .....

No. 2, from 6558 to 6596 No. 5, from ..... to .....

No. 3, from ..... to ..... No. 6, from ..... to .....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from ..... to ..... feet. .....

No. 2, from ..... to ..... feet. .....

No. 3, from ..... to ..... feet. .....

No. 4, from ..... to ..... feet. .....

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8 5/8	24	new	10 jts.				
4 1/2	11.6	new	1110'				
4 1/2	9.5	new	5778'				
2 3/8	4.7	new	6434'				

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
12	8 5/8	318	225	displacement		
7 7/8	4½	6780	1065	two plug		
	2 3/8	6445	--			

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OIL CON. COM.
DIST. 3

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

Sand-water fraced with 57,000 gals. water, 45,000# 20/40 sand, 20,000# 10/20 sand

Result of Production Stimulation Breakdown pr. = 3000, Avg. treating pr. = 3000, Max. treating pr. = 3100
Avg. I.R. = 34 bpm,

Depth Cleaned Out 6606

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	GAS	
PRORATION OFFICE		
OPERATOR		

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

(Form C-104)
Revised 7/1/57

REQUEST FOR (OIL) - (GAS) ALLOWABLE

WITHIN ½ mile

New Well
Recompletion

This form shall be submitted by the operator before an initial allowable will be assigned to any completed Oil or Gas well. Form C-104 is to be submitted in QUADRUPLICATE to the same District Office to which Form C-101 was sent. The allowable will be assigned effective 7:00 A.M. on date of completion or recompletion, provided this form is filed during calendar month of completion or recompletion. The completion date shall be that date in the case of an oil well when new oil is delivered into the stock tanks. Gas must be reported on 15.025 psia at 60° Fahrenheit.

Farmington, New Mexico (Place) 4-29-64 (Date)

WE ARE HEREBY REQUESTING AN ALLOWABLE FOR A WELL KNOWN AS:

Aztec Oil & Gas Company (Company or Operator) McGRATH "A" (Lease), Well No. 1, in SE ¼ SE ¼,

Unit Letter I, Sec. 3, T. 29N, R. 12W, NMPM., Basin Dakota Pool

San Juan County. Date Spudded 3-14-64 Date Drilling Completed 3-29-64

Please indicate location:

D	C	B	A
E	F	G	H
L	K	J	I X
M	N	O	P

Elevation 5865 Ground Total Depth 6689' PBTD 6552'

Top Oil/Gas Pay 6432 Name of Prod. Form. Dakota

PRODUCING INTERVAL -

Perforations 6432-6440; 6452-6456; 6504-6524

Open Hole ____ Deptn Casing Shoe ____ Deptn Tubing ____

OIL WELL TEST -

Natural Prod. Test: ____ bbls.oil, ____ bbls water in ____ hrs, ____ min. Choke Size ____

Test After Acid or Fracture Treatment (after recovery of volume of oil equal to volume of load oil used): ____ bbls.oil, ____ bbls water in ____ hrs, ____ min. Choke Size ____

GAS WELL TEST -

Natural Prod. Test: 1793 MCF/Day; Hours flowed ____ Choke Size 3/4"

Method of Testing (pitot, back pressure, etc.): ____

Test After Acid or Fracture Treatment: ____ MCF/Day; Hours flowed ____

Choke Size ____ Method of Testing: ____

Acid or Fracture Treatment (Give amounts of materials used, such as acid, water, oil, and sand): Fract w/62,070 gals. treated wtr; 60,000# 20-40 sd; 10,000# 10-20 sd

Casing Press. ____ Tubing Press. ____ Date first new oil run to tanks ____

Oil Transporter ____

Gas Transporter ____

(FOOTAGE)

Tubing, Casing and Cementing Record

Size	Feet	Sax
8-5/8"	307'	250
4-1/2"	6688'	500
2-3/8"	6429	

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MAY 4 1964
OIL CON. COM.
DIST. 3

Remarks: ____

I hereby certify that the information given above is true and complete to the best of my knowledge.

Approved April 29 MAY 4 1964, 1964

OIL CONSERVATION COMMISSION
Original Signed By
By: A. R. KENDRICK
Title: PETROLEUM ENGINEER DIST. NO. 3

Aztec Oil & Gas Company (Company or Operator)

By: ORIGINAL SIGNED BY JOE C. SALMON Joe C. Salmon (Signature)

Title: District Superintendent

Send Communications regarding well to:

Name: Aztec Oil & Gas Company

Address: Drawer 570, Farmington, New Mexico

NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

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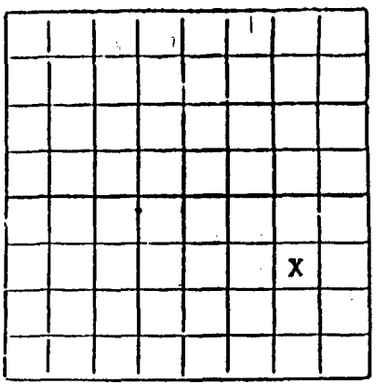
PRORATION OFFICE		
OPERATOR		

WELL RECORD



Mail to District Office, Oil Conservation Commission, to which Form C-101 was sent not later than twenty days after completion of well. Follow instructions in Rules and Regulations of the Commission. Submit in QUINTUPLICATE If State Land submit 6 Copies

Aztec Oil & Gas Company (Company or Operator) MCGRATH "A" (Lease)

Well No. 1, in NE ¼ of SE ¼, of Sec. 3, T. 29N, R. 12W, NMPM.

Basin Dakota Pool, San Juan County.

Well is 1720 feet from South line and 990 feet from East line of Section 3. If State Land the Oil and Gas Lease No. is Patented

Drilling Commenced 3-14, 19 64 Drilling was Completed 3-29, 19 64

Name of Drilling Contractor Arapahoe

Address

Elevation above sea level at Top of Tubing Head The information given is to be kept confidential until , 19

OIL SANDS OR ZONES

No. 1, from 6432 to 6440 No. 4, from to

No. 2, from 6452 to 6456 No. 5, from to

No. 3, from 6504 to 6524 No. 6, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet.

No. 2, from to feet.

No. 3, from to feet.

No. 4, from to feet.

CASING RECORD

SIZE	WEIGHT PER FOOT	NEW OR USED	AMOUNT	KIND OF SHOE	CUT AND PULLED FROM	PERFORATIONS	PURPOSE
8 5/8"	24#	New	9 jts.				
4 1/2"	9.5 & 11.6	New	213 jts.				

MUDDING AND CEMENTING RECORD

SIZE OF HOLE	SIZE OF CASING	WHERE SET	NO. SACKS OF CEMENT	METHOD USED	MUD GRAVITY	AMOUNT OF MUD USED
7 7/8	4 1/2"	6688	500 sacks			

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APR 15 1964
OIL CON. COM.
DIST. 3

RECORD OF PRODUCTION AND STIMULATION

(Record the Process used, No. of Qts. or Gals. used, interval treated or shot.)

Fract well with 62,070 gals treated wtr; 60,000 # 20-40 sd; 10,000# 10-20 sand

Result of Production Stimulation No BD pressure; Max. press. 3400#; Minimum pressure 2800#; Average treating pressure 3100#; AIR 41.5 BPM; ISIP 1200#; SI 5 min. 800#

Flushed w/ 1500 gals wtr treated w/1% cacl2 & 20# 1000 gals WAC8 Depth Cleaned Out 6552'

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-128
Revised 5/1 57

WELL LOCATION AND ACREAGE DEDICATION PLAT

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

Operator	Lease	Well No.
TENNECO OIL COMPANY	CORNELL "C" DAKOTA GAS UNIT "C"	1

Unit Letter	Section	Township	Range	County
D	11	29 North	12 West	San Juan

Actual Footage Location of Well:
990 feet from the North line and 990 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5716' ungraded	Dakota	Basin Dakota	320 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES X NO ____. *("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)*
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ____ NO ____. If answer is "yes," Type of Consolidation ____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

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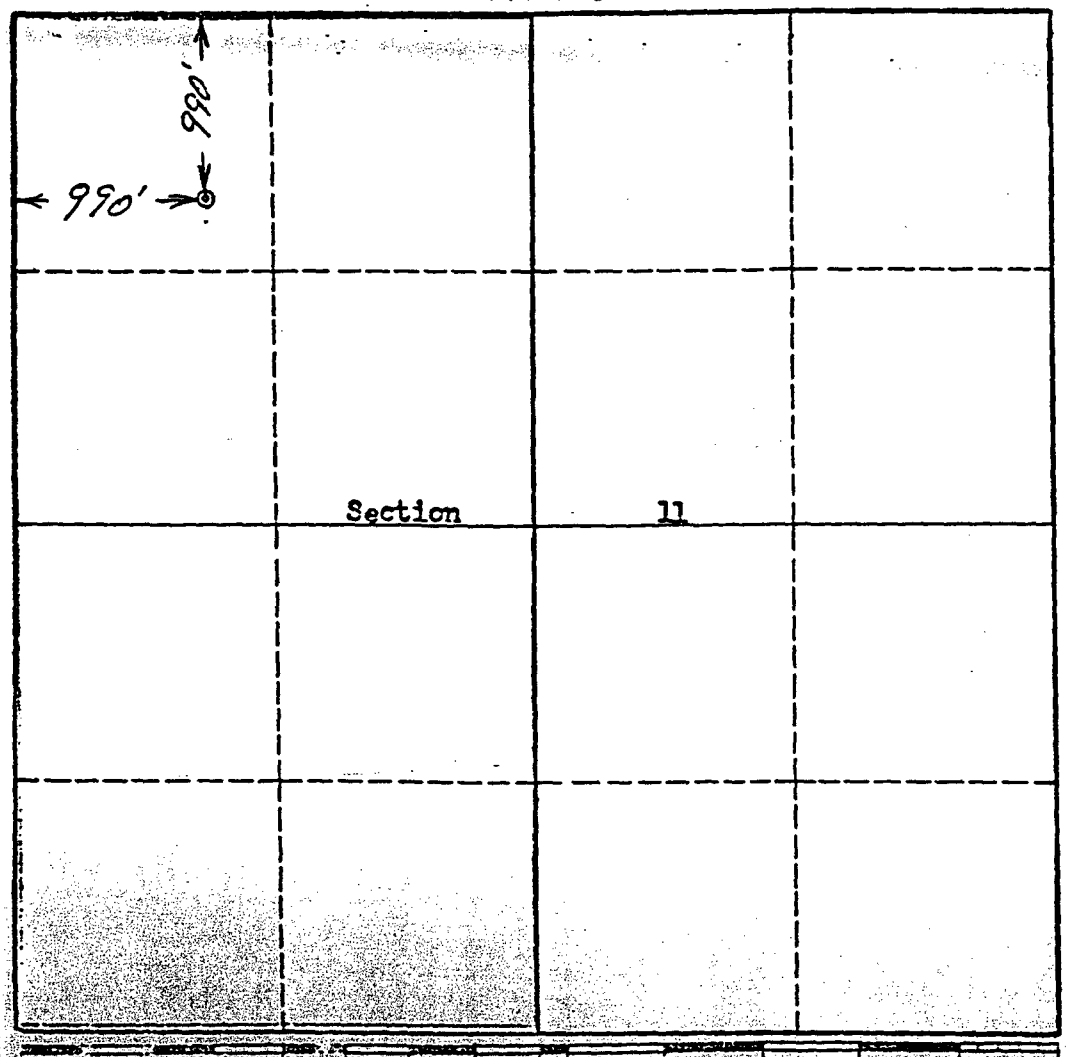
OIL CON. COM.
DIST. 3

SECTION B



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

CERTIFICATION

I hereby certify that the information in *SECTION A* above is true and complete to the best of my knowledge and belief.

Name: J. J. Lacey

Position: Dist. Petroleum Engineer

Company: Tenneco Corp., acting and thru its managing agent, Tenneco Oil Company

Date: December 6, 1961

I hereby certify that the well location shown on the plat in *SECTION B* was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 5 December 1961

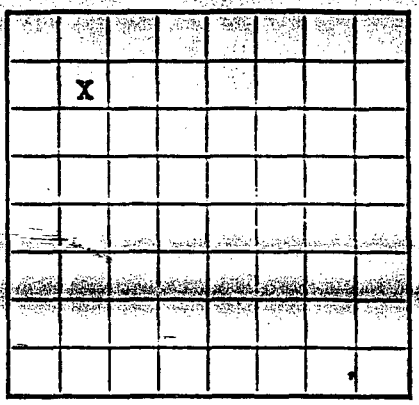
Registered Professional Engineer and/or Land Surveyor: Robert A. Ernst

Certificate No.: E & LS 2463

Form 9-330

Form approved.
Budget Bureau No. 42-R356.4.

U. S. LAND OFFICE Santa Fe
SERIAL NUMBER SF 065557-A
LEASE OR PERMIT TO PROSPECT



LOCATE WELL CORRECTLY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

Company Tenneco Corp., acting by & thru its managing agent, Tenneco Oil Company Address P. O. Box 1714, Durango, Colorado

Lessor or Tract Cornell Dakota Gas Unit "C" Field Basin Dakota State New Mexico

Well No. 1 Sec. 11 T. 29N R. 12W Meridian N.M.P.M. County San Juan

Location 990 ft. {N./S.} of N Line and 990 ft. {E./W.} of W Line of Section 11 Elevation 5716 GL
(Derrick floor relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed L. B. Plumb

Date January 23, 1962 Title Dist. Production Supt.

The summary on this page is for the condition of the well at above date.

Commenced drilling December 6, 19 61 Finished drilling December 27, 19 61

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 6298 to 6306 G No. 4, from 6477 to 6483 G

No. 2, from 6380 to 6404 G No. 5, from to

No. 3, from 6462 to 6466 G No. 6, from to

IMPORTANT WATER SANDS

No. 1, from None to No. 3, from to

No. 2, from to No. 4, from to

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated From—	Perforated To—	Purpose
8-5/8	24#	8rd	CF&I	245'	Reg Pattern				Surface
4-1/2	9.5#	8rd	CF&I	6604'	Guide				Production
4-1/2	9.5#	8rd	CF&I	6479'			6298	6483	Production

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
8-5/8	250'	150	Two Plug		
4-1/2	6604	300	Two Plug		

PLUGS AND ADAPTERS

Heaving plug—Material Length Depth set

Adapters—Material Size

FOLD MARK

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Date

AZTEC OIL & GAS COMPANY Lease Mc GRATH

No. C-1 Unit Letter P Section 34 Township 30N Range 12W NMPM

Located 870 Feet From South Line, 1190 Feet From East Line

County San Juan G. L. Elevation 5774 Dedicated Acreage 320 Acres

Name of Producing Formation Dakota Pool Basin Dakota

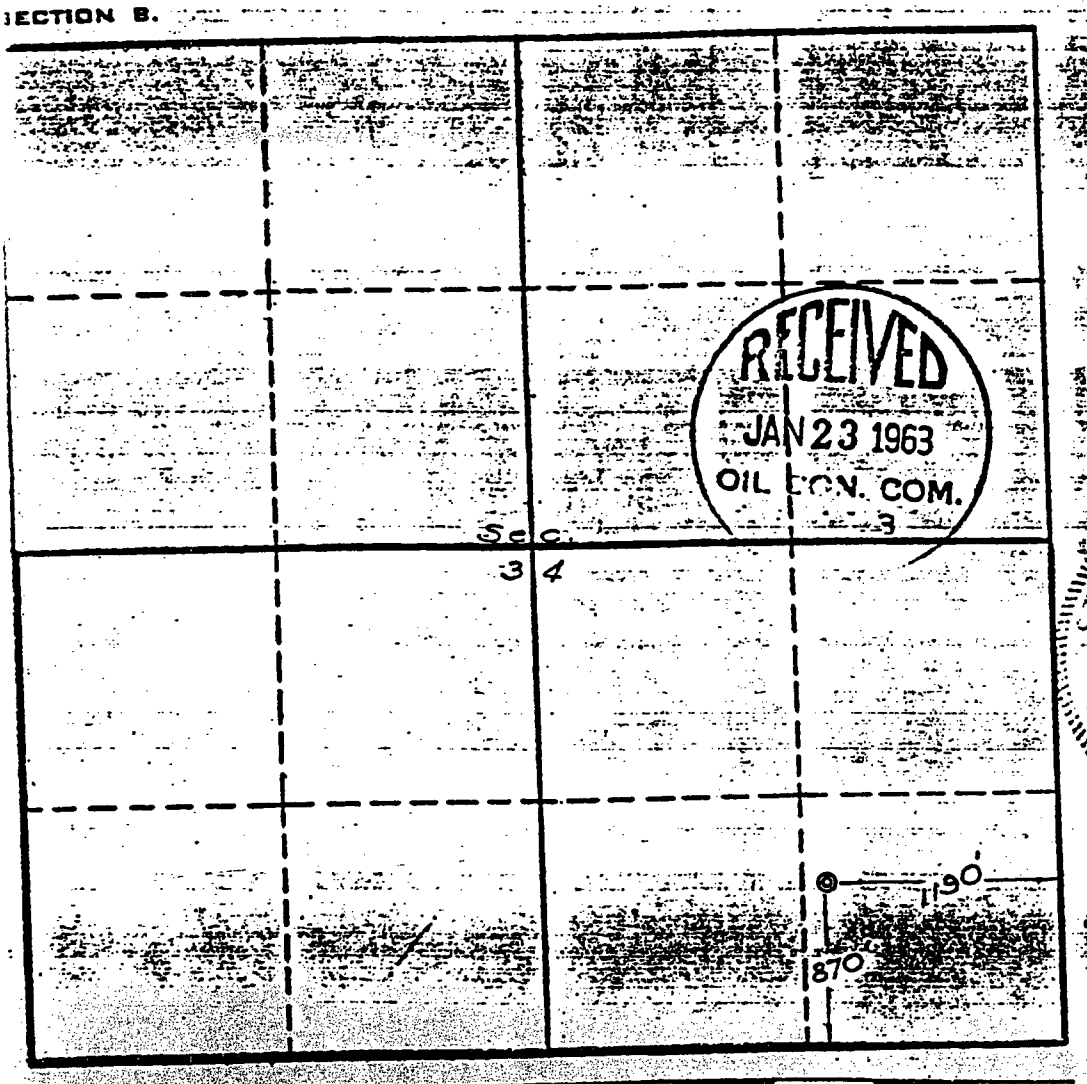
Is the Operator the only owner in the dedicated acreage outlined on the plat below? Yes ___ No X

If the answer to question One is "No," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No ___ If answer is "Yes," Type of Consolidation communitization

If the answer to question Two is "No," list all the owners and their respective interests below:

OWNER	LAND DESCRIPTION

SECTION B.



SECTION A.

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

AZTEC OIL & GAS COMPANY
(OPERATOR)

Joe C. Salmon
(REPRESENTATIVE)

Joe C. Salmon, Dist. Supt.
Drawer # 570, Farmington, N.M.
(ADDRESS)

STATE OF NEW MEXICO

This is to certify that the well location shown on the plat in Section B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed Jan 18, 1962

FARMINGTON, NEW MEXICO

REGISTERED ENGINEER OR LAND SURVEYOR

Certificate No. 3602

Form 9-330

Form approved.
Budget Bureau No. 42-R355.4.

U. S. LAND OFFICE SANTA FE

SERIAL NUMBER 077922

LEASE OR PERMIT TO PROSPECT

MAR 11 1963
OIL CON. COM.
DIST. 3

UNITED STATES

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

LOG OF OIL OR GAS WELL

LOCATE WELL CORRECTLY

Company AZTEC OIL AND GAS COMPANY Address P. O. DRAWER 570-FARMINGTON, N. MEX.

Lessor or Tract McGRATH Field BASIN DAKOTA State NEW MEXICO

Well No. C-1 Sec. 34 T. 30N R. 12W Meridian N.M.P.M. County SAN JUAN

Location 870 ft. {N.} of S Line and 1190 ft. {E.} of E Line of SECTION 34 Elevation 5774 G.L.
(Derrick floor relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed JOE C. SALMON

Date MARCH 7, 1963 Title DISTRICT SUPERINTENDENT

The summary on this page is for the condition of the well at above date.

Commenced drilling FEBRUARY 7, 1963 Finished drilling FEBRUARY 18, 1963

OIL OR GAS SANDS OR ZONES

(*Denote gas by G*)

No. 1, from 6387 to 6400 G No. 4, from ____ to ____

No. 2, from 6462 to 6484 G No. 5, from ____ to ____

No. 3, from 6542 to 6576 G No. 6, from ____ to ____

IMPORTANT WATER SANDS

No. 1, from ____ to ____ No. 3, from ____ to ____

No. 2, from ____ to ____ No. 4, from ____ to ____

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated From—	Perforated To—	Purpose
8 5/8	24	8 rd.	J-55	311					
4 1/2	9.5	8 rd.	J-55	6399					
2 3/8	4.7	8 rd.	J-55	6399					
4 1/2	11.6	8 rd.	J-55	1163					

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
8 5/8	323	225	Displacement		
4 1/2	6637	925	Two Plug		
2 3/8	6408	----	----		

PLUGS AND ADAPTERS

Heaving plug—Material ____ Length ____ Depth set ____

Adapters—Material ____ Size ____

FOLD | MARK

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

(1983)
(y 9-330)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE* (See other instructions on reverse side)

5. LEASE DESIGNATION AND SERIAL NO.: SF-07792 2

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Duff Gas Com

9. WELL NO.: 1E

10. FIELD AND POOL, OR WILDCAT: Basin Dakota

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: SW/NE Sec. 34, T30N, R12

12. COUNTY OR PARISH: San Juan

13. STATE: NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other

2. NAME OF OPERATOR: Amoco Production Company

3. ADDRESS OF OPERATOR: 501 Airport Drive, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface: 1770' FNL x 1480' FEL
At top prod. interval reported below: Same
At total depth: Same

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FEB 20 1985
OIL CON. DIV.
DIST. 3

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FEB 11 1985
BUREAU OF LAND MANAGEMENT
FARMINGTON RESOURCE AREA

14. PERMIT NO.: — DATE ISSUED:

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
11/20/84	12/2/84	1/7/85	5785' KB	5772' GR

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
6608'	6604'	single	→	0-TD	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*: 6396'-6576' Dakota

25. WAS DIRECTIONAL SURVEY MADE: Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN: DIL-SP-GR-FDC-CNL-GR

27. WAS WELL CORED: No

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#, K-55	316'	12-1/4"	295 c.f. Class B	
4-1/2"	10.5#, K-55	6608'	7-7/8"	Stage 1: 1,032 c.f. Class B 50:50 poz & tailed in with 118 c.f. Class B Neat (cont. on back)	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	6575'	

31. PERFORATION RECORD (Interval, size and number)
6576'-6558', 4 jspf, .50"; 6410'-6396', 6424'-6420', 6508'-6476', 6520'-6516', 2 jspf, .50", total of 180 holes.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
(6558'-6576')	20,000 gal. 30# gel & 25,000# 20-40 sand
(6396'-6520')	70,000 gal. 70 quality foam & 90,000# 20-40 sand.

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
1/30/85	Flowing	Shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
1/31/85	3	.75"			168		

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
104 psig	397 psig			1344		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): To be sold

TEST WITNESSED BY: J. J. Barnett

35. LIST OF ATTACHMENTS: None

ACCEPTED FOR RECORD

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

SIGNED: Original Signed By R. D. Shaw TITLE: Administrative Supervisor DATE: 2/4/85

FEB 14 1985

COMPLETION DATA

Designate Type of Completion – (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Resv.	Diff. Res.
		X	X					

Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.
11/20/84	1/7/85	6608'	6604'
Elevations (DF, RKB, RT, GR, etc.)	**Name of Producing Formation**	**Top Oil/Gas Pay**	**Tubing Depth**
5772' GR	Dakota	6396'	6575'

Perforations

6578'-6558', 6410'-6396', 6424'-6420', 6508'-6476', 6520'-6516'

Depth Casing Shoe 6609'

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
12-1/4"	8-5/8", 24#	316'	295 c.f.
7-7/8"	4-1/2", 10.5#	6609'	3031 c.f.
	2-3/8"	6575'	

TEST DATA AND REQUEST FOR ALLOWABLE

(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

OIL WELL

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	**Tubing Pressure**	**Casing Pressure**	**Choke Size**
Actual Prod. During Test	**Oil-Bbls.**	**Water-Bbls.**	**Gas-MCF**

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
1344 ~~1331~~	3 hrs.	168	
Testing Method (pitot, back pr.)	**Tubing Pressure (Shut-in)**	**Casing Pressure (Shut-in)**	**Choke Size**
Back pressure	1870 psig	2010 psig	.75"

NEW MEXICO
ERALS DEPARTMENT

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-107
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

MERRION OIL & GAS CORPORATION		Lease CARNAHAN COM		Well No. 2
Letter	Section 35	Township 30N	Range 12W	County San Juan

Actual Footage Location of Well:
1090 feet from the South line and 1070 feet from the East line

Ground Level Elev. 5905	Producing Formation Dakota	Pool Basin Dakota	Dedicated Acreage 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

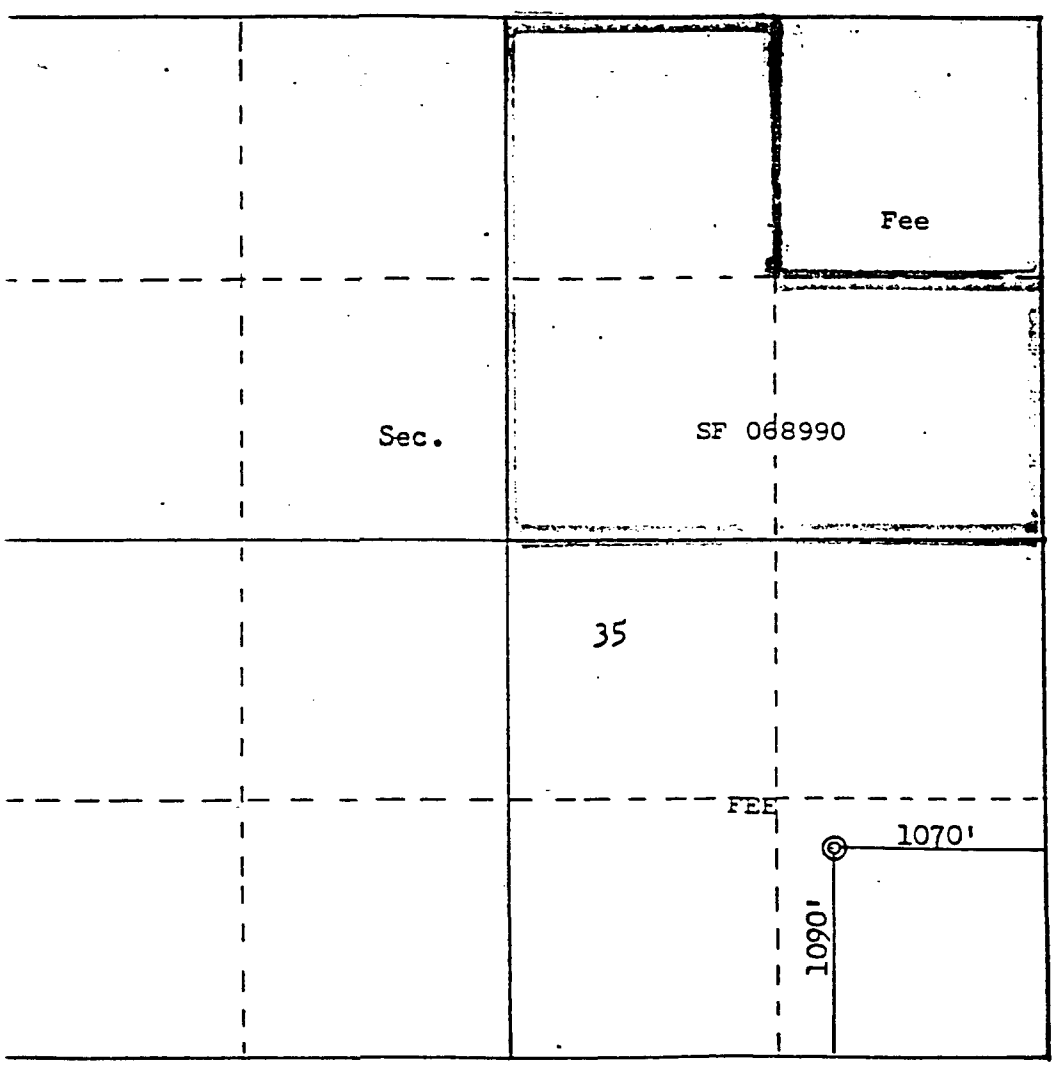
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

[X] Yes [ ] No If answer is "yes," type of consolidation Communitized

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

RECEIVED
NOV 21 1983
OIL CON. DIV.
DIST. 3



Scale: 1"=1000'

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: Steve S. Dunn
Position: Operations Manager
Company: Merrion Oil & Gas Corporation
Date: 11/17/83

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: September 1, 1983
Registered Professional Engineer and Land Surveyor.
Fred B. Kerr, Jr.
Certificate No. 3950

FORM 24-11

OIL CONSERV...

...F NEW MEXICO
... MINERALS DEPARTMENT

Form C-105
Revised 10-1-78

...CEIVED	
DISTRIBUTION	
...TA FE	
...E	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease: State ☐ Fee ☐

5. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Farm or Lease Name: Carnahan Com

9. Well No.: 2

10. Field and Pool, or Wildcat: Basin Dakota

12. County: San Juan

TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ OTHER

TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ OTHER

RECEIVED
AUG 07 1984
OIL CON. DIV.
DIST. 3

4. Name of Operator: Merrion Oil & Gas Corporation

3. Address of Operator: P. O. Box 1017, Farmington, New Mexico 87499

4. Location of Well: UNIT LETTER P LOCATED 1090 FEET FROM THE South LINE AND 1070 FEET FROM THE East LINE OF SEC. 35 TWP. 30N RGE. 12W NMPM

16. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)	19. Elev. Casinghead
6/15/84	6/24/84	7/23/84	5918' KB	5905' GL

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
6780' KB	6735' KB		→	0 - TD	

24. Producing Interval(s), of this completion — Top, Bottom, Name
6714 - 6529' KB, Dakota

25. Was Directional Survey Made: No

26. Type Electric and Other Logs Run
IES Induction, compensated Density Logs

27. Was Well Cored: No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULL
8-5/8"	24 #/ft, J-55	230' KB	12-1/4	170 sx (350 cu. ft.) Class B	
4-1/2"	10.5 #/ft, J-55	6777' KB	7-7/8"	400 sx (488 cu. ft.) Class H	305 sx 396
				600 sx (1236 cu. ft.) Class B	
				100 sx (122 cu. ft.) Class B	Tail 22

LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

30. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-3/8"	6530' KB	

31. Perforation Record (Interval, size and number)
6529, 6538, 6541, 6617, 6620, 6625, 6629, 6632, 6700, 6705, 6710, 6714, 12 holes, 0.32" diameter.

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
6529 - 6714' KB	75 Quality Foam
	434 Bbls H2O
	1,700,198 SCF N_2
	55,000 # 20/40 sand

PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping — Size and type pump)	Well Status (Prod. or Shut-in)
7/23/84	Flowing	Shut in

Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Gas — Oil Ratio
8/3/84	3	20/64		2 Bbls	603 MCF/D	trace	37,688

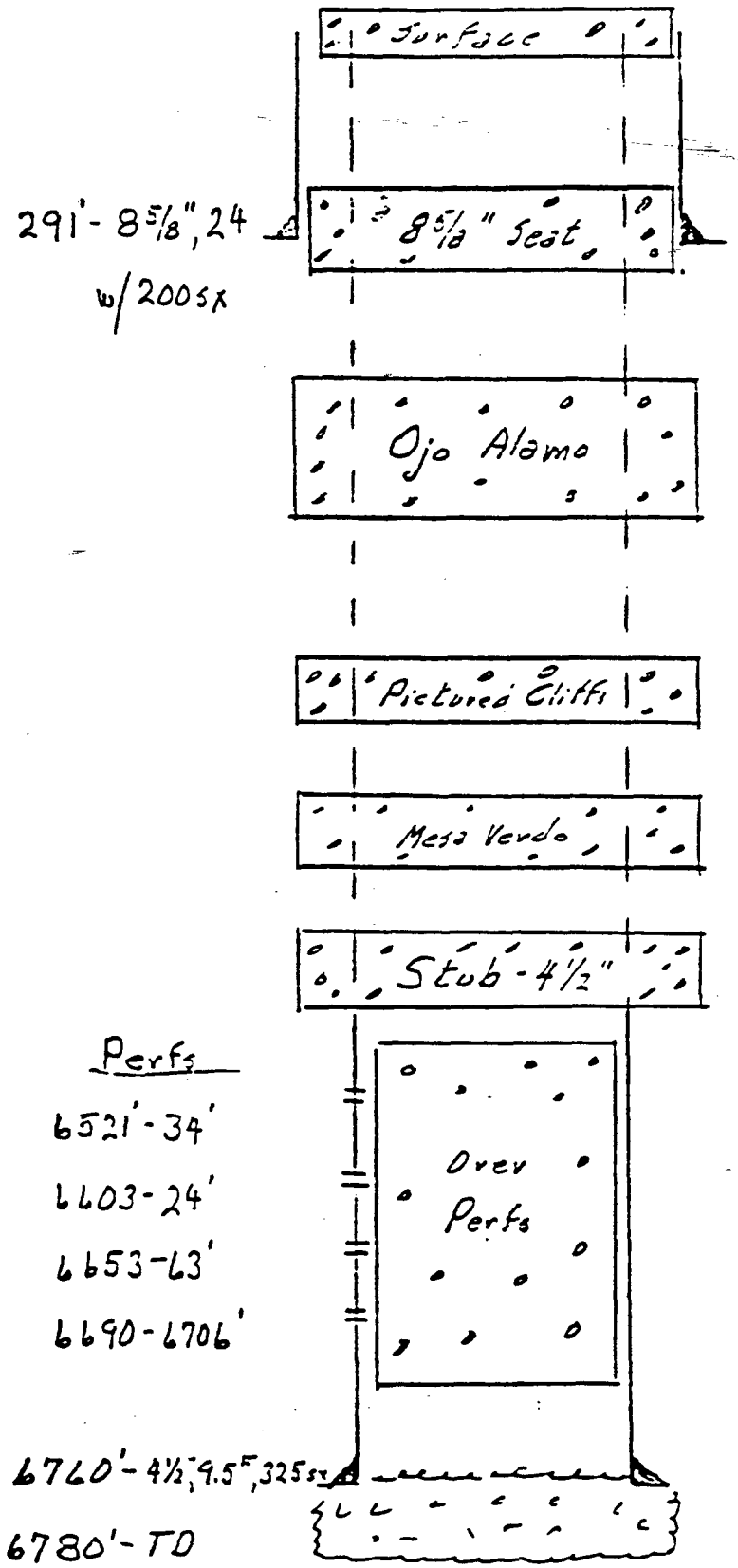
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate →	Oil — Bbl.	Gas — MCF	Water — Bbl.	Oil Gravity — API (Corr.)
850 PSI	950 PSI		16	603 MCF/D	trace	48°

33. Disposition of Gas (Sold, used for fuel, vented, etc.)
Vented

Test Witnessed By: Tim Merilatt

34. List of Attachments

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.



Carnation Unit #1

Basin Dakota Pool

Unit P, Sect 35, 30N, 12W

San Juan Co., New Mexic

G.L. 5911'

P & A

1. Plug over perfs & 100' to 6400'
2. Cut and pull free 4½" pipe
3. Plugs across —
   a. 4½" stub
   b. Mesa Verde
   c. Picture Cliffs
   d. Ojo Alamo
   e. 8 5/8" casing seat
   f. surface
4. Monument

JCG/4-2-71

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACERAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
Aztec Oil & Gas Company	J. Hudson	3

Unit Letter	Section	Township	Range	County
E	35	30 North	12 West	San Juan

Actual Footage Location of Well:

1750 feet from the North line and 990 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Avereage:
5857	Dakota - Mesaverde	Basin Dakota Flora Vista Mesaverde (Ext.)	320 Acres

1. Outline the acerage dedicated to the subject well by colored pencil or hachure marks on the plat below.

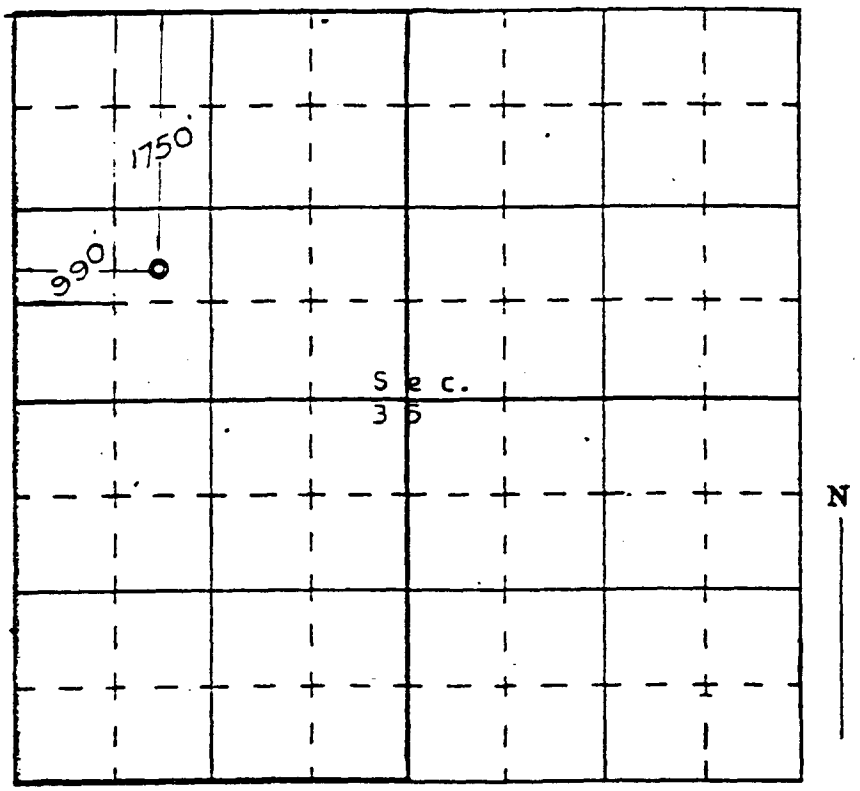
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

(X) Yes ( ) No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary.) .....

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

ORIGINAL SIGNED BY JOE C. SALMON

Name

Position Joe C. Salmon

Company District Superintendent

Date Aztec Oil and Gas

May 27, 1966

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

March 31, 1966

Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk

Certificate No. 3602

DUPL - 7148 - 4707 BLM Wayne -

Form 9-330
(Rev. 5-63)

SUBMIT IN DUPLICATE (See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

RECEIVED
AUG 25 1966
U. S. GEOLOGICAL SURVEY

5. LEASE DESIGNATION AND SERIAL NO.: SF 077922

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Hudson

9. WELL NO.: 3

10. FIELD AND POOL, OR WILDCAT: Basin Dakota

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: Sec 35, T-30N, R-12W

12. COUNTY OR PARISH: San Juan

13. STATE: New Mexico

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ DRY ☐ Other

b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR. ☐ Other

2. NAME OF OPERATOR: Aztec Oil and Gas

3. ADDRESS OF OPERATOR: Drawer 570 Farmington, New Mexico

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface: 1750 FNL & 990 FWL Sec 35, T-30n, R-12W
At top prod. interval reported below
At total depth

14. PERMIT NO. | DATE ISSUED

15. DATE SPUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*	19. ELEV. CASINGHEAD
7/22/66	8/4/66	8/15/66	5857 GL	5858

20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
6750	6732		→	X	

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*: 6460 - 6680

25. WAS DIRECTIONAL SURVEY MADE: no

26. TYPE ELECTRIC AND OTHER LOGS RUN: Es - Ind and Density log

27. WAS WELL CORED: no

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24#	306	12-1/4	250 ✓	
4-1/2	10.5#	6750	7-7/8	700 ✓	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
1½	6597	

31. PERFORATION RECORD (Interval, size and number)
6460-80, 6540-62, 6567-72, 6580-85, 6668-80
4 SPF

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
6460-6668-80	1936 bbl H20
	40,000# 20/40
	20,000# 10/20
	125 balls

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
	flowing	shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
8/22/66	3 hr	3/4"					

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE →	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
170	747			2485		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.): vented

TEST WITNESSED BY: GEOLOGICAL SURVEY EXICO

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED [signature] TITLE District Engineer DATE August 23, 1966

*(See Instructions and Spaces for Additional Data on Reverse Side)

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section

Operator	Lease	Well No.
c Oil & Gas Company	Hudson	3

Letter	Section	Township	Range	County
	35	30 North	12 West	San Juan

Actual Footage Location of Well:
1750 feet from the North line and 990 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
5857	Dakota - Mesaverde	Basin Dakota Flora Vista Mesaverde (Ext)	320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

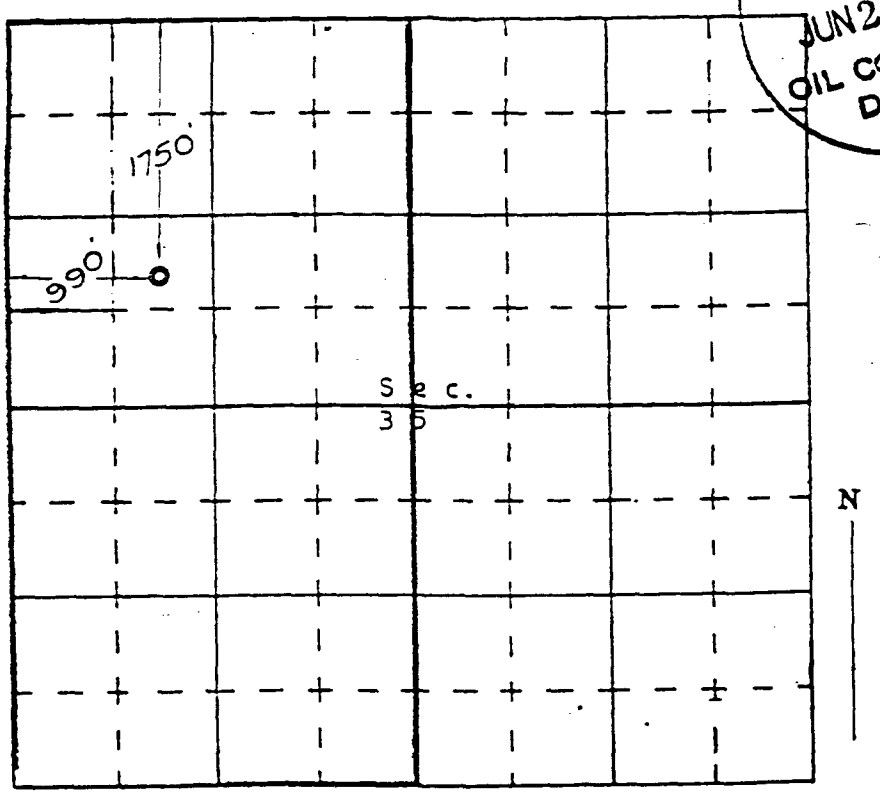
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

[X] Yes [ ] No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually consolidated. (Use reverse side of this form if necessary) .....

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non standard unit, eliminating such interests, has been approved by the Commission.



RECEIVED
JUN 2 1966
OIL CON. COM.
DIST. 3

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

ORIGINAL SIGNED BY JOE C. SALMON

Name: Joe C. Salmon

Position: District Superintendent

Company: Aztec Oil and Gas

Date: May 27, 1966

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: March 31, 1966

Registered Professional Engineer and/or Land Surveyor

E. V. Echohawk

Certificate No. 3602

NEW MEXICO OIL CONSERVATION COMMI

REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form ...
Supersedes Old ... and C-...
Effective ...

...ANSPORTER OIL /
GAS /
...ERATOR /
...RATION OFFICE /

...ress: Aztec Oil and Gas

...: Drawer 570 Farmington, New Mexico

...son(s) for filing (Check proper box)

New Well [X]
Recompletion [ ]
Change in Ownership [ ]

Change in Transporter of:
Oil [ ] Dry Gas [ ]
Casinghead Gas [ ] Condensate [ ]

Other (Please explain)

...change of ownership give name
...address of previous owner

...SCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease	Lease No.
Hudson	3	Basin Dakota	State, Federal or Fee Fed	SF 077922

Unit Letter F; 1750 Feet From The North Line and 990 Feet From The West Line

Section 35; Township 30N; Range 12W; NMPM, San Juan County

...SIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil or Condensate X — Address (Give address to which approved copy of this form is to be sent)
Plateau Incorporated — Box 108 Farmington, New Mexico

Name of Authorized Transporter of Casinghead Gas or Dry Gas X — Address (Give address to which approved copy of this form is to be sent)
Southern Union Gas Company — Box 815 Farmington, New Mexico

If well produces oil or liquids, give location of tanks: Unit ... Sec. ... Twp. ... Rge. ... Is gas actually connected? When?
NO

If this production is commingled with that from any other lease or pool, give commingling order number:

...MPLETION DATA

Designate Type of Completion – (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
		X	X					

Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.
7/22/66	8/9/66	6750	6732

Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth
5857 GL	Dakota	6460-6680	6597

Perforations	Depth Casing Shoe
6460-80, 6540-62, 6567-72, 6580-85, 6668-80, 4 SPF	6750

TUBING, CASING, AND CEMENTING RECORD

HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
12¼	8-5/8"	306	250 sx
7-7/8"	4-1/2"	6750	750 sx
	1-1/2"	6597	

...T DATA AND REQUEST FOR ALLOWABLE (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

...WELL

Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

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SEP 2 1966
OIL CON. COM.
DIST. 3

56

WELL

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
2485	3 hr		
Testing Method (pitot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size
back pressure	170	747	3/4"

...IFICATE OF COMPLIANCE

...by certify that the rules and regulations of the Oil Conservation ...ission have been complied with and that the information given ...ve is true and complete to the best of my knowledge and belief.

ORIGINAL SIGNED BY JOE C. SALMON
(Signature)

District Superintendent
(Title)

August 31, 1966
(Date)

OIL CONSERVATION COMMISSION

APPROVED SEP - 2 1966, 19...

BY Original Signed by Emery C. Arnold

TITLE SUPERVISOR DIST. #3

This form is to be filed in compliance with RULE 1104.

If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.

All sections of this form must be filled out completely for allowable on new and recompleted wells.

Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.

Separate Forms C-104 must be filed for each pool in multiply completed wells.

Submit to Appropriate
District Office
State Lease – 6 copies
Fee Lease – 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-105
Revised 1-1-89

WELL API NO.

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER DISPOSAL

b. Type of Completion: NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER

7. Lease Name or Unit Agreement Name: SUNCO DISPOSAL

2. Name of Operator: COLEMAN OIL & GAS COMPANY

8. Well No.: #1

3. Address of Operator: 708 SOUTH TUCKER, FARMINGTON, NM 87401

9. Pool name or Wildcat: FLORA VISTA MESA VERDE

4. Well Location
Unit Letter E : 1595 Feet From The NORTH Line and 1005 Feet From The WEST Line
Section 2 Township 29N Range 12W NMPM SAN JUAN County

10. Date Spudded	11. Date T.D. Reached	12. Date Compl. (Ready to Prod.)	13. Elevations (DF & RKB, RT, GR, etc.)	14. Elev. Casinghead
01-28-92		2-24-92	5859 GR.	5864

15. Total Depth	16. Plug Back T.D.	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools	Cable Tools
4760		1		X	

19. Producing Interval(s), of this completion - Top, Bottom, Name

20. Was Directional Survey Made: YES

21. Type Electric and Other Logs Run: DUEL INDUCTION & FORMATION DENSITY

22. Was Well Cored: NO

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8	24.0	209	12-1/4	250 sc Class B	0
5-1/2	15.50	4760	7-7/8	1st stage 230sx 65/35 & 265 Class B Tail.	0
				2nd stage 465sx 65/35 & 50sx "B" Tail.	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-7/8	4300	4300

26. Perforation record (interval, size, and number)

4350-4460 2spf .46 220

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED

28. PRODUCTION

Date First Production	Production Method (Flowing, gas lift, pumping - Size and type pump)	Well Status (Prod. or Shut-in)
02-24-92	SWABBING	SHUT-IN

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
02-24-92	24	2"		TR.	3.2	164.99	19. CU/FT/BB

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
0	315		0		164.99	NOT MEASURED

29. Disposition of Gas (Sold, used for fuel, vented, etc.): VENTED

Test Witnessed By: HAROLD ELLEDGE

30. List Attachments: PRODUCTION TEST

RECEIVED
FEB 28 1992
OIL CON. DIV.
DIST. 3

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Ron Maher Printed Name RON MAHAN Title CONTRACTS MGR Date 02-28-9

Submit to Appropriate
District Office
State Lease – 6 copies
Fee Lease – 5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-101
Revised 1-1-89

API NO. (assigned by OCD on New Wells) 30-045-28453

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:
OIL WELL ☐ GAS WELL ☐ OTHER SWD DISPOSAL X SINGLE ZONE ☒ MULTIPLE ZONE ☐

7. Lease Name or Unit Agreement Name
SUNCO DISPOSAL 13795

2. Name of Operator
COLEMAN OIL & GAS COMPANY 4838

8. Well No.
#1

3. Address of Operator
700 SOUTH TUCKER, FARMINGTON, NM 87401

9. Pool name or Wildcat 76680
FLORA VISTA MESA VERDE

4. Well Location
Unit Letter E : 1595 Feet From The NORTH Line and 1005 Feet From The WEST Line

Section 2 Township 29N Range 12W NMPM SAN JUAN County

10. Proposed Depth	11. Formation	12. Rotary or C.T.
4760	MESA VERDE	ROTARY

13. Elevations (Show whether DF, RT, GR, etc.)	14. Kind & Status Plug. Bond	15. Drilling Contractor	16. Approx. Date Work will start
5859 GR.		BIG "A" WELL SERVICE	1-28-92

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4	8-5/8	24.0	200	200	SURFACE
7-7/8	5-1/2	15.50	4760	900	SURFACE

We propose to drill, log, and set casing through the point lookout member of the Mesa Verde and upon examination of the logs, a portion of the point lookout will be selectively perforated and stimulated as needed.

RECEIVED
FEB 28 1992
OIL CON. DIV
DIST.

APPROVAL EXPIRES 9-5-92
UNLESS DRILLING IS COMMENCED.
SPUD NOTICE MUST BE SUBMITTED
WITHIN 10 DAYS.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

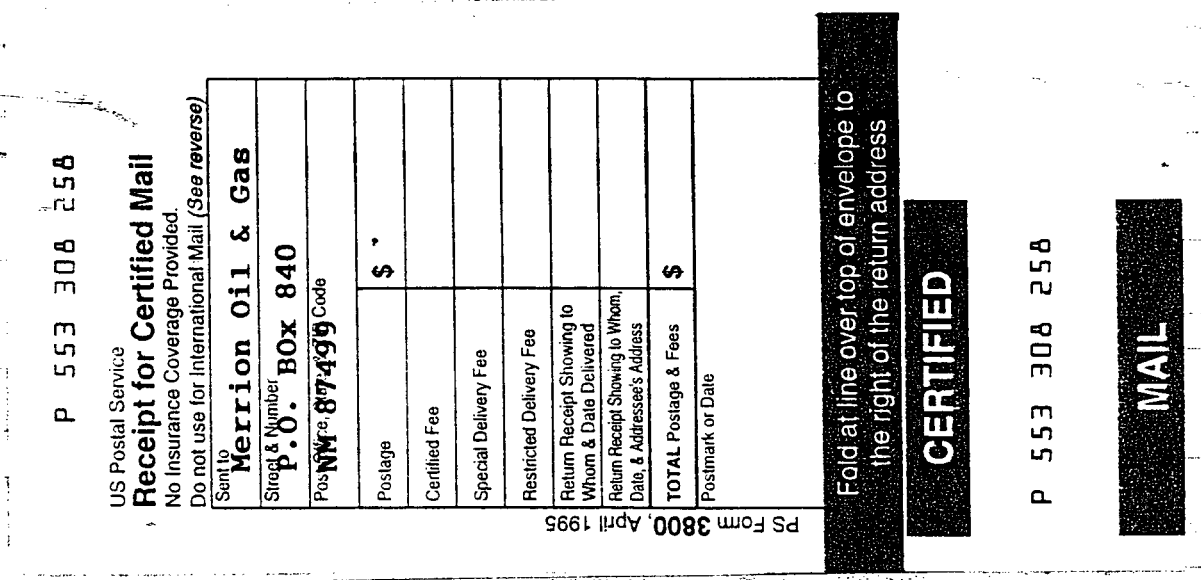
SIGNATURE [signature] TITLE CONTRACTS MANAGER DATE 02/28/92

TYPE OR PRINT NAME RON MAHAN TELEPHONE NO. 327-4961

(This space for State Use)

APPROVED BY [signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #3 DATE MAR 05 199

CONDITIONS OF APPROVAL, IF ANY:



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:

Merrion Oil & Gas
P.O. Box 840
Farmington NM 87499

4a. Article Number

P 553 308 258

4b. Service Type

☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: *(Print Name)*

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

6. Signature: *(Addressee or Agent)*

X

PS Form **3811**, December 1994 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

P 553 308 259

US Postal Service
Receipt for Certified Mail
No Insurance Coverage Provided.
Do not use for International Mail (See reverse)

Sent to
Meridian Oil

Street & Number
P.O. Box 4289

Post Office, State, & ZIP Code
NM 87499

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	
TOTAL Postage & Fees	$
Postmark or Date	

PS Form **3800**, April 1995

Fold at line over top of envelope to the right of the return address

CERTIFIED

MAIL

P 553 308 259

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.
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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:
Meridian Oil Company
P.O. BOx 4289
Farmington NM 87499

4a. Article Number
P 553 308 259

4b. Service Type
☐ Registered ☒ Certified
☐ Express Mail ☐ Insured
☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5. Received By: *(Print Name)*

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

6. Signature: *(Addressee or Agent)*
X

PS Form **3811**, December 1994 Domestic Return Receipt

Is your RETURN ADDRESS completed on the reverse side?

Thank you for using Return Receipt Service.

CFT *CREATIVE FUTURE TECHNOLOGIES*

INDUSTRIAL PRODUCT SALES AND MARKETING

Main Office #505-632-0662

P.O. BOX 364 FARMINGTON, NM 87499 PHONE: (505) 327-4919 FAX: (505) 327-4919

NM ENERGY MINERALS & NATURAL RESOURCES
OIL CONSERVATION DIVISION
2040 SOUTH PACHECO STREET
SANTA FE, NEW MEXICO 87505

JUNE 21, 1996

ATTN: MARK ASHLEY

REFERENCE: Final information for application submittal for Sunco Trucking operating Coleman Oil & Gas Disposal Well #1 reclassification to Class I Operation.

Dear Mark:

The attached information includes the plugging bond estimated by third party, well cement bond log, hydrocarbon water analysis including EPA approved method 8010 and 8310 (other water analysis previously submitted), MIT back pressure test witnessed by Aztec office, and Insurance bond renewal to cover inflation.

Please contact me if you have any further information needed so we can get this approval as soon as possible.

Thank You,

Chuck Badsgard
Vice-President- Sunco Trucking

HALLIBURTON LOGGING SERVICES, INC.

BOND LOG

ACOUSTIC CEMENT BOND LOG

COMP COLEMAN OIL AND GAS, INC.

WELL SUNCO DISPOSAL NO. 1

FIELD FLORA VISTA MESAVERDE

COUNTY SAN JUAN ST. N.M.

PERMANENT DATUM GROUND LEVEL ELEV. 5859

LOG MEASURED FROM K.B. 15 FT. ABOVE PERM. DATUM

DRILLING MEASURED FROM K.B.

DATE & TIME LOGGED	2/11/92	TYPE OF FLUID IN HOLE	WATER
TOP LOGGED INTERVAL	100	DENSITY OF FLUID	NA
MAX TEMP. DEGREE	NA	RECORDED BY	R. FRIDAY
CEMENTING DATA	SURFACE STRING	WITNESSED BY	RON MAHAN
PRIMARY/SQUEEZE	PROTECTION STRING	PRODUCTION STRING	LINER
CEMENTED	NA	EQUIPMENT ; LOCATION	6060 FARM.
EXPECTED		CEMENT TOP EST - LOGGED	NA
COMP. STRENGTH		FLUID LEVEL	FULL
CEMENT VOLUME			
CEMENT TYPE/WEIGHT			
FORMATION			

RUN NO.	DEPTH - DRILLER	DEPTH - LOGGER	BTM. LOGGED INTERVAL
ONE	4711 PBTD	4715	4706

MUD TYPE/MUD WEIGHT	BOREHOLE RECORD			CASING AND TUBING RECORD			
	BIT NO.	FROM	TO	SIZE	WGT.	FROM	TO
GEL	1	0	235	8 5/8	24#	0	235
12.25		235	4760	5.5	15.5#	0	4760
7 7/8							

COUNTY	SAN JUAN
API NO.	NA
LOCATION	1535 FNL AND 1005 FWL
	STATE N.M.
FIELD	FLORA VISTA MESAVERDE
WELL	SUNCO DISPOSAL NO. 1
COMPANY	COLEMAN OIL AND GAS, INC.

OTHER SERVICES PERF

ELEV.: K.B. 5874 D.F. 5873 G.L. 5859

FOLD HERE

SERVICE TICKET NO.: 77934 API SERIAL NO.: NA PGM VERSION: H L S DLS HD 1.0

THE WELL NAME. LOCATION. CEMENTING DATA AND BOREHOLE DESCRIPTION FURNISHED BY CLIENT

CEMENTING DATA

CEMENT PUMPED	N/A				/ JOINT FROM	TO
PRECEDING FLUID		VOLUME	BBL	CENTRALIZERS	/ JOINT FROM	TO
RETURNS	FULL	PARTIAL	NONE		/ JOINT FROM	TO
PIPE ROTATED/RECIPICATED	DURING PUMPING		YES NO			
	AFTER PLUG DOWN		YES NO		/ JOINT FROM	TO
PLUG PUMPED			YES NO	CENTRALIZERS	/ JOINT FROM	TO
PLUG LANDING PRESSURE:					/ JOINT FROM	TO
PRESSURE HELD			HRS AFTER PUMPING			

EQUIPMENT DATA

GAMMA		NEUTRON		ACOUSTIC	
RUN NO.	ONE	RUN NO.		RUN NO.	ONE
SERIAL NO.	010	SERIAL NO.		SERIAL NO.	011
MODEL NO.	304	MODEL NO.		MODEL NO.	271
DIAMETER	3.500	DIAMETER		NO. OF CENT	3
DETECTOR MODEL NO.	10486	LOG TYPE		SPACING	3 /5
TYPE	SCINT.	SOURCE TYPE			
LENGTH	6"	SERIAL NO.			
DISTANCE TO SOURCE	N/A	STRENGTH			

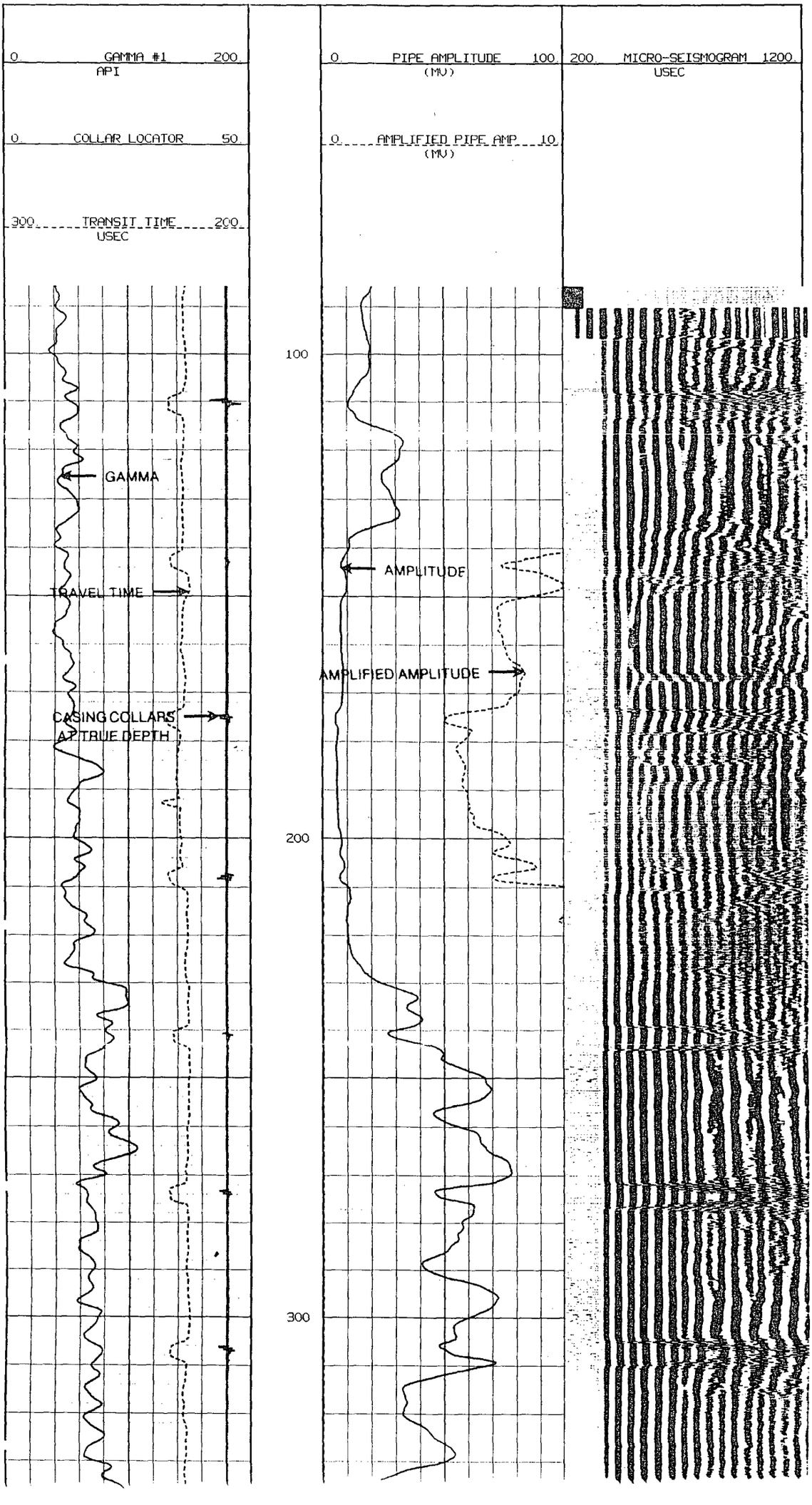
LOGGING DATA

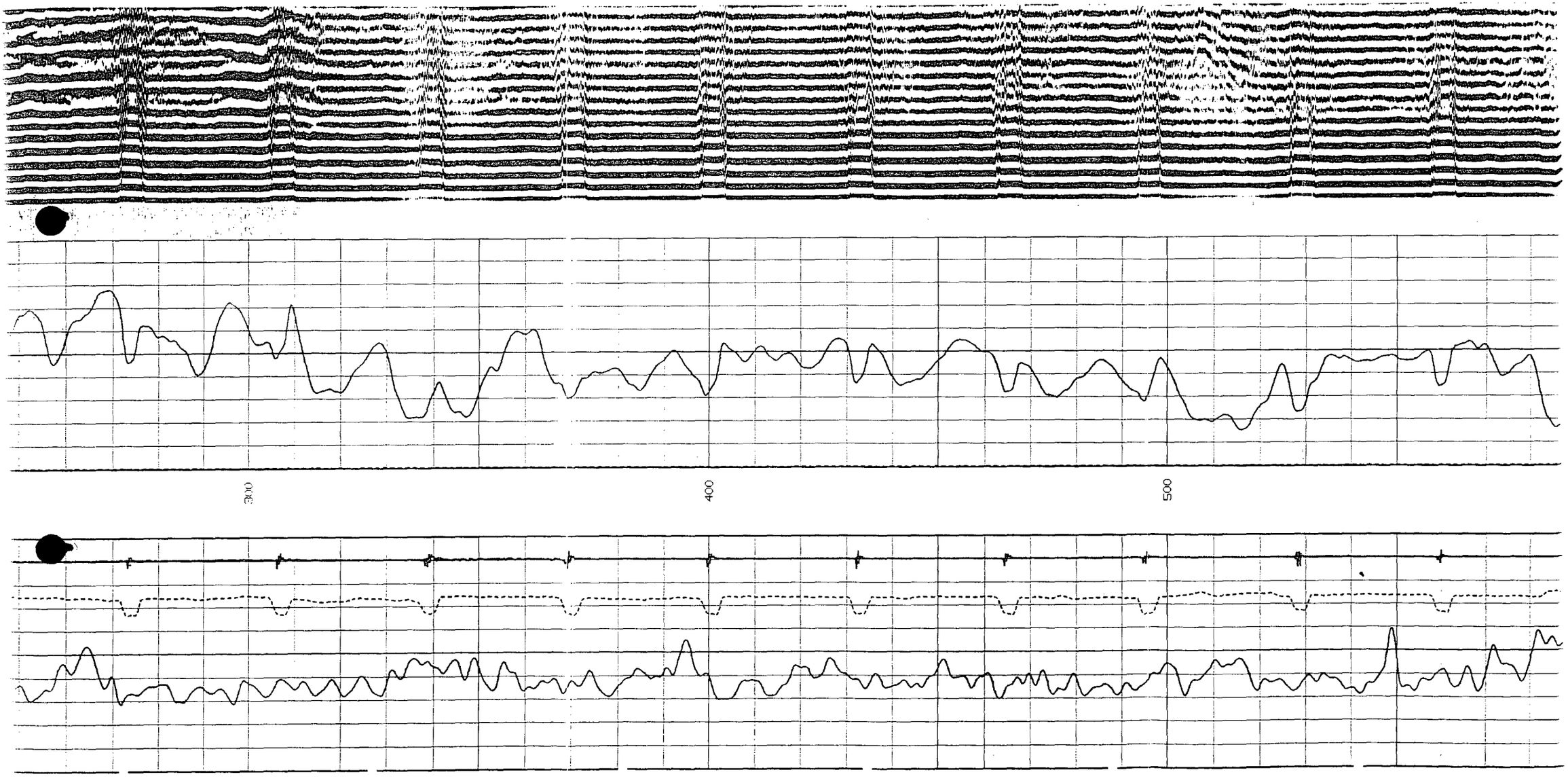
GENERAL					GAMMA		NEUTRON		ACOUSTIC	
RUN	DEPTHS		WELL HEAD	SPEED	SCALE		SCALE		SCALE	
NO.	FROM	TO	PRESSURE	FT./MIN.	L	R	L	R	L	R
ONE	PBTD	100	NONE	40	0	200			200	1200

REMARKS: CREW:NORTON.MOULTON.RAMOS

RIG:BIG -A- NO. 34

0 GAMMA #1 200 (API)	0 PIPE AMPLITUDE 100 (MV)	200 MICRO-SEISMOGRAM 1200 (USEC)
0 COLLAR LOCATOR 50	0 AMPLIFIED PIPE AMP 10 (MV)	
300 TRANSIT TIME 200 (USEC)		

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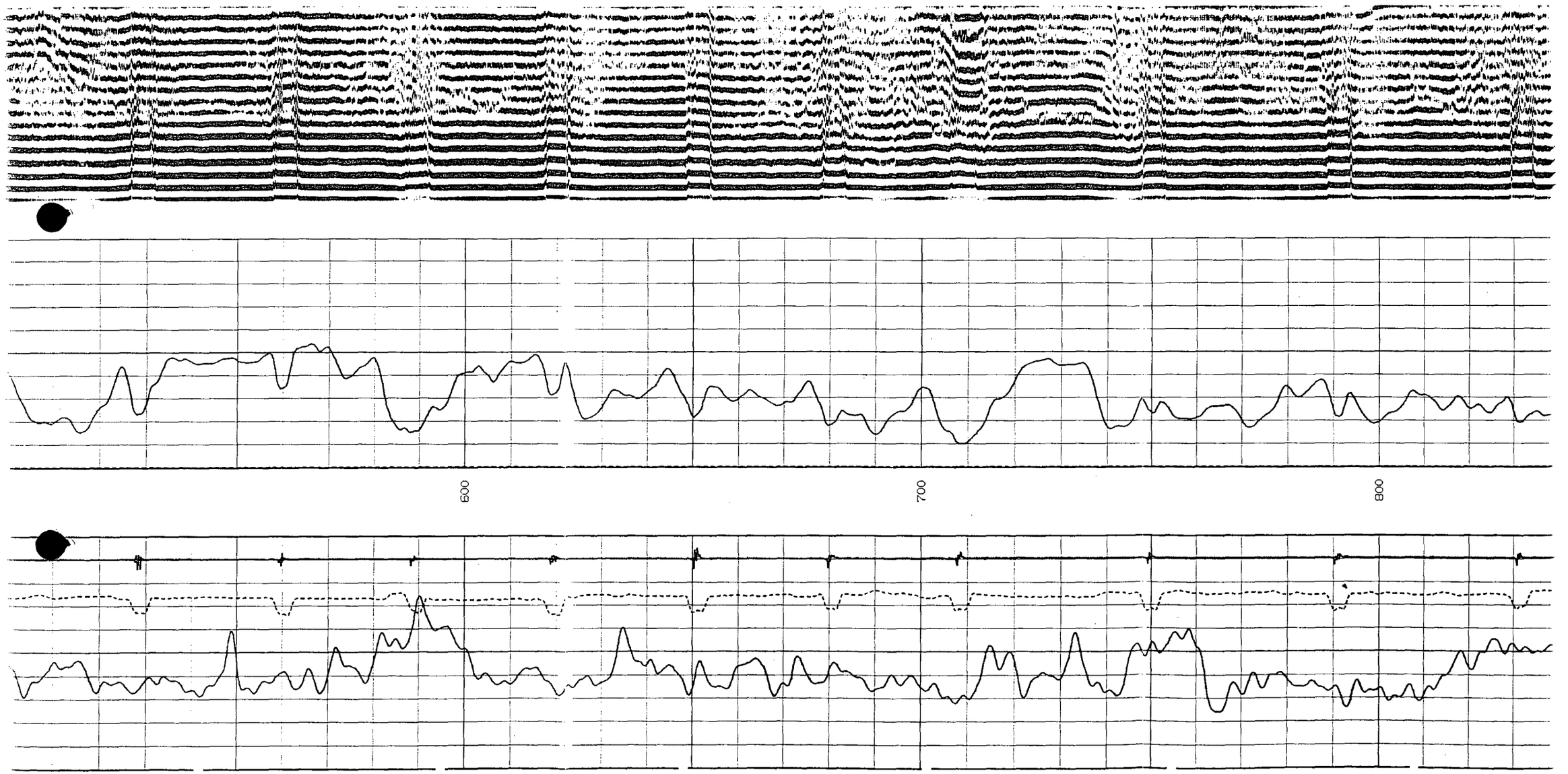
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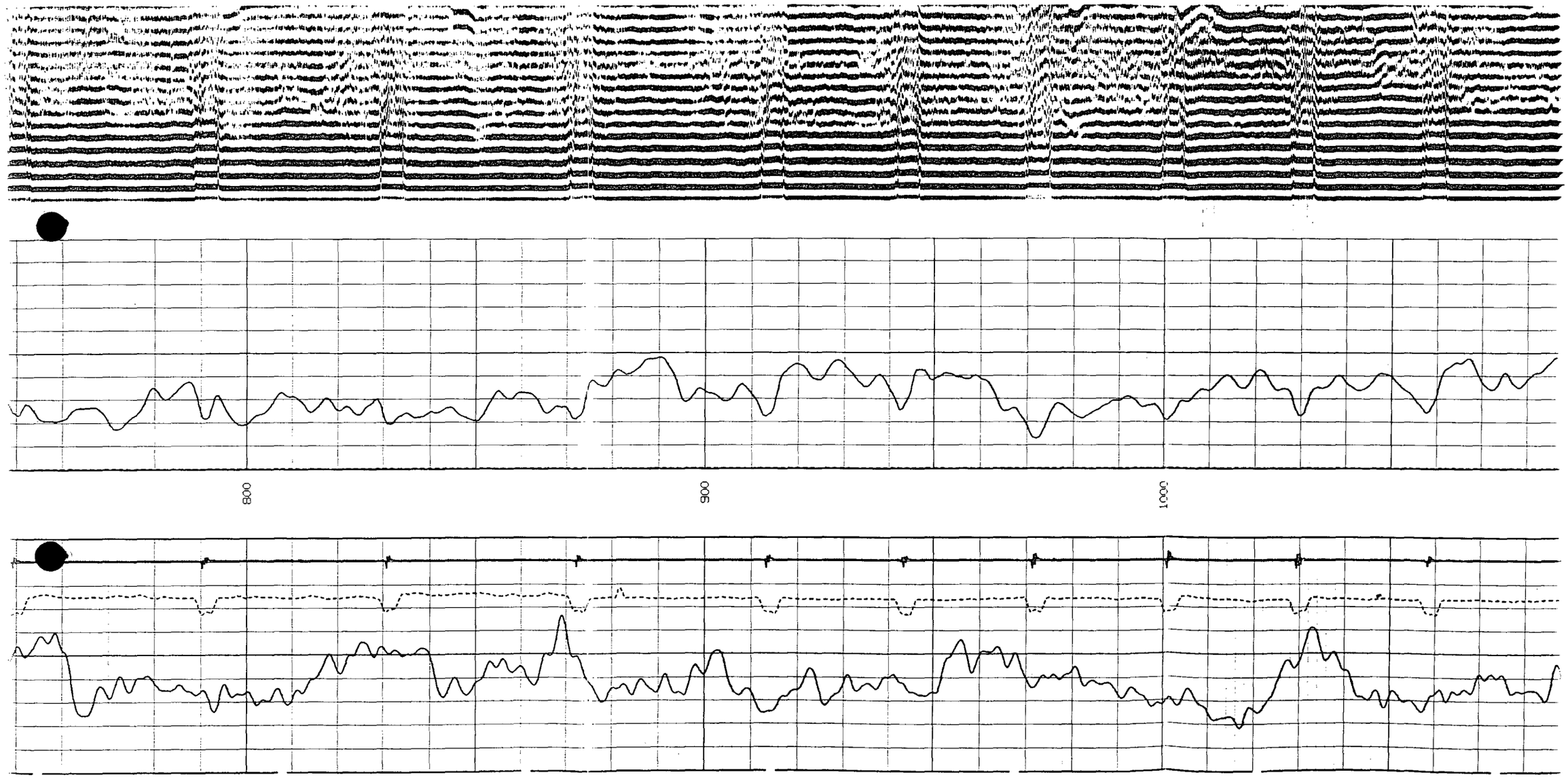
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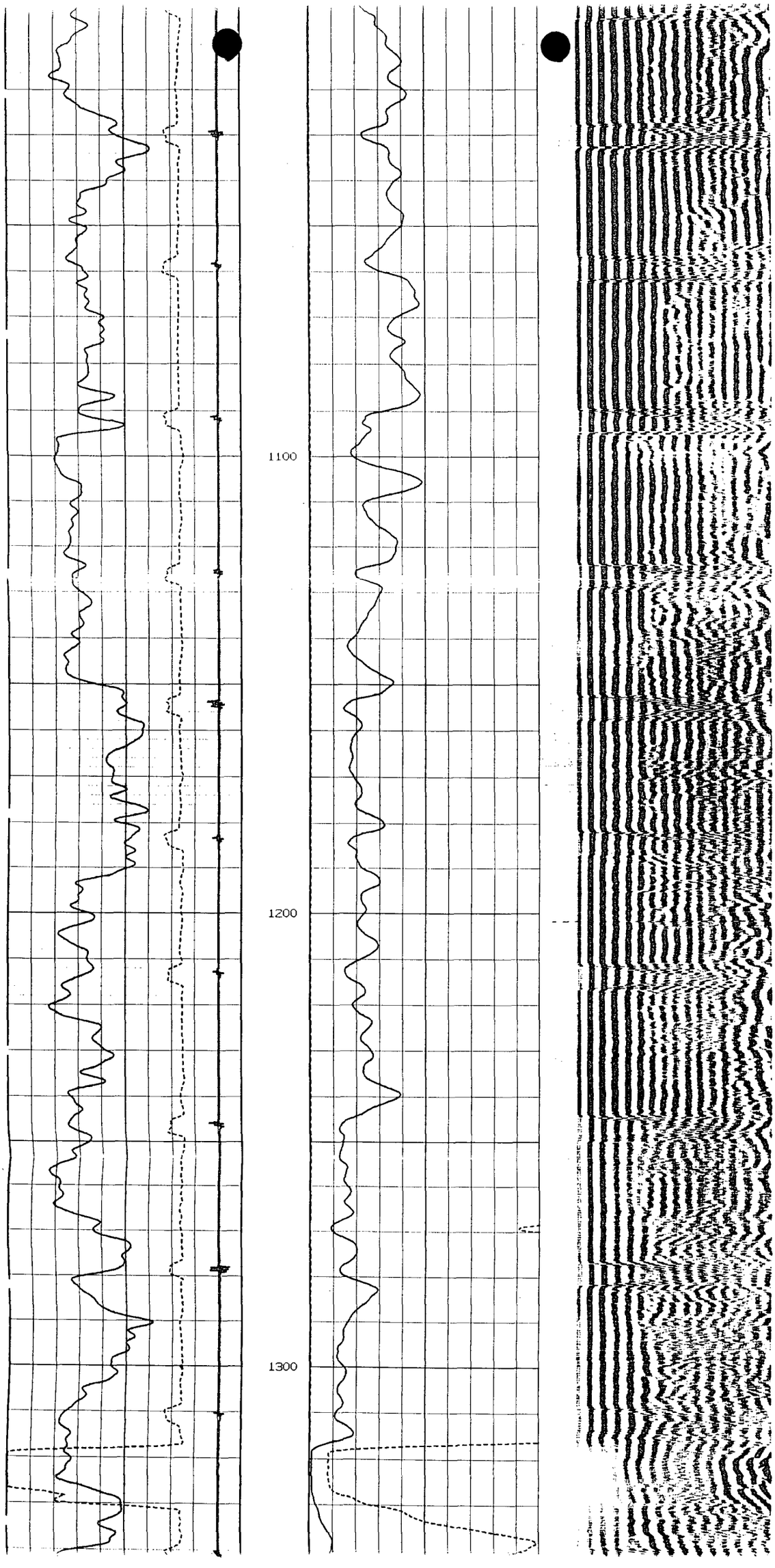
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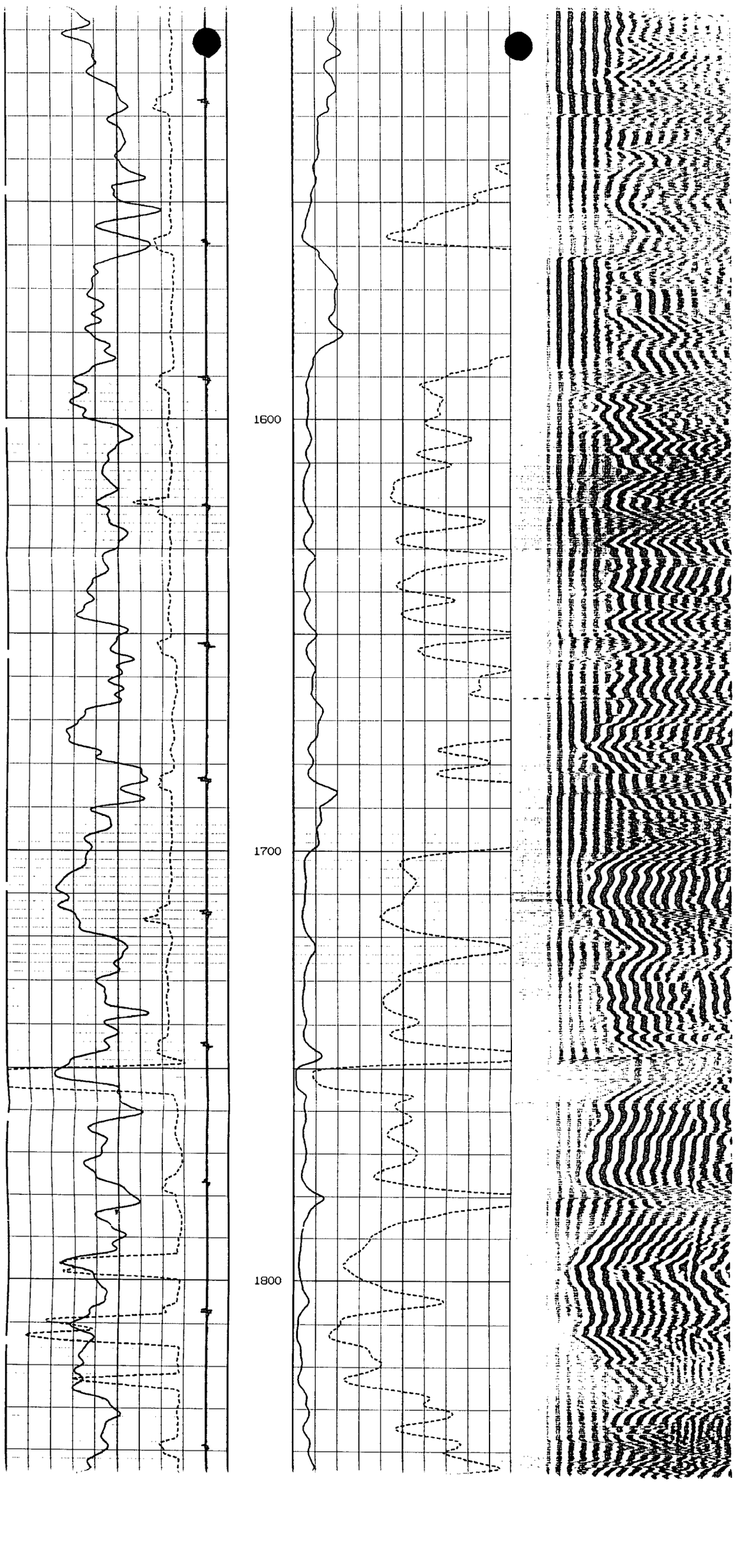
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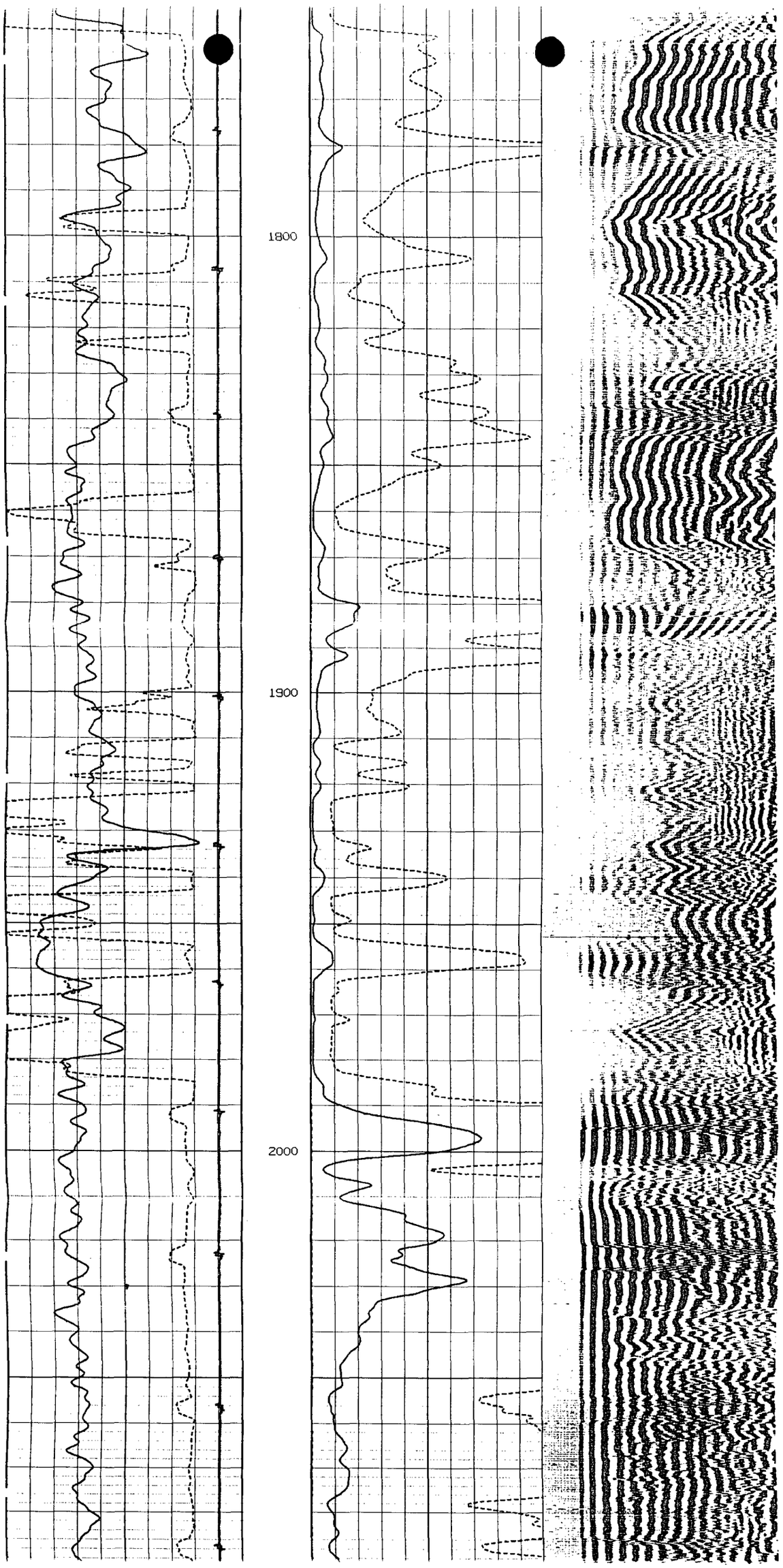
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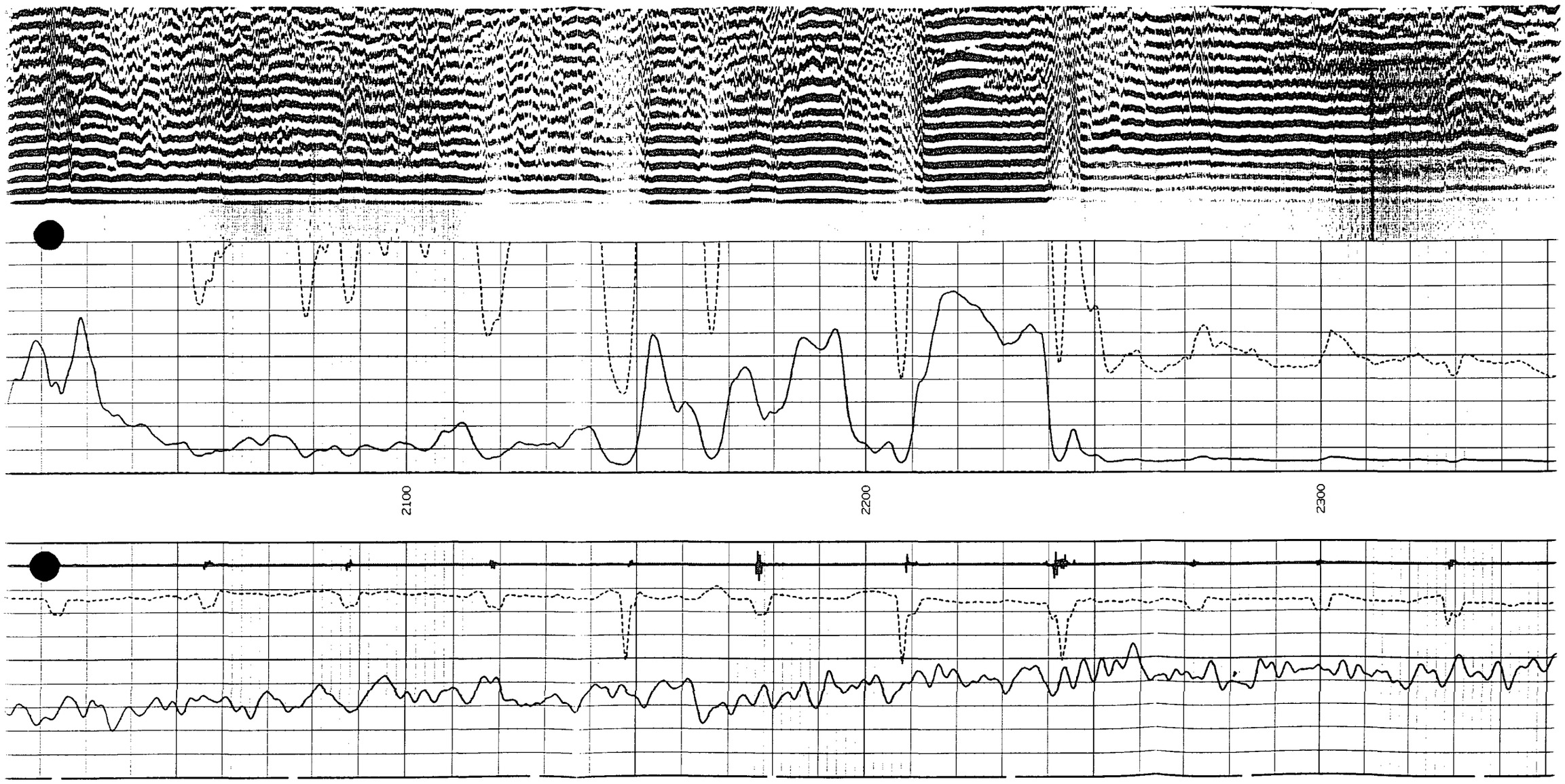
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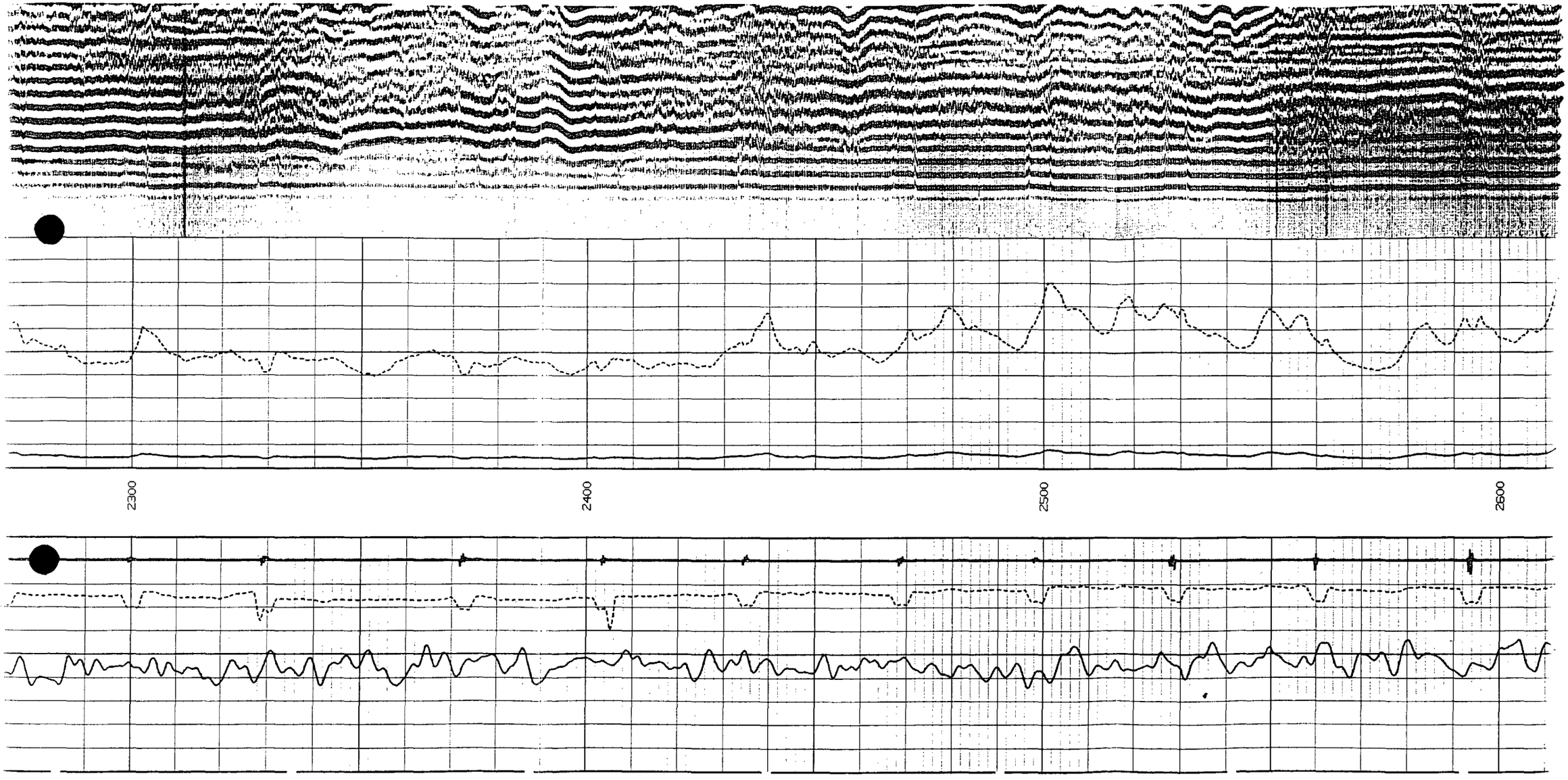
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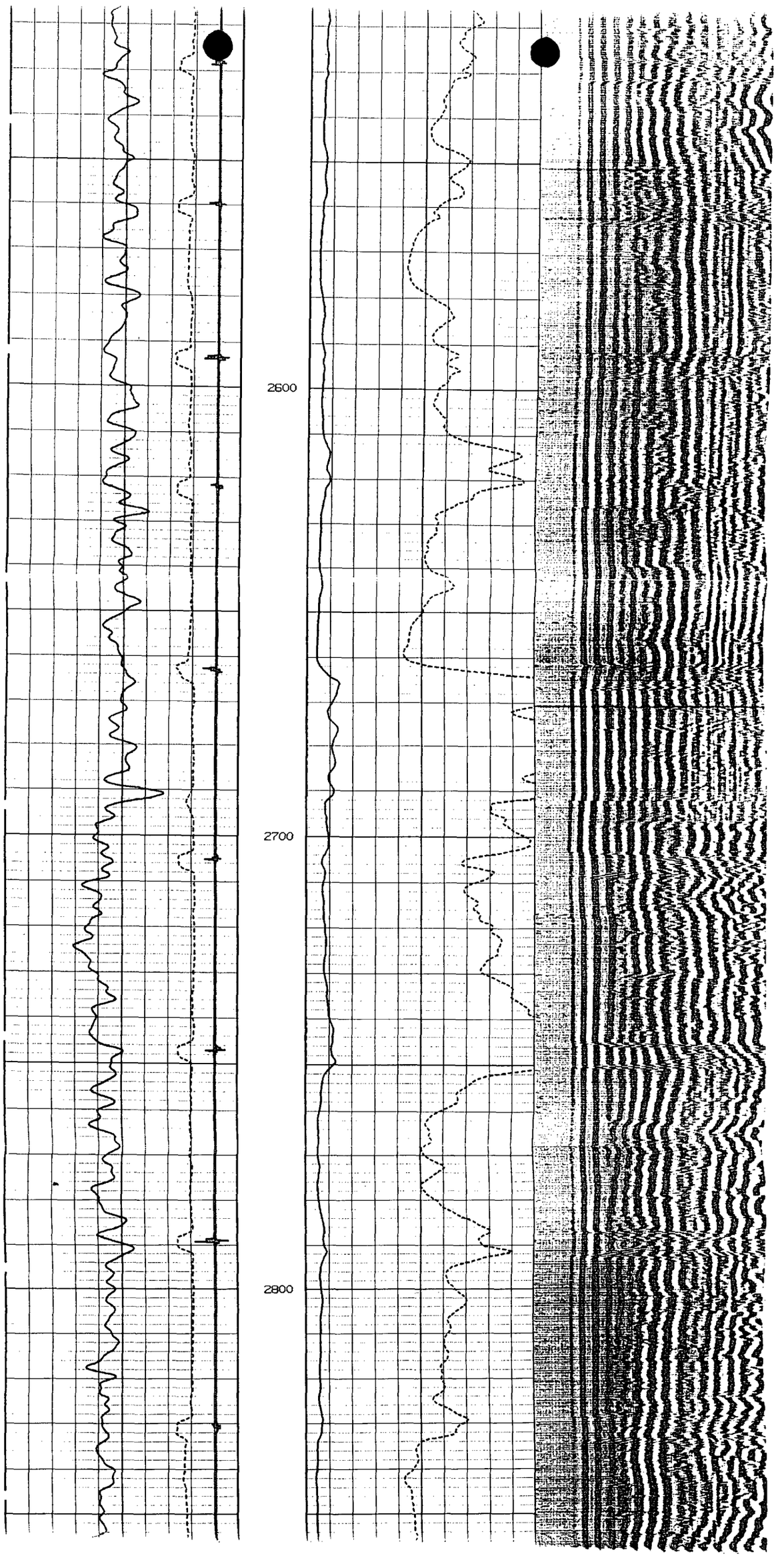
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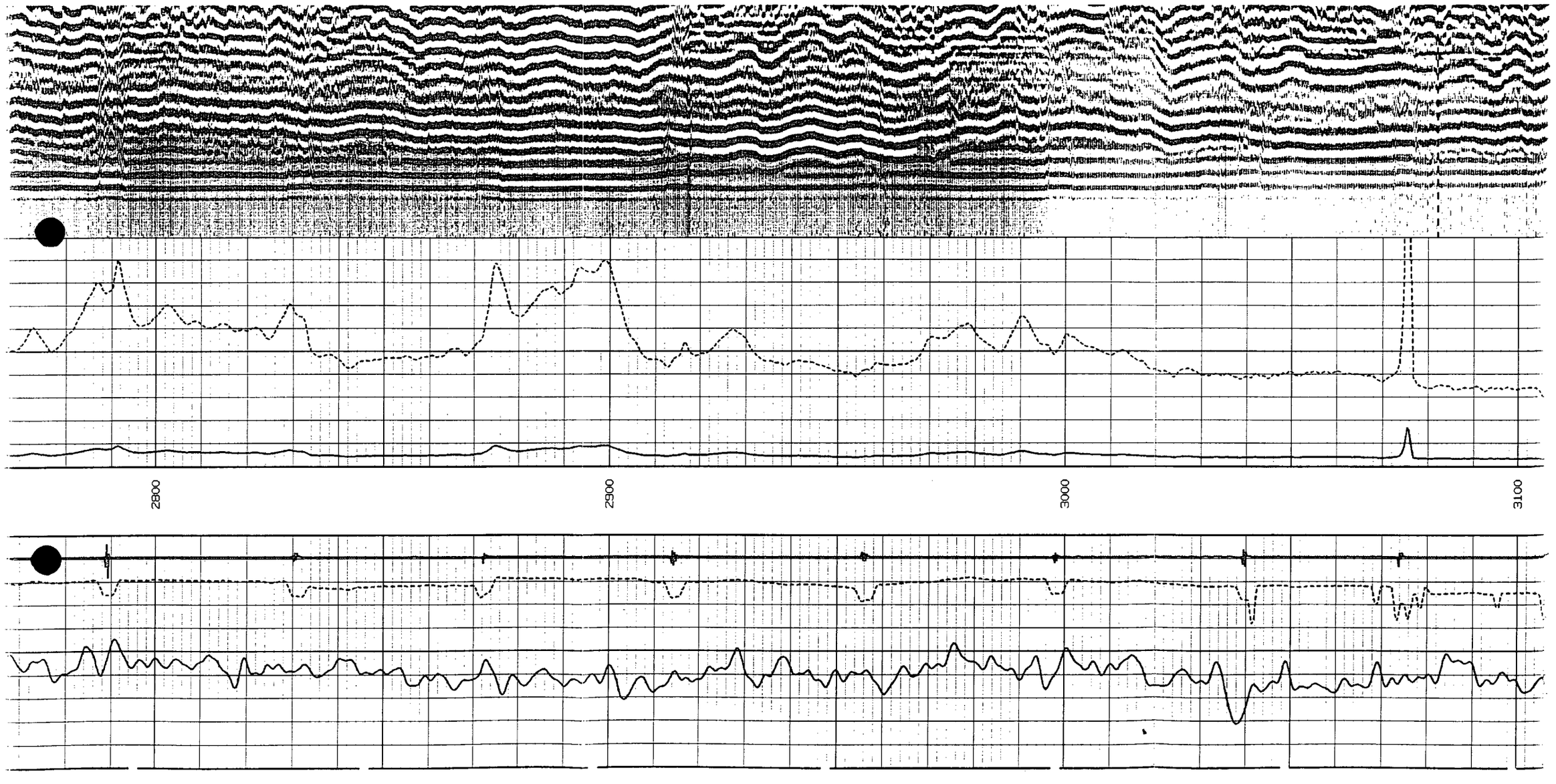
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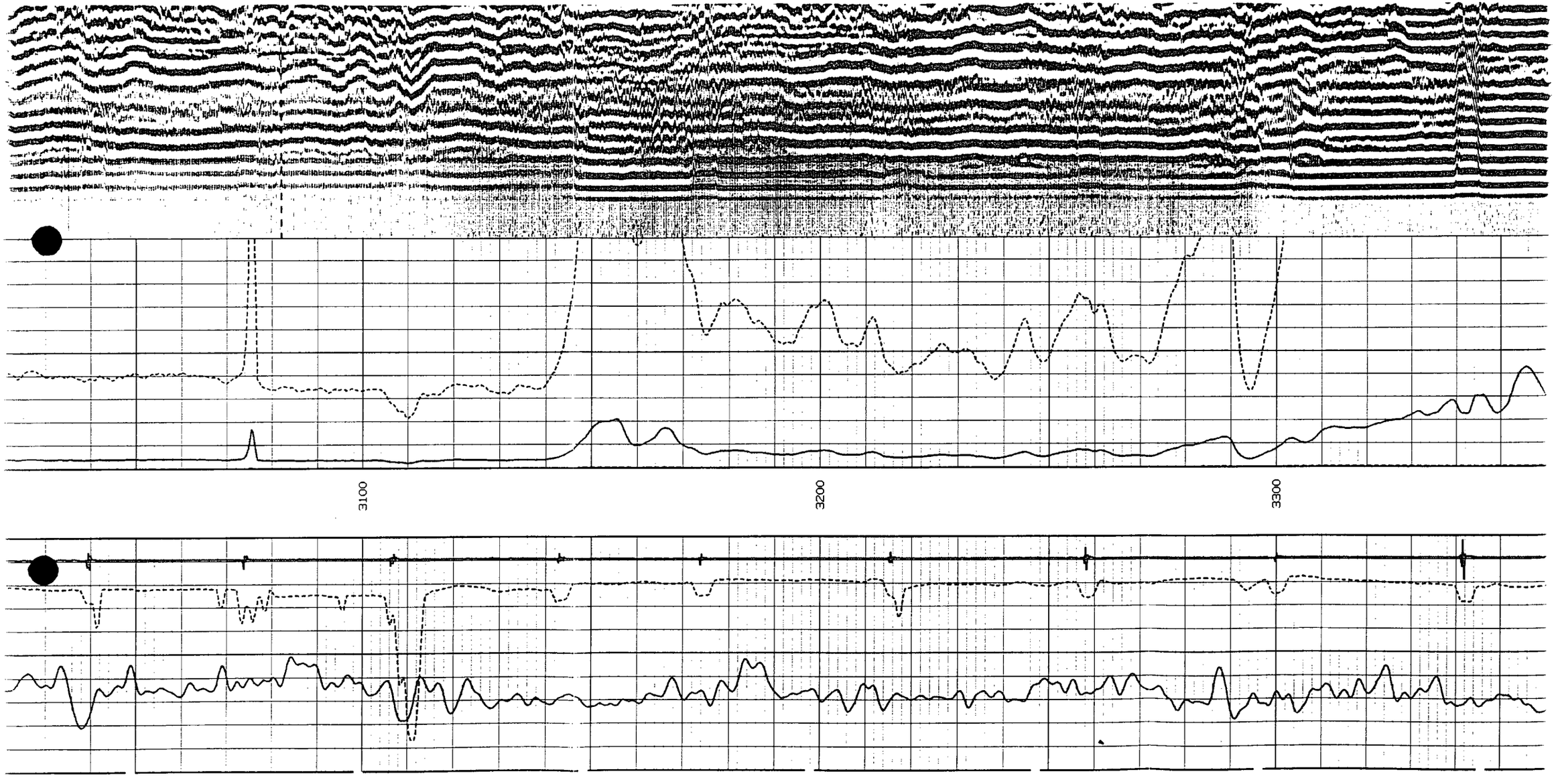
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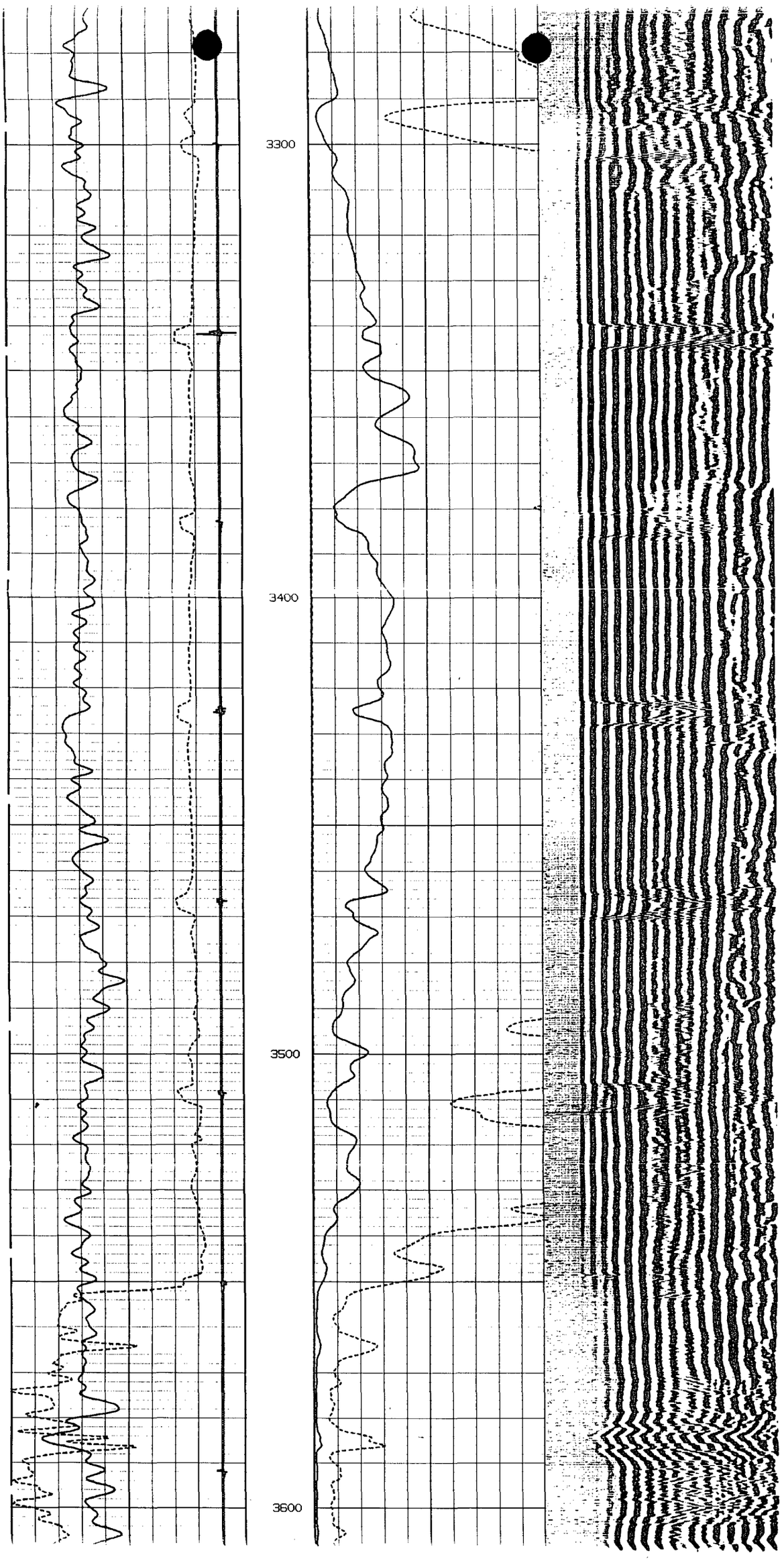
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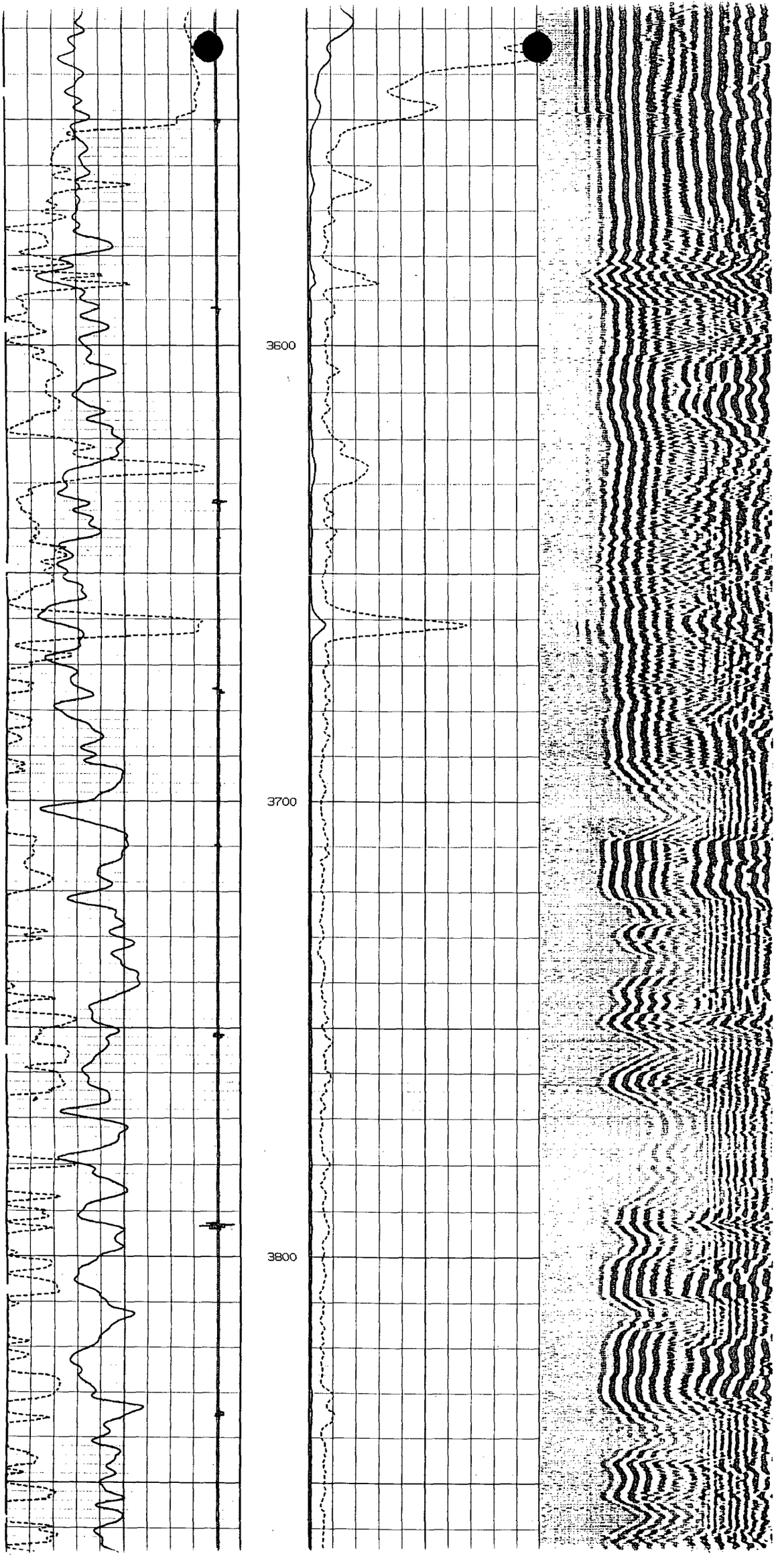
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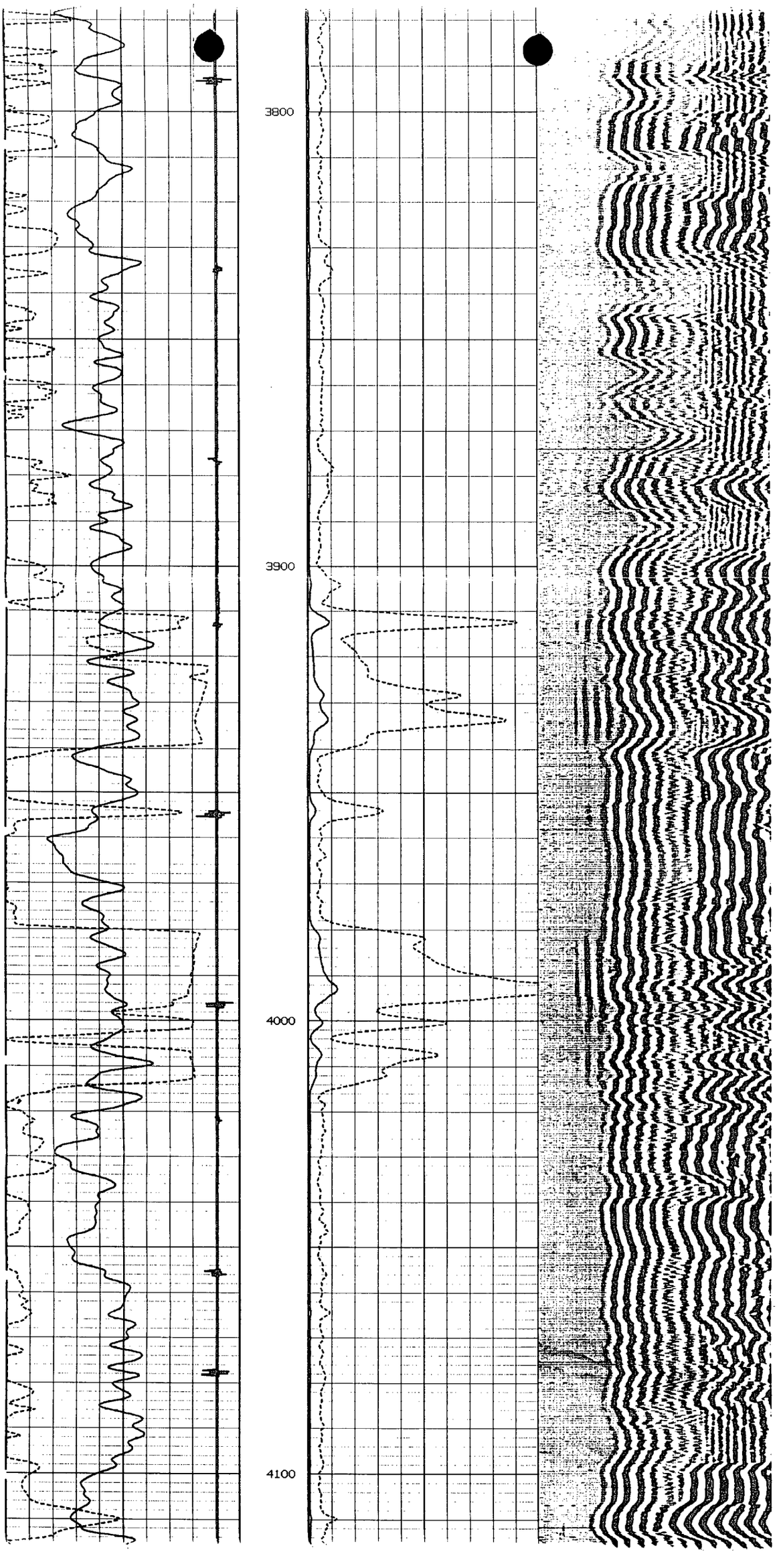
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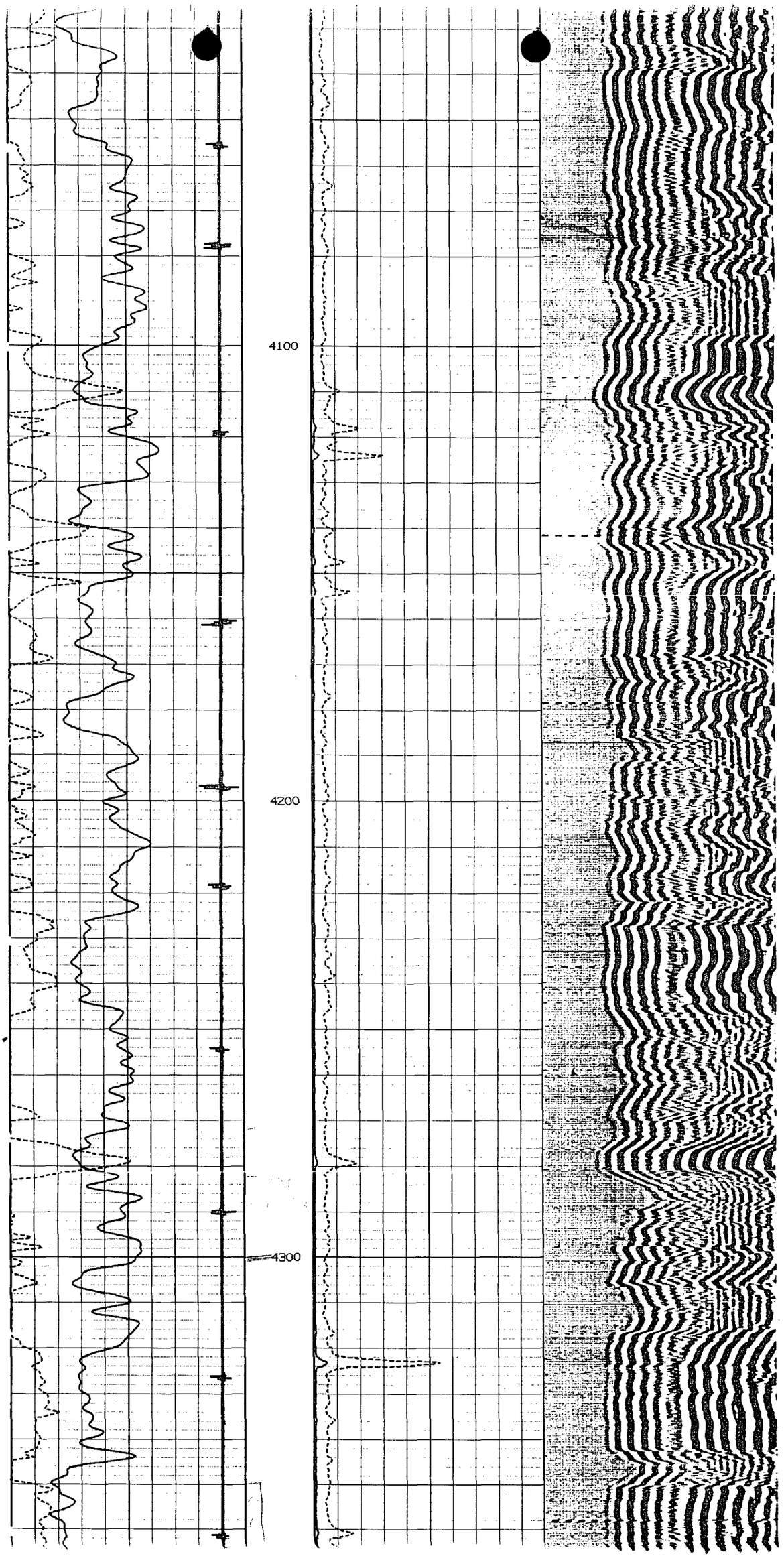
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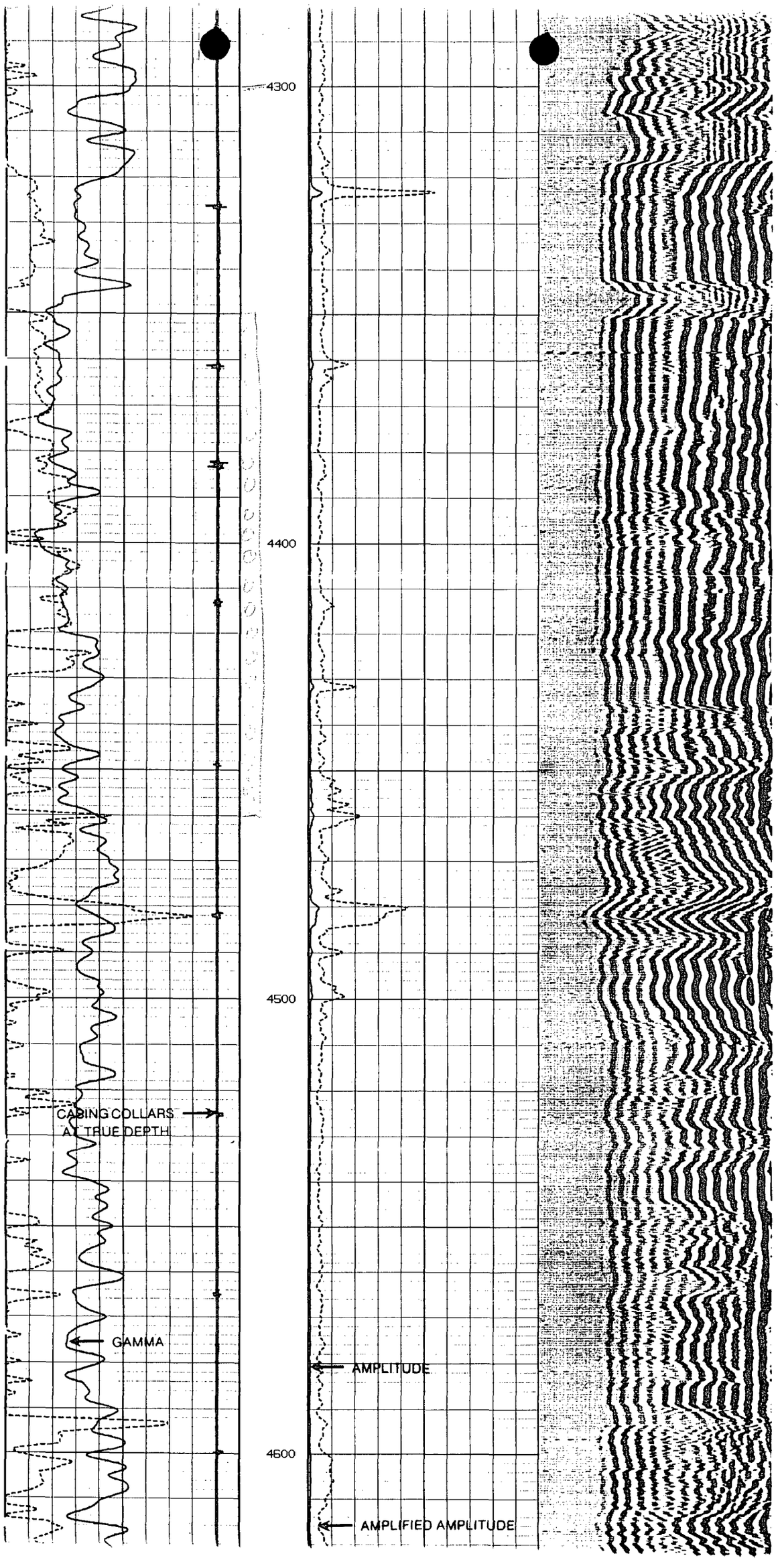
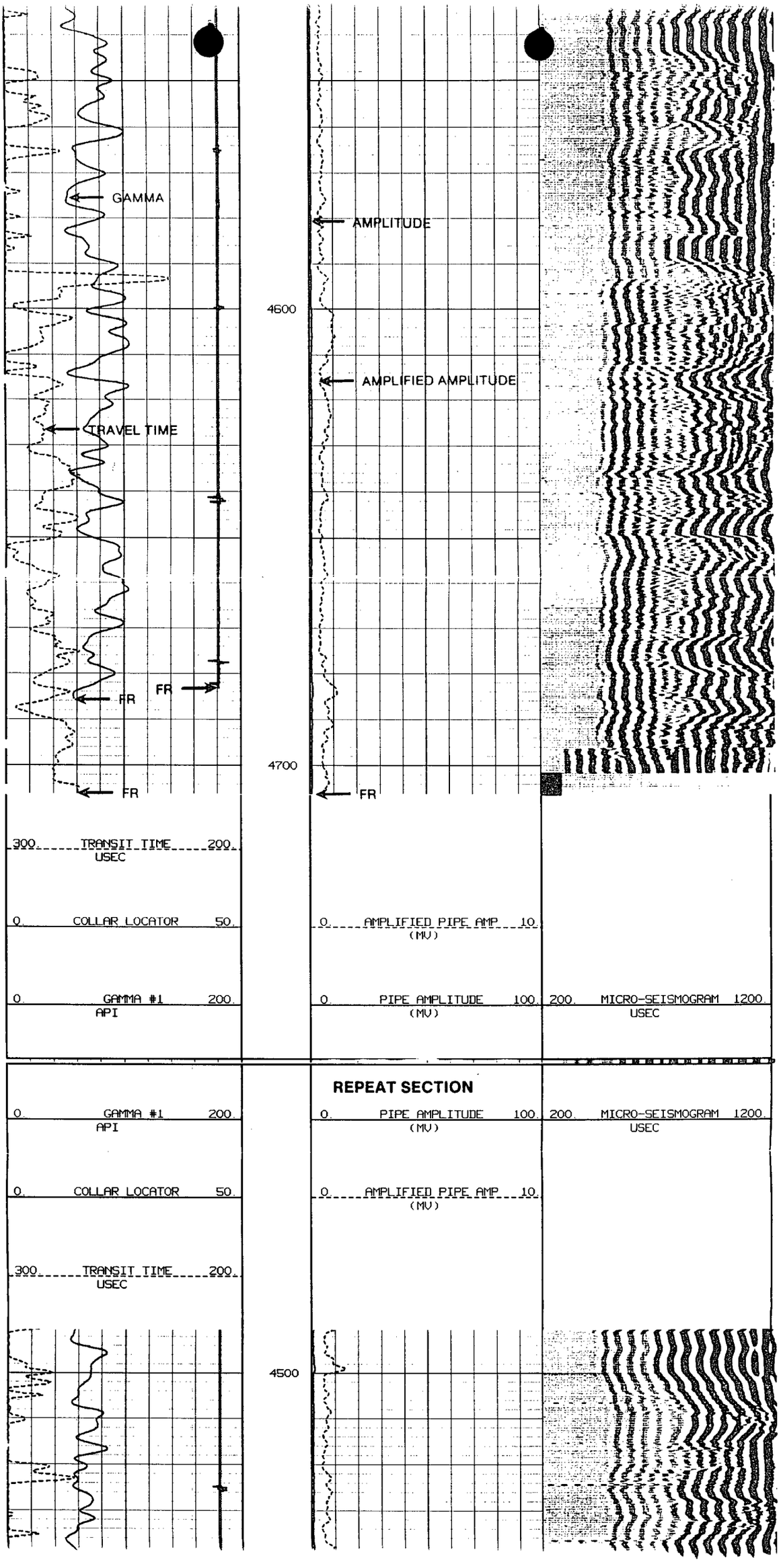

4300
4400
4500
4600
CASING COLLARS AT TRUE DEPTH
GAMMA
AMPLITUDE
AMPLIFIED AMPLITUDE


GAMMA
AMPLITUDE
4600
AMPLIFIED AMPLITUDE
TRAVEL TIME
FR
FR
FR
4700
FR
300. TRANSIT TIME 200.
USEC
0. COLLAR LOCATOR 50.
0. AMPLIFIED PIPE AMP 10.
(MV)
0. GAMMA #1 200.
API
0. PIPE AMPLITUDE 100.
(MV)
200. MICRO-SEISMOGRAM 1200.
USEC
REPEAT SECTION
0. GAMMA #1 200.
API
0. PIPE AMPLITUDE 100.
(MV)
200. MICRO-SEISMOGRAM 1200.
USEC
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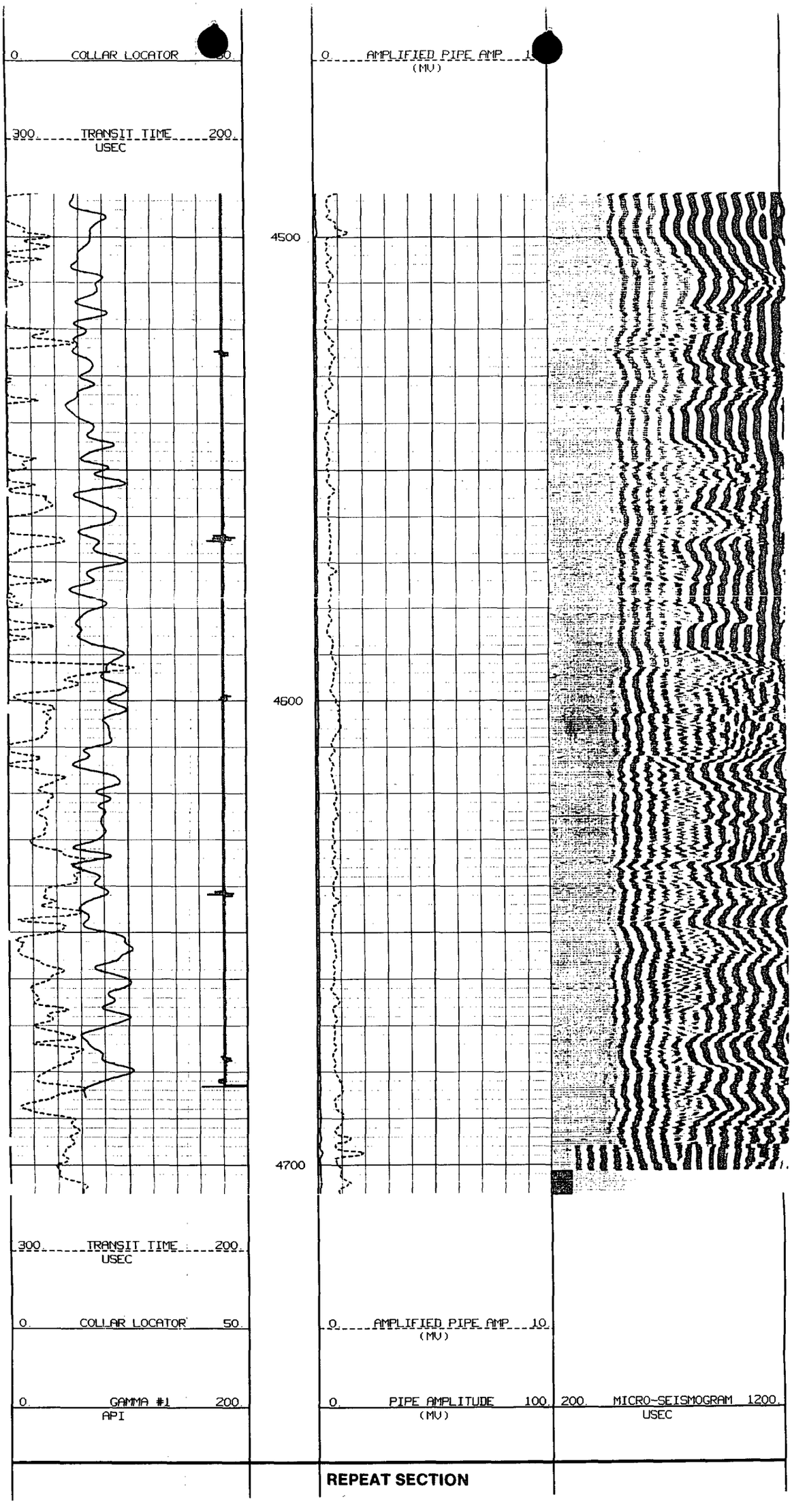
0. AMPLIFIED PIPE AMP 10.
(MV)
300. TRANSIT TIME 200.
USEC
4500



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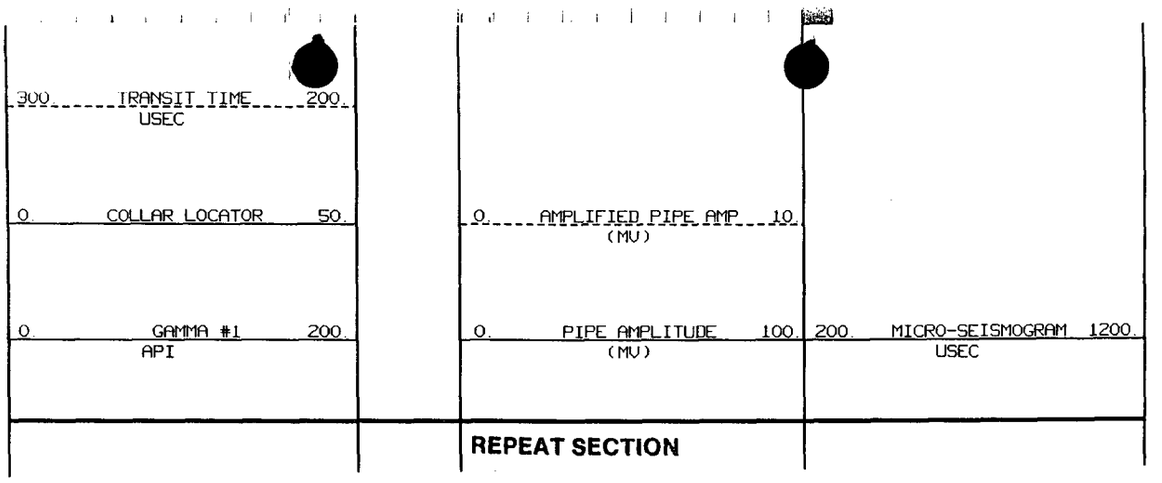
300 TRANSIT TIME 200
USEC
0 COLLAR LOCATOR 50
0 GAMMA #1 200
API
0 AMPLIFIED PIPE AMP 10
(MV)
0 PIPE AMPLITUDE 100
(MV)
200 MICRO-SEISMOGRAM 1200
USEC
REPEAT SECTION

First National Bank of Farmington
Charter Member FDIC

New Mexico Energy, Minerals & Natural Resources Department

Letter of Credit

Bank: First National Bank of Farmington
Bank Address: P.O. Box 4540, Farmington, NM 87499-4540
Bank ABA Number: 102200546

Irrevocable Letter of Credit No. 541
This Letter of Credit is effective: July 5, 1996
Expiration Date is at the Close of Business on: July 5, 1997

Beneficiary: New Mexico Energy, Minerals & Natural Resources Dept.
Attn: Mark Ashley
2040 South Pacheco Street
Santa Fe, NM 87505

Sir or Madam:

We hereby establish our Irrevocable Letter of Credit in your favor and authorize drawing(s) on First National Bank of Farmington by order(s) and for account of Sunco Trucking Company, Farmington, NM 87401, up to an aggregate amount of Seventeen Thousand Eight Hundred and No/100 U.S. Dollars ($17,800.00) available by your drafts at sight accompanied by:

> Beneficiary's statement certifying that: "The signer is a duly authorized official acting on behalf of the New Mexico Energy, Minerals & Natural Resources Department and that the amount of the accompanying sight draft is due and payable to the New Mexico Energy, Minerals & Natural Resources Department and further that Sunco Trucking Company has for a period of more than 15 days neglected, failed, or refused to pay such amount although requested to do so by the New Mexico Energy, Minerals & Natural Resources Department."

We hereby agree with bona fide holders that all drafts drawn under and in compliance with the terms of this credit shall meet with due honor presentation and delivery of documents as specified to the drawee if drawn and presented for negotiation on or before the expiration date.

First National Bank of Farmington
Charter Member FDIC

It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for additional one year periods (not to exceed five consecutive years) from the expiration date, July 5, 1997, unless thirty (30) days prior to any expiration date, we notify you by registered mail that we elect not to consider this Letter of Credit renewed for any such additional period.

Such notice of our intention not to renew this Letter of Credit as provided for herein shall authorize you to draw upon this Letter of Credit, unless Sunco Trucking Company provides you, at least fourteen (14) calendar days prior to the then current expiration date, with a replacement letter of credit with terms and conditions substantially identical to those contained herein.

We certify that the amount of the credit herein established will not be reduced for any reason during the period of this instrument without your written consent.

We will promptly notify you of any notice received or action filed alleging the insolvency of bankruptcy of the Bank, or alleging any violations of regulatory requirements which could result in suspension or revocation of the Bank's charter of license to do business.

In the event the Bank becomes unable to fulfill our obligations under this Letter of Credit for any reason, notice shall be given immediately to you.

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 version), International Chamber of Commerce Publication No. 400. If this Letter of Credit expires during an interruption of business as described in Article 17 of said Publication No. 400, the Bank hereby specifically agrees to effect payment if this Letter of Credit is drawn against within 30 days after the resumption of business.

First National Bank of Farmington
Charter Member FDIC

IN WITNESS WHEREOF, the Bank has hereunto set its signature and seal this 5th day of July, 1996.

FIRST NATIONAL BANK OF FARMINGTON

By: Len Scalzi
Len Scalzi
Senior Vice President

By: James D. Rose
James D. Rose
Executive Vice President

ACKNOWLEDGEMENT

On this 5th day of July, 1996, before me, a Notary Public in and for the County of San Juan, in the State of New Mexico, appeared Len Scalzi, to me personally known who, being by me duly sworn, did say that he is Senior Vice President of First National Bank of Farmington, and James D. Rose, to me personally known who, being by me duly sworn, did say that he is Executive Vice President, of First National Bank of Farmington, the bank named in and which executed the within instrument, and that the seal affixed to said instrument is the seal of said Bank, and that said instrument was signed, sealed and delivered in behalf of said Bank by authority of its Board of Directors, and they, as such, offer acknowledged said instrument to be the free act and deed set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day, month, and year aforesaid.

My Commission Expires: _____

Elizabeth M Stewart
Notary Public in and for said County and State

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Revised 12/1

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DISCHARGE PLAN APPLICATION FOR SERVICE COMPANIES, GAS PLANTS, REFINERIES, COMPRESSOR, AND CRUDE OIL PUMP STATIONS

(Refer to the OCD Guidelines for assistance in completing the application)

☐ New ☐ Renewal ☒ Modification

1. Type: Modification

2. Operator: Sunco Trucking Company

   Address: 708 South Tucker Farmington NM 87401

   Contact Person: Chuck Badsgard Phone: 505-327-0416

3. Location: _____/4 _____/4 Section 2 Township 29N Range R12W
   Submit large scale topographic map showing exact location.

4. Attach the name, telephone number and address of the landowner of the facility site.

5. Attach the description of the facility with a diagram indicating location of fences, pits, dikes and tanks on the facility

6. Attach a description of all materials stored or used at the facility.

7. Attach a description of present sources of effluent and waste solids. Average quality and daily volume of waste water must be included.

8. Attach a description of current liquid and solid waste collection/treatment/disposal procedures.

9. Attach a description of proposed modifications to existing collection/treatment/disposal systems.

10. Attach a routine inspection and maintenance plan to ensure permit compliance.

11. Attach a contingency plan for reporting and clean-up of spills or releases.

12. Attach geological/hydrological information for the facility. Depth to and quality of ground water must be included.

13. Attach a facility closure plan, and other information as is necessary to demonstrate compliance with any other OCI rules, regulations and/or orders.

14. CERTIFICATION

I herby certify that the information submitted with this application is true and correct to the best of my knowledg and belief.

NAME: Chuck Badsgard Title: Vice-President

Signature: Chuck Badsgard Date: May 13, 1996

DISCHARGE PLAN APPLICATION FOR
SERVICE COMPANIES,GAS PLANTS,REFINERIES,
COMPRESSOR,AND CRUDE OIL PUMP STATIONS.

APPLICANT: SUNCO TRUCKING COMPANY
708 SOUTH TUCKER AVE.
FARMINGTON NM 87401

SUBMITTED BY: CREATIVE FUTURE TECHNOLOGIES
P.O. BOX 364
FARMINGTON NM 87499-0364

CONTACTS: CHUCK BADSGARD 505-327-0416
JERRY CATES 505-632-0662

MAY 13, 1996

1. **Type:** Modification to discharge plan

2. **Operator:** Sunco Trucking Company
   708 South Tucker Ave.
   Farmington NM 87401
   Contact: Chuck Badsgard
   505-327-0416

3. **Location:** Section 2 Township 29N Range R12W
   (See Attached Topographic Map)

4. **Land Owner:** Coleman Oil & Gas
   708 South Tucker
   Farmington NM 87401

5. **Description:** See Attached Drawing

6. **Stored Materials:** Potassium Permanganate in 110 LB metal sealed cans of dry product and Sodium Hypochloride 550 LB plastic drums of solution. The products are stored in metal building with portable skid and sealed door.

7. **Effluent and Waste Solids:** The daily water volume averages about 2000-2800 BPD consisting of produced water from natural gas and oil wells. The average quality is saltwater of about 13,000 TDS.

8. **Collection/Treatment/Disposal Procedures:** The water is recieved at the facility by truck and unloaded into oil tank seperator. The water is channeled through an oil production seperator and a series of solids collection tanks removing all oil and as much solids as possible. It also goes through a lined and netted skimmer pond before being temporarily stored in a large lined evaporation pond. In the pond it is treated to maintain a safe H_2S level and control odors. It is then transfered to the injection pump station where it is filtered and injected into the Point Lookout formation. The disposal rate and volumes are monitered and recorded.

9. **Modifications:** The purpose of this application is to reclassify the existing well from a "Class II" to a "Class I" disposal allowing the acceptance of sources of Oil & Gas produced wastes still to be "non-hazardous" RCRA exempt.

10. **Inspection and Compliance:** The facility is to be walked at least twice a day with hand held H_2S air monitor and a water sample to be taken once a day. The information is logged in a book kept in the office at the facility. The current training and updated compliance procedures will be handled by the sight disposal manager monitering operations and procedures.

11. **Contingency Plan:** In the unlikly evant of an accidental spill or discharge the OCD office shall first be notified and then one of the following prodedures; If liquid waste there is a standby 40 BBL trailer mounted vacuum system with hoses for the collection of liquids. If there is a dyke breakage a standby backhoe is avalible to repair it.

    If it is a solod watse there is a standby bobcat to pick it up with.

12. **Geological/Hydrological Information:** See attached.

13. **Closure Plan:** Upon the closure of the facility the OCD shall be notified and a reclamation process will be employed to return any soil to its natural condition and no other wastes shall be accepted.

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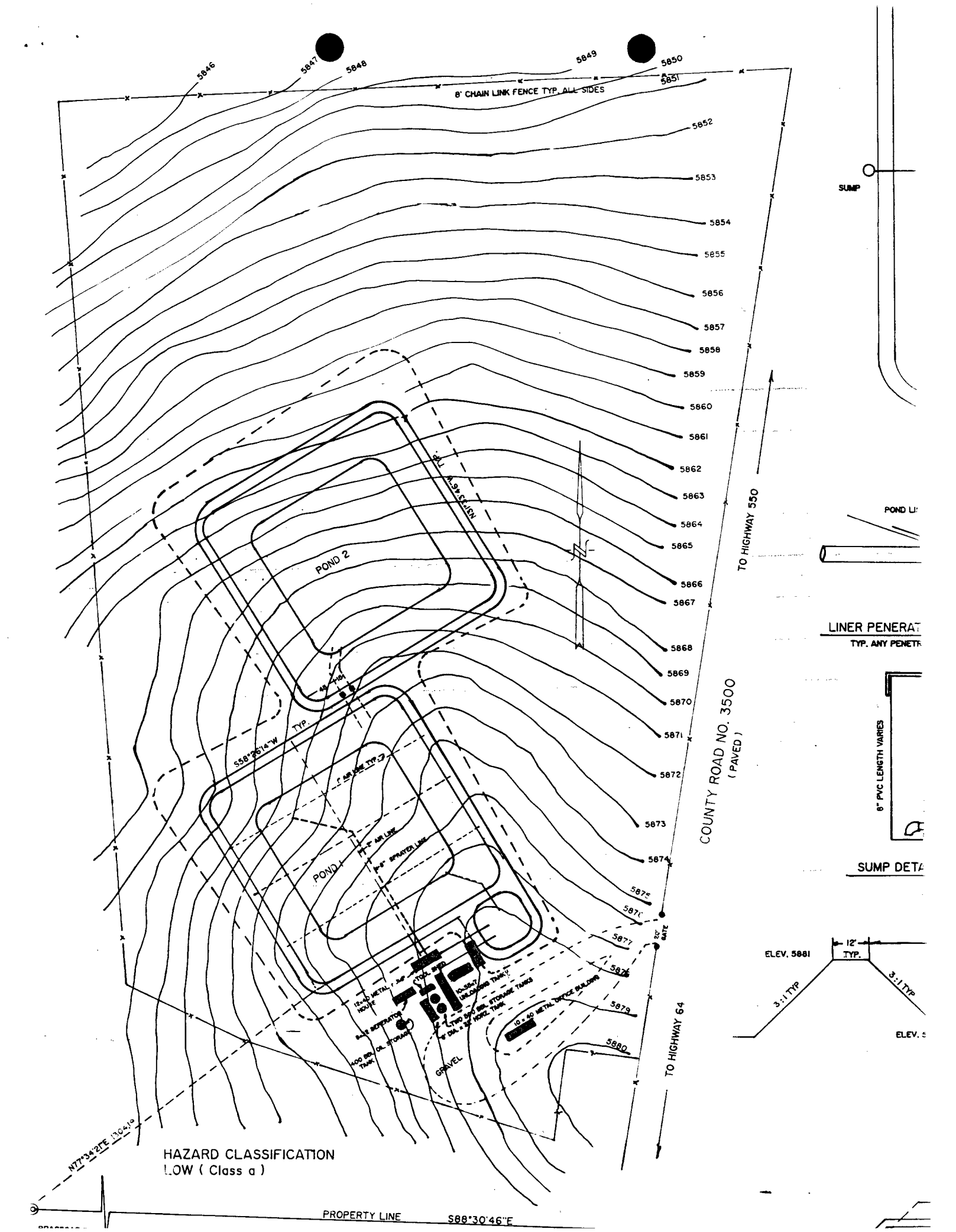
    Name: Chuck Badsgard **Title:** Vice-President

    Signature: Chuck Badsgard **Date:** 5/13/96



HAZARD CLASSIFICATION
LOW (Class a)

District I - (505) 393-6161
P. O. Box 1980
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Revised 12/1

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Signature: Chuck Badsgard Date: May 13, 1996

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APPLICANT: SUNCO TRUCKING COMPANY
708 SOUTH TUCKER AVE.
FARMINGTON NM 87401

SUBMITTED BY: CREATIVE FUTURE TECHNOLOGIES
P.O. BOX 364
FARMINGTON NM 87499-0364

CONTACTS: CHUCK BADSGARD 505-327-0416
JERRY CATES 505-632-0662

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   Contact: Chuck Badsgard
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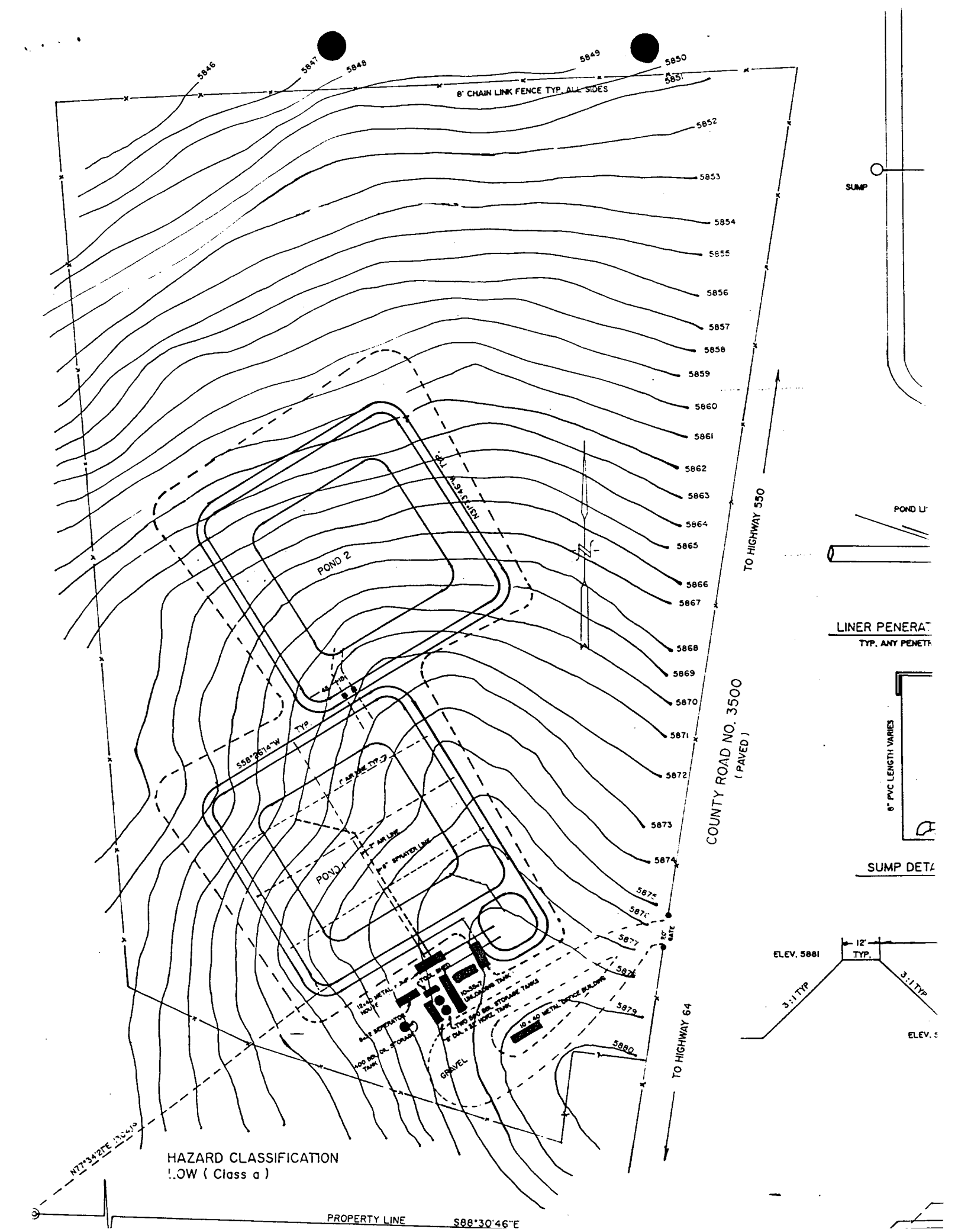
    Signature: Chuck Badsgard **Date:** 5/13/96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TO HIGHWAY 550
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TO HIGHWAY 64
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6" PVC LENGTH VARIES
SUMP DETA
ELEV. 5881
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TYP.
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3:1 TYP
ELEV.
HAZARD CLASSIFICATION
LOW (Class a)
N77°34'27"E 1906.10
PROPERTY LINE
S88°30'46"E

S.W.D AND OR INJECTION WELL INSPECTION FORM

DATE: 7-11-96 INSPECTOR: Ernest Cardoza N.M.O.C.D

OPERATOR: Coleman O&G Inc.

WELL NAME: Surco WELL# 1

LOCATION: UT.LETTER: E SEC: 2 TWN: 29N RGE: 12W

PRESSURE LIMIT: 2850 INJ. PRESSURE TBG: 1980#

TBG\CSG ANNULUS PRESSURE: 125# @ 11:28 Am ; while injecting

INTERMEDIATE CSG. PRESSURE: N/A

BRADENHEAD PRESSURE: 0

*REQUIRED POSITIVE TBG\CSG ANNULUS PRESSURE TO BE MAINTAINED ON WELL AS STIPULATED ON WFX OR SWD ORDER: 100# min

TYPE OF INJ. PRESSURE LIMITING DEVICE USED: Murphy Kill switch, electricily shuts dn injection pump.

KILL OR POP-OFF PRESSURE SETTING OF PRESSURE LIMITING DEVICE: 2200#

REMARKS: Injection pressure limiting device tested this date murphy switch does shut pump down as required, device was manually Actuated to test.

RECEIVED
JUL 15 1996
Environmental Bureau
Oil Conservation Division

NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 5, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-951

Mr. Chuck Badsgard
Coleman Oil and Gas, Inc.
c/o Sunco Trucking Company
P.O. Box 443
Farmington, New Mexico 87499

RE: Discharge Plan UIC-CLI-005 (Formerly GW-235)
Class I non-hazardous Oil Field Waste Disposal Well
Coleman Oil and Gas, Inc.
Sunco Disposal Well No. 1
Unit Letter E, Sec. 2, Twn 29 N, Rng 12 W
Sunco Disposal Facility
San Juan County, New Mexico

Dear Mr. Badsgard:

The New Mexico Oil Conservation Division (OCD) has received and is in the process of reviewing the Coleman Oil and Gas, Inc. (Coleman) discharge plan application dated May 6, 1996 and May 13, 1996 for the Coleman Class I non-hazardous oil field waste disposal well located in unit letter E, Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico. Before the review process can be completed, the OCD is requesting the following additional information:

Area of Review: The OCD requests that all wells within the area of review have the production casing cemented 500 feet above the proposed injection zone. The top of the proposed injection zone is at 4,350 feet. The OCD has calculated the top of cement (TOC) in the Meredian McGrath A 1 in Unit Letter I, Sec. 3, Twn. 29 N, Rng. 12 W to be at 4,875 feet. For this well Coleman must either submit additional information confirming that there is adequate cement over the proposed injection zone, or submit a schedule for annual pressure monitoring. Pressure monitoring results shall be submitted to the OCD Santa Fe Office within 30 days of recording.

Plugging Bond: Coleman shall have in effect, prior to discharge plan approval, a plugging bond approvable by the Division, for the estimated amount required to plug the Sunco Disposal No. 1 according to the proposed closure plan and adjusted for inflation for the estimated life of the well. The required bond shall be a third party estimate.

Mechanical Integrity Testing: A mechanical integrity test will be conducted on the Sunco Disposal No. 1 prior to discharge plan approval and annually in accordance with OCD testing procedures. The OCD will be notified prior to the test so that they may witness the test.

Well Construction: Cement for all strings of casing will be circulated to surface. For the Sunco Disposal No. 1 Coleman must submit additional information in the form of drilling records, logs, and OCD Aztec verification to the OCD confirming that there is cement circulated behind all strings of casing.

If you have any questions, please call me at (505) 827-7155.

Sincerely,

Mark Ashley
Geologist

xc: OCD Aztec Office

CFT *CREATIVE FUTURE TECHNOLOGIES*

INDUSTRIAL PRODUCT SALES AND MARKETING
Main Office #505-632-0662
P.O. BOX 364 FARMINGTON, NM 87499 PHONE: (505) 327- 4919 FAX: (505) 327-4919

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505

May 21, 1996

Attn: Mark Ashley

Reference: Addition to Coleman Oil & Gas Class I disposal application including water testing proceedures, depth to ground water, known surface waters, and current water analysis.

I. Test Proceedure

All waters with unknown sources will be rejected at the facility until water analysis can be verified and approved for disposal by NMOCD. All new known sources will have water analysis on file prior to disposal and tests shall be EPA approved methods.

II. Ground and Surface Waters

The depth to ground is estimated between 75 and 100 feet with predicted source being the Naciemento. The current state records at the State Engineers office does not show any wells in this Section 2, 29N, R12W. Surface waters consist of the Animas River 2 miles to the north and the San Juan River 5 miles to the south of boarders of the disposal facility.

III. Water Analysis

The most recent water analysis was taken May 20, 1996 tested for aeromatic and halogenic hydrocarbons, heavy metals, major cations, and PAH. (See attachment L)

Thank You,

Jerry Cates

Jerry Cates
President- CFT Inc.

ANAITAS ENVIRONMENTAL LABS

Polyaromatic Hydrocarbons

EPA Method 8310

Creative Futures Technologies

Project ID:	Sunco	Report Date:	06/13/96
Sample ID:	Evaporation Pond	Date Sampled:	05/20/96
Lab ID:	3656	Date Received:	05/21/96
Sample Matrix:	Water	Date Extracted:	05/24/96
		Date Analyzed:	06/03/96

Target Analyte	Concentration (µg/L)
Acenaphthene	<2.13
Acenaphthylene	<3.74
Anthracene	< 1.49
Benzo(a)anthracene	< 0.88
Benzo(a)pyrene	< 0.39
Benzo(b)fluoranthene	< 0.19
Benzo(k)fluoranthene	< 0.34
Benzo(ghi)perylene	< 1.23
Chrysene	< 0.88
Dibenzo(a,h)anthracene	< 0.72
Fluoranthene	< 0.15
Fluorene	< 1.29
Indeno(1,2,3-cd)pyrene	< 1.05
Naphthalene	< 5.82
Phenanthrene	**3.28**
Pyrene	< 0.13

Quality Control:

Surrogate	Percent Recovery	Acceptance Limits
1,4-Dichlorobutane	101	80 - 120%

Review

ANAITAS ENVIRONMENTAL LABS

Chlorinated Hydrocarbons

EPA Method 8010

Creative Futures Technologies

Project ID:	Sunco	Report Date:	06/13/96
Sample ID:	Evaporation Pond	Date Sampled:	05/20/96
Lab ID:	3656	Date Received:	05/21/96
Sample Matrix:	Water	Date Extracted:	05/24/96
		Date Analyzed:	06/03/96

Target Analyte	Concentration (µg/L)
Bromoform	<2.5
Bromomethane	<5.0
Carbon Tetrachloride	<2.5
Chlorobenzene	<2.5
Chlorodibromomethane	<2.5
Chloroethane	<5.0
2 - Chloroethyl vinyl ether	<5.0
Chloroform	<2.5
Chloromethane	<5.0
Dichlorobromomethane	<2.5
Dichlorodifluoromethane	<5.0
1,1-Dichloroethane	<2.5
1,2-Dichloroethane	<2.5
1,1-Dichloroethene	<2.5
trans-1,2-Dichloroethene	<2.5
cis-1,2-Dichloroethene	<2.5
1,2-Dichloropropane	<2.5
cis-1,3-Dichloropropene	<2.5
trans-1,3-Dichloropropene	<2.5
Methylene chloride	<2.5
1,1,2,2-Tetrachloroethane	<2.5
Tetrachloroethene	<2.5
1,1,1-Trichloroethane	<2.5
1,1,2-Trichloroethane	<2.5
Trichloroethene	<2.5
Trichlorofluoromethane	<5.0
Vinyl chloride	<5.0
1,2-Dichlorobenzene	<2.5
1,3-Dichlorobenzene	<2.5
1,4-Dichlorobenzene	<2.5

Quality Control:	Surrogate	Percent Recovery	Acceptance Limits
	1,4-Dichlorobutane	101	80 - 120%

Review

ANAITAS ENVIRONMENTAL LABS

PURGEABLE AROMATICS

Creative Futures Technologies

Project ID:	Sunco	Report Date:	6/3/96
Sample ID:	Evaporation Pond	Date Sampled:	5/22/96
Lab ID:	3656	Date Received:	5/22/96
Sample Matrix:	Water	Date Analyzed:	5/23/96
Preservative:	Cool		
Condition:	Intact		

Target Analyte	Concentration (ug/L)	Detection Limit (ug/L)
Benzene	16.3	5.00
Toluene	33.1	5.00
Ethylbenzene	ND	5.00
m,p-Xylenes	147	10.0
o-Xylene	42.6	5.00
Total BTEX	239	

ND - Analyte not detected at the stated detection limit.

Quality Control:

Surrogate	Percent Recovery	Acceptance Limits
Trifluorotoluene	98	88 - 110%
Bromofluorobenzene	107	86 - 115%

Reference: Method 602.2, Purgeable Aromatics; Federal Register, Vol. 49, No. 209, Oct. 1984.

Comments:

Analyst

Review

ANAITAS ENVIRONMENTAL LABS

General Water Quality

Creative Futures Technologies, Inc.

Project ID:	Sunco	Date Reported:	05/31/96
Sample ID:	Evaporation Pond	Date Sampled:	05/20/96
Laboratory ID:	3656	Time Sampled:	NA
Sample Matrix:	Water	Date Received:	05/21/96

Parameter		Analytical Result	Units
General	Lab pH	7.8	s.u.
	Lab Conductivity @ 25° C	45,700	µmhos/cm
	Total Dissolved Solids @ 180°C	41,700	mg/L
	Total Dissolved Solids (Calc)	35,800	mg/L
Anions	Total Alkalinity as $CaCO_3$	1,640	mg/L
	Bicarbonate Alkalinity as $CaCO_3$	1,640	mg/L
	Carbonate Alkalinity as $CaCO_3$	NA	mg/L
	Hydroxide Alkalinity as $CaCO_3$	NA	mg/L
	Chloride	20,500	mg/L
	Sulfate	853	mg/L
	Nitrate + Nitrite - N	NA	
	Nitrate - N	NA	
	Nitrite - N	NA	
Cations	Total Hardness as $CaCO_3$	1,260	mg/L
	Calcium	49.8	mg/L
	Magnesium	276	mg/L
	Potassium	170	mg/L
	Sodium	13,000	mg/L
Data Validation			Acceptance Level
	Cation/Anion Difference	2.69	+/- 5 %
	TDS (180):TDS (calculated)	1.2	1.0 - 1.2

Reference U.S.E.P.A. 600/4-79-020, Methods for Chemical Analysis of Water and Wastes, 198
Standard Methods For The Examination Of Water And Wastewater, 18th ed., 1992.

Review

ANAITAS ENVIRONMENTAL LABS

General Water Quality

Creative Futures Technologies, Inc.

Project ID:	Sunco	Date Reporte	06/03/96
Sample ID:	Evaporation Pond	Date Sample	05/22/96
Laboratory ID:	3656	Time Sample	NA
Sample Matrix:	Water	Date Receive	05/22/96

Parameter	Analytical Result	Units
Total Metals		
Arsenic	0.107	mg/L
Barium	3.15	mg/L
Cadmium	<0.02	mg/L
Chromium	<0.20	mg/L
Lead	0.007	mg/L
Mercury	<0.001	mg/L
Selenium	0.348	mg/L
Silver	0.098	mg/L

Reference U.S.E.P.A. 600/4-79-020, Methods for Chemical Analysis of Water and Wastes, 1983.
Standard Methods For The Examination Of Water And Wastewater, 18th ed., 1992.

Review

General Water Quality
Quality Control Report

Creative Futures Technologies, Inc.

Report Date: 06/03/96

Parameter	Analytical Result	Certified Value	Acceptance Range	Units
Laboratory pH	9.06	9.05	8.85 - 9.25	s.u.
Conductivity	1340	1210	1030 - 1400	µmhos/cm
Total Dissolved Solids	990	905	787 - 1020	mg/L
Total Alkalinity	167	174	155 - 193	mg/L
Chloride	155	155	144 - 167	mg/L
Sulfate	119	116	99.8 - 132	mg/L
Total Hardness	249	254	218 - 290	mg/L
Calcium	79.8	78.8	66.9 - 88.7	mg/L
Magnesium	NA	NA	NA	mg/L
Potassium	110	112	95.2 - 129	mg/L
Sodium	180	180	153 - 207	mg/L

Reference: U.S.E.P.A. 600/4-79-020, "Methods for Chemical Analysis of Water and W
1983. Standard Methods For The Examination Of Water And Wastewater,
1992.

Comments:

Review

General Water Quality
Quality Control Report

Creative Futures Technologies, Inc.

Report Date: 06/03/96

Parameter	Analytical Result	Certified Value	Acceptance Range	Units
Arsenic	0.0049	0.0050	0.0043 - 0.0058	mg/L
Barium	4.87	5.00	4.50 - 5.50	mg/L
Cadmium	0.222	0.212	0.174 - 0.250	mg/L
Chromium	0.110	0.098	0.080 - 0.115	mg/L
Lead	0.566	0.576	0.472 - 0.680	mg/L
Mercury	0.0064	0.0059	0.0044 - 0.0073	mg/L
Selenium	0.010	0.010	0.0095 - 0.0115	mg/L
Silver	0.065	0.071	0.058 - 0.083	mg/L

Reference: U.S.E.P.A. 600/4-79-020, "Methods for Chemical Analysis of Water and W
1983. Standard Methods For The Examination Of Water And Wastewater,
1992.

Comments:

Review

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

December 22, 1993

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Walsh Engineering & Production Corporation
204 North Auburn
Farmington, NM 87401

Attention: Paul C. Thompson

RE: Injection Pressure Increase, Coleman Sunco Disposal Well No. 1, Section 2, Township 29 North, Range 12 West, San Juan County, New Mexico

Dear Mr Thompson:

Reference is made to your request dated December 8, 1993 to increase the surface injection pressure on the above referenced well. This request is based on a step rate tests conducted on this well on December 7, 1993. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

Well and Location	Maximum Injection Surface Pressure
Coleman Sunco Disposal Well No. 1 1595' FNL - 1005' FWL Unit E, Section 2, Township 29 North, Range 12 West	2850 psig
This well located in San Juan County, New Mexico.	

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

William J. LeMay
Director

WJL/BES/amg

cc: Oil Conservation Division - Aztec
File: SWD-457
PSI-X, 4th Quarter

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

January 19, 1993

BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Coleman Oil & Gas Company
P.O. Drawer 3337
Farmington, New Mexico 87499

Mike Leonard

RE: Injection Pressure Increase
Sunco Disposal No. 1
"E" 02-29N-12W
San Juan County, New Mexico

Dear Sir:

Reference is made to your request dated January 15, 1993, to increase the surface injection pressure on the Sunco Disposal Well No. 1. This request is based on step rate tests conducted on the well on January 14, 1993. The results of the tests have been reviewed by my staff and we feel an increase in injection pressure on the well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

WELL AND LOCATION	MAXIMUM INJECTION SURFACE PRESSURE
Sunco Disposal Well No. 1 1595' FNL & 1005' FWL "E" 2-29N-12W	1350 PSIG

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

William J. LeMay
Director

WJL/DC/jc

cc: Oil Conservation Division - Aztec
File: SWD-457

NO WAITING PERIOD

COMPANY: COLEMAN OIL & GAS COMPANY
ADDRESS: P.O. DRAWER 3337
CITY, STATE, ZIP: FARMINGTON, NM 87499
ATTENTION: MIKE LEONARD

Re: Injection Pressure Increase
SUNCO DISPOSAL NO. 1
"E" 02-29N-12W
SAN JUAN County, New Mexico

Dear Sir:

Reference is made to your request dated JANUARY 15, 1993, to increase the surface injection pressure on the SUNCO DISPOSAL WELL NO. 1. This request is based on step rate tests conducted on these wells JAN 14, 1993. The results of the tests have been reviewed by my staff and we feel an increase in injection pressure on these wells is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following wells:

Well & Location	Maximum Injection Surface Pressure
SUNCO DISPOSAL WELL NO. 1 1595' FNL & 1005' FWL "E" 2-29N-12W	1350 PSIG

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

xc: T. ~~GALLEGOS~~ ~~D. CATANACH~~ FILE- SWD-457 OCD- AZTEC

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

January 19, 1993

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Sunco Disposal Well No. 1 1595' FNL & 1005' FWL "E" 2-29N-12W	1350 PSIG

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

William J. LeMay
Director

WJL/DC/jc

cc: Oil Conservation Division - Aztec
File: SWD-457

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

BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER NO. SWD-457

APPLICATION OF COLEMAN OIL & GAS, INC.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Coleman Oil & Gas, Inc. made application to the New Mexico Oil Conservation Division on July 1, 1991, for permission to complete for salt water disposal its Sunco Well No. 1 located in Unit E of Section 2, Township 29 North, Range 12 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; and

(3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.

(4) An objection has been received but has subsequently been withdrawn.

IT IS THEREFORE ORDERED THAT:

(1) The applicant herein, Coleman Oil & Gas, Inc. is hereby authorized to complete its Sunco Well No. 1 located in Unit E of Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Point Lookout member of the Mesaverde formation at approximately 4380 feet to approximately 4480 feet through 2 7/8 inch plastic lined tubing set in a packer located at approximately 4340 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 868 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 Point Lookout member of the Mesaverde 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, of the 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 of this cause is hereby retained by the Division for such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 13th day of January, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Aztec
US Bureau of Land Management - Farmington

jc\

CFT CREATIVE FUTURE TECHNOLOGIES

INDUSTRIAL PRODUCT SALES AND MARKETING

Main Office #505-632-0662

P.O. BOX 364 FARMINGTON, NM 87499 PHONE: (505) 327-4919 FAX: (505) 326-1313

Oil Conservation Division
State of New Mexico
2040 South Pacheco
Santa Fe, New Mexico 87505
Office# 505-827-7155

March 6, 1996

Attn: Mark Ashley
Environmental Geologist

Reference: Meeting on February 23rd, 1996 with Mark Ashley, Denny Foust, Chris Eustice, Pat Sanchez, Frank Chavez, Chuck Badsguard, and Jerry Cates concerning the Class I Disposal Well application requirements.

We at Creative Future technologies Inc. and Sunco Trucking appreciate the time spent in helping to submit our application and would like to confirm the following.

I. Area of Review

a. The radius will be determined by the mathematical model equation which best suits the hydrogeological conditions and not necessarilly the one in the Water Quality Regulations Handbook.

b. The radius can fall under one mile using the model equation however the current minimum is to be one mile as determined by the NMOCD.

c. The variables in the equation such as injection rate, time, and storage co-efficient can be determined by the operator now Sunco Trucking.

II. Chemical Testing Requirements

a. The water Sunco has recieved from Giant Refinery has been tested and is considered non-hazardous non-exempt by the NMOCD. This water has been authorized for disposal until the Class I application is complete. Any new sources of non-exemt commercial

Oil & Gas waste shall be tested by the operator and approved by the NMOCD prior to the acceptance at the disposal sight.

b. The evaporation pond will not have to be tested because the non-exempt will be tested before acceptance.

III. Training and Awareness

a. With the help of the NMOCD an awareness program can be developed for Sunco employee's especially concerning the "exempt and non-exempt" waste classification.

b. The Sunco Disposal Manager can be utilized to explain regulations and keep operators informed on changing polocies.

VI. Other Discussions

a. It will not be necessary to net or cover the evaporation pond.

b. The current monitering equipment is sufficient for thr well.

c. The original application fee shall be $1,380.00.

d. The Point Lookout formation thickness can be determined by the well log.

The above meeting and discussion was an attempt to determine the economic feasibility of the new classification and most questions were of that intention.

Thank You,

Jerry Cates
President- CFT Inc.

Chuck Badsgard
Vice-president- Sunco

CC; Denny Foust
Roger Anderson
Frank Chavez
Chris Eustice
Pat Sanchez

AFFIDAVIT OF PUBLICATION

No. 35890

STATE OF NEW MEXICO
County of San Juan:

ROBERT LOVETT being duly sworn says: That he is the Classified 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 meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):

Monday, February 12, 1996

and the cost of publication is: $76.28

ROBERT LOVETT

On 2/23/96 appeared before me, whom I know personally to be the person who signed the above document.

My Commission Expires March 21, 1998

COPY OF PUBLICATION

Legals

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to the New Mexico Water Quality Control Commission Regula tions, the following discharge plan application has been submitted to the Director of the Oil Cor servation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827 7131:

(GW-235) - Coleman Oil and Gas, Inc., Mr. Chuck Badsgard, P.O. Box 443, Farmington, New Mexico, 87499 has submitted a discharge plan application to reclassify their permitted Class II disposal well located in Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico to a Class I non-hazardous disposal well. Currently 2,000 barrels per day of oil field liquid waste classified as exempt from Resource Conservation and Recovery Act Subtitle III regulations are disposed of by injection into the Point Lookout Formation at a depth from 4,380 to 4,480 feet. The discharge plan application proposes to reclassify the category of the well to allow for the injection of an additional 800 barrels per day of oil field liquid waste that has been demonstrated to be "non-hazardous" by testing. A combined total of approximately 2,800 barrels per day will be disposed of by injection into the Point Lookout Formation. The total dissolved solids concentration of the injection water is approximately 24,000 mg/l. The total dissolved solids concentration of the formation flu-ids is approximately 14,000 mg/l. The discharge plan addresses construction, operation and monitoring of the well and associated surface facilities and provides a contingency plan in the event of accidental spills, leaks and other accidental discharges to the ground surface. Ground water most likely to be affected by any accidental discharge is at a depth from 78 to 90 feet and has a total dissolved solids concentration of approximately 450 mg/l.

Any interested person may obtain further information from the Oil Conservation Division and ma submit written comments to the Director of the Oil Conservation Division at the address give above. The discharge plan application may be viewed at the above address between 8:00 a.r and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modi cation, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the da of publication of this notice during which comments may be submitted to him and a public hearir may be requested by any interested person. Requests for a public hearing shall set forth the re sons why a hearing shall be held. A hearing will be held if the Director determines that there is si nificant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on i formation available. If a public hearing is held, the director will approve or disapprove the propose plan based on the information in the discharge plan application and information submitted at th hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, c this 5th day of February, 1996.

STATE OF NEW MEXIC
OIL CONSERVATION DIVISIO

/s/William J. LeMa
WILLIAM J. LEMAY, Direct

SEAL

Legal No. 35890 published in The Daily Times, Farmington, New Mexico on Monday, February 1 1996.

AFFIDAVIT OF PUBLICATION

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Monday, February 12, 1996

and the cost of publication is: $71.19

Robert Lovett

2/14/96 ROBERT LOVETT
appeared before me, whom I knov personally to be the person who signed the above document.

Mary G Snead

My Commission Expires March 21, 1998

COPY OF PUBLICATION

Legals

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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STATE OF NEW MEXIC
OIL CONSERVATION DIVISIO

/s/William J. LeMa
WILLIAM J. LEMAY, Direct

SEAL

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CFT CREATIVE FUTURE TECHNOLOGIES

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Main Office #505-632-0662

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Oil Conservation Division
State of New Mexico
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March 6, 1996

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Vice-president- Sunco

CC; Denny Foust
Roger Anderson
Frank Chavez
Chris Eustice
Pat Sanchez

NOTICE OF PUBLICATION

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 5th day of February 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY, Director

NO EFFECT FINDING

The described action will have no effect on listed species, wetlands, or other important wildlife resources.

Date February 13, 1996

Consultation # GW960CD-1

Approved by

U.S. FISH and WILDLIFE SERVICE
NEW MEXICO ECOLOGICAL SERVICES FIELD OFFICE
ALBUQUERQUE, NEW MEXICO

The Santa Fe New Mexican
Since 1849. We Read You.

NEW MEXICO OIL CONSERVATION

AD NUMBER:466615 ACCOUNT: 56689

LEGAL NO: 59060 P.O. #96199002997

206 LINES once at $ 82.40

Affidavits: 5.25

Tax: 5.48

Total: $ 93.13

NOTICE OF PUBLICATION

STATE OF NEW MEXICO

Energy, Minerals and Natural Resources Department
Oil Conservation Division

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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 5th of February, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
WILLIAM J. LEMAY, Director

Legal #59060
Pub. February 9, 1996

AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO
COUNTY OF SANTA FE

I, BETSY PERNER being first duly sworn declare and say that I am Legal Advertising Representative of THE SANTA FE NEW MEXICAN, a daily news paper published in the English language, and having a general circulation in the Counties of Santa Fe and Los Alamos, State of New Mexico and being a Newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 on Session Laws of 1937; that the publication #59060 a copy of which is hereto attached was published in said newspaper once each week for one consecutive week(s) and that the notice was published in the newspaper proper and not in any supplement; the first publication being on the 9th day of FEBRUARY 1996 and that the undersigned has personal knowledge of the matter and things set forth in this affidavit.

/S/ Betsy Perner
LEGAL ADVERTISEMENT REPRESENTATIVE

Subscribed and sworn to before me on this 9th day of FEBRUARY A.D., 1996

OFFICIAL SEAL
Candace C. Ruiz
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: 9/29/99

OK MA 2-16-96

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

February 7, 1996

CERTIFIED MAIL
RETURN RECEIPT NO. Z-765-962-932

Mr. Chuck Badsgard
Coleman Oil and Gas, Inc.
c/o Sunco Trucking Company
P.O. Box 443
Farmington, New Mexico 87499

RE: Authorization to Discharge Without an Approved Discharge Plan
Coleman Oil and Gas, Inc.
Sunco Disposal Well No. 1
Unit Letter E, Sec. 2, Twn 29 N, Rng 12 W
Sunco Disposal Facility
San Juan County, New Mexico

Dear Mr. Badsgard:

The New Mexico Oil Conservation Division (OCD) has received the Coleman Oil and Gas, Inc. (Coleman) request, dated February 1, 1996, for authorization to dispose of non hazardous and exempt fluids by injection without an approved discharge plan. The authorization is requested for the time period during review of the discharge plan application for the reclassification of the permitted Class II disposal well to a Class I disposal well for the above referenced facility.

Pursuant to New Mexico Water Quality Control Commission Regulation 3106, and for good cause shown, authorization to discharge without an approved discharge plan is hereby granted until June 7, 1996 with the following conditions:

1) Maximum Injection Pressure: The maximum operating pressure at the wellhead will be 2,850 psi in accordance with OCD Order SWD-457. A minimum of 100 psi will be maintained on the casing-tubing annulus.

2) Continuous Monitoring: Continuous monitoring and recording devices will be installed and records made of injection pressure, flow rate, flow volume, and annular pressure. Records are to be maintained at Coleman for a period of not less than five years.

3) Wastes Permitted for Injection: Injection will be limited to fluids as permitted under OCD Order SWD-457, and a one time injection of the non-exempt fluids accepted by Giant Refining Company-Bloomfield. No other Class I non-exempt fluids will be accepted for injection unless a discharge plan reclassifying the Class II well to a Class I well is approved by the OCD.

Please be advised this authorization does not relieve Coleman of liability should operations result in pollution of surface waters, ground waters or the environment.

If you have any questions, please call Roger Anderson at (505) 827-7152.

Sincerely,

William J. LeMay
Director

WJL/mwa

xc: OCD Aztec Office

SUNCO TRUCKING COMPANY
WATER AND OILFIELD HEAVY HAULING P.O. BOX 443, FARMINGTON, NM 87499 (505) 327-0416

Environmental Bureau
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505
Fax# 505-827-8177

Febuary 1, 1996

Attn: William LaMay

Reference: Reclassification of disposal well status from Class II Commercial Facility to a Class I Commercial Disposal Facility.

Dear Sir,

Sunco Trucking is requesting a change of operational status at our existing water disposal facility from Class II to Class I Commercial to provide extended service to the San Juan Oil and Gas Industry. There is an urgent need and have been numerous requests by our industry to accept Non-Exempt,Non-Hazardous waste. The acceptance of this proposal would lighten the current burdens of our industry and provide proper management of such waste.

Sunco would also like to request a 120 day extention to inject fluids during this status change application process. The following is a list of the necessary technical information:

Owner- Sunco Trucking
708 S. Tucker
Farmington NM 87401

Location- Section 2, Township 29N, Range 12W

Depth to Ground Water- 78-90'

Ground Water Formation- Blue Shale Gravel

Estimated Groung Water TDS- 450 MG/L

Evaporation Pond TDS- 23,610 MG/L

Evaporation Pond TSS- 78.8 MG/L

Disposal Well Injection Rate- 2000 BPD

Disposal Well Injection Pressure- 1800 PSI

Sunco Information Continued-

Depth of Perforation- 4380' to 4480'

Injection Zone- Point Lookout Formation

We would like to express our appreciation for your current co-operation in this matter and please call for any additional information needed in expediting this application.

Thank You,

Chuck Badsgard
Vice- President- Sunco Trucking Company

February 6, 1996

NEW MEXICAN
202 E. Marcy
Santa Fe, New Mexico 87501

RE: NOTICE OF PUBLICATION

PO #96-199-002997

ATTN: BETSY PERNER

Dear Sir/Madam:

Please publish the attached notice one time. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

1. Publisher's affidavit.
2. Invoices for prompt payment.

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice on Friday, February 9, 1996.

Sincerely,

Sally Martinez

Sally E. Martinez
Administrative Secretary

Attachment

State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505

Mark

New Mexico DRUG FREE It's a State of Mind!

February 6, 1996

FARMINGTON DAILY TIMES
P. O. Box 450
Farmington, New Mexico 87401

ATTN: ADVERTISING MANAGER

RE: NOTICE OF PUBLICATION

Dear Sir/Madam:

Please publish the attached notice(s) one time immediately on receipt of this request. Please proofread carefully, as any error in a land description or in a key word or phrase can invalidate the entire notice.

Immediately upon completion of publication, please send the following to this office:

1. Publisher's affidavit in duplicate.
2. Statement of cost (also in duplicate.)
2. CERTIFIED invoices for prompt payment.

We should have these immediately after publication in order that the legal notice will be available for the hearing which it advertises, and also so that there will be no delay in your receiving payment.

Please publish the notice no later than February 13, 1996.

Sincerely,

Sally Martinez

Sally E. Martinez
Administrative Secretary

Attachment

VILLAGRA BUILDING - 408 Galisteo
Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830
Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco
Office of the Secretary
827-5950
Administrative Services
827-5925
Energy Conservation & Management
827-5900
Mining and Minerals
827-5970
Oil Conservation
827-7131

NOTICE OF PUBLICATION

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

Notice is hereby given that pursuant to New Mexico Water Quality Control Commission Regulations, the following discharge plan application has been submitted to the Director of the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

(GW-235) - Coleman Oil and Gas, Inc., Mr. Chuck Badsgard, P.O. Box 443, Farmington, New Mexico, 87499 has submitted a discharge plan application to reclassify their permitted Class II disposal well located in Section 2, Township 29 North, Range 12 West, NMPM, San Juan County, New Mexico to a Class I non-hazardous disposal well. Currently 2,000 barrels per day of oil field liquid waste classified as exempt from Resource Conservation and Recovery Act Subtitle III regulations are disposed of by injection into the Point Lookout Formation at a depth from 4,380 to 4,480 feet. The discharge plan application proposes to reclassify the category of the well to allow for the injection of an additional 800 barrels per day of oil field liquid waste that has been demonstrated to be "non-hazardous" by testing. A combined total of approximately 2,800 barrels per day will be disposed of by injection into the Point Lookout Formation. The total dissolved solids concentration of the injection water is approximately 24,000 mg/l. The total dissolved solids concentration of the formation fluids is approximately 14,000 mg/l. The discharge plan addresses construction, operation and monitoring of the well and associated surface facilities and provides a contingency plan in the event of accidental spills, leaks and other accidental discharges to the ground surface. Ground water most likely to be affected by any accidental discharge is at a depth from 78 to 90 feet and has a total dissolved solids concentration of approximately 450 mg/l.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The discharge plan application may be viewed at the above address between 8:00 a.m. and 4:00 p.m., Monday through Friday. Prior to ruling on any proposed discharge plan or its modification, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted to him and a public hearing may be requested by any interested person. Requests for a public hearing shall set forth the reasons why a hearing should be held. A hearing will be held if the Director determines there is significant public interest.

If no public hearing is held, the Director will approve or disapprove the proposed plan based on information available. If a public hearing is held, the director will approve or disapprove the proposed plan based on information in the discharge plan application and information submitted at the hearing.

GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 5th day of February 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

WILLIAM J. LEMAY, Director

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ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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GIVEN under the Seal of New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 5th day of February 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

SEAL

WILLIAM J. LEMAY, Director

SUNCO TRUCKING COMPANY
WATER AND OILFIELD HEAVY HAULING P.O. BOX 443, FARMINGTON, NM 87499 (505) 327-0416
320-5754 mobile

GW-235

Environmental Bureau
Oil Conservation Division
2040 S. Pacheco
Santa Fe New Mexico, 87505
Fax# 505-827-8177

Febuary 1, 1996

Attn: William LaMay

Reference: Reclassification of disposal well status from Class II Commercial Facility to a Class I Commercial Disposal Facility.

Dear Sir,

Sunco Trucking is requesting a change of operational status at our existing water disposal facility from Class II to Class I Commercial to provide extended service to the San Juan Oil and Gas Industry. There is an urgent need and have been numerous requests by our industry to accept Non-Exempt,Non-Hazardous waste. The acceptance of this proposal would lighten the current burdens of our industry and provide proper management of such waste.

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Injection Zone- Point Lookout Formation 13,895 TDS.

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Thank You,

Chuck Badsgard

Chuck Badsgard
Vice- President- Sunco Trucking Company

DEPARTMENT OF THE INTERIOR
U. S. GEOLOGICAL SURVEY

HYDROGEOLOGY OF THE POINT LOOKOUT SANDSTONE IN THE SAN JUAN STRUCTURAL BASIN, NEW MEXICO, COLORADO, ARIZONA, AND UTAH

By Steven D. Craigg, William L. Dam, John Michael Kernodle, Conde´ R. Thorn, and Gary W. Levings

A contribution of the
REGIONAL AQUIFER-SYSTEM ANALYSIS PROGRAM

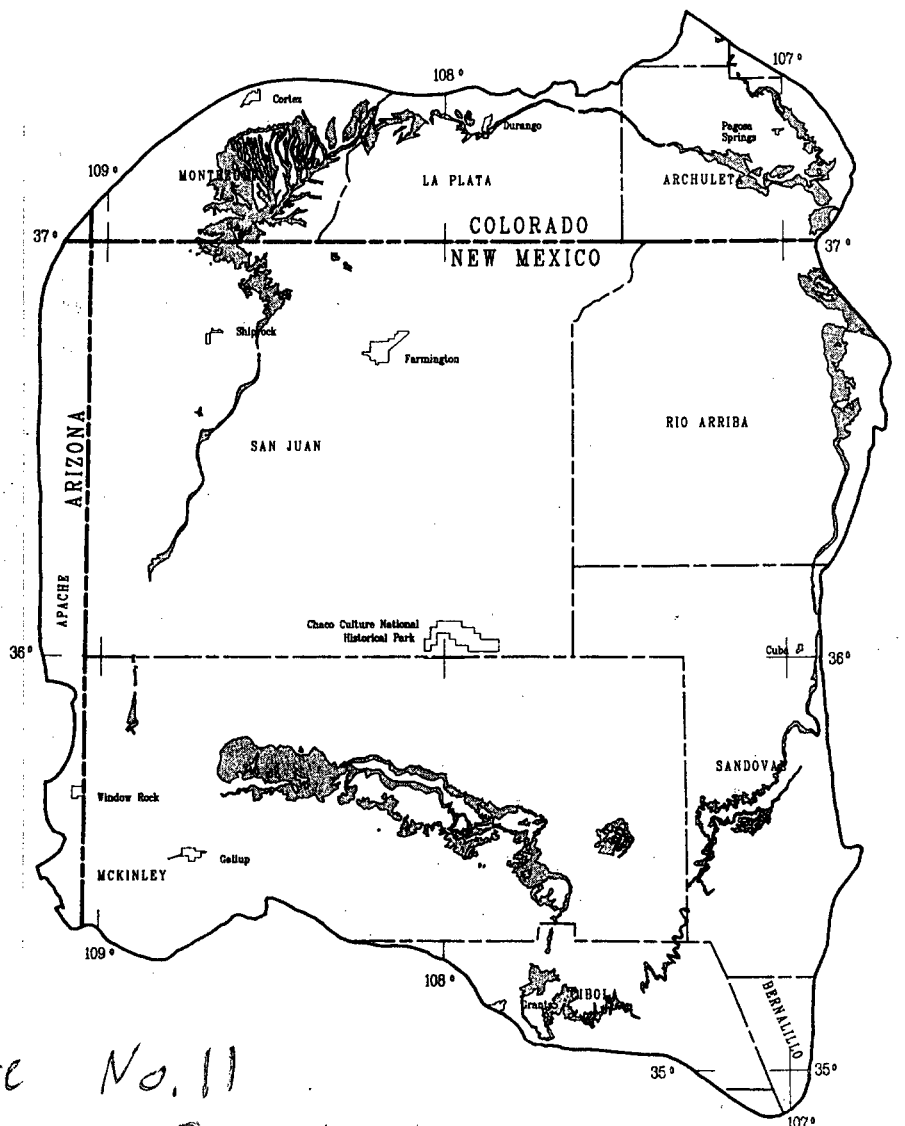

Figure No. 11
Sheet 2 of 2 ATLAS HA-720-G

HYDROLOGIC INVESTIGATIONS ATLAS
Published by the U.S. Geological Survey, 1990

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal	Time 3:30 PM	Date 1-24-96

Originating Party	Other Parties
Mr. Shelton - Giant	Pat Sanchez - OCD

Subject: Giant Class I well workover - Backflow water.

Discussion: Mr. Shelton called to inform OCD Santa Fe that Giant had shipped Class I backflow water to Sunco Disposal - A Class II facility. At, the time of the workover and shipment Mr. Shelton and his consultant Mr. Paul Thompson did not Know that Sunco could not take Non-exempt Class I fluids. Mr. Shelton does not want to involve Sunco since they thought they were taking wastes from an ordinary well workover/ produced water.

Conclusions or Agreements

Mr. Shelton will be in touch with Roger Anderson in the Morning.

Distribution: Giant, RCA, MA, CE, File.

Signed: Patricia W. Sanchez

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

MEMORANDUM OF MEETING OR CONVERSATION

☒ Telephone ☐ Personal	Time 4:25 pm	Date 1-24-96

Originating Party	Other Parties
Pat Sanchez - OCD	Chuck Badsgard - Sunco

Subject Water hauled from Giant Class I well to Sunco Class II well.

Discussion Talked to Mr. Badsgard about the water hauled from the Giant Class I well to Sunco Class II well - I explained per Federal UIC / SDWA regulations a Class II well can only take "Exempt" oil field wastes and cannot accept Class I "Non-Exempt" wastes. He thought the "water" was just ordinary produced water / workover flowback. He asked who is the contact at Giant and I told him Mr. Lynn Shelton.

Conclusions or Agreements

Mr. Chuck Badsgard will call Roger Anderson in the Morning.

Distribution RCA, CE, MA, File.

Signed Patricia W. Sanchez