

| | | |
|--|--|---|
| Well Name: TRADING POST DISPOSAL WELL | Well Location: T25N / R11W / SEC 26 / NENW / 36.37666 / -107.9765 | County or Parish/State: SAN JUAN / NM |
| Well Number: 1 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMNM036252 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3004521470 | Well Status: Water Disposal Well Shut In | Operator: MARALEX RESOURCES INCORPORATED |

Notice of Intent

Sundry ID: 2767474

Type of Submission: Notice of Intent

Date Sundry Submitted: 12/27/2023

Date proposed operation will begin: 12/27/2023

Type of Action: Other

Time Sundry Submitted: 04:10

Procedure Description: Intent to do Mechanical Integrity Test Current date: 12/27/23 Proposed Test date: 12/29/23 Maralex Resources Trading Post Disposal 1 API: 30-045-21470 1. Bradenhead Test will be done 2. Pressure truck with 100lb spring on a chart. One hour clock with a chart to match. Test time 30 minutes.

Surface Disturbance

Is any additional surface disturbance proposed?: No

Received by OCD: 12/28/2023 10:04:23 AM

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| | | |
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| Lease Number: NMNM036252 | Unit or CA Name: | Unit or CA Number: |
| US Well Number: 3004521470 | Well Status: Water Disposal Well Shut In | Operator: MARALEX RESOURCES INCORPORATED |

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

| | |
|---|----------------------------------|
| Operator Electronic Signature: PHOEBE BECHTOLT | Signed on: DEC 27, 2023 04:10 PM |
| Name: MARALEX RESOURCES INCORPORATED | |
| Title: PERMITTING SPECIALIST & PRODUCTION ANALYST | |
| Street Address: 775 GODDARD | |
| City: IGNACIO | State: CO |
| Phone: (970) 563-4000 | |
| Email address: PBECHTOLT@MARALEXINC.COM | |

Field

| | | |
|----------------------|--------|------|
| Representative Name: | | |
| Street Address: | | |
| City: | State: | Zip: |
| Phone: | | |
| Email address: | | |

BLM Point of Contact

| | |
|---------------------------------|---|
| BLM POC Name: KENNETH G RENNICK | BLM POC Title: Petroleum Engineer |
| BLM POC Phone: 5055647742 | BLM POC Email Address: krennick@blm.gov |
| Disposition: Approved | Disposition Date: 12/27/2023 |
| Signature: Kenneth Rennick | |

Form 3160-5
(June 2019)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well☐ Gas Well☐ Other

2. Name of Operator

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

9. API Well No.

3a. Address

3b. Phone No. (include area code)

10. Field and Pool or Exploratory Area

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

11. Country or Parish, State

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | | |
|---|---|---|--|---|--|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off | |
| | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity | |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other | |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | | |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Title

Signature

Date

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make 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.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: NENW / 950 FNL / 1600 FWL / TWSP: 25N / RANGE: 11W / SECTION: 26 / LAT: 36.37666 / LONG: -107.9765 (TVD: 0 feet, MD: 0 feet)

BHL: NENW / 950 FNL / 1600 FWL / TWSP: 25N / SECTION: / LAT: 36.37666 / LONG: 107.9765 (TVD: 0 feet, MD: 0 feet)

Intent to do Mechanical Integrity Test

Current date: 12/27/23 Proposed Test date: 12/29/23

Maralex Resources

Trading Post Disposal 1 API: 30-045-21470

1. Bradenhead Test will be done
2. Pressure truck with 100lb spring on a chart. One hour clock with a chart to match. Test time 30 minutes.

Well: Trading Post Diposal 1

12/13/2023 Maralex / rjf

API: 30-045-21470

PLSS Location (ULSTR) C-26-25N-11W, San Juan County, NM

Latitude: 36.3767N, Longitude: 107.9770W

Elevation: Depths measured from KB at 6564' msl, 13' above permanent datum: GL at 6551' msl

Ground Surface

* Geologic Markers

- * Ojo Alamo Fmtn Top at 682' KB
- * Kirtland Fmtn Top at 821' KB
- * Fruitland Coal Fmtn Top at 1335' KB
- * Pictured Cliffs Fmtn Top at 1355' KB
- * Chacra Fmtn Top at 1692' KB
- * Mesaverde (Cliffhouse) Fmtn Top at 2100' KB
- * Point Lookout Fmtn Top at 3790' KB
- * Mancos Fmtn Top at 3975' KB
- * Gallup (Skelly Zone) Fmtn Top at 4820' KB
- * Greenhorn Fmtn Top at 5710' KB
- * Dakota Fmtn Top at 5807' KB

Surface Casing

8.625" 24 lb/ft surface casing set at 608' LB, cemented w/ 300 sks, no cement circulated at surface, TTOC at surface w/ 13.7% (42 cu ft.) excess cmt mixed & pumped

12.25" dia. open hole at 608' KB

Partial bond top at 1470' KB

(5/10-11/2001) 5.5" 15.5 lb/ft csg:

Cmt Sqz: 20 sks: Drilled cmt: 3248' - 3410' KB;

Perforated for Sqz at 3390' KB,

Cmt Sqz: 25 sks, Drilled cmt: 3238' - 3392' KB

Depth uncertain:

Second Stage (DV Tool): 550 sks cmt w/ TOC (CBL) w/ partial bond top at 1470' KB, w/ improved bond from 4050' - 4248' KB

Improved bond from 4050' - 4248' KB

Closed perforations:

5011' - 5021' KB

5879' - 5908' KB

5902' - 5906' KB

Open Injection Perforations (Dakota Fmtn)

5958' - 5968' KB

6012' - 6032' KB

First String (Production Casing)

5.5" 15.5 lb/ft casing set at 6060' KB cemented w/ DV Tool (depth uncertain); First Stage: 250 sks cmt w/ TTOC: 5036' KB w/ no XS; 5465' KB w/ 10%/1000' XS; Second Stage (DV Tool): 550 sks cmt w/ TOC (CBL) w/ partial bond top at 1470' KB, w/ improved bond from 4050' - 4248' KB

Injection Interval..(SWD System)

7.875" dia. open hole at 6060' KB, PBD 6051' KB

Injection Tubing & Packer

2.875" EUE internally coated tubing and injection packer set at 5930' KB

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District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 298115

CONDITIONS

| | |
|---|--|
| Operator: MARALEX DISPOSAL, LLC P.O. Box 338 Ignacio, CO 81137 | OGRID: 193838 |
| | Action Number: 298115 |
| | Action Type: [C-103] NOI Temporary Abandonment (C-103I) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|--|----------------|
| mkuehling | Bradenhead test prior to mit day of mit - 1000 lb spring to be used with 1 hour clock - chart should match clock and spring- chart recorder should have been calibrated within the last 6 months. This is for TA so the pressure should not drop on chart below 500 lbs. - Notify NMOCD 24 hours prior to testing. | 12/28/2023 |