DATE IN 08/19/14	SUSPENSE	ENGINEER PRG	LOGGED IN 09/12/2014	TYPE SWD	APP NO. pPRG1425439139

ABOVE THIS LINE FOR DIVISION USE ONLY OGRID/database issues

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

TnT Environmental -
~~no~~ OGRID / 308209
Entrada
30-0??-31257
TnT SWD #1

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify ______

RECEIVED OCD 2014 AUG 19 A 9:5?

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

John C. Thompson	[signature]	Agent / Engineer	7/14/2014
Print or Type Name	Signature	Title	Date

john@walsheng.net
e-mail Address

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____Secondary Recovery _____Pressure Maintenance __X__Disposal _____Storage
Application qualifies for administrative approval? _____Yes _____No

II. OPERATOR: TnT Environmental Inc.

ADDRESS: HC 74 Box 113

CONTACT PARTY: John Thompson PHONE: 505-327-4892

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

IV. Is this an expansion of an existing project? _____Yes __X__No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

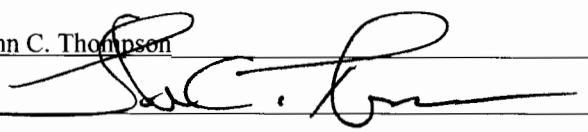
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: John C. Thompson TITLE: Agent/Engineer

SIGNATURE:  DATE: 7/14/2014

E-MAIL ADDRESS: john@walsheng.net

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

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

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 the 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, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, 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.

Side 1

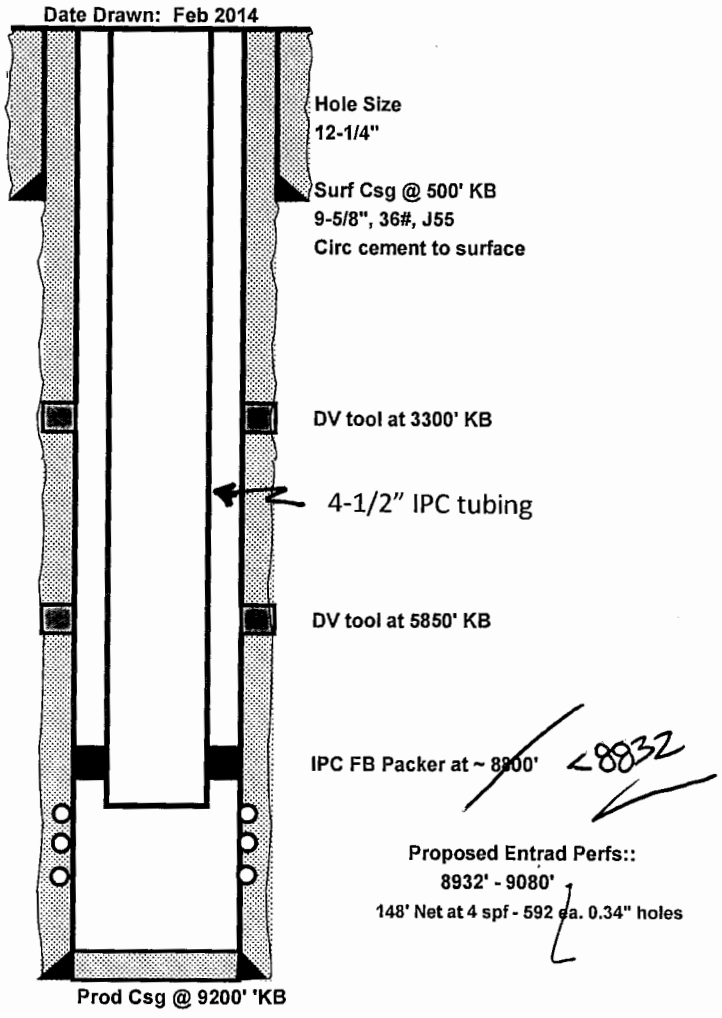
INJECTION WELL DATA SHEET

OPERATOR: TnT Environmental, Inc.

WELL NAME & NUMBER: TnT SWD #1

WELL LOCATION: 439' FWL & 1761' FSL (FOOTAGE LOCATION) | L (UNIT LETTER) | 8 (SECTION) | T25N (TOWNSHIP) | R3W (RANGE)

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 12-1/4" Casing Size: 9-5/8", 36 ppf, J55

Cemented with: 263 sx. *or* 365 ft^3

Top of Cement: Surface Method Determined: _____

Intermediate Casing - N/A

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. *or* _____ ft^3

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 8-3/4" Casing Size: 7", 26 ppf, N80

Cemented with: 1322 sx. *or* 2293 ft^3

Top of Cement: Surface Method Determined: _____

Total Depth: ~ 9200'

Injection Interval (Proposed)

8932' feet to 9080' (perforated 4 spf)

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 4-1/2", 10.5 ppf Lining Material: Plastic Lined

Type of Packer: 7" Baker "FAB-1" (or similar model"

Packer Setting Depth: ~ 8800'

Other Type of Tubing/Casing Seal (if applicable): Baker Model "KBH-22" Anchor tubing seal assembly, landed in packer

Additional Data

1. Is this a new well drilled for injection? X Yes _____ No

   If no, for what purpose was the well originally drilled? _____

   _____

2. Name of the Injection Formation: Entrada

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

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. _____

   _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Pictured Cliffs, Mesaverde, Gallup, Dakota

   _____

   _____

   _____

TnT Environmental, Inc.

TnT SWD #1

C-108 Data Sheet

V. See Attached Map

VI. See Attached Tabulation Sheet

VII. Operation Data

1. A. Average Daily Injection Rate = 3,500 bbls
   B. Maximum Daily Injection Rate = 8,500 bbls

2. The system is open (water will be trucked to the facility and off loaded into a series of tanks)

3. Proposed pressures
   A. The average and maximum injection pressures will be determined from a step rate test run after the well is completed. The anticipated injection pressures are ~ 2000 psi.

Admin 8932 × 0.2 = 1786 psi

4. The fluid to be disposed of will be produced water from wells of different producing intervals throughout the San Juan Basin. Primarily water will be from the Dakota, Mesaverde, Gallup, Mancos, Pictured Cliffs and Fruitland Coal formations. Representative water analysis for each formation are attached. Summaries – surface facility associated with well

5. A water sample and corresponding water analysis will be provided once the well is perforated and a water sample can be obtained. The closest off set is the Jillson Federal SWD #1 (API# 30-039-25465) located approximately 6 miles to the south of the proposed TnT SWD #1. The Jillson is a SWD well operated by Burlington Resources and is completed in the Entrada formation. No data was available as to the in-situ water quality found in the Jillson prior to injection. Additional geologic properties of the Entrada formation are attached.

R-10168 & R-10168-A (Entrada exempted aquifer)

30-039-25465 Inj. Rates - BOPD
01/14 - 667
02/14 - 665
03/14 - 773
04/14 - 773
05/14 - 609
06/14 - 440
Average: 654 BOPD

Interval: perf - 250

IP Range 1010 to 1200 psi

lease Production

VIII. Geology

The Entrada Sandstone formation is Jurassic in age and is described as a wind blown deposit with fine to coarse-grained sandstone particles, clean and well sorted. Generally, the Entrada Sandstone formation is 200 to 280 ft thick throughout the San Juan Basin. Natural fractures are few to nonexistent. The overlaying formation is the Todilto Limestone. Cores from the oil bearing portion of the Entrada

formation indicate high porosities and permeability's with averages ranging from 22 – 26 percent and 150 – 450 millidarcies respectively. General reservoir characteristics of the Entrada Sandstone formation are summarized in the table below.

There are two water wells listed on the website of the Office of the State Engineer with the closest being 800 ft away from the proposed TnT SWD #1 and the other well is approximately 1 mile from the proposed well. Depth to ground water for the closest well is listed as being 265', with the overall depth of the well as being 750'. A water analysis for the closest well is attached as well as the data from the NM Office of the State Engineer.

Based on the attached comprehensive water analysis from the different formations for produced water throughout the San Juan Basin the average TDS is 17,835 ppm.

Table 2 General Reservoir Characteristics of Entrada SS in the SE San Juan Basin

Entrada Well or Field	Location	Thickness of SWD Interval or Oil Pay	Entrada Porosity (%)	Entrada Permeabilty (md)
Jillson Federal SWD #1 well	Sect 8, T24N-R3W, Rio Aribba Co, NM	238' SWD (gross)	19-22	Unknown
Ojo Encino Field	T20N-R5W, Mckinley Co, NM	11' oil pay	24	205
Media Field	T19N-R3W, Sandoval Co, NM	24' oil pay	23	293
Media SW Field	T19N-R3W, Sandoval Co, NM	30' oil pay	24	361
Eagle Mesa Field	T19N-R4W, Sandoval Co, NM	26' oil pay	22-26	150-450

IX. After the well is drilled, cased and perforated a injectivity test will be performed. If the injection rate is less than 6 BPM prior to parting pressure, the well will be stimulated w/ approximately 222,000 lbs of 20/40 white sand in 110,000 gals of 30# cross linked gel at 50 bpm. Note: actual job design (if needed) will be based on actual results of the injectivity test.

X. All open hole and cased hole logs will be filed with NMOCD once the well is drilled and completed.

XII. Based on the information available online as well as information from the "Four Corners Geological Society" there are no known faults located in the area of the proposed well. Natural fractures are few to nonexistent in the Entrada formation. The overlaying formation is the relatively impermeable Todilto Limestone. The closest off set is the Jillson Federal SWD #1 (API# 30-039-25465) located approximately 6 miles to the south of the proposed TnT SWD #1. The Jillson is a SWD well operated by Burlington Resources and is completed in the Entrada formation and has no evidence of water migrating out of the Entrada injection zone.

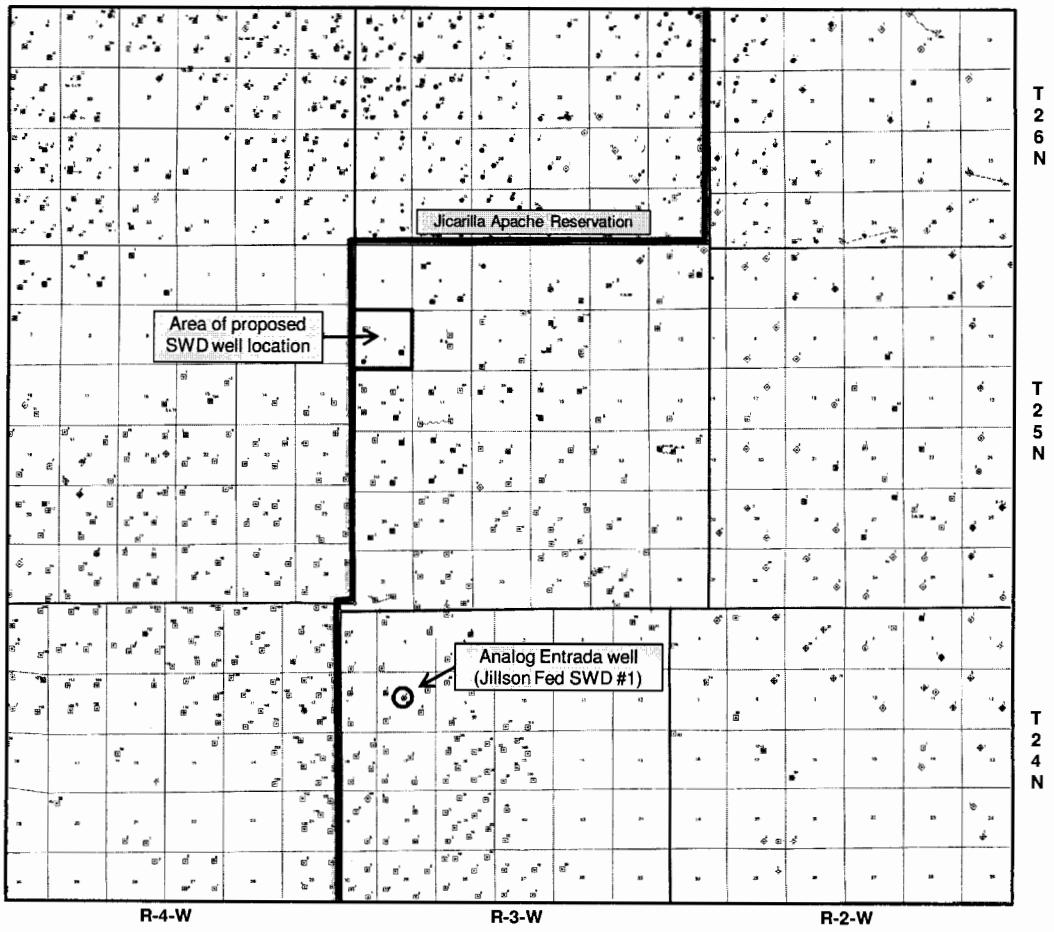
XIII. See attached certified mail receipts.

Affirmation by John Thompson, PE
09/10/2014

Well Base Map in the Area of the Proposed SWD Well

Rio Arriba Co, NM

Figure 1



1/2 Mile Radius

TnT Environmental
TnT SWD #1

Well Tabulation Sheet

Wells with one-half mile of the proposed TnT SWD #1

Unit	Section	Operator	Well	Location	Spud Date	GL Elevation	Suface Casing	Production Casing	TD	Status	Perfs	Notes
O	7	Minel Incorporated	Leonard L. Johnston #1	1380' fel & 790' fel	3/5/1964	7113'	7-5/8" - 120'	4-1/2" -3710'	3727'	P	3616'-3690'	
I	7	Burlington Resources	Johnson SRC #1	1590' fsl & 1000' fel	11/1/1980	7127'	9-5/8" - 253'	5-1/2" - 8191'	8200'	P	7878'-8120'	DAKOTA
										P	5856'-5886'	MESAVERDE
H	7	Burlington Resources	Johnson #1A	1530' fnl & 920' fel	7/27/1982	7186'	9-5/8" - 238'	7"-4065' & 4-1/2"-5987'	6020	P	5383'-5943'	
N	8	Schalk Development Company	Schalk 41 #2B	660' fsl & 1975' fwl	5/17/2000	7101'	8-5/8" - 330'	4-1/2" - 6103'	6103'	P	5776'-5899'	
E	8	Schalk Development Company	Schalk 41 #2A	1850' fnl & 1190' fwl	9/5/1979	7186'	8-5/8" - 322'	4-1/2" - 6162'	6162'	P	5895'-5993'	
M	8	Schalk Development Company	Schalk 41 #2	1190' fsl & 790' fel	12/2/1978	7112'	8-5/8" - 301'	4-1/2" - 6014'	6014'	P	5807'-5961'	
G	7	Minel Incorporated	Leonard L. Johnston #2	1350' fnl & 1850' fel	9/1/1964	7150'	8-5/8" - 100'	4-1/2" - 3785'	3800'	SI	3686'-3745'	

$ wells penetrate injection interval

New Mexico Office of the State Engineer
Water Column/Average Depth to Water

(A CLW##### in the POD suffix indicates the POD has been replaced & no longer serves a water right file.)

(R=POD has been replaced, O=orphaned, C=the file is closed)

(quarters are 1=NW 2=NE 3=SW 4=SE)
(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	POD Sub-basin	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Distance	Depth Well	Depth Water	Water Column
SJ 01305		RA	3	1	3	08	25N	03W	304876	4031601*	0	750	265	485
SJ 02224		RA	4	1	1	18	25N	03W	303470	4030829*	1604	325	56	269

Average Depth to Water: **160 feet**

Minimum Depth: **56 feet**

Maximum Depth: **265 feet**

Record Count: 2

UTMNAD83 Radius Search (in meters):

Easting (X): 304876 **Northing (Y):** 4031601 **Radius:** 5000

***UTM location was derived from PLSS - see Help**

HALLIBURTON
Rockies, Farmington

Lab Results-PE

Job Information

Request ID	2007391	**Rig Name**		**Date**	15/JUL/2014
Submitted By	David James	**Job Type**	Misc Pumping	**Well**	TNT fresh water pond from well
Customer	Encana	**Location**			

Well Information

Formation	Unknown	**Depth MD**		**BHST**	
Pressure		**Depth TVD**		**Cool Down Temperature**	

Results For Request ID 2007391

Water Analysis, Request Test ID:30036649

Started By	Stopped By	Start Date	Start Time	Stop Date	Stop Time	Test Status	Attachment Count
491988	491988	15/JUL/2014	11:01:39 PM	15/JUL/2014	11:04:07 PM	Finished	0

Tank Number/Source	Specific Gravity	pH	Chlorides (mg/L)	Calcium (mg/L)	Magnesium (mg/L)	Dissolved Iron (mg/L)	Potassium (mg/L)
1	1.008	8.58	272	210	85	0.9	2000

Bicarbonates (mg/L)	Carbonates (mg/L)	Hydroxides (mg/L)	Sulfates (mg/L)	Sodium (mg/L)	TDS (mg/L)	Rw Resistivity (Ohms-Meter)	Temperature (°F)
0	408	48	700	0	1098	5.87	73.4

Turbidity 3.56 FNU Conductivity 2172 uS/cm Color none

Additional Comments

Formations		BH Temperature (F)	PBHP (PSI)	WH Pressure (PSI)	Field pH	Bicarbonate (mg/L)	Dissolved CO2 (mg/L)	Carbonate (mg/L)	Dissolved H2S (mg/L)	CO2 mol %	H2S (PPM)	Calcium (mg/L)	Magnesium (mg/L)	Barium (mg/L)	Strontium (mg/L)	Iron (mg/L)	Manganese (mg/L)	Sodium (mg/L)	Copper (mg/L)	Zinc (mg/L)	Lead (mg/L)	Aluminum (mg/L)	Boron (mg/L)	Chloride (mg/L)	Sulfate (mg/L)	Fluorine (mg/L)	Nitrate (mg/L)	Nitrite (mg/L)	Bromide (mg/L)	Phosphate (mg/L)	Specific Gravity
Dakota	Minimum	220.0	1592	577	9.36	6771	1352	360	176.0	4.0	4.0	1286.4	561.2	392.7	238.3	450.3	14.24	9390.30	0	0	0	0	0	13987	2822	0	0	0	0	0	1.019
	Average	220.0	660	177	6.99	722	167	9	6.5	0.8	0.5	101.8	26.0	24.6	16.2	89.6	2.07	2577.99						3559	462						1.005
	Median			89	8.00	1537	39	0	3.0	2.0	0.5	40.0	22.1	23.6	12.7	39.6	0.62	5154.51	1	0	0	0	1	6085	2	1	0	0	23	0	1.010
	Standard Deviation			111	0.82	1236	212	57	27.6	1.0	1.0	214.7	88.6	72.4	49.4	89.0	3.35	2741.47						4282	731						0.005
	Minimum	220.0	252	81	5.00	0	0	0	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.7	0.01	6.31	0	0	0	0	0	2	0	0	0	0	0	0	1.000
	Maximum	220.0	7200	358	9.64	82936	2150	156	134.0	9.0	50.0	2238.0	640.8	193.8	244.9	6608.2	43.89	34532.12	0	1	0	0	8	33337	6400	2	0	0	14	0	1.042
Dakota/Mesa Verde Comingle	Average	220.0	462	142	6.99	902	139	1	4.3	0.7	0.8	85.9	19.3	10.7	8.3	127.5	1.68	2560.70	0	0	0	0	5	3186	754	1	0	0	12	0	1.004
	Median			89	8.00	1537	39	0	3.0	2.0	0.5	40.0	22.1	23.6	12.7	39.6	0.62	5154.51	1	0	0	0	1	6085	2	1	0	0	23	0	1.010
	Standard Deviation			46	0.54	4898	179	12	14.2	1.0	4.4	182.5	64.1	25.2	21.1	443.1	4.13	3231.57	0	0	0	0	3	4173	1148	1	0	0	2	0	0.006
	Minimum	220.0	411	25	5.00	0	0	0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.00	-2.41	0	0	0	0	2	0	0	0	0	0	10	0	1.000
	Maximum	115.0	1004	650	8.90	28353	916	348	27.2	35.0	71.0	1206.0	292.8	1207.4	181.4	593.9	126.59	12032.60	1	0	0	0	2	17920	2004	1	0	0	33	1	1.024
	Average	115.0	163	101	7.40	4538	110	16	1.6	4.1	0.9	43.9	16.8	44.4	11.9	35.5	1.21	2976.00	0	0	0	0	2	2863	57	1	0	0	18	0	1.006
Fruitland Coal	Median			89	8.00	1537	39	0	3.0	2.0	0.5	40.0	22.1	23.6	12.7	39.6	0.62	5154.51	1	0	0	0	1	6085	2	1	0	0	23	0	1.010
	Standard Deviation			72	0.77	3662	117	53	3.1	5.8	6.3	107.9	27.0	102.0	17.0	66.0	9.64	2628.20	0	0	0	0	0	3684	228	0	0	0	6	0	0.005
	Minimum	115.0	21	1	0.50	24	0	0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.00	0.00	0	0	0	0	1	0	0	1	0	0	12	0	1.000
	Maximum	120.0	1469	268	8.80	8020	3156	0	42.5	10.0	71.0	222.3	127.5	208.9	44.1	318.6	2.63	12166.73	0	0	0	0	8	19221	4348	2	0	0	13	1	1.027
Fruitland Sand Comingle	Average	120.0	509	112	7.23	2305	437	0	6.2	1.9	9.5	74.6	32.7	46.4	14.3	100.1	1.06	5447.44	0	0		0	8	7044	527	2			13	1	1.011
	Median			89	8.00	1537	39	0	3.0	2.0	0.5	40.0	22.1	23.6	12.7	39.6	0.62	5154.51	1	0	0	0	1	6085	2	1	0	0	23	0	1.010
	Standard Deviation			68	0.93	2493	964	0	12.9	2.9	23.3	66.2	40.1	66.2	12.9	103.2	0.90	3174.42	0	0		0	0	5877	1355	0			0	0	0.007
	Minimum	120.0	211	45	5.50	293	20	0	0.0	0.0	0.0	15.6	1.0	0.1	0.5	1.8	0.05	1031.73	0	0	0	0	8	504	0	2	0	0	13	1	1.000
	Maximum	165.0	1017	417	8.50	6557	402	198	7048.0	2.0	1.0	747.4	101.2	399.4	53.7	1199.5	15.09	12866.14	0	0	0	0	0	19421	5122	0	0	0	0	0	1.023
	Average	165.0	279	124	6.96	682	98	5	88.4	0.4	0.2	40.7	10.1	19.2	5.1	82.4	1.09	2000.45	0	0		0		2654	269						1.003
Mesa Verde	Median			89	8.00	1537	39	0	3.0	2.0	0.5	40.0	22.1	23.6	12.7	39.6	0.62	5154.51	1	0	0	0	1	6085	2	1	0	0	23	0	1.010
	Standard Deviation			58	0.66	1133	87	25	773.3	0.6	0.3	111.0	20.7	65.8	10.0	140.3	1.75	2819.66	0	0		0		4107	780						0.005
	Minimum	165.0	132	0	4.10	10	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.03	0.00	0	0	0	0	0	1	0	0	0	0	0	0	1.000
	Maximum	125.0	821	180	9.37	8910	3156	126	42.5	10.0	63.0	385.1	127.5	662.8	67.3	679.1	10.12	12174.90	1	1	0	0	1	19221	1821	1	2	0	25	2	1.027
Pictured Cliffs Comingle	Average	125.0	354	100	7.33	2020	166	6	3.7	1.4	2.0	56.2	21.3	49.7	15.3	75.3	0.94	4231.14	1	0	0	0	1	9084	125	1	1	0	19	0	1.007
	Median			89	8.00	1537	39	0	3.0	2.0	0.5	40.0	22.1	23.6	12.7	39.6	0.62	5154.51	1	0	0	0	1	6085	2	1	0	0	23	0	1.010
	Standard Deviation			42	0.73	2530	469	26	8.3	2.3	10.3	78.7	28.8	111.0	17.0	113.2	1.56	3477.16	0	0	0	0	0	5644	323	0	1	0	8	1	0.007
	Minimum	125.0	137	19	5.50	24	0	0	0.0	0.0	0.0	0.3	0.0	0.0	0.0	0.4	0.04	9.65	0	0	0	0	0	2	0	1	0	0	8	0	1.000

San Juan Basin Formation Water Analysis

Malonic	Succinic	Glycolic	Formic	Acetic	Propionic	Butyrate	Isobutyrate	TDS	Specific Gravity	CO2	N2	C1	C2	C3	IC4	NC4	IC5	NCS	C6	C7	C8	C9	C10	C2	C3	IC4	NC4	IC5	NCS	C6	C7	C8
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24393.4	0.764	2.768	0.444	94.832	13.241	6.315	0.907	1.704	0.598	0.517	0.350	0.175	0.058	0.000	0.000	3.539	1.739	0.297	0.537	0.219	0.187	0.144	0.081	0.030
								7499.1	0.656	1.896	0.389	88.069	5.776	2.130	0.382	0.574	0.243	0.186	0.213	0.107	0.036	0.000	0.000	1.544	0.587	0.125	0.181	0.089	0.067	0.088	0.049	0.018
0.0	0.0	0.0	0.0	0.0	0.0	3083.1	0.0	12694.6	0.628	1.649	0.921	91.829	2.623	1.144	0.241	0.270	0.101	0.056	0.107	0.053	0.018	0.000	0.000	0.701	0.315	0.079	0.085	0.037	0.020	0.044	0.025	0.009
								7448.2	0.060	0.873	0.071	7.493	4.843	2.171	0.324	0.573	0.203	0.167	0.098	0.049	0.016	0.000	0.000	1.294	0.598	0.106	0.181	0.074	0.061	0.041	0.023	0.008
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	102.4	0.602	0.964	0.275	74.888	1.147	0.316	0.078	0.109	0.059	0.051	0.118	0.059	0.020	0.000	0.000	0.307	0.087	0.026	0.034	0.022	0.018	0.048	0.027	0.010
0.0	3.1	0.0	2.9	510.6	21.4	1450.8	28.0	123048.3	0.762	4.419	3.782	97.316	13.391	6.081	0.939	1.788	0.614	0.541	0.621	0.311	0.104	0.000	0.000	3.579	1.674	0.307	0.564	0.225	0.196	0.255	0.143	0.053
0.0	0.7	0.0	1.0	224.7	5.6	456.2	9.2	7579.4	0.648	1.748	0.818	88.773	5.143	1.946	0.378	0.520	0.205	0.147	0.197	0.095	0.032	0.000	0.000	1.374	0.536	0.124	0.164	0.075	0.053	0.081	0.044	0.016
0.0	0.0	0.0	0.0	0.0	0.0	3083.1	0.0	12694.6	0.628	1.649	0.921	91.829	2.623	1.144	0.241	0.270	0.101	0.056	0.107	0.053	0.018	0.000	0.000	0.701	0.315	0.079	0.085	0.037	0.020	0.044	0.025	0.009
0.0	1.2	0.0	1.1	149.5	7.2	464.1	10.3	9957.2	0.051	0.919	0.959	6.063	3.649	1.692	0.306	0.478	0.175	0.135	0.162	0.081	0.027	0.000	0.000	0.975	0.466	0.100	0.151	0.064	0.049	0.066	0.037	0.014
0.0	0.0	0.0	0.0	80.0	0.0	68.8	0.0	-2.4	0.579	0.815	0.074	75.017	0.100	0.005	0.001	0.001	0.000	0.000	0.002	0.000	0.000	0.000	0.000	0.027	0.001	0.000	0.000	0.000	0.000	0.001	0.000	0.000
0.0	0.0	0.0	0.0	0.0	0.0	6721.6	0.0	32241.1	0.674	11.314	0.924	97.492	3.535	1.832	0.392	0.426	0.168	0.107	0.152	0.068	0.023	0.000	0.000	0.945	0.504	0.128	0.134	0.061	0.039	0.062	0.031	0.012
0.0	0.0	0.0	0.0	0.0	0.0	5100.6	0.0	9366.2	0.615	5.295	0.269	93.455	0.615	0.202	0.047	0.045	0.019	0.013	0.029	0.009	0.003	0.000	0.000	0.164	0.056	0.015	0.014	0.007	0.005	0.012	0.004	0.002
0.0	0.0	0.0	0.0	0.0	0.0	3083.1	0.0	12694.6	0.628	1.649	0.921	91.829	2.623	1.144	0.241	0.270	0.101	0.056	0.107	0.053	0.018	0.000	0.000	0.701	0.315	0.079	0.085	0.037	0.020	0.044	0.025	0.009
0.0	0.0	0.0	0.0	0.0	0.0	1338.7	0.0	6534.5	0.025	2.984	0.304	2.618	0.755	0.420	0.094	0.093	0.037	0.025	0.040	0.016	0.005	0.000	0.000	0.202	0.116	0.031	0.029	0.014	0.009	0.017	0.007	0.003
0.0	0.0	0.0	0.0	0.0	0.0	3184.1	0.0	0.0	0.576	0.218	0.032	87.498	0.195	0.002	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.052	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000
0.0	0.0	1.3	0.0	146.9	0.0	4054.0	0.0	38680.6	0.653	2.765	0.954	94.399	5.648	2.736	0.562	0.675	0.255	0.167	0.343	0.172	0.057	0.000	0.000	1.509	0.753	0.184	0.213	0.093	0.060	0.141	0.079	0.029
0.0	0.0	0.7	0.0	73.5	0.0	2754.2	0.0	14658.7	0.631	1.243	0.698	91.093	3.932	1.664	0.333	0.417	0.162	0.114	0.211	0.102	0.034	0.000	0.000	1.051	0.458	0.109	0.131	0.059	0.041	0.087	0.047	0.017
0.0	0.0	0.0	0.0	0.0	0.0	3083.1	0.0	12694.6	0.628	1.649	0.921	91.829	2.623	1.144	0.241	0.270	0.101	0.056	0.107	0.053	0.018	0.000	0.000	0.701	0.315	0.079	0.085	0.037	0.020	0.044	0.025	0.009
0.0	0.0	0.7	0.0	73.5	0.0	1299.8	0.0	10418.2	0.020	0.921	0.289	2.256	1.786	0.875	0.175	0.222	0.086	0.062	0.115	0.064	0.021	0.000	0.000	0.477	0.241	0.057	0.070	0.031	0.022	0.047	0.029	0.011
0.0	0.0	0.0	0.0	0.0	0.0	1454.3	0.0	3388.1	0.599	0.350	0.232	88.491	1.350	0.330	0.070	0.063	0.025	0.014	0.030	0.000	0.000	0.000	0.000	0.361	0.091	0.023	0.020	0.009	0.005	0.012	0.000	0.000
0.0	0.0	0.0	0.0	11.2	0.0	35.6	0.0	35900.0	0.718	2.951	1.644	95.703	10.288	4.399	0.765	1.231	0.410	0.329	0.638	0.240	0.080	0.000	0.000	2.750	1.211	0.250	0.388	0.150	0.119	0.262	0.111	0.041
0.0	0.0	0.0	0.0	11.2	0.0	35.6	0.0	5901.7	0.653	1.590	0.433	88.358	5.712	2.168	0.397	0.581	0.215	0.165	0.261	0.090	0.030	0.000	0.000	1.527	0.597	0.130	0.183	0.079	0.060	0.107	0.042	0.016
0.0	0.0	0.0	0.0	0.0	0.0	3083.1	0.0	12694.6	0.628	1.649	0.921	91.829	2.623	1.144	0.241	0.270	0.101	0.056	0.107	0.053	0.018	0.000	0.000	0.701	0.315	0.079	0.085	0.037	0.020	0.044	0.025	0.009
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8407.0	0.055	0.723	0.473	6.022	3.533	1.770	0.325	0.521	0.189	0.151	0.239	0.102	0.034	0.000	0.000	0.944	0.487	0.106	0.164	0.069	0.055	0.098	0.047	0.017
0.0	0.0	0.0	0.0	11.2	0.0	35.6	0.0	114.3	0.588	0.893	0.112	80.788	1.140	0.113	0.022	0.012	0.007	0.004	0.012	0.000	0.000	0.000	0.000	0.305	0.031	0.007	0.004	0.003	0.001	0.005	0.000	0.000
0.0	0.0	0.0	0.9	319.3	7.7	5013.3	0.0	38680.6	0.677	10.448	1.832	97.507	6.955	3.358	0.631	0.810	0.286	0.201	0.397	0.198	0.066	0.000	0.000	1.859	0.924	0.206	0.255	0.105	0.073	0.163	0.091	0.034
0.0	0.0	0.0	0.2	52.2	1.5	2767.0	0.0	11255.2	0.626	2.408	0.961	91.644	2.825	1.191	0.241	0.293	0.111	0.075	0.150	0.075	0.025	0.000	0.000	0.755	0.328	0.079	0.093	0.041	0.027	0.062	0.034	0.013
0.0	0.0	0.0	0.0	0.0	0.0	3083.1	0.0	12694.6	0.628	1.649	0.921	91.829	2.623	1.144	0.241	0.270	0.101	0.056	0.107	0.053	0.018	0.000	0.000	0.701	0.315	0.079	0.085	0.037	0.020	0.044	0.025	0.009
0.0	0.0	0.0	0.3	110.2	2.7	1504.1	0.0	9704.7	0.035	2.901	0.616	3.673	2.180	1.065	0.207	0.261	0.094	0.066	0.128	0.064	0.021	0.000	0.000	0.583	0.293	0.068	0.082	0.035	0.024	0.053	0.030	0.011
0.0	0.0	0.0	0.0	0.0	0.0	541.8	0.0	103.5	0.568	0.183	0.090	86.241	0.150	0.041	0.010	0.010	0.004	0.000	0.005	0.002	0.001	0.000	0.000	0.040	0.011	0.003	0.003	0.001	0.000	0.002	0.001	0.000

San Juan Basin Formation Water Analysis

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

Burlington Resources
3401 E. 30th St.
Farmington, NM
87402

2. A (7013 1710 0001 6958 6384

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☑ Agent ☐ Addressee

B. Received by (Printed Name) Greg Cross | C. Date of Delivery 7/22/14

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

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

PS Form 3811 February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

Burlington Resources
3401 E 30th St
Farmington, NM
87402

2. Article (Transfe 7013 1710 0001 6958 6377

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☑ Agent ☐ Addressee

B. Received by (Printed Name) Greg Cross | C. Date of Delivery 7/22/14

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

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

Burlington Resources
3401 E. 30th St
Farmington NM
87402

2. Art (Tra 7013 1710 0001 6958 6391

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☑ Agent ☐ Addressee

B. Received by (Printed Name) Greg Cross | C. Date of Delivery 7/22/14

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

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

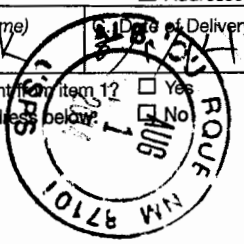
Schalk Development Co
P.O Box 25825
Albuquerque NM
87125

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by *(Printed Name)* Steve Schalk
C. Date of Delivery

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



3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Transfer* 7013 1710 0001 6958 6353

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

SENDER: *COMPLETE THIS SECTION*

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

1. Article Addressed to:

Mined Inc
85 Vista Cliff Pl
Richardson TX
75080

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee

B. Received by *(Printed Name)* RC KELLY
C. Date of Delivery

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

3. Service Type
☐ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? *(Extra Fee)* ☐ Yes

2. Article Number *(Trar* 7013 1710 0001 6958 6360

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

PUBLIC NOTICE

TnT Environmental Inc., HC 74 Box 113, Lindrith, NM 87029, represented by John Thompson (505) 327-4892, has applied to the New Mexico Oil Conservation Division for administrative approval to be authorized to inject produced water from various oil and gas locations in the San Juan basin into the proposed TnT SWD #1 salt water disposal well. The proposed TnT SWD #1, will be located 439' FWL & 1761' FSL, Section 8, T25N, R3W, Rio Arriba County, New Mexico.

The proposed injection zone is the Entrada formation. The estimated injection depths are 8932' to 9,080' and the maximum anticipated injection rate is 8000 BPD. The maximum injection pressure will be determined from a step rate test. Interested parties can make comments to this application to the NM Oil Conservation Division, 1220 St. Francis Dr., Santa Fe, NM 87505. Comments must be received within 15 of the data of this publication.

(Published July 24, 2014)

s Bill

43 —

_____

e at $ 30.10

nes at _____

idavit $ 5.00

btotal $ 35.10

Tax $ 2.87

Total $ 37.97

Payment received at Rio Grande SUN

Date July 21. 2014

By _____

Affidavit of Publication

State of New Mexico
County of Rio Arriba

I, Robert Trapp, being first duly sworn, declare and say I am the publisher of the Rio Grande SUN, a weekly newspaper published in the English language and having a general circulation in the County of Rio Arriba, State of New Mexico, and being a newspaper duly qualified to publish legal notices and advertisements under the provisions of Chapter 167 of the Session Laws of 1937. The publication, a copy of which is hereto attached, was published in said paper once each week for

1 consecutive weeks and on the same day of each week in the regular issue of the paper during the time of publication and the notice was published in the newspaper proper, and not in any supplement. The first publication being on the 24 day of July, 2014 and the last publication on the 24 day of July, 2014 payment for said advertisement has been duly made, or assessed as court costs. The undersigned has personal knowledge of the matters and things set forth in this affidavit.

Robert Trapp
Publisher

Subscribed and sworn to before me this 24 day of July A.D. 2014

Maria V. Lopez-Garcia/Notary Public
My commission expires 13 July 2017

OFFICIAL SEAL
MARIA V. LOPEZ-GARCIA
Notary Public
State of New Mexico
My Comm. Expires 7/13/17

C-108 Review Checklist: Received 08/19/14 Add. Request: 09/12/14 Reply Date: 09/12/14 Suspended: — [Ver 13]

PERMIT TYPE: WFX / PMX / SWD Number: 1498 Permit Date: 09/19/2014 Legacy Permits/Orders: In area — R-10168 & R-10168-A [Entrada swd well to south]

Well No. 1 Well Name(s): TNT SWD

API : 30-0 39-31257 Spud Date: TBD New or Old: New (*UIC Class II Primacy 03/07/1982*)

Footages 1761 FSL / 439 FWL Lot — or Unit L Sec 8 Tsp 25N Rge 3W County Rio Arriba

General Location: ~8 mi NW of Lindrith Pool: SWD; Entrada Pool No.: 96436

BLM 100K Map: Chaco Canyon Operator: T-N-T Environmental, Inc. OGRID: 308209 Contact: John Thompson, PE / Agent

COMPLIANCE RULE 5.9: Total Wells: — Inactive: — Fincl Assur: Yes (*) Compl. Order? No **IS 5.9 OK?** Yes **Date:** 09/11/2014

WELL FILE REVIEWED ✓ Current Status: (*) Federal Well - FA provided with copy of BLM bond approval letter APD filed with BLM / approved;

WELL DIAGRAMS: NEW: Proposed ✓ or **RE-ENTER:** Before Conv. ○ After Conv. ○ Logs in Imaging: NA

Planned Rehab Work to Well: New well - two casing string similar to Meridian's / Burlington's Entrada SWD

Well Construction Details:	Sizes (in) Borehole / Pipe	Setting Depths (ft)	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
Planned ✓ or Existing — Surface	12 1/4 / 9 5/8	0 to 500	Stage Tool	365	Cir to surface
Planned ✓ or Existing — Interm/Prod	8 3/4 / 7	0 to 9200 2 DV tools	3300 (KB) / 5850 (KB)	2293 total	"Cir to surface" - no determination for 1st & 2nd stages
Planned — or Existing — Interm/Prod	—	—	—	—	
Planned — or Existing — Prod/Liner	—	—	—	—	
Planned — or Existing — Liner	—	—	—	—	
Planned ✓ or Existing — OH / PERF	8 3/4 / 7	8932 to 9080	Inj Length		

Injection Stratigraphic Units:	Depths (ft)	Injection or Confining Units	est Tops
Adjacent Unit: Litho. Struc. Por.		Morrison	8218
Confining Unit: Litho. Struc. Por.	~40 ft	Todilto	8905
Proposed Inj Interval TOP:	8932	Entrada	8921
Proposed Inj Interval BOTTOM:	9080	—	—
Confining Unit: Litho. Struc. Por.	+100	Chinle at TD	9188
Adjacent Unit: Litho. Struc. Por.		—	—

Completion/Operation Details:

Drilled TD — PBTD —

NEW TD 9260 NEW PBTD —

NEW Open Hole ○ or NEW Perfs ✓

Tubing Size 4 1/2 in. Inter Coated? Yes

Proposed Packer Depth 8800 ft

Min. Packer Depth 8832 (100-ft limit)

Proposed Max. Surface Press. ~2000 psi

Admin. Inj. Press. 1786 (0.2 psi per ft)

AOR: Hydrologic and Geologic Information

POTASH: R-111-P (No) Noticed? NA **BLM Sec Ord** (No) **WIPP** (No) Noticed? NA **SALT/SALADO T:** NA **B:** NA **CLIFF HOUSE** Yes

FRESH WATER: Aquifer Blanco Canyon Watershed Alluvial & Ojo Alamo Max Depth ~400' **HYDRO AFFIRM STATEMENT By Qualified Person** ○

NMOSE Basin: San Juan **CAPITAN REEF:** thru ○ adj ○ NA ✓ **No. Wells within 1-Mile Radius?** 1 FW Analysis Yes

Disposal Fluid: Formation Source(s) Catalog of whole basin Analysis? Yes On Lease ○ Operator Only ○ or Commercial ✓

Disposal Int: Inject Rate (Avg/Max BWPD): 4000/8000 Protectable Waters? Unk. Source: — System: Closed ○ or Open ✓

HC Potential: Producing Interval? No Formerly Producing? No Method: Logs/DST/P&A/Other Historical 2-Mile Radius Pool Map ✓

AOR Wells: 1/2-M Radius Map? Yes — in Rio Arriba County — Well List? Yes Total No. Wells Penetrating Interval: ϕ Horizontals? ϕ Checked pool map

Penetrating Wells: No. Active Wells ϕ Num Repairs? NA on which well(s)? NA Diagrams? NA

Penetrating Wells: No. P&A Wells ϕ Num Repairs? NA on which well(s)? NA 7/22/14 Diagrams? NA

NOTICE: Newspaper Date 07/24/2014 Mineral Owner Fed / Split ownership Surface Owner ? / NT N. Date NA (see email)

RULE 26.7(A): Identified Tracts? Yes Affected Persons: Burlington / Schalk Development / Minel Inc. N. Date 7/22/14

Permit Conditions: **Issues:** unknown formation charac. - HC and WQ; 2 DVs - no log; injection fluid unknown

Add Permit Cond: CBL for 7 inch casing - must be cemented or remedial; water sample; mudlog or swab

Proof of P&A Bond

TNT SWD #1 API

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
P.O. Box 27115
Santa Fe, New Mexico 87502-0115
www.blm.gov/nm

IN REPLY REFER TO:

NMNM 23041
3104 (92100-js)

July 14, 2014

DECISION

Obligor:	:	BLM Bond No.: NMB001180
T-N-T Environmental Inc. HCR 74 Box 113 Lindrith, NM 87029	:	Letter of Credit No: 00029
Financial Institution:	:	Bond Type: Oil & Gas
Four Corners Community Bank 500 West Main, Suite 101 Farmington, NM 87401	:	Bond Amount: $10,000 Execution Date: July 7, 2014

Individual Lease Bond and Letter of Credit Accepted

This office received a personal bond and a Letter of Credit (LOC), in the amount of $10,000 to secure an individual bond for Oil and Gas Lease NMNM 23041 for T-N-T Environmental Inc. The bond and LOC have been examined and found acceptable. Therefore, the bond is accepted effective July, 9, 2014, the date filed in this office.

The pledge for the bond is a LOC written by the financial institution named above. The document will be retained by the Bureau of Land Management (BLM) until all terms and conditions of the lease have been fulfilled or until a satisfactory replacement bond has been accepted. The LOC will be returned to the financial institution when this office determines that the bond is no longer required.

The LOC will continue indefinitely in the absence of notice from the financial institution of its determination not to renew the letter. Such a notice must be received in this office at least 90 days prior to the original expiration date, or the automatic extension dates falling on the same day in subsequent years. A copy of such notice should also be provided to the obligor, who would then be responsible for providing a replacement security to the BLM. Unless the obligor provides a satisfactory replacement bond at least 30 day prior to the then fixed expiration date, BLM will demand that the financial institution pay the full amount of the credit to ensure continuing bond coverage of the obligor. Any such funds thus obtained will be retained, as long as none are required to correct defaults, until the bond is no longer required, or until replacement bond coverage is accepted by the BLM.

The bond constitutes coverage of all operations conducted by or on behalf of the obligor on Federal Oil and Gas Lease NMNM 23041. The bond will be maintained by this office. Termination of liability under the bond will be permitted only after this office is satisfied that there is no outstanding liability on the bond or satisfactory replacement bonding coverage is furnished.

In the future, please refer to BLM Bond No. NMB001180.

If you have any questions, please contact JulieAnn Serrano at 505-954-2149.

Gloria S. Baca

Gloria Baca
Supervisory Land Law Examiner
Branch of Adjudication

Form 3000-4
(June 1988)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL AND GAS OR GEOTHERMAL LEASE BOND

Act of February 25, 1920 (30 U.S.C. 181 et seq.)
Act of August 7, 1947 (30 U.S.C. 351-359)
Department of the Interior Appropriations Act, FY 1981 (42 U.S.C. 6508)
Act of December 24, 1970 (30 U.S.C. 1001-1025)
Other Oil and Gas and Geothermal Leasing Authorities as Applicable

Bond Number

Lease Serial Number (For Individual Bond Only)
NMNM23041

CHECK ONE ☑ OIL AND GAS ☐ GEOTHERMAL RESOURCES

CHECK ONE
☐ SURETY BOND

KNOW ALL BY THESE PRESENTS, THAT _____ (name)

of _____ (address)

as principal, and _____ (name)

of _____ (address), as surety,

are held and firmly bound unto the United States of America in the sum of _____

_____ dollars ($ _____),

lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

☑ PERSONAL BOND

KNOW ALL BY THESE PRESENTS, That **T-n-T Environmental Inc.** (name)

of **HCR 74 Box 113 Lindrith, NM 87029** (address), as principal, is held and firmly

bound unto the United States of America in the sum of _____

Ten Thousand dollars ($ **10,000.00**), lawful money of the United States which sum may be

increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, in order to more fully secure the United States in the payment of the aforesaid sum, hereby pledges as security therefore United States negotiable securities of a par value equal to the amount specified. The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney. The interest accruing on the United States securities deposited, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond and the instrument(s) granting rights and interests in Federal lands, must be paid to the principal. The principal hereby for himself/herself, any heirs, executors, administrators, successors, and assigns, joint and severally, ratifies and confirms whatever the Secretary shall do by virtue of these presents.

The principal/surety shall apply this bond or the Secretary shall transfer this deposit as security for the faithful performance of any and all of the conditions and stipulations as set forth in this bond and the instruments granting rights and interests in Federal lands. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that: (1) for a Surety Bond, the surety/principal shall apply the bond or any portion thereof; (2) for a Personal Bond, the Secretary shall have full power to assign, appropriate, apply or transfer the deposit or any portion thereof, to the satisfaction of any damages, assessments, late payment charges, penalties, or deficiencies arising by reason of such default.

This bond is required for the use and benefit of (1) the United States; (2) the owner of any of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the oil and gas and geothermal deposits to the United States; (3) any lessee, permittee, or contractor, under a lease, permit, or resource sale contract issued, or to be issued, by the United States covering the same land subject to this bond, covering the use of the surface or the prospecting for, or the development of other mineral deposits in any portion of such land, to be paid to the United States. For such payment, well and truly to be made, we bind ourselves and each of our heirs, executors, administrators, successors, and assigns, jointly and severally.

This bond shall cover all surface disturbing activities related to drilling operations on a Federal leasehold(s) in accordance with authorization(s) granted under the Acts cited above for:

CHECK ONE:

☐ NATIONWIDE BOND — Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s) in the United States including the National Petroleum Reserve in Alaska (NPR-A) when a rider sufficient to bring the amount in conformance with 43 CFR 3134 is provided, and provided a rider is obtained, also coverage of multiple exploration operations.

☐ STATEWIDE BOND — Operations conducted by or on behalf of the principal(s) or on the leasehold(s) of the principal(s), except the NPR-A, and, provided a rider is obtained, also coverage of multiple exploration operations within the single state of _____

☑ INDIVIDUAL BOND — Operations conducted by or on behalf of the principal or on the leasehold of the principal on the single lease identified by the serial number above.

NATIONAL PETROLEUM RESERVE IN ALASKA (NPR-A) BOND — This bond shall cover:

☐ NPR-A LEASE BOND — The terms and conditions of a single lease.

☐ NPR-A WIDE BOND — The terms and conditions of all leases, and provided a rider is obtained, coverage of multiple exploration operations.

(Continued on page 2)

BOND CONDITIONS

The conditions of the foregoing obligations are such that:

1. WHEREAS the principal has an interest in a lease(s) and/or responsibility for operations on a lease(s) issued under the Acts cited in this bond; and

2. WHEREAS the principal and surety agree(s) that with notice to the surety the coverage of this bond, in addition to the present holding(s) of and/or authorization(s) granted to the principal, shall extend to and include:

a. Any lease(s) hereafter issued to or acquired by the obligor/principal, except under individual lease bonds, the coverage is to be confined to the principal's holding(s) and/or authorization(s) granted under the Acts cited in this bond, and to become effective immediately upon such authorization, approval or issuance of a transfer in favor of the principal; and

b. Any transfer(s) of operating rights hereafter entered into or acquired by the principal affecting lease(s); and

c. Any activity subsequent hereto of the principal as operator under a lease(s) issued pursuant to the Acts cited in this bond; and

Provided, That the surety may elect to terminate the additional coverage authorized under this paragraph. Such termination will become effective 30 days after the BLM receives notice of the election to terminate. After the termination becomes effective, the additional interest(s) identified in this paragraph will not be covered by this bond; and

3. WHEREAS the principal and surety agree(s) that with notice to the surety that this bond shall remain in full force and effect notwithstanding: Any assignment(s) of an undivided interest in any part or all of the lands in the lease(s) in which event the assignee(s) shall be considered to be coprincipal(s) on an individual or NPR-A bond as fully and to the same extent as though his/her or their duly, authenticated signatures appeared thereon; and

4. WHEREAS the obligor/surety hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding:

a. Any assignment(s) of 100% of some of the lands described in the lease(s), the bond to remain in full force and effect only as to the lands retained in the lease(s); and

b. Any transfer(s) either in whole or in part, of any or all of the operating rights and further agrees to remain bound under this bond as to the interests in the operating rights retained by the principal; and

c. Any modification of a lease or operating right, or obligation thereunder, whether made or effected by commitment of lease or operating right to unit, cooperative, communitization or storage agreements, or development contracts, suspensions of operations or production, waivers, suspensions or changes in rental, minimum royalty and royalties, compensatory royalty payments, or otherwise; and

d. Any extension of a lease(s) covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease(s); and

5. WHEREAS the principal and surety hereby agree(s) that notwithstanding the termination, expiration, cancellation or relinquishment of any lease(s), whether by operation of law or otherwise, the bond shall remain in full force and effect as to the terms and conditions of all remaining leases and obligations covered by the bond; and

6. WHEREAS the principal, as to any lease or part of a lease for land on which he/she is the operator, in consideration of being permitted to furnish this bond in lieu of the lessee(s) or operating rights owner(s), agrees and by these presents does hereby bind himself/herself to fulfill on behalf of each lessee or operating rights owner all obligations of such for the entire leasehold in the same manner and to the same extent as though he/she were lessee or operating rights owner; and

7. WHEREAS the obligor/principal and surety agree(s) that the neglect or forbearance of said lessor in enforcing, as against any responsible party, the payment of rentals or royalties or the performance of any other term or condition of the lease(s) shall not, in any way, release the principal and surety, or either of them from any liability under this bond; and

8. WHEREAS the principal and surety agree(s) that in the event of any default under the lease(s) the lessor may commence and prosecute any claim, suit, or other proceeding against the principal and surety or either of them, without the necessity of joining the lessee(s); and

9. WHEREAS if the principal fails to comply with any provisions of an oil and gas lease, and the noncompliance continues for thirty (30) days after written notice thereof, such lease shall be subject to cancellation and the principal shall also be subject to applicable provisions and penalties of the Federal Oil and Gas Royalty Management Act (30 U.S.C. 1701 et seq.) or the Federal Onshore Oil and Gas Leasing Reform Act. This provision shall not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default.

10. NOW, THEREFORE If said principal, his/her heirs, executors, administrators, successors, or assigns shall in all respects faithfully comply with all of the provisions of the instrument(s) granting rights and interests in Federal lands referred to above, then the obligations are to be void; otherwise to remain in full force and effect.

Signed this **7th** day of **July**, 20 **14**, in the presence of:

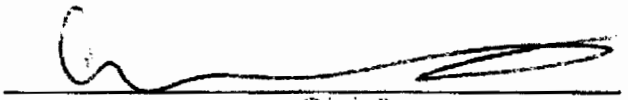
NAMES AND ADDRESSES OF WITNESSES

Craig Schmitz

HCR 74 Box 112 Lindrith, NM 87029

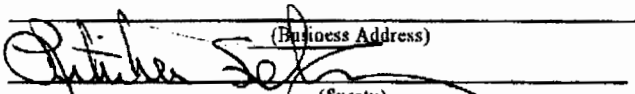
Lutisha Schmitz

HCR 74 Box 112 Lindrith, NM 87029



(L.S.)
(Principal)

(Business Address)



(L.S.)
(Surety)

(Business Address)

If this bond is executed by a corporation, it must bear the seal of that corporation.

Goetze, Phillip, EMNRD

From: john@walsheng.net
Sent: Friday, September 12, 2014 1:29 PM
To: Goetze, Phillip, EMNRD
Subject: Re: Additional Notification Info: TnT SWD No. 1

Ok, I did file a surface owners agreement with the BLM, and you are correct the operator and the surface owner are the same entity... TnT Environmental. Do you need a copy of that?

John

Sent from my iPhone

On Sep 12, 2014, at 2:24 PM, "Goetze, Phillip, EMNRD" <Phillip.Goetze@state.nm.us> wrote:

> John:
>
> Based on the MTP for the well's location, there is federal minerals and private surface estate. You application does show notification of the BLM, but no information is given regarding surface ownership in the C-108. So, I need to know who is the surface estate owner for the well's location and have they received a copy. I assume it is T-N-T Environmental, but this must be confirmed to satisfy 19.15.26.8B.(2) NMAC. PRG
>
> Phillip R. Goetze, P.G.
> Engineering and Geological Services Bureau, Oil Conservation Division
> 1220 South St. Francis Drive, Santa Fe, NM 87505
> O: 505.476.3466 F: 505.476.3462
> phillip.goetze@state.nm.us