

Initial Application Part I

Received: 11/13/2019

This application is placed in file for record. It MAY or MAY NOT have been reviewed to be determined Administratively Complete

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

UFY9G-191113-C-1080

APPLICATION FOR AUTHORIZATION TO INJECT

pBL1932954303

SWD-2320

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

II. OPERATOR: Maralex Disposal, LLC.
ADDRESS: PO Box 338, Ignacio, CO 81137
CONTACT PARTY: Jordan Reid PHONE: 970-563-4000

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

IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____

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

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. Attached

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. Previously Submitted

IX. Describe the proposed stimulation program, if any. None, Already drilled

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

*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. Previously Submitted

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. Attached

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: Jordan Reid TITLE: Production Technician

SIGNATURE: [Signature] DATE: 11/11/19

E-MAIL ADDRESS: maralextech@gmail.com

* 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: Attached

Side 2

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.

INJECTION WELL DATA SHEET

OPERATOR: Maralex Disposal, LLC

WELL NAME & NUMBER: Centerpoint SWD#1

WELL LOCATION: 856' FSL 738' FEL P 24 31N 11W
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

Attached.

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8"
Cemented with: 355 sx. or _____ ft³
Top of Cement: 0' Method Determined: Circ.

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 10 3/4"
Cemented with: 542 sx. or _____ ft³
Top of Cement: 0' Method Determined: Circ.

Production Casing

Hole Size: 9 7/8" Casing Size: 10 3/4"
Cemented with: 542 sx. or _____ ft³
Top of Cement: 0' Method Determined: _____
Total Depth: 8472'

Injection Interval

7200' feet to 7832'

(Perforated) or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3 1/2" Lining Material: Internal Plastic Coated

Type of Packer: Arrowset IX IPC Packer

Packer Setting Depth: 7076'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

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

If no, for what purpose was the well originally drilled? Originally drilled for injection.

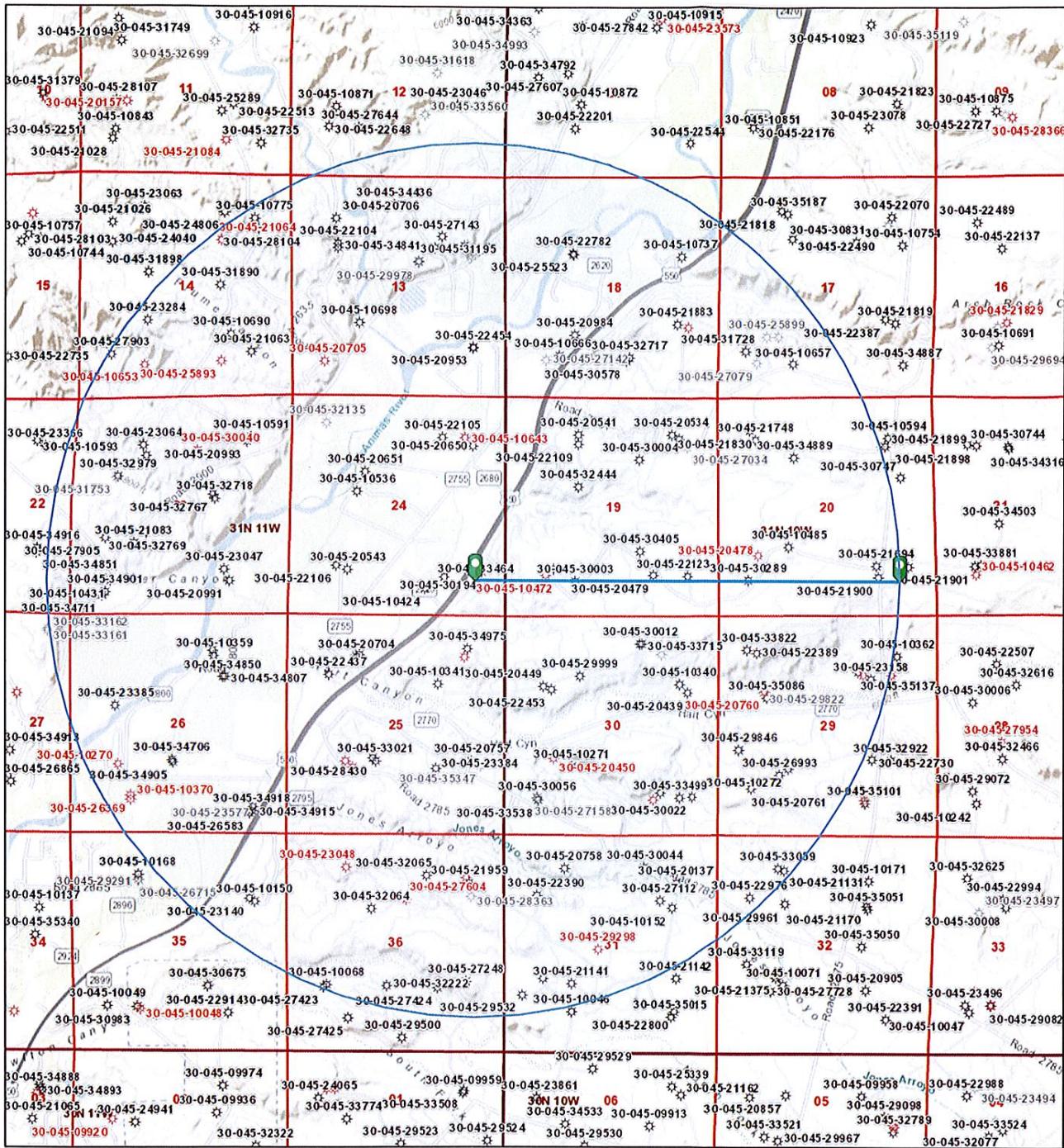
2. Name of the Injection Formation: Morrison, Bluff, Summerville

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: Dakota 6938'

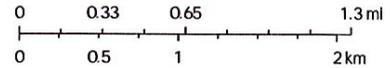
OCD Well Locations 2 Miles



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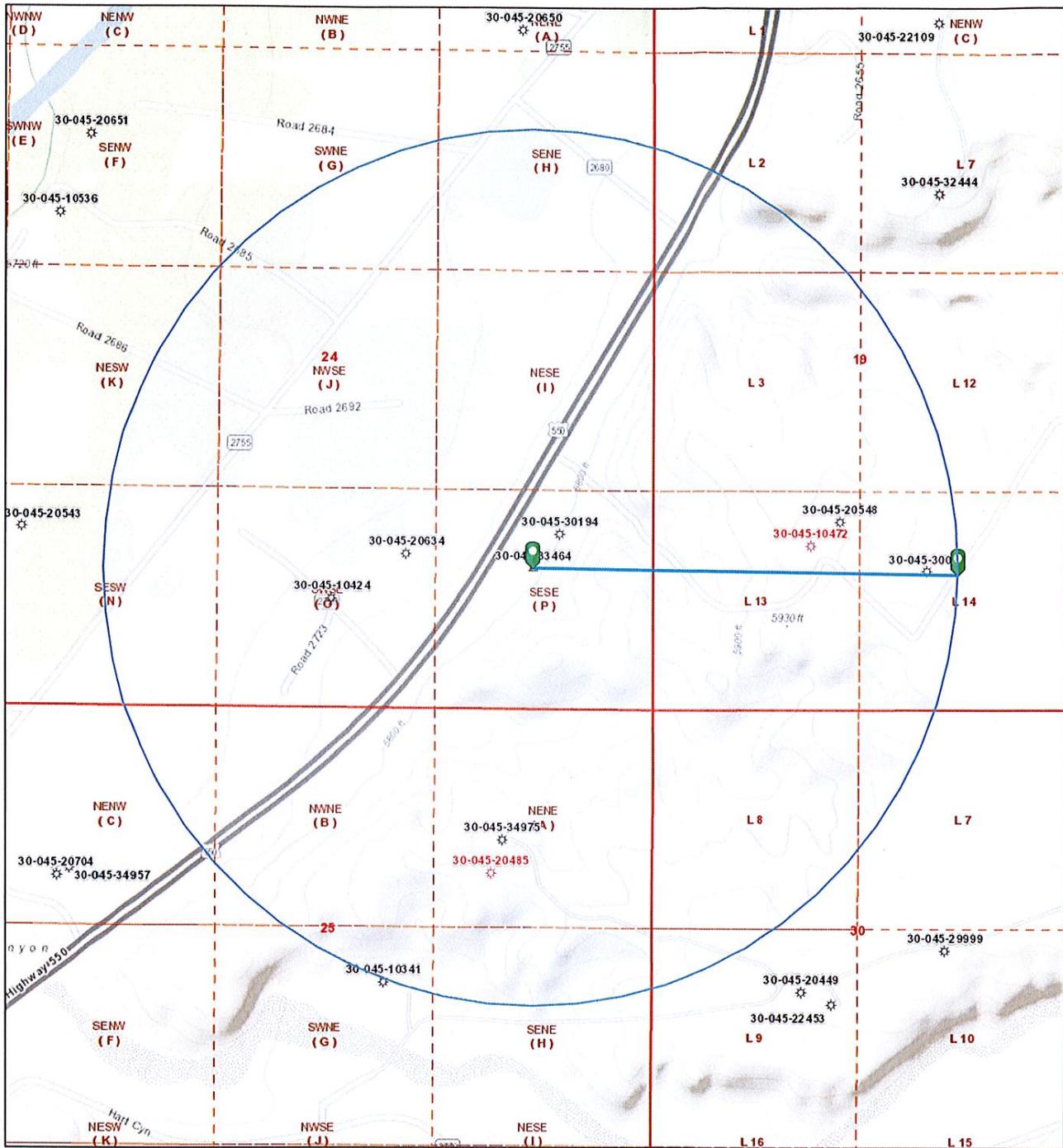
1:36,112

- Override 1
- * Gas Active
- Oil, Plugged
- Gas, Cancelled, Never Drilled
- Oil, Temporarily Abandoned
- * Gas, New
- △ Salt Water Injection, Active
- Gas, Plugged
- △ Salt Water Injection, Cancelled
- Gas, Temporarily Abandoned
- △ Salt Water Injection, New
- * Injection, Active
- △ Salt Water Injection, Plugged
- Injection, Cancelled
- △ Salt Water Injection Temporarily Abandoned
- * Injection, New
- Water, Active
- * Injection, Plugged
- Water, Cancelled
- Injection, Temporarily Abandoned
- Water, New
- Oil, Active
- Water, Plugged
- Oil, Cancelled
- Water, Temporarily Abandoned
- Oil, New
- PLS5 First Division



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community, OCD,

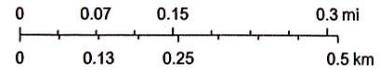
OCD Well Locations 1/2 Mile



9/3/2019, 1:35:35 PM

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- Override 1
- * Gas Active
- * Gas, Cancelled, Never Drilled
- * Gas, New
- * Gas, Plugged
- * Gas, Temporarily Abandoned
- / Injection, Active
- / Injection, Cancelled
- / Injection, New
- / Injection, Plugged
- / Injection, Temporarily Abandoned
- Oil, Active
- Oil, Cancelled
- Oil, New
- Oil, Plugged
- Oil, Temporarily Abandoned
- △ Salt Water Injection, Active
- △ Salt Water Injection, Cancelled
- △ Salt Water Injection, New
- △ Salt Water Injection, Plugged
- △ Salt Water Injection Temporarily Abandoned
- Water, Active
- Water, Cancelled
- Water, New
- Water, Plugged
- Water, Temporarily Abandoned
- PLSS First Division



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community, OCD,

MARALEX DISPOSAL, LLC.

Wellbore Diagram

| | | | |
|------------------|----------------------------------|------------------|------------------------------|
| WELL NAME | Centerpoint SWD #001 | FIELD | Morrison Bluff Entrada |
| LOCATION | Unit P Sec. 24 Twn. 31N Rng. 11W | COUNTY | San Juan, NM |
| GPS | 36.8791656 -107.9354706 | API # | 05-045-33464 |
| | | FORMATION | Morrison, Bluff, Summerville |

CASING

SURFACE

SIZE & WT 13-3/8" 48#

SET @ 340'

HOLE SIZE 17-1/2"

CEMENT 355 sx

Class G cement w/ 3% CaCl₂ and

1/4#/sx celloflake

INTERMEDIATE

SIZE & WT 10-3/4" 45.5#

SET @ 3808'

HOLE SIZE 12-1/4"

CEMENT 542 sx

Class G cement w/ 3% D79 extender

1/4#/sx celloflake, 0.2% D46 Antifoam

5#/sx D24 Gilsonite and 100 sx tail

50/50 Pozmix G + 2% gel, 2% CaCl₂,

0.1% Antifoam, 1/4#/sx celloflake

0.15% dispersant, 5#/sx Gilsonite

PRODUCTION

SIZE & WT 7" 32#

SET @ 8472'

HOLE SIZE 9-7/8"

CEMENT 1300 sx

750 sx 65/35 Pozmix 5% gel, 0.2% D46

, 0.3% D29, 0.275% D167, 0.2% D65

0.2% D198 550 sx 50/50 Pozmix 5.2%

gel, 0.325% D29, 0.275% D167, 0.1%

D46, 0.25% D65, 0.155% D198

PERFORATIONS

Morrison 7200'-7626'

Bluff 7716'-7744'

Summerville 7804'-7832'

FORMATION TOPS

Graneros 6848'

Dakota 6938'

Morrison 7136'

Bluff 7715'

Summerville 7858'

Todlito 7980'

Entrada 8002'

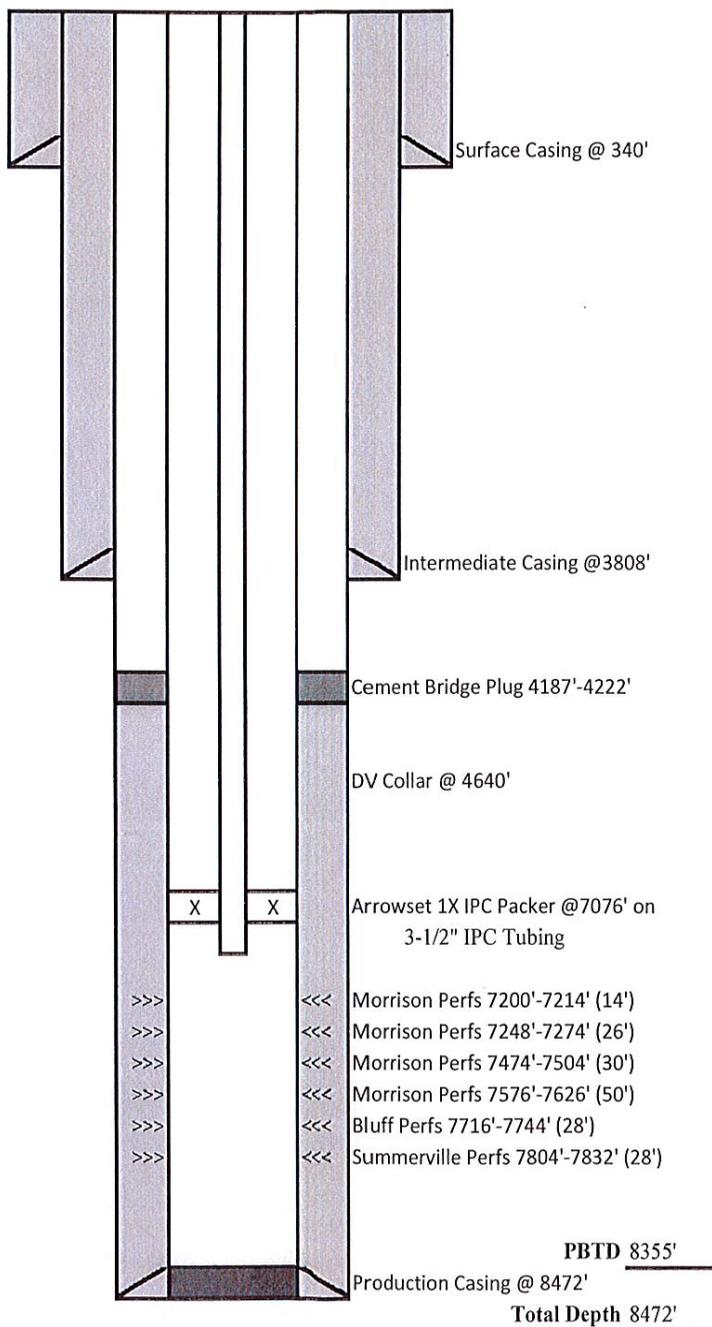
Chinle 8298'

PACKER

Arrowset IX IPC Packer

2.81" ID F Nipple above

2.697" ID R Nipple below



| Wells Within 1/2 Mile of Centerpoint Disposal Well | | | | | | | | | | | | | | | | |
|--|-------------|------------|-------------|---------|------------------|--------|-----------|--------------|-----------|----------|---------|----------|-------|--------------|------|--------|
| | | API # | | | | | | Construction | | Location | | | | Perforations | | |
| Well Name | Well Number | State Code | County Code | ID Code | Formation | Status | Well Type | Date | Activity | Unit | Section | Township | Range | Depth | Top | Bottom |
| Bruington | 001M | 30 | 045 | 34975 | Blanco Mesaverde | Active | Gas | 6/6/2010 | Spud Date | A | 25 | 31N | 11W | 7370 | 4724 | 5320 |

| Construction | | | | | | | | |
|-------------------|--------|-----------|--------|-----|-------|--------|--------|-------|
| | | Depth | | | | | Cement | |
| Casing/Tubing | Size | Hole Size | Bottom | Top | Grade | Weight | Bottom | Top |
| Surface Casing | 9.625" | 12.250" | 249' | 0' | H-40 | 32.2 | 249' | 0' |
| Production Casing | 4.5" | 6.250" | 7372' | 0' | L-80 | 11.6 | 7374' | 2050' |
| Tubing 1 | 7" | 8.750" | 3884' | 0' | J-55 | 23 | 3899' | 0' |
| Tubing | 2.375" | 6.250" | 7271' | 0' | L-80 | 4.7 | 0' | 0' |

| Record of Completion | | | | | | | |
|----------------------|-------------|---------|----------|-------|------------------|--------------|--------|
| Bottom Hole Location | | | | | | Perforations | |
| Formation | Unit Letter | Section | Township | Range | Footages | Top | Bottom |
| Blanco-Mesaverde | H | 25 | 31N | 11W | 1889 FNL 709 FEL | 4724' | 5320' |
| Basin Dakota | H | 25 | 31N | 11W | 1889 FNL 709 FEL | 7172' | 7352' |

VII. Attach data on the proposed operation, including:

1. Proposed average daily rate: 1500 BBL
Proposed maximum daily rate: 3000 BBL
Proposed volume of fluids to be injected: 5.5 MMBBL
2. Open or Closed system: Closed
3. Proposed average injection pressure: 1600 psi
Proposed maximum injection pressure: 2450 psi
4. Rejected produced water.
5. Zone not productive of oil or gas.

XII. Due diligence regarding the available geologic and engineering data was completed prior to drilling the disposal well.

*Sections VI, VIII, X and XI previously submitted.

This application is intended to enable Maralex Disposal to be re-authorized to inject in the existing Centerpoint SWD well.

Attached is the sundry notice that states when Maralex Disposal was given permission to start injection on November 30, 2006.

Submit 3 Copies To Appropriate District Office
District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| |
|---|
| WELL API NO. 30-045-33464 |
| 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. |
| 7. Lease Name or Unit Agreement Name Centerpoint SWD |
| 8. Well Number 1 |
| 9. OGRID Number 193838 |
| 10. Pool name or Wildcat Wildcat |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 5780 GR |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ |

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" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other SWD

2. Name of Operator
Maralex Disposal, LLC

3. Address of Operator
P.O. Box 338, Ignacio, CO 81137

4. Well Location
Unit Letter P 856 feet from the S line and 738 feet from the E line
Section 24 Township 31N Range 11W NMPM County San Juan

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | | | |
|--|---|--|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| OTHER: <input type="checkbox"/> | | OTHER: Begin Injection <input checked="" type="checkbox"/> | |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 11/30/06, received verbal approval to begin injection at 11:00AM from Charlie Perrin of the NMOCD. Began water injection at 5:30PM, injecting down tubing at a rate of 737 BWPD at 230 psig.

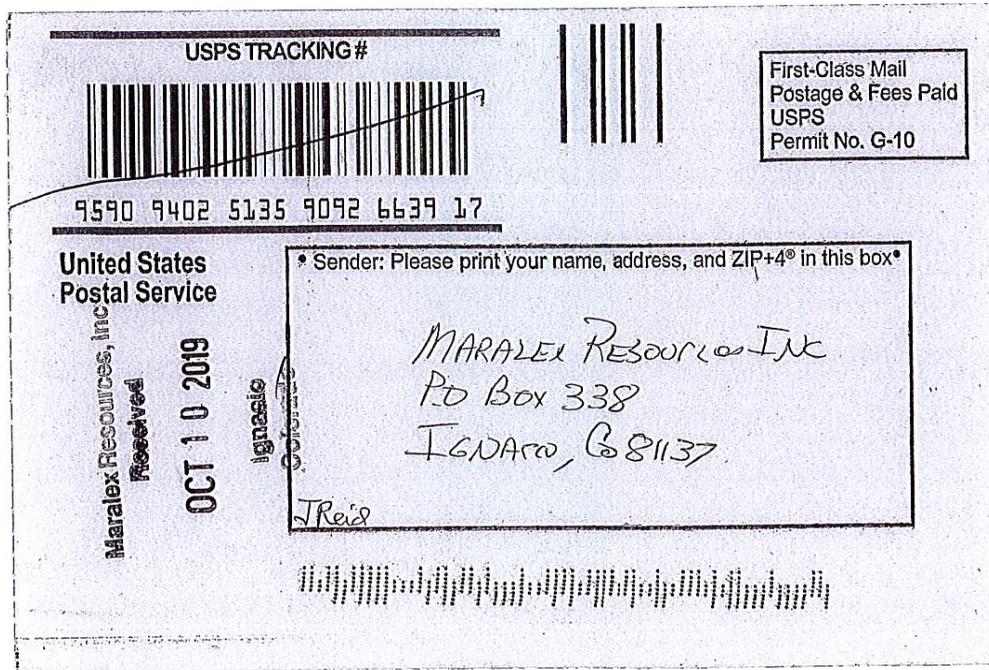
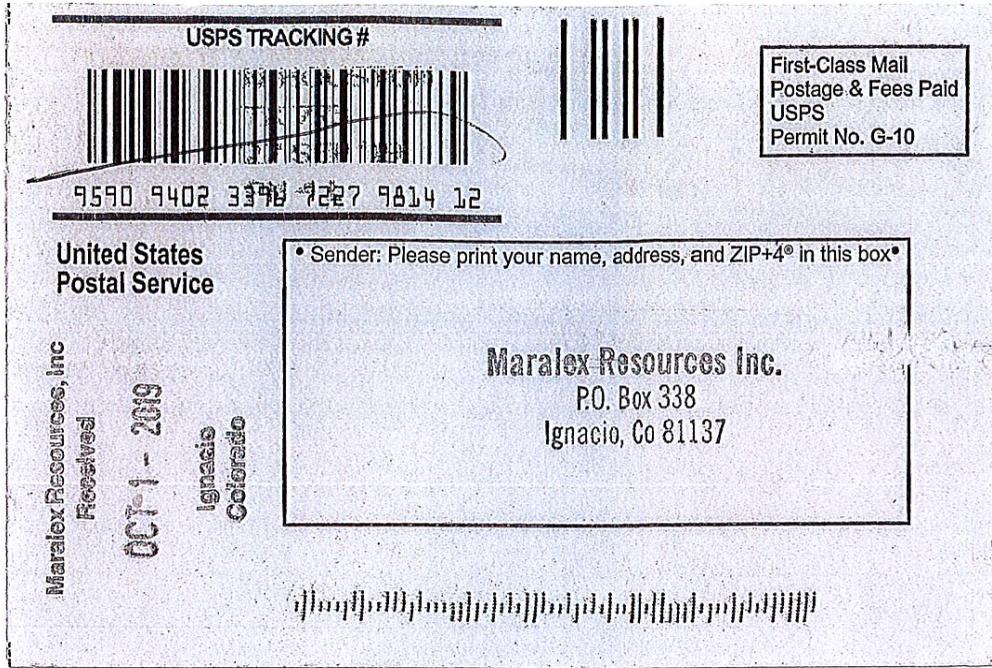
RCVD DEC 11 '06
OIL CONS. DIV.
DIST. 3

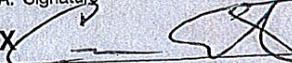
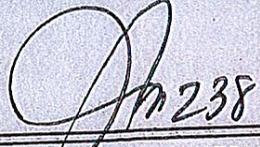
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan .

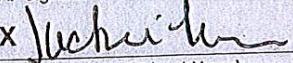
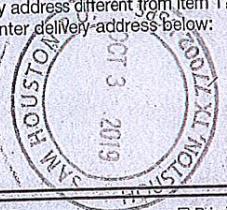
SIGNATURE Carla S. Shaw TITLE Production Technician DATE 12/04/06

Type or print name Carla S. Shaw E-mail address: production@maralexresources.com Telephone No. 970/563-4000
For State Use Only

APPROVED BY: Charlie Perrin TITLE SUPERVISOR DISTRICT # 3 DATE DEC 11 2006
Conditions of Approval (if any):



| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|---|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. 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. | <p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X </p> <p>B. Received by (Printed Name) _____ C. Date of Delivery 9/27/15</p> |
| <p>1. Article Addressed to:</p> <p>Hilcorp Energy Co 1111 Travis St. HOUSTON TX 77002</p>  <p>9590 9402 3396 7227 9814 12</p> | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p> <p></p> <p>3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Registered Mail Restricted Delivery (over \$500)</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7017 3040 0000 6438 0078</p> | <p>Domestic Return Receipt</p> |
| <p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p> | |

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|---|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. 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. | <p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>X </p> <p>B. Received by (Printed Name) _____ C. Date of Delivery 10/3</p> |
| <p>1. Article Addressed to:</p> <p>Burlington Resources Oil & Gas Co P.O. Box 2197 HOUSTON, TX 77052</p>  <p>9590 9402 5135 9092 6639 17</p> | <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below: _____</p> <p></p> <p>3. Service Type <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Registered Mail Restricted Delivery (over \$500)</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7017 3040 0000 6438 0085</p> | <p>Domestic Return Receipt</p> |
| <p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p> | |