JOHN CORBETT
OIL AND GAS CONSULTING
P.O. BOX 93
FARMINGTON, NM 87499

October 10, 2002

William V. Jones, Jr.
NM Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Subject: Administrative Application of SWD: King Kong Well No. 20
Section 4, T30N, R17W, NMPM, San Juan County, New Mexico

Dear Mr. Jones:

Enclosed per our discussion yesterday is information pertinent to the referenced application. Please find included:

1. A produced water analysis – As discussed, the water is high in bicarbonate, but still well under 10,000 TDS. This analysis is from one of the producing wells that will be serviced by the King Kong #2.

2. A production curve for the field – This illustrates both the oil and water volumes produced. The history is indicative of expected future volumes.

3. Injection Data – These data are from the King Kong #20 on forms submitted to the EPA. I have included the same data in graphic format to illustrate that the historic injected volumes have not increased the injection pressure to the point that a danger of lifting water to the surface exists. There does not appear to be an appreciable affect of injection volume on injection pressure on either a monthly or cumulative basis.

4. Notification receipts – As discussed, the surface is Tribal Trust. The Land Office is the Navajo Land Office in Montezuma Creek, UT.

If you have any questions you can contact me at (505) 327-5751.

30-37 03 pool

Very truly yours,

John C. Corbett

JCC:vac

Enclosures

(9)

Inter-Mountain Laboratories, Inc.

2506 W. Main Street
Farmington, New Mexico 87401

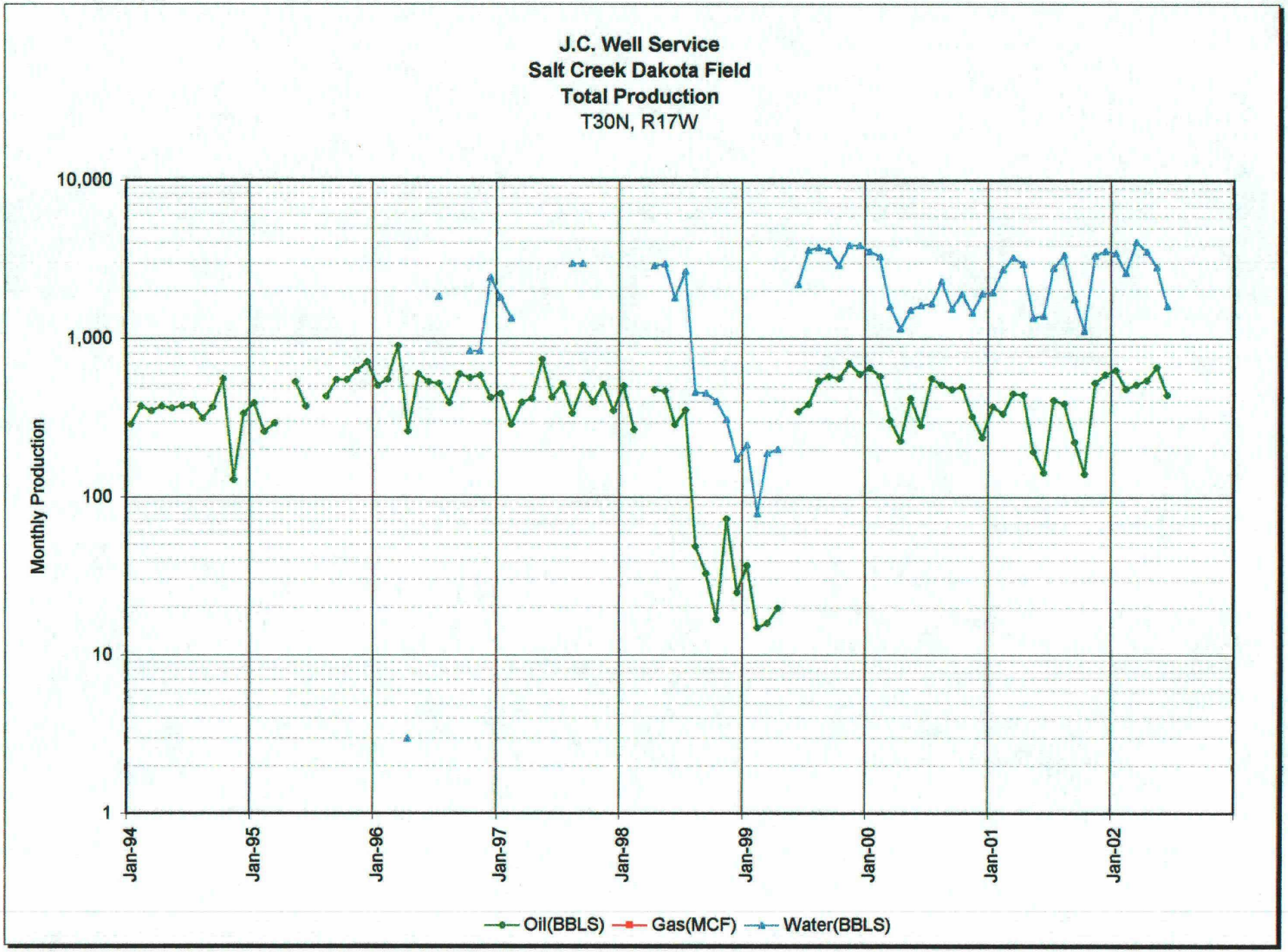
Client: Paid Client
Project: Action Oil Co.
Sample ID: Kent, #1 Top
Lab ID: 0398W04456
Matrix: Water
Condition: Intact

Date Received: 08/12/98
Date Reported: 08/18/98
Date Sampled: 08/11/98
Time Sampled: 1200

Parameter	As Received Result	As Received Units	Dry Basis Result	Dry Basis Units	PQL	Method	Analysis Date	Analysis Time	Analysis Init.
GENERAL PARAMETERS									
pH	8.1	s.u.			0.1	EPA 150.1	08/12/98	1600	BJ
Electrical Conductivity	4,530	µmhos/cm			10	EPA 120.1	08/12/98	1600	BJ
Solids - Total Dissolved	2,780	mg/L			10	EPA 160.1	08/17/98	0800	BJ
Total Alkalinity as CaCO3	1,880	mg/L			1	EPA 310.1	08/17/98	1020	JG
Total Hardness as CaCO3	22	mg/L			1	Calculation	08/18/98	1630	JG
MAJOR ANIONS									
Bicarbonate (HCO3)	2,290	mg/L	37.5	meq/L	1	EPA 310.1	08/17/98	1020	JG
Carbonate (CO3)	<1	mg/L	<0.01	meq/L	1	EPA 310.1	08/17/98	1020	JG
Hydroxide (OH)	<1	mg/L	<0.01	meq/L	1	EPA 310.1	08/17/98	1020	JG
Chloride	204	mg/L	5.74	meq/L	1	EPA 300.0	08/13/98	0830	JG
Sulfate	216	mg/L	4.49	meq/L	5	EPA 300.0	08/13/98	0830	JG
MAJOR CATIONS									
Calcium	5	mg/L	0.24	meq/L	1	EPA 200.7	08/13/98	1000	AP
Magnesium	2	mg/L	0.20	meq/L	1	EPA 200.7	08/13/98	1000	AP
Potassium	3	mg/L	0.09	meq/L	1	EPA 200.7	08/13/98	1000	AP
Sodium	888	mg/L	38.6	meq/L	1	EPA 200.7	08/13/98	1000	AP
CATION / ANION BALANCE QC INFORMATION									
Cation Sum			39.2	meq/L	N/A	Calculation	08/18/98	1630	JG
Anion Sum			47.8	meq/L	N/A	Calculation	08/18/98	1630	JG
Cation/Anion Balance			9.89	meq/L	N/A	Calculation	08/18/98	1630	JG

Reference: EPA - "Methods for Chemical Analysis of Water and Wastes (MCAWW)" - EPA/600/4-79-020 - March, 1983.
EPA - "Methods for the Determination of Inorganic Substances in Environmental Samples", United States Environmental Protection Agency, EPA 600/R-93/100, August, 1993.
EPA - "Methods for the Determination of Metals in Environmental Samples" - Supplement I - 600/R-94-111 - May, 1994.

Reviewed By: _____
John Green, Water Lab Supervisor


J.C. Well Service
Salt Creek Dakota Field
Total Production
T30N, R17W
Monthly Production
10,000
1,000
100
10
1
Jan-94
Jan-95
Jan-96
Jan-97
Jan-98
Jan-99
Jan-00
Jan-01
Jan-02
Oil(BBLS)
Gas(MCF)
Water(BBLS)

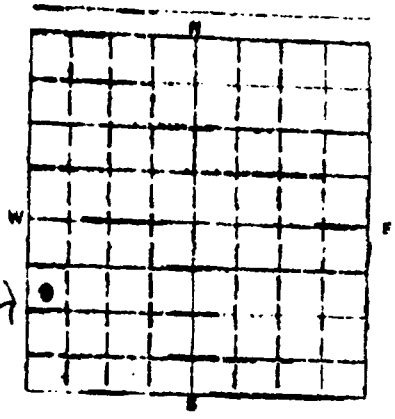
EPA ANNUAL DISPOSAL/INJECTION WELL MONITORING REPORT

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

NAME AND ADDRESS OF EXISTING PERMITTEE
ACTION O.L CO.
P.O BOX 51
FARMINGTON, NM 87499

NAME AND ADDRESS OF SURFACE OWNER
NAVAJO RESERVATION NATION

LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT — 640 ACRES



STATE: NM | COUNTY: SAN JUAN | PERMIT NUMBER: NN2990000021

SURFACE LOCATION DESCRIPTION
NE ¼ OF SE ¼ OF ¼ SECTION 4 TOWNSHIP 30N RANGE 17W

LOCATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT
Surface Location 1650 ft. from (N/S) S Line of quarter section
and 330 ft. from (E/W) E Line of quarter section

WELL ACTIVITY
- ☐ Brine Disposal
- ☐ Enhanced Recovery
- ☐ Hydrocarbon Storage

TYPE OF PERMIT
- ☐ Individual
- ☐ Area
- Number of Wells ____

Lease Name King Kong Well Number # 20

MONTH	YEAR	INJECTION PRESSURE AVERAGE PSIG (Shut in)	INJECTION PRESSURE MAXIMUM PSIG	TOTAL VOLUME INJECTED BBL	TOTAL VOLUME INJECTED MCF	TUBING — CASING ANNULUS PRESSURE (OPTIONAL MONITORING) MINIMUM PSIG	TUBING — CASING ANNULUS PRESSURE (OPTIONAL MONITORING) MAXIMUM PSIG
7	99	45	180	2260			
8	99	44	185	4775			
9	99	45	185	3630			
10	99	43	180	3854			
11	99	44	188	3905			
12	99	45	187	3906			

CERTIFICATION

I certify under the penalty of law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32)

NAME AND OFFICIAL TITLE (Please type or print)	SIGNATURE	DATE SIGNED
JOHN CUNNINGHAM		2-22-01

EPA Form 7520-11 (Rev. 8-90)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, DC 20460

EPA ANNUAL DISPOSAL/INJECTION WELL MONITORING REPORT

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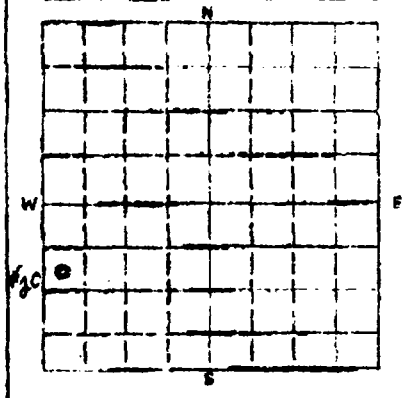
ACTION OIL CO.
P.O. BOX 51
FARMINGTON, NM 87499

NAME AND ADDRESS OF SURFACE OWNER
NAVAJO NATION

LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT — 640 ACRES



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COUNTY: SAN JUAN
PERMIT NUMBER: NN2940000021

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☐ Enhanced Recovery
☐ Hydrocarbon Storage

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☐ Area
Number of Wells ____

Lease Name KING KONG Well Number #20

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1-00	45	190	3581			
2-00	44	205	3315			
3-00	40	190	1612			
4-00	40	185	1165			
5-00	44	186	1528			
6-00	45	180	1634			
7-00	44	185	1683			
8-00	42	183	2311			
9-00	37	180	1558			
10-00	35	182	1935			
11-00	34	185	1458			
12-00	32	189	1947			

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JOHN CUNNINGHAM		2-22-01

EPA Form 7520-11 (Rev. 9-90)

EPA

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WASHINGTON, DC 20460

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FARMINGTON NM 87499

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RESERVATION

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		Shut In					
1	01	55	190	1976			
2	01	55	190-5	2768			
3	01	55	190-5	3274			
4	01	55-60	190-5	2973			
5	01	55-60	190-5	1360			
6	01	55-60	190-195	1405			
7	01	55-60	190-195	2920			
8	01	55-60	190-195	3404			
9	01	55-60	190-195	1784			
10	01	55-60	190-195	1128			
11	01	55-60	190-195	3381			
12	01	55-60	190-195	3610			

CERTIFICATION

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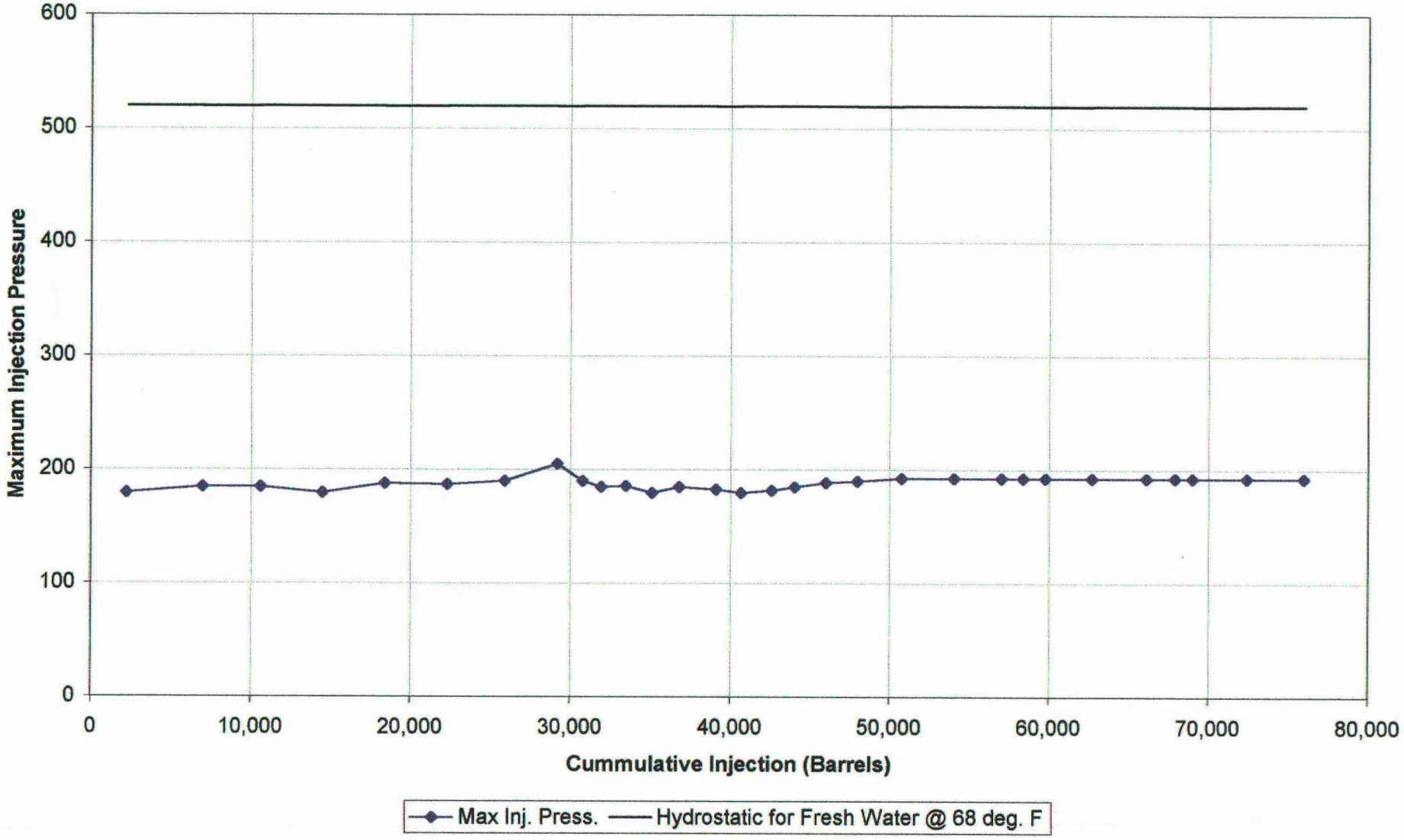
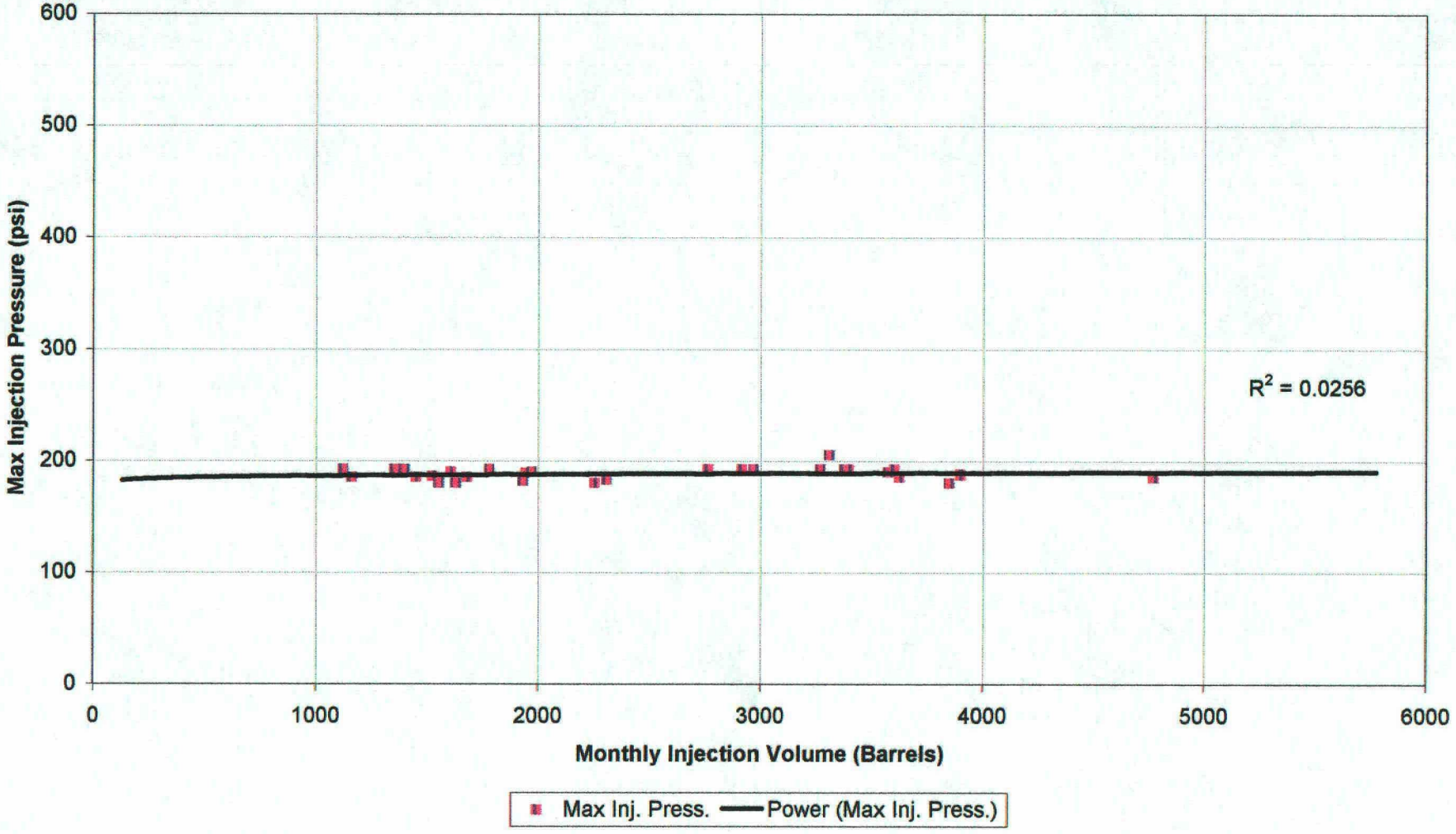
NAME AND OFFICIAL TITLE (Please type or print)	SIGNATURE	DATE SIGNED
JOHN CUNNINGHAM	John Cunningham	7-28-02

EPA Form 7520-11 (Rev. 6-90)

J.C. Well Service
King Kong # 20
Max Monthly Injection Pressure vs Cum Injection Barrels



J. C. Well Service
King Kong #20
Max Monthly Injection Pressure vs Monthly Injection Vol



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:

Ms Belinda Clark
Navaja Nation Land Office
PoBox 410
Montezuma Creek UT
84534

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☒ Addressee

B. Received by *(Printed Name)* C. Date of Delivery 9/30/02

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 from service label) 7002 0510 0002 7338 9238

PS Form 3811, August 2001 Domestic Return Receipt 102595-02-M-1540

U.S. Postal Service Delivery Confirmation Receipt

Postage and Delivery Confirmation fees must be paid before mailing.

Article Sent To: (to be completed by mailer)
NMOCD
1000 Rio Brazos Rd
Aztec NM 87410

DELIVERY CONFIRMATION NUMBER:
0301 0120 0007 6997 6185

Postmark Here
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PS Form 152, January 2001

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Article Sent To: (to be completed by mailer)
NMOCD
1220 So. St Francis Dr.
Santa Fe, NM 87505

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0301 0120 0007 6997 6192

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