

Ben Stone

From: Ernie Busch
To: David Catanach
Cc: Ben Stone
Subject: RE: SG INTERESTS (SWD)
Date: Friday, June 09, 1995 9:26AM
Priority: High

IN ADDITION TO THE RECOMMENDATION I SENT TO YOU TWO DAYS AGO, I WOULD LIKE TO ADD THE NEED TO SPECIFY THAT THE PACKER BE SET WITHIN 100' OF THE TOP PERF. WE HAD A PROBLEM WITH ONE OTHER WELL WHERE THE OPERATOR WAS NOT INSTRUCTED TO DO THAT AND I THINK THAT IF WE COULD PUT IT IN THE ORDER IT WOULD ELIMINATE ANY MISUNDERSTANDINGS.

From: Ernie Busch
To: David Catanach
Cc: Ben Stone
Subject: SG INTERESTS (SWD)
Date: Wednesday, June 07, 1995 9:20AM
Priority: High

WEST BISTI WATER DISPOSAL 26-13-16 #1
A-16-26N-13W

RECOMMEND: APPROVAL OF THE MESAVERDE FOR PRODUCED WATER DISPOSAL, BUT
NOT THE PICTURED CLIFFS. THE PICTURED CLIFFS HAS PRODUCTION POTENTIAL
IN THIS AREA.

Ben Stone

From: Ernie Busch
To: David Catanach
Cc: Ben Stone
Subject: SG INTERESTS (SWD)
Date: Wednesday, June 07, 1995 9:20AM
Priority: High

WEST BISTI WATER DISPOSAL 26-13-16 #1

A-16-26N-13W

RECOMMEND: APPROVAL OF THE MESAVERDE FOR PRODUCED WATER DISPOSAL, BUT
* ~~NOT THE PICTURED CLIFFS~~ THE PICTURED CLIFFS HAS PRODUCTION POTENTIAL
IN THIS AREA.

CHECKLIST for ADMINISTRATIVE INJECTION APPLICATIONS

Operator: SC INTERESTS Well: WEST BIST/ WATER DISPOSAL No. 1

Contact: DENNIS REIMERS Title: ENG. MGR. Phone: 303.563.9000

DATE IN 5-18-95 RELEASE DATE 6-1-95 DATE OUT 6-6-95

Proposed Injection Application is for: ☐ WATERFLOOD ☐ Expansion ☐ Initial

Original Order: R- ☒ ☐ Secondary Recovery ☐ Pressure Maintenance

~~SENSITIVE AREAS~~

☒ SALT WATER DISPOSAL

☐ WIPP ☒ Capitan Reef ☐ Commercial Operation

Data is complete for proposed well(s)? ☐ Additional Data _____

AREA of REVIEW WELLS

☐ Total # of AOR ☐ # of Plugged Wells
☐ Tabulation Complete ☐ Schematics of P & A's
☐ Cement Tops Adequate ☐ AOR Repair Required

INJECTION INFORMATION

Injection Formation(s) MESAVERDE

Source of Water COAL SEAM PRODUCER WATER AREA Compatible YES

PROOF OF NOTICE

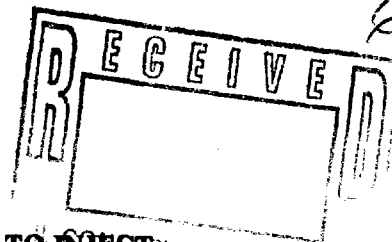
☒ Copy of Legal Notice ☒ Information Printed Correctly
☒ Correct Operators ☒ Copies of Certified Mail Receipts
☒ Objection Received ☐ Set to Hearing _____ Date

NOTES: _____

APPLICATION QUALIFIES FOR ADMINISTRATIVE APPROVAL YES

COMMUNICATION WITH CONTACT PERSON:

1st Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	Date	_____	Nature of Discussion	_____
2nd Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	Date	_____	Nature of Discussion	_____
3rd Contact:	<input type="checkbox"/> Telephoned	<input type="checkbox"/> Letter	_____	Date	_____	Nature of Discussion	_____



APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Secondary Recovery Pressure Maintenance X Disposal Storage
Application qualifies for administrative approval? Yes No
- II. OPERATOR: SG Interests
ADDRESS: P. O. Box 338 Ignacio, Colorado 81137
CONTACT PARTY: Dennis R. Reimers PHONE: (303) 563-4000
- III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project: 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 geological data on the injection zone including appropriate lithologic detail, geological name, thickness and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/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 source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Dennis R. Reimers TITLE: Engineering Manager / Agent
SIGNATURE: Dennis R. Reimers DATE: May 16, 1995
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal. N/A

III. WELL DATA

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

- ✓ (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
- ✓ (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

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

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

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

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

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

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days.

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

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

**SG INTERESTS
PROPOSED WEST BISTI
PRODUCED WATER DISPOSAL WELL**

Well Data

(As Related to Section III of the OCD Application Form)

1. Lease : State Lease (mineral rights currently not leased)

Well No.: West Bisti Water Disposal 26-13-16 #1

Locaton: 800' FNL, 800' FEL of S16-T26N-R13W

2. Casing and Cementing Specifications

<u>Depth</u>	<u>Hole Size</u>	<u>Casing & Weight</u>	<u>Cement Prog.</u>
0-250'	12 1/4"	9 5/8" 36 lb/ft	157 ft ³ (100% excess) Class B yield=1.3 ft ³ /sx*
250-4200'	8 3/4"	7" 26 lb/ft	807 ft ³ (20% excess) Class B yield=1.3 ft ³ /sx*

- * Due to cement yield variations the actual yield will be measured on the cement pumped. The cement volume will be calculated from the open hole caliper log with 20% excess applied.

3. New 3 1/2" 9.5 lb/ft of internally coated tubing will be used as the injection string.
4. An injection packer will be set just above the top of the Mesa Verde Sands at a depth of approximately 3200'.

Proposed Operation:

(As Related to Section VII of the OCD Application Form)

1. The well will be drilled and completed to the Mesa Verde sands to dispose of produced water from SG Interests wells that are currently dewatering from the Fruitland coal seam. The volume of water to be injected is approximately 1500 BWPD

SG Interests
Proposed West Bisti
Produced Water Disposal Well

which will decline as the wells are dewatered. In two to three years the water production from wells initially tied in to this disposal well will be a minimum volume (less than 500 BWPD). The well will most likely be used to dispose of coal seam water from additional Fruitland wells that may be drilled in this area. In the event the Mesa Verde sands are not sufficiently permeable for water disposal, the Pictured Cliff sands will be open and injected into. Both the Mesa Verde and Pictured Cliffs are non hydrocarbon bearing in this area.

2. The disposal system will be completely enclosed. Water from each producing well will be pumped through a pipeline to the proposed disposal site, where it will be filtered before it is disposed of in the injection well. Produced water from some of the further extensions wells will be trucked to the disposal site.
3. A step rate injectivity test will be conducted on the new disposal well to determine the maximum injection pressure the water can be injected and be kept below the fracture gradient of the Mesa Verde. Typical wells in this area have seen a fracture gradient of approximately 0.64 psi/ft. At a projected depth of 4200 ft. this will result in a maximum injection pressure of approximately 880 psi. The average injection pressure should be lower than this but will be a function of the porosity and permeability present in the Mesa Verde formation. In the event the Pictured Cliffs formation is used as the disposal interval the maximum pressure will be kept below the fracture gradient. Work in this area has shown that at the shallower depths the frac gradient shows a large increase. Step rate tests have shown gradients averaging 1.5 psi/ft at the shallower depths. The actual fracture gradient will be measured and used as the basis for establishing the maximum injection pressure into the Pictured Cliffs formation.
4. Water analysis are included with the application showing the Fruitland coal seam water quality. There are no known compatibility issues associated with the mixing of coal seam water with the Mesa Verde or Pictured Cliffs formation waters.

SG Interests
Proposed West Bisti
Produced Water Disposal Well

5. In the area of investigation there are no available Mesa Verde or Pictured Cliffs water samples. Offsetting this area both of these intervals have proven to be non hydrocarbon productive. No known compatability problems are evidenced between the Fruitland produced water and native waters from the Mesa Verde and the Picture Cliffs.

Geological Description - Picture Cliffs Formation:

(As Related to Section VIII of the OCD Application Form)

The proposed target interval for disposing of the produced water is the Mesa Verde sands. The formations in this area with their estimated tops are as follows: (Depths are measured from ground level to the top of each formation) Est. ground level = 6230'.

Kirtland	260'
Fruitland	960'
Pictured Cliffs	1350'
Mesa Verde Sands	2100'
Total Depth	4200'

As the attached map shows there are a number of wells drilled in the immediate vicinity but not within a half mile radius of the proposed well. The Mesa Verde and Picture Cliff sands have not been hydrocarbon productive in this area. The completions have all been abandoned as unproductive wells. With these offsets there is very good geological control on determining the depth and producing capability of these formations. Even though the plugged and abandoned wells illustrate the unproductiveness of this area, the proposed injection well will be tested in the disposal interval before water injection is initiated. This will consist of perforating the well and swabbing it to recover the native fluids. The uniform clean sandstones will provide a good isolated permeable interval for water disposal. There are no wells in the project area supplying underground drinking water. Very shallow sands within the Ojo Alamo or top of the Kirtland (100 to 300') are possibly intervals containing fresh water.

SG Interests
Proposed West Bisti
Produced Water Disposal Well

Proposed Stimulation Program:

(As Related to Section IX of the OCD Application Form)

After the well is drilled and cased through the Mesa Verde sands, perforations will be picked from open hole logs. The perforations will be broken down with acid, before the interval is hydraulically fractured. Good formation barriers exist both above and below the Mesa Verde sands to contain the fracture treatment. The frac will be designed to place approximately 250,000 lbs of proppant. The induced fracture will allow water to be disposed into the Mesa Verde sands under matrix pressures.

Logging and Testing Program:

(As Related to Section X of the OCD Application Form)

The openhole logging program will consist of a porosity log (FDC/CNL) and a microresistivity log. Both of these logs will include a gamma ray log. After the well is cased and cemented a cement bond log will be obtained from PBTD to surface. In the event a poor cement bond is observed, or cement was not adequately circulated behind pipe, remedial cement work will be initiated according to OCD approved procedures. All open and cased hole logs will be submitted to the OCD.

After the well has been perforated in the Mesa Verde, the well will be produced to ensure there is no commercial productivity. This test will include swabbing of the perforations in an attempt to establish flow from this interval. As previously mentioned, the Mesa Verde and Picture Cliffs formations have not been productive in the wells in this area.

Potential Fresh Water Zones

(As Related to Section XI of the OCD Application Form)

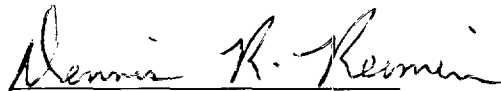
There are no fresh water wells within a one mile radius of the proposed disposal well.

SG Interests
Proposed West Bisti
Produced Water Disposal Well

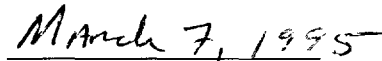
Affirmative Statement

(As Related to Section XII of the OCD Application Form)

Certification: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in the application are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by SG Interests, and its contractors and subcontractors in conformity with this application and the terms and conditions under which it is approved.

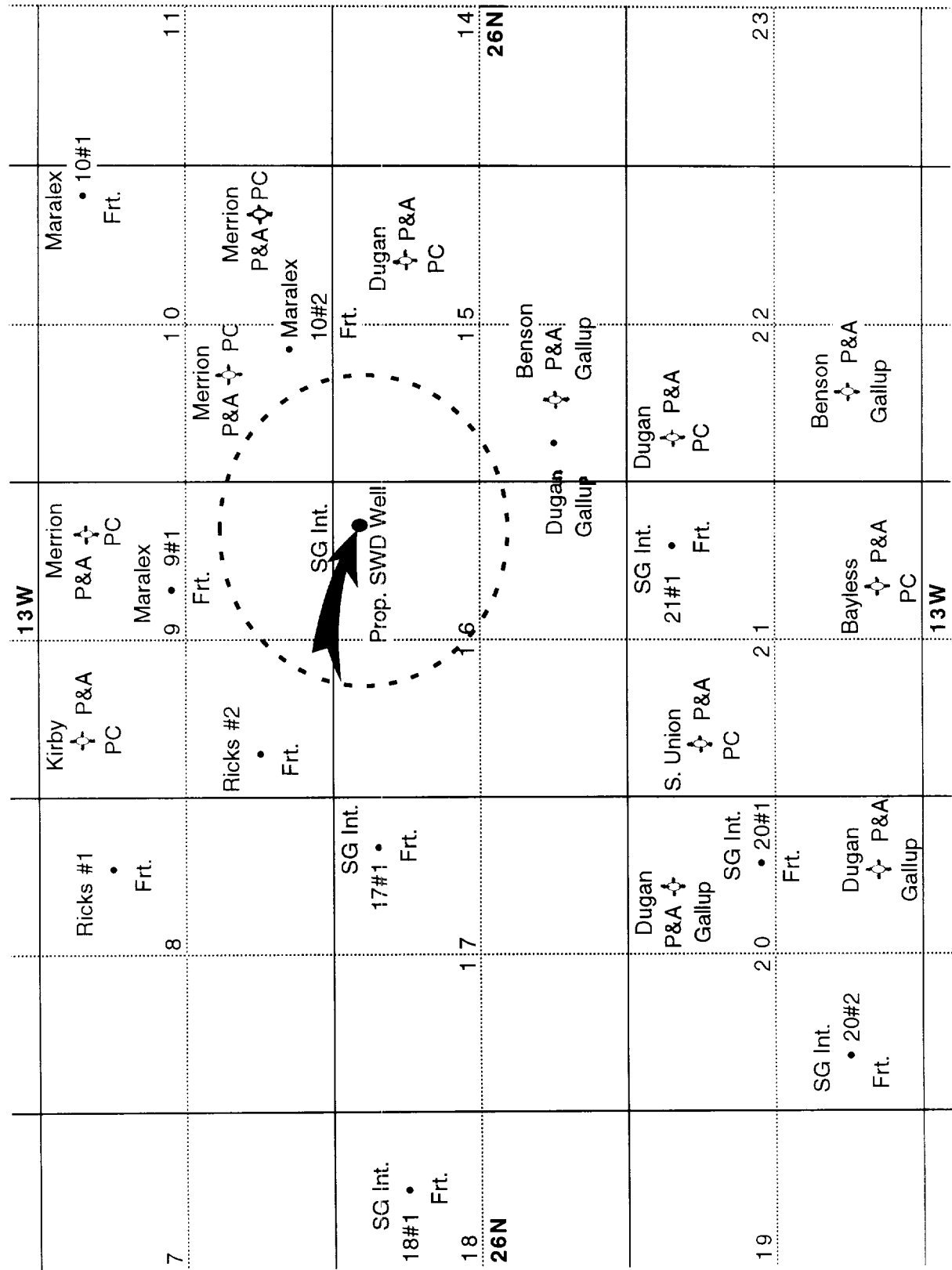


Dennis R. Reimers
Authorized Agent for
SG Interests, Inc.



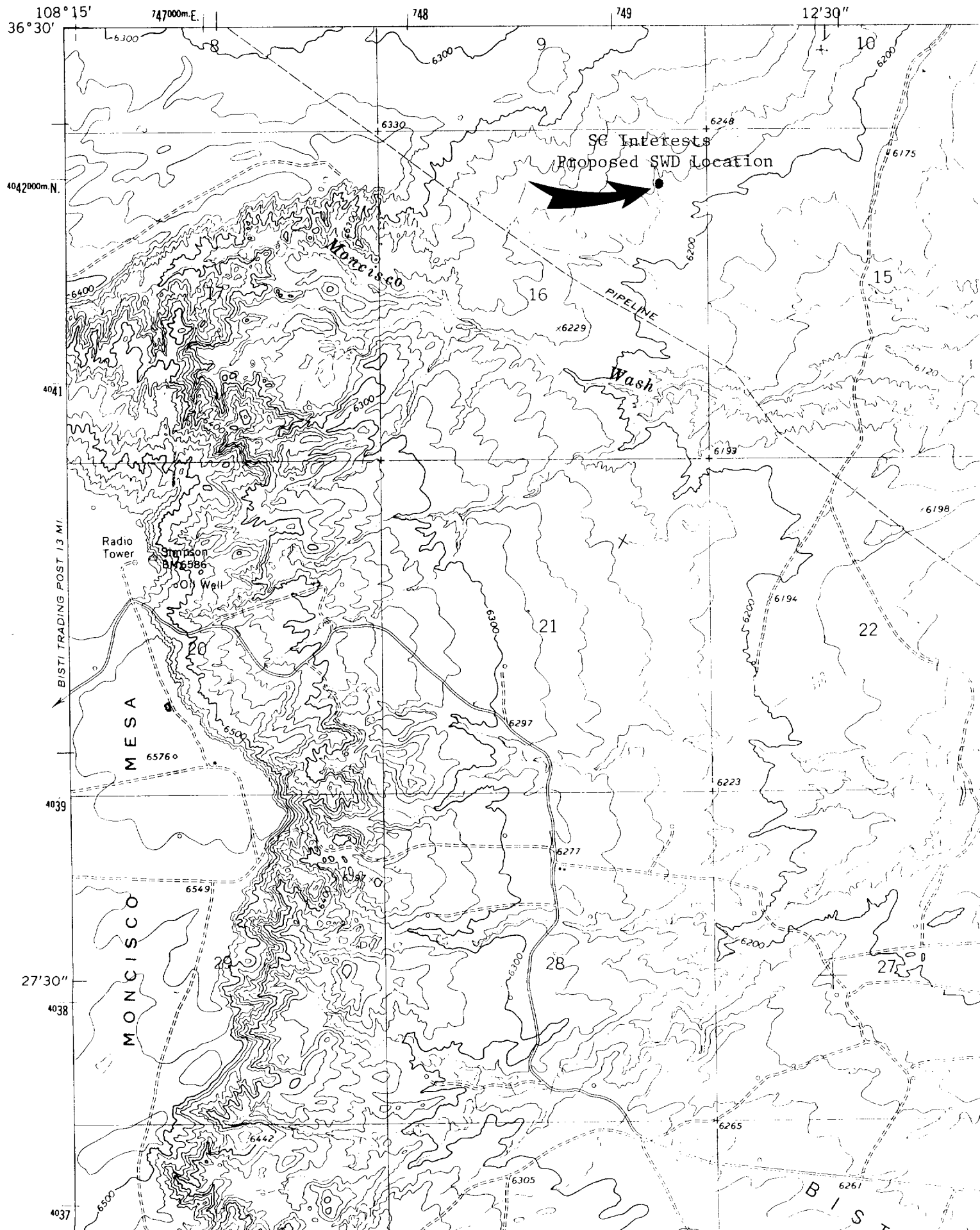
Date

SG INTERSTS WEST BISTI DISPOSAL WELL



4357 III SE
(KIRTLAND SE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



Post-It™ brand fax transmittal memo 7671 # of pages 6

To <u>MARLEX</u>	From <u>LAB</u>
Co. <u>Halliburton</u>	Co. <u>Halliburton</u>
Dept.	Phone #
Fax #	Fax #

ENERGY SERVICES
LABORATORY
TERN AREA
DRY ANALYSIS

To: S & G

Date: 06-16-94

MARLEX

Submitted by: _____

Date Rec. 06-15-94

Well No. GALLEGOS FED 26-11-17 #1

Location: _____

Sample Markings WATER TANK

Specific Gravity	<u>1.020</u>		
pH	<u>7.27</u>		
Resistivity	<u>.293 @ 75°</u>		
Iron (Fe)	<u>2</u>	Milligrams per Liter	
Potassium (K)	<u>250</u>	"	"
Sodium (Na)	<u>10322</u>	"	"
Calcium (Ca)	<u>1104</u>	"	"
Magnesium (Mg)	<u>526</u>	"	"
Chlorides (Cl)	<u>19027</u>	"	"
Sulfates (SO ₄)	<u>0</u>	"	"
Carbonates (CO ₃)	<u>0</u>	"	"
Bicarbonates (HCO ₃)	<u>1068</u>	"	"
Total Dissolved Solids	<u>32299</u>	"	"

By TERESA WHITE

Title LAB TECH

Location FARMINGTON

NOTICE:

This report is limited to the described sample tested. Any person using or relying on this report agrees that Halliburton shall not be liable for any loss or damage whether due to act or omission resulting from such report or its use.

HALLIBURTON ENERGY SERVICES
FIELD LABORATORY
WESTERN AREA

LABORATORY ANALYSIS

To: S & G

Date: 06-16-94

MARLEX

Submitted by: _____

Date Rec. 06-15-94

Well No. GALLEGOS FED 26-12-07 #1 Location: _____

Sample Markings WELL HEAD

Specific Gravity 1.010

pH 7.09

Resisitivity .416 @ 75°

Iron (Fe) <10

Milligrams per Liter

Potassium (K) 250

" "

Sodium (Na) 4798

" "

Calcium (Ca) 597

" "

Magnesium (Mg) 363

" "

Chlorides (Cl) 9213

" "

Sulfates (SO₄) 0

" "

Carbonates (CO₃) 0

" "

Bicarbonates (HCO₃) 915

" "

Total Dissolved Solids 16136

" "

By TERESA WHITE

Title LAB TECH

Location FARMINGTON

NOTICE:

This report is limited to the described sample tested. Any person using or relying on this report agrees that Halliburton shall not be liable for any loss or damage whether due to act or omission resulting from such report or its use.

HALLIBURTON ENERGY SERVICES
FIELD LABORATORY
WESTERN AREA

LABORATORY ANALYSIS

To: S & G

Date: 06-16-94

MARLEX

Submitted by: _____

Date Rec. 06-15-94

Well No. GALLEGOS FED 26-12-06 #2

Location: _____

Sample Markings WELL HEAD

Specific Gravity 1.010

pH 7.25

Resisitvity .505 @ 75°

Iron(Fe) <10

Milligrams per Liter

Potassium(K) 250

" "

Sodium(Na) 4974

" "

Calcium(Ca) 537

" "

Magnesium(Mg) 581

" "

Chlorides(Cl) 10014

" "

Sulfates(SO₄) 0

" "

Carbonates(CO₃) 0

" "

Bicarbonates(HCO₃) 915

" "

Total Dissolved Solids 17271

" "

By TERESA WHITE

Title LAB TECH

Location FARMINGTON

NOTICE:

This report is limited to the described sample tested. Any person using or relying on this report agrees that Halliburton shall not be liable for any loss or damage whether due to act or omission resulting from such report or its use.

HALLIBURTON ENERGY SERVICES
FIELD LABORATORY
WESTERN AREA

LABORATORY ANALYSIS

To: S & G

Date: 06-16-94

MARLEX

Submitted by: _____

Date Rec. 06-15-94

Well No. GALLEGOS FED 26-12-31 #1

Location: _____

Sample Markings WELL HEAD

Specific Gravity 1.010

pH 6.92

Resisitvity .505 @ 75°

Iron(Fe) 3

Milligrams per Liter

Potassium(K) 250

" "

Sodium(Na) 2046

" "

Calcium(Ca) 1075

" "

Magnesium(Mg) 581

" "

Chlorides(Cl) 6008

" "

Sulfates(SO₄) 0

" "

Carbonates(CO₃) 0

" "

Bicarbonates(HCO₃) 1678

" "

Total Dissolved Solids 11640

" "

By TERESA WHITE

Title LAB TECH

Location FARMINGTON

NOTICE:

This report is limited to the described sample tested. Any person using or relying on this report agrees that Halliburton shall not be liable for any loss or damage whether due to act or omission resulting from such report or its use.

HALLIBURTON ENERGY SERVICES
FIELD LABORATORY
WESTERN AREA

LABORATORY ANALYSIS

To: S & G

Date: 06-16-94

MARLEX

Submitted by: _____

Date Rec. 06-15-94

Well No. GALLEGOS FED 26-12-19 #1 Location: _____

Sample Markings WATER TANK

Specific Gravity 1.010

pH 7.43

Resisitivity .464 @ 75°

Iron(Fe) 2

Milligrams per Liter

Potassium(K) 250

" "

Sodium(Na) 3590

" "

Calcium(Ca) 657

" "

Magnesium(Mg) 399

" "

Chlorides(Cl) 7120

" "

Sulfates(SO₄) 0

" "

Carbonates(CO₃) 0

" "

Bicarbonates(HCO₃) 1525

" "

Total Dissolved Solids 13633

" "

By TERESA WHITE

Title LAB TECH

Location FARMINGTON

NOTICE:

This report is limited to the described sample tested. Any person using or relying on this report agrees that Halliburton shall not be liable for any loss or damage whether due to act or omission resulting from such report or its use.



WF

The Western Company of North America

3250 South Side River Road
Farmington, New Mexico 87401
Phone (505)327-6222
Fax (505)327-5766

API WATER ANALYSIS

Company MARALEX Sample No. _____ Date Sampled 6-18-93
Field _____ Legal Description _____ County or Parish S. J. State N. M.
Lease or Unit GALEGOS Fed. Well 26-13-1 Depth _____ Formation _____ Water. S/D _____
Type of Water (Produced, Supply, ect.) _____ Sampling Point _____ Sampled By _____

DISSOLVED SOLIDS

CATIONS

	mg/l	me/l
Sodium, Na	<u>6578</u>	<u>274</u>
Calcium, Ca	<u>288</u>	<u>14.4</u>
Magnesium, Mg	<u>140</u>	<u>11.6</u>
Barium, Ba	<u>—</u>	<u>—</u>
_____	<u>—</u>	<u>—</u>
_____	<u>—</u>	<u>—</u>

ANIONS

Chloride, Cl	<u>10,305</u>	<u>2.91</u>
Sulfate, SO ₄	<u>14</u>	<u>0.31</u>
Carbonate, CO ₃	<u>0</u>	<u>0</u>
Bicarbonate, HCO ₃	<u>1281</u>	<u>2.1</u>
Hydroxide, OH	<u>0</u>	<u>0</u>
_____	<u>—</u>	<u>—</u>
_____	<u>—</u>	<u>—</u>

Total Dissolved Solids (calc.) 18,606

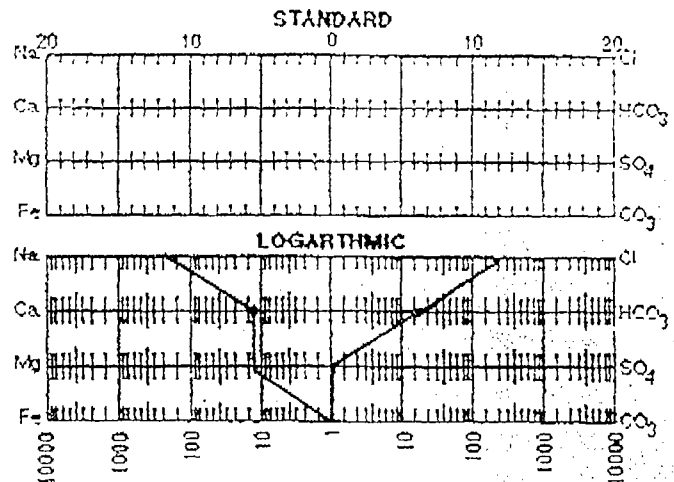
Iron, Fe (total) 0
Sulfide, as H₂S 0

Remarks & Recommendations:

OTHER PROPERTIES

pH 7.26
Specific Gravity, 60/60 F 1.015
Resistivity (ohm-meter) 72 °F
Total Hardness 1300

WATER PATTERNS-me/l



Analyst: Mike McNeal

Please refer any questions to:
Loren Dieck-District Engineer
Thank you.

325-5512

MAR 13 1995

AFFIDAVIT OF PUBLICATION

COPY OF PUBLICATION

No. 34480

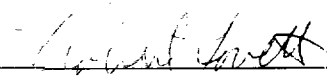
STATE OF NEW MEXICO

County of San Juan:

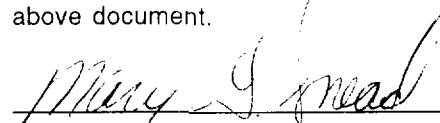
ROBERT LOVETT being duly sworn says: That he is the Classified Manager of THE DAILY TIMES, a daily newspaper of general circulation published in English at Farmington, said county and state, and that the hereto attached Legal Notice was published in a regular and entire issue of the said DAILY TIMES, a daily newspaper duly qualified for the purpose within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico for publication on the following day(s):

Thursday, March 9, 1995

and the cost of publication was: \$25.93



On 3/10/95 **ROBERT LOVETT** appeared before me, whom I know personally to be the person who signed the above document.



My Commission Expires March 21, 1998.



SG Interests, Represented by

Maralex Resources, Inc.
P.O. Box 338
Ignacio, Colorado 81137

Contact Person:
Dennis Reimers (303)563-4000

Notice is given of SG Interests application for permitting the drilling of a produced water disposal well located as follows:

**800' FNL, 800' FEL Sec. 16-
T26N-R13W
San Juan County, New Mexico**

The well will serve as a produced water disposal well for the Fruitland coal seam water from nearby production wells. Produced water disposal into the Mesa Verde formation and possibly the Pictured Cliffs formation is requested. Anticipated injection rate of 1500 barrels of water per day is expected with a maximum injection pressure of 700 psi.

Interested parties must file objections or request for a hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87504-2088 within 15 days.

Legal No. 34480 published in The Daily Times, Farmington, New Mexico, Thursday, March 9, 1995.

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: J. GERGORY MERRION Box 1541 FARMINGTON, NM 87401

4a. Article Number: P 352 550 449

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

7. Date of Delivery: MAR 13 1991

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

5. Signature (Addressee):

6. Signature (Agent):

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: T.H. McELVAIN O.I.T. GAS Box 2148 Santa Fe, NM 87504

4a. Article Number: P 144 971 655

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

7. Date of Delivery: MAR 13 1991

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

5. Signature (Addressee):

6. Signature (Agent):

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Robert L. Bayless Box 168 FARMINGTON, NM 87401

4a. Article Number: P 352 550 448

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

7. Date of Delivery: MAR 13 1991

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

5. Signature (Addressee):

6. Signature (Agent):

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER: Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b. Print your name and address on the reverse of this form so that we can return this card to you. Attach this form to the front of the mailpiece, or on the back if space does not permit. Write "Return Receipt Requested" on the mailpiece below the article number. The Return Receipt will show to whom the article was delivered and the date delivered.

1. ☐ Addressee's Address

2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: James Johnson 1909 Cliffside Dr FARMINGTON, NM 87401

4a. Article Number: P 352 550 445

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

7. Date of Delivery: MAR 13 1991

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

5. Signature (Addressee):

6. Signature (Agent):

PS Form 3811, December 1991 *U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER: I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. 3. Article Addressed to: UNIVERSAL RESOURCES CORP Box 11070 SALT LAKE CITY, UTAH 84147 4a. Article Number P352 550450 4b. Service Type Registered Insured Certified Express Mail 7. Date of Delivery 3-10-95 8. Addressee's Address and fee is paid 10 9. Signature (Agent) W. Bisti SWD 10. Signature (Agent) PS Form 3811, December 1991 U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER: I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. 3. Article Addressed to: Key Production Co. 1700 Lincoln St. Denver, CO 80203 W. Bisti SWD 4a. Article Number P 144 971 650 4b. Service Type Registered Insured Certified Express Mail 7. Date of Delivery 3/1/95 8. Addressee's Address and fee is paid 9. Signature (Agent) 10. Signature (Agent) PS Form 3811, December 1991 U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER: I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. 3. Article Addressed to: Giant Expl. Production Box 2810 Farmington, NM 87499 W. Bisti SWD 4a. Article Number P144 971 655 4b. Service Type Registered Insured Certified Express Mail 7. Date of Delivery 3-10-95 8. Addressee's Address and fee is paid 9. Signature (Agent) 10. Signature (Agent) PS Form 3811, December 1991 U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

SENDER: I also wish to receive the following services (for an extra fee): 1. Addressee's Address 2. Restricted Delivery Consult postmaster for fee. 3. Article Addressed to: Union Pacific Res. Corp. Box 7 Ft Worth, TX 76101 W. Bisti SWD 4a. Article Number P 144 971 651 4b. Service Type Registered Insured Certified Express Mail 7. Date of Delivery MAR 09 1995 8. Addressee's Address and fee is paid 9. Signature (Agent) 10. Signature (Agent) PS Form 3811, December 1991 U.S. GPO: 1992-323-402 DOMESTIC RETURN RECEIPT

APR 13 1997

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

STEVEN DUNN
3100 Western Ave
FARMINGTON, NM

W BUST SWP 87401

5. Signature (Addressee)

6. Signature (Agent)

4a. Article Number

P 352 550 447

4b. Service Type

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

7. Date of Delivery

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

Thank you for using Return Receipt Service.

PS Form 3811, December 1991

U.S. GPO: 1992-323-402

DOMESTIC RETURN RECEIPT

TO:
Steven Dunn
3100 Western Ave
Farmington, NM 87401

MARALEX RESOURCES INC.
P.O. Box 338
Ignacio, CO 81137

Do not remain in this envelope
No such office in state
At such office in state
Postmaster: This is a certified letter.
If it is not a certified letter, it must be placed in a different envelope.
If it is a certified letter, it must be placed in this envelope.

