

WALSH

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping

7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

**New Mexico Oil Conservation Division
Attn. Mark Ashley
2040 Pacheco St.
Santa Fe, NM 87505**

February 16, 2000

Re: Amendment to Cowsaround SWD #1 Authorization to Inject Permit

Dear Mark,

Enclosed is the letter to Dugan Production Corp. which is the offset operator in the east half of section 17. I originally thought that Pendragon owned that section (over sight on my part). Also included is a copy of the letter I sent to a Mr. Dennis Garcia with the New Mexico State Land Department.

If there is anything else that you need please let me know.

Sincerely,

John C. Thompson
Engineer

**WALSH**

ENGINEERING & PRODUCTION CORP.

Petroleum Engineering Consulting
Lease Management
Contract Pumping7415 East Main
Farmington, New Mexico 87402
(505) 327-4892 • Fax: (505) 327-9834

**Dugan Production Corporation
709 E. Murray Dr.
Farmington, New Mexico 87401**

Re: Notice of Intent to Inject

Attn. Land/Engineering

Pendragon Energy Partners is applying for a permit to dispose of water produced from the Fruitland formation into the Mesa Verde formation in the proposed Cowsaround SWD #1 well. The Cowsaround SWD is located in Sec 16K, T26W, R12W (2220' fsl & 1680' fwl). The Mesa Verde injection zone is located at a depth of 3729'. Pendragon plans to dispose of approximately 500 bwpd with a maximum of 1500 bwpd at pressures that range from 745 psi to 1490 psi.

The Chaco Plant #90 and Chaco Plant #1 (located in the east half of section 17) which are operated by Dugan Production Corporation is in the area of review because it is located within one half mile of the Cowsaround SWD #1. As required by the NMOCD & form C-108, this letter is intended to serve as notice of the application and to inform you of your rights to object and file for a hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 with in 15 day upon receiving this letter.

Should you have any questions or concerns regarding this matter, please feel free to contact me anytime at (505) 327-4892.

Sincerely,

John C. Thompson
Engineer

Is your RETURN ADDRESS completed on the reverse side?

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.

3. Article Addressed to:

Dugan Production Co.
709 E. Murray Drive
Farmington, N.M. 87401
Cowsaround SWD #1

4a. Article Number
Z 443 153 247

4b. Service Type

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

7. Date of Delivery

2-17-00

5. Received By: (Print Name)

6. Signature: (Addressee or Agent)

[Signature]

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

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

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

Consult postmaster for fee.

Thank you for using Return Receipt Service.

PS Form 3811, December 1994

102595-98-B-0229

Domestic Return Receipt

**New Mexico State Land Department
PO Box 1148
Santa Fe, New Mexico 87504-1148**

Re: Notice of Intent to Inject

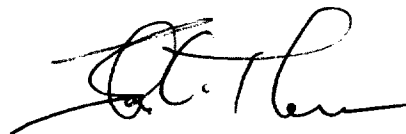
Attn, Dennis Garcia,

Pendragon Energy Partners is applying for a permit to dispose of water produced from the Fruitland formation into the Mesa Verde formation in the proposed Cowsaround SWD #1 well. The Cowsaround SWD is located in Sec 16K, ~~T12~~W, R12W (2220' fsl & 1680' fwl). The Mesa Verde injection zone is located at a depth of 3729'. Pendragon plans to dispose of approximately 500 bwpd with a maximum of 1500 bwpd at pressures that range from 745 psi to 1490 psi.

The Cowsaround SWD #1 is located on a New Mexico State lease (both surface & mineral). As required by the NMOCD & form C-108, this letter is intended to serve as notice of the application and to inform you of your rights to object and file for a hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 with in 15 day upon receiving this letter.

Should you have any questions or concerns regarding this matter, please feel free to contact me anytime at (505) 327-4892. Also, Mark Ashley with the NMOCD (505-827-8183) is reviewing the permit.

Sincerely,

A handwritten signature in black ink, appearing to read "J.C. Thompson", with a stylized flourish at the end.

John C. Thompson
Engineer

Z 443 153 248

US Postal Service

Receipt for Certified Mail

No Insurance Coverage Provided.

Do not use for International Mail (See reverse)

State Land Dept.	
Street & Number	
P.O. Box 1148	
Post Office, State, & ZIP Code	
Santa Fe, N.M. 87504	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, & Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	
2/16/00	

PS Form 3800, April 1995