



MARALEX
Disposal, LLC

NM - 036252

210 Goddard Ave
Ignacio, Colorado 81137
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3D 045-2147D

RECEIVED

DEC 16 2011

December 14, 2011

Farmington Field Office
Bureau of Land Management

RCVD DEC 21 '11

OIL CONS. DIV.

DIST. 3

United States Department of the Interior
Bureau of Land Management
1235 La Plata Highway
Farmington, NM 87401

Attn: Stephen Mason

Stephen:

Reference is made to your letter dated November 21, 2011 concerning our Trading Post Disp. #1, which is located 950' ENL and 1600' FWL of Sec. 26, T25N and R11W, in San Juan County, NM. This was completed as a lower Dakota water injection well. Under the injection pressure limitations the well remains a very marginal water disposal well. Maralex is actively attempting to purchase uphole mineral rights and would like to recomplete this well. We request that the well remain in a shut-in status while we are negotiating for additional mineral rights. Once those are obtained we will submit a recompletion survey outlining our plans for the well.

If you have questions concerning this well, please contact me.

Sincerely,

Dennis Reimers

Dennis Reimers
Engineering Manager

cc: Well File

SE approved until 12/31/12

SM 12/20/11

* NMOCO shut-in status approval expires on 4-18-2012. To extend the approved shut-in past this date an MIT will need to be performed to demonstrate the wells integrity. Notify the NMOCO prior to beginning any operations; with at least 24 hrs notice.