| Submit to Appropriate                                                                                                                  | •                            | State of New Mexico |                                                   |                                       |              |           |               |          | Form C-105                                         |                                       |           |                 |  |
|----------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------|---------------------------------------------------|---------------------------------------|--------------|-----------|---------------|----------|----------------------------------------------------|---------------------------------------|-----------|-----------------|--|
| District Office State Lease - 6 copies                                                                                                 |                              | Energy              | y, Minerals and Natural Resources Departification |                                       |              |           |               | 1.5      |                                                    |                                       | Revise    | d 1-1-39        |  |
| Fee Lease - 5 copies<br>DISTRICT I<br>P.O. Box 1980, Hobbs, N                                                                          | IM 88240                     | OIL                 | CONS                                              | ERVA/                                 | ΓΙΟΝ<br>2088 | <b>X</b>  | VISIO         | /IIIIT   | 30-045-                                            |                                       |           |                 |  |
| DISTRICT II<br>P.O. Drawer DD, Artesia                                                                                                 | , NM 88210                   | •                   | Santa Fe                                          | , New Mex                             |              |           |               | AVED.    | . Ingle Ty                                         | STA                                   | TE 🗌      | FEE             |  |
| DISTRICT III<br>1000 Rio Brazos Rd., Az                                                                                                | tec, NM 87410                |                     |                                                   |                                       | ,            |           | DIST          | r. 3     | s sideoil &<br>MMM03                               |                                       | <b>.</b>  |                 |  |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG                                                                                         |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| la. Type of Well:                                                                                                                      |                              |                     |                                                   |                                       |              |           | ~ <i>0777</i> | 725      | . Lease Name                                       | e or Unit Agre                        | ement Na  | me              |  |
| OIL WELL GAS WELL DRY OTHER CONVEIL to a  Produced Water  b. Type of Completion:  NEW WORK FLUO DEFF                                   |                              |                     |                                                   |                                       |              |           |               |          |                                                    | canyon Trading post                   |           |                 |  |
| 2. Name of Operator                                                                                                                    | DEEPEN                       | BACK                |                                                   | RESVR A OT                            | HER          | ee .      | above         | 8        | . Well No.                                         |                                       | 1:sp      | 15 ~            |  |
| Maralex Disposal, LLC                                                                                                                  |                              |                     |                                                   |                                       |              |           |               |          |                                                    | 47 /                                  |           |                 |  |
| 3. Address of Operator P.O. Box 338, Ignacio, CO 81137                                                                                 |                              |                     |                                                   |                                       |              |           |               |          | 9. Pool name or Wildcat<br>Basin Dakota            |                                       |           |                 |  |
| 4. Well Location  Unit Letter C: 950 Feet From The North Line and 1600 Feet From The West Line                                         |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| Section                                                                                                                                | 26                           | Town                | iship 2                                           | 5N                                    | Range        |           | 11W           | NM       | PM                                                 | S                                     | an Ju     | ian County      |  |
| 10. Date Spudded 1 5/26/74                                                                                                             | 1. Date T.D. Reach<br>6/4/74 |                     |                                                   |                                       |              |           |               |          | F& RKB, RT, GR, etc.) 14. Elev. Casinghead 6569 KB |                                       |           |                 |  |
| 15. Total Depth                                                                                                                        | 16. Plug Bac                 |                     |                                                   | 17. If Multiple<br>Many Zon           | Compl.       | How       | 18. 1         | ntervals | Rotary Tool                                        | z 1 <sub>C</sub>                      | Table Too | ls              |  |
| 6060'                                                                                                                                  | 605                          |                     |                                                   | · · · · · · · · · · · · · · · · · · · | <u> </u>     |           | <u> </u>      |          |                                                    |                                       |           |                 |  |
| 19. Producing Interval(s), of this completion - Top, Bottom, Name  5958' - 6032' Lower Dakota                                          |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| 21. Type Electric and Other Logs Run CBL, CCL-GR  22. Was Weil Cored                                                                   |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| 23.                                                                                                                                    |                              | CAS                 | SING R                                            | ECORD                                 | (Repo        | rt all    | strings       | set in w | vell)                                              |                                       |           |                 |  |
| CASING SIZE WEIGHT LB/I                                                                                                                |                              |                     | T. DEPTH SET HC                                   |                                       |              |           | LE SIZE CEMEN |          |                                                    | NTING RECORD AMOUNT PULLED            |           |                 |  |
| 8-5/8"                                                                                                                                 | 24#                          |                     | 608'                                              |                                       | 12-1/4"      |           |               | 300 sx   |                                                    |                                       |           |                 |  |
| 5-1/2"                                                                                                                                 | 15.5#                        |                     | 6060'                                             |                                       | 7-7/8"       |           | 800           | 800 sx   |                                                    |                                       |           |                 |  |
|                                                                                                                                        |                              |                     |                                                   |                                       |              |           |               |          |                                                    | <del></del>                           |           |                 |  |
|                                                                                                                                        |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| 24.                                                                                                                                    |                              |                     | R RECO                                            |                                       |              |           | 25.           | TU.      | BING REC                                           |                                       |           |                 |  |
| SIZE                                                                                                                                   | ТОР                          | BO                  | TTOM                                              | SACKS CE                              | MENT         | s         | CREEN         |          | SEZE<br>-7/8"                                      | DEPTH :                               |           | PACKER SET      |  |
|                                                                                                                                        |                              |                     |                                                   |                                       |              |           |               | 2-       | .//8"                                              | 5930 <b>'</b>                         |           | 5930 <b>'</b>   |  |
| 26. Perforation recor                                                                                                                  | d (interval, size            | and m               | umber)                                            | 1                                     |              | 27.       | ACID,         | SHOT, F  | RACTURI                                            | E CEMEN                               | r, sou    | EEZE, ETC.      |  |
| See Attachment DEPTH INTERVAL AMOUNT AND KIND MATERIAL USE                                                                             |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       | RIAL USED |                 |  |
| See Attachment                                                                                                                         |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
|                                                                                                                                        |                              |                     |                                                   |                                       |              | -         |               |          | <u> </u>                                           |                                       |           |                 |  |
| 28.                                                                                                                                    |                              |                     |                                                   | PRODU                                 | CTIO         | N         |               |          | ·                                                  | · · · · · · · · · · · · · · · · · · · |           |                 |  |
| Date First Production                                                                                                                  | ]                            | Production          | n Method (F                                       | lowing, gas lij                       |              |           | e and type    | pwnp)    |                                                    | Well Stan                             | s (Prod.  | or Shut-in)     |  |
| Date of Test                                                                                                                           | Hours Tested                 | a                   | ooke Size                                         | Prod'n Fo<br>Test Perio               |              | Oil - Bi  | ol.           | Gas - MC | F v                                                | Vater - Bbl.                          |           | Gas - Oil Ratio |  |
| Flow Tubing Press. Casing Pressure                                                                                                     |                              | C <sub>1</sub>      | Calculated 24- Oil - Bbi.<br>Hour Rate            |                                       |              | Gas - MCF |               | Wat      | er - BbL                                           | Oil Gravity - API - (Corr.)           |           | · (Corr.)       |  |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.)  Test Witnessed By                                                          |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| 30. List Attachments                                                                                                                   |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| Report of perforation squeeze, casing squeeze, perforating and frac.                                                                   |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| 31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief |                              |                     |                                                   |                                       |              |           |               |          |                                                    |                                       |           |                 |  |
| Signature                                                                                                                              | : Tu 8                       |                     | Lun                                               | Printed A                             | . м.         | о'н       | are           | Tida     | Presi                                              | dent                                  | Date      | 7/3/01          |  |

## MARALEX DISPOSAL, LLC CANYON NO. 14 RE-COMPLETION TO PRODUCED WATER DISPOSAL WELL

## 950' FNL; 1600' FWL SECTION 26-T25N-R11W SAN JUAN COUNTY, NM

The upper Dakota perforations were squeezed off and the well was re-completed in the Lower Dakota formation as follows:

Trip in hole to 5919'KB. Rig up to pump cement. Establish circulation with 5 BBI water. Spot 30 sacks Class B neat cement balanced plug. Displace with 32 BBI water. Pull out of hole 6 stands to 5544'. Reverse circulate 38 BBI water. Close casing valve and squeeze 1-1/2 BBIs into perforations (5902-5906') in 3 stages. Final squeeze pressure 1,000 psig. Shut in well with 1000 psig. Job completed 10:30AM 5/1/01.

Well shut in after squeeze for 24 hours. Drill out cement and circulate hole clean to PBD of 6051'KB. Close pipe rams and pressure up on casing and tubing to 1350 psig. Bled down to 1,000 psig in 8 minutes. Squeeze not holding.

Isolate casing leak between 3378' to 3409'. Pressure up to 1500 psig and bled off to 1000 in 3 minutes. Release packer. Roll hole with 70 barrels water to balance fluid. Spot out 20 sx Class B neat cement balanced plug. Pull up 250'. Reverse circulate 27 BBIs water. Set packer. Squeeze with .5 BBI water to 2,000 psig. Hesitate 10 minutes, pressure at 1850 psi. Squeeze with .125 BBI water to 2,000 psi and shut in tubing.

Well shut in after squeeze 15 hours. Trip in hole to top of cement at 3263'. Drill out cement 3248'-3410'. Pressure test casing to 1500 psig. Bled down to 825 psig in 25 minutes. Trip in hole to 6036'.

Run CBL-CCL-GR log from PBD 6055' to 1000'. Run in hole to 3390' and shot squeeze holes at 3390'. Trip in hole with retrievable packer on 2-7/8" tubing to 3425'. Set packer and pressure test below packer to 1500 psi for 10 minutes. Held solid. Release packer. Pull up hole to 3301' and reset packer. Establish rate with produced water into squeezed perfs at 1.5 BPM at 1700 psi. Release packer. Establish circulation and mix and pump 25 sacks Class B neat cement. Displace down tubing with 12 BBIs produced water. Set packer and squeeze cement into leak and perfs. Pressure up to 2000 psi. Squeezed approximately 1.5 BBIs cement into holes. Wait on cement 24 hours.

SIP 975. Bleed off pressure. Release packer and trip out of hole. PU 4-3/4" tricone bit and bit sub and scraper. Tag cement at 3238'. Drill cement to 3392'. Circulate hole clean. Pressure test casing to 1550 psi for 25 minutes. Held like a rock. Bleed off pressure and open pipe rams.

Perforate the Lower Dakota intervals 5958'-5968' and 6012'-6032' with 4 JSPF using a 3-1/8" casing gun with 120 degree phasing.

Trip in hole to 6007'. Set packer to straddle interval 6012'-6032'. Pressure up to 2500 psi. Would not break. Open bypass and spot acid to top of packer. Close bypass and formation started taking fluid at 1700 psi. Displace 1000 gallons acid with 40 BBIs produced water at 6.0 BPM and 2400 psi.

Set packer at 5955'. Set packer to straddle perfs at 5958'-5968'. Pressure up to 2500 psi. Open bypass and spot acid to top of packer. Close bypass and formation started taking fluid at 1600 psi. Displace 500 gallons 15% HCL acid with 40 BBls produced water at 5.0 BPM and 2300 psi.

Frac Lower Dakota intervals 5958'-6032' down tubing as follows:

Pump 402 BBIs (16885 gallons) pad. Pump 14,000 gallons at 1 PPG Pump 16,000 gallons at 2 PPG Pump 21,000 gallons at 3 PPG

Clean out wellbore. Swab test wellbore. Swab test well. Lay down rental string. Set injection packer at 5930'KB. Run in with seal bore assembly and 183 joints of 2-7/8" 8rd EUE internally coated tubing. Sting into packer and land tubing at 5930'. Release rig and wait on surface equipment and Right-of-Way for power.