

Grand Resources  
Navajo A #5  
C-25-32N-18W

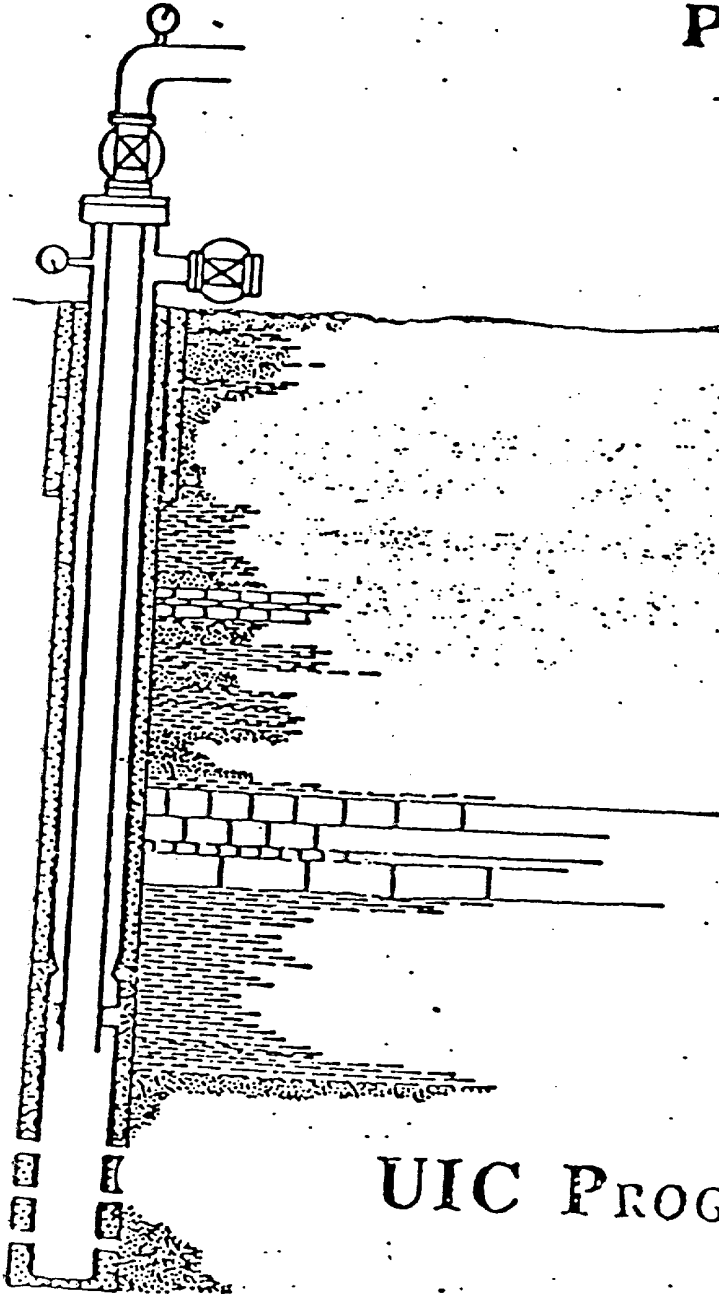
# 5A

In Communication with Navajo well #3  
N-24-32N-18W  
**PERMIT APPLICATION  
PACKAGE**

**RECEIVED**

NOV 4 1991

OIL CON. DIV.  
DIST. 3



**UIC PROGRAM**



Well # Navajo #5A  
 Permit # \_\_\_\_\_  
 Date Received : \_\_\_\_\_  
 \*EPA Authorization # \_\_\_\_\_

Permit Application Checklist

| <u>Attached</u> | <u>Not Attached</u> |   |
|-----------------|---------------------|---|
| 1. <u>X</u>     | _____               | 1. Budget Bureau Form # 1004 - 0135 (Sundrey Notices) or #1004 - 0136 (Application to Drill) (2 copies to EPA).     |
| 2. <u>X</u>     | _____               | 2. Map using township-range-sections to show the location of wells within 1/2 mile (2640 ft.) of the proposed well. |
| 3. <u>X</u>     | _____               | 3. Tabulation of data on wells within 1/2 mile (2640 ft) including:   |
|                 | _____               | depth   |
|                 | _____               | location  |
|                 | _____               | For wells that penetrate the injection interval, also show:   |
|                 | _____               | date drilled  |
|                 | _____               | record of plugging and/or completion  |
|                 | _____               | corrective action plan for inadequately completed or plugged wells.   |
| 4. <u>X</u>     | _____               | 4. Injection well schematic drawings of surface and subsurface details showing:                                     |
|                 | _____               | (i) total depth plug-back depth,  |
|                 | _____               | (ii) depth to top and bottom of injection interval,   |
|                 | _____               | (iii) depth to top and bottom of casing and cemented interval, plus amount of cement,                               |
|                 | _____               | (iv) size of casing and tubing and depth of packer, and   |
|                 | _____               | (v) hole diameter,  |
|                 | _____               | (vi) other perforated intervals,  |
|                 | <u>X</u>            | (vii) daily drilling records, if available  |

\* Applicable to wells authorized by rule

- |     | <u>Attached</u>       | <u>Not Attached</u> |  |
|-----|-----------------------|---------------------|--|
| 5.  | <u>X</u>              | <u>          </u>   | 5. Operating data including: <ul style="list-style-type: none"> <li>(i) maximum and average injection rate.</li> <li>(ii) maximum and average injection pressure.</li> <li>(iii) fracture pressure gradient of injection zone.</li> <li>(iv) whether operations is cyclic or continuous, and</li> <li>(v) source and analysis of injected fluids including TDS, chlorides, and additives.</li> </ul> |
| 6.  | <u>X</u>              | <u>          </u>   | 6. Geologic data on the injection and confining zones, including faults, geological name, thickness, porosity, permeability, depth, current reservoir pressure or fluid level, water quality, and lithologic description.  |
| 7.  | <u>No fresh water</u> | <u>          </u>   | 7. Depth to base of fresh water (10,000 mg/l)  |
| 8.  | <u>X</u>              | <u>          </u>   | 8. Verification of public notice, consisting of a list showing names, addressess, and date that notice of permit application was given or sent to each: <ul style="list-style-type: none"> <li>(i) surface land owner.</li> <li>(ii) tenant.</li> <li>(iii) operator of a producing lease within one-half mile of the well location, and</li> <li>(iv) affected Tribal Government.</li> </ul>        |
| 9.  | <u>          </u>     | <u>X</u>            | 9. All available logging and testing data on the well (for existing wells only).   |
| 10. | <u>X</u>              | <u>          </u>   | 10. Proof of adequate financial responsibility.  |
| 11. | <u>X</u>              | <u>          </u>   | 11. Certification form signed by well owner/operator or authorized representative (authorization must be in writing and copy attached).  |
| 12. | <u>(Yes)</u>          | <u>(No) X</u>       | 12. Has the applicant declared any part of his submission confidential? [147.2907]   |
| 13. | <u>(Yes)</u>          | <u>(No) X</u>       | 13. Is the injection well currently authorized by rule? If yes, EPA Inventory No. is   |

- |     | <u>Attached</u> | <u>Not Attached</u> |   |
|-----|-----------------|---------------------|---|
| 14. | <u>(Yes) X</u>  | <u>(No)</u>         | 14. Was applicant required by EPA to apply for a permit?            |
| 15. | <u>(Yes) X</u>  | <u>(No)</u>         | 15. The permit applicant is the owner/operator (circle one or both) |
| 16. | <u>(Yes)</u>    | <u>(No) X</u>       | 16. Has the applicant requested emergency authorization to inject.  |
| 17. | <u>X</u>        | <u></u>             | 17. Plugging and Abandonment Plan, and estimated cost of plan.      |

\_\_\_\_\_  
Administrative Reviewer  
Signature/Date

\_\_\_\_\_  
Technical Reviewer  
Signature/Date

17. PLUGGING AND ABANDONMENT PLAN

When the well is plugged, a cast iron bridge plug will be set at 1035 feet. An acceptable cement slurry will be spotted above the CIBP, heavy drilling mud will be spotted above cement plug. 4½" casing will be shot off at free point and cement will be circulated from 100 feet to the surface. Location will be restored to as natural a state as possible.  
Estimated cost - \$5,000.00.

Form 160-5  
- November 1983)  
(Formerly 9-331)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate  
(Other instructions on  
reverse side)

Form approved  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals.)

3. LEASE DESIGNATION AND SERIAL NO.  
1149IND7850

6. IF APPLICABLE, ALLOTTEE OR TRIBE NAME  
Navajo Tribal

7. UNIT AGREEMENT NAME  
Mesa Gallup

8. NAME ON LEASE NAME  
Navajo

9. WELL NO.  
5A

10. FIELD AND POOL, OR WILLACAT  
Mesa Gallup

11. SEC., T., R., W., OR B.E. AND  
COURSE OR AAAA  
Sec. 25-32N-18W

12. COUNTY OR PARISH  
San Juan

13. STATE  
NM

1. OIL WELL ☐ GAS WELL ☒ OTHER Water Injection Conversion

2. NAME OF OPERATOR  
GRAND RESOURCES, INC.

3. ADDRESS OF OPERATOR  
2250 E. 73rd Street, Suite 400 Tulsa, OK 74136

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.  
See also space 17 below.)  
At surface  
610 FNL - 1980 FWL  
Sec. 25-32N-18W

14. PERMIT NO.

15. ELEVATIONS (Show whether at, on, or over)  
5428' DF

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

WELL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLAT\*

(Other) Convert to water injection

X

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

(NOTE: Report results of multiple completion on Well  
Completion or Recompletion Report 22-1-1 (form.)

17. SURFACE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

1. Lay down production tubing and rods.
2. Run plastic line 2 3/8" tubing to 950' with Baker Mdl R packer. Set packer @1550', load annular space with treated packer fluid. Press test annulus for hole integrity.
3. Acidize perms 1037-45' with 500 gallons 15% MCA. Commence injection approximately January 15, 1991.

18. I hereby certify that the foregoing is true and correct

SIGNED

TITLE President

DATE

11-27-90

(This space for Federal or State office use)

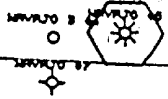
APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

air Max



NAVJO 3

NAVJO 4



NAVJO 4

NAVJO 'C' 67

NAVJO 'C' 68

NAVJO 'C' 69



NAVJO 6

NAVJO 'C' 66

NAVJO 67

NAVJO 612

NAVJO 'C' 61

NAVJO 'C' 64



NAVJO 8

PROPOSED INJECTION  
WELL CONVERSIONS

-27-



WS WELL #18

-28-

NAVJO 68

NAVJO 68

S. BLUE HILLS 61

-25-

NAVJO 61

TRACY 61

TRACY 61

MESA GALLUP FIELD  
BWN JUVN COUNTY, NEW MEXICO  
ALL WELLS IN INPUT DATA FILE  
CONTOUR INTERVAL: 8 METERS  
SCALE: 1" = 2000 FEET  
BASIC MAP  
DATE: 10-10-87  
Jack Bohrenkel & Associates Inc.  
Tulsa, Oklahoma

NAVJO 61

NAVJO 61

-31-

TABULATION OF WELLS WITHIN 1/4 MILE OF PROPOSED INJECTION WELL  
WHICH PENETRATE THE INJECTION ZONE.

Well Name \_\_\_\_\_ Company Name \_\_\_\_\_ Date Drilled \_\_\_\_\_ Depth \_\_\_\_\_  
 Location \_\_\_\_\_ ' F L & \_\_\_\_\_ ' F L \_\_\_\_\_ /4, Sec. \_\_\_\_\_ -T \_\_\_\_\_ -R \_\_\_\_\_ Status \_\_\_\_\_

| Hole Size | Casing Size | Landed Depth | Cement & Additive Data | Top of Cement | If well is TA or P&A Describe How: |
|-----------|-------------|--------------|------------------------|---------------|------------------------------------|
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |

Formations Open to Wellbore: \_\_\_\_\_

Well Name \_\_\_\_\_ Company Name \_\_\_\_\_ Date Drilled \_\_\_\_\_ Depth \_\_\_\_\_  
 Location \_\_\_\_\_ ' F L & \_\_\_\_\_ ' F L \_\_\_\_\_ /4, Sec. \_\_\_\_\_ -T \_\_\_\_\_ -R \_\_\_\_\_ Status \_\_\_\_\_

| Hole Size | Casing Size | Landed Depth | Cement & Additive Data | Top of Cement | If well is TA or P&A Describe How: |
|-----------|-------------|--------------|------------------------|---------------|------------------------------------|
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |

*122 wells in area of review.*

Formations Open to Wellbore: \_\_\_\_\_

Well Name \_\_\_\_\_ Company Name \_\_\_\_\_ Date Drilled \_\_\_\_\_ Depth \_\_\_\_\_  
 Location \_\_\_\_\_ ' F L & \_\_\_\_\_ ' F L \_\_\_\_\_ /4, Sec. \_\_\_\_\_ -T \_\_\_\_\_ -R \_\_\_\_\_ Status \_\_\_\_\_

| Hole Size | Casing Size | Landed Depth | Cement & Additive Data | Top of Cement | If well is TA or P&A Describe How: |
|-----------|-------------|--------------|------------------------|---------------|------------------------------------|
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |

Formations Open to Wellbore: \_\_\_\_\_

Well Name \_\_\_\_\_ Company Name \_\_\_\_\_ Date Drilled \_\_\_\_\_ Depth \_\_\_\_\_  
 Location \_\_\_\_\_ ' F L & \_\_\_\_\_ ' F L \_\_\_\_\_ /4, Sec. \_\_\_\_\_ -T \_\_\_\_\_ -R \_\_\_\_\_ Status \_\_\_\_\_

| Hole Size | Casing Size | Landed Depth | Cement & Additive Data | Top of Cement | If well is TA or P&A Describe How: |
|-----------|-------------|--------------|------------------------|---------------|------------------------------------|
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |
|           |             |              |                        |               |                                    |

Formations Open to Wellbore: \_\_\_\_\_



WELL IN AREA OF REVIEW

| OPERATOR               | WELL NAME   | SPUD<br>DATE | LOCATION       | SECTION    | TOTAL<br>DEPTH | COMPLETION<br>INTERVAL | I.P.<br>(BOPD) | FORMA-<br>TION | CASING<br>SIZE & DEPTH | CEMENT<br>SXS |
|------------------------|-------------|--------------|----------------|------------|----------------|------------------------|----------------|----------------|------------------------|---------------|
| ZOLLER &<br>DANNENBERG | BLUEHILL #1 | 7-26-65      | 2319FW-1980FE  | 25,32N-18W | 1573           | -                      | -              | "              | 7"ø30                  | circ. P.      |
| GRAND NAV "A" #4       |             | 11-8-61      | B600FN-1980FE  | 25,32N-18W | 1120           | 1051-66                | 8              | GALLUP         | 4½"ø1045               | 100           |
| GRAND NAV "A" #5       |             | 12-4-61      | C610FN-1980FW  | 25,32N-18W | 1062           | 1037-45                | 5              | "              | 3½"ø1057               | 100           |
| RL BAYLESS NAV #6      |             | 7-2-64       | 3300FS-3300FW  | 25,32N-18W | 1093           | -                      | -              | "              | 5½"ø52                 | circ. P.      |
| NAVAJO                 |             |              |                |            |                |                        |                |                |                        |               |
| GRAND                  | #3          | 8-10-61      | N660FS-1980FW  | 24,32N-18W | 1163           | 1110-26                | 49             | "              | 4½"ø1158               | 45            |
| GRAND                  | #4          | 10-3-61      | J1650FS-1710FE | 14,32N-18W | 1365           | 1315-23                | 6              | "              | 4½"ø1357               | 35            |
| EXPL/DRILL/CO          | #5          | 11-29-61     | J2135FS-1935FE | 23,32N-18W | 1254           | -                      | -              | "              | 7"ø30                  | circ. P.      |
| EXPL/DRILL/CO          | #6          | 12-30-61     | 365FS-760FW    | 13,32N-18W | 1472           | -                      | -              | "              | 7"ø66                  | circ. P.      |
| GRAND                  | #7          | 1-13-62      | E2310FN-330FW  | 24,32N-18W | 1482           | 1423-38                | 88             | "              | 4½"ø1481               | 40            |
| GRAND                  | #8          | 2-10-62      | A950FN-330FE   | 23,32N-18W | 1445           | 1383-94                | 88             | "              | 4½"ø1437               | 40            |
| GRAND                  | #11         | 1-24-62      | B330FN-1650FE  | 23,32N-18W | 1438           | 1381-92                | 87             | "              | 4½"ø1438               | 40            |
| GRAND                  | #12         | 2-18-62      | F2290FN-1780FW | 24,32N-18W | 1573           | 1521-28                | 8              | "              | 4½"ø1572               | 40            |
| NAVAJO TRIBAL C        |             |              |                |            |                |                        |                |                |                        |               |
| GRAND                  | #1          | 2-26-62      | L660FN-2310FS  | 24,32N-18W | 1295           | 1225-36                | 92             | "              | 4½"ø1288               | 80            |
| GRAND                  | #2          | 3-10-62      | H1650FN-330FE  | 23,32N-18W | 1478           | 1407-17                | 89             | "              | 4½"ø1476               | 80            |
| GRAND                  | #3          | 3-17-62      | O330FS-2310FE  | 14,32N-18W | 1380           | 1312-20                | 36             | "              | 4½"ø1373               | 80            |
| GRAND                  | #4          | 10-3-61      | J1650FS-1710FE | 14,32N-18W | 1365           | 1315-23                | 6              | "              | 4½"ø1357               | 35            |
| GRAND                  | #5          | 3-23-68      | L2310FS-330FW  | 14,32N-18W | 1762           | 1642-65                | 84             | "              | 4½"ø1749               | 35            |
| GRAND                  | #6          | 3-12-69      | N1720FW-650FS  | 14,32N-18W | 1310           | 1252-69                | 77             | "              | 4½"ø1310               | 35            |
| EXPL/DRILL/CO          | #7          | 4-7-69       | H990FS-990FW   | 14,32N-18W | 1327           | -                      | -              | "              | 7"ø30                  | circ. P.      |

WELL IN AREA OF REVIEW

| OPERATOR           | WELL NAME     | SPUD<br>DATE | LOCATION       | SECTION    | TOTAL<br>DEPTH | COMPLETION<br>INTERVAL | I.P.<br>(BOPD) | FORMA-<br>TION | CASING<br>SIZE & DEPTH | CEMENT<br>SXS | STATUS |
|--------------------|---------------|--------------|----------------|------------|----------------|------------------------|----------------|----------------|------------------------|---------------|--------|
| AZTEC<br>OIL & GAS | NAV #3        | 11-14-59     | 4745FW-790FS   | 25,32N-18W | 1660           |                        |                | GALLUP         | 8 5/8@60               | 35            | P&A    |
| DUGAN              | HORSESHOE #2E | 6-17-64      | 330FW-3210FS   | 30,32N-17W | 1175           | 1101-10                | 10             | GALLUP         | 4 3/4" @ 1172          | 35            | P      |
| ARI-MEX            | NAV B #2      | 10-15-70     | 4950FW-2310FS  | 15,32N-18W | 1718           | 1612-14                | 10             | "              | 4 3/4" @ 1717          | 125           | P      |
| ARI-MEX            | NAV #6        | 5-16-68      | 4950FW-3030FS  | 15,32N-18W | 1360           | 1282-1304              |                | "              | 4 3/4" @ 1345          | 35            | P      |
| ARI-MEX            | NAV C #1      | 5-2-64       | 4595FW-3580FS  | 15,32N-18W | 1276           | 1223-38                | 32             | "              | 4 3/4" @ 1276          | 50            | P      |
| ARI-MEX            | NAV #3A       | 5-30-64      | 4530FW-4335FS. | 15,32N-18W | 1312           | 1250-60                | 19             | "              | 4 3/4" @ 1312          | 35            | P      |
| AAA FSHING TL      | NAV #4        | 1-24-68      | 3850FW-2510FS  | 15,32N-18W | 1414           | -                      |                | "              | 7" @ 50                | circ.         | P&A    |
| AAA FSHING TL      | NAV B #1      | 12-18-70     | 1650FW-1650FE  | 15,32N-18W | 1285           | -                      |                | "              | 7" @ 60                | 25            | P&A    |
| ARI-MEX            | NAV B #3      | 3-19-70      | 1150FW-1480FE  | 15,32N-18W | 1275           | 1197-1205              | 6              | "              | 4 3/4" @ 1272          | 125           | P      |
| AAA FSHING TL      | NAV #7        | 2-24-69      | 2310FW-4950FS  | 15,32N-18W | 1295           | -                      | -              | "              | 7" @ 30                | circ.         | P&A    |
| ARI-MEX            | NAV #5        | 10-4-67      | 3300FW-440FS   | 10,32N-17W | 1873           | 1664-78                | 6              | "              | 4 3/4" @ 1764          | 135           | P      |
| HARLAN DRUG        | NAV #2        | 5-4-64       | 350FW-540FS    | 10,32N-17W | 1183           | -                      | -              | "              | 7" @ 30                | circ.         | P&A    |

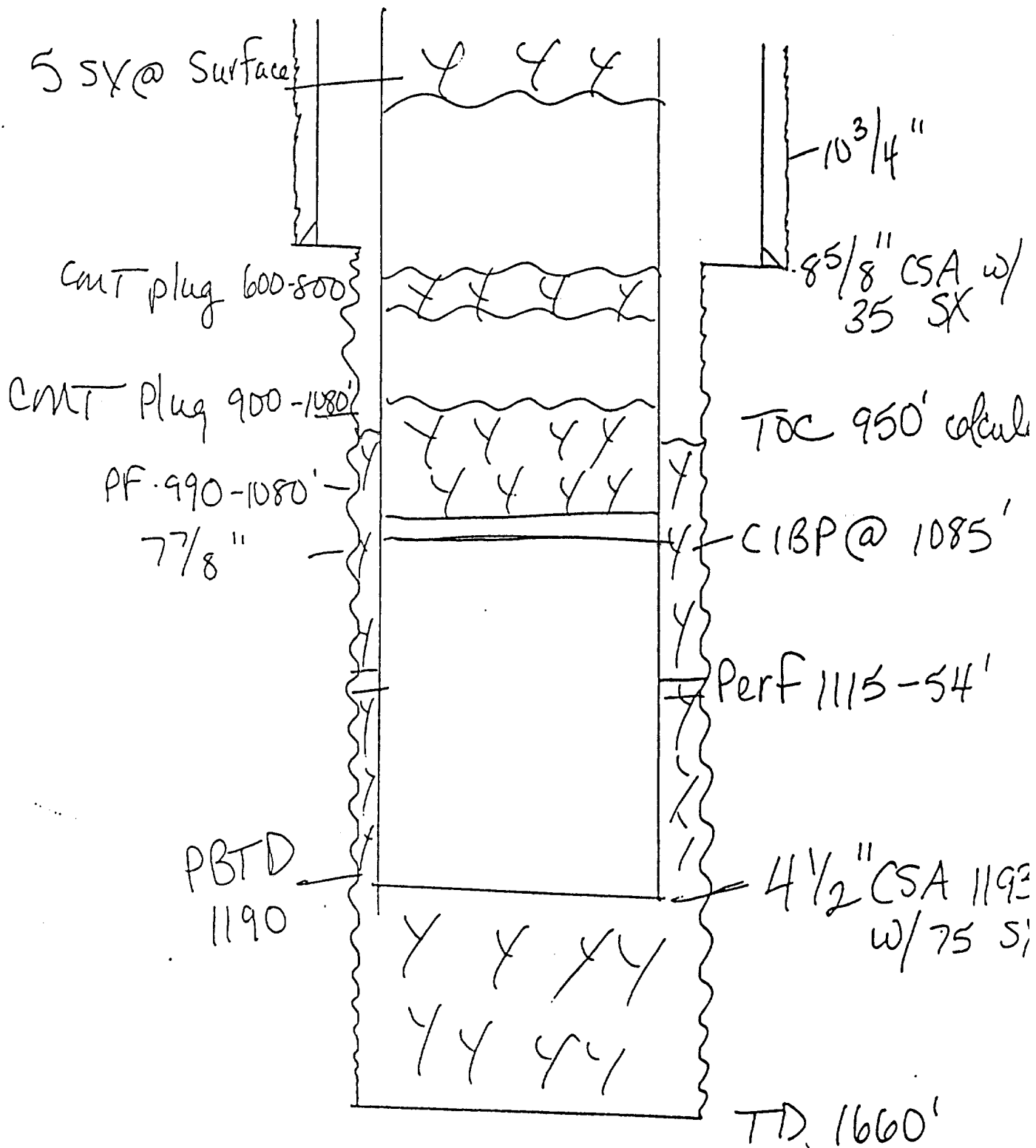
\* ALL WELLS ARE 6 1/2" hole size except:

RL BAYLESS NAVAJO #6, 3300 FS - 3300 FW, Section 25-32N-18W and  
 AXTEC OIL & GAS NAVAJO #3, 4745 FW - 790 FS, Section 25-32N-18W and  
 these two wells have 7 7/8" hole size

\* THE TOP OF THE CEMENT IS NOT INDICATED BY EITHER TEMPERATURE SURVEY OR  
 BOND LOG ON THE PRODUCING WELLS. ALL CEMENT TOPS MUST BE CALCULATED.

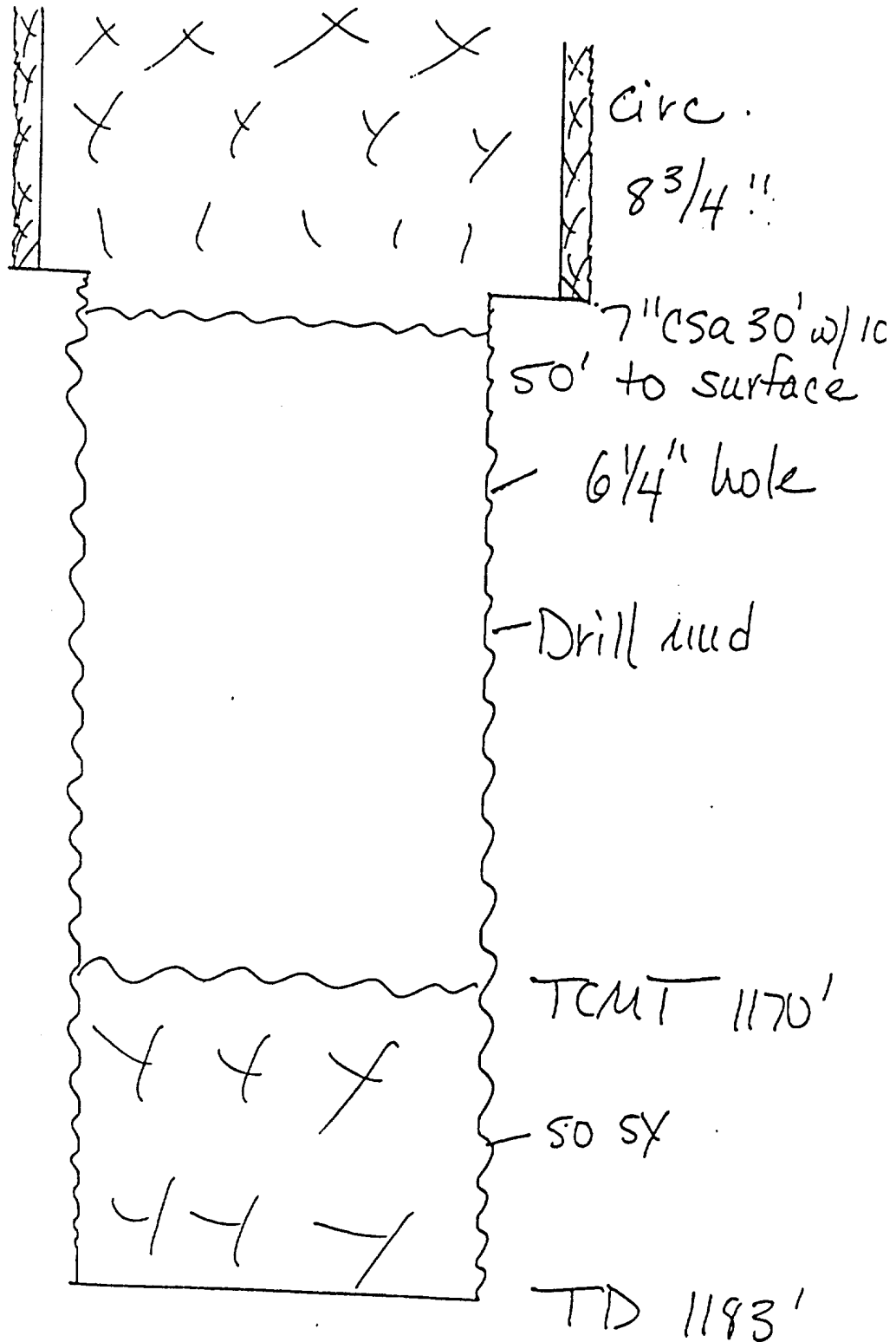
WELL DATA SHEET

|                     |                  |             |          |           |  |
|---------------------|------------------|-------------|----------|-----------|--|
| AZTEC OIL & GAS CO. |                  | NAVAJO      |          | 11-14-59  |  |
| OPERATOR            |                  | LEASE       |          | SPUD DATE |  |
| #3                  |                  | 790FS-535FE |          | 25        |  |
|                     |                  |             |          | 32N       |  |
|                     |                  |             |          | 18W       |  |
| WELL NO.            | FOOTAGE LOCATION | SECTION     | TOWNSHIP | RANGE     |  |



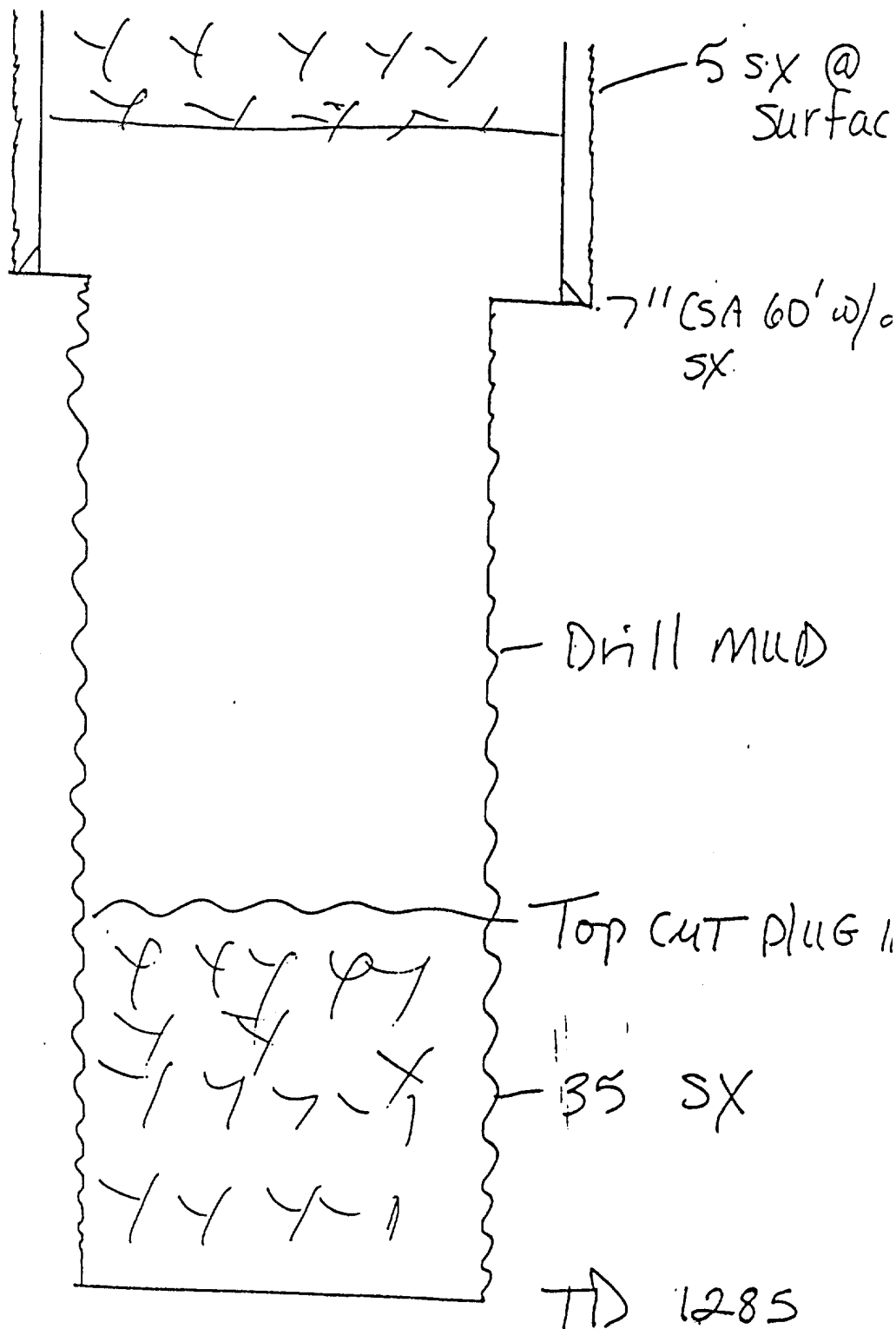
# WELL DATA SHEET

|                     |                  |           |
|---------------------|------------------|-----------|
| HARLAN DRILLING CO. | NAVAJO           | 5-4-64    |
| OPERATOR            | LEASE            | SPUD DATE |
| #2                  | 350FW-540FS      | 10        |
| WELL NO.            | FOOTAGE LOCATION | SECTION   |
|                     |                  | TOWNSHIP  |
|                     |                  | RANGE     |
|                     |                  | 32N       |
|                     |                  | 17W       |



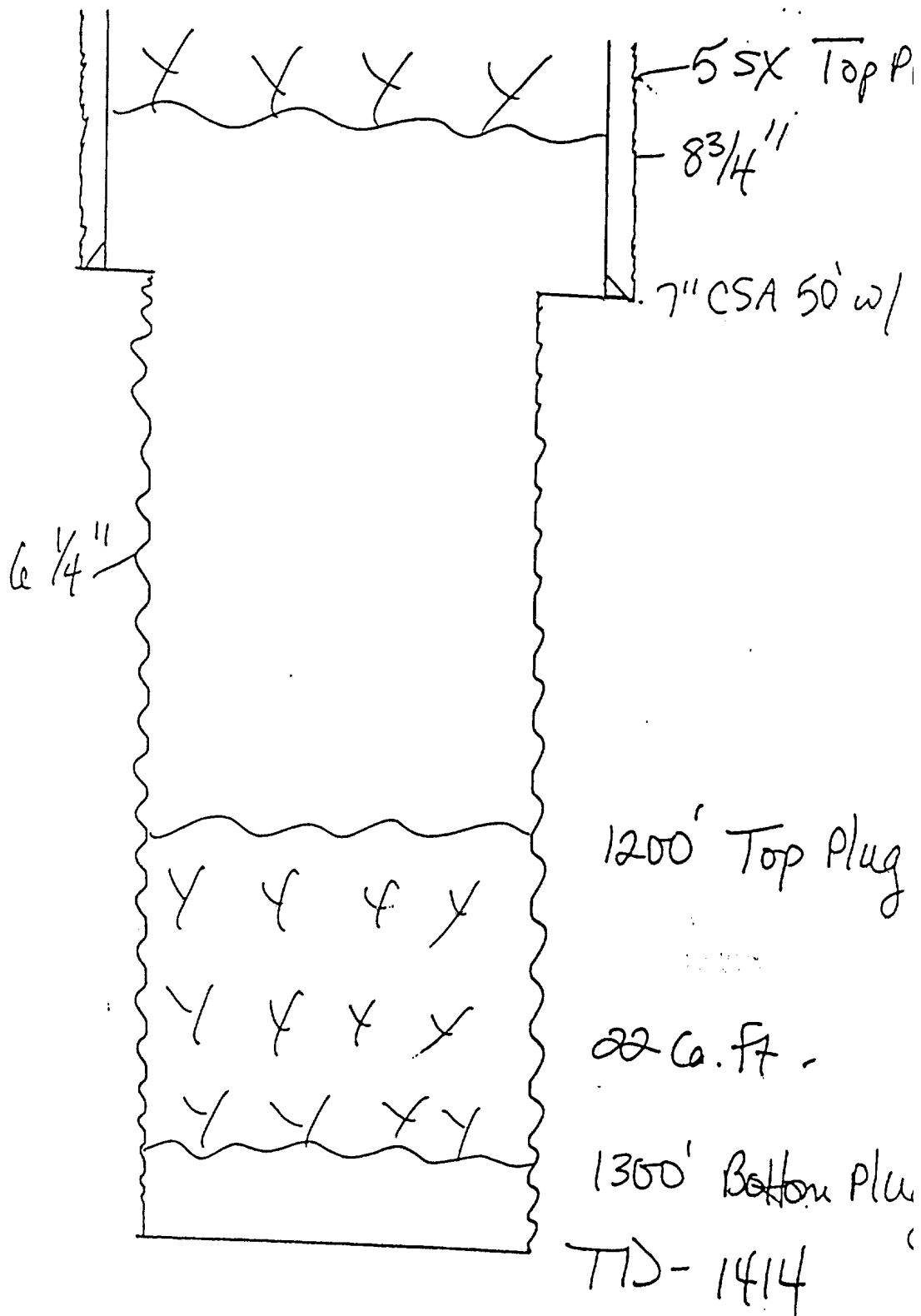
# WELL DATA SHEET

|          |                  |         |                |
|----------|------------------|---------|----------------|
| AAA      | FISHING TOOL     | NAVAJO  | 12-3-70        |
| OPERATOR |                  | LEASE   | SPUD DATE      |
| B-1      | 1650FN-1650FE    | 15      | 32N 18W        |
| WELL NO. | FOOTAGE LOCATION | SECTION | TOWNSHIP RANGE |



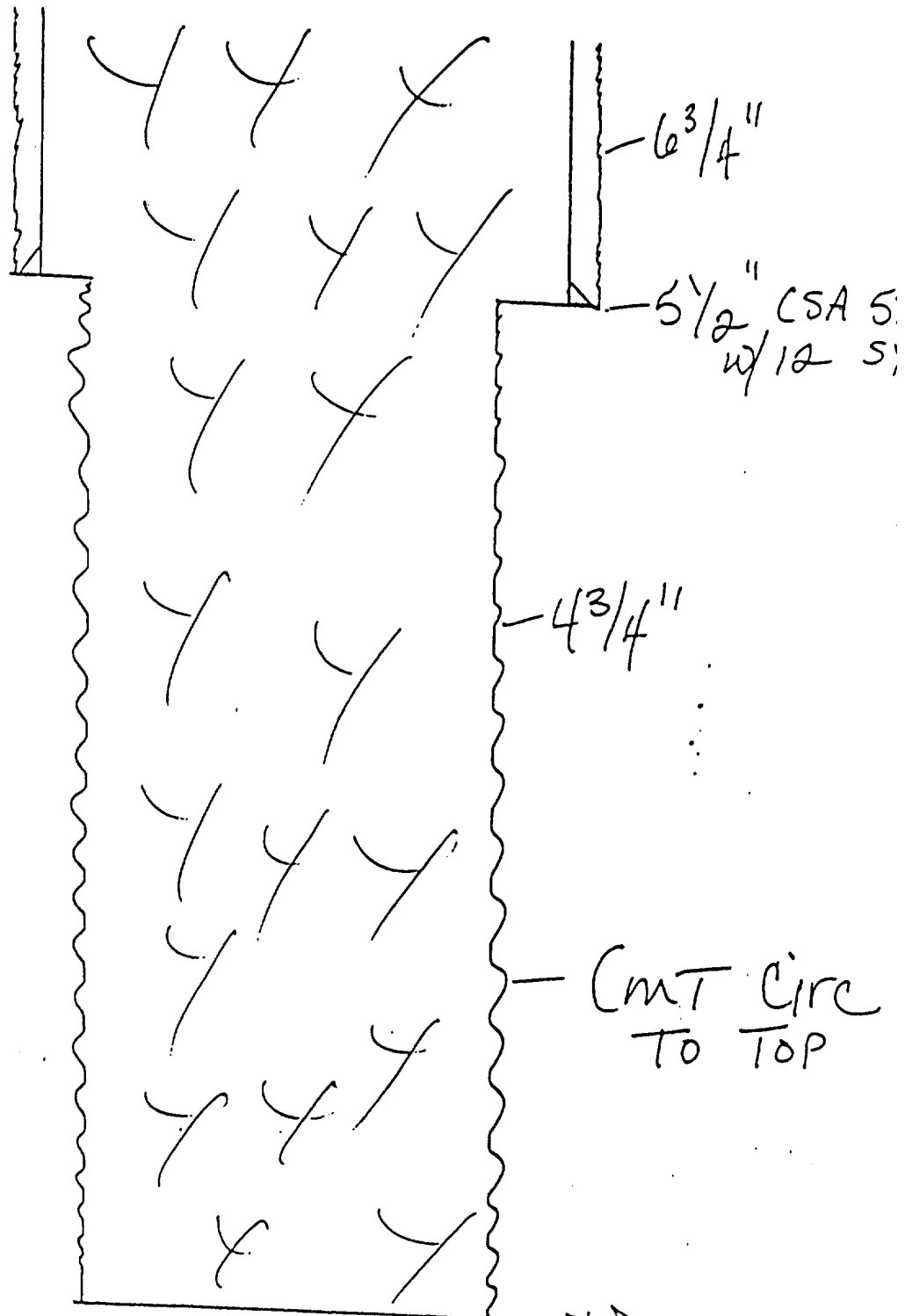
# WELL DATA SHEET

|                  |                  |                        |
|------------------|------------------|------------------------|
| AAA FISHING TOOL | NAVAJO           | 1-24-68                |
| OPERATOR         | LEASE            | SPUD DATE              |
| #4               | 3850FW-2510FS    | 15 32N 18W             |
| WELL NO.         | FOOTAGE LOCATION | SECTION TOWNSHIP RANGE |



# WELL DATA SHEET

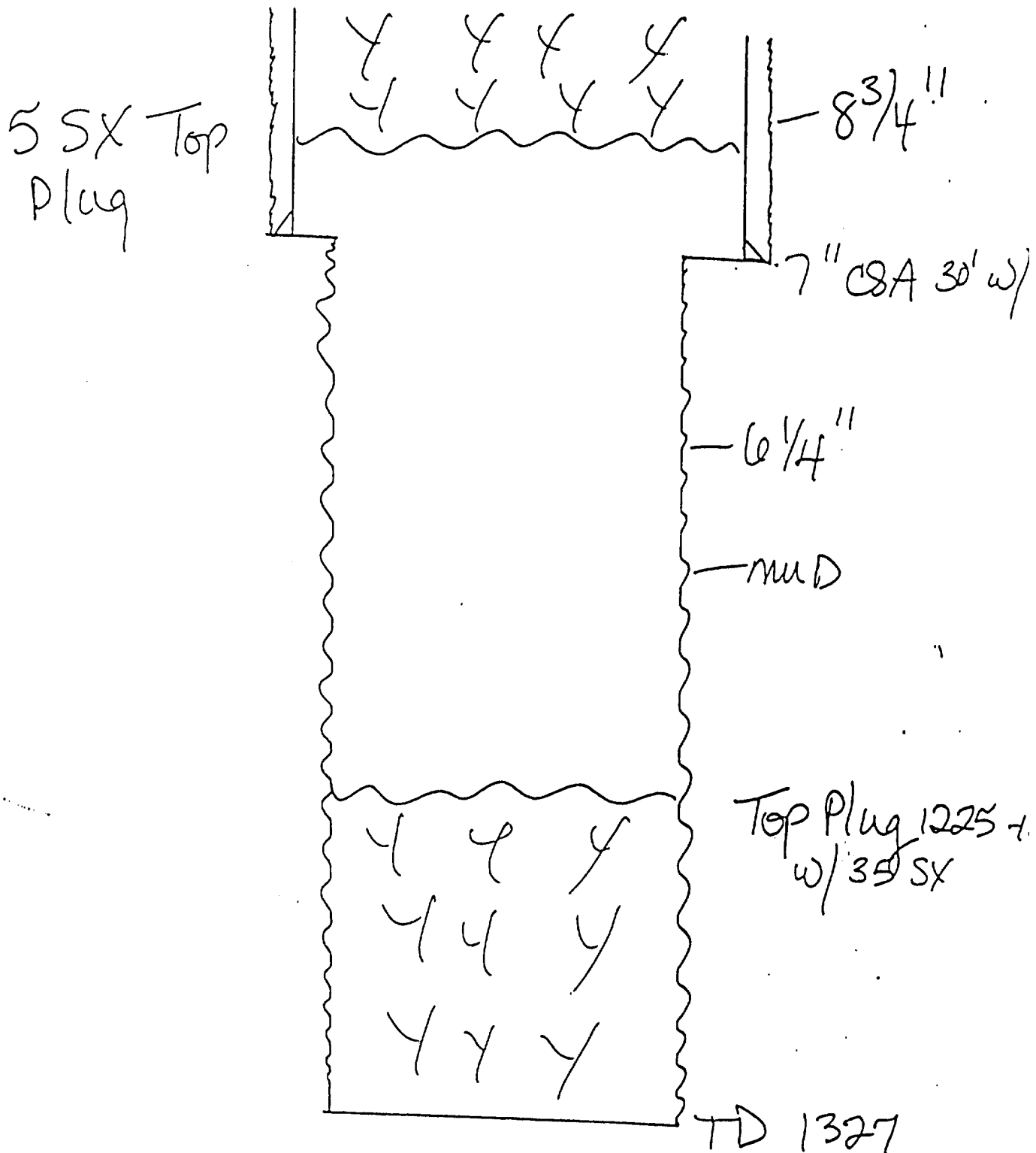
|          |               |                  |               |           |        |
|----------|---------------|------------------|---------------|-----------|--------|
| OPERATOR | R. L. BAYLESS | LEASE            | NAVAJO        | SPUD DATE | 7-1-64 |
| WELL NO. | #6            | FOOTAGE LOCATION | 1980FN-1980FE | SECTION   | 25     |
|          |               |                  |               | TOWNSHIP  | 32N    |
|          |               |                  |               | RANGE     | 18W    |



TD 1093

# WELL DATA SHEET

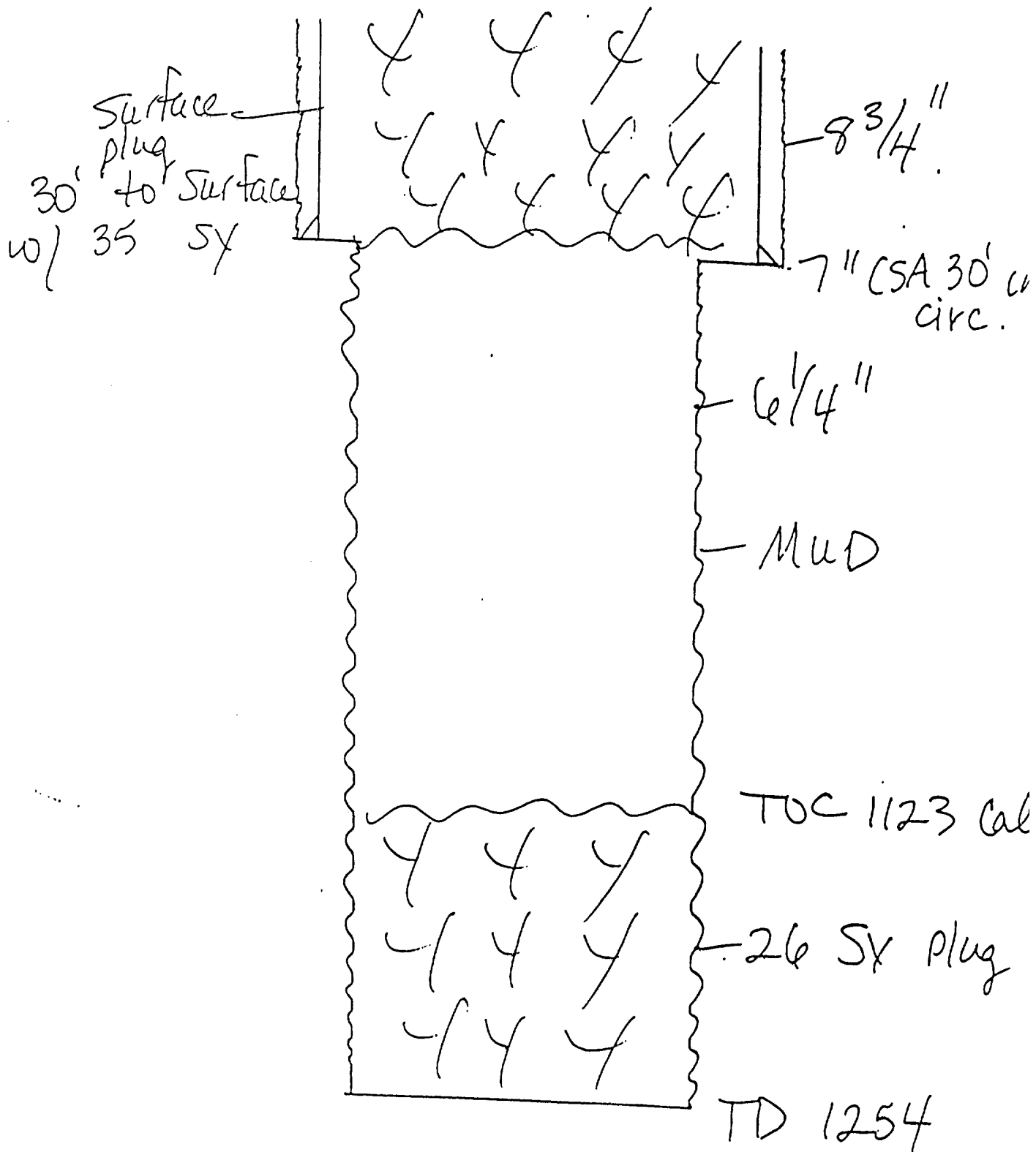
|                          |                  |           |
|--------------------------|------------------|-----------|
| EXPLORATION DRILLING CO. | NAVAJO           | 4-7-69    |
| OPERATOR                 | LEASE            | SPUD DATE |
| #7                       | 990FS-990Fw      | 14        |
| WELL NO.                 | FOOTAGE LOCATION | SECTION   |
|                          |                  | TOWNSHIP  |
|                          |                  | RANGE     |





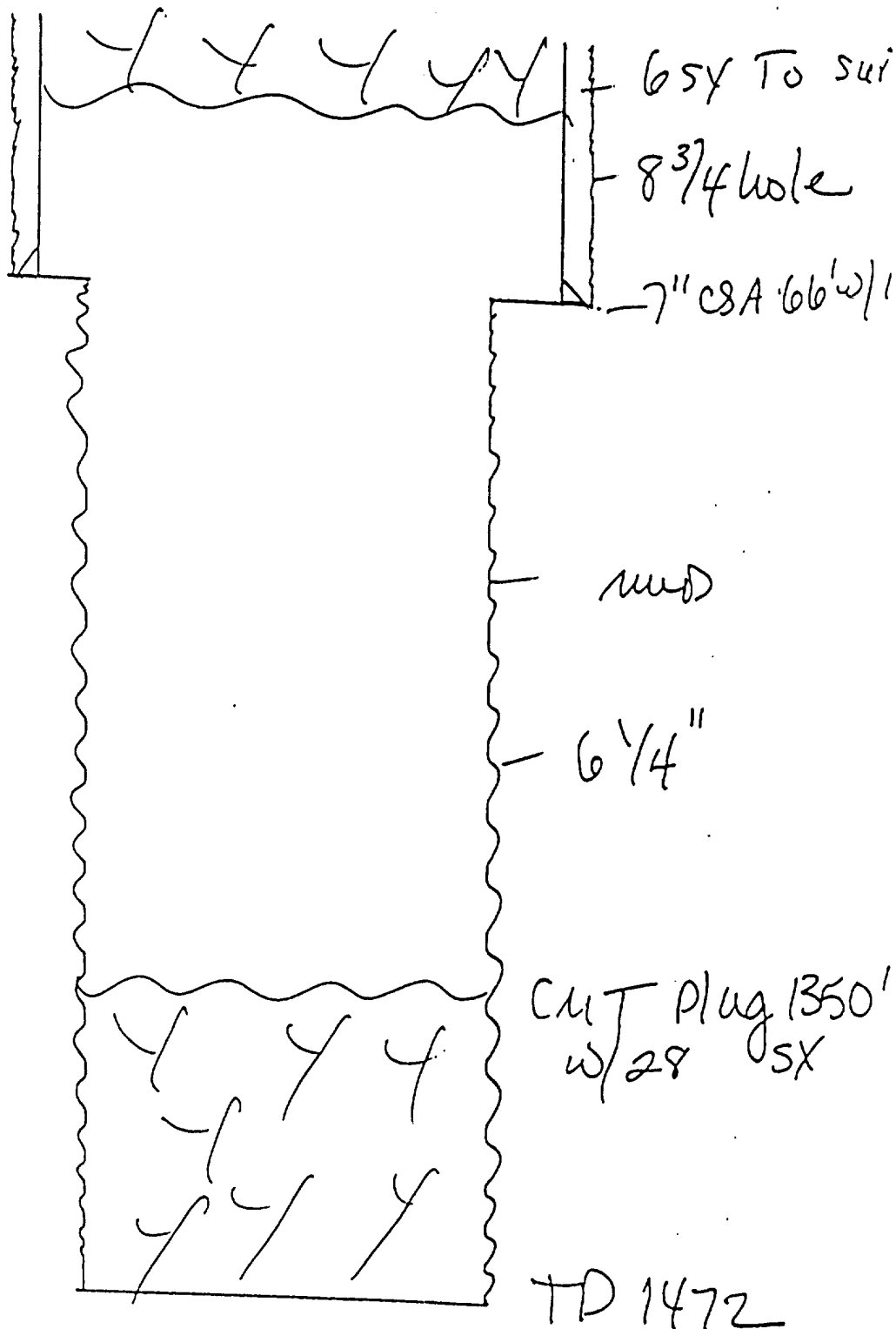
# WELL DATA SHEET

|                          |                  |           |
|--------------------------|------------------|-----------|
| EXPLORATION DRILLING CO. | NAVAJO           | 11-29-61  |
| OPERATOR                 | LEASE            | SPUD DATE |
| #5                       | 2135FS-1935FE    | 23        |
| WELL NO.                 | FOOTAGE LOCATION | SECTION   |
|                          |                  | TOWNSHIP  |
|                          |                  | RANGE     |



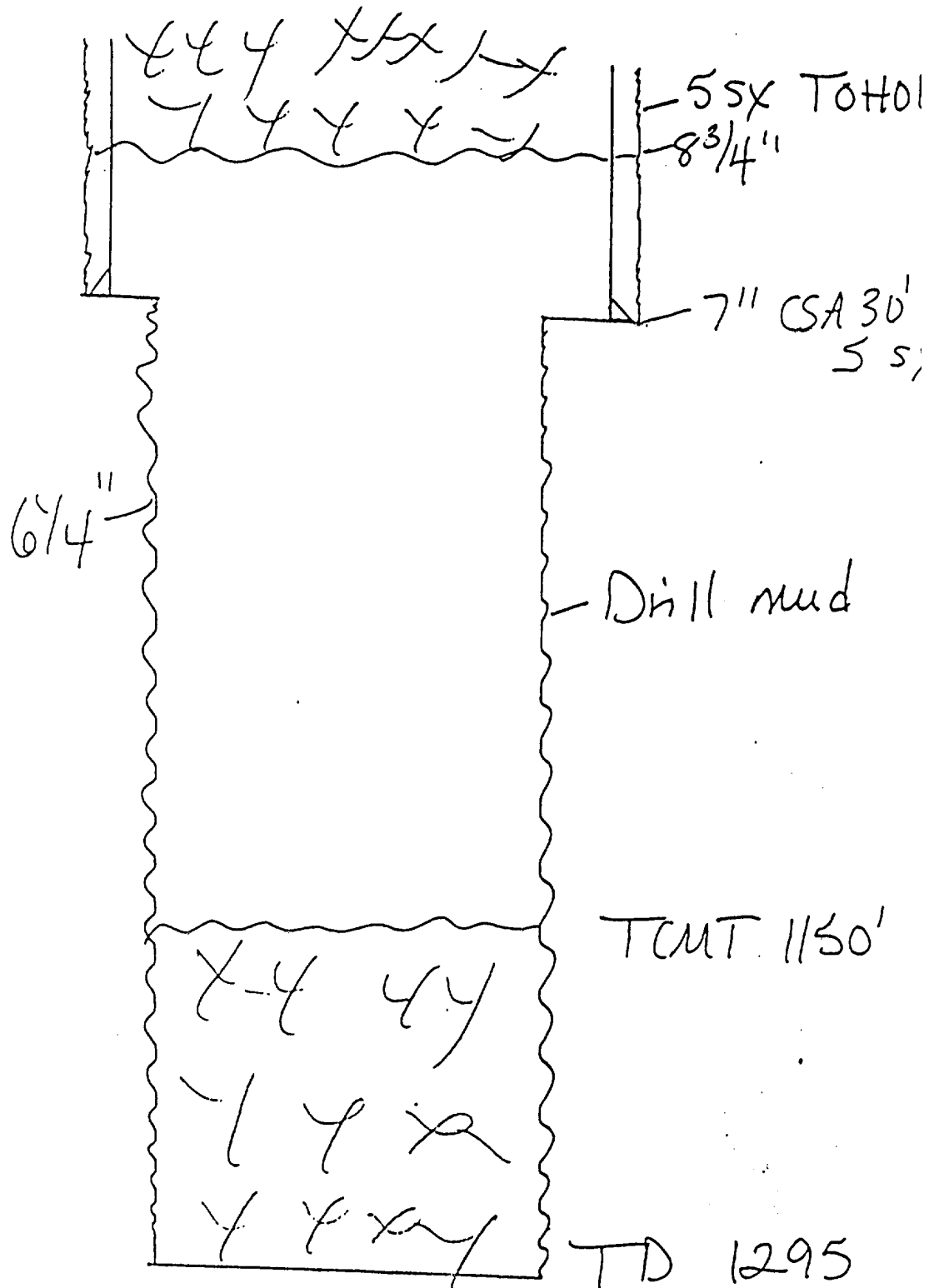
WELL DATA SHEET

|                          |                  |                        |
|--------------------------|------------------|------------------------|
| EXPLORATION DRILLING CO. | NAVAJO           | 12-30-61               |
| OPERATOR                 | LEASE            | SPUD DATE              |
| #6                       | 365FS-760FW      | 13 32N 18W             |
| WELL NO.                 | FOOTAGE LOCATION | SECTION TOWNSHIP RANGE |



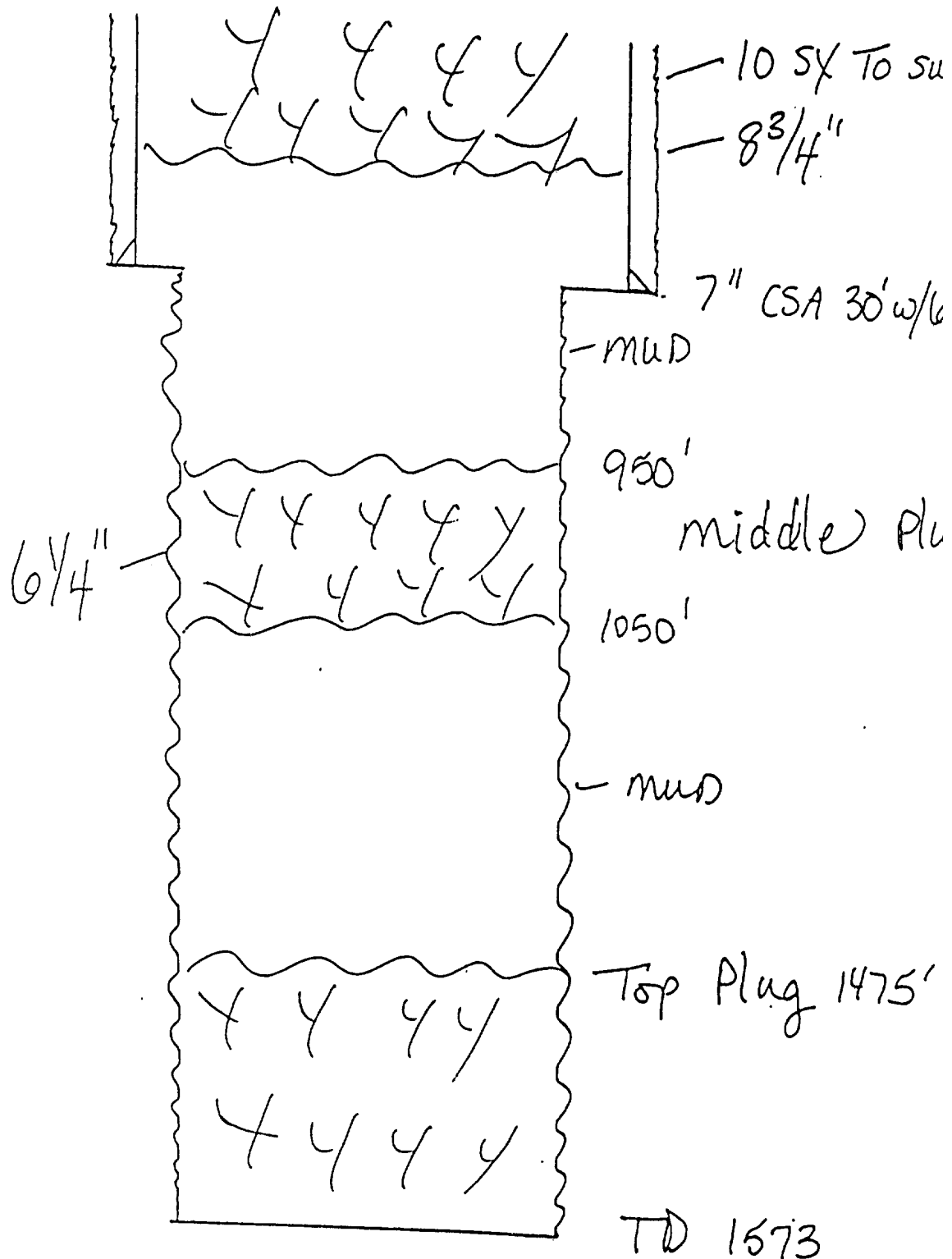
# WELL DATA SHEET

| AAA FISHING TOOL | NAVAJO           | 2-24-69   |                |
|------------------|------------------|-----------|----------------|
| OPERATOR         | LEASE            | SPUD DATE |                |
| #7               | 2310FW-4950FS    | 15        | 32N 18W        |
| WELL NO.         | FOOTAGE LOCATION | SECTION   | TOWNSHIP RANGE |



# WELL DATA SHEET

|                    |                  |           |
|--------------------|------------------|-----------|
| ZOLLER & DANNEBERG | BLUEHILL         | 7-26-65   |
| OPERATOR           | LEASE            | SPUD DATE |
| #1                 | 2319FN-1980FE    | 25        |
|                    |                  | 32N       |
|                    |                  | 18W       |
| WELL NO.           | FOOTAGE LOCATION | SECTION   |
|                    |                  | TOWNSHIP  |
|                    |                  | RANGE     |





Permit # \_\_\_\_\_

### Well Completion and Operation Data

Type Injection Well: (EOR) SWD/HC Storage) (New Conversion)

Injection: (Continuous) Cyclic)

Approximate # days operating/year 365  
Rate (B/D): Average 300 Maximum 500  
Wellhead pressure (psi): Average 250 Maximum 1000  
Fluid: TDS \_\_\_\_\_ Sp. Gr. \_\_\_\_\_ Analyses included: (yes/no) (no)  
Source (formation name) Entrada  
Will anything be added to the water to be injected? (yes/no) (no)  
What will those additives be? \_\_\_\_\_

### Geologic Data (all references to depths are below land surface)

Injection Interval: Top 1037 ; Bottom 1045 ; Effective Thickness 7'  
Formation name Gallup Lithology Sandstone  
Porosity (%) 16 Current Reservoir Pressure 120# Date 11/15/90  
Current Fluid Level in Well 200 ft. Date 11/15/90  
Permeability (md) 125  
Drill Stem Test Included: (YES) (NO)

Confining Zones: Thickness between injection zone and USDW No  
Lithology Shale  
Cumulative shale 900 : thickest shale zone All (interval)  
Faults: Are there any faults in the area of the well which penetrate the injection interval? (Yes/No) (No)

### Well Data: (all references to depths are below land surface)

DF  
Surface Elevation: 5428 ( /GL) Total (Depth/Plugged Back Depth) 1062/1052  
Date Drilled or to be drilled 02/01/62  
Type logs available on (this well/offset well): (By reference/included) None

|                   | Size<br>(in)  | Depth<br>Interval | Sacks of<br>Cement                     | Hole<br>Size | Cement<br>Interval | How<br>Determined |
|-------------------|---------------|-------------------|--|--------------|--------------------|-------------------|
| Construction:     |               |                   |  |              |                    |                   |
| Surface Csg.      | <u>7"</u>     | <u>109'</u>       | <u>50</u>                              | <u>8 3/4</u> | <u>Circ</u>        | <u>Circ</u>       |
| Intermediate Csg. |               |                   |  |              |                    |                   |
| Long String Csg.  | <u>4 1/2"</u> | <u>1057'</u>      | <u>100</u>                             | <u>6 1/2</u> | <u>1057-600</u>    | <u>Calc</u>       |
| Liner             |               |                   |  |              |                    |                   |
| Tubing            | <u>2 3/8"</u> | <u>950'</u>       | Packer type and depth <u>Hal Mod R</u> |              |                    |                   |

Other Perforated Intervals None

CAMPBELL & BLACK, P.A.  
LAWYERS

May 15 1989  
JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
J. SCOTT HALL  
JOHN H. BEMIS  
WILLIAM P. SLATTERY  
MARTE D. LIGHTSTONE  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

May 12, 1989

Grand Resources, Inc.  
2250 E. 73rd Street  
Tulsa, Oklahoma 74136

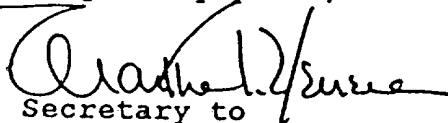
Attn: Jana Ray

Re: Oil Conservation Division Cases 9636 and 9637:  
Applications for Statutory Unitization and Approval of  
a Waterflood Project, San Juan County, New Mexico

Dear Jana:

Enclosed are copies of the notice letters we discussed this date.  
If you require anything further, give me a call.

Very truly yours,



Secretary to  
WILLIAM F. CARR  
Enclosures

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4421  
TELECOPIER (505) 983-8043

March 8, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Dugan Production Corporation  
Post Office Box 5820  
Farmington, New Mexico 87499

Attn: Tom Dugan

Re: Application of Grand Resources Inc. for Statutory  
Unitization, San Juan County, New Mexico

Gentlemen:

This letter is to advise you that Grand Resources Inc. has filed an application with the New Mexico Oil Conservation Division seeking an order statutorily unitizing for the purpose of establishing a secondary recovery project, all mineral interests in the designated and undesignated Mesa-Gallup Pool underlying 4800.00 acres, more or less, of Federal Indian lands in Sections 10, 13, 14, 15, 23 and 24 and the N/2 of Section 25, Township 32 North, Range 18 West and Section 30, Township 32 North, Range 17 West. Said unit is to be designated the Mesa-Gallup Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or

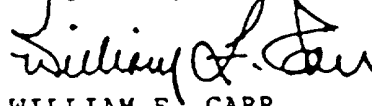


Dugan Production Corporation  
March 8, 1989  
Page Two

substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any nonconsenting working interest owner maintain the unit area upon such terms and conditions to be determined by the Division as just and reasonable.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 29, 1989. You do not need to be present at the hearing, but failure to appear at the hearing or otherwise become a party of record in this case will preclude you from challenging this matter at a later date.

Very truly yours,

A handwritten signature in dark ink, appearing to read "William F. Carr", written over a horizontal line.

WILLIAM F. CARR  
ATTORNEY FOR GRAND RESOURCES, INC.  
WFC:mlh  
cc: Marvin Rabinowitz

P-106 676 409

RECEIPT FOR CERTIFIED MAIL

U.S. POSTAL SERVICE  
FIRST CLASS PERMIT NO. 1000  
WASHINGTON, D.C. 20540

(See Reverse)

|  |         |
|--|---------|
| Sent to Attn: Tom Dugan<br>Dugan Production Corporation        |         |
| Street and No.<br>Post Office Box 5820                         |         |
| P.O. State and ZIP Code<br>Farmington, NM 87499                |         |
| Postage  | \$ 1.25 |
| Certified Fee  | .85     |
| Special Delivery Fee   |         |
| Restricted Delivery Fee  |         |
| Return Receipt showing<br>to whom and Date Delivered           | .90     |
| Return Receipt showing to whom<br>Date and Address of Delivery |         |
| TOTAL Postage and Fees   | \$ 2.00 |
| Postmark or Date<br>March 8, 1989                              |         |

PS Form 3800, June 1985

**SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.**

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fee, the following services are available. Consult postmaster for fees and check boxes for additional services requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

|   |   |
|---|---|
| 3. Article Addressed to:<br><br>Dugan Production Corporation<br>Post Office Box 5820<br>Farmington, New Mexico 87499<br>Attn: Tom Dugan | 4. Article Number<br>P 106 676 409  |
| 5. Signature - Address<br>X   | Type of Service:<br><input type="checkbox"/> Registered <input type="checkbox"/> Insured<br><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD<br><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise |
| 6. Signature - Agent<br>X   | Always obtain signature of addressee or agent and DATE DELIVERED.   |
| 7. Date of Delivery<br>3-9-89   | 8. Addressee's Address (ONLY if requested and fee paid)   |

PS Form 3811, Mar. 1988 \* U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 676 407  
 RECEIPT FOR CERTIFIED MAIL

|   |      |
|---|------|
| Send to: Attn: Tom Dugan<br>Dugan Production Corporation    |      |
| Street and No.<br>Post Office Box 5820                      |      |
| P.C. State and ZIP Code<br>Farmington, New Mexico 87499     |      |
| Postage   | .25  |
| Certified Fee   | .85  |
| Special Delivery Fee  |      |
| Restricted Delivery Fee                                     |      |
| Return Receipt (if desired)<br>Date and Address of Delivery | .90  |
| TOTAL Postage and Fees                                      | 2.00 |
| Postmark or Date<br>March 8, 1989                           |      |

5861 Jun 78 3800 Form 354

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.  
 1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

|   |   |
|---|---|
| 3. Article Addressed to:<br><br>Dugan Production Corporation<br>Post Office Box 5820<br>Farmington, New Mexico 87499<br>Attn: Tom Dugan | 4. Article Number<br>P 106 676 407  |
| 5. Signature - Address<br>X   | Type of Service:<br><input type="checkbox"/> Registered <input type="checkbox"/> Insured<br><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD<br><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise |
| 6. Signature - Agent<br>X   | Always obtain signature of addressee or agent and DATE DELIVERED.   |
| 7. Date of Delivery<br>3-9-89   | 8. Addressee's Address (ONLY if requested and fee paid)   |

PS Form 3811, Mar. 1988 • U.S. G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

CAMPBELL & BLACK, P.A.

LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
J. SCOTT HALL  
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MARTE D. LIGHTSTONE  
PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1-110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 988-4421  
TELECOPIER (505) 983-6043

March 8, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Air-Mex Corporation  
First Western National Bank Building  
Post Office Box 249  
Moab, Utah 84532

Attn: Skip Nightengale

Re: Application of Grand Resources Inc. for Statutory  
Unitization, San Juan County, New Mexico

Gentlemen:

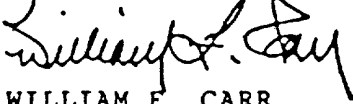
This letter is to advise you that Grand Resources Inc. has filed an application with the New Mexico Oil Conservation Division seeking an order statutorily unitizing for the purpose of establishing a secondary recovery project, all mineral interests in the designated and undesignated Mesa-Gallup Pool underlying 4800.00 acres, more or less, of Federal Indian lands in Sections 10, 13, 14, 15, 23 and 24 and the N/2 of Section 25, Township 32 North, Range 18 West and Section 30, Township 32 North, Range 17 West. Said unit is to be designated the Mesa-Gallup Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or

Air-Mex Corporation  
March 8, 1989  
Page Two

substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any nonconsenting working interest owner maintain the unit area upon such terms and conditions to be determined by the Division as just and reasonable.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 29, 1989. You do not need to be present at the hearing, but failure to appear at the hearing or otherwise become a party of record in this case will preclude you from challenging this matter at a later date.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR GRAND RESOURCES, INC.  
WFC:mlh  
cc: Marvin Rabinowitz

P-106 676 408

RECEIPT FOR CERTIFIED MAIL

See Reverse

|  |         |
|--|---------|
| Sent to: Attn: Skip Nightengale<br>Air-Mex Corporation         |         |
| Street and No.<br>Post Office Box 249                          |         |
| P.O. State and ZIP Code<br>Moab, Utah 84532                    |         |
| Postage  | \$ 1.25 |
| Certified Fee  | 1.85    |
| Special Delivery Fee   |         |
| Restricted Delivery Fee  |         |
| Return Receipt showing<br>to whom and Date Delivered           | 1.90    |
| Return Receipt showing to whom<br>Date and Address of Delivery |         |
| TOTAL Postage and Fees   | \$ 2.00 |
| Postmark or Date<br>March 8, 1989                              |         |

PS Form 3800, June 1985

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

|  |   |
|--|---|
| <p>● <b>SENDER:</b> Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.</p> <p>Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the item from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.</p> <p>4. <input checked="" type="checkbox"/> Show to whom delivered, date, and addressee's address. 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p> |   |
| <p>3. Article Addressed to:</p> <p>Air-Mex Corporation<br/>First Western National Bank Bldg.<br/>Post Office Box 249<br/>Moab, Utah 84532</p>  | <p>4. Article Number</p> <p>P 106 676 408</p>   |
| <p>5. Signature - Agent</p> <p>X <i>SOMSKA</i></p>   | <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p> |
| <p>6. Signature - Addressee</p> <p>X</p>   | <p>8. Addressee's Address (ONLY if requested and fee paid)</p>  |
| <p>7. Date of Delivery</p> <p>3-10-89</p>  |   |

CAMPBELL & BLACK, P.A.  
LAWYERS

JACK M. CAMPBELL  
BRUCE D. BLACK  
MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
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WILLIAM P. SLATTERY  
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PATRICIA A. MATTHEWS

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

March 8, 1989

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Air-Mex Corporation  
First Western National Bank Building  
Post Office Box 249  
Moab, Utah 84532

Attn: Skip Nightengale

Re: Application of Grand Resources Inc. for Approval of a  
Waterflood Project, San Juan County, New Mexico

Gentlemen:

This letter is to advise you that Grand Resources Inc. has filed an application with the New Mexico Oil Conservation Division seeking authority to institute a waterflood project by injection of water into the Gallup formation in its proposed Mesa Gallup Unit Area underlying Sections 10, 13, 14, 15, 23 and 24 and the N/2 of Section 25, Township 32 North, Range 18 West and Section 30, Township 32 North, Range 17 West, Mesa-Gallup Pool, San Juan County, New Mexico.

This application has been set for hearing before an Examiner of the Oil Conservation Division on March 29, 1989. You do not need to be present at the hearing, but failure to appear at the hearing or otherwise become a party of record in this case will preclude you from challenging this matter at a later date.

Very truly yours,



WILLIAM F. CARR  
ATTORNEY FOR GRAND RESOURCES, INC.

WFC:mlh

cc: Marvin Rabinowitz

• See Reverse

|   |         |
|---|---------|
| Sent to: Attn: Skip Nightengale<br>Air-Mex-Corporation      |         |
| Sheet and No  |         |
| Post-Office-Box 249   |         |
| P.O. State and ZIP Code                                     |         |
| Moab, Utah - 84532  |         |
| Postage   | \$ .25  |
| Certified Fee   | .85     |
| Special Delivery Fee  |         |
| Restricted Delivery Fee                                     | .90     |
| Return Receipt showing to whom and Date Delivered           | .90     |
| Return Receipt showing to whom Date and Address of Delivery | 3.20    |
| TOTAL Postage and Fees                                      | \$ 2.00 |
| Postmark or Date<br>April 11, 1989<br>March 1, 1989         |         |

PS Form 3800, June 1985

[illegible]



CAMPBELL & BLACK, P.A.

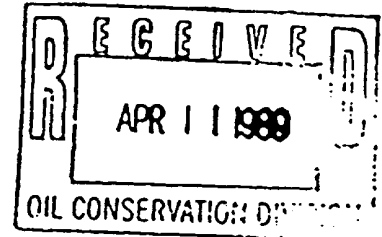
LAWYERS

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JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE (505) 986-4421  
TELECOPIER (505) 983-6043

April 11, 1989

HAND-DELIVERED



William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

Re: Case No. 9637:

In the Matter of the Application of Grand Resources Inc.  
for a Waterflood Project, San Juan County, New Mexico

Dear Mr. LeMay:

Enclosed please find an original and two copies of Oil Conservation Division Form C-108 which is the written application of Grand Resources Inc. in the above-referenced case which has been set for hearing before a Division examiner on April 26, 1989.

Your attention to this matter is appreciated.

Very truly yours,

WILLIAM F. CARR

WFC:mlh  
Enclosures

cc w/enclosures: Certified Mail - Return Receipt Requested

Bureau of Land Management  
435 Montano Rd., NE  
Albuquerque, New Mexico 87107

Dugan Production Corporation  
Post Office Box 5820  
Farmington, New Mexico 87499

Air Mex Corporation  
First Western National Bank Building  
Post Office Box 249  
Moab, Utah 84532  
Attn: Skip Nightengale

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for rates and check boxes for additional services requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to: Bureau of Land Management  
435 Montano Rd., NE  
Albuquerque, New Mexico 87107

4. Article Number: P 106 676 392

Type of Service: ☐ Registered ☐ Insured  
☒ Certified ☐ COO  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address: *[Signature]*

6. Signature - Agent: *[Signature]*

7. Date of Delivery: *4-13-89*

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

PS Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

P-106 676 392

RECEIPT FOR CERTIFIED MAIL

See Reverse

|   |         |
|---|---------|
| Sent to<br>Bureau of Land Management                        |         |
| Street and No.<br>435 Montano Rd., NE                       |         |
| P.O. State and ZIP Code<br>Albuquerque, NM 87107            |         |
| Postage   | \$ 1.45 |
| Certified Fee   | .85     |
| Special Delivery Fee  |         |
| Restricted Delivery Fee                                     |         |
| Return Receipt showing to whom and Date Delivered           | .90     |
| Return Receipt showing to whom Date and Address of Delivery |         |
| TOTAL Postage and Fees                                      | \$ 3.20 |
| Postmark or Date<br><i>April 11, 1989</i>                   |         |

PS Form 3800, June 1985

P-106 676 395  
 RECEIPT FOR CERTIFIED MAIL  
 See Reverse

|  |         |
|--|---------|
| Sent to: Attn: Skip Nightengale<br>Air-Mex Corporation         |         |
| Street and No.<br>Post Office Box 249                          |         |
| P.O. State and ZIP Code<br>Moab, Utah 84532                    |         |
| Postage  | \$ 1.45 |
| Certified Fee  | .85     |
| Special Delivery Fee   |         |
| Restricted Delivery Fee  |         |
| Return Receipt showing<br>to whom and Date Delivered           | .90     |
| Return Receipt showing to whom<br>Date and Address of Delivery |         |
| TOTAL Postage and Fees   | \$ 3.20 |
| Postmark or Date<br>April 11, 1989                             |         |

PS Form 3800, June 1985

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent the card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check boxes for additional service(s) requested.  
 1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Zine charge)

3. Article Addressed to:  
 Air-Mex Corporation  
 First Western National Bank Bldg.  
 Post Office Box 249  
 Moab, Utah 84532  
 Attn: Skip Nightengale

4. Article Number  
 P 106 676 395

5. Signature - Address  
 X

6. Signature - Agent  
 X *[Signature]*

7. Date of Delivery  
 4-13-89

8. Addressee's Address (ONLY if requested and fee paid)  
 Always obtain signature of addressee or agent and DATE DELIVERED.

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COO  
☐ Express Mail ☐ Return Receipt for Merchandise

PS Form 3811, Mar. 1988 • U.S. P.O. 1988-212-805 DOMESTIC RETURN RECEIPT

P-106 676 394  
 RECEIPT FOR CERTIFIED MAIL  
 NO ADDITIONAL CHARGES FOR DELIVERY OF INTERNATIONAL MAIL  
 See Reverse

|   |         |
|---|---------|
| Sent to<br>Dugan Production Corp.                           |         |
| Street and No.<br>Post Office Box 5820                      |         |
| P.O. State and ZIP Code<br>Farmington, NM 87499             |         |
| Postage   | \$ 1.45 |
| Certified Fee   | .85     |
| Special Delivery Fee  |         |
| Restricted Delivery Fee                                     |         |
| Return Receipt showing to whom and Date Delivered           | .90     |
| Return Receipt showing to whom Date and Address of Delivery |         |
| TOTAL Postage and Fees                                      | \$ 3.20 |
| Postmark or Date<br>April 11, 1989                          |         |

5861 bnf 0000 W03 S4

● **SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for rates and check boxes for additional service(s) requested.

1. ☒ Show to whom delivered, date, and addressee's address. 2. ☐ Restricted Delivery (Extra charge)

3. Article Addressed to:  
 Dugan Production Corporation  
 Post Office Box 5820  
 Farmington, NM 87499

4. Article Number  
 P 106 676 394

Type of Service:  
☐ Registered ☐ Insured  
☒ Certified ☐ COD  
☐ Express Mail ☐ Return Receipt for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Address  
 X

6. Signature - Agent  
 X

7. Date of Delivery  
 4.13.89

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

P8 Form 3811, Mar. 1988 • U.S.G.P.O. 1988-212-865 DOMESTIC RETURN RECEIPT

# APPLICATION FOR LETTER OF CREDIT

DATE OF APPLICATION  
6-30-89

|   |  |   |
|---|--|---|
| <b>CUSTOMER - NAME AND ADDRESS</b><br>Grand Resources, Inc.<br>2250 East 73rd, Suite 400<br>Tulsa, Oklahoma 74136                       | <b>ISSUING BANK - NAME AND ADDRESS</b><br>Western National Bank<br>P. O. Box 702680<br>Tulsa, OK 74170 | <b>APPLICATION &amp; LETTER OF CREDIT NUMBER</b><br>803100  |
| <b>BENEFICIARY - NAME AND ADDRESS</b><br>United States Department of Interior<br>Bureau of Indian Affairs<br>Window Rock, Arizona 86515 | <b>ADVISING BANK - NAME AND ADDRESS</b>  | <b>AMOUNT (U.S. DOLLARS)</b><br>15,000.00<br><br><b>EXPIRATION DATE</b><br>6-30-90<br><b>TO BE AVAILABLE BY DRAFTS DRAWN AT:</b><br>SIGHT |

The undersigned Customer hereby applies to the above named Issuing Bank to establish an IRREVOCABLE LETTER OF CREDIT in behalf of Beneficiary shown herein for any sum or sums not exceeding in the aggregate the Amount (U.S. Dollars) stated above, which amount shall be available by draft(s) drawn as indicated through the Advising Bank (if any) and presented to the Issuing Bank on or before the close of business on the Expiration Date set forth in this Application.

Documents to accompany the draft(s) drawn hereunder and other instructions are as follows:

Sworn Statement of the United States Department of Interior, Bureau of Indian Affairs that Grand Resources, Inc. is in default of its obligations under the terms and conditions of the Oil and Gas Mining Leases and Permits on properties situated within Navajo Indian Reservation in the State of New Mexico and that the amount claimed is due and payable.

## SPECIAL INSTRUCTIONS:

It is a condition of this Letter of Credit that this Letter of Credit will be automatically extended without amendment for one year from the present or any future expiration date hereof unless at least thirty (30) days prior to any such expiration date, we notify you by registered mail at the address given above that we elect not to consider this Letter of Credit renewed.

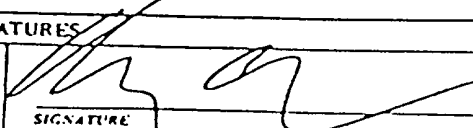
Partial drawings prohibited.

Collateral offered to secure obligation to Issuing Bank under the requested Letter of Credit is as follows:

Unsecured

The agreed fee to open the subject Letter of Credit is \$ 150.00

The opening of the Letter of Credit shall be subject to the Agreement set forth on reverse side hereof to which undersigned Customer agrees.

|  |  |
|--|--|
| <b>SIGNATURES</b><br><br>Grand Resources, Inc.<br>NAME OF CUSTOMER | <br>SIGNATURE<br>Marvin Robinowitz, President<br>TITLE |
|--|--|

NOV-21-90 WED 12:04

P. 02

P.O. BOX 707643  
4980 SOUTH LEWIS  
TULSA OKLAHOMA 74170  
(918) 745-7981

Western  
National  
Bank

June 22, 1990

United States Department of Interior  
Bureau of Indian Affairs  
Window Rock, Arizona 86515

Re: Grand Resources, Inc.  
Letter of Credit #803100  
Issued: 6-30-89 Amount: \$15,000.00

Gentlemen:

This letter is written to extend the expiration date on the above referenced letter of credit until June 30, 1991.

All other terms and conditions remain unchanged except the expiration date being change to June 30, 1991.

Sincerely,

  
W. L. Morris  
Senior Vice President

ATTEST:

Sharon K. Spohn, Assistant Cashier

WLM/dh

Certification

I certify under 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.



Marvin J. Robinowitz

Name

President


Title\*

\*If certification is signed by a party other than the injection well owner/operator a written statement of authorization signed by the owner/operator must accompany the application.



STATEMENT OF AUTHORIZATION

I GRAND RESOURCES, INC. hereby authorize Marvin J. Robinowitz  
injection well owner/operator  
to act in my behalf in executing the necessary forms including permit  
applications, compliance reports, etc., as required under the Environmental  
Protection Agency Underground Injection Control program.

  
Signed (owner/operator)

Date: 11/21/90