

Well Name: TRADING POST 23	Well Location: T25N / R11W / SEC 23 / SESW /	County or Parish/State: SAN JUAN / NM
Well Number: 2	Type of Well: OTHER	Allottee or Tribe Name: EASTERN NAVAJO
Lease Number: NOG06111746	Unit or CA Name: TRADING POST 23	Unit or CA Number: NMNM103040
US Well Number: 3004530125	Well Status: Producing Gas Well	Operator: MARALEX RESOURCES INCORPORATED

Notice of Intent

Sundry ID: 2702439

Type of Submission: Notice of Intent	Type of Action: Plug and Abandonment
Date Sundry Submitted: 11/10/2022	Time Sundry Submitted: 02:23
Date proposed operation will begin: 12/05/2022	

Procedure Description: Plug and Abandon Trading Post 23-2

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

- Procedure Description
- 2022.11.10_Trading_Post_23_2_Plugging_Procedure_20221110142245.pdf
 - 2022.11.10_Trading_Post_23_2_WBD_Proposed_Plugging_20221110142244.pdf
 - 2022.11.10_Trading_Post_23_2_WBD_Current_20221110142246.pdf

Received by OCD: 11/17/2022 4:00:02 PM

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Well Number: 2	Type of Well: OTHER	Allottee or Tribe Name: EASTERN NAVAJO
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US Well Number: 3004530125	Well Status: Producing Gas Well	Operator: MARALEX RESOURCES INCORPORATED

Conditions of Approval

Additional

General_Requirement_PxA_20221115092200.pdf
2702439_NOIA_23_2_3004530125_KR_11152022_20221115092126.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: PATRICIA HARRISON	Signed on: NOV 10, 2022 02:22 PM
Name: MARALEX RESOURCES INCORPORATED	
Title: Permitting Specialist	
Street Address: 775 GODDARD	
City: IGNACIO	State: CO
Phone: (970) 759-9545	
Email address: TRISHHARRISON@EIS-LLC.COM	

Field

Representative Name:		
Street Address:		
City:	State:	Zip:
Phone:		
Email address:		

BLM Point of Contact

BLM POC Name: KENNETH G RENNICK	BLM POC Title: Petroleum Engineer
BLM POC Phone: 5055647742	BLM POC Email Address: krennick@blm.gov
Disposition: Approved	Disposition Date: 11/15/2022
Signature: Kenneth Rennick	

Trading Post 23-2 Plugging Procedure

N Sec 23 T25N R11W 900FSL 1800FWL
Basin Fruitland Coal, San Juan County, NM
NO-G-9504-1288
API #30-045-30125
November 2022

Well Information:

Surface: 8 5/8" 24# set @140' in 12 1/4" hole **Production:** 5 1/2" 17# set @1455' in 7 7/8" hole

Perforations: 1295'-1314' **Plug:** Retrievable bridge plug set @1166'

Fish: 5 1/2" casing slip on top of casing stub @130'

1. MIRU service unit.
2. ND WH, pull & LD 15' joint of 5 1/2" casing.
3. PU tubing and tag top of fish at ~130'.
4. MIRU cementers.
5. Mix 38sx (7.9bbl) of 15.6 ppg API cement w/ 2% CaCl₂, spot 126' cement plug inside 8 5/8" from top of fish @130' to 4'
6. RDMO service unit
7. Excavate and cut off 8 5/8" casing 4' below grade.
8. If cement has fallen, top off until cement is at the surface.
9. Weld a steel marker plate with a weep hole onto the casing stub. The marker plate is to be inscribed with the following information:

Maralex Resources Inc
Trading Post 23-2
NO-G-9504-1288
N Sec 23 T25N R11W
900FSL 1800FWL
0304530125

Maralex Resources, Inc

Proposed P&A Wellbore Diagram

WELL NAME	Trading Post 23-2		
LOCATION	N Sec23 T25N R11W		
GPS	36.381744	-107.976328	PDOP
GPS OPERATOR	DATE		
FEDERAL LEASE No.	NO-G-9504-1288		
Elevation	6487' GL	6492'KB	KB 5'

FIELD	Basin Fruitland Coal
COUNTY	San Juan
API #	30-045-30125
FORMATION	Fruitland Coal
OGRID Number	13998

CASING

SURFACE

SIZE & WT	8 ⁵ / ₈ " 24#
SET @	140'
HOLE SIZE	12 ¹ / ₄
CEMENT	
100 sx Type III	
TOC @ surface	

PRODUCTION

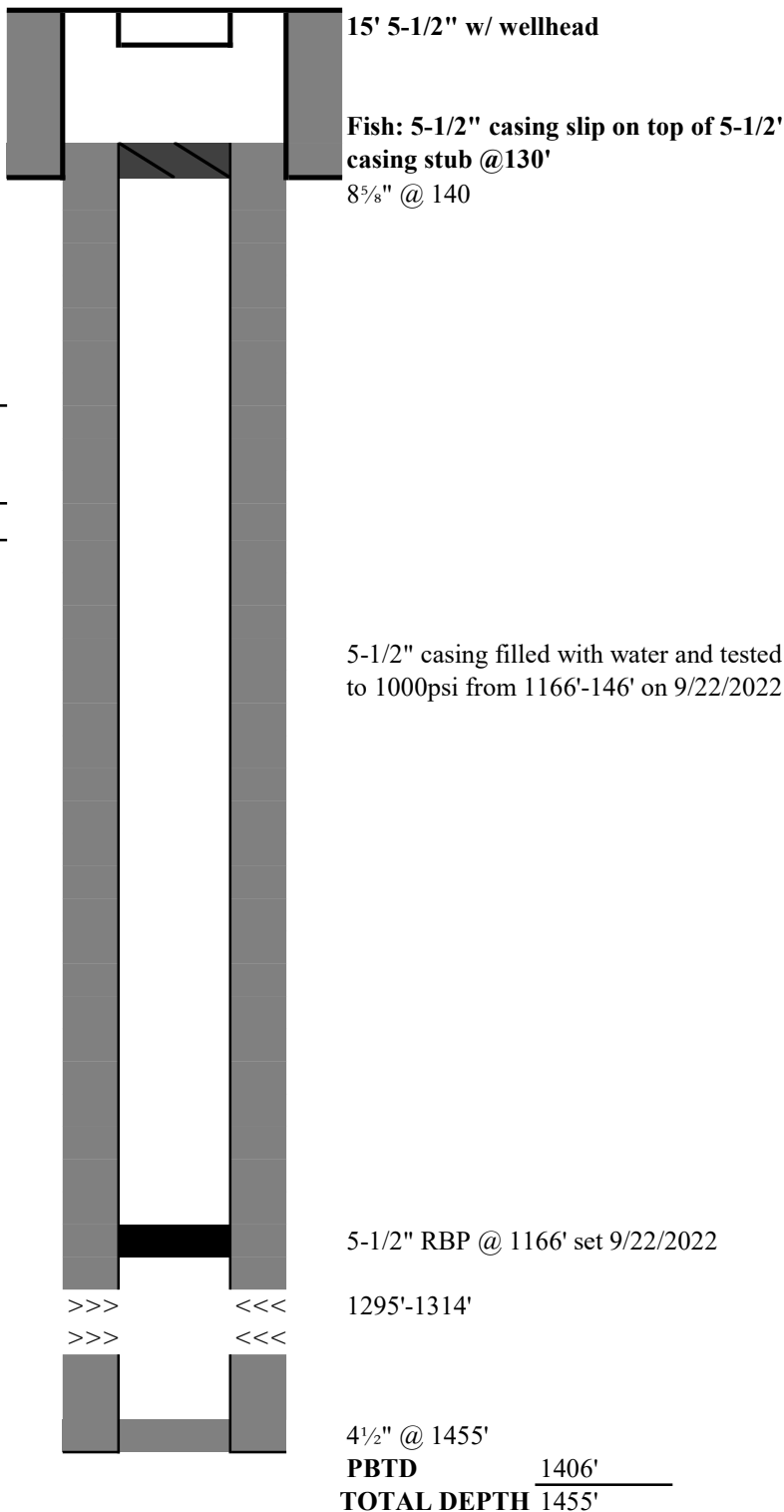
SIZE & WT	5-1/2" 17#
SET @	1455'
HOLE SIZE	7 ⁷ / ₈ "
CEMENT	100sx 35:65 Pozmix,
100sx Type III w/ 2% CaCl ₂	
CBL TOC @ surface	
STAGE TOOL	
@	NA

PERFORATIONS

1295'-1314'	30 holes

FORMATION TOPS

	Surface
Fruitland Coal	1001'
Basal Frtld coal	1295'
Pictured Cliff	1317'



4.1935484

Maralex Resources, Inc

Proposed P&A Wellbore Diagram

WELL NAME Trading Post 23-2
LOCATION N Sec23 T25N R11W
GPS 36.381744 -107.976328 **PDOP**
GPS OPERATOR **DATE**
FEDERAL LEASE No. NO-G-9504-1288
Elevation 6487' GL 6492'KB KB 5'

FIELD Basin Fruitland Coal
COUNTY San Juan
API # 30-045-30125
FORMATION Fruitland Coal
OGRID Number 13998

CASING**SURFACE**

SIZE & WT 8⁵/₈" 24#
 SET @ 140'
 HOLE SIZE 12¹/₄"
 CEMENT
 100 sx Type III
 TOC @ surface

PRODUCTION

SIZE & WT 5-1/2" 17#
 SET @ 1455'
 HOLE SIZE 7⁷/₈"
 CEMENT 100sx 35:65 Pozmix,
 100sx Type III w/ 2% CaCl₂
 CBL TOC @ surface

STAGE TOOL

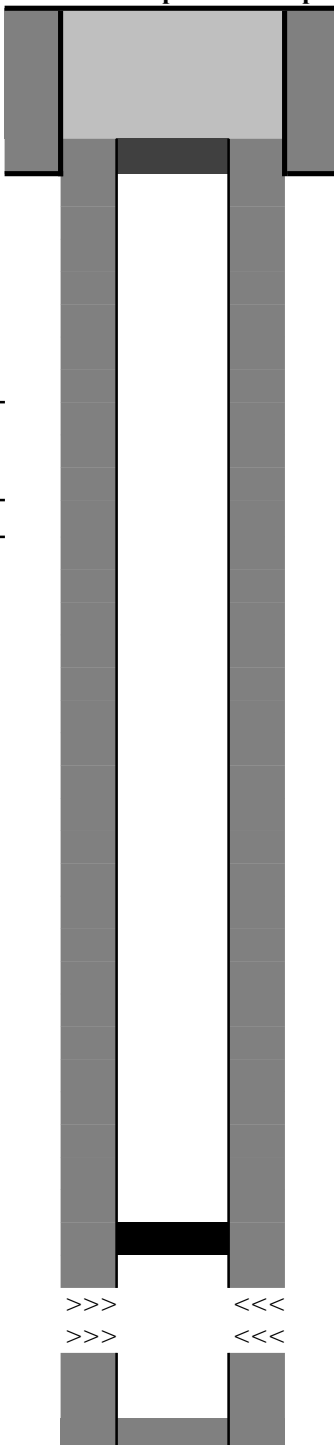
@ NA

PERFORATIONS

1295'-1314' 30 holes

FORMATION TOPS

Surface
 Fruitland Coal 1001'
 Basal Frtld coal 1295'
 Pictured Cliff 1317'

Steel marker plate w/ weep hole and well info

Cement from top of fish to surface 130'-4'
Est. 38sx (7.9bbl)

Fish: 5-1/2" casing slip on top of 5-1/2'
casing stub @130'
8⁵/₈" @ 140

5-1/2" RBP @ 1166'

1295'-1314'

4¹/₂" @ 1455'

PBTD 1406'

TOTAL DEPTH 1455'

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FARMINGTON DISTRICT OFFICE
6251 COLLEGE BLVD.
FARMINGTON, NEW MEXICO 87402**

AFMSS 2 Sundry ID 2702439

Attachment to notice of Intention to Abandon

Well: Trading Post 23 2

CONDITIONS OF APPROVAL

1. Plugging operations authorized are subject to the attached "General Requirements for Permanent Abandonment of Wells on Federal and Indian Lease."
2. Farmington Office is to be notified at least 24 hours before the plugging operations commence at (505) 564-7750.

You are also required to place cement excesses per 4.2 and 4.4 of the attached General Requirements.

*Geology Report was not completed for this plugging procedure.

Office Hours: 7:45 a.m. to 4:30 p.m.

K. Rennick 11/15/2022

**GENERAL REQUIREMENTS FOR
PERMANENT ABANDONMENT OF WELLS ON FEDERAL AND INDIAN LEASES
FARMINGTON FIELD OFFICE**

1.0 The approved plugging plans may contain variances from the following minimum general requirements.

1.1 Modification of the approved plugging procedure is allowed only with the prior approval of the Authorized Officer, Farmington Field Office.

1.2 Requirements may be added to address specific well conditions.

2.0 Materials used must be accurately measured. (densometer/scales)

3.0 A tank or lined pit must be used for containment of any fluids from the wellbore during plugging operations and all pits are to be fenced with woven wire. These pits will be fenced on three sides and once the rig leaves location, the fourth side will be fenced.

3.1 Pits are not to be used for disposal of any hydrocarbons. If hydrocarbons are present in the pit, the fluids must be removed prior to filling in.

4.0 All cement plugs are to be placed through a work string. Cement may be bull-headed down the casing with prior approval. Cement caps on top of bridge plugs or cement retainers may be placed by dump bailer.

4.1 The cement shall be as specified in the approved plugging plan.

4.2 All cement plugs placed inside casing shall have sufficient volume to fill a minimum of 100' of the casing, or annular void(s) between casings, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.3 Surface plugs may be no less than 50' in length.

4.4 All cement plugs placed to fill annular void(s) between casing and the formation shall be of sufficient volume to fill a minimum of 100' of the annular space plus 100% excess, calculated using the bit size, or 100' of annular capacity, determined from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug.

4.5 All cement plugs placed to fill an open hole shall be of sufficient volume to fill a minimum of 100' of hole, as calculated from a caliper log, plus an excess volume sufficient to provide for 50 linear feet of fill above the plug. In the absence of a caliper log, an excess of 100% shall be required.

4.6 A cement bond log or other accepted cement evaluation tool is required to be run if one had not been previously ran or cement did not circulate to surface during the original casing cementing job or subsequent cementing jobs.

5.0 All cement plugs spotted across, or above, any exposed zone(s), when; the wellbore is not full of fluid or the fluid level will not remain static, and in the case of lost circulation or partial returns during cement placement, shall be tested by tagging with the work string.

- 5.1 The top of any cement plug verified by tagging must be at or above the depth specified in the approved plan, without regard to any excess.
- 5.2 Testing will not be required for any cement plug that is mechanically contained by use of a bridge plug and/or cement retainer, if casing integrity has been established.
- 5.3 Any cement plug which is the only isolating medium, for a fresh water interval or a zone containing a prospectively valuable deposit of minerals, shall be tested by tagging.
- 5.4 If perforations are required below the surface casing shoe, a 30 minute minimum wait time will be required to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. Short or long term venting may be necessary to evacuate trapped gas. **If only a water flow occurs with no associated gas, shut well in and record the pressures. Contact the Engineer as it may be necessary to change the cement weight and additives.**

6.0 Before setting any cement plugs the hole needs to be rolled. All wells are to be controlled by means of a fluid that is to be of a weight and consistency necessary to stabilize the wellbore. This fluid shall be left in place as filler between all plugs.

- 6.1 Drilling mud may be used as the wellbore fluid in open hole plugging operations.
- 6.2 The wellbore fluid used in cased holes shall be of sufficient weight to balance known pore pressures in all exposed formations.

7.0 A blowout preventer and related equipment (BOPE) shall be installed and tested prior to working in a wellbore with any exposed zone(s); (1) that are over pressured, (2) where the pressures are unknown, or (3) known to contain H₂S.

8.0 Within 30 days after plugging work is completed, file a Sundry Notice, Subsequent Report of Abandonment (Form 3160-5), five copies, with the Field Manager, Bureau of Land Management, 6251 College Blvd., Suite A, Farmington, NM 87402. The report should show the manner in which the plugging work was carried out, the extent, by depth(s), of cement plugs placed, and the size and location, by depth(s), of casing left in the well. Show date well was plugged.

9.0 All permanently abandoned wells are to be marked with a permanent monument as specified in 43 CFR 3162.6(d). Unless otherwise approved.

10.0 If this well is located in a Specially Designated Area (SDA), compliance with the appropriate seasonal closure requirements will be necessary.

All of the above are minimum requirements. Failure to comply with the above conditions of approval may result in an assessment for noncompliance and/or a Shut-in Order being issued pursuant to 43 CFR 3163.1. You are further advised that any instructions, orders or decisions issued by the Bureau of Land Management are subject to administrative review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4 and 43 CFR 4.700.

(October 2012 Revision)

Form 3160-5
(June 2019)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2021**SUNDRY NOTICES AND REPORTS ON WELLS**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☐ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

3a. Address

3b. Phone No. (include area code)

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.

9. API Well No.

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

11. Country or Parish, State

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION				
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has detennined that the site is ready for final inspection.)

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Title

Signature

Date

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13: Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment. If the proposal will involve **hydraulic fracturing operations**, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c) and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

Additional Information

Location of Well

0. SHL: SESW / 900 FSL / 1800 FWL / TWSP: 25N / RANGE: 11W / SECTION: 23 / LAT: 0.0 / LONG: 0.0 (TVD: 0 feet, MD: 0 feet)

BHL: SESW / 900 FSL / 1800 FWL / TWSP: 25N / SECTION: / LAT: 0.0 / LONG: 0.0 (TVD: 0 feet, MD: 0 feet)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 157820

CONDITIONS

Operator: MARALEX RESOURCES INC P.O. Box 338 Ignacio, CO 81137	OGRID: 13998
	Action Number: 157820
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	11/18/2022
kpickford	Adhere to BLM approved COAs and plugs. See BLM COAs and GEO report.	11/18/2022