



CITY OF JAL

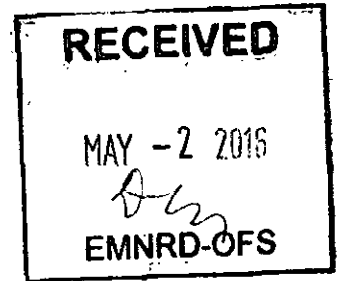
JAL, NEW MEXICO 88252

PO DRAWER 340
PHONE 395-3340

April 28, 2016

Mr. Matthew Earthman
Souder, Miller & Assocs.
3451 Candelaria Rd NE
Albuquerque, NM 87112

Mr. Earthman,



I want to take this opportunity to communicate with you about a concern that was brought to the city by several individuals and companies. The concern is in reference to our pending application for 900 acre feet of water and nine well locations.

There are several disposal wells in the same section that we are considering to place our wells, Section 25, T 25S, R 36E, that would be utilized for drinking water. In particular, there is a disposal well, Owl Maralo Sholes B #2, that has continued to inject large volumes of disposal water, 13 million barrels in 2015. In addition to the ongoing volumes of water, a company is now constructing a 16 inch line that will travel west out of the Jal area. The purpose for this line, as we understand it, would be to transport produced water for disposal in the above-mentioned disposal well.

Before the city undertakes the expenditure to drill water supply wells in the area close to this well, we would like to ensure this salt water disposal well is injecting into the permitted Seven Rivers Zone and will not cause problems with shallow fresh water aquifers.

Our specific request is for you to involve the Oil Conservation Division and the State Engineer Office in requiring the following information.

1. Provide documentation to demonstrate wellbore integrity;
2. To run a spinner survey to demonstrate injection is within the permitted interval

We strongly believe that these tests and any others that the regulatory agencies believe are warranted should be conducted immediately and then on a regular basis thereafter to ensure that the drinking water to the residents of our community has not been negatively impacted or contaminated in any manner.

Please do not hesitate to contact me should you have any questions or require additional information.

Respectfully,

Bob Gallagher, City Manager

XC: David Martin, Sec. EMNRD
David Catanach, Director, OCD
Tom Blaine, State Engineer