

Print #  
NM 29900021

July 17, 2002

Mr. John Cunningham  
Action Oil Company  
PO Box 51  
Farmington, New Mexico 87499

*[Signature]*

*Gallegos/DATA water*  
*THIS is a current SWD Permit*  
*BY the Navajo EPA*  
*STAPROCK*  
*BILL FREEMAN*  
*505-368-1041*  
*STAPROCK*

Re: Administrative Application for SWD: King Kong Well No. 20  
Section 4, T30N, R17W, NMPM, San Juan County, New Mexico.

Dear Mr. Cunningham:

The division received your application July 15, 2002 and reviewed it for completion.  
After the first review, the following information is needed to complete your order:

- 1) Please ensure that the ownership of this well is recorded in your company name with the New Mexico Oil Conservation Division – our database shows the well as operated by J C Well Service.
- 2) There are two wells in the ½ mile area of review that are plugged. Please provide well bore diagrams on these two (2) wells as well as before and after-conversion well bore diagrams of the well to be converted to injection.
- 3) There are three (3) wells in this ½ mile area of review that are selling oil from the Salt Creek-Dakota pool. Please provide a signed engineering analysis of the effect on this Dakota production of saltwater injection. This analysis should include all assumptions, calculations, and conclusions. In order for injection to be approved, this action must not cause waste.
- 4) Please provide cementing and casing details showing cement tops and method for obtaining the cement tops on all six (6) wells in this area of review.
- 5) Please provide water analysis as specified in the Form C-108.
- 6) Provide a signed statement from a geologist – as per item XII.
- 7) Provide proof of notification of the surface owner and all offset owners including the notice published in the local newspaper – item XIII.
- 8) Provide some estimate of total volume to be injected into this SWD well and the net thickness and estimated average effective porosity of the injection zone.

*Stone Hydrogen Sulfide Caution!!*  
*?? = M.I.T. = ??*  
*there are 2000*

Pending receipt of these items, your application is being returned to you. Please reapply as needed. Remember, we must wait 15 days after receiving your Salt Water Disposal application in this office – with proper proof of notifications - before it can be approved.

If I can be of further assistance, please call (505) 476-3448.

Sincerely,

William V Jones Jr. PE

cc: Oil Conservation Division-Aztec

King Kong #20 30-045-09899 San Juan CTY NM														1650S		330W		4		Well			
API	WELL NAME	Short Operator	NS	NS DW	EW	EW DW	Dist	UL2	Sec	Tsp	Rge	TVD	Land Type	Well Type	Orig FORM (or NOTES)	P&A Date	STATUS	Latest Pool	GAS2002	OIL2002	WAT2002	2002POOL	PROP
30-045-10010	KING KONG #021	CHASE ENERGY INC	1530N	2100	610W	290	2118	E	4	30N	17W	1040	N	O	SALT CREEK DAKOTA(P&A 8/2/92)	1992-09-02	ZONE ABAN		0	0	0	0	2542
30-045-20209	KING KONG #001X	J C WELL SERVICE	1800S	150	182W	-148	210	L	4	30N	17W	1077	N	O	SALT CRK DK		ACTIVE	SALT CREEK DKta	0	384	2313	53470	23421
30-045-20211	KING KONG #003	J C WELL SERVICE	2323N	1307	165W	-165	1317	E	4	30N	17W	1063	N	O	SALT CRK DK (P&A 3-30-99)	1999-03-30	ZONE ABAN		0	0	0	0	23421
30-045-09899	KING KONG #020	J C WELL SERVICE	1650S	0	330W	0	0	L	4	30N	17W	1069	N	O	SALT CRK DK		ACTIVE		0	0	0	0	23421
30-045-20225	CLARK KENT #001	J C WELL SERVICE	1880S	230	165E	495	545	I	5	30N	17W	1065	N	O	SALT CRK DK		ACTIVE	SALT CREEK DKta	0	108	490	53470	23420
30-045-20254	CLARK KENT #004	J C WELL SERVICE	1650S	0	330E	660	660	I	5	30N	17W	1085	N	O	SALT CRK DK		ACTIVE	SALT CREEK DKta	0	431	2455	53470	23420

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE