

Attachment 9

DIAMOND OPERATING, INC.
6666 Gunpark Drive, Suite 200
Boulder, CO 80301

Phone: 303-494-4420

Fax: 303-494-3931

Certified Mail

7015 1730 0000 2367 5003

March 21, 2016

Magnolia Minerals Trust LLC
1616 17th Street, Suite 572
Denver, CO 80210

Re: Notification of Proposed Water Disposal Well
Decker #2 aka Decker 22-18
SE NW Section 18-T4S-R53W
Washington County, Colorado

TO WHOM IT MAY CONCERN:

Diamond Operating, Inc. is the operator of record for the above referenced well. The Decker #2 well is located in Bison Field and produced oil and water from the Cretaceous J Sandstone from September 1961 until October 2000. In 2000, the well was no longer economically viable and was temporarily abandoned in accordance with the Rules and Regulation of the Colorado Oil and Gas Conservation Commission [COGCC].

Diamond operates two active producing wells located in the NE/4 Section 18-T4S-R53W (see map – Attachment #1) that produce oil and water from the J Sandstone, the same zone from which the Decker #2 produced prior to its abandonment.

The water from these two producing wells is currently being disposed of in earthen seepage/evaporation ponds. Due to an inability of these ponds to adequately accept all the produced water from the Decker producing wells, Diamond intends to file an application with the COGCC seeking to use the Decker #2 well for disposal of all or some portion of this produced water. This water will be transported by pipeline to the Decker #2 and will be injected under relatively low pressure back into the J sandstone. It is Diamond's intent to only dispose of a volume of water equal to or less than the volume of water produced from the two active wells.

Attachment #2 provides pertinent information related to this proposed water disposal well.

Pursuant to Rule 325.I. of the COGCC Rules and Regulations, we are sending this notice to all surface and mineral owners located within ¼ mile of the Decker #2 well. A copy of the COGCC Rule 325.I and contact information for the COGCC is attached as Attachment #3. Please note - if you feel you would be directly and adversely affected or aggrieved by the authorization of this underground water disposal well you may send, within 15 days, a written request to the COGCC for a public hearing on the matter.

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Proposed Decker #2 Water Disposal Well

If you have no objection to this proposed water disposal well, no response is necessary.

Please feel free to contact me at 303-494-4420 should you have any questions.

Sincerely,

DIAMOND OPERATING, INC.

David C. Peterson
President

DCP/mcp
Attachments

Attachment – Notice to Surface and Mineral Owners

Proposed Decker #2 Water Disposal Well

Pertinent Information

Legal Location: SE NW Section 18-T4S-R53W 6th P.M.
Washington County, Colorado

Field Name: Bison

Decker #2 – Production Totals Prior to Abandonment in October 2000 ⁽¹⁾:
Oil – 435,427 barrels
Water – 1,952,860 barrels

Injection Formation: J Sandstone

Depth of Injection: Gross interval from 4644' to 4732'

Expected Injection Volume: 600 to 850 barrels of water per day

TDS⁽¹⁾ of Produced Water: 990 mg/l

Wellbore Configuration: Original 5 ½" diameter production casing with 4 ½" diameter liner inside; liner is cemented from 4552' to surface; 2 3/8" injection tubing with injection packer at the base to isolate the tubing from the casing; annular⁽²⁾ pressure will be monitored and mechanical integrity tests are required by the COGCC every five years or every time the injection packer is released.

(1) Total Dissolved Solids

(2) Space between 4 ½" liner and the tubing

ATTACHMENT #3 – Surface and Mineral Owner Notice

Proposed Decker #2 Water Disposal Well

COGCC Rule 325.I. and Contact information

COGCC Rule 325.I.

Notice of application requirements. The notice shall briefly describe the disposal application and include legal location, proposed injection zone, depth of injection, and other relevant information. The notice shall state that any person who would be directly and adversely affected or aggrieved by the authorization of the underground disposal into the proposed injection zone may file, within 15 days of notification, a written request for a public hearing before the Commission, provided such request meets the protest requirements specified in subparagraph m. of this rule. The notice shall also state that additional information on the operation of the proposed disposal well may be obtained at the Commission office.

Contact information for COGCC:

Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

Attn: UIC Permitting

COGCC contact: Bob Koehler, UIC Lead – Geologic Advisor

Phone: 303-894-2100 x-5147

Website: <http://cogcc.state.co.us/>

Contact information for Diamond Operating, Inc.:

Diamond Operating, Inc.
6666 Gunpark Drive, Suite 200
Boulder, CO 80301

Attn: Dave Peterson

Phone: 303-494-4420



Proposed Decker #2 UIC Facility

Attachment to Form 31

Surface and Mineral Owner Notice



Proposed UIC well



Producing oil well



-P&A oil well



DWR water well