

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTHOBBS OCD
OCD Hobbs

MAR 27 2013

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.

3. Lease Serial No. NMNM0587

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

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

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

N. Bell Lake Federal #2

2. Name of Operator

Kaiser-Francis Oil Company

9. API Well No.

30-025-32672

3a. Address

P. O. Box 21468, Tulsa, OK 74121-1468

3b. Phone No. (include area code)

918-491-4314

10. Field and Pool or Exploratory Area

Bell Lake, NE (Delaware)

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

1100' FSL & 1500' FWL of Sec. 5-23S-34E

11. Country or Parish, State

Lea/NM

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

TYPE OF SUBMISSION

TYPE OF ACTION

☒ Notice of Intent☐ Acidize☐ Deepen☐ Production (Start/Resume)☐ Water Shut-Off☐ Alter Casing☐ Fracture Treat☐ Reclamation☐ Well Integrity☒ Subsequent Report☐ Casing Repair☐ New Construction☐ Recomplete☐ Other☐ Final Abandonment Notice☐ Change Plans☐ Plug and Abandon☐ Temporarily Abandon☐ Convert to Injection☐ Plug Back☒ 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 recompletes 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 recompletion 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 determined that the site is ready for final inspection.)

This is to request approval for water disposal:

1. Formation: Delaware
2. Water produced (bpd): 20
3. Storage: (2) 500 bbl storage tanks
4. Method of disposal: Water transfer pump & buried pipeline
5. Operator's disposal facility:
 - a. Lease name & number: North Bell Lake Unit #4-15
 - b. Location: NE SW Sec. 8-23S-34E(Kaiser-Francis Oil Company - operator)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

SWD-1084-0

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

Charlotte Van Valkenburg

Title Technical Coordinator

Signature

Date

2/14/13

APPROVED

MAR 25 2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Jerry Blakley

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.

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)

MAR 28 2013 SUBJECT TO LIKE
APPROVAL BY STATE

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Disposal of Produced Water From Federal Wells
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. This **approval is for produced water disposal only** and any hydrocarbons removed from lease by this method will be subject to royalty payment as well as other enforcement actions as necessary.
10. Disposal at any other site will require prior approval.
11. Subject to like approval by NMOCD.

2/16/2013