

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBBS OCD

FORM APPROVED
Budget Bureau No. 1004-0137
Expires: October 31, 2014

MAY 12 2014

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil <input type="checkbox"/> Gas <input type="checkbox"/>		5. Lease Serial No. NMNM39160
2. Name of Operator FULFER OIL & CATTLE LLC		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 1224, JAL, NM 88252		7. If Unit or CA, Agreement, Name and/or No.
3b. Phone No. (include area code) 575-395-9970		8. Well Name and No. DANCIGER #1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UL B, SEC. 1, T-23S, R35E, 330' FNL & 1650' FEL		9. API Well No. 30-025-27989
		10. Field and Pool, or Exploratory Area JALMAT; TAN-YATES-7RVRS (OIL)
		11. County or Parish, State LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<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"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" 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 shall 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 determined that the site is ready for final inspection.)

WATER DISPOSAL METHOD:

1. Formation Producing Water: YATES
2. Amount of Water Produced: 1 BWPD
3. Water Storage: Water is stored on lease in a tank at the battery
4. Water Movement: Water is stored in tank until a full load is accumulated, and then water is trucked from lease by a C133 authorized Transporter.
5. Disposal Facility: Brown #5 SWD well, 30-025-09807, located in UL E Sec. 25, T-25S, R36E, Lea County, NM.

NMOCD Permit No. R5196

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**SUBJECT TO LIKE
APPROVAL BY STATE**

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) DEBBIE MCKELVEY	Title AGENT	575-392-3575
Signature <i>Debbie McKelvey</i>	Date 6/13/13	

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ Jerry Blakley	Title BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE	Date MAY 2 2014
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		

MAB/OCD 5/13/2014

MAY 13 2014

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

5/2/2014 Approved subject to conditions of approval JDB:

**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.

JDB2014