UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

5. Lease Serial No. NMNM88163

| SUNDRY N | OTICES AND | REPORTS O | N WELLS |
|-----------------|---------------|-------------------|-----------------|
| Do not use this | form for prop | osals to drill or | to re-enter an |
| bandoned well. | Use form 316 | 0-3 (APD) for s | such proposals. |

| Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals. | | | | | | | | | |
|---|-------------------------------|---------|--|-----------------------------|--|-----------------------|--|--|--|
| | | | | | 6. If Indian, Allottee or Tribe Name | | | | |
| SUBMIT IN TRIPLICATE - Other instructions on page 2 | | | | | 7. If Unit or CA/Agree | ment, Name and/or No. | | | |
| 1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other | | | | | 8. Well Name and No. AVION FEDERAL 🔨 🖊 | | | | |
| Name of Operator Contact: AMANDA AVERY COG OPERATING LLC / E-Mail: aavery@concho.com | | | | | 9. API Well No. 30-025-33862 | | | | |
| 3a. Address 2208 W MAIN STREET ARTESIA, NM 88210 | (include area code) 3-6940 | | 10. Field and Pool or Exploratory Area DIAMONDTAIL; DELAWARE | | | | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | | | 11. County or Parish, State | | | | |
| Sec 22 T23S R32E 990FSL 330FEL / | | | | | LEA COUNTY, 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 | _ , | raulic Fracturing | ☐ Reclamat | | ☐ Well Integrity | | | |
| ☐ Subsequent Report | | | | ☐ Recompl | | Other | | | |
| ☐ Final Abandonment Notice | ☐ Change Plans | | | | Temporarily Abandon | | | | |
| 13. Describe Proposed or Completed Op | ☐ Convert to Injection | ☐ Plug | | ₩ Water Di | | | | | |
| If the proposal is to deepen directionally or recomplete 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. Required Information for the Disposal of Produced Water 1) Name of formation producing water on lease: Diamond Tail; Delaware 2) Amount of water produced in barrels per day: 50 BWPD 3) How water is stored on lease: 1-500 BBL Tanks 4) How water is moved to disposal facility: Trucked 5) Disposal Facility #1 a) Facility Operator Name: COG Operating LLC b) Name of facility or well name and number: Gold Coast 26 Fed SWD #1 (Order # SWD-1391) c) Type of facility of well: WDW d) Location by quarter/quarter, Section, Township & Range: | | | | | | | | | |
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #362638 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 01/10/2017 () | | | | | | | | | |
| Name (Printed/Typed) AMANDA | | | RESENTATIVE | | | | | | |
| 77 7 1111 11121 | | | | | | | | | |
| Signature (Electronic S | Submission) | | Date 01/03/2 | 017 | | | | | |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | | | | | | | | | |
| Approved By Merry Curch | | Title E | PS | | 3/29/17 Date | | | | |
| Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that the applicant holds legal or equilable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | | Office C | FO | | | | | |
| 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. | | | | | | | | | |

Additional data for EC transaction #362638 that would not fit on the form

32. Additional remarks, continued

NESW Sec 26-T24S-R32E

1) Name of formation producing water on lease: Diamond Tail; Delaware 2) Amount of water produced in barrels per day: 50 BWPD 3) How water is stored on lease: 1-500 BBL Tanks 4) How water is moved to disposal facility: Trucked 5) Disposal Facility #2 a) Facility Operator Name: COG Operating LLC b) Name of facility or well name and number: Eata Fajita 8 State SWD #1 (Order # SWD-1361) c) Type of facility of well: WDW d) Location by quarter/quarter, Section, Township & Range: NESW Sec 26-T24S-R32E

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. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. 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.
- 8. Disposal at any other site will require prior approval.
- 9. Subject to like approval by NMOCD.

7/10/14