

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED  
OMB NO. 1004-0135  
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.*

5. Lease Serial No.  
NMLC058181

6. If Indian, Allottee or Tribe Name

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

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

8. Well Name and No.  
BEECH FEDERAL 2

2. Name of Operator  
COG OPERATING LLC  
Contact: KANICIA CASTILLO  
E-Mail: kcastillo@conchoresources.com

9. API Well No.  
30-015-31790-00-S1

3a. Address  
ONE CONCHO CENTER 600 W ILLINOIS AVENUE  
MIDLAND, TX 79701

3b. Phone No. (include area code)  
Ph: 432-685-4332

10. Field and Pool, or Exploratory  
RED LAKE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 25 T17S R27E NWSE 1650FSL 1650FEL

11. County or Parish, and State  
EDDY 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 |   |

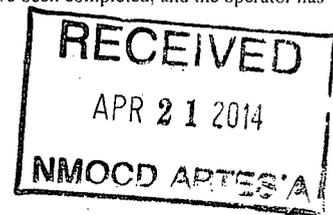
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating LLC, respectfully requests this water disposal method for the following battery.

Beech Federal #2 Battery location.

Producing Formation: Red Lake; Glorieta-Yeso  
Amount Produced: 55 BWPD  
Water stored in 500 bbl Water Tank

*Handwritten:* fhd 5/12/14  
Accepted for record  
NMOCD



Water is transferred by 4" DR9 Polypipe to COG's 8" main line water system. The water doesn't go to a particular well, it is distributed into the main water system and is distributed into either the Jenkins B Water Flood WFX-861 or the disposal wells in the system at the Empire

**SEE ATTACHED FOR CONDITIONS OF APPROVAL**

**SUBJECT TO LIKE APPROVAL BY STATE**

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #232224 verified by the BLM Well Information System  
For COG OPERATING LLC, sent to the Carlsbad  
Committed to AFMSS for processing by JENNIFER MASON on 02/04/2014 (14JAM0074SE)

|                                       |                 |
|---------------------------------------|-----------------|
| Name (Printed/Typed) KANICIA CASTILLO | Title PREPARER  |
| Signature (Electronic Submission)     | Date 01/16/2014 |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |        |                         |      |
|---|--------|-------------------------|------|
| Approved By <i>[Signature]</i>  | Title  | APPROVED<br>APR 17 2014 | 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. | Office |                         |      |

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 #232224 that would not fit on the form**

**32. Additional remarks, continued**

Area. The Empire Area wells include the following:

GJ West Coop Unit Water Flood WFX-245-0  
Blue Streak Federal 1 SWD - 30-015-21308 SWD-1059  
Chase 21 State Com 1 SWD - 30-015-30874 SWD-1007  
Big George SWD-3 - 30-015-28759 SWD-611  
Muskegon 16 State com 1 SWD - 30-015-27108 SWD-624

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

**4/17/2014 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