Form 3160- 3 (August, 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

FORM APPROVED OMB No. 1004-10137 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 Lease Serial No. SHL: NM96849, BHL: NM13997

If Indian, Allottee, or Tribe Name

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| SUBMIT IN TRIPLICATE - Other Instructions on page 2. 1. Type of Well X Oil Well Gas Well Other | nd/or No. | | | |
|--|--------------------|--|--|--|
| <u> </u> | | | | |
| | | | | |
| 2. Name of Operator Rocket Federal | Rocket Federal #5H | | | |
| COG Operating LLC 9. API Well No. | | | | |
| 3a. Address 3b. Phone No. (include area code) 30-015-3777 | | | | |
| 2208 W. Main Street 575-748-6946 | · | | | |
| Artesia, NM 88210 10. Field and Pool, or Exploratory A | rea | | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Lat. Corral Canyon; Bone S | pring, South | | | |
| 180' FSL & 1980' FEL, Unit O (SWSE) | | | | |
| Sec 3-T26S-R29E Long. Eddy | NM | | | |
| 12. CHECK APPROPRIATE BOX(S) 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 | | | |
| Altering Casing Fracture Treat Reclamation Well-Integri | ity | | | |
| X Subsequent Report Casing Repair New Construction Recomplete Other | | | | |
| Change Plans Plug and abandon Temporarily Abandon | | | | |
| Final Abandonment Notice 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 If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will performed or provide the Bond No. on file with the 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 filled once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Method for Water Disposal

1) Name of formation producing water on lease: Bone Spring

2) Amount of water produced in barrels per day: 81 BWPD

- 3) How water is stored on lease: 2-500 BBL Fiberglass Tanks
- 4) How water is moved to disposal: Piped
- 5) Disposal Facility:
 - a) Facility Operator Name: COG Operating LLC
 - b) Name of facility or well name and number: Rocket Federal #1 Order # SWD-1356
 - c) Type of facility or well: WDW
 - d) Location by 1/4, 1/3, Section, Township & Range: SESE, Sec4-T26S-R29E

| | | | SEE ATTACHED CONDITIONS OF AP | FOR PROVAI |
|--|------------------------|------------|----------------------------------|---------------|
| 14. Thereby certify that the foregoing is true and correct. Name (Printed/Typed) | Title: | | | |
| Amy Avery | Regulatory Technicia | ι ņ | | \neg |
| Signature: Amy Away | Date: 5/27/14 | APP | ROVEU | |
| | RAL OR STATE OFFICE US | SE | | |
| Approved by: | Title: | Date: | 1 5 2014 | |
| Conditions of approval, if any are attached. Approval of this notice does not warrant certify that the applicant holds legal or equitable title to those rights in the subject k which would entitle the applicant to conduct operations there | ease Office: | MAN JAM | ES A. AMOS | |
| Title 18 U.S.C. Section 1001 AND Title 43 U.S.C. Section 1212, make it a crime States any false, fictitious or fraudulent statements or representations as to any matter within its j | | | | e-United |
| (Instructions on page 2) | | | | |

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