

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

RECEIVED
JUN -9 8:30 AM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use appropriate application for permit—" for such proposals

5. Lease Designation and Serial No.

LC-060572A ✓

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

BIG EDDY FEDERAL #98

9. API Well No.

30-015-24707

10. Field and Pool, or Exploratory Area

NW FENTON-DELAWARE

11. County or Parish, State

Eddy Co., NM

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

DAKOTA RESOURCES, INC. (I)

3. Address and Telephone No.

310 W. WALL STE 814 MIDLAND TX 79701 915-687-0501

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

UNIT LETTER: F 2180' FWL & 1980' FWL
SEC 7 T-21-S R-28-E ✓

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

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

- Abandonment
 Recompletion
 Plugging Back
 Casing Repair
 Altering Casing
 Other _____
 Change of Plans
 New Construction
 Non-Routine Fracturing
 Water Shut-Off
 Conversion to Injection
 Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

PLEASE GRANT APPROVAL FOR THE WATER DISPOSAL OF PRODUCED WATER VIA A 2" POLY LINE FROM THE BIG EDDY FEDERAL #98 TO THE BIG EDDY FEDERAL #100 SWD. THE RIGHT OF WAY WAS PREVIOUSLY GRANTED BY PERMIT # NM-88656

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

ok/per Duncan Whitlock CRA 6/12/97

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

Signed

Alex M. Swoboda

Title

OPERATIONS MANAGER

Date

6-2-97

(This space for Federal or State office use)

Approved by

Alex M. Swoboda

Title

PETROLEUM ENGINEER

Date

JUN 12 1997

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Certified Mail-Return Receipt Requested
P363624789
 Hand Delivered, Received by

Identification
Lease NMLC060572A
CA
Unit
PA

Bureau of Land Management Office
CARLSBAD RESOURCE AREA
Operator **DAKOTA RESOURCES, INC.**
Address **310 W. WALL, SUITE 814 MIDLAND TX 79701**
Address **620 E GREENE, CARLSBAD, NM 88220**
Telephone **(305) 887-6544 (FAX 885-9264)**
Attention
Site Name **TRIGG/BIG EDDY FED.** Well or Facility Identification **WELLS #1 & #98** 1/4 Sec **NWSW/SEW, 7** Township **Z1S**
Inspector **DUNCAN WHITLOCK** Range **28E** Meridian **NMPM**

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE.

Date	Time (24-hour clock)	Violation	Gravity of Violation
97/04/13	1000	43CFR3162.1 O.O.#7, III, A	MINOR
Corrective Action To be Completed by	Date Corrected	Assessment for Noncompliance	Assessment Reference
97/05/21		\$	43 CFR 3163.1 ()

Remarks:
WATER DISPOSAL METHOD IS NOT APPROVED. SUBMIT FOR APPROVAL OF WATER DISPOSAL METHOD AS PER ONSHORE ORDER #7.

When violation is corrected, sign this notice and return to above address.

Company Representative Title OPERATIONS MANAGER Signature [Signature] Date 6-2-97
Company Comments * PLEASE SEE ATTACHED SUNDRY NOTICE.

WARNING

Incidents of Noncompliance correction and reporting time frames begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By," you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 4015 Wilson Blvd., Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer J.D. Whitlock Date 97/04/20 Time 0930

FOR OFFICE USE ONLY

Number 33 Date Assessment Penalty Termination
Type of Inspection: PH/SP

ORIGINAL (RETURN TO ISSUING OFFICE)

RECEIVED
MAY 29 8:29 AM '97
BUREAU OF LAND MANAGEMENT
CARLSBAD RESOURCE AREA

BUREAU OF LAND MANAGEMENT
Roswell District
2909 West Second Street
Roswell, New Mexico 88201
505-627-0272

**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 sandstone brown, Federal Std. 595-20318, or 30318, within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a wire screen 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.