

Burlington Resources

P.O. Box 4289

Farmington, NM 87499

Wednesday, September 16, 2009

Application to dispose of water off lease into approved Water Disposal Facilities.

LEASE NUMBER SF-078213

1. See attached sundry and letter for the following well within this lease.

Well Name: **MCCORD B 1F**

Legal Location of Well: (Unit **L** , Section **23** , Township **030N** , Range **013W**)

API Number: **3004534200**

Estimated daily production per well: **897 MCF**

Name of facility or well name and number where disposed:

2. Storage facility information and transportation information.

For conventional wells, the water is stored in the steel pits or tanks on each location. The Well Operator and trucking companies have set up trucking schedules for each location. The trucking company follows this schedule and occasionally may be called by the Operator to pull a load earlier if needed. For non-conventional wells, the water is piped to the SWD.

3. Disposal facilities are on file at the BLM.

4. Location of Disposal Facility.

MCGRATH 4 SWD

Located in:

(Unit **B** , Section **34** , Township **030N** Range **012W**)

In all cases where the primary disposal well is down for repairs or capacity limits, water will be trucked to either Vasaly, Basin Disposal or Agua Moss. Both facilities are approved commercial water disposal wells and records are on file at the BLM.

5. According to the NMSU agricultural center, the average evaporation rate for their weather station up by NAPI is 56.3" per year. The matching average precipitation for what weather station is 8.2" per year.

The above noted lease / well produces water. Onshore Order No. 7 and Title 43 CFR 3162.5-1, requires the following information in order to process water disposal approvals.

1. Formations producing water on the Lease - **DK**

2. Amount of water produced from all formations in barrels per day: 2 Bbls / day

3. If disposed into an unlined pit, attach a current water analysis of produced water from all zones showing at least the total dissolved solids, pH and the concentrations of chlorides and sulfates. - N/A all water stored in steel tanks on location.

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6. How water is stored on lease?

TANK:

PIT:

PIT TYPE	DIAMETER (feet)	DEPTH (feet)	ABOVE/ BELOW	LINED/ UNLINED
STEEL	15	4	ABOVE	LINED

7. How is water moved to the disposal facility? TRUCKED

8. Identify the disposal facility by:

Facility Operator Name: **Burlington Resources**

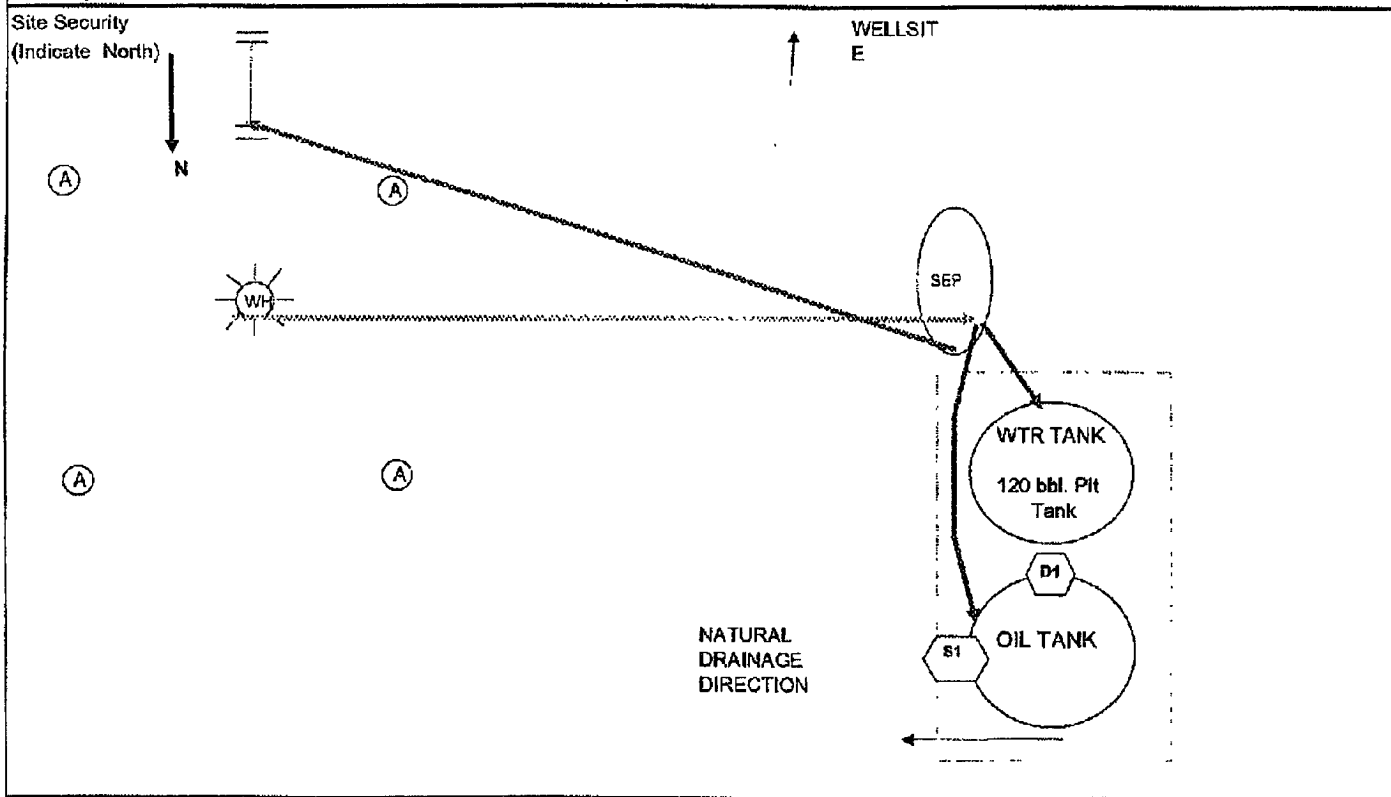
Name of Facility: **MCCORD B 1F**

Type of facility or well (WDW) (WIW) etc: **WDW**

Location - see above

Permit number for the Disposal Facility: Filed at the BLM

Lease Name: McCord B1F Company: CONOCOPHILLIPS CO. Date: 08/12/08
Field Operator: Josh Proctor Operator Area #: 1



Lease Name: McCord B1F
Federal / Indian / State / Fee No: SF-078213
API No: 3004534200
C / A No: _____
Unit Letter: L Well Footages: 2380' FSL 690' FWL
Legal Description (SEC, TNSHP, RNC): _____
Latitude: 36.798158 Longitude: -108.17893
County, ST.: SAN JUAN COUNTY, NEW MEXICO
Producing Zone(s): DK

Sales valves : NA
Sealed Closed during Production

Drain valves : NA
Sealed Closed during Production

This lease is subject to the site security plan for
San Juan Basin Operations. The plan is located at:

ConocoPhillips Company
5525 Hwy 64
Farmington, NM