

**Do not fill this form out and return it.
Instructions are at the bottom.**

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Name of formations producing water on the lease. Aloka, Morrow
2. Amount of water produced from all formations in barrels per day. 1/2 BPD
3. How water is stored on lease. Fiberglass Storage Tank
4. How water is moved to the disposal facility. L + E Truck
5. Identify the Disposal Facility by:
 - A. Facility Operators name. JAMES R. MALONEY
 - B. Name of facility or well name and number. Loco Hill's Water Disposal Company
 - C. Type of facility or well (WDW) (WIW) etc. WPL
 - D. Location by 1/4 1/4 SW/4 Section 16 Township 17S Range 30E
6. Attach a copy of the New Mexico Energy, Minerals and Natural Resources Department's, Administrative Order for the disposal facility.

Submit to this office, **620 EAST GREENE ST, CARLSBAD NM, 88220**, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, within abatement period. (This form may be used as an attachment to the Sundry Notice.)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor
Betty Rivera
Cabinet Secretary

Lori Wrotenbery
Director

Oil Conservation Division

March 27, 2002

CERTIFIED MAIL

RETURN RECEIPT NO. 7001-1940-0004-7923-3934

Mr. James R. Maloney
Loco Hills Water Disposal Company
P.O. Box 68
Loco Hills, NM 87255

**RE: Name Correction from Loco Hills Water Disposal, Inc. to Loco Hills Water Disposal Company
Commercial Surface Waste Management Facility Permit NM-01-0004
SW/4 SW/4 Section 16, Township 17 South, Range 30 East, NMPM
Eddy County, New Mexico**

Dear Mr. Maloney:

The New Mexico Oil Conservation Division (OCD) has received a request from Loco Hills Water Disposal Company dated January 25, 2002 requesting a name correction for the surface waste management facility referenced above from Loco Hills Water Disposal, Inc. to Loco Hills Water Disposal Company. The request is **hereby approved** in accordance with OCD Rule 711.

Please note that the OCD has received and approved the replacement financial assurance from Loco Hills Water Disposal Company. Please refer to the OCD letter to Loco Hills Water Disposal Company dated February 13, 2002 regarding financial assurance.

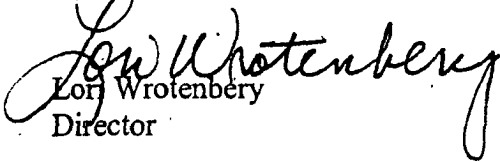
All modifications and alternatives to the approved disposal methods must receive prior OCD approval. Loco Hills Water Disposal Company is required to notify the Director of any facility expansion or process modification and to file the appropriate materials with the Division.

Please be advised approval of this name correction does not relieve Loco Hills Water Disposal Company of liability should their operation result in pollution of surface waters, ground water or the environment. In addition, OCD approval does not relieve Loco Hills Water Disposal Company of responsibility for compliance with other federal, state or local laws and/or regulations.

Mr. James Maloney
Loco Hills Water Disposal Company
March 27, 2002
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If there are any questions, please contact Martyne Kieling at (505) 476-3488.

Sincerely,


Lori Wrotenberg
Director

LW/mjk

xc: Aztec OCD Office

**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. 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. Disposal at any other site will require prior approval.
10. Subject to like approval by NMOCD.

4/28/2012