

(August, 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED

OMB No. 1004-0137

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.

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM103597
2. Name of Operator COG Operating LLC		6. If Indian, Allottee, or Tribe Name
3a. Address 2208 W. Main Street Artesia, NM 88210	3b. Phone No. (include area code) 575-748-6946	7. If Unit or CA, Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 330' FNL & 2080' FWL, Unit C (NENW) Sec 8-T26S-R26E BHL: 332' FSL & 2051' FWL, Unit N (SESW) Sec 8-T26S-R26E		8. Well Name and No. Magura 8 Federal #4H
		9. API Well No. 30-015-39472
		10. Field and Pool, or Exploratory Area Wildcat; Bone Spring
		11. County or Parish, State Eddy NM

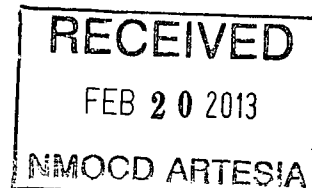
12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Production (Start/ Resume)
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Plug and abandon
	<input type="checkbox"/> Temporarily Abandon
	<input checked="" type="checkbox"/> Water Disposal
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug back
	<input type="checkbox"/> Water Shut-off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other

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 recompleat 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 recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice shall be filed only after all requirements, including reclamatantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Required Information for the Disposal of Produced Water:

- 1) Name of formation producing water on lease: Bone Spring
- 2) Amount of water produced in barrels per day: 800 BWPD
- 3) How water is stored on lease: 2 - 500 bbl fiberglass tanks
- 4) How water is moved to disposal facility: Trucked
- 5) Disposal Facility:
 - a) Facility Operator Name: COG Operating LLC
 - b) Name of facility or well name & number: SRO SWD System
 - c) Type of facility of well: WDW
 - d) Location by 1/4, 1/4, Section, Township & Range:
 - 1) SRO SWD #101, SWD-1192, SWNE, Sec 5-T26S-R28E
 - 2) SRO SWD #102, SWD-1195-A, SWNE, Sec 16-T26S-R28E
 - 3) SRO SWD #103, SWD-1194, SWSW, Sec 17-T26S-R28E



Accepted for record
NMOC D
2/21/13

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Name (Printed/ Typed)

Stormi Davis

Title: Regulatory Analyst

Signature: *Stormi Davis*

Date: 2/5/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USEApproved by: *[Signature]*

Title:

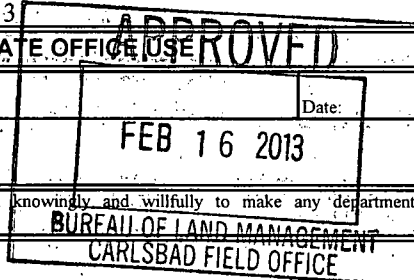
Date:

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 any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(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. 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.

2/16/2013