Burlington Resources

P.O. Box 4289 Farmington, NM 87499 OCT 0 2 2008

Wednesday, October 01, 2008

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

LEASE NUMBER SF-078390-A

RCVD OCT 27'08 OIL COMS. DIV. DIST. 3

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

Well Name:

PRICE 5N

Legal Loacation of Well:

(Unit K

, Section 12 , Township 028N , Range 008W)

API Number:

3004534074

Estimated daily production per well: 755 MCF

Name of facility or well name and number where disposed:

2. Storage facility information and trasportation 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 argricultural 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 producting water on the Lease MV / DK
- 2. Amount of water produced from all formations in barrels per day:

Bbls / day

3. If diposed 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 consentrations of chlorides and sulfates. - N/A all water stored in steel tanks on location.

ACCEPTED FOR RECORD

OCT 2 0 2008

FARMINGTON FIELD OFFICE BY

APPROVED

Burlington Resources

P.O. Box 4289

Farmington, NM 87499

Wednesday, October 01, 2008

6. How water is stored on lease?

TANK:

PIT:	PIT TYPE	DIAMETER (feet)	DEPTH (feet)	ABOVE/ BELOW	LINED/ UNLINED
	STEEL	15	4	BELOW	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: PRICE 5N

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

Location - see above

Permit number for the Disposal Facility: Filed at the BLM