

UNITED STATES **OCD-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

13-1471
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
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
COG Production LLC

3a. Address
2208 W. Main Street
Artesia, NM 88210

3b. Phone No. (include area code)
575-748-6940

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

380' FSL & 1890' FWL, N-18-26S-27E

Lat.

Long.

5. Lease Serial No.

NMNM-114969

6. If Indian, Allottee, or Tribe Name

7. If Unit or CA. Agreement Name and/or No.

8. Well Name and No.

Barn Owl Federal #3H

9. API Well No.

30-015-41283

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

☒ Notice of Intent

☐ Acidize

☐ Deepen

☐ Production (Start/ Resume)

☐ Water Shut-off

☐ Altering Casing

☐ Fracture Treat

☐ Reclamation

☐ Well Integrity

☐ Subsequent Report

☐ Casing Repair

☐ New Construction

☐ Recomplete

☒ Other

☐ Change Plans

☐ Plug and abandon

☐ Temporarily Abandon

☐ Final Abandonment Notice

☐ Convert to Injection

☐ Plug back

☐ Water Disposal

Produced Water Line

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 reclamantion, have been completed, and the operator has determined that the site is ready for final inspection.)

Accepted for record
LR Dele NMOC D 8/19/13

COG Operating LLC, proposes a 4" surface poly produced water line (SWD line) from the Barn Owl Federal #3H to the Owl #1 SWD well in Section 18, T26S-R27E, Eddy County, New Mexico. This line is in the same right of way as NM-129120.

The line will be approximately 1980 feet long (see attached).

OK - TEN 8/7/13

Working pressure for the pipeline must be below 125 psi. - T
Pipeline must be installed no farther than 10 feet from roads/pads.

RECEIVED

AUG 14 2013

NMOC D ARTESIA

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

Name (Printed/ Typed)

Monti Sanders

Title:

Regulatory Technician

Signature: *Monti Sanders*

Date:

7/8/13

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by:

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:

CARLSBAD FIELD 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)

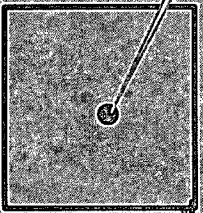
Barn Owl Fed #3H Proposed SWD Pipeline

018
T 026 S
R 027 E

Barn Owl Federal #3H

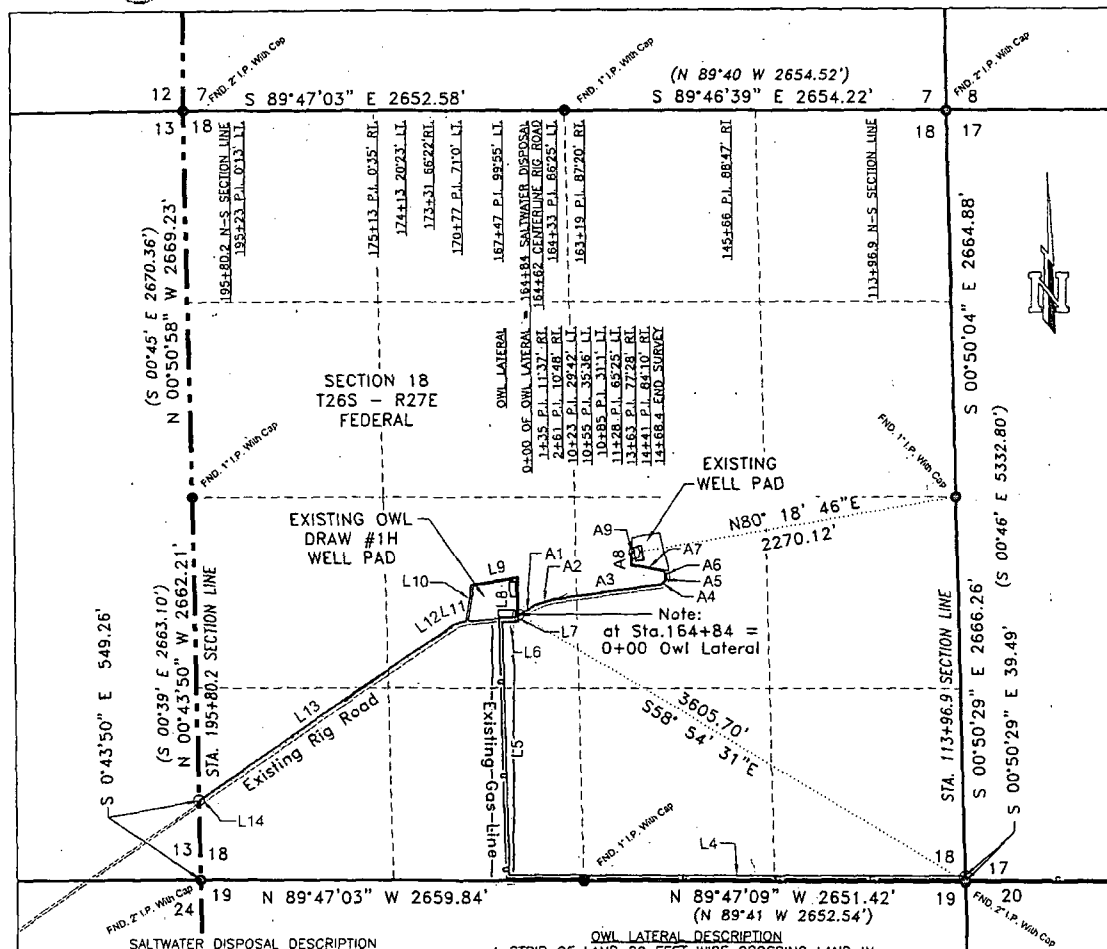
Owl Draw #1 SWD

Proposed SWD Pipeline



Legend	
	Proposed_Pipeline
	Access_Road
	Well_Pad
	NM Townships
	NM Sections

No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data, or for purposes not intended by BLM. Spatial information may not meet National Map Accuracy Standards. This information may be updated without notification.



SALTWATER DISPOSAL DESCRIPTION
A STRIP OF LAND 20 FEET WIDE CROSSING LAND IN SECTION 18, T26S, R27E, EDDY COUNTY, NEW MEXICO AND BEING 10 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 18, T26S, R27E, FROM WHICH A 2" IRON PIPE FOR THE SOUTHEAST CORNER OF SECTION 18 BEARS S00°50'29"E, 39.49';
THENCE N89°48'53"W, 3168.82 FEET, TO AN ANGLE POINT;
THENCE N1°02'04"W, 1753.23 FEET, TO AN ANGLE POINT;
THENCE N86°17'50"E, 113.65 FEET, TO AN ANGLE POINT;
THENCE N0°06'45"W, 314.89 FEET, TO AN ANGLE POINT;
THENCE S79°58'38"W, 329.52 FEET, TO AN ANGLE POINT;
THENCE S8°58'26"W, 254.06 FEET, TO AN ANGLE POINT;
THENCE S75°20'22"W, 82.43 FEET, TO AN ANGLE POINT;
THENCE S54°57'05"W, 100.03 FEET, TO AN ANGLE POINT;
THENCE S55°32'33"W, 2009.39 FEET, TO AN ANGLE POINT;
THENCE S55°45'33"W, 57.32 FEET, TO THE TERMINUS OF THIS CENTERLINE SURVEY, FROM WHICH A 2" IRON PIPE FOR THE SOUTHWEST CORNER OF SECTION 18 BEARS S0°43'50"E, 549.26';

SAID STRIP OF LAND BEING 8183.35 FEET OR 495.96 RODS IN LENGTH, CONTAINING 3.76 ACRES MORE OR LESS.

OWL LATERAL DESCRIPTION
A STRIP OF LAND 20 FEET WIDE CROSSING LAND IN SECTION 18, T26S, R27E, EDDY CO., NEW MEXICO AND BEING 10 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NE/4 SW/4 OF SAID SECTION 18, T26S, R27E, FROM WHICH A 2" IRON PIPE FOR THE SOUTHEAST CORNER OF SECTION 18 BEARS S58°54'31"E 3605.70';
THENCE N60°03'38"E, 135.28' TO AN ANGLE PNT.;
THENCE N71°40'36"E, 125.73' TO AN ANGLE PNT.;
THENCE N82°29'01"E, 761.64' TO AN ANGLE PNT.;
THENCE N52°46'49"E, 32.38' TO AN ANGLE PNT.;
THENCE N17°11'01"E, 30.15' TO AN ANGLE PNT.;
THENCE N13°49'49"W, 43.28' TO AN ANGLE PNT.;
THENCE N79°15'00"W, 234.54' TO AN ANGLE PNT.;
THENCE N1°46'38"W, 77.50' TO AN ANGLE PNT.;
THENCE N82°23'36"E, 27.85' TO THE END OF THIS CENTERLINE SURVEY, FROM WHICH A 1" IRON PIPE FOR THE EAST QUARTER CORNER OF SECTION 18 BEARS N80°18'46"E, 2270.12';

SAID STRIP OF LAND BEING 1468.36 FEET OR 88.99 RODS IN LENGTH, CONTAINING 0.67 ACRES MORE OR LESS.

LEGEND

Township Line ---
Section Line ---
Centerline of Pipeline ---

NOTE: Bearings and Coordinates are based on the New Mexico State Plane Coordinate System (NAD 83) - East Zone 3001.

NOTE: The bearings shown herein are along the centerline of proposed pipeline.

SW1/4 SW1/4	1375.22 L.F.	83.35 Rods	0.53 Acs.	Federal
NE1/4 SW1/4	225.33 L.F.	13.68 Rods	0.10 Acs.	Federal
SE1/4 SW1/4	2552.01 L.F.	154.67 Rods	1.17 Acs.	Federal
SW1/4 NE1/4	1811.58 L.F.	109.79 Rods	0.32 Acs.	Federal
NE1/4 SE1/4	1026.17 L.F.	62.80 Rods	0.46 Acs.	Federal
SW1/4 SE1/4	1325.71 L.F.	80.34 Rods	0.61 Acs.	Federal
SE1/4 SE1/4	1325.71 L.F.	80.34 Rods	0.61 Acs.	Federal

Number	Distance	Bearing
L4	3168.82	N 89° 48' 53" W
L5	1753.23	N 1° 02' 04" W
L6	113.65	N 86° 17' 50" E
L7	51.45	N 0° 06' 45" W
L8	263.44	N 0° 06' 45" W
L9	329.52	S 79° 58' 38" W
L10	254.06	S 8° 58' 26" W
L11	82.43	S 75° 20' 22" W
L12	100.03	S 54° 57' 05" W
L13	2009.39	S 55° 32' 33" W
L14	57.32	S 55° 45' 33" W

Number	Length	Bearing	Number	Length	Bearing
A5	30.15	N17° 11' 00"E	A6	43.28	N13° 49' 49"W
A1	135.28	N60° 03' 38"E	A7	234.54	N79° 15' 00"W
A2	125.75	N71° 40' 36"E	A8	77.50	N1° 46' 38"W
A3	761.64	N82° 29' 01"E	A9	27.85	N82° 23' 36"E
A4	32.38	N52° 46' 49"E			

I, Jeffery E. Hudson, Registered Professional Land Surveyor in the State of New Mexico, hereby certify that this plat was prepared from a survey made on the ground under my direct supervision.

JEFFERY E. HUDSON
REGISTERED PROFESSIONAL LAND SURVEYOR
NEW MEXICO REGISTRATION NO. 20559

KSA

140 E. Tyler St., Ste 600 Longview, Texas 75601
T. 903-236-7700 F. 903-236-7779
www.ksaeng.com

COG OPERATING, LLC

SURVEY OF SALTWATER DISPOSAL
PIPELINE EASEMENT
CROSSING SECTION 18,
TOWNSHIP 26 SOUTH - RANGE 27 EAST
EDDY COUNTY, NEW MEXICO

Drawn By: DLC	Dwg: CONCHO.014/SECTION 18 T26S, R27E.DWG
Checked By: JEH	Revision: Rev. Date:
Approved By: JEH	0 1000
Date: 7/23/2012	SCALE IN FEET

BLM LEASE NUMBER: NMNM114969
COMPANY NAME: COG Production , LLC
ASSOCIATED WELL NAME: Barn Owl Federal #3H

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of the holder including, but not limited to construction, operation, maintenance,

- and termination of the facility.
- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
 - c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.

6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet. If the pipeline route follows an existing road the surface pipeline must be installed no farther than 10 feet from the edge of the road. All construction and maintenance vehicles/activity will be confined to existing roads.

7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky or dune areas, the pipeline will be "snaked" around hummocks and dunes rather than suspended across these features.

9. The pipeline shall be buried with a minimum of 24 inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.

10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state.

Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.

13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.

14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.

15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

18. Special Stipulations:

- a. **The pipeline must be installed no farther than 10 feet from existing roads/pads.**