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-	UNITED STATES ARTMENT OF THE INTERIOR OCD Artesia			FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010 5. Lease Serial No.		
•	EAU OF LAND MANAGE				JM118696 (BHL)	
Do not use this f	NOTICES AND REPORTS form for proposals to dri Use Form 3160-3 (APD)	ill or to re-enter an		dian, Allottee or	Tribe Name	
	T IN TRIPLICATE – Other instru	· · · · · · · · · · · · · · · · · · ·		nit of CA/Agree	ment, Name and/or No.	
I. Type of Well	Vell Other			Name and No.		
. . <td>att Draw 24/2 Well No.</td> <td>5 IH Federal Com #1H</td>				att Draw 24/2 Well No.	5 IH Federal Com #1H	
Mewbourne Oil Company 3a. Address		hono No. <i>Gualuda auto</i> aco	30	0-015-40909		
3a. Address 3b. Phone No. (include area code)' PO Box 5270 Hobbs, NM 88241 575-393-5905				10. Field and Pool or Exploratory Area North Seven Rivers Glorieta Yeso 97565		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				11. Country or Parish, State		
2100' FSL & 870' FEL, Sec 2	24 T19S, R25E	Eddy	Eddy, County NM			
12. CHEC	CK THE APPROPRIATE BOX(ES)	TO INDICATE NATURE	C OF NOTICE, REP	ORT OR OTHE	ER DATA	
TYPE OF SUBMISSION		TYI	PE OF ACTION	TION		
Notice of Intent	Acidize	Deepen Fracture Treat	Production (S	tart/Resume)	Water Shut-Off Well Integrity	
Subsequent Report	Casing Repair	New Construction	Recomplete		Other	
Final Abandonment Notice	Change Plans	Plug and Abandon Plug Back	Temporarily A			
determined that the site is ready for Please find attached W	ater Disposal Onshore Or	der #7.				
If you have any questions, please call Shane Heinze.				RUILLY	4/45/2013	
•	RECEIV	'ED		HM C	D	
	APR 11.2	· •				
	NMOCD ART		SEE AT	TACHED	FOR PROVAL	
14. I hereby certify that the foregoing is tr	rue and correct. Name (Printed/Typed	<i>i</i>)	<u>·</u> .		· · · · · · · · · · · · · · · · · · ·	
Jackie Lathan	· · · · · · · · · · · · · · · · · · ·	Regulatory		• 		
Signature Packie	Lathan	Date 03/26/	13			
<u> </u>	THIS SPACE FOR	FEDERAL OR STA	ATE OFFICE	SEPRO	VED	
Approved by						
(S/ Jerry Conditions of approval, if any, are attached that the applicant holds legal or equitable to entitle the applicant to conduct operations to	itle to those rights in the subject lease thereon.	which would Office		IFA - 6 2	^{121e} 013	
Title 18 U.S.C. Section 1001 and Title 43 fictitious or fraudulent statements or repres	U.S.C. Section 1212, make it a crime sentations as to any matter within its j	for any person knowingly an urisdiction.	d willfully to make to CARL	Cahyldepagiment SBAD FIELD (or agency of the United States any false, VAGEMENT DFFICE	

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(Instructions	on	page	2)
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SUBJECT TO LIKE APPROVAL BY STATE

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

- 1. Name(s) of formation (s) producing water on the lease.
- 2. Amount of water produced from each formation in barrels per day. 400 BPD
- 3. How water is stored on the lease. 500 bbl fiberslass waterbunk
- 4. How water is moved to disposal facility.

5. Operator's of disposal facility Merubourne Oil Company

a. Lease name or well name and number Fairchild 13 SWO #1

b. Location by ¼¼ Section, Township, and Range of the disposal system

, 660' FSL + 660' FWL, Sec 13, T195, RASE

c. The appropriate NMOCD permit number <u>211764</u>

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.)

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.
- 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.

JDB4/6/2013

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