

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 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.

5. Lease Serial No. NMLC029419A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No. Nm 71030C

1. Type of Well [X] Oil Well [] Gas Well [] Other

8. Well Name and No. SKELLY UNIT 942

2. Name of Operator COG OPERATING LLC Contact: CHASITY JACKSON E-Mail: cjackson@concho.com

9. API Well No. 30-015-34645

3a. Address ONE CONCHO CENTER 600 W. ILLINOIS AVE MIDLAND, TX 79701

3b. Phone No. (include area code) Ph: 432-686-3087

10. Field and Pool, or Exploratory FREN

4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 22 T17S R31E Mer NMP NWNE 1210FNL 2195FEL

11. County or Parish, and State EDDY COUNTY, NM

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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Deepen, Production (Start/Resume), Water Shut-Off, etc.

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 of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with 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 Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

COG Operating LLC, respectfully requests this water disposal method for the following battery. Skelly Unit 942 Battery location. Producing Formation: Fren;Glorieta Yeso Amount Produced: 736 BWPD Water stored in 500 bbl Water Tank Water is transfered by 4" DR9 Polypipe to COG's 8" main line water system. The water doesn't go to a particular well, it is distributed into the main water system and is distributed into either the Jenkins B Water Flood WFX-861 or the disposal wells in the system at the Empire Area. The Empire Area wells include the following: GJ West Coop Unit Water Flood WFX-245-0 Chase 21 State Com 1 SWD - 30-015-30874 SWD-1007 Big George SWD 3 - 30-015-28759 SWD-611

NM OIL CONSERVATION ARTESIA DISTRICT OCT 27 2014

Accepted for record SEE ATTACHED FOR CONDITIONS OF APPROVAL RECEIVED NMOC D 10/27/14

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

Electronic Submission #253930 verified by the BLM Well Information System For COG OPERATING LLC, sent to the Carlsbad Committed to AFMSS for processing by LINDA DENNISTON on 09/18/2014 ()

Name (Printed/Typed) CHASITY JACKSON

Title PREPARER

Signature (Electronic Submission)

Date 07/21/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

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

APPROVED SEP 18 2014 JAMES A. AMOS SUPERVISOR

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

Additional data for EC transaction #253930 that would not fit on the form

32. Additional remarks, continued

Muskegon 16 State com 1 SWD - 30-015-27108 SWD-624

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. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. 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.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14

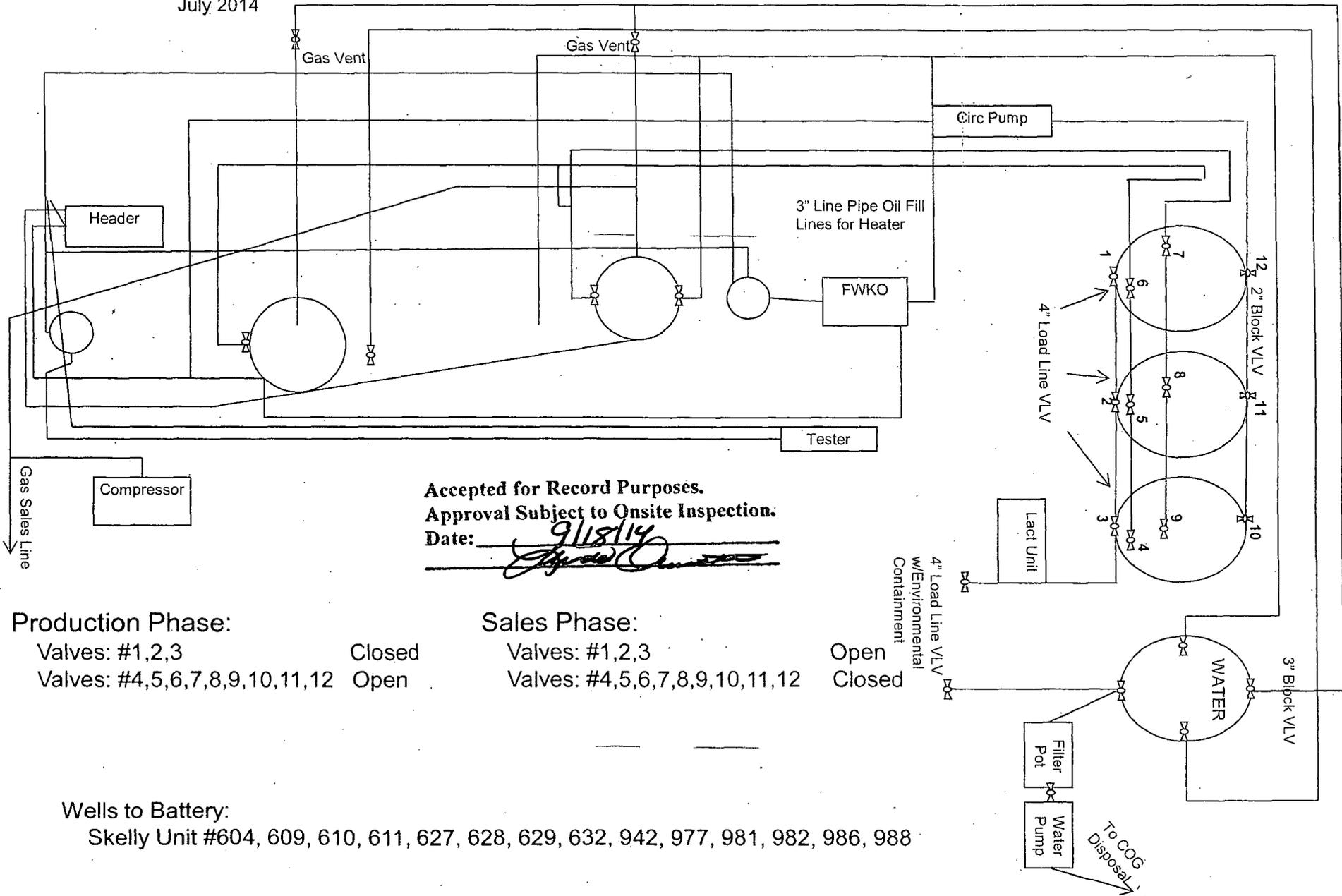
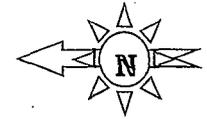
COG OPERATING LLC

One Concho Center
600 W. Illinois Ave Midland, Texas 79701
(432)-683-7443

July 2014

Skelly Unit #942 Battery

1210'FNL, 2195'FEL * Sec 22-17S-31E * Unit B
Eddy County, NM * API - 30-015-34645



Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 9/18/14
[Signature]

Production Phase:

Valves: #1,2,3 Closed
Valves: #4,5,6,7,8,9,10,11,12 Open

Sales Phase:

Valves: #1,2,3 Open
Valves: #4,5,6,7,8,9,10,11,12 Closed

Wells to Battery:

Skelly Unit #604, 609, 610, 611, 627, 628, 629, 632, 942, 977, 981, 982, 986, 988