



N.M. Oil Cons. DIV-Dist. 2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

Serial No.

NMNM54272

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Topat Oil Corporation

3a. Address

505 N Big Spring St, ste 405

3b. Phone No. (include area code)

(432) 682-6340

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

1980 FSL, 1980 FEL, Section 20, T11S, R27E

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

8. Well Name and No.

Facility

9. API Well No.

30-005-62365

10. Field and Pool or Exploratory Area

Coyote (Queen)

11. Country or Parish, State

Chaves

12. CHECK THE APPROPRIATE BOX(ES) 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 type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

See attached Water Disposal Onshore Order #7 requested via Written Order Number 10LJ023WPA

NMOCB Order No. R-9420.

Accepted for record

NMOCB

8/31/10

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Thomas E. Schneider

Title Operations Manager

Signature

Date 5/13/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title PETROLEUM ENGINEER

Date AUG 11 2010

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 ROSWELL 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 to 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)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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.
Queen
 2. Amount of water produced from each formation in barrels per day.
1/4 to 1/2 barrel per day
 3. How water is stored on the lease.
Fiberglass tank
 4. How water is moved to disposal facility.
Truck, JWS of New Mexico, Inc.
 5. Operator's of disposal facility
 - a. Lease name or well name and number Hanson Operating Company SWD
Hanlad #1, letter K, Sec. 16
 - b. Location by $\frac{1}{4}$ $\frac{1}{4}$ Section, Township, and Range of the disposal system _____
1980 FSL, 2310 FWL, Section 16, T10S, R27E, Chaves County, NM
 - c. The appropriate NMOCD permit number R9420
- _____
- _____
- _____
- _____

Submit to this office, 2909 W Second St. Roswell, NM 88201, the above required information on a Sundry Notice 3160-5. Submit 1 original and 5 copies, with the abatement period. (This form may be used as an attachment to the Sundry Notice).

BUREAU OF LAND MANAGEMENT

Roswell Field Office

2909 West Second Street

Roswell, New Mexico 88201

575-627-0272

**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 wire screen 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 for wells in Chaves or Roosevelt County if you have not already done so.