Form 3160-5 (August 2007)

OCD-HOBBS UNITED STATES

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OMB No. 1004-0137

Expires: July 31, 2010 5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

NMNM0634C 6. If Indian, Allottee or Tribe Name

FORM APPROVED

abandoned well. Use Form 3160-3 (APD) for suc	h proposals.					
SUBMIT IN TRIPLICATE – Other instructions on	page 2. 7	. If Unit of CA/Agreement, Name and/or N	lo.			
1. Type of Well X Oil Well Gas Well Other		8. Well Name and No. TC FEDERAL #1 BATTERY				
2. Name of Operator BURLESON PETROLEUM, INC.	9	API Well No. 3002 5 37613	4			
3a. Address 3b. Phone No.	(include area code)	0. Field and Pool or Exploratory Area				
P.O. BOX 2479 (432)6	83-4747	D-K ABO				
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) UNIT LETTER A, SWNW SECT 19, T20S, R39E,	•	1. Country or Parish, State LEA	NM			
12. CHECK THE APPROPRIATE BOX(ES) TO INDI	CATE NATURE OF NOTICE	E, REPORT OR OTHER DATA				
TYPE OF SUBMISSION	TYPE OF ACTION	N				
	re Treat Reclan	<u></u>				
Subsequent Report	=	ecomplete XXOther 3161				
Final Abandonment Notice Convert to Injection Plug I		mporarily Abandon #KAH-007-12 ater Disposal				
following completion of the involved operations. If the operation results in a matesting has been completed. Final Abandonment Notices must be filed only after determined that the site is ready for final inspection.) C Fed. Well #1 and #2 go into TC Feder SEE ATTACHED FOR CONDITIONS OF APPROV	er all requirements, including real #1 Battery	FEB 1 3 2012 CCEPTED FUN NECCONSTRUCTOR FEB 9 2012 /s/ JD Whitlock Jr BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE	RD			
14 1 hereby certify that the foregoing is true and correct. Name (Printed/Typed)	THE PROPERTY					
WAYNE JARVIS	Title PROD SUPT.					
Signature allipse forms Date 1-25-12						
THIS SPACE FOR FEDE	RAL OR STATE OFF	ICE USE				
Approved by			, •			
Conditions of approval, if any, are attached. Approval of this notice does not warrant or of that the applicant holds legal or equitable tule to those rights in the subject lease which we entitle the applicant to condition appearations thereof. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any positions.	ould Office	Date Date D	ited States any false,			

ficutious or fraudulent statements or representations as to any matter within its jurisdiction.

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. DK Abo
2. #1	Amour	nt of water produced from each formation in barrels per day. WPD #3 46 BWPD
3.		rater is stored on the lease. 500 bbl. tank
4.		rater is moved to disposal facility. Fruck
5.	Operat	or's of disposal facilityCooper Disposal
	a.	Lease name or well name and number <u>Cooper Disposal</u>
	b.	Location by ¼ ¼ Section, Township, and Range of the disposal system
		Unit O, Sec 8, T-20-S, R-37-E
	c.	The appropriate NMOCD permit number R-12375
		<u> </u>

Form-3160-9 (December 1989)

OFFICIAL FILE COPY

Number	KAH-007-12					
Page	1	of	2			

$\overline{\boxtimes}$	Certified Mail - Return Receipt Requested 70090820000144021035
=	Hand Delivered Received

SP

UNITED STATES DEPARTMENT OF THE INTERIOR

	Identification	
IID		
Lease	NMNM0634C	
CA		
Unit	· · · · · · · · · · · · · · · · · · ·	

Discrete Received NOTICE OF INCIDENTS OF NONCOMPLIANCE Critical Contents Content	70090820000144021035	BURI	EAU OF	LAND	WANAU	3EMEN I		Lease	NMNM063	34C
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Telephone 575.393.3812 Attention HASTON HASTON Ann Addr FO BOX 2479 MDLAND TX 79702 MDLAND TX 79702 TC FEDERAL Well of Facility 1/4 1/4 Section Township Range Moll of Tach Township See Name (SEE ATTACHED) THE FOLIOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ANOVE THE FOLIOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ANOVE O1/105/2012 11:15 O000 FT III A MINOR Corrective Action To Be Completed By Date Corrected Assessment for Noncompliance Assessment Reference 02/15/2012 43 CFR 3163.10 Remarks METHOD OF WATER DISPOSAL HAS NOT BEEN APPROVED SUBMIT A REQUEST ON FORM 3160-5 SUNDRY NOTICE FOR APPROVAL TO DISPOSE OF PRODUCED WATER FROM THESE WELLS ALONG WITH ALL REQUIRED INFORMATION (SATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION, 414 W. TAYLOR HOBBS, MN 88240 AND SUBMIT ONG ATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION, 414 W. TAYLOR HOBBS, MN 88240 AND SUBMIT ONG ATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION, 414 W. TAYLOR HOBBS, MN 88240 AND SUBMIT ONG ATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION, 414 W. TAYLOR HOBBS, MN 88240 AND SUBMIT ONG ATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION, 414 W. TAYLOR HOBBS, MN 88240 AND SUBMIT ONG ATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION, 414 W. TAYLOR HOBBS, MN 88240 AND SUBMIT ONG ATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION, 414 W. TAYLOR HOBBS, MN 88240 AND SUBMIT ONG ATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION of the Notice and return to above address WARNING Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you affected years have been assessed for noncompliance to an address shown above. Please note that you affected years have been assessed for noncompliance to a contract and the pacting of this Notice and repor	Address 414 W	EST TAYLOR		Ad	dress	F	O BOX 247	79	HOBE	S OCD
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Remarks METHOD OF WATER DISPOSAL HAS NOT BEEN APPROVED SUBMIT A REQUEST ON FORM 3160-5 SUNDRY NOTICE FOR APPROVAL TO DISPOSE OF PRODUCED WATER FROM THESE WELLS ALONG WITH ALL REQUIRED INFORMATION (S ATTACHMENT). SUBMIT A COPY TO THE HOBBS FIELD STATION, 414 W. TAYLOR, HOBBS, NM. 88240 AND SUBMIT 1 ORIGINAL AND 5 COPIES TO CARLSBAD FIELD OFFICE, 620 E. GREENE ST., CARLSBAD, NM. 88220. When violation is corrected, sign this notice and return to above address Company Representative Title Company Comments WARNING Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action to Be Completed By" you may incrue in additional assessment under (32 CFR 3 163 2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction. Section 1098(4) of the Federal Oil and fas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at 11tle 43 CFR 3163 2(1) i), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidalists, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days REVIEW AND APPEAL RIGHTS A person contesting a violation shall request a State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above l		Dat	te Corrected		Assessmen	t for Noncompliance	e	Assess	ment Referer	nce
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Additional information for Incident of Noncompliance Number KAH-007-12

Page 2 of 2

Wells and/or Facilities, continued

Site Name	Well or Facility	1/4 1/4 Sec	Twn	Range	Mer	Lease	State	County
T C FEDERAL T C FEDERAL TC FEDERAL TC FEDERAL	02 03 04 05	NWNW 19 SESW 30 NWNE 31 SWNE 31	20S 20S 20S 20S	39E 39E 39E 39E	NMP NMP NMP NMP	NMNM0634C NMNM0634C NMNM0634C NMNM0634C	NM NM NM	LEA LEA LEA LEA

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.
- 8. 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. Disposal at any other site will require prior approval.
- 10. Subject to like approval by NMOCD.

6/17/2011