

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

MAY 02 2012

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.

RECEIVED

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

| | | | |
|----|---|----|---|
| 1 | Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | 5 | Lease Serial No NMNM086 |
| 2 | Name of Operator COG Operating LLC | 6 | If Indian, Allottee, or Tribe Name |
| 3a | Address 2208 W. Main Street Artesia, NM 88210 | 7 | If Unit or CA Agreement Name and/or No |
| 3b | Phone No (include area code) 575-748-6946 | 8 | Well Name and No Tusk Federal #2H |
| 4 | Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 330' FNL & 330' FWL, Unit D (NWNW) Sec 25-T19S-R34E BHL: 332' FSL & 427' FWL, Unit M (SWSW) Sec 25-T19S-R34E | 9 | API Well No 30-025-39555 |
| | Lat. Long. | 10 | Field and Pool, or Exploratory Area Lea; Bone Spring |
| | | 11 | County or Parish, State Lea; Bone Spring NM |

12 CHECK APPROPRIATE BOX(S) 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Altering Casing |
| | <input type="checkbox"/> Fracture Treat |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Casing Repair |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Recomplete |
| | <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 |
| | <input type="checkbox"/> Water Shut-off |
| | <input type="checkbox"/> Well Integrity |
| | <input checked="" type="checkbox"/> Other |

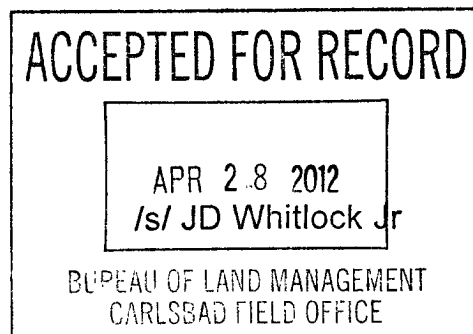
Submitted to Amend
Facilities #2 & #3

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.)

Required Information for the Disposal of Produced Water:

- 1) Name of formation producing water on lease: Bone Spring
- 2) Amount of water produced in barrels per day: 600 BWPD
- 3) How water is stored on lease: 2 - 500 bbl fiberglass tanks
- 4) How water is moved to disposal facility: Trucked
- 5) Disposal Facility: See Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



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

Stormi Davis

Title
Regulatory Analyst

Signature

Date
4/12/12

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 in those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 USC Section 1001 AND Title 43 USC 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)

MAY 03 2012

Tusk Federal #2H
30-025-39555
Sec 25-T19S-R34E, Lea County

5) Disposal Facility: #1

- a) Facility Operator Name: P&W Resources
- b) Name of facility of well name & number: Kaiser State #9 (Order SWD-923)
- c) Type of facility of well: WDW
- d) Location by 1/4, 1/4, Section, Township & Range: SENW, Sec 13-T21S-R34E

5) Disposal Facility: #2

- a) Facility Operator Name: Cooper Enterprises, Inc.
- b) Name of facility of well name & number: Cooper Disposal/Anderson #1 (R-12375)
- c) Type of facility of well: WDW
- d) Location by 1/4, 1/4, Section, Township & Range: SWSE, Sec 8-T20S-R37E

5) Disposal Facility: #3

- a) Facility Operator Name: Mesquite SWD Inc.
- b) Name of facility of well name & number: Hobbs SWD #3 (Order SWD-121)
- c) Type of facility of well: WDW
- d) Location by 1/4, 1/4, Section, Township & Range: SENW, Sec 29-T18S-R38E

**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.

4/28/2012