

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires October 31, 2014

OCD Hobbs
HOBBES OCD

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.

AUG 13 2012

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

| | | |
|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------|
| 1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5 Lease Serial No NM 26395 |
| 2 Name of Operator Cameron Oil and Gas, Inc | | 6 If Indian, Allottee or Tribe Name |
| 3a. Address PO Box 1455, Roswell NM 88202 | 3b. Phone No (include area code) 575-627-3284 | 7 If Unit of CA/Agreement, Name and/or No |
| 4 Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 SW/4 NE/4, T-19S, R-34E | | 8 Well Name and No Government 23 #1 |
| | | 9 API Well No 30-025-27556 |
| | | 10 Field and Pool or Exploratory Area Lea San Andres |
| | | 11 County or Parish, State Lea County NM |

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 checked="" type="checkbox"/> Other Approval For |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Water Disposal |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input 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.)

- 1) Name of Formation: Lea San Andres
- 2) Amount of Water Produced: 2-3 BWPD
- 3) A Current Water Analysis: See Attached
- 4) How Water is Stored on Lease: 300BBL Fiberglass Water Tank
- 5) How Water is Moved to Dispal Facility: Trucked
- 6) A P&W Resources LLC.
 - B Kaiser State Well #9
 - C SWD Well #9 SWD-923
 - D SE 1/4, NW 1/4, 1980 FNL & 1980 FWL, Unit F, Sec 13, T21S, R34E, Lea Co. NM
- 7) See Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



| | | |
|-----------------------------------------------------------------------------------------------------|--|-------------------------|
| 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) G. David Sweeney | | Title Operation Manager |
| Signature <i>G. David Sweeney</i> | | Date 07/24/2012 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|------------------|
| Approved by | Petroleum Engineer | Date AUG 14 2012 |
| 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. | Title | Office |

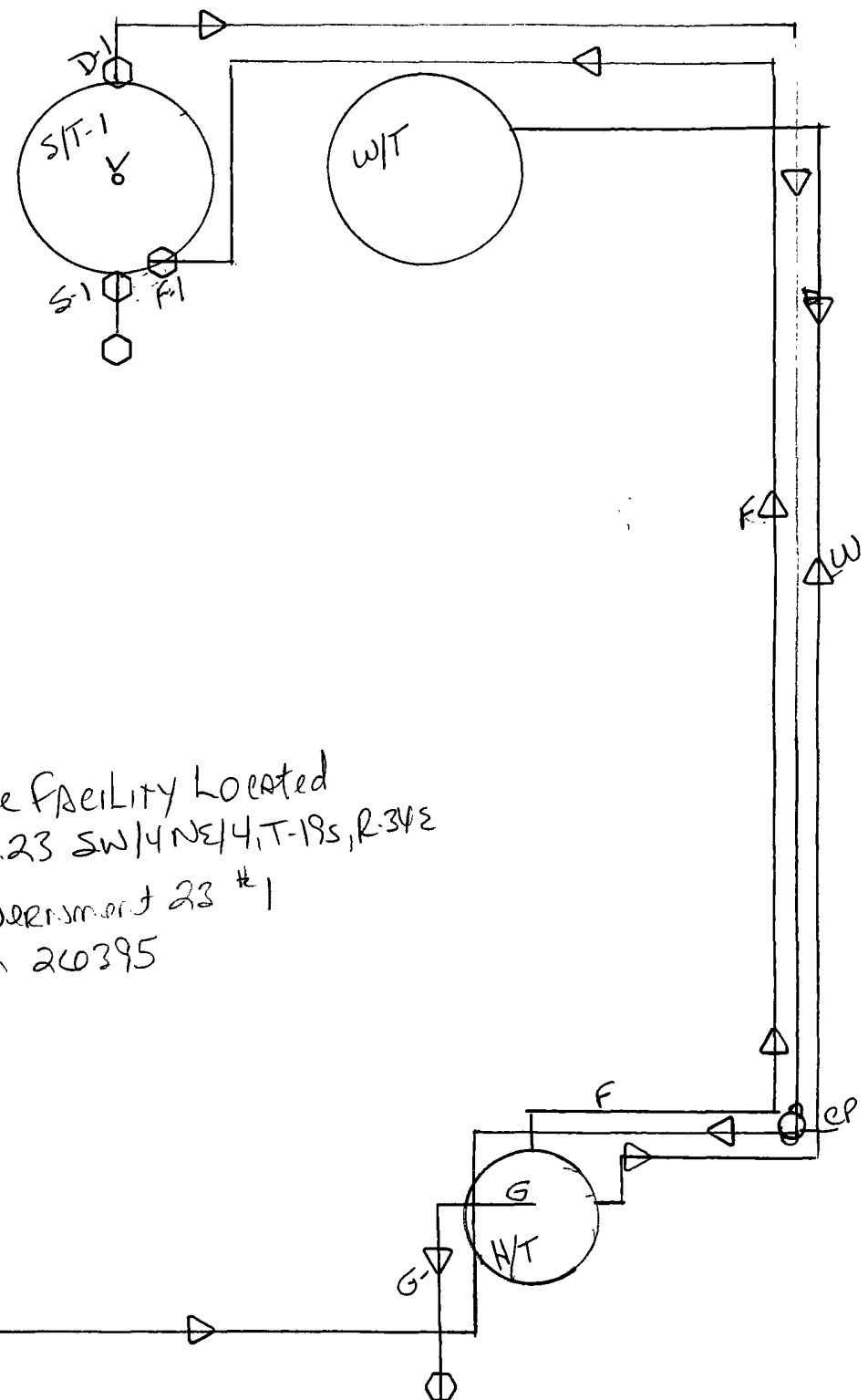
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

AUG 14 2012

Lease
Road

PRODUCTION Phase =
All SITES AND DRAIN VALVES
ARE SEALED AND CLOSED
Sales Phase =
DRAIN VALVES SEALED AND
CLOSED
CANNING Phase = SITES
VALVES SEALED AND CLOSED.



THIS Site Security Plan
IS located AT Cameron
OIL & GAS INC.
300 W 2nd
Roswell NM 88202

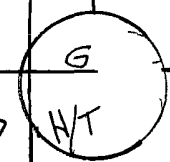
Site Facility Located
Sec. 23 SW 1/4 NE 1/4, T-19S, R-34E
Government 23 #1
NM 260395

Well #1



F

G



F

ep

Endura Products Corporation

P.O. Box 3394, Midland, Texas 79702
Phone (432) 684-4233 Fax (432) 684-4277

WATER ANALYSIS

Date **10/27/2005** Endura Rep **Nick Armstrong**
Sampling Point/Date **Wellhead 10/25/2005**
Company **Cameron Oil and Gas**
Formation **Lease Government 23**

Code **101023565**
State **New Mexico**
County **Lea**
Well **#1**

DISSOLVED SOLIDS

CATIONS

| | mg/l | me/l |
|------------------------|--------|-------|
| Sodium, Na+ (Calc.) | 73,508 | 3,196 |
| Total Hardness as Ca++ | 25,200 | 0 |
| Calcium Ca++ | 13,920 | 696 |
| Magnesium, Mg+ | 6,878 | 573 |
| Barium, Ba++ | 0 | 0 |
| Iron (Total) Fe+++* | 2 | 0 |

ANIONS

| | | |
|-----------------------|---------|-------|
| Chlorides, Cl- | 158,000 | 4,451 |
| Sulfate, SO4- | 475 | 10 |
| Carbonate, CO3- | 0 | 0 |
| Bicarbonates, HCO3- | 268 | 4 |
| Sulfide, S-* | 0 | 0 |
| Total Dissolved Solid | 253,051 | |

OTHER PROPERTIES

| | |
|---------------------------|-------|
| pH* | 6.248 |
| Specific Gravity, 60/60 F | 1.160 |
| Turbidity | 48 |

SCALING INDICIES

| <u>TEMP. F</u> | <u>CA CO3</u> | <u>ASO4*2H2O</u> | <u>CA SO4</u> | <u>BA SO4</u> |
|----------------|---------------|------------------|---------------|---------------|
| 80 | 1.4220 | -0.1246 | -0.4733 | -29.4789 |
| 120 | 1.9512 | -0.1389 | -0.3073 | -29.6230 |
| 160 | 2.7523 | -0.1647 | -0.1604 | -29.8336 |

PERFORATIONS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

ADMINISTRATIVE ORDER SWD-923

***APPLICATION OF P&W RESOURCES, LLC FOR PRODUCED WATER DISPOSAL,
LEA COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), P&W Resources, LLC made application to the New Mexico Oil Conservation Division on April 27, 2004, for permission to utilize for produced water disposal its Kaiser State Well No. 9 (API No. 30-025-02538) located 1,980 feet from the North line and 1,980 feet from the West line of Section 13, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
- (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant is hereby authorized to utilize its Kaiser State Well No. 9 (API No. 30-025-02538) located 1,980 feet from the North line and 1,980 feet from the West line of Section 13, Township 21 South, Range 34 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Yates and Seven Rivers formations from 3,590 feet to 3,668 feet through 2-7/8 inch plastic-lined tubing set in a packer located at 3,490 feet.

*Administrative Order SWD-923
P&W Resources, LLC
May 13, 2004
Page 2 of 3*

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Within 60 days following the effective date of this permit, the operator shall submit water analysis to the Division in Santa Fe for waters from all pools to be disposed of into this well. In addition, the operator shall estimate the current reservoir pressure of the injection interval and supply this data in writing to the Division.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 718 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.


PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

Administrative Order SWD-923
P&W Resources, LLC
May 13, 2004
Page 3 of 3

The operator shall provide written notice of the date of commencement of injection to the Hobbs district office of the Division. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 13th day of May 2004.



JOANNA PRUKOP,
Interim Director

JP/wvj

cc: Oil Conservation Division -- Hobbs
State Land Office -- Oil and Gas Minerals Division
Lee Engineering -- Robert Lee
Case No. 4015

**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