

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
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FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

SUNDRY NOTICES AND REPORTS ON WELLS **10/31/2013**
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

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 | |
| 2. Name of Operator COG Operating LLC | |
| 3a. Address 2208 W. Main Street Artesia, NM 88210 | 3b. Phone No. (include area code) 575-748-6946 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) SHL: 780' FNL & 170' FWL, Unit D (NWNW) Sec 3-T19S-R32E BHL: 355' FNL & 333' FEL, Unit A (NENE) Sec 3-T19S-R32E | |
| Lat. Long. | |

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|---|
| 5. Lease Serial No. NMNM104076 |
| 6. If Indian, Allottee, or Tribe Name |
| 7. If Unit or CA. Agreement Name and/or No. |
| 8. Well Name and No. Warhawk 3 Federal Com #1H |
| 9. API Well No. 30-025-40635 |
| 10. Field and Pool or Exploratory Area Lusk; Bone Spring, East |
| 11. County or Parish, State Lea 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 checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Altering 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 recomplete 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 the 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 recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notice 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.)

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: 1200 BWPD
- 3) How water is stored on lease: 2 - 500 bbl fiberglass tanks
- 4) How water will be moved to disposal facility: Pipeline
- 5) Disposal Facility #1:
 - a) Facility Operator Name: COG Operating LLC
 - b) Name of facility or well name & number: Lusk Deep Unit A #16 SWD (SWD-1043)
 - c) Type of facility or well: WDW
 - d) Location by 1/4, 1/4, Section, Township & Range: SWSW, Sec 18-T19S-R32E
- Disposal Facility #2:
 - a) Facility Operator Name: COG Operating LLC
 - b) Name of facility or well name & number: Lusk Deep Unit A #19 SWD (SWD-821)
 - c) Type of facility or well: WDW
 - d) Location by 1/4, 1/4, Section, Township & Range: SESW, Sec 17-T19S-R32E

**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: <i>Stormi Davis</i> | Date: 10/3/13 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--------------------|-----------------------|
| Approved by: <i>Jama L. Potts</i> | Title: <i>SEPS</i> | Date: <i>10-27-13</i> |
| 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: <i>CFO</i> | | |

Title 18 U.S.C. Section 1001 and Title 18 U.S.C. Section 212 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.

NOV 04 2013

**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.

9/22/09