

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM0107698
2. Name of Operator COG Operating LLC		6. If Indian, Allottee, or Tribe Name
3a. Address 2208 W. Main Street Artesia, NM 88210	3b. Phone No. (include area code) 575-748-6946	7. If Unit or CA. Agreement Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1800' FNL & 1980' FWL, Unit F (SENW) Sec 30-T19S-R32E		8. Well Name and No. SL Deep Federal #2
Lat. Long.		9. API Well No. 30-025-36257
		10. Field and Pool, or Exploratory Area Lusk; Bone Spring
		11. County or Parish, State Lea NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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"/> 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 recompleat horizontally, give subsurface locations and measured and true vertical depths or pertinent markers and sands. Attach the Bond under which the work will be 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.)

COG Operating LLC respectfully requests approval for disposal of produced water for this well. Please see attachment for all required information.

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:

4/25/11

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

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 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)

WATER PRODUCTION & DISPOSAL INFORMATION

In order to process your disposal request, the following information must be completed:

1. Name(s) of all formation(s) producing water on the lease.

Bone Spring

2. Amount of water produced from all formations in barrels per day.

Approximately 1 BWPD

3. How water is stored on the lease.

300 BBL tank

4. How water is moved to the disposal facility.

Pipeline

5. Identify the Disposal Facility by:

A. Facility Operator Name COG Operating LLC

B. Name of facility of well name & number New Mexico CR State #3

C. Type of facility of well (WDW)(WIW), etc. WDW

D. Location by $\frac{1}{4}$, $\frac{1}{4}$, Section, Township and Range NWSW of Section 32-T19S-R32E

6. Attach a copy of the State issued permit for the Disposal Facility.

Submit all of the above required information to the Carlsbad Field Office, 620 E. Greene St., Carlsbad, NM 88220, on a Sundry Notice Form 3160-5, 1 Original and 5 copies, within the required time frame. (This form may be used as an attachment to the Sundry Notice.)

RECEIVED

2011 MAY 12 PM 3:15

BUREAU OF LAND MGMT
CARLSBAD FIELD OFFICE



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

BUREAU OF LAND MGMT
CARLSBAD FIELD OFFICE
2011 MAY 12 PM 3:15
RECEIVED
DRUG FREE

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER SWD-503

APPLICATION OF TEXACO EXPLORATION AND PRODUCTION, INC. FOR SALT WATER DISPOSAL, LEA COUNTY, NEW MEXICO.

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Rule 701(B), Texaco Exploration and Production, Inc. made application to the New Mexico Oil Conservation Division on February 7, 1993, for permission to complete for salt water disposal its New Mexico "CR" State Well No. 3 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 32, Township 19 South, Range 32 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 herein, Texaco Exploration and Production, Inc. is hereby authorized to complete its New Mexico "CR" State Well No. 3 located 1980 feet from the South line and 660 feet from the East line (Unit L) of Section 32, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Cherry Canyon formation at approximately 4578 feet to 4624 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 4478 feet.

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.

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 916 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 Cherry Canyon 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 the 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.

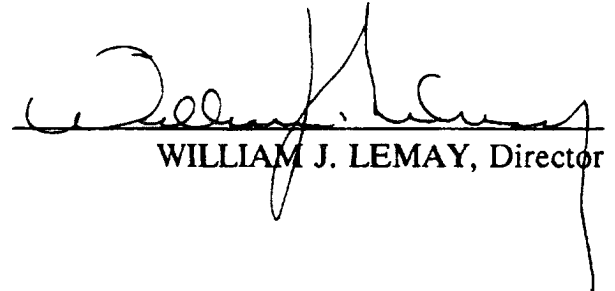
PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

Administrative Order SWD-503
Texaco Exploration and Production, Inc.
February 24, 1993
Page 3

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 24th day of February, 1993.


WILLIAM J. LEMAY, Director

xc: Oil Conservation Division - Hobbs
NM State Land Office - Oil and Gas Division (Pete Martinez)

HOBBS OCD

MAY 25 2011

RECEIVED

**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.

2/09/2011