

ATTACHMENT to Incident of Noncompliance # ATM-018-01

The following information is needed before your disposal of produced water can be approved, per Onshore Oil & Gas Order #7.

You may attach this information to your Sundry Notice (3160-5). Submit all required information as per this attachment, submit a Sundry Notice(3160-5),one original and five copies to this office within the required time.

1. Name(s) of all formation(s) producing water on the lease. DEVONIAN
2. Amount of water produced from all formations in barrels per day. 250
3. A CURRENT water analysis of produced water from all zones showing at least the total dissolved solids, ph, and the concentrations of chlorides and sulfates.
4. How water is stored on the lease. 500 BBL COATED STEEL TANK
5. How water is moved to the disposal facility. BY CENTRIFUGAL PUMP THROUGH 3 1/2" QD. POLYETHYLENE PIPELINE
6. Identify the Disposal Facility by:
 - A. Operators' Name LAYTON ENTERPRISES, INC.
 - B. Well Name MERRELL DISPOSAL
 - C. Well type and well number DISPOSAL WELL #1
 - D. Location by quarter/quarter, section, township, and range SE 1/4 / NE 1/4 SEC. 10 T9S, R36E
7. A copy of the Underground Injection Control Permit - issued for the injection well by the Environmental Protection Agency or New Mexico Oil Conservation Division where the State has achieved primacy.