Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Expires: July 3
5. Lease Serial No.
NMLC069464A

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

6. If Indian, Allottee or Tribe Name

1		
SUBMIT IN TRIPLICATE - O	7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. ARCTURUS 18 FED 6H 9. API Well No. 30-015-42075	
Type of Well Gas Well		
Name of Operator DEVON ENERGY CORPORATION E-Ma		
Address 3b. Phone No. (include area code) Ph: 405-228-2816 OKLAHOMA CITY, OK 73102		10. Field and Pool, or Exploratory HACKBERRY NW; BONE SPRING
4. Location of Well (Footage, Sec., T., R., M., or Surve	11. County or Parish, and State	
Sec 18 T19S R31E 1820FNL 208FEL	EDDY COUNTY, NM	
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12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION		TYPE C	F ACTION	
☐ Notice of Intent Subsequent Report	☐ Acidize ☐ Alter Casing ☐ Casing Repair	☐ Deepen ☐ Fracture Treat ☐ New Construction	☐ Production (Start/Resume) ☐ Reclamation ☐ Recomplete	☐ Water Shut-Off ☐ Well Integrity ☐ Other
☐ Final Abandonment Notice	☐ Change Plans ☐ Convert to Injection	☐ Plug and Abandon☐ Plug Back	☐ Temporarily Abandon ☑ 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 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 recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please find the attached water production and disposal form.

Accepted to second

14. I hereby certify that the Name(Printed/Typed)	e foregoing is true and correct. Electronic Submission #258379 verifie For DEVON ENERGY CORPO Committed to AFMSS for processing TAMI SHIPLEY		
Signature	(Electronic Submission) THIS SPACE FOR FEDERA	Date	08/28/2014 STATE OFFICE USEV 1 2 2014
certify that the applicant hole	y, are attached. Approval of this notice does not warrant or ds legal or equitable title to those rights in the subject lease icant to conduct operations thereon.	Title Office	BUREAU OF LAND MANAGEMENT Date CARLSBAD FIELD 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.

WATER PRODUCTION & DISPOSAL INFORMATION

Site Name: Arcturus 18 Fed 6H
Name(s) of formation(s) producing water on the lease: Hackberry & Bone Spring
2. Amount of water produced from all formations in barrels per day: 700BBLS
3. How water is stored on lease: In one 500 BBLS water tank at the Arcturus 18 Fed 1
4. How water is moved to the disposal facility: Trucked
5. Identify the Disposal Facility by:
A. Facility Operators Name: a) Mesquite SWD, Inc. b) Mesquite SWD, Inc.
B. Facility or well name/number: a) Cedar Lake 35 Federal 1 b) Big Eddy SWD 1
C. Type of Facility or well (WDW) (WIW): a) WDW b) WDW
D.1) Location by ¼ ¼ Section Township Range a) NW/4 NE/4, S35, T17S, R30E b) SE/4 SE/4, S3, T20S, R31E

(This form may be used as an attachment to the Sundry Notice.)

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order SWD-1186

August 14, 2009

Mr. Kay Havenor, PHD, Agent for Mesquite SWD, Inc. PO Box 1479 Carlsbad, NM 87221

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Mesquite SWD, Inc. seeks an administrative order to re-enter and utilize its Big Eddy SWD Well No. 1 (API 30-015-05819) located 660 feet from the South line and 660 feet from the East line, Unit P of Section 3, Township 20 South, Range 31 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, Mesquite SWD, Inc., is hereby authorized to re-enter and utilize its Big Eddy SWD Well No. 1 (API 30-015-05819) located 660 feet from the South line and 660 feet from the East line, Unit P of Section 3, Township 20 South, Range 31 East, NMPM, Eddy County, New Mexico, for disposal of produced water into the Mississippian and Siluro-Devonian formations through an open hole interval from approximately 12950 feet to 14205 feet through 3-1/2 inch or smaller diameter, plastic-lined tubing set within 100 feet of the disposal interval.

IT IS FURTHER ORDERED THAT:

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



After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 2590 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district II office in Artesia 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 provide written notice of the date of commencement of disposal to the Division's district II office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

In accordance with Division Rule No 26.12.C., the disposal 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, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate ipso facto.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Administrative Order SWD-1186 Mesquite SWD, Inc. August 14, 2009 Page 3 of 3

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 or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

MARK E. FESMIRE, P.E.

Director

MEF/wvjj

cc: Oil Conservation Division – Artesia

Bureau of Land Management - Carlsbad