

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 type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD WELL		5. Lease Serial No. NM 96822
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY, LP		6. If Indian, Allottee or Tribe Name
3a. Address 20 North Broadway, Ste 1500, Oklahoma City, OK 73102		7. Unit or CA Agreement Name and No.
3b. Phone No. (include area code) 405-552-4615		8. Well Name and No. LEVERS FEDERAL 2 SWD
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1650 FSL 1650 FEL 2 T21S R25E		9. API Well No. 30-015-20963
		10. Field and Pool, or Exploratory Area SWD UPPER PENN
		11. County or Parish, State Eddy NM

12. CHECK APPROPRIATE BOX(es) 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"/> 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location 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 requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

Note: This NOI is submitted in reference to Written Order #1011PS01W by Paul Swartz dated 11/10/10.

PROPOSED PLUG & ABANDONMENT

1. MIRU. Set CIBP @ +/- 8114'. Circulate wellbore w/9.5# mud.
2. Spot 25 sx (250") cmt on CIBP @ +/- 8114'.
3. Cut 5-1/2" casing @ +/- 5900'. POOH w/casing.
4. Spot 50 sx stub plug 50' below stub. TOC calc. @ 5758'. Tag TOC.
5. Spot 50 sx cmt plug @ 3758'. (spacer plug). TOC calc. @ 3600'.
6. Spot 50 sx cmt plug @ 2869'. TOC calc. @ 2713'. Tag TOC.
7. Spot 132 sx cmt plug from 400' to surface.
8. Cut wellhead off 3' BGL.
9. Set dry hole marker.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**RECLAMATION PROCEDURE
ATTACHED**

RECEIVED

DEC 22 2010

NMOCD ARTESIA

**SUBJECT TO LIKE
APPROVAL BY STATE**

14. I hereby certify that the foregoing is true and correct Name: Ronnie Slack		Title Operations Technician
Signature <i>Ronnie Slack</i>		Date 12-15-10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>[Signature]</i>	Title	APPROVED	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 or operations thereon.	Office	DEC 21 2010 /s/ Dustin Winkler BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE	

Well Name: Levers Federal #2 SWD		Field: SPRINGS	
Location: 1650' FSL & 1650' FEL; Sec 2-T21S-R25E		County: EDDY	State: NM
Elevation: 3258' GR		Spud Date: 12/2/1973	Compl Date: 1/28/1974
API#: 30-015-20963	Prepared by: Ronnie Slack	Date: 12/15/10	Rev:

17-1/2" hole
13-3/8", 48#, @ 353'
 Cmt'd w/293 sxs. Circulated.

12-1/2" Hole
9-5/8", 36#, @ 2819'
 Cmt'd w/921 sxs. Circulated.

TOC @ 6000'. (temp survey)

CISCO (10/2/81: approved for SWD)
8144' - 8160' (64 shots)
8278' - 8295' 6 spf (perfs added 7/19/05)

CANYON
8456' - 8472' (Sqzd 10/26/81)

ATOKA-STRAWN
9093' - 9097' (Sqzd 10/26/81)

MORROW
10134' - 10142'
 1/20/77: spot 40 sxs & sqzd 1/2 bbl in perfs, drill
 out to 10,160'

PERFS
10247' - 10343'
10446' - 10454' perfs sqzd 1/19/77

8-3/4" Hole
5-1/2", 17# & 20#, @ 10560'
Cmt'd w/341 sxs.

Proposed:

1. Spot 132 sx cmt plug from 400' to surface.
2. Cut wellhead off 3' BGL
3. Set dry hole marker.

Proposed:

1. Spot 50 sx cmt plug @ 2869'. Tag TOC.
2. TOC calc @ 2713'.

Proposed:

1. Spot 50 sx cmt plug @ 3758'. (spacer plug)
2. TOC calc @ 3600'.

Proposed:

1. Cut 5-1/2" csg +/- 5900'. POOH w/csg.
2. Spot 50 sx stub plug 50' below stub.
3. Tag TOC. TOC calc @ 5758'.

Proposed:
Set CIBP @ +/- 8114'. Spot 25 sx (250') cmt on top.

7/19/05: acidized 8144-8160 w/3500 gals 15% acid

7/19/05: acidized 8278-8295 w/3500 gals 15% acid

7/15/05: Cleaned out to 8325'
5 sxs on top of retainer
Cement retainer @ 8,395'. Sqzd w/250 sxs (10/81)

2 sxs cement on top
CIBP pushed to 9600'

10' Cement on top
Cement Retainer @ 10,194' (1/18/77)

TD @ 10,560'

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: Levers Federal #2 SWD		Field: SPRINGS	
Location: 1650' FSL & 1650' FEL; Sec 2-T21S-R25E		County: EDDY	State: NM
Elevation: 3258' GR		Spud Date: 12/2/1973	Compl Date: 1/28/1974
API#: 30-015-20963	Prepared by: Ronnie Slack	Date: 12/15/10	Rev:

CURRENT SCHEMAT

17-1/2" hole
13-3/8", 48#, @ 353'
 Cmt'd w/293 sxs. Circulated.

12-1/2" Hole
9-5/8", 36#, @ 2819'
 Cmt'd w/921 sxs. Circulated.

Suspected casing leak: 3751' - 3788'

Suspected casing leak: 4539' - 4573'

TOC @ 6000'. (temp survey)

242 Jts, 2-7/8", 6.5#, L80 production tubing

EOT @ 7889' (8/25/10)

CISCO (10/2/81: approved for SWD)
 8144' - 8160' (64 shots)

7/19/05: acidized 8144-8160 w/3500 gals 15% acid

8278' - 8295' 6 spf (perfs added 7/19/05)

7/19/05: acidized 8278-8295 w/3500 gals 15% acid

7/15/05: Cleaned out to 8325'

CANYON
 8456' - 8472' (Sqzd 10/26/81)

5 sxs on top of retainer
 Cement retainer @ 8,395'. Sqzd w/250 sxs (10/81)

ATOKA-STRAWN
 9093' - 9097' (Sqzd 10/26/81)

2 sxs cement on top
 CIBP pushed to 9600'

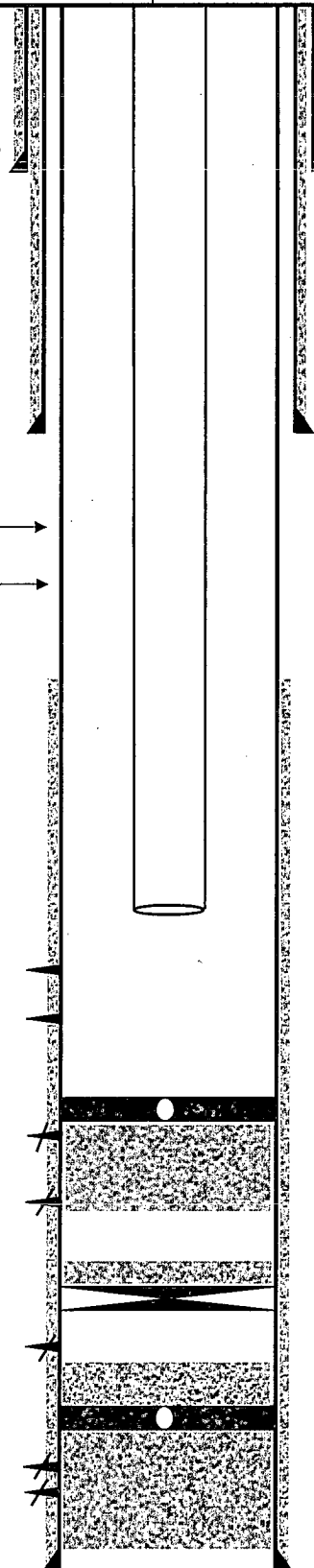
MORROW
 10134' - 10142'
 1/20/77: spot 40 sxs & sqzd 1/2 bbl in perfs, drill
 out to 10,160'

10' Cement on top
 Cement Retainer @ 10,194' (1/18/77)

PERFS
 10247' - 10343'
 10446' - 10454' perfs sqzd 1/19/77

8-3/4" Hole
5-1/2", 17# & 20#, @ 10560'
 Cmt'd w/341 sxs.

TD @ 10,560'



Devon Energy Production Company, LP
NM-96822: Levers Federal #2 SWD
API: 30-015-20963
Eddy County, New Mexico

RE: Plugging and Abandonment Requirements, Conditions of Approval

1. Set CIBP at approx 8094' – Otherwise OK
2. OK (Perfs)
- 2a. Spot s minimum 25sx of class H cement from 7720'-7540'. (Wolfcamp)
3. OK
4. Tag 110' above the stub (50sx adequate) or shallower. If multiple cuts are made, contact the BLM for changes – Otherwise OK. (Stub)
5. Tag at 3600' or shallower – Otherwise OK (Spacer)
- 5a. Spot a plug (approx 45sx) from 3200'-3070'. WOC and tag at 3070' or shallower . (Bone Spring)
6. Tag at 2713' or shallower – Otherwise OK (Casing shoe)
- 6a. Spot a plug from 1860'-1740' (approx 40sx). (Delaware)
7. Due to being located within the High Cave/Karst region, a solid cement plug from 400' to surface is required – Otherwise OK (Cave/Karst – Casing shoe – Surface)
8. OK
9. Verify cement to surface in all annuluses – Otherwise OK
10. Submit a subsequent report to the BLM.

H₂S monitoring equipment shall be on location.

See attached standard COAs.

DHW 122110

BUREAU OF LAND MANAGEMENT

**Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Permanent Abandonment of Federal Wells Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. Any plug that requires a tag will have a minimum WOC time of 4 hours.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified when the wellhead is cut off to verify that cement is to surface in the casing and all annuluses.** The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation procedure.

DHW 112309



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.
5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Environmental Protection Specialist
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Natural Resource Specialist
575-234-5959

Terry Gregston
Environmental Protection Specialist
575-234-5958

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Bobby Ballard
Environmental Protection Specialist
575-234-2230

Todd Suter
Surface Protection Specialist
575-234-5987

Randy Rust
Natural Resource Specialist
575-234-5943

Doug Hoag
Civil Engineering Technician
575-234-5979

Linda Denniston
Environmental Protection Specialist
575-234-5974

Tanner Nygren
Natural Resource Specialist
575-234-5975

Jennifer Van Curen
Environmental Protection Specialist
575-234-5905

John Fast
Natural Resource Specialist
575-234-5996

Justin Frye
Environmental Protection Specialist
575-234-5922