

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0135
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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

DEC 09 2014

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. RIO BLANCO 33 FED 2
2. Name of Operator DEVON ENERGY PRODUCTION CO. LP Contact: TRINA C COUCH Email: trina.couch@dnv.com		9. API Well No. 30-025-36360
3a. Address DEVON ENERGY PRODUCTION CO. LP 333 WEST SHERRIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) 405-236-0133 OKLAHOMA CITY, OK 73102	10. Field and Pool, or Exploratory BELL LAKE; DEVONIAN
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T22S R34E 1980FNL 1980FWL		11. County or Parish, and State LEA COUNTY COUNTY, 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 checked="" 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 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 recomplate 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.)

In response to the rejected sundry to convert the Rio Blanco 33 Fed 2 into a SWD well, Devon Energy Production Company, L.P believes the conversion of the Rio Blanco 33 Fed 2 will not have any adverse effects on offsetting Devonian producer Rio Blanco 33 Fed 1. The offsetting producer in question is an intermittent marginally producing well that produces large volumes of water and must be shut in for long periods to get any measureable production from it.

Due to the nature of the Devonian formation, which is believed to be highly fractured with formation pressure below freshwater gradient, this formation acts as an infinite reservoir in the vertical direction and all fluids injected into it will flow downward and away from any producible gas.

Additionally, the top of the Devonian formation in the Rio Blanco 33 Fed 2 is 89' lower (TVDSS) than in the Rio Blanco 33 Fed 1, so gravity should help mitigate any horizontal migration of water

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #280999 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO. LP, sent to the Hobbs**

Name (Printed/Typed) TRINA C COUCH	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 11/20/2014

ACCEPTED FOR RECORD

DEC - 4 2014

[Signature] Date

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____
Office <i>[Signature]</i>	

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

DEC 10 2014 *[Signature]*

Additional data for EC transaction #280999 that would not fit on the form

32. Additional remarks, continued

towards the producer.

Stimulation of this well will include a 2 stage acid job of 10,000 gal of 15% HCL with gelled brine and rock salt as diversion below a packer and 2-3/8" rental string.

Conditions of Approval

Devon Energy Production Co., LP
Rio Blanco 33 - 02
API 3002536360, T22S-R34E, Sec 33
December 04, 2012

1. The Rio Blanco – 01 API#3002536359 is completed in the targeted Devonian formation and is less than one half mile from Rio Blanco – 02. The Devonian formation in the Rio Blanco – 01 API#3002536359 must be shown to be incapable of production in paying quantities and abandoned prior to conversion of the Rio Blanco - 02 to SWD. Submit a notice of intent.
2. Submit evaluation that Rio Blanco – 01 proposed injection formation perforations are not productive in paying quantities. That evaluation is to be reviewed by BLM prior to resubmitting NOI disposal conversion for Rio Blanco – 02.
3. Prior to abandoning the producing formation and recompletion to disposal, submit for this well a Lease Operating Statement (L.O.S.) for the last 12 consecutive months showing all production, revenue, taxes, and royalties paid, include all types of operating and maintenance expense.
4. This should initially at be a gross level, then boiled down with net numbers showing monthly (PROFIT/LOSS).
5. You are required to perform a reservoir study to determine the remaining reserves to the economic limit for the Delaware formations. The report from this study will include economics based on a Lease Operating/Expense statement, which shall be included with the report. The report shall also include a decline curve based on the recent production. Also be aware the proposed disposal formation will need to be proven to be noncommercial as a hydrocarbon producer.