

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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. NMNM101610
2. Name of Operator DEVON ENERGY CORPORATION		6. If Indian, Allottee or Tribe Name
Contact: SARAH M GALLEGOS E-Mail: Sarah.Gallegos-Troublefield@dvn.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 575-748-1864	8. Well Name and No. ARENA ROJA FEDERAL UNIT 16H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 27 T26S R35E		9. API Well No. 30-025-42672
		10. Field and Pool or Exploratory Area JABALINA, DELAWARE
		11. County or Parish, State LEA COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Hydraulic Fracturing
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Plug Back
	<input checked="" type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Other

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 recompleate 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 Notification of Incidents of Noncompliance 17JLS38 received on November 16, 2016;
Arena Roja Federal Unit 16H, API # 30-025-42672.

1. This well is producing from the Jabalina, Delaware and Southwest formations.

2. Water produced is approximately 2500 BWPD.

3. Water is stored in 8 500 BBLS water tanks on location.

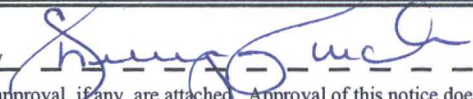
4. Water is piped to a) Brown #5 owned by OWL SWD Operating, LLC, API 30-025-09807. b) trucked to the Rattlesnake 16 SWD 1 owned by Devon Energy Production Company, L.P. API 30-025-42355

APPROVED
JAMES A. AMOS
SUPERVISOR-EPS
7/10/17

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #358667 verified by the BLM Well Information System For DEVON ENERGY CORPORATION, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 01/12/2017 ()	
Name (Printed/Typed) SARAH M GALLEGOS	Title FIELD ADMIN SUPPORT
Signature (Electronic Submission)	Date 11/21/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title EPS	Date 3/29/17
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.	Office CAD	

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.

(Instructions on page 2)

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

Additional data for EC transaction #358667 that would not fit on the form

32. Additional remarks, continued

5. a)SW/4 NW/4, S25, T25S, R36E b)SW/4 NW/4 S16, T26S R34E

6. a) Order # R-5196 b) SWD-1526

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5655
Order No. R-5196

APPLICATION OF APOLLO OIL COMPANY
FOR SALT WATER DISPOSAL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 31, 1976, at Santa Fe, New Mexico, before Examiner, Richard L. Stamets.

NOW, on this 20th day of April, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Apollo Oil Company, is the owner and operator of the Brown Well No. 5, located in Unit E of Section 25, Township 25 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico.

(3) That the applicant proposes to utilize said well to dispose of produced salt water into the lower Yates-Seven Rivers formation, with injection into the open-hole interval from approximately 3289 feet to 3363 feet.

(4) That the injection should be accomplished through 2 3/8-inch plastic-lined tubing installed in a packer set at approximately 3150 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure and/or vacuum gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(5) That if injection into said well should be under pressure, the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 825 psi.

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Case No. 5655
Order No. R-5196

(6) That the operator should notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

(7) That the operator should 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.

(8) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Apollo Oil Company, is hereby authorized to utilize its Brown Well No. 5, located in Unit E of Section 25, Township 25 South, Range 36 East, NMPM, Jalmat Gas Pool, Lea County, New Mexico, to dispose of produced salt water into the lower Yates-Seven Rivers formation, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 3150 feet, with injection into the open-hole interval from approximately 3289 feet to 3363 feet;

PROVIDED HOWEVER, that the tubing shall be plastic-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure and/or vacuum gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That if injection into said well shall be under pressure, the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 825 psi.

(3) That if injection into said well is under a vacuum, the operator shall conduct an annual pressure test of the casing-tubing annulus to determine leakage of the casing, tubing, or packer in said well.

(4) That the operator shall notify the Hobbs office of the Commission of the date and time of such pressure tests in order that they may be witnessed by a Commission representative.

(5) That the operator shall notify the supervisor of the Hobbs district office of the Commission of the date and time of the installation of disposal equipment so that the same may be inspected.

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Case No. 5655

Order No. R-5196

(6) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

(7) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(8) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Phil R. Lucero

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

Joe D. Ramey

JOE D. RAMEY, Member & Secretary

S E A L

jr/

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1526
February 20, 2015

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, Devon Energy Production Company, L.P. (the "operator") seeks an administrative order for its proposed Rattlesnake 16 SWD Well No. 1 with a proposed location 2375 feet from the North line and 210 feet from the West line, Unit letter E of Section 16, Township 26 South, Range 34 East, NMPM, Lea 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 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Devon Energy Production Company, L.P. (OGRID 6137) is hereby authorized to utilize its proposed Rattlesnake 16 SWD Well No. 1 (API No. 30-025-42355) with a proposed location 2375 feet from the North line and 210 feet from the West line, Unit letter E of Section 16, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) through an open hole interval within the Devonian, Fusselman, and Montoya formations from approximately 18773 feet to approximately 20560 feet. Injection shall occur through internally-coated tubing and a packer set a maximum of 100 feet above the top of the open-hole interval.

If the upper contact of the Ordovician Ellenburger formation is encountered prior to the lower limit of the approved disposal interval at 20560 feet, then the total depth of the well (and disposal interval) shall be plugged back to the depth of the upper contact of the Ellenburger formation.

For any casing string installed in this well that does not circulate cement, the operator shall run a cement bond log (or equivalent, but not a temperature survey) to determine the top of cement and the quality of cement placement.

If the final determination of formation tops (based on geophysical logs) does not correlate to the approved disposal interval, then the operator shall apply to amend the order for a corrected description.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the approved disposal interval and is not permitted to escape to other formations or onto the surface. This includes the well construction proposed and described in the application.

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 well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on the well shall be limited to **no more than 3755 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. If requested by the Division's District office, the operator shall install and maintain a chart recorder showing casing and tubing pressures.

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 sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District office of the date and time of the installation of disposal equipment and of any MIT 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 office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, 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.

The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any disposal well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two (2) years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

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.

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.



DAVID R. CATANACH
DIRECTOR

DRC/wvjj

cc: Oil Conservation Division – Hobbs District Office
New Mexico State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management – Carlsbad Field Office

WATER PRODUCTION & DISPOSAL INFORMATION

Site Name:

Arena Roja Federal Unit 16H

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

Jabalina, Delaware, Southwest

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

2500 BWPD

3. How water is stored on lease:

8 500 BBLS on location- Arena Roja Federal Unit CTB 2

4. How water is moved to the disposal facility:

Pipe, Back up trucked

5. Identify the Disposal Facility by:

a) OWL SWD Operating, LLC b) Devon Energy Production Company

B. Facility or well name/number: a) Brown # 5 b) Rattlesnake 16 SWD 1

C. Type of Facility or well (WDW) (WIW): a) WDW b) WDW

D.1) Location by $\frac{1}{4}$ $\frac{1}{4}$ Section Township Range

a) SW/4 NW/4, S25, T25S, R36E b) SW/4 NW/4, S16, T26S, R34E

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

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. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. 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.
8. Disposal at any other site will require prior approval.
9. Subject to like approval by NMOCD.

7/10/14