Form \$160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

(June 2015)	DEPARTMENT OF THE I	NTERIOR	OMB 1	NO. 1004-0137 January 31, 2018	
SUNDR	BUREAU OF LAND MANA Y NOTICES AND REPO	RTS ON WELLS HOB	5. Lease Serial No. NMNM97151		
Do not use to abandoned w	this form for proposals to vell. Use form 3160-3 (AP	NTERIOR GEMENT RTS ON WELLS HOB drill or to re-enter an D) for such proposals.	1 0 2019 6. If Indian, Allottee		
				namana Nama and dan Na	
SUBMIT II	N TRIPLICATE - Other ins	tructions on page 2	CEIVED of Unit or CA/Agr	eement, Name and/or No.	
Type of Well Gas Well			8. Well Name and No. FLAGLER 8 FED 8H		
2. Name of Operator Contact: REBECCA DEAL DEVON ENERGY PRODUCTION COMPAND: Rebecca.Deal@dvn.com			9. API Well No. 30-025-44989-00-S1		
3a. Address 333 WEST SHERIDAN AVENUE OKLAHOMA CITY, OK 73102		3b. Phone No. (include area code) Ph: 405-228-8429	UNKNOWN	10. Field and Pool or Exploratory Area UNKNOWN WC025G09S253309A-UPR WOLFCAM	
4. Location of Well (Footage, Sec., T., R., M., or Survey Description		1)	11. County or Parish	11. County or Parish, State	
Sec 8 T25S R33E SWSE 1/ 32.138348 N Lat, 103.5914			LEA COUNTY		
12. CHECK THE	APPROPRIATE BOX(ES)	TO INDICATE NATURE O	F NOTICE, REPORT, OR OT	HER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION				
	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off	
☐ Notice of Intent	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	■ Well Integrity	
Subsequent Report	□ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other	
☐ Final Abandonment Notice	□ Change Plans	Plug and Abandon	□ Temporarily Abandon		
	☐ Convert to Injection	□ Plug Back	■ Water Disposal	■ Water Disposal	
Attach the Bond under which the v	onally or recomplete horizontally work will be performed or provide ed operations. If the operation re Abandonment Notices must be fi	give subsurface locations and measure the Bond No. on file with BLM/BIA sults in a multiple completion or reco	need and true vertical depths of all period. Required subsequent reports must be ompletion in a new interval, a Form 3 ling reclamation, have been completed.	inent markers and zones. be filed within 30 days 160-4 must be filed once	
Water Disposal Sundry					
Flagler 8 Fed #8H 🗸	•				
1. Name(s) of formation(s) p [98180] WC-025 G-09 S253	producing water on the leas 3309P; UPR WOLFCAMP •	se:			
 Amount of water produce 2411 BWPD 	d from all formations in bar	rels per day:			
4. How water is stored on le 3-750BBL water tanks	ase:				
14. I hereby certify that the foregoing	Electronic Submission #	4466143 verified by the BLM We GY PRODUCTION COMPAN, se ling by PAMEULA HERNANDEZ	nt to the Hobbs		
Name (Printed/Typed) REBECCA DEAL		* *			
Signature (Electron	ic Submission)	Date 05/21/2			
	THIS SPACE F	OR FEDERAL OR STATE	OFFICE OSE TOOTE		
			V.V. 2.1. 2010	D-1	
Approved By		Title	MAY 2 1 2019	Date	
Conditions of approval, if any, are attac certify that the applicant holds legal or which would entitle the applicant to con-	equitable title to those rights in th	e subject lease	LI OF LEAD MANAGEMENT		
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	

Additional data for EC transaction #466143 that would not fit on the form

32. Additional remarks, continued

5. How water is moved to the disposal facility: Piped

6. Identify the Disposal Facility by:

A. Facility Operators Name: A) Devon Energy

B. Facility or well name/number: A) Mesquite SWD るいた・15つ!

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

D.1) Location by ? ? Section 21 Township 25S Range 33E

State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

Ken McQueen Cabinet Secretary

Matthias Sayer Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



Administrative Order SWD-1571-C February 22, 2017

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Mesquite SWD, Inc. (the "operator") seeks an administrative order to authorize the Vaca Draw Federal SWD Well No. 1 located 657.5 feet from the South line and 661.5 feet from the East line, Unit P of Section 21, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico, for the commercial disposal of produced water.

This Order supersedes and replaces Administrative Order SWD-1571-B, issued on November 30, 2016, which permitted injection in the Devonian and Silurian formations from 17498 feet to 19842 feet. The amended Administrative Order changes the injection interval into the Devonian, Silurian and Montoya formations from 17465 feet to 19035 feet. Further the operator provided an expert witness that stated that the portion of the Montoya formation that was penetrated was not porous, and the injected fluids would not penetrate into the lower Montoya formation. Lastly, this amended order lowers the approved injection pressure to 3493 psi.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rules 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required suspense period. 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, Mesquite SWD, Inc. (OGRID 161968), is hereby authorized to utilize its Vaca Draw Federal SWD Well No. 1 (API 30-025-23895) located 657.5 feet from the South line and 661.5 feet from the East line, Unit P of Section 21, Township 25 South, Range 33 East, NMPM, Lea County, for commercial disposal of oil field produced water (UIC Class II only) in Devonian, Silurian, and Montoya formations, through open-hole interval from 17465 feet to 19035 feet. Injection will occur through internally-coated, 5½-inch or smaller tubing and a packer set within 100 feet of the uppermost perforation.

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 completion and construction of the well as proposed in the application, and as modified by this Order.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District I office and Santa Fe Engineering Bureau office.

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 3493 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 sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District 1 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 I 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.

Administrative Order SWD-1571-C Mesquite SWD. Inc. February 22, 2017 Page 3 of 3

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 injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order 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/mam

cc: Oil Conservation Division - Hobbs District Office

Bureau of Land Management - Carlsbad

Well File - 30-025-23895