

DATE IN <u>3.2.12</u>	SUSPENSE	ENGINEER <u>WVT</u>	LOGGED IN <u>3.2.12</u>	TYPE <u>SWD</u>	APP NO. <u>1206248996</u>
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PTGW

Last Notice
3/19/12
Last Date
4/18/12

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Devon 6137

Bilbrey 28A Fed. #1

ADMINISTRATIVE APPLICATION CHECKLIST

30-025-30664

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

1L-28-215-32E

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☒ Offset Operators, Leaseholders or Surface Owner
[C] ☒ Application is One Which Requires Published Legal Notice
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

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2012 MAR -2 AM 11:27

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Ronnie Slack
Print or Type Name

Ronnie Slack
Signature

Operations Technician
Title

2/29/12
Date

Ronnie.Slack@devn.com
e-mail Address



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

February 29, 2012

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Form C-108, Application for Authorization to Inject
Bilbrey 28A Federal #1; API 30-025-30664
Lea County, NM
Section 28, T21S, R32E

Dear Santa Fe Oil Conservation Division:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject. Devon's application proposes to convert the Bilbrey 28A Federal #1 to salt water disposal in the Delaware Bell Canyon formation.

A notice of intent sundry for the proposed salt water conversion has been filed with the BLM (Carlsbad Office).

The surface land owner and operators with leasehold ownership have been notified with Devon's application to inject via certified mail. A copy of this application has been filed with the OCD-Artesia office.

If you have any questions, please contact Jimmy Turnini at (405)-228-4479 or myself at (405)-552-4615.

Sincerely,

A handwritten signature in cursive script that reads "Ronnie Slack".

Ronnie Slack
Operations Technician

RS/rs

Enclosure

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ ☒ Disposal _____ Storage
Application qualifies for administrative approval? _____ ☒ Yes _____ No
- II. OPERATOR: _____ Devon Energy Production Company, LP _____
ADDRESS: _____ 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102 _____
CONTACT PARTY: _____ Ronnie Slack _____ PHONE: _____ 405-552-4615
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes _____ ☒ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: _____ Ronnie Slack _____ TITLE: _____ Operations Technician
SIGNATURE: _____ *Ronnie Slack* _____ DATE: _____ 2/29/12 _____
E-MAIL ADDRESS: _____ Ronnie.Slack@DVN.com _____
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.
- Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.
- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
- (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

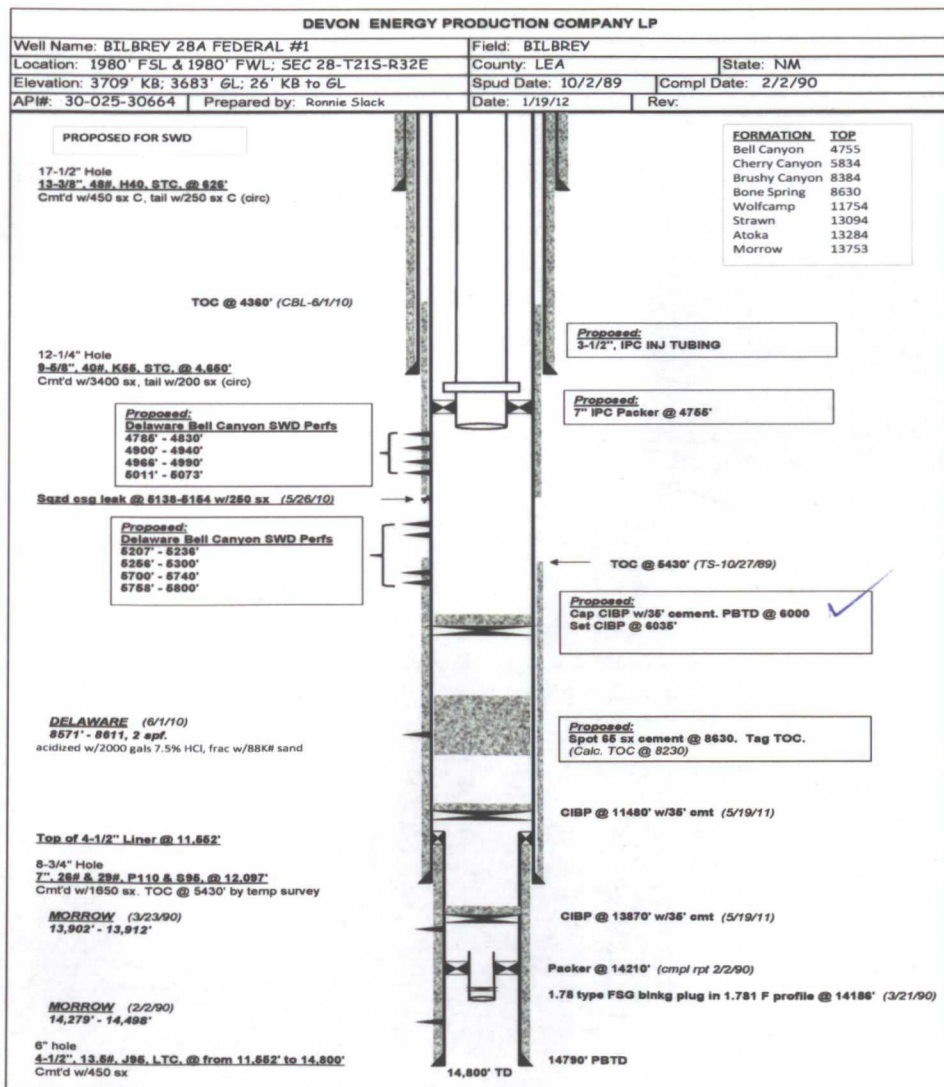
Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: Devon Energy Production Company, LPWELL NAME & NUMBER: BILBREY 28A FEDERAL #1WELL LOCATION: 1980' FSL & 1980' FWL K Sec 28 T21S R32E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATASurface CasingHole Size: 17-1/2" Casing Size: 13-3/8", 48#, @ 626'Cemented with: 700 sx. or ft³Top of Cement: Surface Method Determined: Circ. cementIntermediate CasingHole Size: 12-1/4" Casing Size: 9-5/8", 40#, @ 4650'Cemented with: 3600 sx. or ft³Top of Cement: Surface Method Determined: Circ. cementProduction CasingHole Size: 8-3/4" Casing Size: 7", 26&29#, @ 12097'Cemented with: 1650 sx. or ft³Top of Cement: 4360' Method Determined: CBLTotal Depth: 14800' 4.5" Liner 11552'-14800'Injection Interval (Perforated)4785' to 5800'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 3-1/2" Lining Material: IPC

Type of Packer: 7" IPC

Packer Setting Depth: 4755'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? No

If no, for what purpose was the well originally drilled? oil & gas producer

2. Name of the Injection Formation: Delaware Bell Canyon.

3. Name of Field or Pool (if applicable): Bilbrey; Delaware, North

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

Delaware Brushy Canyon 8571-8611. (Open). Proposed 65 sx cmt plug 8230-8630
Morrow 14279-14498; 13902-13912; CIBP 13870 w/35' cmt; CIBP 11480 w/35' cmt

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

Bell Canyon 4755; Cherry Canyon 5834; Brushy Canyon 8384; Bone Spring 8630; Wolfcamp 11754; Strawn 13094;
Atoka 13284; Morrow 13753

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: BILBREY 28A FEDERAL #1

Field: BILBREY

Location: 1980' FSL & 1980' FWL; SEC 28-T21S-R32E

County: LEA

State: NM

Elevation: 3709' KB; 3683' GL; 26' KB to GL

Spud Date: 10/2/89

Compl Date: 2/2/90

API#: 30-025-30664

Prepared by: Ronnie Slack

Date: 1/19/12

Rev:

PROPOSED FOR SWD

17-1/2" Hole

13-3/8", 48#, H40, STC, @ 626'

Cmt'd w/450 sx C, tail w/250 sx C (circ)

TOC @ 4360' (CBL-6/1/10)

12-1/4" Hole

9-5/8", 40#, K55, STC, @ 4,650'

Cmt'd w/3400 sx, tail w/200 sx (circ)

Proposed:

Delaware Bell Canyon SWD Perfs

4785' - 4830'

4900' - 4940'

4966' - 4990'

5011' - 5073'

Sqzd csq leak @ 5138-5154 w/250 sx (5/26/10)

Proposed:

Delaware Bell Canyon SWD Perfs

5207' - 5236'

5256' - 5300'

5700' - 5740'

5758' - 5800'

DELAWARE (6/1/10)

8571' - 8611, 2 spf.

acidized w/2000 gals 7.5% HCl, frac w/88K# sand

Top of 4-1/2" Liner @ 11,552'

8-3/4" Hole

7", 26# & 29#, P110 & S95, @ 12,097'

Cmt'd w/1650 sx. TOC @ 5430' by temp survey

MORROW (3/23/90)

13,902' - 13,912'

MORROW (2/2/90)

14,279' - 14,498'

6" hole

4-1/2", 13.5#, J95, LTC, @ from 11,552' to 14,800'

Cmt'd w/450 sx

FORMATION	TOP
Bell Canyon	4755
Cherry Canyon	5834
Brushy Canyon	8384
Bone Spring	8630
Wolfcamp	11754
Strawn	13094
Atoka	13284
Morrow	13753

Proposed:

3-1/2", IPC INJ TUBING

Proposed:

7" IPC Packer @ 4755'

TOC @ 5430' (TS-10/27/89)

Proposed:

Cap CIBP w/35' cement. PBTD @ 6000

Set CIBP @ 6035'

Proposed:

Spot 65 sx cement @ 8630. Tag TOC.

(Calc. TOC @ 8230)

CIBP @ 11480' w/35' cmt (5/19/11)

CIBP @ 13870' w/35' cmt (5/19/11)

Packer @ 14210' (cmtl rpt 2/2/90)

1.78 type FSG blinkg plug in 1.781 F profile @ 14186' (3/21/90)

14790' PBTD

14,800' TD

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: BILBREY 28A FEDERAL #1		Field: BILBREY	
Location: 1980' FSL & 1980' FWL; SEC 28-T21S-R32E		County: LEA	State: NM
Elevation: 3709' KB; 3683' GL; 26' KB to GL		Spud Date: 10/2/89	Compl Date: 2/2/90
API#: 30-025-30664	Prepared by: Ronnie Slack	Date: 1/18/12	Rev:

CURRENT WELLBORE

17-1/2" Hole
13-3/8", 48#, H40, STC, @ 626'
 Cmt'd w/450 sx C, tail w/250 sx C (circ)

12-1/4" Hole
9-5/8", 40#, K55, STC, @ 4,650'
 Cmt'd w/3400 sx, tail w/200 sx (circ)

Ran CBL from 9430. TOC @ 4360' (6/1/10)
 Sqzd csg leak @ 5138-5154 w/250 sx (5/26/10)

TOC @ 5430' (TS-10/27/89)

DELAWARE (6/1/10)
8571' - 8611, 2 spf.
 acidized w/2000 gals 7.5% HCl, frac w/88K# sand

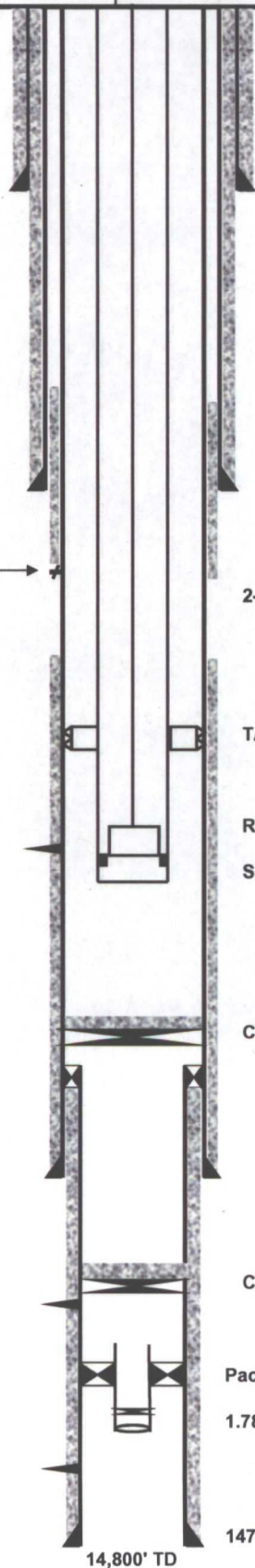
Top of 4-1/2" Liner @ 11,552'

8-3/4" Hole
7", 26# & 29#, P110 & S95, @ 12,097'
 Cmt'd w/1650 sx. TOC @ 5430' by temp survey

MORROW (3/23/90)
13,902' - 13,912'

MORROW (2/2/90)
14,279' - 14,498'

6" hole
4-1/2", 13.5#, J95, LTC, @ from 11,552' to 14,800'
 Cmt'd w/450 sx



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

TAC @ 8412

Rod Pump

SN @ 8703'

CIBP @ 11480' w/35' cmt (5/19/11)

CIBP @ 13870' w/35' cmt (5/19/11)

Packer @ 14210' (cmpl rpt 2/2/90)

1.78 type FSG blinkg plug in 1.781 F profile @ 14186' (3/21/90)

14790' PBTD

14,800' TD

Proposed Injection Well: Bilbrey 28A Federal #1

API: 30-025-30664

APPLICATION FOR INJECTION

Form C-108 Section III

III. Well Data--On Injection Well

A. Injection Well Information

- (1) Lease Bilbrey 28A Federal
Well No #1
Location 1980' FSL & 1980' FWL
Sec,Twn,Rnge Sec 28-T21S-R32E
Cnty, State Lea County, NM
- (2) Casing 13-3/8", 48#, H40, STC, @ 626'
Cmt'd w/450 sx, tail w/250 sx, circ cmt to surf

9-5/8", 40#, K55, STC, @ 4,650'
Cmt'd w/3400 sx, tail w/200 sx, circ cmt to surf

7", 26# & 29#, P110 & S95, @ 12,097'
Cmt'd w/1650 sx. Sqz @ 5138-5154. TOC @ 4360' (cbl)

4-1/2", 13.5#, J95, LTC liner from 11552' to 14800'
Cmt'd w/450 sx
- (3) Injection Tubing 3-1/2" IPC injection tubing
- (4) Packer 7" IPC Packer @ 4755'

B. Other Well Information

- (1) Injection Formation: Delaware Bell Canyon
Field Name: Bilbrey; Delaware, North
- (2) Injection Interval: 4785' - 5800' (perforated)

(3) Original Purpose of Wellbore:

Morrow producer

(4) Other perforated intervals:

Delaware Brushy Canyon 8571-8611. (Open). Proposed 65 sx cmt plug 8230-8630
Morrow 14279-14498; 13902-13912; CIBP 13870 w/35' cmt; CIBP 11480 w/35' cmt

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well if any.

Bell Canyon 4755; Cherry Canyon 5834; Brushy Canyon 8384; Bone Spring 8630; Wolfcamp 11754; Strawn 13094; Atoka 13284; Morrow 13753

C108 ITEM VI--Well Tabulation in 1/2 Mile Review Area
Devon Energy Production Company, LP
Proposed Inj Well: BILBREY 28A FEDERAL 1
Proposed Formation: DELAWARE BELL CANYON
Proposed Interval: 4785' - 5800'

Operator	Well Name	API NO	County	Surf Location	Sec	Twn	Rnge	Type	Status	Spud Date	Comp Date	TD	PBTD	Comp Zone	Comp Interval-Ft	Casing Program	Cement / TOC
Devon Energy Prod Co LP	Bilbrey 28A Federal 1	30-025-30664	Lea	1980' FSL 1980' FWL	28	21S	32E	Oil	Act	10/2/89	2/2/90	14800	11445	Delaware Morrow Morrow	8571-8611 (open) 13902-13912 (below cibp) 14279-14498 (below cibp)	13-3/8". 48# @ 626' 9-5/8", 40# @ 4650' 7" 26#/29# @ 12097' 4.5", 135 # liner 11552-14800	450 sx / surface 3400 sx / surface 1650 sx / 4360-cbl 450 sx / liner top
Conoco	Bilbrey 33 Federal 1	30-025-30781	Lea	660' FNL 1980' FWL	33	21S	32E		Act	3/5/90	5/29/1990	14900	14748	Delaware Morrow Atoka Morrow	8480-8660 (proposed) 13991-14505 S/T (open) 13630-13637 (sqzd) 13973-13988 (below cibp) 14332-14500 (below cibp)	13-3/8, 54.4#, @ 1150 9-5/8, 40#, @ 4635 7, 29 & 26#, @ 12000 5", 18# liner 11674-14900 2-7/8 liner 13664-14599 (S/T)	1300 sx / surface 1750 sx / surface 1515 sx / 3050-TS 175 sx / liner top

Proposed Injection Well: Bilbrey 28A Federal #1

API: 30-025-30664

APPLICATION FOR INJECTION

Form C-108 Section VII to XIII

VII Attach data on the proposed operation, including:

- (1) Proposed average injection rate: 2000 BHPD
Proposed maximum injection rate: 5000 BHPD
- (2) The system will be a closed system.
- (3) Proposed average injection pressure: 600 psi
Proposed max injection pressure: 1000 psi
- (4) The injection fluid will be produced water from the Delaware formation that will be injected into the Delaware Bell Canyon formation.
- (5) A representative water analysis is submitted for Delaware formation.

VIII Geologic Injection Zone Data

The injection zone is the Delaware Bell Canyon formation from 4785' to 5800'. The gross injection interval is 1015' thick. The Delaware Bell Canyon formation is a Permian aged sandstone. The average depth to fresh water is 125' in this area.

IX Proposed Stimulation

Based on injectivity results this interval could be frac stimulated.

X Log Data

Logs have previously been submitted to the OCD.

XI Fresh Water Analysis

No fresh water wells were identified in the vicinity of the Bilbrey 28A Federal #1 well.

XII Geologic / Engineering Statement

An examination of this area has determined there are no open faults or other hydrologic connection between the disposal zone and any underground drinking water.

XIII Proof of Notice

Proof of notice to surface owner, and public legal notification are attached.



BILBREY 28A FEDERAL #1
C108 APPLICATION FOR INJECTION
WATER ANALYSIS OF INJECTION WATER
DELAWARE FORMATION
DEVON ENERGY PROD CO LP

ANALYTICAL RESULTS FOR
DEVON ENERGY
ATTN: TRACY KIDD
P.O. BOX 250
ARTESIA, NM 88210

Receiving Date: 07/15/10
Reporting Date: 07/22/10
Project Owner: NOT GIVEN
Project Name: BILBREY LEASES
Project Location: NOT GIVEN

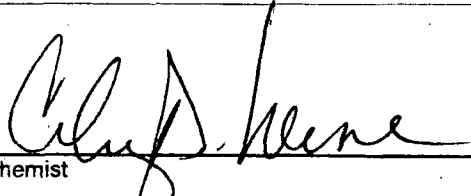
Sampling Date: 07/15/10
Sample Type: WATER
Sample Condition: INTACT @ 31°C
Sample Received By: AB
Analyzed By: HM

LAB NUMBER	SAMPLE ID	Na (mg/L)	Ca (mg/L)	Mg (mg/L)	K (mg/L)	Conductivity (μ S/cm)	T-Alkalinity (mgCaCO ₃ /L)
ANALYSIS DATE:		07/21/10	07/21/10	07/21/10	07/21/10	07/21/10	07/21/10
H20349A-1	27A FED. #1	75,200	22,800	4,130	1,720	511,000	40
H20349A-2	28A FED. #1	78,400	25,600	4,860	1,720	533,000	80
Quality Control		NR	52.1	48.6	2.79	1,411	NR
True Value QC		NR	50.0	50.0	3.00	1,413	NR
% Recovery		NR	104	97.2	93.2	100	NR
Relative Percent Difference		NR	8.0	4.8	4.6	0.8	NR

METHODS: SM3500-Ca-D 3500-Mg E 8049 120.1 310.1

	Cl (mg/L)	SO ₄ (mg/L)	CO ₃ (mg/L)	HCO ₃ (mg/L)	pH (s.u.)	TDS (mg/L)
ANALYSIS DATE:	07/21/10	07/21/10	07/21/10	07/21/10	07/21/10	07/21/10
H20349A-1	170,000	216	0	48.8	5.68	266,000
H20349A-2	182,000	212	0	97.6	5.63	290,000
Quality Control	510	41.7	NR	988	7.04	NR
True Value QC	500	40.0	NR	1000	7.00	NR
% Recovery	102	104	NR	98.8	101	NR
Relative Percent Difference	< 0.1	1.2	NR	< 0.1	< 0.1	1.5

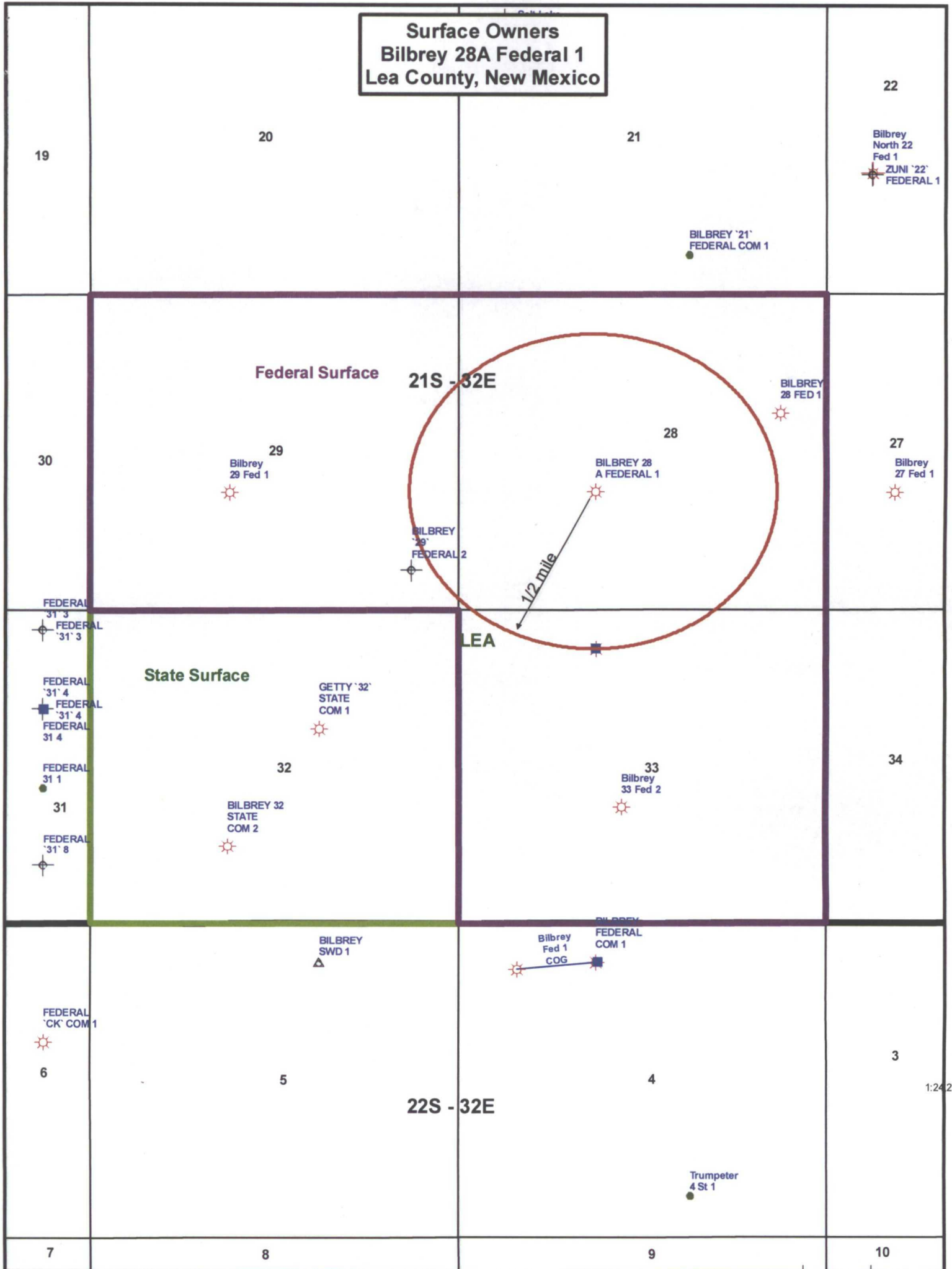
METHODS: SM4500-Cl-B 375.4 310.1 310.1 150.1 160.1


Chemist

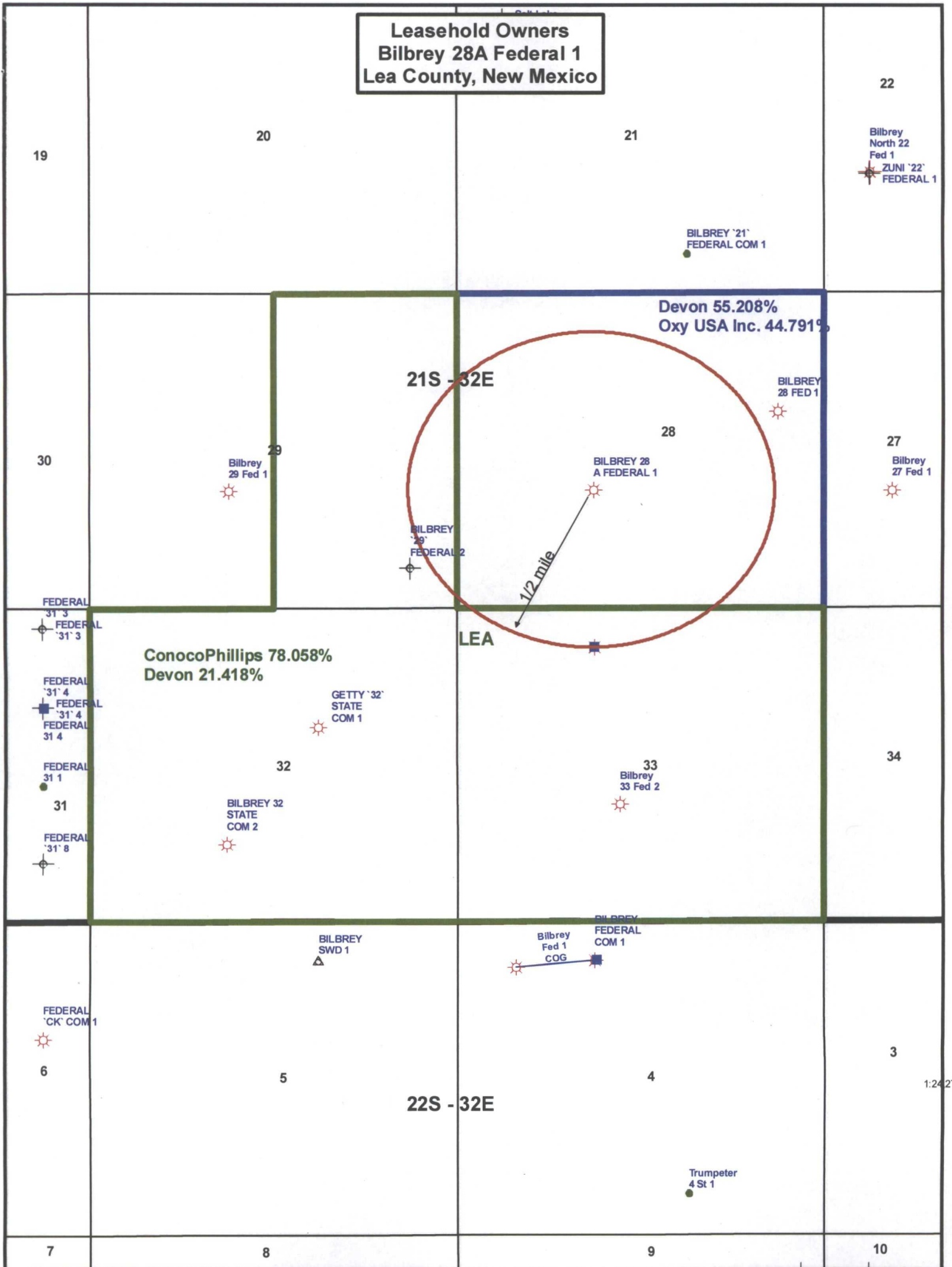
07/22/10
Date

PLEASE NOTE: Liability and Damages. Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of services hereunder by Cardinal, regardless of whether such claim is based upon any of the above-stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.

Surface Owners
Bilbrey 28A Federal 1
Lea County, New Mexico



Leasehold Owners
Bilbrey 28A Federal 1
Lea County, New Mexico



Leasehold Owner Tabulation
Devon-C108 SWD Application
1/2 Mile Review Area
Bilbrey 28A Federal #1
Lea County, Nm

Company	Sec	Tw	Rng	Per Cent
Devon	28	21S	32E	55.208
Oxy USA, Inc. ✓	28	21S	32E	44.791
ConocoPhillips ✓	E 1/2 29	21S	32E	78.058
Devon	E 1/2 29	21S	32E	21.418
ConocoPhillips	32	21S	32E	78.058
Devon	32	21S	32E	21.418
ConocoPhillips	33	21S	32E	78.058
Devon	33	21S	32E	21.418

Surface Owner Tabulation
Devon-C108 SWD Application
1/2 Mile Review Area
Bilbrey 28A Federal #1
Lea County, Nm

Company	Sec	Tw	Rng	Per Cent
BLM	28, 29, 33	21S	32E	100

Section XIV--Proof of Notice to Leasehold Operators
Devon Energy Prod Co LP
C108 Application For Injection
Proposed Well: BILBREY 28A FEDERAL 1

Proof of Notice to Leasehold Operators within 1/2 mile of Bilbrey 28A Federal #1

Oxy USA, Inc.
P.O. Box 27570
Houston, TX 77227-7570

Certified receipt No.
7010 1060 0000 0917 5339

Conoco Phillips
600 North Dairy Ashford
Houston, TX 77079

Certified receipt No.
7010 1060 0000 0917 5339

A copy of this application has been mailed to the above leasehold operators by certified mail, pertaining to Devon Energy's application for salt water disposal in the Bilbrey 28A Federal #1.

Date Mailed: 2/29/12

Signature: Ronnie Slack

Date: 2/29/12

Ronnie Slack, Operations Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Section XIV--Proof of Notice to Surface Land Owner
Devon Energy Prod Co LP
C108 Application For Injection
Proposed Well: BILBREY 28A FEDERAL 1

Proof of Notice to Surface Land Owner of well location site.

Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

Certified receipt No.
7010 1060 0000 0917 5322

A copy of this application has been mailed to the above surface land owner by certified mail, pertaining to Devon Energy's application for salt water disposal in the Bilbrey 28A Federal #1.

Date Mailed: 2/29/12

Signature: Ronnie Slack

Date: 2/29/12

Ronnie Slack, Operations Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
EXPIRES: March 31, 2007

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 SWD WELL		5. Lease Serial No. NM 63020
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. Bilbrey 28A Federal 1
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980 FSL 1980 FWL K 28 T21S R32E		9. API Well No. 30-025-30664
		10. Field and Pool, or Exploratory Area Bilbrey; Delaware, North
		11. County or Parish, State Lea 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 type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" 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)

Proposed SWD conversion: Devon is filing form C108 with OCD-Santa Fe to convert this well to SWD in the Delaware Bell Canyon formation from 4785 to 5800.

1. MIRU. POOH rod string and w 2-7/8" production tubing.
2. Spot 65 sx cement plug from 8230' to 8630'. Tag TOC. (Delaware open perms from 8571-8611)
3. Set CIBP @ 6035'. Cap w/35' cement. 6000' PBD.
4. Perf Delaware Bell Canyon for injection in 7" casing at 4785-4830, 4900-4940, 4966-4990, 5011-5073, 5207-5236, 5256-5300, 5700-5740, and 5758-5800.
5. TIH w/work string and perform step rate test.
6. Frac injection interval 4785-5800 if necessary.
7. TIH w/ 3-1/2" IPC tubing and 7" IPC packer. Set packer at 4755'. Circulate w/inhibited packer fluid.
8. Notify OCD & BLM of MIT test. Conduct MIT test and chart.
9. Turn well to injection

wellbore schematic attached

14. I hereby certify that the foregoing is true and correct Name: Ronnie Slack	Title: Operations Technician
Signature: <i>Ronnie Slack</i>	Date: <i>1/19/12</i>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	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	

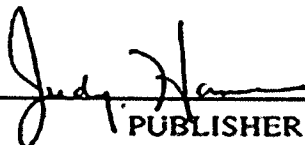
Affidavit of Publication

State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER

of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

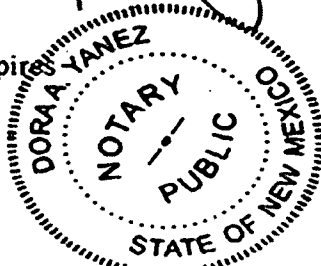
of 1 issue(s).
Beginning with the issue dated
January 14, 2012
and ending with the issue dated
January 14, 2012


PUBLISHER

Sworn and subscribed to before me
this 18th day of
January, 2012


Notary Public

My commission expires
February 09, 2013
(Seal)



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

LEGAL

LEGAL

Legal Notice
JANUARY 14, 2012

Devon Energy Production Company, LP, 20 North Broadway, Oklahoma City, OK 73102-8260 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for an injection well. The proposed well, the Blibrey 28A Federal 1, is located 1980' FSL & 1930' FWL, Section 28, Township 21 South, Range 32 East, in Lea County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware formation. The disposal water will be injected into the Delaware Bell Canyon formation at a depth of 4785' to 5800', at a maximum surface pressure of 1000 psi and a maximum rate of 5000 BWPD. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within (15) days of this notice. Any interested party with questions or comments may contact Jimmy Tumini at Devon Energy Corporation, 20 North Broadway, Oklahoma City, OK 73102-8260, or call (405) 228-4479.
#27090

67106734

00086064

ATTN: DVNOKC98
DEVON ENERGY - ATTN: DVNOKC98
P.O. BOX 3198
OKLAHOMA CITY, OK 73101

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, March 16, 2012 3:07 PM
To: 'Slack, Ronnie'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; 'Wesley_Ingram@blm.gov'
Subject: Disposal application from Devon Energy Production Company, LP: Bilbrey 28A Fed #1 30-075-30664 (Proposed Bell Canyon Disposal) ²

Hello Ronnie,

- a. Would you send a notice to the nearest Potash leaseholder? This seems to be in the R-111-P area. *3/19/12*
- b. Does the Bell Canyon in this well always calculate "wet", even at the upper-most Sand? — *LOGS are Bad in Delaware
NO SHOWS*
- c. Ask your geologist to pick the top and bottom of
A. the Salt, *1414 — 4437*
B. ~~the Seven Rivers,~~
C. ~~the Reef or Queen in this well. (It seems like both Salt and the Reef are present on the logs).~~
- d. The cement bond on this well is very sketchy or poor. Please let me know the results of a bradenhead survey (7" to 9-5/8" annulus) *MIT OK*
- Andrew Starting / RONNIE SLACK Called 4/4, They are WORKING on answers*

Otherwise all looks OK.

Take Care,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Jones, William V., EMNRD

From: Slack, Ronnie [Ronnie.Slack@dvn.com]
Sent: Wednesday, April 18, 2012 12:43 PM
To: Jones, William V., EMNRD
Cc: Turnini, Jimmy; Strickler, Jon; Slack, Ronnie
Subject: RE: Disposal application from Devon Energy Production Company, LP: Bilbrey 28A Fed #1 30-015-30664 (Proposed Bell Canyon Disposal)

Will,

I wanted to give you an update on the questions you had in your to us, dated 3/16/12, concerning Devon's Bilbrey 28A Fed 1 SWD conversion.

A. Potash Leasehold:

Our land man notified Intrepid Potash Company by email on 3/19/12 of our intent to convert the Bilbrey 28A Fed 1 to SWD. They were given a surface owner plat and they were asked if Intrepid had any leasehold around the Bilbrey 28 A Fed 1 well. We have not got any response. I have copied our land man Jon Strickler so he can give us any updates on that.

B. Geology--Bell Canyon question:

There are no oil or gas shows in the Bell Canyon. In this well, the Bell Canyon calculates wet, even in the uppermost sandstone interval (4720-4740 MD). The uppermost sand would actually calculate higher water saturation because of the lower porosity compared the rest of the Bell Canyon (assuming constant formation water resistivity in all sandstones).

C. Geology—Formation tops:

Top Rustler: 624' MD, Top Salt: 1,414' MD, Base Salt: 4,437' MD. The Capitan is not present in this well because the well is basinward (south) of the reef complex. The Seven Rivers and Queen are back-reef Formations that are present north of Capitan reef complex. Neither the Seven Rivers or Queen Formations are present in the Bilbrey 28A Fed 1.

D. Braden Survey:

They conducted a braden head survey last week. Pressure up 9-5/8" X 7" annulus to 550 psi for 30 minutes and charted. Held solid.

Please advise if you have any more questions.

Thank you,

Ronnie Slack
Operations Technician
Devon Energy Corporation
CT 3.033

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Friday, March 16, 2012 4:07 PM
To: Slack, Ronnie
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; [Wesley Ingram@blm.gov](mailto:Wesley.Ingram@blm.gov)
Subject: Disposal application from Devon Energy Production Company, LP: Bilbrey 28A Fed #1 30-015-30664 (Proposed Bell Canyon Disposal)

Hello Ronnie,

- a. Would you send a notice to the nearest Potash leaseholder? This seems to be in the R-111-P area.
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- c. Ask your geologist to pick the top and bottom of
 - A. the Salt,
 - B. the Seven Rivers,
 - C. the Reef or Queen in this well. (It seems like both Salt and the Reef are present on the logs).
- d. The cement bond on this well is very sketchy or poor. Please let me know the results of a bradenhead survey (7" to 9-5/8" annulus)

Otherwise all looks OK.

Take Care,

William V. Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Injection Permit Checklist (11/15/2010)

WFX

PMX

SWD

1325

Permit Date

4/18/12

UIC Qtr

(A (M/J))

Wells 1 Well Name(s): BILBREY 28A FED #1

API Num: 30-0 25-30664 Spud Date: 10/2/89 New/Old: N (UIC primacy March 7, 1982)

Footages 1980 FSL/1980 FWL Unit K Sec 28 Tsp 21S Rge 32E County LEA

General Location: JUST ON S. EDGE OF REEF

Operator: DEVON ENERGY Production Company LP. Contact: RONNIE SLACK

OGRID: 6137 RULE 5.9 Compliance (Wells) 4/16/90 (Finan Assur) OF IS 5.9 OK? OK

Well File Reviewed Current Status: Brushy C. Producer

Planned Work to Well: PLUG BACK TO 6000'

Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New Existing Surface	17 1/2 13 3/8	126'	—	700	CIRC
New Existing Interm	12 1/4 9 5/8	4650'	—	3600	CIRC
New Existing LongSt	8 3/4 7	12,097'		1650 SX	4360 CBL
New Existing Liner	4 1/2"	(14800' TO)			
New Existing OpenHole		(11,552-14800')			

Depths/Formations:

Depths, Ft.

Formation

Tops?

Formation(s) Above

4755

Ball C.

✓

Injection TOP:

4755

Ball C.

Max. PSI 957

OpenHole

Perfs

✓

Injection BOTTOM:

5800

11'

Tubing Size 3 1/2"

Packer Depth

4755'

Formation(s) Below

5834
8384Cherry C.
Brushy C.✓
✓

Capitan Reef? (Potash? Noticed?) [WIPP? Noticed?] Salado Top/Bot 1060-2830 Cliff House?

Fresh Water: Depths: Formation Wells? NONE Analysis? Affirmative Statement ✓

Disposal Fluid Analysis? Sources: Delana

Disposal Interval: Analysis? Production Potential/Testing: Wet

Notice: Newspaper Date 1/14/12 Surface Owner BLM 2/27/12 Mineral Owner(s) BLM

RULE 26.7(A) Affected Persons: OXY/CONOCOPARULIS 2/27/12

AOR: Maps? Well List? Producing in Interval? NO Wellbore Diagrams?

.....Active Wells 1 Repairs? Which Wells?

.....P&A Wells 0 Repairs? Which Wells?

Issues:

Poor CMT above ZONE/Brushy Survey

Request Sent Reply: