

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF DEVON ENERGY PRODUCTION
COMPANY, L P TO REVOKE THE INJECTION
AUTHORITY GRANTED BY ADMINISTRATIVE
ORDER SWD-640, LEA COUNTY, NEW MEXICO**

Case No 15397

VERIFIED STATEMENT OF KYLE JOHNSON

Kyle Johnson, being duly sworn upon his oath deposes and states

1 I am over the age of 18 and have personal knowledge of the facts stated herein and those facts are true and correct

2 I am currently employed as a Drilling Engineer for Devon Energy Production Company, L P ("Devon") and I am familiar with the drilling of Devon's North Thistle 34 State Com Well No 1H (the "Devon Well") located in Section 34 Township 22 South, Range 33 East N M P M , Lea County, New Mexico

3 I have not previously testified before the Division My educational and employment background is as follows I graduated from Texas A&M University in 2009 with a degree in Petroleum Engineering I have been employed as a production and operations engineer in the Gulf of Mexico and Wyoming by Devon I have worked as a drilling engineer in the Delaware Basin North Texas, and Wyoming for Devon and in the Delaware Basin for Chevron U S A Inc I am authorized by Devon to make this statement on its behalf

4 During the drilling of the Devon Well the following occurred Surface casing was set on the Devon Well at 1 435 without issue On 9/3/15 @22 00 hrs while drilling ahead, at 1 820 with a 9 8 pound per gallon (ppg) mud weight, a kick was taken The Devon Well was shut in and drill pipe pressure of 585 psi was recorded, which calculated to a 16 0 ppg kill weight mud After circulating the kick out with the driller s method, it was determined that the influx fluid was saltwater weighing approximately 10 1 pounds per gallon On the morning of 9/4/15, the rig PIC (Person in Charge) visited the Diamond 34 State Well No 1 a salt water disposal well operated by OXY USA Inc (the 'Diamond SWD'), also located in Section 34 and determined that the disposal well was shut in Mud weight was increased on the Devon Well to 14 ppg to lower surface pressure to manageable levels and drilling was continued At 20 30 hours on 9/6/2015 while drilling through the choke at 3 242 , it was noted by the Devon PIC that an increase in back pressure of approximately 200 psi was required to hold back the salt water influx The Devon PIC visited the Diamond SWD and confirmed the well had begun injecting fluid at an unknown time earlier that afternoon Mud weight was increased to 15 ppg on the Devon Well in order to return surface pressures to a manageable level throughout the night On the morning of 9/7/2015 I called the Oxy emergency hotline and requested that the Diamond SWD be shut in After deliberation,

Oxy complied with the shut in request A shut in pressure was not taken, but approximately 200 psi reduction of required back pressure was noted on the Devon Well at 13 00 hrs by the Devon PIC, shortly after the Diamond SWD was shut in The Devon Well was drilled to a casing point of 4 985 with a 15 ppg mud while holding 200-250 psi of back pressure The bottom-hole assembly was stripped out of the well Casing was run while allowing the well to flow in a controlled manner through the choke Approximately 1 400 barrels of saltwater was flowed during the 10 hour casing run

5 The experiences listed above lead me to believe that the Diamond SWD well is in communication with formation depths significantly shallower than the permitted injection interval of 5 100 feet to 6,516 feet subsurface

Kyle Johnson
Kyle Johnson

VERIFICATION

COUNTY OF OKLAHOMA)
) ss
STATE OF OKLAHOMA)

Kyle Johnson being duly sworn upon his oath, deposes and states that He is a Drilling Engineer for Devon Energy Production Company, L P , he is authorized to make this verification on its behalf he has read the foregoing statement and knows the contents thereof, and the same is true and correct to the best of his knowledge information, and belief

Kyle Johnson

SUBSCRIBED AND SWORN TO before me this 8th day of October 2015 by Kyle Johnson

My Commission Expires 02/02/19

[Signature]
Notary Public



- 1) Daily injection pressures and volumes from August 1 2015 to date
- 2) Schedule on injection and shut-in times from August 1, 2015 to date
- 3) Cement bond log or any other tests to confirm zone isolation or cement tops
- 4) Drilling reports for the Diamond 34 State Well No 1 (including mud weights)
- 5) Injection temperature log
- 6) Results of any tests or logs run since August 1 2015