Form 39 60-5 (August 2007)

□ Notice of Intent

Subsequent Report

☐ Final Abandonment Notice

OCD-HOBBS

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

MORRS OCD

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

Lease Serial No.				
NMNM116574				

☐ Production (Start/Resume)

☐ Temporarily Abandon

□ Reclamation

□ Recomplete

■ Water Disposal

SUNDRY NOT	NMNM116574					
Do not use this fol abandoned well. U	Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals (NOV 01 2014					
SUBMIT IN TRIPLIC	7. If Unit or CA/Agreement, Name and/or No.					
i. Type of Well ☐ Gas Well ☐ Other	need Grant water	8. Well Name and No. BELL LAKE 24 FED 2H				
2. Name of Operator DEVON ENERGY PRODUCTION	9. API Well No. 30-025-41306-00-S1					
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-228-2816	10. Field and Pool, or Exploratory WC-025 G07 S243225C				
4. Location of Well (Footage, Sec., T., R.,	11. County or Parish, and State					
Sec 24 T24S R32E SWSE 200FSI	LEA COUNTY, NM					
12. CHECK APPROPI	RIATE BOX(ES) TO INDICATE NATURE OF NOTICE, I	REPORT, OR OTHER DATA				
TVPF OF SURMISSION	TYPE OF ACTION	· · · · · · · · · · · · · · · · · · ·				

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 recomplete 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.)

□ Plug Back

□ Deepen

☐ Fracture Treat

■ New Construction

□ Plug and Abandon

Please find attached water production and disposal information.

☐ Acidize

☐ Alter Casing

Casing Repair

☐ Change Plans

☐ Convert to Injection

SEE ATTACHED FOR CONDITIONS OF APPROVAL

■ Water Shut-Off

■ Well Integrity

Other

14. I hereby certify that the	For DEVON ENERGY PRODUCT	d by the BLM Well Information System TION CO LP, sent to the Hobbs NDA JIMENEZ on 10/10/2014 (15LJ0141SE)							
Name (Printed/Typed)	TAMI SHIPLEY	Title	REGULATORY ANAL	YST					
Signature	(Electronic Submission)	Date	08/26/2014	APPROVED					
THIS SPACE FOR FEDERAL OR STATE OFFICE USE									
Approved By		Title		All	001 2	Date			
certify that the applicant hole	y, are attached. Approval of this notice does not warrant or is legal or equitable title to those rights in the subject lease icant to conduct operations thereon.	Office		JAMES A. AMOS SUPERVISOR-EPS					
	and Title 43 U.S.C. Section 1212, make it a crime for any pe or fraudulent statements or representations as to any matter w			to any	department or agend	cy of the United	!		

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Accepted for Record Only NOV 0 1 2014



WATER PRODUCTION & DISPOSAL INFORMATION

Site Name: Bell Lake 24 Fed 2H
Dell Larc 24 Fed 211
1. Name(s) of formation(s) producing water on the lease: 2 nd Bone Spring
2. Amount of water produced from all formations in barrels per day: 1000BBLS
3. How water is stored on lease:2 500BBLS water tanks at the Bell Lake 24 Fed 1
4. How water is moved to the disposal facility: Trucked
5. Identify the Disposal Facility by:
A. Facility Operators Name: a) Basic Energy Services, LP b) Basic Energy Services, LP
B. Facility or well name/number: a) Lea SWD #2 b) Belco Well #1
C. Type of Facility or well (WDW) (WIW): a) WDW b) WDW
D.1) Location by ¼ ¼ Section Township Range a) NE/4 NE/4, S17, T23S, R37E b) SW/4NW/4, S20, T23S, R28E

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

ADMINISTRATIVE ORDER SWD-666

APPLICATION OF RAY WESTALL FOR SALT WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Ray Westall made application to the New Mexico Oil Conservation Division on May 15, 1997, for permission to complete for salt water disposal its Belco Well No.1 located 2200 feet from the North line and 660 feet from the West line (Unit E) of Section 20, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met; and
 - (4) No objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED THAT:

The applicant herein, is hereby authorized to complete its Belco Well No.1 located 2200 feet from the North line and 660 feet from the West line (Unit E) of Section 20, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of salt water for disposal purposes into the Delaware formation at approximately 5,726 feet to 5,809 feet through 2 7/8-inch plastic-lined tubing set in a packer located at approximately 5,675 feet.

IT IS FURTHER ORDERED THAT:

The operator shall 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.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1145 psi.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Delaware formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly reports of the disposal operations in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

ORDER SWD-291

THE APPLICATION OF CHAPARRAL SERVICE, INC.

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-5800

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Chaparral Service, Inc. made application to the New Mexico Oil Conservation Division on October 22, 1985, for permission to complete for salt water disposal its Lea No. 2 well located in Unit A of Section 17, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico.

The Division Director finds:

- (1) That application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be
- That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, Chaparral Service, Inc. is hereby authorized to complete its Lea No. 2 well, located in Unit A of Section 17, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the San Andres formation at approximately 4,000 feet to approximately 5,000 feet through 2 7/8 inch plastic lined tubing set in a packer located at approximately 4025 feet.

IT IS FURTHER ORDERED:

That the operator shall 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.

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 800 psi.

That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the San Andres formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

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

That the operator shall immediately notify the supervisor of the Division'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.

PROVIDED FURTHER, That jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 13th day of November, 1985.

STATE OF NEW MEXICO

OIL CONSERVATION DIVISION

R. L. STAMETS,

Director

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