

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. NMNM63994
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY		6. If Indian, Allottee or Tribe Name
3a. Address 333 W. SHERIDAN AVE OKLAHOMA CITY, OK 73102		7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) Ph: 405.228.2810		8. Well Name and No. BOUNDARY RAIDER 6-7 FED COM 213H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 6 T23S R32E Mer NMP 550FNL 2465FWL		9. API Well No. 30-025-44147
		10. Field and Pool or Exploratory Area SAND DUNE; BONE SPRING
		11. County or Parish, State LEA 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 type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 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 recomple 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 recompletion 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.

Site Name: Boundary Raider 6-7 Fed Com 213H

- Name(s) of formation(s) producing water on the lease: Sand Dunes; Bone Spring
- Amount of water produced from all formations in barrels per day: 2500 bbls per day
- How water is stored on lease:
4-750 bbl water tanks located at the Todd Apache 6 CTB 1 condolences
- How water is moved to the disposal facility: piped
- Identify the Disposal Facility by:



14. I hereby certify that the foregoing is true and correct. Electronic Submission #411104 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION COMPANY, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 04/11/2018 ()	
Name (Printed/Typed) BRITTNEY WHEATON	Title REGULATORY PROFESSIONAL
Signature (Electronic Submission)	Date 04/10/2018

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 operations thereon.		Office _____

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 #411104 that would not fit on the form

32. Additional remarks, continued

A. Facility Operators Name: a) Devon Energy Corp b) Devon Energy Corp

B. Facility or well name/number:

a) Todd 2 Water Treatment Facility b) Todd 27 P Fed 16

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

D.1) Location by 1/4 1/4 Section 2 Township 23S Range 31E

D.2) Location by 1/4 1/4 SE/4 SE/4 Section 27 Township 23S Range 31E

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order SWD-1455
January 14, 2014

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B. NMAC, Devon Energy Production Company, LP (the "operator") seeks an administrative order to re-enter its Todd '27P' Federal Well No. 16 with a location of 330 feet from the South line and 330 feet from the East line, Unit letter P of Section 27, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified. One objection was received within the prescribed waiting period, but was resolved by negotiation and did not require a major modification of the proposed well completion. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

The Todd '27P' Federal Well No. 16 has operated as a disposal well under Division Order SWD-676 issued on September 24, 1997. This order supersedes Division Order SWD-676 and Order SWD-676 is cancelled upon commencement of injection under this Division order.

IT IS THEREFORE ORDERED THAT:

The applicant, Devon Energy Production Company, LP (OGRID 6137), is hereby authorized to utilize its Todd '27P' Federal Well No. 16 (API 30-015-27106) with a location of 330 feet from the South line and 330 feet from the East line, Unit letter P of Section 27, Township 23 South, Range 31 East, NMPM, Eddy County, for disposal of oil field produced water (UIC Class II only) into the interval from the Bell Canyon and Cherry Canyon formations of the Delaware Mountain group through perforations from approximately **4750 feet** to approximately 5720 feet. Injection will occur through internally-coated, 2 3/8-inch tubing and a packer set within 100 feet of the permitted interval.

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 except as

modified by the following requirements:

1. **Prior to commencing injection, the operator will squeeze cement and seal all existing perforations in the 5 ½-inch casing that are shallower than 4750 feet (as per the negotiated settlement with OXY USA, Inc.).**
2. **The operator will conduct a cement bond log (or equivalent method) of the well showing the cementing of the shallow perforations and the top of cement for the 5 ½-inch casing. The operator will provide copies to the Division's district II office and the Santa Fe Bureau office prior to commencing injection.**
3. **Prior to commencing injection, the cast-iron bridge plug (CIBP) and cement cap proposed at 5350 feet shall be installed within 200 hundred feet below the deepest proposed perforation at 5720 feet (approximately 5920 feet).**
4. **The operator is to conduct a temperature and radioactive tracer injection profile logs within a year from the date of commencing injection under this Division order. The operator will provide copies to the Division's district II office and the Santa Fe Bureau office. Thereafter, the operator shall complete temperature and radioactive tracer injection profile logs for the well at the end of every five (5) years of operation following the anniversary date of commencing injection.**

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 950 psig**. 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 II 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 II 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 injection 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 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.


JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Office

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

BURE

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.

4/4/2017