UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-HOBI	35 	FORM APPROVED
HOBBS	OCD	OMB NO. 1004-0135 Expires: July 31, 2010

Do not use th	NOTICES AND REPO is form for proposals to ill. Use form 3160-3 (AP	drill or to re	e-enter an	OCT 2	5. Lease Serial No. NMNM100568 F. 2014 6. 11 Indian, Allottee		<u></u> ,,,,,,	
SUBMIT IN TRI	IPLICATE - Other instru	ctions on re	verse side.	REC	EIVED nit or CA/Agre	ement, Name and/or	No.	
1. Type of Well ☑ Oil Well ☐ Gas Well ☐ Other				8. Well Name and No. RAGIN CAJUN 13 FEDERAL 2H				
2. Name of Operator Contact: MEGAN MORAVEC DEVON ENERGY PRODUCTION CONTRACT: megan.moravec@dvn.com					9. API Well No. 30-025-41273			
3a. Address 333 WEST SHERIDAN AVENUE OKLAHOMA CITY, OK 73102		3b. Phone No. (include area code) Ph: 405-552-3622		2)	10. Field and Pool, or Exploratory JABALINA; DELAWARE			
4. Location of Well (Footage, Sec., T			11. County or Parish,	and State				
Sec 13 T26S R34E SWSW 330FSL 1295FWL			LEA COUN			COUNTY, NM		
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATI	E NATURE OF	NOTICE, RI	EPORT, OR OTHE	R DATA		
TYPE OF SUBMISSION	TYPE OF ACTION							
□ Notice of Intent	☐ Acidize	☐ Dee	☐ Deepen		☐ Production (Start/Resume)		Off	
_	☐ Alter Casing	☐ Frac	cture Treat	□ Reclamation		■ Well Integrity		
Subsequent Report	Casing Repair	☐ Casing Repair ☐ New O		☐ Recomp	lete	Other		
☐ Final Abandonment Notice	Change Plans	🗖 Plu	g and Abandon	☐ Tempora	☐ Temporarily Abandon			
•	□ Convert to Injection	on Plug Back		🛛 Water D	■ Water Disposal			
13. Describe Proposed or Completed Ope If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final Ab determined that the site is ready for fi	ally or recomplete horizontally, k will be performed or provide operations. If the operation respondent Notices shall be file	give subsurface the Bond No. of sults in a multip	locations and measing file with BLM/BIA le completion or recompletion or recompletion.	ared and true ver A. Required sub completion in a n	tical depths of all perting sequent reports shall be ew interval, a Form 316	ent markers and zone filed within 30 days 0-4 shall be filed onc	es.	
WATER PRODUCTION & DIS	SPOSAL INFORMATION							
Site Name: Ragin Cajun 13 Fed 2H								
1. Name(s) of formation(s) producing water on the lease: Delaware; Jabalina SEE ATTACHED FOR CONDITIONS OF APPROVAL								
2. Amount of water produced f 1000BWPD	rom all formations in barr	els per day:						
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #2 For DEVON ENERG Committed to AFMSS for	Y PRODUCTI	ON COMPAN, se	nt to the Hobi	os			
Name(Printed/Typed) MEGAN M	IORAVEC		Title REGUL	ATORY ANA			<u> </u>	
Signature (Electronic S	ubmission)		Date 08/19/2	014	APPRO	VED		
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE US	E SFP 18	2014		
Approved By			Title	×	40_	Date		
Approved By 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	\ <i>U</i>	JAMES A. SUPERVISO	AMUS		
	1000 11 1010	· .		211.6.11		C.1. X7 1		

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

FOR RECORD ONLY

OCT 9

OCT 27 2014



Additional data for EC transaction #257548 that would not fit on the form

32. Additional remarks, continued

- 3. How water is stored on lease:
- 5 500 BBLS water tanks
- 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 ? ? Section Township Range a) NE/4 NE/4, S17, T23S, R37E b) SW/4NW/4, S20, T23S, R28E



STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

1935 - 1985

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;
- (2) That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) 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

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.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 7th day of July, 1997.

WILLIAM J. LEMAY, Director

WJL/BES

cc: Oil Conservation Division - Artesia

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