

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.5. Lease Serial No.
NMNM113969

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2 **HOBBS OCD**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DEVON ENERGY PRODUCTION COMPANY

Contact: BRITTNEY WHEATON

Email: brittney.wheaton@dvn.com

3a. Address

333 W. SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 405.228.2810

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 14 T24S R33E Mer NMP NWNW 200FNL 283FWL

8. Well Name and No.

BOOMSLANG 14-23 FED 9H

9. API Well No.

30-025-43032

10. Field and Pool or Exploratory Area

RED HILLS-BONE SPRING,

11. County or Parish, State

LEA COUNTY, NM

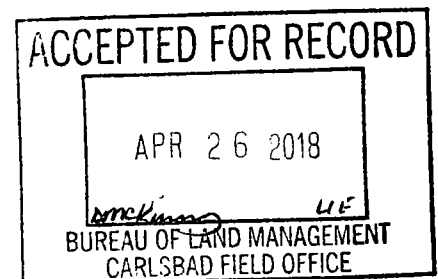
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 recompleat 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 recompleat 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: Boomslang 14 23 Fed 9H

1. Name(s) of formation(s) producing water on the lease: Red Hills, Bone Spring N
2. Amount of water produced from all formations in barrels per day: 3850 bbls per day
4. How water is stored on lease: 6-750 bbl water tanks at the Boomslang 14 CTB 1
5. How water is moved to the disposal facility: piped
6. Identify the Disposal Facility by:



14. I hereby certify that the foregoing is true and correct.

Electronic Submission #411077 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 #411077 that would not fit on the form

32. Additional remarks, continued

A. Facility Operators Name: a) Owl SWD Operating, LLC b) Devon Energy c) Devon Energy d) Devon Energy

B. Facility or well name/number: a) Brininstool 25 Fed SWD 1 b) Caballo 9 State 1 c) Rio Blanco 4 Fed 3 SWD d) Rio Blanco 33 Fed 2 SWD

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

D.1) Location by 1/4 1/4 SE/4 NE/4 Section 25 Township 23S Range 33E

D.2) Location by 1/4 1/4 SW/4 NW/4 Section 9 Township 23S Range 34E

D.2) Location by 1/4 1/4 NW/4 SE/4 Section 4 Township 23S Range 34E

D.2) Location by 1/4 1/4 SE/4 NW/4 Section 33 Township 22S Range 34E

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order SWD-1364
November 4, 2012

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of 19.15.26.8B NMAC, Delaware Water Company, LLC, seeks an administrative order to re-enter and utilize its Brininstool 25 Federal Well No. 1 (API 30-025-37582) located 1980 feet from the North line and 660 feet from the East line, Unit letter H of Section 25, Township 23 South, Range 33 East, NMPM, Lea 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 and no objections have been received within the prescribed waiting period. 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.

IT IS THEREFORE ORDERED THAT:

The applicant, Delaware Water Company, LLC, is hereby authorized to re-enter and utilize its Brininstool 25 Federal Well No. 1 (API 30-025-37582) located 1980 feet from the North line and 660 feet from the East line, Unit letter H of Section 25, Township 23 South, Range 33 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group through perforations from 5223 feet to 7380 feet through internally coated tubing and a packer set within 100 feet of the permitted interval.

Prior to commencing disposal, the operator shall re-enter and re-plug the Mary Federal Well No. 1 30-025-25473 located in Unit letter J of Section 25, Township 23 South, Range 33 East, Lea County, New Mexico. That well shall be re-entered to at least 7400 feet, and new inside/outside plugs set across the base and the top of the equivalent permitted disposal interval, and re-plugged again to surface – all under direction of the BLM. After completion of operations, the operator shall ensure the BLM and the Division has copies of the details of the re-plugging report.

Within 1 year of commencing disposal, the operator shall run an injection survey sufficient to determine the effective disposal interval depths in the permitted disposal well and supply a copy of this survey to the Division.

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.

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 testing 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 1045 psi**. 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 office of the date and time of the installation of disposal equipment and of any MIT test 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 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 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/wvjj

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



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER SWD-1077

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, LP FOR PRODUCED WATER DISPOSAL, LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), DEVON ENERGY PRODUCTION COMPANY, LP made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its Caballo 9 State Well No. 1 (API No. 30-025-34577) located on the surface 1650 feet from the North line and 660 feet from the West line of Section 9, Township 23 South, Range 34 East, NMPM, Lea 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 is hereby authorized to utilize its Caballo 9 State Well No. 1 (API No. 30-025-34577) located on the surface 1650 feet from the North line and 660 feet from the West line of Section 9, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Bell Canyon and Cherry Canyon members of the Delaware formation through perforations from 5040 feet to 7028 feet and through plastic-lined tubing set with a packer located within 100 feet of the top of

the injection interval.

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.

As preparation for injection, the operator shall plug back the well to within 200 feet of the bottom of the permitted injection interval with a cast iron bridge plug and cement.

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.

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 1008 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

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 injection 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 Hobbs district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs 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 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 water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Hobbs district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, 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 April 26, 2007.

MARK E. FESMIRE, P.E.
Director

MEF/wvj

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas, and Minerals Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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 type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD Conversion Order R-13410		5. Lease Serial No. NM 19143
2. Name of Operator Devon Energy Production Co., LP		6. If Indian, Allottee or Tribe Name
3a. Address 333 W Sheridan Avenue, Oklahoma City, OK 73102	3b. Phone No. (include area code) 405-552-4615	7. If Unit of CA/Agreement, Name and/or No. NM 112730
4. Location of Well (Footage, Sec., T., R. M. or Survey Description) 1650' FSL & 1650' FEL; Sec 4-T23S-R34E		8. Well Name and No. Rio Blanco 4 Fed Com #3
		9. API Well No. 30-025-36425
		10. Field and Pool or Exploratory Area Bell Lake; Devonian, Northeast (SWD)
		11. Country 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"/> 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 checked="" type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input 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 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 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.)

Summary of well work to convert to SWD:

- 3/28/12-MIRU. POOH w/existing production string and packer from 14,338'
- TIH w/2-7/8" workstring to test casing. Unable to work below 11,882' RIH w/4-1/8" bit & scraper. Clean out to 14,460'
- Circulate packer fluid and test casing to 1,000 psi from RBP @ 14,454' Good test. POOH w/work string and RBP.
- RIH w/ 3-1/2" X 2-7/8" Eneurtube/Ultratube lined injection tubing. Set packer @ 14,415' Circulate inhibited 10# brine.
- 4/17/12-Run MIT for BLM. Test to 800 psi. Would lose 80-90 psi in 30 minutes. Failed test. Andy Garcia w/BLM witnessed.
- POOH w/injection tubing. RIH w/3-1/2" X 2-7/8" Eneurtube/Ultratube lined injection tubing. Set packer @ 14,431' Circulate w/inhibited 10# brine.
- 4/23/12-Run MIT for BLM. Test to 800 psi for 30 minutes. Good test. Andy Garcia w/BLM witnessed
- 10/25/12: Acidized Devonian formation with 895 gal 2% KCl, 3,000 gal 15% HCl acid, 3,616 gal 2% KCl.
- 10/26/12: Injection test @ 4.5 bpm @ 1100 psi.
- 1/18/13: Perform Step Rate Test: Step 1-1 bpm @ 16 psi; Step 2-2 bpm @ 160 psi; Step 3-3 bpm @ 490 psi; Step 4-4 bpm @ 960 psi; Step 5-5 bpm @ 1,490 psi; Step 6-6 bpm @ 2,180 psi; Step 7-7 bpm @ 2,870 psi. SI.
- 2/15/13- Hooked up pump truck and injected total of 260 bbl. Injected 4.5 bpm @ 2000 psi. Will continue to temporarily truck haul water for injection until flowline and facility installation is complete.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Ronnie Slack		Title Operations Technician
Signature <i>Ronnie Slack</i>		Date 3-5-13

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 1091 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)

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: Rio Blanco 4 Fed Com 3		Field: Bell Lake North	
Location: 1650' FSL & 1650' FEL; Sec 4, T23S, R34E		County: LEA	State: NM
Elevation: 3424' KB; 3400' GL		Spud Date: 5/11/04	Compl Date: 08/26/04
API#: 30-025-36425	Prepared by: Ronnie Slack	Date: 3/5/13	Rev:

CONVERTED TO SWD
Initial Disposal - 2/15/13

17-1/2" Hole
13-3/8", 61#, J55, STC, 8RD @ 2,090'
Cmt'd w/ 1845 sxs. Cmt to surf.

ETOC on 7-5/8" @ 4570' (calculated)

12-1/4" Hole
9-5/8", 43.5#, P110, @ 5,070'
Cmt'd w/ 1265 sx

5", Liner Top @ 11,564'

8-1/2" Hole
7-3/4", 46#, T95, F/ 0' - 6,788'
7-3/4", 46#, N80, F/ 6,788' - 6,911'
7-5/8" X 7-3/4" X-Over F/ 6,911' - 6,953'
7-5/8", 39#, C90, F/ 6,953' - 8,286'
7-5/8", 39#, T95 F/ 8,286' - 11,885'
Cmt'd w/ 1100 sxs

690 bbls 10# inhibited pcr fluid (4/21/12)

6-1/2" Hole
5", 18#, P110, Ultra FJ @ 14,500'
Cmt'd w/ 70 bbl slurry of 13.7 ppg cmt

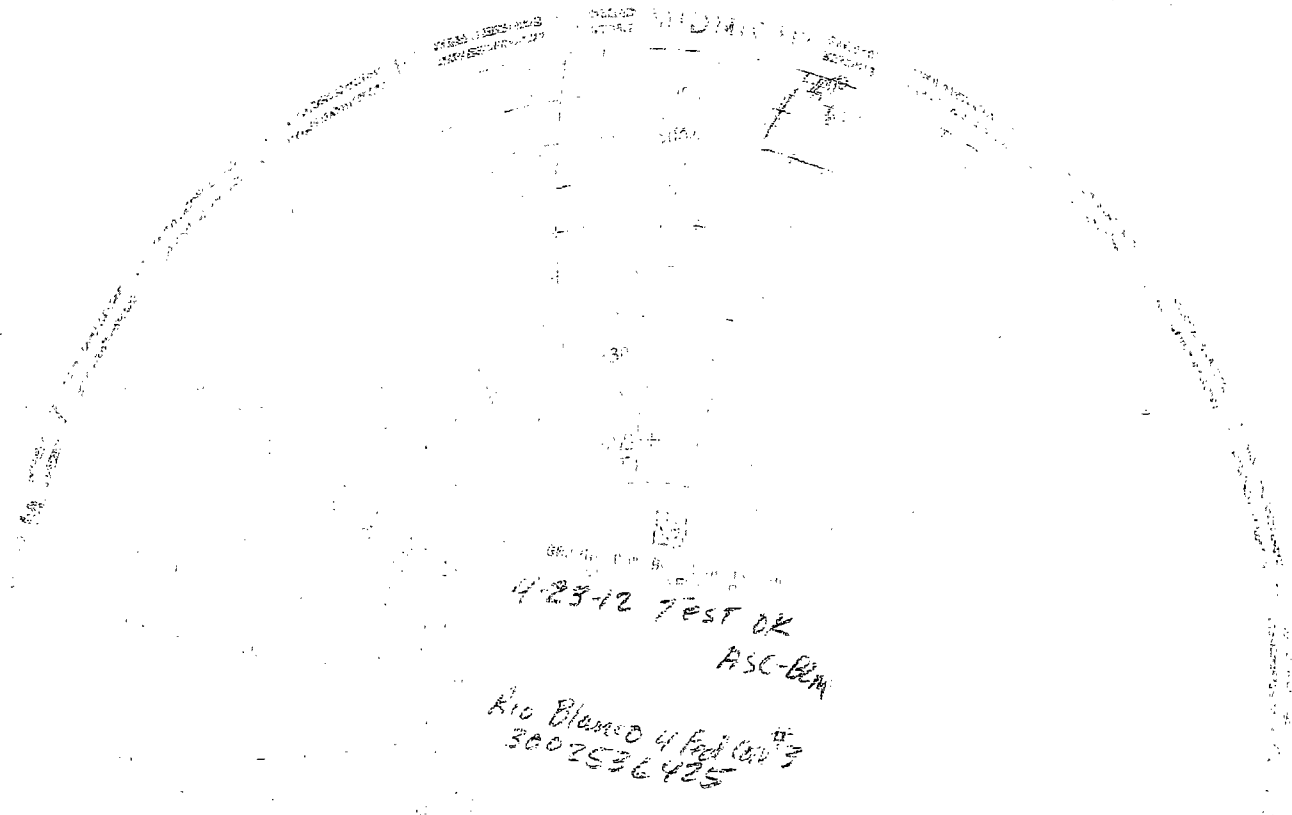
DEVONIAN - SWD INJECTION ZONE
Open Hole 14,500' - 14,653'

356 Jts 3-1/2", 10#, L80, Eneertube lined tubing (4/21/12)
35 Jts 2-7/8", 7#, L80, Eneertube lined tubing (4/21/12)
64 Jts 2-7/8", 7#, L80, Ultratube lined tubing (4/21/12)

T2 On/Off Tool
2-3/8", 1.87 F Nipple
5" Arrowset, Nickel coated Packer @ 14,431' (4/20/12)
2-3/8" x 8" sub
2-3/8", 1.87 R Nipple

4-1/8" Open hole

TD @ 14,653'



4-23-12 TEST OK
ASC-BEM

KIO Blamed 4 Feb 1913
3002536435

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1618
February 25, 2016

**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 for its Rio Blanco 33 Federal SWD Well No. 2 with a location 1980 feet from the North Line and 1980 feet from the West line, Unit F of Section 33, Township 22 South, Range 34 East, NMPM, Lea County, New Mexico, for disposal of produced water.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 19.15.26.8B. NMAC and satisfactory information has been provided that affected parties have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Division Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Division Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

Devon Energy Production Company, LP (OGRID 6137), is hereby authorized to utilize its Rio Blanco 33 Federal SWD Well No. 2 (API 30-025-36360) with a location 1980 feet from the North Line and 1980 feet from the West line, Unit F of Section 33, Township 22 South, Range 34 East, NMPM, Lea County, for disposal of oil field produced water (UIC Class II only) into the Devonian formation through open-hole interval from 14570 feet to 14660 feet. Disposal shall occur through internally-coated tubing and a packer set within 100 feet of the permitted disposal interval.

This permit does not permit disposal into the Ellenburger formation (lower Ordovician) or lost circulation intervals directly on top and obviously connected to this formation.

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. The well construction shall be as proposed and described in the application.

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 2914 psi. 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 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 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 or disposal well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this disposal 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 disposal 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.



DAVID R. CATANACH
Director

DRC/wvjj

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
Well File: 30-025-36360

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

BUREAU OF LAND MANAGEMENT

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