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Form 3160-5
(June 2015)

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM97151 ✓

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
FLAGLER 8 FED 12H

9. API Well No.
30-025-45163-00-S1

10. Field and Pool or Exploratory Area
DRAPER MILL-BONE SPRING
UNKNOWN

11. County or Parish, State
LEA COUNTY, NM

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY
Contact: REBECCA DEAL
Rebecca.Deal@dvn.com

3a. Address
333 WEST SHERIDAN AVENUE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
Ph: 405-228-8429

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 8 T25S R33E SWSE 180FSL 1710FEL
32.138348 N Lat, 103.591278 W Lon

HOBBS OCD
JUN 10 2019
RECEIVED

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.

WATER PRODUCTION & DISPOSAL INFORMATION

Site Name: Flagler 8 Fed #12H

1. Name(s) of formation(s) producing water on the lease: [96392] DRAPER MILL; BONE SPRING ✓
2. Amount of water produced from all formations in barrels per day: 1909 BWPD ✓
4. How water is stored on lease: 3-750BBL water tanks ✓
5. How water is moved to the disposal facility: Piped ✓

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

**Electronic Submission #466141 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPANY, sent to the Hobbs
Committed to AFMSS for processing by PAMELLA HERNANDEZ on 05/21/2019 (19PGH0013SE)**

Name (Printed/Typed) REBECCA DEAL Title REGULATORY COMPLIANCE PROFESSOR

Signature (Electronic Submission) Date 05/21/2019

ACCEPTED FOR RECORD

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 BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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)

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

Additional data for EC transaction #466141 that would not fit on the form

32. Additional remarks, continued

6. Identify the Disposal Facility by:

A. Facility Operators Name: A) Devon Energy ✓

B. Facility or well name/number: A) Mesquite SWD ✓

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

D.1) Location by ? ? Section 21-Township 25S-Range 33E SWD 1571

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order SWD-1571-C
February 22, 2017

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Pursuant to the provisions of Division Rule 19.15.26.8B, NMAC, Mesquite SWD, Inc. (the "operator") seeks an administrative order to authorize the Vaca Draw Federal SWD Well No. 1 located 657.5 feet from the South line and 661.5 feet from the East line, Unit P of Section 21, Township 25 South, Range 33 East, NMPM, Lea County, New Mexico, for the commercial disposal of produced water.

This Order supersedes and replaces Administrative Order SWD-1571-B, issued on November 30, 2016, which permitted injection in the Devonian and Silurian formations from 17498 feet to 19842 feet. The amended Administrative Order changes the injection interval into the Devonian, Silurian and Montoya formations from 17465 feet to 19035 feet. Further the operator provided an expert witness that stated that the portion of the Montoya formation that was penetrated was not porous, and the injected fluids would not penetrate into the lower Montoya formation. Lastly, this amended order lowers the approved injection pressure to **3493 psi**.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rules 19.15.26.8B, NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objection was received within the required suspense period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Mesquite SWD, Inc. (OGRID 161968), is hereby authorized to utilize its Vaca Draw Federal SWD Well No. 1 (API 30-025-23895) located 657.5 feet from the South line and 661.5 feet from the East line, Unit P of Section 21, Township 25 South, Range 33 East, NMPM, Lea County, for commercial disposal of oil field produced water (UIC Class II only) in Devonian, Silurian, and Montoya formations, through open-hole interval from **17465 feet to 19035 feet**. Injection will occur through internally-coated, 5½-inch or smaller tubing and a packer set within 100 feet of the uppermost perforation.

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 completion and construction of the well as proposed in the application, and as modified by this Order.

Within two years after commencing disposal, the operator shall conduct an injection survey, consisting of a temperature log or equivalent, over the entire injection interval using representative disposal rates. Copies of the survey results shall be provided to the Division's District I office and Santa Fe Engineering Bureau office.

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 3493 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 I 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 I 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.

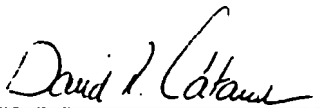
The injection authority granted under this order is not transferable except upon Division approval. The Division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The Division may revoke this injection order after notice and hearing if the operator is in violation of Rule 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.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad
Well File - 30-025-23895