

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

 Signature Title Date

 e-mail Address



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

March 29, 2007

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Form C-108, Application for Authorization to Inject
Caballo 9 State #1
API#: 30-025-34577
Lea County, NM
Section 9, T23S, R34E

2007 APR 2 AM 10 36

Gentlemen:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject. Devon's application proposes to dispose of produced waters from the Delaware and Devonian formations into the Delaware Bell Canyon and Delaware Cherry Canyon formations utilizing the Caballo 9 State #1 wellbore.

A copy of this application is being filed with the OCD-Artesia office, surface land owner, and appropriate leasehold interest operators.

If you have any questions, please contact Bill Greenlees at (405)-552-8194 or myself at (405)-552-4615. Thank you for your cooperation in this matter.

Sincerely,

Ronnie Slack
Engineering Technician

RS/rs

Enclosure

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No
- II. OPERATOR: _____ Devon Energy Production Company, LP _____
ADDRESS: _____ 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102 _____
CONTACT PARTY: _____ Ronnie Slack _____ PHONE: _____ 405-552-4615
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes _____ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: _____ Ronnie Slack _____ TITLE: _____ Engineering Technician

SIGNATURE: Ronnie Slack DATE: 3/29/07

E-MAIL ADDRESS: _____ Ronnie.Slack@DVN.com _____

- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: Devon Energy Production Company, LP

WELL NAME & NUMBER: CABALLO 9 STATE #1

WELL LOCATION: 1650' FNL & 660' FWL E Sec 9 T23S R34E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing

Hole Size: 26" Casing Size: 20"
Cemented with: 1525 sx. or ft³

Top of Cement: Surface Method Determined: Circ. cement
Intermediate Casing

Hole Size: 17-1/2" Casing Size 13-3/8"
12-1/4" 9-5/8"

Cemented with: 13-3/8": 1260 sx. or ft³
9-5/8": 2250 sx

Top of Cement: 13-3/8": Surface Method Determined: 13-3/8" Circ
9-5/8": 1400' Cmt. 9-5/8": Temp Survey

Production Casing

Hole Size: 8-1/2" Casing Size: 7"
Cemented with: 1250 sx. or ft³

Top of Cement: 3750' Method Determined: Temp Survey

Total Depth: 13,450'

Injection Interval

5,040' feet to 5,760' (Perforated)
5,760' feet to 7,028' (Perforated)

INJECTION WELL DATA SHEET

Tubing Size: 3-1/2" Lining Material: Poly-Lined

Type of Packer: 7" IPC

Packer Setting Depth: +/-5000'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? Yes X No

If no, for what purpose was the well originally drilled? Gas Well in Strawn & Atoka (commingled open hole)

2. Name of the Injection Formation: Delaware Bell Canyon from 5,040' to 5,760' and Delaware Cherry Canyon from 5,760' to 7,028'.

3. Name of Field or Pool (if applicable): Antelope Ridge

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

Strawn Open Hole: 11,800' - 11,932' and Atoka Open Hole 11,933' - 12,250': Plugged back with CIBP @ 11,800' + 35' cement. CIBP @ 8,900' + 35' cement. Bone Spring currently open from 8,494' to 8,531'.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

The lowest productive oil zone in the area of review is the Bone Spring (8494-8531), which is currently producing in the Caballo 9 State #1. No higher oil zones have been tested above the Bone Spring in the area of review.

The next lower productive gas zones in the area of review are the Strawn (11800-11932) and Aroka (11933-12250). The Strawn and Atoka were commingled in the Caballo 9 State #1, via open hole completion, but have been plugged off. No higher gas zones have been tested above this depth in the area of review.

C108 ITEM III - WELL DATA
Devon Energy Production Company, LP
Proposed Injector: Caballo 9 State #1

III. Well Data--On Injection Well

A. Injection Well Information

- (1) **Lease** Caballo 9 State
Well No 1
Location 1650' FNL & 660' FWL
Sec, Twn, Rnge Sec 9, T23S-R34E, Unit Letter E
Cnty, State Lea County, New Mexico
- (2) **Casing** 20", 94#, J55/H40, @ 730' in 26" hole. Cmt'd w/ 1525 sxs.
Cement circulated to surface.
13-3/8", 61#, J55, @ 2,265' in 17-1/2" hole. Cmt'd w/ 1260 sxs.
Cement circulated to surface.
9-5/8", 40#, N80, J55, K55, @ 5,012'. Cmt'd w/ 2250 sxs.
TOC @ 1400' (Temp survey-4/9/99)
7", 26# & 23#, S95, @ 11,800'. Cmt'd w/ 1250 sxs.
TOC @ 3750' (Temp survey-4/23/99)
- (3) **Injection Tubing** *1 1/2"* ~~2 1/8"~~, 6.5#, Poly lined tubing run to +/- 5,000'
- (4) **Packer** 7" IPC Packer @ +/- 5,000

B. Other Well Information

- (1) **Injection Formation:** Delaware Bell Canyon & Delaware Cherry Canyon
Field Name: Antelope Ridge
- (2) **Injection Interval:** Delaware Bell Canyon: 5,040' - 5,760'
Delaware Cherry Canyon: 5,760' - 7,028'

Devon is requesting that the Delaware Bell Canyon formation (5,040' - 5,760') and the Delaware Cherry Canyon formation (5,760' - 7,028') be permitted for salt water disposal. Disposal waters from the Delaware and Devonian formations will be injected into Delaware Bell Canyon and Delaware Cherry Canyon formations.

(3) **Original Purpose of Wellbore:**

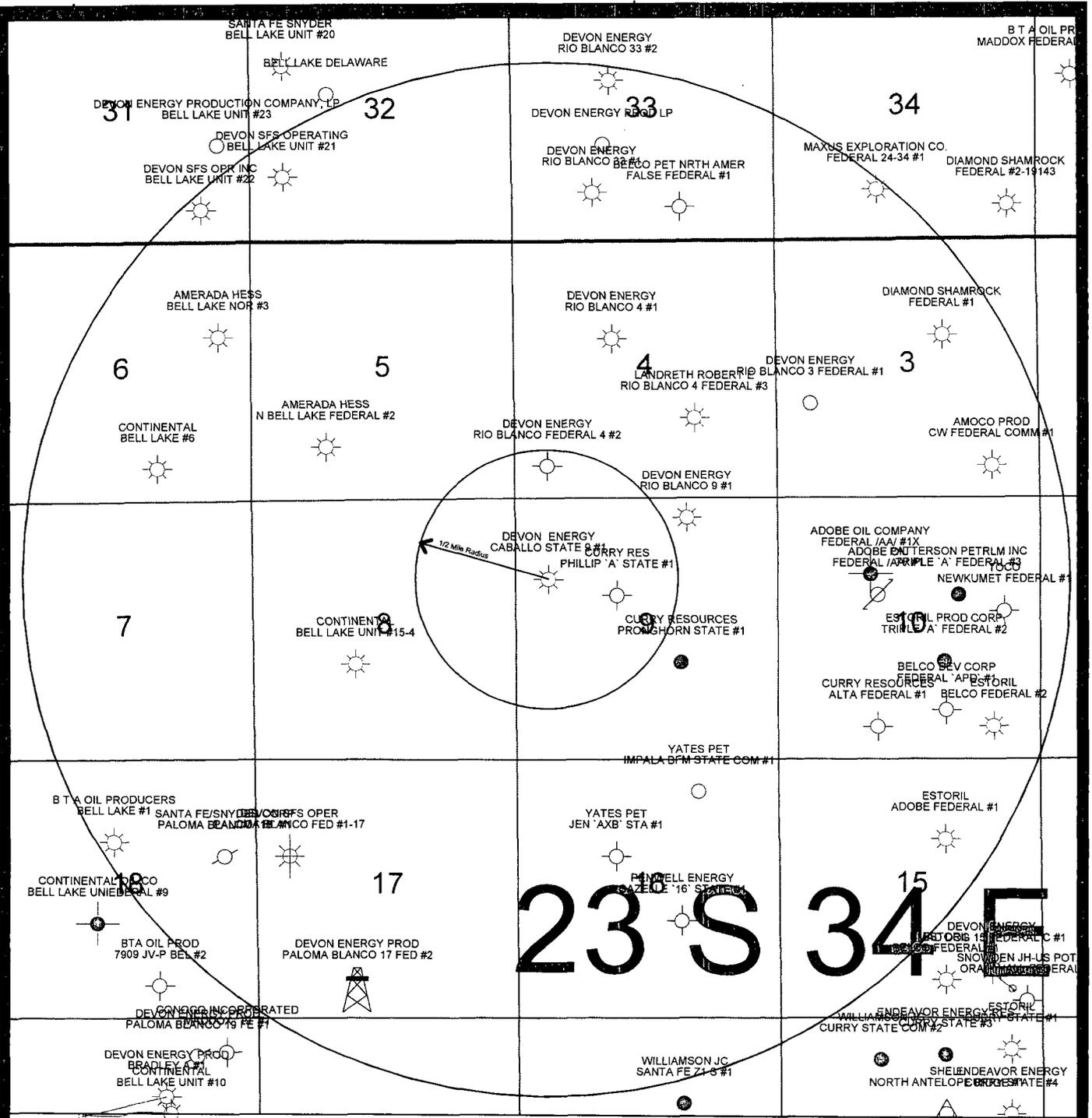
The Caballo 9 State #1 was spud on March 23, 1999. It was completed May 22, 1999, as an open hole completion in the Strawn and Atoka formations. It was plugged back and recompleted to the Bone Spring formation on March 20, 2001.

(4) **Other perforated intervals:**

The only producing/perforated intervals in the Caballo 9 State #1 are as follows:
Bone Spring: 8,494' to 8,531'. (Producing)
Strawn: Open hole completion 11,800' - 11,932'. (abandoned)
Atoka: Open hole completion 11,933' - 12,250'. (abandoned)

(5) **Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well if any.**

The lowest productive oil zone in the area of review is the Bone Spring, which is currently producing in the Caballo 9 State #1. No higher oil zones have been tested above the Bone Spring in the area of review.
The next lower productive gas zones in the area of review are the Strawn and Aroka. The Strawn and Atoka were commingled in the Caballo 9 State #1, via open hole completion, but have been plugged off. No higher gas zones have been tested above this depth in the area of review.



C108-Item V
Map with 1/2 Mile & 2 Mile Review Area
Proposed Injector; Caballo 9 State #1
Lea County; Sec 9-T23S-R34E

DEVON

Southeast New Mexico

Caballo 9 State #1

Sec 9-T23S-R34E 1650' fnl 660' fwl

0 3,000 6,000
 FEET

March 27, 2007

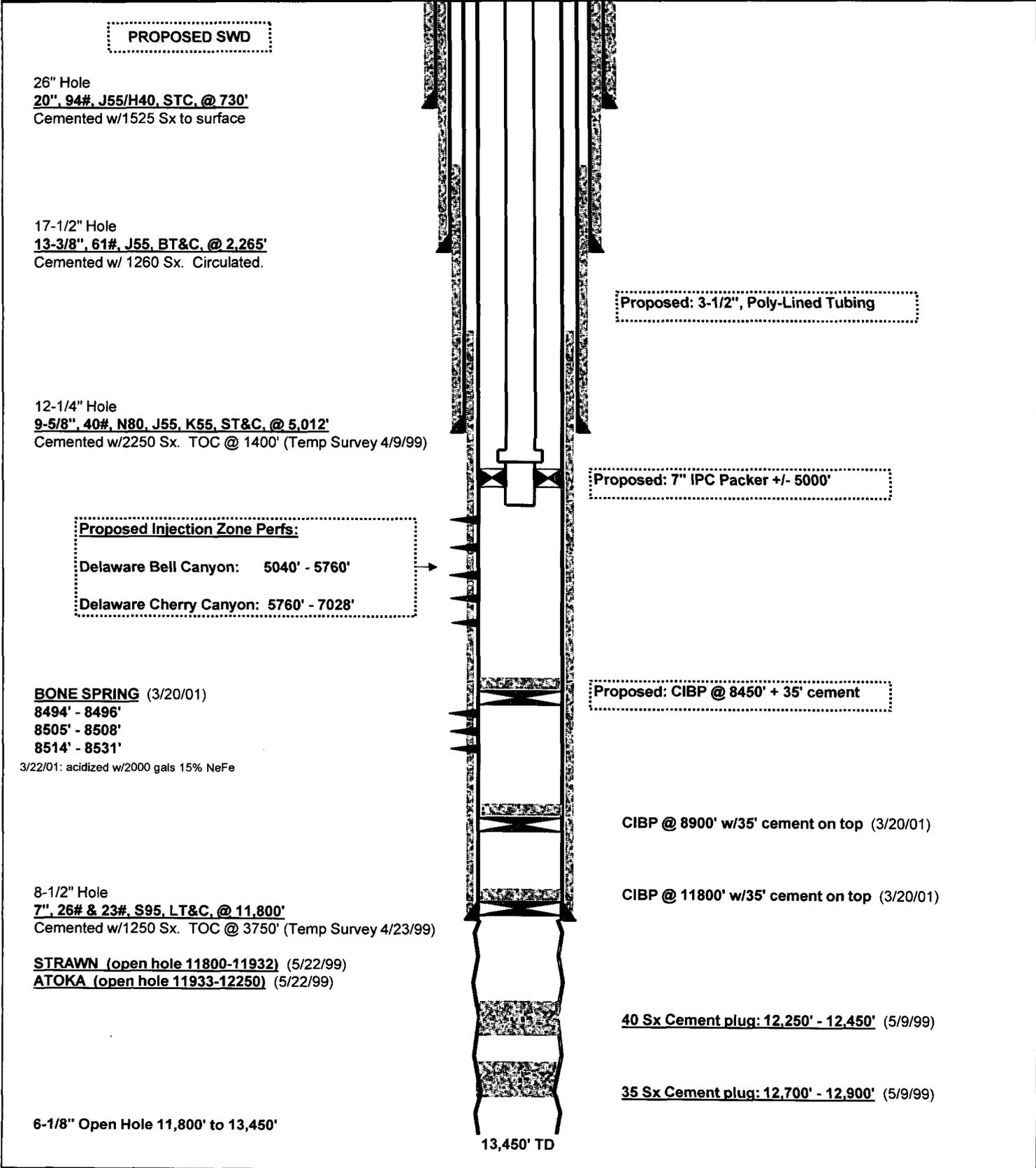
C108 ITEM VI--Well Tabulation in Review Area

Devon Energy Production Company, LP
Proposed Injector: Caballo 9 State #1

Operator	Well Name	API NO	County	Sec	Twn	Rnge	Type	Status	Spud Date	Comp Date	TD	PBTD	Comp Zone	Comp Interval	Casing Program	Cement / TOC
Devon Energy Prod Co LP	Caballo 9 State 1	30-025-34577	Lea	9	23S	34E	Oil	Act Prod	03/23/99	05/22/99	13450	8865	Bone Spring Strawn/Atoka	8494-8531 (Open) Open hole 11800-12250 (plugged)	20", 94#, J55 & H40, @ 730' 13-3/8" 61#, J55, @ 2265' 9-5/8", 40#, N80, J55, K55, @ 5012' 7", 26# & 23#, S95, @ 11800'	1525 sx / Surf (circ) 1260 sx / Surf (circ) 2250 sx / 1400' (Temp survey) 1250 sx / 3750' (Temp survey)
Devon Energy Prod Co LP	Rio Blanco 4 Federal 2	30-025-34605	Lea	4	23S	34E	NA	P&A	07/02/99	P&A 8/29/99	13335	Surface	Never Completed	Never Completed-Plugged & Abandoned	20", 94#, X56, @ 697' 13-3/8" 61#, J55, @ 2220' 9-5/8", 40#, S95, @ 5061' 7", 26#, P110, @ 11886'	1200 sx / Surf (circ) 1125 sx / Surf (circ) 1525 sx / Surf (circ) 1000 sx / Cut & pulled @ 6260'
Curry Resources	Phillips A State 1	30-025-29099	Lea	9	23S	34E	NA	Never drilled	NA	NA	NA	NA	Never drilled Never Completed	Form C-101, notice of attention to drill expired per letter from OCD dated 12/6/85. Well never drilled. PI/dwights records note that 20" conductor set at 80' prior to expiration of Form C-101.	20" Conductor to 80'	NA

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: CABALLO 9 STATE #1		Field: ANTELOPE RIDGE	
Location: 1650' FNL & 660' FWL; SEC 9-T23S-R34E		County: LEA	State: NM
Elevation: 3419' GR; 3434' KB		Spud Date: 3/23/99	Compl Date: 5/22/99
API#: 30-025-34577	Prepared by: Ronnie Slack	Date: 3/2/07	Rev:



PROPOSED SWD

26" Hole
20", 94#, J55/H40, STC, @ 730'
 Cemented w/1525 Sx to surface

17-1/2" Hole
13-3/8", 61#, J55, BT&C, @ 2,265'
 Cemented w/ 1260 Sx. Circulated.

12-1/4" Hole
9-5/8", 40#, N80, J55, K55, ST&C, @ 5,012'
 Cemented w/2250 Sx. TOC @ 1400' (Temp Survey 4/9/99)

Proposed Injection Zone Perfs:
 Delaware Bell Canyon: 5040' - 5760'
 Delaware Cherry Canyon: 5760' - 7028'

Proposed: 3-1/2", Poly-Lined Tubing

Proposed: 7" IPC Packer +/- 5000'

Proposed: CIBP @ 8450' + 35' cement

BONE SPRING (3/20/01)
 8494' - 8496'
 8505' - 8508'
 8514' - 8531'

3/22/01: acidized w/2000 gals 15% NeFe

CIBP @ 8900' w/35' cement on top (3/20/01)

8-1/2" Hole
7", 26# & 23#, S95, LT&C, @ 11,800'
 Cemented w/1250 Sx. TOC @ 3750' (Temp Survey 4/23/99)

CIBP @ 11800' w/35' cement on top (3/20/01)

STRAWN (open hole 11800-11932) (5/22/99)
ATOKA (open hole 11933-12250) (5/22/99)

40 Sx Cement plug: 12,250' - 12,450' (5/9/99)

35 Sx Cement plug: 12,700' - 12,900' (5/9/99)

6-1/8" Open Hole 11,800' to 13,450'

13,450' TD

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: CABALLO 9 STATE #1		Field: ANTELOPE RIDGE	
Location: 1650' FNL & 660' FWL; SEC 9-T23S-R34E		County: LEA	State: NM
Elevation: 3419' GR; 3434' KB		Spud Date: 3/23/99	Compl Date: 5/22/99
API#: 30-025-34577	Prepared by: Ronnie Slack	Date: 2/22/07	Rev:

CURRENT SCHEMATIC

26" Hole
20", 94#, J55/H40, STC, @ 730'
 Cemented w/1525 Sx to surface

17-1/2" Hole
13-3/8", 61#, J55, BT&C, @ 2,265'
 Cemented w/ 1260 Sx. Circulated.

12-1/4" Hole
9-5/8", 40#, N80, J55, K55, ST&C, @ 5,012'
 Cemented w/2250 Sx. TOC @ 1400' (Temp Survey 4/9/99)

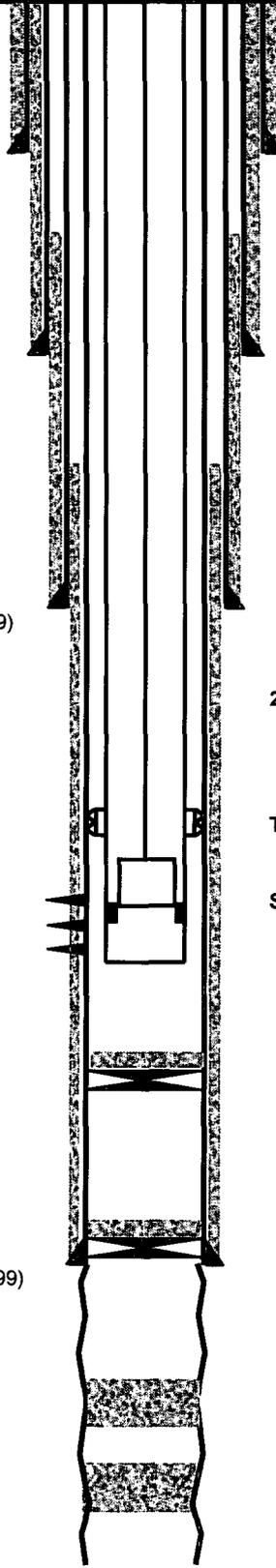
BONE SPRING (3/20/01)
 8494' - 8496'
 8505' - 8508'
 8514' - 8531'

3/22/01: acidized w/2000 gals 15% NeFe

8-1/2" Hole
7", 26# & 23#, S95, LT&C, @ 11,800'
 Cemented w/1250 Sx. TOC @ 3750' (Temp Survey 4/23/99)

STRAWN (open hole 11800-11932) (5/22/99)
ATOKA (open hole 11933-12250) (5/22/99)

6-1/8" Open Hole 11,800' to 13,450'



2-7/8", 6.5#, N80, Production Tubing

TAC @ 8290' (2/1/05)

Seating Nipple @ 8423' (2/1/05)

CIBP @ 8900' w/35' cement on top (3/20/01)

CIBP @ 11800' w/35' cement on top (3/20/01)

40 Sx Cement plug: 12,250' - 12,450' (5/9/99)

35 Sx Cement plug: 12,700' - 12,900' (5/9/99)

13,450' TD

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: RIO BLANCO 4 FEDERAL #2		Field: NORTH BELL LAKE	
Location: 660' FSL & 660' FWL; SEC 4-T23S-R34E		County: LEA	State: NM
Elevation: 3419' GR		Spud Date: 7/2/99	Compl Date: P&A 8/29/99
API#: 30-025-34605	Prepared by: Ronnie Slack	Date: 2/22/07	Rev:

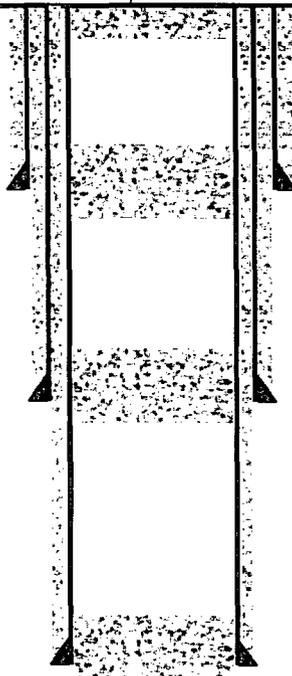
PLUGGED & ABANDONED
8/29/99

26" Hole
20", 94#, X56, @ 697'
Cemented w/ 1200 Sx. Circulated.

17-1/2" Hole
13-3/8", 61#, J55, @ 2,220'
Cemented w/1125 Sx. Circulated

12-3/4" Hole
9-5/8", 40#, S95, @ 5,061'
Cemented w/1525 Sx. Circulated.

8-3/4" Hole
7", 26#, P110, @ 11,886'
Cemented w/1000 Sx. TOC @ 6399'



Plug #10: 10 Sx, 20' to surface.

Plug #9: 50 Sx, 609' - 750'.

Plug #8: 50 Sx, 2,112' - 2,262'.

Plug #7: 100 Sx, 4,950' - 5,111'. Tagged TOC 4,950'



Plug #6: 75 Sx, 6,116' - 6,350'
7" casing cut & retrieved at 6260'

Plug #5: 50 Sx, 8,519' - 8,255'

Plug #4: 50 Sx, 10,270' - 10,535'

Plug #3: 75 Sx, 11,443' - 11,850'
CIBP @ 11,850'

Plug #2: 12,080' - 12,280'

Plug #1: 65 Sx 12,700' - 13,070'

13,335' TD

CURRY RESOURCES

Well Name: PHILLIPS A STATE #1		Field: UNDESIGNATED	
Location: 1980' FNL & 1980' FWL; SEC 9-T23S-R34E		County: LEA	State: NM
Elevation: 3413' GL		Spud Date: NA	Compl Date: NA
API#: 30-025-29099	Prepared by: Ronnie Slack	Date: 2/22/07	Rev:

20" CASING TO 80'

80' TD

NOTE:

Form C-101, notice of intention to drill, expired per letter from the OCD Hobbs District Office, dated December 6, 1985. This well was never drilled.

PI/Dwights records indicate that 20" conductor was set at 80' prior to expiration of Form C-101.

C-108 - Section VII to XII
Devon Energy Production Company, LP
Proposed Injector: Caballo 9 State #1

VII Attach data on the proposed operation, including:

- (1) Proposed average injection rate: 4000 BWPD
Proposed maximum injection rate: 7000 BWPD
- (2) The system will be a closed system.
- (3) Proposed average injection pressure: 1000 psi
Proposed max injection pressure: 1150 psi
- (4) The proposed injection fluid is produced water from the Delaware and Devonian formations that will be re-injected into the Delaware Bell Canyon and Delaware Cherry Canyon formations.
- (5) Water analysis' are attached for the Rio Blanco 33-2, Rio Blanco 4-1, and the Paloma Blanco 17-1. The Rio Blanco 33-2 & 4-1 are for produced waters from the Devonian. The Paloma 17-1 is for produced waters from the Delaware. Similar formation waters will be injected into the Caballo 9 State #1

VIII The proposed injection interval is located in the Delaware Bell Canyon and the Delaware Cherry Canyon formations. The Delaware is a Permian age formation with a lithology composition of sandstone, siltstone, and shale. The Bell Canyon formation is found from 5025' to 5760' (735' thick). The Cherry Canyon formation is found from 5760' to 7555' (1795' thick).

Per State Engineers Average Depth of Water Report, the average depth to fresh water in the review area is 280' deep. Surface casing has been set at 730' and cemented to surface. The 1st intermediate casing is set at 2,265' and cemented to surface to protect underground fresh water sources.

IX The proposed injection zone will be acidized with +/- 5000 gallons 7.5% NeFe and fraced with +/- 120,000 lb proppant.

X Logging & test data have previously been submitted to the OCD.

XI A listing of fresh water wells surrounding the Caballo 9 State #1 per New Mexico Office of the State Engineer POD/Surface Data Report is submitted. Attached is a fresh water analysis from the Keller Station, which is representative of the RV, LLC Keller well, Sec 8, T23S, R34E, permit number CP 00876, pod number CP 0872

XII An examination of this area has determined there are no open faults or other hydrologic connection between the disposal zone and any underground drinking water.

C108-Item VII #5
Disposal Formation Water Analysis
Devonian Formation
Rio Blanco 33-2
Sec 33-T22S-R34E

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	DEVON ENERGY CORPORATION	Sales RDT:	33517.1
Region:	PERMIAN BASIN	Account Manager:	SHAWNA MATTHEWS (505) 910-9393
Area:	ARTESIA, NM	Sample #:	326831
Lease/Platform:	RIO BLANCO	Analysis ID #:	47314
Entity (or well #):	33-2	Analysis Cost:	\$40.00
Formation:	DEVONIAN		
Sample Point:	SEPARATOR		

Summary		Analysis of Sample 326831 @ 75 °F					
		Anions		Cations			
		mg/l	meq/l	mg/l	meq/l		
Sampling Date:	12/16/04	Chloride:	40139.0	1132.17	Sodium:	25431.7	1106.22
Analysis Date:	12/22/04	Bicarbonate:	228.1	3.74	Magnesium:	99.0	8.14
Analyst:	SALLY MOORE	Carbonate:	0.0	0.	Calcium:	761.0	37.97
TDS (mg/l or g/m3):	67936.8	Sulfate:	1062.0	22.11	Strontium:	19.0	0.43
Density (g/cm3, tonne/m3):	1.051	Phosphate:			Barium:	2.0	0.03
Anion/Cation Ratio:	1	Borate:			Iron:	23.0	0.83
		Silicate:			Potassium:	172.0	4.4
Carbon Dioxide:	100 PPM	Hydrogen Sulfide:		140 PPM	Aluminum:		
Oxygen:		pH at time of sampling:		6.1	Chromium:		
Comments:		pH at time of analysis:			Copper:		
		pH used in Calculation:		6.1	Lead:		
					Manganese:		
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ *2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
80	0	-0.95	0.00	-0.88	0.00	-0.92	0.00	-0.69	0.00	1.44	0.98	1.57
100	0	-0.83	0.00	-0.93	0.00	-0.90	0.00	-0.71	0.00	1.26	0.98	2
120	0	-0.70	0.00	-0.96	0.00	-0.85	0.00	-0.71	0.00	1.10	0.98	2.45
140	0	-0.57	0.00	-0.99	0.00	-0.79	0.00	-0.70	0.00	0.97	0.98	2.91

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.
Note 3: The reported CO2 pressure is actually the calculated CO2 fugacity. It is usually nearly the same as the CO2 partial pressure.

C108-Item VII #5
Disposal Formation Water Analysis
Devonian Formation
Rio Blanco 4-1
Sec 4-T23S-R34E

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	DEVON ENERGY CORPORATION	Sales RDT:	33517.1
Region:	PERMIAN BASIN	Account Manager:	SHAWNA MATTHEWS (505) 910-9393
Area:	ARTESIA, NM	Sample #:	326817
Lease/Platform:	RIO BLANCO	Analysis ID #:	47310
Entity (or well #):	4-1	Analysis Cost:	\$40.00
Formation:	DEVONIAN		
Sample Point:	SEPARATOR		

Summary	Analysis of Sample 326817 @ 75 °F					
	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Sampling Date: 12/16/04	Chloride:	41669.0	1175.33	Sodium:	25492.9	1108.88
Analysis Date: 12/22/04	Bicarbonate:	228.1	3.74	Magnesium:	162.0	13.33
Analyst: SALLY MOORE	Carbonate:	0.0	0.0	Calcium:	1361.0	67.91
TDS (mg/l or g/m3): 70316.5	Sulfate:	1011.0	21.05	Strontium:	34.0	0.78
Density (g/cm3, tonne/m3): 1.053	Phosphate:			Barium:	1.5	0.02
Anion/Cation Ratio: 1	Borate:			Iron:	7.0	0.25
	Silicate:			Potassium:	350.0	8.95
Carbon Dioxide: 100 PPM	Hydrogen Sulfide:		210 PPM	Aluminum:		
Oxygen:	pH at time of sampling:		6.1	Chromium:		
Comments:	pH at time of analysis:			Copper:		
	pH used in Calculation:		6.1	Lead:		
				Manganese:		
				Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ *2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
80	0	-0.70	0.00	-0.68	0.00	-0.72	0.00	-0.49	0.00	1.27	0.65	1.54
100	0	-0.59	0.00	-0.72	0.00	-0.69	0.00	-0.50	0.00	1.09	0.65	1.96
120	0	-0.47	0.00	-0.76	0.00	-0.65	0.00	-0.50	0.00	0.93	0.65	2.4
140	0	-0.34	0.00	-0.78	0.00	-0.58	0.00	-0.50	0.00	0.80	0.65	2.85

Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.
Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.
Note 3: The reported CO₂ pressure is actually the calculated CO₂ fugacity. It is usually nearly the same as the CO₂ partial pressure.

C108-Item VII #5
Disposal Formation Water Analysis
Delaware Formation
Paloma Blanco 17-1
Sec 17-T23S-R34E

MAR-3-2007 15:34 FROM:

TO: 93962679

P:1/2



Water Analysis

Date: 03-Mar-07

2703 West County Road, Hobbs NM 88240
 Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Company	Well Name	County	State
Devon	Paloma Blanco 17-1	Lea	New Mexico

Sample Source Sample # 1

Formation Depth

Specific Gravity	1.158	SG @ 60 °F	1.157
pH	5.93	Sulfides	Absent
Temperature (°F)	68	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	77,524	in PPM	67,027
Calcium	in Mg/L	10,000	in PPM	8,646
Magnesium	in Mg/L	1,920	in PPM	1,660
Soluble Iron (FE2)	in Mg/L	50.0	in PPM	43

Anions

Chlorides	in Mg/L	142,000	in PPM	122,774
Sulfates	in Mg/L	275	in PPM	238
Bicarbonates	in Mg/L	244	in PPM	211
Total Hardness (as CaCO3)	in Mg/L	33,000	in PPM	28,532
Total Dissolved Solids (Calc)	in Mg/L	232,013	in PPM	200,599
Equivalent NaCl Concentration	in Mg/L	201,511	in PPM	174,227

Scaling Tendencies

*Calcium Carbonate Index 2,440,000

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index 2,750,000

Below 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks

.048 @68F

Report # 2429

NEW MEXICO OFFICE OF THE STATE ENGINEER
 POD / SURFACE DATA REPORT FOR FRESH WATER WELLS
 Township 23S Range 34E Sections: 4,5,8,9
 Lea County, NM
 Caballo 9 State #1 SWD application
 Water sample submitted for RV, LLC Keller

DB File Nbr	(acre ft per annum)			Owner	POD Number	(quarters are 1=NW 2=NE 3=SW 4=SE) (quarters are biggest to smallest)				X Y are in Feet			UTM are in Meters			Start Date	Finish Date	Depth	
	Use	Diversion	0			Source	Tws	Rng	Sec	q	q	q	q	Zone	X			Y	UTM_Zone
CP 00556	PRO	0		J.C. MILLS	CP 00556	Shallow	23S	34E	8	3	4	4	13	641897	3575901	09/27/74	10/17/74	497	255
CP 00556 (1)	STK	0		J.C. MILLS	CP 00556 (1) EXP		23S	34E	8	3	4	4	13	641897	3575901				
CP 00556 (2)	PRO	0		J.C. MILLS	CP 00556 (2) EXP		23S	34E	8	3	4	4	13	641897	3575901				
CP 00556 (3)	PRO	0		J.C. MILLS	CP 00556 (3) EXP		23S	34E	8	3	4	4	13	641897	3575901				
CP 00556 (4)	PRO	0		J.C. MILLS	CP 00556 (4) EXP		23S	34E	8	3	4	4	13	641897	3575901				
CP 00629	STK	0		J.C. MILLS	CP 00629 EXP		23S	34E	8	3	4	4	13	641897	3575901				
CP 00629 (E) 1	STK	ERROR		J.C. MILLS	CP 00629 (E) 1 EXP		23S	34E	8	3	4	4	13	641897	3575901	09/29/97	10/03/97	500	305
CP 00872	EXP	0		JIM KELLER RV, LLC	CP 00872	Shallow	23S	34E	8	1	1	1	13	641275	3577303	09/29/97	10/03/97	500	305
CP 00876	COM	0		RV, LLC KELLER	CP 00872	Shallow	23S	34E	8	1	1	1	13	641275	3577303	09/29/97	10/03/97	500	305
CP 00878	PRO	0		PENWELL ENERGY	CP 00872	Shallow	23S	34E	8	1	1	1	13	641275	3577303	09/29/97	10/03/97	500	305

Record Count: 10



C108-Item XI
 Fresh Water Analysis
 RV, LLC Keller
 Pod Number CP 00872
 Sec 8-T23S-R34E

Water Analysis

Date: 18-Mar-07

2708 West County Road, Hobbs NM 88240

Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Company	Well Name	County	State
Devon	Keller Station	Lea	New Mexico

Sample Source	Sample #
	1
Formation	Depth
Specific Gravity	1.000
pH	8.10
Temperature (°F)	70
SG @ 60 °F	1.002
Sulfides	Absent
Reducing Agents	Absent

Cations

	in Mg/L		in PPM
Sodium (Calc)	247		247
Calcium	40		40
Magnesium	12		12
Soluble Iron (FE2)	0.0		0

Anions

	in Mg/L		in PPM
Chlorides	160		160
Sulfates	250		250
Bicarbonates	244		244
Total Hardness (as CaCO3)	150		150
Total Dissolved Solids (Calc)	953		951
Equivalent NaCl Concentration	659		657

Scaling Tendencies

*Calcium Carbonate Index	9,760
<i>Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable</i>	
*Calcium Sulfate (Gyp) Index	10,000
<i>Below 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable</i>	

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks iw=6.9@70f

Report # 2436

Form C-108 Section XIV
Proof of Notice to Leasehold Operators

Application For Injection in Caballo 9 State #1
Devon Energy Production Company, LP

Leasehold Operators within 1/2 mile of Caballo 9 State #1

Conoco Phillips
Attn: Tom Scarbrough
600 North Dairy Ashford, WL #-14066
Houston, TX 77079

Certified receipt No.
7005 3110 0003 6533 3264

Southwestern Energy Production Company
2350 N. Sam Houston Parkway East
Suite 300
Houston, TX 77032

Certified receipt No.
7005 3110 0003 6533 3295

Kaiser-Francis Oil Company
P.O. Box 21468
Tulsa, OK 74121-1468

Certified receipt No.
7005 3110 0003 6533 3257

Hayes Land & Production Company
Attn: Mr. William H. Bennett
P.O. Box 51047
Midland, TX 79710

Certified receipt No.
7005 3110 0003 6533 3318

Tipor Resources Oil & Gas
305 Entex Building
Houston, TX 77002

Certified receipt No.
7005 3110 0003 6533 3240

A copy of this application has been mailed to the above leasehold operators by certified mail, pertaining to Devon Energy's application for salt water disposal in the Caballo 9 State #1

Date Mailed: 3/29/07

Signature: Ronnie Slack

Date: 3/29/07

Ronnie Slack, Engineering Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Form C-108 Section XIV
Proof of Notice to Mineral Interest Owner

Application For Injection in Caballo 9 State #1
Devon Energy Production Company, LP

Mineral Interest Owner

Bureau of Land Management
Attn: Alexis Swoboda
2909 West 2nd Street
Roswell, NM 88201

Certified receipt No.
7005 3110 0003 6533 3288

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Certified receipt No.
7005 3110 0003 6533 3325

A copy of this application has been mailed to the above mineral interest owner by certified mail, pertaining to Devon Energy's application for salt water disposal in the Caballo 9 State #1

Date Mailed: 3/29/07

Signature: Ronnie Slack

Date: 3/29/07

Ronnie Slack, Engineering Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Form C-108 Section XIV
Proof of Notice to Surface Land Owner

Application For Injection in Caballo 9 State #1
Devon Energy Production Company, LP

Surface Land Owner

Keller RV LC
2811 County Road 460
Oakley, KS 67748

Certified receipt No.
7005 3110 0003 6533 3301

A copy of this application has been mailed to the above surface land owner by certified mail, pertaining to Devon Energy's application for salt water disposal in the Caballo 9 State #1

Date Mailed: 3/29/07

Signature: Ronnie Slack

Date: 3/29/07

Ronnie Slack, Engineering Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1

weeks.

Beginning with the issue dated

March 4 2007

and ending with the issue dated

March 4 2007

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 5th day of

March 2007

Dora Montz
Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO

My Commission Expires: _____

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

C108-Item XIII
Affidavit of Newspaper Publication
Caballo 9 State #1
Sec 9-T23S-R34E

LEGAL NOTICE
March 4, 2007

Devon Energy Production Company, LP, 20 North Broadway, Oklahoma City, OK 73102-8260 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for an injection well. The proposed well, the Caballo 9 State #1, located 1650' FNL & 660' FWL, Unit E, Section 9, Township 23 South, Range 34 East, in Lea County, New Mexico, will be used for salt water disposal. Disposal waters from the Delaware and Devonian will be injected into the Delaware Bell Canyon formation at a depth of 5040'-5760' and the Delaware Cherry Canyon formation at a depth of 5760'-7028' with a maximum pressure of 1150 psi and a maximum rate of 7000 BWPD.

All interested parties opposing the aforementioned must file objections or request for a hearing with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505-5472, within 15 days. Additional information can be obtained by contacting Bill Greenlees at (405) 552-8194.
#23066

03100039000 02591666
DEVON ENERGY CORPORATION
20 N. BROADWAY, SUITE 1500
OKLAHOMA CITY, OK 73102-8260



2007 APR 16 PM 12 16

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

April 13, 2007

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505

Re: RE: SWD application: Caballo 9 State #1, API #3002534577

Dear Mr. Jones:

This letter is in answer to your questions concerning the proximity of the Caballo 9 State #1 to the Capitan Reef and the lithology above the injection formation, sands in the Delaware Mountain Group.

The enclosed map of the Thickness of the Permian Guadalupian Capitan Aquifer, published by W. L. Hiss in 1975, shows the location of the Capitan Reef. The Caballo well is shown about two miles basinward (southwest) of the reef trend. Hiss's cross section A - A' passes near the Caballo and includes the Bell Lake Unit #6, located about two miles northwest of the Caballo. Hiss interprets the BLU6 to be basinward of the steep fore-reef margin of the Capitan Reef. There is an important lithologic difference between the Capitan (permeable limestone) and the Castile (impermeable anhydrite).

The enclosed logs (mudlog, density-neutron, and lateralog) from the Caballo well show that the top of the Delaware Mountain Group (marked LMAR at 4883) is overlain by anhydrite (see the mudlog). Massive anhydrite was sampled as high as the first cuttings sample at 4450, and the character of the wireline logs indicates that the same lithology continues to 3488. Clearly, the Capitan Reef is not present in the Caballo well, and the injection formation is overlain by about 1400 feet of anhydrite.

If you have any additional questions concerning the geology near the Caballo 9 State #1, please call me.

Sincerely

Steven D. Hulke
Senior Geological Advisor

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, April 10, 2007 8:27 PM
To: 'Ronnie.Slack@DVN.com'
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD; Sanchez, Daniel J., EMNRD
Subject: SWD Application: Caballo 9 State #1 API No. 30-025-34577

Hello Ronnie:

We received your application on behalf of Devon to inject into the Bell and Cherry Canyon in this well from 5040 to 7028 feet and have a couple questions and comments:

- 1) We'll require Devon to plug back with a CIBP to approx 200 feet below the 7028 feet lowermost injection interval.
- 2) What was the cumulative production from the Bone Spring (8494 to 8531) and could you send a production plot for our files?
- 3) Would you please have your geologist talk a little about the lithology (and formation tops) above the Bell Canyon in this area. Looks like the Rustler ends about 1,420 feet and there is something from 3,500 feet to 4870 feet - what is this? My maps show this well to be on the edge of the Capitan Reef. Realize you would be injecting below the Reef - but would you talk a little about how the Reef is protected from water injection both vertically and laterally? What is your opinion of the salinity in the Reef in this area? The Bell Canyon looks very porous and permeable - do you calculate 100% Sw in the upper Bell Canyon? Looks like at 10,000 feet and at 10160 feet are small hydrocarbon sands - are these any good?

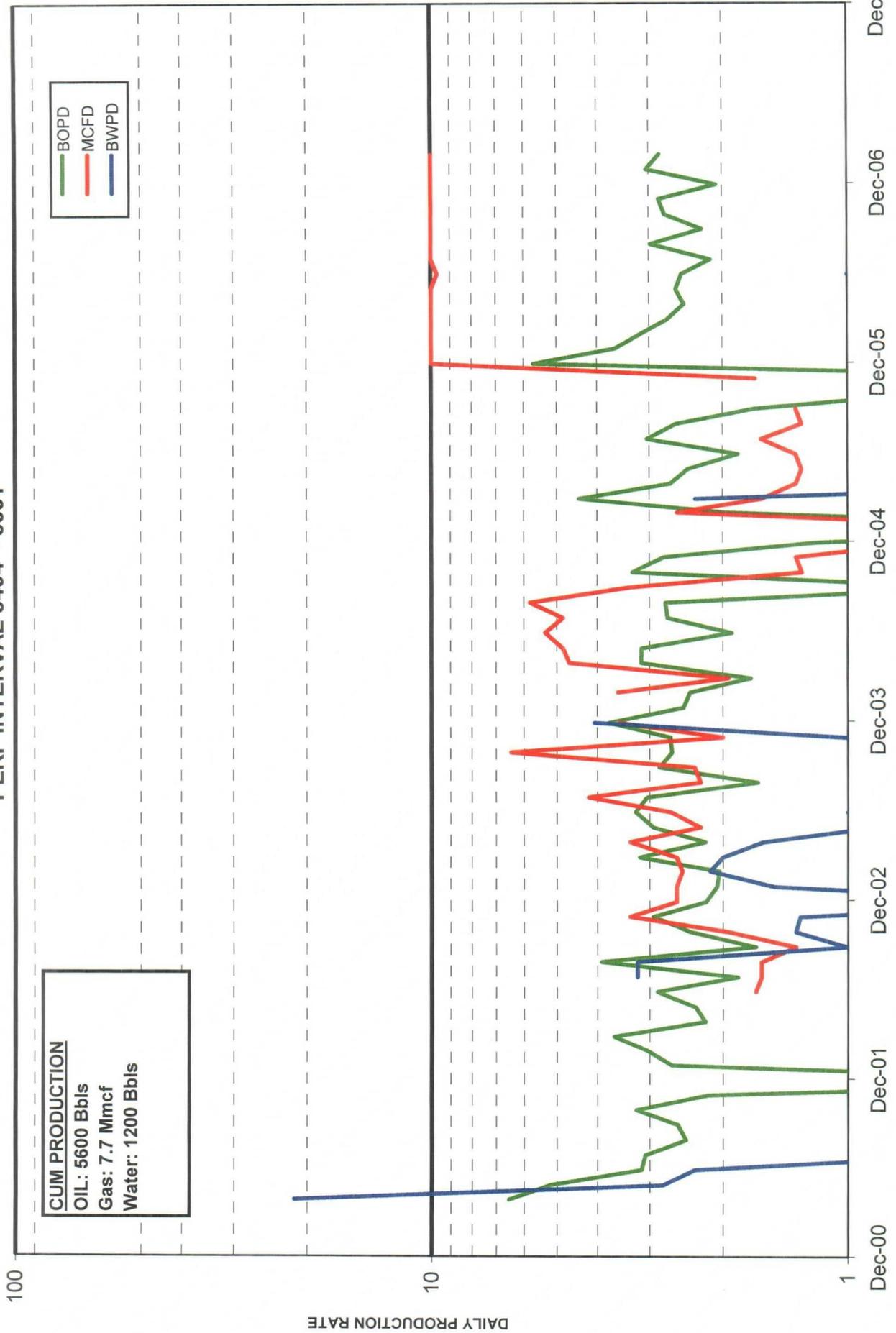
Overall the application looks fine. Please reply as soon as possible and I can release this on April 18.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

4/10/2007

**CABALLO 9 STATE #1
BONE SPRING PRODUCTION HISTORY
PERF INTERVAL 8494' - 8531'**



BFL = 1531 FNL
894 FWL

SWD Order Number 1077 Dates: Division Approved _____ District Approved _____

Well Name/Num: Caballo 9 State #1 Date Spudded: 3/23/99

API Num: (30-) 025-34577 County: Lea

Footages: 1650 FNL / 660 FWD Sec 9 Tsp 23S Rge 34E RONNIE SLACK

Operator Name: Devon Energy Production, L.P. Contact: BILL GREENE

Operator Address: 20 N. Broadway, OKC, OK, 73102-8260 SUITE 1500 1/2"

Current Status of Well: Producing BS Planned Work: PLUG BACK, Perf Inj. Tubing Size: 2" @ 5000'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	26" 20"	730'	1525 SX	CIRC
Intermediate	17 1/2" 13 3/8" 9 5/8"	2265' 5012'	1260 SX 2250 SX	CIRC 1400 T.S.
Production	8 1/2" 7"	11,800'	1250	3750 T.S.
Last DV Tool				
Open Hole/Liner				
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion After Conversion
 Checks (Y/N): Well File Reviewed ELogs in Imaging

Intervals:	Depths	Formation	Producing (Yes/No)
Saline Water	1420'	Rustler	Bottom
Capitan Reef	on edge of	Reef Area	
Cliff House, Etc:			
Formation Above	4870' = ?		No
Top Inj Interval	5040'	Bell C.	No
Bottom Inj Interval	7028'	Cherry C.	No
8300' = TOP BS Formation Below	8494-8531'	B.S.	Yes (Poor)

Positive WS @ ?
3500' - 4870'

Fresh Water: Depths: 0-280' Wells (Y/N) Yes Analysis Included (Y/N): Yes Affirmative Statement Yes

Salt Water Analysis: Injection Zone (Y/N/NA) OK Disp Waters (Y/N/NA) _____ Types: DEV, DEL

Notice: Newspaper (Y/N) Yes Surface Owner: Keller RV LC Mineral Owner(s): BLM/SLO

Other Affected Parties: TIPOR, Hayes, KF, SWER, COP

AOR/Repairs: NumActiveWells 0 Repairs? _____ Producing in Injection Interval in AOR _____

AOR Num of P&A Wells 1 Repairs? No Diagrams Included? Yes RBDMS Updated (Y/N) Yes

Well Table Adequate (Y/N) Yes AOR STRs: Sec _____ Tsp _____ Rge _____ UIC Form Completed (Y/N) Yes

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____ This Form completed 4/10/07

Conditions of Approval: Sec _____ Tsp _____ Rge _____ Data Request Sent 4/10/07

PLUG BACK TO 200' of 7028'
Reef Protection: Vertically/Laterally?
Formation Depths above Bell C.
AOR Required Work: SWB Test Bell C.?

Required Work to this Well: ? = 10000' ? P/160' = ?

Inactive Well List

Total Well Count:1689 Inactive Well Count:1 Since:1/15/2006

Printed On: Tuesday, April 10 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA
2	30-015-23753	CATCLAW DRAW UNIT COM #016	E-13-21S-25E	E	6137	DEVON ENERGY PRODUCTION COMPANY, LP	S	G	09/2005	MORROW		

WHERE Ogrid:6137, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30025-34577
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name CABALLO '9' STATE
Well No. 1
Pool name or Wildcat NORTH BELL LAKE MORROW

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
CONCHO RESOURCES INC.

Address of Operator
110 W LOUISIANA STE 410; MIDLAND TX 79701

Well Location
Unit Letter E : 1650 Feet From The NORTH Line and 660 Feet From The WEST Line
Section 9 Township 23S Range 34E NMPM LEA County

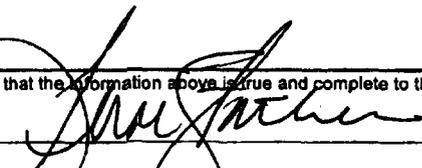
Elevation (Show whether DF, RKB, RT, GR, etc.)
3419

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: _____ <input type="checkbox"/>		OTHER: <u>RIH & SET INTERMEDIATE CSG</u> <input checked="" type="checkbox"/>	

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
4-22-99 RIH & SET 7", 23#, LTC INTERMEDIATE CSG @ 11800'. CMT W/ 550 SX INTERFILL "H" + 1/4# FLOCELE TAILED W/ 700 SX 50/50 POZ H + 2% GEL +.4% HALAD 322 + 2% HALAD 344. PLUG DOWN @ 6:45 PM CST 4/22/99. TOC @ 3750'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE  TITLE PRODUCTION ANALYST DATE 04-29-99

TYPE OR PRINT NAME TERRI STATHEM TELEPHONE NO. 915-683-7443

(This space for State Use)

APPROVED BY CHRIS WILLIAMS DISTRICT SUPERVISOR TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30025 34577
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Caballo '9' State
Well No. 1
Pool name or Wildcat North Bell Lake Morrow

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER
Name of Operator Concho Resources Inc.
Address of Operator 110 W. Louisiana, Ste 410; Midland, Tx 79701
Well Location Unit Letter <u>E</u> : <u>1650</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>9</u> Township <u>23S</u> Range <u>34E</u> NMPM Lea County
Elevation (Show whether DF, RKB, RT, GR, etc.) 3419

11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: _____ <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER: <u>Run Int. Csg</u> <input checked="" type="checkbox"/>

12 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
04-08-99 RIH & set 9-5/8" intermediate csg @ 5012' w/ 2000 sx Interfill C + additives and tailed w/ 250 sx Premium Plus w/ 2% CaCL + 1/4# flocele. Did not Circ. TOC @ 1400'.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Production Analyst DATE 04-15-99

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use) ORIGINAL SIGNED BY CHRIS WILLIAMS
DISTRICT III

APPROVED BY _____ TITLE _____ DATE JUN 09 1998

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30025-34577
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
*State Oil & Gas Lease No.
*Lease Name or Unit Agreement Name CABALLO '9' STATE
*Well No. 1
*Pool name or Wildcat NORTH BELL LAKE MORROW

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER

Name of Operator CONCHO RESOURCES INC.

Address of Operator 110 W LOUISIANA STE 410; MIDLAND TX 79701
--

Well Location Unit Letter <u>E</u> : <u>1650</u> Feet From The <u>NORTH</u> Line and <u>660</u> Feet From The <u>WEST</u> Line Section <u>9</u> Township <u>23S</u> Range <u>34E</u> NMPM <u>LEA</u> County

Elevation (Show whether DF, RKB, RT, GR, etc.) 3419
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11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: SET DEEP SURFACE CSG <input checked="" type="checkbox"/>	

12 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.
3/31/99 RIH W/ 13-3/8", 61#, J55, BT&C CSG & SET @ 2265' W/ 950 SKS INTERFILL C + ADDITIVES, TAILED W/ 310 SKS PREMIUM PLUS + ADDITIVES. CIRC 268 SKS TO SURFACE.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE TERRI STATHEM TITLE PRODUCTION ANALYST DATE 04-01-99
TYPE OR PRINT NAME TERRI STATHEM TELEPHONE NO. 915-683-7443
(This space for State Use)

APPROVED BY CHUCK WILLIAMS TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY: