

Form 3160-5 (February 2005)

UNITED STATES DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No 1004-0137 Expires March 31, 2007

5 Lease Serial No **NMNM 3620**

ANOTIOEO AND DEDODEO ON MELLO

Do not use this form for pro abandoned well. Use Form 3	6 If Indian, Allottee or Tribe Name				
SUBMIT IN TRIPLICA	7. If Unit of CA/Agreement, Name and/or No.				
1. Type of Well		<u> </u>			
Oil Well	8 Well Name and No. Kitty Hawk Federal 1				
Name of Operator Devon Energy Production Co., LP	9 API Well No 30-015-32746				
3a. Address	3b. Phone No (include area code)	10. Field and Pool or Exploratory Area			
20 North Broadway OKC, OK 73102	(405)-552-7802	Hackberry; Delaware, Northeast (96211)			
4. Location of Well (Footage, Sec., T,R,M, or Survey	Description)	11 Country or Parish, State			
Sec 1-T19S-R31E 1980' FSL & 1850' FEL		Eddy County, NM			
12 CHECK THE APPRO	PRIATE BOX(ES) TO INDICATE NATURE OF NO	OTICE, REPORT OR OTHER DATA			
TYPE OF SUBMISSION	ACTION				

TYPE OF SUBMISSION		T	YPE OF ACTION	
✓ Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat	Production (Start/Resume) Reclamation	Water Shut-Off Well Integrity
Subsequent Report	Casing Repair Change Plans	New Construction Plug and Abandon	Recomplete Temporarily Abandon	Other Change of Operator: Lynx to Devon
Final Abandonment Notice	Convert to Injection	Plug Back	Water Disposal	
13. Describe Proposed or Completed	Operation. Clearly state all pertur	ent details, including estimat	ed starting date of any proposed worl	k 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.)

As required by 43 CFR 3100.5(a) and 43 CFR 3162.3 we are notifying you of a change of operator on the above referenced well:

Kitty Hawk Federal 1 30-015-32746 Sec 1-T19S-R31E 1980' FSL & 1850' FEL

Devon Energy Production Co., LP as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease portion of lease described.

Devon Energy Production Co., LP meets federal bonding requirements as follows (43 CFR 3104):

Bond Coverage: Individually Bonded BLM Bond File: CO-1104

Effective Date: 06/01/2011

JUL 15 2011

NMOCD ARTESIA

This well was previously operated by Lynx Petroleum Consultants. See attached documentation and approval from the NMOCD.

SEE ATTACHED FOR CONDITIONS OF ADDDOUAL

CONDITIONS OF AFROYA	La	·	
14. I hereby certify that the foregoing is true and correct			
Name (Printed/Typed)	,		
Stephanie A. Ysasaga/	Title Sr. Staff Engine	ering Technician	
Signature	Date 06/01/2011	ADDDOVED	
THIS SPACE FOR FEDE	ERAL OR STATE C	FFICE USE INVVLD	
Approved by			
	Title	JUI Bat 2011	
Conditions of approval, if any, are attached Approval of this notice does not warrant or that the applicant holds legal or equitable title to those rights in the subject lease which we entitle the applicant to conduct operations thereon		/s/ JD Whitlock Jr	
Title 18 U.S.C. Section 1001 and Title 43 U S C. Section 1212, make it a crime for any placetion or fraudulent statements or representations as to any matter within its jurisdiction.		II) to maked to any idepartmental agency of infantanell states any CARLSBAD FIELD OFFICE	false,
(Instructions on page 2)			

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

Conditions of Approval

Devon Energy Production Co., LP

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
- 3. Submit for approval of water disposal method.
- 4. Submit updated facility diagrams as per Onshore Order #3
- 5. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 8. Subject to like approval by NMOCD.

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District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 1301 W. Grand Ave., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

State of New Mexico
Energy, Minerals and Natural
Resources

Porm C-145 Permit 132203

Oil Conservation Division 1220 S. St Francis Dr.

MOBBS OCD

Santa Fe, NM 87505

JUN 0 2 2011

Change of Operator MCENER

Previous Operator Information New		New Operator	Operator Information					
	Ī	Effective Date:	Effective on the date of approval by the OCD					
OGRID:	13645	OGRID;	6137					
Name:	LYNX PETROLEUM CONSULTANTS INC	Name:	DEVON ENERGY PRODUCTION COMPANY, LP					
Address:	PO BOX 1708	Address:	20 N Broadway					
City, State, Zip:	HOBES, NM 88241	City, State, Zip	Oklahoma City, OK 73102					
	hat the rules of the Oil Conservation is form and the certified list of wells							
	signing below, DEVON ENERGY I the following synopsis of applicable		COMPANY, LP certifies that it has read					
Prévious Opera		New Oper	rator					
Signature:	Carry & Sest	_ Signature:						
Printed Name: <u>La</u>	rry R. Scott	Printed Name:	David S. Frank					
Title: Pr	esident	_ Title:	David S. Frank – Attorney-In-Fact					
Date: 6/	02/11 Phone: 575-392-69	50 Date:	06/01/2011 Phone: (405)-552-7881					
	NMOCD Appro Electronic Signature: Date: June 02, 2011	Randy Da	ade, District 2					

Devon Energy Production Co., L.P. assumes operations of the attached list effective 06/01/2011.

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DEVON ENERGY PRODUCTION COMPANY, LP certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells are in compliance with 19.15.17 NMAC, have been closed pursuant to 19.15.17.13 NMAC, or have been retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

DEVON ENERGY PRODUCTION COMPANY, LP understands that the OCD's approval of this operator change:

- constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
- constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

As the operator of record of wells in New Mexico, DEVON ENERGY PRODUCTION COMPANY, LP agrees to the following statements:

- I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
- 2. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.9.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See 19.15.9.9.C(2) NMAC.
- 3. I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See 19.15.7.24.C NMAC.
- 4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on approved temporary abandonment, See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
- 5. I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
- 6. I am responsible for reporting releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
- 7. I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19.NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC, If I am in violation of Part 5.9 the OCD may, after notice and heating, revoke my existing injection permits. See 19.15.26.8 NMAC.
- 8. For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand

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that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.

- 9. I am responsible for providing the OCD with my current address of record and emergency contact information, and I am responsible for updating that information when it changes. See 19.15.9.8.C NMAC, I understand that I can update that information on the OCD's website under "Electronic Permitting."
- 10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.9.B NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

From Operator LYNX PETROLEUM CONSULTANTS INC OGRID 13645 To Operator DEVON ENERGY PRODUCTION COMPANY, LP OGRID 6137 Wells Selected for Transfer, Permit 132203 Permit Status: APPROVED

OCD	District	Hobbs
$\nabla \nabla \nu$	PISHICE	110000

OCD District Houses	_		-		44	
Property Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool Pool Name
309482 ARCO STATE #001 Y	S.	E-35- 15S- 36E	E	30- 025- 29324		16720DEAN;PERMO PENN
CONTINENTAL 309483 COM FEDERAL #001		O-6 - 19S- 32E	О	30- 025- 20912		41589LUSK;STRAWN
309465 FEDERAL M. #001	F	L-27- 18S- 33E	L	30- 025- 21893		13160 CORBIN;BONE SPRING, SOUTH
309488 HAWKEYE 7 FEDERAL #001	F	4-7 - 19S- 32E	M	30- 025- 00892		41440 LUSK;BONE SPRING
HAWKEYE 7 FEDERAL #002	F	J-7 - 19S- 32E	J	30- 025- 35661		41440 LUSK;BONE SPRING
309487 LYNX FEDERAL #001	F	O-15- 17S- 32E	0	30- 025- 27863		43329 MALJAMAR;GRAYBURG- SAN ANDRES
LYNX FEDERAL #002	F	E-15- 17S- 32E	Е	30- 025- 27857		80960 MALJAMAR; QUEEN (GAS)
LYNX FEDERAL #003	F	N-15- 17S- 32E	N	30- 025- 27929		43329 MALJAMAR;GRAYBURG- SAN ANDRES
LYNX FEDERAL #004	F	K-15- 17S- 32E	K	30- 025- 28372		43329 MALJAMAR;GRAYBURG- SAN ANDRES
LYNX FEDERAL #005	F	F-15- 17S- 32E	F	30- 025- 28679		43329 MALJAMAR;GRAYBURG- SAN ANDRES
LYNX FEDERAL #006	F	D-15- 17S- 32E	D	30- 025- 29272		43329 MALJAMAR;GRAYBURG- SAN ANDRES
LYNX FEDERAL #007	F	L-15- 17S- 32E	L	30- 025- 00559		43329 MALJAMAR;GRAYBURG- SAN ANDRES
LYNX	F	J-15-	J	30-	O	43329MALJAMAR;GRAYBURG-

FEDERAL #008	3	17S- 32E		025 - 00561	SAN ANDRES
309475 NANCY #001	P	N-24- 21S- 37E	N	30- 025- O 23219	6660 BLINEBRY OIL AND GAS (OIL)
NANCY #001	P	N-24- 21S- 37E	N	30- 025- O 23219	60240 TUBB OIL AND GAS (OIL)
NANCY #001	P	N-24- 21S- 37E	N	30- 025- O 23219	62700 WANTZ;ABO
REED 309459 SANDERSON UNIT #002	F	4-3 - 20S- 36E	D	30- 025- O 04172	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #003	F	3-3 - 20S- 36E	С	30- 025- I · 04178	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #004	F	2-3 - 20S- 36E	В	30- 025- O 04187	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #005	F	F-3 - 20S- 36E	F	30- 025- O 04179	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #006	F	E-3 - 20S- 36E	Е	30- 025- I 04180	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #008	P	I-4 - 20S- 36E	I	30- 025- I 04189	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #009	F·	L-3 - 20S- 36E	L	30- 025- 04182	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #010	F	K-3 - 20S- 36E	K	30- 025- I 04181	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #011	F	J-3 - 20S- 36E	J	30- 025- O 04186	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #013	F	N-3 - 20S- 36E	N	30- 025- O 04183	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
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KITTY HAWK 309458 FEDERAL #001	F	J-1 - 19S- 31E	J	30- 015- G 32746	96211 HACKBERRY; DELAWARE, NORTHEAST
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309486 FEDERAL #001	F	21S- 26E	D	015- G 34956	70920 AVALON; MORROW (GAS)
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PACER 28 309468 FEDERAL #001	F	G-28- 19S- 31E	G	30- 015- G 32178	80840 LUSK;MORROW, WEST (GAS)
PAN AM 309462 STATE COM #001	S	J-11- 23S- 26E	J	30- 015- G 20296	73800 CARLSBAD;ATOKA, SOUTH (GAS)
RADAR 24 309495 FEDERAL #001 RADAR 24	F	C-24- 19S- 31E C-24-	C	30- 015- O 31357 .	41480 LUSK; BONE SPRING, WEST
FEDERAL #001	F	19S- 31E	С	015- O 31357	41540 LUSK; DELAWARE, WEST