Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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*

5. Lease Serial No.
NM 99147

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No
Chimayo 1

2. Name of Operator
Devon Energy Production Company, L.P.

9. API Well No
30-015-29475

3a. Address
333 W Sheridan, Oklahoma City, OK 73102-8260

3b. Phone No. *(include area code)*
405-235-3611

10. Field and Pool or Exploratory Area
Wolfcamp

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
660 FSL & 1980 FEL O 8 T25S R29E

11. Country or Parish, State
Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☑ Convert to Injection	☐ Plug Back	☐ 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)

Devon Energy Production Company L. P. respectfully requests to abandon Wolfcamp, raise cmt top & recomplete in 3rd Bone Spring Ss per the follwoing: attached procedures Current perforations: Wolfcamp Shale @ 10,800 - 11,000' (100 total shots). Also, a current Wellbore Schematic has been attached by the Engineer.

cRDade 10/17/12
Accepted for record
NMOCD

RECEIVED
OCT 02 2012
NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Attachments (5)

Provide C102 for Bone Spring

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)*
Judy A. Barnett

Title Sr. Regulatory Specialist

Signature Judy A. Barnett

Date 08/22/2012

APPROVED
OCT 1 2012
/s/ Chris Walls
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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)

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240

devon

Recompletion - 3rd Bone Spring Ss

Ron Hays
Engineer
405.552.8150

Chimayo 1

WBS #

Objective - Abandon Wolfcamp, raise cmt top and recomplete well in the 3rd Bone Spring Ss.

API# - 30-015-29475
GL - 2,974'
TD -14,050'

Location - Eddy Co.–Sec 8, 25S 29E: 660' FSL, 1,980' FEL
KB - (22.5')
PBTD - 11,565' (cmt on CIBP)

Casing	OD	#s/FT	Grade	Top	Bottom	TOC	80% Collapse (psi)	80% Burst (psi)
Surface	20"	94.00#	X-56	0'	657'	0'		
Intermediate	13-3/8"	72.00#	L-80	0'	2,875'	0'		
Production	9-5/8"	53.50#	P-110	0'	10,208'		6,344	8,720
Liner	7-5/8"	39#	P-110	9,922'	13,097'	9,880'(est)	8,848	10,096
Production								
Tubing	2-3/8"	4.70#	P-110	0'	10,164'		11,040	12,320
Tubing	2-7/8"	6.5#	L-80	0'	~9,500'		8,928	8,456

Current perforations: Wolfcamp Shale: 10,800'-11,000' (100 total shots)

Current BHA:

		EQUIPMENT	EQUIP LENGTH (FT)	DEPTH(FT)
		KB	22.50	22.50
TOP	2-3/8" P-110	1 JOINT	31.70	22.50
BOTTOM	2-3/8" P-110	1 JOINT	31.70	54.20
TOP	**2-3/8" P-110**	**3 TUB SUBS**	**20.29**	**54.20**
BOTTOM	**2-3/8" P-110**	**3 TUB SUBS**	**20.29**	**74.49**
TOP	2-3/8" P-110	318 JOINTS	10,082.43	74.49
BOTTOM	2-3/8" P-110	318 JOINTS	10,082.43	10,156.92
TOP		**X OVER BOX**	**0.28**	**10,156.92**
BOTTOM		**X OVER BOX**	**0.28**	**10,157.20**
TOP		ON/OFF TOOL	1.74	10,157.20
BOTTOM		ON/OFF TOOL	1.74	10,158.94
TOP		**SEAT NIPPLE**	**0.95**	**10,158.94**
BOTTOM		**SEAT NIPPLE**	**0.95**	**10,159.89**
TOP		PACKER	7.81	10,159.89
BOTTOM		PACKER	7.81	10,167.70
TOP		**WL RE-ENTRY GUIDE**	**0.48**	**10,167.70**
BOTTOM		**WL RE-ENTRY GUIDE**	**0.48**	**10,168.18**

devon

Chimayo # 1

Procedure

1) Test anchors. MIRU WSU. ND WH and NU 5K BOPE. Test BOPE to Devon guidelines. If necessary, top kill well with 2% KCL.

2) Release 7-5/8" Weatherford Arrowset 1X packer @ ~10,164'. TIH w/ 2-3/8" X 2-7/8" crossover and 19 jts of 2-7/8" N80 tbg to ~10,750' w/packer. TOH w/ 19 jts of 2- 7/8" and 318 jts of 2-3/8" tbg.

3) RU WL with full lubricator. Test lubricator to Devon guidelines. Make GR run to 10,775' KBM unless packer was clean when removed in step 2. Then, TIH & set 7-5/8", 39# CIBP @ 10,750'. RD WL. Load and test casing to 500 psi for 30 min.

4) TIH w/ 2-3/8", 4.7#, P-110 tubing to 10,748' KBM. Load, circ and balance hole with 2% KCL.

5) RU BHI cementers or equivalent. Test lines.
   a. With btm of tbg @ 10,748' KBM, break circ, mix & pump 25 sks Class H neat cement setting a balanced cement plug from 10,748' - 10,625' above CIBP @ 10,750'. Pull 2-3/8" tbg to 9,975' KBM and reverse circ clean.
   b. With btm of tbg @ 9,975' KBM, break circ, mix & pump 60 sks Class H neat cement setting a balanced cement plug from 9,975' to ~ 9,775' KBM (across liner top and top of Wolfcamp). Pull tubing to 9,700' and reverse circ clean. Catch surface samples and check hardness.WOC 4-6 hrs or overnight if necessary.
   c. Drop down and tag top of cement. (notify BLM of tag results before proceeding). See COA

6) If tag was ok, circ and balance hole and test 9-5/8", 53.5# casing to 1,000 psi at surface for 30 min (chart test - if required). TOH with 2-3/8", 4.7# P-110 tubing laying down.

7) RU WL with full lubricator. Test lubricator to Devon guidelines. RIH w/ 4" TAG gun and shoot squeeze holes (1' x 4 spf) in 9-5/8",53.5#, P-110 csg at 9,500 ft. Open 13-3/8" by 9-5/8" annulus. Pump 2% KCL down 9-5/8" casing in an attempt to break circulation to surface. Do not exceed 1,000 psi @ surface. RD WL.

8) If pump in was successful, TIH with **9-5/8", 53.5# cement retainer on 2-7/8", 6.5#, L-80 new tubing** (picking up rabbiting and strapping) **and set cement retainer @ 9,460' (40' above squeeze holes).**

9) Sting in and out of cement retainer to make sure it is working properly.

Chimayo # 1
Procedure

10) RU pumping services. Test lines. Sting into cement retainer. Pump 2% KCL to determine if circulation can be achieved (below retainer) into perfs @ 9,500'(top pressure 1,000 psi at surface). If circ is achieved, pump @ minimum 250 bbls of 2% KCL once circulation is established. Sting out of retainer.

11) RU **BHI cementing** services (**proposal # 690851018B**) or equivalent. Test lines. Sting into retainer.

a. Establish circ & pump 20 bbls fresh water ahead
b. Mix & pump ~980 sks Class H 50/50 pozmix cement (catch surface samples of cmt).
c. Flush with ~53 bbls FW. Leave at minimum, 1 bbl cement in tbg prior to stinging out of retainer.
d. Sting out of retainer and pick up 2-7/8" tbg 2' and reverse circ clean with a minimum 1-1/2 times (~83 bbls) tubing capacity with 2% KCL or until clean. Report any/all cement returns volumes noted.
e. TOH with 2-7/8" tbg and cement stinging tool (remove stinging tool)
f. RD BHI or equivalent cementing services
g. Run Kill string and SWI a minimum of 72 hrs (check surface samples for hardness)

12) RU WL with packoff. Run GR-CCL-CBL from 9,450' to 200 ft above TOC. If TOC with good cement bond is below 8,500' contact OKC Engineering, otherwise proceed to the next step.

13) RU full lubricator. Test lubricator to Devon specificaations. TIH w/ 4" TAG guns loaded, 2 SPF 120 deg phasing. **Correlate to** open hole compensated neutron log **(Schlumberger - Compensated Neutron Litho-Density Gamma Ray dated July 25th, 1997.)** Perforate the 3rd Bone Spring Ss from **9,010' to 9,030' 20' (40 holes).**

14) TIH with 9-5/8", 53.5# Weatherford Arrowset (10K) packer and 2-7/8", 6.5#, L-80 tbg to ~ 8,930' KBM (hydro test 2-7/8",6.5#, L-80 tbg to 8,000 psi below slips) .

15) MIRU BHI Acid crew or equivalent and test lines. Apply 500 psi on tbg/csg annulus & monitor throughout job (have pop off on 9-5/8" csg by 2-7/8" tbg annulus to go off at 750 psi to blowback tank). **Acid stimulate** the 3rd Bone Spring Ss perfs @ 9,010' - 9,030' w/ 500 gals Rustbuster followed by 2,500 gals 7-1/2% HCL (containing 32 bio balls) via tbg per **BHI proposal # 690851020B. Top surface pressure 5,000 psi.** Let acid react 1 hr while RD BHI.

16) RU swab equipment. Swab back acid job load. Once load is recovered, make hourly swab runs. Record fluid entry & oil cut and report to OKC Engineering. RD swab equipment.

Chimayo # 1
Procedure

17) If swab test was favorable, R.U. BHI Services. Install Frac valve. Test lines. **Fracture Stimulate** the 3rd Bone Spring Ss perfs from 9,010' - 9,030' per **BHI proposal # 690851022A. Top surface pressure 7,500 psi.** Monitor 9-5/8" x 2-7/8" annulus during Frac job. Apply 500 psi on tbg/csg annulus & monitor throughout job (have pop off on 9-5/8" csg by 2-7/8" tbg annulus to go off at 750 psi to blowback tank).

15 BPM
27,000 gals Spectra Frac 2500 (25# gel system)
3,330 gals 25# Linear Gel
16,000 lbs Super LC, 20/40 (4 ppg)
30,000 lbs Sand, White, 20/40 (1-3 ppg) 2 - Frac tanks required

(Record average treating pressure, rates and job load along with ISIP, 5, 10 & 15 min readings)

18) RD BHI Services. Flow well back immediately at 30 bbl/hr rate for a minimum of 12 hours (or overnight), and then slowly open well up to 60 bbl/hr until well dies.

19) Once well dies, unset treating packer and TOH with 2-7/8" tubing and 9-5/8" treating packer.

20) TIH with bull plugged 30' MA, 6' perforated sub, SN,10 jts 2-7/8", 6.5#, L80 tubing, 2-7/8" by 9-5/8", Weatherford TAC (for 53.5#) and 2-7/8", 6.5#, L80 tubing. Set SN @ ~ 9,050' KBM; TAC @ ~8,750' KBM.

21) ND BOP; NU Rod rams.

22) TIH with new/reconditioned Norris 96s. Space and seat pump.

An initial design for 9,050' is:

- 1-1/4" x18' Stanley Filter,
- 1-1/2" pump,
- 1 - 7/8" pony rod (Norris 96),
- shear coupling,
- 30 - (750') - 7/8" Norris 96s (new/recond),
- 200 - (5,000') - 3/4" Norris 96s (new/recond),
- 132 - (3,300') 7/8" Norris 96s (new/recond).
- Install PR with PR coupling.

Well design listed is for 8 spm with a 1-1/2" pump ~ 170 btfpd.

Chimayo # 1
Procedure

23) Test downhole pump.

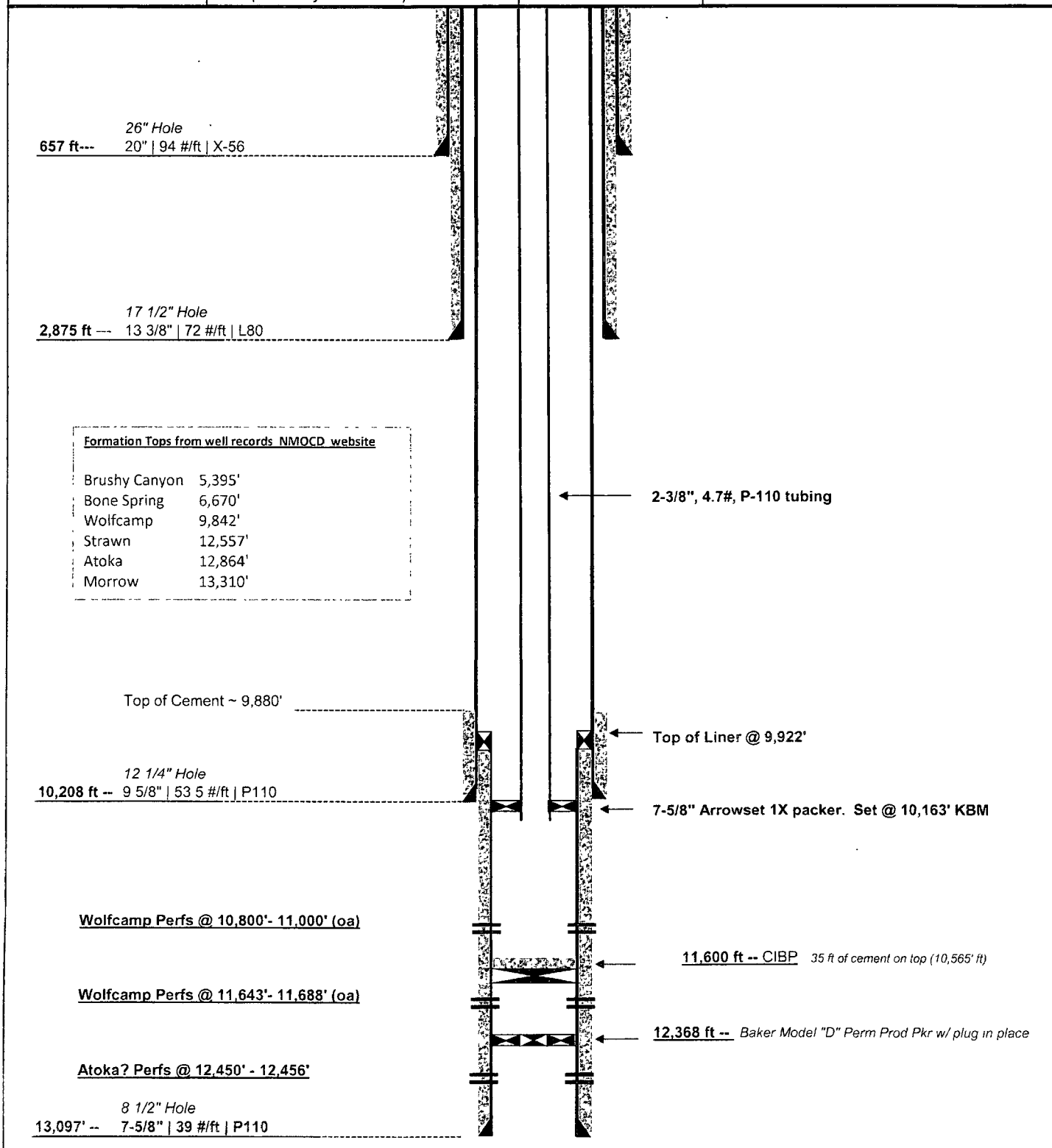
24) Move in and set a New/Used 640-365-144 pumping unit (in the 2 hole - 123" stroke) w/60 hp electric motor with generator.

25) Put well on pump test and release to production.

26) RDMO WSU. Release all rentals.

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: Chimayo #1		Field: Rustler Bluff	
Location: Sec 8, 25S 29E ; 660' FSL & 1,980' FEL		County: Eddy	State: New Mexico
Elevation: 2,996 ft		Spud Date:	Compl Date:
API#: 30-015-29475	Prepared by: Ron K Hays	Date: 8/8/12	Rev:



Chimayo 1
30-015-29475
Devon Energy Production Co.
Conditions of Approval

1. **Contact BLM 575-361-2822 a minimum of 24 hours prior to performing operations and prior to all tags.**

2. **1st plug— CIBP set at 10750' and pump 210 ft of class H cement on top. WOC and Tag at 10540' or higher.**

3. **2nd plug—Extend plug down to cover the 9/5/8" shoe. Pump a class H cement plug from 10258'-9792'. (Liner top, 9-5/8" shoe and Top of Wolfcamp)**

4. Surface disturbance beyond the originally approved pad must have prior approval.

5. Closed loop system required.

6. 5000 (5M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

   5M systems shall require two independent power sources, one of which may be nitrogen bottles (three minimum) maintaining a charge equal to the manufacturer's recommendations.

7. Completion report and subsequent sundry with well test and wellbore schematic required.

CRW 100112