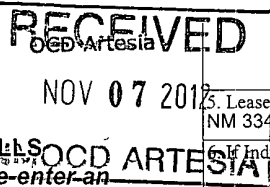


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – Other instructions on page 2		7. If Unit of CA/Agreement, Name and/or No.
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Sand 7 Federal #1
2. Name of Operator Devon Energy Production Co LP		9. API Well No. 30-015-25901
3a. Address PO BOX 250, Artesia, NM 88211	3b. Phone No. (include area code) 575-748-0184	10. Field and Pool or Exploratory Area Shugart Bone Spring North
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FSL & 2121' FWL, Sec 7, T18S, R31E, Unit K		11. Country or Parish, State Eddy

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" 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	Drilling Pit _____
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation. Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple 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 recomple 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.)

105
11/6/2012
Accepted for NMOC

- Devon Energy has contracted Talon/LPE to do reclamation of the closed drilling pit at the Sand 7 Federal No. 1, an active well location
- On 7/20/2012 Talon/LPE mobilized personnel to the site to carry out soil sampling activities for the construction of a work plan. Grab soil samples were collected from the surface of the location. The soil samples were sent to Cardinal Laboratories for analysis of total Chlorides via Method SM4500Cl-B. The results for the soil samples are attached. A site plan is also attached.
- New soil will be transported in from downsized locations in the area or a local borrow pit. A minimum of 3-foot of new soil will be placed on the closed drilling pit area. (1-foot of caliche & 2-foot of top soil)
- The soil lift will be contoured to match the surrounding terrain and windrows will be installed over the soil lift for erosion control.
- the location will be seeded using the recommended BLM seed mixture for the area. #2

* Notify Jim Anes @ 575-234-5909 prior to start

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Merle Lewis	Title Production Foreman
Signature <i>Merle D. Lewis</i>	Date 9/12/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

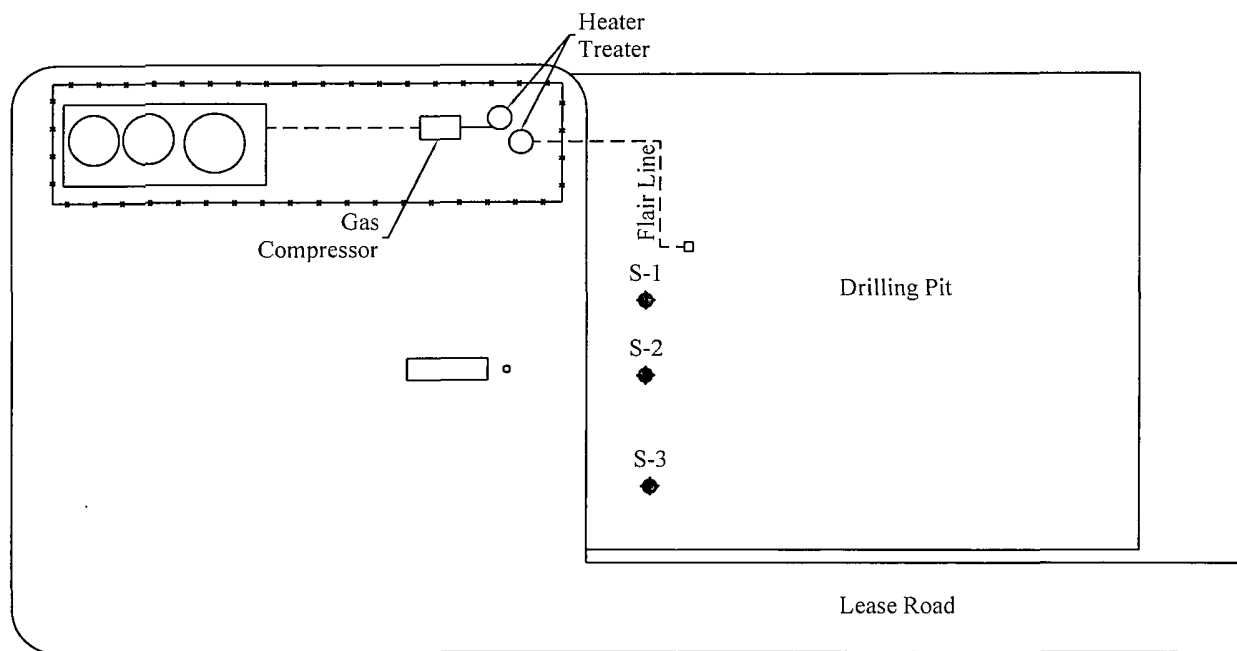
Approved by <i>James G. Brown</i>	Title SEPS	Date 11-4-12
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office CFD	

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)



0 25 50
Scale in Feet



Legend

◆ - Sample Location



Date: 08/16/2012

Scale: 1" = 50'

Drawn By: TJS

Sand 7 Federal No. 1
Devon Energy Corporation
Artesia, New Mexico
Figure 1 - Site Plan



PHONE (575) 393-2326 • 101 E. MARLAND • HOBBS, NM 88240

August 06, 2012

MIKE STUBBLEFIELD

TALON LPE

408 W. TEXAS AVE.

ARTESIA, NM 88210

RE: SAND 7 FED. NO. 1

Enclosed are the results of analyses for samples received by the laboratory on 08/01/12 11:42.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

Celey D. Keene

Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

 Received: 08/01/2012
 Reported: 08/06/2012
 Project Name: SAND 7 FED. NO. 1
 Project Number: 700794.040.01
 Project Location: SEC.7 - T18S - R31E

 Sampling Date: 07/20/2012
 Sampling Type: Soil
 Sampling Condition: ** (See Notes)
 Sample Received By: Jodi Henson

Sample ID: S - 1 0' (H201785-01)

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	208	16.0	08/03/2012	ND	416	104	400	0.00	

Sample ID: S - 2 0' (H201785-02)

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	8400	16.0	08/03/2012	ND	416	104	400	0.00	

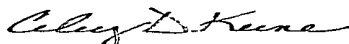
Sample ID: S - 3 0' (H201785-03)

Chloride, SM4500Cl-B			mg/kg		Analyzed By: AP				
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier
Chloride	240	16.0	08/03/2012	ND	416	104	400	0.00	

Cardinal Laboratories

* = Accredited Analyte

PLEASE NOTE Liability and Damages Cardinal's liability and client's exclusive remedy for any claim arising, whether based in contract or tort, shall be limited to the amount paid by client for analyses. All claims, including those for negligence and any other cause whatsoever shall be deemed waived unless made in writing and received by Cardinal within thirty (30) days after completion of the applicable service. In no event shall Cardinal be liable for incidental or consequential damages, including, without limitation, business interruptions, loss of use, or loss of profits incurred by client, its subsidiaries, affiliates or successors arising out of or related to the performance of the services hereunder by Cardinal, regardless of whether such claim is based upon any of the above stated reasons or otherwise. Results relate only to the samples identified above. This report shall not be reproduced except in full with written approval of Cardinal Laboratories.



Celey D. Keene, Lab Director/Quality Manager

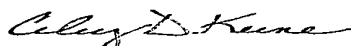
Notes and Definitions

ND	Analyte NOT DETECTED at or above the reporting limit
RPD	Relative Percent Difference
**	Samples not received at proper temperature of 6°C or below.
***	Insufficient time to reach temperature.
-	Chloride by SM4500Cl-B does not require samples be received at or below 6°C Samples reported on an as received basis (wet) unless otherwise noted on report

Cardinal Laboratories

* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

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