

**RECEIVED**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

MAY 07 2012

**SUNDRY NOTICES AND REPORTS ON WELLS****NMOC** **ARTESIA**  
*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 reverse side.**1. Type of Well  
☐ Oil Well ☐ Gas Well ☒ Other2. Name of Operator **Devon Energy Production Company, L.P.**3a. Address  
**Attn: Joe Lara, P.O. Box 250, Artesia, NM 88211**3b. Phone No (include area code)  
**575-748-0163**

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)

**1980 FNL & 660 FWL of Section 24, Township 19 South, Range 31 East.**

5. Lease Serial No.

**NM-0107607**

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

**Jones Fed D No. 1**

9. API Well No.

**30-015-10278**

10. Field and Pool, or Exploratory Area

11. County or Parish, State

**Eddy County, NM****12. CHECK 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 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 checked="" type="checkbox"/> Other <b>On-Lease Frac Pond</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

To install a frac pond that will hold approximately 11,000 bbls located in the W/2SW/4NW/4 of Section 24, Township 19 South, Range 31 East.

The frac pond will be to the North of the existing caliche road that runs east and west in SW/4NW/4 of Section 24, Township 19 South, Range 31 East and to the west of the Jones Fed D No. 1 well and consist of 2.811 acres. See attached plat.

The frac pond will service the following wells: Spica 25 Federal #1H, Spica 25 Federal #2H, Spica 25 Federal #3H, Spica 25 Federal #4H, Regulus 26 Federal #1H, Regulus 26 Federal #2H, Regulus 26 Federal #3H, Regulus 26 Federal #4H.

The frac pond will have a depth of 10 feet.

The frac pond can be accessed via the said existing caliche road adjoining it.

There should be a temporary increase in dust and noise during the construction of the frac pond and minimal disturbance until reclamation.

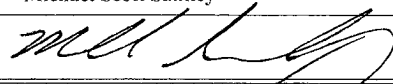
Freshwater will be trucked into the frac pond and piped to the wells it is servicing following existing roads.

**Accepted for record**  
**NMOC***105*  
*5/8/2012*

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

**Michael Scott Sankey**Title **Authorized Agent**

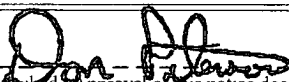
Signature



Date

**02/07/2012****THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by



Title

Date

**MAY 01 2012**

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 **CARLSBAD FIELD OFFICE**

Title 18 USC Section 1001 and Title 43 USC 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.

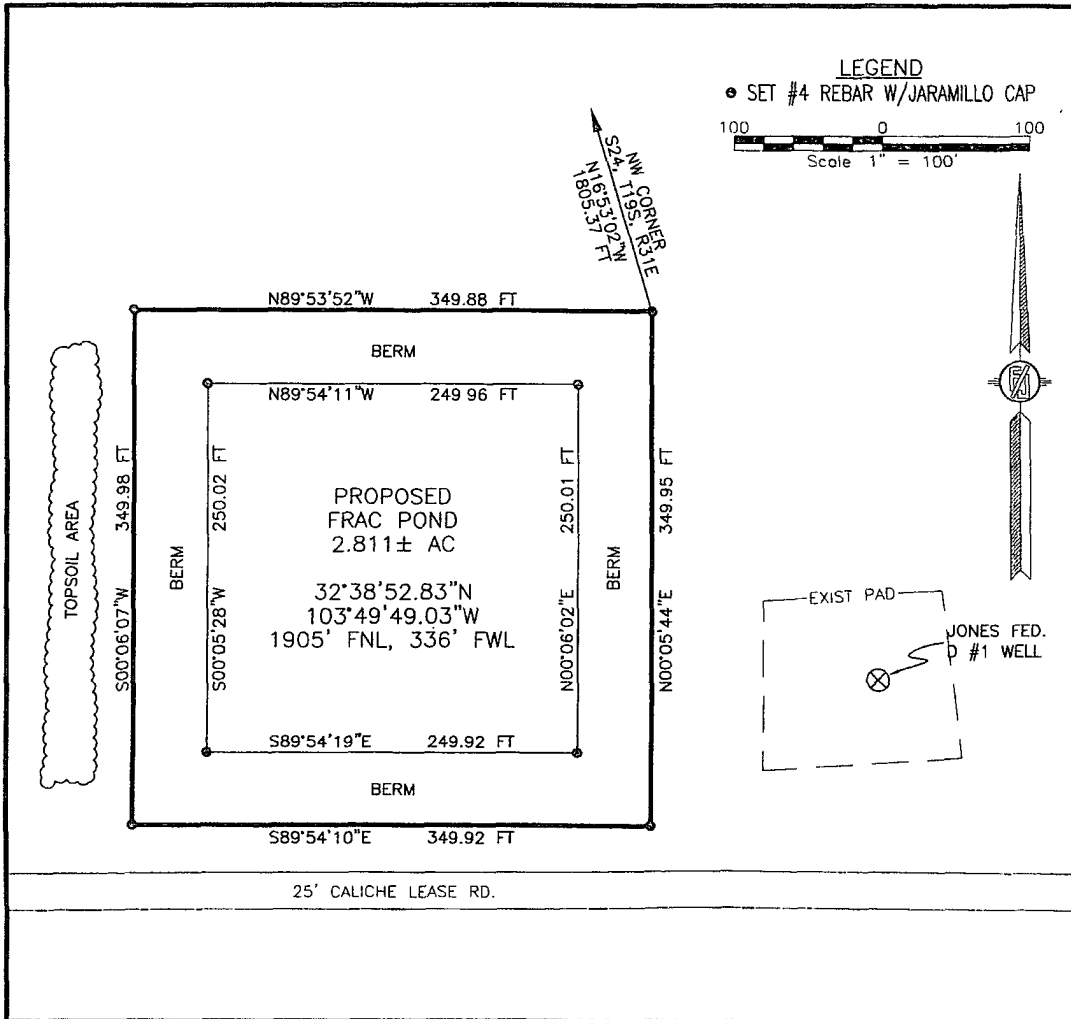
(Instructions on page 2)

*516*

JONES FEDERAL FRAC POND

DEVON ENERGY PRODUCTION COMPANY, L.P.  
IN THE W/2 SW/4 NW/4 OF  
SECTION 24, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

JANUARY 2012



DESCRIPTION

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE W/2 SW/4 NW/4 OF SECTION 24, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO

BEGINNING AT THE NORTHEAST CORNER OF THE PARCEL, WHENCE THE NORTHWEST CORNER OF SECTION 24, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS N16°53'02"W, A DISTANCE OF 1805.37 FEET;  
THENCE N89°53'52"W A DISTANCE OF 349.88 FEET TO THE NORTHWEST CORNER OF THE PARCEL;  
THENCE S00°06'07"W A DISTANCE OF 349.98 FEET TO THE SOUTHWEST CORNER OF THE PARCEL;  
THENCE S89°54'10"E A DISTANCE OF 349.92 FEET TO THE SOUTHEAST CORNER OF THE PARCEL;  
THENCE N00°05'44"E A DISTANCE OF 349.95 FEET TO THE NORTHEAST CORNER OF THE PARCEL, THE POINT OF BEGINNING;  
CONTAINING 2.811 ACRES MORE OR LESS.

DRIVING DIRECTIONS

FROM PAVED CR. 222 (SHUGART) AND PAVED CR 248 (LUSK PLANT RD), GO SOUTHEAST ON CR 248 1.7 MILES, TURN RIGHT ON CALICHE ROAD AND GO SOUTH 0.45 MILES, TURN LEFT AND GO EAST 0.15 MILES AND THE SOUTHWEST BERM CORNER IS ON THE LEFT (NORTH) 45'

GENERAL NOTES

- 1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A FRAC. POND
- 2.) BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST ZONE

SURVEYOR CERTIFICATE

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT, TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 30 DAY OF JANUARY 2012

*Filimon F. Jaramillo*  
FILIMON F. JARAMILLO, PLS. 12797

MADRON SURVEYING, INC.  
301 SOUTH CANAL  
CARLSBAD, NEW MEXICO 88220  
Phone (575) 234-3341

SURVEY NO. 789 1-3

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

**Lease #: NMNM 0107697**  
**Devon Energy Production Co, LP**  
**Jones Fed D #1 frac pond**

**FRAC POND CONDITIONS OF APPROVAL**

A copy of the Sundry Notice and attachments, including stipulations, survey plat and diagram, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all conditions of approval.

Holder agrees to comply with the following conditions of approval to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this permit.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
3. Required Standard Conditions of Approval:
  - Contact the Supervisory Environmental Protection Specialist, Jim Amos, at 575-234-5909 at least 24 hours prior to starting construction.
  - The frac pond will only be authorized to contain freshwater and testing of water quality is required. Additives are not allowed without consent of the authorized officer.
  - If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly.
  - Confine all construction and maintenance activity to the authorized area.
  - Temporary pipelines flowing from the frac pond to the target well will be laid along existing roadways unless an exception has been granted by the authorized officer.
  - Mineral materials extracted during construction of the frac pond will be stored on-location and/or used for constructing the frac pond.
  - The frac pond will be lined.
  - The operator shall stockpile topsoil approximately 25 feet outside the bermed perimeter of the pond in a low profile manner, reasonably protected from wind and water erosion

- Topsoil shall not be used for constructing the frac pond. The topsoil will be used for final reclamation purposes only.
- The frac pond shall be fenced on all sides.
- Frac pond boundary fences will be marked by using highly visible and/or reflective markers
- Inner walls of the frac pond will have a minimum of a 3:1 slope ratio in order to minimize the entrapment of fauna
- Install earthen erosion-control structures as are suitable for the specific terrain and soil conditions.
- The plastic lining will be removed prior to final abandonment
- Reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing wells.
- Within 3 months of completion of frac operations on associated wells, all earthwork and final reclamation must be completed. This includes reclaiming and/or removal of:

Any roads approved for use with the pond

Surface water lines

Tanks, pumps, fencing etc.

- Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

#### Requirements for Operations and Final Reclamation:

4. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such pollutant, wherever found, shall be the responsibility of holder, regardless of fault.

5. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the

passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

6. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

7. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

8. After all disturbed areas have been satisfactorily contoured and prepared for seeding the location needs to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact Jim Amos, Supervisor, Environmental Protection – (575)234-5909, **prior** to beginning surface reclamation operations.

9. Seeding is required: Use the following seed mix.

LPC mixture

10. The topsoil to be stripped is approximately 4 inches in depth.

11. Special Stipulations: Temporary Freshwater Lines are authorized along existing roadways only. If the operator wishes to lay a FW line across open terrain a separate approval must be obtained by the BLM-CFO.

12. Upon failure of holder to control, dispose of, or clean up such discharge, or to repair all damages resulting there-from, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

13. Timing Limitation Stipulation/Condition of Approval for Lesser Prairie-Chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th

annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.