

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
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 reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM036379
2. Name of Operator DEVON ENERGY PRODUCTION CO		6. If Indian, Allottee or Tribe Name
Contact: ERIN WORKMAN Email: Erin.workman@dmv.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-552-7970	8. Well Name and No. COTTON DRAW UNIT 134H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 2 T25S R31E SWSW 0200FSL 0330FWL		9. API Well No. 30-015-38293-00-S1
		10. Field and Pool, or Exploratory AVALON
		11. County or Parish, and 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" 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.)

Devon Energy requests to temporarily abandon the CDU 134H (API: 30-015-38293) for 12 months. This well was drilled in 12/2010 and completed in the 2nd BS zone within the Avalon interval. The well was deemed not commercial, in that it will not create a positive ROR and pay off the D&C costs as it currently produces. However, the well is making a month profit at these suppressed commodity prices the last well test shows 12 BOPD, 235 MCFPD, & 43 BWPD. Devon is requesting a 12 month TA to review this well, and another similar well, for a potential recomple and stimulation job in the current zone.

Accepted for record
NMOC D RI
6/6/16

The well was originally stimulated using older techniques and methodology that has proven outdated. The frac job was completed with a crosslinked gel but the sand concentration is very low at 396 pounds of sand per lateral foot (PPF). It was completed in 16 stages and 3 clusters per stage. Devon has found analog wells with similar geology that are very economically viable, but the major

Well may be approved to be TA/Sl for a period of 12 months or until 5/31/2017 after successful MIT and subsequent report is submitted.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #340045 verified by the For DEVON ENERGY PRODUCTION CO L Committed to AFMSS for processing by ED FERNANDEZ on 05/24/2016 (16EF0013SE)	
Name (Printed/Typed) ERIN WORKMAN	Title REGULATORY COMPLIANCE PROF.
Signature (Electronic Submission)	Date 05/24/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ	Title PETROLEUM ENGINEER	Date 05/24/2016
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

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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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Additional data for EC transaction #340045 that would not fit on the form

32. Additional remarks, continued

difference is the increase in sand concentration to 1500 PPF. Devon believes if we are able to study these wells and various rejfrac technologies and is able to implement the plan successfully j this well could become commercial and create a great deal of value. The expected production gains are 350 BOPD and 1.1 MMCFPD. However these rejfracs create a number of operational issues that will need to be fully vetted prior to execution, especially while commodity prices are suppressed. In the meantime Devon requests to TA these wells for further analysis and an included procedure can be seen below and included on the attachment.

PROPOSED TEMPORARILY ABANDON PROCEDURE

1. MIRU WSU.
2. ND Wellhead. NU BOPE & test.
3. POOH W/rod pump assembly and 2?7/8" production tubing from ~8,439'.
4. Make gauge ring/junk basket run to ~8,300?f.
5. RU W/L. Set RBP @ 8,300?f.
6. TIH w/2?7/8?h tubing to ~8,250?f. Load and circulate hole w/2% KCl w/corrosion inhibitor.
7. Pressure test casing to 500 psi for 30 minutes. Chart test and have BLM / NMOCD witness.
8. Bleed off pressure. ND BOPE. NU wellhead.
9. RDMO WSU.

Attachment: Procedures & Wellbore Schematic

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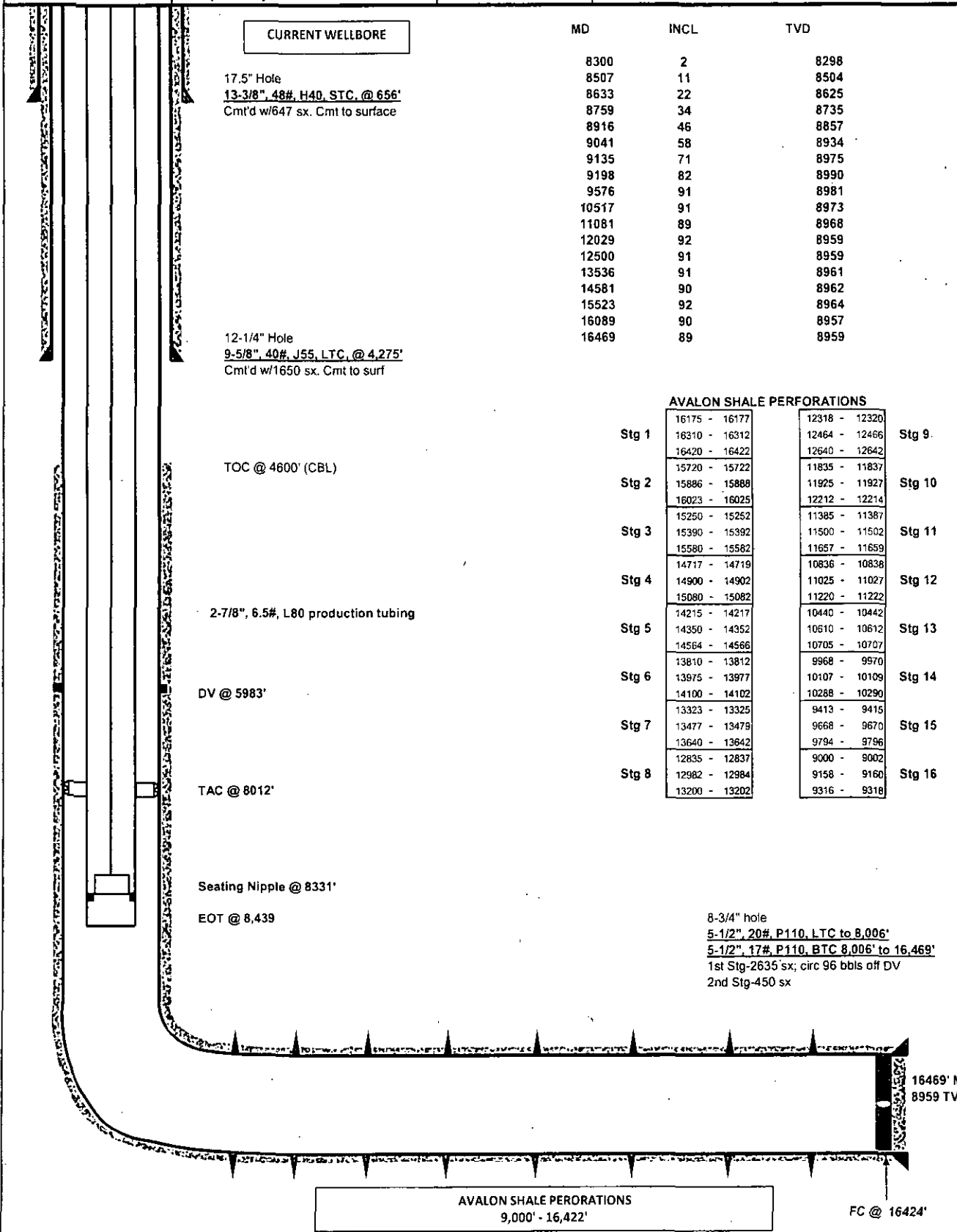
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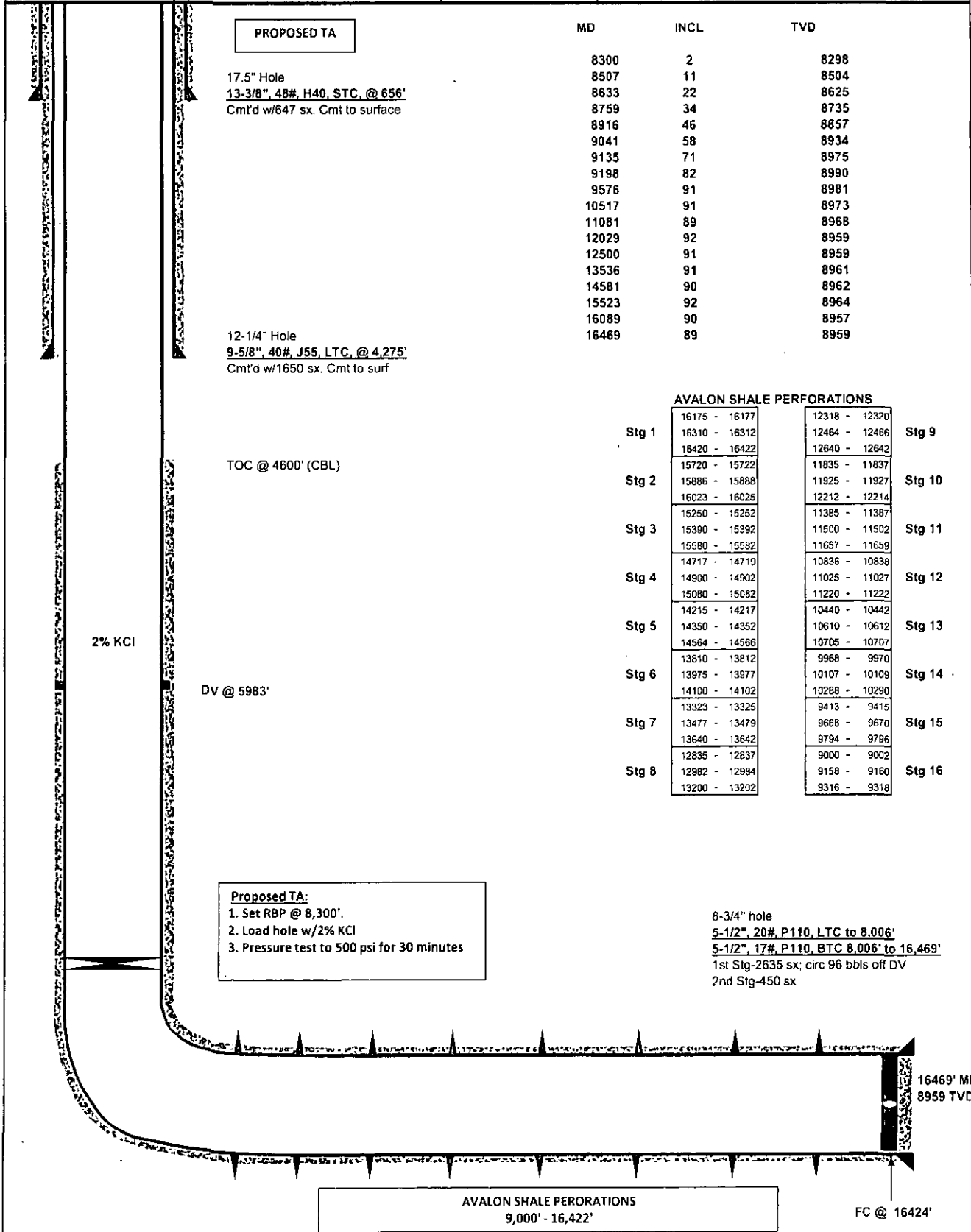
DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT 134H	Field: AVALON SHALE	
Location: 200' FSL & 330' FWL; SEC 2-T255-R31E	County: EDDY	State: NM
Elevation: 3444.7' KB; 3418.5 GL; 26.2 KB to GL	Spud Date: 12/21/10	Compl Date: 05/20/11
API#: 30-015-38293	Prepared by: Ronnie Slack	Date: 4/21/16
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BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, **placed with tubing**.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...**

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

Cotton Draw Unit 134H 30-015-38293

1. Well may be approved to be TA/SI for a period of 12 months or until 5/31/2017 after successful MIT and subsequent report is submitted.
2. This will be the last TA approval for this well.
3. Contact BLM 24 Hrs. prior to setting of plugs so as it may be witnessed.