NEW MEXICO OIL CONSERVATION DIVISION This form is <u>not</u> to be used for reporting packer leakage tests in Southeast New Mexico Revised June 10, 2003 NORTHWEST NEW MEXICO PACKER LEAKAGE TEST Well Lease Name NEBU Operator 335 No. 3003927808 Location Of Well: Unit Letter 25 Twp 31N Rge 7W API # 30-0 Name of Reservoir or Pool Type of Prod. Method of Prod. Prod. Medium (Oil or Gas) (Flow or Art. Lift) (Tbg. Or Csg.) PICTURED CLIFFS FLOW CASING GAS Upper Completion ARTIFICIAL LIFT DAKOTA GAS TUBING Lower Completion Pre-Flow Shut-In Pressure Data Hour, Date,Shut-In Length of Time Shut-In Upper SI Press. Psig Stabilized? (Yes or No) Completion 10AM,5/10/12 6 days, 144hrs total 237 YES Lower Hour, Date,Shut-In Length of Time Shut-In SI Press. Psig Stabilized? (Yes or No) Completion 10AM,5/10/12 5 days, 120hrs total YES

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Oil:

Gas:

Flow Test No. 1 Commenced at (hour, date)* 10AM 5/16/2012 Zone Producing (Upper or Lower): Lower Time Lasped Time Prod. Zone (Hour, Date) Since* Upper Compl. Lower Compl. Temp. 5/16/2012 10:00AM 335 64 Turned on Dakota 5/17/2012 10:00AM 25hrs 237 98 Dakota flowed 122 MCF 64 Test over. Commenced 5/17/2012 Production Rate During Test

MCFPD; Test thru (Onfice or Meter): Meter

BOPD based on Bbls. In Hrs. Grav.

(Continue on reverse side)

RCVD MAY 23'12 DIL CONS. DIV. DIST. 3

NORTHWEST NEW MEXICO PACKER LEAKAGE TEST

Flow Test No. 2

Commenced at	(hour, date)*		Zone Pro	ducing (Upper or I	Lower):
Time	Lasped Time	Pressure		Prod. Zone	Remarks
(Hour, Date)	Since*	Upper Compl.	Lower Compl.	Temp.	
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Production Ra	te During Test			.t	
Oil:	BOPD base	ed on	Bbls. In	Hrs.	Grav. GOR
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Gas:		MCFPD; Test thru	(Orifice or Meter):		
Remarks:	-	_			
T. 1					
I hereby certify	y that the information	herein contained is t	rue and complete to	the best of my kno	owledge.
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New Mexico O	ii Conservation Divisi	on			
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Ву	Brown ch 2	5/1/		Title	Lease Operator
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Title	Deputy (Oil & Gas II		E.mail	Address ben.payne@dvn.com
		District #3	, -	- 13-111dii	winday inclusive incom
				Date	May 17,2012
				2410	

Northwest New Mexico Packer Leakage Test Instructions

- 1. A packer leakage test shall be commenced on each multiply completed well within seven days after actual completion of the well, and annually thereafter as prescribed by the order authorizing the multiple completion. Such tests shall also be commenced on all multiple completions within seven days following recompletion and/or chemical or fracture treatment, and whenever remedial work has been done on a well during which the packer or the tubing have been disturbed. Tests shall also be taken at any time that communication is suspected or when requested by the Division.
- 2. At least 72 hours prior to the commencement of any packer leakage test, test, the operator shall notify the Division in writing of the exact time the test is to be commenced. Offset operators shall also be so notified
- 3. The packer leakage test shall commence when both zones of the dual completion are shut-in for pressure stabilization. Both zones shall remain shut-in until the well-head pressure in each has stabilized, provided however, that they need not remain shut-in more than seven days.
- 4. For Flow Test No. 1, one zone of the dual completion shall be produced at the normal rate of production while the other zone remains shut-in. Such test shall be continued for seven days in case of a gas well and 24 hours in the case of an oil well. Note: if, on an initial packer leakage test, a gas well is being flowed to the atmosphere due to the lack of a pipeline connection the flow period shall be three hours.
- 5 Following completion of Flow Test No. 1, the well shall again be shut-in, in accordance with Paragraph 3 above.

- 6. Flow Test No. 2 shall be conducted even though no leak was indicated during Flow Test No. 1. Procedure for Flow Test No. 2 is to be the same as for Flow Test No. 1 except that the previously produced zone shall remain shut-in while the zone which was previously shut-in is produced.
- 7. Pressures for gas-zone tests must be measured on each zone with a deadweight pressure gauge at time intervals as follows: 3 hour tests: immediately prior to the beginning of each flow-period, at fifteen-minute intervals during the first hour thereof, and at hourly intervals thereafter, including one pressure measurement immediately prior to the beginning of each flow period, at least one time during each flow period (at approximately the midway point) and immediately prior to the conclusion of each flow period. Other pressures may be taken as desired, or may be requested on wells which have previously shown questionable test data.

24-hour oil zone tests: all pressures, throughout the entire test, shall be continuously measured and recorded with recording pressure gauges the accuracy of which must be checked at least twice, once at the beginning and once at the end of each test, with a deadweight pressure gauge. If a well is a gas-oil or an oil-gas dual completion, the recording gauge shall be required on the oil zone only, with deadweight pressures as required above being taken on the gas zone.

8. The results of the above-described tests shall be filed in triplicate within 15 days after completion of the test. Tests shall be filed with the Aztec District Office of the New Mexico Oil Conservation Division on Northwest New Mexico Packer Loakage Test Form Revised 11-16-98, with all deadweight pressures indicated thereon as well as the flowing temperatures (gas zones only) and gravity and GOR (oil zones only).