

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS  
HOBBS OCD

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

**SUNDRY NOTICES AND REPORTS ON WELLS** OCT 03 2011  
**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.

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other SWD

2. Name of Operator

DEVON ENERGY PRODUCTION CO. LP

3a. Address

PO BOX 250  
ARTESIA, NM 88211

3b. Phone No. (include area code)

575-748-3371

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

1980' FNL & 660' FEL, SEC 23, T23S, R32E

5. Lease Serial No.  
NMNM96239

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
DIAMOND TAIL "23" FEDERAL # 2

9. API Well No.  
30-025-33653

10. Field and Pool or Exploratory Area  
DELAWARE CHERRY CANYON

11. Country or Parish, State  
LEA COUNTY, NM

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 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 REPAIR TUBING
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	OR PACKER AS
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	NEEDED

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 recompleat 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 recompleat 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.)

RE: FAILED MECHANICAL INTEGRITY TEST 9/13/2011

MIRU PU, NDWH, NU BOP, UNSET PACKER, POOH WITH TUBING AND PACKER. HYDROTEST TUBING BACK IN HOLE, TEST TO 5000#. CIRCULATE PACKER FLUID, RUN M.I.T. TO MONITOR BACKSIDE, WILL INSTALL CASING GAUGE AND HAVE LEASE OPERATOR CHECK DAILY.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**



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

TRACY KIDD (575-748-0189)

Title PRODUCTION FOREMAN

Signature

*Tracy A. Kidd*

Date 9/20/2011

**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)

OCT 04 2011



DEVON ENERGY CORP.

DIAMONDTAIL '23' FEDERAL #2

(SWD)

DIAMONDTAIL Field, LEA Co., NM

Area: INGLE WELLS/SAN

1980' FNL, 660' FEL, Sec 23, 23S 32E.

Elev: 3731.0' (15.0' AGLK)

Last updated by:

NMOCD Records 02/14/2007

Surface Casing Record

13.375"/ 48.00#/ H-40/ STC @ 579'

Intermediate Casing Record

8.625"/ 32.00#/ 8RD @ 4880'

Production Casing Record

5.50"/ 17.00#/ N-80/ 8RD @ 11200'

Tubing Record

2.875"/ 6.50#/ J-55/ EUE @ 5868'

**Well History (spudded 12/09/1996):**

3/11/1997 - DC. Set 5.5" csg @11200' .cmt w/ 1430 sx.  
Complete BONE SPRING 2 /SD/ 10776'- 10796'. (IP 68  
BO, 0 MCF, 38 BW).

11/13/99 - Set CIBP @ 10750, dump 35' cmt. PF  
DELAWARE 7116 - 25'. ACDZ w/1000g 7½% HCl, swab  
test (unsuccessful).

11/16/99 - p/b w/ CIBP @ 7090' + 35' cmt. Complete  
DELAWARE 5954'- 6064', convert to SWD.

4/9/00 - reset inj packer @ 5868', perform MIT to 420 psi  
for 30 min (lost 15 psi).

13.375" csg @ 579'

TOC = 2100' (CALC)

8.625" csg @ 4880'

2.875" IPC tbg @ 5868' (PKR: Lok-set)

PF: 5954- 6012' (CHERRY)

6064'- 6064' (DELA)

7119- 7125'  
(DELAWA)5.500" csg @11200'  
w/1430 sx

TD = 11200'

**API# 30-025-33653**  
Current status: INJ

Comments:

**TUBING DETAIL**

Descrip.	Jts	O.D. /	Wt /	Gr /	Conn	Depth	Int'vl
TUBING	0	2 875 /	0.0 /		/	0-	0

**Plugs:**

CIBP @ 7055'  
CIBP @ 10715'  
FLTC @ 11155'

PF: 10776 -10796' (BONE S)

**Perf Detail**

Interval	spf	Date
5954- 6064'	0	/ /
7119- 7125'	0	/ /
10776-10796'	0	/ /
10776-10782'	0	/ /
10788-10796'	0	/ /

# Conditions of Approval

Diamond Tail 23 Federal #2

30-025-33653

Devon Energy Production

September 28, 2011

HOBBS OCD

OCT 03 2011

RECEIVED

1. Surface disturbance beyond the originally approved pad must have prior approval.
2. Closed loop system required.
3. Per Administrative Order SWD-760 maximum tubing wellhead injection pressure allowed by NMOCD is 1190 psi.
4. Operator shall perform a pressure test against the 5-1/2" production casing. Set a RPB or packer at approximately 5750' +/- (note: depth shall be above where the injection packer is normally set at) the casing shall be tested to 1190 psi for 30 minutes. Pressure test to be performed by an independent tester and charted. Contact BLM (Paul Swartz – 575-200-7902) a minimum of 24 hours prior for witness of test.
5. Conduct a Mechanical Integrity Test of at least 500psig for 30 minutes on the injection tbg/csg annulus of the well. The test pressure should have at least 200psig differential with tubing pressure but no more than casing test pressure as described by Onshore Order 2.III.B.1.h. (The tubing pressure may need to be reduced). Document the MIT test on a calibrated recording chart registering 25 to 85 per cent of its full range. Notify Paul R. Swartz at 575.200.7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575.361.2822. Submit the recorded MIT chart with a subsequent Sundry Form 3160-005 relating the MIT activity. Include the original and three copies of the recorded chart and Sundry

A wellhead bradenhead test will be conducted during the MIT. Each casing annulus must be open to the atmosphere for observation before and during the test.

Compliance with Order SWD-760 injection pressure is required. Display real time tubing pressure values onsite. A bourdon tube gauge registering 25 to 85 per cent of its full range is acceptable. Within 24 hours, report injection pressure observed above the NMOCD maximum. Should wellhead injection pressure reach 50psig below this maximum, install automation equipment that will prevent exceeding that maximum. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment. Report any other unexplained significant variations of rate or pressure.

**Should the casing/tubing annulus exhibit communication with injection fluid, a tubing or packer failure is probable. Monitor the annulus. The use of automation equipment that will monitor and alarm is encouraged for any well, and is necessary when tubing or casing competence is questionable.**

**Maintain the annulus full of packer fluid and be able to verify that fluid level to a BLM inspector at any time. Report a significant (5bbl/mth) loss of packer fluid. Should tubing or casing failure be detected, cease injection and reduce the annular pressure to 0psig. Notify Paul R. Swartz at 575.200.7902 within 24 hours. If there is no response, notify the BLM on call drilling phone, 575.361.2822. Also submit to this office on a notice of intent (Sundry Form 3160-5) for approval by BLM and NMOCD a plan of correction and the anticipated date of repair. After the repairs submit a subsequent report (Sundry Form 3160-5) describing the repair(s) and a BLM witnessed Mechanical Integrity Test chart. Include the date(s) of the well work, descriptions of tubing, on/off equipment, profile nipple installation, and packer setting depth.**

- 6. Work to be completed in 60 days**
- 7. Subsequent sundry describing work done required**

**EGF 092811**



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph. D.**  
Acting Cabinet Secretary

**HOBBS OCD**

**SEP 15 2011**

**Jami Bailey**  
Division Director  
Oil Conservation Division



**RECEIVED**

**Response Required – Deadline Enclosed\***

**Underground Injection Control Program**

**"Protecting Our Underground Sources of Drinking Water"**

*15-Sep-11*

**DEVON ENERGY PRODUCTION COMPANY, LP**  
PO Box 250  
Artesia NM 88210-0000

**LETTER OF VIOLATION and SHUT-IN DIRECTIVE**  
**Failed Mechanical Integrity Test**

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

**MECHANICAL INTEGRITY TEST DETAIL SECTION**

**DIAMONDTAIL 23 FEDERAL No.002**

Active Salt Water Disposal Well

**30-025-33653-00-00**  
H-23-23S-32E

<b>Test Date:</b>	9/13/2011	<b>Permitted Injection PSI:</b>		<b>Actual PSI:</b>	
<b>Test Reason:</b>	5-year Test	<b>Test Result:</b>	F	<b>Repair Due:</b>	12/17/2011
<b>Test Type:</b>	Std. Annulus Pres. Test	<b>FAIL TYPE:</b>	Other Internal Failure	<b>FAIL CAUSE:</b>	

**Comments on MIT:** \*\*\*FAILED PT\*\*\*\* CASING 620#; TUBING 600#; AS WELL WAS BLED DOWN TUBING PRESSURE DID NOT HOLD; NO CHART; FAILED PRESSURE TEST; \*\*\*OPERATOR IN VIOLATION OF NMOCDD RULE 19.15.26.11\*\*\*

Oil Conservation Division \* 1625 N. French Dr.\*

\* Hobbs, New Mexico 88240

\* Phone: (575) 393-6161 \* Fax (575) 393-0720\* <http://www.emnrd.state.nm.us>

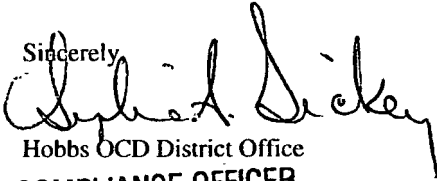


September 15, 2011

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In the event that a satisfactory response is not received to this letter of direction by the "Repair Due:" date shown above, or if the well(s) are not immediately shut-in, further enforcement will occur. Such enforcement may include this office applying to the Division for an order summoning you to a hearing before a Division Examiner in Santa Fe to show cause why you should not be ordered to permanently plug and abandon this well. Such a hearing may result in imposition of CIVIL PENALTIES for your violation of OCD rules.

Sincerely,



Hobbs OCD District Office

**COMPLIANCE OFFICER**

Note: Pressure Tests are performed prior to initial injection, after repairs and otherwise, every 5 years; Bradenhead Tests are performed annually. Information in Detail Section comes directly from field inspector data entries - not all blanks will contain data. "Failure Type" and "Failure Cause" and any Comments are not to be interpreted as a diagnosis of the condition of the wellbore. Additional testing should be conducted by the operator to accurately determine the nature of the actual failure. \* Significant Non-Compliance events are reported directly to the EPA, Region VI, Dallas, Texas.