

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.*

HOBBS OCD

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

DEC 09 2014

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM100864
2. Name of Operator DEVON ENERGY PRODUCTION CO. LP		6. If Indian, Allottee or Tribe Name
Contact: TRINA C COUCH Email: trina.couch@devn.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address DEVON ENERGY PRODUCTION CO. LP 333 WEST SHERIDAN OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) 248-2260	8. Well Name and No. RIO BLANCO 33 FED 2
10. Field and Pool, or Exploratory BELL LAKE; DEVONIAN		9. API Well No. 30-025-36360
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 33 T22S R34E 1980FNL 1980FWL		11. County or Parish, and State LEA COUNTY 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
	<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 recompletion 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.)

In response to the rejected sundry to convert the Rio Blanco 33 Fed 2 into a SWD well, Devon Energy Production Company, L.P believes the conversion of the Rio Blanco 33 Fed 2 will not have any adverse effects on offsetting Devonian producer Rio Blanco 33 Fed 1. The offsetting producer in question is an intermittent marginally producing well that produces large volumes of water and must be shut in for long periods to get any measureable production from it.

Due to the nature of the Devonian formation, which is believed to be highly fractured with formation pressure below freshwater gradient, this formation acts as an infinite reservoir in the vertical direction and all fluids injected into it will flow downward and away from any producible gas.

Additionally, the top of the Devonian formation in the Rio Blanco 33 Fed 2 is 89' lower (TVDSS) than in the Rio Blanco 33 Fed 1, so gravity should help mitigate any horizontal migration of water

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #280999 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO. LP, sent to the Hobbs

Name (Printed/Typed) TRINA C COUCH	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 11/20/2014
THIS SPACE FOR FEDERAL OR STATE OFFICE USE	
Approved By	Title
Office	

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.

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.

\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\*

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**Additional data for EC transaction #280999 that would not fit on the form**

**32. Additional remarks, continued**

towards the producer.

Stimulation of this well will include a 2 stage acid job of 10,000 gal of 15% HCL with gelled brine and rock salt as diversion below a packer and 2-3/8" rental string.

## **Conditions of Approval**

**Devon Energy Production Co., LP**  
**Rio Blanco 33 - 02**  
**API 3002536360, T22S-R34E, Sec 33**  
December 04, 2012

1. The Rio Blanco – 01 API#3002536359 is completed in the targeted Devonian formation and is less than one half mile from Rio Blanco – 02. The Devonian formation in the Rio Blanco – 01 API#3002536359 must be shown to be incapable of production in paying quantities and abandoned prior to conversion of the Rio Blanco - 02 to SWD. Submit a notice of intent.
2. Submit evaluation that Rio Blanco – 01 proposed injection formation perforations are not productive in paying quantities. That evaluation is to be reviewed by BLM prior to resubmitting NOI disposal conversion for Rio Blanco – 02.
3. Prior to abandoning the producing formation and recompletion to disposal, submit for this well a Lease Operating Statement (L.O.S.) for the last 12 consecutive months showing all production, revenue, taxes, and royalties paid, include all types of operating and maintenance expense.
4. This should initially at be a gross level, then boiled down with net numbers showing monthly (PROFIT/LOSS).
5. You are required to perform a reservoir study to determine the remaining reserves to the economic limit for the Delaware formations. The report from this study will include economics based on a Lease Operating/Expense statement, which shall be included with the report. The report shall also include a decline curve based on the recent production. Also be aware the proposed disposal formation will need to be proven to be noncommercial as a hydrocarbon producer.