

9/4/12 DATE IN	SUSPENSE	W Jones ENGINEER	LOGGED IN 9/5/12	TYPE SWD	APP NO. PKUR1224931253
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Last Waiver in 10/4/12

1358

Devon Energy Prod Co hP
Madera 12 Federal #1

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Stephanie A. Porter
Print or Type Name

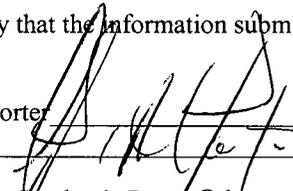
Signature

Operations Technician
Title

08/31/2012
Date

Stephanie.Porter@dvn.com
e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No
- II. OPERATOR: Devon Energy Production Company, LP
ADDRESS: 333 West Sheridan Avenue, Oklahoma City, Oklahoma 73102-5010
CONTACT PARTY: Stephanie A. Porter PHONE: 405-552-7802
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Stephanie A. Porter TITLE: Operations Technician
SIGNATURE:  DATE: 8/20/02
E-MAIL ADDRESS: Stephanie.Porter@dvn.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

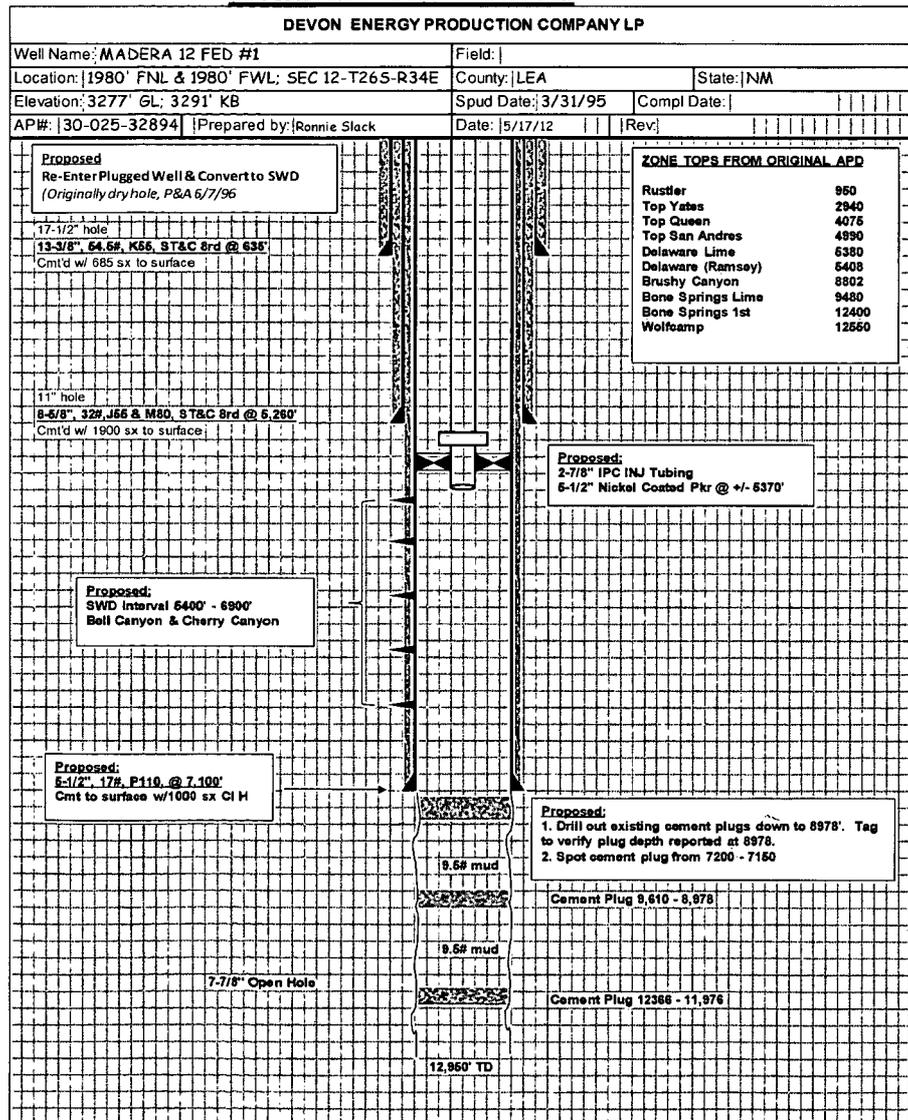
INJECTION WELL DATA SHEET

OPERATOR: Devon Energy Production Company, LP

WELL NAME & NUMBER: MADERA 12 FED #1

WELL LOCATION: 1980' FNL & 1980' FWL S K Sec 12 T26S R34E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC



WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8", 54.5# @ 635'
 Cemented with: 685 sx. *or* _____ ft³
 Top of Cement: Surface Method Determined: Circ. cement

Intermediate Casing

Hole Size: 11" Casing Size: 8-5/8", 32#, @ 5260'
 Cemented with: 1900 sx. *or* _____ ft³
 Top of Cement: Surface Method Determined: Circ. cement

Production Casing

Hole Size: 7-7/8" Casing Size: 5-1/2", 17#, @ 7100'
 Cemented with: 600 sx. *or* _____ ft³
 Top of Cement: Surface Method Determined: Circ. cement

Total Depth: 7200'

Injection Interval (Perforated)

5400' to 6900'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8" Lining Material: IPC

Type of Packer: 5 1/2" Nickel Coated Arrowset Packer

Packer Setting Depth: +/- 5370

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? No

If no, for what purpose was the well originally drilled? oil & gas producer

2. Name of the Injection Formation: ~~Devonian~~

3. Name of Field or Pool (if applicable): ~~Wildcat; Bone Spring~~

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

Wildcat; Bone Spring 7100-12950. (Open hole). Proposed cement plugs @ 7150-7200, 8978-9610 & 11976-12366.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

Rustler 950; Top Yates 8478; Top Queen 4075; Top San Adres; Delaware Lime 5380; Delaware Ramsey 5408; Brushy Canyon 8802; Bone Spring Lime 9480; Bone Spring 1st; Wolfcamp 12550

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: MADERA 12 FED #1		Field:	
Location: 1980' FNL & 1980' FWL; SEC 12-T26S-R34E		County: LEA	State: NM
Elevation: 3277' GL; 3291' KB		Spud Date: 3/31/95	Compl Date:
API#: 30-025-32894	Prepared by: Ronnie Slack	Date: 5/17/12	Rev:

Proposed
Re-Enter Plugged Well & Convert to SWD
(Originally dry hole, P&A 6/7/96)

17-1/2" hole
13-3/8", 54.5#, K55, ST&C 8rd @ 635'
 Cmt'd w/ 685 sx to surface

11" hole
8-5/8", 32# J55 & M80, ST&C 8rd @ 5,260'
 Cmt'd w/ 1900 sx to surface

ZONE TOPS FROM ORIGINAL APD

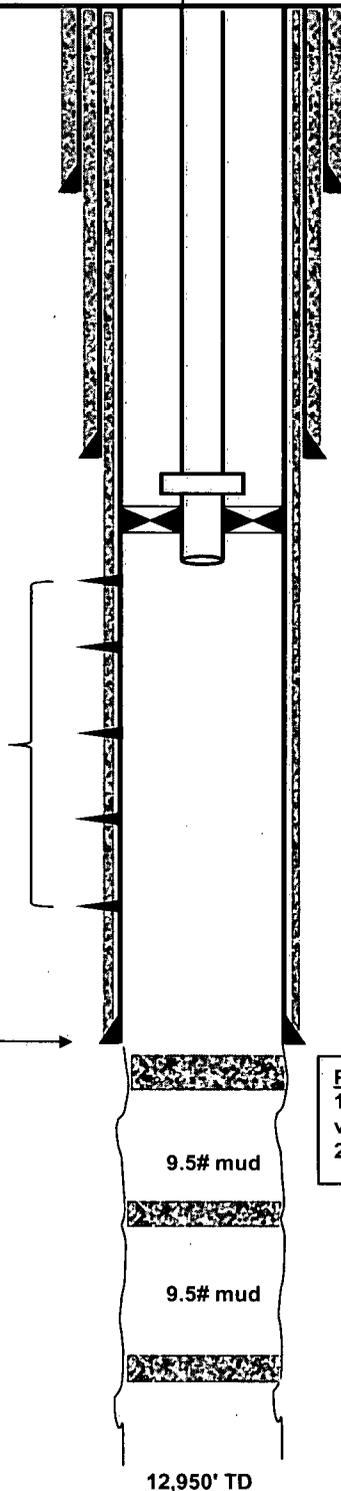
Rustler	950
Top Yates	2940
Top Queen	4075
Top San Andres	4990
Delaware Lime	5380
Delaware (Ramsey)	5408
Brushy Canyon	8802
Bone Springs Lime	9480
Bone Springs 1st	12400
Wolfcamp	12550

Proposed:
 2-7/8" IPC INJ Tubing
 5-1/2" Nickel Coated Pkr @ +/- 5370'

Proposed:
 SWD Interval 5400' - 6900'
 Bell Canyon & Cherry Canyon

Proposed:
 5-1/2", 17#, P110, @ 7,100'
 Cmt to surface w/1000 sx CI H

Proposed:
 1. Drill out existing cement plugs down to 8978'. Tag to verify plug depth reported at 8978.
 2. Spot cement plug from 7200 - 7150



9.5# mud

9.5# mud

Cement Plug 9,610 - 8,978

Cement Plug 12366 - 11,976

7-7/8" Open Hole

12,950' TD

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: <i>Madera 12 Fed. No. 1</i>		Field: Wildcat	
Location: 1980' FWL & 1980' FWL; SEC 12-T26S-R34E		County: LEA	State: NM
Elevation: 3277' GL		Spud Date: 3/31/95	Compl Date: Dry hole
API#: 30-025-32894	Prepared by: Jimmy Turnini	Date: 4/23/12	Rev:

The well P&A was completed on
06/07/96

Cut off wellhead and welded on dry hole marker
cmt plug 62' to surface

17-1/2" hole
13-3/8", 54.5#, K55, ST&C 8rd @ 635'
Cmt'd w/ 685 sx to surface

9.5 ppg mud

cmt plug 682-522'

9.5 ppg mud

11" hole
8-5/8", 32#, J55 & M80, ST&C 8rd @ 5,260'
Cmt'd w/ 1900 sx to surface

9.5 ppg mud

cmt plug 5,336-5,052'

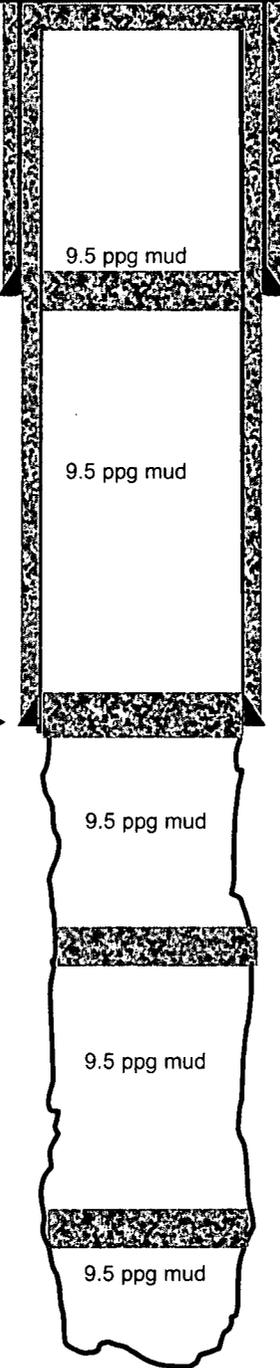
9.5 ppg mud

cmt plug 9,610'-8978'

9.5 ppg mud

cmt plug 12,366'-11976'

7-7/8" hole
12,950' TD



Proposed Injection Well: Madera 12 Fed #1

API: 30-025-32894

APPLICATION FOR INJECTION

Form C-108 Section III

III. Well Data--On Injection Well

A. Injection Well Information

- (1) Lease Madera 12 Fed **S**
Well No #1
Location 1980' FWL & 1980' FWL
Sec, Twn, Rnge Sec 12-T26S-R34E
Cnty, State Lea County, NM
- (2) Casing 13-3/8", 54.5#, K55, STC, @ 635'
Cmt'd w/685 sx, circ cmt to surf

8-5/8", 32#, J55 & M80, STC, @ 5,260'
Cmt'd w/1900, circ cmt to surf

5 1/2", 17#, P110, @ 7100'
Cmt w/1000 sx, circ cmt to surf
- (3) Injection Tubing 2-7/8" IPC injection tubing
- (4) Packer 5 1/2" Nickel Coated Arrowset Packer @ +/- 5370'

B. Other Well Information

- (1) Injection Formation: Bell Canyon & Cherry Canyon
Field Name: ~~Wildcat, Bone Springs~~
- (2) Injection Interval: 5400' - 6900'

- (3) Original Purpose of Wellbore:

Bell Canyon & Cherry Canyon

- (4) Other perforated intervals:

Wildcat; Bone Spring 7100-12950 (Open hole). Proposed cement plugs @ 7150-7200, 8978-9610 & 11976-12366.

- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well if any.

Rustler 950; Top Yates 2940; Top Queen 4075; Top San Andres 4990; Delaware Lime 5380; Delaware (Ramsey) 5408; Brushy Canyon 8802; Bone Springs Lime 9480; Bone Springs 1st 12400; Wolfcamp 12550

LEA-STATE JV #1

26S 34E

MADERA "12" FEDERAL 1
DEVON ENERGY

26S 35E

12 ✓

7

1/2 MILE

MADERA "12" FEDERAL #1

1980 FSL
1980 FwL

 **DEVON ENERGY**

1/2 Mile Radius Map

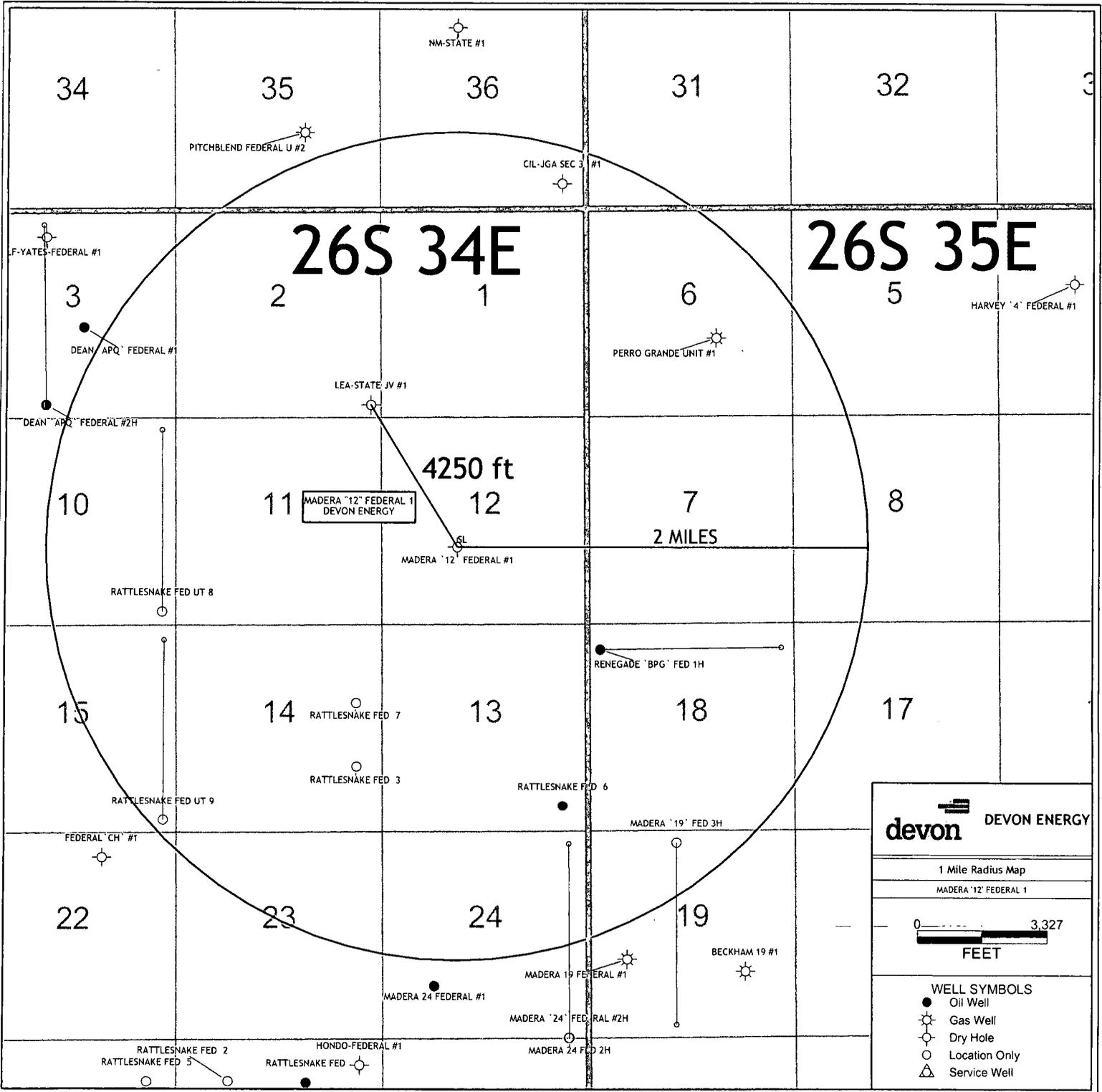
MADERA "12" FEDERAL 1



WELL SYMBOLS

- Oil Well
- ⊕ Dry Hole
- Location Only

12



C108 ITEM.VI- Well Tabulation in 1/2 Mile Review Area

Devon Energy Production Company, LP

Proposed Inj. Well: MADERA 12 FED 1

Proposed Formation: Bell Canyon & Cherry Canyon

Proposed Interval: 5400' - 6900'

Operator	Well Name	API NO	County	Surf Location	Sec.	Twn	Rnge	Type	Status	Spud Date	Comp Date	TD	PBD	Comp Zone	Comp Interval-Ft	Casing Program	Cement / TOC
Devon Energy Prod Co LP	Madera 12 Fed 1	30-025-32894	Lea	1980' FWL 1980' FWL	12	26S	34E	P&A	Plugged	3/31/95	5/6/95	12950	Surface	n/a	Dry Hole -	13-3/8", 54.5# @ 635' 8-5/8", 32# @ 5260'	635 sx / surface 1900 sx / surface

Proposed Injection Well: Madera 12 Fed #1
API: 30-025-32894
APPLICATION FOR INJECTION
Form C-108 Section VII to XIII

VII Attach data on the proposed operation, including:

- (1) Proposed average injection rate: 2000 BWPD
Proposed maximum injection rate: 5000 BWPD
- (2) The system will be a closed system.
- (3) Proposed average injection pressure: 500 psi
Proposed max injection pressure: 1180 psi
- (4) The injection fluid will be produced water from area wells producing from the Delaware and Bone Spring formations that will be injected into the Bell Canyon & Cherry Canyon formation.
- (5) A representative water analysis is submitted for Bone Spring formation.

VIII Geologic Injection Zone Data

The injection zone is the Bell Canyon & Cherry Canyon formation from 5400' to 6900'. The gross injection interval is 1500' thick. The Bell Canyon & Cherry Canyon formation is a Permian aged sandstone. The average depth to fresh water is 125' in this area.

IX Proposed Stimulation

Based on injectivity results this interval could be frac stimulated.

X Log Data

Logs have previously been submitted to the OCD.

XI Fresh Water Analysis

No fresh water wells were identified in the vicinity of the Madera 12 Fed #1 well.

XII Geologic / Engineering Statement

An examination of this area has determined there are no open faults or other hydrologic connection between the disposal zone and any underground drinking water.

Oil or gas productive capability in Madera 12 Fed 1 in the upper Delaware: A few comments regarding the productive capability in the upper Delaware in the vicinity of the Madera 12 Fed. #1, and why the proposed injection interval of 5400-6900' appears to be suitable for SWD. First of all, there is no shallow Delaware production (Bell or Cherry Canyon) within five miles of the Madera 12 Fed. #1. Also, the mudlog for the Madera 12 Fed. #1 has no oil shows (cut or fluorescence), and no significant total gas spikes (total gas is consistently <100 units) between the intervals of 5400-6900'. There is a lower Brushy Canyon horizontal well ~1.5 miles to the south, the Madera 24 Fed. #2H, operated by Red Mountain Resources, which has a TVD of ~9000', greater than 2,000 feet deeper than the base of our proposed injection interval. In addition, Devon has submitted an APD for a similar Lower Brushy Canyon horizontal well with a TVD of ~8950', which will be partially drilled in Section 12 of 26S-34E, the same section as the Madera 12 Fed. #1. There should be no communication between the proposed injection interval in the Bell and Cherry Canyon Formations in the Madera 12 Fed. #1, and the mentioned Lower Brushy Canyon producing zone since they are greater than 2,000 feet apart stratigraphically.



XIII Proof of Notice

Proof of notice to surface owner, and public legal notification are attached.



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. NMNM 60584	
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA Agreement, Name and No.	
8. Lease Name and Well No. MADERA 12 FED SWD #1	
9. API Well No. 30-025-32894	
10. Field and Pool, or Exploratory BONE SPRING	
11. Sec., T. R. M. or Blk. and Survey or Area 12-T26S-R34E	
12. County or Parish LEA	13. State NM
14. Distance in miles and direction from nearest town or post office* 13 MILES WSW OF JAL, N.M.	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) See Attached Map	16. No. of acres in lease 640
17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Attached Map	19. Proposed Depth 7,100' TD
20. BLM/BIA Bond No. on file CO1104 & NMB-000801	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3278' GL	22. Approximate date work will start*
	23. Estimated duration 45 DAYS
24. Attachments Directions/Comments/Schematics	

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) DAVID H. COOK	Date 08/23/2012
Title REGULATORY ANALYST		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval 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.
Conditions of approval, if any, are attached.

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.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0730
District II
311 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-32894		² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name MADERA 12 FED SWD		⁶ Well Number 1
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3278.1

¹⁰ Surface Location

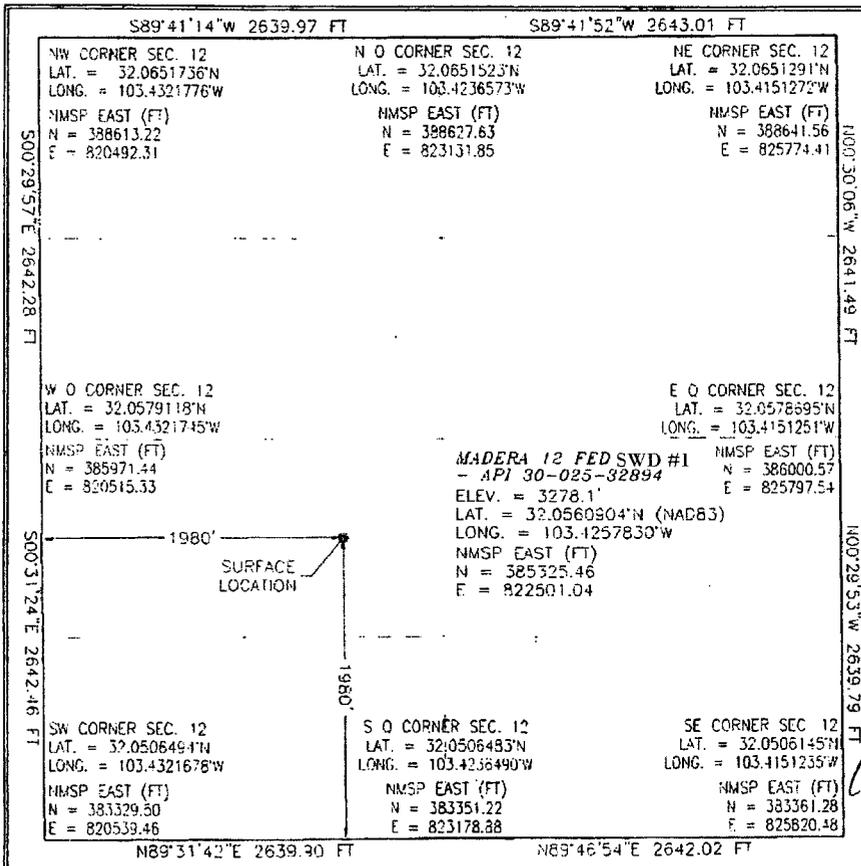
CL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	12	26 S	34 E		1980	SOUTH	1980	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

CL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *D. R.* Date: 8/27/2012
David H. Cook Regulatory Specialist
Printed Name
david.cook@dvn.com
E-mail Address

¹⁸ SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey: AUGUST 22, 2011
Signature: *[Signature]*
Certificate No. 1190A
FILMONT E. CARVALLO, PLS 12797
SURVEY NO. 1190A

DRILLING PROGRAM

Devon Energy Production Company, LP
Madera 12 Fed SWD #1

Surface Location: 1980 FSL & 1980 FWL, Unit K, Sec 12 T26S R34E, Lea, NM

1. Geologic Name of Surface Formation

a. Quaternary

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

a. Rustler	950'
b. Top of Salt	1395'
c. Top Yates	2940'
d. Top Queen	4075'
e. Top San Andres	4990'
f. Base of Salt	5360'
g. Delaware Lime	5380'
h. Delaware (Ramsey)	5408'
i. Brushy Canyon	8802'
j. Bone Springs Lime	9480'
k. Bone Springs 1 st	12400'
l. Wolfcamp	12550'
m. Total Depth	12950'

No other formations are expected to yield oil, gas or fresh water in measurable volumes. Expected depth to freshwater: None expected. The surface fresh water sands are protected by setting 13 3/8" casing at 635' and circulating cement back to surface. The fresh water sands are protected by setting 8 5/8" casing at 5260' and circulating cement to surface. The Delaware intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement back to surface. Well was initially spud 03/31/2005; 13 3/8" and 8 5/8" casing and cement in place.

3. Casing Program

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Csg</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
17 1/2"	0' - 635'	13 3/8"	0' - 635'	54.5#	STC	K-55 (in place)
11"	635' - 5260'	8 5/8"	0' - 5260'	32#	STC	J-55 (in place)
7-7/8"	5260' - 9610'	5 1/2"	0' - 7100'	17#	LTC	P-110 (proposed)

Design Parameter Factors:

<u>Casing Size</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
13 3/8"	2.64	1.67	2.42
8 5/8"	1.78	1.86	2.38
5 1/2"	1.68	1.41	1.60

4. Cement Program: (all cement volumes based on least 25% excesses)

- a. 13 3/8" Surface Cmt'd w/685 sx of Class "C" cement containing 2% CaCl & 0.25#/sx flocele. Circulated 68 sx to pit. **TOC @ surface.**
- b. 8 5/8" Intermediate **Lead** w/1650 sx Premium Plus containing 16#/sx, salt and 0.25#/sx flocele **TOC @ surface.** **Tail** w/250sx Premium Plus containing 2% CaCl and 0.25#/sx flocele; circulated 185 sx to pit. **TOC @ surface.**
- c. 5 1/2" Production **Lead** w/ 375 sacks (50:50) Poz (Fly Ash):Class H Cement +10% bwoc Bentonite + 0.3% bwoc ASA-301 + 5% bwow Sodium Chloride + 0.25 lbs/sack Cello Flake+140% Fresh Water. 11.80 ppg. Yield: 2.45 cf/sk. **Tail** w/550 sacks (50:50) Poz (Fly Ash):Class H Cement +5% bwow Sodium Chloride + 0.3% bwoc CD-32 +0.5% bwoc FL-25 + 0.3% bwoc FL-52 + 0.5% bwoc Sodium Metasilicate + 57.3% Fresh Water. 14.20 ppg. Yield: 1.28 cf/sk. **Proposed TOC @ surface.**

The top of cement is designed to reach approximately surface. The 5-1/2" casing is new and API approved.

5. Pressure Control Equipment:

The blowout preventor equipment (BOP) shown in Exhibit #1 will consist of a (3K system) double ram type (3000 psi WP). The unit will be manually operated and the ram type preventor will be equipped with blind rams on top and 5 1/2" csg rams on bottom. The BOPE will be installed on the 8 5/8" intermediate casing and utilized continuously until total depth is reached.

The ram system will be operated and checked each 24 hour period and each time the tubing is out of the hole. These tests will be logged in the daily log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams, other BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 3000 psi WP.

6. Proposed Mud Program

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>
0' - 8160'	8.3 - 8.9	32 - 34	NC -40	Fresh Water

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.

- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

8. Logging, Coring, and Testing Program:

- a. No logging, coring or testing will be performed.

9. Potential Hazards:

- a. No abnormal pressures or temperatures are expected. There is no known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 4160 psi and Estimated BHT 181°. No H₂S is anticipated to be encountered.

10. Anticipated Starting Date and Duration of Operations:

- a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

SURFACE USE PLAN

Devon Energy Production Company, LP

Madera 12 Fed SWD #1

Surface Location: 1980'' FSL & 1980' FWL, Unit K, Sec 12 T26S R34E, Lea, NM

1. Existing Roads:

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Madron Surveying, Inc.
- b. All roads into the location are depicted on exhibit pages 2 & 3.
- c. Directions to Location: From intersection of CR 1 (Orla Road) and CR 2 (Battle Axe Road) go east on CR 2, 11.9 miles where CR 2 bends north go east on caliche road 7.4 miles just past cattle guard turn right on caliche road leads to site.

2. New or Reconstructed Access Roads:

- a. The well site layout, Form C-102 shows the existing County road and access. No new access road will be constructed.
- b. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

One Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat.

4. Location of Existing and/or Proposed Production Facilities:

- a. In the event the well is found productive, a tank battery will be utilized and the necessary production equipment will be installed at the well site. The tank battery will be located at Sec 12 T26S R34E. Flow lines will be set alongside of the access road, where applicable. When said flow lines are needed, a plat and a sundry notice will be filed with our office. See interim reclamation diagram.
- b. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road, where applicable. If said power poles are needed, a plat and a sundry notice will be filed with your office.
- c. All flow lines will adhere to API standards.
- d. If the well is productive, rehabilitation plans are as follows:
 - i. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in the C-102. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

6. Construction Materials:

No additional construction is required.

7. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.
- f. Disposal of fluids to be transported by the following companies:
 - i. American Production Service Inc, Odessa TX
 - ii. Gandy Corporation, Lovington NM
 - iii. I & W Inc, Loco Hill NM
 - iv. Jims Water Service of Co Inc, Denver CO

8. Ancillary Facilities: No campsite or other facilities will be constructed as a result of this well.

9. Well Site Layout

- a. Exhibit D shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicated proposed location of sump pits and living facilities.
- c. Mud pits in the active circulating system will be steel pits.
- d. A closed loop system will be utilized.
- e. If a pit or closed loop system is utilized, Devon will comply with the NMOCD requirements 19.15.17 and submit form C-144 to the appropriate NMOCD District Office. A copy to be provided to the BLM.

10. Plans for Surface Reclamation:

- a. After concluding the drilling operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.
- d. All disturbed areas not needed for active support of production operations will undergo interim reclamation. The portions of the cleared well site not needed for operational and safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Topsoil will be respread over areas not needed for all-weather operations.

11. Surface Ownership

- a. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
- b. The proposed road routes and the surface location will be restored as directed by the BLM.

12. Other Information:

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sage bush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of location.
- d. A Cultural Resources Examination will be completed by the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III Survey for cultural resources associated with their project within the BLM office in Carlsbad, New Mexico.

13. Bond Coverage:

Bond Coverage is Nationwide; Bond # is CO-1104 & NMB-000801

Operators Representative:

The Devon Energy Production Company, L.P. representatives responsible for ensuring compliance of the surface use plan are listed below.

Jimmy Turnini - Operations Engineer Advisor
Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, OK 73102-8260
(405) 228-4479 (office)
(405) 637-5411 (Cellular)

Don Mayberry - Superintendent
Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, NM 88211-0250
(575) 748-3371 (office)
(575) 746-4945 (home)

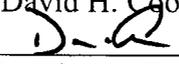
Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or Devon Energy Production Company, L.P. am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this 27th day of August, 2012.

Printed Name: David H. Cook (will change according which Tech signs)

Signed Name: 

Position Title: Regulatory Specialist

Address: 333 W. Sheridan Ave, OKC OK 73102

Telephone: (405)-552-7848

Field Representative (if not above signatory):

Address (if different from above):

Telephone (if different from above):

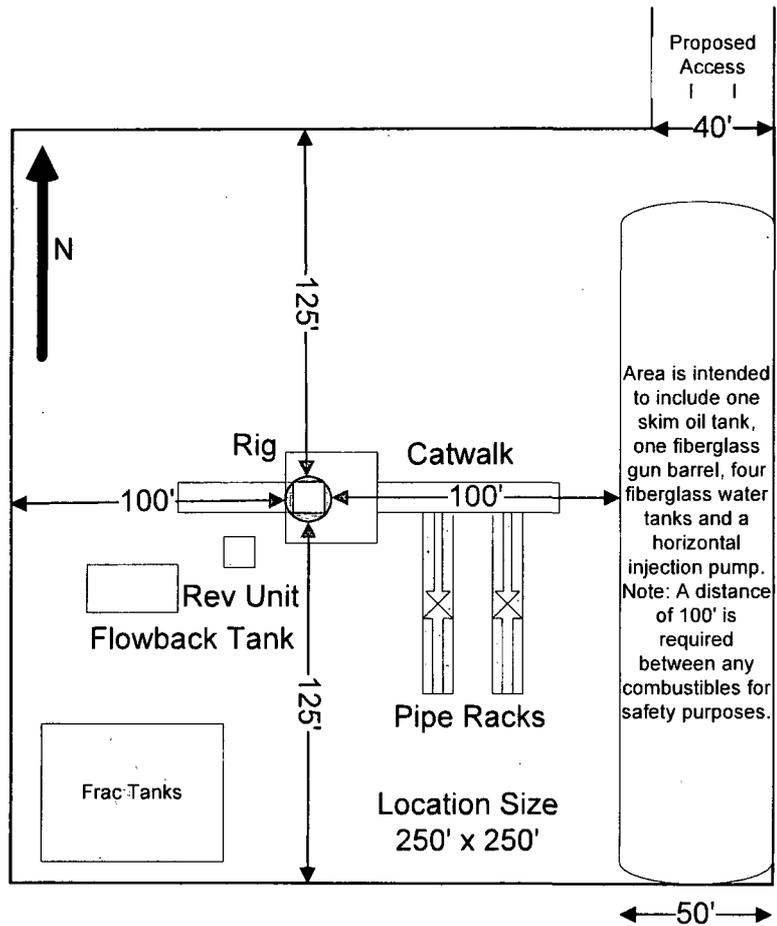
EXHIBIT 1)



Rig Location Layout

Devon Energy Production Co.
Madera 12 FED #1 SWD
1,980 FSL & 1,980 FWL
Sec. 12 - T26S - R34E
Lea County, NM

1" : 60'





Proposed Interim Site Reclamation

Devon Energy Production Co.

Madera 12 FED #1 SWD

1,980 FSL & 1,980 FWL
Sec. 12 - T26S - R34E

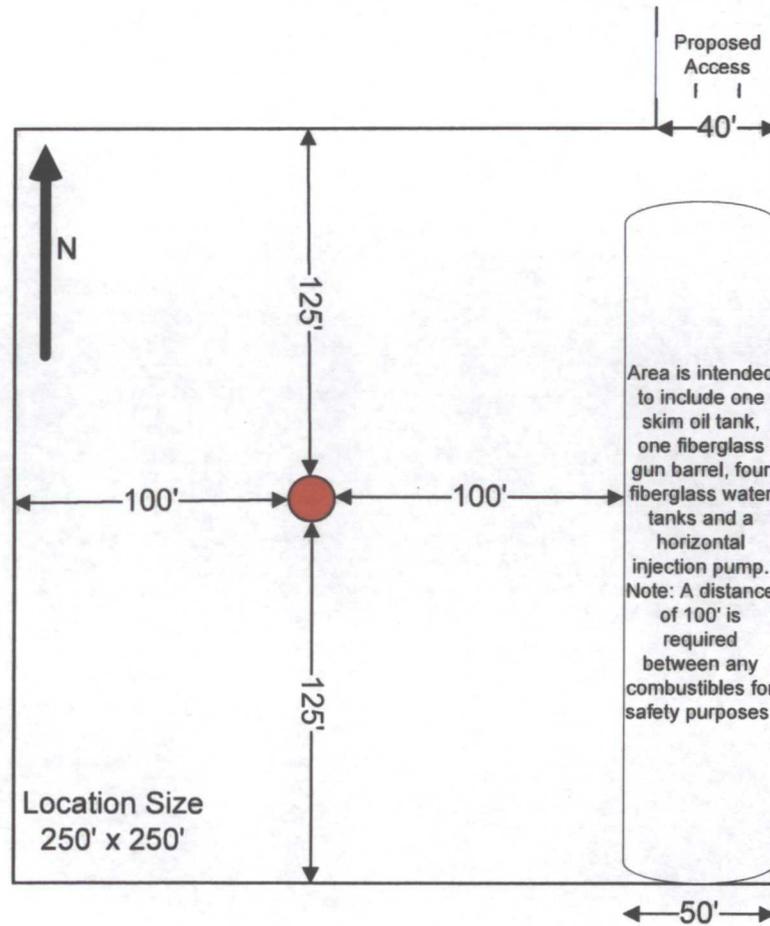
Lea County, NM

Proposed Reclamation Area

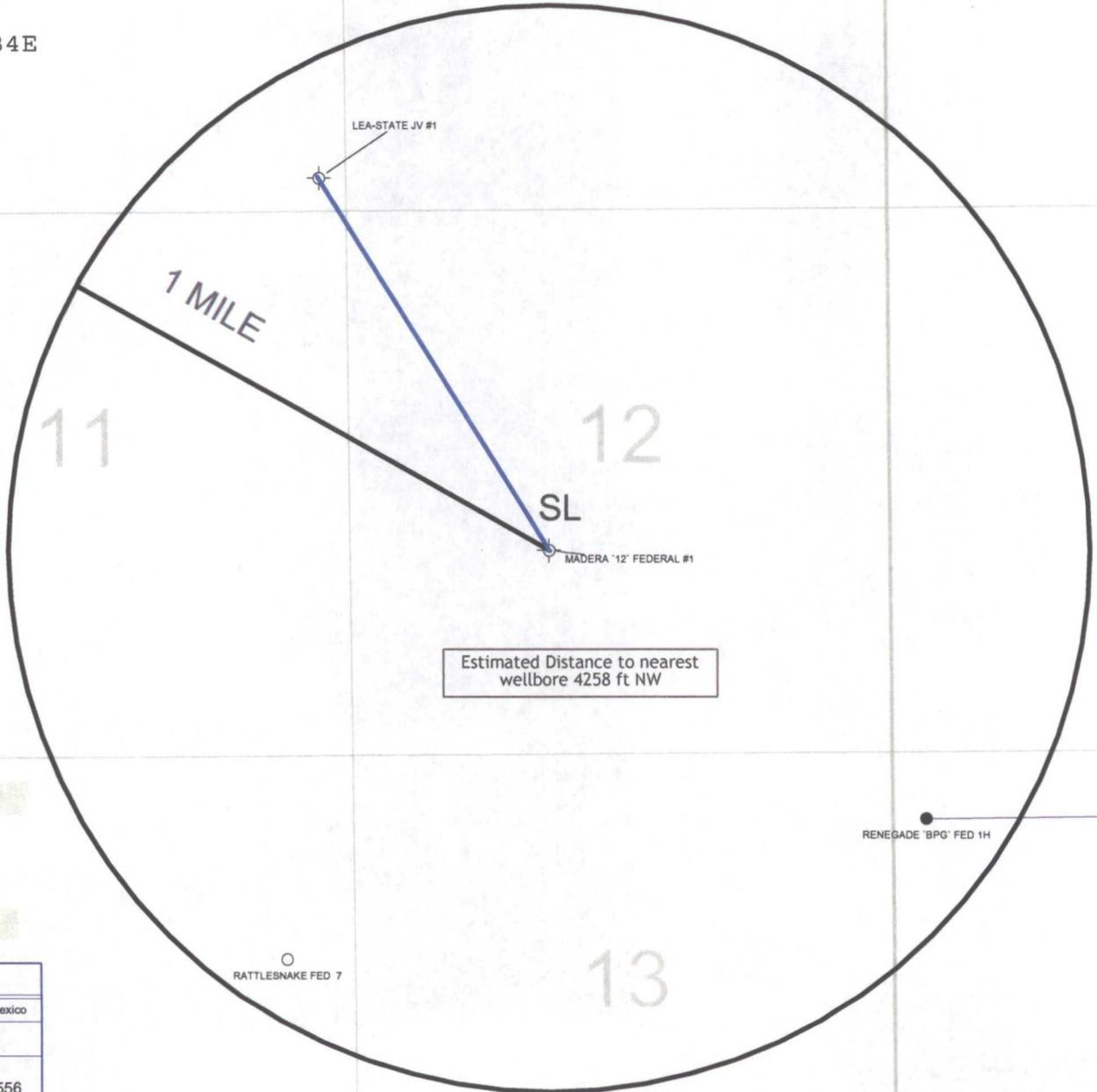


1" : 60'

There is no planned reclamation. The location is being built to accommodate the facility and future truck traffic since a workover rig will be utilized to re-enter this well to complete.



26S - 34E



Estimated Distance to nearest wellbore 4258 ft NW



DEVON
Permian Basin - Southeast New Mexico
1 Mile Radius Map Madera Federal 12 SWD
0 1,556 FEET
POSTED WELL DATA
● Well Label
WELL SYMBOLS
● Oil Well
○ Dry Hole
○ Abandoned Well
○ Location Only
June 27, 2012

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: Permit Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Devon Energy Production Co., LP OGRID #: 6137
Address: 333 West Sheridan, OKC, OK 73102-5010
Facility or well name: MADERA 12 FED SWD #1
API Number: _____ OCD Permit Number: _____
U/L or Qtr/Qtr K Section 12 Township 26S Range 34E County: LEA
Center of Proposed Design: Latitude _____ Longitude _____ NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A
 Above Ground Steel Tanks or Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.16.8 NMAC

4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: CRI Disposal Facility Permit Number: R9166
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
 Yes (If yes, please provide the information below) No
Required for impacted areas which will not be used for future service and operations:
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): DAVID H. COOK Title: REGULATORY SPECIALIST
Signature: _____ Date: 8/27/2012
e-mail address: david.cook@dvn.com Telephone: (405) 552-7848

**Madera 12 Fed #1
C108 Application for Injection
Injection Water Analysis
Bone Spring Formation
Devon Energy Production Co LP**

North Permian Basin Region
P.O. Box 740
Sundown, TX 79372-0740
(806) 229-8121
Lab Team Leader - Sheila Hernandez
(432) 495-7240

Water Analysis Report by Baker Petrolite

Company:	DEVON ENERGY CORPORATION	Sales RDT:	33521.1
Region:	PERMIAN BASIN	Account Manager:	GENE ROGERS (575) 910-1022
Area:	ARTESIA, NM	Sample #:	578322
Lease/Platform:	ICHABOB 7 FED	Analysis ID #:	119387
Entity (or well #):	1 H	Analysis Cost:	\$90.00
Formation:	UNKNOWN		
Sample Point:	WELLHEAD		

Summary		Analysis of Sample 578322 @ 75 F					
		Anions		Cations			
		mg/l	meq/l	mg/l	meq/l		
Sampling Date:	04/04/12	Chloride:	125645.0	3543.99	Sodium:	71749.9	3120.95
Analysis Date:	04/22/12	Bicarbonate:	1049.2	17.2	Magnesium:	1291.0	106.2
Analyst:	STACEY SMITH	Carbonate:	0.0	0.0	Calcium:	7064.0	352.5
TDS (mg/l or g/m3):	211246.6	Sulfate:	2840.0	59.13	Strontium:	426.0	9.72
Density (g/cm3, tonne/m3):	1.138	Phosphate:			Barium:	0.5	0.01
Anion/Cation Ratio:	1	Borate:			Iron:	68.0	2.46
Carbon Dioxide:	50 PPM	Silicate:			Potassium:	1111.0	28.41
Oxygen:		Hydrogen Sulfide:		0	Aluminum:		
Comments:		pH at time of sampling:		6.7	Chromium:		
		pH at time of analysis:			Copper:		
		pH used in Calculation:		6.7	Lead:		
					Manganese:	2.000	0.07
					Nickel:		

Conditions		Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl										
Temp	Gauge Press.	Calcite CaCO ₃		Gypsum CaSO ₄ *2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		CO ₂ Press
		Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	
80	0	1.34	151.28	0.22	569.17	0.25	501.24	0.63	202.66	0.81	0.29	1.43
100	0	1.40	159.85	0.14	387.63	0.24	479.26	0.61	198.10	0.61	0.29	1.8
120	0	1.45	168.13	0.07	210.09	0.25	497.53	0.59	195.53	0.43	0.29	2.24
140	0	1.50	176.69	0.01	40.82	0.28	548.91	0.58	194.39	0.27	0.00	2.73

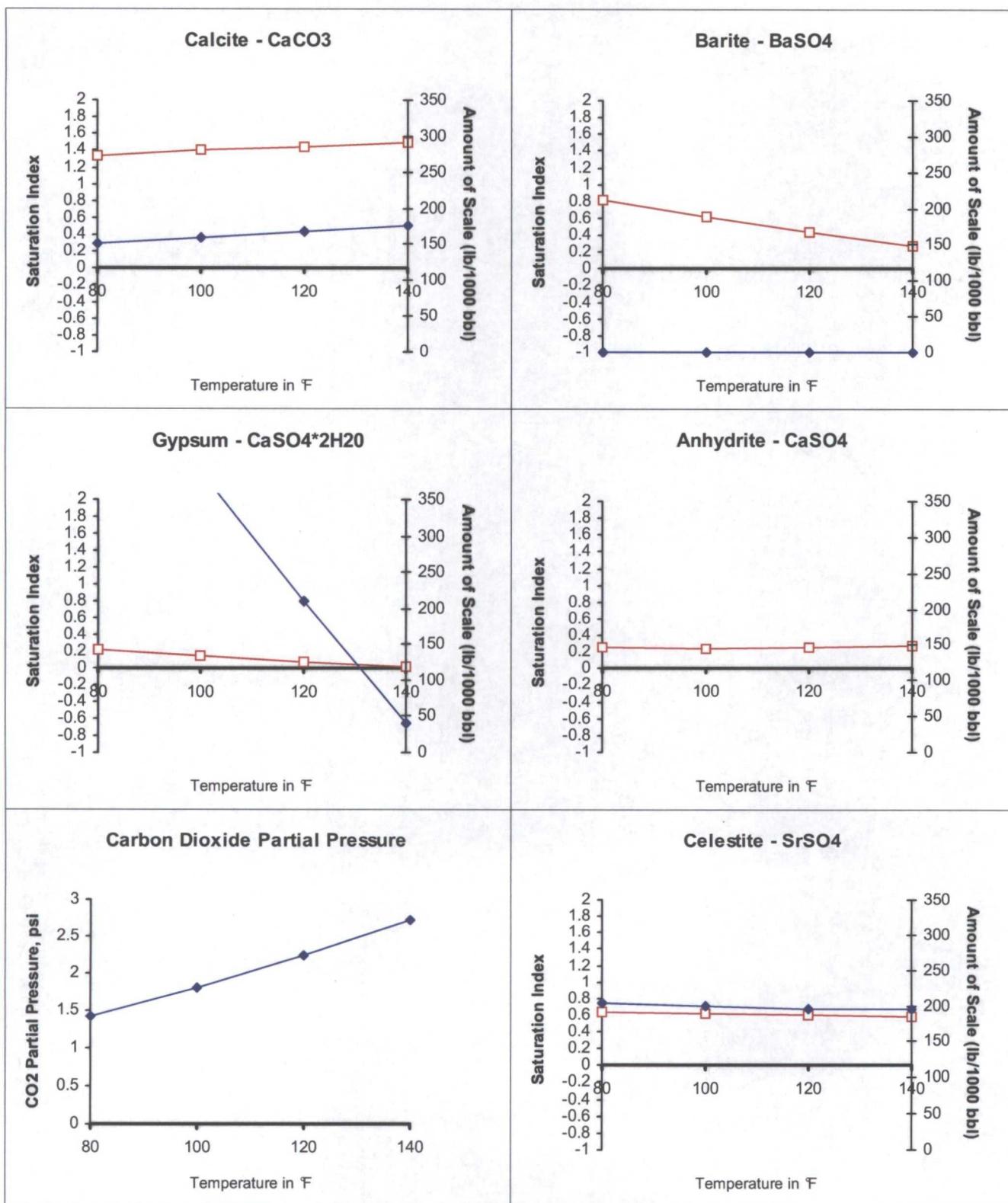
Note 1: When assessing the severity of the scale problem, both the saturation index (SI) and amount of scale must be considered.

Note 2: Precipitation of each scale is considered separately. Total scale will be less than the sum of the amounts of the five scales.

Note 3: The reported CO₂ pressure is actually the calculated CO₂ fugacity. It is usually nearly the same as the CO₂ partial pressure.

Scale Predictions from Baker Petrolite

Analysis of Sample 578322 @ 75 °F for DEVON ENERGY CORPORATION, 04/22/12



Surface Owners Madera 12 Fed #1 SWD Lea County, New Mexico

25S - 35E

31

Cil-Jga
Sec 36
CIL PET INC

34

3

Dean APQ Fed 1
YATES PETROLEUM
CORPORATION

2

1

6

Lea-St Jv 1
KIRKLIN
DRLG INC

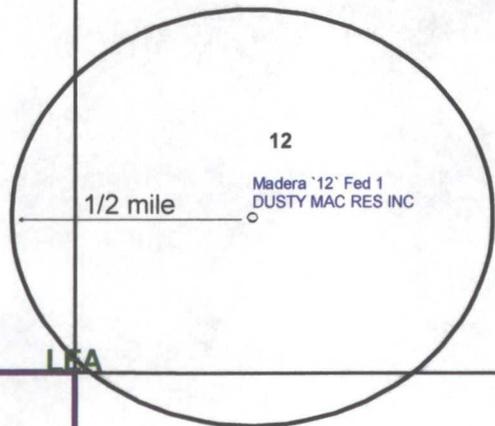
Federal Surface

10

11

12

7



Madera '12' Fed 1
DUSTY MAC RES INC

LEA

RENEGADE BPG
FEDERAL 1H
YATES PETROLEUM CORP

26S - 35E

15

14

26S - 34E

13

18

Rattlesnake
Fed 7
DEVON

Rattlesnake
Fed 6
DEVON

Fed:Ch-1
AMOCO
PROD CO

22

23

24

Madera 19 Fed 1
JUMBO AMERICAN
PETROLEUM CORPORATION

19

MADERA 24
FEDERAL 1
RMR OPERATING LLC

MADERA '24'
FEDERAL 2H
GREAT WESTERN DRLG

27

Rattlesnake
Fed 2
DEVON

26

RATTLESNAKE
FEDERAL UNIT 1
DEVON ENERGY CORP

Hondo-Fed-1
KIRKLIN
DRLG INC

25

MADERA 25 FEDERAL #2
GREAT WESTERN DRLG

30

MADERA '30' FEDERAL 2
GREAT WESTERN
DRL CO

**Leasehold Owners
Madera 12 Fed #1 SWD
Lea County, New Mexico**

25S - 35E

31

Cil-Jga
Sec 36
CIL PET INC

34

Dean APQ Fed 1
YATES PETROLEUM
CORPORATION

3

2

1

6

Lea-St Jv 1
KIRKLIN
DRLG INC

10

11

Yates Petroleum Corp
ABO Petroleum Corp
MYCO Industries, Inc.
OXY Y-1 Company

12

1/2 mile

Madera '12' Fed 1
DUSTY MAC RES INC

7

RENEGADE BPG
FEDERAL 1H
YATES PETROLEUM CORP

Rattlesnake
Fed 7
DEVON

Chesapeake Exploration L.L.C. 50%
Devon Energy Production Company, L.P. 50%

26S - 35E

15

14

26S - 34E

13

18

Rattlesnake
Fed 6
DEVON

Fed:Ch-1
AMOCO
PROD CO

22

23

24

MADERA 24
FEDERAL 1
RMR OPERATING LLC

Madera 19 Fed 1
JUMBO AMERICAN
PETROLEUM CORPORATION

19

MADERA '24'
FEDERAL 2H
RMR OPERATING LLC

Hondo-Fed-1
KIRKLIN
DRLG INC

27

Rattlesnake
Fed 2
DEVON

26

RATTLESNAKE
FEDERAL UNIT 1
DEVON ENERGY CORP

25

MADERA 25 FEDERAL #2
GREAT WESTERN DRLG

30

MADERA '30' FEDERAL 2
GREAT WESTERN
DRL CO

Leasehold Ownership
½ mile Madera 12 Fed #1

26S-34E Section 12:

Yates Petroleum Corp.
105 S. 4th St.
Artesia, NM 88210

Abo Petroleum Corp.
105 S. 4th St.
Artesia, NM 88210

Myco Industries Inc.
105 S. 4th St.
Artesia, NM 88210

OXY Y-1 Co.
P.O. Box 27570
Houston, TX 77227-7570

Section XIV--Proof of Notice to Surface Land Owner
Devon Energy Prod Co LP
C108 Application For Injection
Proposed Well: MADERA 12 FED 1

Proof of Notice to Surface Land Owner of well location site.

Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220

Certified receipt No.
7008 1830 0002 7421 9055

A copy of this application has been mailed to the above surface land owner by certified mail, pertaining to Devon Energy's application for salt water disposal in the Madera 12 Fed #1.

Date Mailed: 9/30/2012

Signature: 

Date: 9/30/2012

Stephanie A. Porter, Operations Technician
Devon Energy Production Co., L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

Section XIV--Proof of Notice to Leasehold Operators
Devon Energy Prod Co LP
C108 Application For Injection
Proposed Well: MADERA 12 FED 1

Proof of Notice to Leasehold Operators within 1/2 mile of Madera 12 Fed #1

Yates Petroleum Corp.
105 S. 4th Street
Artesia, New Mexico 88210

Certified receipt No.
7008 1830 0002 7421 9147

Abo Petroleum Corp.
105 S. 4th Street
Artesia, New Mexico 88210

Certified receipt No.
7008 1830 0002 7421 9154

Myco Industries Inc
105 S. 4th Street
Artesia, New Mexico 88210

Certified receipt No.
7008 1830 0002 7421 9161

Oxy Y-1 Co.
P.O. Box 27570
Houston, Texas 77227-7570

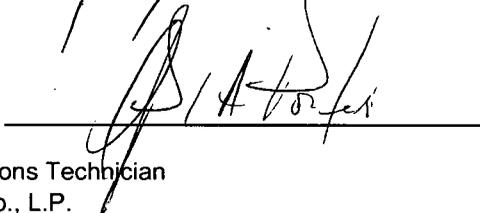
Certified receipt No.
7008 1830 0002 7421 9048

A copy of this application has been mailed to the above leasehold operators by certified mail, pertaining to Devon Energy's application for salt water disposal in the Madera 12 Fed #1.

Date Mailed:

9/30/2012

Signature:



Date:

9/30/2012

Stephanie A. Porter, Operations Technician
Devon Energy Production Co., L.P.
333 West Sheridan Avenue
Oklahoma City, OK 73102

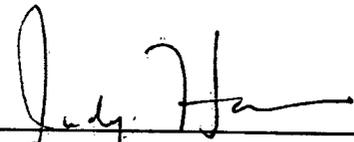
Oath of Publication

State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER

of the Hobbs News-Sun, a
newspaper published at Hobbs, New
Mexico, do solemnly swear that the
clipping attached hereto was
published in the regular and entire
issue of said newspaper, and not a
supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
June 15, 2012
and ending with the issue dated
June 15, 2012



PUBLISHER

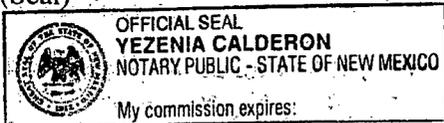
Sworn and subscribed to before me
this 15th day of
June, 2012



Notary Public

My commission expires
February 28, 2016

(Seal)



This newspaper is duly qualified to
publish legal notices or
advertisements within the meaning of
Section 3, Chapter 167, Laws of
1937 and payment of fees for said
publication has been made.

Legal Notice
JUNE 15, 2012

Devon Energy Production Company, LP, 333 West Sheridan Avenue, Oklahoma City, OK 73102-8260 has filed form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for an injection well. The proposed well, the Madera 12 Fed #1, is located 1980' F4L & 1980' FWL, Section 12, Township 26 South, Range 34 East, in Lea County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware and Bone Spring formations. The disposal water will be injected into the Delaware Bell and Cherry Canyon formations at a depth of 5400' to 6900', at a maximum surface pressure of 1180 psi and a maximum rate of 5000 BWPD. Any interested party who has an objection to this must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within (15) days of this notice. Any interested party with questions or comments may contact Jimmy Turnini at Devon Energy Corporation, 333 West Sheridan Avenue, Oklahoma City, OK 73102-8260, or call (405) 228-4479.
#27402

67106734

00094770

ATTN: DVNOKC98

DEVON ENERGY - ATTN: DVNOKC98

P.O. BOX 3198

OKLAHOMA CITY, OK 73101-3198



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 235 3611 Phone
www.devonenergy.com

August 31st, 2012

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Form C-108, Application for Authorization to Inject
Madera 12 Fed #1; API 30-025-32894
Lea County, NM
Section 12, T26S, R34E

RECEIVED OGD
AUG 31 10 51 AM '12

Dear Santa Fe Oil Conservation Division:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject. Devon's application proposes to convert the Madera 12 Fed #1 to salt water disposal in the Bell Canyon & Cherry Canyon formation.

A notice of intent sundry for the proposed salt water conversion has been filed with the BLM (Carlsbad Office).

The surface land owner and operators with leasehold ownership have been notified with Devon's application to inject via certified mail. A copy of this application has been filed with the OCD-Artesia office.

If you have any questions, please contact Jimmy Turnini at (405)-228-4479 or myself at (405)-552-7802.

Sincerely,

Stephanie A. Porter
Operations Technician

SP/sp
Enclosure



August 31st, 2012

Oil Conservation Division
1625 N. French Drive
Hobbs, New Mexico 88240

RE: Form C-108, Application for Authorization to Inject
Madera 12 Federal #1; API 30-025-32894
Lea County, NM
Section 12, T26S, R34E

Dear Conservation Division-Hobbs District Office:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject. The original application has been filed with the Oil Conservation Division-Santa Fe Office.

Devon's application proposes to convert the Madera 12 Fed #1 to salt water disposal in the Bell Canyon & Cherry Canyon formation

A notice of intent sundry for proposed salt water conversion has been filed with the BLM (Carlsbad Office).

The surface land owner and operators with leasehold ownership have been notified with Devon's application to inject via certified mail.

If you have any questions, please contact Jimmy Turnini at (405)-228-4479 or myself at (405)-552-7802.

Sincerely,

Stephanie A. Porter
Operations Technician

SP/sp
Enclosure

2012 AUG 31 P 12: 27
RECEIVED OGD



Devon Energy Corporation
333 West Sheridan
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

August 31st, 2012

Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220

RE: Form C-108, Application for Authorization to Inject
Madera 12 Fed Com #1; API# 30-025-32894
Lea County, NM
Section 12, T26S, R34E; 1980' FNL & 1980' FWL

Dear Sir or Madam:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject.

Devon's application proposes to convert the Madera 12 Fed # to salt water disposal. Produced waters will be injected into the Bell Canyon & Cherry Canyon from 5400' to 6900'.

As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as the well site surface land owner. Any objections must be submitted in writing to NMOCD, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within (15) days of receipt of this letter.

If you have any questions, please contact Jimmy Turnini at (405)-228-4479 or myself at (405)-552-7802.

Sincerely,

Stephanie A. Porter
Operations Technician

SP/sp
Enclosure



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 235 3611 Phone
www.devonenergy.com

August 31st, 2012

Abo Petroleum Corp.
105 S. 4th Street
Artesia, NM 88210

RE: Form C-108, Application for Authorization to Inject
Madera 12 Fed #1; API 30-025-32894
Lea County, NM
Section 12, T26S, R34E

Dear Abo Petroleum Corp.:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject.

Devon's application proposes to convert the Madera 12 Fed #1 to salt water disposal in the Bell Canyon & Cherry Canyon formation.

As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as having leasehold ownership within the ½ mile review area around the Madera 12 Fed #1 well. Any objections must be submitted in writing to NMOCD, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within (15) days of receipt of this letter.

If you have any questions, please contact Jimmy Turnini at (405)-228-4479 or myself at (405)-552-7802.

Sincerely,

Stephanie A. Porter
Operations Technician

SP/sp
Enclosure

RECEIVED OGD
2012 AUG 31 P 12:27



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 235 3611 Phone
www.devonenergy.com

August 31st, 2012

Myco Industries Corp.
105 S. 4th Street
Artesia, NM 88210

RE: Form C-108, Application for Authorization to Inject
Madera 12 Fed #1; API 30-025-32894
Lea County, NM
Section 12, T26S, R34E

Dear Myco Industries Corp:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject.

Devon's application proposes to convert the Madera 12 Fed #1 to salt water disposal in the Bell Canyon & Cherry Canyon formation.

As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as having leasehold ownership within the ½ mile review area around the Madera 12 Fed #1 well. Any objections must be submitted in writing to NMOCD, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within (15) days of receipt of this letter.

If you have any questions, please contact Jimmy Turnini at (405)-228-4479 or myself at (405)-552-7802.

Sincerely,

Stephanie A. Porter
Operations Technician

SP/sp
Enclosure



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 235 3611 Phone
www.devonenergy.com

August 31st, 2012

Yates Petroleum Corp.
105 S. 4th Street
Artesia, NM 88210

RE: Form C-108, Application for Authorization to Inject
Madera 12 Fed #1; API 30-025-32894
Lea County, NM
Section 12, T26S, R34E

Dear Yates Petroleum Corp.:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject.

Devon's application proposes to convert the Madera 12 Fed #1 to salt water disposal in the Bell Canyon and Cherry Canyon formation.

As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as having leasehold ownership within the ½ mile review area around the Madera 12 Fed #1 well. Any objections must be submitted in writing to NMOCD, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within (15) days of receipt of this letter.

If you have any questions, please contact Jimmy Turnini at (405)-228-4479 or myself at (405)-552-7802.

Sincerely,

Stephanie A. Porter
Operations Technician

SP/sp
Enclosure



Devon Energy Corporation
333 West Sheridan Avenue
Oklahoma City, OK 73102-5010

405 235 3611 Phone
www.devonenergy.com

August 31st, 2012

OXY Y-1 Co.
P.O. Box 27570
Houston, Texas 77227-7570

RE: Form C-108, Application for Authorization to Inject
Madera 12 Fed #1; API 30-025-32894
Lea County, NM
Section 12, T26S, R34E

Dear OXY Y-1 Co.:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject.

Devon's application proposes to convert the Madera 12 Fed #1 to salt water disposal in the Bell Canyon and Cherry Canyon formation.

As a requirement of the New Mexico Oil Conservation Division, we are notifying you because you have been identified as having leasehold ownership within the ½ mile review area around the Madera 12 Fed #1 well. Any objections must be submitted in writing to NMOCD, 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. Objections must be received within (15) days of receipt of this letter.

If you have any questions, please contact Jimmy Turnini at (405)-228-4479 or myself at (405)-552-7802.

Sincerely,

Stephanie A. Porter
Operations Technician

SP/sp
Enclosure

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, August 22, 2012 5:29 PM
To: 'Porter, Stephanie'
Subject: RE: SWD Application Question (Timing)
Attachments: ~~Edg~~ NM_NASH_09_SWD.pdf

Hello Mrs. Porter,
Hope all is going great!

Definitely send a copy of the SWD application here (and to Hobbs) ASAP and also send a copy to the BLM office – they look them over also and sometimes object or have suggestions. I don't necessarily need a copy of the BLM re-entry application.

Be sure and send a writeup with the C-108 from an engineer or geologist as to the oil or gas productive capability in that well in the upper Delaware.

Also attached is an example of the requirements of noticing affected persons – a cool way to identify the separately owned tracts and the owners of each tract.

Regards,

William V. Jones, P.E.
505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

From: Porter, Stephanie [<mailto:Stephanie.Porter@dvn.com>]
Sent: Wednesday, August 22, 2012 2:52 PM
To: Jones, William V., EMNRD
Subject: SWD Application Question (Timing)

Will,

I have a question for you, I am about completed with a SWD application, but we are also just getting ready to submit the Federal APD for the well. The well was plugged and abandoned 06/07/1996, so we will re-enter and convert to a SWD well. We'll probably run 5 1/2" casing into the hole and perf into the Bell Canyon & Cherry Canyon zones in the Madera 12 Fed 1 (API # 30-025-32894). I think it could be early next week the Federal permit is ready to go out. So, I wondered.... **IF** the APD is submitted, should (or could) I attach a copy of the "submitted" permit to the submitted SWD application.... or should it wait until we have an approved Federal permit? I know the Madera will require dual approval for the SWD application as well. I know you have numerous applications coming in, so I will defer to what you think is the appropriate procedure, but thought I would ask, since a few Operations Engineers have posed the question about submitting the Federal APD and SWD application in tandem with each other. ☺

Appreciate your time as always.... ☺

Stephanie A. Porter
Permian New Mexico Technician
Phone: (405)-552-7802

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Friday, September 21, 2012 2:59 PM
To: Porter, Stephanie
Cc: Ezeanyim, Richard, EMNRD; Kautz, Paul, EMNRD
Subject: Disposal application from Devon Energy Production Company, LP: Madera 12 Federal # 1 30-025-32894 Bell Canyon and Cherry Canyon perms from 5400 to 6900 feet

Hello Stephanie,
Thanks for the application.

Your landmap shows Chesapeake is 50/50 partners in a lease with Devon located within ½ mile, but Chesapeake was not formally noticed.

Would you please send them a copy and ask them to sign a waiver agreeing to this disposal well?

Comments:

The footage location was listed as 1980 FNL and, I believe, should be 1980 FSL. This appears to be a mistake and the pertinent maps and land research were OK.

Since the proposed interval is 1500 feet thick, we will likely put a requirement for an injection survey.

Enjoy your September,

William V. Jones, P.E.

505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Jones, William V., EMNRD

From: Porter, Stephanie <Stephanie.Porter@dvn.com>
Sent: Thursday, October 04, 2012 1:09 PM
To: Jones, William V., EMNRD
Subject: Objection Waiver- Application to Inject Madera 12 Fed #1
Attachments: Objection Waiver- App to Inject.pdf

Good Afternoon Will,

I have a copy of the requested objection waiver from Chesapeake. ☺

Stephanie

From: Rader, David
Sent: Thursday, October 04, 2012 1:27 PM
To: Porter, Stephanie
Subject: Fw: Objection Waiver- Application to Inject Madera 12 Fed #1

David M. Rader
Landman - Mid-Continent

From: Dane Maxwell [<mailto:dane.maxwell@chk.com>]
Sent: Thursday, October 04, 2012 09:59 AM
To: Rader, David
Subject: Objection Waiver- Application to Inject Madera 12 Fed #1

David,

Please find CHK's waiver of objection for the Application of Authorization to Inject for the Madera 12 Fed #1. Please let me know if you would like the original mailed to your attention.

Thank you,
Dane Maxwell, RPL
Landman - Permian
Chesapeake Energy Corporation
Office: (405) 935-2342
E-mail: Dane.Maxwell@chk.com



DECLARE YOUR
**ENERGY
INDEPENDENCE**
Click here ▶

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September 25, 2012

VIA ELECTRONIC MAIL

Dane Maxwell
Chesapeake Exploration, L.L.C.
6100 North Western Avenue
Oklahoma City, OK 73118-1077

RE: Objection Waiver to Application for Authorization to Inject
Madera 12 Fed #1; API 30-025-32894
Lea Count, NM
Section 12, T26S, R34E

Dear Mr. Maxwell:

Devon Energy Production Company, L.P. ("Devon") has applied to convert the Madera Fed #1 well into a saltwater disposal well pursuant to Devon's Application for Authorization to Inject ("Application"). Devon provided Chesapeake Exploration, L.L.C. ("Chesapeake") with a copy of the Application via electronic mail on the morning of September 24, 2012. Chesapeake is an undivided working interest owner of the operating rights in Section 12, T26S, R34E with Devon. Chesapeake has reviewed the application and is aware of contents Devon's Application for Authorization to Inject. The Carlsbad Office of the Bureau of Land Management has requested Chesapeake waive objection to the Application for Authorization to Inject in order to obtain approval. Please indicate Chesapeake's waiver or denial of waiver to the Application for Authorization to Inject in space provided below, and return a signed copy to the undersigned via electronic mail at David.Rader@dvn.com.

Sincerely,

David M. Rader
Landman

I/We hereby waive any objection to the Application for Authorization to Inject for the Madera 12 Fed #1

~~I/We DO NOT waive any objection to the Application for Authorization to Inject for the Madera 12 Fed #1~~

Chesapeake Exploration, L.L.C.

Print Name: Dave Bolton
Title: Land Manager - Permian

DM

Injection Permit Checklist (11/15/2010)

WFX _____ PMX _____ SWD 1358 Permit Date 6/12/12 UIC Qtr (D/N/D)

Wells 1 Well Name(s): Madera 12 Federal #1

API Num: 30-0 25-32894 Spud Date: 3/31/95 New/Old: N (UIC primacy March 7, 1982)

Footages 1980 FWL/1980 FWL Unit R Sec 12 Tsp 265 Rge 34E County LEA

General Location: _____

Operator: Devon Energy Products Corp LP Contact: Stephanie A. Porter

OGRID: _____ RULE 5.9 Compliance (Wells) _____ (Finan Assur) _____ IS 5.9 OK? _____

Well File Reviewed _____ Current Status: PEA

Planned Work to Well: Re-entry, install 5 1/2" paf, inject

Diagrams: Before Conversion After Conversion Elogs in Imaging File: _____

Well Details:	Sizes		Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
	Hole.....	Pipe				
New ___ Existing <input checked="" type="checkbox"/> Surface	<u>17 1/2</u>	<u>13 3/8</u>	<u>635'</u>	<u>—</u>	<u>685</u>	<u>CIRC</u>
New ___ Existing <input checked="" type="checkbox"/> Interm	<u>11</u>	<u>8 5/8</u>	<u>5260'</u>	<u>NA</u>	<u>1900 SX</u>	<u>CIRC</u>
New ___ Existing ___ LongSt	<u>7 7/8</u>	<u>5 1/2</u>	<u>7100'</u>	<u>NA</u>	<u>600 SX</u>	<u>CIRC</u>
New ___ Existing ___ Liner			<u>7200' New TD</u>			
New ___ Existing ___ OpenHole			<u>(12950' Old TD)</u>			

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	<u>5380</u>	<u>Del</u>	<input checked="" type="checkbox"/>
	<u>5408</u>	<u>Ramsay</u>	<input checked="" type="checkbox"/>
Injection TOP:	<u>5400'</u>	<u>Del C</u>	Max. PSI <u>1080</u> Open Hole ___ Perfs <input checked="" type="checkbox"/>
Injection BOTTOM:	<u>6900'</u>	<u>Cherry C.</u>	Tubing Size <u>2 7/8</u> Packer Depth <u>5370'</u>
Formation(s) Below	<u>8802</u>	<u>Bushy C.</u>	<input checked="" type="checkbox"/>

Capitan Reef? (Potash? Noticed?) [WIPB? Noticed?] Salado Top/Bot 950-2940 Cliff House? _____

Fresh Water: Depths: < 125' Formation _____ Wells? None Analysis? _____ Affirmative Statement

Disposal Fluid Analysis? Sources: Del / B.S.

Disposal Interval: Analysis? _____ Production Potential/Testing: See writeup

Notice: Newspaper Date 6/12/12 Surface Owner BLM (8/30/12) Mineral Owner(s) _____

RULE 26.7(A) Affected Persons: (8/12/12) ABO Patco / Mycof YPC / OXYX-1 Co / Chasegrade

AOR: Maps? Well List? Producing in Interval? NO Wellbore Diagrams? _____

.....Active Wells Repairs? _____ Which Wells? _____

.....P&A Wells Repairs? _____ Which Wells? _____

Issues: Reming survey Request Sent _____ Reply: _____