

DATE IN <u>5-27-10</u>	SUSPENSE <u>7/7/10</u>	ENGINEER <u>WJ</u>	LOGGED IN <u>5-27-10</u>	TYPE <u>SWD</u>	APP NO. <u>1014758222</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



Devon (6137)

Chicago 16 State #3

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.

Ronnie Slack

Print or Type Name

Ronnie Slack
 Signature

Operations Technician

Title

5/25/10

Date

Ronnie.Slack@dvn.com
 e-mail Address

Control Sat 6/21/10
Revised
Conceded 8/10/10
 RECEIVED OCT 2009 MAY 27 11:23



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

May 24, 2010

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

RE: Form C-108, Application for Authorization to Inject
Chimayo 16 State #3; (proposed drill well for SWD)
Eddy County, NM
Section 16, T25S, R29E

Ladies and Gentlemen:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject. Devon's application proposes to drill the Chimayo 16 State #3 for SWD purposes. Produced waters from the Bone Spring formation will be injected into the Delaware Bell and Cherry Canyon formations in an open hole interval from 3000' to 4200'.

A copy of this application is being filed with the OCD-Artesia office.

If you have any questions, please contact Jim Cromer at (405)-228-4464 or myself at (405)-552-4615.
Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Ronnie Slack".

Ronnie Slack
Operations Technician

RS/rs
Enclosure

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: _____ 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102
CONTACT PARTY: _____ Ronnie Slack _____ PHONE: _____ 405-552-4615
- 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: _____ Ronnie Slack _____ TITLE: _____ Engineering Technician
SIGNATURE: Ronnie Slack _____ DATE: 5/25/10
E-MAIL ADDRESS: _____ Ronnie.Slack@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: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

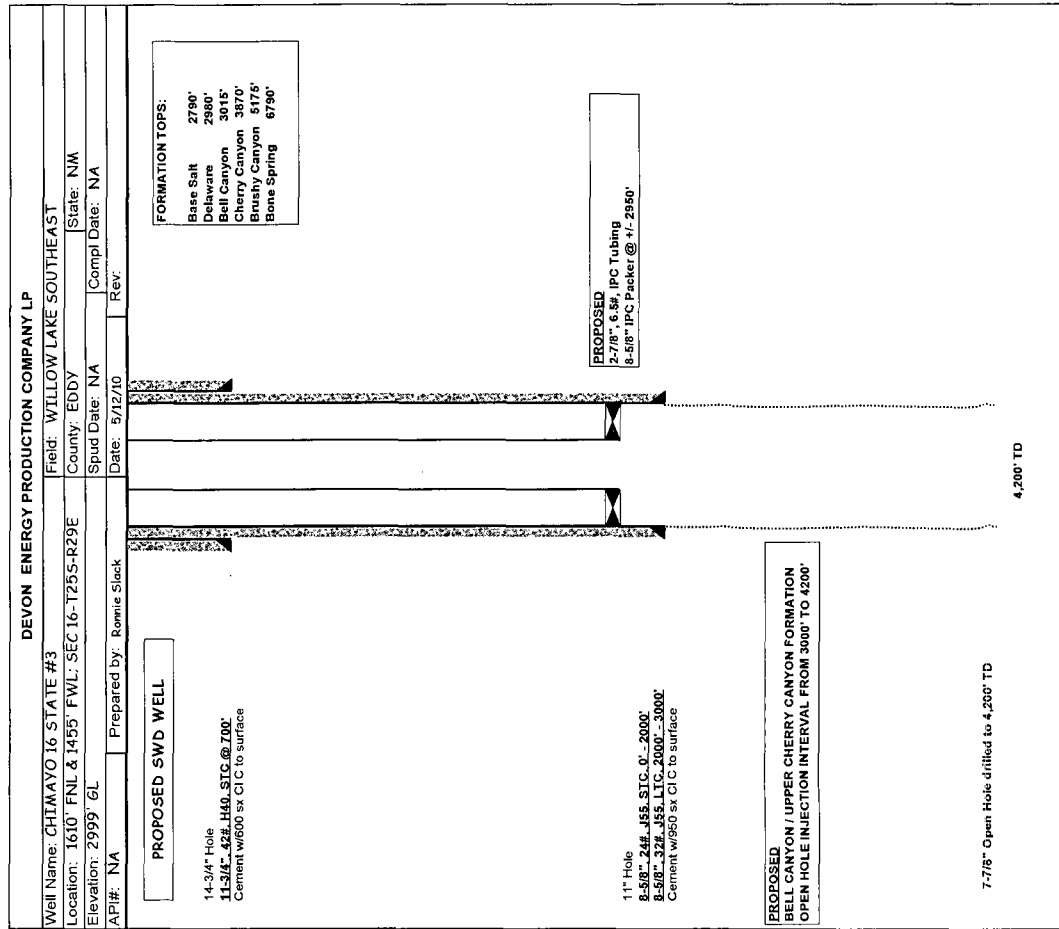
NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

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, LPWELL NAME & NUMBER: CHIMAYO 16 STATE #3WELL LOCATION: 1610' FNL & 1455' FWL
FOOTAGE LOCATIONUNIT LETTER F Sec 16 T2S5 TOWNSHIP R29E RANGEWELLBORE SCHEMATICWELL CONSTRUCTION DATA

Surface Casing

Hole Size: 14-3/4" Casing Size: 11-3/4", 42#, @ 700'Cemented with: 600 sx. or ft³Top of Cement: Surface Method Determined: Circ. cementIntermediate CasingHole Size: 11" Casing Size: 8-5/8, 24/32#, @ 3000'Cemented with: 950 sx. or ft³Top of Cement: Surface Method Determined: Circ. cementProduction CasingHole Size: 7-7/8" Casing Size: NA—Open Hole CmplCemented with: sx. or ft³Top of Cement: Surface Method Determined:Total Depth: 4200'Injection Interval (Open Hole)3000' feet to 4200'

(Perforated or Open Hole? Indicate which)

INJECTION WELL DATA SHEETTubing Size: 2-7/8" Lining Material: IPCType of Packer: 8-5/8" IPCPacker Setting Depth: +/- 2950'

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

Additional Data

1. Is this a new well drilled for injection? Yes
 If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: Delaware Bell & Upper Cherry Canyon from 3000' to 4200'.

3. Name of Field or Pool (if applicable): Willow Lake Southeast

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.

NA

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

Formation tops: Base Salt @ 2790'; Delaware @ 2980'; Bell Canyon @ 3015'; Cherry Canyon @ 3870'. Oil & Gas zones: Brushy Canyon @ 5175'; Bone Spring @ 6790'.

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: CHIMAYO 16 STATE #3		Field: WILLOW LAKE SOUTHEAST	
Location: 1610' FNL & 1455' FWL; SEC 16-T25S-R29E		County: EDDY	State: NM
Elevation: 2999' GL		Spud Date: NA	Compl Date: NA
API#: NA	Prepared by: Ronnie Slack	Date: 5/12/10	Rev:

PROPOSED SWD WELL

14-3/4" Hole
11-3/4", 42#, H40, STC @ 700'
 Cement w/600 sx CI C to surface

FORMATION TOPS:

Base Salt	2790'
Delaware	2980'
Bell Canyon	3015'
Cherry Canyon	3870'
Brushy Canyon	5175'
Bone Spring	6790'

11" Hole
8-5/8", 24#, J55, STC, 0' - 2000'
8-5/8", 32#, J55, LTC, 2000' - 3000'
 Cement w/950 sx CI C to surface

PROPOSED

2-7/8", 6.5#, IPC Tubing
 8-5/8" IPC Packer @ +/- 2950'

PROPOSED

BELL CANYON / UPPER CHERRY CANYON FORMATION
 OPEN HOLE INJECTION INTERVAL FROM 3000' TO 4200'

7-7/8" Open Hole drilled to 4,200' TD

4,200' TD

Proposed Injection Well: Chimayo 16 State #3

API: NA

APPLICATION FOR INJECTION

Form C-108 Section III

III. Well Data--On Injection Well

A. Injection Well Information

- (1) Lease Chimayo 16 State
Well No #3
Location 1610' FNL & 1455' FWL
Sec.Twn,Rnge Sec 16-T25S-R29E
Cnty, State Eddy County, NM
- (2) Casing Proposed: 11-3/4", 42#, H40, STC, in 17-1/2" hole. Cmt'd w/ ~600 sxs.
Cement will be circulated to surface

Proposed: 8-5/8", 24#, J55, from 0' to 2000'.
Proposed: 8-5/8", 32#, J55, from 2000' to 3000'. Cmt'd w/ ~950 sxs.
Cement will be circulated to surface

Proposed: 7-7/8" Open hole completion from 3000' to 4200' TD.
- (3) Injection Tubing 2-7/8", 6.5#, IPC Injection tubing
- (4) Packer 8-5/8" IPC Packer @ +/- 2950'

B. Other Well Information

- (1) Injection Formation: Open Hole Bell Canyon / Upper Cherry Canyon from 3000' to 4200'.
Field Name: Willow Lake Southeast
- (2) Injection Interval: From 3000' to 4200'
- (3) Original Purpose of Wellbore:

Salt Water Disposal

- (4) Other perforated intervals:

None

- (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.

Formation tops: Base Salt @ 2790'; Delaware @ 2980'; Bell Canyon @ 3015'; Cherry Canyon @ 3870'. Oil & Gas zones: Brushy Canyon @ 5175'; Bone Spring @ 6790'.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 15, 2009
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name CHIMAYO "16" STATE	⁶ Well Number 3
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 2999.0

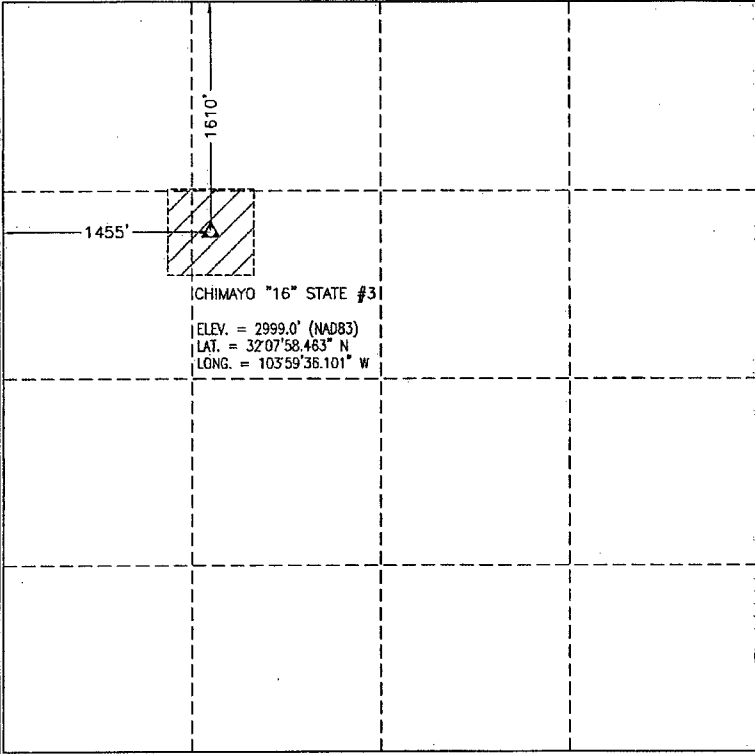
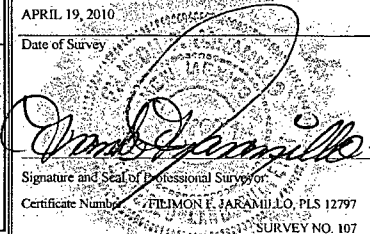
¹⁰ Surface Location

UL or lot no. F	Section 16	Township 25 S	Range 29 E	Lot Idn	Feet from the 1610	North/South line NORTH	Feet from the 1455	East/West line WEST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

	<p>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.</p> <p>Signature _____ Date _____ Printed Name _____</p>
	<p>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.</p> <p>APRIL 19, 2010 Date of Survey _____</p> <p> Signature and Seal of Professional Surveyor: _____ Certificate Number: FILIMON E. JARAMILLO, PLS 12797 SURVEY NO. 107</p>

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

Form C-101
Permit 113972

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N Broadway Oklahoma City, OK 73102		2. OGRID Number 6137
		3. API Number
4. Property Code 28753	5. Property Name CHIMAYO 16 STATE	6. Well No. 003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	16	25S	29E	F	1610	N	1455	W	EDDY

8. Pool Information

Additional Well Information

9. Work Type New Well	10. Well Type	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 2999
14. Multiple N	15. Proposed Depth 4200	16. Formation Brushy Canyon	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	11.75	42	700	600	0
Intl	11	8.625	24	2000		0
Intl	11	8.625	32	3000	950	0
	7.875	0	0	4200	0	0

Casing/Cement Program: Additional Comments

This well is drilled for an SWD and there will be no casing set in the last hole interval. 0-700 MW 8.4-9.0; Visc 30-34; 700-3000 MW 9.8-10.0; Visc 28-32; 3000-4200 MW 8.6-9.0; Visc 28-32.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
Double Ram	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
 I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION

Printed Name: Judy A. Barnett

Approved By:

Title: Regulatory Analyst

Title:

Email Address: Judith.Barnett@dmv.com

Approved Date:

Expiration Date:

Date: 5/25/10

Phone: 405-228-8699

CHIMAYO 16 STATE 3
SEC 16 T25S R293
EDDY, COUNTY NM
Page 2

The BOP system used to drill the intermediate hole will consist of an **11" 5M Double Ram and Annular preventer**. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the surface casing shoe.

The BOP system used to drill the production hole will consist of an **11" 5M Double Ram and Annular preventer**. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 5M system prior to drilling out the intermediate casing shoe.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's 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 and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 5,000 psi WP.

Proposed Injection Well: Chimayo 16 State #3
APPLICATION FOR INJECTION
Form C-108 Section VII to XII

VII Attach data on the proposed operation, including:

- (1) Proposed average injection rate: 3000 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: 720 psi
- (4) The injection fluid will be produced water from the Bone Spring formation that will be injected into the Delaware Bell Canyon and Upper Cherry Canyon formations.
- (5) Water analysis have been submitted for sourced water from the Bone Spring formation and injection formation water from the Delaware.

VIII Geologic Injection Zone Data

The injection zone is the Bell Canyon and Upper Cherry Canyon formations an open hole interval from 3000' to 4200' (1200' thick). The Bell Canyon and Cherry Canyon formations are a Permian aged sandstone. The average depth of water report notes aquifers at an average depth of 60'.

IX Proposed Stimulation

Based on injectivity results this interval could be stimulated with ~3000 gals 15% HCl and 160,000# of sand.

X Log Data

Open hole logs for the Chimayo 16 State #1 (30-015-31781), an offset to the proposed Chimayo 16 State #3, have been submitted to the OCD Atresia office for scanning.

XI Fresh Water Analysis

No fresh water wells were indicated within one mile of proposed injection well per New Mexico office of the State Engineer web site. State Engineer web site reports are attached.

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.

XIII Proof of Notice

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



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters) (In feet)

POD Number	Sub basin	Use	County	Q 64	Q 16	Q 4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
C 02371	STK	ED		2	3	15	25S	29E		596741	3555106*	200	60	140
C 02680	STK	ED		2	3	15	25S	29E		596741	3555106*	200		
												Average Depth to Water:		
												Minimum Depth:		
												Maximum Depth:		

Record Count: 2**Basin/County Search:**

County: Eddy

PLSS Search:Section 8, 9, 10, 15, Township: 25S Range: 29E
(s): 16, 17, 20, 21**Usage Filter:**

Use: STK (72-12-1 LIVESTOCK WATERING)

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

5/10/10 3:11 PM

WATER COLUMN/ AVERAGE
DEPTH TO WATER



New Mexico Office of the State Engineer

Water Column/Average Depth to Water

(quarters are 1=NW 2=NE 3=SW 4=SE)

(quarters are smallest to largest) (NAD83 UTM in meters)

(In feet)

POD Number	Sub basin	Use	County	Q Q Q 64 16.4	Sec	Tws	Rng	X	Y	Depth Well	Depth Water	Water Column
RA 07162 EXP2	DOM	ED		1 3 1	10	25S	29E	596214	3557222*	55	40	15
										Average Depth to Water:		40 feet
										Minimum Depth:		40 feet
										Maximum Depth:		40 feet

Record Count: 1**Basin/County Search:****County:** Eddy**PLSS Search:**

Section 8, 9, 10, 15, **Township:** 25S **Range:** 29E
(s): 16, 17, 20, 21

Usage Filter:**Use:** DOM (72-12-1 DOMESTIC ONE HOUSEHOLD)

*UTM location was derived from PLSS - see Help

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

5/10/10 3:13 PM

WATER COLUMN/ AVERAGE
DEPTH TO WATER

WATER ANALYSIS
Bone Spring Formation
Chimayo 16 ST #1

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 #:	492168
Lease/Platform:	CHIMAYO UNIT	Analysis ID #:	100662
Entity (or well #):	16-1	Analysis Cost:	\$90.00
Formation:	Bone Spring		
Sample Point:	HEATER DUMP		

Summary		Analysis of Sample 492168 @ 75 °F							
Sampling Date:	05/12/10	Anions		mg/l	meq/l	Cations		mg/l	meq/l
Analysis Date:	05/18/10	Chloride:	142827.0		4028.63	Sodium:	76546.4		3329.58
Analyst:	STACEY SMITH	Bicarbonate:	73.0		1.2	Magnesium:	1589.0		130.72
TDS (mg/l or g/m3):	235300.4	Carbonate:	0.0		0.	Calcium:	10332.0		515.57
Density (g/cm3, tonne/m3):	1.157	Sulfate:	1021.0		21.26	Strontium:	1192.0		27.21
Anion/Cation Ratio:	1	Phosphate:				Barium:	2.5		0.04
		Borate:				Iron:	379.0		13.7
		Silicate:				Potassium:	1334.0		34.12
Carbon Dioxide:	1400 PPM	Hydrogen Sulfide:			17 PPM	Aluminum:			
Oxygen:		pH at time of sampling:			6.5	Chromium:			
Comments:		pH at time of analysis:				Copper:			
		pH used in Calculation:			6.5	Lead:			
						Manganese:	4.500		0.16
						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
°F	psi	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount	psi
80	0	0.18	1.40	-0.08	0.00	-0.03	0.00	0.58	321.11	1.00	1.12	0.14
100	0	0.24	1.95	-0.16	0.00	-0.05	0.00	0.55	310.50	0.80	1.12	0.18
120	0	0.30	2.51	-0.23	0.00	-0.04	0.00	0.54	304.91	0.62	1.12	0.21
140	0	0.35	3.35	-0.29	0.00	-0.01	0.00	0.53	303.52	0.47	0.84	0.25

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.

WATER ANALYSIS
Delaware Formation
Apache 25 Fed 6

0821

P. 03

p.3

L
M
S**Laboratory Services, Inc.**4016 Fiesta Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713**Water Analysis**

COMPANY	Devon Energy
SAMPLE	Apache 25-6
SAMPLED BY	
DATE TAKEN	
REMARKS	
Barium as Ba	0
Carbonate alkalinity PPM	0
Bicarbonate alkalinity PPM	80
pH at Lab	6.05
Specific Gravity @ 60°F	1.195
Magnesium as Mg	59,566
Total Hardness as CaCO ₃	102,700
Chlorides as Cl	192,032
Sulfate as SO ₄	200
Iron as Fe	33
Potassium	85
Hydrogen Sulfide	0
Rw	0.046 @ 23° C
Total Dissolved Solids	295,500
Calcium as Ca	43,134
Nitrate	35

Results reported as Parts per Million unless stated

Langeller Saturation Index 0.65

Analysis by: Vickie Biggs
Date: 3/5/04



Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

July 20, 2010

RECEIVED OCD

2010 JUL 22 P 1:31

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

RE: Form C-108, Application for Authorization to Inject
Chimayo 16 State #3; (30-015-NA) (proposed drill well for SWD)
Eddy County, NM
Section 16, T25S, R29E

Will,

Enclosed are logs for the following wells regarding Devon's application for disposal. A copy of the bond logs will be sent to the OCD, Artesia office as well.

Cooter 16 ST 1H (30-015-37625); mud log with type log
Chimayo ST #1 (30-015-31781); Radial analysis log
Cooter 16 ST 3H (30-015-37627) CBL

Let me know if you need further information or have any questions.

Sincerely,

Ronnie Slack
Operations Technician

RS/rs
Enclosure



Baker Atlas

RADIAL ANALYSIS LOG

FILING NUMBER :

1210-1285

COMPANY : CONCHO RESOURCES, INC.

WELL : CHIMAYO 16 STATE #1

FIELD : WILLOW LAKE - BONE SPRING

COUNTY : EDDY

STATE : NEW MEXICO

LOCATION :

660' FNL & 1980' FWL

OTHER SERVICES :
TEMPERATUR

SEC. : 16 TWP. : 25-S RGE. : 29-E

PERMANENT DATUM : GROUND LEVEL ELEV. : 2988'

LOG MEASURED FROM : K. B. 12.0 FT. ABOVE PERM. DAT.

DRILLING MEASURED FROM : KELLY BUSHING

ELEV. : K.B. 3000'

D.F. : 2999'

G.L. : 2988'

DATE	28-JUNE-2001	CORRELATED TO SLS
RUN NUMBER	ONE	DENSITY / NEUTRON
TYPE LOG	RAL	DATED 18-JUNE-2001.
DEPTH - DRILLER	9254'	
DEPTH - LOGGER	9244'	
LOGGED INTERVAL	7400' TO 9244'	TO
OPERATING RIG TIME	CRANE	*****
TYPE FLUID IN HOLE	WATER	MAIN PASS RAN WITH
SALINITY, PPM CL.	N/A	1000-PSI ON CASING.
DENSITY-VISCOSITY	N/A	*****
LEVEL	FULL	
MAX REC TEMP., DEG. F	156.8	
EQUIPMENT-LOCATION	5042 Hobbs, NM	6429 Hobbs, NM
RECORDED BY	B. BOGGS	B. KAYS
WITNESSED BY	J. LINSLEY	

RUN NO.	BORE - HOLE RECORD			CASING RECORD			
	BIT	FROM	TO	SIZE	WEIGHT	FROM	TO
				13.35	48.0	0	600'
				8.625	32.0	0	2980'
				5.50	17.0	0	9300'

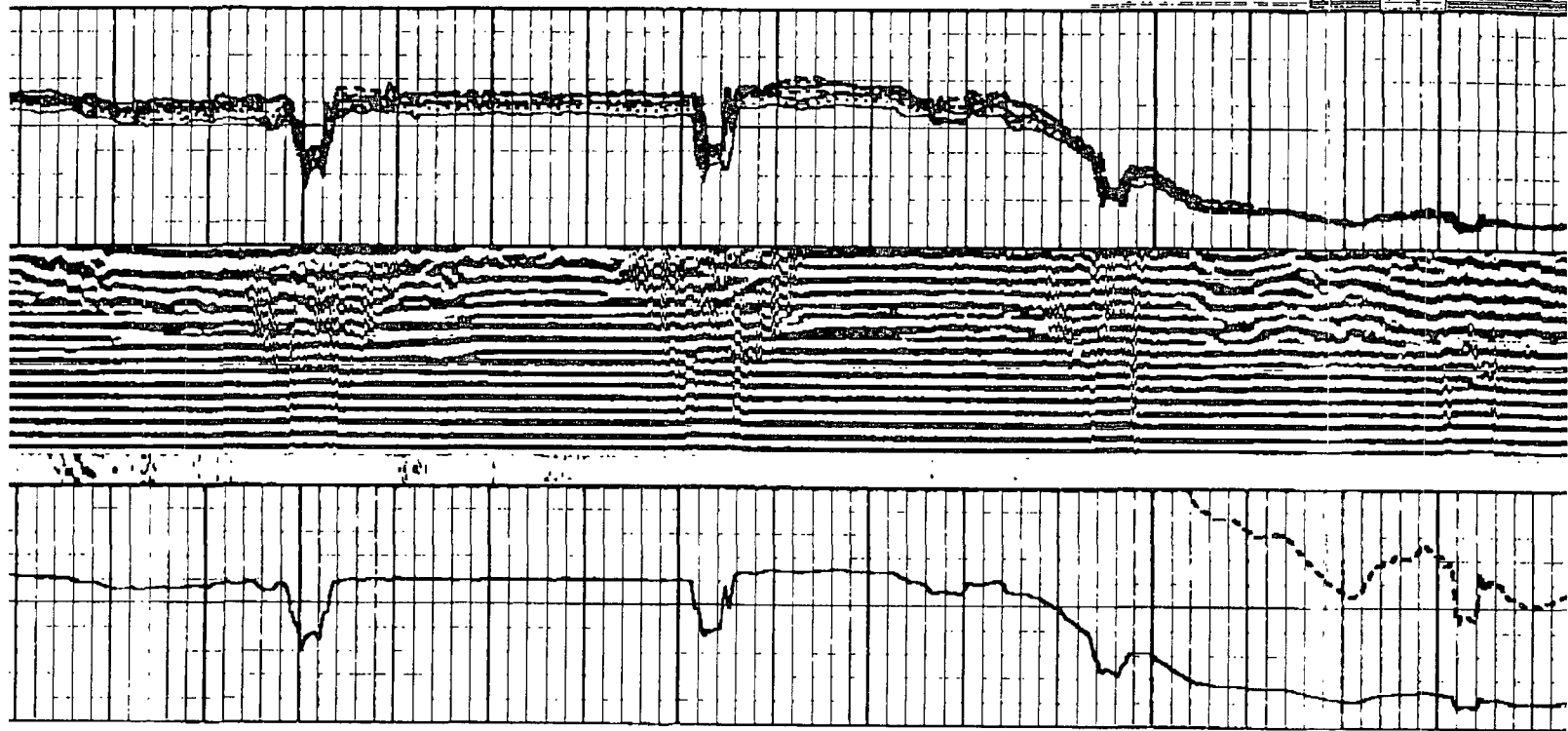
THIS HEADING CONFORMS TO API STANDARD PRACTICE RP - 33

NOTES

5.50 CASING CEMENTED WITH: 650 SX35:65 POZ:H
+5% SALT, 6% GEL, +3% GILSONITE. TAILED WITH
355 SX 50:50 POZ H +2% GEL, +5% SALT. +3%

BAKER HUGHES

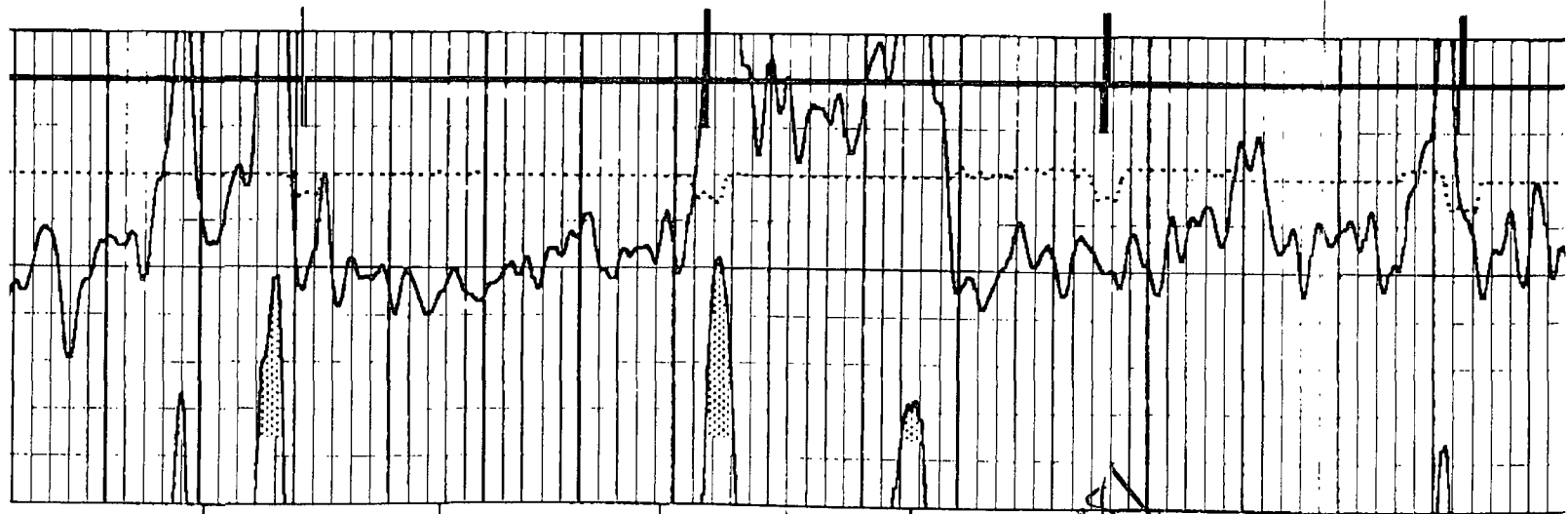
BAKER HUGHES



3200

3250

3300



CHINA 70
16 State
1

30-015-31 181

COMPANY Concho Resources, Inc.

WELL Chimayo 16 State #1

FIELD Willow Lake - Bone Spring

COUNTY Eddy STATE New Mexico

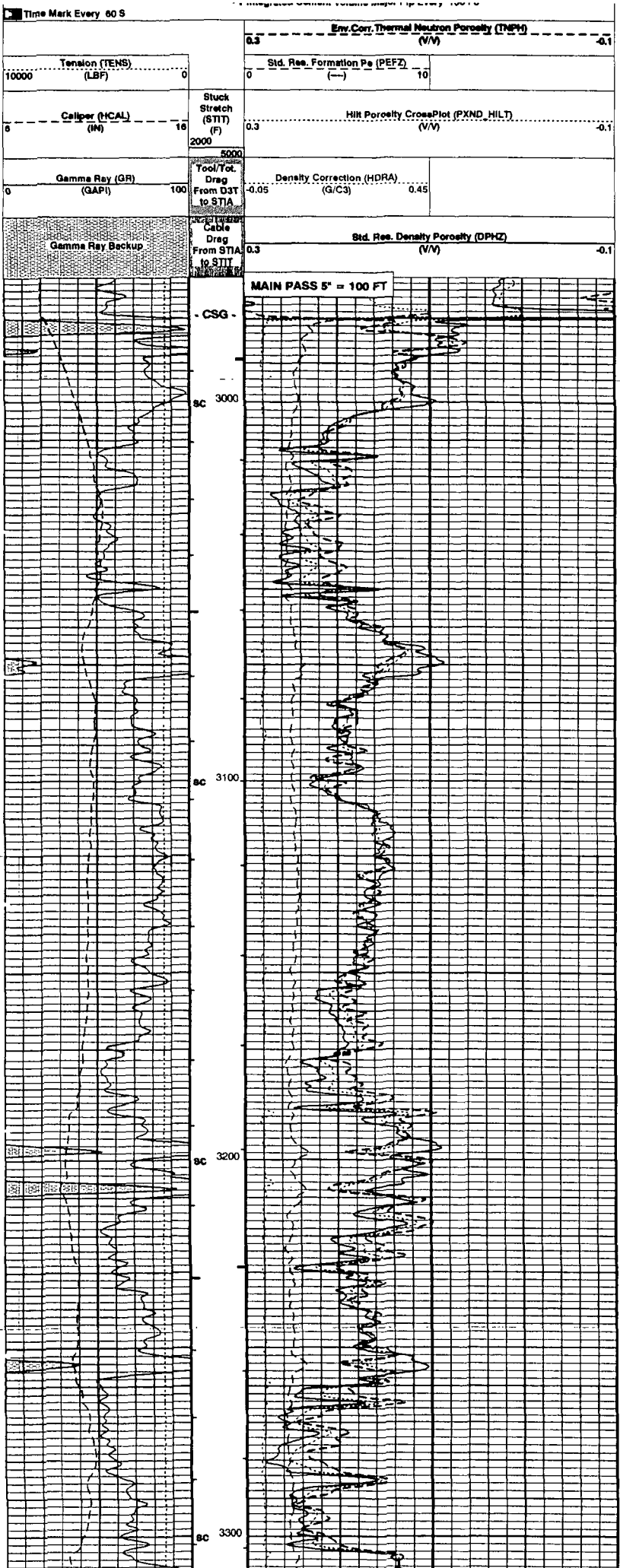
COUNTY: Eddy
 Field: Willow Lake - Bone Spring
 Location: 660' FNL, 1980' FWL
 Well: Chimayo 16 State #1
 Company: Concho Resources, Inc.

LOCATION	Schlumberger		PLATFORM EXPRESS	
			Azimuthal Laterolog	
	660' FNL, 1980' FWL		Elev.: K.B. 3000 ft	
	Section 16, Township 25S, Range 29E		G.L. 2988 ft ✓	
	Permanent Datum: Ground Level		Elev.: 2988 ft	
	Log Measured From: Kelly Bushing		12.0 ft above Perm. Datum	
	Drilling Measured From: Kelly Bushing			
	API Serial No. 30-015-31781 N/A	SECTION 16	TOWNSHIP 25S	RANGE 29E

MicroCFL-GR
RECEIVED
MAY 20 2010

NMOCD ARTESIA

MUD	Logging Date		18-JUN-2001		
	Run Number		One		
	Depth Driller		9300 ft		
	Schlumberger Depth		9301 ft		
	Bottom Log Interval		9293.5 ft		
	Top Log Interval		2978 ft		
	Casing Driller Size @ Depth		8.625 in @ 2980 ft		@
	Casing Schlumberger		2978 ft		
	Bit Size		7.875 in		
	Type Fluid In Hole		Brine		
	Density	Viscosity	9.1 lbm/gal	28 s	
	Fluid Loss	PH	14 cm3	8.5	
	Source Of Sample		Circulation Pit		
	RM @ Measured Temperature	0.070 ohm.m	@ 90 degF	@	
	RMF @ Measured Temperature	0.053 ohm.m	@ 90 degF	@	
RMC @ Measured Temperature		@	@		
Source RMF	RMC	Calculated			
RM @ MRT	RMF @ MRT	0.043 @ 150	0.032 @ 150	@ @	
Maximum Recorded Temperatures		150 degF	150	150	
Circulation Stopped		Time	18-JUN-2001	1:00	
Logger On Bottom		Time	18-JUN-2001	10:52	
Unit Number	Location	3076	Hobbs, NM		
Recorded By		M. Lopez, P. Garcia			
Witnessed By		Mr. Dale Lubinski			



Output DLIS Files

DEFAULT HILTD .016 FN:15 PRODUCER 18-Jun-2001 11:12

Speed Corrected - Depth Matched LOG

OP System Version: 9C1-303

MCM

HILTB-FTB
BSP

OP91-kp2
OP91-kp2

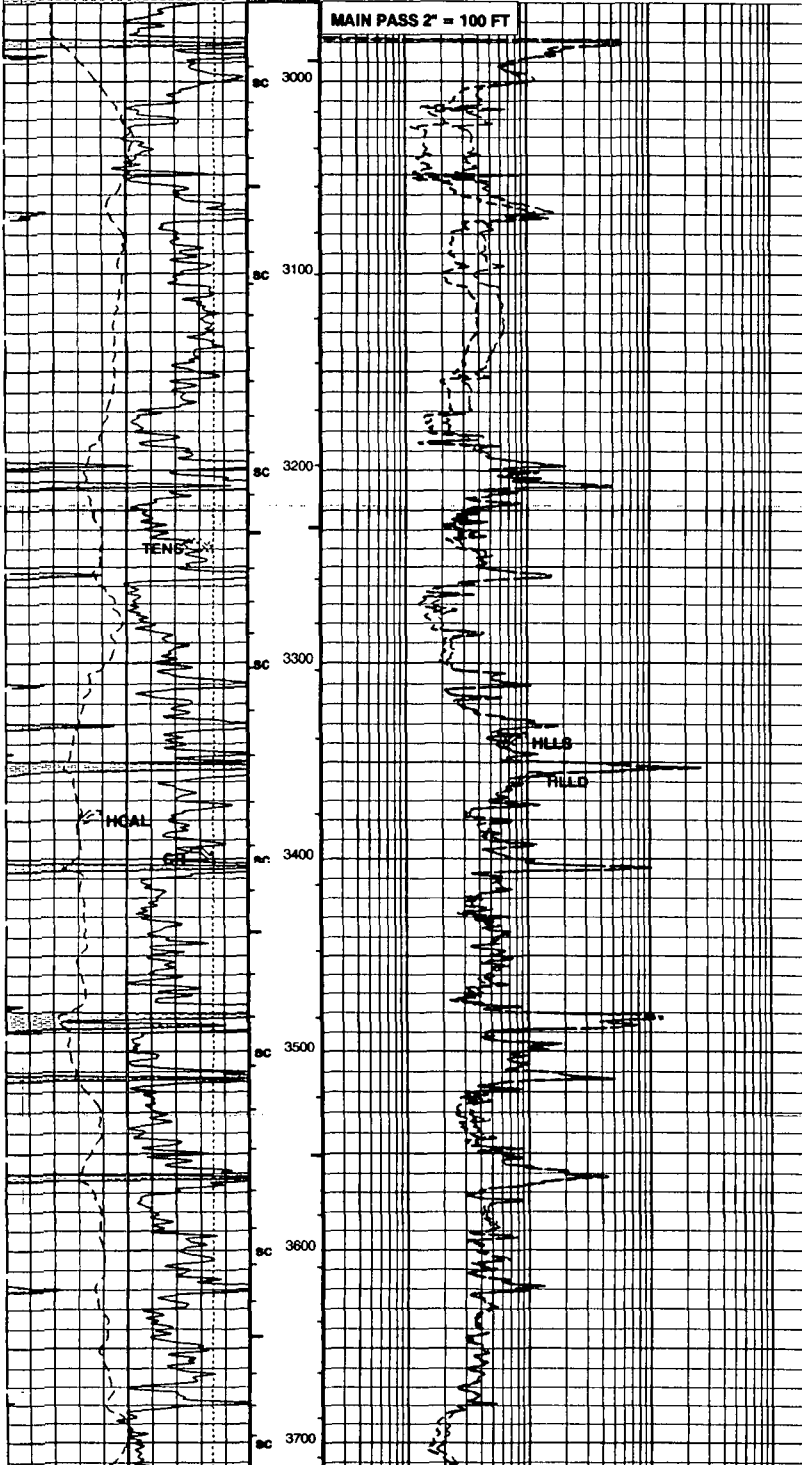
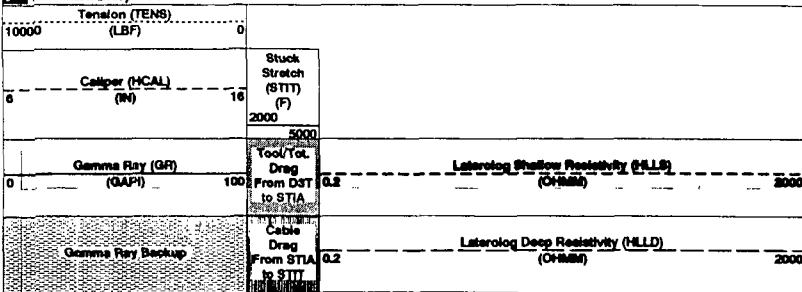
DTC-H

OP91-kp2

PIP SUMMARY

- Integrated Hole Volume Minor Pip Every 10 F3
- Integrated Hole Volume Major Pip Every 100 F3
- Integrated Cement Volume Minor Pip Every 10 F3
- Integrated Cement Volume Major Pip Every 100 F3

Time Mark Every 60 S



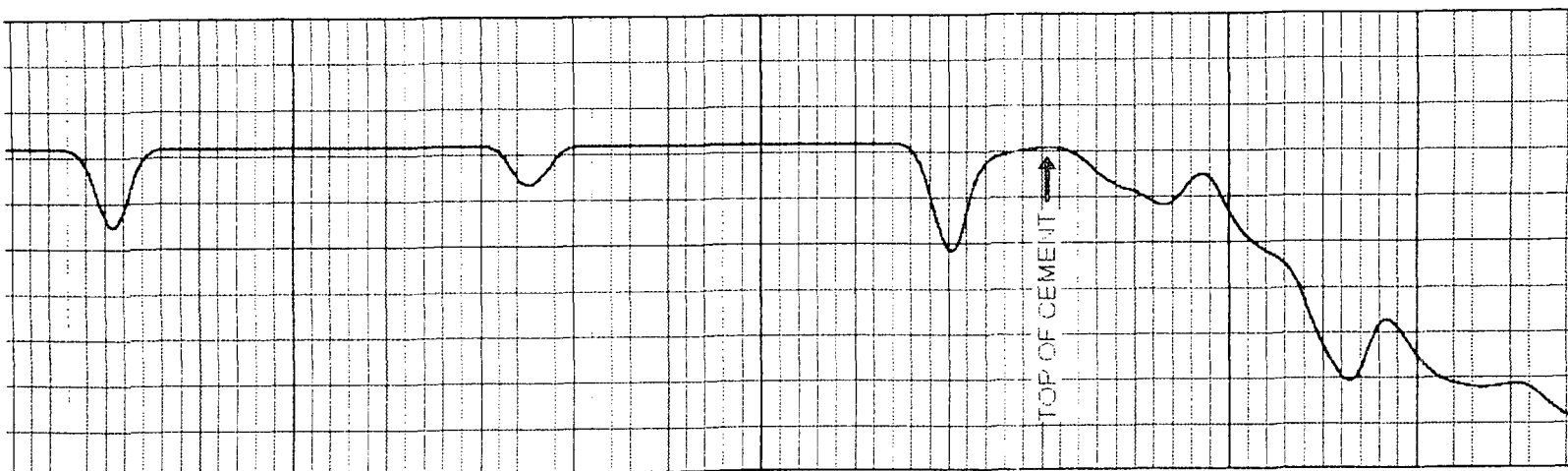
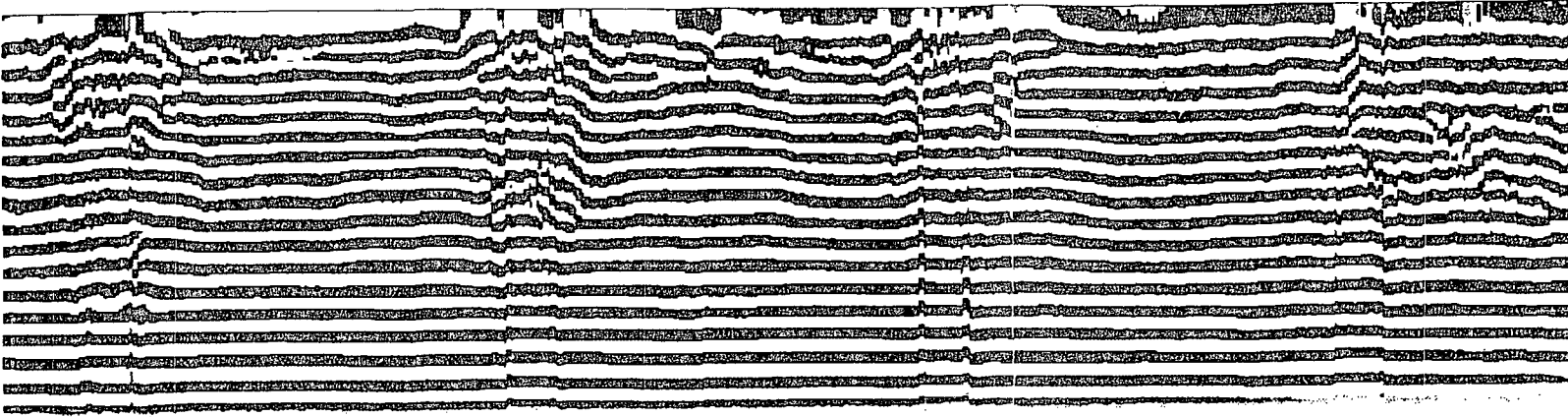


Company DEVON ENERGY Well COOTER 16 STATE #3 Field WILLOW LAKE SOUTHEAST County EDDY State NEW MEXICO	Company		DEVON ENERGY				
	Well		COOTER 16 STATE #3				
	Field		WILLOW LAKE SOUTHEAST				
	County		EDDY				
	State		NEW MEXICO				
Location:		API #: 30-015-37627		Other Services			
		330' FNL & 1190' FWL					
		SEC 16 TWP 25-S RGE 29-E		Elevation			
Permanent Datum		GROUND LEVEL		Elevation	3007'		
Log Measured From		K.B. 25' ABOVE P.D.		K.B. 3032'			
Drilling Measured From		KELLY BUSHING		D.F. 3031'			
				G.L. 3007'			
Date		07-16-10					
Run Number		ONE					
Depth Driller		6900'					
Depth Logger		7398'					
Bottom Logged Interval		7398'					
Top Log Interval		1600'					
Open Hole Size		7.875"					
Type Fluid		N/A					
Density / Viscosity		N/A					
Max. Recorded Temp.		N/A					
Estimated Cement Top		1980'					
Time Well Ready		0700					
Time Logger on Bottom		0800					
Equipment Number		2718					
Location		HOBBS, NEW MEXICO					
Recorded By		MATT WARDEN					
Witnessed By		MR. STEVE CONNER					
Borehole Record				Tubing Record			
Run Number	Bit	From	To	Size	Weight	From	To
Casing Record		Size	Wgt/Ft	Top		Bottom	
Surface String							
Prot. String							
Production String		5.5"	17#	0'		T.D.	
Liner							

All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages, or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

Comments

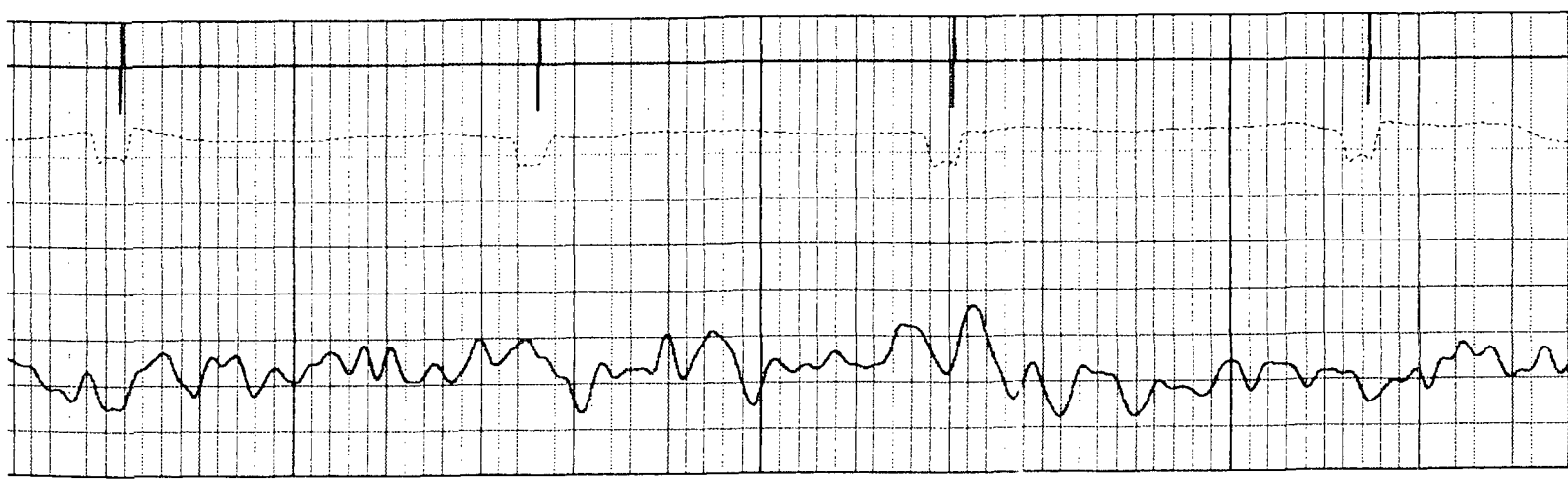
30-015-37627
Center 18 SE #3



1900

1950

2000



Chimayo 16 State #3 30-015-NA

Devon Energy C108; Delaware Open Hole Disposal Interval 3000 to 4200 feet

Additional information request from William Jones per Email dated 7/7/10

Hi Will,

Attached in this document is additional information requested from your email dated 7/7/10. Let me know if you have any questions or need additional information.

Thanks,

Ronnie

7/20/10

Ronnie.Slack@dvn.com

a. What is the top and bottom depths of the Salado in this area?

a. Top of Salado ~150' to 1480'.

b. What formation and lithology is between the Salado and the top of the Delaware? Is it high stress or impermeable?

b. Castile-comprised of salt, anhydrite and limestone. Should be high stress and impermeable.

c. If there are any windmills within 1 mile of this location, please send a fresh water analysis for our file in this application.

c. Per visual from field folks, no windmills in area of disposal well. No fresh water wells reported within one mile of injection well per New Mexico office of State Engineer web site.

d. Over the Delaware disposal interval, please predict:

- a. Productivity of hydrocarbons (send copy of mudlog or copy of a quick log analysis or results of offset production testing)
- b. Insitu Water Salinity of the upper Bell Canyon Sands (from Rwa calculation and NaCl charts or other method)

d. (a. & b.) I will mail a mud log that includes a type log for the Cooter 16 ST 1H. The geologist has marked the log with the information you requested above.

e. For the Area of Review, it appears the Bone Spring or deeper horizontal wells were not included. Please look within the ½ mile Area of Review for any wells penetrating the Delaware and send well bore diagrams for all wells showing the cement placement and cement tops.

e. Area of Review Update

Cooter 16 ST 3H—(30-015-37627) This well has been added to the AOR well tabulation sheet (revised AOR tabulation attached). It was spud (6/8/10) after the C108 application was submitted. This well has now been drilled but waiting on completion to the Avalon Shale. A CBL was re-ran (7/17/10) and TOC noted on 5-1/2" production casing at 1980' per drilling report. A schematic is attached. The CBL will be submitted to the OCD.

~~Chimayo 16 ST 2~~—(30-015-31782) Clarification on location in AOR map. This well was proposed years ago as offset to Chimayo 16 ST 1 Bone Spring, but never drilled.

Wells below have surface locations outside of AOR, but directional tracks under AOR

~~Cooter 16 ST 1H~~—(30-015-37625) The surface location is outside AOR. It was spud 4/2/10. A vertical hole was drilled to ~6360' and then directionally drilled from south to north. The Delaware formation was not penetrated within the AOR. TOC @ 2550' on 5-1/2" production casing. A schematic is attached.

~~Cooter 16 ST 2H~~—(30-015-37626) The surface location is outside AOR. It was spud 5/10/10. A vertical hole was drilled to ~6400' and then directionally drilled from south to north. It has just been perforated & fraced in the Avalon Shale. TOC @ 2324' on 5-1/2" production casing. The Delaware formation was not penetrated within the AOR. A schematic is attached.

~~Cooter 16 ST 4H~~—(30-015-37628) The surface location is outside of AOR. It was spud 7/5/10. A vertical hole is currently being drilled. Plans are to drill to ~6450, then directional drill horizontal to Avalon Shale. Proposed TOC on 5-1/2" casing is at 2450'. The Delaware formation will not be penetrated within the AOR.

~~Cooter 16 ST 5H~~—(30-015-37875) Planned surface location only, outside AOR. Plans are to drill & complete as other Cooter wells above.

~~Cooter 16 ST 6H~~—(30-015-37876) Planned surface location only, outside AOR. Plans are to drill & complete as other Cooter wells above.

f. Send a copy of the CBL for the Chimayo 16 State #1 – it is referred to in the application but not available on the Division's web site.

f. Chimayo 16 State #1 CBL—The TOC was reported at 3290', per radial analysis log dated 6/29/01. I will forward a copy to the OGD. Plans are to raise TOC in this well above the 8-5/8" intermediate shoe @ 2980'.

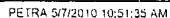
g. For the Notices:

a. The Surface owner is listed as the Oil Conservation Division. Please send proof of notice to the State Land Office if the State owns the surface of the proposed well site.

g(a). A copy of this application was certified mailed to The New Mexico State Land office on 7/12/10.

b. Many affected parties were noticed – our attorney/Landman here asks us to request that the applicant let us know (within the AOR) which tracts of land are identically owned and the owners of each tract. You could draw the Area of Review map and draw in these "tracts" on it and then list owners of each tract on another sheet of paper if convenient.

g(b). Per our Land department, attached is an AOR ownership map and ownership tabulation.



C108 ITEM VI--Well Tabulation in 1/2 Mile Review Area																	
Devon Energy Production Company, LP																	
Proposed Disposal Well: Chimayo 16 State #3																	
Updated: 7/16/10																	
Operator	Well Name	API NO	County	Surf Location	Sec	Twn	Rnge	Type	Status	Spud Date	Comp Date	TD	PBTD	Comp Zone	Comp Interval-Ft	Casing Program	Cement / TOC
Devon Energy Prod Co LP	Chimayo-16 State #3 (proposed drill well for (swd) NA)		Eddy	1610' FNL 1455' FNL	16	25S	29E	SWD	proposed	NA	NA	4200	4200	Bell & Cherry Canyon	Open Hole (3000'-4200')	11-3/4", 42# @ 700' 8-5/8", 24# & 32# @ 3000'	600 sx / surface 950 sx / surface
Devon Energy Prod Co LP	Chimayo 16 ST #1	30-015-31781	Eddy	660' FNL 1980' FNL	16	25S	29E	Oil	Prod	5/27/01	7/19/01	9300	9254	Bone Spring	9118' - 9134'	13-3/8", 48# @ 600' 8-5/8", 32# @ 2980' 5-1/2", 17# @ 9300'	460 sx / surface 1000 sx / surface 1005 sx / 3290-cbl
Superior Oil Company	Superior Federal #1	30-015-03722	Eddy	660' FSL 660' FEL	8	25S	29E	Dry Hole	P&A	12/18/59	NA	2968	NA	NA	NA	8-5/8", 24# @ 251'	50 sx / surface
Devon Energy Prod Co LP	Cooter 16 ST 3H	30-015-37627	Eddy	330' FNL 1190' FNL	16	25S	29E	Oil	In Progress	6/8/10	NA	11589	11564	Avalon Shale	Not Perforated Wait on completion	13-3/8", 48# @ 719' 9-5/8", 36# @ 2954' 5-1/2", 17# @ 11567'	690 sx / surface 1000 sx / surface 2350 sx / 1980-cbl

2025

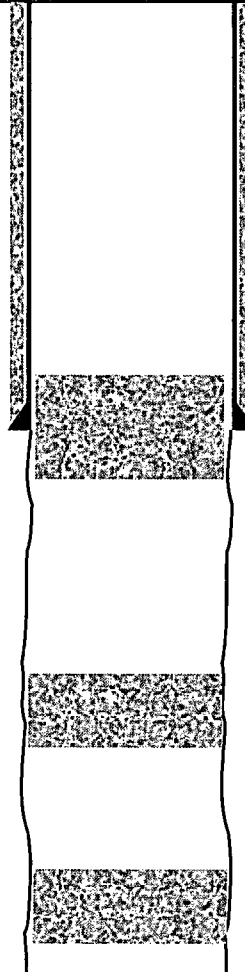
SUPERIOR OIL COMPANY

Well Name: SUPERIOR FEDERAL #1		Field: WILDCAT	
Location: 660' FSL & 660' FEL; SEC 8-T25S-R29E		County: EDDY	State: NM
Elevation: 2923'		Spud Date: 12/18/59	P&A Date: 12/06/60
API#: 30-015-03722	Prepared by: Ronnie Slack	Date: 5/7/10	Rev:

PLUGGED WELL IN REVIEW AREA

PLUGGED & ABANDONED 12/6/60

8-5/8", 24#, @ 251'
Cmt'd w/50 sx



25 SX CMT @ 300' - 225'

25 SX CMT @ 2050' - 1975'

25 SX CMT @ 2900' - 2825'

2,968' TD

SUPERIOR FED 1 P&A REPORT

COPY

Budget Bureau No. 42-R358.4.
Approval expires 12-31-60.

Form 9-331a
(Feb. 1961)

N. M. O. C. C. COPY
(SUBMIT IN TRIPLICATE)

Land Office _____

Lease No. **LC 070362**

Unit _____

RECEIVED

OCT 27 1960

D. C. C.

ARTESIA, OFFICE

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....	SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....	SUBSEQUENT REPORT OF ABANDONMENT.....	X
NOTICE OF INTENTION TO PULL OR ALTER CASING.....	SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....		

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Superior-Fed #1

Well No. _____ is located 660 ft. from SW line and 660 ft. from E line of sec. _____

SESE of 8 25S 29E NMPM
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)

Wildcat Eddy _____
(Field) (County or Subdivision) (State or Territory)

The elevation of the derrick floor above sea level is 2923 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

12-6-60 Total depth 2968. Plugged and abandoned as follows:

25 sacks neat cement from 2900 - 2825
25 sacks neat cement from 2050 - 1975
25 sacks neat cement from 300 - 225

RECEIVED

JAN 15 1961

U. S. GEOLOGICAL SURVEY

ARTESIA, NEW MEXICO

Will set proper marker and level site at later date and will notify the USGS office of same.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Neil H. Wills

Address Box 529

Carlsbad, New Mexico

By /s/ Robert Light

Title Agent

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COOTER 16 STATE 1H		Field: AVALON SHALE	
Location: 330' FSL & 1580' FWL; SEC 16-25S-29E		County: EDDY	State: NM
Elevation: 3025' KB; 3000' GL; 25' KB to GL		Spud Date: 4/2/10	Compl Date:
API#: 30-015-37625	Prepared by: Ronnie Slack	Date: 7/14/10	Rev:

	MD	INCL	TVD
	6,360	1.04	6356
	6,643	5.87	6639
	6,706	10.85	6701
	6,769	15.37	6762
	6,832	20.27	6822
	6,957	29.71	6936
	7,114	41.25	7064
	7,208	51.45	7128
	7,302	61.75	7180
	7,380	72.59	7210
	7,482	83.83	7230
	7,796	90.6	7237
	8,644	90.83	7236
	9,387	90.49	7240
	9,964	80.43	7256
	10,412	91.34	7294
	10,506	91.23	7292
	11,071	91.34	7271
	11,650	90.37	7257

17.5" Hole
13-3/8", 48#, H40, STC, @ 718'
 Cmt'd w/700 sx to surf

TOC @ 2,550 (CBL-7/8/10)

12-1/4" Hole
9-5/8", 36#, J55, LTC, @ 2,933'
 Cmt'd w/1650 sx to surf

Note: 8-3/4" pilot hole drilled to 8100'. Pilot hole was plugged back to 6200 and well directionally drilled to 11650' MD.

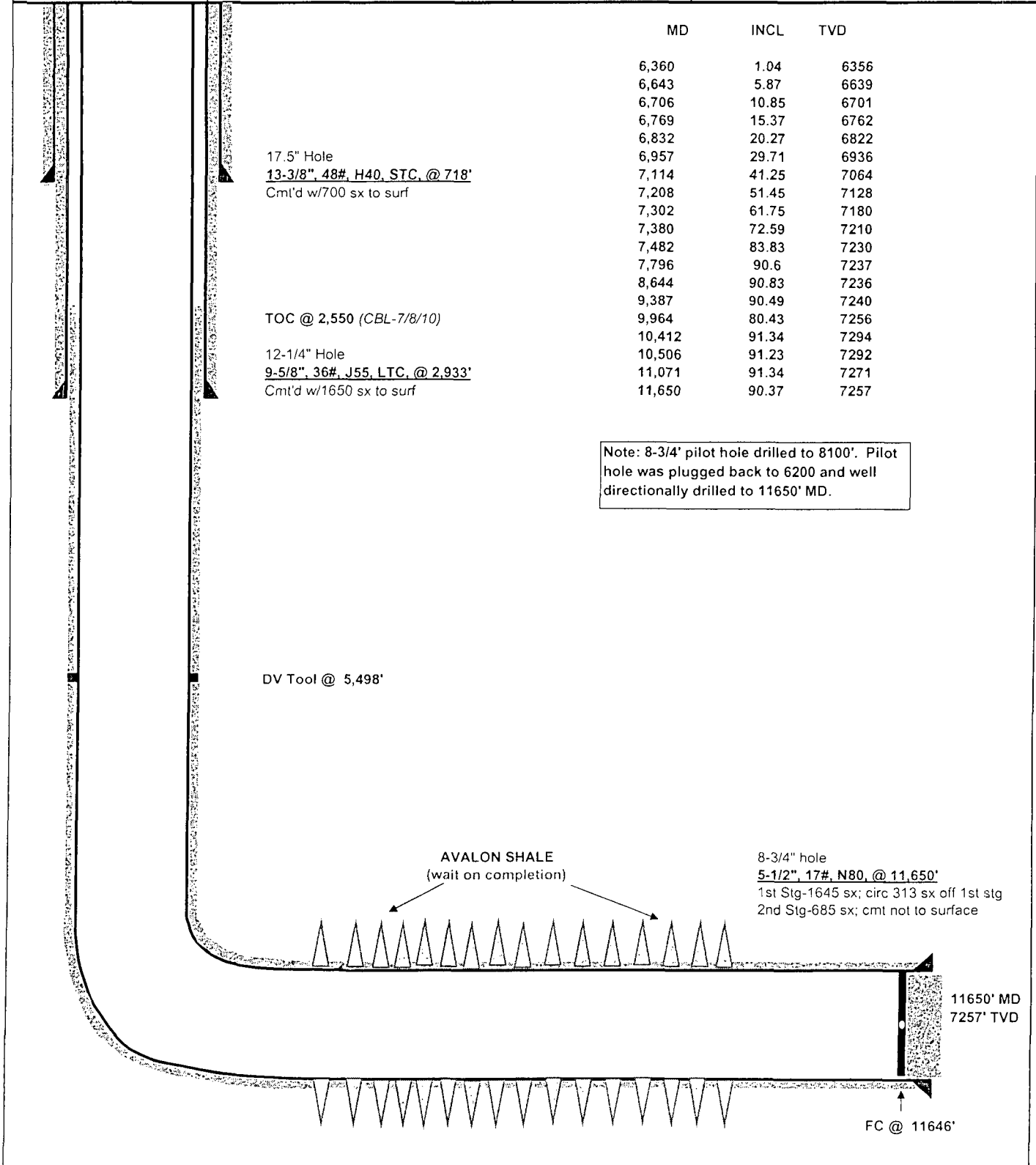
DV Tool @ 5,498'

AVALON SHALE
 (wait on completion)

8-3/4" hole
5-1/2", 17#, N80, @ 11,650'
 1st Stg-1645 sx; circ 313 sx off 1st stg
 2nd Stg-685 sx; cmt not to surface

11650' MD
 7257' TVD

FC @ 11646'



DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COOTER 16 STATE 3H		Field: AVALON SHALE	
Location: 330' FNL & 1190' FWL; SEC 16-T25S-R29E		County: EDDY	State: NM
Elevation: 3032' KB; 3007' GL; 25' KB to GL		Spud Date: 6/8/10	Compl Date:
API#: 30-015-37627	Prepared by: Ronnie Slack	Date: 7/14/10	Rev:

	MD	INCL	TVD
	6,509	0.78	6508
	6,637	10	6635
	6,731	20	6726
	6,856	30	6839
	7,045	40	6994
	7,170	52	7082
	7,296	64	7149
	7,389	74	7182
	7,577	84	7215
	8,017	90	7229
	8,487	89	7223
	8,895	91	7225
	9,555	90	7230
	10,057	91	7225
	10,591	90	7225
	11,061	91	7223
	11,589	92	7219

17.5" Hole
13-3/8", 48#, H40, STC, @ 719'
 Cmt'd w/690 sx to surf

TOC @ 1980' (CBL-7/17/10)

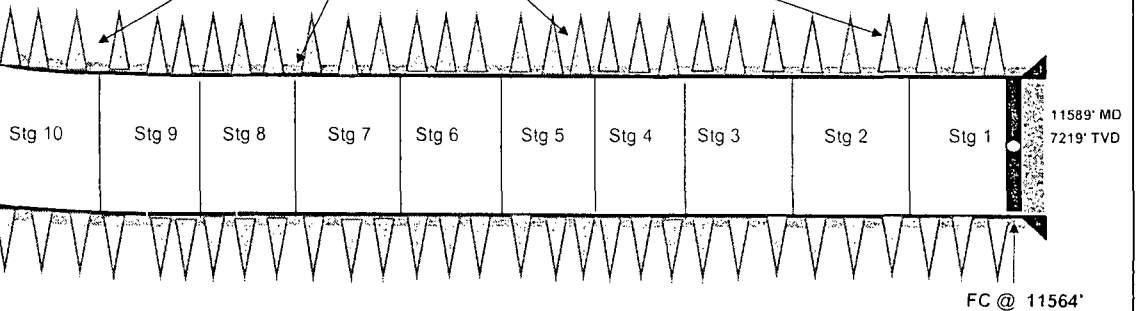
12-1/4" Hole
9-5/8", 36#, J55, LTC, @ 2,954'
 Cmt'd w/1000 sx to surf

DV Tool @ 5,464'

Stg 1			Stg 6
Stg 2			Stg 7
Stg 3			Stg 8
Stg 4			Stg 9
Stg 5			Stg 10

AVALON SHALE
 (wait on completion)

8-3/4" hole
5-1/2", 17#, N80, BTC & LTC @ 11,567'
 1st Stg proposed cmt 1650 sx
 2nd Stg proposed cmt 700 sx



DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COOTER 16 STATE 2H		Field: AVALON SHALE	
Location: 480' FSL & 330' FWL; SEC 16-T255-R29E		County: EDDY	State: NM
Elevation: 3024' KB; 2999 GL; 25' KB-GL		Spud Date: 5/10/10	Compl Date:
API#: 30-015-37626	Prepared by: Ronnie Slack	Date: 7/16/10	Rev:

	MD	INCL	TVD
	2,000	1.59	2000
	5,000	0.84	4998
	6,487	3.74	6485
	6,644	20.92	6636
	6,863	30.61	6833
	7,114	50.18	7025
	7,272	61.71	7115
	7,523	80.69	7202
	7,837	91.64	7225
	8,840	90.24	7225
	9,501	92.9	7219
	9,909	88.01	7218
	10,506	89.13	7220
	11,009	90.52	7218
	11,197	89.61	7217
	11,408	90.66	7218

17.5" Hole
13-3/8", 48#, H40, STC, @ 705'
 Cmt'd w/700 sx to surf

TOC @ 2324' (cbl-7/10/10)

12-1/4" Hole
9-5/8", 36#, J55, LTC, @ 2,930'
 Cmt'd w/1000 sx to surf

DV Tool @ 5,517' (casing tally)

AVALON SHALE PERFORATIONS

Stg 1	11445 - 11447	9224 - 9228	Stg 6
	11310 - 11312	9075 - 9077	
	11161 - 11163	8926 - 8928	
Stg 2	11012 - 11014	8777 - 8779	Stg 7
	10863 - 10865	8628 - 8633	
	10714 - 10716	8479 - 8481	
Stg 3	10565 - 10567	8330 - 8332	Stg 8
	10416 - 10418	8181 - 8183	
	10267 - 10269	8032 - 8034	
Stg 4	10118 - 10120	7883 - 7885	Stg 9
	9969 - 9971	7734 - 7736	
	9820 - 9822	7585 - 7587	
Stg 5	9671 - 9673	7423 - 7425	Stg 10
	9522 - 9524		
	9373 - 9375		

AVALON SHALE PERFORATIONS

8-3/4" hole
5-1/2", 17#, N80, @ 11,469'
 1st Stg-1720 sx; circ 110 bbls off dv
 2nd Stg-650 sx; cmt not to surface

Stg 10 Stg 9 Stg 8 Stg 7 Stg 6 Stg 5 Stg 4 Stg 3 Stg 2 Stg 1

11469' MD
 7218' TVD

FC @ 11465'
 (casing tally)

CHIMAYO 16 STATE #3

16-25S-29E; 1610 FNL & 1455' FWL
C108 Application For Injection
Operator Ownership within AOR
Devon Energy Prod Co LP

Operator Ownership within AOR

NM 99147
Devon Energy
J. Richard Doty

NM-15303
Oxy USA, Inc.
EOG Resources

25S 29E

NM-99147
Marbob Energy
Chesapeake Energy

VB-1065
Devon Energy
Lime Rock Resources A, L P

NM-96848
Devon Energy
Marbob Energy

V-4902
Devon Energy
J Richard Doty

CHIMAYO 16 STATE #3

16-25S-29E, 1610 FNL & 1455' FWL

C108 Application For Injection

Operator Ownership within AOR

Devon Energy Prod Co LP

Location	Lease No.	Ownership
8-T25S-R29E	NM 99147	Devon Energy ✓
8-T25S-R29E	NM 99147	J. Richard Doty ✓
9-T25S-R29E	NM 15303	Oxy USA, Inc. ✓
9-T25S-R29E	NM 15303	EOG Resources ✓
17-T25S-R29E	NM 99147	Marbob Energy ✓
17-T25S-R29E	NM 99147	Chesapeake Energy ✓
17-T25S-R29E	NM 96848	Devon Energy ✓
17-T25S-R29E	NM 96848	Marbob Energy ✓
16-T25S-R29E	V 4902	Devon Energy ✓
16-T25S-R29E	V 4902	J. Richard Doty ✓
16-T25S-R29E	VB 1065	Devon Energy ✓
16-T25S-R29E	VB 1065	Lime Rock Resources A, L.P. ✓

Betty Bricker ✓

need ~~DEVON~~
OXY
EOG
S.L.R. — Surface owner

May 12, 2010

Legal Notice

Devon Energy Production Company, L.P., 20 North Broadway, 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 Chimayo 16 State #3, is located 1610' FNL & 1455' FWL, Section 16, Township 25 South, Range 29 East, in Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Bone Spring formation. The disposal water will be injected into the Bell Canyon and Upper Cherry Canyon formations at a depth of 3000' to 4200', at a maximum surface pressure of 720 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 Jim Cromer at Devon Energy Corporation, 20 North Broadway, Oklahoma City, OK 73102-8260, or call (405) 228-4464.

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

Kathy McCarroll, being first duly sworn,
on oath says:

That she is the Classified Supervisor of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

May 12 2010

That the cost of publication is **\$54.69** and that payment thereof has been made and will be assessed as court costs.

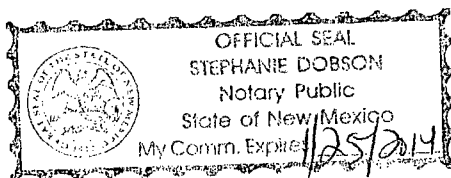
Kathy McCarroll

Subscribed and sworn to before me this

13th day of May, 2010
Stephanie Dobson

My commission Expires on 1/25/2014

Notary Public





Devon Energy Corporation
20 North Broadway
Oklahoma City, OK 73102-8260

405 235 3611 Phone
www.devonenergy.com

May 24, 2010

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

RE: Form C-108, Application for Authorization to Inject
Chimayo 16 State #3; (proposed drill well for SWD)
Eddy County, NM
Section 16, T25S, R29E

Ladies and Gentlemen:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject. Devon's application proposes to drill the Chimayo 16 State #3 for SWD purposes. Produced waters from the Bone Spring formation will be injected into the Delaware Bell and Cherry Canyon formations in an open hole interval from 3000' to 4200'.

A copy of this application is being filed with the OCD-Artesia office.

If you have any questions, please contact Jim Cromer at (405)-228-4464 or myself at (405)-552-4615.
Thank you for your cooperation in this matter.

Sincerely,

A handwritten signature in cursive script that reads "Ronnie Slack".

Ronnie Slack
Operations Technician

RS/rs
Enclosure

Section XIV--Proof of Notice to Leasehold Operators
Devon Energy Prod Co LP
C108 Application For Injection
Proposed Well: CHIMAYO 16 STATE #3

Proof of Notice to Leasehold Operators within 1/2 mile of Chimayo 16 State #3

Bettis Brothers, Inc.
500 W. Texas, Suite 830
Midland, TX 79701
S/2 Section 9

Certified receipt No.
7009-3410-0000-3533-4938

J. Richard Doty
803 University Avenue
Oxford, MS 38655
E/2 & SW/4 Section 16 & S/2 Section 8

Certified receipt No.
7009-3410-0000-3533-4921

Lime Rock Resources
1111 Bagby Street, Suite 4600
Houston, TX 77002
NE/4 Section 16

Certified receipt No.
7009-3410-0000-3533-4914

Marbob Energy Corporation
P.O. Box 227
Artesia, NM 88211
NE/4 Section 17

Certified receipt No.
7009-3410-0000-3533-4907

Chesapeake Exploration Limited Parntership
6100 North Western
Oklahoma City, OK 73118
NE/4 Section 17

Certified receipt No.
7009-3410-0000-3533-4891

A copy of this application has been mailed to the above leasehold operator by certified mail, pertaining to Devon Energy's application for salt water disposal in the Chimayo 16 State #3.

Date Mailed: 5/25/10

Signature: Ronnie Slack

Date: 5/25/10

Ronnie Slack, Operations Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Section XIV--Proof of Notice to Surface Land Owner
Devon Energy Prod Co LP
C108 Application For Injection
Proposed Well: CHIMAYO 16 STATE #3

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

Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM 88210

Certified receipt No.
7009-3410-0000-3533-4884

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 Chimayo 16 State #3.

Date Mailed: 5/25/10

Signature: Ronnie Slack

Date: 5/25/10

Ronnie Slack, Operations Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, August 18, 2010 12:11 PM
To: 'Slack, Ronnie'
Cc: Ezeanyim, Richard, EMNRD
Subject: Disposal application from Devon: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

Ronnie:

Thank you for sending the previous requested information,

Today, I reviewed again this application and the material you sent

From your Landman's takeoff...it appears the following proofs of notice (or signed Waivers) are still needed:

Oxy

EOG

NM State Land Office.

You have sent already proofs of notice to the following "affected persons":

Bettis Brothers

J. Richard Doty

Lime Rock Res.

Marbob

Chesapeake

The permit will also have the requirement to raise the cement top in the Chimayo 16 State #1 (unless you have already squeezed this well?)

Take Care,

[Will Jones](#)

New Mexico

Oil Conservation Division

[Images](#) [Contacts](#)

From: Jones, William V., EMNRD
Sent: Wednesday, July 07, 2010 8:42 AM
To: 'Slack, Ronnie'
Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Gray, Darold, EMNRD; Reeves, Jacqueta, EMNRD
Subject: Disposal application from Devon Energy Production Company, LP: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

Hello Ronnie:

Except for the wellbore diagrams, your Land department and Geologist or Log analysis expert could answer most of these questions.

- o a. What is the top and bottom depths of the Salado in this area?
- o b. What formation and lithology is between the Salado and the top of the Delaware? Is it high stress or impermeable?
- c. If there are any windmills within 1 mile of this location, please send a fresh water analysis for our file in this application.

Jones, William V., EMNRD

From: Slack, Ronnie [Ronnie.Slack@dvn.com]
Sent: Wednesday, August 18, 2010 1:16 PM
To: Jones, William V., EMNRD
Cc: Crowdis, Brad; Cromer, James
Subject: RE: Disposal application from Devon: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet
Attachments: Leasehold notification.pdf

Hi Will:

I sent notification out a while back to Oxy USA, New Mexico State Land Office, and EOG, but forgot to mention it to you. Please see attached pdf file of notification. On the Chimayo 16 State #1 we will be raising TOC +/- 500' above the 8-5/8" casing shoe @ 2980'. We were planning on doing this work pending C108 and APD approval of our proposed Chimayo 16 State #3 if that is acceptable.

Let me know if you need anything else.

Thank you,

Ronnie Slack
Operations Technician
Devon Energy Corporation
CT 3.033
(405) 552-4615 (office)
(405) 552-1415 (fax)
Email: Ronnie.Slack@dvn.com

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Wednesday, August 18, 2010 1:11 PM
To: Slack, Ronnie
Cc: Ezeanyim, Richard, EMNRD
Subject: Disposal application from Devon: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

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J. Richard Doty
Lime Rock Res.
Marbob
Chesapeake

The permit will also have the requirement to raise the cement top in the Chimayo 16 State #1 (unless you have already squeezed this well?)

Take Care,

Will Jones

New Mexico

Oil Conservation Division

Images Contacts

From: Jones, William V., EMNRD

Sent: Wednesday, July 07, 2010 8:42 AM

To: 'Slack, Ronnie'

Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Gray, Darold, EMNRD; Reeves, Jacqueta, EMNRD

Subject: Disposal application from Devon Energy Production Company, LP: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

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- d. Over the Delaware disposal interval, please predict:
 - a. Productivity of hydrocarbons (send copy of mudlog or copy of a quick log analysis or results of offset production testing)
 - b. Insitu Water Salinity of the upper Bell Canyon Sands (from Rwa calculation and NaCl charts or other method)
- e. For the Area of Review, it appears the Bone Spring or deeper horizontal wells were not included. Please look within the ½ mile Area of Review for any wells penetrating the Delaware and send well bore diagrams for all wells showing the cement placement and cement tops.
- f. Send a copy of the CBL for the Chimayo 16 State #1 – it is referred to in the application but not available on the Division's web site.
- g. For the Notices:
 - a. The Surface owner is listed as the Oil Conservation Division. Please send proof of notice to the State Land Office if the State owns the surface of the proposed well site.
 - b. Many affected parties were noticed – our attorney/Landman here asks us to request that the applicant let us know (within the AOR) which tracts of land are identically owned and the owners of each tract. You could draw the Area of Review map and draw in these "tracts" on it and then list owners of each tract on another sheet of paper if convenient.

Thank You in advance for this,

William V Jones, P.E.

Engineering, Oil Conservation Division

1220 South St. Francis Drive, Santa Fe, NM 87505

Tel 505.476.3448 ~ Fax 505.476.3462



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p><i>James Barnett</i></p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p><i>James Barnett</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">OXY USA, Inc. Attn: Colin Barnett P.O. Box 4294 Houston, TX 77210</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7009 3410 0000 3533 4860</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p><i>X</i></p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p><i>James Barnett</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">New Mexico State Land Office 310 Old Santa Fe Trail Santa Fe, NM 87504</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7009 3410 0000 3533 4853</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-15</p>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p>	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p><i>X B. Bell</i></p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p><i>B. Bell</i> <i>6/24/10</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">EOG Resources Attn: Pat Tower P.O. Box 2267 Midland, TX 79702</p>	<p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>2. Article Number (Transfer from service label) 7009 3410 0000 3533 4877</p>	
<p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p>	

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, July 07, 2010 8:42 AM
To: 'Slack, Ronnie'
Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Gray, Darold, EMNRD; Reeves, Jacqueta, EMNRD
Subject: Disposal application from Devon Energy Production Company, LP: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

Hello Ronnie:

Except for the wellbore diagrams, your Land department and Geologist or Log analysis expert could answer most of these questions.

- a. What is the top and bottom depths of the Salado in this area?
- b. What formation and lithology is between the Salado and the top of the Delaware? Is it high stress or impermeable?
- c. If there are any windmills within 1 mile of this location, please send a fresh water analysis for our file in this application.
- d. Over the Delaware disposal interval, please predict:
 - a. Productivity of hydrocarbons (send copy of mudlog or copy of a quick log analysis or results of offset production testing)
 - b. Insitu Water Salinity of the upper Bell Canyon Sands (from Rwa calculation and NaCl charts or other method)
- e. For the Area of Review, it appears the Bone Spring or deeper horizontal wells were not included. Please look within the ½ mile Area of Review for any wells penetrating the Delaware and send well bore diagrams for all wells showing the cement placement and cement tops.
- f. Send a copy of the CBL for the Chimayo 16 State #1 – it is referred to in the application but not available on the Division's web site.
- g. For the Notices:
 - a. The Surface owner is listed as the Oil Conservation Division. Please send proof of notice to the State Land Office if the State owns the surface of the proposed well site.
 - b. Many affected parties were noticed – our attorney/Landman here asks us to request that the applicant let us know (within the AOR) which tracts of land are identically owned and the owners of each tract. You could draw the Area of Review map and draw in these "tracts" on it and then list owners of each tract on another sheet of paper if convenient.

Thank You in advance for this,

William V. Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462



Jones, William V., EMNRD

From: Slack, Ronnie [Ronnie.Slack@dvn.com]
Sent: Monday, August 09, 2010 7:48 AM
To: Jones, William V., EMNRD
Cc: Crowdis, Brad
Subject: RE: Disposal application from Devon Energy Production Company, LP: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

Good morning, Will.

I know you're hooked up, but I wanted to check and see how the Chimayo 16 State #3 C108 is coming. Let us know if you have questions.

Thanks,

Ronnie Slack

Operations Technician
Devon Energy Corporation
CT 3.033
(405) 552-4615 (office)
(405) 552-1415 (fax)
Email: Ronnie.Slack@dvn.com

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, July 20, 2010 11:41 AM
To: Slack, Ronnie
Cc: Crowdis, Brad; Cromer, James
Subject: RE: Disposal application from Devon Energy Production Company, LP: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

Ronnie:
Thank you for this, very professional exhibits.

I have a big hearing this week - where some of your competitors are fighting over horizontal well tracts - but hopefully will get this permit to you folks soon thereafter.

Will Jones
New Mexico
Oil Conservation Division
Images Contacts

From: Slack, Ronnie [mailto:Ronnie.Slack@dvn.com]
Sent: Tuesday, July 20, 2010 8:50 AM
To: Jones, William V., EMNRD
Cc: Crowdis, Brad; Cromer, James; Slack, Ronnie
Subject: RE: Disposal application from Devon Energy Production Company, LP: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

Hello Will,

I've attached a pdf file with information that hopefully will help with your questions below from your email dated 7/7/10.

I am sending out in the mail today to you the following and copying the OCD with the bond logs mentioned here.

Cooter 16 ST 1H (30-015-37625); mud log with type log
Chimayo ST #1 (30-015-31781); Radial analysis log

Cooter 16 ST 3H (30-015-37627) CBL

Let me know if you have further questions or need additional information.

Have a good day,

Ronnie Slack

Operations Technician
Devon Energy Corporation
CT 3.033
(405) 552-4615 (office)
(405) 552-1415 (fax)
Email: Ronnie.Slack@devon.com

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]

Sent: Wednesday, July 07, 2010 9:42 AM

To: Slack, Ronnie

Cc: Ezeanyim, Richard, EMNRD; Dade, Randy, EMNRD; Gray, Darold, EMNRD; Reeves, Jacqueta, EMNRD

Subject: Disposal application from Devon Energy Production Company, LP: Chimayo 16 State #3 30-015-NA Delaware Open Hole Disposal Interval 3000 to 4200 feet

Hello Ronnie:

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- a. What is the top and bottom depths of the Salado in this area?
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- c. If there are any windmills within 1 mile of this location, please send a fresh water analysis for our file in this application.
- d. Over the Delaware disposal interval, please predict:
 - a. Productivity of hydrocarbons (send copy of mudlog or copy of a quick log analysis or results of offset production testing)
 - b. Insitu Water Salinity of the upper Bell Canyon Sands (from Rwa calculation and NaCl charts or other method)
- e. For the Area of Review, it appears the Bone Spring or deeper horizontal wells were not included. Please look within the ½ mile Area of Review for any wells penetrating the Delaware and send well bore diagrams for all wells showing the cement placement and cement tops.
- f. Send a copy of the CBL for the Chimayo 16 State #1 – it is referred to in the application but not available on the Division's web site.
- g. For the Notices:
 - a. The Surface owner is listed as the Oil Conservation Division. Please send proof of notice to the State Land Office if the State owns the surface of the proposed well site.
 - b. Many affected parties were noticed – our attorney/Landman here asks us to request that the applicant let us know (within the AOR) which tracts of land are identically owned and the owners of each tract. You could draw the Area of Review map and draw in these "tracts" on it and then list owners of each tract on another sheet of paper if convenient.

Thank You in advance for this,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462

Injection Permit Checklist (06/24/2010)

Case _____ R- _____ SWD 1235 WFX _____ PMX _____ IPI _____ Permit Date _____ UIC Qtr (A5/0)

Wells 1 Well Name: CHIMAYO 16 ST #3

API Num: (30-) NA Spud Date: NA New/Old: N (UIC primacy March 7, 1982)

Footages 1610 FNL/1455 FWL Unit F Sec 16 Tsp 255 Rge 29E County EDDY

Operator: DEVON Energy Production Corp, LP Contact Ronnie Slack/Jim Croner

Operator Address: 20 N. BWAY, SUITE 1500 OKC, OK 73102

OGRID: 6137 RULE 5.9 Compliance (Wells) 5/1792 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed ✓ Current Status: New Well Planned

General Location: Numerous Horiz wells in THIS section (12 mi S. of Covina)

Diagrams: Before Conversion ✓ After Conversion ✓ Elongs in Imaging File: New well

Planned Work to Well: Drill / inject

	Sizes	Setting	Cement	Cement Top and Determination
	Hole.....Pipe	Depths	Sx or Cf	Method
NA <u>✓</u> Existing <u>✓</u> Surface	<u>14 3/4 13 1/4</u>	<u>700</u>	<u>600</u>	<u>CIRC Planned</u>
NA <u>✓</u> Existing <u>✓</u> Intern	<u>11 8 5/8</u>	<u>300'</u>	<u>950</u>	<u>CIRC Planned</u>
New <u>✓</u> Existing <u>✓</u> LongSt	<u>7 1/8</u>	<u>5175</u>	<u>4200</u>	<u>4200</u>

DV Tool ✓ Liner ✓ Open Hole 3000-4200 Total Depth 4200 Deviated Hole? NO

Intervals:	Depths, Ft.	Formation	Producing?
Formation Above			
Formation Above	<u>2980</u>	<u>Del Top.</u>	
Injection TOP:	<u>3000</u>	<u>Bel C.</u>	Max. PSI <u>600</u> Open Hole? <u>✓</u> Perfs? <u>✓</u>
Injection BOTTOM:	<u>4200</u>	<u>Cherry C.</u>	Tubing Size <u>2 7/8</u> Packer Depth
Formation Below	<u>5175</u>	<u>Arroyo Top.</u>	
Formation Below			

Sensitive Areas: Captain Reef Gliff House Salt Depths 150-2710

Potash Area (R-111-P) ✓ Potash Lessee ✓ Noticed? ✓ WIPP? ✓ Noticed? ✓

Fresh Water: Depths: ? Formation ? Wells? NO Analysis? ✓ Affirmative Statement ✓

Disposal Fluid Sources: B.S. Horiz wells Analysis? ✓

Disposal Interval Production Potential/Testing: See MUD LOG Analysis ✓

Notice: Newspaper (Y/N) ✓ Surface Owner SED Mineral Owner(s) ✓

RULE 26.7(A) Affected Parties: See Reply BY Landman

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N) ✓

Active Wells 2 Num Repairs 1 Producing in Injection Interval in AOR 1

P&A Wells 1 Num Repairs 0 All Wellbore Diagrams Included? ✓

Questions/Required Work: REPAIR ONE 31781 OR GIVE STRONG RELATIONSHIP

Horiz well paths? Sand Blower PLAT

Send EVIDENCE of Last Notice

Request Sent _____ Reply: _____