

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM 89057
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY, LP		6. If Indian, Allottee or Tribe Name
3a. Address 20 North Broadway, Ste 1500, Oklahoma City, OK 73102	3b. Phone No. (include area code) 405-228-8364	7. Unit or CA Agreement Name and No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL & 660 FEL H Section 10, T26S, R31E		8. Well Name and No. Ross Ranch 10 Fed 1
		9. API Well No. 30-015-29605
		10. Field and Pool, or Exploratory Area Wildcat Brushy Canyon
		11. County or Parish, State Eddy NM

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

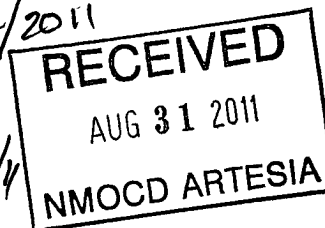
Note: Devon Energy is filing Form C-108 (Application for Authorization to Inject) with the Oil Conservation Division in Santa Fe, NM. Proposed SWD conversion is in the existing Cherry Canyon (from 5118' to 5367'). The BLM will be furnished a copy of Form C-108 when filed.

PROPOSED SWD CONVERSION

1. Wait on OCD C108 and BLM sundry approval.
2. MIRU. Pull production tubing with tbg anchor and pump.
3. Run CBL to verify TOC.
4. RIH set CIBP @ 6580' with 35' cmt on top. *25 SX "C" cmt*
5. Move up hole set second CIBP @ ~~5611'~~ with 35' cmt on top. *5700*
6. Perf interval from 5118' to 5367'. *5700*
7. Establish injection in Cherry Canyon formation interval from 5118' to 5367', not to exceed maximum authorized surface injection pressure per C108.
8. Stimulate Cherry Canyon formation if necessary.
9. Run 2-7/8" IPC injection tubing and 5-1/2" IPC packer at +/- 5068". *✓*
10. Run MIT test and chart. File MIT w/ OCD office. *NOTIFY OCD OF TEST TO WITNESS.*
11. Return well to injection service. *See COA's*

SWD 1298 APPROVED 9/7/2011

Accepted for record
NMOCD 9/13/11



SWD-1298

14. I hereby certify that the foregoing is true and correct Name: Derek Berg	Title: Engineering Technician
Signature: <i>Derek Berg</i>	Date: 8-17-2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr	Title LPET	Date 8/28/11
Conditions of approval, if any are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct or operations thereon.	SEE ATTACHED FOR CONDITIONS OF APPROVAL Office CFO	

Conditions of Approval

Devon Energy Production Company, LP

Ross Ranch 10 Fed 1

August 25, 2011

1. Submit a copy of the Step 3. - "Proposed SWD Conversion" Cement Bond Log (6600ft to surface) to the BLM Carlsbad Field Office engineers for verification before proceeding.
2. Submit evaluation that proposed injection formation perforations are not productive in paying quantities. That evaluation is to be reviewed by BLM prior to initiating injection.
3. Notify BLM 575-361-2822 before plug back procedures. The procedures are to be witnessed
4. The open perforations are to be isolated by a CIBP w/a 35' cement cap set within 50 to 100ft of the top perf or a 25 sack minimum cement plug from 50ft below to 50ft above those open perforations, verified by tagging with tubing.
5. Step 5. - Set CIBP at 5700 and place 25 sacks of "C" neat cement on top or set 25 sacks of "C" neat cement plug from 5700 feet, tag if requested by BLM witness.
6. Step 8. - Submit detailed procedures prior to stimulation.
7. Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
 - a. The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.
 - b. Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
 - c. Notify Paul R. Swartz at 575-234-5985 and/or 575-200-7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575-361-2822. In Lea County call 575-393-3612.
 - d. Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
 - e. Use of tubing internal protection, on/off tubing equipment just above the packer, and a profile nipple installation is required. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore work.
 - f. **Submit the original subsequent sundry with three copies to BLM Carlsbad.**

8. Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
 - a. Approved injection pressure compliance is required.
 - b. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
 - c. When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum.
 - i. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
 - e. Other unexplained significant variations of rate or pressure to be reported within 5 days of notice.
9. The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity.
 - a. The annulus is to be maintained full of packer fluid at atmospheric pressure. Installation of equipment that will display on site, continuous open to the air fluid level is required. A BLM inspector may request verification of this fluid level at any time.
 - b. **Submit a subsequent report (Sundry Form 3160-5)** describing the installation of packer fluid level monitoring equipment within 30 days of this approval.
 - c. The operator shall keep monthly records documenting that the casing annulus is fluid filled. A suggested format for these records is available from the BLM Carlsbad Field Office. Copies of those records shall be furnished at the request of a BLM authorized officer.
 - d. Loss of packer fluid above five barrels per month requires notification of the BLM authorized officer within 5 days.
 - a. Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of Opsia. Notify the BLM's authorized officer (Paul R. Swartz at 575-200-7902). If there is no response, notify the BLM on call drilling phone, 575-361-2822. In Lea County call 575-393-3612.
 - e. Also submit to this office a (Sundry Form 3160-5) Notice of Intent (NOI) for approval by BLM and NMOCD with a detailed plan for correction and the anticipated date of correction. Verbal approval for the plan may be given by a BLM authorized officer, with the NOI filed within five business days.
 - f. After the repairs submit a (Sundry Form 3160-5) Subsequent report, describing the repair(s) and Mechanical Integrity Test as per item 7 above.

*COA's prepared by Paul R. Swartz