

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM99039
2. Name of Operator DEVON ENERGY		6. If Indian, Allottee or Tribe Name
Contact: SANDRA FARLEY E-Mail: sandy.farley@dm.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address PO BOX 250 ARTESIA, NM 88211	3b. Phone No. (include area code) Ph: 575-746-5587	8. Well Name and No. CAPELLA 14 FED 3H
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T19S R31E		9. API Well No. 30-015-39417
		10. Field and Pool, or Exploratory LUSK, BONE SPRING WEST
		11. County or Parish, and State EDDY COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. This well is producing from the Lusk; Bone Spring West

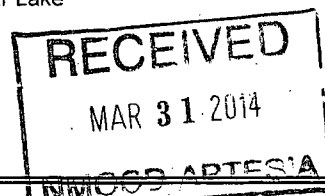
2. Water produced is approximately 800 BWPD

3. There are no tanks on location, flows to the Capella 14 Fed 1

4. Water will be trucked to the a)Big Eddy SWD #1 owned by Mesquite SWD Inc. and the b)Cedar Lake 35 Fed 1 owned by EOG Resources. a) API 30-015-05819 b)30-015-26969

5. a)SE4SE4, S3, T20S, R31E
b)NW4NE4, S35, T17S, R30ESEE ATTACHED FOR
CONDITIONS OF APPROVALAccepted for record
NMDCD

JRD 4/8/14



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #234435 verified by the BLM Well Information System For DEVON ENERGY, sent to the Carlsbad Committed to AFMSS for processing by JAMES AMOS on 03/25/2014 ()	
Name (Printed/Typed) SANDRA FARLEY	Title AUTHORIZED REPRESENTATIVE
Signature (Electronic Submission)	Date 02/04/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>James A. Amos</i>	Title SEPS	Date 3-25-14
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office CEO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

Additional data for EC transaction #234435 that would not fit on the form

32. Additional remarks, continued

6. a)SWD-1186
b)SWD-1274

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. This **approval is for produced water disposal only** and any hydrocarbons removed from lease by this method will be subject to royalty payment as well as other enforcement actions as necessary.
10. Disposal at any other site will require prior approval.
11. Subject to like approval by NMOCD.

2/16/2013