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PD BOX 250 ARTESIA, MM 88211 Ph: 575-78-1829 SHUGART, BONE SPRING 4. Location of Well (Foundy, Sc., T. R., M, or Survey Description) 11. County or Parish, and State Sg. 29 T165 R31E NVSW 2310F5L 275FWL EDDY COUNTY, NM 32.717509 N Lat, 103 399328 W Lon 11. County or Parish, and State 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Acidize Deepen Subsequent Report Charge Plans Production (Start/Resume) Water Shur-Ofi G subsequent Report Charge Plans Production (Start/Resume) Water Shur-Ofi G subsequent Report Charge Plans Plag and Abandon Temporality Abandon G convert to Injection Plag and Abandon Temporality Abandon 13. Describe Proposed or Completed Operation (Clervert to Injection is an Unipe conting at massand and frac vertical depts of all perturbant advantion thereof. If the operator results and the operator results and the operator results and the operator results and the set aread for the operator results and the operator rasis of data and the operator rasis and the set aread of the operator rasis and the operator rasis and the set aread of results and the operator rasis and the set aread of results and the operator rasis and the operator rasis and the set aread of results and the operator rasis and the set aread of results and th	2. Name of Operator Contact: SHEILA A FISHEF					
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If the proposal is to deepen directionally or recomplete 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/BLA. Required subsequent reports shall be file done to the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be file done testing has been completed. And the operator has determined that the site is ready for final inspection.) 1. This well is producing from the Shugart; Bone Spring. 2. Water produced is approximately 275 BWPD. 3. There are two 500bbls tanks located at the Shaula 30 Fed Com 4H. 4. Water will be trucked to the a) Cedar Lake 35 Federal 1 and the b) Sand Hills SWD Well No 1 a) API #'s: 30-015-269669 and b) 30-015-29104. 5. a) NW4NE4, Sec 33, T18S, R31E b) SW4SE4, Sec 31, T17S, R30E II. I hereby certify that the foregoing is true and correct. IElectronic Submission #273339 verified by the BLM Well Information System For DEVON ENERGY CORPORATION Name(Printed/Typed) SHEILA A FISHER Approved By	Subsequent Report	 Alter Casing Casing Repair Change Plans 	 Fracture Treat New Construction Plug and Abandon 	 Reclamation Recomplete Temporarily Abandon 	U Well Integrity	
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Signature (Electronic Submission) Date 10/24/2014 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved By Title Onditions of approval, if any, are attached. Approval of this notice does not warrant or rrify that the applicant holds legal or equitable title to those rights in the subject lease		Electronic Submission # For DEVON ENE Committed to AFMSS for	273339 verified by the BLM We RGY CORPORATION, sept to r processing by LINDA DENNIS	Il Information System the Carlsbad Stol V 6001/13/2015 () PPR	OVED	
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hich would entitle the applicant to conduct operations thereon. Office	onditions of approval, if any, are	d or equitable title to those rights in the	e subject lease			

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

Additional data for EC transaction #273339 that would not fit on the form

32. Additional remarks, continued

6. a) SWD-1274 (attached) b) SWD-1182-A (attached) New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



Administrative Order SWD-1274 May 19, 2011

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Mesquite SWD, Inc. seeks an administrative order to utilize its Cedar Lake 35 Federal Well No. 1 (API 30-015-26969) located 1240 feet from the North line and 1980 feet from the East line, Unit Letter B of Section 35, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC. Satisfactory information has been provided that affected parties have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

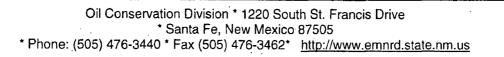
IT IS THEREFORE ORDERED THAT:

The applicant, Mesquite SWD, Inc., is hereby authorized to utilize its Cedar Lake 35 Federal Well No. 1 (API 30-015-26969) located 1240 feet from the North line and 1980 feet from the East line, Unit Letter B of Section 35, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Wolfcamp formation through perforations from approximately 8210 feet to 8975 feet through lined tubing and a packer set within 100 feet above the permitted disposal interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and



equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 1642 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with rules 19.15.26.13 NMAC and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in 19.15.29 NMAC and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the authority to dispose will terminate *ipso facto*. The Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the Administrative Order SWD-1274 Mesquite SWD, Inc. May 19, 2011 Page 3 of 3

operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

JAMI BAILEY

Director

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JB/wvjj

cc: Oil Conservation Division – Artesia Bureau of Land Management - Carlsbad New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

John H. Bemis Cabinet Secretary-Designate

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey Division Director Oil Conservation Division



Administrative Order SWD-1182-A June 28, 2011

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of 19.15.26.8B NMAC, Havenor Operating Company seeks an administrative order to utilize its Sand Hills SWD Well No. 1 (API 30-015-29104) located 660 feet from the South line and 2220 feet from the East line, Unit Letter O of Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Havenor Operating Company, is hereby authorized to utilize its Sand Hills SWD Well No. 1 (API 30-015-29104) located 660 feet from the South line and 2220 feet from the East line, Unit Letter O of Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Wolfcamp formation through perforations from 8358 feet to 8862 feet through lined tubing and a packer set within 100 feet of the permitted disposal interval.

Prior to commencing disposal, the operator shall ensure that the disposal interval is bounded with cement in the annulus behind pipe through squeeze cementing operations so as to confine disposal to only the permitted disposal depths. The operator shall provide evidence on sundry forms to the Division of the completion of this work.

IT IS FURTHER ORDERED THAT:



Administrative Order SWD-1182-A Havenor Operating Company June 28, 2011 Page 2 of 3

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC.

The wellhead injection pressure on the well shall be limited to **no more than 1672 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

Administrative Order SWD-1182-A Havenor Operating Company June 28, 2011 Page 3 of 3

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

JAMI BAILEY Director

JB/wvjj

cc: Oil Conservation Division – Artesia Bureau of Land Management - Carlsbad

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. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. 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.
- 8. Disposal at any other site will require prior approval.

9. Subject to like approval by NMOCD.

7/10/14