

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.*5. Lease Serial No.
NMNM036379

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

NM70928x

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
COTTON DRAW UNIT 213H

2. Name of Operator

DEVON ENERGY PRODUCTION COMPANY

Contact: MEGAN MORAVEC

megan.moravec@dvn.com

9. API Well No.
30-015-41869

3a. Address

333 WEST SHERIDAN AVENUE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 405-552-3622

10. Field and Pool, or Exploratory
PADUCA; BONE SPRING

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 35 T24S R31E NENE 200FNL 510FEL

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.)

WATER DISPOSAL ONSHORE ORDER #7

Cotton Draw Unit 213H

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation (s) producing water on the lease.
Paduca, Bone Spring2. Amount of water produced from each formation in barrels per day.
1,000 BWPD

Accepted for record
2/13/15
NMOC

NM OIL CONSERVATION
ARTESIA DISTRICT
FEB 14 2015
SEE ATTACHED FOR
CONDITIONS OF APPROVAL
RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #269012 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPANY, sent to the Hobbs
Committed to AFMSS for processing by DEBORAH HAM on 01/14/2015 ()

Name (Printed/Typed) MEGAN MORAVEC

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 10/07/2014

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

FEB 14 2015

Approved By

Title

Date

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

JAMES A. AMOS
SUPERVISOR-EPS

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 #269012 that would not fit on the form

32. Additional remarks, continued

3. How water is stored on the lease.
3 500BBLs water tanks


4. How water is moved to disposal facility.
Trucked

5. Operators of disposal facility: a) Mesquite SWD Inc. b) Mesquite SWD Inc.

a. Lease name or well name and number a) Paduca #1 SWD b) West Jal Disposal #1

b. Location by ?? Section, Township, and Range of the disposal system _a) SE/4 NE/4, S22, T25S, R32E b) SW/4 NE/4, S10, T25S, R36E

c. The appropriate NMOCD permit number _a) _SWD1264 b) SWD-272



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Harrison H. Schmitt
Cabinet Secretary-Designate

J. Daniel Sanchez
Acting Division Director
Oil Conservation Division



Administrative Order SWD-1264
January 24, 2011

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Mesquite SWD, Inc. seeks an administrative order to re-enter and utilize its Paduca Fed Unit Com Well No. 1 (API 30-025-27616), located 1980 feet from the North line and 660 feet from the East line, Unit Letter H of Section 22, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) 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 Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, Mesquite SWD, Inc., is hereby authorized, pursuant to conditions stated below, to re-enter and utilize its Paduca Fed Unit Com Well No. 1 (API 30-025-27616), located 1980 feet from the North line and 660 feet from the East line, Unit Letter H of Section 22, Township 25 South, Range 32 East, NMPM, Lea County, New Mexico, for disposal of oil field produced water (UIC Class II only) through perforations in the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group from 4722 feet to 6964 feet; and through lined tubing and a packer set within 100 feet of the permitted disposal interval.

As preparation, and prior to any disposal, the operator shall, under direction of inspectors from the US BLM and the Division's Hobbs office:

- a. Re-enter this plugged well to the depths as directed by the US BLM for purposes of properly plugging it back from deeper depths. Run a cement bond log from approximately 7200 feet to 4500 feet. This log shall be supplied to the BLM and also to the Division's Hobbs district office.



- b. The well shall be plugged back from the re-entered depths under direction of the BLM to approximately 7070 feet, where a cast iron bridge plug, capped with cement, shall be set.
- c. The new bond log shall be interpreted to ensure cement exists behind the 9-5/8 inch casing over the intended disposal interval [the bottom (6964 feet) and the top (4722 feet) must be bounded with cement].
- d. If top and bottom are not already bounded by cement, the operator shall squeeze this well to the satisfaction of both the BLM and the Hobbs district office of the Division. All squeeze work shall be verified with new cement bond log(s) supplied to the Division.

The operator shall obtain written confirmation of this work prior to any disposal from the engineering bureau of the Division in Santa Fe. This permit shall not be in effect until this confirmation is obtained.

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 944 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 Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29,

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.

In accordance with Division Rule No 26.12.C., the disposal authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

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.

J. DANIEL SANCHEZ
Acting Director

JDS/wvjj

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



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

ORDER SWD-272

TONEY ANAYA
GOVERNOR

THE APPLICATION OF P & O TREATING PLANT

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), P & O Treating Plant made application to the New Mexico Oil Conservation Division on March 16, 1984, for permission to complete for salt water disposal its Meadora A Well No. 1 located in Unit G of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico.

The Division Director finds:

- (1) That application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) That satisfactory information has been provided that all offset operators and surface owners have been duly notified; and
- (3) That the applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met.
- (4) That no objections have been received within the waiting period prescribed by said rule.

IT IS THEREFORE ORDERED:

That the applicant herein, P & O Treating Plant is hereby authorized to complete its Meador A Well No. 1, located in Unit G of Section 10, Township 25 South, Range 36 East, NMPM, Lea County, New Mexico, in such a manner as to permit the injection of salt water for disposal purposes into the Delaware formation at approximately 5406 feet to approximately 5426 feet through 2 3/8-inch plastic lined tubing set in a packer located at approximately 5375 feet.

IT IS FURTHER ORDERED:

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

That the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1081 psi.

That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Delaware formation.

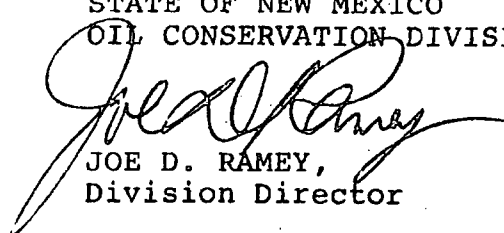
That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing, casing, or packer, in said well or the leakage of water from or around said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER, That jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after notice and hearing, the Division may terminate the authority hereby granted in the interest of conservation. That applicant shall submit monthly reports of the disposal operations in accordance with Rule 706 and 1120 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this _____ day
of May, 1984.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Division Director

S E A L

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