

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM 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.
NMNM81953

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
NORTH PURE GOLD 4 FEDERAL 39. API Well No.
30-015-35702-00-S110. Field and Pool, or Exploratory
LOS MEDANOS DELAWARE11. County or Parish, and State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

DEVON ENERGY PRODUCTION CO LP

Contact: SANDRA D SCROGUM

Email: sandy.scrogum@dev.com

3a. Address

333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 575-746-5587

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

Sec 4, T23S R31E NWNW 180FNL 660FWL

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

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☒
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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 Los Medanos, Bone Spring

2. Water produced is approximately 600 BWPD

3. water is stored in 2 500 BBLS water tanks on location

4. water will be piped to the primary "a" and trucked to the secondary "b" a)North Pure Gold 8
Federal 11 b)Paduca Fed Unit Com 1 a)Devon Energy Production Company, LP b) Mesquite SWD, Inc. APIs

a)30-015-32619 b)30-025-27616

5.a)S8, T23S, R31E, NW/4, SE/4 b)S22, T25S, R32E, SE/4, NE/4

6.a)SWD-925 b)SWD-1264

SEE ATTACHED FOR
CONDITIONS OF APPROVALNM OIL CONSERVATION
ARTESIA DISTRICT

NOV 14 2016

RECEIVED

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

Electronic Submission #337368 verified by the BLM Well Information System

For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad

Committed to AFMSS for processing by PRISCILLA PEREZ on 04/26/2016 (16PP1012SE)

Name (Printed/Typed) SANDRA D SCROGUM

Title FIELD ADMIN SUPPORT

Signature (Electronic Submission)

Date 04/25/2016

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

MAY 26 2016

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

WATER PRODUCTION & DISPOSAL INFORMATION

Site Name:

North Pure Gold 4 Federal 3

1. Name(s) of formation(s) producing water on the lease:

Los Medanos, Bone Spring

2. Amount of water produced from all formations in barrels per day:

600 BWPD

3. How water is stored on lease:

2 500 BBLS water tanks on location

4. How water is moved to the disposal facility:

Piped to primary disposal and trucked to back up if necessary

5. Identify the Disposal Facility by:

A. Facility Operators Name: a) Devon Energy Production Company, LP b) Mesquite
SWD, Inc.

B. Facility or well name/number: a) North Pure Gold 8 Fed 11 b) Paduca Fed Unit
Com 1

C. Type of Facility or well (WDW) (WIW): a) WDW b) WDW

D.1) Location by $\frac{1}{4}$ $\frac{1}{4}$

Section

Township

Range

a) S8, T23S, R 31E, NW/4, SE/4

b) S22, T25S, R32E, SE/4, NE/4

(This form may be used as an attachment to the Sundry Notice.)

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



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER SWD-925

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, LP FOR PRODUCED WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Devon Energy Production Company, LP made application to the New Mexico Oil Conservation Division on May 7, 2004, for permission to utilize for produced water disposal its North Pure Gold 8 Federal Well No. 11 (API No. 30-015-32619) located 1,400 feet from the South line and 1,540 feet from the East line of Section 8, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

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

IT IS THEREFORE ORDERED THAT:

The applicant is hereby authorized to utilize its North Pure Gold 8 Federal Well No. 11 (API No. 30-015-32619) located 1,400 feet from the South line and 1,540 feet from the East line of Section 8, Township 23 South, Range 31 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Lower Brushy Canyon member of the Delaware formation from 7,900 feet to 7,933 feet through 2-7/8 inch plastic-lined tubing set in a packer located within 100 feet above the top perforation.

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.

As preparation and prior to injection, the existing Cherry Canyon perforations at 7256 to 7530 shall be squeezed with cement, the squeeze plug drilled out, and the casing pressure tested to the satisfaction of the Artesia office of the Division.

After installing injection tubing and prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

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.

The wellhead injection pressure on the well shall be limited to **no more than 1,580 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

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 injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division 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 immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, 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 water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Artesia district office of the Division. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection 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 by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on this 2nd day of June 2004.



MARK E. FESMIRE, P.E.
Director

MEF/wvjj

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



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.

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



- 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