# OCD-ARTESIA

Form 3160-5 (February 2005)

#### **UNITED STATES** DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

5 Lease Serial No.

NM 0107697

	OTICES AND REPO orm for proposals t	6. If Indian, Allottee or	Tribe Name					
	Jse Form 3160-3 (A							
SUBMIT	IN TRIPLICATE - Other	7 If Unit of CA/Agree	ment, Name and/or No.					
1 Type of Well		8 Well Name and No.						
Oil Well Gas W	Tell Other			Rada	r 24 Federal 1	·		
Name of Operator     Devon Energy Production Co., LP				1	015-31357			
3a. Address 20 North Broadway OKC, OK 73102		3b. Phone No. (include area of (405)-552-7802	code)	10. Field and Pool or E	xploratory Area ee below			
4 Location of Well (Footage, Sec., $T$ , I Sec 24-T19S-R31E 660' FNL & 1980' FWL	R.,M., or Survey Description,			11. Country or Parish, Ed	State dy County, NM			
12 CHEC	K THE APPROPRIATE BC	X(ES) TO INDICATE NATU	RE OF NOTIC	CE, REPORT OR OTHE	ER DATA			
TYPE OF SUBMISSION		Т	YPE OF ACT	ION				
Notice of Intent	Acidize Alter Casing	Deepen Fracture Treat New Construction	Recla	tuction (Start/Resume)    Water Shut-Off				
Subsequent Report	Casing Repair Change Plans	Plug and Abandon		mplete porarily Abandon	Lynx to Do			
Final Abandonment Notice	Convert to Injection	Plug Back	,	r 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 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/BIA. Required subsequent reports must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)  As required by 43 CFR 3100.5(a) and 43 CFR 3162.3 we are notifying you of a change of operator on the above referenced well:  Radar 24 Federal 1 30-015-31357 Sec 24-T19S-R31E 660' FNL & 1980' FWL Lusk; Delware, West (41540)  Radar 24 Federal 1 30-015-31357 Sec 24-T19S-R31E 660' FNL & 1980' FWL Lusk; Bone Spring, West (41480)  Devon Energy Production Co., LP as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the lease portion of lease described.  Devon Energy Production Co., LP meets federal bonding requirements as follows (43 CFR 3104):  Bond Coverage: Individually Bonded BLM Bond File: CO-1104  Effective Date: 06/01/2011  This well was previously operated by Lynx Petroleum Consultants. See attached documentation and approval from the NMOCD.  SEE ATTACHED FOR  CONDITIONS OF APPROVAL								
14 I hereby certify that the foregoing is to Name (Printed/Typed)  Stephanie A. Ysasaga		ng Technician						
Signature		/2011	ДРРГ	ROVED				
	/ THIS SPACE	FOR FEDERAL OR S	TATE OF	FICE USE				
Approved by  Conditions of approval, if any, are attached			,	JUL I	Mhitlock Jr			
that the applicant holds legal or equitable to entitle the applicant to conduct operations	hereon.				IND MANAGEMENT			
Title 18 U S C Section 1001 and Title 43 fictitious or fraudulent statements or repre			y and willfully t		t or agency of the United St. FIELD OFFICE	ates any false,		

fictitious or fraudulent statements or representations as to any matter within its jurisdiction

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

### **Conditions of Approval**

## **Devon Energy Production Co., LP**

- 1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
- 2. All above ground structures and equipment on the lease shall be painted Shale Green (5Y 4/2). This is to be done within 90 days, if you have not already done so.
- 3. Submit for approval of water disposal method.
- 4. Submit updated facility diagrams as per Onshore Order #3
- 5. This agency shall be notified of any spill or discharge as required by NTL-3A.
- 6. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
- 7. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
- 8. Subject to like approval by NMOCD.

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District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fdx: (575) 393-0720 District II 1301 W. Grand Ave., Artesia, NM 88210 Phone: (575) 748-1283 Fdx: (575) 748-9720

State of New Mexico
Energy, Minerals and Natural
Resources

Porm C-145 Permit 132203

Oil Conservation Division 1220 S. St Francis Dr.

MOBBS OCD

Santa Fe, NM 87505

JUN 0 2 2011

## Change of Operator RECEIVED

Previous Operator Information		New Operator	New Operator Information				
		Effective Dare:	Effective on the date of approval by the OCD				
OGRID:	13645	OGRID;	6137				
Name:	LYNX PETROLEUM CONSULTANTS INC	Name:	DEVON ENERGY PRODUCTION COMPANY, LP				
Address:	PO BOX 1708	Address:	20 N Broadway	•			
City, State, Zip:-	HOBES, NM 88241	City, State, Zip:	Oklahoma City, OK 73102	_			

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, DEVON ENERGY PRODUCTION COMPANY, LP certifies that it has read and understands the following synopsis of applicable rules.

Prévious C	)perator	New Op	erator
Signature:	darryk Scott	Signature	
Printed Name:	Larry R. Scott	Printed Name:	David S. Frank
Title:	President	Title:	David S. Frank - Attorney-in-Fact
Date:	6/02/11 Phone: 575-392-6950	Date:	06/01/2011 Phone: (405)-552-7881

NMOCD Approval

Electronic Signature: Randy Dade, District 2

Date: <u>June 02, 2011</u>

Devon Energy Production Co., L.P. assumes operations of the attached list effective 06/01/2011.

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DEVON ENERGY PRODUCTION COMPANY, LP certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells are in compliance with 19.15.17 NMAC, have been closed pursuant to 19.15.17.13 NMAC, or have been retrofitted to comply with Paragraphs (1) through (4) of Subsection I of 19.15.17.11 NMAC.

## DEVON ENERGY PRODUCTION COMPANY, LP understands that the OCD's approval of this operator change:

- constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
- constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

# As the operator of record of wells in New Mexico, DEVON ENERGY PRODUCTION COMPANY, LP agrees to the following statements:

- 1. I am responsible for ensuring that the wells and related facilities comply with applicable statutes and rules, and am responsible for all regulatory filings with the OCD. I am responsible for knowing all applicable statutes and rules, not just the rules referenced in this list. I understand that the OCD's rules are available on the OCD website under "Rules," and that the Water Quality Control Commission rules are available on the OCD website on the "Publications" page.
- 2. I understand that if I acquire wells from another operator, the OCD must approve the operator change before I begin operating those wells. See 19.15.9.9.B NMAC. I understand that if I acquire wells or facilities subject to a compliance order addressing inactive wells or environmental cleanup, before the OCD will approve the operator change it may require me to enter into an enforceable agreement to return those wells to compliance. See 19.15.9.9.C(2) NMAC.
- 3. I must file a monthly C-115 report showing production for each non-plugged well completion for which the OCD has approved an allowable and authorization to transport, and injection for each injection well. See 19.15.7.24 NMAC. I understand that the OCD may cancel my authority to transport from or inject into all the wells I operate if I fail to file C-115 reports. See 19.15.7.24.C NMAC.
- 4. I understand that New Mexico requires wells that have been inactive for certain time periods to be plugged or placed on approved temporary abandonment, See 19.15.25.8 NMAC. I understand the requirements for plugging and approved temporary abandonment in 19.15.25 NMAC. I understand that I can check my compliance with the basic requirements of 19.15.25.8 NMAC by using the "Inactive Well List" on OCD's website.
- 5. I must keep current with financial assurances for well plugging. I understand that New Mexico requires each state or fee well that has been inactive for more than two years and has not been plugged and released to be covered by a single-well financial assurance, even if the well is also covered by a blanket financial assurance and even if the well is on approved temporary abandonment status. See 19.15.8.9.C NMAC. I understand that I can check my compliance with the single-well financial assurance requirement by using the "Inactive Well Additional Financial Assurance Report" on the OCD's website.
- 6. I am responsible for reporting releases as defined by 19.15.29 NMAC. I understand the OCD will look to me as the operator of record to take corrective action for releases at my wells and related facilities, including releases that occurred before I became operator of record.
- 7. I have read 19.15.5.9 NMAC, commonly known as "Part 5.9," and understand that to be in compliance with its requirements I must have the appropriate financial assurances in place, comply with orders requiring corrective action, pay penalties assessed by the courts or agreed to by me in a settlement agreement, and not have too many wells out of compliance with the inactive well rule (19.15.25.8 NMAC). If I am in violation of Part 5.9, I may not be allowed to drill, acquire or produce any additional wells, and will not be able to obtain any new injection permits. See 19.15.16.19.NMAC, 19.15.26.8 NMAC, 19.15.9.9 NMAC and 19.15.14.10 NMAC. If I am in violation of Part 5.9 the OCD may, after notice and hearing, revoke my existing injection permits. See 19.15.26.8 NMAC.
- 8. For injection wells, I understand that I must report injection on my monthly C-115 report and must operate my wells in compliance with 19.15.26 NMAC and the terms of my injection permit. I understand

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that I must conduct mechanical integrity tests on my injection wells at least once every five years. See 19.15.26.11 NMAC. I understand that when there is a continuous one-year period of non-injection into all wells in an injection or storage project or into a saltwater disposal well or special purpose injection well, authority for that injection automatically terminates. See 19.15.26.12 NMAC. I understand that if I transfer operation of an injection well to another operator, the OCD must approve the transfer of authority to inject, and the OCD may require me to demonstrate the well's mechanical integrity prior to approving that transfer. See 19.15.26.15 NMAC.

- I am responsible for providing the OCD with my current address of record and emergency contact
  information, and I am responsible for updating that information when it changes. See 19.15.9.8.C
  NMAC. I understand that I can update that information on the OCD's website under "Electronic
  Permitting."
- 10. If I transfer well operations to another operator, the OCD must approve the change before the new operator can begin operations. See 19.15.9.9. B NMAC. I remain responsible for the wells and related facilities and all related regulatory filings until the OCD approves the operator change. I understand that the transfer will not relieve me of responsibility or liability for any act or omission which occurred while I operated the wells and related facilities.

# From Operator LYNX PETROLEUM CONSULTANTS INC OGRID 13645 To Operator DEVON ENERGY PRODUCTION COMPANY, LP OGRID 6137 Wells Selected for Transfer, Permit 132203 Permit Status: APPROVED

#### OCD District Hobbs

נע עטט	SUICE HODDS							
Property	Well	Lease Type	ULSTR	OCD Unit	API	Well Type	Pool ID	Pool Name
309482	ARCO STATE #001Y	S.	E-35- 15S- 36E	E	30- 025- 29324		16720	DEAN;PERMO PENN
309483	CONTINENTAL COM FEDERAL #001	F	O-6 - 19S- 32E	O	30- 025- 20912		41589	LUSK;STRAWN
309465	FEDERAL M #001		L-27- 18S- 33E	L	30- 025- 21893		13160	CORBIN;BONE SPRING, SOUTH
309488	HAWKEYE 7 FEDERAL #001		4-7 - 19S- 32E		30- 025- 00892		41440	LUSK;BONE SPRING
	HAWKEYE 7 FEDERAL #002	F	J-7 - 19S- 32E		30- 025- 35661		41440	LUSK;BONE SPRING
309487	LYNX FEDERAL #001	F	O-15- 17S- .32E		30- 025- 27861		43329	MALJAMAR;GRAYBURG- SAN ANDRES
	LYNX FEDERAL #002	F		Е	30- 025- 27857		80960	MALJAMAR;QUEEN (GAS)
	LYNX FEDERAL #003	F	N-15- 178- 32E	N	30- 025- 27929		43329	MALJAMAR;GRAYBURG- SAN ANDRES
	LYNX FEDERAL #004	F	K-15- 178- 32E		30- 025- 28372		43329	MALJAMAR;GRAYBURG- SAN ANDRES
	LYNX FEDERAL #005	F	F-15- 17S- 32E	F	30- 025 <b>-</b> 28679		43329	MALJAMAR;GRAYBURG- SAN ANDRES
	LYNX FEDERAL #006	F	D-15- 17S- 32E	D	30- 025- 29272	0	43329	MALJAMAR;GRAYBURG- SAN ANDRES
	LYNX FEDERAL #007	F	L-15- 17S- 32E	L	30- 025- 00559		43329	MALJAMAR;GRAYBURG- SAN ANDRES
	LYNX	F	J-15-	J	30-	O	43329	MALJAMAR;GRAYBURG-

FEDERAL #008	3	17S- 32E		025- 00561	SAN ANDRES
309475 NANCY #001	P	N-24- 21S- 37E	N	30- 025- O 23219	6660 BLINEBRY OIL AND GAS (OIL)
NANCY #001	P	N-24- 21S- 37E	N	23219	60240 TUBB OIL AND GAS (OIL)
NANCY #001	P	N-24- 21S- 37E	N	30- 025- O 23219	62700 WANTZ;ABO
REED 309459 SANDERSON UNIT #002	F	4-3 - 20S- 36E	D	30- 025- O 04172	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #003	F	3-3 - 20S- 36E	С	30- 025- I 04178	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #004	F	2-3 - 20S- 36E	В	30- 025- O 04187	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #005	F	F-3 - 20S- 36E	F	30- 025- O 04179	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #006	F	E-3 - 20S- 36E	Е	30- 025- I 04180	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #008	P	I-4 - 20S- 36E	I	30- 025- I 04189	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #009	F	L-3 - 20S- 36E	L	30- 025- O 04182	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #010	F	K-3 - 20S- 36E	K	30- 025- I 04181	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #011	F	J-3 - 20S- 36E	J	30- 025- O 04186	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #013	F.	N-3 - 20S- 36E	N	30- 025- O 04183	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED SANDERSON UNIT #014	F	M-3 - 20S- 36E	M	30- 025- I 04184	22800 EUMONT; YATES-7 RVRS- QUEEN (OIL)
REED	P	P-4 -	P	30- O	22800 EUMONT; YATES-7 RVRS-

	SANDERSON UNIT #015	N		20S- 36E			025 041			QUEEN (OIL)	
	REED SANDERSO UNIT #016	N F		A-9 - 20S- 36E			30- 025 041		2280	00 EUMONT;YAT QUEEN (OIL)	ES-7 RVRS-
	REED SANDERSO: UNIT #017	N F		D-10 20S- 36E		)	30- 025 042	- O	2280	00 EUMONT;YAT QUEEN (OIL)	ES-7 RVRS-
	REED SANDERSO UNIT #018	n f		C-10 20S- 36E		;	30- 025 042		2280	00 EUMONT;YAT QUEEN (OIL)	ES-7 RVRS-
	REED SANDERSO UNIT #019	n f		B-10 20S- 36E		;	30- 025 042	- O	2280	00 EUMONT; YAT QUEEN (OIL)	ES-7 RVRS-
309480	ROBIN 28 FEDERAL #	001 <sup>F</sup>		A-28 18S- 33E		ι.	30- 025 358	- G 44	1319	95 CORBIN;DELA WEST	AWARE,
309476	SHINNERY FEDERAL #	l 001 F	•	I-1 - 18S- 32E	I		30- 025 306	- O	6535	50 YOUNG;BONE NORTH	E SPRING,
309469	STATE CP#	001 S		4-1 - 18S- 33E		)	30- 025 200	- O	1315	50 CORBIN;ABO	
	STATE CP#	002 S	;	E-1 18S- 33E	E	;	30- 025 200	- O 29	1995	50 E-K;YATES-SI RIVERS-QUEE	EVEN EN
OCD Di	strict: Artesia										
Property		Lease Type			OCI Unit			Well Type	Pool ID	Pool Name	
309494	FASKEN FEDERAL #002	F	34- 219 261	S-	N			G	70880.	AVALON;ATOK	A (GAS)
309484	FEDERAL HJ-27 #001	F	E-2 198 311	S-	Е		- 5- 780	0	96746	HACKBERRY;BO SPRING,EAST	ONE
	HANNIFIN FEDERAL #002	F	E-1 198 311	5-	Е		- 5- 960	G	85300	SHUGART;MOR	ROW (GAS)
309463	JONES D FEDERAL #001	F	E-2 198 31H	5-	E		- 5- 278	О	41480	LUSK;BONE SPF	RING, WEST
309485	JONES FEDERAL B #003	F	P-2 198 31H	3-	Р		- 5- 394	0	41480	LUSK;BONE SPF	ung, west

KITTY HAWK FEDERAL #001	J-1 - 19S- J 31E	30- 015- G 32746	96211 HACKBERRY;DELAWARE, NORTHEAST
NO AGUA 7	8-7 -	30 <b>-</b>	
309486FEDERAL F	21S- D	015 <b>-</b> G	70920 AVALON; MORROW (GAS)
#001	26E	34956	
NO AGUA 7	8-7 -	30-	CATCLAW
FEDERAL F	21S- D	015- G	74400 DRAW;STRAWN, EAST
#001	26E	34956	(GAS)
PACER 28	G-28-	30-	80840 LUSK;MORROW, WEST (GAS)
309468 FEDERAL F \	19S- G	015- G	
#001	31E	32178	
PAN AM 309462 STATE S COM #001	J-11- 23S- J 26E	30- 015- G 20296	73800 CARLSBAD;ATOKA, SOUTH (GAS)
RADAR 24	C-24-	30-	41480 LUSK; BONE SPRING, WEST
309495 FEDERAL F	19S- C	015- O	
#001	31E	31357	
RADAR 24	C-24-	30-	41540 LUSK; DELAWARE, WEST
FEDERAL F	198- C	015- O	
#001	31E	31357	