OCD-ARTESIA

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

5

FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010

5 Lease Senal No NM 89051

6. If Indian, Allottee or Tribe Name

abandoned well.	Use Form 3160-3 (A	APD) for such proposa	als.					
SUBMI	7. If Unit of	7. If Unit of CA/Agreement, Name and/or No						
I. Type of Well								
Oil Well Gas V	Vell Other		8 Well Nar Apache 24	8 Well Name and No Apache 24 Fed 1				
2 Name of Operator Devon Energy Production Company	/, L.P	9 API Well 30-015-27	9 API Well No 30-015-27587					
3a. Address 3b. Phone No. (a			code) 10 Field an	d Pool or Explorate	ory Area			
20 N Broadway, Oklahoma City, OK 73102-826	60	405-235-3611	1 Los Medanos North (Strawn)					
4. Location of Well (Footage, Sec., T., 1200 FDL & 330 FEL SEC 24 T225 R 30E	n)	'	11 Country or Parish, State Eddy County, NM					
12. CHEC	CK THE APPROPRIATE B	OX(ES) TO INDICATE NATU	RE OF NOTICE, REPORT	OR OTHER DAT	A			
TYPE OF SUBMISSION		Т	YPE OF ACTION					
	Acidize	Deepen	Production (Start/	Resume)	Water Shut-Off			
✓ Notice of Intent	Alter Casing	Fracture Treat	Reclamation		Well Integrity			
	Casing Repair	New Construction	Recomplete	= '				
Subsequent Report	Change Plans	Plug and Abandon	Temporarily Abar					
Final Abandonment Notice	Convert to Injection		Water Disposal	idon	- 121			
13. Describe Proposed or Completed O	l							
testing has been completed. Final determined that the site is ready for Devon Energy Production Company 1. MIRU PU. Top Kill well w/ 2% Kill 2. Rise PLS pkr @ 12550'. TOH will be the site is ready for the site is ready	or final inspection) y L. P. respectfully reques CL. ND WH. NU BOP. / 2-3/8" tubing. LD BHA.	sts to plug back the Strawn pe	· ·	3rd & 1st Bone Sp				
3. PU & TIH w/ RBP. Set @ +/- 12i 4. RU WL. RIH w/ 4" slick gun perf 5. PU & TIH w/ 3-1/2" WS & 7" Wes	3rd Bone Spring Sand 1 atherford 10K HD pkr and		, i	MAR 2 0 2012				
6. RU BJ Services and acidize 3rd7 Swab test well. RDMO PU.		5% Pentol acid w/ BS.			NMOCD ARTESI			
8. Frac down WS as per BJ propos	al.			1	AINIOOD VILLEON			
 9. FWB. 10. MIRU PU. Kill well w/ 2% KCL. 11 RIse 7" pkr & TOOH LD BHA & 12 PU & TIH w/ 2-7/8" production t 	, α	Approval Subject to General Requirements & Special Stipulations Attached						
13. Swab well. Evaluate for pumpir	ng unit		Δ	ccepted	for record			
(Attached)			<i>r</i>		CD/62/24/2012			
14 I hereby certify that the foregoing is	true and correct				1 31"			
Name (Printed/Typed)		Title Regula	atory Specialist					
			· · · · · · · · · · · · · · · · · · ·					
Signature Judy	Same	et Date 01/30/	2012	AP	PROVED			
	THIS SPACE	FOR FEDERAL OR S	TATE OFFICE US					

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

Office

PETROLEUM ENGINEER

BUREAU OF LAND MANA CARLSBAD FIELD

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.

Approved by

Devon Energy

Memo

To: Chris Walls

From: Jimmy Turnini

CC: Judy

Judy Barnett

Date:

1/26/2012

Re:

Apache 24 Federal 1/API # 30-015-27587 - Bone Springs Justification

Chris.

Please see below as per our conversation on Thursday, January 19, 2012.

The Apache "24" Federal 1 was originally completed 11/93 in the Morrow at 14086-14110'. The zone was abandoned shortly after first production and recompleted to the Atoka Banks at 13074-13083' in 10/94. This zone was produced until where it was temporarily abandoned in 05/96 to move up hole to the current Strawn completion at 12686-12701'. The zone was abandoned producing about 300 MCFD & 2 BOPD. There were intentions to commingle the Atoka Banks with the Strawn at a later date but this never came to fruition. Today's low gas prices do not make going back to this zone very economic at this time but we would like to keep it available to capture it in the future should prices increase. Oil prices remain high and recompleted to the Bone Spring is more attractive due to the oil potential. I am resubmitting this recompletion for your approval asking that you keep in mind that I do not want to permanently abandon the liner section yet because of the gas zone I described above. I have attached a production cure showing you the potential remaining the in the Atoka Banks. Please see my new recompletion procedure below.

- 1. MIRU PU. Top Kill well w/ 2% KCL. ND WH. NU BOP.
- 2. Release PLS pkr @ 12550'. TOH w/ 2-3/8" tubing. LD BHA.
- 3. PU & TIH w/ RBP. Set @ +/- 12600'. Spot sand on top of RBP. TOH w/ tbg.
- 4. RUWL. RIH w/ 4" slick gun perf 3rd Bone Spring Sand 11,020 11,030'. RDMO WL.
- PU & TIH w/ 3-1/2" working string & 7" Weatherford 10K HD packer. Set packer @ ~10,935'.
 NDBOP. NUWH.
- 6. RU BJ Services and acidize 3rd Bone Springs Sand w/ 7.5% Pentol acid w/ bio ball sealers.
- 7. Swab test well. RDMO PU.
- 8. Frac down working string as per BJ proposal.
- 9. Flow well back:
- 10. MIRU PU. Kill well w/ 2% KCL. NDWH. NUBOP.
- 11. Release 7" pkr. TOH w/ pkr. LD BHA & workstring.
- 12. PU & TIH w/ 2-7/8" production tbg & 7" retrievable pkr. Set pkr @ +/- 10930'. NDBOP. NUWH.
- 13. Swab well in and place on test. Evaluate for pumping unit.

If you have any questions please don't hesitate to call.

Jimmy Turnini, Sr Staff Engineer, 405-228-4479, jimmy.turnini@dvn.com





Apache 24 Fed #1

AFE # 159894

Objective - Plug back Strawn perfs & recomplete uphole to the 3RD & 1st Bone Springs

API# - 30-015-27587

Location - Eddy Co. -- Sec 24 - 22S - 30E

GL - 3407'

KB - 3425.4' (18.4')

TD - 14,525'

PBTD - 12,944 Blanking Plug set in Permanent Packer

Casing	OD	WT/FT	Grade	Тор	Bottom	тос	80% Burst (psi)	80% Collapse (psi)
Surface	13-3/8"	54.5#	K-55	0'	551'	surface		
Intermediate	9-5/8"	40#	K-55	0'	3,840'	surface		
						3500'		
Production	7"	26#	L-80	0'	12,400'	EST	5,072	4,328
Liner	4-1/2"	13.5#	S-95	12,163'	14,520'	TOL	9,960	8,300
Prod TBG	2-3/8"	4.7#	N-80	0'	12,538'	_	8960	9,424

Current perforations - 12,686' - 12,701' (Strawn) ***Sand is covering perfs Current BHA - 393 jts 2-3/8" tubing.

- 1) 4-1/2" 13.5# PLS Packer (4.02')
- 1) 2-3/8" X 10' Tbg Sub (10.17')
- 1) 2-3/8" X 1.0" Profile Nipple (1.19')
- 1) 2-3/8" X 6' Tbg Sub (5.93')
- 1) WL Re-entry guide (.39')

Total BHA Length - 12,574.08'

Apache 24 Fed Com 1 API #30-015-27587 Devon Energy Production Company, L.P. March 19, 2012 Conditions of Approval

In the event the property is sold or ownership is transferred in the future, the Operator shall be immediately obligated to completely drill out the temporary plugs and to properly abandon the deeper intervals. A NOI sundry will be required.

- 1. Surface disturbance beyond the originally approved pad shall have prior approval.
- 2. Operator to have H2S monitoring equipment on location as H2S has been reported from wells in the area.
- 3. A minimum of a 5000 (5M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above precharge. The pre-charge test shall follow requirements in Onshore Order #2.
- 4. Steps 1 and 2 OK
- 5. Step 3a Set a drillable bridge plug inside the 4-1/2" liner to be approximately 50' above the px plug and packer tailpipe assy currently in place above the Atoka perforations. This bridge plug is required to provide temporary plugback from the Atoka. The Operator has the option to set an equivalent plug by using a 100' balanced Cl H cement plug instead.
 - Step 3b OK (4-1/2" RBP with sand at 12600' to temporarily isolate the existing Strawn perforations).
 - Step 3c Set a 7" drillable bridge plug or equivalent approximately 50' above the top of the 4-1/2" liner at 12163'. This bridge plug is required to provide temporary isolation for the top of the 4-1/2" liner. The Operator has the option to set an equivalent plug by using a 100' balanced Cl H cement plug instead.
 - Step 3d Pressure test the casing to ensure wellbore integrity.
- 6. Steps 4 through 13 OK

- 7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 8. Completion Report and Subsequent sundry are required, detailing work done to include wellbore schematic.

TMM 031912