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 Form 3160-5
 (August 2007)
NMOC D ARTESIA

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UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 OMB No. 1004-0137
 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.
 NMNM67709
 6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other Instructions on page 2.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
 Malaga 1 Federal Com #1

2. Name of Operator
 Devon Energy Production Co LP

9. APT Well No.
 30-015-26249

3a. Address
 PO BOX 250, Artesia, NM 88211

3b. Phone No. (include area code)
 576-748-0184

10. Field and Pool or Exploratory Area
 Atoka (Gas)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 990' FSU & 2310' FWL, Sec. 1, T24S, R28E, Unit N

11. Country or Parish, State
 Eddy

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input checked="" 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	Location _____
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input 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 recomplate 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.)

- Devon Energy has contracted Talon/LPE to do reclamation activites at Malaga 1 Federal Com No.1, a plugged well location.
- On 10/31/2012 Talon/LPE mobilized personnel to the site to carry out soil sampling activities for the construction of a work plan. Grab soil samples were collected from the surface of the location. The soil samples were sent to Cardinal Laboratories for analysis of total Chlorides via Method SM4500C1-B. The results for the soil samples are attached. A site plan is also attached.
- The Impacted soil around the dry hole maker will be excavated to a depth of 3-feet deep. The removed soil will be transported to CRI for disposal.
- The surface of the closed drilling pit area will be bladed to prepare for the installation of a liner. Rock and debris will be deep buried into the closed drilling pit area. A composite 20 millimeter liner measuring three hundred (300') feet long by two hundred forty (240') feet wide will be installed over the closed drilling pit area. The edges of the liner will be keyed a minimum of 3-feet deep into a trench excavated at the boundaries of the closed drilling pit area.
- Soil will be transported in from a local borrow pit. A minimum of 3-foot of new soil will be placed over the top of the 20 mil liner in closed drilling pit area. The soil lift will be contoured to match the surrounding terrain.
- Windrows will be installed over the drilling pit area to help with erosion and the area will be seeded using the recommended BLM seed mixture for the area.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
 Kevin Phillips
 Title Assistant Construction Foreman
 Signature *Kevin Phillips* Date 11/9/2012

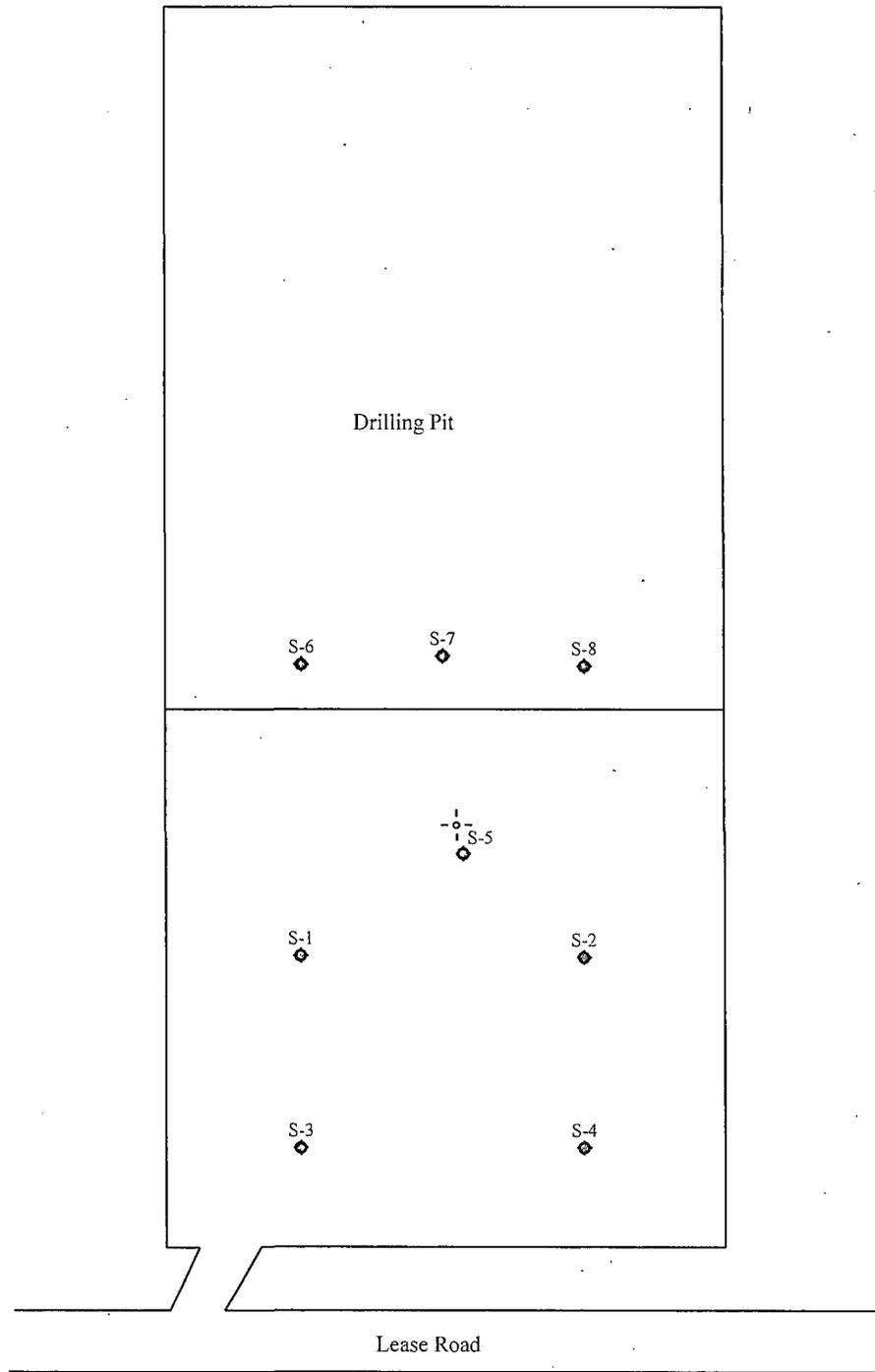
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *James A. Quinn* Title *SEPS* Date *12-29-12*
 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 *CFO*

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.

(Instructions on page 2)

Accepted for record
 NMOC D
 10/13/2012



Scale in Feet

Legend

◆ - Sample Location



Date: 11/09/2012

Scale: 1" = 80'

Drawn By: TJS

Malaga 1 Federal Com. No. 1

Devon Energy Corporation

Eddy County, New Mexico

Figure 1 - Site Plan



PHONE (575) 393-2326 ° 101 E. MARLAND ° HOBBS, NM 88240

November 06, 2012

MIKE STUBBLEFIELD
TALON LPE
408 W. TEXAS AVE.
ARTESIA, NM 88210

RE: MALAGA 1 FEDERAL COM. NO. 1

Enclosed are the results of analyses for samples received by the laboratory on 11/05/12 16:00.

Cardinal Laboratories is accredited through Texas NELAP under certificate number T104704398-11-3. Accreditation applies to drinking water, non-potable water and solid and chemical materials. All accredited analytes are denoted by an asterisk (*). For a complete list of accredited analytes and matrices visit the TCEQ website at www.tceq.texas.gov/field/qa/lab_accred_certif.html.

Cardinal Laboratories is accredited through the State of Colorado Department of Public Health and Environment for:

Method EPA 552.2	Haloacetic Acids (HAA-5)
Method EPA 524.2	Total Trihalomethanes (TTHM)
Method EPA 524.4	Regulated VOCs (V1, V2, V3)

Accreditation applies to public drinking water matrices.

This report meets NELAP requirements and is made up of a cover page, analytical results, and a copy of the original chain-of-custody. If you have any questions concerning this report, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Celey D. Keene". The signature is written in a cursive, flowing style.

Celey D. Keene
Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	11/05/2012	Sampling Date:	10/31/2012
Reported:	11/06/2012	Sampling Type:	Soil
Project Name:	MALAGA 1 FEDERAL COM. NO. 1	Sampling Condition:	** (See Notes)
Project Number:	700794.054.01	Sample Received By:	Jodi Henson
Project Location:	SEC. 1 T24S - R28E		

Sample ID: S-1 0' (H202694-01)

Chloride, SM4500CI-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	<16.0	16.0	11/06/2012	ND	400	100	400	3.92		

Sample ID: S-2 0' (H202694-02)

Chloride, SM4500CI-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	480	16.0	11/06/2012	ND	400	100	400	3.92		

Sample ID: S-3 0' (H202694-03)

Chloride, SM4500CI-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	16.0	16.0	11/06/2012	ND	400	100	400	3.92		

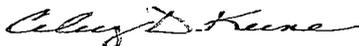
Sample ID: S-4 0' (H202694-04)

Chloride, SM4500CI-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	32.0	16.0	11/06/2012	ND	400	100	400	3.92		

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* = Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

Analytical Results For:

 TALON LPE
 MIKE STUBBLEFIELD
 408 W. TEXAS AVE.
 ARTESIA NM, 88210
 Fax To: (575) 745-8905

Received:	11/05/2012	Sampling Date:	10/31/2012
Reported:	11/06/2012	Sampling Type:	Soil
Project Name:	MALAGA 1 FEDERAL COM. NO. 1	Sampling Condition:	** (See Notes)
Project Number:	700794.054.01	Sample Received By:	Jodi Henson
Project Location:	SEC. 1 T24S - R28E		

Sample ID: S-5 0' (H202694-05)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	19400	16.0	11/06/2012	ND	400	100	400	3.92		

Sample ID: S-6 0' (H202694-06)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	22000	16.0	11/06/2012	ND	400	100	400	3.92		

Sample ID: S-7 0' (H202694-07)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	24400	16.0	11/06/2012	ND	400	100	400	3.92		

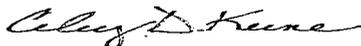
Sample ID: S-8 0' (H202694-08)

Chloride, SM4500Cl-B		mg/kg		Analyzed By: HM						
Analyte	Result	Reporting Limit	Analyzed	Method Blank	BS	% Recovery	True Value QC	RPD	Qualifier	
Chloride	23200	16.0	11/06/2012	ND	400	100	400	3.92		

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager

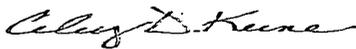
Notes and Definitions

- ND Analyte NOT DETECTED at or above the reporting limit
- RPD Relative Percent Difference
- ** Samples not received at proper temperature of 6°C or below.
- *** Insufficient time to reach temperature.
- Chloride by SM4500Cl-B does not require samples be received at or below 6°C
Samples reported on an as received basis (wet) unless otherwise noted on report

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*=Accredited Analyte

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Celey D. Keene, Lab Director/Quality Manager



CHAIN-OF-CUSTODY AND ANALYSIS REQUEST

101 East Marland, Hobbs, NM 88240
 (575) 393-2326 FAX (575) 393-2476

Company Name: <u>Talon / LPE</u>		BILL TO		ANALYSIS REQUEST										
Project Manager: <u>Mike Stubblefield</u>		P.O. #:												
Address: <u>408 West Texas Ave.</u>		Company: <u>Talon / LPE</u>												
City: <u>Artesia</u> State: <u>NM</u> Zip: <u>88210</u>		Attn:												
Phone #: <u>505-441-7254</u> Fax #:		Address:												
Project #: <u>700294.054.01</u> Project Owner: <u>Devon Energy Corp.</u>		City:												
Project Name: <u>Malaga 1 Federal com. No. 1</u>		State: Zip:												
Project Location: <u>sec. 1 - T 245 - R 28E</u>		Phone #:												
Sampler Name: <u>Mike Stubblefield</u>		Fax #:												
FOR LAB USE ONLY														
Lab I.D.	Sample I.D.	(GRAB OR COMB.) # CONTAINERS	MATRIX				PRESERV.			SAMPLING		Total chlorides		
			GROUNDWATER	WASTEWATER	SOIL	OIL	SLUDGE	OTHER:	ACID/BASE:	ICE / COOL	OTHER:		DATE	TIME
<u>12121014</u>					/				/	/				
<u>1</u>	<u>S-1 0'</u>	<u>6</u>			/				/	/			<u>10/31/12</u>	<u>10:30A</u>
<u>2</u>	<u>S-2 0'</u>	<u>6</u>			/				/	/			<u>10/31/12</u>	<u>10:35A</u>
<u>3</u>	<u>S-3 0'</u>	<u>6</u>			/				/	/			<u>10/31/12</u>	<u>10:40A</u>
<u>4</u>	<u>S-4 0'</u>	<u>6</u>			/				/	/			<u>10/31/12</u>	<u>10:45A</u>
<u>5</u>	<u>S-5 0'</u>	<u>6</u>			/				/	/			<u>10/31/12</u>	<u>11:00A</u>
<u>6</u>	<u>S-6 0'</u>	<u>6</u>			/				/	/			<u>10/31/12</u>	<u>11:05A</u>
<u>7</u>	<u>S-7 0'</u>	<u>6</u>			/				/	/		<u>10/31/12</u>	<u>11:10A</u>	
<u>8</u>	<u>S-8 0'</u>	<u>6</u>			/				/	/		<u>10/31/12</u>	<u>12:15A</u>	

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Relinquished By: <u>Mike Stubblefield</u>	Date: <u>10/31/12</u>	Received By: <u>Jodi Benson</u>	Phone Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Phone #:
Relinquished By:	Date:	Received By:	Fax Result: <input type="checkbox"/> Yes <input type="checkbox"/> No	Add'l Fax #:
Delivered By: (Circle One) Sampler - UPS - Bus - Other:	Sample Condition Cool Intact <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No	CHECKED BY: (Initials) <u>JS</u>	REMARKS:	

† Cardinal cannot accept verbal changes. Please fax written changes to (575) 393-2326