

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.
NMLC029390A

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.

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
SARGAS 28 FEDERAL COM 3H

2. Name of Operator
DEVON ENERGY PRODUCTION CO
Contact: TRINA C COUCH
Email: trina.couch@dvn.com

9. API Well No.
30-015-41795-00-X1

3a. Address
333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
Ph: 405-228-7203

10. Field and Pool, or Exploratory
SHUGART

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

Sec 29 T18S R31E NESE 1475FSL 0342FEL
32.715037 N Lat, 103.884162 W Lon

11. County or Parish, and State
EDDY COUNTY, NM

12. CHECK 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 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A PD
	<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 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 shall 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 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.)

Devon Energy Production Corporation, L.P. respectfully requests drilling the 12-1/4" intermediate hole 300' deeper than the Approved APD. Currently, the rig is at the intermediate drilled depth of 4137' with a water flow at the bottom of the well. It is recommended that intermediate casing be set at 4400', which is below the current sand. We also request adding a Stage Tool and External Casing Packer to the 9-5/8" intermediate casing at 2100'. Cement volumes in this intermediate casing string are based on a 13 inch hole, as indicated from a fluid caliper, with a 75% excess. Stage 1 top of cement is calculated to the Stage Collar at 2100' and Stage 2 top of cement is calculated to return to surface. Actual cement volumes have been adjusted to the fluid caliper and compared with volumes returned on the Sargas 28 Fed Com 4H drilled on the same pad.

Please see revised Drilling Plan attached, thank you

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

RECEIVED
FEB 03 2014
NMOCD ARTESIA

Accepted for record
NMOCD-jes

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #233690 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad
Committed to AFMSS for processing by CHRISTOPHER WALLS on 01/29/2014 (14CRW0172SE)

Name (Printed/Typed) TRINA C COUCH

Title REGULATORY ASSOCIATE

Signature (Electronic Submission)

Date 01/29/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved By _____
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.

Title

Office

JAN 29 2014
/s/ Chris Walls

BUREAU OF LAND MANAGEMENT

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.

Revisions to Operator-Submitted EC Data for Sundry Notice #233690

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMNM055648	NMLC029390A
Agreement:		
Operator:	DEVON ENERGY PRODUCTION CO.LP DEVON ENERGY PRODUCTION CO.LP 333 WEST SHERIDAN OKALHOMA CITY, OK 73102 Ph: 405-228-7203	DEVON ENERGY PRODUCTION CO LP 333 WEST SHERIDAN OK 73102 OKLAHOMA CITY, OK 73102 Ph: 405.235.3611
Admin Contact:	TRINA C COUCH REGULATORY ASSOCIATE E-Mail: trina.couch@dvn.com Ph: 405-228-7203	TRINA C COUCH REGULATORY ASSOCIATE E-Mail: trina.couch@dvn.com Ph: 405-228-7203
Tech Contact:	TRINA C COUCH REGULATORY ASSOCIATE E-Mail: trina.couch@dvn.com Ph: 405-228-7203	TRINA C COUCH REGULATORY ASSOCIATE E-Mail: trina.couch@dvn.com Ph: 405-228-7203
Location:		
State:	NM	NM
County:	EDDY COUNTY	EDDY
Field/Pool:	SHUGART WEST;BONE SPRING	SHUGART
Well/Facility:	SARGAS 28 FED 3H Sec 29 T18S R31E 1475FSL 342FEL	SARGAS 28 FEDERAL COM 3H Sec 29 T18S R31E NESE 1475FSL 0342FEL 32.715037 N Lat, 103.884162 W Lon

SARGAS 28 FED 3H – APD DRILLING PLAN
 JSP 3.11.13
 AAA 1.28.2014

Casing Program

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Csg</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
17-1/2"	0 – 700'	13-3/8"	0 – 700	48#	STC	H-40
12-1/4"	700– 4,400'	9-5/8"	0 – 4,400	40#	BTC	HCK-55
8-3/4"	4,700 – 8,000'	5-1/2"	0 – 8,000	17#	LTC	HCP-110
8-3/4"	8,000 – 13,881'	5-1/2"	8,000 – 13,881	17#	BTC	HCP-110

MAX TVD: 8,810 FT

Design Factors

<u>Casing Size</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
13-3/8"	2.2	4.9	9.6
9-5/8" 40# HCK-55 BTC	1.4	1.3	3.6
5-1/2" 17# HCP-110 LTC	2.3	2.8	2.4
5-1/2" 17# HCP-110 BTC	2.1	2.6	3.3

NOTE REGARDING COLLAPSE DESIGN FACTOR FOR INTERMEDIATE CASING: The maximum possible collapse load that the intermediate casing will experience will result from evacuated casing with the pore pressure exerting a collapse load at TD. The pore pressure is estimated to be 13.1 ppg for this calculation. This results in a collapse design factor of 1.4 for the 9-5/8" 40# HCK-55 BTC casing at a depth of 4,400 ft. While running the intermediate casing, the casing string will never be completely evacuated. There is no potential for the intermediate casing to be used as a production string.

Mud Program

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>Fluid Loss</u>	<u>Type System</u>
0 – 700'	8.4 – 9.7	32 – 34	N/C	FW
700 – 4,400'	13.1	28	N/C	Brine
4,700 – 13,881'	8.3 – 8.7	28-32	N/C – 30cc	FW

Pressure Control Equipment

The BOP system used to drill the intermediate hole will consist of a 13-5/8" Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2, a **3M system** will be installed and tested prior to drilling out the surface casing shoe.

The BOP system used to drill the production hole will consist of a 13-5/8" Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 a **3M system** will be installed prior to drilling out the intermediate casing shoe.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at **5,000 psi WP**.

Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line); **if an H&P rig drills this well. Otherwise no flex line is needed.** The line will be kept as straight as possible with minimal turns.

String	Number of sx	Weight lbs/gal	Water Volume g/sx	Yield cf/sx	Stage; Lead/Tail	Slurry Description
Surface	750	14.8	6.35	1.35	Lead	Class C Cement + 0.125 lbs/sack Cello Flake + 2% bwoc Calcium Chloride + 56.3% Fresh Water
Intermediate	730	12.6	9.01	1.76	1 st Lead	(60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 3 lbs/sack Kol-Seal, bulk + 0.25% bwoc FL-52 + 1.5% bwoc Sodium Metasilicate + 91.7% Fresh Water
	300	13.8	6.41	1.38	1 st Tail	(60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.8% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 65.6% Fresh Water
	DVT @ 2100'					
	655	12.6	9.01	1.76	2 nd Lead	(60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 3 lbs/sack Kol-Seal, bulk + 0.25% bwoc FL-52 + 1.5% bwoc Sodium Metasilicate + 91.7% Fresh Water
	100	13.8	6.42	1.38	2 nd Tail	((60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.1% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.2% Fresh Water
Production	640	12.5	11.01	2.01	Lead	(35:65) Poz (Fly Ash):Class H Cement + 3% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.7% bwoc FL-52 + 0.3% bwoc ASA-301 + 6% bwoc Bentonite + 105.5% Fresh Water
	1460	14.2	5.77	1.28	Tail	(50:50) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.4% bwoc FL-52 + 0.5% bwoc Sodium Metasilicate + 57.3% Fresh Water

NOTE: Revised Cementing Program based on a Fluid Caliper average of 13" hole diameter and 75% excess in the open hole at a total Intermediate depth of 4400 ft. Production volumes corrected for depth changes with a 25% excess and a TOC at least 500 ft into the previous casing.

TOC for All Strings:

Surface: 0
Intermediate: 0
Production: 3,900 ft

ACTUAL CEMENT VOLUMES WILL BE ADJUSTED BASED ON FLUID CALIPER OR CALIPER LOG DATA.

Conditions of Approval

1. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

a. First stage to DV tool:

Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

b. Second stage above DV tool:

Cement to surface. If cement does not circulate, contact the appropriate BLM office.