

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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.
SL: NM99039 BHL: NM0554775
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
DEVON ENERGY PRODUCTION CO LP (6137)

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

3b. Phone No. (include area code)
575-748-3371

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
UNIT C, 330' FNL & 1700' FWL, SEC 14, T19S, R31E

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

8. Well Name and No.
CAPELLA 14 FED COM #3H

9. API Well No.
30-015-39417

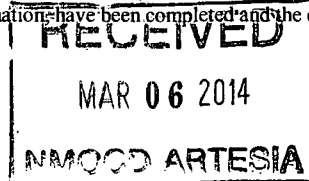
10. Field and Pool or Exploratory Area
LUSK; BONE SPRING, WEST

11. Country or Parish, State
EDDY COUNTY, NM

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 checked="" 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	AMENDED SUNDRY
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	M.I.T.

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 must 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 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.)



(THIS IS AN AMENDED SUNDRY. THE ORIGINAL DATED 12/16/13 OMITTED INFORMATION)

DEVON ENERGY RESPECTFULLY REQUESTS A VARIANCE TO TOC PER THE COA'S ON THE ABOVE WELL LOCATION.

WE PERFORMED A MECHANICAL INTEGRITY TEST ON THIS WELL ON 12/13/2013, WHICH WAS WITNESSED BY MR. PAUL R. SWARTZ WITH THE BLM. THE TEST RAN 30 MINUTES STARTING AT 510# AND ENDED AT 475#, A 35# DROP EQUALLING 7%, WHICH IS CONSIDERED ACCEPTABLE. SCADA IS HOOKED UP TO THE 5 1/2" X 9 5/8" ANNULUS FOR MONITORING PURPOSES.

Accepted for record
3/11/14 NMOC RD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

DENISE MENOUD (575-746-5544)

Title ADMIN FIELD SUPPORT 4

Signature

Date 12/19/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

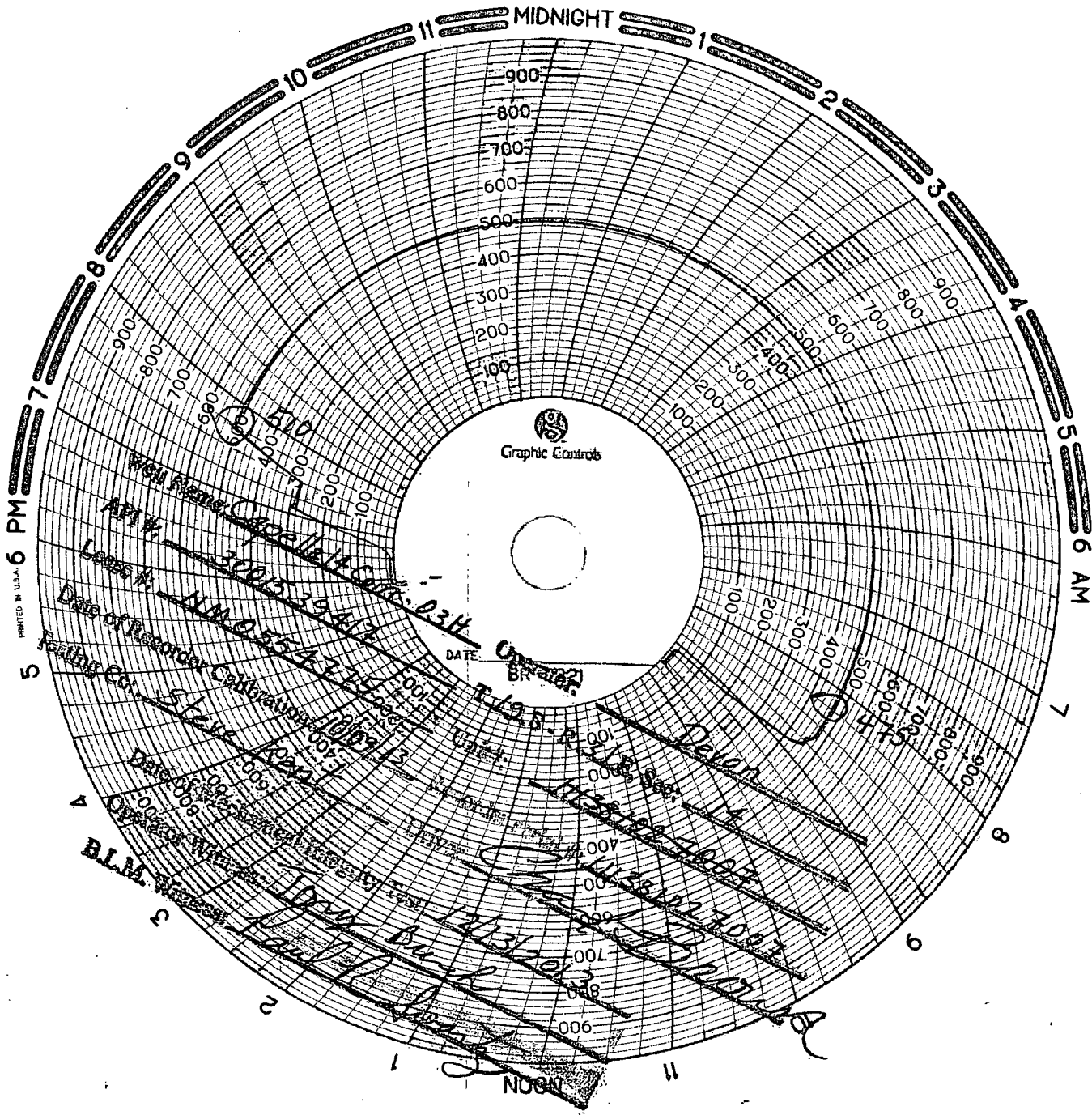
Title

Office

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
FEB 28 2014
Chris Walls
BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE

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.



PRINTED IN U.S.A. 6 PM

Conditions of Approval

**Devon Energy Production Company
Capella 14 Fed Com - 03
API 3001539417, T19S-R31E, Sec 14
January 21, 2014**

1. The APD conditions of approval require the production cement to cover at least 50 feet above the Capitan Reef. That condition was not satisfied and an alternate wellbore integrity safeguard is necessary.
2. The 9 5/8" x 5 1/2" casing annulus is required to be monitored for loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
3. Maintain the annulus full of packer fluid at atmospheric pressure. Installation of equipment that will display continuous open to the air packer fluid level above the 9 5/8" x 5 1/2" annulus vent is required for this production well.
4. Attached is a generic diagram depicting an acceptable annular monitoring system.
5. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902) within 30 days after installation to arrange for approval of the annular monitoring system.
6. Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
7. A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
8. Gain of annular fluid pressure requires notification within 24 hours. Within 30 days install equipment that will maintain a production casing pressure of 0 psia. Notify the BLM's authorized officer ("Paul R. Swartz" <pswartz@blm.gov>, cell phone 575-200-7902). If there is no response phone 575-361-2822.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.

Annular Packer Fluid Level above the casing vent, open to the air, and visible.

