

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCDA 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. NMNM0503
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No. COTTON DRAW 10 FED COM 3H
9. API Well No. 30-015-42126-00-X1
10. Field and Pool, or Exploratory PADUCA
11. County or Parish, and State EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	
2. Name of Operator DEVON ENERGY PRODUCTION CO Email: trina.couch@dm.com	
Contact: TRINA C COUCH Ph: 405-228-7203	
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-228-7203
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 10 T25S R31E NENE 0200FNL 1200FEL 32.151691 N Lat, 103.761095 W Lon	

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 Drilling Operations
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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.)

After fracing two stages on the Cotton Draw 10 Fed Com 3H, we could not pump the plug and guns past ~10,530' which is around 70 degrees in the curve. We moved in coil tubing and set a plug @ 12,694'. Casing would not test, pumped in at 1.5 bpm @2100 psi. Determined the hole is between 10,551' and 10,561' using coil tubing and a packer. Ran multi-finger caliper log and determined hole to be approximately 1" wide by 5.9" long. We RIH with 4.5" wash pipe to make sure we could get through the curve as needed to set the patch and was successful.

Please see the attachment for what Devon Energy Production Company, L.P. respectfully proposes be our next steps.

Accepted for record
NMOCD
NM OIL CONSERVATION
ARTESIA DISTRICT
AUG 04 2014

RECEIVED

Pressure tests are to be charted.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #254839 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad Committed to AFSS for processing by WESLEY INGRAM on 07/28/2014 (14WWI0309SE)	
Name (Printed/Typed) TRINA C COUCH	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 07/28/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>WESLEY INGRAM</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>07/28/2014</u>
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 Carlsbad		

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.

At this point, Devon Energy would like to proceed as follows:

1. RUPU and go in hole with 2 7/8" tbg and cement retainer to KOP @ 9,800'.
2. Establish injection rate and squeeze with 225 sx Class H + dispersant + fluid loss additive @ 16.2 ppg and tail-in with 75 sx Class H + dispersant + fluid loss additive @ 16.8 ppg.
3. Clean out to PBTD in 48 hrs.
4. Test squeeze to ~1500 psi. If squeeze unsuccessful establish injection rate and determine cement volume and type for re-squeeze.
5. Prep well for casing patch install according to Saltel recommendation attached.
6. Test casing patch to 7800 psi.
7. Proceed with completion using a maximum allowable surface treating pressure of 7000 psi.

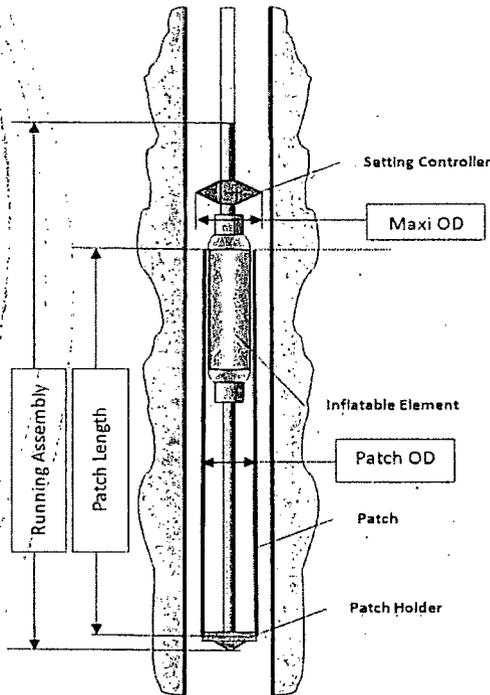
TECHNICAL DATA

Devon Energy Cotton Draw 10 Fed 3H - Casing Repair / Gas Producer

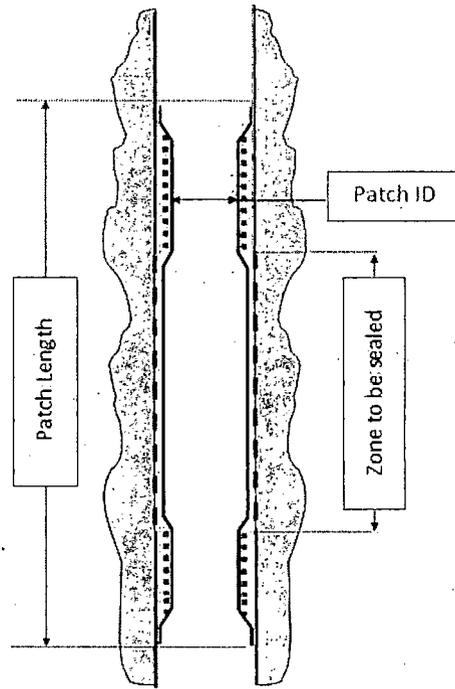
Customer	Well Number	Cotton Draw 10 Fed 3H
Devon Energy	Well Type	Gas Producer
	Application	Casing Repair
	Proposal Number	2014MID-JLE011 - A

PRODUCT LINE
SALTEL EXPANDABLE
STEEL PATCH

Patch Running Assembly



Set Patch Characteristics



Setting temperature	77 °C	170 °F
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Operating temperature	77 °C	170 °F
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	Metric	Imperial
Casing weight - 5in1/2	25.30 kg/m	17.00 lb/ft
Nominal Casing ID	124.26 mm	4.892 in
Drift Casing ID	121.08 mm	4.767 in
Patch Maximum OD	108.00 mm	4.252 in
Max Assembly Running OD	108.00 mm	4.252 in
Patch weight in air	49 kg	110 lb
Total assembly weight in air	192 kg	431 lb
Patch length	6.00 m	19.69 ft
Total Tool length	8.80 m	28.88 ft
BHA Mechanical weak point	16 tons	36 Klb
Mechanical bleed off	9 tons	20 Klb
Setting Pressure	307 bar	4447 psi
Max setting pressure	357 bar	5172 psi

	Metric	Imperial
Patch Thickness	3.97 mm	0.156 in
Nominal ID (Casing ID - patch WT)	115.45 mm	4.545 in
Drift ID (Casing drift - patch WT)	112.15 mm	4.415 in
Programmed Calibrated Drift	TBD	TBD
Set Length	5.77 m	18.94 ft
Top of the Patch setting depth	3215.85 m	10550.68 ft
Bottom of the Patch setting depth	3221.62 m	10569.62 ft
Internal DPR 1in hole	1000 bar	14500 psi
External diff pressure rating	76 bar	1105 psi
Internal DPR (unsupported)	190 bar	2759 psi

DPR = differential pressure rating

WELL PREPARATION & SETTING PROGRAM

Devon Energy Cotton Draw 10 Fed 3H - Casing Repair / Gas Producer



SALTEL EXPANDABLE
STEEL PATCH

PRODUCT LINE

1 - Conveyance string pressure rating

- Downhole standard setting pressure
- Max. anticipated differential pressure
- The conveyance string (Tubing/Drill Pipe) pressure rating needs to be confirmed

4447	psi	307	bar
5172	psi	357	bar

2 - Casing preparation

- Well bore has to be scraped and drifted from 10518ft to 10592ft (from 3206m to 3228m)
- Drift Size : 4.767 in (121.08 mm)
- Minimum rathole or cellar must be: 10592 ft (3228 m)
- Any tight spot has to be recorded and noted. Drift mill is recommended

3 - Fluid level

- It is necessary to know the static fluid level in the well (with the tubing in) and the densities of the fluids to calculate the differential pressure to know the required surface pressure for expansion and pressure testing.

4 - Run in hole

- During the rig-up of the Patch, take care to avoid bending or damaging the Patch
- Fill the tubing string every 10-15 joints to avoid trapping air inside.
- Do not use too much dope (grease) on tubing threads, in order to avoid plugging filters.
- Make a regular Pressure test of the conveyance string at 3660 psi (255 bar) (75% of the Burst Disc value)

5 - Positioning

- No conveyance string has been defined
- The top of the Patch will be set at 10550.68ft (3215.85m) after expansion.
Depth control is not included in the Saltel tools, correct positioning is the responsibility of the oil company.

6 - Setting

- Check the cellar space for the end of the setting and the control of the Patch Drift ID (2 times patch length).
- Go back to the Zero Ref and pressure test the conveyance string at 3660 psi (255 bar)
- Burst the rupture disk at 4890 psi (335 bar) (+/-10%) and anchor the Patch.
- Pull back to step 2 and expand top of patch to ensure a nice entry guide
The surface pressure will be adjusted with the fluid level/density correlation. (PS Value)
- RIH to step 3. Repeat until the bottom of expansion zone is 8in (20cm) above patch bottom
- Use short steps at the end to avoid any restriction at patch bottom
- Run through the set patch with the setting controller (gauge ring) to confirm accurate setting.

8 - Well pressure test

- The well can be pressure tested just after the setting
- The expansion tool can stay in the well during pressure test. Pull the expansion tool out of Patch.
Attention to pressure ejecting the tools (Follow proceduree SIQ-507)
- Pressure bleed off must always be done progressively at a rate of 350psi/min - 25bar/min

7 - Pulling Out

- Pull out slowly while expansion tool is still inside the Patch
- Pay attention on weight increase and fluid coming from the annulus during POOH.
It could create swabbing & could collapse the Patch.
- Fill the annulus while Pulling out if necessary