

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.
NM-NM0405444-A

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 Salt Water Disposal

8. Well Name and No.
TODD 26 F FEDERAL #3

2. Name of Operator
DEVON ENERGY PRODUCTION LP

9. API Well No.
30-015-20302

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

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

10. Field and Pool or Exploratory Area
SWD; DELAWARE

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980' FNL & 1980' FWL, UNIT F, SEC 26, T23S, R31E

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 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	Repair casing leak
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

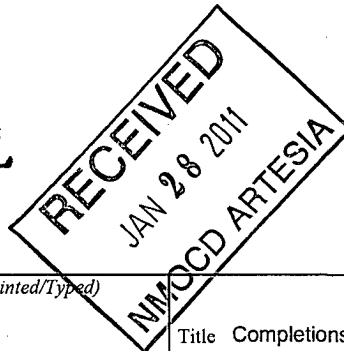
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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.)

MIRU PU, ND Wellhead, NU BOP. Unset packer, POOH with tubing and packer. RIH with RBP and tubing. Set RBP at 4150 +/- Circulate fresh water back to surface. POOH with tubing. ND BOP.

Cut off 8 5/8" casing just below wellhead. Weld plate back to 4 1/2" casing. Cut off 4 1/2" casing just below hole at 2 feet. Weld on 4 1/2" bell nipple and retest casing to 500 psi. If 4 1/2" casing tests okay, NU wellhead and install BOP. RIH with tubing and retrieve RBP. POOH with tubing and RBP. PU 4 1/2" packer and RIH with packer and tubing. Circulate packer fluid and retest 4 1/2" casing to 500 psi for MIT. Put well back on injection.

* Notify NMOC to witness MIT.
DB

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



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

Jerry Mathews; 575-748-0161

Title Completions Foreman

Signature

Jerry Mathews

Date 1/21/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

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

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

2/10/11

Conditions of Approval

Todd 26 Federal #3

30-015-20302

Devon Energy Production

January 26, 2011

- 1. Surface disturbance beyond the originally approved pad must have prior approval.**
- 2. Closed loop system required.**
- 3. Operator has been reporting a maximum injection pressure of 1257 psi during 2010 to NMOCD when the well was injecting. Prior to releasing RBP at 4150' +/-, the casing shall be tested to 1200 psi for 30 minutes. Pressure test to be performed by an independent tester and charted. Contact BLM (Paul Swartz – 575-200-7902) a minimum of 24 hours prior for witness of test.**
- 4. If any other casing leaks are found down hole the BLM is to be notified by submitting a Sundry Notice of Intent. All casing repair requires prior approval from the Authorized Officer.**
- 5. If there is no other casing leaks found. Conduct a Mechanical Integrity Test of at least 500psig for 30 minutes on the injection tbg/csg annulus of the well. The test pressure should have at least 200psig differential with tubing pressure but no more than casing test pressure as described by Onshore Order 2.III.B.1.h. (The tubing pressure may need to be reduced). Document the MIT test on a calibrated recording chart registering 25 to 85 per cent of its full range. Notify Paul R. Swartz at 575.200.7902 at least 24 hours before the test. If there is no response, notify the BLM on call drilling phone, 575.361.2822. Submit the recorded MIT chart with a subsequent Sundry Form 3160-005 relating the MIT activity. Include the original and three copies of the recorded chart and Sundry**

A wellhead bradenhead test will be conducted during the MIT. Each casing annulus must be open to the atmosphere for observation before and during the test.

Submit documentation of the maximum tubing injection pressure allowed by NMOCD. Compliance with this injection pressure is required. Display real time tubing pressure values onsite. A bourdon tube gauge registering 25 to 85 per cent of its full range is acceptable. Within 24 hours, report injection pressure observed above the NMOCD maximum. Should wellhead injection pressure reach 50psig below this maximum, install automation equipment that will prevent exceeding that maximum.

Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment. Report any other unexplained significant variations of rate or pressure.

Should the casing/tubing annulus exhibit communication with injection fluid, a tubing or packer failure is probable. Monitor the annulus. The use of automation equipment that will monitor and alarm is encouraged for any well, and is necessary when tubing or casing competence is questionable.

Maintain the annulus full of packer fluid and be able to verify that fluid level to a BLM inspector at any time. Report a significant (5bbl/mth) loss of packer fluid. Should tubing or casing failure be detected, cease injection and reduce the annular pressure to 0psig. Notify Paul R. Swartz at 575.200.7902 within 24 hours. If there is no response, notify the BLM on call drilling phone, 575.361.2822. Also submit to this office on a notice of intent (Sundry Form 3160-5) for approval by BLM and NMOCD a plan of correction and the anticipated date of repair. After the repairs submit a subsequent report (Sundry Form 3160-5) describing the repair(s) and a BLM witnessed Mechanical Integrity Test chart. Include the date(s) of the well work, descriptions of tubing, on/off equipment, profile nipple installation, and packer setting depth.

- 6. Work to be completed in 90 days**
- 7. Subsequent sundry describing work done required**

EGF 012111

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Governor

Jim Noel

Cabinet Secretary

Karen W. Garcia

Deputy Cabinet Secretary

Mark Fesmire

Division Director

Oil Conservation Division



Response Required - Deadline Enclosed

Underground Injection Control Program

"Protecting Our Underground Sources of Drinking Water"

Mailed: 10/21/2010
D. 02

21-Oct-10

LOVNO. 02-09-169

DEVON ENERGY PRODUCTION COMPANY, LP

PO Box 250

ARTESIA NM 88210

LETTER OF VIOLATION and SHUT-IN DIRECTIVE Failed Mechanical Integrity Test

Dear Operator:

The following test(s) were performed on the listed dates on the following well(s) shown below in the test detail section.

The test(s) indicates that the well or wells failed to meet mechanical integrity standards of the New Mexico Oil Conservation Division. To comply with guidelines established by the U.S. Environmental Protection Agency, the well(s) must be shut-in immediately until it is successfully repaired. The test detail section which follows indicates preliminary findings and/or probable causes of the failure. This determination is based on a test of your well or facility by an inspector employed by the Oil Conservation Division. Additional testing during the repair operation may be necessary to properly identify the nature of the well failure.

Please notify the proper district office of the Division at least 48 hours prior to the date and time that the well(s) will be retested so the test may be witnessed by a field representative.

MECHANICAL INTEGRITY TEST DETAIL SECTION

TODD 26 F FEDERAL No.003

Active Salt Water Disposal Well

30-015-20302-00-00

F-26-23S-31E

Test Date: 10/18/2010

Permitted Injection PSI:

Actual PSI: 1050

Test Reason: 5-year Test

Test Result: F

Repair Due: 1/21/2011

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: Pressured up to 550 and casing blew.

TODD 36 STATE No.001

Active Salt Water Disposal Well

30-015-20341-00-00

F-36-23S-31E

Test Date: 10/18/2010

Permitted Injection PSI:

Actual PSI: 320

Test Reason: 5-year Test

Test Result: F

Repair Due: 1/21/2011

Test Type: Std. Annulus Pres. Test

FAIL TYPE: Other Internal Failure

FAIL CAUSE:

Comments on MIT: Well will not hold pressure.

Oil Conservation Division

1301 W. Grand Avenue • Artesia, New Mexico 88210

Phone (575) 748-1283 • Fax (575) 748-9720 • www.emnrd.state.nm.us/OCD



DAILY OPERATIONS REPORT

DATE(S): 11/24/93 WELL NAME: Todd 26 FED 3 WIN COUNTY: Eddy STATE: N.M.

DEC REP: PAT MAYO TYPE OPER: WORK OVER PBDT: TD:

CONTRACTOR: REAL WELL SERVICE GL TO RKB: _____ K.B. CORRECTION: _____

ZONE(S): _____ SITP: _____ / _____ HRS. SICP: _____ / _____ HRS.

: SITP: / HRS. SICP: / HRS.

ACTIVITY at REPORT TIME PREP TO CUT-OFF 4 1/2" & WELD ON BELL NIPPLE

DESCRIPTION DAILY ACTIVITIES

0600-0700 ROAD CREW TO LOCATION

0700-0930 PU AND RAN 400' 1" PIPE OUTSIDE 4 1/2"

0930-1100 RU BJ SERV. AND PUMP 100 5XS. C

at 14.8 PPC. YIELD 1.32

CEMENT did NOT circulate

1100-1230 TOH w/ 1" PIPE

1230-1330 WAIT ON CEMENT TRUCK

1330-1400 RAN 1" AND TAG @ 38'

1400-1530 RU BJ AND PUMP 25 5KS. C a

14.8 PPG. YIELD 1.32 CEMENT TO SUR ^{SISOFN}

1530-1630 ROAD CREW TO HOUSE

IF SUBSURFACE FAILURE, DESCRIBE:

FAILED EQUIPMENT: _____ TYPE FAILURE: _____

CAUSE OF FAILURE: _____ FAILURE DEPTH: _____

PRODUCTION TEST: _____ **TYPE TEST:** _____

[illegible]

DAILY OPERATIONS REPORT

ACTIVITY at REPORT TIME *Prep To ACQUIRE*

0600-0700 ROAD CREW TO LOCATION
0700-1000 - CUT OFF 4 1/2" CASING & WELD ON BELL NIPPLE
1000-1100 - N.U. B.D.P & TEST 4 1/2" CASING TO 500# - OK
1100-1200 - WAIT ON & UNLOAD PROD. TB9.
1200-1400 R/H & WASH SAND FROM RBP & RELEASE
& P.O.H. - SIFN & WEEKEND

TYPE TEST:

[illegible]