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Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires. March 31, 2007

5 Lease Serial No
NMNM-43564

6 If Indian, Allottee or Tribe Name

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.

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.
Gaucho 21 Federal 1

2 Name of Operator
Devon Energy Production Company, L.P.

9. API Well No
30-025-34266

3a Address
20 North Broadway, Oklahoma City, OK 73102

3b Phone No *(include area code)*
405-235-3611

10 Field and Pool or Exploratory Area
~~Ojo Chiso~~ WE - 025 G-06 S223421L; Bone Spring <97922>

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
SL 1980 FSL & 660 FWL SEC 21 T22S R34E

11 Country or Parish, State
Lea County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☑ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 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 Production Company L. P. respectfully requests to abandon the Morrow and recomplete in the Bone Spring
Current perforations : Morrow – 12901-06'
1) MIRU WSU. Use 2% KCL as completion fluids once plug is set over Morrow. ND WH. NU 10K BOP & test.
2) Unset pkr @ 12,846' & POOH w/ tbg & TCP assy.
3) MIRU WL. Roundtrip GR/JB to 12,870' KBM. Dump addt'l 27' cmt on existing PBTD of 12,952'. TIH w/ CIBP @ 12,850' KBM. Run GR/CCL/CBL from 11600 - 8400'. Dump 35' cmt on CIBP @ 12,850'. New PBTD @ 12,815' KBM. RD WL. See COA - BLM To Witness TAG
4) TIH w/ tbg to 12,480' KBM. LH & CHC w/ KCL.
5) RU cmtr and spot Cl H cmt plug (min 25 sx from 12,480'- 12, 260' (Morrow) PU to 11,930' & spot Cl Hcmt plug (~ 110 sx) fr 11,930-11,300' (csg shoe/liner top & Wolfcamp).C.) PU to 11,275' KBM. RV CHC 1-1/2 times tbg volume. Pull tbg to 10,300' KBM. WOC. Drop dn & tag TOC @ 11,300' KBM. Notify BLM before proceeding. BLM To witness TAG
6) PBTD @ 11,300' or less, pull tbg uphole ~ 30'; LH w/ 2% KCL. Test 7" csg to 1,000 psi, 15 – 30 min. TOH w/ tbg.
7) MIRU WL. TIH w/ slick guns. Correlate to SLB/COMP/PLTFRM/EXP/COMP/NEUT/THREE/DET/DENS/LOG dated Sept 26, 1998.
8) Perf 3rd Bone Spring Lime as follows: 10,687- 10,702' @ 3 spf: total 45 holes; 10,744 -10,752' @ 3 spf: total 24 holes. RD WL.
9) CO Pipe rams from 2 3/8" to 3 1/2".
10) MI & unload ~ 10,750' of 3-1/2", 9.3# N/L-80 tbg TESTED frac string. RIH w/ 7" trtg pkr & 3-1/2" tbg frac string (Hydro test frac string to 8,100 psi below slips while TIH). CH w/ 2% KCL. Set pkr @ 10,600' & testr by 7" csg annulus to 1,000 psi w/ 2% KCL.
11) MIRU stimulation unit. Apply 500 psi on tbg/csg annulus & monitor throughout job (have pop off on 7" csg by tbg annulus to go off at 750 psi to blow back tank).). Acidize 3rd Bone Springs perfs @ 10,687-10,752' w/15% HCL (w/ bio balls) via tbg. RDMO. (See completed procedures attached)

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

Title Regulatory Specialist

Signature

Date 01/12/2012

APPROVED
MAR 2 2012
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by SEE ATTACHED FOR CONDITIONS OF APPROVAL

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

OCD condition of approval: completion will require for C-102 with the new pool name & code and dedicated acreage.

ne for any person knowingly and willfully to make to any department or agency of the United States any false, its jurisdiction

SEE ATTACHED FOR CONDITIONS OF APPROVAL

MAR 0 8 2012

Gaucho 21 Fed #1- Procedure Cont.

12) RU & RIH w/ swab. Record fluid entry & OC. RD swab.

13) Swab 3rd Bone Spring Lime, fracture stimulation may be performed.

14) If well is fracture stimulated. Flow back frac at ½ bpm the first 12 hrs, 1 bpm the second 12 hrs and then at 1-1/2 bpm until it dies.

15) Unset pkr. POOH LD 3-1/2" tbg frac string & treating pkr.

16) CO pipe rams fr 3-1/2" to 2-7/8".

17) MI & unload ~10,750' 2-7/8", 6.50# L-80 production tbg.

18) RIH w/ 2-7/8" production tbg. Set TAC @ 10,650' (Set EOT @ 10,750'). ND BOP. NU WH. RIH w/ pump & rods. RDMO.

19) MI & set PU w/ gas engine. HWO. Test 3rd Bone Spring Lime until production stabilizes.

At a later date, test the 1st & 2nd Bone Spring Sand intervals as follows:

1) MI WSU. Blow down well. Top kill well if necessary (use 2% KCL as completion fluid).

2) NU rod rams.TOH w/rods & pump. NU BOP. Test BOP to Devon specifications. Unset TAC. TOH w/ production tbg.

3) MIRU WL unit w/full lubticator. Test lubricator to Devon specifications. TIH w/ 7", 26# composite bridge plug (10K). Set CBP @ 10,600'. Test CBP to 1,500 psig. If cement bond log from previous job looks adequate, TIH w/ 3-1/8" slick guns - 0.43" EHD.

   Correlate to SLB Compensated Platform Express Compensated Neutron Three Detector Density log dated Sept 26, 1998. Perforate the **2nd Bone Spring Sand** as follows:

	Top	Bottom	Feet	Phasing	SPF	Holes
2nd Bone Spring Sand	10,254'	10,265'	11	120°	3	33
	10,338'	10,353'	15	120°	3	45
		Total Feet	**26**		**Total Holes**	**78**

RDMO WL unit

Gaucho 21 Fed #1- Procedure Cont.

4) MI & unload ~ 10,500' of 3-1/2", 9.3# N/L-80 tbg TESTED frac string. RIH w/ 7" treating pkr & 3-1/2" tbg frac string (Hydro test frac string to 8,100 psi below slips while TIH if necessary). Circ hole w/ 2% KCL. Set 7" pkr @ 10,200'. Test pkr by 7" csg annulus to 1,000 psig w/ 2% KCL.

5) MIRU stimulation unit. Apply 500 psi on tbg/csg annulus & monitor throughout job (have pop off on 7" csg by tbg annulus to go off at 750 psi to blowback tank). Breakdown 2nd Bone Spring Sand perfs @ 10,254' - 10,353' w/ 7-1/2% HCL (w/ bio balls), then proceed w/ a fracture stimulation via tbg per BJ proposal. RDMO.

6) RU flowback equipment. Flowback well first 12 hrs - 0.5 bbl/min, next 12 hrs - 1.0 bbl/min. Continue flowing back at 1-1/2 bbl/min until well dies. RD flowback equipment.

7) Unset 7" pkr. TOH w/ 3-1/2" tbg frac string & treating pkr.

8) MIRU WL unit w/ full lubricator. Test lubricator to Devon specifications. TIH w/ 7", 26# composite bridge plug (10K). Set CBP @ 10,150'. Test CBP to 1,500 psig (w/ 2% KCL). If cement bond log from previous job looks adequate, TIH w/ 3-1/8" slick guns - 0.43" EHD.

Correlate to SLB Compensated Platform Express Compensated Neutron Three Detector Density log dated Sept 26, 1998. Perforate the **1ST Bone Spring Sand** as follows:

	Top	Bottom	Feet	Phasing	SPF	Holes
1st Bone Spring Sand	9,746'	9,756'	10	120°	3	30
	9,822'	9,836'	14	120°	3	42
		Total Feet	**24**		**Total Holes**	**72**

RDMO WL unit.

9) TIH w/ 7" x 3-1/2" treating pkr & 3-1/2" tbg frac string (Hydro test frac string to 8,100 psi below slips while TIH if necessary). Set pkr @ 9,675'. Circ hole w/ 2% KCL. Test pkr by 7" csg annulus to 1,000 psig.

10) MIRU stimulation unit. Apply 500 psi on tbg/csg annulus & monitor throughout job (have pop off on 7" csg by tbg annulus to go off at 750 psi to blowback tank). Breakdown 1st Bone Spring Sand perfs @ 9,746' - 9,836' w/ 7-1/2% HCL (w/ bio balls), then proceed w/ a fracture stimulation. RDMO.

Gaucho 21 Fed #1- Procedure Cont.

11) RU flowback equipment. FWB first 12 hrs - 0.5 bbl/min, next 12 hrs - 1.0 bbl/min. Continue flowing back @ 1-1/2 bbl/min until well dies. RD

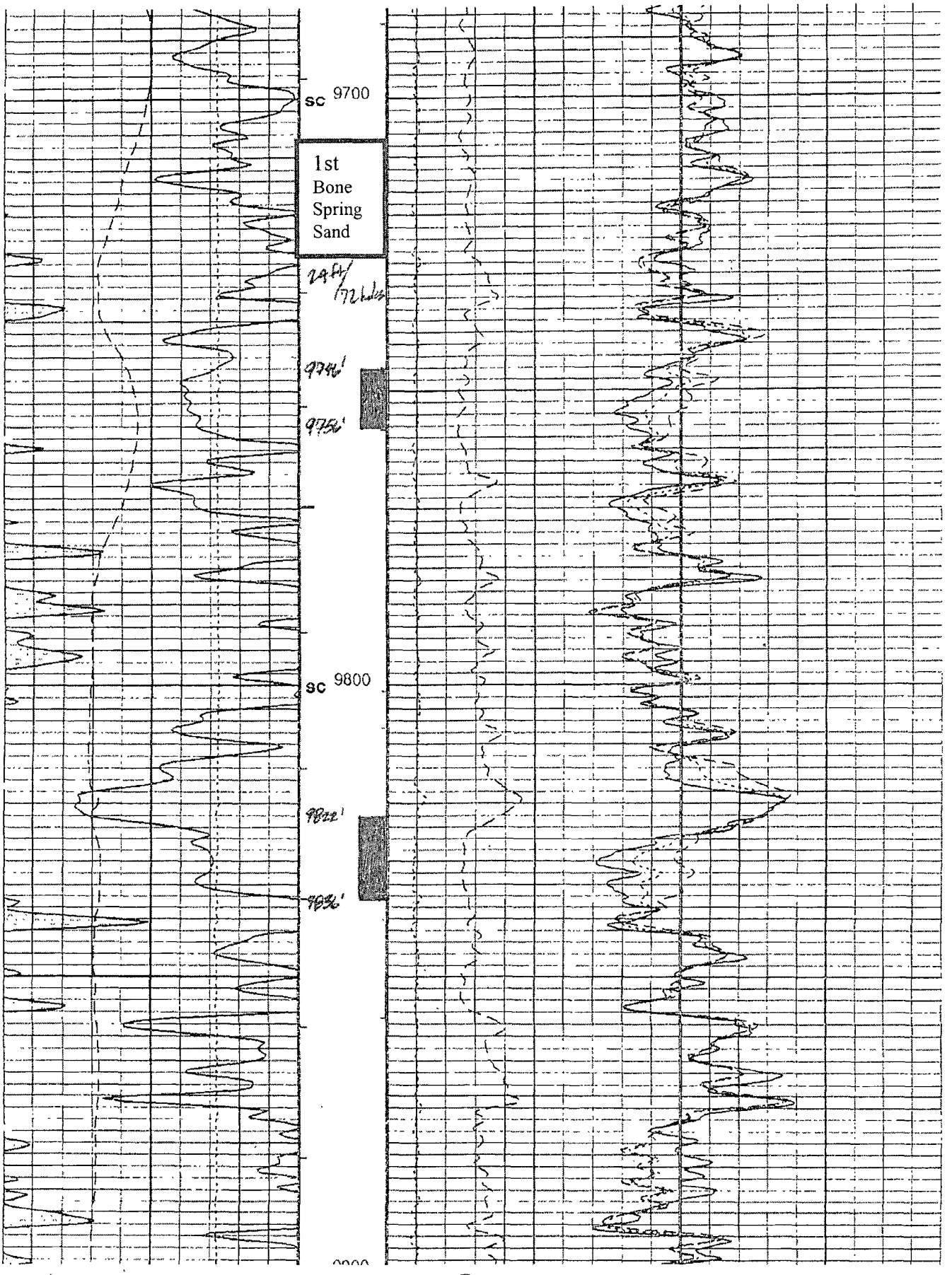
12) Unset pkr. TOH w/ laying down 3-1/2" tbg frac string & pkr.

13) TIH w/ 6-1/8" bit & (4-6) DCs. DO CBPs @ 10,150' & 10,600'. TIH to 10,800'. CHC w/ 2% KCL. TOOH.

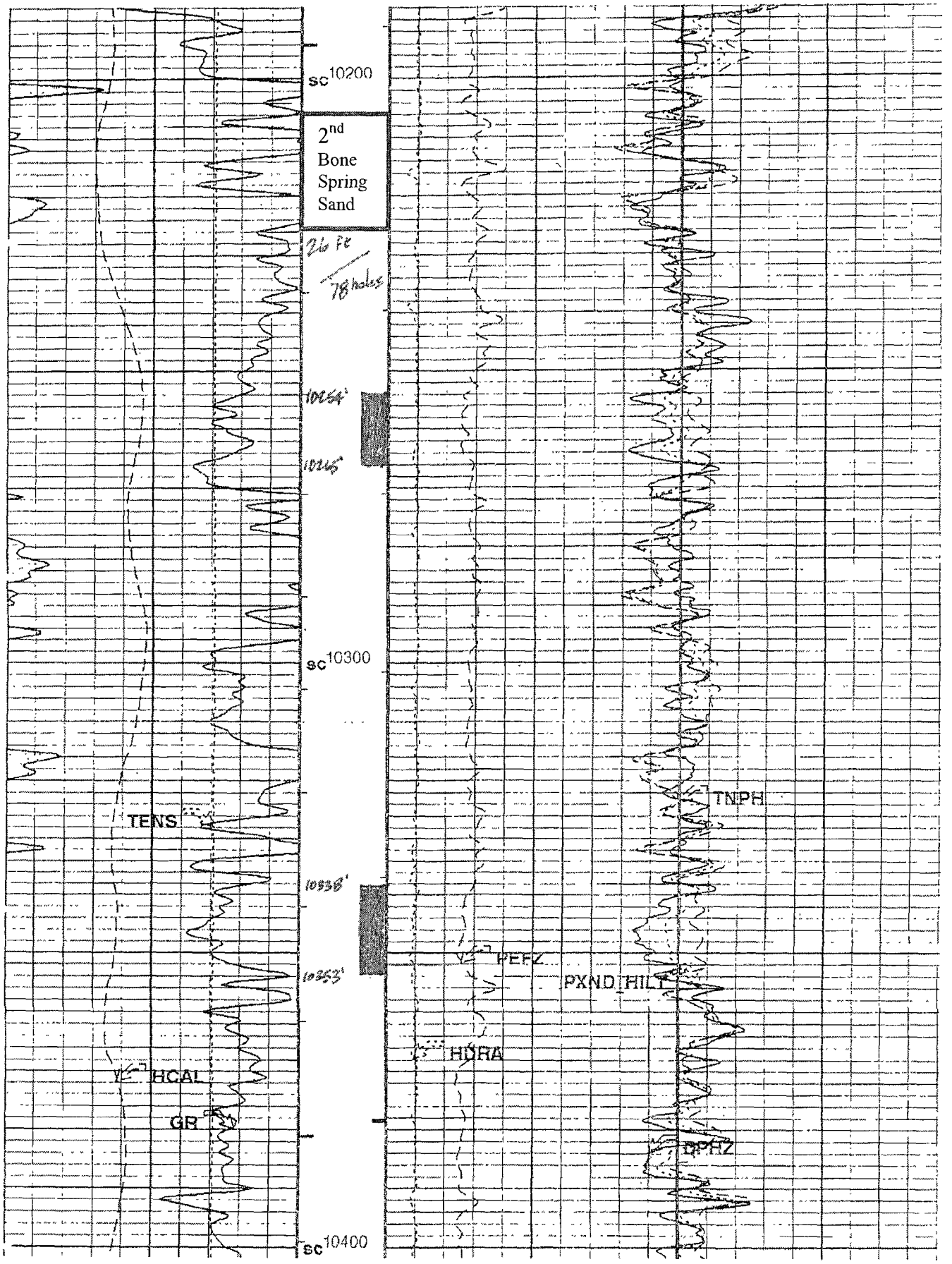
14) TIH w/ production tbg. Set TAC @ 9,650'. Set EOT @ 10,750'. ND BOP. NU WH. TIH w/ pump & rods. RDMO.

15) TOP.

devon



devon


sc 10200
2nd Bone Spring Sand
26 ft
78 holes
10154'
10245'
sc 10300
TENS
10338'
10353'
HCAL
GR
PEFZ
HDRA
TNPH
PXND_HILT
DPHZ
sc 10400

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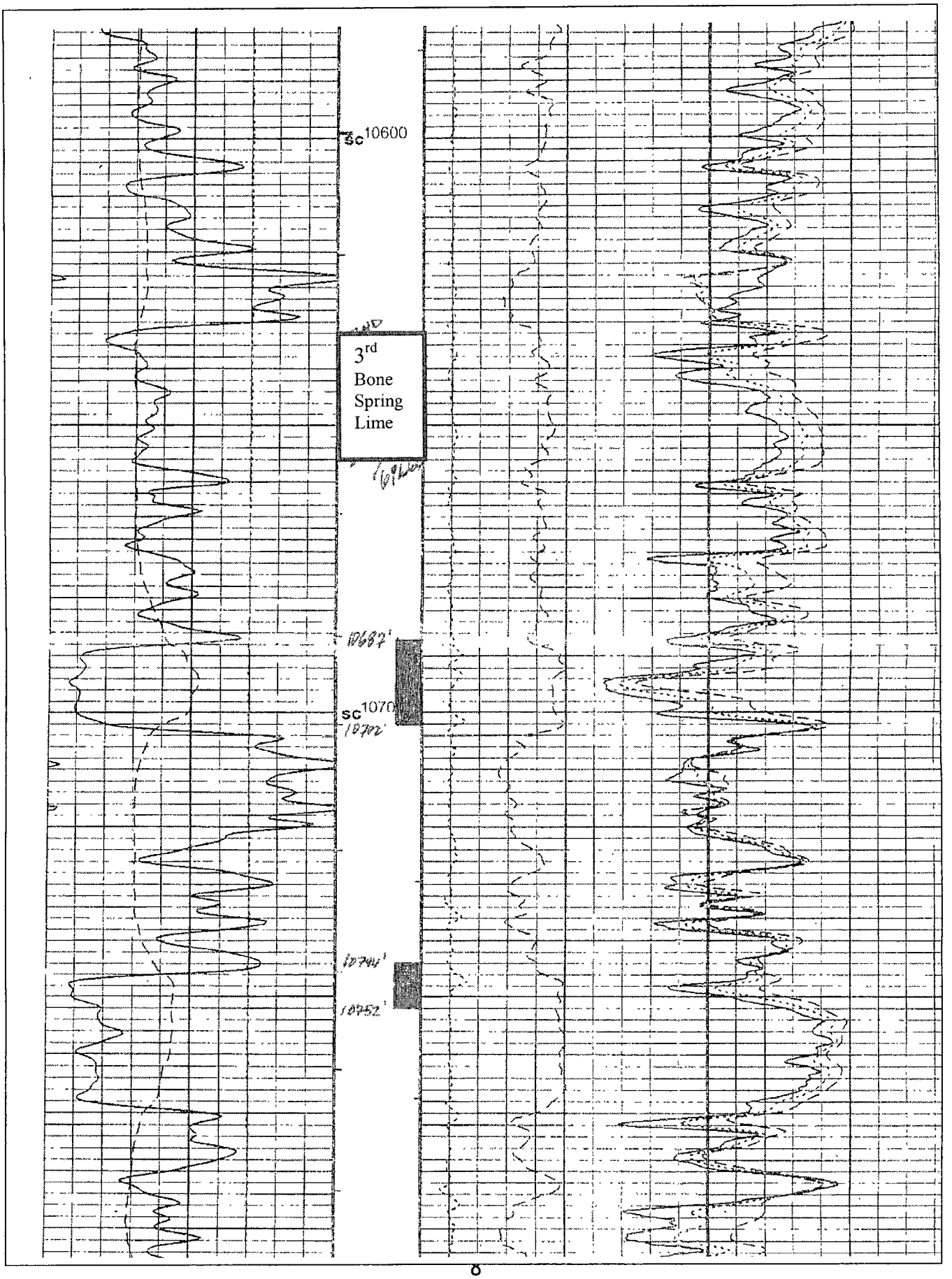
devon



Conditions of Approval

NM-43564: Gaucho 21 Federal #1
Plug Back
API: 30-025-34266
Lea County, New Mexico

1. **There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.**
2. **10,000 (10M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
3. **10M systems shall require two independent power sources, one of which may be nitrogen bottles (three minimum) maintaining a charge equal to the manufacturer's recommendations.**

4. **Notify the BLM (575-361-2822) a minimum of 24 hours prior to plug back procedure.**
5. **Plug back to go as follows (all plugs to be Class H due to depth):**
6. **Steps #1 & 2 (CIBP w/ cement) approved as proposed.**
7. **Step #3 Spot w/Tubing 35" of Cement on top of CIBP and tag 12,815' or shallower BLM to witness TAG**
8. **Step #4 OK**
9. **Step #5 OK Notify BLM to Witness TAG @ 11,300' or shallower**

10. **Recompletion approved from step 6 forward as is.**

11. **Submit subsequent report and completion report with well test and wellbore diagram once work is completed.**

12. **Approval good for 6 months.**

13. **Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:** Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed **except between 3:00 am and 9:00 am.** The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such aš venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise