Form 3160-5
(August 2007)

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No 1004-0137
Expires July 31, 2010

5. Lease Serial No
NM112730 19143

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.

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SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

7. If Unit of CA/Agreement, Name and/or No.
NM 112730

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Rio Blanco 4 Fed Com 3

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

9. API Well No
30-025-36425

3a. Address
20 N Broadway, Oklahoma City, OK 73102-8260

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

10 Field and Pool or Exploratory Area
NE BELL LAKE; DEVONIAN

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1650 FSL & 1650 FEL J 4 T23S 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 the following procedure as referenced in condtions of approval of the sundry dated 2/10/11 and approved by the BLM:

1. Notify BLM prior to initiation of work..
2. Test and/or install and test anchors. MIRU WSU. Spot necessary enclosed tanks, gas buster with flare stack and temporary flow lines to equipment. Record pressures on tbg, and csg. RU H2S safety trailer, equipment and personnel.
3. Top kill tbg (if necessary) w/ 2% KCL (BHP bomb showed shut in BHP ~ 6,125 psi @ 14,577' : 8.1 ppg equivalent) . Use 10 ppg Nadine Brine if needed.
4. ND 10K Tree. NU 10K BOPE, w/1 set blind rams on btm plus 1 set 2-7/8" tbg rams on top. Test BOPE.
5. Unset pkr @ 14,338'. RU PU. Circ w/ 10 ppg Nadine Brine. Circ & burn (flare stack) any/all H2S gas returned to surf through gas buster. Note: Keep enough fluid going dn csg during all non-circulating events to keep H2S at surf to workable levels.
6. Drop pkr dn ~ 14,430' KBM. CK for restrictions prior TOOH. The inj pkr required to be set at a lower depth than existing pkr depth.
7. TOOH w/ 2-7/8"tbg & pkr..
8. TOOH, decision will be made whether to run BS in liner.
   If so, TIH with 4-1/8" bit, 2- jts 2-7/8" tbg, CS for 5" 18# csg & 2-7/8" tbgg (turned down 2-7/8" tbg collars in liner) to 14,500' KBM w/ bit (btm of 5" csg shoe). Hydrotest tbg 7,500 psi below slips while TIH. CHC w/ 2% KCL. TOOH If not, proceed to step 9
9. TIH w/ RBP 5" HD pkr for 5", 18# csg & 2-7/8" tbg 14,430' KBM (Hydrotest tbg 7,500 psi below slips while TIH) &set RBP.
10. Pull 5" HD pkrr up 30'. LH and circ w/ 2% KCL. Set pkr. Test RBP 1,000 psi. Rlse pkr & test 7-3/4"/7-5/8" csgs, liner lap & 5" liner 14,430' to surf w/ 800 psi at surface for 30 min. Drop dn & retrv RBP @ 14,430' and TOH laying dn 2 7/8" tabg, 5" HD pkr & RBP. (Ck tbg for NORM prior to leaving location).

~~(see attached)~~ and proceed to Step 14. If not continue to step 11.

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

Title Regulatory Specialist

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Signature Judy A. Barnett

Date 03/12/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved by

Title

Date MAR 20 2012

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. 3160-26-2012

Office

WESLEY W. INGRAM
PETROLEUM ENGINEER

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)

MAR 26 2012

11. Pull 5" HD pkr ~ 11,590' KBM (+/- 30' below top of liner) & set pkr. Test 5" liner from 14,430' to 11,590' w/ 1,000 psi.

12. Unset 5" HD pkr @ ~ 11,590' KBM. Drop dn & retrv RBP @ 14,430'KB & pull to ~11,650' KBM & set RBP. Pull 5" HD pkr 30' and set pkr. Test RBP to 1,000 psi. If ok, unset packer and TOOH w/ 2-7/8" tbg & 5" HD pkr. Leave 5" RBP @ ~ 11,650'KBM.

13. TIH w/ 7-5/8" HD compression packer (Weatherford in Artesia measured packer OD at 6-3/8" or 6.375" ; Concern is 7-3/4", 46.10# csg has 6.435" drift) and 2-7/8" tbg to ~ 11,550' & set pkr. Test liner lap to 1,000 psi, 30 min. If ok, pull 7-5/8" HD compression pkr UH and isolate any/all leak(s). Notify OKC engineering of results for repair procedure.

    Once all production csg & liner tests good & well has all tubulars removed, NU 10K ram (for 3-1/2" tbg) on top BOPE and test to Devon specifications for running of 2-7/8"/ 3-1/2" tbg.

14. RU Western Falcon & Weatherford. TIH w/ 2-3/8" WLEG, 2-3/8" x 1.87" "R" internally Nickel coated landing nipple, 8' – 2-3/8", 4.7# L-80 internally Nickel coated tubing sub, 5" x 2-3/8" internally Nickel coated Weatherford Arrowset – IXX Packer, 2-3/8" x 1.87" internally Nickel coated "F" Seal Nipple, 4-1/2" x 2-3/8" Type T-2 On/Off Tool internally Nickel coated, 2-7/8" (eue - 8rd w/SC) x 2-3/8" (eue - 8rd) pin internally Nickel coated x-over, 2,000' of 2-7/8", ~7#, L-80, Ultratube lined tbg (eue - 8rd w/SC), **1- 2' 2-7/8", ~ 7#, L-80, Enertube lined tbg (eue - 8rd w/SC) tubing sub**, 1,000' of 2-7/8",~ 7#, L-80, Enertube lined tbg (eue - 8rd w/SC), 2-7/8" (eue - 8rd w/SC) x 3-1/2" (eue - 8rd) Enertube lined x-over and ~ 11,400' of 3-1/2", ~ 10#, L-80, Enertube lined tbg (eue - 8rd) to +/- 14,420'KBM. **(Note: String will likely weigh ~ 135,000 lbs in air. 3-1/2" jt yld is 207,200 lbs @ 100%).**

15. R.U Pumping Services. Test lines. Reverse CH w/ ~ 380 bbls 2% KCL containing corrosion inhibitor (corrosion inhibitor ppm per Baker Petrolite recommendation). .

16. Space out and set Weatherford 5" Arrowset Packer @ ~ 14,424' KBM (NMOCD requires pkr to be set within 100' ~~of injection~~ zone).
    TOP PERF OR OFF

17. Run MIT on tbg x csg annulus. Run test / MP of 800 psi @ surf, 30 min w/ chart recorder. Max allowable pressure loss is 10% (80 psi) in 30 min. If successful, go to step 18. If not, notify OKC engineering to discuss next step.

18. ND BOPE & NU 5K tree assy w/ sour trim (will require change fr 2-7/8" to 3-1/2" tbg at surf) and test.

19. RDMO WSU. Rlse all rental equipment. Install surf facilities for disposal.

20. Notify and set up NMOCD & BLM for an official MIT w/chart recorder. Once MIT is approved and NMOCD ok's injection, initiate Disposal into Devonian. **Do not exceed** a maximum surface pressure of **2,900 psig (per NMOCD Order)**.

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: Rio Blanco 4 Fed Com 3	Field: Bell Lake North		
Location: 1650' FSL & 1650' FEL; Sec 4, T23S, R34E	County: LEA	State: NM	
Elevation: 3424' KB; 3400' GL	Spud Date: 5/11/04	Compl Date:	
API#: 30-025-36425 Prepared by: Ronnie Slack	Date: 10/27/04	Rev:	

CURRENT

17-1/2" Hole
13-3/8", 61#, STC, 8RD @ 2,090'
Cmt'd w/ 1845 sxs. Cmt to surf.

ETOC on 7-5/8" @ 4570' *(calculated)*

12-1/4" Hole
9-5/8", 43.5#, P110, @ 5,070'
Cmt'd w/ 1265 sx

PRODUCTION TUBING
359 Jts, 2-7/8", 6.5#, L80, 8RD
93 Jts, 2-7/8", 6.5#, L80, TSHP (on bottom)

5", Liner Top @ 11,564'

8-1/2" Hole
7-3/4", 46#, T95, F/ 0' - 6,788'
7-3/4", 46#, N80, F/ 6,788' - 6,911'
7-5/8" X 7-3/4" X-Over F/ 6,911' - 6,953'
7-5/8", 39#, C90, F/ 6,953' - 8,286'
7-5/8", 39#, T95 F/ 8,286' - 11,885'
Cmt'd w/ 1100 sxs

T2 On / Off Tool
2-3/8", 1.875" F Nipple @ 14,336'
Arrowset 1-X Packer @ 14,338'
6' x 2-3/8" sub
2-3/8", 1.875" R Nipple (1.822" ID NG) @ 14350'
4' x 2-3/8" pup @ 14,351'
W/L Re-entry guide (w/ pump out plug) bottom @ 14,355'

6-1/2" Hole
5", 18#, P110, Ultra FJ @ 14,500'
Cmt'd w/ 70 bbl slurry of 13.7 ppg cmt

DEVONIAN
Open Hole 14,500' - 14,653'
9/14/04: 9935 Mcfd, 33 BO, 3 BW, 1430# TP

4-1/8" Open hole

10/21/2010 - Reported tagged PBTD with sinker bar @ 14,638' GLM or 14,662' KBM.

TD @ 14,653'

Rio Blanco 4 Fed Com 3
30-025-36425
Devon Energy Production Company, L.P.
March 20, 2012
Conditions of Approval

1. **Surface disturbance beyond the originally approved pad must have prior approval.**
2. **Closed loop system required.**
3. **Operator to have H2S monitoring equipment on location.**
4. **A minimum of a 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.**
5. **10M BOP system requires two independent power sources, one of which may be nitrogen bottles (three minimum) maintaining a charge equal to the manufacturer's recommendations.**
6. **All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
7. **Casing shall be tested to 1000 psi in all cases. Step 10 had 800 psi, but if that failed, the plan was to test to 1000 psi. Therefore, all tests prior to installing the tubing shall be performed at 1000 psi.**
8. **Following are the required items for future operations and Best Management Practices for a well with a packer.**

Future operations:

1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.
   a) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.

b) Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leak off will be viewed as a failed MIT. Less than 10% pressure leak off will be evaluated site specifically and may restrict injection approval.
c) At least 24 hours prior to the test, notify the BLM: In Eddy County, email Paul R. Swartz pswartz@blm.gov, (phone 575-200-7902). If there is no response, call 575-361-2822. In Lea County, email Andy Cortez acortez@blm.gov, (phone 575-393-3612 or 575-631-5801). Note the contact notification method, time, & date in your subsequent report.
d) Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
e) Use of tubing internal protection and tubing on/off equipment just above the packer are required. An inline tubing check valve below the packer or between the on/off tool and packer is strongly recommended as a **Best Management Practice**. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore work over.
f) **Submit the original subsequent sundry along with three copies to BLM Carlsbad.**

2) Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
   a) Approved injection pressure compliance is required.
   b) If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
   c) When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum.
      i) Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
3) Other unexplained significant variations of rate or pressure to be reported within 5 days of notice.
4) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity.
5) **Submit a subsequent report (Sundry Form 3160-5)** describing the monitoring system installed.
6) Also submit to this office, a (Sundry Form 3160-5) Notice of Intent (NOI) for planned well work involving a formation change, casing repair/replacement, and any injection well stimulation treatment for approval by BLM and NMOCD. Verbal approval for the plan may be given by a BLM authorized officer, with the NOI filed within five business days. Packer and tubing repair (normal maintenance procedures) do not require a NOI, but a subsequent sundry shall be filed. http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html (see CFR § 3162.3-2 43 & CFR § 3160.0-9 (c)(1)).

a) Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of required equipment: internally corrosive protected tubing and tubing on/off equipment just above the packer. An inline tubing check valve below the packer or between the on/off tool and packer is strongly recommended as a **Best Management Practice**. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore work.

Best Management Practices:

The Best Management Practice by an operator of an injection well is to keep pressure off of the tubing/casing annulus as the fluctuating pressure fatigues the casing. The following practices will eliminate or greatly reduce subsurface spills and are detailed below:

A. The annulus shall be maintained full of packer fluid at atmospheric pressure. Installation of equipment that will display on site, continuous open to the air fluid level is required. A BLM inspector may request verification of this fluid level at any time.
B. **Submit a subsequent report (Sundry Form 3160-5)** describing the installation of packer fluid level monitoring equipment within 30 days of beginning injection.
C. The operator shall keep monthly records documenting that the casing annulus is fluid filled. A suggested format for these records is available from the BLM Carlsbad Field Office. Copies of those records shall be furnished at the request of a BLM authorized officer.
D. Loss of packer fluid above five barrels per month requires notification of the BLM authorized officer within 5 days.
E. Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM's authorized officer (Paul R. Swartz paul swartz@blm.gov phone 575-200-7902). If there is no response phone 575-361-2822.