OCD-HOBBS

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

HOBBSOCD

JAN 26 2015

RECEIVED

5. Lease Serial No.
NMNM100864

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM111769

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

8. Well Name and No.
RIO BLANCO 33 FED 2

2. Name of Operator
DEVON ENERGY PRODUCTION CO LP

Contact: DAVID H COOK
Mail: david.cook@dvn.com

9. API Well No.
30-025-36360-00-S1

3a. Address
333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
Ph: 405-552-7848

10. Field and Pool, or Exploratory
~~BELL LAKE~~ 46105
SWD; Devonian

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 33 T22S R34E SENW 1980FNL 1980FWL

11. County or Parish, and State
LEA COUNTY, NM

12. CHECK 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
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☒ 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 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.)

Devon Energy Production Co., LP respectfully requests approval to convert the Rio Blanco 33 Fed 2 to a saltwater disposal well as follows:

1. MIRU WSU. RU H2S Safety Trailer & equipment.
2. RU WL & RIH to tag fill. RU Temp Survey and log while POOH.
3. RU pump & pressure test annulus to 500 psi/30min.
4. ND WH; NU 10K BOPE & test.
5. RIH and unseat PKR @ 13900'; TOOH w/tbg & LD tbg and PKR.
6. TIH w/scraper to 14570' & TOOH with same.
7. PU 5" PKR & RIH and set @ 14530'; pressure test to 500 psi/30min.
8. RU acid crew & pump 2 stages of 3 bbl mutual solvent, displ. w/85 bbl KCl followed w/ 110 bbls 15%HCl. (Use rock salt & 725 gal of 10# gelled brine as diverter between stages.) Max injection

R-13285

SUBJECT TO LIKE APPROVAL BY STATE

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #279911 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Hobbs
Committed to AFMSS for processing by LINDA JIMENEZ on 11/20/2014 (15LJ0373SE)

Name *(Printed/Typed)* DAVID H COOK — Title REGULATORY SPECIALIST

Signature (Electronic Submission) — Date 11/17/2014

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date JAN 21 2015

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 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED** JAN 28 2015 29

MSB/OCD 1/27/2015

CONDITION OF APPROVAL: *Operator shall give the OCD District Office 24 hour notice before running the MIT test and chart.*

Additional data for EC transaction #279911 that would not fit on the form

32. Additional remarks, continued

pressure @ 7000 psi; flush w/100 bbl 2% KCL or brine. Let soak approx. 3 hrs.
9. Unseat PKR @ 14570', TOOH to surface. LD PKR and work string.
10. PU injection PKR & tbg, RIH. EOT @ 11400'. Reverse circ. approx. 400 bbls 2% KCL.
11. Space out & set 5" PKR @ 14520'. Run MIT on tbg x csg annulus; test to 500psi/30min.
12. ND BOPE & NU 5K tree & test.
13. RDMO WSU and release equipment.
14. Notify and set up with BLM & NMOCD for official MIT w/chart. Once approved will initiate disposal into Devonian; not to exceed max surface pressure of 2900 psig.

Please see attached detailed procedure, wellbore schematic, well lifecycle summary and approved salt water disposal order # R-13685.

DVN: Rio Blanco 33 Fed #2

API #30-025-36360

SL: 1,980' FNL & 1,980' FWL

Sec 33-T22S-R34E

Lea County, NM

Purpose: Convert Devonian producer to SWD (Version 1)

NOTE: WELL CONTAINS HIGH H2S LEVELS. SAFETY TRAILER, EQUIPMENT AND PERSONELL ARE REQUIRED.

Casing and Tubing Data:

Size	Wt. lb/ft	Grade	Interval	(75% S.F.) Collapse	(75% S.F.) Burst	Drift	Capacity (bbls/ft)
13-3/8"	61	K-55	0 – 2,428'	-	-	-	-
9-5/8"	40	P-110	0 – 5,148'	-	6,525	-	-
7"	26	P-110	0 - 11,977'	4657	7245	6.151"	0.0382
5"	23	T-95	11,646' – 14,570'	12322	9630	3.919"	0.0158
3-7/8" OPEN HOLE			14,570' – 14,660'				
2-7/8"	6.5	L-80	0 – ~13,898'	8,378	7,928	2.34"	.00579

Safety: **All personnel will wear hard hats, safety glasses with side shields, and steel toed boots while on location. Assess wellhead working height for safety. If needed, use work platform or man-lift for fall protection. H2S SAFETY PERSONELL AND MONITORING EQUIPMENT IS TO BE ON LOCATION AT ALL TIMES DURING WORKOVER OPERATIONS.**

Rio Blanco 33 Fed # 2

Procedure:

1. **Notify all regulatory agencies prior to initiation of work (if required) and Devon EHS personnel. Have H2S safety equipment and personnel on location during all well work.** Hold tailgate safety meetings prior to R.U., each morning and before each operational change or event.

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. RU WL, RIH with sinker bar and gauge rig to tag fill. RU temp survey tools, log well POOH, RD WL.

4. RU pump and pressure test annulus to 500 psi for 30 min.

5. RU gas buster and flow back equipment to blow down well.

6. ND WH, NU 10K BOPE, w/ 1 set of blind rams on bottom plus 1 set of 2-7/8" tbg rams on top. Test BOPE to Devon guidelines.

7. Unset Arrowset 1-X Packer @ 13,900'. TOH with tbg, LD tubing and packer.

8. TIH packer 3-7/8" bit, 10'x 2-7/8" tubing sub, 5" scarper on 2-7/8" work string to ~ 14,570' KBM and TOH with tbg and packer.

9. PU 5" packer and RIH on work string to 14,530'. Set packer and pressure test to 500 psi. for 30 min.

10. RU acid crew and pump 2 stages of 3 bbl mutual solvent, displace with 85 bbl KCl followed with 110 bbls of 15% HCl. Use rock salt and 725 gal of 10# gelled brine as diverter over between stages. Max injection pressure is 7,000 psi. Flush with 100 bbl 2% KCL or brine. Let soak 3 hrs minimum.

11. Unset packer at 14,570', TOH to surface. LD packer and work string.

12. PU injection packer and injection tubing and RIH according to schedule below:

# of joints	Type
1	2-3/8" WLEG
1	2-3/8" x 1.87 R Nipple nickel coated
1	2-3/8" pup jt, 6.5#, L-80, nickel coated, IPC
1	5" x 2-3/8" Arrowset Packer
1	2-3/8" x 1.87" F Nipple nickel coated
1	2-3/8" x 2-7/8" X-over
1	5" x 2-7/8" T2 On/Off Tool
3000 ft	2-7/8" 6.5# L-80 IPC tubing
1	2-7/8" x 4-1/2" X-over
11400 ft	3-1/2" 9.3# L-80 IPC 8RD EUE Tubing

13. Reverse circ ~ 400 bbls 2% KCL containing corrosion inhibitor (corrosion inhibitor ppm per Baker Petrolite recommendation). Use 10 ppg Nadine Brine if necessary.

14. Space out and set Weatherford 5" Arrowset Packer at ~ 14,520' KBM (NMOCD requires packer to be set within 100' of injection zone).

15. Run a preliminary MIT on the tbg x csg annulus. Run the test to 500 psi @ surface for 30 min with a chart recorder. Maximum allowable pressure loss is 10% (50 psi) in 30 min.

16. ND BOPE and NU 5K tree assembly with sour trim (will require change from 2-7/8" to 3-1/2" tbg at surface) and test.

17. RDMO WSU and release all rental equipment.

18. Notify and set up NMOCD and BLM for an official MIT with 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 33 FED 2	Field: NE BELL LAKE; DEVONIAN	
Location: 1980' FNL & 1980' FWL; SEC 33-T22S-R34E	County: LEA	State: NM
Elevation: 3429' KB; 3406' GL; 23' KB-GL	Spud Date: 5/2/04	Compl Date: 8/6/04
API#: 30-025-36360 Prepared by: Ronnie Slack	Date: 10/22/12	Rev:

PROPOSED DEVONIAN SWD

17-1/2" hole
13-3/8", 61# & 54.5#, K55, ST&C, @ 2,428'
Cmt'd to surface w/ 1900 sxs

12-1/4" hole
9-5/8", 40#, P110, @ 5,148'
Cmt'd to surface w/ 1900 sxs

Calc TOC @ 9,000'

5" Liner top hanger @ 11,646'
Liner tested to 14.45 EMW

8.75" Hole
7", 26#, P110, LT&C, @ 11,977' MD
Cmt'd w/ 600 sxs. CTOC @ 9000'

6-1/8" Hole
5", 23#, T95, STL, @ 14,570'
Cmt'd w/ 460 sxs

Proposed For SWD:
Existing Devonian Open Hole 14,570' - 14,660'

3-7/8" Openhole

TD @ 14,660'

FORMATION	TOP
Delaware	5178
Bone Spring	8478
Wolfcamp	11173
Strawn	11688
Atoka Clastics	11995
M Mrrw Clastics	12768
Lower Morrow	13273
Mississipian Lm	13866
Woodford	14373

Proposed:
~11,400', 3-1/2, 9.6#, L80, IPC tubing
~3,000', 2-3/8, 6.5#, L80, IPC tubing
T/2 On/off tool, w/1.87 F nipple
Nickel Coated Arrowset Packer @ ~14,520'
8' x 2-3/8 sub (nickel coated)
1.87 R Nipple (nickel coated)

Conditions of Approval

Devon Energy Production Company
Rio Blanco - 03, API 3002536360
T22S-R34E, Sec 33, 1890FNL & 1980FWL
January 21, 2015

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. Notify BLM 575-200-7902 Eddy Co. as work begins. Some procedures are to be witnessed. If there is no response, call 575-361-2822, leave a voice mail with the API#, workover purpose, and a call back phone number.
4. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
5. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 14450 or below to top of cement taken with 0psig casing pressure. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**
6. **Do not exceed the approved R-13685 injection pressure of 2914 with stimulation pump pressure to attain the 3 BMP rate of the submitted procedure.**
7. Surface disturbance beyond the existing pad shall have prior approval.
8. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
9. Functional H_2S monitoring equipment shall be on location.
10. 10000 (10M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
11. All waste (i.e. 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.

12. File intermediate **subsequent sundry** Form 3160-**5** within 30 days of any interrupted workover procedures and a complete workover subsequent sundry
13. Submit the BLM Form 3160-**4 Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
14. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.
15. Approval is granted for disposal of water produced from the lease, communization, or unit agreement of this well only. Disposal fluid from another operator, lease, communization, or unit agreement require BLM surface right-of-way agreement **approvals** and if applicable, authorization from the surface owner.
16. Disposal of water from another operator requires that the well be designated as a commercial well and BLM surface right-of-way agreement **approvals.**
17. If the well is to receive off-lease water or commercial disposal, the operator shall provide proof of surface right-of-way approval prior to injection.

Well with a Packer - Operations

1) Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established.
2) The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential 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). Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test. 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.
3) Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
4) Make arrangements 24 hours before the test for BLM to witness. In Eddy County email Paul R. Swartz pswartz@blm.gov or phone 575-200-7902, if there is no response, 575-361-2822. In Lea County phone 575-393-3612. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number
5) Submit a subsequent Sundry Form 3160-5 relating the dated daily wellbore and MIT activities. 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.

6) Use of tubing internal protection, tubing on/off equipment just above the packer, a profile nipple, and an in line tubing check valve below the packer or between the on/off tool and packer is a "Best Management Practice". The setting depths and descriptions of each are to be included in the subsequent sundry.
7) **Submit the original subsequent sundry with three copies to BLM Carlsbad.**
8) 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. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
9) Unexplained significant variations of rate or pressure to be reported within 5 days of notice.
10) The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity. A BLM inspector may request verification of a full annular fluid level at any time.
11) A "Best Management Practice" is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level is necessary to achieve this goal.
12) Loss of packer fluid above five barrels per month indicates a developing problem. Notify BLM Carlsbad Field Office, Petroleum Engineering within 5 days.
13) A suggested format for monthly records documenting that the casing annulus is fluid filled is available from the BLM Carlsbad Field Office.
14) Gain of annular fluid pressure requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. 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.
15) 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 installed equipment: internally corrosive protected tubing, tubing on/off equipment just above the packer, and an in line tubing check valve below the packer or between the on/off tool and packer. The setting depths and descriptions of each are to be included in the subsequent sundry.
16) A request for increased wellhead pressures is to be accompanied by a step rate test. PRIOR to a Step Rate Test BLM – CFO is requiring a Notice of Intent.
17) CFR 146.13(a)(1) & CFR 146.23(a)(1) - Class I wells are permitted stimulation injection pressure to exceed frac pressure while Class II (production water disposal) wells do not have that provision.

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.