

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.

HOBBS OCD

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

JUL 21 2015

1. Type of Well [X] Oil Well [] Gas Well [] Other
2. Name of Operator DEVON ENERGY PROD CO., L.P. Contact: LINDA GOOD
3a. Address 333 WEST SHERIDAN AVE. O, OK 73102
3b. Phone No. (include area code) Ph: 405-552-6558
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 7 T19S R32E Mer NMP SESE 665FSL 375FEL

RECEIVED

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

Table with columns TYPE OF SUBMISSION and TYPE OF ACTION. Includes checkboxes for Notice of Intent, Subsequent Report, Final Abandonment Notice, Acidize, Alter Casing, Casing Repair, Change Plans, Convert to Injection, Deepen, Fracture Treat, New Construction, Plug and Abandon, Plug Back, and handwritten entries for E-PERMITTING, CONVERSION, RETURN TO, CSNG, INT TO P&A NR, INJECTION, RBDMS, TA, CHG LOC, P&A R.

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 recomplate 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 Company, L.P. respectfully requests to plug and abandon the Taylor Draw 7 Fed Com 2H due to an intermediate casing failure. Please find the history, recommended plugging procedure, and well schematic.

RECLAMATION PROCEDURE ATTACHED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Below ground level dry hole marker required.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #309260 verified by the BLM Well Information System For DEVON ENERGY PROD CO., L.P., sent to the Hobbs. Name (Printed/Typed) LINDA GOOD Title REGULATORY SPECIALIST Signature (Electronic Submission) Date 07/16/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By James R. [Signature] Title SPET Date 7-16-15 Office CFO

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.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

MKB/OCD 7/27/2015

JUL 27 2015

Sundry Request: Taylor Draw 7 Fed Com 2H (API No: 30-025-42030)
AAA 7-15-2015: Plug and Abandon Procedure

Sundry Request:

Devon Energy Production Company, L.P. respectfully requests to plug and abandon the Taylor Draw 7 Fed Com 2H due to an intermediate casing failure. Please find the the history, recommended plugging procedure, and well schematic below.

ACTUAL CASING SETTING DEPTHS						
Hole Size	Hole Interval	OD Csg	Casing Interval	Weight	Collar	Grade
17.5	0 - 882'	13-3/8"	0 - 882	48	STC	H-40
12.25	882 - 4527'	9-5/8"	0 - 4527	40	LTC	J-55

WELL HISTORY:

1. Drill 17-1/2" surface hole to 882' with full returns and no hole problems noted.
2. Ran and cemented 13-3/8", 48#, J-55, STC to 882'. Wait on cement 8 hrs, cut off conductor and surface casing, install wellhead and test, and Nipple-Up BOP without problems.
3. Drill 10' of formation and perform FIT to 11 ppg EMW with a good test.
4. Resume drilling 12-1/4" hole to 3,077' with full returns, but lost total returns after a connection. Mix and spot an 80 bbl, 15 ppb LCM pill and noticed partial returns to surface. Resume drilling to 3,636' with fluid losses ranging from 20 bph to 90 bph. Continue pumping an 80 bbl, 15 ppb LCM pill every other connection.
5. Continue drilling to 3,701' and POH to change bit due to low ROP. TIH to 2,400' and broke circulation with full returns; TIH to 2,975' and broke circulation with full returns. Start to Wash & Ream tight spot at 3,040' to 3,701' with full returns.
6. Resume drilling to 4,014' with intermittent partial losses to full returns. Lost total returns at 4,417' and pump 80 bbl, 15 ppb LCM pill with no success.
7. Drill to section total depth at 4,527' with total losses.
8. Run Wireline Caliper from 882' to 3000' to determine a good setting depth for the External Casing Packer.
9. Ran casing with no fluid detected in the annulus. Placed DVT/ECP in 9-5/8" casing from 2,963' to 2,988'.
10. Pump Stage 1 with 102 bbls of Lead and 59 bbls of Tail with no returns. Attempt to set external casing packer with no success. Open DV multi-stage tool and gained full circulation. Pump Stage 2 with 493 bbls of Lead and 74 bbls of Tail with full returns and 100 bbls of cement returns to surface. Note that BLM technician was present on location to witness.
11. WOC, Nipple-down BOPs, and test. Test casing above DV multi-stage tools to 1500 psi and held 30 min for a good test.
12. GIH with drilling-out BHA and drill out DV Multi-Stage Tool at 2963 to 2988', and GIH to tag Float Collar at 4478'. Test entire casing to the Float Collar with 1500 psi for a good test.
13. Drill out Float Collar, shoe track and shoe from 4525 to 4537'.

14. Attempt FIT with no success. Establish injection rates. Contact BLM to inform of intention to squeeze the shoe. While getting extra cement and equipment, GIH to drill 20' extra to 4557' to squeeze any fractures that could be present.
15. A cement retainer was set at 4410' above the float collar (4478') to Squeeze 9-5/8" shoe. The retainer was set in preparation of squeezing the shoe. Initially the casing tested but broke down and when could not hold a column of water the shoe squeeze was abandoned to determine the up-hole casing problem.
16. A packer was then run to test sections of the cased hole to determine the location of the casing leak. Setting the packer and testing determined that the casing holds pressure above and below 3535'.
17. Ran a 64 arm caliper log (attached) that indicates casing is parted at 3539'.
18. From the log there appears to be a 7 – 10" separation at 3539'.
19. The well will not hold a column of water—the loss is occurring across the separation at 3539'.
20. Decision was made by Devon to Plug and Abandon well and skid over for replacement well.
21. PU cement retainer stinger and GIH in proceed to squeeze shoe below the cement retainer at 4410'. The stinger now tags up across separation at 3539' and not able to get deeper. POH to remove centralizer on stinger to make another attempt to get passed the separation at 3539'. Stinger passed separation at 3539' and continue GIH to sting into retainer to squeeze shoe.

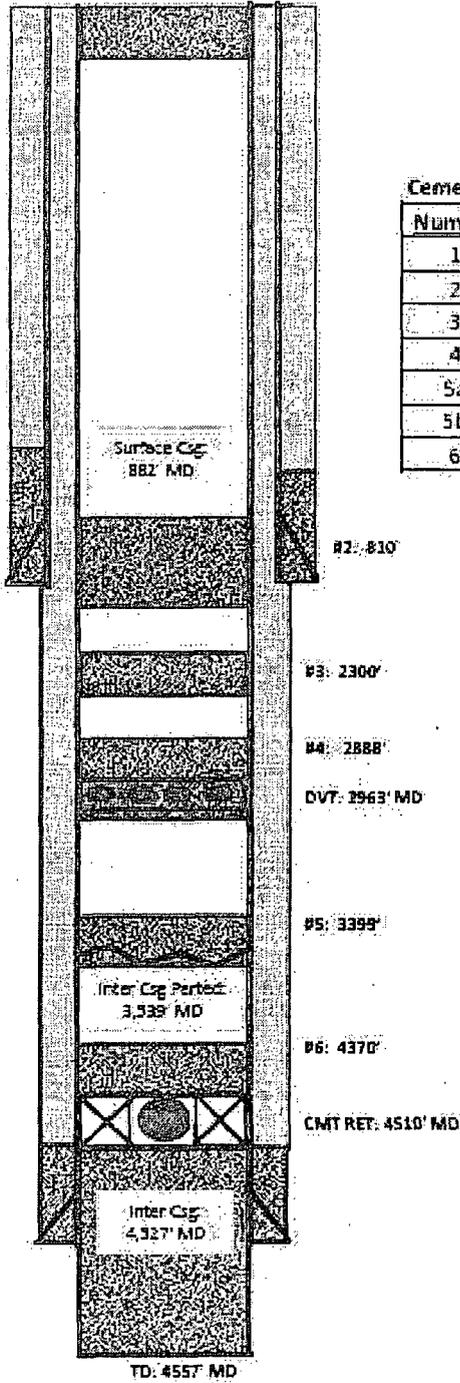
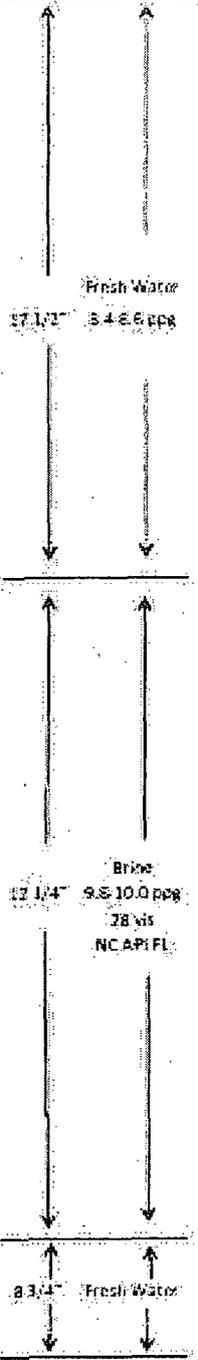
PLUGGING PROCEDURE:

1. Pick up stinger and GIH. Sting in cement retainer set in 9-5/8" casing at 4510'. Establish injection rate and pump 45 bbls of cement to abandon shoe track. Dump 140' of cement on top of cement retainer. POH & LD Stinger.
2. GIH with packer and set at 3439', which is above the parted casing at 3539'. Establish injection rate and pump a total of 215 bbls of cement to seal off the separated casing . Unset packer, PU 5 stands and circulate clean; WOC 4 hrs then GIH to tag top of cement plug. If do not tag the top of cement plug, notify the BLM to consider second attempt. If tag a cement plug, dump 140' of cement on top of cement plug and POH to lay down packer.
3. GIH open-ended to 3038' to spot a 150' balanced cement plug across the DVT/ECP set at 2963' to 2988'. POH 5 stands, circulate clean, and WOC 4 hrs. Tag top of cement plug.
4. POH to the 2450' and circulate a bottoms-up. Spot 150' balanced cement plug at the Base of the Salt estimated at 2400'. POH, circulate clean, and WOC 4 hrs. Tag top of cement plug.
5. POH to the 960' and circulate a bottoms-up. Spot 150' balanced cement plug at the Top of the Salt estimated at 910'. POH, circulate clean, and WOC 4 hrs. Tag top of cement plug. NOTE: Need to tie-back a minimum of 50' into surface casing.
6. POH to 150' and circulate cement to surface



Well Name: Taylor Draw 7 Fed Com 2H
 Direction: End Bone Spring
 Location: 885' FSL and 975' FWL
 Location: 825' FSL and 340' FWL

5 1/2" Size Mud Properties



Casing Program:

Section	Size	Weight	Grade	Connection	Top	Shoe
Surface	13 3/8	48	H-40	STC	0	882
Inter	9 5/8	40	J-55	LTC	0	4525

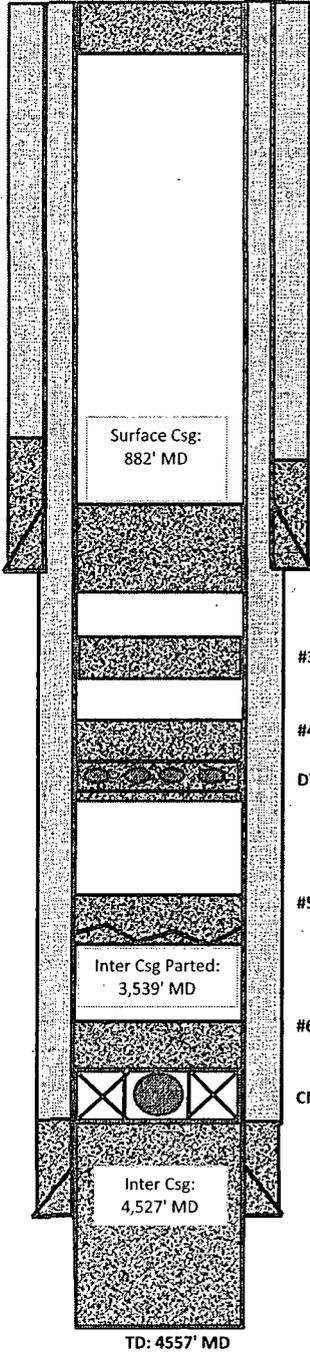
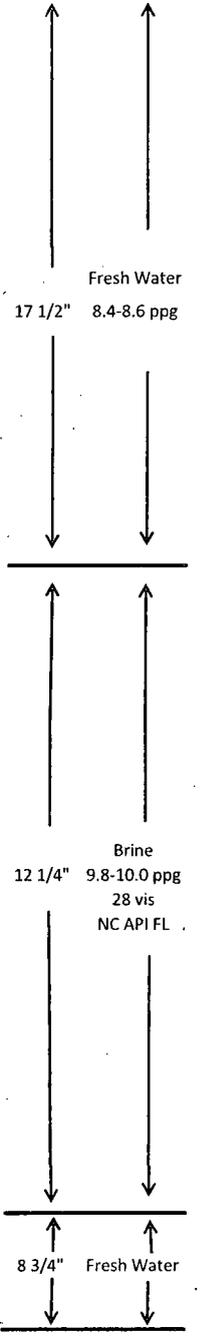
Cement Plugs:

Number	Top	Bottom	Sacks	Vol bbls	Density sp	Yield	Excess	Slurry
1	0	150	41	10	14.8	1.33	10	Prem Class C Neat
2	810	960	41	10	14.8	1.33	10	Prem Class C Neat
3	2300	2450	41	10	14.8	1.33	10	Prem Class C Neat
4	2888	3038	41	10	14.8	1.33	10	Prem Class C Neat
5a	3399	3539	400	95	14.8	1.33	200	Thixotropic
5b			455	120	14.8	1.484	200	Prem Class C w/FL
6	4370	4510	190	45	14.8	1.33	100	Prem Class C w/FL



Well Name: Taylor Draw 7 Fed Com 2H
 Formation: 2nd Bone Spring
 1st Location: 665' FSL and 375' FEL
 2nd Location: 825' FSL and 340' FWL

Bit Size Mud Properties



Casing Program:

Section	Size	Weight	Grade	Connection	Top	Shoe
Surface	13 3/8	48	H-40	STC	0	882
Inter	9 5/8	40	J-55	LTC	0	4525

Cement Plugs:

Number	Top	Bottom	Sacks	Vol bbls	Density ppg	Yield	Excess	Slurry
1	0	150	41	10	14.8	1.33	10	Prem Class C Neat
2	810	960	41	10	14.8	1.33	10	Prem Class C Neat
3	2300	2450	41	10	14.8	1.33	10	Prem Class C Neat
4	2888	3038	41	10	14.8	1.33	10	Prem Class C Neat
5a	3399	3539	400	95	14.8	1.33	200	Thixotropic
5b			455	120	14.8	1.484	200	Prem Class C w/FL
6	4370	4510	190	45	14.8	1.33	100	Prem Class C w/FL

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. **Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.**

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a trailer is used to cap this plug, 35 feet of cement shall be sufficient. Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off. Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. Show date well was plugged.

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:

From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation

- equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.
5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
 6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
 7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Cody Layton
Supervisory Multi Resources
575-234-5959

Arthur Arias
Environmental Protection Specialist
575-234-6230

Trishia Bad Bear
Natural Resource Specialist
575-393-3612

Linda Denniston
Environmental Protection Specialist
575-234-5974

Jeffery Robertson
Natural Resource Specialist
575-234-2230

Henryetta Price
Environmental Protection Specialist
575-234-5951

Dara Glass
Environmental Protection Specialist
575-234-5924

Shelly Tucker
Environmental Protection Specialist
575-234-5979