

Form 3160-3
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

EA 1150

1a. Type of work: ☒ DRILL ☐ REENTER			5. Lease Serial No. SL: NM99039 BHL: NM005470C	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone			6. If Indian, Allottee or Tribe Name	
2. Name of Operator Devon Energy Production Company, LP			7. If Unit or CA Agreement, Name and No.	
3a. Address 20 North Broadway Oklahoma City, Oklahoma City 73102-8260		3b. Phone No. (include area code) 405-552-7802		8. Lease Name and Well No. Capella 14 Federal Com 2H
4. Location of Well (Report location clearly and in accordance with applicable requirements) At surface NWNE 330' FNL & 2490' FEL Lot B At proposed prod. zone SWSE 330' FSL & 2260' FEL Lot O			9. API Well No. 30-015-39413 10. Field and Pool, or Exploratory Hackberry, Bone Spring, NW	
11. Sec, T R M or Blk and Survey or Area Sec 14 T19S R31E			12. County or Parish Eddy County	
13. State NM			14. Distance in miles and direction from nearest town or post office* Approximately 13 miles southeast of Loco Hills, NM	
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 330'		16. No of acres in lease SL: 480 BHL: 360		17. Spacing Unit dedicated to this well 160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft SL: 470' BHL: 1350'		19. Proposed Depth 9150' MTVD 13469' MD		20. BLM/BIA Bond No. on file CO-1104
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3560.6' GL		22. Approximate date work will start* 08/15/2011		23. Estimated duration 45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form

- | | |
|--|---|
| 1 Well plat certified by a registered surveyor. | 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5. Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6 Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>[Signature]</i>	Name (Printed/Typed) Stephanie A. Ysasaga	Date 07/15/2011
Title Sr. Staff Engineering Technician		

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) Is/ Don Peterson	Date SEP 16 2011
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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)

Capitan Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVALApproval Subject to General Requirements
& Special Stipulations Attached

DRILLING PROGRAM

Devon Energy Production Company, LP

Capella 14 Federal Com 2H

Bone Spring

Surface Location: 330' FNL & 2490' FEL, Unit B, Sec 14 T19S R31E, Eddy, NM

Bottom hole Location: 330' FSL & 2260' FEL, Unit O, Sec 14 T19S R31E, Eddy, NM

1. **Geologic Name of Surface Formation**

- a. Permian

2. **Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:**

a. Quaternary Alluvium	Surface'	Water at ~200'
b. Rustler	640'	Barren
c. Salado	930'	Barren
d. Tansil Dolomite	2310'	Oil
e. Capitan	2750'	Barren
f. Delaware	4580'	Oil
g. Bone Spring Lm	6910'	Oil
h. 2 nd Bone Spring Ss	8960'	Oil
i. Total Depth	MTVD 9150' MD 13469'	

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at ~~675'~~ and circulating cement back to surface. The fresh water sands will be protected by setting 9 5/8" casing at 4550' and circulating cement to surface. The Delaware/Bone Springs intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 9 5/8" casing. All casing is new and API approved.

3. **Casing Program: MAX TVD 9,150'**

** See COA*

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Csg</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
17 1/2"	0'- 675'	13 3/8"	0'-675'	48#	STC	H-40
12 1/4"	675' -4550'	9 5/8"	0'-4550'	40#	LTC	J-55
8 3/4"	4550'-8400	5 1/2"	0'-8400'	17#	LTC	HCP-110
8 3/4"	8400'- 13469'	5 1/2"	8400-13469'	17#	BTC	HCP-110

Design Parameter Factors:

<u>Casing Size</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
13 3/8"	1.8	4.0	7.3
9 5/8" 40# J-55 LTC	1.2	1.8	3.0
5 1/2" 17# HCP-110 LTC	1.6	2.0	1.6
5 1/2" 17# HCP-110 BTC	1.6	1.9	5.2

	Capella 14 Fed Com 1H	Capella 14 Fed Com 2H	Capella 14 Fed Com 3H
	330' FNL, 940' FEL	330' FNL, 2490' FEL	330' FNL, 1700' FWL
	14-19S31E	14-19S31E	14-19S31E
	KB 3591 (est.)	KB 3587 (est.)	KB 3583 (est.)
FORMATION	DEPTH	DEPTH	DEPTH
	(tvd)	(tvd)	(tvd)
Quaternary alluvium	Surface	Surface	Surface
Rustler	640	640	545
Salado	930	930	900
Base Salado	2240	2240	2210
Tansil Dolomite	2310	2310	2280
Yates	2430	2430	2400
Seven Rivers	2650	2650	2600
Capitan	2750	2750	2695
Base Capitan	3570	3570	3465
Delaware (formation top)	4580	4580	4580
Delaware (massive sand)	5140	5140	5205
	No Pilot Hole Planned	No Pilot Hole Planned	No Pilot Hole Planned
DEPTH TO FRESHWATER AT ALL LOCATIONS ~200' IN QUATERNARY ALLUVIUM			

NOTE REGARDING COLLAPSE DESIGN FACTOR FOR INTERMEDIATE CASING:

The maximum possible collapse load that the intermediate casing will experience will result from evacuated casing with the pore pressure exerting a collapse load at TD. The pore pressure is estimated to be 9.0 ppg for this calculation. This results in a collapse design factor of 1.2 for the 9-5/8" 40# J-55 LTC casing at a depth of 4,550 ft. While running the intermediate casing, the casing string will never be completely evacuated. There is no potential for the intermediate casing to be used as a production string. ** See COA*

4. Cement Program: (Note: All cement volumes are calculated with 25% excesses.)

a. 13 3/8" Surface

Lead: 800 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite + 81.4% Fresh Water, 13.5 ppg. **Yield:** 1.75 cf/sk

Tail: 250 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water, 14.8 ppg. **Yield:** 1.35 cf/sk.. **TOC @ surface.**

b. 9 5/8" Intermediate

*WOC
* See COA*

Lead: 1200 sacks (35:65) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 6% bwoc Bentonite + 107.8% Fresh Water, 12.5 ppg. **Yield:** 2.04 cf/sk

Tail: 300 sacks Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.4% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 52.7% Water, 14.8 ppg. **Yield:** 1.37 cf/sk. **TOC @ surface.**

c. 5 1/2" Production

1st Stage

Lead: 500 sacks (35:65) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 2% bwoc Bentonite + 0.6% bwoc Sodium Metasilicate + 0.5% bwoc FL-52A + 102.5% Fresh Water, 12.5 ppg. **Yield:** 2.01 cf/sk

Tail: 1,500 sacks (50:50) Poz (Fly Ash):Class H Cement + 1% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 58.3% Fresh Water, 14.2 ppg. **Yield:** 1.28 cf/sk

DV TOOL at ~5,500 ft

2nd Stage

Lead: 500 sacks Class C Cement + 1% bwow Calcium Chloride + 0.125 lbs/sack Cello Flake + 157.8% Fresh Water, 11.4 ppg. **Yield:** 2.89 cf/sk

Tail: 100 sacks (60:40) Poz (Fly Ash):Class C Cement + 1% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake +

CAPELLA 3 STRING JUSTIFICATION
MHC 9.2.11

There are 2 recently drilled wells in section 14 that were drilled without 4 strings (details below). Based on the history of a 3 string design in this section, a 3 string design for the Capella wells will be sufficient.

Chaparral 14 FC #1 (COG)
API # 30-015-34038
13-3/8" at 635 ft
8-5/8" at 4408 ft
5-1/2" at 12,762 ft
Drilled in 2005

Coyote 14 Fed #2Y (Devon)
API # 30-015-35423
13-3/8" at 601 ft
9-5/8" at 4,658 ft
5-1/2" at 11,220 ft
Drilled in 2007

** See COA
Special Capital Reef
Requirements*

In addition, the TOC for the production casing will be at least 50 ft above the Capital Reef at approx 2,700 ft. Cement volumes for production casing are as follows (approx 25% excess):

1st Stage

Lead: 500 sacks (35.65) Poz (Fly Ash) Class H Cement + 5% bwoc Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 2% bwoc Bentonite + 0.6% bwoc Sodium Metasilicate + 0.5% bwoc FL-52A + 102.5% Fresh Water, 12.5 ppg

Yield: 2.01 cf/sk

Tail: 1,500 sacks (50.50) Poz (Fly Ash) Class H Cement + 1% bwoc Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 58.3% Fresh Water, 14.2 ppg

Yield: 1.28 cf/sk

DV TOOL at 5,500 ft

2nd Stage

Lead: 400 sacks Class C Cement + 1% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 157.8% Fresh Water, 11.4 ppg

Yield: 2.89 cf/sk

Tail: 100 sacks (60.40) Poz (Fly Ash) Class C Cement + 1% bwoc Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 63.2% Fresh Water, 13.8 ppg

Yield: 1.37 cf/sk

TOC @ 2,700 ft

** See COA*

ACTUAL CEMENT VOLUMES WILL BE ADJUSTED BASED ON FLUID CALIPER AND CALIPER LOG DATA.

0.5% bwoc BA-10A + 4% bwoc MPA-5 + 63.2% Fresh Water, 13.8 ppg. Yield: 1.37cf/sk. ~~TOC @ 4,050'~~ 9/7/11

TOC for All Strings:

Surface: 0'
Intermediate: 0'
Production: 4,050'

See COA

The above cement volumes could be revised pending the caliper measurement from the open hole logs. Actual cement volumes will be adjusted bases on fluid caliper and caliper log data.

5. Pressure Control Equipment: * See COA

The BOP system used to drill the intermediate hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the surface casing shoe.

The BOP system used to drill the production hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the intermediate casing shoe.

The pipe rams will be operated and checked as per Onshore Order No 2. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 3,000. psi WP.

* See COA

Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns.

6. Proposed Mud Circulation System

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>
0' - 675'	8.4-9.0	30-34	NC	Fresh Water
675' - 4550'	9.8-10.0	28-32	NC	Brine
4550' - 13469'	8.6-9.0	28-32	NC-12	Fresh Water

* See COA

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- A Kelly cock will be in the drill string at all times.
- A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- Hydrogen Sulfide detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

8. Logging, Coring, and Testing Program: * See COA

- Drill stem tests will be based on geological sample shows.
- If a drill stem test is anticipated; a procedure, equipment to be used and safety measures will be provided via sundry notice to the BLM.

- c. The open hole electrical logging program will be:
- i. Total Depth to Intermediate Casing Dual Laterolog-Micro Laterolog with SP and Gamma Ray. Compensated Neutron – Z Density log with Gamma Ray and Caliper.
 - ii. Total Depth to Surface Compensated Neutron with Gamma Ray
 - iii. No coring program is planned
 - iv. Additional testing will be initiated subsequent to setting the 5 ½" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Potential Hazards:

- a. No abnormal pressures or temperatures are expected. There is no known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6 No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 2850 psi and Estimated BHT 125°. No H₂S is anticipated to be encountered.

10. Anticipated Starting Date and Duration of Operations:

- a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.



Weatherford™

Drilling Services

Proposal



devon

CAPELLA 14 FEDERAL COM 2H

EDDY COUNTY, NM

WELL FILE: **PLAN 1**

JUNE 22, 2011

Weatherford International, Ltd.

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devon

Capella 14 Federal Com 2H
Eddy Co., New Mexico

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	176.73	0.00	0.00	0.00	0.00	0.00	0.00	
2	8544.24	0.00	176.73	8544.24	0.00	0.00	0.00	0.00	0.00	
3	9351.67	88.82	176.73	9065.00	-509.29	29.09	11.00	176.73	510.12	
4	13469.24	88.82	176.73	9150.00	-4619.28	263.82	0.00	0.00	4626.81	PBHL

WELL DETAILS

Name+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
2H 0.00	0.00	606680.61	693295.20	32°40'00.609N	103°50'22.301W	N/A

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	9150.00	-4619.28	263.82	602061.33	693559.02	Point

FIELD DETAILS

Eddy Co., NM (NAD 83)

Geodetic System: US State Plane Coordinate System 1983
Ellipsoid: GRS 1980
Zone: New Mexico, Eastern Zone
Magnetic Model: IGRF2010

System Datum: Mean Sea Level
Local North: Grid North

SITE DETAILS

Capella 14 Federal Com 2H

Site Centre Northing: 606680.61
Easting: 693295.20

Ground Level: 3560.60
Positional Uncertainty: 0.00
Convergence: 0.27



Azimuths to Grid North
True North: -0.27°
Magnetic North: 7.39°

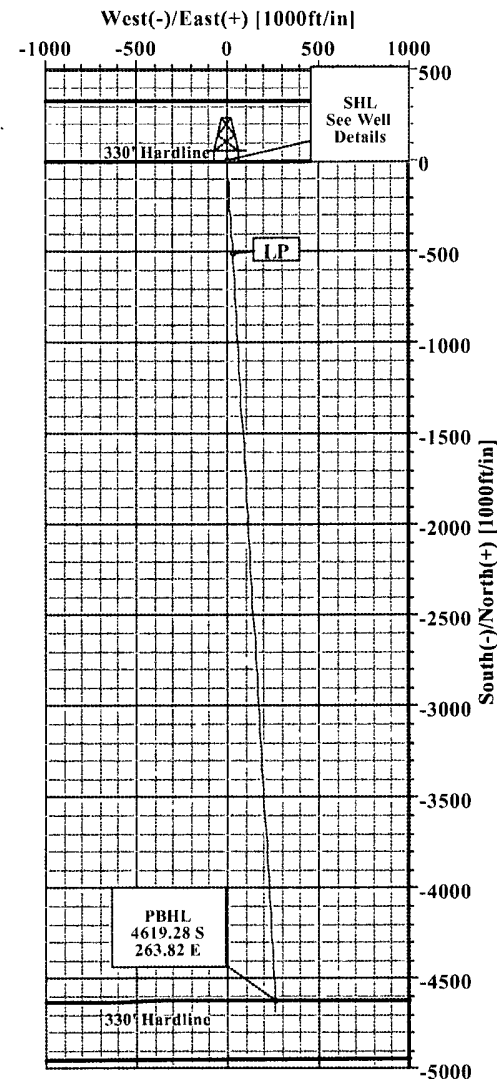
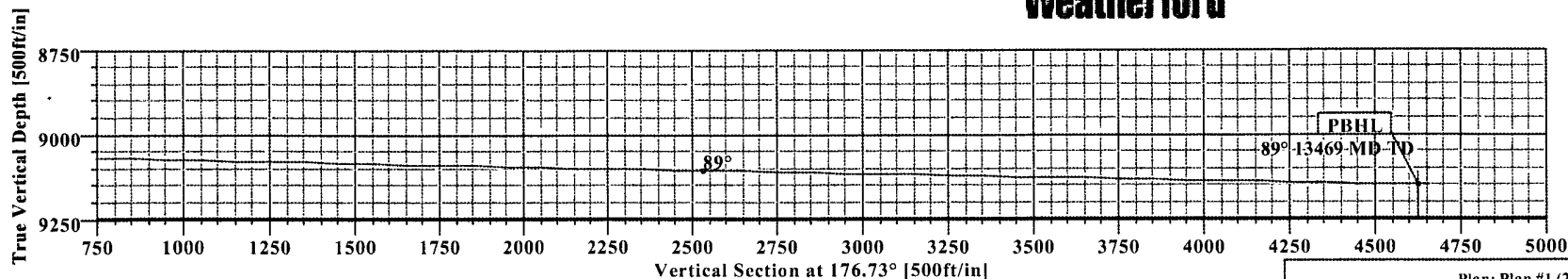
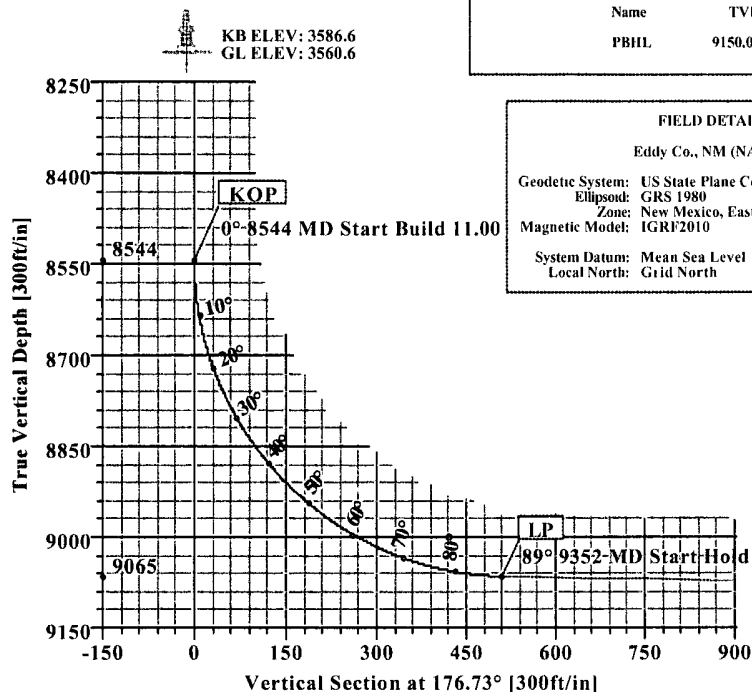
Magnetic Field
Strength: 48804nT
Dip Angle: 60.53°
Date: 3/15/2012
Model: IGRF2010
Total Correction to Grid North: 7.39°

LEGEND

1 Plan #1



Weatherford



Plan: Plan #1 (2H/1)

Created By: Keith Noack

Date: 6/23/2011



Weatherford International Ltd.

WFT Plan Report - X & Y's

**Weatherford**

Company: Devon Energy		Date: 6/22/2011	Time: 15:01:24	Page: 1
Field: Eddy Co., NM (NAD 83)		Co-ordinate(NE) Reference: Well: 2H, Grid North		
Site: Capella 14 Federal Com 2H		Vertical (TVD) Reference: SITE 3586.6		
Well: 2H		Section (VS) Reference: Well (0.00N,0.00E,176.73Azi)		
Wellpath: 1		Survey Calculation Method: Minimum Curvature	Db: Sybase	

Plan: Plan #1	Date Composed: 6/22/2011
Principal: Yes	Version: 1
	Tied-to: From Surface

Field: Eddy Co., NM (NAD 83)	
Map System: US State Plane Coordinate System 1983	Map Zone: New Mexico, Eastern Zone
Geo Datum: GRS 1980	Coordinate System: Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: IGRF2010

Site: Capella 14 Federal Com 2H	
Site Position:	Northing: 606680.61 ft
From: Map	Easting: 693295.20 ft
Position Uncertainty: 0.00 ft	Latitude: 32 40 0.609 N
Ground Level: 3560.60 ft	Longitude: 103 50 22.301 W
	North Reference: Grd
	Grid Convergence: 0.27 deg

Well: 2H		Slot Name:	
Well Position: +N/-S 0.00 ft	Northing: 606680.61 ft	Latitude: 32 40 0.609 N	
+E/-W 0.00 ft	Easting: 693295.20 ft	Longitude: 103 50 22.301 W	
Position Uncertainty: 0.00 ft			

Wellpath: 1		Drilled From: Surface	
Current Datum: SITE	Height: 3586.60 ft	Tie-on Depth: 0.00 ft	
Magnetic Data: 3/15/2012		Above System Datum: Mean Sea Level	
Field Strength: 48804 nT		Declination: 7.65 deg	
Vertical Section: Depth From (TVD)	+N/-S	Mag Dip Angle: 60.53 deg	
ft	ft	+E/-W	Direction
		ft	deg
9150.00	0.00	0.00	176.73

Plan Section Information										
MD	Incl	Azim	TVD	+N/-S	+E/-W	DLS	Build	Turn	TFO	Target
ft	deg	deg	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft	deg	
0.00	0.00	176.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8544.24	0.00	176.73	8544.24	0.00	0.00	0.00	0.00	0.00	0.00	
9351.67	88.82	176.73	9065.00	-509.29	29.09	11.00	11.00	0.00	176.73	
13469.24	88.82	176.73	9150.00	-4619.28	263.82	0.00	0.00	0.00	0.00	PBHL

Survey										
MD	Incl	Azim	TVD	N/S	E/W	VS	DLS	MapN	MapE	Comment
ft	deg	deg	ft	ft	ft	ft	deg/100ft	ft	ft	
8500.00	0.00	176.73	8500.00	0.00	0.00	0.00	0.00	606680.61	693295.20	
8544.24	0.00	176.73	8544.24	0.00	0.00	0.00	0.00	606680.61	693295.20	KOP
8600.00	6.13	176.73	8599.89	-2.98	0.17	2.98	11.00	606677.63	693295.37	
8700.00	17.13	176.73	8697.69	-23.08	1.32	23.12	11.00	606657.53	693296.52	
8800.00	28.13	176.73	8789.85	-61.44	3.51	61.54	11.00	606619.17	693298.71	
8900.00	39.13	176.73	8872.98	-116.65	6.66	116.84	11.00	606563.96	693301.86	
9000.00	50.13	176.73	8944.03	-186.69	10.66	186.99	11.00	606493.92	693305.86	
9100.00	61.13	176.73	9000.39	-268.97	15.36	269.41	11.00	606411.64	693310.56	
9200.00	72.13	176.73	9039.99	-360.48	20.59	361.07	11.00	606320.13	693315.79	
9300.00	83.13	176.73	9061.37	-457.85	26.15	458.60	11.00	606222.76	693321.35	
9351.67	88.82	176.73	9065.00	-509.29	29.09	510.12	11.00	606171.32	693324.29	LP
9400.00	88.82	176.73	9066.00	-557.53	31.84	558.44	0.00	606123.08	693327.04	
9500.00	88.82	176.73	9068.06	-657.35	37.54	658.42	0.00	606023.26	693332.74	
9600.00	88.82	176.73	9070.13	-757.16	43.24	758.40	0.00	605923.45	693338.44	
9700.00	88.82	176.73	9072.19	-856.98	48.94	858.38	0.00	605823.63	693344.14	
9800.00	88.82	176.73	9074.25	-956.79	54.65	958.35	0.00	605723.82	693349.85	
9900.00	88.82	176.73	9076.32	-1056.61	60.35	1058.33	0.00	605624.00	693355.55	



Company: Devon Energy
Field: Eddy Co., NM (NAD:83)
Site: Capella 14 Federal Com 2H
Well: 2H
Wellpath: 1

Date: 6/22/2011 Time: 15:01:24 Page: 2
Co-ordinate(N/E) Reference: Well: 2H, Grid North
Vertical (TVD) Reference: SITE 3586.6
Section (VS) Reference: Well: (0.00N, 0.00E, 176.73Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
10000.00	88.82	176.73	9078.38	-1156.43	66.05	1158.31	0.00	605524.18	693361.25	
10100.00	88.82	176.73	9080.45	-1256.24	71.75	1258.29	0.00	605424.37	693366.95	
10200.00	88.82	176.73	9082.51	-1356.06	77.45	1358.27	0.00	605324.55	693372.65	
10300.00	88.82	176.73	9084.58	-1455.88	83.15	1458.25	0.00	605224.73	693378.35	
10400.00	88.82	176.73	9086.64	-1555.69	88.85	1558.23	0.00	605124.92	693384.05	
10500.00	88.82	176.73	9088.71	-1655.51	94.55	1658.20	0.00	605025.10	693389.75	
10600.00	88.82	176.73	9090.77	-1755.32	100.25	1758.18	0.00	604925.29	693395.45	
10700.00	88.82	176.73	9092.83	-1855.14	105.95	1858.16	0.00	604825.47	693401.15	
10800.00	88.82	176.73	9094.90	-1954.96	111.65	1958.14	0.00	604725.65	693406.85	
10900.00	88.82	176.73	9096.96	-2054.77	117.35	2058.12	0.00	604625.84	693412.55	
11000.00	88.82	176.73	9099.03	-2154.59	123.05	2158.10	0.00	604526.02	693418.25	
11100.00	88.82	176.73	9101.09	-2254.40	128.76	2258.08	0.00	604426.21	693423.96	
11200.00	88.82	176.73	9103.16	-2354.22	134.46	2358.06	0.00	604326.39	693429.66	
11300.00	88.82	176.73	9105.22	-2454.04	140.16	2458.03	0.00	604226.57	693435.36	
11400.00	88.82	176.73	9107.28	-2553.85	145.86	2558.01	0.00	604126.76	693441.06	
11500.00	88.82	176.73	9109.35	-2653.67	151.56	2657.99	0.00	604026.94	693446.76	
11600.00	88.82	176.73	9111.41	-2753.48	157.26	2757.97	0.00	603927.13	693452.46	
11700.00	88.82	176.73	9113.48	-2853.30	162.96	2857.95	0.00	603827.31	693458.16	
11800.00	88.82	176.73	9115.54	-2953.12	168.66	2957.93	0.00	603727.49	693463.86	
11900.00	88.82	176.73	9117.61	-3052.93	174.36	3057.91	0.00	603627.68	693469.56	
12000.00	88.82	176.73	9119.67	-3152.75	180.06	3157.89	0.00	603527.86	693475.26	
12100.00	88.82	176.73	9121.73	-3252.56	185.76	3257.86	0.00	603428.05	693480.96	
12200.00	88.82	176.73	9123.80	-3352.38	191.46	3357.84	0.00	603328.23	693486.66	
12300.00	88.82	176.73	9125.86	-3452.20	197.16	3457.82	0.00	603228.41	693492.36	
12400.00	88.82	176.73	9127.93	-3552.01	202.87	3557.80	0.00	603128.60	693498.07	
12500.00	88.82	176.73	9129.99	-3651.83	208.57	3657.78	0.00	603028.78	693503.77	
12600.00	88.82	176.73	9132.06	-3751.64	214.27	3757.76	0.00	602928.97	693509.47	
12700.00	88.82	176.73	9134.12	-3851.46	219.97	3857.74	0.00	602829.15	693515.17	
12800.00	88.82	176.73	9136.18	-3951.28	225.67	3957.71	0.00	602729.33	693520.87	
12900.00	88.82	176.73	9138.25	-4051.09	231.37	4057.69	0.00	602629.52	693526.57	
13000.00	88.82	176.73	9140.31	-4150.91	237.07	4157.67	0.00	602529.70	693532.27	
13100.00	88.82	176.73	9142.38	-4250.72	242.77	4257.65	0.00	602429.89	693537.97	
13200.00	88.82	176.73	9144.44	-4350.54	248.47	4357.63	0.00	602330.07	693543.67	
13300.00	88.82	176.73	9146.51	-4450.36	254.17	4457.61	0.00	602230.25	693549.37	
13400.00	88.82	176.73	9148.57	-4550.17	259.87	4557.59	0.00	602130.44	693555.07	
13469.24	88.82	176.73	9150.00	-4619.28	263.82	4626.81	0.00	602061.33	693559.02	PBHL

Targets

Name	Description	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg. Min. Sec.	Longitude Deg. Min. Sec.
PBHL			9150.00	-4619.28	263.82	602061.33	693559.02	32 39 14.889 N	103 50 19.467 W

Casing Points

MD.	TVD	Diameter	Hole Size	Name



Weatherford International Ltd.

WFT Plan Report - X & Y's



Weatherford

Company: Devon Energy	Date: 6/22/2011	Time: 15:01:24	Page: 3
Field: Eddy Co., NM (NAD 83)	Co-ordinate(NE) Reference:	Well: 2H, Grid North	
Site: Capella 14 Federal Corn 2H	Vertical (TVD) Reference:	SITE 3586.6	
Well: 2H	Section (VS) Reference:	Well (0.00N, 0.00E, 176.73Azi)	
Wellpath: 1	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Annotation

MD ft	TVD ft	
8544.24	8544.24	KOP
9351.67	9065.00	LP
13469.23	9150.00	PBHL

Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction

**Weatherford®****Weatherford Drilling Services**

GeoDec v5.03

Report Date: June 22, 2011
Job Number: _____
Customer: Devon
Well Name: Capella 14 Federal Com 2H
API Number: _____
Rig Name: _____
Location: Eddy Co., NM
Block: _____
Engineer: KRN

US State Plane 1983	Geodetic Latitude / Longitude
System: New Mexico Eastern Zone	System: Latitude / Longitude
Projection: Transverse Mercator/Gauss Kruger	Projection: Geodetic Latitude and Longitude
Datum: North American Datum 1983	Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: GRS 1980	Ellipsoid: Clarke 1866
North/South 606680.610 USFT	Latitude 32.6667192 DEG
East/West 693295.200 USFT	Longitude -103.8390215 DEG
Grid Convergence: .27°	
Total Correction: +7.38°	

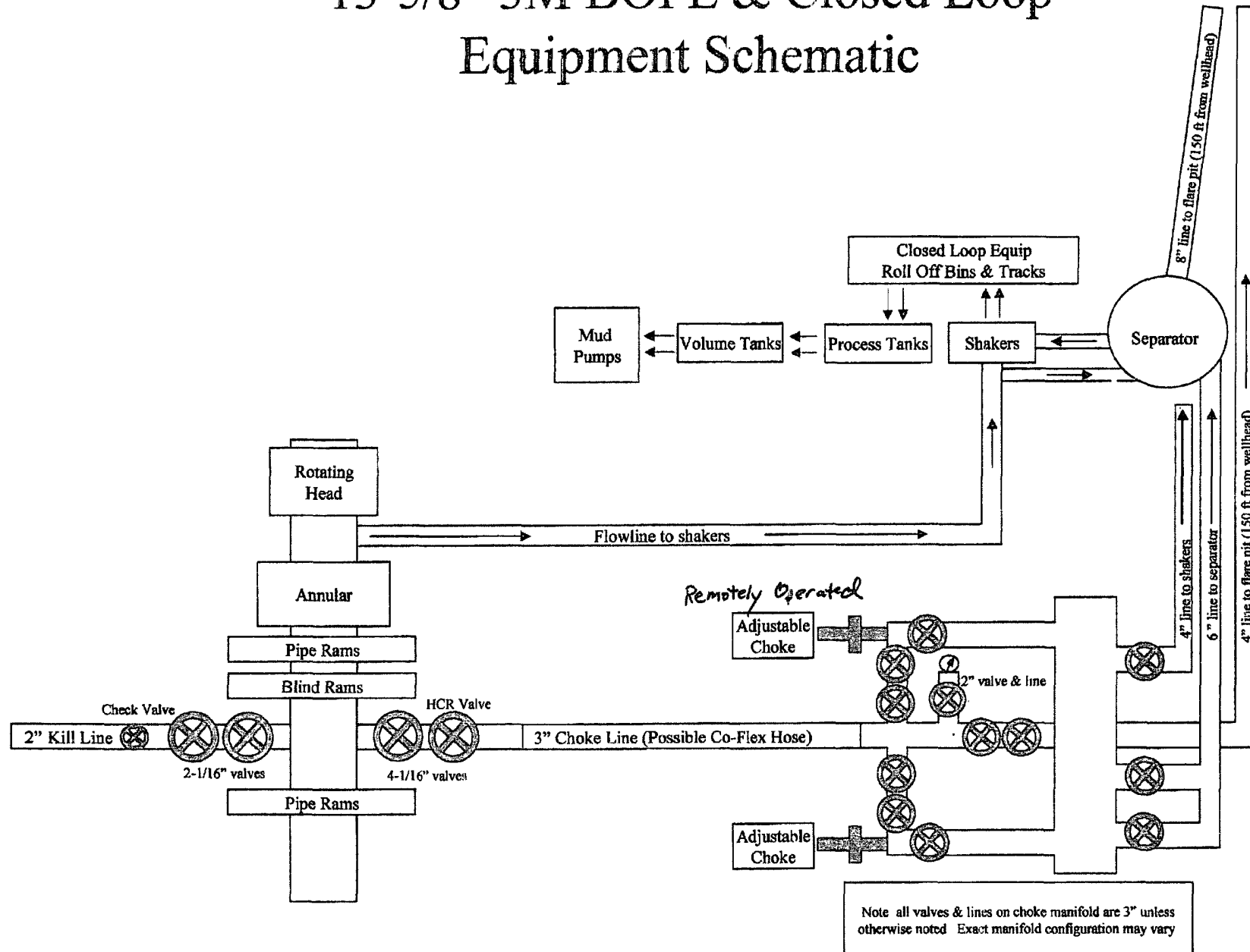
Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude = 32.66672° N	32° 40 min	.189 sec
Longitude = 103.83902° W	103° 50 min	20.477 sec

Magnetic Declination =	7.65°	[True North Offset]	
Local Gravity =	.9988 g	Checksum =	6607
Local Field Strength =	48800 nT	Magnetic Vector X =	23793 nT
Magnetic Dip =	60.53°	Magnetic Vector Y =	3197 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z =	42487 nT
Spud Date =	Mar 15, 2012	Magnetic Vector H =	24007 nT

Signed: _____

Date: _____

13-5/8" 3M BOPE & Closed Loop Equipment Schematic



Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP

Capella 14 Federal Com 2H

Surface Location: 330' FNL & 2490' FEL, Unit B, Sec 14 T19S R31E, Eddy, NM

Bottom hole Location: 330' FSL & 2260' FEL, Unit O, Sec 14 T19S R31E, Eddy, NM

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
2. Wear ring will be properly installed in head.
3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.
4. All fittings will be flanged.
5. A full bore safety valve tested to a minimum 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
6. All choke lines will be anchored to prevent movement.
7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
8. Will maintain a kelly cock attached to the kelly.
9. Hand wheels and wrenches will be properly installed and tested for safe operation.
10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

Hydrostatic Test Certificate

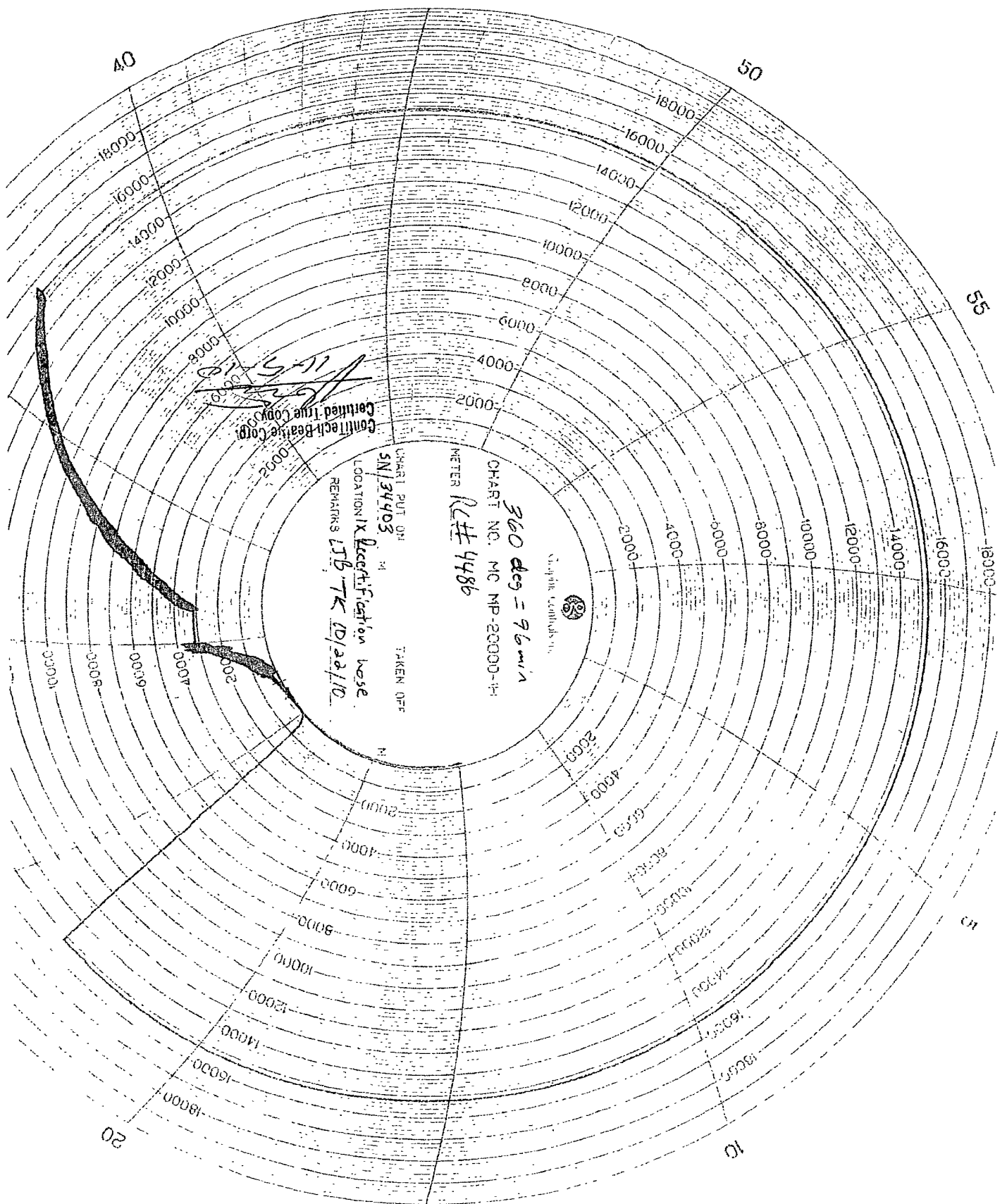


Certificate Number: 4520	PBC No: 10321	Customer Name & Address
Customer Purchase Order No: RIG 300		HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119
Project:		
Test Centre Address	Accepted by ContiTech Beattie Inspection	Accepted by Client Inspection
ContiTech Beattie Corp. 11535 Brittmoore Park Drive Houston, TX 77041 USA	Signed: Josh Sims Date: 10/27/10	

We certify that the goods detailed hereon have been inspected by our Quality Management System, and to the best of our knowledge are found to conform to relevant industrial standards within the requirements of the purchase order as issued to ContiTech Beattie Corporation.

These goods were made in the United States of America.

Item	Part No.	Description	Qty	Serial Number	As-Built Length (m)	Work Press.	Test Press.	Test Time (minutes)
1		3" ID 10K Choke & Kill Hose x 35ft OAL End A: 4 1/16" 10Kpsi API Spec 6A Type 6BX Flange End B: 4 1/16" 10Kpsi API Spec 6A Type 6BX Flange Working Pressure: 10,000psi Test Pressure: 15,000psi Serial#: 49106	1	49106		10 kpsi	15 kpsi	60





Fluid Technology

ContiTech Beattie Corp.
Website: www.contitechbeattie.com

Monday, June 14, 2010

RE: Drilling & Production Hoses
Lifting & Safety Equipment

To Helmerich & Payne,

A Continental ContiTech hose assembly can perform as intended and suitable for the application regardless of whether the hose is secured or unsecured in its configuration. As a manufacturer of High Pressure Hose Assemblies for use in Drilling & Production, we do offer the corresponding lifting and safety equipment, this has the added benefit of easing the lifting and handling of each hose assembly whilst affording hose longevity by ensuring correct handling methods and procedures as well as securing the hose in the unlikely event of a failure; but in no way does the lifting and safety equipment affect the performance of the hoses providing the hoses have been handled and installed correctly. It is good practice to use lifting & safety equipment but not mandatory.

Should you have any questions or require any additional information/clarifications then please do not hesitate to contact us.

ContiTech Beattie is part of the Continental AG Corporation and can offer the full support resources associated with a global organization.

Best regards,

Robin Hodgson
Sales Manager
ContiTech Beattie Corp

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