

OCD Artesia

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5 Lease Serial No. 16523 & 12766 NM 0560290
1b Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6 If Indian, Allottee or Tribe Name TOS 9/13/2012
2 Name of Operator Devon Energy Production Co., LP		7 If Unit or CA Agreement, Name and No. BFDU 14-08-0001-12391 NM 70798X
3a Address 333 W. Sheridan Avenue OKC, OK 73102	3b Phone No. (include area code) (405)-228-4248	8 Lease Name and Well No. Burton Flat Deep Unit 51H C3022097
4 Location of Well (Report location clearly and in accordance with any State requirements.) At surface 3125' FNL & 50' FEL Lot 9, Sec 3, 21S-27E At proposed prod zone 2920' FNL & 330' FEL Lot 9, Sec 2, 21S-27E		9 API Well No. 30-015-40681
14 Distance in miles and direction from nearest town or post office* Approximately 4.5 miles north of Carlsbad, NM.		10 Field and Pool, or Exploratory Burton Flat, Bone Spring Avalon, B.S. EAST C3713
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg unit line, if any) 330'		11 Sec., T R. M or Blk. and Survey or Area Sec 3-21S-27E
16 No. of acres in lease 314.62 & 280 acres		12 County or Parish Eddy
17 Spacing Unit dedicated to this well N/2 of middle 1/3 of Sec 3, 21S-27E or 160 acres		13 State NM
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft See attached map		19 Proposed Depth TVD: 6709' MD: 11357' PH: 6848'
20 BLM/BIA Bond No. on file CO-1104 & NMB-000801		21 Elevations (Show whether DF, KDB, RT, GL, etc) 3202.4' GL
22 Approximate date work will start*		23 Estimated duration 45 days

To be pad drilled with BFDU 55H

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, must 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 must be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the BLM |

25 Signature <i>Patti Riechers</i>	Name (Printed/Typed) Patti Riechers	Date 07/31/2012
Title Sr. Staff Operations Technician		
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed) /s/ Don Peterson	Date SEP 10 2012
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

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL

Operators Representative:

The Devon Energy Production Company, L.P. representatives responsible for ensuring compliance of the surface use plan are listed below.

James Allbee - Operations Engineer Advisor
Devon Energy Production Company, L.P.
333 West Sheridan
Oklahoma City, OK 73102-5010
(405) 228-8698 (office)
(405) 820-8682 (Cellular)

Don Mayberry - Superintendent
Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, NM 88211-0250
(575) 748-3371 (office)
(575) 746-4945 (home)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or Devon Energy Production Company, L.P. am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this 26th day of July, 2012.

Printed Name: Patti Riechers

Signed Name: Patti Riechers

Position Title: Operations Technician

Address: 333 West Sheridan, OKC OK 73102

Telephone: (405)-228-8699

Field Representative (if not above signatory):

Address (if different from above):

Telephone (if different from above):

District I
1625 N French Dr Hobbs NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
311 S First St Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr Santa Fe NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40681	² Pool Code 3713	³ Pool Name AVALON Burton Flat, Bone Spring, EAST
⁴ Property Code 302209	⁵ Property Name BURTON FLAT DEEP UNIT	
⁷ OGRID No. 6137	⁶ Well Number 51H	
⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		⁹ Elevation 3202.4

¹⁰ Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
9	3	21 S	27 E		3125	NORTH	50	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
9	2	21 S	27 E		2920	NORTH	330	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
160			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>SEC. 33</p> <p>S89 57°51'W 1746.51 FT S89 52°32'W 1745.12 FT S89 56°17'W 2640.44 FT S89 48°03'W 304.90 FT S89 57°27'W 1739.00 FT</p> <p>N O CORNER SEC 3 LAT = 32 52 28 55 N LONG = 104 17 29 27 W NMSP EAST (FT) N = 553918.89 E = 589431.86</p> <p>LOT 3 LOT 2 LOT 1</p> <p>N O CORNER SEC 34 LAT = 32 52 28 55 N LONG = 104 16 57 21 W NMSP EAST (FT) N = 553923.20 E = 592073.74</p> <p>LOT 4 LOT 5 LOT 6 LOT 7</p> <p>N O CORNER SEC 2 LAT = 32 52 28 55 N LONG = 104 16 01 54 W NMSP EAST (FT) N = 553926.06 E = 594214.17</p> <p>LOT 3 LOT 2 LOT 1</p> <p>N O CORNER SEC 2 LAT = 32 52 28 55 N LONG = 104 15 15 56 W NMSP EAST (FT) N = 553930.49 E = 597358.07</p> <p>LOT 3 LOT 2 LOT 1</p> <p>BURTON FLAT DEEP UNIT #51H ELEV = 3202.4' LAT = 32 51 40 98 N (MAD83) LONG = 104 16 59 92 W NMSP EAST (FT) N = 550798.81 E = 591992.85</p> <p>LOT 11 LOT 10</p> <p>BOTTOM OF HOLE LAT = 32 51 45 53 N LONG = 104 15 27 31 W NMSP EAST (FT) N = 551010.94 E = 597012.66</p> <p>LOT 10 LOT 9</p> <p>SEC. 3</p> <p>E O CORNER SEC 3 LAT = 32 50 92 40 N LONG = 104 16 59 02 W NMSP EAST (FT) N = 549031.63 E = 592025.38</p> <p>LOT 14 LOT 15 LOT 16</p> <p>SEC. 2</p> <p>E O CORNER SEC 2 LAT = 32 50 92 78 N LONG = 104 15 16 87 W NMSP EAST (FT) N = 549053.87 E = 597332.21</p> <p>LOT 13 LOT 14 LOT 15 LOT 16</p> <p>S O CORNER SEC 3 LAT = 32 50 19 67 N LONG = 104 17 78 17 W NMSP EAST (FT) N = 546381.54 E = 589342.77</p> <p>SE CORNER SEC 3 LAT = 32 50 20 16 N LONG = 104 16 59 54 W NMSP EAST (FT) N = 546403.31 E = 592000.82</p> <p>S O CORNER SEC 2 LAT = 32 50 20 34 N LONG = 104 16 03 89 W NMSP EAST (FT) N = 546414.28 E = 594660.06</p> <p>SE CORNER SEC 2 LAT = 32 50 20 52 N LONG = 104 15 17 45 W NMSP EAST (FT) N = 546425.39 E = 597318.60</p> <p>2659.23 FT 2658.14 FT 2659.26 FT 2658.56 FT</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p><i>Patti Riechers</i> 7/31/2012 Signature Date</p> <p>Patti Riechers, Operations Technician Printed Name</p> <p>patti.riechers@dvn.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</p> <p>MAY 2 2012 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number 10110010 PLAZARAMILLO, PLS 12797 SURVEY NO 1053</p>	
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OPERATOR: Please do not report production under this pool id code until OCD confirms perms and appropriate pool designation on completion and C104 approvals.

DRILLING PROGRAM

Devon Energy Production Company, LP

Burton Flat Deep Unit #51H

Surface Location: 3125' FNL & 50' FEL, Lot 9, Sec 3 T21S R27E, Eddy, NM

Bottom Hole Location: 2920' FNL & 330' FEL, Lot 9, Sec 2 T21S R27E, Eddy, NM

1. Geologic Name of Surface Formation

a. Quaternary

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

a. Fresh Water	15'	
b. Rustler	surface	
c. Salado	237'	Barren
d. Base of Salt	427'	Barren
e. Tansil	505'	Barren
f. Yates	615'	Barren
g. Seven Rivers	750'	Barren
h. Capitan	865'	Water
i. Capitan Base	2590'	Barren
j. Delaware	2759'	Oil
k. Bone Spring Lm	5237'	Oil
l. 1 st Bone Spring Ss	6445'	Oil
m. 1 st Bone Spring Ss Upper	6473'	Oil
n. 1 st Bone Spring Ss Mid	6517'	Oil
o. 1 st Bone Spring Ss Mid B	6542'	Oil
p. 2 nd Bone Spring Lime	6698'	Oil
q. Pilot Hole TD	6848'	Oil

Total Depth ~~6,709'~~ - 6848'

3. Casing Program: All casing is new and API approved.

<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>
26"	0' - 200'	20"	0' - 200' ^{see collar}	94#	BT&C	J/K-55
17 1/2"	0' - 850'	13 3/8"	0' - 850'	68#	BT&C	J/K-55
12 1/4"	850' - 2750'	9 5/8"	0 - 2750'	40#	LT&C	J-55
8 3/4"	2750' - 5800'	5 1/2"	0' - 5800'	17#	LT&C	HCP110
8 3/4"	5800' - 11357'	5 1/2"	5800' - 11357'	17#	LT&C	HCP110

An 8 3/4" Pilot Hole will be drilled to 6,848' and cemented back to KOP. The cement plug details and geometry are included below in the cementing program.

Design Parameter Factors:			
<u>Casing Size</u>	<u>Collapse Design</u>	<u>Burst Design</u>	<u>Tension Design</u>
	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>
20"	5.55	22.5	7.46
13 3/8"	1.74	3.91	7.89
9 5/8"	2.00	3.07	4.73
5 1/2"	2.75	3.92	2.30
5 1/2"	2.38	3.39	6.01

4. Cement Program: (all cement volumes based on at least 25% excess)

- | | | |
|------------|------------------------------|--|
| a. 20" | Surface | Lead w/ 510 Cl C cmt + 2% bwoc Calcium Chloride + 0.125#/sx CF + 56.3% FW. 14.8 ppg. Yield 1.35 cf/sx. TOC @ surface. |
| b. 13 3/8" | 1 st Intermediate | Lead w/ 415 sx Class C +2% bwow Calcium Chloride +0.125#/sx CF + 4% bwoc Bentonite + 81.4% FW, 13.5 ppg. Yield 1.75 cf/sx. Tail w/ 335 sx Class C + 2% bwow Calcium Chloride + 0.125#/sx CF + 56.3% FW, 14.8 ppg. Yield 1.35 cf/sx. TOC @ surface. |
| c. 9 5/8" | 2 nd Intermediate | Lead w/ 700 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack CF + 3 lbs/sack LCM-1 + 1% bwoc Sodium Metasilicate + 89.7% FW. 12.6 ppg. Yield 1.73 cf/sx. Tail w/ 300 sx (60:40) Poz (Fly Ash):Cl C Cmt + 5% bwow Sodium Chloride + 0.125 lbs/sack CF + 0.4% bwoc Sodium Metasilicate + 4% bwoc (MPA-5, to enhance compressive, tensile, flexural strength development and reduce permeability) + 65.5% FW. 13.8 ppg. Yield 1.38 cf/sx. TOC @ surface. |
| d. 5 1/2" | Production | 1st Lead w/ 615 sx 50:50 POZ (Fly Ash) Class H + 0.5% bwoc FL-52 + 0.15% bwoc (ASA-301, to reduce free water and settling in cmt slurries) + 10% bwoc Bentonite + 0.3% bwoc (R-21, temperature retarder) + 130.5% FW, 11.8 ppg. Yield 2.30 cf/sx. 2nd lead w/415 sacks (35:65) Poz (Fly Ash):Cl H Cement + 3% bwow Sodium Chloride + 0.125 lbs/sack CF + 0.7% bwoc FL-52 + 6% bwoc Bentonite + 105.4% FW. 12.5 ppg. Yield 2.00 cf/sx. Tail w/ 1430 sacks (50:50) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.5% bwoc FL-52 + 0.5% bwoc Sodium Metasilicate + 57.3% FW, 14.2 ppg. Yield 1.28 cf/sx. TOC @ 800'. |
-
- | | |
|-------------------|---|
| 8 3/4" Pilot Hole | Drill to 6,848, cement w/300 sx Cl H, 15.6 ppg, 1.18 cf/sx. |
|-------------------|---|

The above cement volumes could be revised pending the caliper measurement from the open hole logs.

5. Pressure Control Equipment

The BOP system used to drill the 17-1/2" hole will consist of a 20" 2M Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 2M system prior to drilling out the casing shoe.

The BOP system used to drill the 12-1/4" and 8-3/4" holes will consist of a 13-5/8" 3M Double 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 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.

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' - 200'	8.4-9.0	30-34	NC	FW
200' - 850'	9.8-10.0	28-32	NC	Brine
850' - 2,750'	8.4-9.0	28-30	NC	FW
2,750' - 11,357'	8.6-9.0	28-32	NC-12	FW

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. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. 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:

- a. Drill stem tests will be based on geological sample shows.
- b. 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 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 3000 psi and Estimated BHT 130°. 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.

Devon Energy Corporation

HALLIBURTON | Sperry Drilling

Project: Eddy County, NM (NAD 83)
 Site: Burton Flat Deep Unit
 Well: Burton Flat Deep Unit 51H
 Wellbore: Wellbore #1
 Plan: Plan #1
 Rig: TBD



SURFACE LOCATION

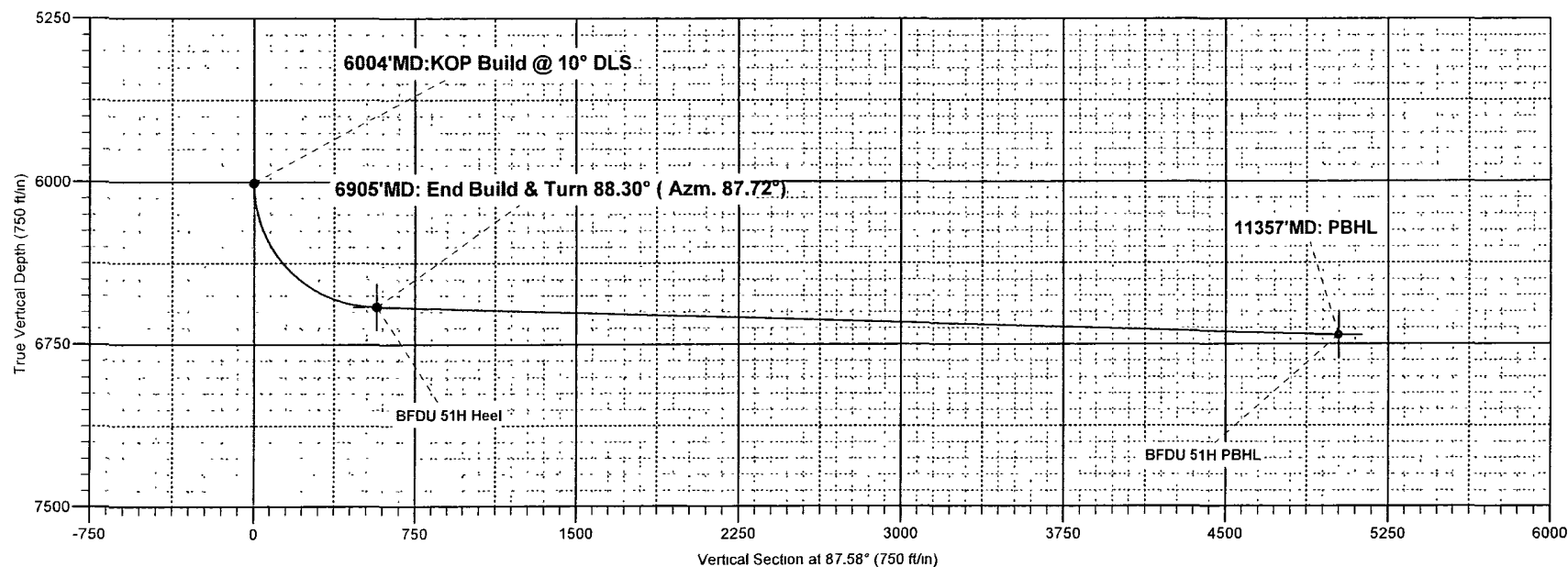
US State Plane 1983
 New Mexico Eastern Zone
 Elevation: GL 3202 4 + 25'KB @ 3227.40ft (TBD)
 Northing: 550798.81 Easting: 591992.85 Latitude: 32° 30' 50.755 N Longitude: 104° 10' 8.397 W

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
BFDU 51H Heel	6577.00	34.92	573.37	550833.73	592566.22	Point
BFDU 51H PBHL	6709.00	212.13	5019.81	551010.94	597012.66	Point

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6004.00	0.00	0.00	6004.00	0.00	0.00	0.00	0.00	0.00	6004'MD KOP Build @ 10° DLS
6892.09	88.84	86.50	6576.67	34.25	560.10	10.00	86.50	561.05	
6905.38	88.30	87.72	6577.00	34.92	573.37	10.00	113.75	574.33	6905'MD End Build & Turn 88.30° (Azm. 87.72°)
11357.31	88.30	87.72	6709.00	212.13	5019.81	0.00	0.00	5024.29	11357'MD PBHL



Date: 15 21, June 18 2012

Devon Energy Corporation

HALLIBURTON | Sperry Drilling

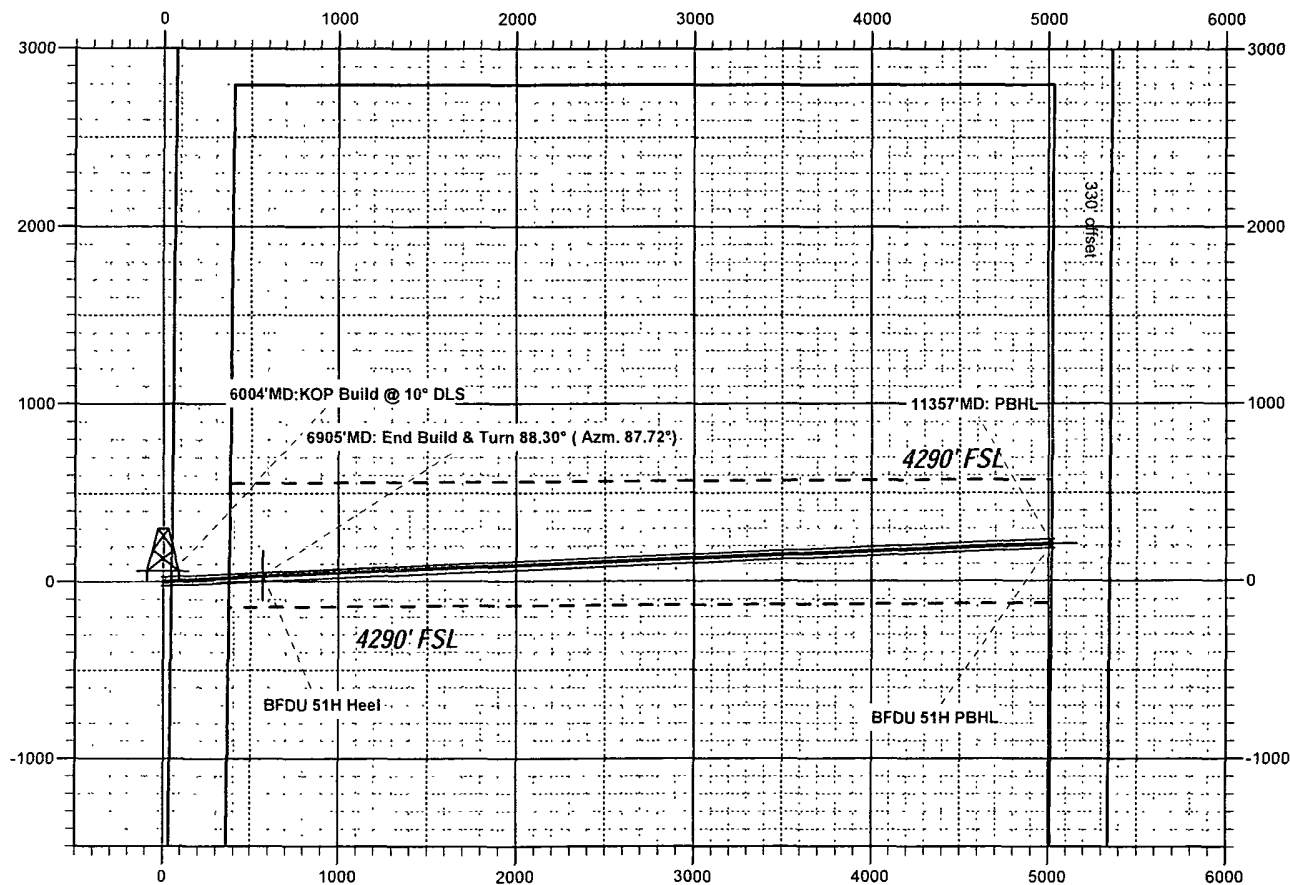
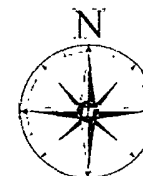
Project: Eddy County, NM (NAD 83)
Site: Burton Flat Deep Unit
Well: Burton Flat Deep Unit 51H
Wellbore: Wellbore #1
Plan: Plan #1
Rig: TBD

To convert a Magnetic Direction to a Grd Direction, Add 7.76°

Magnetic Model BGGM2011 Date 18-Jun-12
 Azimuths to Grid North

SURFACE LOCATION

US State Plane 1983
 New Mexico Eastern Zone
 Elevation GL 3202.4 + 25'KB @ 3227.40ft (TBD)
 Northing Easting Latitude Longitude
 550798.81 591992.85 32° 30' 50.755 N 104° 10' 8.397 W



Devon Energy Corporation

Eddy County, NM (NAD 83)

Burton Flat Deep Unit

Burton Flat Deep Unit 51H

Wellbore #1

Plan: Plan #1

Sperry Drilling Services Proposal Report

18 June, 2012

Well Coordinates 550,798.81 N, 591,992.85 E (32° 30' 50.75" N, 104° 10' 08.40" W)
Ground Level 3,202.40 ft

Local Coordinate Origin	Centered on Well Burton Flat Deep Unit 51H
Viewing Datum	GL 3202.4 + 25'KB @ 3227.40ft (TBD)
TVDs to System	N
North Reference	Grid
Unit System	API - US Survey Feet

Version: 2003.16 Build: 431

HALLIBURTON

Plan Report for Burton Flat Deep Unit 51H - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
0 00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Plan Report for Burton Flat Deep Unit 51H - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6,004.00	0.00	0.00	6,004.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6004'MD:KOP Build @ 10° DLS										
6,100.00	9.60	86.50	6,099.55	0.49	8.01	8.02	10.00	10.00	0.00	86.50
6,200.00	19.61	86.50	6,196.20	2.03	33.15	33.20	10.00	10.00	0.00	0.00
6,300.00	29.61	86.50	6,287.00	4.57	74.66	74.78	10.00	10.00	0.00	0.00
6,400.00	39.61	86.50	6,369.20	8.03	131.28	131.50	10.00	10.00	0.00	0.00
6,500.00	49.61	86.50	6,440.29	12.31	201.29	201.63	10.00	10.00	0.00	0.00
6,600.00	59.62	86.50	6,498.13	17.28	282.56	283.04	10.00	10.00	0.00	0.00
6,700.00	69.62	86.50	6,540.93	22.79	372.63	373.26	10.00	10.00	0.00	0.00
6,800.00	79.62	86.50	6,567.42	28.66	468.75	469.54	10.00	10.00	0.00	0.00
6,892.09	88.84	86.50	6,576.67	34.25	560.10	561.05	10.00	10.00	0.00	0.00
6,900.00	88.52	87.22	6,576.85	34.68	568.00	568.95	10.00	-4.03	9.16	113.75
6,905.38	88.30	87.72	6,577.00	34.92	573.37	574.33	10.00	-4.02	9.16	113.74
6905'MD: End Build & Turn 88.30° (Azm. 87.72°) - BFDU 51H Heel										
7,000.00	88.30	87.72	6,579.81	38.69	667.87	668.91	0.00	0.00	0.00	113.72
7,100.00	88.30	87.72	6,582.77	42.67	767.75	768.87	0.00	0.00	0.00	0.00
7,200.00	88.30	87.72	6,585.74	46.65	867.63	868.82	0.00	0.00	0.00	0.00
7,300.00	88.30	87.72	6,588.70	50.63	967.50	968.78	0.00	0.00	0.00	0.00
7,400.00	88.30	87.72	6,591.67	54.61	1,067.38	1,068.73	0.00	0.00	0.00	0.00
7,500.00	88.30	87.72	6,594.63	58.59	1,167.26	1,168.69	0.00	0.00	0.00	0.00
7,600.00	88.30	87.72	6,597.60	62.57	1,267.13	1,268.64	0.00	0.00	0.00	0.00
7,700.00	88.30	87.72	6,600.56	66.55	1,367.01	1,368.60	0.00	0.00	0.00	0.00
7,800.00	88.30	87.72	6,603.53	70.53	1,466.89	1,468.56	0.00	0.00	0.00	0.00
7,900.00	88.30	87.72	6,606.49	74.51	1,566.76	1,568.51	0.00	0.00	0.00	0.00
8,000.00	88.30	87.72	6,609.46	78.49	1,666.64	1,668.47	0.00	0.00	0.00	0.00
8,100.00	88.30	87.72	6,612.42	82.47	1,766.52	1,768.42	0.00	0.00	0.00	0.00
8,200.00	88.30	87.72	6,615.39	86.45	1,866.39	1,868.38	0.00	0.00	0.00	0.00
8,300.00	88.30	87.72	6,618.35	90.43	1,966.27	1,968.33	0.00	0.00	0.00	0.00
8,400.00	88.30	87.72	6,621.32	94.41	2,066.15	2,068.29	0.00	0.00	0.00	0.00
8,500.00	88.30	87.72	6,624.28	98.40	2,166.02	2,168.25	0.00	0.00	0.00	0.00
8,600.00	88.30	87.72	6,627.25	102.38	2,265.90	2,268.20	0.00	0.00	0.00	0.00
8,700.00	88.30	87.72	6,630.21	106.36	2,365.78	2,368.16	0.00	0.00	0.00	0.00
8,800.00	88.30	87.72	6,633.18	110.34	2,465.65	2,468.11	0.00	0.00	0.00	0.00
8,900.00	88.30	87.72	6,636.14	114.32	2,565.53	2,568.07	0.00	0.00	0.00	0.00
9,000.00	88.30	87.72	6,639.11	118.30	2,665.41	2,668.03	0.00	0.00	0.00	0.00
9,100.00	88.30	87.72	6,642.07	122.28	2,765.28	2,767.98	0.00	0.00	0.00	0.00
9,200.00	88.30	87.72	6,645.04	126.26	2,865.16	2,867.94	0.00	0.00	0.00	0.00
9,300.00	88.30	87.72	6,648.00	130.24	2,965.04	2,967.89	0.00	0.00	0.00	0.00
9,400.00	88.30	87.72	6,650.97	134.22	3,064.91	3,067.85	0.00	0.00	0.00	0.00
9,500.00	88.30	87.72	6,653.93	138.20	3,164.79	3,167.80	0.00	0.00	0.00	0.00
9,600.00	88.30	87.72	6,656.90	142.18	3,264.67	3,267.76	0.00	0.00	0.00	0.00
9,700.00	88.30	87.72	6,659.86	146.16	3,364.54	3,367.72	0.00	0.00	0.00	0.00
9,800.00	88.30	87.72	6,662.83	150.14	3,464.42	3,467.67	0.00	0.00	0.00	0.00
9,900.00	88.30	87.72	6,665.79	154.12	3,564.30	3,567.63	0.00	0.00	0.00	0.00
10,000.00	88.30	87.72	6,668.76	158.10	3,664.17	3,667.58	0.00	0.00	0.00	0.00
10,100.00	88.30	87.72	6,671.72	162.08	3,764.05	3,767.54	0.00	0.00	0.00	0.00
10,200.00	88.30	87.72	6,674.69	166.06	3,863.93	3,867.49	0.00	0.00	0.00	0.00
10,300.00	88.30	87.72	6,677.65	170.04	3,963.80	3,967.45	0.00	0.00	0.00	0.00
10,400.00	88.30	87.72	6,680.62	174.02	4,063.68	4,067.41	0.00	0.00	0.00	0.00
10,500.00	88.30	87.72	6,683.58	178.00	4,163.56	4,167.36	0.00	0.00	0.00	0.00
10,600.00	88.30	87.72	6,686.55	181.99	4,263.44	4,267.32	0.00	0.00	0.00	0.00
10,700.00	88.30	87.72	6,689.51	185.97	4,363.31	4,367.27	0.00	0.00	0.00	0.00
10,800.00	88.30	87.72	6,692.48	189.95	4,463.19	4,467.23	0.00	0.00	0.00	0.00
10,900.00	88.30	87.72	6,695.44	193.93	4,563.07	4,567.18	0.00	0.00	0.00	0.00
11,000.00	88.30	87.72	6,698.41	197.91	4,662.94	4,667.14	0.00	0.00	0.00	0.00
11,100.00	88.30	87.72	6,701.37	201.89	4,762.82	4,767.10	0.00	0.00	0.00	0.00
11,200.00	88.30	87.72	6,704.34	205.87	4,862.70	4,867.05	0.00	0.00	0.00	0.00

Plan Report for Burton Flat Deep Unit 51H - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
11,300.00	88.30	87.72	6,707.30	209.85	4,962.57	4,967.01	0.00	0.00	0.00	0.00
11,357.31	88.30	87.72	6,709.00	212.13	5,019.81	5,024.29	0.00	0.00	0.00	0.00
BFDU 51H PBHL										

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
6,004.00	6,004.00	0.00	0.00	6004'MD-KOP Build @ 10° DLS
6,905.38	6,577.00	34.92	573.37	6905'MD End Build & Turn 88.30° (Azm 87.72°)
11,357.31	6,709.00	212.13	5,019.81	11357'MD. PBHL

Vertical Section Information

Angle Type	Target	Azimuth (°)	Origin Type	Origin		Start TVD (ft)
				+N/_S (ft)	+E/-W (ft)	
TD	No Target (Freehand)	87.58	Slot	0.00	0.00	0.00

Survey tool program

From (ft)	To (ft)	Survey/Plan	Survey Tool
0.00	11,357.31	Plan #1	MWD

Targets associated with this wellbore

Target Name	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Shape
BFDU 51H Heel	6,577.00	34.92	573.37	Point
BFDU 51H PBHL	6,709.00	212.13	5,019.81	Point

HALLIBURTON**North Reference Sheet for Burton Flat Deep Unit - Burton Flat Deep Unit 51H - Wellbore #1**

All data is in US Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.

Vertical Depths are relative to GL 3202.4 + 25'KB @ 3227.40ft (TBD). Northing and Easting are relative to Burton Flat Deep Unit 51H

Coordinate System is US State Plane 1983, New Mexico Eastern Zone using datum North American Datum 1983, ellipsoid GRS 1980

Projection method is Transverse Mercator (Gauss-Kruger)

Central Meridian is -104 33°, Longitude Origin: 0° 0' 0.000 E°, Latitude Origin: 0° 0' 0.000 N°

False Easting: 541,337.50ft, False Northing: 0.00ft, Scale Reduction: 0.99991203

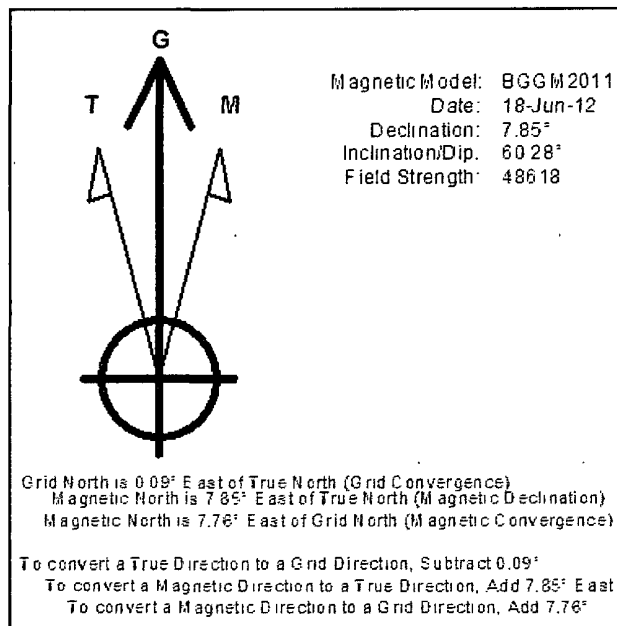
Grid Coordinates of Well: 550,798.81 ft N, 591,992.85 ft E

Geographical Coordinates of Well: 32° 30' 50.75" N, 104° 10' 08.40" W

Grid Convergence at Surface is 0.09°

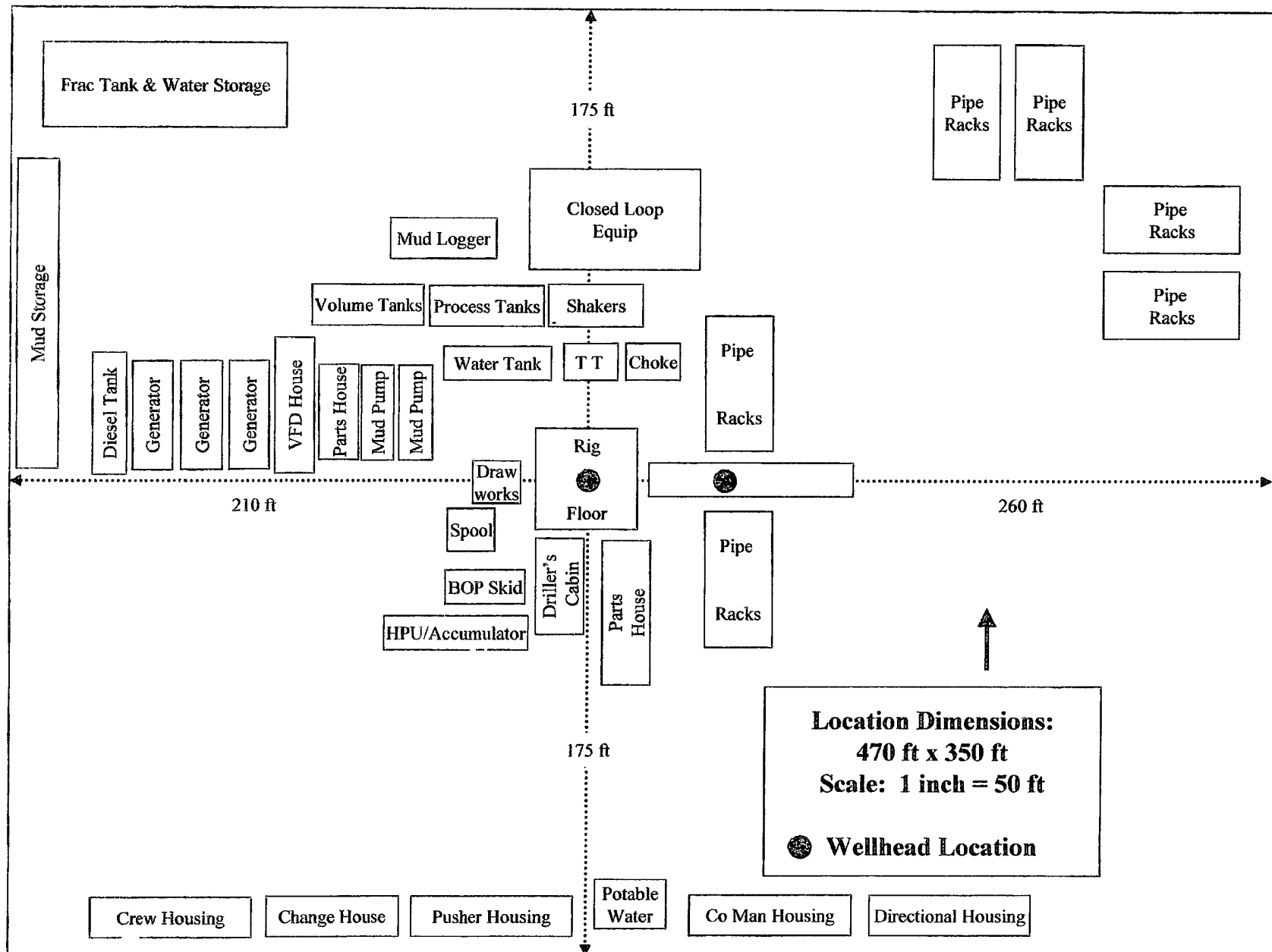
Based upon Minimum Curvature type calculations, at a Measured Depth of 11,357.31ft the Bottom Hole Displacement is 5,024.29ft in the Direction of 87.58° (Grid).

Magnetic Convergence at surface is: -7.76° (18 June 2012, , BGGM2011)



H&P Flex Rig Location Layout

2 Well Pad

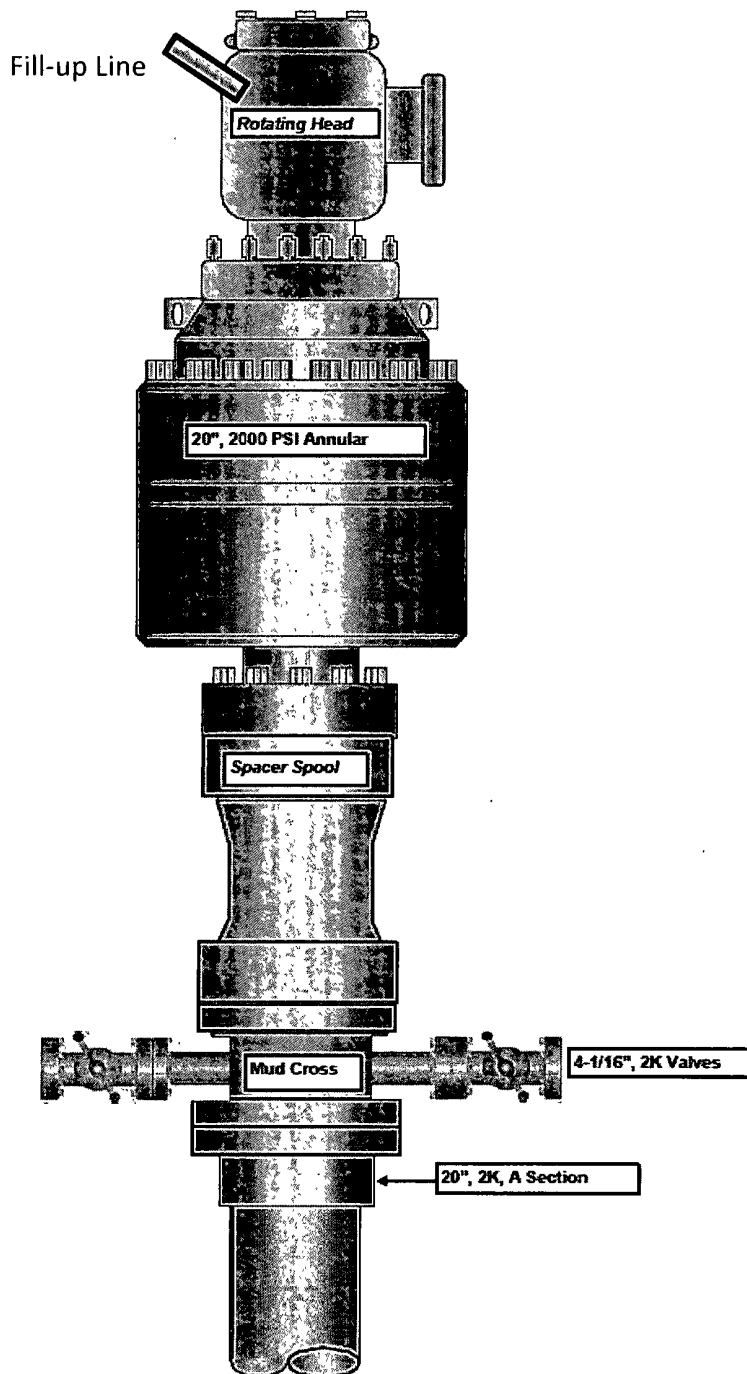


NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
Burton Flat Deep Unit #51H

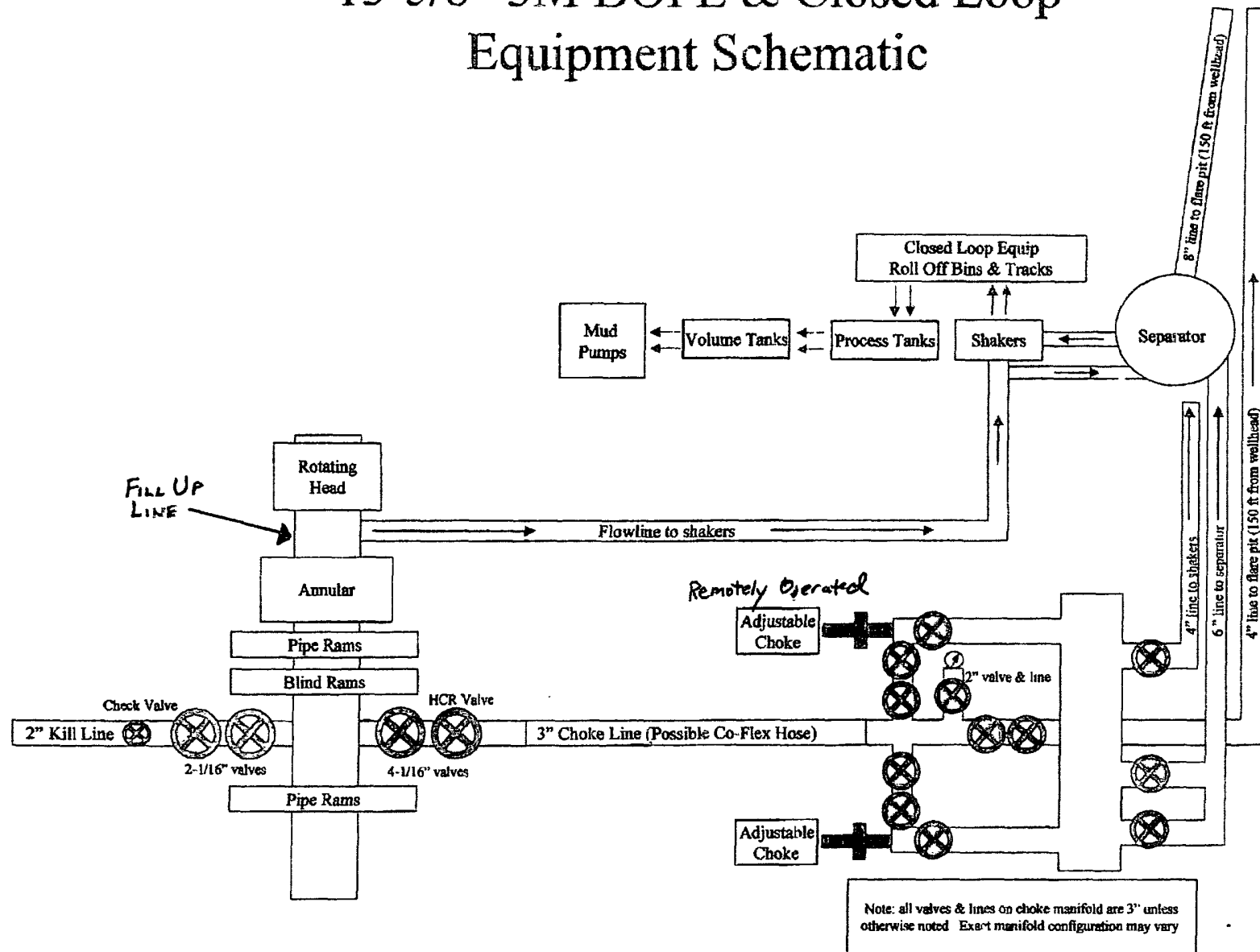
Surface Location: 3125' FNL & 50' FEL, Lot 9, Sec 3 T21S R27E, Eddy, NM
Bottom Hole Location: 2920' FNL & 330' FEL, Lot 9, Sec 2 T21S R27E, Eddy, NM

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.

20" 2K Annular



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



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

Burton Flat Deep Unit 51H

Surface Location: 3125' FNL & 50' FEL of 03-21S-27E Eddy, NM
Bottom Hole Location: 2920' FNL & 330' FEL of 02-21S-27E, 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.



QUALITY DOCUMENT

PHOENIX RUBBER

INDUSTRIAL LTD.

H-6728 Szeged, Budapesti út 10. Hungary • H-6701 Szeged, P. O. Box 152
Phone: (3662) 566-737 • Fax: (3662) 566-738

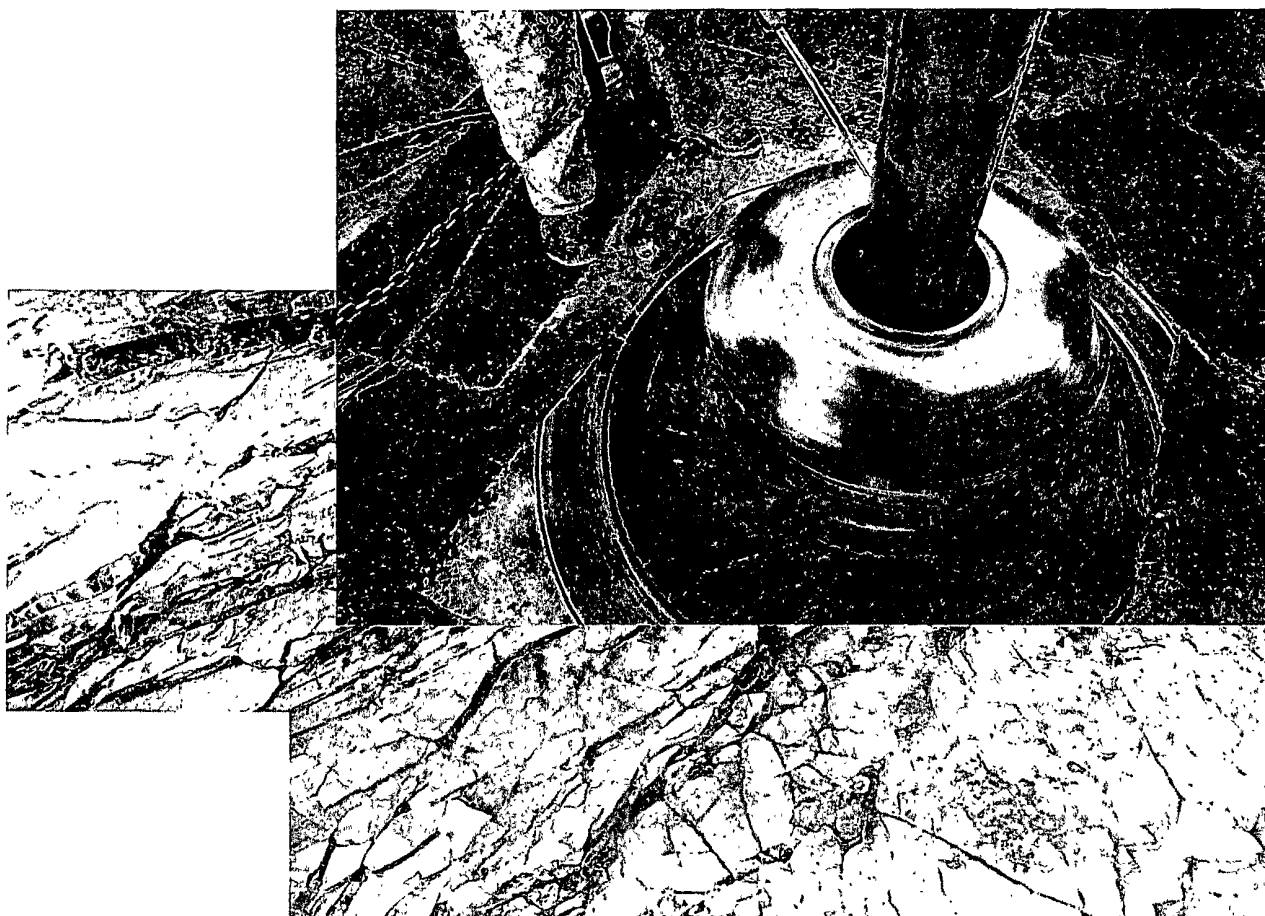
SALES & MARKETING: H-1082 Budapest, Ráday u. 42-44. Hungary • H-1440 Budapest, P. O. Box 26
Phone: (361) 456-4200 • Fax: (361) 217-2972, 456-4273 • www.lauruserge.hu

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT N° 890	
PURCHASER: Phoenix Beattie Co.				P.O. N° 1520FA-872	
PHOENIX ORDER N° 172232		HOSE TYPE: 3" ID Choke and Kill Hose			
HOSE SERIAL N° 34403		NOMINAL / ACTUAL LENGTH: 11,43 m			
W.P 68,96 MPa 10000 psi		T.P 103,4 MPa 15000 psi		Duration: 60 min.	
Pressure test with water at ambient temperature					
See attachment. (1 page)					
↑ 10 mm = 10 Min. → 10 mm = 16 MPa					
COUPLINGS					
Type	Serial N°		Quality	Heat N°	
3" coupling with 4 1/16" Flange end	1231/a 1228		AISI 4130	80751	
			AISI 4130	47438	
API Spec 16 C Temperature rate: "B"					
All metal parts are flawless					
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.					
Date: 20. June. 2002.	Inspector		Quality Control PHOENIX RUBBER Industrial Ltd. Hose Inspection and Certification Dept.		

VERIFIED TRUE COPY
PHOENIX RUBBER O O



Commitment Runs Deep



Design Plan
Operation and Maintenance Plan
Closure Plan

SENM - Closed Loop Systems
June 2010

I. Design Plan

Devon uses MI SWACO closed loop system (CLS). The MI SWACO CLS is designed to maintain drill solids at or below 5%. The equipment is arranged to progressively remove solids from the largest to the smallest size. Drilling fluids can thus be reused and savings is realized on mud and disposal costs. Dewatering may be required with the centrifuges to insure removal of ultra fine solids.

The drilling location is constructed to allow storm water to flow to a central sump normally the cellar. This insures no contamination leaves the drilling pad in the event of a spill. Storm water is reused in the mud system or stored in a reserve fluid tank farm until it can be reused. All lubricants, oils, or chemicals are removed immediately from the ground to prevent the contamination of storm water. An oil trap is normally installed on the sump if an oil spill occurs during a storm.

A tank farm is utilized to store drilling fluids including fresh water and brine fluids. The tank farm is constructed on a 20 ml plastic lined, bermed pad to prevent the contamination of the drilling site during a spill. Fluids from other sites may be stored in these tanks for processing by the solids control equipment and reused in the mud system. At the end of the well the fluids are transported from the tank farm to an adjoining well or to the next well for the rig.

Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

Signs will be posted on the fence surrounding the closed-loop system unless the closed-loop system is located on a site where there is an existing well, that is operated by Devon.

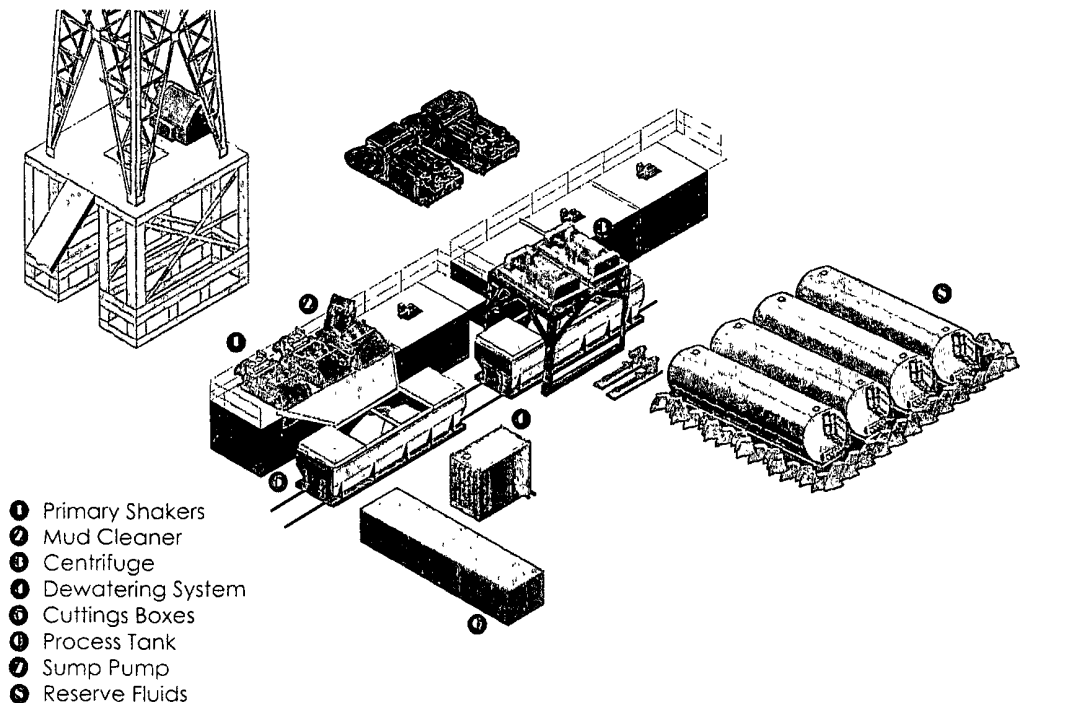
II. Operations and Maintenance Plan

Primary Shakers: The primary shakers make the first removal of drill solids from the drilling mud as it leaves the well bore. The shakers are sized to handle maximum drilling rate at optimal screen size. The shakers normally remove solids down to 74 microns.

Mud Cleaner: The Mud Cleaner cleans the fluid after it leaves the shakers. A set of hydrocyclones are sized to handle 1.25 to 1.5 times the maximum circulating rate. This ensures all the fluid is being processed to an average cut point of 25 microns. The wet discharged is dewatered on a shaker equipped with ultra fine mesh screens and generally cut at 40 microns.



Closed Loop Schematic



Centrifuges: The centrifuges can be one or two in number depending on the well geometry or depth of well. The centrifuges are sized to maintain low gravity solids at 5% or below. They may or may not need a dewatering system to enhance the removal rates. The centrifuges can make a cut point of 8-10 microns depending on bowl speed, feed rate, solids loading and other factors.

The centrifuge system is designed to work on the active system and be flexible to process incoming fluids from other locations. This set-up is also dependant on well factors.

Dewatering System: The dewatering system is a chemical mixing and dosing system designed to enhance the solids removal of the centrifuge. Not commonly used in shallow wells. It may contain pH adjustment, coagulant mixing and dosing, and polymer mixing and dosing. Chemical flocculation binds ultra fine solids into a mass that is within the centrifuge operating design. The

dewatering system improves the centrifuge cut point to infinity or allows for the return of clear water or brine fluid. This ability allows for the ultimate control of low gravity solids.

Cuttings Boxes: Cuttings boxes are utilized to capture drill solids that are discarded from the solids control equipment. These boxes are set upon a rail system that allows for the removal and replacement of a full box of cuttings with an empty one. They are equipped with a cover that insures no product is spilled into the environment during the transportation phase.

Process Tank: (Optional) The process tank allows for the holding and process of fluids that are being transferred into the mud system. Additionally, during times of lost circulation the process tank may hold active fluids that are removed for additional treatment. It can further be used as a mixing tank during well control conditions.

Sump and Sump Pump: The sump is used to collect storm water and the pump is used to transfer this fluid to the active system or to the tank for to hold in reserve. It can also be used to collect fluids that may escape during spills. The location contains drainage ditches that allow the location fluids to drain to the sump.

Reserve Fluids (Tank Farm): A series of frac tanks are used to replace the reserve pit. These are steel tanks that are equipped with a manifold system and a transfer pump. These tanks can contain any number of fluids used during the drilling process. These can include fresh water, cut brine, and saturated salt fluid. The fluid can be from the active well or reclaimed fluid from other locations. A 20 ml liner and berm system is employed to ensure the fluids do not migrate to the environment during a spill.

If a leak develops, the appropriate division district office will be notified within 48 hours of the discovery and the leak will be addressed. Spill prevention is accomplished by maintaining pump packing, hoses, and pipe fittings to insure no leaks are occurring. During an upset condition the source of the spill is isolated and repaired as soon as it is discovered. Free liquid is removed by a diaphragm pump and returned to the mud system. Loose topsoil may be used to stabilize the spill and the contaminated soil is excavated and placed in the cuttings boxes. After the well is finished and the rig has moved, the entire location is scrapped and testing will be performed to determine if a release has occurred.

All trash is kept in a wire mesh enclosure and removed to an approved landfill when full. All spent motor oils are kept in separate containers and they are removed and sent to an approved recycling center. Any spilled lubricants, pipe

dope, or regulated chemicals are removed from soil and sent to landfills approved for these products.

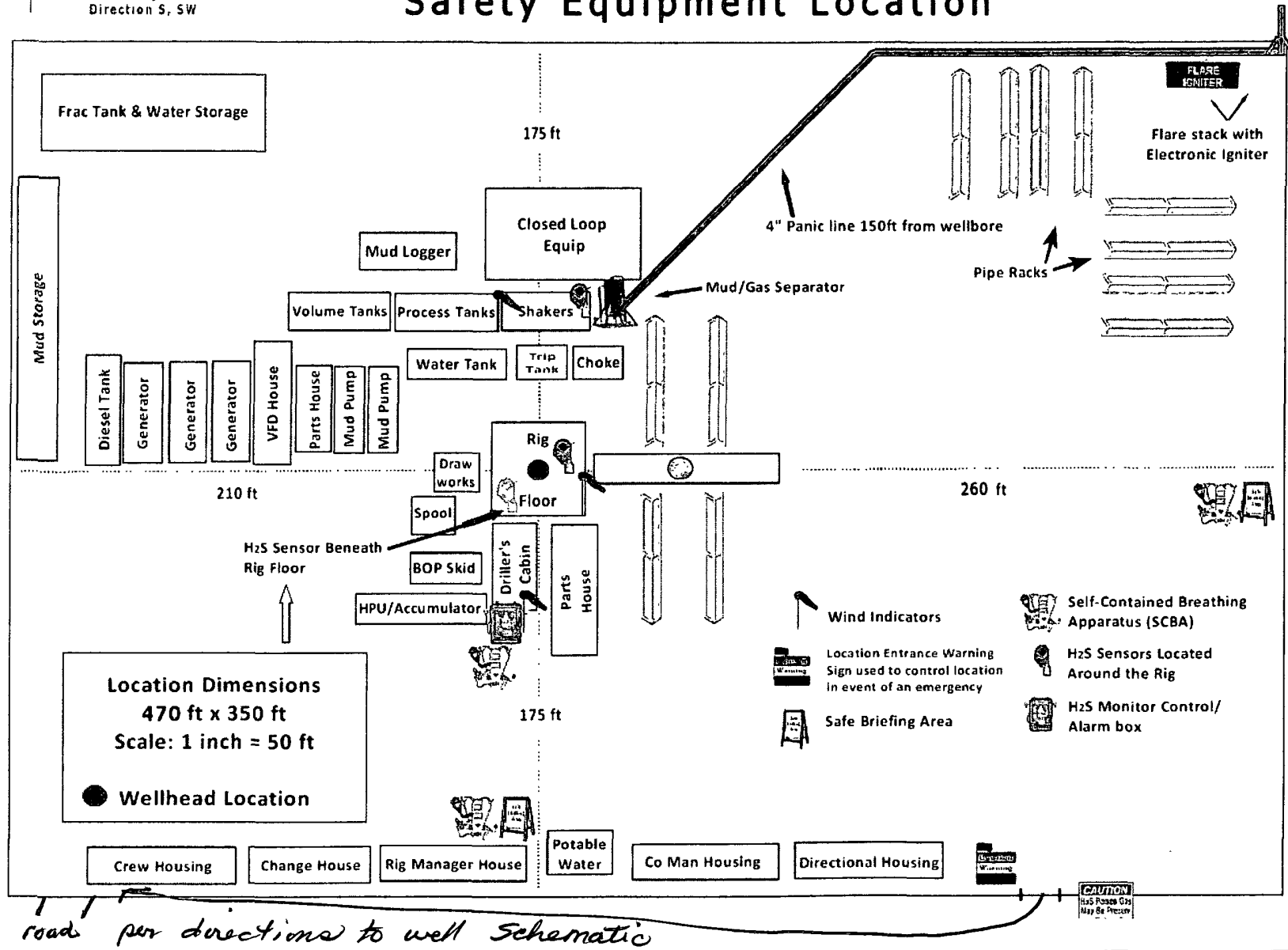
These operations are monitored by Mi Swaco service technicians. Daily logs are maintained to ensure optimal equipment operation and maintenance. Screen and chemical use is logged to maintain inventory control. Fluid properties are monitored and recorded and drilling mud volumes are accounted for in the mud storage farm. This data is kept for end of well review to insure performance goals are met. Lessons learned are logged and used to help with continuous improvement.

A MI SWACO field supervisor manages from 3-5 wells. They are responsible for training personnel, supervising installations, and inspecting sites for compliance of MI SWACO safety and operational policy.

III. Closure Plan

A maximum 340' X 340' caliche pad is built per well. All of the trucks and steel tanks fit on this pad. All fluid cuttings go to the steel tanks to be hauled by various trucking companies to an agency approved disposal.

Devon Energy - 2 Well Pad Rig Location Layout Safety Equipment Location





**Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260**

Hydrogen Sulfide (H₂S) Contingency Plan

For

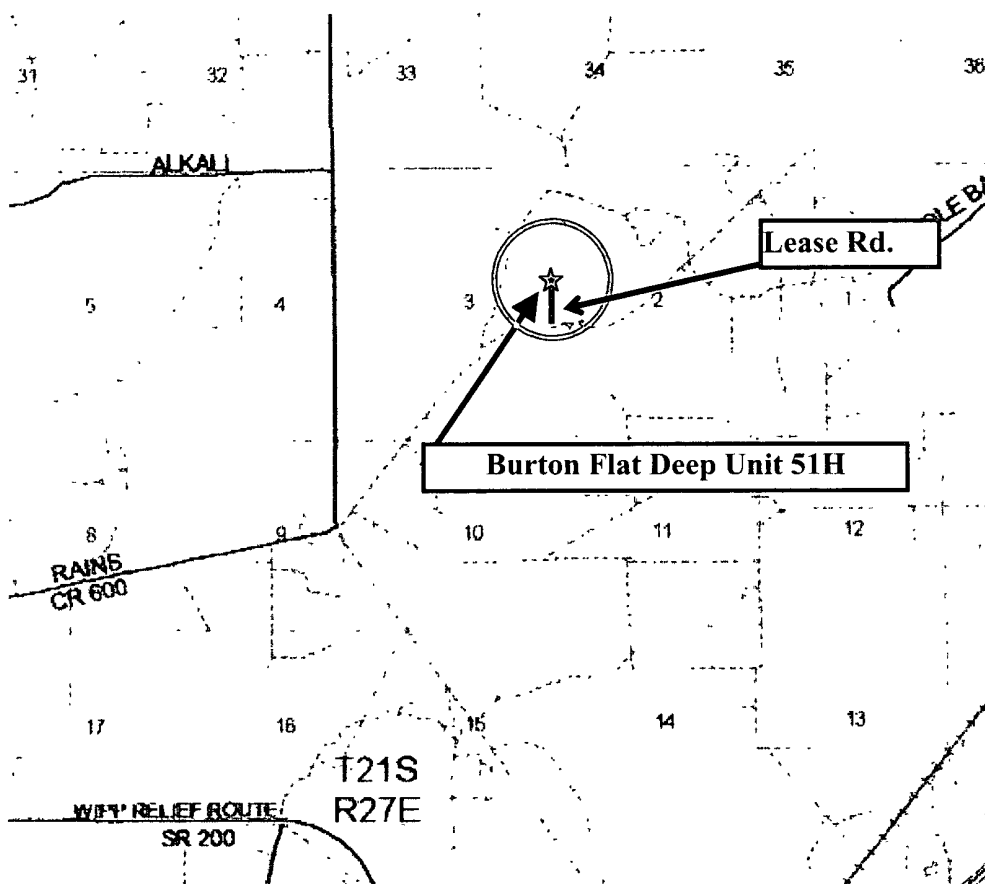
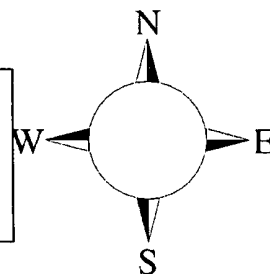
Burton Flat Deep Unit 51H

**Sec-3, T-21S R-27E
3125' FNL & 50' FEL,
LAT. = 32.5140985°N (NAD83)
LONG = 104.1689992°W**

Eddy County NM

Burton Flat Deep Unit 51H

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm H₂S concentration shall trigger activation of this plan.

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated from the location entrance road, South then Southwest or Northeast on primitive road. Crews should then block both directions of the road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. There are no homes or buildings in or near the ROE.

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the “buddy system” to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
 - Detection of H₂S, and
 - Measures for protection against the gas,
 - Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE (H₂S) TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan.

II. HYDROGEN SULFIDE TRAINING

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H₂S.

1. Well Control Equipment

- A. Flare line
- B. Choke manifold
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer and rotating head.

2. Protective equipment for essential personnel:

- A. 30-minute SCBA units located in the doghouse and at briefing areas, as indicated on well site diagram. As it may be difficult to communicate audibly while wearing these units, hand signals shall be utilized.

3. H₂S detection and monitoring equipment:

- A. Portable H₂S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 PPM are reached. These units are usually capable of detecting SO₂, which is a byproduct of burning H₂S.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram
- B. Caution/ Danger signs shall be posted on roads providing direct access to locations. Signs will be painted a high visibility yellow with black lettering of sufficient size to be reasonable distance from the immediate location. Bilingual signs will be used when appropriate..

5. Mud program:

- A. The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H₂S trim.
- B. All elastomers used for packing and seals shall be H₂S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephones and 2-way radio
- B. Land line (telephone) communications at Office

8. Well testing:

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H₂S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

Devon Energy Corp. Company Call List

<u>Artesia (575)</u>	<u>Cellular</u>	<u>Office</u>	<u>Home</u>
Foreman – Robert Bell	748-7448	748-0178	746-2991
Asst. Foreman –Tommy Polly.....	748-5290	748-0165	748-2846
Don Mayberry	748-5235	748-0164	746-4945
Montral Walker	390-5182	748-0193	936-414-6246
Engineer – Marcos Ortiz.....	(405) 317-0666....	(405) 552-8152....	(405) 381-4350

Agency Call List

<u>Lea</u>	<u>Hobbs</u>
<u>County</u>	State Police
<u>(575)</u>	City Police
	Sheriff's Office
	Ambulance.....
	Fire Department
	LEPC (Local Emergency Planning Committee).....
	NMOCD
	US Bureau of Land Management

<u>Eddy</u>	<u>Carlsbad</u>
<u>County</u>	State Police
<u>(575)</u>	City Police
	Sheriff's Office
	Ambulance.....
	Fire Department
	LEPC (Local Emergency Planning Committee).....
	US Bureau of Land Management
	New Mexico Emergency Response Commission (Santa Fe) ...
	24 HR
	National Emergency Response Center (Washington, DC) ..

Emergency Services

	Boots & Coots IWC
	Cudd Pressure Control.....
	Halliburton
	B. J. Services.....
<i>Give</i>	Flight For Life - Lubbock, TX
<i>GPS</i>	Aerocare - Lubbock, TX
<i>position:</i>	Med Flight Air Amb - Albuquerque, NM
	Lifeguard Air Med Svc. Albuquerque, NM

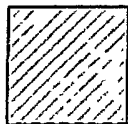
Prepared in conjunction with
Wade Rohloff





Proposed Interim Site Reclamation

Devon Energy Production Co.
BFDU 51H
3125' FNL & 50' FEL
Sec. 3-T21S-R27E
Eddy County, NM

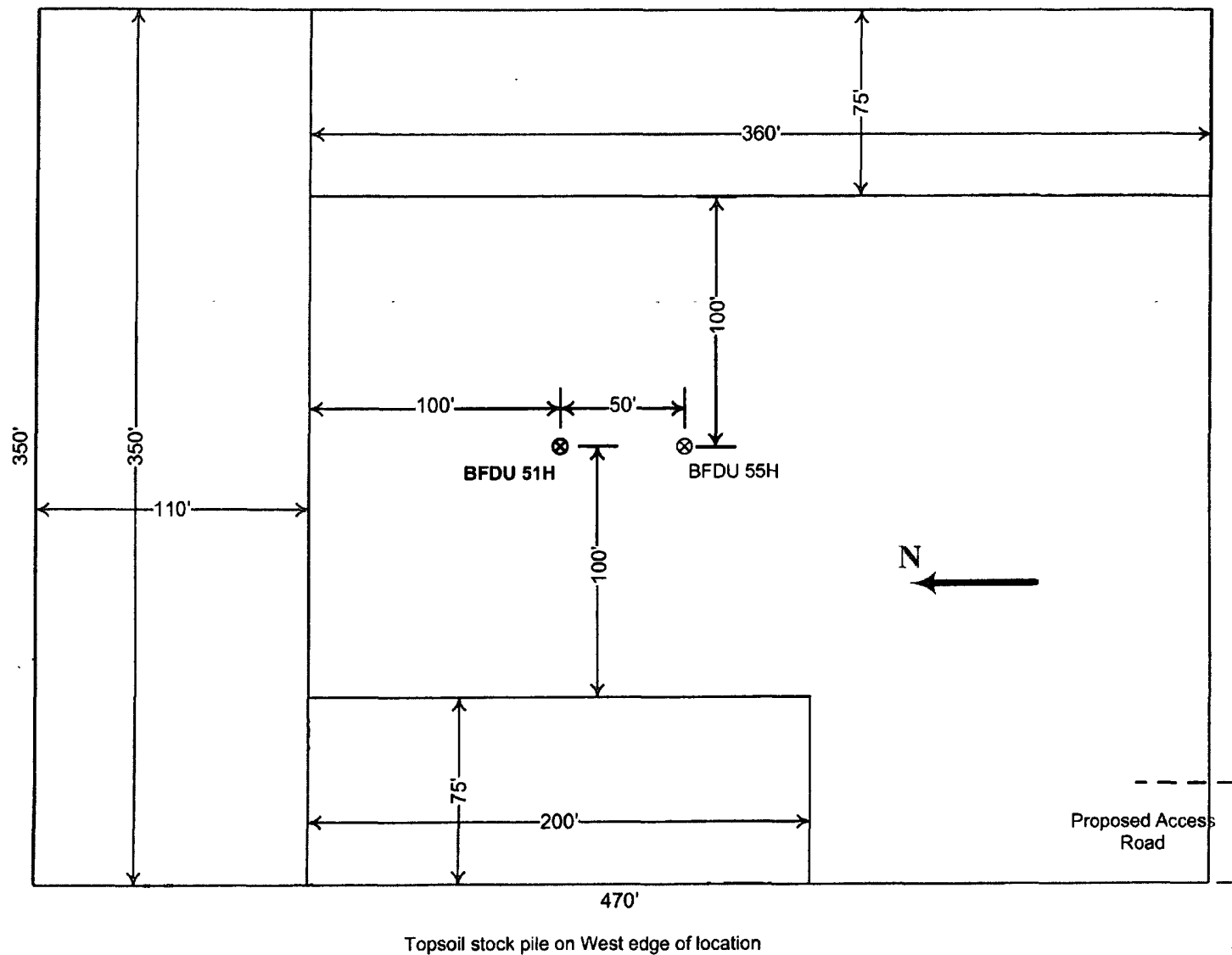


Proposed
Reclamation
Area



Scale: 1 in = 60ft.

Proposed Production Facility at the BFDU 52H/56H well pad in Sec. 3-T21S-R27E



PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company LP
LEASE NO.:	NM-0560290
WELL NAME & NO.:	Burton Flat Deep Unit #51H
SURFACE HOLE FOOTAGE:	3125' FNL & 0050' FEL
BOTTOM HOLE FOOTAGE:	2920' FNL & 0330' FEL Sec. 2
LOCATION:	Section 3, T. 21 S., R 27 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Cave/Karst
- ☐ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - High Cave/Karst
 - Logging Requirements
 - Mud logger / casing depth
 - Waste Material and Fluids
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines – not requested
 - Electric Lines – not requested
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**