EA-12-1308 12-950

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Form 3160-3
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM 0560290

6. If Indian, Allotee or Tribe Name

TCS 10/1/2012

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
NM 70798X BFDU

1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Burton Flat Deep Unit 50H <302209>

2. Name of Operator
Devon Energy Production, Company L. P. <6137>

9. API Well No.
30-015-40758

3a. Address
333 W. Sheridan
Oklahoma City, OK 73102

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

10. Field and Pool, or Exploratory
E. Avalon Bone Spring <37137>

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface 1925' FNL & 535' FEL, Sec 3
At proposed prod. zone 1980' FNL & 330' FEL, Sec 2

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 3 T21S R27E

14. Distance in miles and direction from nearest town or post office*
5 miles north of Carlsbad, NM

12. County or Parish
Eddy

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
330'	314.62 ac	160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/BIA Bond No. on file**
See attached map	6706' TVD 11,827' MD	CO-1104; NMB 000801
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	**22. Approximate date work will start***	**23. Estimated duration**
3217.4' GL		45 days

24. Attachments To be pad drilled w/ Burton Flat Deep Unit 49H

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.
2. A Drilling Plan.
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)
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature	Name *(Printed/Typed)*	Date
Patti Riechers	Patti Riechers	09/10/2012

Title
Regulatory Specialist

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Don Peterson	/s/ Don Peterson	SEP 26 2012
Title	**Office**	
FIELD MANAGER	**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.

(Continued on page 2)

*(Instructions on page 2)

Witness Surface & Both Intermediate Casing

Capitan Controlled Water Basin

SEE ATTACHED FOR CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

District I
1625 N French Dr Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 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	[2] Pool Code	[3] Pool Name
30-015-40758	3713	E. AVALON BONE SPRING

[4] Property Code	[5] Property Name	[6] Well Number
302209	BURTON FLAT DEEP UNIT	50H
[7] OGRID No.	[8] Operator Name	[9] Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3217.4

[10] Surface Location

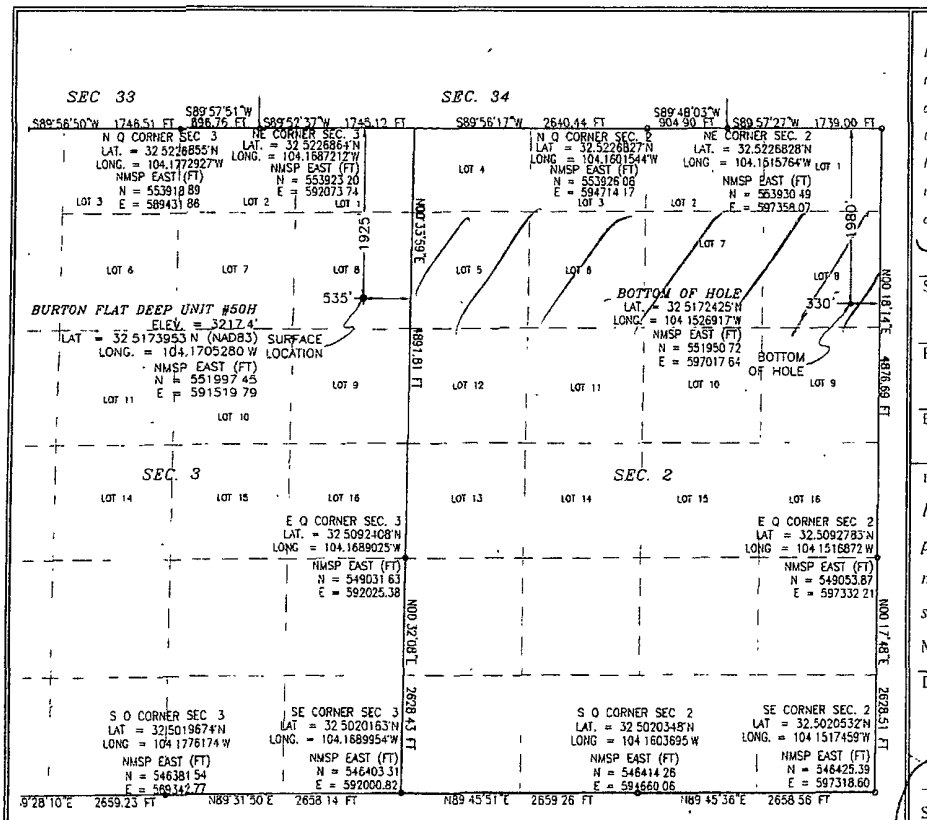
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
8	3	21 S	27 E		1925	NORTH	535	EAST	EDDY

[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
8	2	21 S	27 E		1980	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.



[17] OPERATOR CERTIFICATION

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

Patti Riechers 09/10/12
Signature Date

Patti Riechers, Regulatory Specialist
Printed Name

E-mail Address

[18] SURVEYOR CERTIFICATION

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.

MAY 30, 2012
Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number: FILIMON F. JARAMILLO, PLS 12797

SURVEY NO 1052A

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 _9th__ day of __July, 2012.
Printed Name: Judy A. Barnett
Signed Name: Judy A. Barnett
Position Title: Regulatory Specialist
Address: 20 North Broadway, OKC OK 73102
Telephone: (405)-228-8699
Field Representative (if not above signatory):
Address (if different from above):
Telephone (if different from above):

DRILLING PROGRAM

Devon Energy Production Company, LP

Burton Flat Deep Unit 50H

Surface Location: 1925' FNL & 535' FEL, Lot 8, Sec 3 T21S R27E, Eddy, NM

Bottom Hole Location: 1980' FNL & 330' FEL, Lot 8, 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. Rustler	17'	Water
b. Salado	271'	
c. Base Salado	600'	
d. Tansil	680'	
e. Yates	815'	
f. Seven Rivers	965'	
g. Capitan	1075'	
h. Capitan Base	2465'	
i. Delaware	2716'	Oil
j. Bone Spring Lm	5248'	Oil
k. 1st Bone Sprin g Ss	6451'	Oil
Total Depth	11,827'	

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 850' and circulating cement back to surface. Fresh water sands will be protected by setting 9 5/8" casing at 2750' and circulating cement to surface. The Bone Spring intervals will be isolated by setting 5 ½" casing to total depth and circulating cement above the base of the 9 5/8" casing.

Casing Program: ~~(all cement volumes based on at least 25% excess)~~ New casing required

Hole Size	Hole Interval (260 See COA)	OD Csg	Casing Interval	Weight	Collar	Grade
26"	0-~~200~~'	20"	0-200'	94#	BT&C	J/K-55
17 ½"	~~200~~-850'	13 3/8"	0-850'	48#	ST&C	H-40
12 ¼"	850- 2750'	9 5/8"	0-2750'	40#	LT&C	J-55
8 ¾"	2750 -5800'	5 ½"	0-5800'	17#	LT&C	HCP110
8 ¾"	6000-11827	5 ½"	6000-11,827'	17#	BT&C	HCP110

Design Parameter Factors:

Casing Size	Collapse Design Factor	Burst Design Factor	Tension Design Factor
20"	5.55	22.5	7.46
13 3/8"	1.74	3.91	7.89
9 5/8"	1.99	2.73	4.57
5 ½"	2.66	3.79	2.28
5 ½"	2.38	3.39	6.09

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. There is no potential for the intermediate casing to be used as a production string.

3. **Cement Program:** **(volumes based on at least 25% excess):**

a. 20" Surface — **Lead** w/ 510 Cl C + 2% bwoc Calcium Chloride + 0.125#/sx CF + 56.3% FW. 14.8 ppg. **Yld** 1.35 cf/sx. **TOC** @ surface.

b. 13 3/8" Intermediate — **Lead** w/ 415 sx Cl C +2% bwoc Calcium Chloride +0.125#/sx CF + 4% bwoc Bentonite + 81.4% FW, 13.5 ppg. **Yld** 1.75 cf/sx. **TOC** @ surface. **Tail** w/ 335 sx Cl C + 2% bwoc Calcium Chloride + 0.125#/sx CF + 56.3% FW, 14.8 ppg. **Yld** 1.35 cf/sx.

c. 9 5/8" Intermediate

Lead w/ 700 sx 60:40 POZ (Fly Ash) Cl C + 5% bwow Sodium Chloride + 0.125#/sx CF + 3#/sx LCM-1 + 1% bwoc Sodium Metasilicate + 89.7% FW, 12.6 ppg. **Yld 1.73** cf/sx. **Tail** w/ 300 sx 60:40 POZ (Fly Ash) Cl C + 5% bwow Sodium Chloride + 0.125#/sx CF + 0.4% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 65.5% FW, 13.8 ppg. **Yld** 1.38 cf/sx. TOC @ surface.

5 ½" Production

1st Lead w/ 615 sx 50:50 POZ Fly Ash Cl H + 0.5% bwoc FL-52 + 0.15% bwoc ASA-301 + 10% bwoc Bentonite + 0.3% bwoc R-21 + 130.5% FW 11.8 ppg. **Yld:** 2.30 cf/sx. TOC @ 750'.
2nd Lead w/ 415 sx 35:65 POZ (Fly Ash) Cl H + 3% bwow Sodium Chloride + 0.125#/sx CF + 0.7% bwoc FL-52 +6% bwoc Bentonite + 105.4% FW, 12.5 ppg. **Yld:** 2.00 cf/sx.
Tail w/ 1430 sx 50:50 POZ Fly Ash Cl H + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.5% bwoc Sodium Metasilicate + 57.3% FW, 14.2 ppg, **Yld** 1.28 cf/sx.

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach approximately ~~500'~~ See COA above the 9 5/8" casing shoe.

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

Proposed Mud Circulation System

Depth	Mud Wt.	Visc	Fluid Loss	Type System
~~0-200'~~ see COA	8.4-9.0	30-34	NC	FW
~~200~~-850'	9.8-10.0	28-32	NC	Brine
850-2750'	8.4-9.0	28-32	NC	FW
2750-11,827'	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.

4. **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.

5. **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 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.

6. 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 3600 psi and Estimated BHT 110°. No H2S is anticipated to be encountered.

7. 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

Eddy County, NM (NAD 83)
Burton Flat Deep Unit
Burton Flat Deep Unit 50H

Wellbore #1

Plan: Plan #3

Sperry Drilling Services

Proposal Report

29 August, 2012

Well Coordinates 551,997 45 N, 591,519 79 E (32° 31' 02 62" N, 104° 10' 13 90" W)
Ground Level 3,217 40 ft

Local Coordinate Origin	Centered on Well Burton Flat Deep Unit 50H
Viewing Datum	GL 3217 4' + 25' KB @ 3242 40ft (TBD)
TVDs to System	N
North Reference	Grid
Unit System	API - US Survey Feet

Version 2003 16 Build 431

HALLIBURTON

Devon Energy Corporation

HALLIBURTON | Sperry Drilling

devon

Project: Eddy County, NM (NAD 83)
Site: Burton Flat Deep Unit
Well: Burton Flat Deep Unit 50H
Wellbore: Wellbore #1
Plan: Plan #3
Rig: TBD

SURFACE LOCATION

US State Plane 1983
New Mexico Eastern Zone
Elevation: GL 3217.4' + 25' KB @ 3242.40ft (TBD)

Northing	Easting	Latitude	Longitude
551997.45	591519.79	32° 31' 2.623 N	104° 10' 13.901 W

CASING DETAILS

No casing data is available

SECTION DETAILS

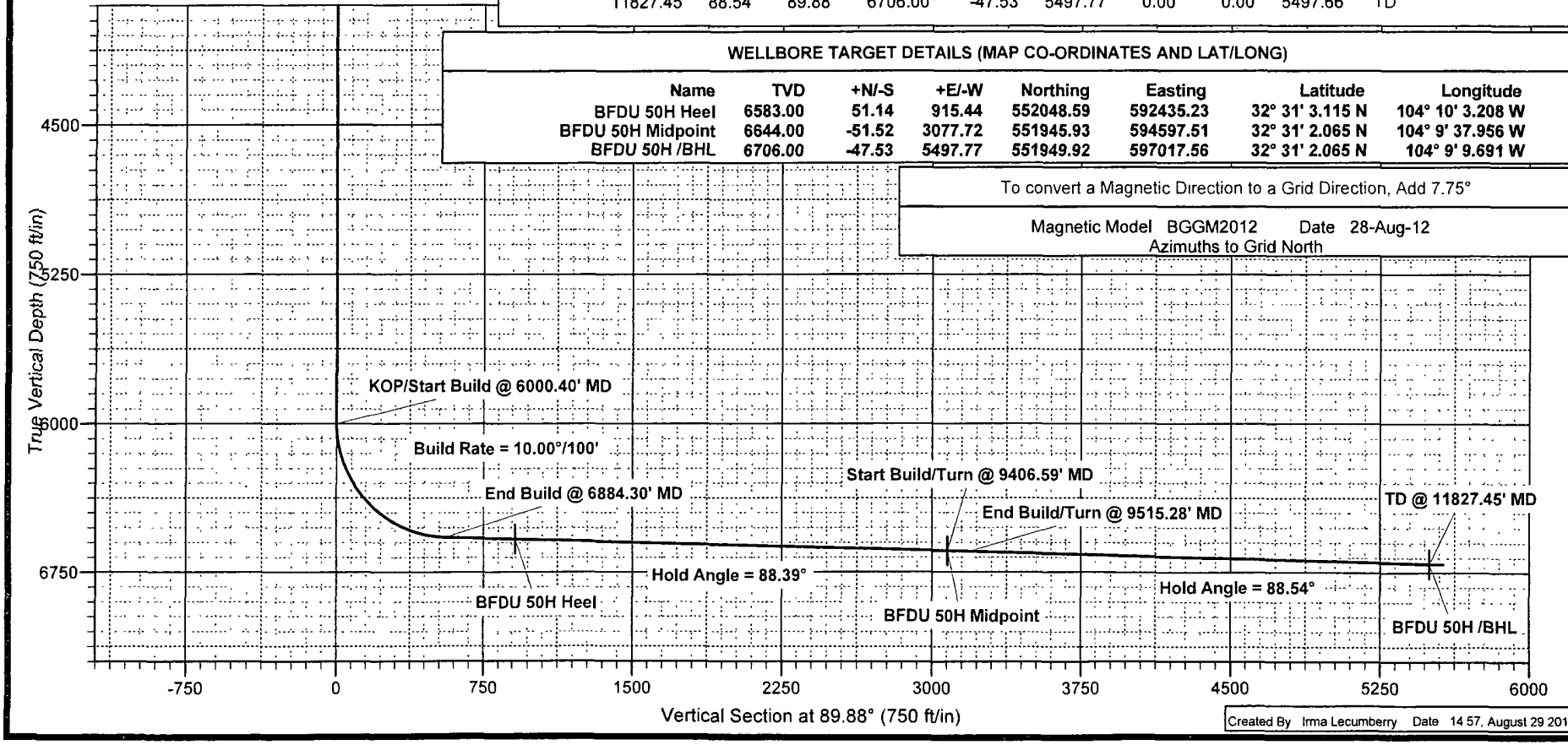
MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
6000.40	0.00	0.00	6000.40	0.00	0.00	0.00	0.00	0.00	KOP/Start Build
6884.30	88.39	90.96	6573.13	-9.32	556.78	10.00	90.96	556.76	End Build
9406.59	88.39	90.96	6644.00	-51.52	3077.72	0.00	0.00	3077.60	Start Build/Turn
9515.28	88.54	89.88	6646.92	-52.31	3186.37	1.00	-82.31	3186.25	End Build/Turn
11827.45	88.54	89.88	6706.00	-47.53	5497.77	0.00	0.00	5497.66	TD

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
BFDU 50H Heel	6583.00	51.14	915.44	552048.59	592435.23	32° 31' 3.115 N	104° 10' 3.208 W
BFDU 50H Midpoint	6644.00	-51.52	3077.72	551945.93	594597.51	32° 31' 2.065 N	104° 9' 37.956 W
BFDU 50H /BHL	6706.00	-47.53	5497.77	551949.92	597017.56	32° 31' 2.065 N	104° 9' 9.691 W

To convert a Magnetic Direction to a Grid Direction, Add 7.75°

Magnetic Model BGGM2012 Date 28-Aug-12
Azimuths to Grid North



Created By Irma Lecumberry Date 14 57, August 29 2012

Devon Energy Corporation

HALLIBURTON | Sperry Drilling

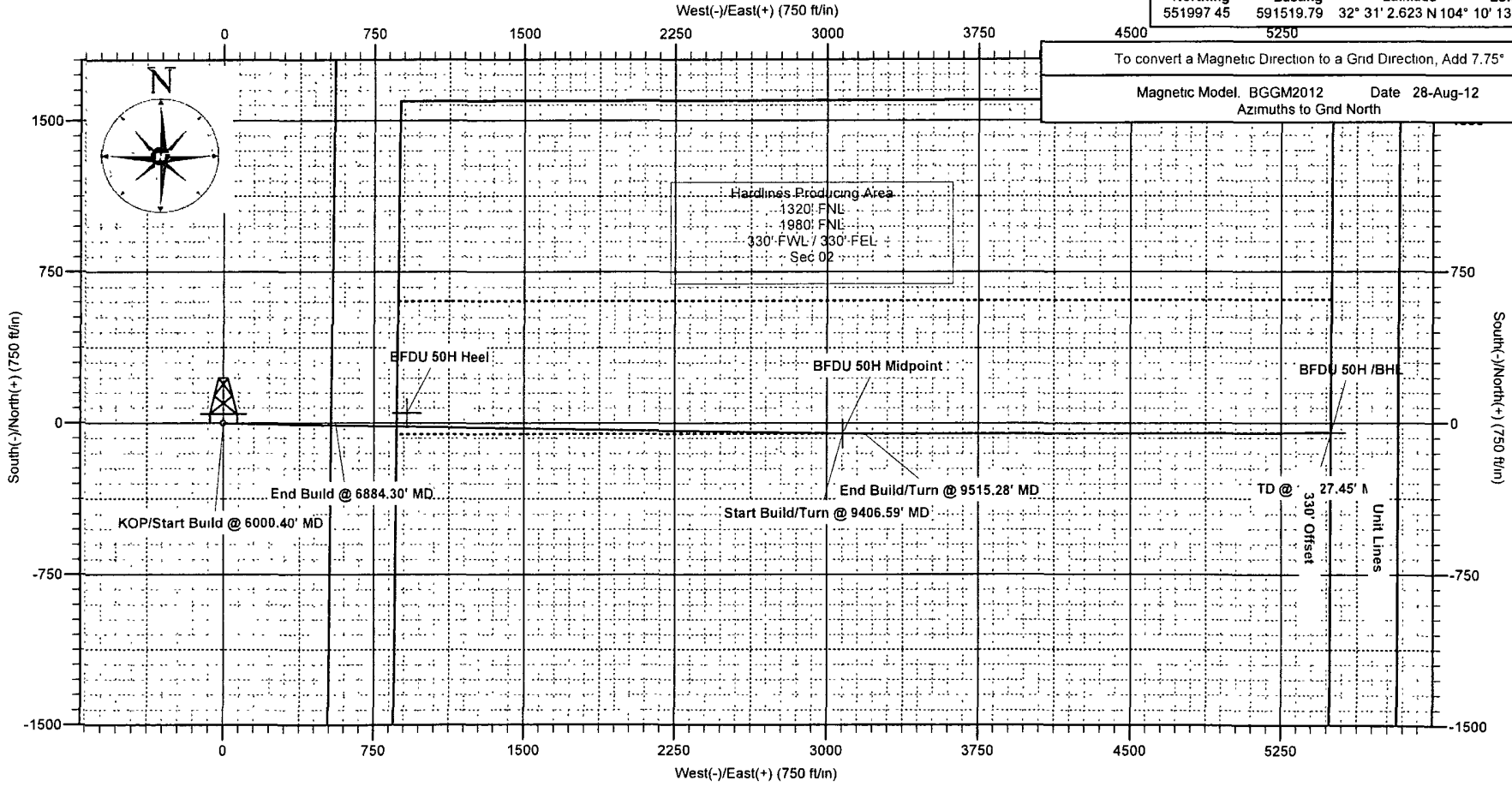
devon

Project: Eddy County, NM (NAD 83)
Site: Burton Flat Deep Unit
Well: Burton Flat Deep Unit 50H
Wellbore: Wellbore #1
Plan: Plan #3
Rig: TBD

SURFACE LOCATION			
US State Plane 1983 New Mexico Eastern Zone Elevation: GL 3217.4' + 25' KB @ 3242.40ft (TBD)			
Northing	**Easting**	**Latittude**	**Longitude**
551997 45	591519.79	32° 31' 2.623 N	104° 10' 13.901 W

To convert a Magnetic Direction to a Grid Direction, Add 7.75°

Magnetic Model: BGGM2012 Date: 28-Aug-12
Azimuths to Grid North



Created By: Irma Lecumberry Date: 15 25, August 29 2012

Plan Report for Burton Flat Deep Unit 50H - Plan #3

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
6,000.40	0 00	0 00	6,000 40	0 00	0 00	0 00	0 00	0 00	0 00	0 00
KOP/Start Build @ 6000.40' MD										
6,000 41	0 00	90 96	6,000 41	0 00	0 00	0 00	0 00	0 00	0 00	90 96
Build Rate = 10.00°/100'										
6,100 00	9 96	90 96	6,099 50	-0 14	8 63	8 63	10 00	10 00	0 00	90.96
6,200.00	19 96	90 96	6,195 99	-0 58	34 41	34 41	10 00	10 00	0.00	0 00
6,300 00	29 96	90 96	6,286.53	-1 28	76 55	76 55	10 00	10 00	0 00	0 00
6,400 00	39 96	90 96	6,368 38	-2 24	133 77	133 76	10 00	10 00	0 00	0 00
6,500 00	49 96	90 96	6,439 05	-3 42	204 33	204 32	10 00	10 00	0 00	0 00
6,600 00	59 96	90 96	6,496 40	-4 79	286 09	286 08	10 00	10 00	0 00	0 00
6,700 00	69 96	90 96	6,538 67	-6 30	376 56	376 55	10 00	10 00	0 00	0 00
6,800 00	79 96	90 96	6,564 59	-7 92	473 00	472 98	10 00	10.00	0 00	0 00
6,884 30	88 39	90 96	6,573.13	-9.32	556 78	556 76	10 00	10 00	0 00	0 00
End Build @ 6884.30' MD - Hold Angle = 88.39°										
6,900 00	88.39	90 96	6,573 57	-9 58	572 47	572 45	0 00	0 00	0.00	0 00
7,000 00	88 39	90 96	6,576 38	-11 26	672 42	672 39	0 00	0 00	0 00	0 00
7,100 00	88 39	90 96	6,579 19	-12 93	772 36	772 34	0 00	0 00	0 00	0 00
7,200 00	88 39	90 96	6,582.00	-14 60	872 31	872 28	0 00	0 00	0 00	0.00
7,300 00	88 39	90 96	6,584 81	-16 27	972 26	972 22	0 00	0 00	0 00	0 00
7,400 00	88 39	90 96	6,587 62	-17 95	1,072 20	1,072 16	0 00	0 00	0 00	0 00
7,500.00	88 39	90 96	6,590 43	-19 62	1,172 15	1,172 11	0 00	0 00	0 00	0 00
7,600 00	88 39	90 96	6,593 24	-21 29	1,272 10	1,272 05	0 00	0 00	0 00	0 00
7,700 00	88 39	90 96	6,596 05	-22 97	1,372 04	1,371 99	0 00	0 00	0 00	0 00
7,800 00	88 39	90 96	6,598 86	-24 64	1,471 99	1,471 94	0 00	0 00	0 00	0 00
7,900 00	88 39	90 96	6,601 67	-26 31	1,571 94	1,571 88	0 00	0 00	0 00	0 00
8,000 00	88 39	90 96	6,604 48	-27 99	1,671.88	1,671 82	0 00	0 00	0 00	0 00
8,100 00	88 39	90 96	6,607 29	-29 66	1,771 83	1,771 76	0 00	0 00	0 00	0 00
8,200 00	88 39	90 96	6,610 10	-31 33	1,871 78	1,871 71	0 00	0 00	0 00	0 00
8,300 00	88 39	90 96	6,612.91	-33.00	1,971 72	1,971 65	0 00	0 00	0 00	0 00
8,400.00	88 39	90 96	6,615.72	-34 68	2,071 67	2,071 59	0 00	0 00	0 00	0 00
8,500 00	88.39	90 96	6,618 53	-36 35	2,171 62	2,171.53	0 00	0 00	0 00	0 00
8,600 00	88 39	90 96	6,621 34	-38 02	2,271 56	2,271 48	0 00	0 00	0 00	0 00
8,700 00	88 39	90 96	6,624 15	-39 70	2,371 51	2,371 42	0 00	0.00	0 00	0 00
8,800 00	88 39	90 96	6,626 96	-41 37	2,471 46	2,471 36	0 00	0 00	0 00	0 00
8,900 00	88 39	90 96	6,629 77	-43 04	2,571 40	2,571 31	0 00	0 00	0 00	0 00
9,000 00	88 39	90 96	6,632 58	-44 72	2,671 35	2,671 25	0 00	0 00	0 00	0 00
9,100 00	88 39	90 96	6,635 39	-46 39	2,771.29	2,771 19	0 00	0 00	0.00	0 00
9,200 00	88 39	90 96	6,638 20	-48 06	2,871 24	2,871 13	0 00	0 00	0 00	0 00
9,300 00	88 39	90 96	6,641 01	-49 73	2,971 19	2,971 08	0 00	0 00	0 00	0 00
9,400 00	88 39	90 96	6,643 81	-51.41	3,071 13	3,071 02	0 00	0 00	0 00	0 00
9,406 59	88 39	90 96	6,644 00	-51 52	3,077.72	3,077 61	0 00	0 00	0 00	0 00
Start Build/Turn @ 9406.59' MD										
9,500 00	88 52	90 03	6,646 52	-52 33	3,171 09	3,170 98	1 00	0 13	-0 99	-82 31
9,515 28	88 54	89 88	6,646 92	-52 31	3,186 37	3,186 25	1 00	0 13	-0 99	-82 28
End Build/Turn @ 9515.28' MD - Hold Angle = 88.54°										
9,600 00	88 54	89 88	6,649 08	-52 14	3,271 06	3,270 94	0 00	0 00	0 00	0 00
9,700 00	88 54	89 88	6,651 64	-51.93	3,371 03	3,370 91	0 00	0 00	0 00	0 00
9,800 00	88 54	89 88	6,654 19	-51 73	3,470 99	3,470 88	0 00	0 00	0 00	0 00
9,900 00	88 54	89 88	6,656 75	-51 52	3,570 96	3,570 85	0 00	0 00	0 00	0 00
10,000 00	88 54	89 88	6,659 30	-51 31	3,670 93	3,670 81	0 00	0 00	0 00	0 00
10,100 00	88 54	89 88	6,661 86	-51.11	3,770 90	3,770 78	0 00	0 00	0 00	0 00
10,200 00	88 54	89 88	6,664.41	-50 90	3,870 86	3,870 75	0 00	0 00	0 00	0 00
10,300 00	88 54	89 88	6,666 97	-50 69	3,970 83	3,970 71	0 00	0 00	0 00	0 00
10,400 00	88 54	89.88	6,669 52	-50 48	4,070 80	4,070 68	0 00	0 00	0 00	0 00
10,500 00	88 54	89 88	6,672 08	-50 28	4,170 76	4,170 65	0 00	0 00	0 00	0 00
10,600 00	88 54	89 88	6,674 63	-50 07	4,270 73	4,270 62	0 00	0 00	0 00	0 00
10,700 00	88 54	89 88	6,677 19	-49 86	4,370 70	4,370 58	0 00	0 00	0 00	0 00

Plan Report for Burton Flat Deep Unit 50H - Plan #3

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 (°)
10,800 00	88 54	89 88	6,679 75	-49 66	4,470 67	4,470 55	0 00	0 00	0 00	0 00
10,900 00	88 54	89 88	6,682 30	-49.45	4,570 63	4,570 52	0 00	0 00	0 00	0 00
11,000 00	88 54	89 88	6,684 86	-49 24	4,670 60	4,670 49	0 00	0 00	0 00	0 00
11,100.00	88 54	89 88	6,687 41	-49 04	4,770 57	4,770 45	0 00	0 00	0 00	0 00
11,200 00	88 54	89 88	6,689 97	-48 83	4,870 53	4,870 42	0 00	0 00	0.00	0 00
11,300 00	88 54	89 88	6,692 52	-48 62	4,970 50	4,970 39	0 00	0 00	0 00	0.00
11,400 00	88 54	89 88	6,695 08	-48 42	5,070.47	5,070 36	0 00	0 00	0 00	0 00
11,500.00	88 54	89 88	6,697 63	-48 21	5,170 43	5,170 32	0 00	0 00	0 00	0 00
11,600 00	88 54	89 88	6,700 19	-48.00	5,270 40	5,270 29	0 00	0 00	0.00	0 00
11,700 00	88 54	89 88	6,702.74	-47 80	5,370.37	5,370 26	0 00	0 00	0 00	0 00
11,800 00	88 54	89.88	6,705 30	-47 59	5,470 34	5,470 22	0 00	0 00	0 00	0.00
11,827 45	88 54	89 88	6,706 00	-47 53	5,497 77	5,497.66	0 00	0 00	0 00	0 00

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
6,000 40	6,000 40	0 00	0 00	KOP/Start Build @ 6000 40' MD
6,000 41	6,000 41	0.00	0 00	Build Rate = 10 00°/100'
6,884 30	6,573 13	-9 32	556 78	End Build @ 6884 30' MD
6,884 30	6,573 13	-9.32	556 78	Hold Angle = 88 39°
9,406 59	6,644 00	-51 52	3,077 72	Start Build/Turn @ 9406 59' MD
9,515 28	6,646 92	-52 31	3,186 37	End Build/Turn @ 9515 28' MD
9,515 28	6,646 92	-52 31	3,186 37	Hold Angle = 88 54°
11,827 45	6,706 00	-47 53	5,497 78	TD @ 11827 45' MD

Vertical Section Information

Angle Type	Target	Azimuth (°)	Origin Type	Origin +N/_S (ft)	Origin +E/-W (ft)	Start TVD (ft)
User	No Target (Freehand)	89 88	Slot	0 00	0 00	0 00

Survey tool program

From (ft)	To (ft)	Survey/Plan	Survey Tool
0 00	11,827 45	Plan #3	MWD

Targets associated with this wellbore

Target Name	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Shape
BFDU 50H Heel	6,583 00	51 14	915 44	Point
BFDU 50H /BHL	6,706.00	-47.53	5,497 77	Point
BFDU 50H Midpoint	6,644 00	-51 52	3,077 72	Point

North Reference Sheet for Burton Flat Deep Unit - Burton Flat Deep Unit 50H - Wellbore #1

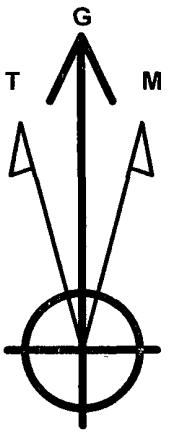
All data is in US Feet unless otherwise stated Directions and Coordinates are relative to Grid North Reference.
Vertical Depths are relative to GL 3217 4' + 25' KB @ 3242 40ft (TBD). Northing and Easting are relative to Burton Flat Deep Unit 50H
Coordinate System is US State Plane 1983, New Mexico Eastern 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 99991197

Grid Coordinates of Well. 551,997 45 ft N, 591,519 79 ft E
Geographical Coordinates of Well 32° 31' 02 62" N, 104° 10' 13 90" W
Grid Convergence at Surface is 0 09°

Based upon Minimum Curvature type calculations, at a Measured Depth of 11,827 45ft
the Bottom Hole Displacement is 5,497 98ft in the Direction of 90 50° (Grid).

Magnetic Convergence at surface is -7 75° (28 August 2012, , BGGM2012)



Magnetic Model:	BGGM2012
Date	28-Aug-12
Declination	7.84°
Inclination/Dip.	60 29°
Field Strength.	48594

Grid North is 0 09° East of True North (Grid Convergence)
Magnetic North is 7 84° East of True North (Magnetic Declination)
Magnetic North is 7 75° East of Grid North (Magnetic Convergence)

To convert a True Direction to a Grid Direction, Subtract 0 09°
To convert a Magnetic Direction to a True Direction, Add 7.84° East
To convert a Magnetic Direction to a Grid Direction, Add 7.75°

NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
Burton Flat Deep Unit 50H
Surface Location: 1875' FNL & 185' FEL, Lot 8, Sec 3 T21S R27E, Eddy, NM
Bottom Hole Location: 1980' FNL & 330' FEL, Lot 8, 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.

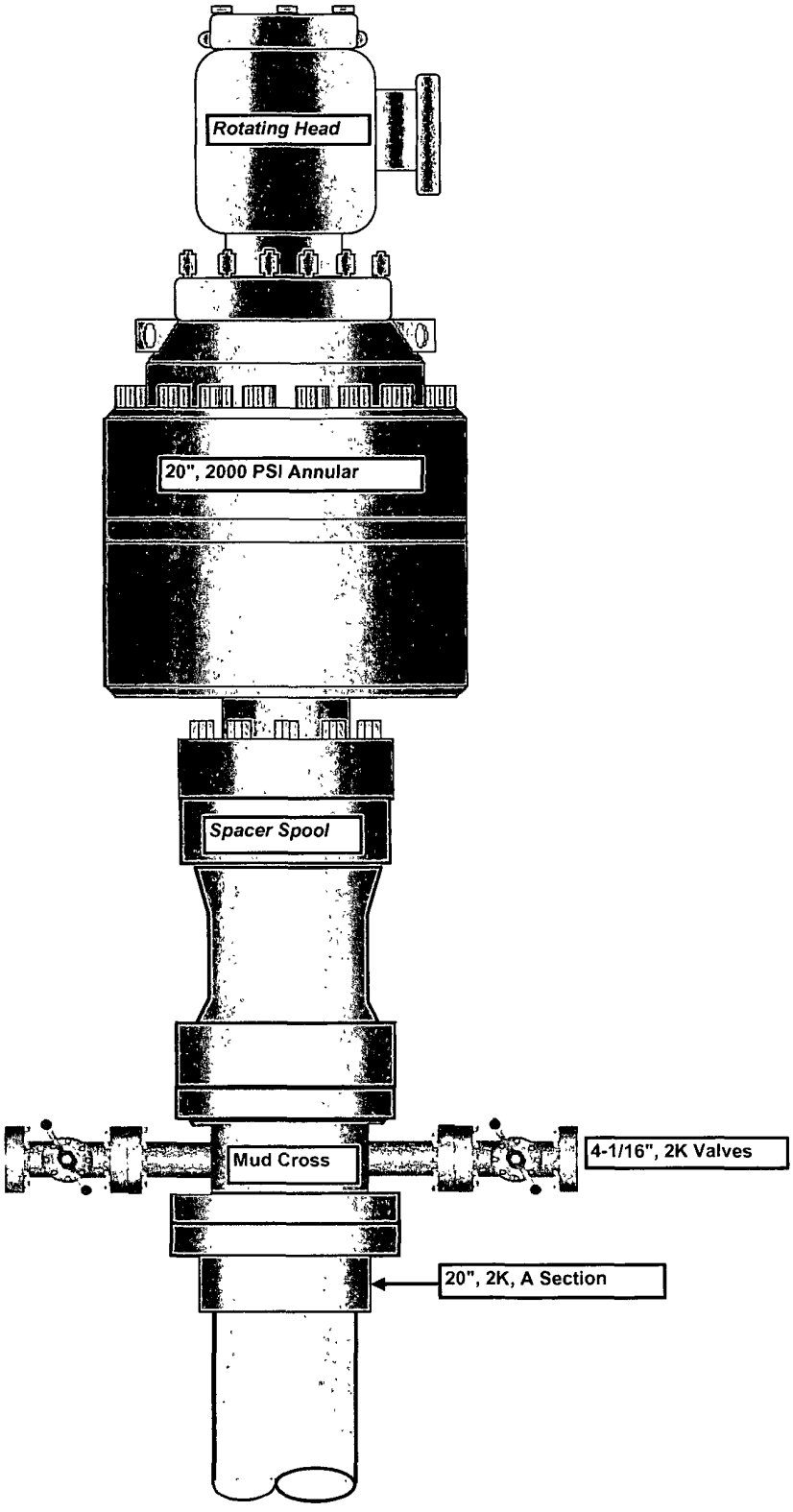
8. Will maintain a kelly cock attached to the kelly.

9. Hand wheels and wrenches will be properly installed and tested for safe operation.

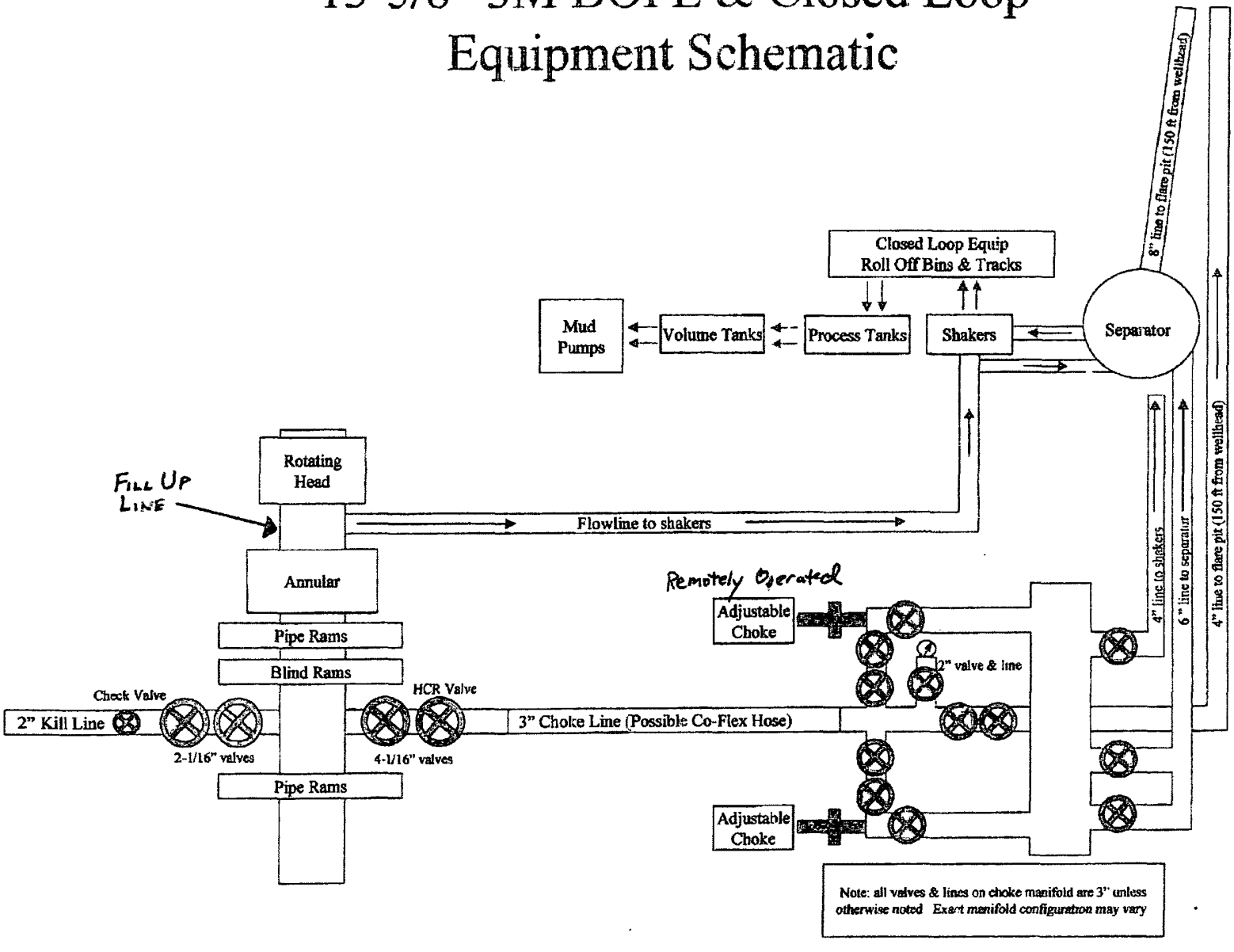
10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.

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



PHOENIX

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-1092 Budapest, Ráday u. 42-44. Hungary • H-1440 Budapest, P. O. Box 26
Phone: (361) 456-4200 • Fax. (361) 217-2972, 456-4273 • www.taurusemerge.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	1231/a 1228	AISI 4130	80751
4 1/16" Flange end		AISI 4130	47438

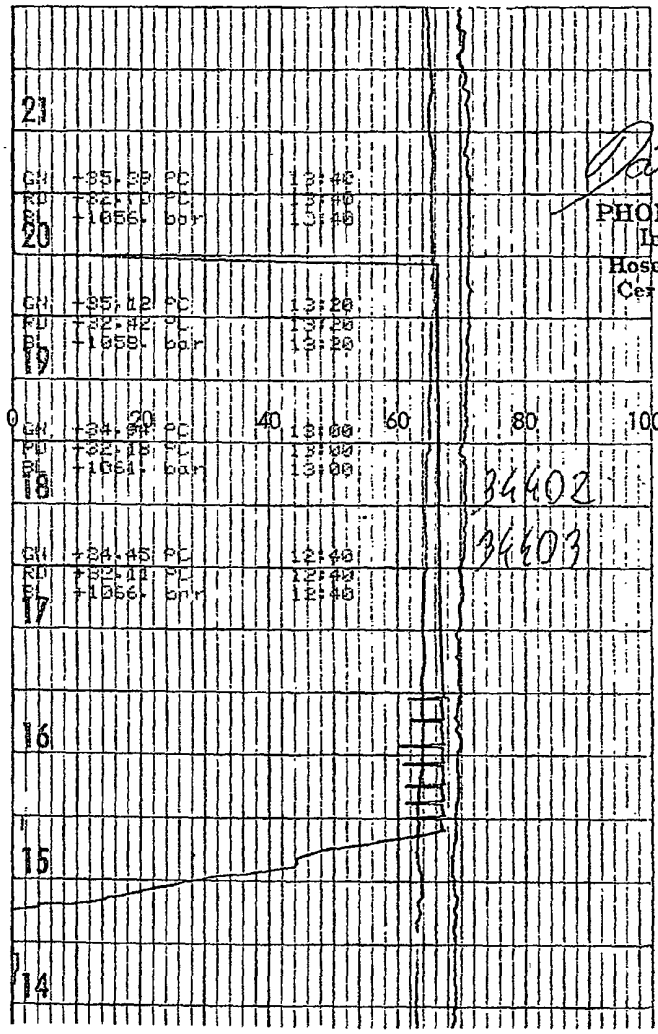
API Spec 16 C
Temperature rate:"B"

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:	Inspector	Quality Control
20. June. 2002.		PHOENIX RUBBER Industrial Ltd. Hose Inspection and Certification Dept.

VERIFIED TRUE COPY
PHOENIX RUBBER Q.C.



PHOENIX RUBBER
Industrial Ltd.
Hose Inspection and
Certification Dept.

VERIFIED TRUE COPY
PHOENIX RUBBER Q.C.

devon

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

Hydrogen Sulfide (H_2S) Contingency Plan

For

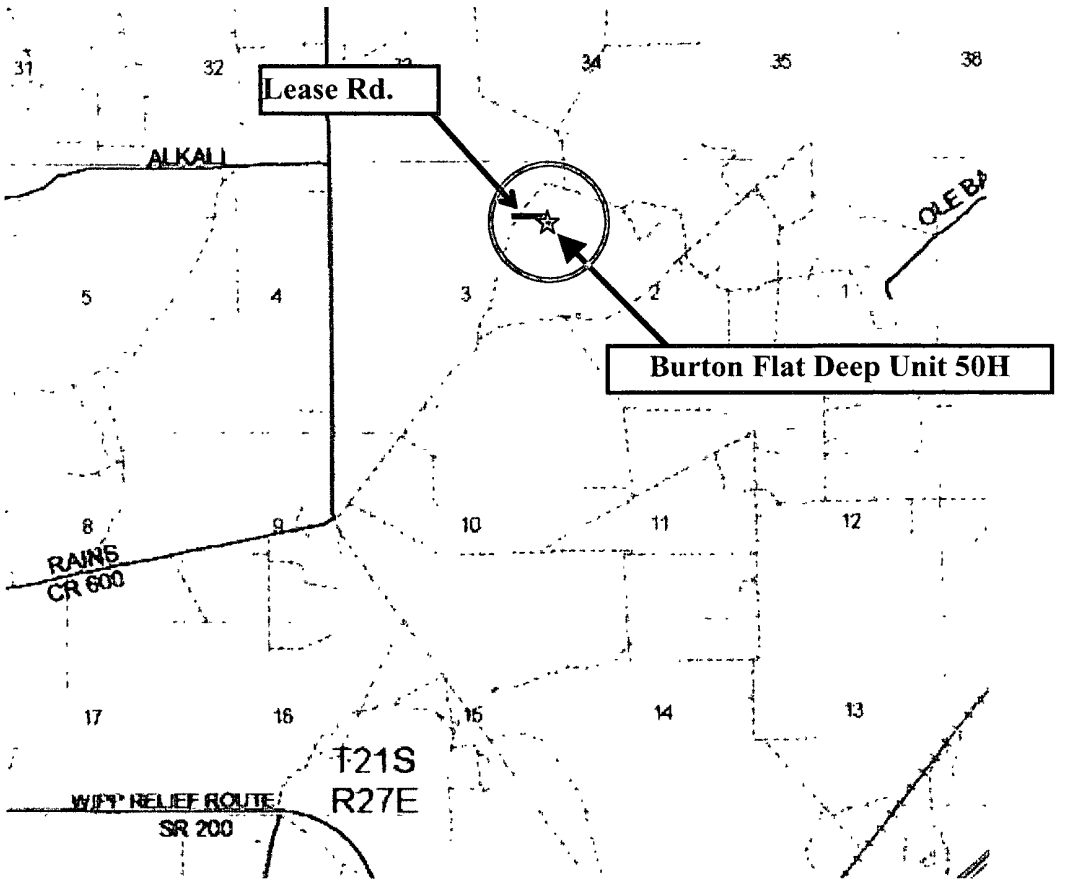
Burton Flat Deep Unit 50H

Sec-3, T-21S R-27E
1875' FNL & 185' FEL,
LAT. = 32.5175333'N (NAD83)
LONG = 104.1693908'W

Eddy County NM

Burton Flat Deep Unit 50H

This is an open drilling site. H_2S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H_2S, including warning signs, wind indicators and H_2S monitor.



Assumed 100 ppm ROE = 3000' (100 ppm H_2S 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, West 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 H_2S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H_2S, 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 H_2S 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 H_2S, 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 (SO_2). 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 H_2S and SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	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 (H_2S) 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 (H_2S)

2. The proper use and maintenance of personal protective equipment and life support systems.

3. The proper use of H_2S 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 H_2S 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 H_2S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S Drilling Operations Plan and the Public Protection Plan.

II. HYDROGEN SULFIDE TRAINING

Note: All H_2S 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 H_2S.

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. **H_2S detection and monitoring equipment:**

   A. Portable H_2S monitors positioned on location for best coverage and response. These unites have warning lights and audible sirens when H_2S levels of 20 PPM are reached. These units are usually capable of detecting SO_2, which is a byproduct of burning H_2S.

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 H_2S circulated to surface. Proper mud weight, safe drilling practices and the use of H_2S scavengers will minimize hazards when penetrating H_2S bearing zones.

6. Metallurgy:

A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H_2S trim.

B. All elastomers used for packing and seals shall be H_2S 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 H_2S environment will use the closed chamber method of testing.

B. There will be no drill stem testing.

Devon Energy Corp. Company Call List

Artesia (575)	Cellular	Office	Home
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

Lea County (575)

Hobbs

State Police	392-5588
City Police	397-9265
Sheriff's Office	393-2515
Ambulance	911
Fire Department	397-9308
LEPC (Local Emergency Planning Committee)	393-2870
NMOCD	393-6161
US Bureau of Land Management	393-3612

Eddy County (575)

Carlsbad

State Police	885-3137
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee)	887-3798
US Bureau of Land Management	887-6544
New Mexico Emergency Response Commission (Santa Fe)	(505)476-9600
24 HR	(505) 827-9126
National Emergency Response Center (Washington, DC)	(800) 424-8802

Emergency Services

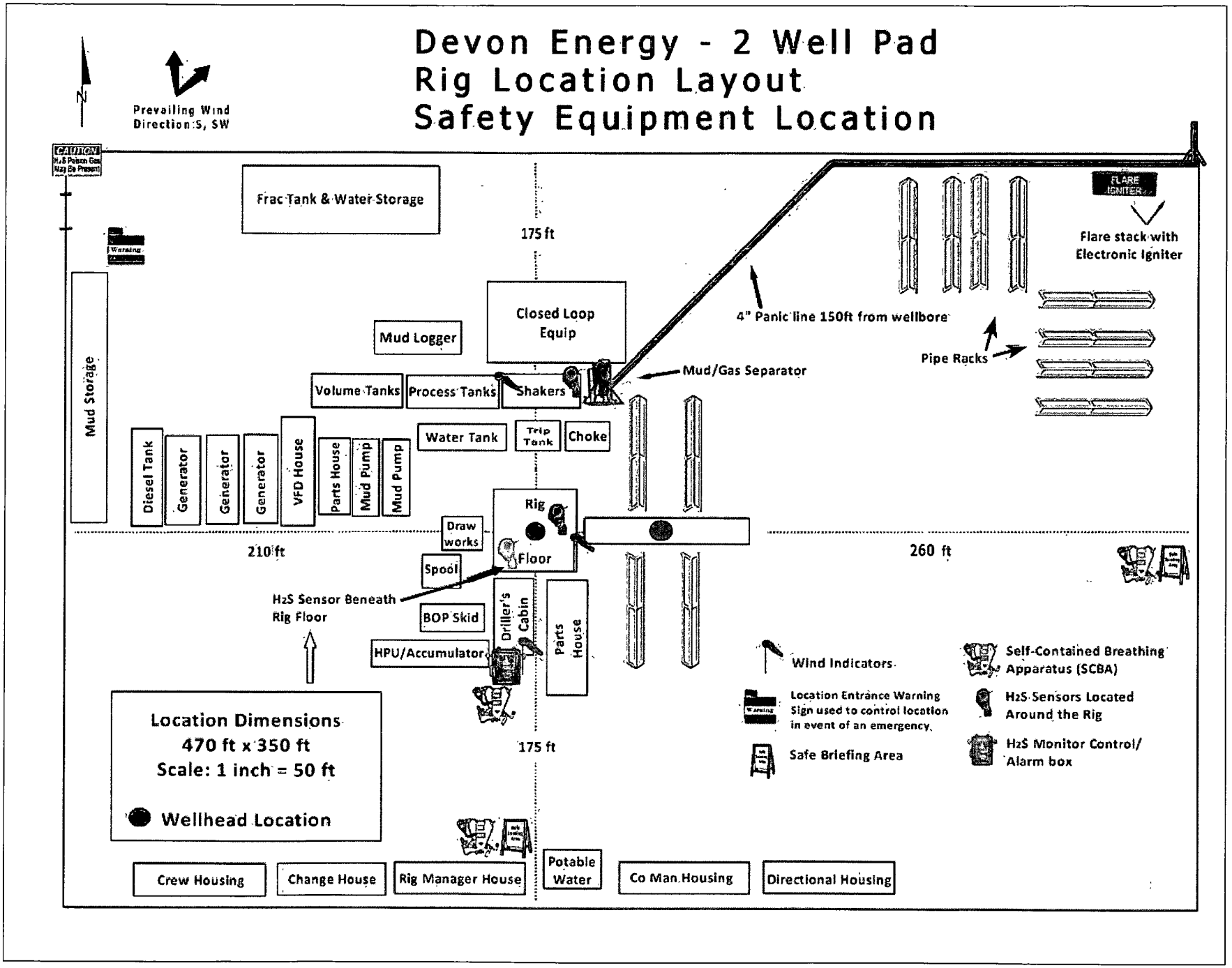
Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control	(915) 699-0139 or (915) 563-3356
Halliburton	(575) 746-2757
B. J. Services	(575) 746-3569`

Give GPS position:

Flight For Life - Lubbock, TX	(806) 743-9911
Aerocare - Lubbock, TX	(806) 747-8923
Med Flight Air Amb - Albuquerque, NM	(575) 842-4433
Lifeguard Air Med Svc. Albuquerque, NM	(575) 272-3115

Prepared in conjunction with
Wade Rohloff

Graphic Safety LLC
GraphicSafety.com
Safety is an Art
PO Box 2734 • Hobbs NM 88240
575.631.9661 • Fax 866 352.2183


Devon Energy - 2 Well Pad
Rig Location Layout
Safety Equipment Location
N
Prevailing Wind Direction S, SW
CAUTION H2S Poison Gas May Be Present
Frac Tank & Water Storage
175 ft
Mud Storage
Warning
Closed Loop Equip
Mud Logger
Volume Tanks
Process Tanks
Shakers
Mud/Gas Separator
4" Panic line 150ft from wellbore
FLARE IGNITER
Flare stack with Electronic Igniter
Pipe Racks
Diesel Tank
Generator
Generator
Generator
VFD House
Parts House
Mud Pump
Mud Pump
Water Tank
Trip Tank
Choke
Rig
Draw works
Floor
Spool
210 ft
260 ft
H2S Sensor Beneath Rig Floor
BOP Skid
Driller's Cabin
Parts House
HPU/Accumulator
Location Dimensions
470 ft x 350 ft
Scale: 1 inch = 50 ft
Wellhead Location
175 ft
Wind Indicators
Location Entrance Warning Sign used to control location in event of an emergency.
Safe Briefing Area
Self-Contained Breathing Apparatus (SCBA)
H2S Sensors Located Around the Rig
H2S Monitor Control/ Alarm box
Crew Housing
Change House
Rig Manager House
Potable Water
Co Man Housing
Directional Housing

devon

Proposed Interim Site Reclamation

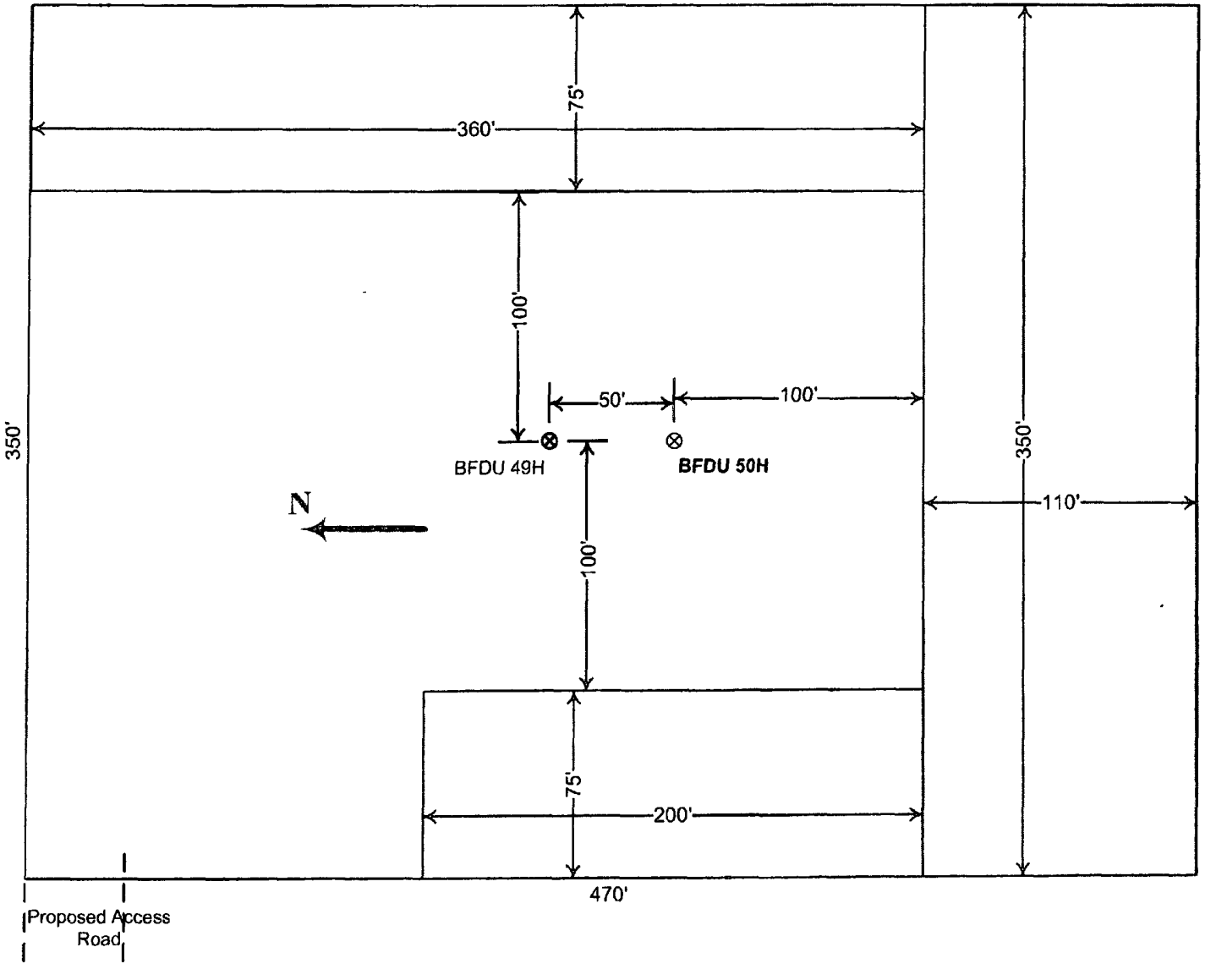
Devon Energy Production Co.
BFDU 50H
1875' FNL & 185' FEL
Sec. 3-T21S-R27E
Eddy County, NM

Proposed Reclamation Area

Scale: 1in = 60ft.

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

Topsoil stock pile on East edge of location



PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Prod Co
LEASE NO.:	NM0560290
WELL NAME & NO.:	50H Burton Flat Deep Unit
SURFACE HOLE FOOTAGE:	1875' FNL & 185' FEL
BOTTOM HOLE FOOTAGE	1980' FNL & 330' FEL, Sec. 2
LOCATION:	Section 3, T.21 S., R.27 E., NMPM
	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.