

OCD Artesia

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease Serial No.
NM014768

6. If Indian, Allottee or Tribe Name

705
2/6/2013

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

8. Lease Name and Well No.
Cerf 10 Federal 3H

<39694>

9. API Well No.

30-015-41058

10. Field and Pool, or Exploratory

Cedar Hills, Bone Spring <3713>

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 9 T21S R27E

1a. Type of work: ☒ DRILL ☐ REENTER

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

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

<6137>

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

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

Avalon

4. Location of Well (Report location clearly and in accordance with any State requirements.)

At surface A 1270 FNL & 300 FEL

1275'

At proposed prod. zone A 660 FNL & 330 FEL SEC 10

14. Distance in miles and direction from nearest town or post office*
4 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)
330'

16. No. of acres in lease
280 ac

17. Spacing Unit dedicated to this well
160

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.
See attached map

19. Proposed Depth
6567' TVD 11,777' MD
PH: 6697'

20. BLM/BIA Bond No. on file
CO-1104; NMB-000801

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3211' GL

22. Approximate date work will start*

23. Estimated duration
45 days

24. Attachments

Pad drilled w/ the Cerf 10 Fed/Com 4H

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

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

25. Signature

Judy A. Barnett

Name (Printed/Typed)

Judy A. Barnett

Date

07/20/2012

Title

Regulatory Specialist

Approved by (Signature) /s/ Don Peterson

Name (Printed/Typed)

/s/ Don Peterson

Date

FEB - 1 2013

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.

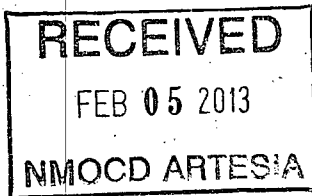
Conditions of approval, if any, are attached.

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.

(Continued on page 2)

Capitan Controlled Water Basin



Approval Subject to General Requirements
& Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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) 748-1233 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

| | | | | |
|-----------------------------------|---|--------------------------|---------------------------------|----------------------------|
| API Number 30-015-41058 | | Pool Code 3713 | Pool Name cedar Hills | Bone Spring, EAST |
| Property Code 39694 | Property Name CERF 10 FEDERAL | | | Well Number 3H |
| GRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | | | Elevation 3211.8 |

10 Surface Location

| UL of lot no. | Section | Township | Range | Lot 1dn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-------------|
| A | 9 | 21 S | 27 E | | 1275 | NORTH | 300 | EAST | EDDY |

11 Bottom Hole Location If Different From Surface

| UL of lot no. | Section | Township | Range | Lot 1dn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|-------------|
| A | 10 | 21 S | 27 E | | 660 | NORTH | 330 | EAST | EDDY |

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

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>N/4 CORNER SEC. 9 LAT. = 32.5020964°N LONG. = 104.1948747°W NMSP EAST (FT) N = 548421.14 E = 584072.49</p> | | <p>SECTION CORNER LAT. = 32.5019101°N LONG. = 104.1882429°W NMSP EAST (FT) N = 546356.91 E = 586683.66</p> | | <p>N/4 CORNER SEC. 10 LAT. = 32.5019674°N LONG. = 104.1778174°W NMSP EAST (FT) N = 546381.54 E = 589342.77</p> | | <p>NE CORNER SEC. 10 LAT. = 32.5020163°N LONG. = 104.1689954°W NMSP EAST (FT) N = 548403.31 E = 592000.82</p> | |
| <p>CERF 10 FEDERAL 3H ELEV. = 3211.8' LAT. = 32.4984269°N (NAD83) LONG. = 104.1872552°W NMSP EAST (FT) N = 545089.31 E = 586373.32</p> | | <p>1/4 CORNER LAT. = 32.4946588°N LONG. = 104.1863247°W NMSP EAST (FT) N = 543718.88 E = 586682.09</p> | | <p>1/4 CORNER SEC. 10 LAT. = 32.4947873°N LONG. = 104.1691234°W NMSP EAST (FT) N = 543773.38 E = 591965.39</p> | | <p>DATE OF SURVEY OCTOBER 12, 2012</p> | |

" 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.

Signature: *Judy A. Barnett* Date: **10-22-12**
Judy A. Barnett, Regulatory Specialist
Printed Name
Judith.Barnett@dvn.com
E-mail Address

"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.

OCTOBER 12, 2012
Date of Survey
Signature and Seal of Surveyor: *[Signature]*
Certificate Number: **PL 10616 PARAMILLO, PLS 12797**
SURVEY NO. 1061A

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 19th day of July, 2012.

Printed Name: Judy A. Barnett

Signed Name:

Position Title: Regulatory Specialist

Address: 333 W. Sheridan, 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

^{1275'}
Cerf 10 Federal 3H

Surface Location: ~~1270'~~ FNL & 300' FEL, Unit A, Sec 9 T21S R27E, Eddy, NM

Bottom Hole Location: 1980' FNL & 340' FEL, Unit A, Sec 10 T21S R27E, Eddy, NM

Geologic Name of Surface Formation

a. Quaternary Alluvium

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

| | | |
|---|---------|--------|
| a. Rustler | 30' | FW |
| b. Salado | 197' | Barren |
| c. Base Salado | 317' | Barren |
| d. Capitan | 797' | Barren |
| e. Capitan Base | 2452' | Barren |
| f. Delaware | 2727' | Oil |
| g. Bone Spring Lm | 5112' | Oil |
| h. 1 st Bone Spring Ss | 6327' | Oil |
| i. 1st Bone Spring Ss Upper | 6327' | Oil |
| j. 1 st Bone Spring Ss Mid | 6392' | Oil |
| k. 1 st Bone Spring Ss Mid B | 6427' | Oil |
| l. 2 nd Bone Spring Lime | 6547' | Oil |
| Total Depth | 11,493' | |

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 20" casing at 175' and circulating cement back to surface. Fresh water sands will be protected by setting 13 3/8" casing at 750' and 9 5/8" at ~~2900'~~ 2425'. The Bone Spring intervals will be isolated by setting the 5 1/2" casing to total depth. All casing is new and API approved.

Casing Program: (all cement volumes based on at least 25% excess)

| <u>Hole</u> <u>Size</u> | <u>Hole</u> <u>Interval</u> | <u>OD Csg</u> | <u>Casing</u> <u>Interval</u> | <u>Weight</u> | <u>Collar</u> | <u>Grade</u> |
|----------------------------|--------------------------------|---------------|----------------------------------|---------------|---------------|--------------|
| 26" | 0 - 175' | 20" | 0'-175' | 94# | BT&C | J/K-55 |
| 17 1/2" | 175 - 750' | 13 3/8" | 0'-750' | 68# | BT&C | J/K-55 |
| 12 1/4" | 750-2900' ^{2425'} | 9 5/8" | 0'-2900' | 40# | LT&C | J-55 |
| 8 3/4" | 2900'-5700' | 5 1/2" | 0'-5700' | 17# | LT&C | HCP110 |
| 8 3/4" | 5700-11,493 | 5 1/2" | 5700-11,493' | 17# | BT&C | HCP110 |

MAX TVD in lateral 6567'

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" | 6.36 | 25.79 | 47.66 |
| 13 3/8" | 1.98 | 4.44 | 8.94 |
| 9 5/8" | 1.34 | 2.34 | 3.77 |
| 5 1/2" | 3.22 | 3.99 | 4.59 |
| 5 1/2" | 2.79 | 3.47 | 2.91 |

The maximum possible collapse load that the intermediate casing will experience will result from evacuated casing with the pore pressure exerting a collapse load at TD. The pore pressure is estimated to be **10.0 ppg** for this calculation. This results in a collapse design factor of **1.34** for **9.625" 36# J-55 ST&C** casing at a depth of **2,900'**. While running the intermediate casing, the casing will never be completely evacuated. There is no potential for the intermediate casing to be used as a production string.

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

| | |
|----------------------|---|
| 20" Surface | Lead: 400 sx Cl C + 2% bwoc Calcium Chloride + 0.125#/sx CF + 56.3% FW, 14.8 ppg, Yld: 1.35 cf/sx. TOC @ surface. |
| 13 3/8" Intermediate | Lead: 388 sx Cl C + 2% bwoc Calcium Chloride + 0.125#/sx CF + 4% bwoc Bentonite + 81.4%FW, 13.5 ppg, Yld: 1.75 cf/sk. TOC @ surface. Tail: 250 sx Cl C + 2% bwoc Calcium Chloride + 0.125#/sx CF + 56.3%FW, 14.8 ppg Yld: 1.35 cf/sx |
| 9 5/8" Intermediate | Lead: 825 sx (60:40) Poz (Fly Ash):Cl C + 5% bwow Sodium Chloride + 0.125#/sx CF + 3#/sx LCM-1 + 1% bwoc Sodium Metasilicate + 0.4% bwoc R-3 + 0.25% bwoc FL-52 + 89.5% FW, 12.6 ppg Yield: 1.74 cf/sk Tail: 300 sx (60:40) Poz (Fly Ash):Cl C + 5% bwow Sodium Chloride + 0.125#/sx CF + 0.5% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 0.5% bwoc BA-10A + 65.3% FW, 13.8 ppg Yld: 1.38 cf/sx. TOC @ surface |
| 5 1/2" Production | Lead: 1080 sz (35:65) Poz (Fly Ash):Cl C + 5% bwow Sodium Chloride + 0.125#/sx CF + 0.4% bwoc FL-52 + 6% bwoc Bentonite + 107.7% FW, 12.5 ppg Yld: 2.04 cf/sx Tail: 1550 sx (50:50) Poz (Fly Ash):Cl C + 5% bwow Sodium Chloride + 0.4% bwoc CD-32 + 0.4% bwoc FL-25 + 0.4% bwoc FL-52 + 0.4% bwoc Sodium Metasilicate + 57.2% FW, 14.2 ppg Yld: 1.28 cf/sx. TOC @ Surface |

PH @ 6697':

Cement w/ 380 sx Class H, FW 15.6 ppg, Yld 1.18cf/sx.

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 Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the 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

| <u>Depth</u> | <u>Mud Wt.</u> | <u>Visc</u> | <u>Fluid Loss</u> | <u>Type System</u> |
|----------------|----------------|-------------|-------------------|--------------------|
| 0 - 175' | 8.4-9.4 | 32-34 | NC | FW |
| 175 - 750' | 9.8-10.0 | 28 | NC | Brine |
| 750 - 2900' | 8.3-8.4 | 28-29 | NC | FW |
| 2900 - 11,493' | 8.3-8.6 | 28-29 | NC | FW |

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

3. Auxiliary Well Control and Monitoring Equipment:

- A Kelly cock will be in the drill string at all times.
- A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- Hydrogen Sulfide detection equipment will be in operation after drilling out the 20" 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.

See GSA

4. 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.

5. 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 3800 psi and Estimated BHT 140°. No H₂S is anticipated to be encountered.

6. 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, Inc.

Eddy County (NAD83)

Cerf 10 Federal

#3H

OH

Plan: Plan #3

PathfinderX & Y Report

28 August, 2012

The logo for Pathfinder, with the word "PATHFINDER" in a bold, sans-serif font. A stylized, thick line curves under the word "FINDER".

PATHFINDER®

A Schlumberger Company

| | | | |
|-----------|---------------------|------------------------------|-----------------------------|
| Company: | Devon Energy, Inc. | Local Co-ordinate Reference: | Well #3H |
| Project: | Eddy County (NAD83) | TVD Reference: | WELL @ 3237.3usft (H&P 300) |
| Site: | Cerf 10 Federal | MD Reference: | WELL @ 3237.3usft (H&P 300) |
| Well: | #3H | North Reference: | Grid |
| Wellbore: | OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #3 | Database: | EDM 5000.1 Single User Db |

| | | | |
|-------------|---------------------------|---------------|----------------|
| Project: | Eddy County (NAD83) | | |
| Map System: | US State Plane 1983 | System Datum: | Mean Sea Level |
| Geo Datum: | North American Datum 1983 | | |
| Map Zone: | New Mexico Eastern Zone | | |

| | | | |
|-----------------------|-----------------|-------------------|------------------|
| Site: | Cerf 10 Federal | | |
| Site Position: | | Northing: | 545,094.310 usft |
| From: | Map | Easting: | 586,373.400 usft |
| Position Uncertainty: | 0.0 usft | Slot Radius: | 13-3/16 " |
| | | Latitude: | 32.498441 |
| | | Longitude: | -104.187255 |
| | | Grid Convergence: | 0.08 ° |

| | | | | | | |
|----------------------|-------|----------|---------------------|------------------|---------------|--------------|
| Well: | #3H | | | | | |
| Well Position | +N/-S | 0.0 usft | Northing: | 545,094.310 usft | Latitude: | 32.498441 |
| | +E/-W | 0.0 usft | Easting: | 586,373.400 usft | Longitude: | -104.187255 |
| Position Uncertainty | | 0.0 usft | Wellhead Elevation: | usft | Ground Level: | 3,211.1 usft |

| Wellbore: | OH | | | | |
|-----------|------------|-------------|--------------------|------------------|------------------------|
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | IGRF200510 | 7/12/2012 | 7.75 | 60.33 | 48,649 |

| Design: | Plan #3 | | | |
|------------------|----------------------------|-----------------|-----------------|------------------|
| Audit Notes: | | | | |
| Version: | Phase: | PLAN | Tie On Depth: | 0.0 |
| Vertical Section | Depth From (TVD) (usft) | +N/-S (usft) | +E/-W (usft) | Direction (°) |
| | 0.0 | 0.0 | 0.0 | 83.03 |

| Survey Tool Program | Date 8/28/2012 | | | |
|---------------------|----------------|-------------------|------------|----------------|
| From (usft) | To (usft) | Survey (Wellbore) | Tool Name | Description |
| 0.0 | 11,776.1 | Plan #3 (OH) | Pathfinder | Pathfinder MWD |

| | | | |
|-----------|---------------------|------------------------------|-----------------------------|
| Company: | Devon Energy, Inc | Local Co-ordinate Reference: | Well #3H |
| Project: | Eddy County (NAD83) | TVD Reference: | WELL @ 3237.3usft (H&P 300) |
| Site: | Cerf 10 Federal | MD Reference: | WELL @ 3237.3usft (H&P 300) |
| Well: | #3H | North Reference: | Grid |
| Wellbore: | OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #3 | Database: | EDM 5000.1 Single User Db |

| Planned Survey | | | | | | | | | | | |
|----------------|------------|----------------------|---------------|-----------------|---------------|---------------|------------------|---------------------|--------------------|-------------------|--|
| MD (usft) | Inc (°) | Azi (azimuth) (°) | TVD (usft) | TVDSS (usft) | N/S (usft) | E/W (usft) | V. Sec (usft) | DLeg (°/100usft) | Northing (usft) | Easting (usft) | |
| 0.0 | 0.00 | 0.00 | 0.0 | -3,237.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 100.0 | 0.00 | 0.00 | 100.0 | -3,137.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 197.0 | 0.00 | 0.00 | 197.0 | -3,040.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| Salado | | | | | | | | | | | |
| 200.0 | 0.00 | 0.00 | 200.0 | -3,037.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 300.0 | 0.00 | 0.00 | 300.0 | -2,937.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 317.0 | 0.00 | 0.00 | 317.0 | -2,920.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| Base Salado | | | | | | | | | | | |
| 400.0 | 0.00 | 0.00 | 400.0 | -2,837.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 500.0 | 0.00 | 0.00 | 500.0 | -2,737.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 600.0 | 0.00 | 0.00 | 600.0 | -2,637.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 700.0 | 0.00 | 0.00 | 700.0 | -2,537.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 797.0 | 0.00 | 0.00 | 797.0 | -2,440.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| Capitan | | | | | | | | | | | |
| 800.0 | 0.00 | 0.00 | 800.0 | -2,437.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 900.0 | 0.00 | 0.00 | 900.0 | -2,337.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,000.0 | 0.00 | 0.00 | 1,000.0 | -2,237.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,100.0 | 0.00 | 0.00 | 1,100.0 | -2,137.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,200.0 | 0.00 | 0.00 | 1,200.0 | -2,037.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,300.0 | 0.00 | 0.00 | 1,300.0 | -1,937.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,400.0 | 0.00 | 0.00 | 1,400.0 | -1,837.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,500.0 | 0.00 | 0.00 | 1,500.0 | -1,737.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,600.0 | 0.00 | 0.00 | 1,600.0 | -1,637.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,700.0 | 0.00 | 0.00 | 1,700.0 | -1,537.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,800.0 | 0.00 | 0.00 | 1,800.0 | -1,437.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 1,900.0 | 0.00 | 0.00 | 1,900.0 | -1,337.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,000.0 | 0.00 | 0.00 | 2,000.0 | -1,237.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,100.0 | 0.00 | 0.00 | 2,100.0 | -1,137.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |

| | | | |
|-----------|---------------------|------------------------------|-----------------------------|
| Company: | Devon Energy, Inc. | Local Co-ordinate Reference: | Well #3H |
| Project: | Eddy County (NAD83) | TVD Reference: | WELL @ 3237.3usft (H&P 300) |
| Site: | Cert 10 Federal | MD Reference: | WELL @ 3237.3usft (H&P 300) |
| Well: | #3H | North Reference: | Grid |
| Wellbore: | OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #3 | Database: | EDM 5000.1 Single User.Db |

| Planned Survey | | | | | | | | | | | |
|----------------|------------|----------------------|---------------|-----------------|---------------|---------------|------------------|---------------------|--------------------|-------------------|--|
| MD (usft) | Inc (°) | Azi (azimuth) (°) | TVD (usft) | TVDSS (usft) | N/S (usft) | E/W (usft) | V. Sec (usft) | DLeg (°/100usft) | Northing (usft) | Easting (usft) | |
| 2,200.0 | 0.00 | 0.00 | 2,200.0 | -1,037.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,300.0 | 0.00 | 0.00 | 2,300.0 | -937.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,400.0 | 0.00 | 0.00 | 2,400.0 | -837.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,452.0 | 0.00 | 0.00 | 2,452.0 | -785.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| Capitan Base | | | | | | | | | | | |
| 2,500.0 | 0.00 | 0.00 | 2,500.0 | -737.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,600.0 | 0.00 | 0.00 | 2,600.0 | -637.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,700.0 | 0.00 | 0.00 | 2,700.0 | -537.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,727.0 | 0.00 | 0.00 | 2,727.0 | -510.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| Delaware | | | | | | | | | | | |
| 2,800.0 | 0.00 | 0.00 | 2,800.0 | -437.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 2,900.0 | 0.00 | 0.00 | 2,900.0 | -337.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,000.0 | 0.00 | 0.00 | 3,000.0 | -237.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,100.0 | 0.00 | 0.00 | 3,100.0 | -137.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,200.0 | 0.00 | 0.00 | 3,200.0 | -37.3 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,300.0 | 0.00 | 0.00 | 3,300.0 | 62.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,400.0 | 0.00 | 0.00 | 3,400.0 | 162.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,500.0 | 0.00 | 0.00 | 3,500.0 | 262.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,600.0 | 0.00 | 0.00 | 3,600.0 | 362.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,700.0 | 0.00 | 0.00 | 3,700.0 | 462.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,800.0 | 0.00 | 0.00 | 3,800.0 | 562.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 3,900.0 | 0.00 | 0.00 | 3,900.0 | 662.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 4,000.0 | 0.00 | 0.00 | 4,000.0 | 762.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 4,100.0 | 0.00 | 0.00 | 4,100.0 | 862.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 4,200.0 | 0.00 | 0.00 | 4,200.0 | 962.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 4,300.0 | 0.00 | 0.00 | 4,300.0 | 1,062.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |
| 4,400.0 | 0.00 | 0.00 | 4,400.0 | 1,162.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 | |

| | | | |
|-----------|---------------------|------------------------------|-----------------------------|
| Company: | Devon Energy Inc. | Local Co-ordinate Reference: | Well #3H |
| Project: | Eddy County (NAD83) | TVD Reference: | WELL @ 3237.3usft (H&P 300) |
| Site: | Cert 10 Federal | MD Reference: | WELL @ 3237.3usft (H&P 300) |
| Well: | #3H | North Reference: | Grid |
| Wellbore: | OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #3 | Database: | EDM 5000.1 Single User Db |

Planned Survey

| MD (usft) | Inc (°) | Azi (azimuth) (°) | TVD (usft) | TVDSS (usft) | N/S (usft) | E/W (usft) | V. Sec (usft) | DLeg (°/100usft) | Northing (usft) | Easting (usft) |
|-----------------------|------------|----------------------|---------------|-----------------|---------------|---------------|------------------|---------------------|--------------------|-------------------|
| 4,500.0 | 0.00 | 0.00 | 4,500.0 | 1,262.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 4,600.0 | 0.00 | 0.00 | 4,600.0 | 1,362.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 4,700.0 | 0.00 | 0.00 | 4,700.0 | 1,462.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 4,800.0 | 0.00 | 0.00 | 4,800.0 | 1,562.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 4,900.0 | 0.00 | 0.00 | 4,900.0 | 1,662.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,000.0 | 0.00 | 0.00 | 5,000.0 | 1,762.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,100.0 | 0.00 | 0.00 | 5,100.0 | 1,862.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,112.0 | 0.00 | 0.00 | 5,112.0 | 1,874.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| Bone Spring Lm | | | | | | | | | | |
| 5,200.0 | 0.00 | 0.00 | 5,200.0 | 1,962.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,300.0 | 0.00 | 0.00 | 5,300.0 | 2,062.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,400.0 | 0.00 | 0.00 | 5,400.0 | 2,162.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,500.0 | 0.00 | 0.00 | 5,500.0 | 2,262.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,600.0 | 0.00 | 0.00 | 5,600.0 | 2,362.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,700.0 | 0.00 | 0.00 | 5,700.0 | 2,462.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,800.0 | 0.00 | 0.00 | 5,800.0 | 2,562.7 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,834.1 | 0.00 | 0.00 | 5,834.1 | 2,596.8 | 0.0 | 0.0 | 0.0 | 0.00 | 545,094.31 | 586,373.40 |
| 5,850.0 | 1.59 | 42.51 | 5,850.0 | 2,612.7 | 0.2 | 0.1 | 0.2 | 10.00 | 545,094.47 | 586,373.55 |
| 5,900.0 | 6.59 | 42.51 | 5,899.9 | 2,662.6 | 2.8 | 2.6 | 2.9 | 10.00 | 545,097.10 | 586,375.96 |
| 5,950.0 | 11.59 | 42.51 | 5,949.2 | 2,711.9 | 8.6 | 7.9 | 8.9 | 10.00 | 545,102.92 | 586,381.29 |
| 6,000.0 | 16.59 | 42.51 | 5,997.7 | 2,760.4 | 17.6 | 16.1 | 18.1 | 10.00 | 545,111.89 | 586,389.52 |
| 6,050.0 | 21.59 | 42.51 | 6,044.9 | 2,807.6 | 29.6 | 27.2 | 30.6 | 10.00 | 545,123.94 | 586,400.56 |
| 6,100.0 | 26.59 | 42.51 | 6,090.6 | 2,853.3 | 44.7 | 40.9 | 46.1 | 10.00 | 545,138.98 | 586,414.35 |
| 6,150.0 | 31.59 | 42.51 | 6,134.2 | 2,896.9 | 62.6 | 57.4 | 64.5 | 10.00 | 545,156.90 | 586,430.77 |
| 6,200.0 | 36.59 | 42.51 | 6,175.6 | 2,938.3 | 83.2 | 76.3 | 85.8 | 10.00 | 545,177.55 | 586,449.70 |
| 6,250.0 | 41.59 | 42.51 | 6,214.4 | 2,977.1 | 106.5 | 97.6 | 109.8 | 10.00 | 545,200.78 | 586,471.00 |
| 6,300.0 | 46.59 | 42.51 | 6,250.3 | 3,013.0 | 132.1 | 121.1 | 136.2 | 10.00 | 545,226.42 | 586,494.50 |

| | | | |
|-----------|---------------------|------------------------------|-----------------------------|
| Company: | Devon Energy, Inc. | Local Co-ordinate Reference: | Well #3H |
| Project: | Eddy County (NAD83) | TVD Reference: | WELL @ 3237.3usft (H&P 300) |
| Site: | Cerf 10 Federal | MD Reference: | WELL @ 3237.3usft (H&P 300) |
| Well: | #3H | North Reference: | Grid |
| Wellbore: | OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #3 | Database: | EDM 5000.1 Single User Db |

| Planned Survey | | | | | | | | | | | |
|---|------------|----------------------|---------------|-----------------|---------------|---------------|------------------|---------------------|--------------------|-------------------|--|
| MD (usft) | Inc (°) | Azi (azimuth) (°) | TVD (usft) | TVDSS (usft) | N/S (usft) | E/W (usft) | V. Sec (usft) | DLeg (%/100usft) | Northing (usft) | Easting (usft) | |
| 6,350.0 | 51.59 | 42.51 | 6,283.1 | 3,045.8 | 160.0 | 146.6 | 164.9 | 10.00 | 545,254.26 | 586,520.02 | |
| 6,400.0 | 56.59 | 42.51 | 6,312.4 | 3,075.1 | 189.8 | 174.0 | 195.7 | 10.00 | 545,284.11 | 586,547.38 | |
| 6,427.6 | 59.35 | 42.51 | 6,327.0 | 3,089.7 | 207.0 | 189.8 | 213.5 | 10.00 | 545,301.34 | 586,563.17 | |
| 1st Bone Spring Ss - 1st Bone Spring Ss Upper | | | | | | | | | | | |
| 6,450.0 | 61.59 | 42.51 | 6,338.1 | 3,100.8 | 221.4 | 203.0 | 228.3 | 10.00 | 545,315.72 | 586,576.36 | |
| 6,500.0 | 66.59 | 42.51 | 6,359.9 | 3,122.6 | 254.6 | 233.3 | 262.5 | 10.00 | 545,348.86 | 586,606.74 | |
| 6,550.0 | 71.59 | 42.51 | 6,377.7 | 3,140.4 | 289.0 | 264.9 | 298.0 | 10.00 | 545,383.28 | 586,638.29 | |
| 6,600.0 | 76.59 | 42.51 | 6,391.4 | 3,154.1 | 324.4 | 297.4 | 334.5 | 10.00 | 545,418.72 | 586,670.77 | |
| 6,602.5 | 76.84 | 42.51 | 6,392.0 | 3,154.7 | 326.2 | 299.0 | 336.3 | 10.00 | 545,420.48 | 586,672.38 | |
| 1st Bone Spring Ss Mid | | | | | | | | | | | |
| 6,650.0 | 81.59 | 42.51 | 6,400.9 | 3,163.6 | 360.6 | 330.5 | 371.8 | 10.00 | 545,454.90 | 586,703.93 | |
| 6,700.0 | 86.59 | 42.51 | 6,406.0 | 3,168.7 | 397.2 | 364.1 | 409.6 | 10.00 | 545,491.55 | 586,737.53 | |
| 6,730.1 | 89.60 | 42.51 | 6,407.0 | 3,169.7 | 419.4 | 384.5 | 432.5 | 10.00 | 545,513.72 | 586,757.86 | |
| 6,800.0 | 89.59 | 45.31 | 6,407.5 | 3,170.2 | 469.8 | 432.9 | 486.7 | 4.00 | 545,564.08 | 586,806.33 | |
| 6,900.0 | 89.58 | 49.31 | 6,408.3 | 3,171.0 | 537.6 | 506.4 | 567.9 | 4.00 | 545,631.87 | 586,879.81 | |
| 7,000.0 | 89.57 | 53.31 | 6,409.0 | 3,171.7 | 600.1 | 584.4 | 652.9 | 4.00 | 545,694.37 | 586,957.84 | |
| 7,100.0 | 89.56 | 57.31 | 6,409.8 | 3,172.5 | 657.0 | 666.6 | 741.4 | 4.00 | 545,751.28 | 587,040.04 | |
| 7,200.0 | 89.56 | 61.31 | 6,410.5 | 3,173.2 | 708.0 | 752.6 | 832.9 | 4.00 | 545,802.31 | 587,126.01 | |
| 7,300.0 | 89.55 | 65.31 | 6,411.3 | 3,174.0 | 752.9 | 841.9 | 927.1 | 4.00 | 545,847.22 | 587,215.33 | |
| 7,400.0 | 89.55 | 69.31 | 6,412.1 | 3,174.8 | 791.5 | 934.2 | 1,023.3 | 4.00 | 545,885.79 | 587,307.57 | |
| 7,500.0 | 89.56 | 73.31 | 6,412.9 | 3,175.6 | 823.5 | 1,028.9 | 1,121.2 | 4.00 | 545,917.83 | 587,402.27 | |
| 7,600.0 | 89.56 | 77.31 | 6,413.6 | 3,176.3 | 848.9 | 1,125.6 | 1,220.3 | 4.00 | 545,943.19 | 587,498.98 | |
| 7,700.0 | 89.56 | 81.31 | 6,414.4 | 3,177.1 | 867.4 | 1,223.8 | 1,320.0 | 4.00 | 545,961.74 | 587,597.22 | |
| 7,800.0 | 89.57 | 85.31 | 6,415.1 | 3,177.8 | 879.1 | 1,323.1 | 1,420.0 | 4.00 | 545,973.39 | 587,696.52 | |
| 7,900.0 | 89.58 | 89.31 | 6,415.9 | 3,178.6 | 883.8 | 1,423.0 | 1,519.7 | 4.00 | 545,978.09 | 587,796.38 | |
| 8,006.8 | 89.60 | 93.58 | 6,416.7 | 3,179.4 | 881.1 | 1,529.7 | 1,625.3 | 4.00 | 545,975.40 | 587,903.11 | |
| 8,100.0 | 89.60 | 93.58 | 6,417.3 | 3,180.0 | 875.3 | 1,622.7 | 1,716.9 | 0.00 | 545,969.58 | 587,996.14 | |

| | | | |
|-----------|---------------------|------------------------------|-----------------------------|
| Company: | Devon Energy, Inc. | Local Co-ordinate Reference: | Well #3H |
| Project: | Eddy County (NAD83) | TVD Reference: | WELL @ 3237.3usft (H&P 300) |
| Site: | Cerf 10 Federal | MD Reference: | WELL @ 3237.3usft (H&P 300) |
| Well: | #3H | North Reference: | Grid |
| Wellbore: | OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #3 | Database: | EDM 5000.1 Single User Db |

| Planned Survey | | | | | | | | | | |
|-------------------------------------|------------|----------------------|---------------|-----------------|---------------|---------------|------------------|---------------------|--------------------|-------------------|
| MD (usft) | Inc (°) | Azi (azimuth) (°) | TVD (usft) | TVDSS (usft) | N/S (usft) | E/W (usft) | V. Sec (usft) | DLeg (°/100usft) | Northing (usft) | Easting (usft) |
| 8,200.0 | 89.60 | 93.58 | 6,418.0 | 3,180.7 | 869.0 | 1,722.5 | 1,815.2 | 0.00 | 545,963.34 | 588,095.94 |
| 8,300.0 | 89.60 | 93.58 | 6,418.7 | 3,181.4 | 862.8 | 1,822.3 | 1,913.6 | 0.00 | 545,957.10 | 588,195.74 |
| 8,400.0 | 89.60 | 93.58 | 6,419.4 | 3,182.1 | 856.5 | 1,922.1 | 2,011.9 | 0.00 | 545,950.86 | 588,295.54 |
| 8,500.0 | 89.60 | 93.58 | 6,420.1 | 3,182.8 | 850.3 | 2,021.9 | 2,110.2 | 0.00 | 545,944.62 | 588,395.35 |
| 8,600.0 | 89.60 | 93.58 | 6,420.8 | 3,183.5 | 844.1 | 2,121.7 | 2,208.5 | 0.00 | 545,938.37 | 588,495.15 |
| 8,700.0 | 89.60 | 93.58 | 6,421.5 | 3,184.2 | 837.8 | 2,221.6 | 2,306.8 | 0.00 | 545,932.13 | 588,594.95 |
| 8,763.9 | 89.60 | 93.58 | 6,422.0 | 3,184.7 | 833.8 | 2,285.3 | 2,369.6 | 0.00 | 545,928.15 | 588,658.70 |
| Mid Lateral PT(Cerf 10 Federal #3H) | | | | | | | | | | |
| 8,800.0 | 88.87 | 93.58 | 6,422.5 | 3,185.2 | 831.6 | 2,321.4 | 2,405.1 | 2.00 | 545,925.89 | 588,694.75 |
| 8,884.0 | 87.19 | 93.57 | 6,425.4 | 3,188.1 | 826.3 | 2,405.1 | 2,487.6 | 2.00 | 545,920.66 | 588,778.51 |
| 8,900.0 | 87.19 | 93.57 | 6,426.1 | 3,188.8 | 825.4 | 2,421.1 | 2,503.3 | 0.00 | 545,919.66 | 588,794.49 |
| 8,917.4 | 87.19 | 93.57 | 6,427.0 | 3,189.7 | 824.3 | 2,438.4 | 2,520.4 | 0.00 | 545,918.58 | 588,811.80 |
| 1st Bone Spring Ss Mid B | | | | | | | | | | |
| 9,000.0 | 87.19 | 93.57 | 6,431.0 | 3,193.7 | 819.1 | 2,520.8 | 2,601.5 | 0.00 | 545,913.44 | 588,894.17 |
| 9,100.0 | 87.19 | 93.57 | 6,435.9 | 3,198.6 | 812.9 | 2,620.5 | 2,699.7 | 0.00 | 545,907.22 | 588,993.86 |
| 9,200.0 | 87.19 | 93.57 | 6,440.8 | 3,203.5 | 806.7 | 2,720.1 | 2,797.9 | 0.00 | 545,901.00 | 589,093.54 |
| 9,300.0 | 87.19 | 93.57 | 6,445.7 | 3,208.4 | 800.5 | 2,819.8 | 2,896.1 | 0.00 | 545,894.77 | 589,193.23 |
| 9,400.0 | 87.19 | 93.57 | 6,450.6 | 3,213.3 | 794.2 | 2,919.5 | 2,994.3 | 0.00 | 545,888.55 | 589,292.92 |
| 9,500.0 | 87.19 | 93.57 | 6,455.5 | 3,218.2 | 788.0 | 3,019.2 | 3,092.5 | 0.00 | 545,882.33 | 589,392.60 |
| 9,600.0 | 87.19 | 93.57 | 6,460.4 | 3,223.1 | 781.8 | 3,118.9 | 3,190.7 | 0.00 | 545,876.11 | 589,492.29 |
| 9,700.0 | 87.19 | 93.57 | 6,465.3 | 3,228.0 | 775.6 | 3,218.6 | 3,288.9 | 0.00 | 545,869.88 | 589,591.97 |
| 9,800.0 | 87.19 | 93.57 | 6,470.2 | 3,232.9 | 769.4 | 3,318.3 | 3,387.1 | 0.00 | 545,863.66 | 589,691.66 |
| 9,900.0 | 87.19 | 93.57 | 6,475.1 | 3,237.8 | 763.1 | 3,417.9 | 3,485.3 | 0.00 | 545,857.44 | 589,791.35 |
| 10,000.0 | 87.19 | 93.57 | 6,480.0 | 3,242.7 | 756.9 | 3,517.6 | 3,583.5 | 0.00 | 545,851.22 | 589,891.03 |
| 10,100.0 | 87.19 | 93.57 | 6,484.9 | 3,247.6 | 750.7 | 3,617.3 | 3,681.7 | 0.00 | 545,845.00 | 589,990.72 |
| 10,200.0 | 87.19 | 93.57 | 6,489.8 | 3,252.5 | 744.5 | 3,717.0 | 3,779.9 | 0.00 | 545,838.77 | 590,090.40 |
| 10,300.0 | 87.19 | 93.57 | 6,494.7 | 3,257.4 | 738.2 | 3,816.7 | 3,878.1 | 0.00 | 545,832.55 | 590,190.09 |



Pathfinder
PathfinderX & Y Report

PATHFINDER
A Schlumberger Company

| | | | |
|-----------|---------------------|------------------------------|-----------------------------|
| Company: | Devon Energy Inc. | Local Co-ordinate Reference: | Well #3H: |
| Project: | Eddy County (NAD83) | TVD Reference: | WELL @ 3237.3usft (H&P 300) |
| Site: | Cerf 10 Federal | MD Reference: | WELL @ 3237.3usft (H&P 300) |
| Well: | #3H | North Reference: | Grid |
| Wellbore: | OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #3 | Database: | EDM 5000.1 Single User Db |

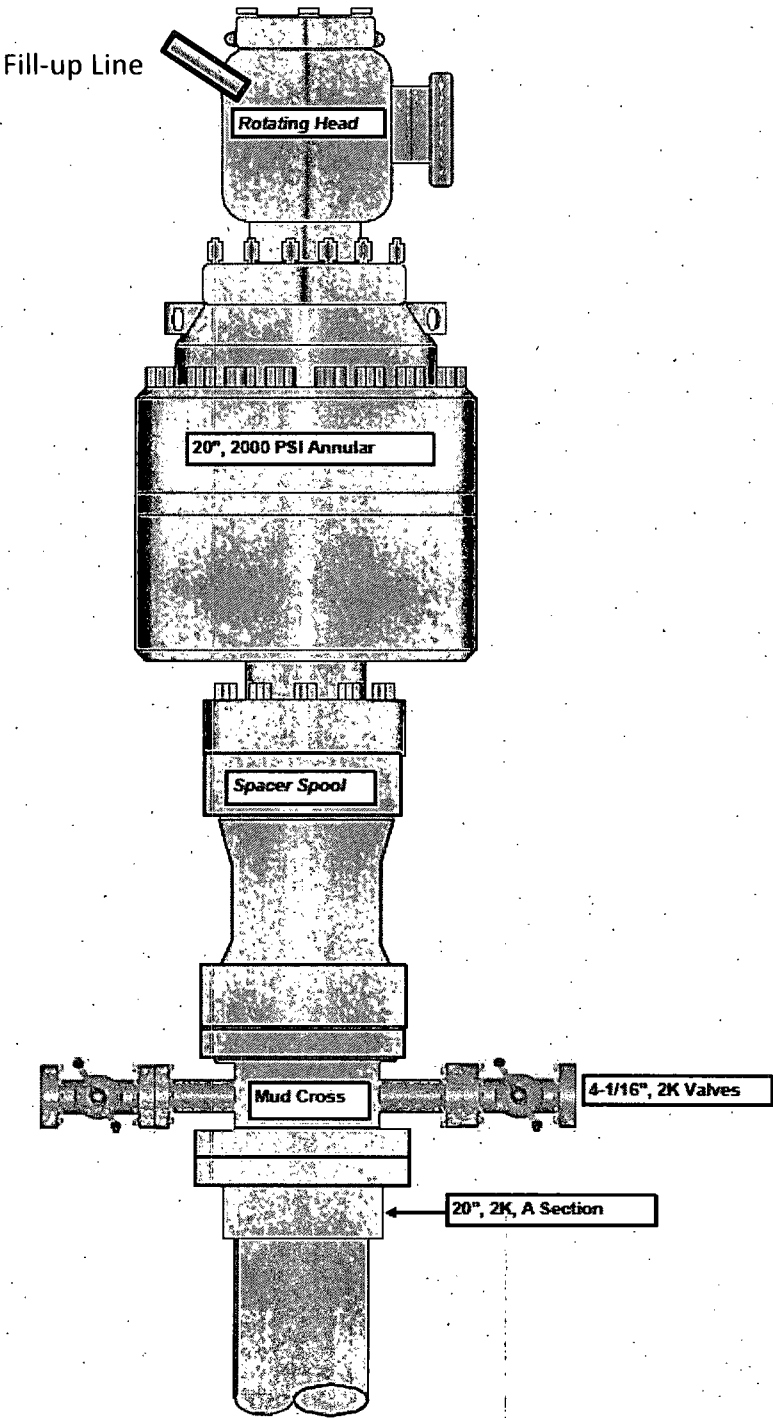
| Planned Survey | | | | | | | | | | |
|---------------------------|------------|----------------------|---------------|-----------------|---------------|---------------|------------------|---------------------|--------------------|-------------------|
| MD (usft) | Inc (°) | Azi (azimuth) (°) | TVD (usft) | TVDSS (usft) | N/S (usft) | E/W (usft) | V. Sec (usft) | DLeg (°/100usft) | Northing (usft) | Easting (usft) |
| 10,400.0 | 87.19 | 93.57 | 6,499.6 | 3,262.3 | 732.0 | 3,916.4 | 3,976.3 | 0.00 | 545,826.33 | 590,289.78 |
| 10,500.0 | 87.19 | 93.57 | 6,504.5 | 3,267.2 | 725.8 | 4,016.1 | 4,074.5 | 0.00 | 545,820.11 | 590,389.46 |
| 10,600.0 | 87.19 | 93.57 | 6,509.4 | 3,272.1 | 719.6 | 4,115.7 | 4,172.6 | 0.00 | 545,813.88 | 590,489.15 |
| 10,700.0 | 87.19 | 93.57 | 6,514.3 | 3,277.0 | 713.4 | 4,215.4 | 4,270.8 | 0.00 | 545,807.66 | 590,588.83 |
| 10,800.0 | 87.19 | 93.57 | 6,519.2 | 3,281.9 | 707.1 | 4,315.1 | 4,369.0 | 0.00 | 545,801.44 | 590,688.52 |
| 10,900.0 | 87.19 | 93.57 | 6,524.1 | 3,286.8 | 700.9 | 4,414.8 | 4,467.2 | 0.00 | 545,795.22 | 590,788.21 |
| 11,000.0 | 87.19 | 93.57 | 6,529.0 | 3,291.7 | 694.7 | 4,514.5 | 4,565.4 | 0.00 | 545,788.99 | 590,887.89 |
| 11,100.0 | 87.19 | 93.57 | 6,533.9 | 3,296.6 | 688.5 | 4,614.2 | 4,663.6 | 0.00 | 545,782.77 | 590,987.58 |
| 11,200.0 | 87.19 | 93.57 | 6,538.8 | 3,301.5 | 682.2 | 4,713.9 | 4,761.8 | 0.00 | 545,776.55 | 591,087.26 |
| 11,300.0 | 87.19 | 93.57 | 6,543.7 | 3,306.4 | 676.0 | 4,813.6 | 4,860.0 | 0.00 | 545,770.33 | 591,186.95 |
| 11,368.0 | 87.19 | 93.57 | 6,547.0 | 3,309.7 | 671.8 | 4,881.4 | 4,926.8 | 0.00 | 545,766.09 | 591,254.78 |
| 2nd Bone Spring Lime | | | | | | | | | | |
| 11,400.0 | 87.19 | 93.57 | 6,548.6 | 3,311.3 | 669.8 | 4,913.2 | 4,958.2 | 0.00 | 545,764.11 | 591,286.64 |
| 11,500.0 | 87.19 | 93.57 | 6,553.5 | 3,316.2 | 663.6 | 5,012.9 | 5,056.4 | 0.00 | 545,757.88 | 591,386.32 |
| 11,600.0 | 87.19 | 93.57 | 6,558.4 | 3,321.1 | 657.4 | 5,112.6 | 5,154.6 | 0.00 | 545,751.66 | 591,486.01 |
| 11,700.0 | 87.19 | 93.57 | 6,563.3 | 3,326.0 | 651.1 | 5,212.3 | 5,252.8 | 0.00 | 545,745.44 | 591,585.70 |
| 11,776.5 | 87.19 | 93.57 | 6,567.0 | 3,329.7 | 646.4 | 5,288.5 | 5,327.9 | 0.00 | 545,740.68 | 591,661.94 |
| PBHL(Cerf 10 Federal #3H) | | | | | | | | | | |

| | | | |
|------------------|---------------------|-------------------------------------|-----------------------------|
| Company: | Devon Energy, Inc. | Local Co-ordinate Reference: | Well #3H |
| Project: | Eddy County (NAD83) | TVD Reference: | WELL @ 3237.3usft (H&P 300) |
| Site: | Cerf 10 Federal | MD Reference: | WELL @ 3237.3usft (H&P 300) |
| Well: | #3H | North Reference: | Grid |
| Wellbore: | OH | Survey Calculation Method: | Minimum Curvature |
| Design: | Plan #3 | Database: | EDM 5000.1 Single User Db |

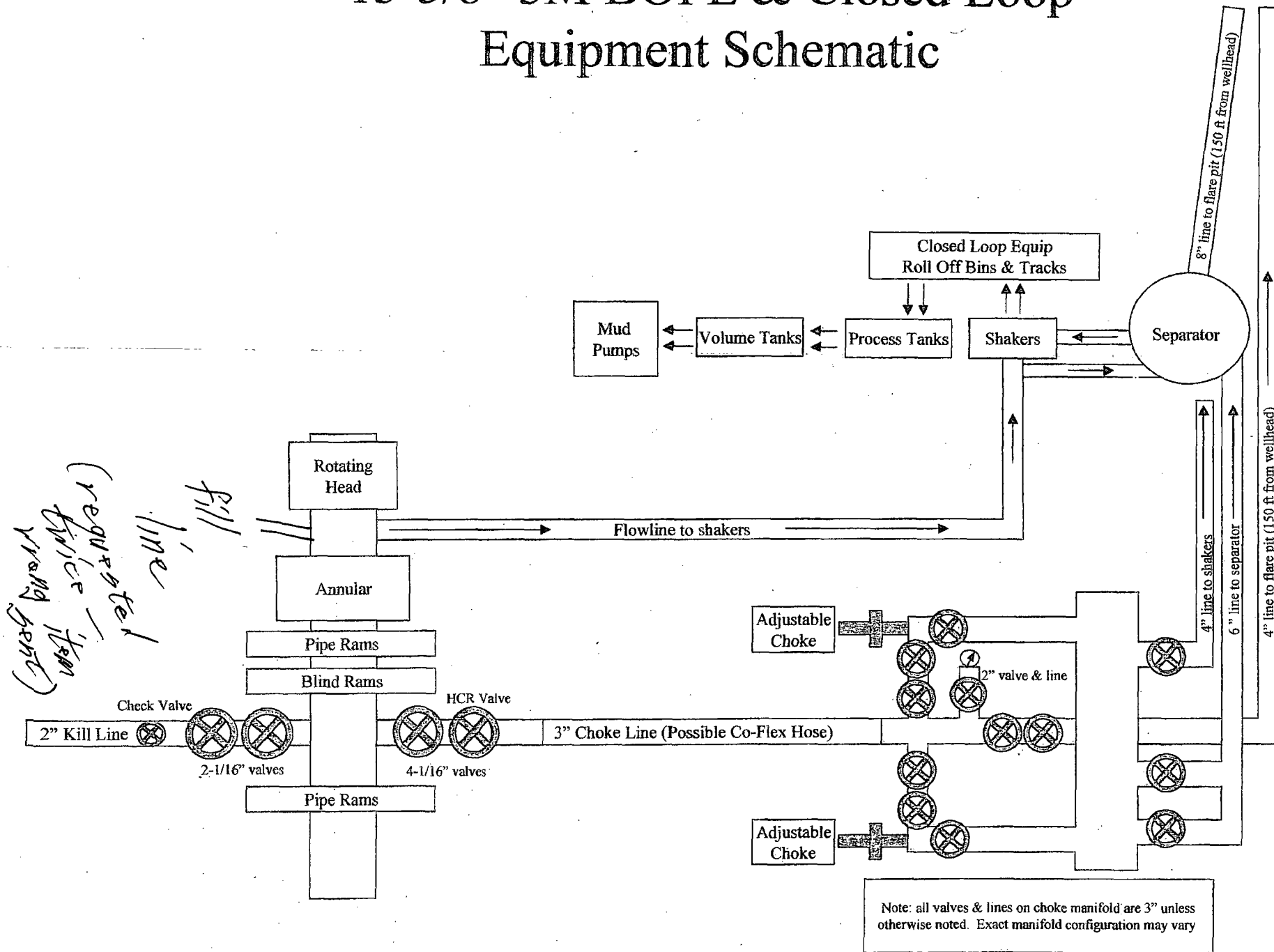
| Formations | | | | | | |
|-----------------------|-----------------------|--------------------------|-----------|---------|---------------|--|
| Measured Depth (usft) | Vertical Depth (usft) | Name | Lithology | Dip (°) | Dip Direction | |
| 6,427.6 | 6,327.0 | 1st Bone Spring Ss Upper | | | | |
| 8,917.4 | 6,427.0 | 1st Bone Spring Ss Mid B | | | | |
| 197.0 | 197.0 | Salado | | | | |
| 5,112.0 | 5,112.0 | Bone Spring Lm | | | | |
| 6,427.6 | 6,327.0 | 1st Bone Spring Ss | | | | |
| 11,368.0 | 6,547.0 | 2nd Bone Spring Lime | | | | |
| 2,727.0 | 2,727.0 | Delaware | | | | |
| 2,452.0 | 2,452.0 | Capitan Base | | | | |
| 797.0 | 797.0 | Capitan | | | | |
| 317.0 | 317.0 | Base Salado | | | | |
| 6,602.5 | 6,392.0 | 1st Bone Spring Ss Mid | | | | |

| | | |
|-------------------|--------------------|-------------|
| Checked By: _____ | Approved By: _____ | Date: _____ |
|-------------------|--------------------|-------------|

20" 2K Annular



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



NOTES REGARDING BLOWOUT PREVENTERS

Devon Energy Production Company, LP

Cerf 10 Fed 3H

Surface Location: 1270' FNL & 300' FEL, Unit A, Sec 9 T21S R27E, Eddy, NM

Bottom Hole Location: 1980' FNL & 340' FEL, Unit A, Sec 10 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.

Hydrostatic Test Certificate

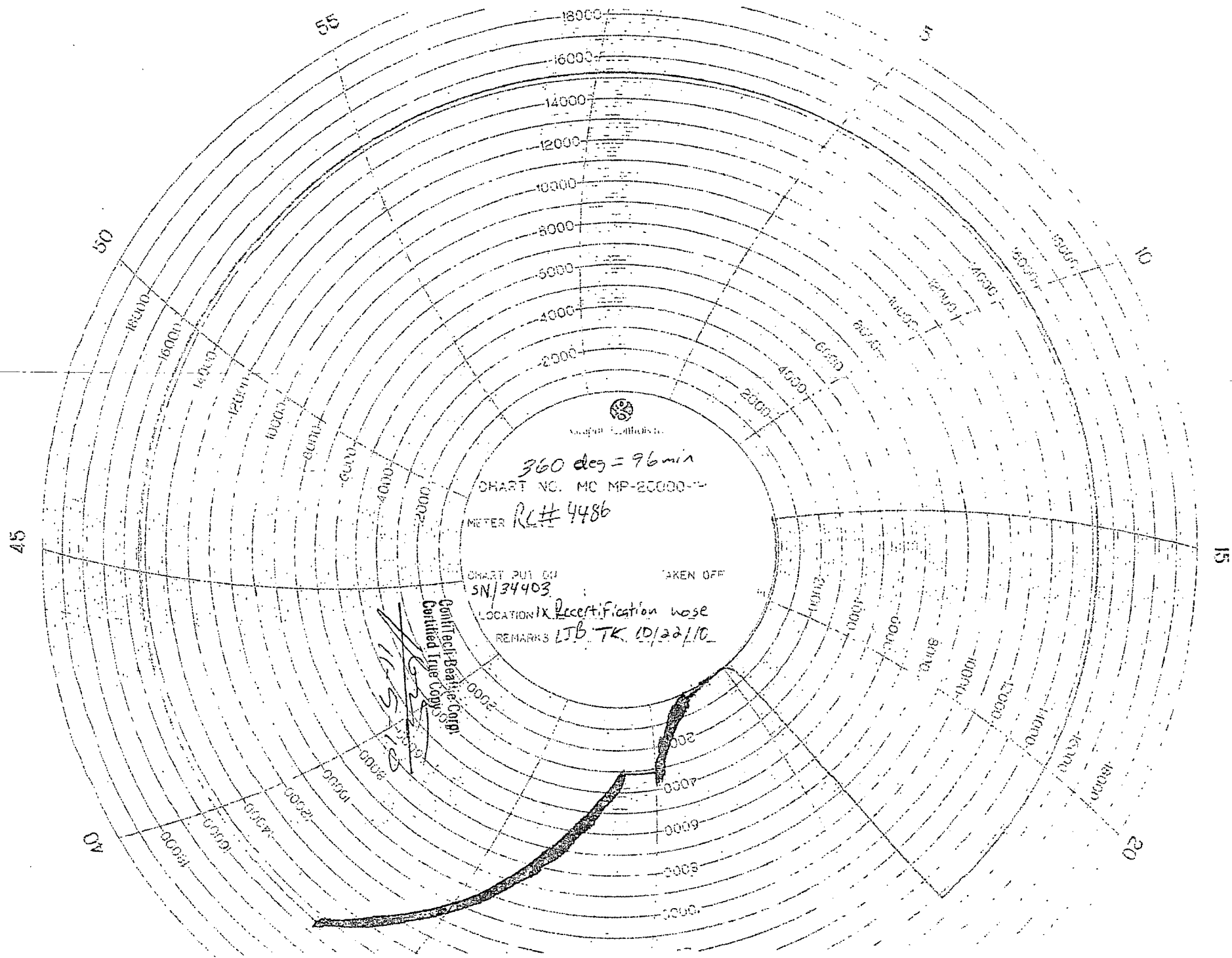


| | | |
|--|--|--|
| Certificate Number: 4520 | PBC No: 10321 | Customer Name & Address |
| Customer Purchase Order No: RIG 300 | | HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119 |
| Project: | | |
| Test Centre Address | Accepted by ContiTech Beattie Inspection | Accepted by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

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

These goods were made in the United States of America.

| Item | Part No. | Description | Qty | Serial Number | As-Built Length (m) | Work Press | Test Press | Test Time (minutes) |
|------|----------|---|-----|---------------|---------------------|------------|------------|---------------------|
| 1 | | 3" ID 10K Choke & Kill Hose x 35ft OAL End A: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange End B: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange Working Pressure: 10,000psi Test Pressure: 15,000psi Serial#: 49106 | 1 | 49106 | | 10 kpsi | 15 kpsi | 60 |



360 deg = 96 min

CHART NO. MC MP-20000-1

METER RL# 4486

CHART PUT ON
5N/34403

TAKEN OFF

LOCATION IX Recertification nose

REMARKS LJB TK 10/22/10

Conflic-Bearlie Corp.
Certified True Copy

11-5
10-2
10-2



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

Hydrogen Sulfide (H₂S) Contingency Plan

For

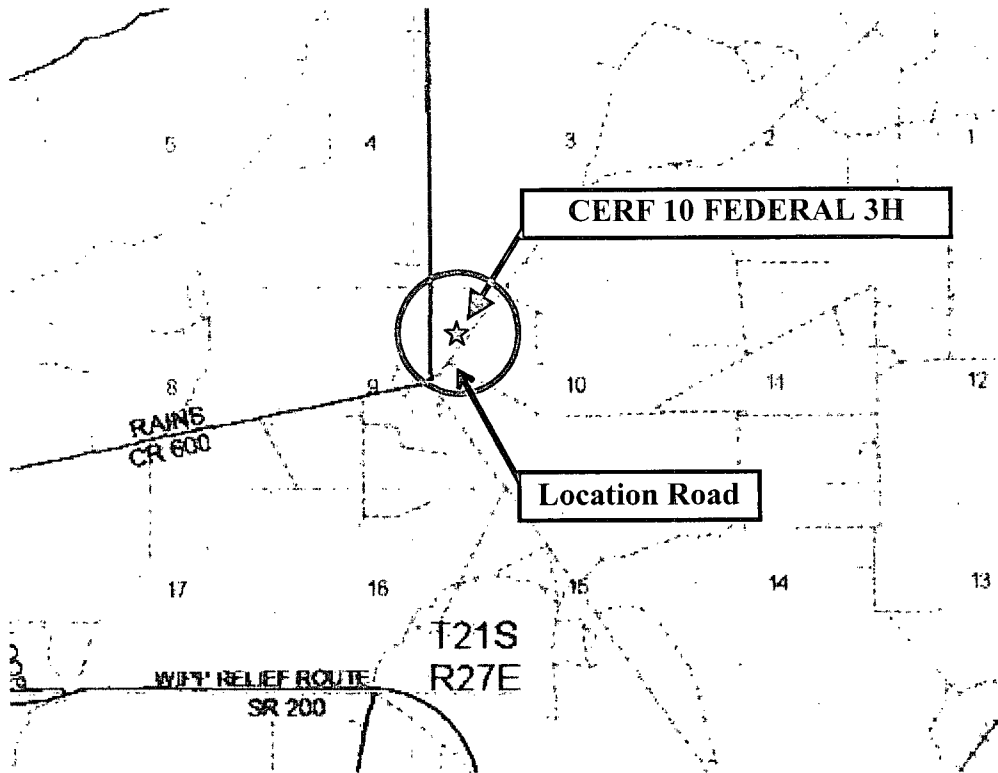
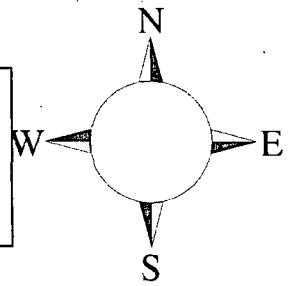
CERF 10 FEDERAL 3H

**Sec-9, T-21S R-27E
1270' FNL & 300' FEL,
LAT. = 32.4984406'N (NAD83)
LONG = 104.1872549'W**

Eddy County NM

CERF 10 FEDERAL 3H

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 3000' ()
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, Northeast or Southwest on lease road to CR600. Crews should then block both directions of the public 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) .. |

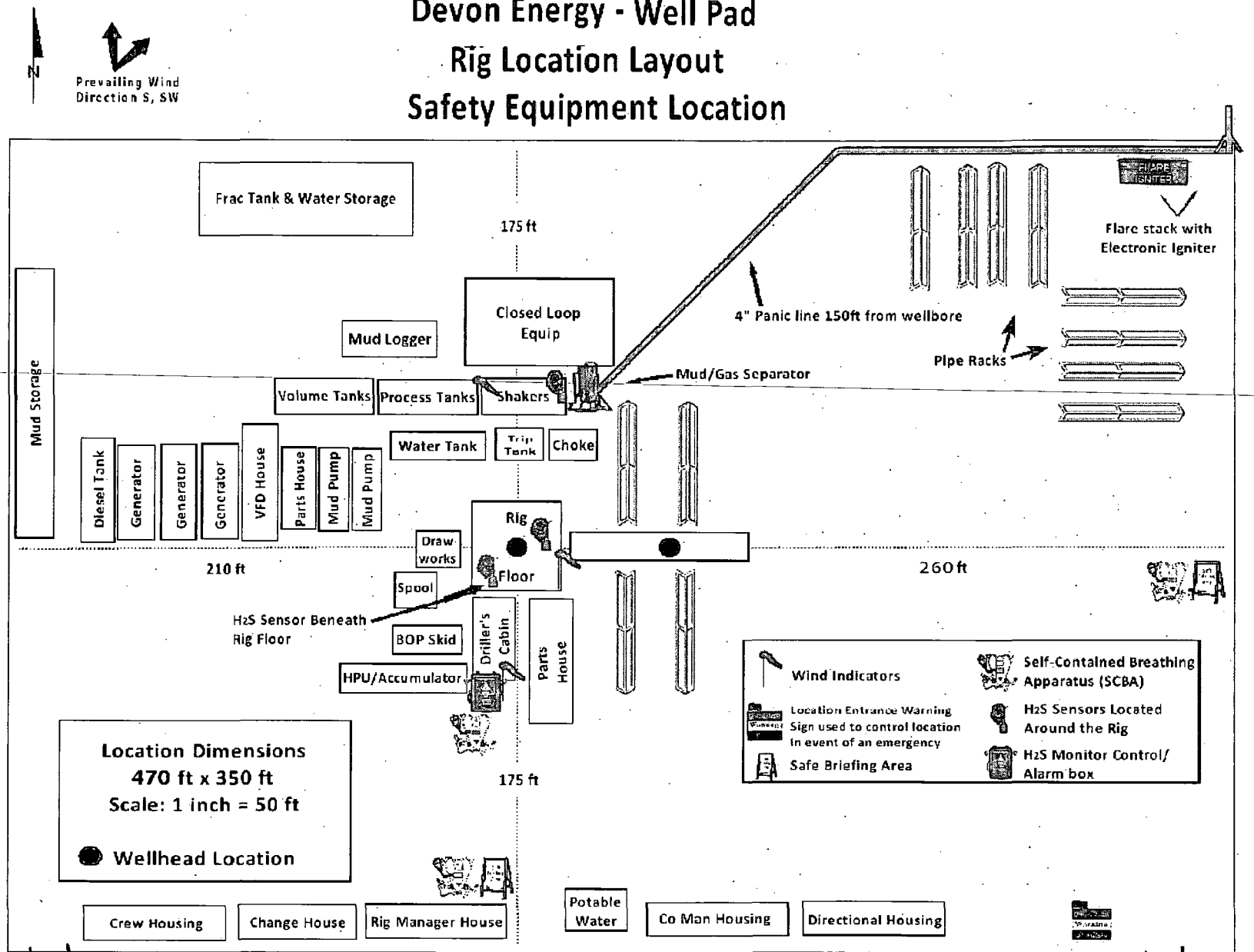
Emergency Services

| | | |
|------------------|--|----------------------------------|
| | Boots & Coots IWC | 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 |
| <i>Give</i> | Flight For Life - Lubbock, TX | (806) 743-9911 |
| <i>GPS</i> | Aerocare - Lubbock, TX | (806) 747-8923 |
| <i>position:</i> | Med Flight Air Amb - Albuquerque, NM | (575) 842-4433 |
| | Lifeguard Air Med Svc. Albuquerque, NM | (575) 272-3115 |

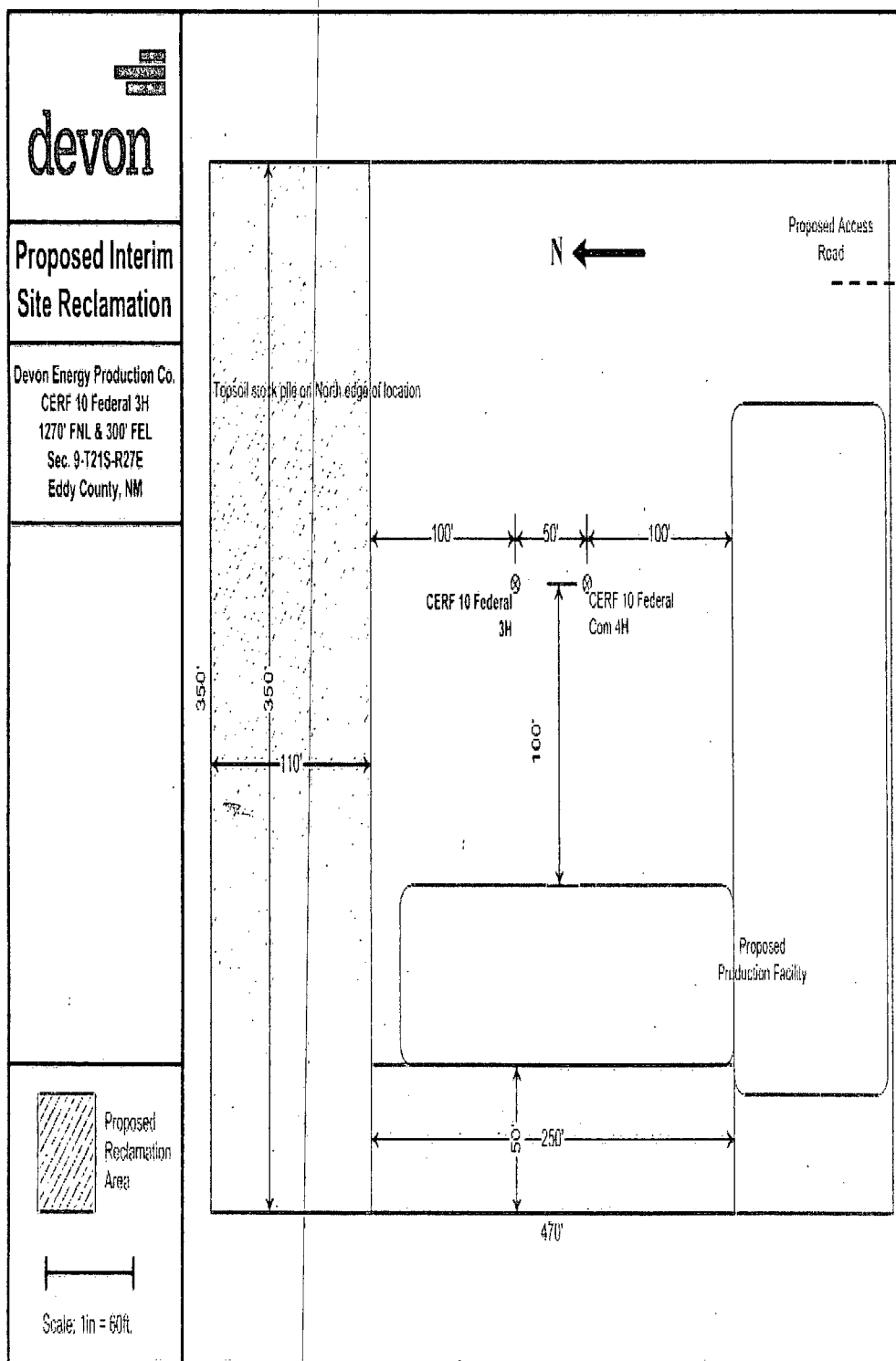
Prepared in conjunction with
Wade Rohloff



Devon Energy - Well Pad Rig Location Layout Safety Equipment Location



CAUTION
H₂S Present Gas
May Be Present



PECOS DISTRICT CONDITIONS OF APPROVAL

| | |
|-----------------------|--------------------------------------|
| OPERATOR'S NAME: | DEVON ENERGY PRODUCTION COMPANY L.P. |
| LEASE NO.: | NM14768 |
| WELL NAME & NO.: | CERF 10 FEDERAL -3H |
| SURFACE HOLE FOOTAGE: | 1270'/N & 300'/E |
| BOTTOM HOLE FOOTAGE: | 660'/N & 330'/E (SEC. 10) |
| LOCATION: | SEC.9-T21S-R27E |
| 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
 - Waste Material and Fluids
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines – not requested
 - Electric Lines – not requested
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**