OCD Artesia

Form 3160-3 (March 2012)	•		OMB N	APPROVED o. 1004-0137 ctober 31, 2014	Į.				
UNITED STATE DEPARTMENT OF THE BUREAU OF LAND MA	INTERIOR		5. Lease Serial No. NMNM45235	-,					
•	APPLICATION FOR PERMIT TO DRILL OR REENTER								
la. Type of work:	TER		7 If Unit or CA Agre	ement, Name	and No.				
lb. Type of Well: Oil Well Gas Well Other		iple Zone	8. Lease Name and V Pure Gold C-17	Fed 16H	(3067				
2. Name of Operator Devon Energy Production Company, I	L.P.		9. API Well No. 30 - 0/5	5 - 4	3132				
3a. Address 333 W. Sheridan Oklahoma City, OK 73102-5010	3b. Phone No. (include area code) 405-228-7203		10. Field and Pool, or I Los Medanos; Bond	Apioidory					
4. Location of Well (Report location clearly and in accordance with	(may State magninements *)		11. Sec., T. R. M. or B		-				
• • • • • • • • • • • • • • • • • • • •			Sec. 17 T23S R	•	of Pilou				
,	PP: 1980 FSL & 160 FEL		360. 17 1235 R	315					
At proposed prod. zone 1980 FSL & 330 FWL, Unit L									
14. Distance in miles and direction from nearest town or post office* Approx. 17 miles NE of Loving, NM			12. County or Parish Eddy County	N	S. State				
15. Distance from proposed* See attached map	16. No. of acres in lease	1	ng Unit dedicated to this v	vell					
property or lease line, ft.	NMNM45235 480 ac	160 a	ac						
(Also to nearest drig. unit line, if any)		1	DIA D. 431 G.						
18. Distance from proposed location* to nearest well, drilling, completed,	19. Proposed Depth	19. Proposed Depth 20. BLM/I 11,183 TVD 15,885 MD CO-110							
applied for, on this lease, ft.	11,183 TVD 15,885 MD								
1. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will st	 tart*	23. Estimated duration	1					
3336.5 GL	09/01/2014		45 Days						
	24. Attachments								
The following, completed in accordance with the requirements of Onsi	nore Oil and Gas Order No.1, must be	attached to th	is form:						
		•		aviation by	d on file (ess				
 Well plat certified by a registered surveyor. A Drilling Plan. 	4. Bond to cover Item 20 above)		ons unless covered by an	existing bone	i on the (see				
2. A Drining Flan. 3. A Surface Use Plan (if the location is on National Forest System	1								
SUPO must be filed with the appropriate Forest Service Office).	6. Such other site	e specific inf	ormation and/or plans as	may be requ	ired by the				
Y 201	BLM.		1	Ď:					
25. Signature	Name (Printed/Typed) Trina C. Couch			Date 04/30/20:	14				
Regulatory Analyst	Time 0. Oddon								
Approved by (Signature) /s/George MacDonell	Name (Printed/Typed)			Date MAY	- 8 2015				
FIELD MANAGER	Office	CARLSB	AD FIELD OFFICE	•					
Application approval does not warrant or certify that the applicant ho	olds legal or equitable title to those rig	ghts in the su	bject lease which would e	ntitle the app	licant to				
onduct operations thereon. Conditions of approval, if any, are attached.		APPR	OVAL FOR T	WO VE	ARS				
itle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a tates any false, fictitious or fraudulent statements or representations a	enme for any person knowingly and is to any matter within its jurisdiction.	willfully to	make to any department o	or agency of t	ne umied				
(Continued on page 2)		TION	*(Inst	ructions o	n page 2)				
	NM OIL CONSERVA			KIN					
	ARTESIA DISTRICT				_				
	MAY 1 8 2015			5/41/1	5				
arlsbad Controlled Water Basin	WALL O 2010								
and a controlled Match Rasil									

RECEIVED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements & Special Stipulations Attached

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 _30th__ day of _ April 2014.

Printed Name: Trina C Couch)
Signed Name:

Position Title: Regulatory Analyst

Address: 333 W. Sheridan, OKC OK 73102

Telephone: (405)-552-6559

District I (625 N. French Dr., Hobbs, NM 88240 Phone; (575) 393-6161 Fax: (575) 393-0720 District II 811 S. Firs St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (503) 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

12 Dedicated Acres

160 ac

³ Joint or Infill

Consolidation Code

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

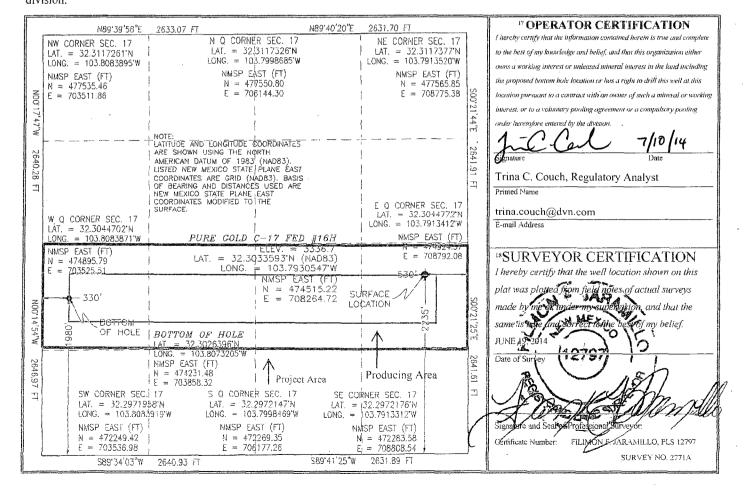
☐ AMENDED REPORT

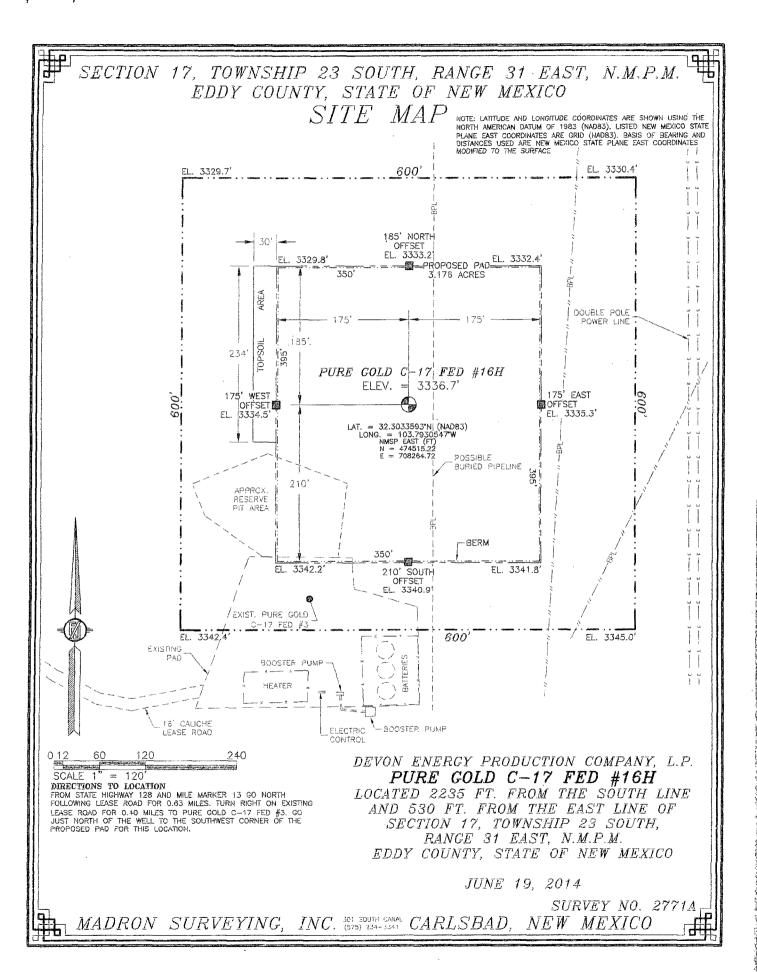
WELL LOCATION AND ACREAGE DEDICATION PLAT

<i>3</i> 0-0	API Numbe	3132		² Pool Code 40295	e	³ Pool Name Los Medanos; Bone Spring					
2 Property				⁵ Property Name						⁶ Well Number	
000	o / B PURE GOLD C-17 FED									16H	
OGRID	No.		⁸ Operator Name							[†] Elevation	
6137			DEVON ENERGY PRODUCTION COMPANY, L.P.							3336.7	
					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	
I	17	23 S	31 E		2235	SOUTH	530	EAST		EDDY	
			н Вс	ttom Ho	le Location I	Different Fron	n Surface				
UL or lot no.	Section	Township	Range						t line	County	
I.	17	23.5	31 F		1980	SOUTH	330	WES	т	EDDY	

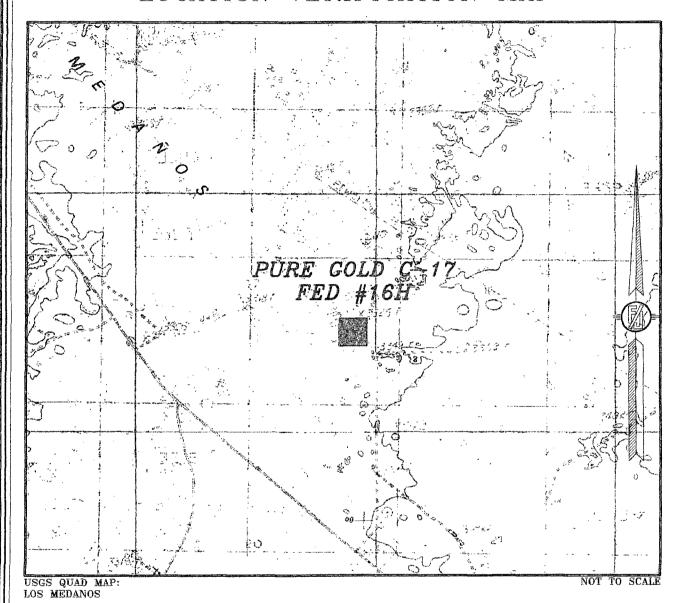
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

⁵ Order No.





SECTION 17, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



DEVON ENERGY PRODUCTION COMPANY, L.P.

PURE GOLD C-17 FED #16H

LOCATED 2235 FT. FROM THE SOUTH LINE

AND 530 FT. FROM THE EAST LINE OF

SECTION 17, TOWNSHIP 23 SOUTH,

RANGE 31 EAST, N.M.P.M.

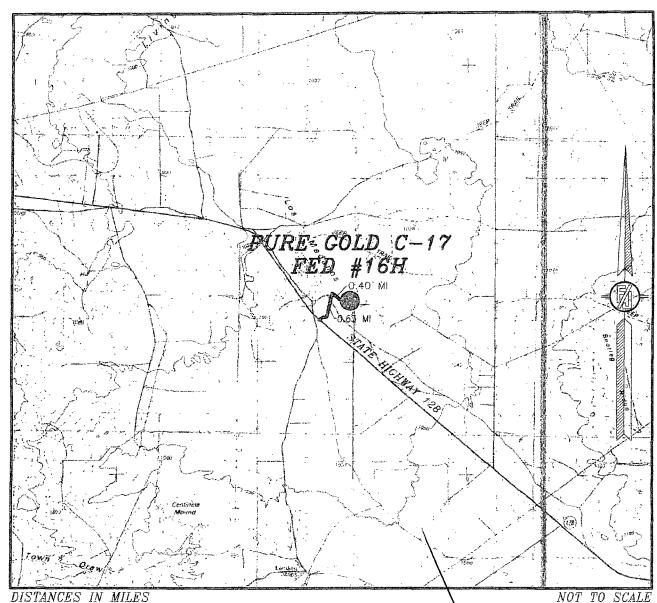
EDDY COUNTY, STATE OF NEW MEXICO

JUNE 19, 2014

SURVEY NO. 2771A

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO

SECTION 17, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO VICINITY MAP



DIRECTIONS TO LOCATION FROM STATE HIGHWAY 128 AND MILE MARKER 13 GO NORTH FOLLOWING LEASE ROAD FOR 0.63 MILES. TURN RIGHT ON EXISTING LEASE ROAD FOR 0.40 MILES TO PIRE GOLD C-17 FED #3. GO JUST NORTH OF THE WELL TO THE SOUTHWEST CORNER OF THE PROPOSED PAD FOR THIS LOCATION.

DIRECTIONS TO LOCATION

DEVON ENERGY PRODUCTION COMPANY, L.P.

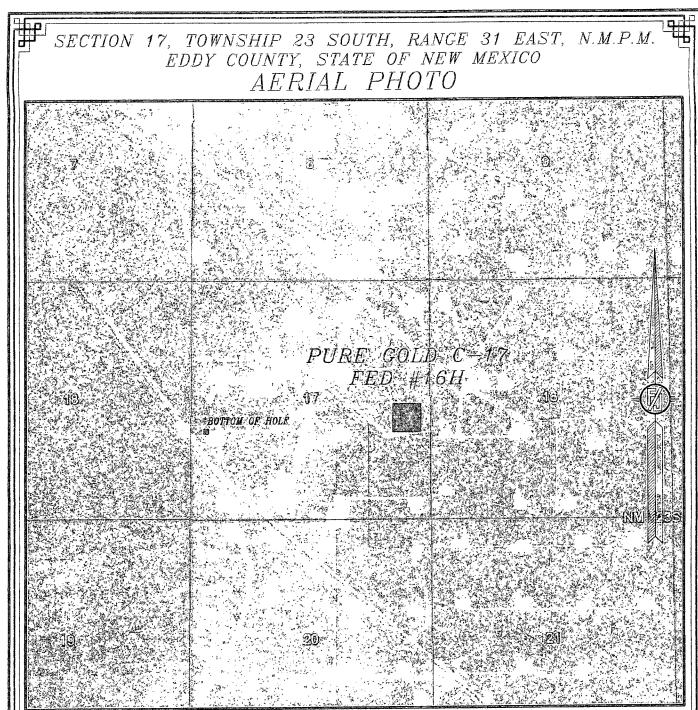
PURE GOLD C-17 FED #16H

LOCATED 2235 FT. FROM THE SOUTH LINE AND 530 FT. FROM THE EAST LINE OF SECTION 17, TOWNSHAP 23 SOUTH, RANGE 31 EAST, W.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

JUNE 19, 2014

SURVEY NO. 2771A

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH MARCH 2012

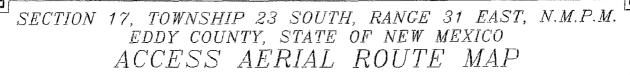
DEVON ENERGY PRODUCTION COMPANY, L.P. PURE GOLD C-17 FED #16H

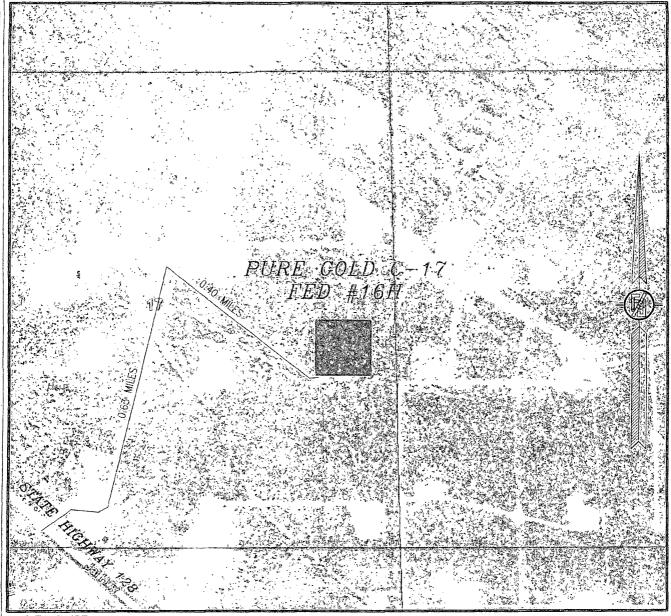
LOCATED 2235 FT. FROM THE SÖUTH LINE AND 530 FT. FROM THE EAST LINE OF SECTION 17, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

JUNE 19, 2014

SURVEY NO. 2771A

MADRON SURVEYING, INC. 501 SOUTH CANAL CARLSBAD, NEW MEXICO





NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH MARCH 2012

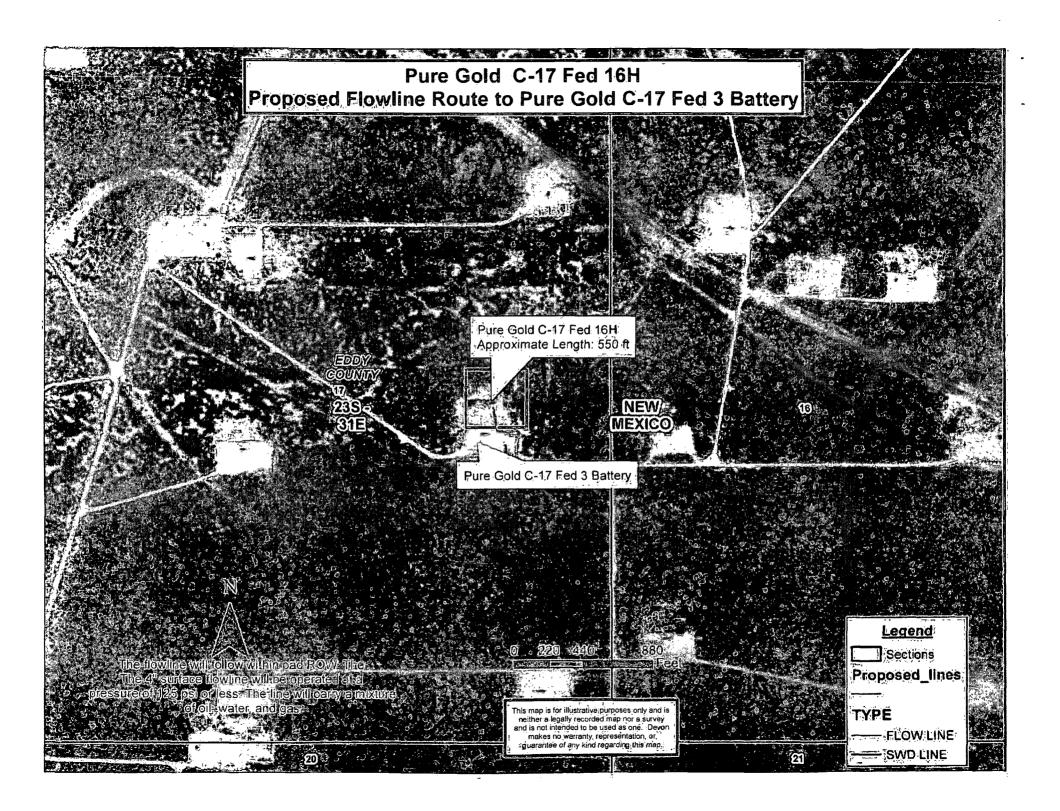
DEVON ENERGY PRODUCTION COMPANY, L.P. PURE GOLD C-17 FED #16H

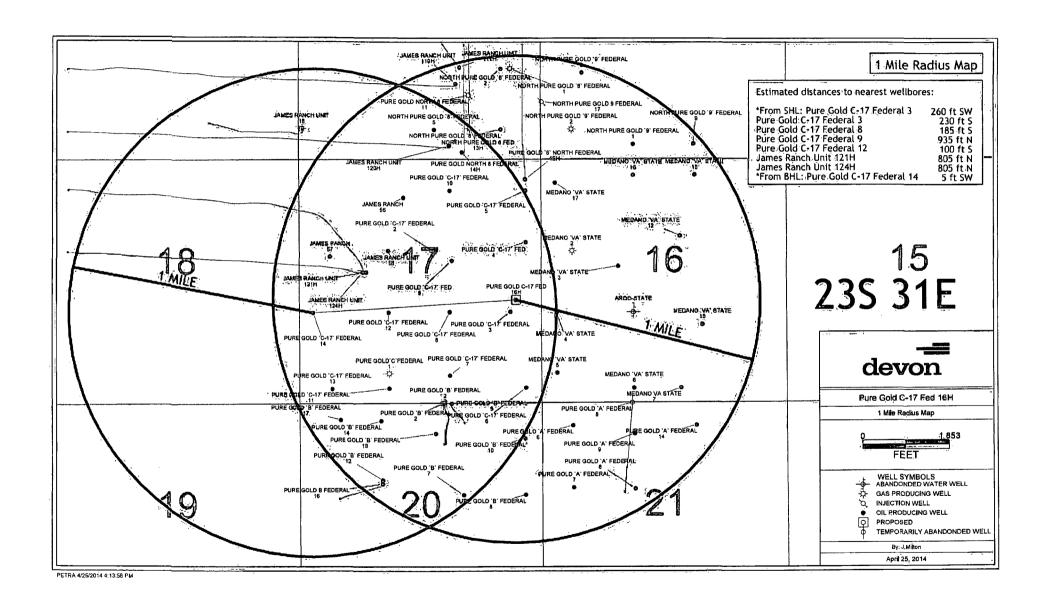
LOCATED 2235 FT. FROM THE SÖUTH LINE AND 530 FT. FROM THE EAST LINE OF SECTION 17, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

JUNE 19, 2014

SURVEY NO. 2771A

MADRON SURVEYING, INC. 301 SOUTH CARLSBAD, NEW MEXICO





DRILLING PROGRAM

Devon Energy Production Company, L.P. Pure Gold C-17 Fed 16H

1. Geologic Name of Surface Formation: Quaternary

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

a.	Fresh Water	100′	
b.	Rustler	460′	Barren
c.	Salado	798′	Barren
d.	Base of Salt/LWR Castille	3895′	Barren
e.	Delaware	4122′	Oil / Gas
f.	Bell Canyon	4157′	Oil / Gas
g.	Cherry Canyon	5038′	Oil / Gas
h.	Brushy Canyon	6348′	Oil / Gas
i.	Bone Spring	7998'	Oil / Gas
j.	2 nd Bone Spring	9668′	Oil / Gas
k.	3 rd Bone Spring	10818′	Oil / Gas
	Total Depths	11,183' TVD	15,886′ MD

3. Pressure Control Equipment:

A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be tested per BLM Onshore Oil and Gas Order 2.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. 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.

A 5M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be tested per BLM Onshore Oil and Gas Order 2.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. 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 5,000 psi WP.



Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line); **if an H&P rig drills this well. Otherwise no flex line is needed**. The line will be kept as straight as possible with minimal turns.

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.

4. Casing Program:

Hole Size	Hole Interval , ಕ25	Casing OD	Casing Interval	Weight (lb/ft)	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17-1/2"	0-600, 4020,	13-3/8"	0 - 600	48#	STC	H-40	2.87	6.45	11.18
12-1/4"	.600' - 3,200'	9-5/8"	0 – 3,200'	40#	LTC	J-55	1.54	2.37	3.80
8-3/4"	3,200' – 11,400'	7"	0 – 11,400'	29#	BTC	P-110	1.24	1.63	2.73
6-1/8"	11,400 - 15,885	4-1/2"	10,900' - 15,885'	13.5#	BTC	P-110	1.76	2.05	1.97

Casing Notes:

• All casing is new and API approved

Maximum Lateral TVD: 11,670'

5. Proposed mud Circulations System:

Depth **Mud Weight** Viscosity **Fluid Loss Type System** 30 - 34N/C FW 8.3 - 9.610 - 10.228 - 32N/C Brine 8.4 - 9.028 - 32N/C FW11,400' – 15,885' 28 - 32N/C FW 9 - 10

The necessary mud products for weight addition and fluid loss control will be on location at all times. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume. If abnormal pressures are encountered, electronic/mechanical mud monitoring equipment will be installed.

Cementing Table: 6.

String	Number of sx	Weight lbs/gal	Water Volume g/sx	Yield cf/sx	Stage; Lead/ Tail	Slurry Description					
13-3/8" Surface	660	14.8	6.32	1.33	Tail	Class C Cement + 63.5% Fresh Water					
9-5/8" Intermediate	590	12.9	9.81	1.85	Lead	(65:35) Class C Cement: Poz (Fly Ash): 6% BWOC Bentonite + 5% BWOW Sodium Chloride + 0.125 lbs/sack Poly-E-Flake + 71.4 % Fresh Water					
#1	430	14.8	6.32	1.33	Tail	Class C Cement + 63.5% Fresh Water					
A	460	12.9	9.81	1.85	Lead	(65:35) Class C Cement: Poz (Fly Ash): 6% BWOC Bentonite + 5% BWOW Sodium Chloride + 0.125 lbs/sack Poly-E-Flake + 71.4 % Fresh Water					
de COM	220	14.8	6.32	1.33	Tail	Class C Cement + 63.5% Fresh Water					
9-5/8" Intermediate #1 Two Stage		DV Tool at 1150ft									
Option	130	12.9	9.81	1.85	Lead	(65:35) Class C Cement: Poz (Fly Ash): 6% BWOC Bentonite + 5% BWOW Sodium Chloride + 0.125 lbs/sack Poly-E-Flake + 71.4 % Fresh Water					
	210	14.8	6.32	1.33	Tail	Class C Cement +3.5% Fresh Water					
	450	11.0	14.94	2.66	Lead	Tuned Light Blend + 0.125 lb/sk Pol-E-Flake + 76.3% Fresh Water					
7" Intermediate	160	14.4	5.69	1.25	Tail	(50:50) Class H Cement: Poz (Fly Ash) + 0.3% bwoc HALAD-9 + 0.2% bwoc HR-800 + 1lb/sk KolSeal + 2% bwoc Bentonite + 62.3 % Fresh Water					
#2 Two Stage					DV Tool	at 4050ft					
Option	210	11.0	14.94	2.66	Lead	Tuned Light Blend + 0.125 lb/sk Pol-E-Flake + 76.3% Fresh Water					
	80	14.8	6.32	1.33	Tail	Class C Cement + 0.2% HR-800 + 63.5% Fresh Water					

To A

String	Number of sx	Weight lbs/gal	Water Volume g/sx	Yield cf/sx	Stage; Lead/ Tail	Slurry Description
7"	700	11.0	14.94	2.66	Lead	Tuned Light Blend + 0.125 lb/sk Pol-E-Flake + 76.3% Fresh Water
Intermediate #2 Single Stage Option	160	14.4	5.69	1.25	Tail	(50:50) Class H Cement: Poz (Fly Ash) + 0.3% bwoc HALAD-9 + 0.2% bwoc HR-800 + 1lb/sk KolSeal + 2% bwoc Bentonite + 62.3 % Fresh Water
4-1/2" Production Liner	490	14.5	5.32	1.21	Tail	(50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.25% bwoc CFR-3 + 0.2% bwoc HR-601 + 2% bwoc Bentonite + 58.8% Fresh Water

TOC for all Strings:

13-3/8" Surface

0ft

9-5/8" Intermediate

0ft

9-5/8" Two Stage Option

Stage #1 = 1,150 ft

Stage #2 = Oft

7" Intermediate Two Stage Option

Stage #1 = 4,050 ft 5000' See COA

Stage #2 = Oft

7" Intermediate Single Stage Option

Oft

4-1/2" Production Liner

10,900ft

Notes:

- Cement volumes Surface 100%, Intermediate 75% and Production based on at least 25% excess
- Actual cement volumes will be adjusted based on fluid caliper and caliper log data
- If lost circulation is encountered while drilling the production and/or the intermediate wellbores, a DV tool will be installed a minimum of 50' below the previous casing shoe and a minimum of 200' above the current shoe. If the DV tool has to be moved, the cement volumes will be adjusted proportionately. The cement will tie back 500' into the 9-5/8" casing shoe.

7. 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. No logs are planned
- d. No coring program is planned
- e. Additional Testing will be initiated subsequent to setting the production casing. Specific intervals will be targeted based on log evaluation (if applicable), geological sample shows, and drill stem tests.

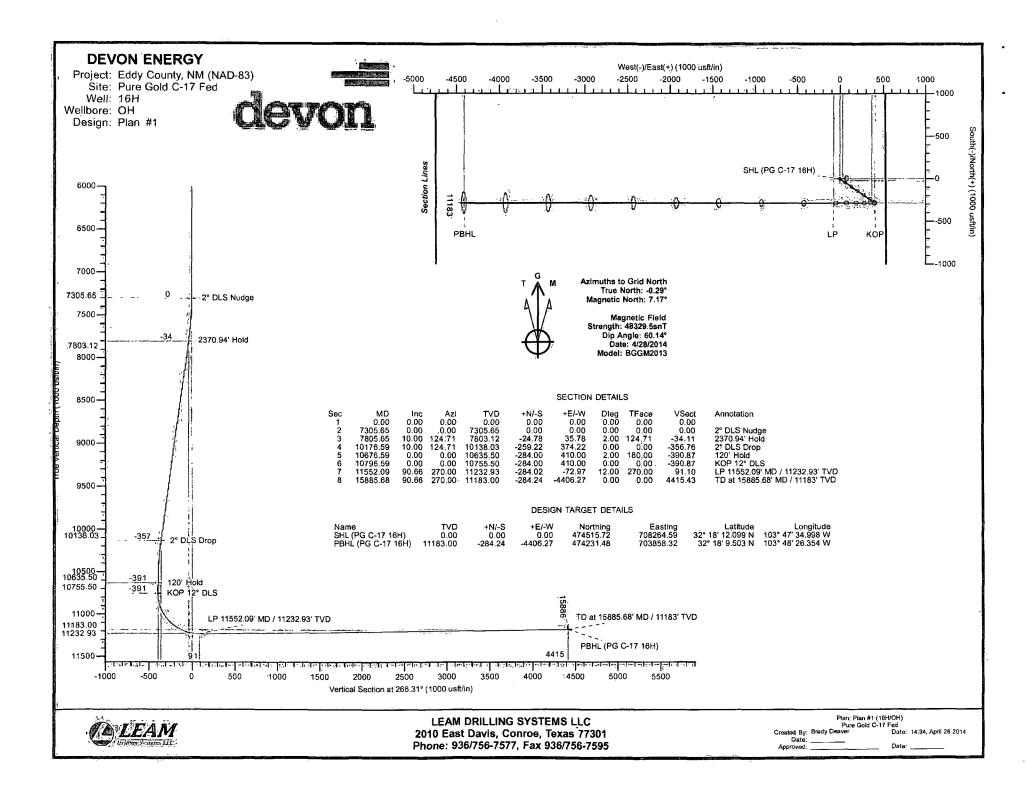
8. Potential Hazards:

- a. No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area, and none is anticipated to be encountered. 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 being used to drill this well. Estimated BHP: 5592 psi, and estimated BHT: 173 degrees.
- b. Hydrogen Sulfide detection equipment will be in operation after drilling out the surface casing shoe until the production string is cemented. Breathing equipment will be on location upon drilling the surface casing shoe until total depth is reached.

9. 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 20 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.

See



Planning Report

Database EDMISO00.4 Single User Db Local Co-ordinate Reference: Well 16H Company: DEVON:ENERGY TVD:Reference: Cactus 105: 3336.5 336.5 336.450.ustt (Original Reference: Pure Gold C-17 Fed North Reference: Grid. Well: 16H Survey Calculation Method: Minimum Curvature.	Well(Elev) GL+ 28: RKB@

Project			
Map System: Geo Datum:	US State Plane 1983 North American Datum 1983	System Datum:	Mean Sea Level
Map Zone:	New Mexico Eastern Zone		

Site F	ure Gold C-17, Fe	d:				
Site Position:			Northing:	476,703.70 usft	Latitude:	32° 18' 33.742 N
From:	Map		Easting:	708,420.80 usft	Longitude:	103° 47' 33.050 W
Position Uncertainty:	C	0.00 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.29 °
L						

Well	16H					
Well Position	+N/-S	-2,187.98 usft	Northing:	474,515.72 usft	Latitude:	32° 18' 12.099 N
	+E/-W	-156.21 usft	Easting:	708,264.59 usft	Longitude:	103° 47' 34.998 W
Position Uncertain	ıty	0.00 usft	Wellhead Elevation:	3,364.50 usft	Ground Level:	3,336.50 usft

Wellbore				
Magnetics Model Name	Sample Date	Declination Di	o Angle (°)	Field Strength
BGGM2013	4/28/2014	7.46	60.14;	48,329

Design Plan(#1					
Audit Notes:					
Version:	Phase:	PLAN	Tie On Depth:	0,00	
Vertical Section	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)	
	.00,00	0.00	0.00	266.31	

Measured Depth (usft)	Inclination (5)	Azimuth (2)	Vertical Depth (usft)	-N/-S (usft)	+E/-W (usft)	Dogleg Rate ('//100ustt)	Build Rate (*/100usft)	Turn Rate (*/400usft)	TEO (P)	Target
0.00.	0.00	0:00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
7,305.65	0.00	0.00	7,305.65	0.00	0.00	0.00	0.00	0.00	0.00	
7,805:65	10.00	124.71	7,803.12	-24.78	35.78	2.00	2.00	0.00	124.71	
10,176:59	10.00	124.71	10,138.03	-259.22	374.22	0.00	0.00	0.00	0:00	
10,676.59	0.00	0.00	10,635.50	-284.00	410.00	2.00	-2.00	0.00	. 180.00	
10,796.59	0.00	0.00	10,755.50	-284.00	410.00	0.00	0.00	0.00	0.00	
11,552.09	90.66	270.00	11,232.93	-284.02	-72.97	12.00	12.00	-11.91	270.00	
15,885.68	90.66	270.00	11,183.00	-284.24	-4,406.27	0.00	0.00	0.00	0.00	PBHL (PG C-17 16H)

Planning Report

Database	y Y	EDM 5000.1 S	ingle User Db	See to the second second second	Local	Co-ordinate Re	ference:	Well 16H	· milliote times to take the transfer and the	ment - 226 Strangeron Parky suggister rejegister in	- Constitution
Company	/-	DEVON ENER	GY			eference:		3	3336.5' GL + 2		
roject:		Eddy County, 1	NM (NAD-83)	*	MDRe	ference:			Original Well El 3336:5' GL + 2		
					i i i			1	(Original Well'El	, –	
ite:	·	Pure Gold C-1	7 Fed		North	Reference:		Grid			
lell:	,	16H			Surve	y Calculation/M	lethod.	Minimum Cu	rvature		
/elipore	: , · ^	∬он			ŀ				•		
esign:		Plan #1#									
Planned	Survey						The Control of the Co	1972 Tar 7124			la i
iumica	ourrey ,	بالمعددين معصسهان الم		د پرسون در	معقورو مرجرين بالبريد بعايات مهادستهم	atum a — sidana nimaminishing safativisti					
	Measured	the state of		Vertical			Vertical	Dogleg	Build	Turn	
	Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Section	Rate	Rate	Rate	
·u .	(usft)	(°)	(°)	(usft),	(usft)	(usft)	(usft)	(°/100usft)	(°/100usft)	(°/100ùşfţ).	
	.0.00	0.00	0.00	0.00	0:00	0.00	0.00	0.00	0.00	0.00	
	SHL (PG C-										
	100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	- "
	200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0:00	
	300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
	400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00	
	500.00	0.00	0.00	500.00	0.00.	0.00	0.00	0.00	0.00	0.00	
	600.00	0:00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00	
	700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00	
	800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00	
	900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00	
	1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
	1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00	
	1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0:00	0.00	
	1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00 0.00	0.00 0.00	0.00	
	1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00			0.00	
	1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
	1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
	1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
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	2,000.00	0.00	0.00	2,000.00	0.00	0,00	0.00	0.00	0.00	0.00	
	2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00	
	2,200.00	0.00	0.00	2,200.00	0:00	0.00	0.00	0.00	0.00	0.00	
	2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00	
	2,400:00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
	2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
	2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
	2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	
	2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	
	2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0:00	0.00	
	3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
	3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00	
	3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
	3,300.00	0.00	0.00	3,300.00	0.00	0:00	0.00	0.00	0.00	0.00	
	3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00	
	3,500:00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
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	4,200.00 4,300.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
	4,400.00	0.00 0.00	0.00	4,300.00 4,400.00	0.00 0.00	0.00 0.00	0.00 0.00	0,00 0.00	0.00	0,00 0.00	
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Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 16H
Company:	DEVON ENERGÝ	TVD Reference:	Cactus 105: 3336.5' GL + 28'-RKB@ 3364.50usft'(Onginal Well Elēv)
Project:	Eddy County, NM (NAD-83)	MD Reference:	Cactus 105: 3336.5' GL + 28' RKB @ 3364.50usft (Original Well Elev)
Site:	Pure Gold C-17 Fed	North Reference:	Grid
Well:	16H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1	,	

Planne	ed Survey		and the second section of the second second	· · · · · · · · · · · · · · · · · · ·			12. 17	range Secreption Change Secretary	and the second section of the	
			demonstration of the section of the	armer designation of the contract of the contr	Magazin François e de deservición de la constantia del constantia della co	,	شعب مستسبب المراجع المراجع المراجع		A Commence	and the second s
	Measured:		1 1 1 1	Vertical	*		Vertical	Dogleg.	Build	Turn
	Depth	Inclination	Azimuth	Depth.	+N/-S	.+E/-W	Section	Rate	Rate	Rate
	(usft)	(°)	(°,)	(usft)	(usft)	(usft)	(úsft)	(°/100usft)	, (?/100usft)	(°/100usft)
	5,100.00	0.00	0.00	5,100.00	0.00	0.00	0,00	0.00	0.00	0.00
	5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0:00
	5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00
	5,900.00	0.00	0.00	5,900.00	0.00	0.00	0,00	0.00	0.00	0.00
	6,000.00	0.00	0.00	6,000.00	0.00	0,00	0.00	0.00	0.00	0.00
	6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00.	0.00	0.00	0.00
	6,200.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0:00	0.00
	6,300.00	0.00	0.00	6,300.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,400.00	0.00	0.00	6,400.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,500.00	0.00	0.00	6,500.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,600.00	0.00	0.00	6,600.00	0.00	0.00	0.00	0.00	0.00	0:00
	6,700.00	0.00	0.00	6,700.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,800.00	0.00	0.00	6,800.00	0.00	0.00	0.00	0.00	0.00	0.00
	6,900.00	0.00	0.00	6,900.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,000.00	0.00	0.00	7,000,00	0.00	0.00	0,00	0.00	0.00	0.00
	7,100.00	0.00	0.00	7,100.00	0.00	0.00	0.00	0.00	0.00	0.00
	7,200.00	0.00	0.00	7,200.00	0.00	0.00	0.00	0.00	0.00	0.00
	7.305.65	0.00	0.00	7,305,65	0.00	0.00	0;00	0.00	0.00	0.00
(2° DLS Nudg									
	7,400.00	1.89	124.71	7 399 98	-0.88	1.28	-1.22	2.00	2.00	0.00
	7,500.00	3.89	124.71	7,499.85	-3.75	5.42	-5.16	2.00	2.00	0.00
	7,600.00	5.89	124.71	7,599.48	-8.60	12.42	-11.84	2.00	2.00	0.00
	7,700.00	7.89	124.71	7,698.76	-15.43	22.28	-21.24	2.00	2.00	0.00
	7 <u>.</u> 805.65	10:00	124.71	7,803.12	-24.78	35.78	-34.11	2.00	2.00	0.00
	2370,94' Hold	i de la companya del la companya de	ACTIVATION OF THE PROPERTY OF			4				السسسا
	7,900.00	10:00	124.71	7,896.03	-34.11	49.25	-46.95	0.00	0.00	0.00
	8,000.00	10.00	124.71	7,994.51	-44.00	63.52	-60.56	0.00	0.00	0.00
	8,100.00	10.00	124.71	8,092.99	-53.89	77.80	-74.16	0.00	0.00	0.00
	8,200.00	10.00	124.71	8,191.47	-63.78	92.07	-87,77 101.38	0.00	0.00	0.00
	8,300.00 8,400.00	10.00 10.00	124.71 124.71	8,289.96 8,388.44	-73.66 -83.55	106.34 120.62	-101.38 -114.99	0.00 0.00	0.00 0.00	0.00 0.00
	8,500.00							0.00	0.00	0.00
	8,500.00	10.00 10.00	124.71 124.71	8,486.92 8,585.40	-93.44 -103.33	134.89 149.17	-128.60 -142.21	0.00	0.00	0.00
	8,700.00	10.00	124.71	8,683.88	-103.33	163.44	-142.21	0.00	0.00	0.00
	8,800.00	10.00	124.71	8,782.36	-113.21	177.72	-169.43	0.00	0.00	0.00
	8,900.00	10.00	124.71	8,880.84	-132.99	191.99	-183.03	0.00	0.00	0.00 0.00
	9,000,00	10.00	124.71	8,979.32	-142.88	206.27	-196.64	0.00	0.00	0.00
	9,100.00	10.00	124.71	9,077.80	-152.77	220.54	-210.25	0.00	0.00	0.00
	9,200.00	10.00	124.71	9,176.28	-162.65	234.82	-223.86	0.00	0.00	0.00
	9,300.00	10.00	124.71	9,274.76	-172.54	249.09	-237.47	0.00	0.00	0.00
	9,400.00	10.00	124.71	9,373.24	-182.43	263.37	-251,08	0.00	0.00	0.00
	9,500.00	10.00	124.71	9,471.72	-192.32	277.64	-264.69	0.00	0.00	0.00
	9,600.00	10.00	124.71	9,570.21	-202.21	291.92	-278.29	0.00	0.00	0.00
							-291.90	0.00	0.00	0.00
	9,700.00	10.00	124.71	9,668.69	-212.09	306.19	-231.30	0.00		0.00
	9,700.00 9,800.00	10.00 10.00	124.71 124.71	9,668.69 9,767.17	-212.09 -221.98	320.47	-305.51	0,00	0.00	0.00

Planning Report

EDM 5000.1 Single User Db DEVON ENERGY Database: Local Co-ordinate Reference: Well 16H Company: TVD Reference: Cactus 105: 3336:5' GL + 28' RKB.@-3364:50usft (Original Well Elev) Cactus 105: 3336.5 GL + 28 RKB,@ Eddy County, NM.(NAD-83) Project: MD Reference: 3364:50usft (Original Well (Elev) Site: Pure Gold C-17 Fed North Reference: Grid Survey Calculation Method: 16H Minimum Curvature Well: Wellbore: ЮН Design: Plan#1

	Measured Depth (usft) 10,100.00 10,176.59 2° DLS:Drop 10,200.00 10,300.00 10,400.00 10,500.00 10,676.59	9.53 7.53 5.53 3.53	Azimuth (2) 124.71 124.71 124.71 124.71	10.062.61 10.138.03	+N/-S (usft) -251:64 -259:22	+E/-W (usft): 363:29 374:22	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
T. Company	Depth (usft) 10,100.00 10,176:59 2° DLS Drop 10,200.00 10,300.00 10,400.00 10,500.00 10,676.59	9.53 7.53 5.53 3.53	124.71 124.71 124.71 124.71 124.71	Depth (usft) 10.062.61 10,138.03	-251:64 -259:22	(usft) 363:29	Section (usft)	Rate (°/100usft)	Rate (°/100usft)	Rate (°/100usft)
	(usft) 10,100.00 10,176.59 2° DLS Drop 10,200.00 10,300.00 10,400.00 10,500.00 10,600.00 10,676.59	9.53 7.53 5.53 3.53	124.71 124.71 124.71 124.71 124.71	10.062.61 10.138.03	-251:64 -259:22	(usft) 363:29	(usft)	(°/100ušft)	(°/100usft)	(°/100usft)
	10,100.00 10,176.59 2° DLS Drop 10,200.00 10,300.00 10,400.00 10,500.00 10,600.00 10,676.59	9.53 7.53 5.53 3.53	124.71 124.71 124.71 124.71 124.71	10.062.61 10.138.03	-251:64 -259:22	363:29		Y		
	10,176;59 2° DLS Drop 10,200.00 10,300.00 10,400.00 10,500.00 10,600.00 10,676.59	9.53 7.53 5.53 3.53	124.71 124.71 124.71 124.71	10.062.61 10.138.03	-259.22		-346.34	2.02		
	10,176;59 2° DLS Drop 10,200.00 10,300.00 10,400.00 10,500.00 10,600.00 10,676.59	9.53 7.53 5.53 3.53	124.71 124.71 124.71	10,138.03	-259.22			0.00	0.00	0.00
***************************************	2° DLS Drop 10,200.00 10,300.00 10,400.00 10,500.00 10,600.00 10,676.59	7.53 5.53 3.53	124.71 124.71	10,161.11			-356.76	0:00	0.00	0.00
***************************************	10,200.00 10,300.00 10,400.00 10,500.00 10,600.00 10,676.59	7.53 5.53 3.53	124.71				سيتبره سيب ميز وارسات مو در	And the second	THE CONTRACTOR OF THE PROPERTY OF THE PARTY	Manuscrip of the supplement of
	10,300.00 10,400.00 10,500.00 10,600.00 10,676.59	7.53 5.53 3.53	124.71		261.49	377.49	-359.87	2.00	-2.00	0.00
	10,400.00 10,500.00 10,600.00 10,676.59	5.53 3.53			-261.48					
	10,500.00 10,600.00 10,676.59	3.53		10,259,99	-269.93	389.68	-371.50	2.00	- 2.00	0.00
	10,600.00 10,676.59		124.71	10,359.34	-276.40	399.03	-380.41	2.00	-2.00	0.00
	10,676.59		124.71	10,459.02	-280.90	405.53	-386.60	2.00	-2.00	0.00
		1.53	124.71	10,558.92	-283.42	409.16	-390.07	2.00	-2.00	0:00
		0.00	0.00	10,635.50	-284.00	410.00	-390.87	2:00	-2.00	0.00
	120' Hold								, , , i 	
	10,700.00	0.00	0.00	10,658.91	-284.00	410.00	-390.87	0.00	0.00	0.00
	•	0.00				410.00	-390.87	0:00	0.00	0.00
<u> </u>	10,796.59		0.00	10,755.50	-284.00	410.00	-390.87	0.00	0.00	0.00
<u></u> !	10,800.00	0.41	270.00	10,758.91	-284.00	409.99	-390.86	12.00	12.00	0.00
							-390.86 -390.02			
	10,825.00	3.41	270.00	10,783.89	-284.00	409:15		12.00	12.00	0.00
	10,850.00	6.41	270.00	10,808.80	-284.00	407.02	-387.89	12.00	12.00	0.00
	10,875.00	9.41	270.00	10,833.56	-284.00	403.58	-384.46	12.00	12.00	0.00
	10,900.00	12.41	270.00	10,858.10	-284.00	398.85	-379.74	12.00	12.00	0.00
	10,925.00	15.41	270.00	10,882.37	-284.00	392.84	-373,74	12.00	12.00	0.00
	10,950.00	18.41	270.00	10,906.29	-284.00	385.57	-366,48	12.00	12.00	0.00
	10,975.00	21.41	270.00	10,929.79	-284.00	377.05	-357.99	12.00	12.00	0.00
	11,000.00	24.41	270.00	10,952.81	-284.00	367.32	-348.28	12:00	12.00	0.00
	11,025.00	27.41	270.00	10,975.30	-284,00	356.40	-337.38	12.00	12.00	0.00
	11,050.00	30.41	270.00	10,997.18	-284.00	344.32	-325.32	12.00	12.00	0.00
	11,075.00	33.41	270.00	11,018.40	-284.00	331,10	-312.13	12.00	12.00	0.00
	11,100.00	36.41	270.00	11,038.90	-284.00	316.80	-2 97.86	12.00	12.00	0.00
	11,125.00	39.41	270,00	11,058.62	-284.01	301.44	-282.53	12.00	12.00	0.00
	11,150.00	42.41	270.00	11,077.51	-284.01	285.07	-266.20	12,00	12:00	0.00
	11,175.00	45.41	270.00	11,095.52	-284.01	267.73	-248.90	12.00	12.00	0.00
	11,200.00	48.41	270.00	11,112.60	-284.01	249.48	-230.68	12.00	12.00	0.00
	11,225.00	51.41	270.00	11,128.70	-284.01	230.36	-211.59	12.00	12.00	0.00
	11,250.00	54.41	270.00	11,143.77	-284.01	210.42	-191.70	12.00	12.00	0.00
	.,									
	11,275.00	57.41	270.00	11,157.78	-284.01	189.71	-171.04	12.00	12.00	0.00
	11,300.00	60.41	270,00	11,170.69	-284.01	168.31	-149.68	12.00	12.00	0.00
	11,325.00	63.41	270.00	11,182.46	-284.01	146.26	-127.67	12.00	12:00	0:00
	11,350.00	66.41	270.00	11,193.06	-284.01	123.62	-105.08	12.00	12.00	0.00
	11,375.00	69.41	270.00	11,202.46	-284.02	100.45	-81.96	12.00	12.00	0.00
	11,400.00	72.41	270.00	11,210.64	-284.02	76.83	-58,39	12.00	12.00	0.00
	11,425.00	75.41	270.00	11,210.64	-284.02 -284.02	52.81	-36,39	12.00	12.00	0.00
		78.41				28.47	-34,42 -10,12		12.00	0.00
	11,450:00		270.00	11,223.23	-284.02			12.00		
	11,475.00	81.41	270.00	11,227.61	-284.02	3.86	14.44	12.00	12.00	0.00
	11,500.00	84.41	270.00	11,230.69	-284.02	-20.95	39.19	12.00	12,00	0.00
	11,525.00	87.41	270.00	11,232.48	-284.02	-45.88	64.07	12.00	12.00	0.00
	11,552.09	90.66	270.00	11,232.93	-284.02	-72.97	91.10	12,00	12.00	0.00
Į.	LP 11552.09	MD / 11232.93	TVD							
	11,600.00	90.66	270.00	11,232.38	-284.03	-120.87	138.91	0.00	0.00	0.00
	11,700.00	90.66	270.00	11,231.23	-284.03	-220.87	238.69	0.00	0.00	0.00
	11,800.00	90.66	270.00	11,230.08	-284.04	-320.86	338.48	0.00	0.00	0.00
	11,900.00 12,000.00	90.66 90.66	270.00	11,228.92	-284.04	-420.85 -520.85	438.26	0.00	0.00	0.00
			270.00	11,227.77	-284.05		538.05	0.00	0.00	0.00
	12,100.00 12,200.00	90.66 90.66	270.00 270.00	11,226.62 11,225.47	-284.05 -284.06	-620.84 -720.83	637.84 737.62	0.00 0.00	0.00 0.00	0,00 0.00

Planning Report

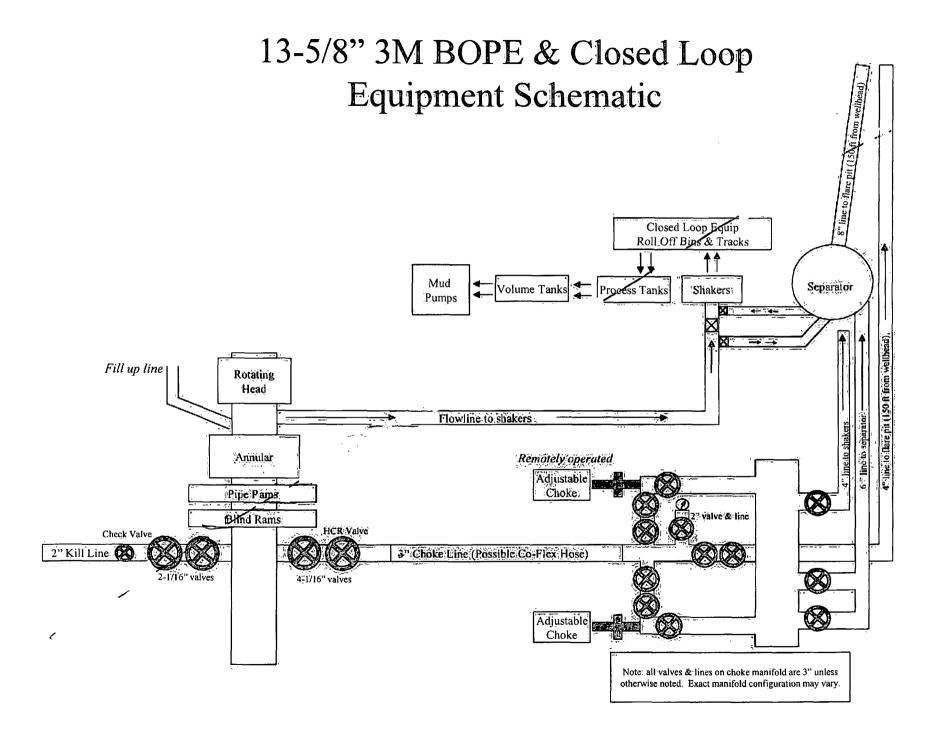
Database: EDM 5000 1 Single User Db Local Co-ordinate Reference	Well 16H
Company: DEVON:ENERGY TVD:Reference:	Cactus 105: 3336.5 GL + 28 RKB @
	3364 50usft (Original Well Elev)
Project: MD Reference: MD Reference:	Cactus 105. 3336.5' GL + 28 RKB @
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	3364:50usft (Original Well Elev)
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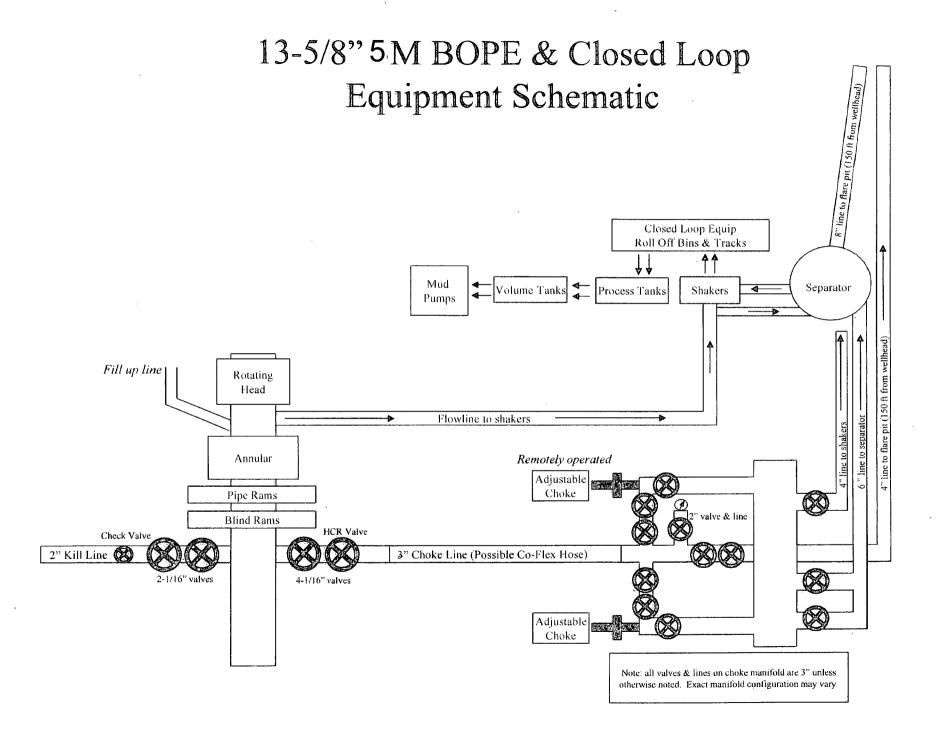
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12,500.00	90.66	270:00	11,222.01	-284.07	-1,020.81	1,036.98	0.00	0.00	0.00
12,600.00	90.66	270.00	11,220.86	-284.08	-1,120.81	1,136.77	0.00	0.00	0.00
12,700.00	90.66	270.00	11,219.71	-284.08	-1,220.80	1,236.55	0.00	0.00	0.00
12,800.00	90.66	270.00	11,218.55	-284.09	-1,320.79	1:336.34	0.00	0.00	0.00
12,900.00	90.66	270.00	11,217.40	-284.09	-1,420.79	1,436.13	0.00	0.00	0.00
13,000.00	90.66	270.00	11,216.25	-284.10	-1,520.78	1,535.91	0.00	0.00	0.00
13,100.00	90.66	270.00	11,215.10	-284.10	-1,620.77	1,635.70	0.00	0.00	0.00
13,200.00	90.66	270.00	11,213.95	-284.11	-1,720.77	1,735.49	0.00	0.00	0.00
13,300.00	90.66	270.00	11,212.79	-284.11	-1,820.76	1,835.27	0.00	0.00	0.00
13,400.00	90.66	270.00	11,211.64	-284.12	-1,920.75	1,935.06	0.00	0.00	0.00
13,500.00	90.66	270.00	11,210.49	-284.12	-2,020.75	2;034:85	0.00	0.00	0.00
13,600.00	90.66	270.00	11,209.34	-284.13	-2,120.74	2,134.63	0.00	0.00	0.00
13,700.00	90.66	270.00	11,208.18	-284.13	-2,220:73	2,234.42	0.00	0.00	0.00
13,800.00	90.66	270.00	11,207.03	-284.14	-2,320.73	2,334.20	0.00	0.00	0.00
13,900.00	90.66	270.00	11,205.88	-284.14	-2,420.72	2,433.99	0.00	0.00	0.00
14,000.00	90.66	270.00	11,204.73	-284,15	-2,520.71	2,533.78	0.00	0.00	0.00
14,100.00	90.66	270.00	11,203.58	-284.15	-2,620.71	2,633.56	0.00	0.00	0.00
14,200.00	90.66	270.00	11,202.42	-284,16	-2,720.70	2,733.35	0.00	0.00	0.00
14,300.00	90.66	270.00	11,201.27	-284.16	-2,820.69	2,833.14	0.00	0.00	0.00
14,400.00	90.66	270.00	11,200.12	-284:17	-2,920.69	2,932.92	0.00	0.00	0.00
14,500.00	90.66	270.00	11,198.97	-284.17	-3,020.68	3,032.71	0.00	0.00	0.00
14,600.00	90.66	270.00	11,197.81	-284.18	-3,120.67	3,132.49	0.00	0.00	0.00
14,700.00	90.66	270.00	11,196.66	-284.18	-3,220.67	3,232.28	0.00	0.00	0.00
14,800.00	90.66	270.00	11,195.51	-284.19	-3,320.66	3,332.07	0.00	0.00	0.00
14,900.00	90.66	270.00	11,194.36	-284.19	-3,420.65	3,431.85	0.00	0.00	0.00
15,000.00	90.66	270.00	11,193.21	-284:20	-3,520.65	3,531.64	0.00	0.00	0.00
15,100.00	90.66	270.00	11,192.05	-284.20	-3,620.64	3,631.43	0.00	0.00	0.00
15,200.00	90.66	270.00	11,190.90	-284.21	-3,720.63	3,731.21	0.00	0.00	0.00
15,300.00	90.66	270.00	11,189.75	-284.21	-3,820.63	3,831.00	0.00	0.00	0.00
15,400.00	90.66	270.00	11,188.60	-284.22	-3,920.62	3,930.78	0.00	0.00	0.00
15,500.00	90.66	270.00	11,187.44	-284.22	-4,020.61	4,030.57	0.00	0.00	0.00
15,600.00	90.66	270.00	11,186.29	-284.23	-4,120.61	4,130.36	0.00	0.00	0.00
15,700.00	90.66	270.00	11,185.14	-284.23	-4,220.60	4,230.14	0.00	0.00	0.00
15,800.00	90.66	270.00	11,183.99	-284.24	-4,320.59	4,329.93	0.00	0.00	0.00
15,885.68	90.66	270.00	11,183.00	-284.24	-4,406.27	4,415.43	0.00	0.00	0.00
TD at 15885.68' I	ND / 111837TV	D - PBHL (PG	C-17-16H)		200	2.2		9/27/15 # 2	
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Planning Report

Company: DEVC	5000 1 Single NENERGY County NM ()	NAĎ-8:			TVD Referen MD Referenc North Refere	e:	3364:50ust Cactus 105	- 3336.5' GL + 28∜R t(Original Well Elev) 33336.5' GL+ 28' R t (Original Well Elev)	кв[@ _/		
Design Targets Target Name Init/miss target Dip Shape	Angle Dip	Dir.	a grade to 3 "	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Loi	igitude	
SHL (PG C-17 16H) - plan hits target center - Point	0:00	0.00	0:00	0.00	0:00	474,515.72	708,264.59	32° 18' 12.099 N	103°	47' 34.9	98 W
PBHL (PG C-17 16H) - plan hits target center - Point	0.00	0.00	11,183.00	-284:24	-4,406.27 ,	474,231.48	703,858.32	32° 18' 9.503 N	103°	48' 26.3	354 W

Plan Annotations					
Measured	Vertical	Local Coordi	nates :		
Depth	Depth.	+N/-S	*+E/-W		
(usft)	(usft)»	(usft)	(usft)	Comment	
7,305.65	7,305.65	0.00	0.00	2° DLS Nudge	
7,805.65	7,803.12	-24.78	35.78	2370.94' Hold	
10,176.59	10,138.03	-259.22	374.22	2° DLS Drop	
10,676.59	10,635.50	-284.00	410.00	120' Hold	
10,796.59	10,755.50	-284.00	410.00	KOP 12° DLS	
11,552.09	11,232.93	-284.02	-72.97	LP 11552.09' MD / 11232.93' TVD	
15,885.68	11,183.00	-284.24	-4,406.27	TD at 15885.68' MD / 11183' TVD	





NOTES REGARDING BLOWOUT PREVENTERS

Devon Energy Production Company, L.P. Pure Gold C-17 Fed 16H

- 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 filings will be in operable condition to withstand a minimum of 5000psi working pressure.
- 4. All fittings will be flanged.
- 5. A fill bore safety valve tested to a minimum of 5000psi 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.



Midwest Hose & Specialty, Inc.

INTER	NAL I	HYDROSTA	TIC TEST	CERTIFICA	TE		
Customer:				Customer P.O			
		CACTUS		RE-CERT M53	22&M1075		
		HOSE SPECI	FICATIONS				
Type: Rot	ary/Vib	rator Hose					
CHO	OKE HO	J:API 7K		Hose Length:	35 FEET		
I.D.		INCHES	O.D.	D. INCHE			
WORKING PRES	SURE	TEST PRESSUR	E	BURST PRESSU	RE		
5,000	PSI	10,000	PSI	N/A	.PSI		
		COUP	LINGS				
Part Number		Stem Lot Nur		Ferrule Lot N	umber		
Type of Coup	ling:	L	Die Size:]			
s	WAGE-	ıŢ					
		PROC	EDURE.				
Hose	assembly	v pressure tested w	ith water at ambie	nt temperature .			
TIME	HELD AT	TEST PRESSURE	ACTUAL E	BURST PRESSURE	:		
	12:3/4	MIN.		N/A	PSI		
Hose Assemb	oly Seri 194103-		Hose Serial I	Number:			
Comments: ASSET# M5322	?						
Date: 3/6/201:	3	Tested:	Balak	Approved:	The -		

March 17, 2013

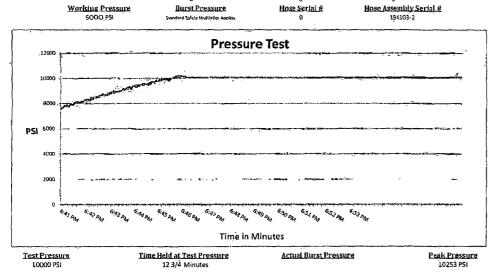


Internal Hydrostatic Test Graph

Customer: Cactus

Pick Ticket #: 194103

Hose Spec	ifications	<u>Verification</u>				
Hose Type	Length	Type of Fitting	Coupling Method			
C&K	35'	4 1/16 10K	Swage			
LD.	0.0.	Dic Size	Final O.D.			
a	0	0	0			
Working Pressure	Burst Pressure	Hose Serial #	Hose Assembly Serial			



Comments: Hose assembly pressure tested with water at ambient temperature.

Tested By: Billy Balak

Approved By: Joshua Dahlem

Satural Sin

DATE: 03/18/13 10:10AM

PACKING LIST

Ship From

Midwest Hose & Specialty, Inc. 3312 S I-35 Service Road Oklahoma City OK 73129

PAGE: 1 OF 1

1,000.00

1,083.75

0.:00 \$83.75



Bill To

Cactus Drilling Co., LLC ATTN: John Andrade 8300 SW 15th Oklahoma City OK USA

Cactus Drilling Co., LLC ATTN: Accounts Payable 8300 SW 15th Street Oklahoma City OK 73128-9594 USA

Payment Terms	1% 10 - NET 30 DAYS (1NET30)
Ship Method	PICKUP
Freight Terms	Prepaid
Customer Ship	
Cartons	(E)
Weight	0.00
Tracking Nbra	

Packing List #:00194103

AMOUNT

TOTAL

SALES TAX

FREIGHT/INSUR/HANDLE

Shipping Notes:

Cust phone: 577-5347 Written by: ESPARKMAN

Ship To

LIN

0010

Customer PO: Re-Cert M5322 & M1075

Mark Number: John Andrade

INVOICE REQUIREMENTS:

ITEM /

TESTLABOR

PL#: 00194103

SOF: 00162217

רושפרסלטידראו

1. Purchase Order Number and Rig # Required 2. Proof of Delivery Required

Received	Ву;	 		
Data Race	aivart.			

Print Name:

Work Phone #:

ÜOM	YTITKAUQ.	QUANTITY	QUANTITY DAKE OF THE PROPERTY	QUANTITY
 EA	2.00	0.00	0.00	2.00
			Unit Price: 500.00	Ext. Price: 1,000.00

Questions? Phone: (800) 375-2358

Picked by: BBALAK

Shipped by: ESPARKMAN

Internal Hydrostratic Test Labor Your item # is: M5322 & M1075



Fluid Technology

ContiTech Beattie Corp. Website: www.contitechbeattie.com

Monday, June 14, 2010

RE:

Drilling & Production Hoses Lifting & Safety Equipment

To Helmerich & Payne,

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

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

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

Best regards,

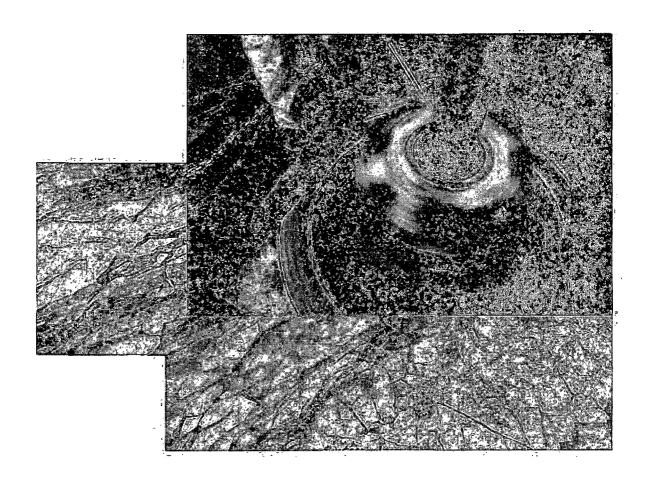
Robin Hodgson Sales Manager ContiTech Beattle Corp

ContiTech Beattie Corp, 11535 Brittmoore Park Drive, Houston, TX 77041 Phone: +1 (832) 327-0141 Fax: +1 (832) 327-0148 www.contitechipattie.com





Commitment Runs Deep



Design Plan
Operation and Maintenance Plan
Closure Plan

SENM - Closed Loop Systems June 2010

I. Design Plan

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

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

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

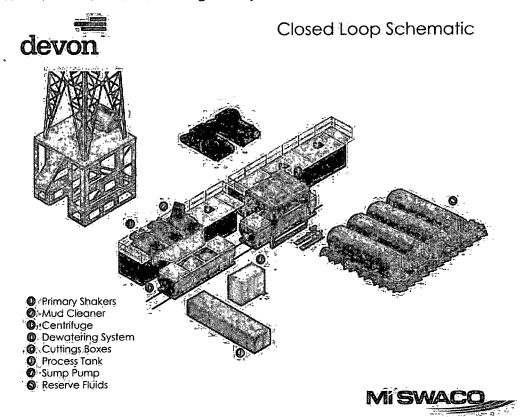
Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

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

II. Operations and Maintenance Plan

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

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



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

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

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

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

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

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

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

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

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

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

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

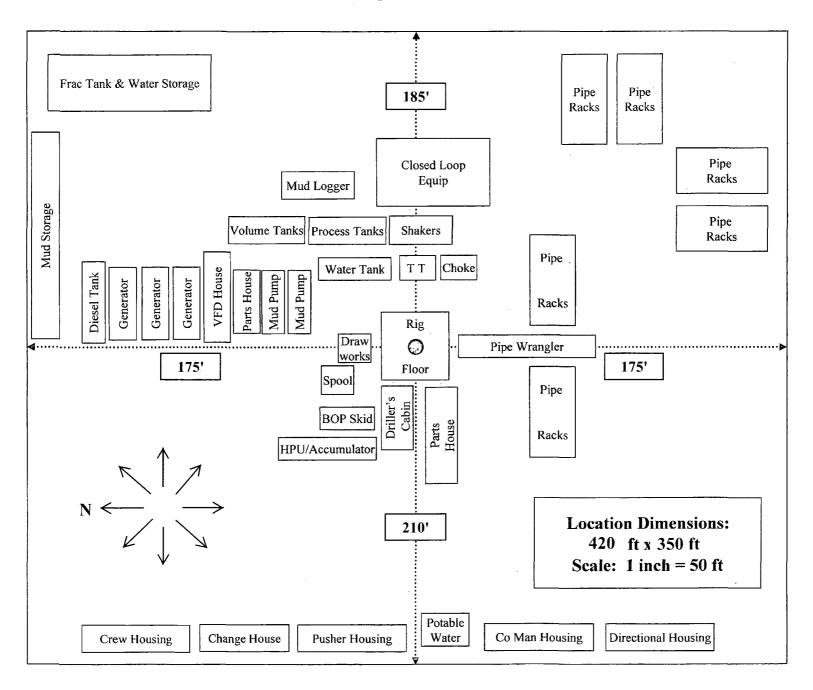
These operations are monitored by Mi Swaco service technicians. Daily logs are maintained to ensure optimal equipment operation and maintenance. Screen and chemical use is logged to maintain inventory control. Fluid properties are monitored and recorded and drilling mud volumes are accounted for in the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

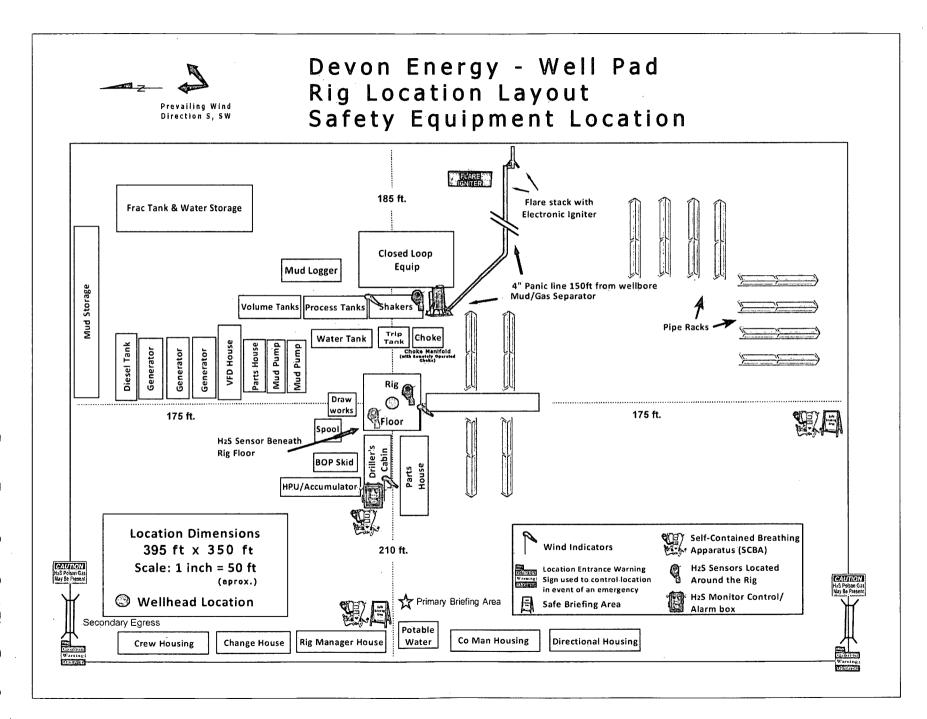
A MI SWACO field supervisor manages from 3-5 wells. They are responsible for training personnel, supervising installations, and inspecting sites for compliance of MI SWACO safety and operational policy.

III. Closure Plan

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

H&P Flex Rig Location Layout







Devon Energy Center 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-5010

Hydrogen Sulfide (H₂S) Contingency Plan

For

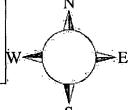
Pure Gold C-17 Fed 16H

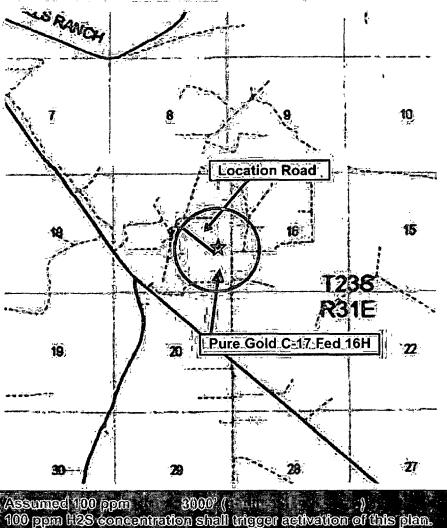
Sec-17, T-23S R-31E 2235' FSL & 530 FEL LAT. = 32.3033607'N (NAD83) LONG = 103.7930551'W

Eddy County NM

Pure Gold C-17 Fed 16H

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.





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 Northwest on lease road. Crews should then block entrance to the location from the lease 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
 - o Detection of H₂S, and
 - o Measures for protection against the gas,
 - o 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 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:

- The effects of H₂S metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
- 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 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 (with remotely operated choke)
- 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.
- E. Mud/Gas Separator

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 unites 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

Artesia (575)

=		
! 	Foreman – Robert Bell	748-2846 746-4945 (936) 414-6246
Age	ncy Call List	
<u>Lea</u> <u>Coun</u> (575)	Hobbs ty Lea County Communication Authority State Police City Police Sheriff's Office Ambulance Fire Department LEPC (Local Emergency Planning Committee) NMOCD US Bureau of Land Management	392-5588 397-9265 911 397-9308 393-2870 393-6161
Eddy Coun (575)	Carlsbad State Police City Police Sheriff's Office Ambulance Fire Department LEPC (Local Emergency Planning Committee) US Bureau of Land Management NM Emergency Response Commission (Santa Fe) 24 HR National Emergency Response Center (Washington, DC)	885-2111 911 885-2111 887-3798 887-6544 (505) 476-9600 .(505) 827-9126
	Emergency Services 800)-256-968 Boots & Coots IWC (800)-256-968 Cudd Pressure Control (915) 699-013 Halliburton (575) 746-2 B. J. Services (575) 746-3	9 or (915) 563-3356 757
Give GPS positio	Native Air – Emergency Helicopter – Hobbs. Flight For Life - Lubbock, TX Aerocare - Lubbock, TX Med Flight Air Amb - Albuquerque, NM Lifeguard Air Med Svc. Albuquerque, NM	(806) 743-9911 (806) 747-8923 (575) 842-4433

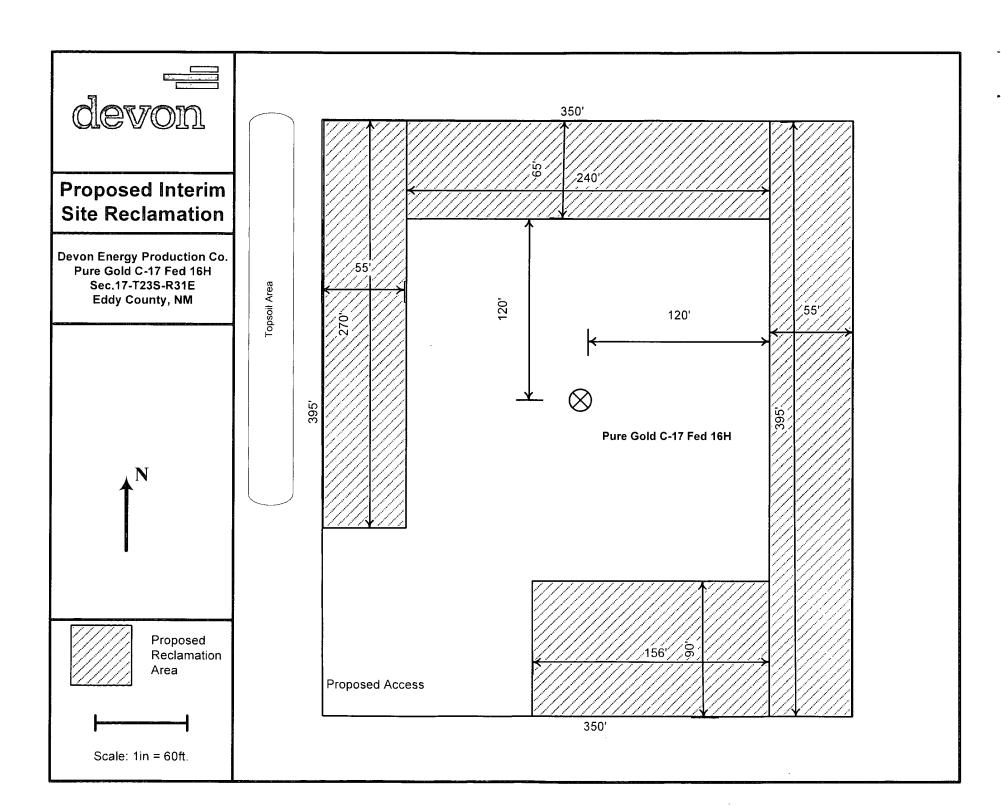
Cellular

Office

Home

Prepared in conjunction with

Dave Small



SURFACE USE PLAN

Devon Energy Production Company, L.P. Pure Gold C-17 Fed 16H

1. Existing Roads:

- a. The well site and elevation plat for the proposed well are reflected on the "Site Map". The well was staked by Madron Surveying, Inc.
- b. All roads into the location are depicted on the "Vicinity Map". The operator will repair pot holes, clear ditches, repair the crown, etc. All existing structures on the entire access route such as cattle guards, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use. BLM written approval will be acquired before application of surfactants, binding agents, or other dust suppression chemicals on roadways.
- c. Directions to Location: From State Highway 128 and Mile Marker 13, go North following lease road for 0.63 miles. Turn Right on existing lease road for 0.40 miles to Pure Gold C-17 Fed #3. Go just North of the well to the Southwest corner of the proposed pad for this location.

2. New or Reconstructed Access Roads:

- a. No new access road will be constructed.
- b. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

The attached "One Mile Radius Map" shows all existing and proposed wells within a one-mile radius of the proposed location.

4. Location of Existing and/or Proposed Production Facilities:

- a. In the event the well is found productive, the Pure Gold C-17 Fed 3 tank battery would be utilized and shared, and the necessary production equipment will be installed at the well site. This facility is located in Sec 17-T23S-R31E. See "Proposed Flowline Route" map.
- b. If necessary, the well will be operated by means of an electric prime mover. If electric power poles are needed, a plat and a sundry notice will be filed with your office.
- c. All flow lines will adhere to API standards.
- d. If the well is productive, rehabilitation plans are as follows:
 - i. A closed loop system will be utilized.
 - ii. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads described and depicted on the "Vicinity Map". On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

6. Construction Materials:

Obtaining caliche: One primary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means caliche will be obtained from the actual well site. Actual amounts will vary for each pad. The procedure below has been approved by BLM personnel:

- a. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
- b. Subsoil is removed and stockpiled within the surveyed well pad.
- c. When caliche is found, material will be stock piled within the pad site to build the location and road.
- d. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- e. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced.
- f. Neither caliche, nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the Well. Site Layout or survey plat.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other established mineral pit. A BLM mineral material permit will be acquired prior to obtaining any mineral material from BLM pits or land.

7. Methods of Handling Waste Material:

- a. Drill cuttings will be safely contained in a closed loop system and disposed of properly at a NMOCD approved disposal site.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier will pick up salts remaining after completion of well, including broken sacks.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.
- f. Disposal of fluids to be transported by the following companies:
 - i. American Production Service Inc., Odessa TX
 - ii. Gandy Corporation, Lovington NM
 - iii. 1 & W Inc, Loco Hill NM
 - iv. Jims Water Service of Co Inc, Denver CO
- 8. Ancillary Facilities: No campsite or other facilities will be constructed as a result of this well.

9. Well Site Layout

- a. The Rig Location Layout attachment shows the proposed well site layout and pad dimensions.
- b. The Rig Location Layout attachment proposes location of sump pits and living facilities.
- c. Mud pits in the active circulating system will be steel pits.
- d. A closed loop system will be utilized.
- e. If a pit or closed loop system is utilized, Devon will provide a copy of the Design Plan to the BLM.

10. Plans for Surface Reclamation:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.
- d. All disturbed areas not needed for active support of production operations will undergo interim reclamation. The portions of the cleared well site not needed for operational and safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Topsoil will be respread over areas not needed for all-weather operations.

11. Surface Ownership

- a. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
- b. The proposed road routes and the surface location will be restored as directed by the BLM.

12. Other Information:

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sage bush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of location.
- d. A Cultural Resources Examination will be completed by the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III Survey for cultural resources associated with their project within the BLM office in Carlsbad, New Mexico.

13. Bond Coverage:

Bond Coverage is Nationwide; Bond # is CO-1104 & NMB-000801.

Operators Representative:

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

Kim Henderson - Operations Engineer Devon Energy Production Company, L.P. 333 W. Sheridan Oklahoma City, OK 73102-5010 (405) 552-6505 (office) (405) 479-3869 (Cellular) Don Mayberry - Superintendent Devon Energy Production Company, L.P. Post Office Box 250 Artesia, NM 88211-0250 (575) 748-3371 (office) (575) 746-4945 (home) Form NM 8140-9 (March 2008)

United States Department of the Interior Bureau of Land Management New Mexico State Office

Permian Basin Cultural Resource Mitigation Fund

The company shown below has agreed to contribute funding to the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III survey for cultural resources associated with their project. This form verifies that the company has elected to have the Bureau of Land Management (BLM) follow the procedures specified within the Memorandum of Agreement (MOA) concerning improved strategies for managing historic properties within the Permian Basin, New Mexico, for the undertaking rather than the Protocol to meet the agency's Section 106 obligations.

Company Name: <u>Devon Energy Production Co., LP</u>

Address: 333 W. Sheridan, OKC, OK 73102
Project description: Application for Permit to Drill
Cultural Resource Inventory for the Pure Gold C-17 Fed 16H proposed well location and access road.
Application for Permit to Drill (wells and immediate environment) -\$1507.00 well for the pad and a ¼ mile of road -Anything over ¼ mile of road is \$0.18/linear foot -Total arch cost \$1,463.00
$5,280 = 1 \text{ mile } => \frac{1}{4} = 1,320$ Total access road: 0' = $\frac{1}{4}$ mile of road included (1320) = 0' over 1320' 0' x \$0.18 = \$0.00 (See above & see well pad topo)
T23S, R,_31E, Section _17 NMPM,Eddy County, New Mexico
Amount of contribution: \$1507.00
Provisions of the MOA:
A. No new Class III inventories are required of industry within the Project Area for those

projects where industry elects to contribute to the mitigation fund.

- B. The amount of funds contributed was derived from the rate schedule established within Appendix B of the MOA. The amount of the funding contribution acknowledged on this form reflects those rates.
- C. The BLM will utilize the funding to carry out a program of mitigation at high-priority sites whose study is needed to answer key questions identified within the Regional Research Design.
- D. Donating to the fund is voluntary. Industry acknowledges that it is aware it has the right to pay for Class III survey rather than contributing to the mitigation fund, and that it must avoid or

fund data recovery at those sites already recorded that are eligible for nomination to the National Register or whose eligibility is unknown and that any such payments are independent of the mitigation funds established by this MOA.

- E. Previously recorded archeological sites determined eligible for nomination to the National Register or whose eligibility remains undetermined must be avoided or mitigated.
- F. If any skeletal remains that might be human or funerary objects are discovered by any activities, the land-use applicant will cease activities in the area of discovery, protect the remains, and notify the BLM within 24 hours. The BLM will determine the appropriate treatment of the remains in consultation with culturally affiliated Indian Tribe(s) and lineal descendents. Applicants will be required to pay for treatment of the cultural items independent and outside of the mitigation fund.

Trina C. Couch	<u>04/30/2014</u>
Company-Authorized Officer	Date
1 ,	
BLM-Authorized Officer	Date

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:
LEASE NO.:
WELL NAME & NO.:
Pure Gold C-17 Fed 16H
SURFACE HOLE FOOTAGE:
BOTTOM HOLE FOOTAGE
LOCATION:
COUNTY:
Devon Energy Production Company, L.P.
NMNM-45235
Pure Gold C-17 Fed 16H
2235' FSL & 0530' FEL
1980' FSL & 0330' FWL
Section 17, T. 23 S., R 31 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.

☐ General Provisions ☐ Permit Expiration
Archaeology, Paleontology, and Historical Sites
Noxious Weeds
Special Requirements
Lesser Prairie-Chicken Timing Stipulations
Ground-level Abandoned Well Marker
☐ Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
☐ Road Section Diagram
∑ Drilling
Cement Requirements
R-111-P Potash
H2S Requirements
Logging Requirements
Waste Material and Fluids
☐ Production (Post Drilling)
Well Structures & Facilities
Pipelines
☐ Interim Reclamation
Final Abandonment & Reclamation

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:
Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period.
Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted.
Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing.

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

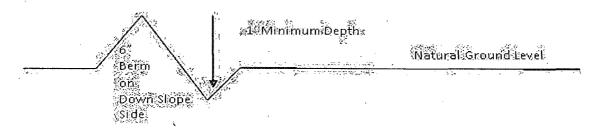
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope:
$$\frac{400'}{4\%} + 100' = 200'$$
 lead-off ditch interval

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

- 1. Salvage topsoil
- 3. Redistribute topsoil
- 2. Construct road
- 4. Revegetate slopes

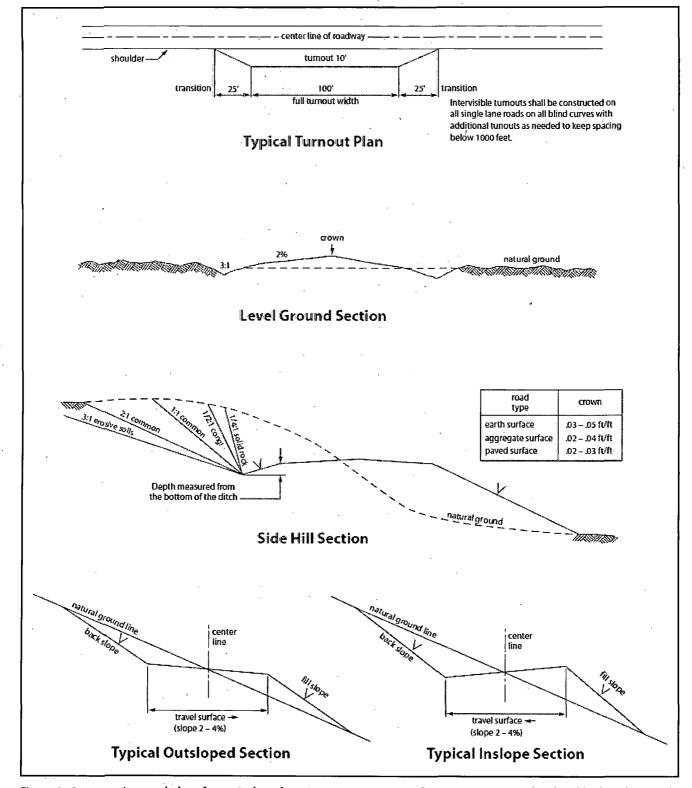


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)
 - Eddy County
 Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822
- 1. Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.
- 2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. If the drilling rig is removed without approval an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
- 4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Potash Areas:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

R-111-P Potash

Possible water flows in the Salado and Castile.

Possible lost circulation in the Red Beds, Rustler, and Delaware.

Abnormal pressures may exist within the 3rd Bone Spring Sandstone and the Wolfcamp formation.

- 1. The 13-3/8 inch surface casing shall be set at approximately 525 feet (in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

- d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing, which shall be set at approximately 4050 feet (basal anhydrite of the Castile formation or in the Lamar Limestone), is:

Option #1 (Single Stage):

□ Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.

Option #2:

Operator has proposed DV tool at depth of 1150', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

- a. First stage to DV tool:
- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage. Excess calculates to 23% Additional cement may be required.
- b. Second stage above DV tool:
- Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required through the curve and a minimum of one every other joint.

Option #1 (Single Stage): Cement to surface. If cement does not circulate, contact the appropriate BLM office. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash. Excess calculates to 17% -Additional cement may be required Option #2: DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. a. First stage to DV tool: Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage. b. Second stage above DV tool: Cement to surface. If cement does not circulate, contact the appropriate BLM office. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash. Excess calculates to negative 15% - Additional cement may be required. Formation below the 7" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe and the mud weight for the bottom of the hole. Report results to BLM office. 4. The minimum required fill of cement behind the 4-1/2 inch production Liner is: Cement as proposed by operator. Operator shall provide method of verification. 5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

The minimum required fill of cement behind the 7 inch production casing is:

6. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD

requirements shall be followed.

C. PRESSURE CONTROL

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API 53.
- 2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor. If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
- 3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi.
 - a. For surface casing only: If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.
- 4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be 5000 (5M) psi. 5M system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.

- b. The tests shall be done by an independent service company utilizing a test plug **not** a **cup** or **J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- g. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

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VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Grant, Sundry Notice, APD) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

- 4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of the holder including, but not limited to construction, operation, maintenance, and termination of the facility.
 - b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
 - c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

- 5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.
- 6. All construction and maintenance activity will be confined to the authorized right-of-way width of _______ feet. If the pipeline route follows an existing road or buried pipeline right-of-way, the surface pipeline must be installed no farther than 10 feet from the edge of the road or buried pipeline right-of-way. If existing surface pipelines prevent this distance, the proposed surface pipeline must be installed immediately adjacent to the outer surface pipeline. All construction and maintenance activity will be confined to existing roads or right-of-ways.
- 7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.

- 8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.
- 9. The pipeline shall be buried with a minimum of <u>24</u> inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.
- 10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
- 11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
- 12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
- 13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
- 14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
- 15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation

measures will be made by the authorized officer after consulting with the holder.

16. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, powerline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A

^{*}Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed