Form 3160-5 (August 2007) DE	UNITED STATES PARTMENT OF THE IP JREAL OF LAND MANA	Gaols	bad Fid		FORM OMB N	APPROVED 10. 1004-0135 1 July 31, 2010		
BI	UREAU OF LAND MANA	GEMENT		tacia	<ol> <li>Lease Serial No. NMNM042625</li> </ol>	July 51, 2010		
SUNDRY NOTICES AND REPORTS ON CALL A A LESIA Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name			
SUBMIT IN TRIPLICATE - Other instructions on reverse side.					7. If Unit or CA/Agreement, Name and/or No. 891005247X			
I. Type of Well  S Oil Well  Gas Well  Other					8. Well Name and No. COTTON DRAW UNIT 216H			
2. Name of Operator Contact: SCOTT SANKEY DEVON ENERGY PRODUCTION CO EPMail: msankey@gmail.com					9. API Well No. 30-015-42317-00-X1			
3a. Address 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102	(include area code) 10. Field and Pool, 9-3991 PADUCA			Exploratory	•			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)				11. County or Parish, and State				
Sec 3 T25S R31E SWSE 020 32.152791 N Lat, 103.761898		EDDY COUNTY, NM						
12. CHECK APPI	ROPRIATE BOX(ES) TO	O INDICATE	ENATURE OF	NOTICE, RE	PORT, OR OTHE	R DATA	·	
TYPE OF SUBMISSION	TYPE OF ACTION							
Notice of Intent	🗖 Acidize	🗖 Dee	Deepen		□ Production (Start/Resume)		at-Off	
	Alter Casing	🗖 Fra	Fracture Treat		Reclamation		grity	
Subsequent Report	Casing Repair	New Construction		🗖 Recomp	Recomplete		urbanaa	
Final Abandonment Notice	<ul> <li>Change Plans</li> <li>Convert to Injection</li> </ul>	Plug and Abandon Plug Back		·- ·	Temporarily Abandon Water Disposal		Surface Disturbance	
following completion of the involved testing has been completed. Final Al determined that the site is ready for f To construct a 3-Phase Overf wells located in the SW/4SE/4 located in the SE/4SW/4 of sa	bandonment Notices shall be fil inal inspection.) nead 14.7 KV electric line l of Section 3, T25S-R31	led only after all from the Cot	requirements, inclution Draw Unit #2	iding reclamation 216H and #21	, have been completed,	CONSERVA	nas TION	
The spacing for this electric lir	ARTESIA							
See attached plat #2894.	arr							
					CHED FOR RECEIVED			
	CONDITIONS OF APPROVAL							
NRS LB	1-25-16							
14. Thereby certify the the foregoing is	true and correct. Electronic Submission # For DEVON ENER Inmitted to AFMSS for pro	KGY PRODUC	FION CO LP, ser	nt to the Hobb:	S			
Name (Printed/Typed) SCOTT SANKEY			Title AUTHORIZED AGENT					
Signature (Electronic Submission)			Date 04/18/2	2014				
<u></u>	THIS SPACE FO	OR FEDER/		OFFICE US				
Approved By Deeph J Coly			FCR N	HELD M	ANAGER :	Date //	26/16	
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.			Office BLM-CARESBAD FIELD OFFICE					
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any p s to any matter v	erson knowingly an vithin its jurisdiction	id willfully to ma n.	ke to any department o	r agency of the Un	ited	

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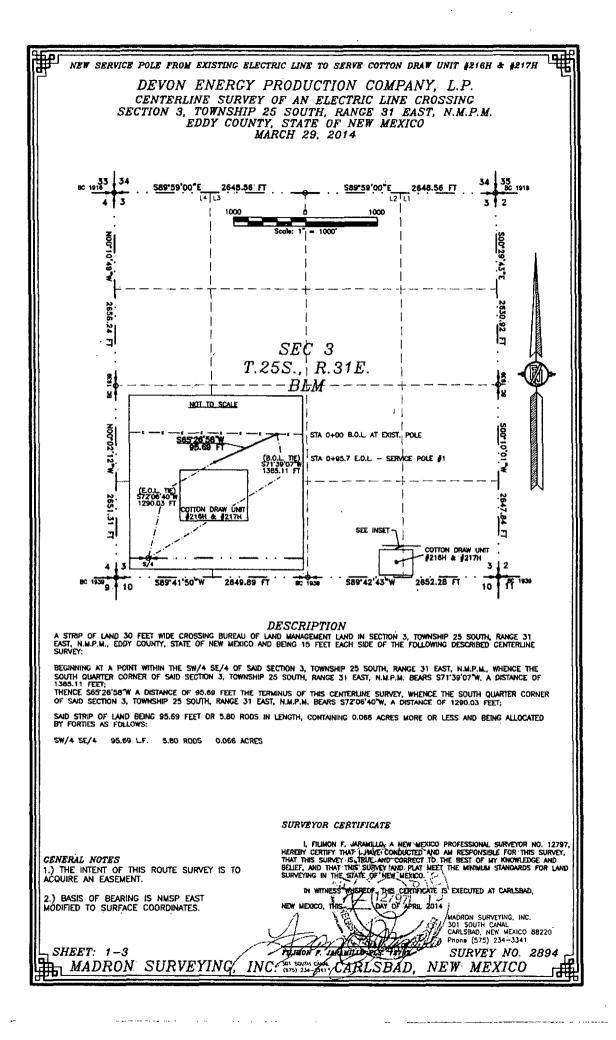
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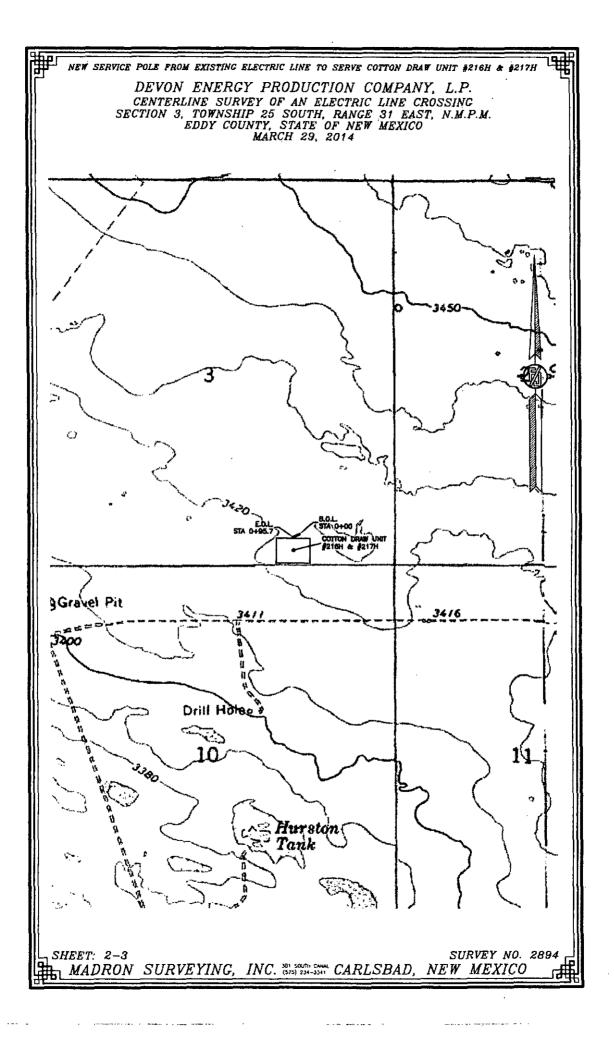
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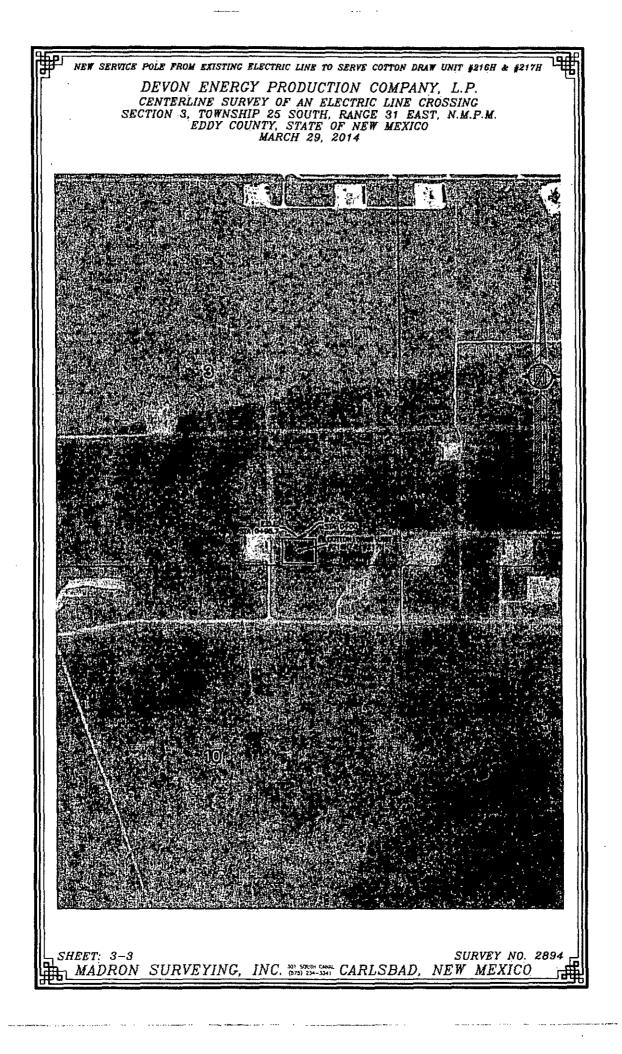
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\*\* BLM REVISED \*\*

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## Company Reference: Devon Energy Production CO Well No. & Name: Cotton Draw Unit 216H

## STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant 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, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to 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. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or

additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. 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 the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. 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 actions to prevent the loss of significant 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.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

## 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, geophysical exploration other than 3-D operations, and 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 ft. from the source of the noise.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.