SECTION 36, T23S-R31E, N.M.P.M., **EDDY COUNTY, NEW MEXICO**

ACCESS ROAD PLAT

0-015-4594

LEGAL DESCRIPTION

FOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

BUREAU OF LAND MANAGEMENT

30' EASEMENT DESCRIPTION:

BEING an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the southwest quarter (SW ¼) of Section 36, Township 23 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the southwest corner of Section 36, T23S-R31E, N.M.P.M., Eddy County, New Mexico;

• Thence N 34°32'52" E a distance of 76.01' to the **Point of Beginning** of this easement having coordinates of Northing=456587.37, Easting=724783.45 feet and continuing the following courses;

Thence N 00°06'30" W a distance of 431.62' to an angle point;

Thence N 24°38'58" E a distance of 116.93' to an angle point;

Thence N 89°41'09" E a distance of 475.03' to the **Point of Ending** having coordinates of Northing=457127.88, Easting=725306.42 feet from said point a 0.5" iron pin for the west quarter corner of Section 36, T23S-R31E bears N 15°54'08" W a distance of 2116.28', covering **1023.58' or 62.04 rods** and having an area of **0.705 acres**.

NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404

B.L. Laman PLS 22404 Date Signed: 09/09/2018 Horizon Row, LLC P.O. Box 548, Dry Creek, La. (903) 388-3045 70637 Employee of Horizon Row, LLC







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¹ 1. Geologic Formations

TVD of target	11665	Pilot hole depth	N/A
MD at TD:	16633	Deepest expected fresh water	

Basin

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	Depth	Water/Mineral	An and the state of the second se
Formation	(TVD)	Bearing/Target	Hazards*
	from KB	Zone?	
Rustler	797		
Salado	1117		
Base of Salt	4432		
Delaware	4492		
L Brushy Canyon	8037	· ·	· · · · · · · · · · · · · · · · · · ·
Bone Spring	8357		
Leonard 'A'	8447		
Leonard 'B'	8937		
Leonard 'C'	9107		
2nd BSPG Lime	9862		
Bone Spring 2nd	10017		· · · · ·
L 2nd BSPG Sand	10497		
Bone Spring 3rd	11225		
Wolfcamp	11695	· · · · ·	

*H2S, water flows, loss of circulation, abnormal pressures, etc.

Todd 36 State 335H

Hole Size	Casing	Interval	Cag Size	Wt Wt	Crada	Comm	Min SF	Min SF	Min SF
Hole Size	From	То	Csg. Size	(PPF)	Graue	Com	Collapse	Burst	Tension
17 1/2	0	822 TVD	13 3/8	48.0	H40	STC	1.125	1.25	1.6
9 7/8	0	10042 TVD	.7 5/8	29.7	P110	Flushmax III	1.125	1.25	1.6
6 3/4	0	TD	5 1/2	20.0	P110	Vam SG	1.125	1.25	1.6
				BLM N	1inimum Sa	fety Factor	1.125	1	1.6 Dry 1.8 Wet

2. Casing Program (Primary Design)

• All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 IILB.1.h Must have table for continengcy casing.

• Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.

• A variance is requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing.

• Int casing shoe will be selected based on drilling data/gamma, setting depth with be revised accordingly if needed.

• A variance is requested to wave the centralizer requirement for the Intermediate casing and production casing.

• A variance is requested to set intermediate casing in the curve if hole conditions dictate that a higher shoe strength is required.

Hole Size	Casing	Interval	Cen Sizo	Wt	Grada	Conn	Min SF	Min SF	Min SF
Tible Size	From	To '.	Csg. Size	(PPF)	Graue	Com	Collapse	Burst	Tension
17 1/2	0	822 TVD	13 3/8	48.0	H40	STC	1.125	1.25	1.6
9 7/8	0	10042 TVD	8 5/8	32.0	P110	TLW	1.125	1.25	1.6
7 7/8	0	TD	5 1/2	17.0	P110	BTC	1.125	1.25	1.6
			BLM Minimum Safet			fety Factor	1.125	1	1.6 Dry

Casing Program (Alternative Design)

• All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 IILB.1.h Must have table for continengcy casing.

• Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.

• A variance is requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing.

• Int casing shoe will be selected based on drilling data/gamma, setting depth with be revised accordingly if needed.

• A variance is requested to wave the centralizer requirement for the Intermediate casing and production casing.

•Variance requested to drill 10.625" hole instead of 9.875" for intermediate 1, the 8.625" connection will change from TLW to BTC.

• A variance is requested to set intermediate casing in the curve if hole conditions dictate that a higher shoe strength is required.

Todd 36 State 335H

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	ŶY
Does casing meet API specifications? If no, attach casing specificition sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
	1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 -
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

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Casing	# Sks	ТОС	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	633	Surf	13.2	1.44	Lead: Class C Cement + additives
	886	Surf	9	3.27	Lead: Class C Cement + additives
int i	104	4000' above shoe	13.2	1.44	Tail: Class H / C + additives
	783	Surf	9	3.27	1st stage Lead: Class C Cement + additives
Int 1 Two Stage	93	500' above shoe	13.2	1.44	1st stage Tail: Class H / C + additives
w/ DV @ TVD of Delaware	402	Surf	9	3.27	2nd stage Lead: Class C Cement + additives
	93	500' above DV	13.2	1.44	2nd stage Tail: Class H / C + additives
Int 1	As Needed	Surf	9	1.44	Squeeze Lead: Class C Cement + additives
Intermediate	886	Surf	9	3.27	Lead: Class C Cement + additives
Squeeze	104	4000' above shoe	13.2	1.44	Tail: Class H / C + additives
Broduction	45	9542	9.0	3.3	Lead: Class H /C + additives
Froduction	353	11098	13.2	1.4	Tail: Class H / C + additives

3. Cementing Program (Primary Design)

If a DV tool is ran the depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. Slurry weights will be adjusted based on estimated fracture gradient of the formation. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. If cement is not returned to surface during the primary cement job on the surface casing string, a planned top job will be conducted immediately after completion of the primary job.

Casing String	% Excess
Surface	 50%
Intermediate 1	 30%
Intermediate 1 (Two Stage)	 · 25%
Prod	10%

Todd 36 State 335H

Casing	.# Sks	TOC	Wt. PPg	Yld (ft3/sack)	Slurry, Description
Surface	633	Surf	13.2	1.44	Lead: Class C Cement + additives
Int 1	557	Surf	9	3.27	Lead: Class C Cement + additives
int t	67	4000' above shoe	13.2	1.44	Tail: Class H / C + additives
	460	Surf	9	3.27	1st stage Lead: Class C Cement + additives
Int 1 Two Stage	55	500' above shoe	13.2	1.44	1st stage Tail: Class H / C + additives
w DV @ ~4500	272	Surf	9	3.27	2nd stage Lead: Class C Cement + additives
	55	500' above DV	13.2	1.44	2nd stage Tail: Class H / C + additives
Int 1	As Needed	Surf	13.2	1.44	Squeeze Lead: Class C Cement + additives
Intermediate	557	Surf	.9	3.27	Lead: Class C Cement + additives
Squeeze	67	4000' above shoe	13.2	1.44	Tail: Class H / C + additives
Int 1 (10 625" Hole Size)	848	Surf	9	3.27	Lead: Class C Cement + additives
	105	4000' above shoe	13.2	1.44	Tail: Class H / C + additives
Draduation	91	9542	9.0	3.3	Lead: Class H /C + additives
Production	733	11098	13.2	1.4	Tail: Class H / C + additives

3. Cementing Program (Alternative Design)

If a DV tool is ran the depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. Slurry weights will be adjusted based on estimated fracture gradient of the formation. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. If cement is not returned to surface during the primary cement job on the surface casing string, a planned top job will be conducted immediately after completion of the primary job.

Casing String	Excess • •
Surface	50%
Intermediate 1	30%
Intermediate 1 (Two Stage)	25%
Prod	10%

BOP inst drfl	alled and tested before Iting which hole?	Size?	Min. Require d WP	flype			Trested to:		
				Anı	Annular		Annular		50% of rated working pressure
Int 1	Int 1	13-58"	5M	Blind	i Ram	X			
	1111 1	15-58	JIVI	Pipe	Ram		514		
				Doub	le Ram	X	5191		
				Other*					
				$\Delta nnular (5M)$		x	100% of rated working		
Production			Annuar (Sivi)		<u>Λ</u>	pressure			
	Production	13-5/8"	5M	Blind Ram		X			
	rioduction	13-5/8	5141	Pipe Ram			5M		
				Doub	le Ram	X	JIVI		
				Other*					
		Annular (5M)							
	Blind Ram								
				Pipe Ram					
				Double Ram					
	Other*								
N	A variance is requested for	the use of a c	diverter on	the surface	casing. See a	ttached for se	chematic.		
Y	A variance is requested to r	un a 5 M anr	nular on a	10M system					

4. Pressure Control Equipment (Three String Design)

5. Mud Program (Three String Design)

Section	, Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	DBE / Cut Brine	10-10.5
Production	OBM	8.5-9

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing			
	Will run GR/CNL from TD to surface (horizontal well - vertical portion of hole). Stated logs run will be in the		
Х	Completion Rpeort and sbumitted to the BLM.		
	No logs are planned based on well control or offset log information.		
	Drill stem test? If yes, explain.		
	Coring? If yes, explain.		

Additional logs planned			Interval	
	Resistivity	•	Int. shoe to KOP	
	Density	~	Int. shoe to KOP	
X	CBL		Production casing	
X	Mud log		Intermediate shoe to TD	
	PEX		, , , , , , , , , , , , , , , , , , ,	

7. Drilling Conditions

Condition	Specfiv what type and where?
BH pressure at deepest TVD	5459
Abnormal temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers.

Hydrogren Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations			
greater than	greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is		
encountered measured values and formations will be provided to the BLM.			
N	H2S is present		
Y	H2S plan attached.		

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8. Other facets of operation

Is this a walking operation? Potentially

- 1 If operator elects, drilling rig will batch drill the surface holes and run/cement surface casing; walking the rig to next wells on the pad.
- 2 The drilling rig will then batch drill the intermediate sections and run/cement intermediate casing; the wellbore will be isolated with a blind flange and pressure gauge installed for monitoring the well before walking to the next well.
- 3 The drilling rig will then batch drill the production hole sections on the wells with OBM, run/cement production casing, and install TA caps or tubing heads for completions.

NOTE: During batch operations the drilling rig will be moved from well to well however, it will not be removed from the pad until all wells have production casing run/cemented.

Will be pre-setting casing? Potentially

- 1 Spudder rig will move in and batch drill surface hole.
 - a. Rig will utilize fresh water based mud to drill surface hole to TD. Solids control will be handled entirely on a closed loop basis.,
- 2 After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).

 3 The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.

- 4 A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
- 5 Spudder rig operations is expected to take 4-5 days per well on a multi-well pa.
- 6 The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7 Drilling operations will be performed with drilling rig. A that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
 - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments

X Directional Plan Other, describe



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