

NM OIL CONSERVATION

ARTESIA DISTRICT

OCT 25 2019

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER
1b. Type of Well: ☒ Oil Well ☒ Gas Well ☐ Other
1c. Type of Completion: ☐ Hydraulic Fracturing ☒ Single Zone ☐ Multiple Zone

2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY LP

3a. Address
333 West Sheridan Avenue Oklahoma City OK 73102

3b. Phone No. (include area code)
(800)583-3866

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

At surface NWNW / 350 FNL / 1045 FWL / LAT 32.238459 / LONG -103.9604032

At proposed prod. zone SWSW / 20 FSL / 330 FWL / LAT 32.2102891 / LONG -103.962682

14. Distance in miles and direction from nearest town or post office*

5. Lease Serial No.

NMNM088134

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.

MR. POTATO HEAD 11-14 FED.COM
621H

9. API Well No.

10. Field and Pool, or Exploratory

PURPLE SAGE WOLFCAMP / WOLFCAMP

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 11 / T24S / R29E / NMP

12. County or Parish
EDDY

13. State
NM

15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)

350 feet

16. No of acres in lease
560

17. Spacing Unit dedicated to this well

640

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

1025 feet

19. Proposed Depth
10200 feet / 20396 feet

20. BLM/BIA Bond No. in file
FED: NMB000807

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3052 feet

22. Approximate date work will start*
10/15/2020

23. Estimated duration
45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).

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

25. Signature
(Electronic Submission)

Name (Printed/Typed)
Erin Workman / Ph: (405)552-7970

Date
09/17/2018

Title
Regulatory Compliance Professional

Approved by (Signature)
(Electronic Submission)

Name (Printed/Typed)
Cody Layton / Ph: (575)234-5959

Date
10/18/2019

Title
Assistant Field Manager Lands & Minerals

Office
CARLSBAD

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NSL Required

APPROVED WITH CONDITIONS

PECOS DISTRICT

DRILLING CONDITIONS OF APPROVAL

| | |
|------------------------------|--------------------------------------|
| OPERATOR'S NAME: | DEVON ENERGY PRODUCTION CO. LP |
| LEASE NO.: | NMNM88134 |
| WELL NAME & NO.: | 621H – MR. POTATO HEAD 11-14 FED COM |
| SURFACE HOLE FOOTAGE: | 350'/N & 1045'/W |
| BOTTOM HOLE FOOTAGE: | 230'/S & 330'/W |
| LOCATION: | Section 11 T.24 S., R.29 E., NMP |
| COUNTY: | EDDY County, New Mexico |

COA

| | | | |
|----------------------|--|--|---------------------------------------|
| H2S | <input type="radio"/> Yes | <input checked="" type="radio"/> No | |
| Potash | <input checked="" type="radio"/> None | <input type="radio"/> Secretary | <input type="radio"/> R-111-P |
| Cave/Karst Potential | <input type="radio"/> Low | <input checked="" type="radio"/> Medium | <input type="radio"/> High |
| Variance | <input type="radio"/> None | <input checked="" type="radio"/> Flex Hose | <input type="radio"/> Other |
| Wellhead | <input type="radio"/> Conventional | <input type="radio"/> Multibowl | <input checked="" type="radio"/> Both |
| Other | <input type="checkbox"/> 4 String Area | <input type="checkbox"/> Capitan Reef | <input type="checkbox"/> WIPP |
| Other | <input checked="" type="checkbox"/> Fluid Filled | <input checked="" type="checkbox"/> Cement Squeeze | <input type="checkbox"/> Pilot Hole |
| Special Requirements | <input type="checkbox"/> Water Disposal | <input checked="" type="checkbox"/> COM | <input type="checkbox"/> Unit |

A. HYDROGEN SULFIDE

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.

B. CASING

Primary Casing Design:

1. The 13-3/8 inch surface casing shall be set at approximately **400 feet** (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and 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 will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- 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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the 7-5/8 inch intermediate casing 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 cave/karst or potash.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- 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 cave/karst or potash.
- ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Operator has proposed to pump down 13-3/8" X 7-5/8" annulus. Operator must run a CBL from TD of the 7-5/8" casing to surface. Submit results to BLM.

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

Alternate Casing Design:

4. The **13-3/8** inch surface casing shall be set at approximately **400 feet** (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.

- e. 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.
- f. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- g. 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.
- h. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

5. The minimum required fill of cement behind the **8-5/8** inch intermediate casing 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 cave/karst or potash.**

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- c. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

d. 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 cave/karst or potash.

- ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Operator has proposed to pump down 13-3/8" X 8-5/8" annulus. Operator must run a CBL from TD of the 8-5/8" casing to surface. Submit results to BLM.

Variance requested to drill 10.625" hole with BTC connection is Approved. Cement excess is less than -19%, more cement will be required.

6. The minimum required fill of cement behind the 5-1/2 inch production casing is:

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **10,000 (10M)** psi.

Option 2:

1. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the

blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **10,000 (10M)** psi.

- a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
- b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

GENERAL 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)

☒ Chaves and Roosevelt Counties

Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 627-0272.
After office hours call (575)

☒ Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

☒ Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)
393-3612

1. 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.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. 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 are located, this does not include the dog house or stairway area.

3. 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.

A. CASING

1. 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.
2. 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.
3. Wait on cement (WOC) for Water Basin: 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 at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. 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.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

B. 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 RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: 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.
3. 5M or higher 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.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, 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. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the

plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. 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.
- c. 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).
- d. 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.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. 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.
- g. 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.
- h. 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.

C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. 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.

PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

| | |
|-----------------------|--------------------------------------|
| OPERATOR'S NAME: | DEVON ENERGY PRODUCTION CO. LP |
| LEASE NO.: | NMNM88134 |
| WELL NAME & NO.: | 621H – MR. POTATO HEAD 11-14 FED COM |
| SURFACE HOLE FOOTAGE: | 350'/N & 1045'/W |
| BOTTOM HOLE FOOTAGE: | 230'/S & 330'/W |
| LOCATION: | Section 11 T.24 S., R.29 E., NMP |
| COUNTY: | EDDY County, New Mexico |

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
 - Hydrological Features
 - Karst Features
 - Range Stipulations
 - Special Status Plant Species
- ☒ **Construction**
 - Notification
 - Topsoil
 - Closed Loop System
 - Federal Mineral Material Pits
 - Well Pads
 - Roads
- ☐ **Road Section Diagram**
- ☒ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
 - Electric Lines
 - Access Roads
- ☒ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**

Approval Date: 10/18/2019

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)

Sub Pad and Final Pad Stipulations / Conditions of Approval

Devon will only build and grade the 400'x400' surface sub pad. The 600'x'600' pad will not be graded or built. To extend the 400'x400' sub pad, an additional APD must be submitted and approved before the additional 200' extension can be graded and built.

Hydrology Stipulations / Conditions of Approval

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

When crossing ephemeral drainages the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages. Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation/construction a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

Range Stipulations / Conditions of Approval

Cattleguards

Where a permanent cattlegaurd is approved, an appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattleguard(s) on the access road 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 cattleguard(s) that are in place and are utilized during lease operations. A gate shall be constructed on one side of the cattleguard and fastened securely to H-braces.

Fence Requirement

Where entry granted across a fence line, the fence must be braced and tied off on both sides of the passageway prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement

Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action

Potash Minerals

Measures to minimize impacts to potash mineral reserves have been considered during the BLM's planning process by establishment of the Twin Wells Drill Island. No additional special mitigation or requirements have been identified by the BLM.

Karst Stipulations / Conditions of Approval

CONSTRUCTION IMPACT ANALYSIS

The construction of roads, pipelines, compressor station pads and utilities can impact bedrock integrity and reroute, impede, focus, or erode natural surface drainage systems. Increased silting and sedimentation from construction can plug downstream sinkholes, caves, springs, and other components of aquifer recharge systems and result in adverse impacts to aquifer quality and cave environments. Any contaminants released into the environment during or after construction can impact aquifers and cave systems. A possibility exists for slow subsidence or sudden surface collapse during construction operations due to collapse of underlying cave passages and voids. This would cause associated safety hazards to the operator and the potential for increased environmental impact. Subsidence processes can be triggered by blasting, intense vibrations, rerouting of surface drainages, focusing of surface drainage, and general surface disturbance.

Blasting fractures in bedrock can serve as direct conduits for transfer of contaminants into cave and groundwater systems. Blasting also creates an expanded volume of rock rubble that cannot be reclaimed to natural contours, soil condition, or native vegetative condition. As such, surface and subsurface disruptions from blasting procedures can lead to permanent changes in vegetation, rainfall percolation, silting/erosion factors, aquifer recharge, and freshwater quality and can increase the risk of contaminant migration from drilling/production facilities built atop the blast are additional or special Conditions of Approval may apply at that time.

CONSTRUCTION MITIGATION

In order to mitigate the impacts from construction activities on cave and karst resources, the following Conditions of Approval will apply to this APD or project:

- In the event that any underground voids are encountered during construction activities, construction activities will be halted and the BLM will be notified immediately.
- No Blasting to prevent geologic structure instabilities.
- Pad Berming to minimize effects of any spilled contaminants.

DRILLING IMPACT ANALYSIS

During drilling, previously unknown cave and karst features could be encountered. If a void is encountered while drilling and a loss of circulation occurs, lost drilling fluids can directly contaminate groundwater recharge areas, aquifers, and groundwater quality. Drilling operations can also lead to sudden collapse of underground voids. Cementing operations may plug or alter groundwater flow, potentially reducing the water quantity at springs and water wells. Inadequate subsurface cementing, casing, and cave/aquifer protection measures can lead to the migration of oil, gas, drilling fluids, and produced saltwater into cave systems and freshwater aquifers.

DRILLING MITIGATION

Federal regulations and standard Conditions of Approval applied to all APDs require that adequate measures are taken to prevent contamination to the environment. Due to the extreme sensitivity of the cave and karst resources in this project area, the following additional Conditions of Approval will be added to this APD.

To prevent cave and karst resource contamination the following will be required.

- Closed Mud System Using Steel Tanks with All Fluids and Cuttings Hauled Off.
- Rotary drilling with fresh water where cave or karst features are expected to prevent contamination of freshwater aquifers.
- Directional Drilling allowed after at least 100 feet below the cave occurrence zone to prevent additional impacts resulting from directional drilling.
- Lost Circulation zones logged and reported in the drilling report so BLM can assess the situation and work with the operator on corrective actions.
- Additional drilling, casing, and cementing procedures to protect cave zones and fresh water aquifers. See Drilling COAs.

PRODUCTION IMPACT ANALYSIS

Production facilities such as tank batteries, pump-jacks, compressors, transfer stations, and pipe may fail and allow contaminants to enter caves and freshwater systems. Downhole casing and

cementing failures can allow migration of fluids and/or gas between formations and aquifers. Facilities may also be subject to slow subsidence or sudden collapse of the underlying bedrock.

PRODUCTION MITIGATION

In order to mitigate the impacts from production activities and due to the nature of karst terrain, the following Conditions of Approval will apply to this APD:

- Tank battery liners and berms to minimize the impact resulting from leaks.
- Leak detection system to provide an early alert to operators when a leak has occurred.
- Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of line failures used in production or drilling.

RESIDUAL AND CUMULATIVE IMPACT ANALYSIS

Any industrial activities that take place upon or within karst terrains or freshwater aquifer zones have the potential to create both short-term and long-term negative impacts to freshwater aquifers and cave systems. While a number of mitigation measures can be implemented to mitigate many impacts, it is still possible for impacts to occur from containment failures, well blowouts, accidents, spills, and structural collapses. It is therefore necessary to implement long-term monitoring studies to determine if current mitigations measures are sufficient enough to prevent long-term or cumulative impacts.

RESIDUAL AND CUMULATIVE MITIGATION

- Nontoxic fluorescent dyes will be added to the drilling fluid when the hole is spudded and will be circulated to the bottom of the karst layers. This provides data as part of a long-term monitoring study.
- Annual pressure monitoring will be performed by the operator. If the test results indicate a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

PLUGGING AND ABANDONMENT IMPACT ANALYSIS

Failure of a plugged and abandoned well can lead to migration of contaminants to karst resources and fresh water aquifers. While this action does not specifically approve plugging and abandonment procedures, the operator should be made aware that additional or special Conditions of Approval may apply at that time.

PLUGGING AND ABANDONMENT MITIGATION

Abandonment Cementing: Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

MITIGATING MEASURES for ROADS:

- Roads will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems.
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction and no further construction will be done until clearance has been issued by the Authorized Officer.

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to increase or decrease the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required.

MITIGATING MEASURES FOR POWERLINES:

- Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features.
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction.
- No further construction will be done until clearance has been issued by the Authorized Officer.
- Special restoration stipulations or realignment may be required.

MITIGATING MEASURES for BURIED PIPELINES AND CABLES:

- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer.
- If a void is encountered alignments may be rerouted to avoid the karst feature and lessen; the potential of subsidence or collapse of karst features, buildup of toxic or combustible gas, or other possible impacts to cave and karst resources from the buried pipeline.
- Special restoration stipulations or realignment may be required at such intersections, if any.
- A leak detection plan will be submitted to the BLM Carlsbad Field Office for approval prior to pipeline installation. The method could incorporate gauges to detect pressure drops, siting valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.

MITIGATING MEASURES for SURFACE FLOWLINES:

- Flowlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize the possibility of leaks and spills from entering karst systems.
- If a void is encountered alignments may be rerouted to avoid the karst feature and lessen; the potential of subsidence or collapse of karst features, buildup of toxic or combustible gas, or other possible impacts to cave and karst resources from the buried pipeline.
- Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.

- All spills or leaks will be reported to the BLM immediately for their immediate and proper treatment.

Special Status Plans Species Stipulations

For projects with potential for direct impacts but not direct displacement

No blading would be authorized within proposed project. Occupied habitat areas at high risk for habitat degradation and/or displacement of special status plant species individuals would be barricaded from project-related activities, as specified in the Conditions of Approval or by a BLM Authorized Officer. All surface disturbance within 50 meters of known special status plant species locations will be mulched after construction, as specified in the Conditions of Approval or by a BLM Authorized Officer.

To prevent direct impacts to the Tharp's Blue Star individuals that were observed during field surveys, the individuals will be visibly marked and barricaded to impede accidental pedestrian, vehicle or equipment travel over the individual. Project participants will be briefed about the avoidance area and trained in Tharp's Blue Star identification prior to initiating any ground disturbing activities, including vehicle travel. Upon project completion, the barricade and visible markings will be removed, and the condition of the individual will be documented and reported to the Authorized Officer and BLM Botanist.

To limit any impacts to vegetation and to protect any special status plant species that were not observed during field surveys, vehicles and equipment would be kept on existing roads and approved surfaces and would avoid travel across undisturbed surfaces; workers would be instructed not to park off roads or in undisturbed areas more than 20 meters from fenceline.

Blading of vegetation within undisturbed areas will not be allowed: maximum width of blading operations will not exceed 0 feet. The fenceline is included in this area. (Blading is defined as the complete removal of brush and ground vegetation).

BLM special status plant surveys would be required for subsequent actions tiered from this analysis when the impacts effects zones of the proposed actions intersect SSPS potential habitat that has not been surveyed within three years prior to the notice of application for the proposed action. If occupied habitat is observed within the impacts effects zones for the proposed action(s), the proposed action(s) would avoid occupied habitat and mitigate anticipated impacts as determined appropriate for the conservation of the species by the Authorized Officer in coordination with a BLM biologist.

Vehicles and equipment will be kept on existing roads and approved surfaces only, and will avoid travel across undisturbed surfaces; workers will be instructed not to park off the roads or in undisturbed areas. Alterations to project design and additions of project components will require SSPS surveys and re-analysis of impacts if those project elements intersect SSPS suitable habitat.

SEISMIC MITIGATION MEASURES

Tharp's Blue Star:

- Project field participants will be trained in identification of the relevant BLM special status plant species, and any suspected observations of the relevant species will be avoided and reported (via an e-mail including an image and GPS coordinates for each observation) to the Authorized Officer as soon as possible.
- Vibroseis equipment will only travel along pre-surveyed, pre-approved routes. Devon shall be responsible for identifying and maintaining these restrictions. If any alteration of travel routes occurs, Devon will immediately request authorization from the BLM. Devon will be responsible for any remediation, including impact monitoring, which becomes necessary as a result of any damage to special status species and their occupied habitats caused by geophysical activities.
 - Vibroseis equipment will be assisted by an onboard GPS navigation system to help keep the equipment on the predetermined route between source points.
 - Vibroseis equipment will be equipped by an onboard GPS data collection system to document actual travel routes.
 - Devon will provide the BLM with a GIS line feature class of actual source line routes traveled during operations. This data will be provided to the BLM within 5 business days of notification of project completion.
- Vibroseis equipment will only emit signals at pre-surveyed, pre-approved locations. Devon shall be responsible for identifying and maintaining these restrictions. If any alteration of source signal locations occurs, Devon will immediately request authorization from the BLM. Devon will be responsible for any remediation, including impact monitoring, which becomes necessary as a result of any damage to special status species and their occupied habitats caused by geophysical activities.
 - Vibroseis equipment will be assisted by an onboard GPS navigation system to help navigate the equipment to the predetermined source points.
 - Vibroseis equipment will be equipped by an onboard GPS data collection system to document actual source emission locations.
 - Devon will provide the BLM with a GIS points feature class of actual source line travel turn-around locations and actual seismic source emission

locations. This data will be provided to the BLM within 5 business days of notification of project completion.

- All frequent vehicle travel routes (routed expected to be traversed by any wheeled and/or motorized vehicle greater than 2 times) will utilize existing roads, trails, and existing disturbance whenever available. This shall include, but not be limited to, buggies, ATV/OHVs, pickup trucks, and other vehicles.
 - All frequent vehicle travel routes (routed expected to be traversed by any wheeled and/or motorized vehicle greater than 2 times) that do not utilize existing roads, trails, and existing disturbance shall follow pre-surveyed, pre-approved locations. This shall include, but not be limited to, buggies, ATV/OHVs, pickup trucks, and other vehicles.
 - Devon shall be responsible for identifying and maintaining these restrictions. If vehicles deviate from approved routes, Devon will immediately notify the BLM. Devon will be responsible for any remediation, including impact monitoring, which becomes necessary as a result of any damage to special status species and their occupied habitats caused by geophysical activities.

Prior to beginning operations in an area, Devon will survey all source and off-road frequent vehicle travel routes for any occurrences of Tharp's Blue Star; any occurrences will be documented and mapped for avoidance, and survey results will be reported to the BLM. Any occurrences will be avoided by a 20 meter buffer, and vehicle travel of any kind will not be allowed within these buffer areas unless explicitly authorized. If any damage occurs, Devon will immediately notify the BLM. Devon will be responsible for any remediation, including impact monitoring, which becomes necessary as a result of any damage to special status species and their occupied habitats caused by geophysical activities.

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

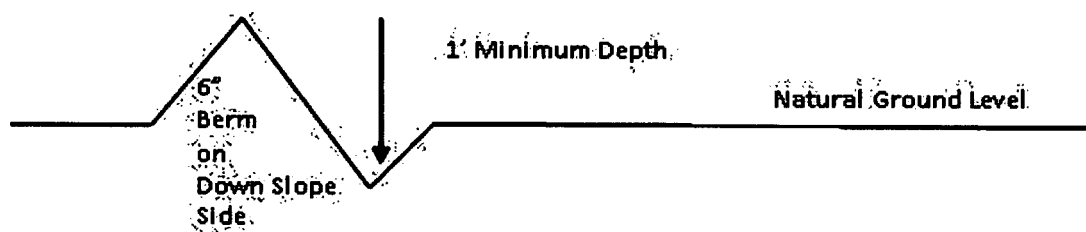
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing 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:

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

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards 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 cattle guards 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.

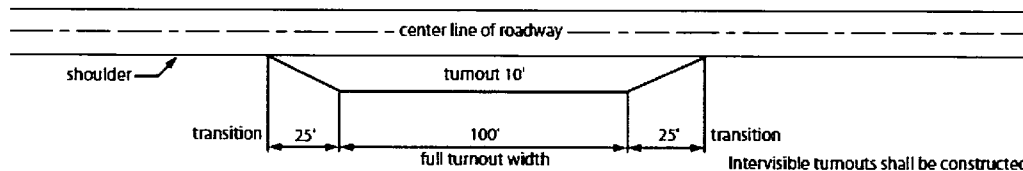
Public Access

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

Construction Steps

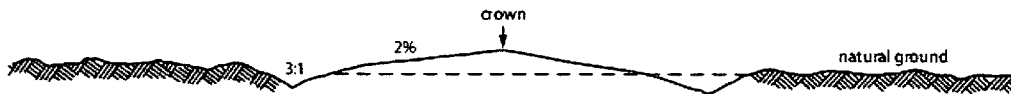
1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

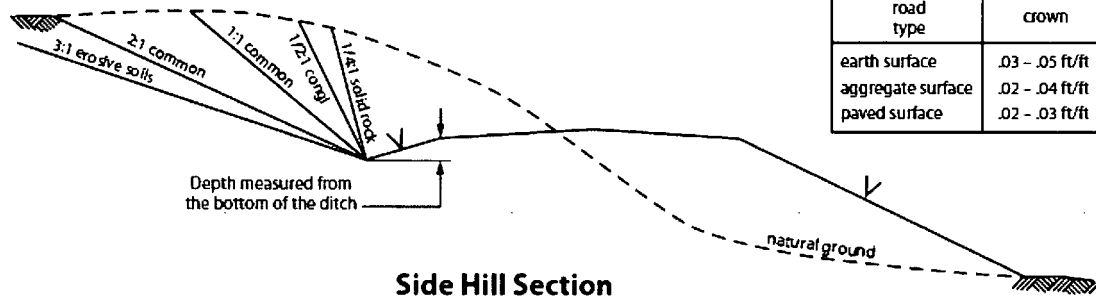


Typical Turnout Plan

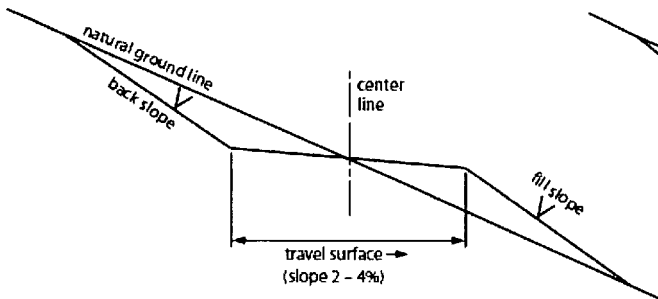
Intervisible turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.



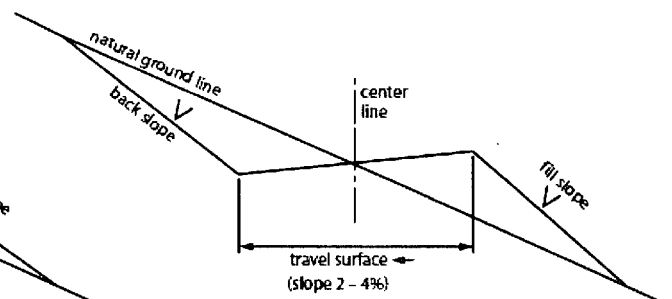
Level Ground Section



Side Hill Section



Typical Outslope Section



Typical Inslope Section

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

VII. 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

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, 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 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. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil 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 or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of 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 holder of any responsibility as provided herein.
5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. 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.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

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. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. 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. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. 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 before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (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.

17. 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 associated roads, 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.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

SPECIAL STATUS PLANT SPECIES (SSPS) HABITAT

Blading of vegetation within any undisturbed area **will not be allowed**: maximum width of blading operations will not exceed **0 feet**. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)

Hydrology Stipulations / Conditions of Approval

When crossing ephemeral drainages the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages. Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation/construction a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Karst Stipulations / Conditions of Approval

The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, passages, or voids are intersected by trenching, and no pipe will be laid in the trench at that point until clearance has been issued by the Authorized Officer.

If a void is encountered alignments may be rerouted to avoid the karst feature and lessen; the potential of subsidence or collapse of karst features, buildup of toxic or combustible gas, or other possible impacts to cave and karst resources from the buried pipeline.

Special restoration stipulations or realignment may be required at such intersections, if any.

A leak detection plan **will be submitted to the BLM Carlsbad Field Office for approval** prior to pipeline installation. The method could incorporate gauges to detect pressure drops, siting valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Regular monitoring is required to quickly identify leaks for their immediate and proper treatment.

C. ELECTRIC LINES

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, 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 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.

SPECIAL STATUS PLANT SPECIES (SSPS) HABITAT

Vehicles and equipment will be kept on existing roads and approved surfaces only, and will avoid travel across undisturbed surfaces; workers will be instructed not to park off the roads or in undisturbed areas. Alterations to project design and additions of project components will require SSPS surveys and re-analysis of impacts if those design project elements intersect SSPS suitable habitat. Blading, mowing, and chemical control of vegetation within any undisturbed area will not be allowed.

Hydrology Stipulations / Conditions of Approval

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

Karst Stipulations / Conditions of Approval

MITIGATING MEASURES FOR POWERLINES:

Smaller powerlines will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems. Larger powerlines will adjust their pole spacing to avoid cave and karst features.

The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction.

No further construction will be done until clearance has been issued by the Authorized Officer.

D. OIL AND GAS RELATED SITES

STANDARD STIPULATIONS FOR OIL AND GAS RELATED SITES

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

The holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer, BLM.

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 and for all response costs, penalties, damages, claims, and other costs arising from the provisions of the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. Chap. 82, Section 6901 et. seq., from the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. Chap. 109, Section 9601 et. seq., and from other applicable environmental statutes.
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 U.S.C. 2601, et. seq.) with regard to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized by this 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 the right-of-way holder's activity 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. If, during any phase of the construction, operation, maintenance, or termination of the site or related pipeline(s), any oil or other pollutant should be discharged from site facilities, the pipeline(s) or from containers or vehicles impacting Federal lands, the control and total removal, disposal, and cleanup of such oil 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 to Federal lands resulting therefrom, the Authorized Officer may take such measures as deemed necessary to control and cleanup 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 liability or responsibility.

5. Sites shall be maintained in an orderly, sanitary condition at all times. Waste materials, both liquid and solid, shall be disposed of promptly at an appropriate, authorized waste disposal facility in accordance with all applicable State and Federal laws. "Waste" means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, petroleum products, brines, chemicals, oil drums, ashes, and equipment.
6. The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)
7. All above-ground structures not subject to safety requirements 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" designated by the Rocky Mountain Five-State Interagency Committee. The color selected for this project is **Shale Green**, Munsell Soil Color Chart Number 5Y 4/2.
8. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on the holder's behalf, on public or Federal land shall be immediately reported to the Authorized Officer. The 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 the proper mitigation measures will be made by the Authorized Officer after consulting with the holder.
9. A sales contract for removal of mineral material (caliche, sand, gravel, fill dirt) from an authorized pit, site, or on location must be obtained from the BLM prior to commencing construction. There are several options available for purchasing mineral material: contact the BLM office (575-234-5972).
10. 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.

11. Once the site is no longer in service or use, the site must undergo final abandonment. At final abandonment, the site 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 the abandonment of the site. All pads and 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. 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).

12. The holder shall stockpile an adequate amount of topsoil where blading occurs. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles. The topsoil will be used for final reclamation.

13. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

14. In those areas where erosion control structures are required to stabilize soil conditions, the holder shall install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound management practices. Any earth work will require prior approval by the Authorized Officer.

15. Open-topped Tanks - 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

16. 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 enclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

17. Open-Vent Exhaust Stack Enclosures – 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 enclosure 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.

18. 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.

19. Special Stipulations:

- The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.
- Any water erosion that may occur due to the construction of the well pad during the life of the well will be corrected within two weeks and proper measures will be taken to prevent future erosion.

SPECIAL STATUS PLANT SPECIES (SSPS) HABITAT

Vehicles and equipment will be kept on existing roads and approved surfaces only, and will avoid travel across undisturbed surfaces; workers will be instructed not to park off

the roads or in undisturbed areas. Alterations to project design and additions of project components will require SSPS surveys and re-analysis of impacts if those design project elements intersect SSPS suitable habitat. Blading, mowing, and chemical control of vegetation within undisturbed areas will not be allowed.

Sub Pad and Final Pad Stipulations / Conditions of Approval

Only the sub pad will be built for beginning production. The 400'x400' sub pad may be extended to the full 600'x600' length when needed to advance production. Only the 400'x400' sub pad may be graded until the additional 200' expansion is needed to advance production.

Hydrology Stipulations / Conditions of Approval

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

Karst Stipulations / Conditions of Approval

CONSTRUCTION IMPACT ANALYSIS

The construction of roads, pipelines, compressor station pads and utilities can impact bedrock integrity and reroute, impede, focus, or erode natural surface drainage systems. Increased silting and sedimentation from construction can plug downstream sinkholes, caves, springs, and other components of aquifer recharge systems and result in adverse impacts to aquifer quality and cave environments. Any contaminants released into the environment during or after construction can impact aquifers and cave systems. A possibility exists for slow subsidence or sudden surface collapse during construction operations due to collapse of underlying cave passages and voids. This would cause associated safety hazards to the operator and the potential for increased environmental impact. Subsidence processes can be triggered by blasting, intense vibrations, rerouting of surface drainages, focusing of surface drainage, and general surface disturbance.

Blasting fractures in bedrock can serve as direct conduits for transfer of contaminants into cave and groundwater systems. Blasting also creates an expanded volume of rock rubble that cannot be reclaimed to natural contours, soil condition, or native vegetative condition. As such, surface and subsurface disruptions from blasting procedures can lead to permanent changes in vegetation, rainfall percolation, silting/erosion factors, aquifer recharge, and freshwater quality and can increase the risk of contaminant migration from drilling/production facilities built atop the blast are additional or special Conditions of Approval may apply at that time.

CONSTRUCTION MITIGATION

In order to mitigate the impacts from construction activities on cave and karst resources, the following Conditions of Approval will apply to this APD or project:

- In the event that any underground voids are encountered during construction activities, construction activities will be halted and the BLM will be notified immediately.
- No Blasting to prevent geologic structure instabilities.
- Pad Berming to minimize effects of any spilled contaminants.

DRILLING IMPACT ANALYSIS

During drilling, previously unknown cave and karst features could be encountered. If a void is encountered while drilling and a loss of circulation occurs, lost drilling fluids can directly contaminate groundwater recharge areas, aquifers, and groundwater quality. Drilling operations can also lead to sudden collapse of underground voids. Cementing operations may plug or alter groundwater flow, potentially reducing the water quantity at springs and water wells. Inadequate subsurface cementing, casing, and cave/aquifer protection measures can lead to the migration of oil, gas, drilling fluids, and produced saltwater into cave systems and freshwater aquifers.

DRILLING MITIGATION

Federal regulations and standard Conditions of Approval applied to all APDs require that adequate measures are taken to prevent contamination to the environment. Due to the extreme sensitivity of the cave and karst resources in this project area, the following additional Conditions of Approval will be added to this APD.

To prevent cave and karst resource contamination the following will be required.

- Closed Mud System Using Steel Tanks with All Fluids and Cuttings Hauled Off.
- Rotary drilling with fresh water where cave or karst features are expected to prevent contamination of freshwater aquifers.
- Directional Drilling allowed after at least 100 feet below the cave occurrence zone to prevent additional impacts resulting from directional drilling.
- Lost Circulation zones logged and reported in the drilling report so BLM can assess the situation and work with the operator on corrective actions.
- Additional drilling, casing, and cementing procedures to protect cave zones and fresh water aquifers. See Drilling COAs.

PRODUCTION IMPACT ANALYSIS

Production facilities such as tank batteries, pump-jacks, compressors, transfer stations, and pipe may fail and allow contaminants to enter caves and freshwater systems. Downhole casing and

cementing failures can allow migration of fluids and/or gas between formations and aquifers. Facilities may also be subject to slow subsidence or sudden collapse of the underlying bedrock.

PRODUCTION MITIGATION

In order to mitigate the impacts from production activities and due to the nature of karst terrain, the following Conditions of Approval will apply to this APD:

- Tank battery liners and berms to minimize the impact resulting from leaks.
- Leak detection system to provide an early alert to operators when a leak has occurred.
- Automatic shut off, check valves, or similar systems will be installed for pipelines and tanks to minimize the effects of line failures used in production or drilling.

RESIDUAL AND CUMULATIVE IMPACT ANALYSIS

Any industrial activities that take place upon or within karst terrains or freshwater aquifer zones have the potential to create both short-term and long-term negative impacts to freshwater aquifers and cave systems. While a number of mitigation measures can be implemented to mitigate many impacts, it is still possible for impacts to occur from containment failures, well blowouts, accidents, spills, and structural collapses. It is therefore necessary to implement long-term monitoring studies to determine if current mitigations measures are sufficient enough to prevent long-term or cumulative impacts.

RESIDUAL AND CUMULATIVE MITIGATION

- Nontoxic fluorescent dyes will be added to the drilling fluid when the hole is spudded and will be circulated to the bottom of the karst layers. This provides data as part of a long-term monitoring study.
- Annual pressure monitoring will be performed by the operator. If the test results indicate a casing failure has occurred, remedial action will be undertaken to correct the problem to the BLM's approval.

PLUGGING AND ABANDONMENT IMPACT ANALYSIS

Failure of a plugged and abandoned well can lead to migration of contaminants to karst resources and fresh water aquifers. While this action does not specifically approve plugging and abandonment procedures, the operator should be made aware that additional or special Conditions of Approval may apply at that time.

PLUGGING AND ABANDONMENT MITIGATION

Abandonment Cementing: Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

MITIGATING MEASURES for ROADS:

- Roads will be routed around sinkholes and other karst features to avoid or lessen the possibility of encountering near surface voids and to minimize changes to runoff or possible leaks and spills from entering karst systems.
- The BLM, Carlsbad Field Office, will be informed immediately if any subsurface drainage channels, cave passages, or voids are penetrated during construction and no further construction will be done until clearance has been issued by the Authorized Officer.

- Turnout ditches and drainage leadoffs will not be constructed in such a manner as to increase or decrease the natural flow of water into or out of cave or karst features.
- Special restoration stipulations or realignment may be required.

VIII. 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).

IX. 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 2, for Sandy 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 no 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:

| <u>Species</u> | <u>lb/acre</u> |
|---|----------------|
| Sand dropseed (<i>Sporobolus cryptandrus</i>) | 1.0 |
| Sand love grass (<i>Eragrostis trichodes</i>) | 1.0 |
| Plains bristlegrass (<i>Setaria macrostachya</i>) | 2.0 |

*Pounds of pure live seed:

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



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Operator Certification Data Report

10/21/2019

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently 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 the company I represent, 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.

NAME: Erin Workman

Signed on: 09/17/2018

Title: Regulatory Compliance Professional

Street Address: 333 West Sheridan Avenue

City: Oklahoma City

State: OK

Zip: 73102

Phone: (405)552-7970

Email address: Erin.Workman@dvn.com

Field Representative

Representative Name: TRAVIS PHIBBS

Street Address: 333 WEST SHERIDAN AVENUE

City: OKC

State: OK

Zip: 73102

Phone: (405)552-4643

Email address: Travis.phibbs@dvn.com



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Application Data Report

10/21/2019

APD ID: 10400033892

Submission Date: 09/17/2018

Highlighted data
reflects the most
recent changes

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: MR. POTATO HEAD 11-14 FED COM

Well Number: 621H

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID: 10400033892

Tie to previous NOS?

Submission Date: 09/17/2018

BLM Office: CARLSBAD

User: Erin Workman

Title: Regulatory Compliance
Professional

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM088134

Lease Acres: 560

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO

APD Operator: DEVON ENERGY PRODUCTION COMPANY LP

Operator letter of designation:

Operator Info

Operator Organization Name: DEVON ENERGY PRODUCTION COMPANY LP

Operator Address: 333 West Sheridan Avenue

Zip: 73102

Operator PO Box:

Operator City: Oklahoma City State: OK

Operator Phone: (800)583-3866

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NEW

Master Development Plan name: Potato Basin MDP 1

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: MR. POTATO HEAD 11-14 FED COM

Well Number: 621H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: PURPLE SAGE-
WOLFCAMP

Pool Name: WOLFCAMP

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: MR. POTATO HEAD 11-14 FED COM

Well Number: 621H

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Is the proposed well in a Helium production area? N **Use Existing Well Pad?** NO **New surface disturbance?**

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name: MR. **Number:** 2

Well Class: HORIZONTAL

POTATO HEAD 11 PAD

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town:

Distance to nearest well: 1025 FT

Distance to lease line: 350 FT

Reservoir well spacing assigned acres Measurement: 640 Acres

Well plat: MR_POTATO_HEAD_11_14_F_C_621H_WC_102_20190606161545.pdf

Well work start Date: 10/15/2020

Duration: 45 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number: 6302C

Reference Datum:

| Wellbore | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD | Will this well produce from this lease? |
|------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|-----------|--------------|--------|-------------|-------------|------------|--------------|-----------|-------|-------|---|
| SHL Leg #1 | 350 | FNL | 1045 | FWL | 24S | 29E | 11 | Aliquot NWN W | 32.238459 | -103.9604032 | EDD Y | NEW MEXI CO | NEW MEXI CO | F | NMNM 088134 | 3052 | 0 | 0 | |
| KOP Leg #1 | 203 | FNL | 330 | FWL | 24S | 29E | 11 | Aliquot NWN W | 32.238876 | -103.962714 | EDD Y | NEW MEXI CO | NEW MEXI CO | F | NMNM 088134 | -6605 | 9698 | 9657 | |
| PPP Leg #1 | 1 | FSL | 330 | FWL | 24S | 29E | 11 | Aliquot SWS W | 32.22512 | -103.962699 | EDD Y | NEW MEXI CO | NEW MEXI CO | F | NMNM 085892 | -7148 | 15000 | 10200 | |

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: MR. POTATO HEAD 11-14 FED COM

Well Number: 621H

| Wellbore | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD | Will this well produce from this lease? |
|-------------|---------|--------------|---------|--------------|------|-------|---------|-------------------|------------|---------------|--------|-------------|-------------|------------|--------------|-----------|-------|-------|---|
| PPP Leg #1 | 1 | FSL | 330 | FWL | 24S | 29E | 11 | Aliquot SWS W | 32.22512 | - 103.962699 | EDD Y | NEW MEXI CO | NEW MEXI CO | F | NMNM 085892 | - 7148 | 15000 | 10200 | |
| PPP Leg #1 | 100 | FNL | 330 | FWL | 24S | 29E | 11 | Aliquot NWN W | 32.2391437 | - 103.9627166 | EDD Y | NEW MEXI CO | NEW MEXI CO | F | NMNM 088134 | - 6605 | 9698 | 9657 | |
| PPP Leg #1 | 100 | FNL | 330 | FWL | 24S | 29E | 11 | Aliquot NWN W | 32.2391437 | - 103.9627166 | EDD Y | NEW MEXI CO | NEW MEXI CO | F | NMNM 088134 | - 6605 | 9698 | 9657 | |
| EXIT Leg #1 | 100 | FSL | 330 | FWL | 24S | 29E | 14 | Aliquot SWS W | 32.210509 | - 103.9626821 | EDD Y | NEW MEXI CO | NEW MEXI CO | F | NMNM 096222 | - 7148 | 20316 | 10200 | |
| BHL Leg #1 | 20 | FSL | 330 | FWL | 24S | 29E | 14 | Aliquot SWS W | 32.2102891 | - 103.962682 | EDD Y | NEW MEXI CO | NEW MEXI CO | F | NMNM 096222 | - 7148 | 20396 | 10200 | |

WCDSC Permian NM

Eddy County (NAD 83 NM Eastern)

Sec 11-T24S-R29E

Mr. Potato Head 11-14 Fed Com 621H

Wellbore #1

Plan: Permit Plan 2

Standard Planning Report - Geographic

05 April, 2019

Planning Report - Geographic

| | | | |
|-----------|------------------------------------|------------------------------|---|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Mr. Potato Head 11-14 Fed Com 621H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3077.20ft |
| Project: | Eddy County (NAD 83 NM Eastern) | MD Reference: | RKB @ 3077.20ft |
| Site: | Sec 11-T24S-R29E | North Reference: | Grid |
| Well: | Mr. Potato Head 11-14 Fed Com 621H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 2 | | |

| | | | |
|-------------|---------------------------------|---------------|----------------|
| Project | Eddy County (NAD 83 NM Eastern) | | |
| Map System: | US State Plane 1983 | System Datum: | Mean Sea Level |
| Geo Datum: | North American Datum 1983 | | |
| Map Zone: | New Mexico Eastern Zone | | |

| | | | |
|-----------------------|------------------|-------------------|-----------------|
| Site | Sec 11-T24S-R29E | | |
| Site Position: | Map | Northing: | 451,030.14 usft |
| From: | | Easting: | 655,595.01 usft |
| Position Uncertainty: | 5.00 ft | Slot Radius: | 13-3/16 " |
| | | Latitude: | 32.239417 |
| | | Longitude: | -103.963784 |
| | | Grid Convergence: | 0.20 ° |

| | | | |
|----------------------|------------------------------------|---------------------|-------------|
| Well | Mr. Potato Head 11-14 Fed Com 621H | | |
| Well Position | +N/-S | 0.00 ft | Northing: |
| | +E/-W | 0.00 ft | Easting: |
| Position Uncertainty | 0.50 ft | Wellhead Elevation: | |
| | | Latitude: | 32.238459 |
| | | Longitude: | -103.960403 |
| | | Ground Level: | 3,052.20 ft |

| | | | |
|-----------|-------------|-------------|-----------------|
| Wellbore | Wellbore #1 | | |
| Magnetics | Model Name | Sample Date | Declination |
| | | | (°) |
| | IGRF2015 | 7/30/2018 | 7.01 |
| | | | Dip Angle |
| | | | (°) |
| | | | Field Strength |
| | | | (nT) |
| | | | 47,793.24854785 |

| | | | |
|-------------------|------------------|-----------|---------------|
| Design | Permit Plan 2 | | |
| Audit Notes: | | | |
| Version: | Phase: | PROTOTYPE | Tie On Depth: |
| | | | 0.00 |
| Vertical Section: | Depth From (TVD) | +N/-S | +E/-W |
| | (ft) | (ft) | (ft) |
| | 0.00 | 0.00 | 0.00 |
| | | | Direction |
| | | | (°) |
| | | | 183.73 |

| | | |
|--------------------------|-----------|---------------------------------------|
| Plan Survey Tool Program | Date | 4/5/2019 |
| Depth From | Depth To | |
| (ft) | (ft) | |
| Survey (Wellbore) | Tool Name | Remarks |
| 1 | 0.00 | 20,395.79 Permit Plan 2 (Wellbore #1) |
| | | MWD+HDGM |
| | | OWSG MWD + HDGM |

| | | | | | | | | | | |
|---------------|-------------|---------|-----------|------------|---------|-------------|-------------|-------------|--------|-----------------------|
| Plan Sections | | | | | | | | | | |
| Measured | Inclination | Azimuth | Vertical | +N/-S | +E/-W | Dogleg | Build | Turn | TFO | Target |
| Depth | (°) | (°) | Depth | (ft) | (ft) | Rate | Rate | Rate | (°) | |
| (ft) | | | (ft) | | | (°/100usft) | (°/100usft) | (°/100usft) | | |
| 0.00 | 0.00 | 0.00 | 0.00 | 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 | |
| 3,058.61 | 6.59 | 281.85 | 3,057.16 | 7.76 | -37.01 | 1.00 | 1.00 | 0.00 | 281.85 | |
| 8,878.75 | 6.59 | 281.85 | 8,838.89 | 144.82 | -690.33 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 9,317.83 | 0.00 | 0.00 | 9,277.00 | 150.00 | -715.00 | 1.50 | -1.50 | 0.00 | 180.00 | |
| 9,667.87 | 0.00 | 0.00 | 9,627.04 | 150.00 | -715.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 10,567.87 | 90.00 | 179.75 | 10,200.00 | -422.95 | -712.47 | 10.00 | 10.00 | 0.00 | 179.75 | PBHL - Mr. Potatohead |
| 20,395.79 | 90.00 | 179.75 | 10,200.00 | -10,250.78 | -669.08 | 0.00 | 0.00 | 0.00 | 0.00 | |

Planning Report - Geographic

| | | | |
|------------------|------------------------------------|-------------------------------------|---|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Mr. Potato Head 11-14 Fed Com 621H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3077.20ft |
| Project: | Eddy County (NAD 83 NM Eastern) | MD Reference: | RKB @ 3077.20ft |
| Site: | Sec 11-T24S-R29E | North Reference: | Grid |
| Well: | Mr. Potato Head 11-14 Fed Com 621H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 2 | | |

| Planned Survey | | | | | | | | | |
|---------------------|-----------------|-------------|---------------------|------------|------------|---------------------|--------------------|-----------|-------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Map Northing (usft) | Map Easting (usft) | Latitude | Longitude |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 100.00 | 0.00 | 0.00 | 100.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 200.00 | 0.00 | 0.00 | 200.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 600.00 | 0.00 | 0.00 | 600.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 700.00 | 0.00 | 0.00 | 700.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 800.00 | 0.00 | 0.00 | 800.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 900.00 | 0.00 | 0.00 | 900.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,100.00 | 0.00 | 0.00 | 1,100.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,200.00 | 0.00 | 0.00 | 1,200.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,300.00 | 0.00 | 0.00 | 1,300.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,400.00 | 0.00 | 0.00 | 1,400.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,600.00 | 0.00 | 0.00 | 1,600.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,700.00 | 0.00 | 0.00 | 1,700.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,800.00 | 0.00 | 0.00 | 1,800.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 1,900.00 | 0.00 | 0.00 | 1,900.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 2,000.00 | 0.00 | 0.00 | 2,000.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 2,100.00 | 0.00 | 0.00 | 2,100.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 2,200.00 | 0.00 | 0.00 | 2,200.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 2,300.00 | 0.00 | 0.00 | 2,300.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 2,400.00 | 0.00 | 0.00 | 2,400.00 | 0.00 | 0.00 | 450,685.10 | 656,641.54 | 32.238459 | -103.960403 |
| 2,500.00 | 1.00 | 281.85 | 2,499.99 | 0.18 | -0.85 | 450,685.28 | 656,640.69 | 32.238460 | -103.960406 |
| 2,600.00 | 2.00 | 281.85 | 2,599.96 | 0.72 | -3.42 | 450,685.82 | 656,638.13 | 32.238461 | -103.960415 |
| 2,700.00 | 3.00 | 281.85 | 2,699.86 | 1.61 | -7.68 | 450,686.71 | 656,633.86 | 32.238464 | -103.960428 |
| 2,800.00 | 4.00 | 281.85 | 2,799.68 | 2.87 | -13.66 | 450,687.97 | 656,627.89 | 32.238467 | -103.960448 |
| 2,900.00 | 5.00 | 281.85 | 2,899.37 | 4.48 | -21.34 | 450,689.58 | 656,620.21 | 32.238472 | -103.960472 |
| 3,000.00 | 6.00 | 281.85 | 2,998.90 | 6.44 | -30.72 | 450,691.54 | 656,610.83 | 32.238477 | -103.960503 |
| 3,058.61 | 6.59 | 281.85 | 3,057.16 | 7.76 | -37.01 | 450,692.86 | 656,604.54 | 32.238481 | -103.960523 |
| 3,100.00 | 6.59 | 281.85 | 3,098.28 | 8.74 | -41.65 | 450,693.84 | 656,599.89 | 32.238483 | -103.960538 |
| 3,200.00 | 6.59 | 281.85 | 3,197.62 | 11.09 | -52.88 | 450,696.19 | 656,588.67 | 32.238490 | -103.960574 |
| 3,300.00 | 6.59 | 281.85 | 3,296.96 | 13.45 | -64.10 | 450,698.55 | 656,577.44 | 32.238497 | -103.960611 |
| 3,400.00 | 6.59 | 281.85 | 3,396.30 | 15.80 | -75.33 | 450,700.90 | 656,566.22 | 32.238503 | -103.960647 |
| 3,500.00 | 6.59 | 281.85 | 3,495.64 | 18.16 | -86.55 | 450,703.26 | 656,554.99 | 32.238510 | -103.960683 |
| 3,600.00 | 6.59 | 281.85 | 3,594.98 | 20.51 | -97.78 | 450,705.61 | 656,543.77 | 32.238516 | -103.960720 |
| 3,700.00 | 6.59 | 281.85 | 3,694.32 | 22.87 | -109.00 | 450,707.97 | 656,532.54 | 32.238523 | -103.960756 |
| 3,800.00 | 6.59 | 281.85 | 3,793.66 | 25.22 | -120.23 | 450,710.32 | 656,521.32 | 32.238530 | -103.960792 |
| 3,900.00 | 6.59 | 281.85 | 3,893.00 | 27.58 | -131.45 | 450,712.68 | 656,510.09 | 32.238536 | -103.960828 |
| 4,000.00 | 6.59 | 281.85 | 3,992.34 | 29.93 | -142.68 | 450,715.03 | 656,498.87 | 32.238543 | -103.960865 |
| 4,100.00 | 6.59 | 281.85 | 4,091.68 | 32.29 | -153.90 | 450,717.39 | 656,487.64 | 32.238549 | -103.960901 |
| 4,200.00 | 6.59 | 281.85 | 4,191.02 | 34.64 | -165.13 | 450,719.74 | 656,476.42 | 32.238556 | -103.960937 |
| 4,300.00 | 6.59 | 281.85 | 4,290.36 | 37.00 | -176.35 | 450,722.10 | 656,465.19 | 32.238562 | -103.960973 |
| 4,400.00 | 6.59 | 281.85 | 4,389.70 | 39.35 | -187.58 | 450,724.45 | 656,453.97 | 32.238569 | -103.961010 |
| 4,500.00 | 6.59 | 281.85 | 4,489.04 | 41.71 | -198.81 | 450,726.81 | 656,442.74 | 32.238576 | -103.961046 |
| 4,600.00 | 6.59 | 281.85 | 4,588.38 | 44.06 | -210.03 | 450,729.16 | 656,431.51 | 32.238582 | -103.961082 |
| 4,700.00 | 6.59 | 281.85 | 4,687.72 | 46.42 | -221.26 | 450,731.52 | 656,420.29 | 32.238589 | -103.961119 |
| 4,800.00 | 6.59 | 281.85 | 4,787.06 | 48.77 | -232.48 | 450,733.87 | 656,409.06 | 32.238595 | -103.961155 |
| 4,900.00 | 6.59 | 281.85 | 4,886.40 | 51.13 | -243.71 | 450,736.23 | 656,397.84 | 32.238602 | -103.961191 |
| 5,000.00 | 6.59 | 281.85 | 4,985.74 | 53.48 | -254.93 | 450,738.58 | 656,386.61 | 32.238608 | -103.961227 |
| 5,100.00 | 6.59 | 281.85 | 5,085.08 | 55.84 | -266.16 | 450,740.94 | 656,375.39 | 32.238615 | -103.961264 |
| 5,200.00 | 6.59 | 281.85 | 5,184.42 | 58.19 | -277.38 | 450,743.29 | 656,364.16 | 32.238622 | -103.961300 |
| 5,300.00 | 6.59 | 281.85 | 5,283.76 | 60.55 | -288.61 | 450,745.65 | 656,352.94 | 32.238628 | -103.961336 |

Planning Report - Geographic

| | | | |
|------------------|------------------------------------|-------------------------------------|---|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Mr. Potato Head 11-14 Fed Com 621H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3077.20ft |
| Project: | Eddy County (NAD 83 NM Eastern) | MD Reference: | RKB @ 3077.20ft |
| Site: | Sec 11-T24S-R29E | North Reference: | Grid |
| Well: | Mr. Potato Head 11-14 Fed Com 621H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 2 | | |

| Planned Survey | | | | | | | | | |
|---|-----------------|-------------|---------------------|------------|------------|---------------------|--------------------|-----------|-------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Map Northing (usft) | Map Easting (usft) | Latitude | Longitude |
| 5,400.00 | 6.59 | 281.85 | 5,383.10 | 62.90 | -299.83 | 450,748.00 | 656,341.71 | 32.238635 | -103.961373 |
| 5,500.00 | 6.59 | 281.85 | 5,482.44 | 65.26 | -311.06 | 450,750.36 | 656,330.49 | 32.238641 | -103.961409 |
| 5,600.00 | 6.59 | 281.85 | 5,581.78 | 67.61 | -322.28 | 450,752.71 | 656,319.26 | 32.238648 | -103.961445 |
| 5,700.00 | 6.59 | 281.85 | 5,681.12 | 69.97 | -333.51 | 450,755.07 | 656,308.04 | 32.238655 | -103.961481 |
| 5,800.00 | 6.59 | 281.85 | 5,780.46 | 72.32 | -344.73 | 450,757.42 | 656,296.81 | 32.238661 | -103.961518 |
| 5,900.00 | 6.59 | 281.85 | 5,879.80 | 74.68 | -355.96 | 450,759.78 | 656,285.59 | 32.238668 | -103.961554 |
| 6,000.00 | 6.59 | 281.85 | 5,979.14 | 77.03 | -367.18 | 450,762.13 | 656,274.36 | 32.238674 | -103.961590 |
| 6,100.00 | 6.59 | 281.85 | 6,078.48 | 79.39 | -378.41 | 450,764.49 | 656,263.14 | 32.238681 | -103.961626 |
| 6,200.00 | 6.59 | 281.85 | 6,177.82 | 81.74 | -389.63 | 450,766.84 | 656,251.91 | 32.238687 | -103.961663 |
| 6,300.00 | 6.59 | 281.85 | 6,277.16 | 84.10 | -400.86 | 450,769.20 | 656,240.69 | 32.238694 | -103.961699 |
| 6,400.00 | 6.59 | 281.85 | 6,376.50 | 86.45 | -412.08 | 450,771.55 | 656,229.46 | 32.238701 | -103.961735 |
| 6,500.00 | 6.59 | 281.85 | 6,475.84 | 88.81 | -423.31 | 450,773.91 | 656,218.24 | 32.238707 | -103.961772 |
| 6,600.00 | 6.59 | 281.85 | 6,575.18 | 91.16 | -434.53 | 450,776.26 | 656,207.01 | 32.238714 | -103.961808 |
| 6,700.00 | 6.59 | 281.85 | 6,674.52 | 93.52 | -445.76 | 450,778.62 | 656,195.79 | 32.238720 | -103.961844 |
| 6,800.00 | 6.59 | 281.85 | 6,773.86 | 95.87 | -456.99 | 450,780.97 | 656,184.56 | 32.238727 | -103.961880 |
| 6,900.00 | 6.59 | 281.85 | 6,873.20 | 98.23 | -468.21 | 450,783.33 | 656,173.34 | 32.238734 | -103.961917 |
| 7,000.00 | 6.59 | 281.85 | 6,972.54 | 100.58 | -479.44 | 450,785.68 | 656,162.11 | 32.238740 | -103.961953 |
| 7,100.00 | 6.59 | 281.85 | 7,071.88 | 102.94 | -490.66 | 450,788.04 | 656,150.88 | 32.238747 | -103.961989 |
| 7,200.00 | 6.59 | 281.85 | 7,171.22 | 105.29 | -501.89 | 450,790.39 | 656,139.66 | 32.238753 | -103.962026 |
| 7,300.00 | 6.59 | 281.85 | 7,270.56 | 107.65 | -513.11 | 450,792.75 | 656,128.43 | 32.238760 | -103.962062 |
| 7,400.00 | 6.59 | 281.85 | 7,369.90 | 110.00 | -524.34 | 450,795.10 | 656,117.21 | 32.238766 | -103.962098 |
| 7,500.00 | 6.59 | 281.85 | 7,469.24 | 112.36 | -535.56 | 450,797.46 | 656,105.98 | 32.238773 | -103.962134 |
| 7,600.00 | 6.59 | 281.85 | 7,568.58 | 114.71 | -546.79 | 450,799.81 | 656,094.76 | 32.238780 | -103.962171 |
| 7,700.00 | 6.59 | 281.85 | 7,667.92 | 117.07 | -558.01 | 450,802.17 | 656,083.53 | 32.238786 | -103.962207 |
| 7,800.00 | 6.59 | 281.85 | 7,767.26 | 119.42 | -569.24 | 450,804.52 | 656,072.31 | 32.238793 | -103.962243 |
| 7,900.00 | 6.59 | 281.85 | 7,866.60 | 121.78 | -580.46 | 450,806.88 | 656,061.08 | 32.238799 | -103.962279 |
| 8,000.00 | 6.59 | 281.85 | 7,965.94 | 124.13 | -591.69 | 450,809.23 | 656,049.86 | 32.238806 | -103.962316 |
| 8,100.00 | 6.59 | 281.85 | 8,065.28 | 126.49 | -602.91 | 450,811.59 | 656,038.63 | 32.238812 | -103.962352 |
| 8,200.00 | 6.59 | 281.85 | 8,164.62 | 128.84 | -614.14 | 450,813.94 | 656,027.41 | 32.238819 | -103.962388 |
| 8,300.00 | 6.59 | 281.85 | 8,263.96 | 131.20 | -625.36 | 450,816.29 | 656,016.18 | 32.238826 | -103.962425 |
| 8,400.00 | 6.59 | 281.85 | 8,363.30 | 133.55 | -636.59 | 450,818.65 | 656,004.96 | 32.238832 | -103.962461 |
| 8,500.00 | 6.59 | 281.85 | 8,462.64 | 135.90 | -647.81 | 450,821.00 | 655,993.73 | 32.238839 | -103.962497 |
| 8,600.00 | 6.59 | 281.85 | 8,561.98 | 138.26 | -659.04 | 450,823.36 | 655,982.51 | 32.238845 | -103.962533 |
| 8,700.00 | 6.59 | 281.85 | 8,661.32 | 140.61 | -670.26 | 450,825.71 | 655,971.28 | 32.238852 | -103.962570 |
| 8,800.00 | 6.59 | 281.85 | 8,760.66 | 142.97 | -681.49 | 450,828.07 | 655,960.06 | 32.238859 | -103.962606 |
| 8,878.75 | 6.59 | 281.85 | 8,838.89 | 144.82 | -690.33 | 450,829.92 | 655,951.22 | 32.238864 | -103.962635 |
| 8,900.00 | 6.27 | 281.85 | 8,860.01 | 145.31 | -692.66 | 450,830.41 | 655,948.89 | 32.238865 | -103.962642 |
| 9,000.00 | 4.77 | 281.85 | 8,959.54 | 147.29 | -702.07 | 450,832.39 | 655,939.48 | 32.238871 | -103.962673 |
| 9,100.00 | 3.27 | 281.85 | 9,059.29 | 148.73 | -708.92 | 450,833.82 | 655,932.62 | 32.238875 | -103.962695 |
| 9,200.00 | 1.77 | 281.85 | 9,159.19 | 149.63 | -713.22 | 450,834.73 | 655,928.32 | 32.238877 | -103.962709 |
| 9,300.00 | 0.27 | 281.85 | 9,259.18 | 149.99 | -714.96 | 450,835.09 | 655,926.59 | 32.238878 | -103.962714 |
| 9,317.83 | 0.00 | 0.00 | 9,277.00 | 150.00 | -715.00 | 450,835.10 | 655,926.55 | 32.238878 | -103.962714 |
| 9,400.00 | 0.00 | 0.00 | 9,359.18 | 150.00 | -715.00 | 450,835.10 | 655,926.55 | 32.238878 | -103.962714 |
| 9,500.00 | 0.00 | 0.00 | 9,459.18 | 150.00 | -715.00 | 450,835.10 | 655,926.55 | 32.238878 | -103.962714 |
| 9,600.00 | 0.00 | 0.00 | 9,559.18 | 150.00 | -715.00 | 450,835.10 | 655,926.55 | 32.238878 | -103.962714 |
| 9,667.87 | 0.00 | 0.00 | 9,627.04 | 150.00 | -715.00 | 450,835.10 | 655,926.55 | 32.238878 | -103.962714 |
| 9,697.66 | 2.98 | 179.75 | 9,656.82 | 149.23 | -715.00 | 450,834.33 | 655,926.55 | 32.238876 | -103.962714 |
| KOP & FTP @ 9698' MD, 203' FNL, 330' FWL | | | | | | | | | |
| 9,700.00 | 3.21 | 179.75 | 9,659.16 | 149.10 | -715.00 | 450,834.20 | 655,926.55 | 32.238876 | -103.962714 |
| 9,800.00 | 13.21 | 179.75 | 9,758.01 | 134.83 | -714.93 | 450,819.93 | 655,926.61 | 32.238836 | -103.962714 |
| 9,900.00 | 23.21 | 179.75 | 9,852.88 | 103.62 | -714.80 | 450,788.72 | 655,926.75 | 32.238751 | -103.962714 |
| 10,000.00 | 33.21 | 179.75 | 9,940.88 | 56.40 | -714.59 | 450,741.50 | 655,926.96 | 32.238621 | -103.962714 |
| 10,100.00 | 43.21 | 179.75 | 10,019.36 | -5.38 | -714.31 | 450,679.72 | 655,927.23 | 32.238451 | -103.962714 |
| 10,200.00 | 53.21 | 179.75 | 10,085.91 | -79.85 | -713.99 | 450,605.25 | 655,927.56 | 32.238246 | -103.962714 |

Planning Report - Geographic

| | | | |
|------------------|------------------------------------|-------------------------------------|---|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Mr. Potato Head 11-14 Fed Com 621H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3077.20ft |
| Project: | Eddy County (NAD 83 NM Eastern) | MD Reference: | RKB @ 3077.20ft |
| Site: | Sec 11-T24S-R29E | North Reference: | Grid |
| Well: | Mr. Potato Head 11-14 Fed Com 621H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 2 | | |

| Planned Survey | | | | | | | | | |
|---|-----------------|-------------|---------------------|------------|------------|---------------------|--------------------|-----------|-------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Map Northing (usft) | Map Easting (usft) | Latitude | Longitude |
| 10,300.00 | 63.21 | 179.75 | 10,138.52 | -164.74 | -713.61 | 450,520.36 | 655,927.94 | 32.238013 | -103.962713 |
| 10,400.00 | 73.21 | 179.75 | 10,175.58 | -257.48 | -713.20 | 450,427.62 | 655,928.35 | 32.237758 | -103.962713 |
| 10,500.00 | 83.21 | 179.75 | 10,195.98 | -355.25 | -712.77 | 450,329.85 | 655,928.78 | 32.237489 | -103.962713 |
| 10,567.87 | 90.00 | 179.75 | 10,200.00 | -422.95 | -712.47 | 450,262.15 | 655,929.08 | 32.237303 | -103.962713 |
| 10,600.00 | 90.00 | 179.75 | 10,200.00 | -455.09 | -712.33 | 450,230.01 | 655,929.22 | 32.237215 | -103.962712 |
| 10,700.00 | 90.00 | 179.75 | 10,200.00 | -555.09 | -711.89 | 450,130.02 | 655,929.66 | 32.236940 | -103.962712 |
| 10,800.00 | 90.00 | 179.75 | 10,200.00 | -655.08 | -711.45 | 450,030.02 | 655,930.10 | 32.236665 | -103.962712 |
| 10,900.00 | 90.00 | 179.75 | 10,200.00 | -755.08 | -711.00 | 449,930.02 | 655,930.54 | 32.236390 | -103.962711 |
| 11,000.00 | 90.00 | 179.75 | 10,200.00 | -855.08 | -710.56 | 449,830.02 | 655,930.98 | 32.236115 | -103.962711 |
| 11,100.00 | 90.00 | 179.75 | 10,200.00 | -955.08 | -710.12 | 449,730.02 | 655,931.42 | 32.235840 | -103.962711 |
| 11,200.00 | 90.00 | 179.75 | 10,200.00 | -1,055.08 | -709.68 | 449,630.02 | 655,931.87 | 32.235566 | -103.962711 |
| 11,300.00 | 90.00 | 179.75 | 10,200.00 | -1,155.08 | -709.24 | 449,530.02 | 655,932.31 | 32.235291 | -103.962710 |
| 11,400.00 | 90.00 | 179.75 | 10,200.00 | -1,255.08 | -708.80 | 449,430.02 | 655,932.75 | 32.235016 | -103.962710 |
| 11,500.00 | 90.00 | 179.75 | 10,200.00 | -1,355.08 | -708.36 | 449,330.03 | 655,933.19 | 32.234741 | -103.962710 |
| 11,600.00 | 90.00 | 179.75 | 10,200.00 | -1,455.08 | -707.91 | 449,230.03 | 655,933.63 | 32.234466 | -103.962709 |
| 11,700.00 | 90.00 | 179.75 | 10,200.00 | -1,555.08 | -707.47 | 449,130.03 | 655,934.07 | 32.234191 | -103.962709 |
| 11,800.00 | 90.00 | 179.75 | 10,200.00 | -1,655.07 | -707.03 | 449,030.03 | 655,934.52 | 32.233916 | -103.962709 |
| 11,900.00 | 90.00 | 179.75 | 10,200.00 | -1,755.07 | -706.59 | 448,930.03 | 655,934.96 | 32.233641 | -103.962708 |
| 12,000.00 | 90.00 | 179.75 | 10,200.00 | -1,855.07 | -706.15 | 448,830.03 | 655,935.40 | 32.233366 | -103.962708 |
| 12,100.00 | 90.00 | 179.75 | 10,200.00 | -1,955.07 | -705.71 | 448,730.03 | 655,935.84 | 32.233092 | -103.962708 |
| 12,200.00 | 90.00 | 179.75 | 10,200.00 | -2,055.07 | -705.26 | 448,630.03 | 655,936.28 | 32.232817 | -103.962707 |
| 12,300.00 | 90.00 | 179.75 | 10,200.00 | -2,155.07 | -704.82 | 448,530.03 | 655,936.72 | 32.232542 | -103.962707 |
| 12,400.00 | 90.00 | 179.75 | 10,200.00 | -2,255.07 | -704.38 | 448,430.04 | 655,937.16 | 32.232267 | -103.962707 |
| 12,500.00 | 90.00 | 179.75 | 10,200.00 | -2,355.07 | -703.94 | 448,330.04 | 655,937.61 | 32.231992 | -103.962706 |
| 12,600.00 | 90.00 | 179.75 | 10,200.00 | -2,455.07 | -703.50 | 448,230.04 | 655,938.05 | 32.231717 | -103.962706 |
| 12,700.00 | 90.00 | 179.75 | 10,200.00 | -2,555.07 | -703.06 | 448,130.04 | 655,938.49 | 32.231442 | -103.962706 |
| 12,800.00 | 90.00 | 179.75 | 10,200.00 | -2,655.07 | -702.62 | 448,030.04 | 655,938.93 | 32.231167 | -103.962706 |
| 12,900.00 | 90.00 | 179.75 | 10,200.00 | -2,755.06 | -702.17 | 447,930.04 | 655,939.37 | 32.230893 | -103.962705 |
| 13,000.00 | 90.00 | 179.75 | 10,200.00 | -2,855.06 | -701.73 | 447,830.04 | 655,939.81 | 32.230618 | -103.962705 |
| 13,100.00 | 90.00 | 179.75 | 10,200.00 | -2,955.06 | -701.29 | 447,730.04 | 655,940.25 | 32.230343 | -103.962705 |
| 13,200.00 | 90.00 | 179.75 | 10,200.00 | -3,055.06 | -700.85 | 447,630.05 | 655,940.70 | 32.230068 | -103.962704 |
| 13,300.00 | 90.00 | 179.75 | 10,200.00 | -3,155.06 | -700.41 | 447,530.05 | 655,941.14 | 32.229793 | -103.962704 |
| 13,400.00 | 90.00 | 179.75 | 10,200.00 | -3,255.06 | -699.97 | 447,430.05 | 655,941.58 | 32.229518 | -103.962704 |
| 13,500.00 | 90.00 | 179.75 | 10,200.00 | -3,355.06 | -699.53 | 447,330.05 | 655,942.02 | 32.229243 | -103.962703 |
| 13,600.00 | 90.00 | 179.75 | 10,200.00 | -3,455.06 | -699.08 | 447,230.05 | 655,942.46 | 32.228968 | -103.962703 |
| 13,700.00 | 90.00 | 179.75 | 10,200.00 | -3,555.06 | -698.64 | 447,130.05 | 655,942.90 | 32.228693 | -103.962703 |
| 13,800.00 | 90.00 | 179.75 | 10,200.00 | -3,655.06 | -698.20 | 447,030.05 | 655,943.34 | 32.228419 | -103.962702 |
| 13,900.00 | 90.00 | 179.75 | 10,200.00 | -3,755.05 | -697.76 | 446,930.05 | 655,943.79 | 32.228144 | -103.962702 |
| 14,000.00 | 90.00 | 179.75 | 10,200.00 | -3,855.05 | -697.32 | 446,830.05 | 655,944.23 | 32.227869 | -103.962702 |
| 14,100.00 | 90.00 | 179.75 | 10,200.00 | -3,955.05 | -696.88 | 446,730.06 | 655,944.67 | 32.227594 | -103.962702 |
| 14,200.00 | 90.00 | 179.75 | 10,200.00 | -4,055.05 | -696.44 | 446,630.06 | 655,945.11 | 32.227319 | -103.962701 |
| 14,300.00 | 90.00 | 179.75 | 10,200.00 | -4,155.05 | -695.99 | 446,530.06 | 655,945.55 | 32.227044 | -103.962701 |
| 14,400.00 | 90.00 | 179.75 | 10,200.00 | -4,255.05 | -695.55 | 446,430.06 | 655,945.99 | 32.226769 | -103.962701 |
| 14,500.00 | 90.00 | 179.75 | 10,200.00 | -4,355.05 | -695.11 | 446,330.06 | 655,946.44 | 32.226494 | -103.962700 |
| 14,600.00 | 90.00 | 179.75 | 10,200.00 | -4,455.05 | -694.67 | 446,230.06 | 655,946.88 | 32.226219 | -103.962700 |
| 14,700.00 | 90.00 | 179.75 | 10,200.00 | -4,555.05 | -694.23 | 446,130.06 | 655,947.32 | 32.225945 | -103.962700 |
| 14,800.00 | 90.00 | 179.75 | 10,200.00 | -4,655.05 | -693.79 | 446,030.06 | 655,947.76 | 32.225670 | -103.962699 |
| 14,900.00 | 90.00 | 179.75 | 10,200.00 | -4,755.04 | -693.34 | 445,930.06 | 655,948.20 | 32.225395 | -103.962699 |
| 15,000.00 | 90.00 | 179.75 | 10,200.00 | -4,855.04 | -692.90 | 445,830.07 | 655,948.64 | 32.225120 | -103.962699 |
| 15,075.00 | 90.00 | 179.75 | 10,200.00 | -4,930.04 | -692.57 | 445,755.07 | 655,948.97 | 32.224914 | -103.962698 |
| Cross Section @ 15075' MD, 0' FNL, 330' FWL | | | | | | | | | |
| 15,100.00 | 90.00 | 179.75 | 10,200.00 | -4,955.04 | -692.46 | 445,730.07 | 655,949.08 | 32.224845 | -103.962698 |
| 15,200.00 | 90.00 | 179.75 | 10,200.00 | -5,055.04 | -692.02 | 445,630.07 | 655,949.53 | 32.224570 | -103.962698 |
| 15,300.00 | 90.00 | 179.75 | 10,200.00 | -5,155.04 | -691.58 | 445,530.07 | 655,949.97 | 32.224295 | -103.962698 |

Planning Report - Geographic

| | | | |
|------------------|------------------------------------|-------------------------------------|---|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Mr. Potato Head 11-14 Fed Com 621H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3077.20ft |
| Project: | Eddy County (NAD 83 NM Eastern) | MD Reference: | RKB @ 3077.20ft |
| Site: | Sec 11-T24S-R29E | North Reference: | Grid |
| Well: | Mr. Potato Head 11-14 Fed Com 621H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 2 | | |

| Planned Survey | | | | | | | | | |
|-------------------------------------|-----------------|-------------|---------------------|------------|------------|---------------------|--------------------|-----------|-------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Map Northing (usft) | Map Easting (usft) | Latitude | Longitude |
| 15,400.00 | 90.00 | 179.75 | 10,200.00 | -5,255.04 | -691.14 | 445,430.07 | 655,950.41 | 32.224020 | -103.962697 |
| 15,500.00 | 90.00 | 179.75 | 10,200.00 | -5,355.04 | -690.70 | 445,330.07 | 655,950.85 | 32.223745 | -103.962697 |
| 15,600.00 | 90.00 | 179.75 | 10,200.00 | -5,455.04 | -690.25 | 445,230.07 | 655,951.29 | 32.223471 | -103.962697 |
| 15,700.00 | 90.00 | 179.75 | 10,200.00 | -5,555.04 | -689.81 | 445,130.07 | 655,951.73 | 32.223196 | -103.962697 |
| 15,800.00 | 90.00 | 179.75 | 10,200.00 | -5,655.04 | -689.37 | 445,030.08 | 655,952.17 | 32.222921 | -103.962696 |
| 15,900.00 | 90.00 | 179.75 | 10,200.00 | -5,755.03 | -688.93 | 444,930.08 | 655,952.62 | 32.222646 | -103.962696 |
| 16,000.00 | 90.00 | 179.75 | 10,200.00 | -5,855.03 | -688.49 | 444,830.08 | 655,953.06 | 32.222371 | -103.962696 |
| 16,100.00 | 90.00 | 179.75 | 10,200.00 | -5,955.03 | -688.05 | 444,730.08 | 655,953.50 | 32.222096 | -103.962695 |
| 16,200.00 | 90.00 | 179.75 | 10,200.00 | -6,055.03 | -687.61 | 444,630.08 | 655,953.94 | 32.221821 | -103.962695 |
| 16,300.00 | 90.00 | 179.75 | 10,200.00 | -6,155.03 | -687.16 | 444,530.08 | 655,954.38 | 32.221546 | -103.962695 |
| 16,400.00 | 90.00 | 179.75 | 10,200.00 | -6,255.03 | -686.72 | 444,430.08 | 655,954.82 | 32.221272 | -103.962694 |
| 16,500.00 | 90.00 | 179.75 | 10,200.00 | -6,355.03 | -686.28 | 444,330.08 | 655,955.26 | 32.220997 | -103.962694 |
| 16,600.00 | 90.00 | 179.75 | 10,200.00 | -6,455.03 | -685.84 | 444,230.08 | 655,955.71 | 32.220722 | -103.962694 |
| 16,700.00 | 90.00 | 179.75 | 10,200.00 | -6,555.03 | -685.40 | 444,130.09 | 655,956.15 | 32.220447 | -103.962693 |
| 16,800.00 | 90.00 | 179.75 | 10,200.00 | -6,655.03 | -684.96 | 444,030.09 | 655,956.59 | 32.220172 | -103.962693 |
| 16,900.00 | 90.00 | 179.75 | 10,200.00 | -6,755.03 | -684.52 | 443,930.09 | 655,957.03 | 32.219897 | -103.962693 |
| 17,000.00 | 90.00 | 179.75 | 10,200.00 | -6,855.02 | -684.07 | 443,830.09 | 655,957.47 | 32.219622 | -103.962692 |
| 17,100.00 | 90.00 | 179.75 | 10,200.00 | -6,955.02 | -683.63 | 443,730.09 | 655,957.91 | 32.219347 | -103.962692 |
| 17,200.00 | 90.00 | 179.75 | 10,200.00 | -7,055.02 | -683.19 | 443,630.09 | 655,958.36 | 32.219072 | -103.962692 |
| 17,300.00 | 90.00 | 179.75 | 10,200.00 | -7,155.02 | -682.75 | 443,530.09 | 655,958.80 | 32.218798 | -103.962692 |
| 17,400.00 | 90.00 | 179.75 | 10,200.00 | -7,255.02 | -682.31 | 443,430.09 | 655,959.24 | 32.218523 | -103.962691 |
| 17,500.00 | 90.00 | 179.75 | 10,200.00 | -7,355.02 | -681.87 | 443,330.10 | 655,959.68 | 32.218248 | -103.962691 |
| 17,600.00 | 90.00 | 179.75 | 10,200.00 | -7,455.02 | -681.42 | 443,230.10 | 655,960.12 | 32.217973 | -103.962691 |
| 17,700.00 | 90.00 | 179.75 | 10,200.00 | -7,555.02 | -680.98 | 443,130.10 | 655,960.56 | 32.217698 | -103.962690 |
| 17,800.00 | 90.00 | 179.75 | 10,200.00 | -7,655.02 | -680.54 | 443,030.10 | 655,961.00 | 32.217423 | -103.962690 |
| 17,900.00 | 90.00 | 179.75 | 10,200.00 | -7,755.02 | -680.10 | 442,930.10 | 655,961.45 | 32.217148 | -103.962690 |
| 18,000.00 | 90.00 | 179.75 | 10,200.00 | -7,855.01 | -679.66 | 442,830.10 | 655,961.89 | 32.216873 | -103.962689 |
| 18,100.00 | 90.00 | 179.75 | 10,200.00 | -7,955.01 | -679.22 | 442,730.10 | 655,962.33 | 32.216598 | -103.962689 |
| 18,200.00 | 90.00 | 179.75 | 10,200.00 | -8,055.01 | -678.78 | 442,630.10 | 655,962.77 | 32.216324 | -103.962689 |
| 18,300.00 | 90.00 | 179.75 | 10,200.00 | -8,155.01 | -678.33 | 442,530.10 | 655,963.21 | 32.216049 | -103.962688 |
| 18,400.00 | 90.00 | 179.75 | 10,200.00 | -8,255.01 | -677.89 | 442,430.11 | 655,963.65 | 32.215774 | -103.962688 |
| 18,500.00 | 90.00 | 179.75 | 10,200.00 | -8,355.01 | -677.45 | 442,330.11 | 655,964.09 | 32.215499 | -103.962688 |
| 18,600.00 | 90.00 | 179.75 | 10,200.00 | -8,455.01 | -677.01 | 442,230.11 | 655,964.54 | 32.215224 | -103.962687 |
| 18,700.00 | 90.00 | 179.75 | 10,200.00 | -8,555.01 | -676.57 | 442,130.11 | 655,964.98 | 32.214949 | -103.962687 |
| 18,800.00 | 90.00 | 179.75 | 10,200.00 | -8,655.01 | -676.13 | 442,030.11 | 655,965.42 | 32.214674 | -103.962687 |
| 18,900.00 | 90.00 | 179.75 | 10,200.00 | -8,755.01 | -675.69 | 441,930.11 | 655,965.86 | 32.214399 | -103.962687 |
| 19,000.00 | 90.00 | 179.75 | 10,200.00 | -8,855.00 | -675.24 | 441,830.11 | 655,966.30 | 32.214124 | -103.962686 |
| 19,100.00 | 90.00 | 179.75 | 10,200.00 | -8,955.00 | -674.80 | 441,730.11 | 655,966.74 | 32.213850 | -103.962686 |
| 19,200.00 | 90.00 | 179.75 | 10,200.00 | -9,055.00 | -674.36 | 441,630.12 | 655,967.18 | 32.213575 | -103.962686 |
| 19,300.00 | 90.00 | 179.75 | 10,200.00 | -9,155.00 | -673.92 | 441,530.12 | 655,967.63 | 32.213300 | -103.962685 |
| 19,400.00 | 90.00 | 179.75 | 10,200.00 | -9,255.00 | -673.48 | 441,430.12 | 655,968.07 | 32.213025 | -103.962685 |
| 19,500.00 | 90.00 | 179.75 | 10,200.00 | -9,355.00 | -673.04 | 441,330.12 | 655,968.51 | 32.212750 | -103.962685 |
| 19,600.00 | 90.00 | 179.75 | 10,200.00 | -9,455.00 | -672.60 | 441,230.12 | 655,968.95 | 32.212475 | -103.962684 |
| 19,700.00 | 90.00 | 179.75 | 10,200.00 | -9,555.00 | -672.15 | 441,130.12 | 655,969.39 | 32.212200 | -103.962684 |
| 19,800.00 | 90.00 | 179.75 | 10,200.00 | -9,655.00 | -671.71 | 441,030.12 | 655,969.83 | 32.211925 | -103.962684 |
| 19,900.00 | 90.00 | 179.75 | 10,200.00 | -9,755.00 | -671.27 | 440,930.12 | 655,970.28 | 32.211650 | -103.962683 |
| 20,000.00 | 90.00 | 179.75 | 10,200.00 | -9,855.00 | -670.83 | 440,830.12 | 655,970.72 | 32.211376 | -103.962683 |
| 20,100.00 | 90.00 | 179.75 | 10,200.00 | -9,954.99 | -670.39 | 440,730.13 | 655,971.16 | 32.211101 | -103.962683 |
| 20,200.00 | 90.00 | 179.75 | 10,200.00 | -10,054.99 | -669.95 | 440,630.13 | 655,971.60 | 32.210826 | -103.962682 |
| 20,300.00 | 90.00 | 179.75 | 10,200.00 | -10,154.99 | -669.50 | 440,530.13 | 655,972.04 | 32.210551 | -103.962682 |
| 20,315.78 | 90.00 | 179.75 | 10,200.00 | -10,170.77 | -669.44 | 440,514.35 | 655,972.11 | 32.210508 | -103.962682 |
| LTP @ 20316' MD, 100' FSL, 330' FWL | | | | | | | | | |
| 20,395.78 | 90.00 | 179.75 | 10,200.00 | -10,250.77 | -669.08 | 440,434.35 | 655,972.46 | 32.210288 | -103.962682 |
| PBHL; 20' FSL, 330' FWL | | | | | | | | | |

Planning Report - Geographic

| | | | |
|------------------|------------------------------------|-------------------------------------|---|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Mr. Potato Head 11-14 Fed Com 621H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3077.20ft |
| Project: | Eddy County (NAD 83 NM Eastern) | MD Reference: | RKB @ 3077.20ft |
| Site: | Sec 11-T24S-R29E | North Reference: | Grid |
| Well: | Mr. Potato Head 11-14 Fed Com 621H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 2 | | |

| Planned Survey | | | | | | | | | |
|---------------------|-----------------|-------------|---------------------|------------|------------|---------------------|--------------------|-----------|-------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Map Northing (usft) | Map Easting (usft) | Latitude | Longitude |
| 20,395.79 | 90.00 | 179.75 | 10,200.00 | -10,250.78 | -669.08 | 440,434.34 | 655,972.46 | 32.210288 | -103.962682 |

| Design Targets | | | | | | | | | |
|--|---------------|--------------|----------|------------|------------|-----------------|----------------|-----------|-------------|
| Target Name | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
| - hit/miss target | | | | | | | | | |
| - Shape | | | | | | | | | |
| PBHL - Mr. Potatohead t | 0.00 | 0.00 | 0.00 | -10,040.25 | -670.01 | 440,644.87 | 655,971.53 | 32.210866 | -103.962682 |
| - plan misses target center by 10062.58ft at 0.00ft MD (0.00 TVD, 0.00 N, 0.00 E) | | | | | | | | | |
| - Point | | | | | | | | | |
| VP - Mr. Potato Head 62 | 0.00 | 0.00 | 9,307.00 | 146.89 | -715.54 | 450,831.99 | 655,926.01 | 32.238870 | -103.962716 |
| - plan misses target center by 3.16ft at 9347.82ft MD (9307.00 TVD, 150.00 N, -715.00 E) | | | | | | | | | |
| - Point | | | | | | | | | |

| Plan Annotations | | | | | |
|---------------------|---------------------|-------------------|------------|---|--|
| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates | | | |
| | | +N/-S (ft) | +E/-W (ft) | Comment | |
| 9,697.66 | 9,656.82 | 149.23 | -715.00 | KOP & FTP @ 9698' MD, 203' FNL, 330' FWL | |
| 15,075.00 | 10,200.00 | -4,930.04 | -692.57 | Cross Section @ 15075' MD, 0' FNL, 330' FWL | |
| 20,315.78 | 10,200.00 | -10,170.77 | -669.44 | LTP @ 20316' MD, 100' FSL, 330' FWL | |
| 20,395.78 | 10,200.00 | -10,250.77 | -669.08 | PBHL; 20' FSL, 330' FWL | |

Devon Energy
APD VARIANCE DATA

OPERATOR NAME: Devon Energy

1. SUMMARY OF Variance:

Devon Energy respectfully requests approval for the following additions to the drilling plan:

1. Potential utilization of a spudder rig to pre-set surface casing.

2. Description of Operations

1. A spudder rig contractor may move in their rig to drill the surface hole section and pre-set surface casing on this well.
 - a. After drilling the surface hole section, the rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - b. Rig will utilize fresh water based mud to drill surface hole to TD.
2. The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
3. A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
5. Drilling operation will be performed with the big rig. At that time an approved BOP stack will be nipped up and tested on the wellhead before drilling operations commences on each well.
 - a. The BLM will be contacted / notified 24 hours before the big rig moves back on to the pad with the pre-set surface casing.
6. Devon Energy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
7. Once the rig is removed, Devon Energy will secure the wellhead area by placing a guard rail around the cellar area.

1. Geologic Formations

| | | | |
|---------------|-------|------------------------------|-----|
| TVD of target | 10200 | Pilot hole depth | N/A |
| MD at TD: | 20396 | Deepest expected fresh water | |

Basin

| Formation | Depth (TVD) from KB | Water/Mineral Bearing/Target Zone? | Hazards* |
|------------------|------------------------------------|---|-----------------|
| Rustler | 375 | | |
| Top Salt | 500 | | |
| Base of Salt | 2700 | | |
| Delaware | 2600 | | |
| Lamar | 3106 | | |
| Bell Canyon | 3157 | | |
| Brushy Canyon | 5230 | | |
| Bone Spring Lime | 6812 | | |
| 1st BSPG Sand | 7872 | | |
| Bone Spring 2nd | 8716 | | |
| Bone Spring 3rd | 9791 | | |
| Wolfcamp | 10133 | | |
| Wolfcamp XY | 10164 | | |
| Wolfcamp 100 | 10268 | | |
| | | | |
| | | | |
| | | | |
| | | | |

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

2. Casing Program (Primary Design)

| Hole Size | Casing Interval | | Csg. Size | Wt (PPF) | Grade | Conn | Min SF Collapse | Min SF Burst | Min SF Tension |
|---------------------------|-----------------|----------|-----------|----------|-------|--------------|-----------------|--------------|--------------------|
| | From | To | | | | | | | |
| 17 1/2 | 0 | 400 TVD | 13 3/8 | 48.0 | H40 | STC | 1.125 | 1.25 | 1.6 |
| 9 7/8 | 0 | 9791 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 Minimum Safety Factor | | | | | | | 1.125 | 1 | 1.6 Dry 1.8 Wet |

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

Casing Program (Alternative Design)

| Hole Size | Casing Interval | | Csg. Size | Wt (PPF) | Grade | Conn | Min SF Collapse | Min SF Burst | Min SF Tension |
|---------------------------|-----------------|----------|-----------|----------|-------|------|-----------------|--------------|--------------------|
| | From | To | | | | | | | |
| 17 1/2 | 0 | 400 TVD | 13 3/8 | 48.0 | H40 | STC | 1.125 | 1.25 | 1.6 |
| 9 7/8 | 0 | 9791 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 Safety Factor | | | | | | | 1.125 | 1 | 1.6 Dry 1.8 Wet |

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

| | Y or N |
|--|--------|
| Is casing new? If used, attach certification as required in Onshore Order #1 | Y |
| Does casing meet API specifications? If no, attach casing specification 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? | |
| | |
| 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? | |

3. Cementing Program (Primary Design)

| Casing | # Skts | TOC | Wt. (lb/gal) | Yld (ft ³ /sack) | Slurry Description |
|--|--------------|---------------------|-----------------|--------------------------------|--|
| Surface | 328 | Surf | 13.2 | 1.44 | Lead: Class C Cement + additives |
| Int 1 | 529 | Surf | 9 | 3.27 | Lead: Class C Cement + additives |
| | 783 | 4000' above shoe | 13.2 | 1.44 | Tail: Class H / C + additives |
| Int 1 Two Stage w/ DV @ TVD of Delaware | 763 | Surf | 9 | 3.27 | 1st stage Lead: Class C Cement + additives |
| | 93 | 500' above shoe | 13.2 | 1.44 | 1st stage Tail: Class H / C + additives |
| | 209 | 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 Intermediate Squeeze | As Needed | Surf | 9 | 1.44 | Squeeze Lead: Class C Cement + additives |
| | 529 | Surf | 9 | 3.27 | Lead: Class C Cement + additives |
| | 783 | 4000' above shoe | 13.2 | 1.44 | Tail: Class H / C + additives |
| Production | 63 | 7698 | 9.0 | 3.3 | Lead: Class H / C + additives |
| | 683 | 9698 | 13.2 | 1.4 | Tail: Class H / C + additives |

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% |

3. Cementing Program (Alternative Design)

| Casing | # Skts | TOC | Wt ppg | Yld (ft ³ /sack) | Slurry Description |
|---------------------------------------|--------------|---------------------|-----------|--------------------------------|--|
| Surface | 328 | Surf | 13.2 | 1.44 | Lead: Class C Cement + additives |
| Int 1 | 329 | Surf | 9 | 3.27 | Lead: Class C Cement + additives |
| | 465 | 4000' above shoe | 13.2 | 1.44 | Tail: Class H / C + additives |
| Int 1 Two Stage w DV @ ~4500 | 448 | Surf | 9 | 3.27 | 1st stage Lead: Class C Cement + additives |
| | 55 | 500' above shoe | 13.2 | 1.44 | 1st stage Tail: Class H / C + additives |
| | 140 | 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 Intermediate Squeeze | As Needed | Surf | 13.2 | 1.44 | Squeeze Lead: Class C Cement + additives |
| | 329 | Surf | 9 | 3.27 | Lead: Class C Cement + additives |
| | 465 | 4000' above shoe | 13.2 | 1.44 | Tail: Class H / C + additives |
| Int 1 (10.625" Hole Size) | 508 | Surf | 9 | 3.27 | Lead: Class C Cement + additives |
| | 768 | 4000' above shoe | 13.2 | 1.44 | Tail: Class H / C + additives |
| Production | 117 | 7698 | 9.0 | 3.3 | Lead: Class H / C + additives |
| | 1416 | 9698 | 13.2 | 1.4 | Tail: Class H / C + additives |

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% |

4. Pressure Control Equipment (Three String Design)

| BOP installed and tested before drilling which hole? | | Size? | Min. Required WP | Type | ✓ | Tested to: |
|--|--|-------|------------------|------|---|-------------------------------|
| Int 1 | 13-58" | 5M | Annular | | X | 50% of rated working pressure |
| | | | Blind Ram | | X | 5M |
| | | | Pipe Ram | | | |
| | | | Double Ram | | X | |
| | | | Other* | | | |
| Production | 13-5/8" | 5M | Annular (5M) | | X | 50% of rated working pressure |
| | | | Blind Ram | | X | 5M |
| | | | Pipe Ram | | | |
| | | | Double Ram | | X | |
| | | | Other* | | | |
| | | | Annular (5M) | | | |
| | | | Blind Ram | | | |
| | | | Pipe Ram | | | |
| | | | Double Ram | | | |
| | | | Other* | | | |
| N | A variance is requested for the use of a diverter on the surface casing. See attached for schematic. | | | | | |
| Y | A variance is requested to run a 5 M annular on a 10M system | | | | | |

5. Mud Program (Three String Design)

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

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 | |
|------------------------------------|---|
| X | Will run GR/CNL from TD to surface (horizontal well - vertical portion of hole). Stated logs run will be in the Completion Report and submitted 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 | Specify what type and where? |
|----------------------------|-------------------------------------|
| BH pressure at deepest TVD | 5569 |
| Abnormal temperature | No |

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

Hydrogen Sulfide (H₂S) monitors will be installed prior to drilling out the surface shoe. If H₂S is detected in concentrations 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 | H ₂ S is present |
| Y | H ₂ S plan attached. |

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 pad.
- 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. At that time an approved BOP stack will be nipped up and tested on the wellhead before drilling operations commence 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
