

30-015-38536

**SURFACE USE PLAN**  
Devon Energy Production Company, LP  
**Cotton Draw Unit 150H**



Surface Location: 330' FNL & 660' FEL, Unit A, Sec 34 T24S R31E, Eddy, NM  
Bottom Hole Location: 200' FSL & 660' FEL, Unit P, Sec 34 T24S R31E, Eddy, NM

**1. Existing Roads:**

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Madron Surveying.
- b. All roads into the location are depicted on the surveyor plats.
- c. Directions to Location: From County Rd 798 (Buck Jackson) and County Rd 791 (Buck Thorn) go south on County Rd 791 3.1 miles turn left and go east 1.9 miles turn left and go north 0.7 miles turn left and go west 0.3 miles turn right and go north 0.4 miles turn right and go east 0.7 miles turn left and go north 0.8 miles turn left and go west 0.4 miles to existing CDU 112 well and from the northwest corner of the pad follow the proposed road survey northwest 562' bend left and follow flags west 4659' and location is 268' northwest.
- d. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.
- e. If existing road is shared with other operators, Devon will share in its cost to maintain the road as required by the BLM.

**2. New or Reconstructed Access Roads:**

- a. The well site layout, Form C-102 shows approximately 5221' of new access road will be constructed as follows:
- b. The maximum width of the road will be 14'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 2%.
- d. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

**3. Location of Existing Wells:**

1 Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat. This well will be the only well located on the pad.

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

- a. In the event the well is found productive, the Cotton Draw Unit 150 tank battery would be installed at the **Cotton Draw Unit 114H** well site.
- b. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road.
- c. All flowlines will adhere to API standards.
- d. If the well is productive, rehabilitation plans are as follows:
  - i. A closed loop system will be utilized.
  - ii. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

Accepted To Record 1-31-11, included in EA 11-300, RWR.

**4. Location and Types of Water Supply:**

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in the C-102. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

**5. Construction Materials:**

The caliche utilized for the drilling pad and proposed access road will be from minerals that are located onsite or will be used onsite. If minerals are not available onsite, then an established mineral pit will be used to build the location and stem road.

**6. Methods of Handling Waste Material:**

- a. Drill cuttings will be disposed of in a closed loop system.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.
- f. Disposal of fluids to be transported by the following companies:
  - i. American Production Service Inc, Odessa TX
  - ii. Gandy Corporation, Lovington NM
  - iii. I & W Inc, Loco Hill NM
  - iv. Jims Water Service of Co Inc, Denver CO

**7. Ancillary Facilities:** No campsite or other facilities will be constructed as a result of this well.

**8. Well Site Layout**

- a. The rig layout diagram shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- c. A closed loop system will be utilized.
- d. If a pit or closed loop system will be utilized, Devon will comply with the NMOCD requirements 19.15.17 and submit form C-144 CLEZ to the appropriate NMOCD District Office. An unapproved copy is provided within the APD.
- e. Topsoil Stockpiling:
  - i. Standard practice is topsoil will be pushed to the high side of location to prevent water from running across location to control erosion. If a cut out is done and there are two or three high sides, we will use those there.

**9. Plans for Surface Reclamation Include Both Final & Interim:**

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

**10. Surface Ownership**

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

**11. Other Information:**

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sagebush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of location.
- d. A Cultural Resources Examination will be completed by Southern New Mexico Archaeological Services, Inc. and forwarded to the BLM office in Carlsbad, New Mexico.

**13. Bond Coverage:**

Bond Coverage is Nationwide; Bond # is CO-1104

**Operators Representative:**

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

Jim Cromer  
Operations Engineer

Don Mayberry  
Superintendent

Devon Energy Production Company, L.P.  
20 North Broadway, Suite 1500  
Oklahoma City, OK 73102-8260

Devon Energy Production Company, L.P.  
Post Office Box 250  
Artesia, NM 88211-0250

(405) 228-4464 (office)  
(405) 694-7718 (cell)

(505) 748-0164 (office)  
(505) 748-5235 (cell)

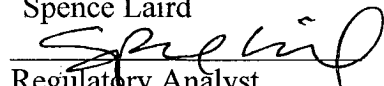
## Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal Comeral laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or Devon Energy Production Company, L.P. am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this 12th day of January, 2011.

Printed Name: Spence Laird

Signed Name: 

Position Title: Regulatory Analyst

Address: 20 North Broadway, OKC OK 73102

Telephone: (405)-228-8973

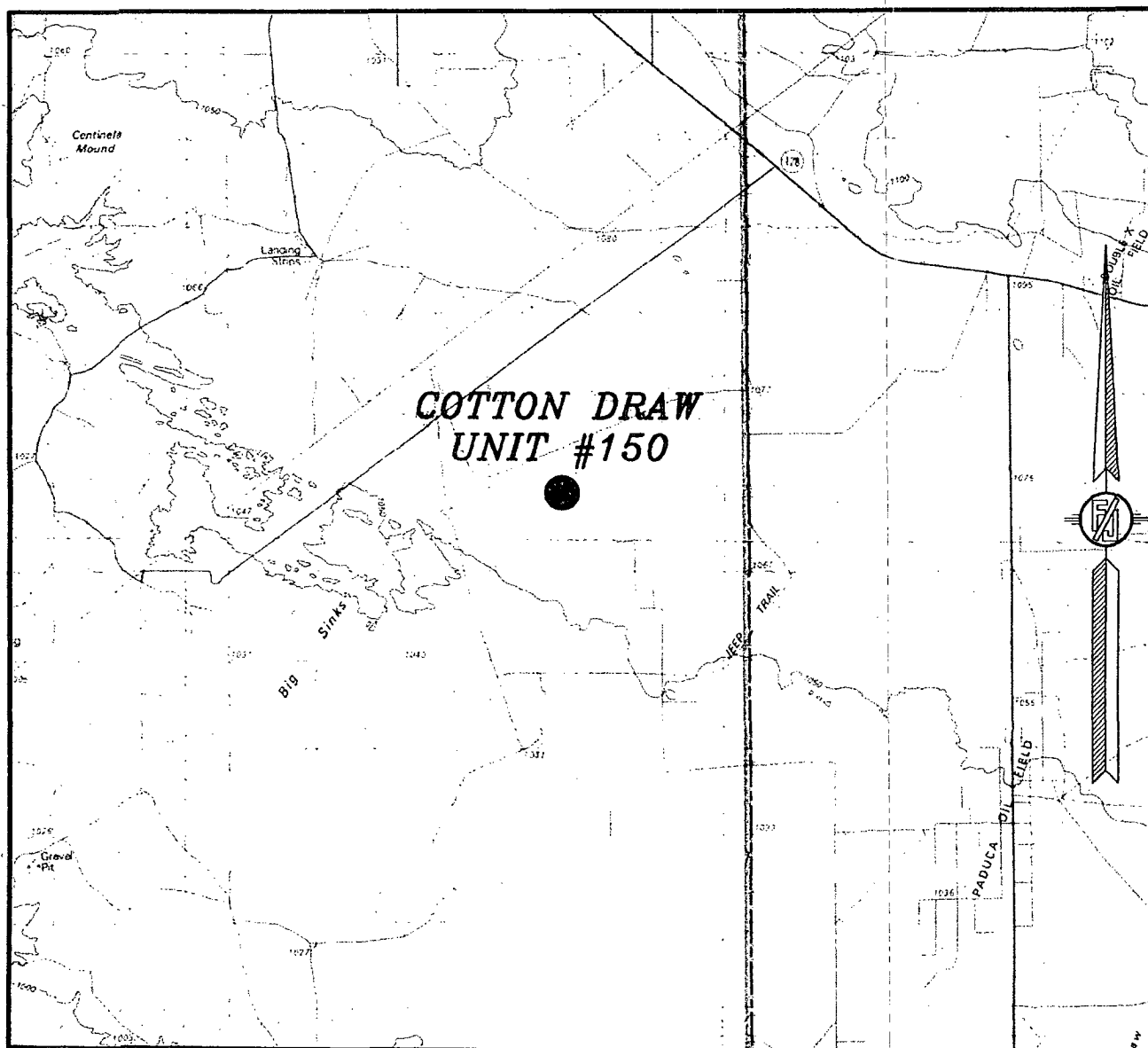
Field Representative (if not above signatory): Don Mayberry (see above)

Address (if different from above):

Telephone (if different from above):

E-mail (optional):

SECTION 34, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO  
**VICINITY MAP**



NOT TO SCALE

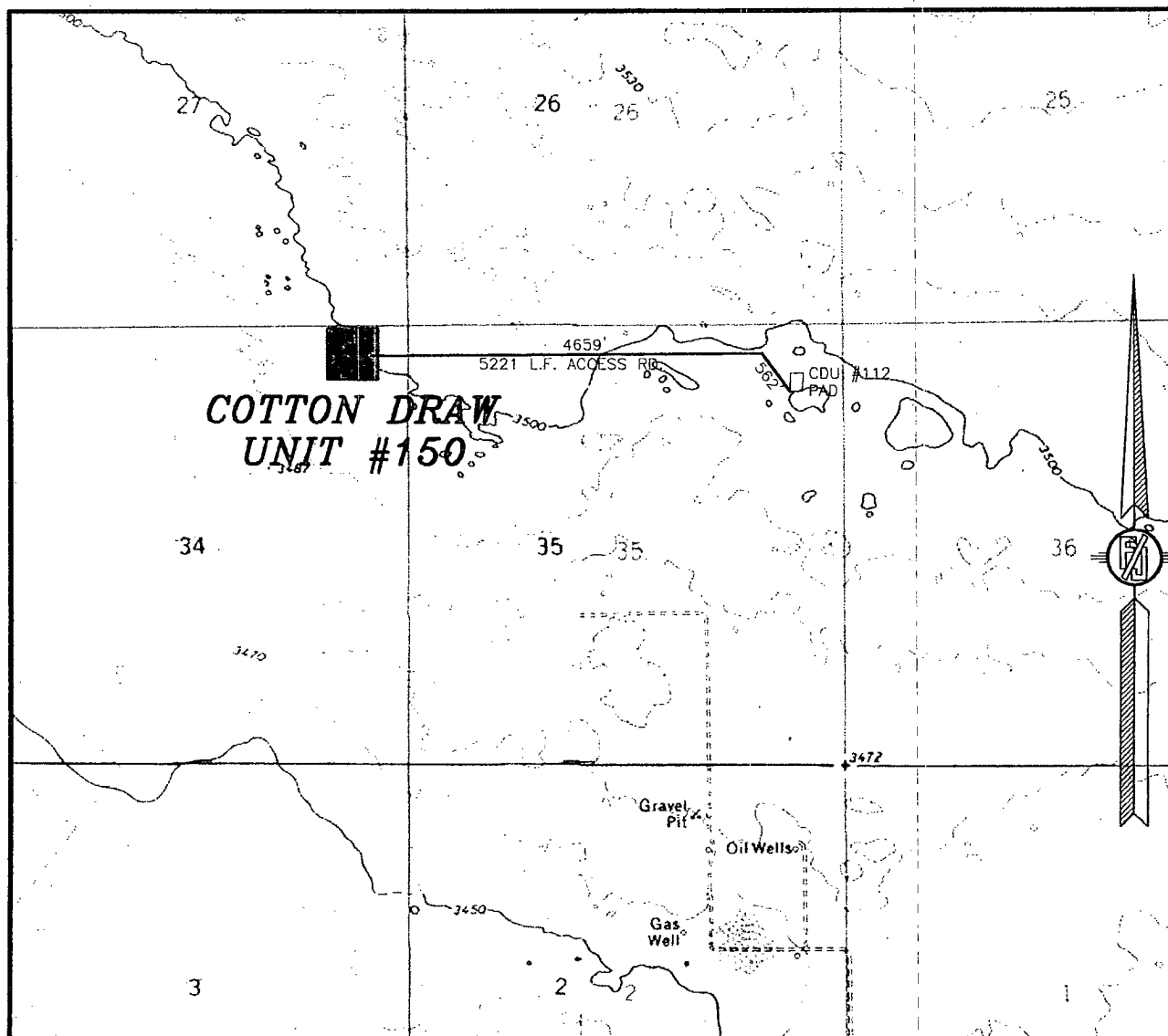
DEVON ENERGY PRODUCTION COMPANY, L.P.  
**COTTON DRAW UNIT #150**  
LOCATED 330 FT. FROM THE NORTH LINE  
AND 660 FT. FROM THE EAST LINE OF  
SECTION 34, TOWNSHIP 24 SOUTH,  
RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

NOVEMBER 24, 2010

SURVEY NO. 229-R1

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
(575) 887-5830

SECTION 34, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.  
 EDDY COUNTY, STATE OF NEW MEXICO  
**LOCATION VERIFICATION MAP**



CONTOUR INTERVAL:  
 BIG SINKS  
 PADUCA BREAKS

NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.  
**COTTON DRAW UNIT #150**  
 LOCATED 330 FT. FROM THE NORTH LINE  
 AND 660 FT. FROM THE EAST LINE OF  
 SECTION 34, TOWNSHIP 24 SOUTH,  
 RANGE 31 EAST, N.M.P.M.  
 EDDY COUNTY, STATE OF NEW MEXICO

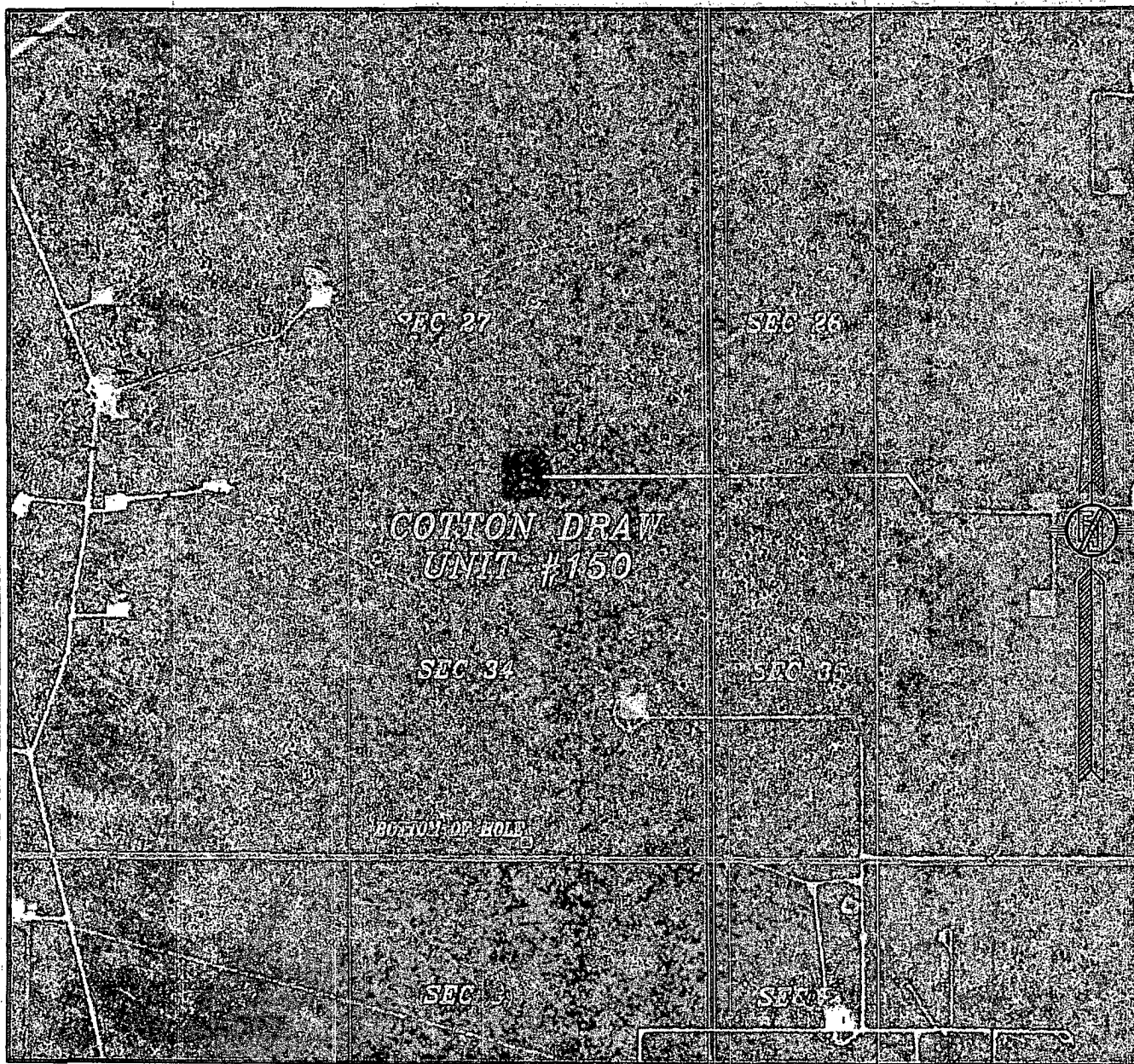
NOVEMBER 24, 2010

SURVEY NO. 229-R1

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 887-5830 CARLSBAD, NEW MEXICO

SECTION 34, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

## AERIAL PHOTO



NOT TO SCALE  
AERIAL PHOTO:  
GOOGLE EARTH  
USDA - AUG, 2009

DEVON ENERGY PRODUCTION COMPANY, L.P.  
**COTTON DRAW UNIT #150**

LOCATED 330 FT. FROM THE NORTH LINE  
AND 660 FT. FROM THE EAST LINE OF  
SECTION 34, TOWNSHIP 24 SOUTH,  
RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

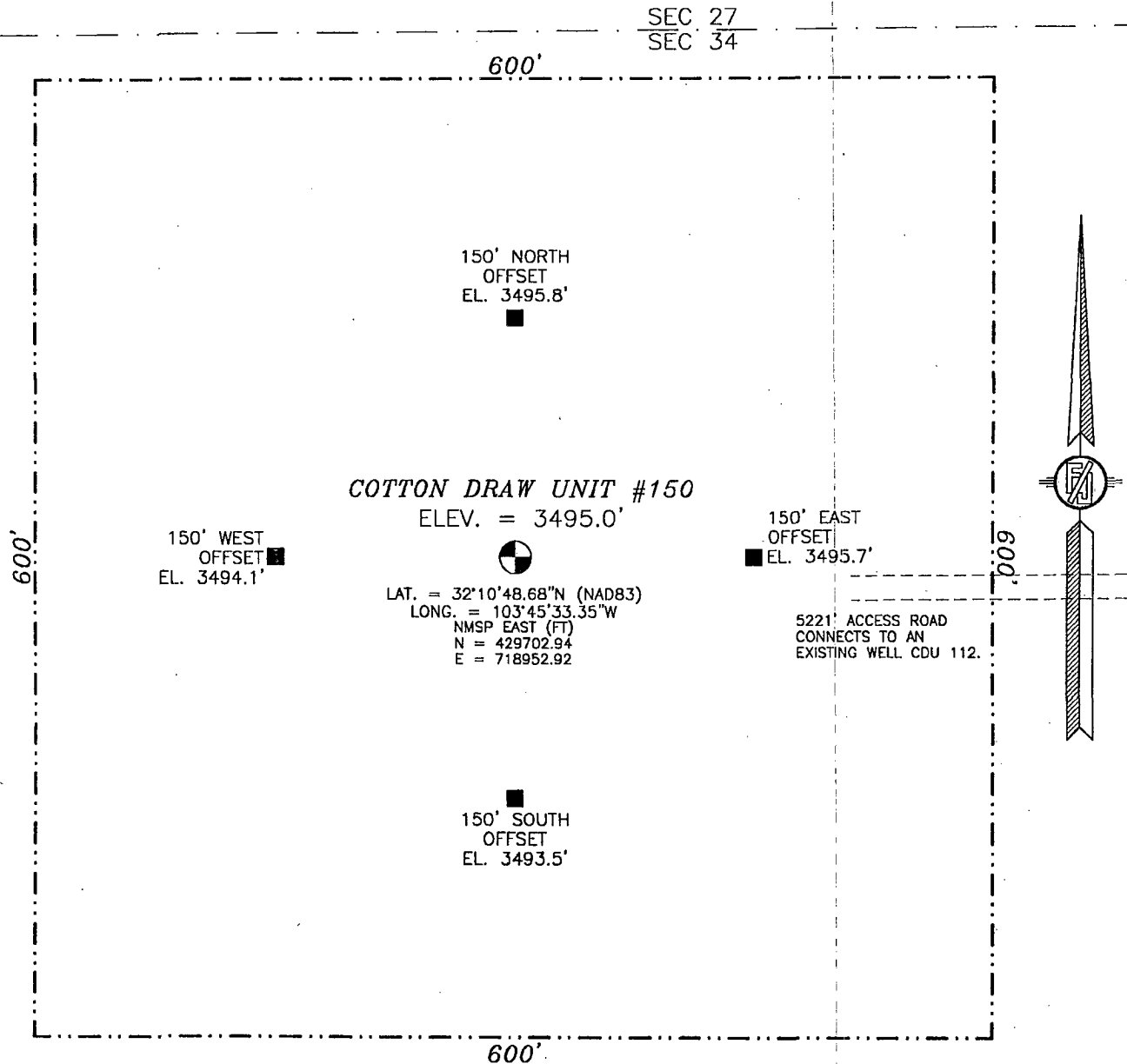
NOVEMBER 24, 2010

SURVEY NO. 229-R1

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
(575) 887-5830



SECTION 34, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO



010 50 100 200

SCALE 1" = 100'

**DIRECTIONS TO LOCATION**

FROM CR. #798 (BUCK JACKSON) AND CR. #791 (BUCK THORN) GO SOUTH ON CR. #791 3.1 MILES TURN LEFT AND GO EAST 1.9 MILES TURN LEFT AND GO NORTH 0.7 MILES TURN LEFT AND GO WEST 0.3 MILES TURN RIGHT AND GO NORTH 0.4 MILES TURN RIGHT AND GO EAST 0.7 MILES TURN LEFT AND GO NORTH 0.8 MILES TURN LEFT AND GO WEST 0.4 MILES TO EXISTING CDU #112 WELL AND FROM THE SOUTHWEST PAD CORNER FOLLOW PROPOSED ROAD SURVEY NW. 562' BEND LEFT AND FOLLOW FLAGS WEST 4659' AND LOCATION IS 268' NORTHWEST.

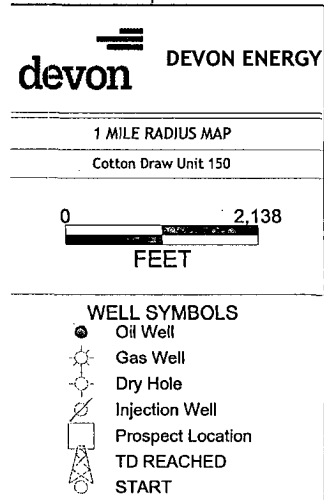
**DEVON ENERGY PRODUCTION COMPANY, L.P.**  
**COTTON DRAW UNIT #150**

LOCATED 330 FT. FROM THE NORTH LINE  
AND 660 FT. FROM THE EAST LINE OF  
SECTION 34, TOWNSHIP 24 SOUTH,  
RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

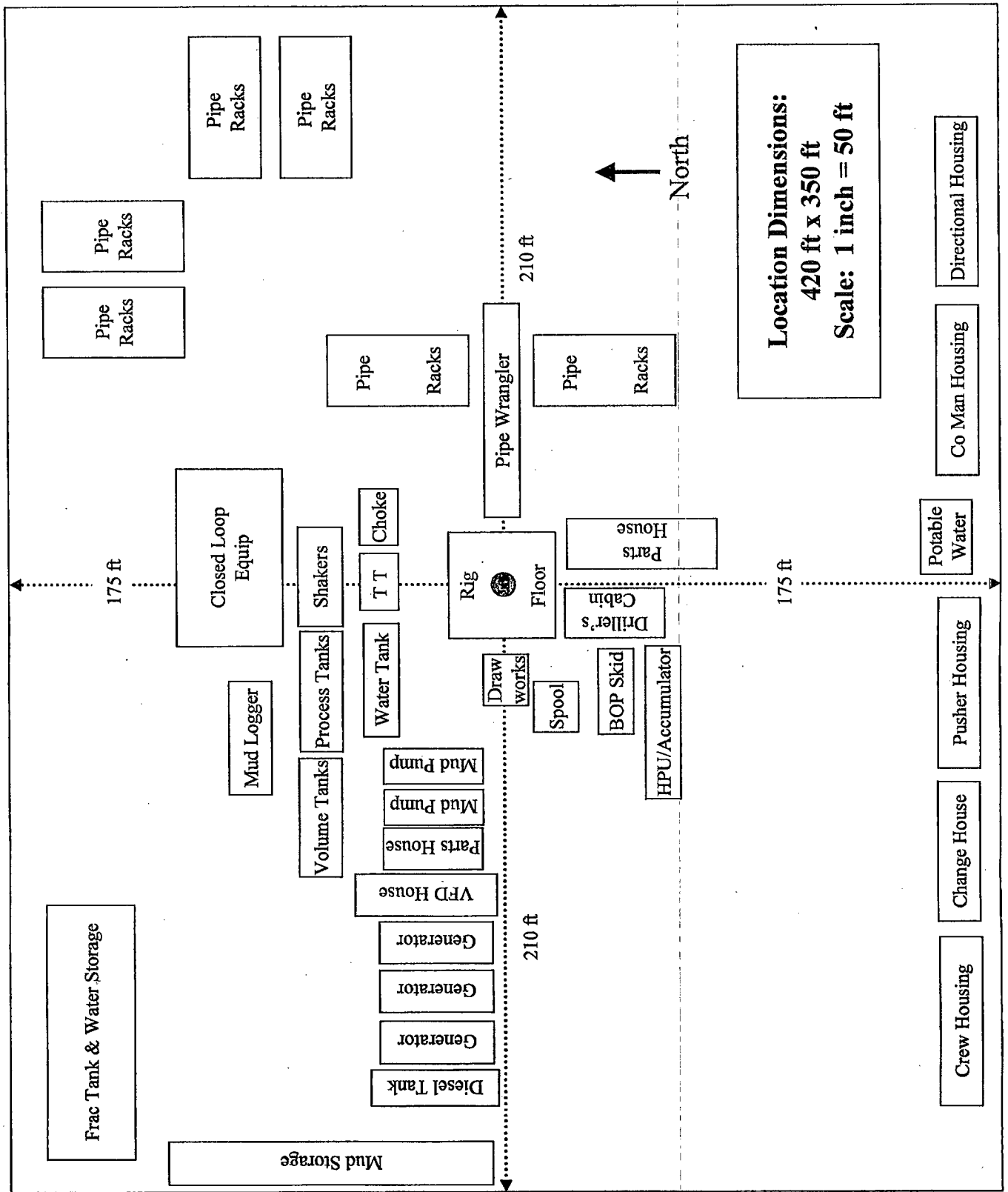
NOVEMBER 24, 2010

SURVEY NO. 229-R1

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 887-5830 CARLSBAD, NEW MEXICO



# H&P Flex Rig Location Layout

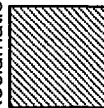




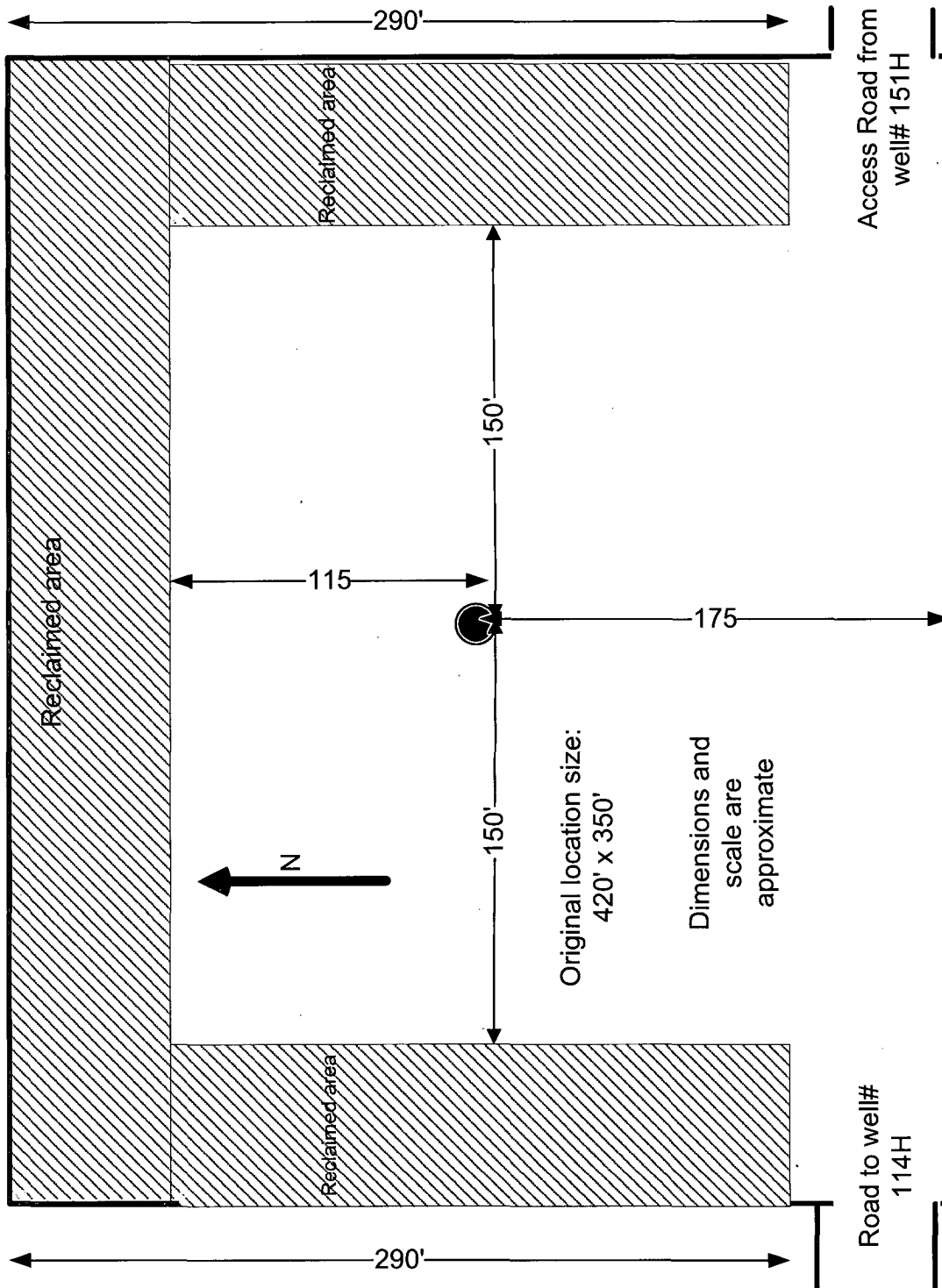
**Proposed Interim  
Site Configuration**

Devon Energy Production Co.  
**Cotton Draw Unit 150H**  
330' FNL & 660' FEL  
Sec. 34 T24S R31E  
Eddy County,  
NM

Proposed  
Reclamation Area



1" : 60'



# **QUALITY DOCUMENT**

## **PHOENIX RUBBER INDUSTRIAL LTD.**

H-6728 Szeged, Budapesti út 10. Hungary • H-6701 Szeged, P. O. Box 152  
Phone: (3662) 566-737 • Fax: (3662) 566-738

SALES & MARKETING: H-1092 Budapest, Ráday u. 42-44. Hungary • H-1440 Budapest, P. O. Box 26  
Phone: (361) 456-4200 • Fax: (361) 217-2972, 456-4273 • www.taurusermerge.hu

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE				CERT N° 890	
PURCHASER: Phoenix Beattie Co				P.O. N° 1520FA-872	
PHOENIX ORDER N° 172232		HOSE TYPE: 3" ID Choke and Kill Hose			
HOSE SERIAL N° 34403		NOMINAL / ACTUAL LENGTH: 11,43 m			
W.P 68,96 MPa 10000 psi		T.P 103,4 MPa 15000 psi		Duration: 60 min.	
Pressure test with water at ambient temperature  <div style="text-align: center;">See attachment. (1 page)</div> <div style="text-align: right;">             RECEIVED              2011 JAN 18 PM 12:38              BUREAU OF LAND MGMT              CARLETON OFFICE           </div>					
↑ 10 mm = 10 Min. → 10 mm = 16 MPa					
COUPLINGS					
Type	Serial N°		Quality	Heat N°	
3" coupling with 4 1/16" Flange end	1231/a 1228		AISI 4130	80751	
			AISI 4130	47438	
API Spec 16 C Temperature rate: "B"					
All metal parts are flawless					
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.					
Date:	Inspector		Quality Control		
20. June. 2002.			PHOENIX RUBBER Industrial Ltd. Hose Inspection and Certification Dept.		

VERIFIED TRUE COPY  
PHOENIX RUBBER I.O.C.



Form NM 8140-9  
(March 2008)

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

**Permian Basin Cultural Resource Mitigation Fund**

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

Company Name: Devon Energy Production Co., LP

Address: 20 North Broadway OKC, OK 73102

Project description:

Cultural Resource Inventory for the **Cotton Draw Unit 150** proposed well location and access road.

**Application for Permit to Drill (wells and immediate environment)**

-\$1,379/well for the pad and a ¼ mile of road

-Anything over ¼ mile of road is \$0.16/linear foot

-Total arch cost \$ 2,003.16

$$5280 = 1 \text{ mile} \Rightarrow \frac{1}{4} = 1320'$$

Total access road:  $5221' - 1320 = 3901 \times 0.16 = \$624.16$  additional money

(See above & see well pad topo)

T 24S , R 31E , Section 34 NMPM, Eddy County, New Mexico

Amount of contribution: \$ 2,003.16

Provisions of the MOA:

A. No new Class III inventories are required of industry within the Project Area for those projects where industry elects to contribute to the mitigation fund.

B. The amount of funds contributed was derived from the rate schedule established within Appendix B of the MOA. The amount of the funding contribution acknowledged on this form reflects those rates.

C. The BLM will utilize the funding to carry out a program of mitigation at high-priority sites whose study is needed to answer key questions identified within the Regional Research Design.

D. Donating to the fund is voluntary. Industry acknowledges that it is aware it has the right to pay for Class III survey rather than contributing to the mitigation fund, and that it must avoid or fund data recovery at those sites already recorded that are eligible for nomination to the National Register or whose eligibility is unknown and that any such payments are independent of the mitigation funds established by this MOA.

E. Previously recorded archeological sites determined eligible for nomination to the National Register or whose eligibility remains undetermined must be avoided or mitigated.

F. If any skeletal remains that might be human or funerary objects are discovered by any activities, the land-use applicant will cease activities in the area of discovery, protect the remains, and notify the BLM within 24 hours. The BLM will determine the appropriate treatment of the remains in consultation with culturally affiliated Indian Tribe(s) and lineal descendants. Applicants will be required to pay for treatment of the cultural items independent and outside of the mitigation fund.

Spence Laird

Company-Authorized Officer

1/12/2011

Date

BLM-Authorized Officer

Date