

HOBBS OCD

MAY 13 2013

SURFACE USE PLAN
Devon Energy Production Company, LP
Cotton Draw 32 State Fed Com 4H

RECEIVED

Surface Location: 2310' FSL & 1930' FWL, Unit K, Sec 32, T24S-R32E, Lea, NM
Bottom Hole Location: 330' FSL & 660' FWL, Unit M, Sec 5, T25S-R32E, Lea, 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, Inc.
- b. All roads into the location are depicted on page two of the Form C-102 packet. Existing roads will be maintained and kept in the same or better condition than before operations began.
- c. Directions to Location: From the intersection of State Highway 128 and CR 1 (Orla) go south on CR 1 for 2.4 miles. Go west on lease road for approximately 1.0 miles. Go South approximately 0.5 miles to the Cotton Draw 32 State Fed Com 1H. From southeast corner of pad, go west approximately 0.4 miles to southeast corner of pad. Location is 267 Ft. northwest.

2. New or Reconstructed Access Roads:

- a. The well site layout, page 2 of Form C-102 packet, shows new constructed access road, which will be approx. 2201 LF from the existing Lease road.
- b. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

One Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat.

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

- a. In the event the well is found productive, this well's production would be taken to the Cotton Draw State Fed Com 1H facility and battery. Flow lines will be set alongside of the access road, where applicable. When said flow lines are needed, a plat and a sundry notice will be filed with your office.
- b. See interim reclamation diagram.
- c. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set alongside of the access road, where applicable. If said power poles are needed, a plat and a sundry notice will be filed with your office.
- d. All flow lines will adhere to API standards.
- e. 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.

MAY 20 2013

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads 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.

6. 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.

7. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed.
- 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

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

9. Well Site Layout

- a. Exhibit D shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicated proposed location of sump pits and living facilities.
- c. Mud pits in the active circulating system will be steel pits.
- d. A closed loop system will be utilized.
- e. If a pit or closed loop system is utilized, Devon will comply with the NMOCD requirements 19.15.17 and submit form C-144 to the appropriate NMOCD District Office. A copy to be provided to the BLM.

10. Plans for Surface Reclamation:

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

11. Surface Ownership

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

12. Other Information:

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

13. Bond Coverage:

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

Operators Representative:

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

Dan McCorkell - Operations Engineer
Devon Energy Production Company, L.P.
333 W. Sheridan
Oklahoma City, OK 73102-5010
(405) 228-7528 (office)
(405) 443-8697 (Cellular)

Don Mayberry - Superintendent
Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, NM 88211-0250
(575) 748-3371 (office)
(575) 746-4945 (home)

Certification

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

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

Executed this 15th day of March, 2013.

Printed Name: Patti Riechers

Signed Name: _____

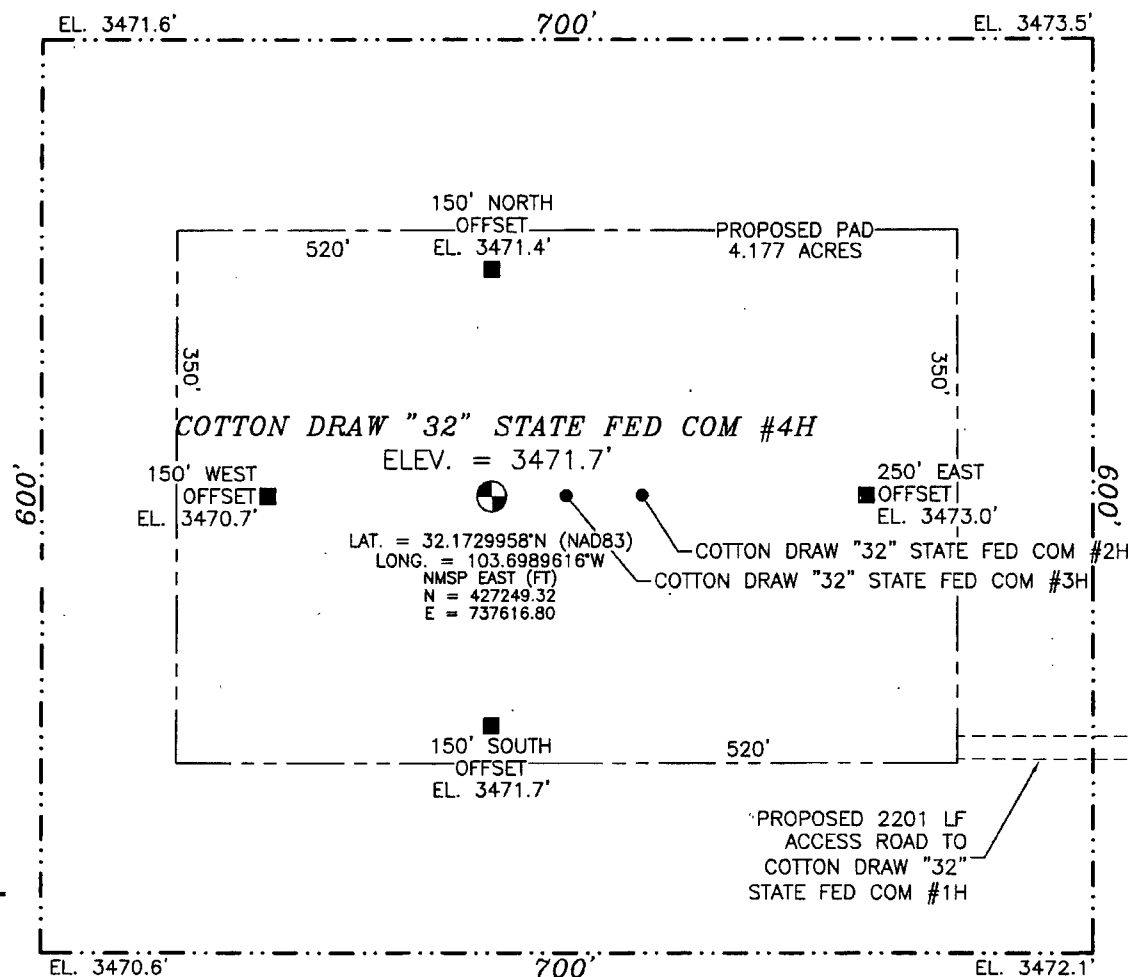
Position Title: Regulatory Specialist

Address: 333 W. Sheridan, OKC OK 73102

Telephone: (405)-228-4248

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) IN DEGREES, MINUTES AND DECIMAL SECONDS FORMAT. BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST (NAD83) COORDINATES MODIFIED TO SURFACE.



0 12 60 120 240

SCALE 1" = 120'

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HIGHWAY 128 AND CR 1 (ORLA) GO SOUTH ON CR 1 FOR APPROX. 2.4 MILES. GO WEST ON LEASE ROAD APPROX. 1.0 MILES. GO SOUTH APPROX. 0.5 OF A MILE TO THE COTTON DRAW "32" STATE FED COM #1H. FROM SOUTHEAST CORNER OF PAD GO WEST APPROX. 0.4 OF A MILE TO SOUTHEAST CORNER PAD. LOCATION IS 267 FT NORTHWEST.

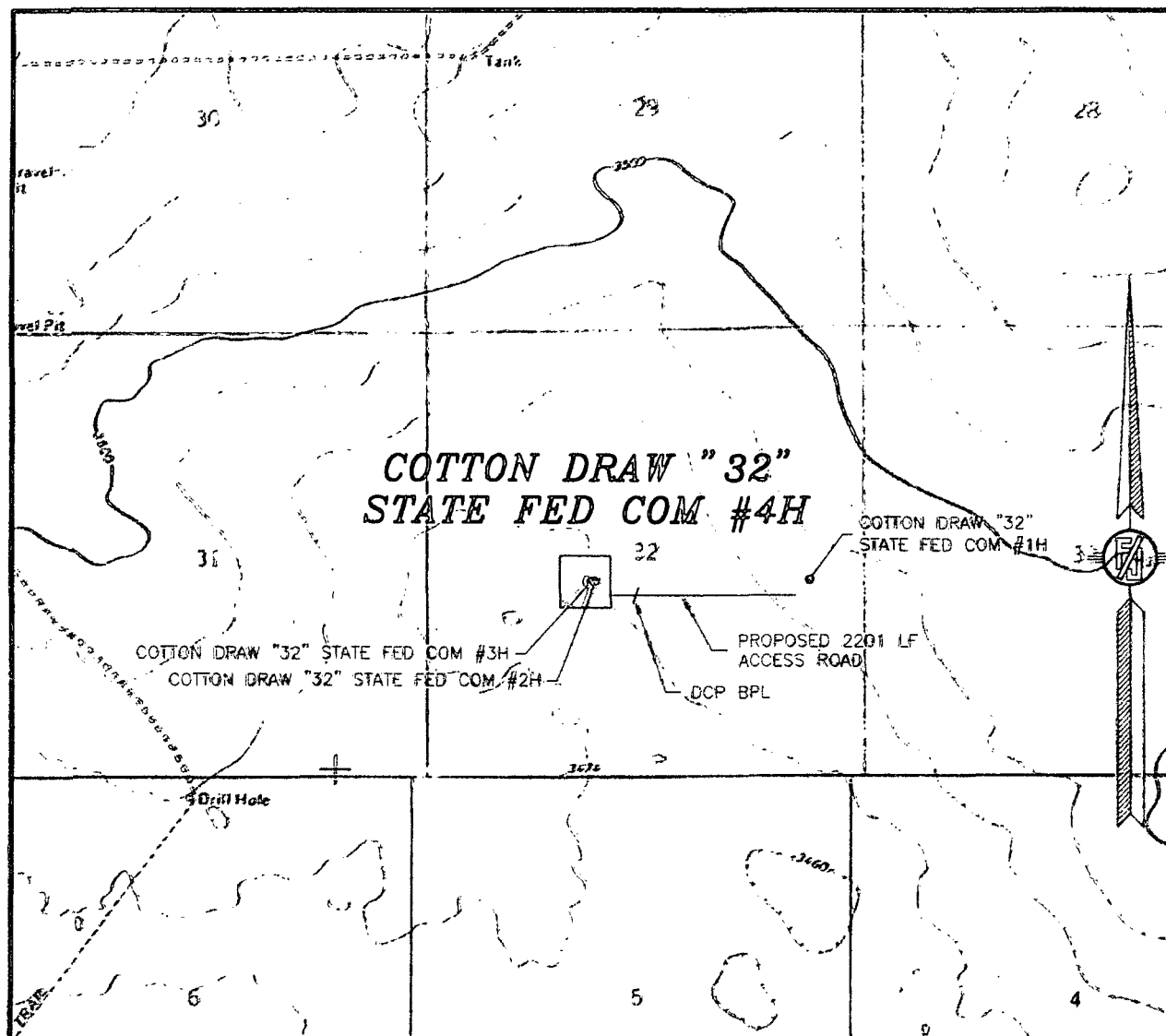
DEVON ENERGY PRODUCTION COMPANY, L.P.
COTTON DRAW "32" STATE FED COM #4H
LOCATED 2310 FT. FROM THE SOUTH LINE
AND 1930 FT. FROM THE WEST LINE OF
SECTION 32, TOWNSHIP 24 SOUTH,
RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

FEBRUARY 7, 2013

SURVEY NO. 1583

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
PADUCA BREAKS

NOT TO SCALE

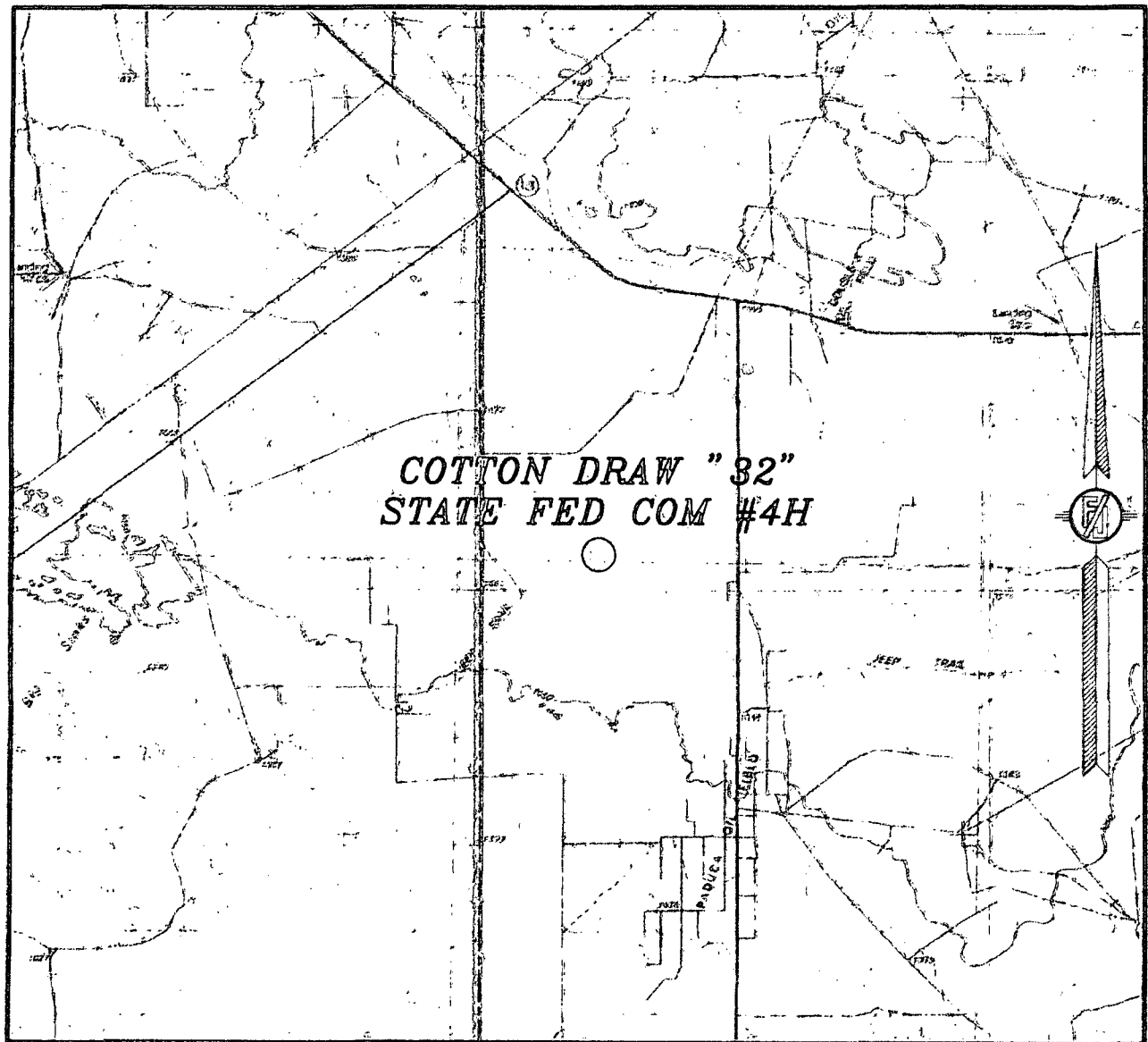
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SECTION 32, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
VICINITY MAP



NOT TO SCALE

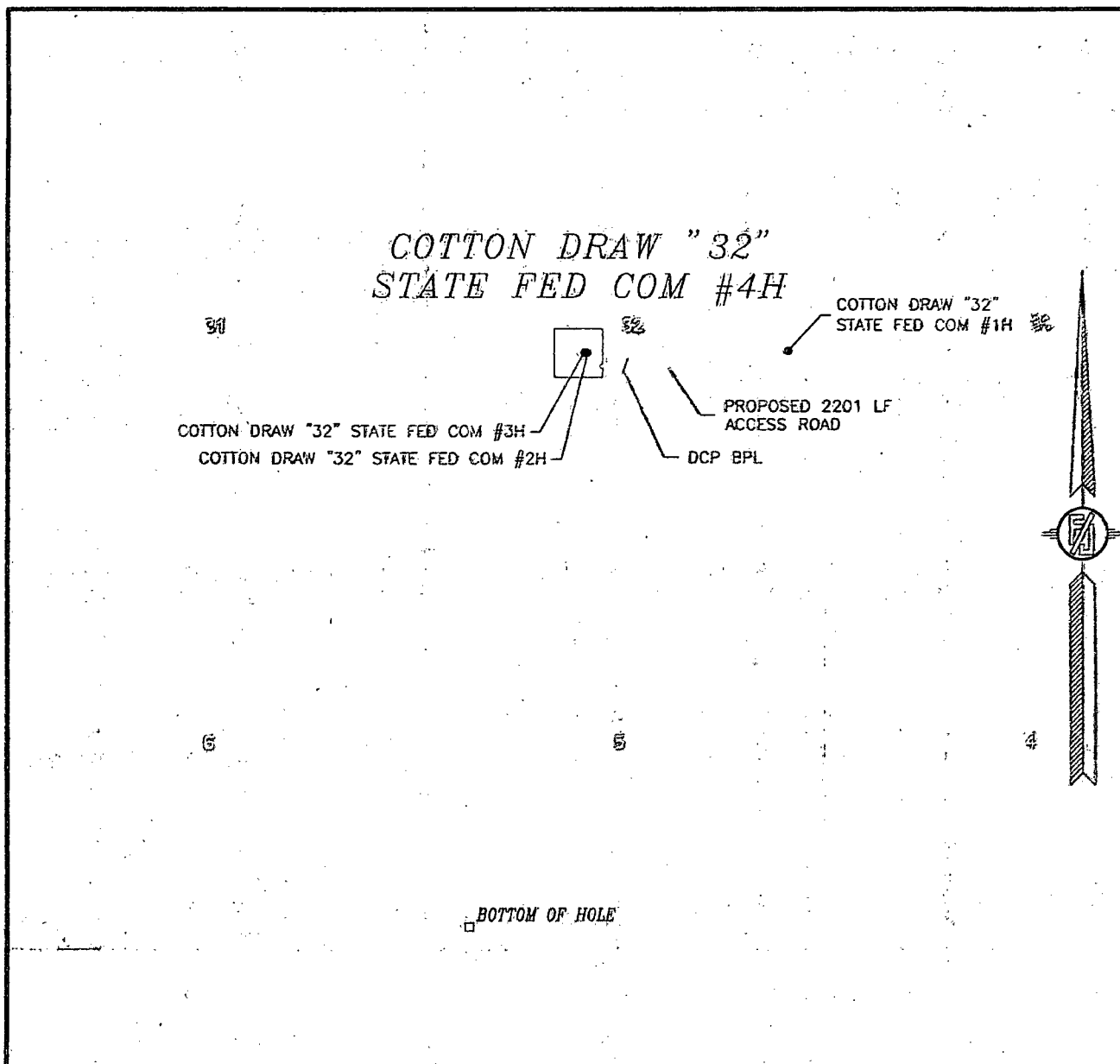
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SURVEY NO. 1583

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



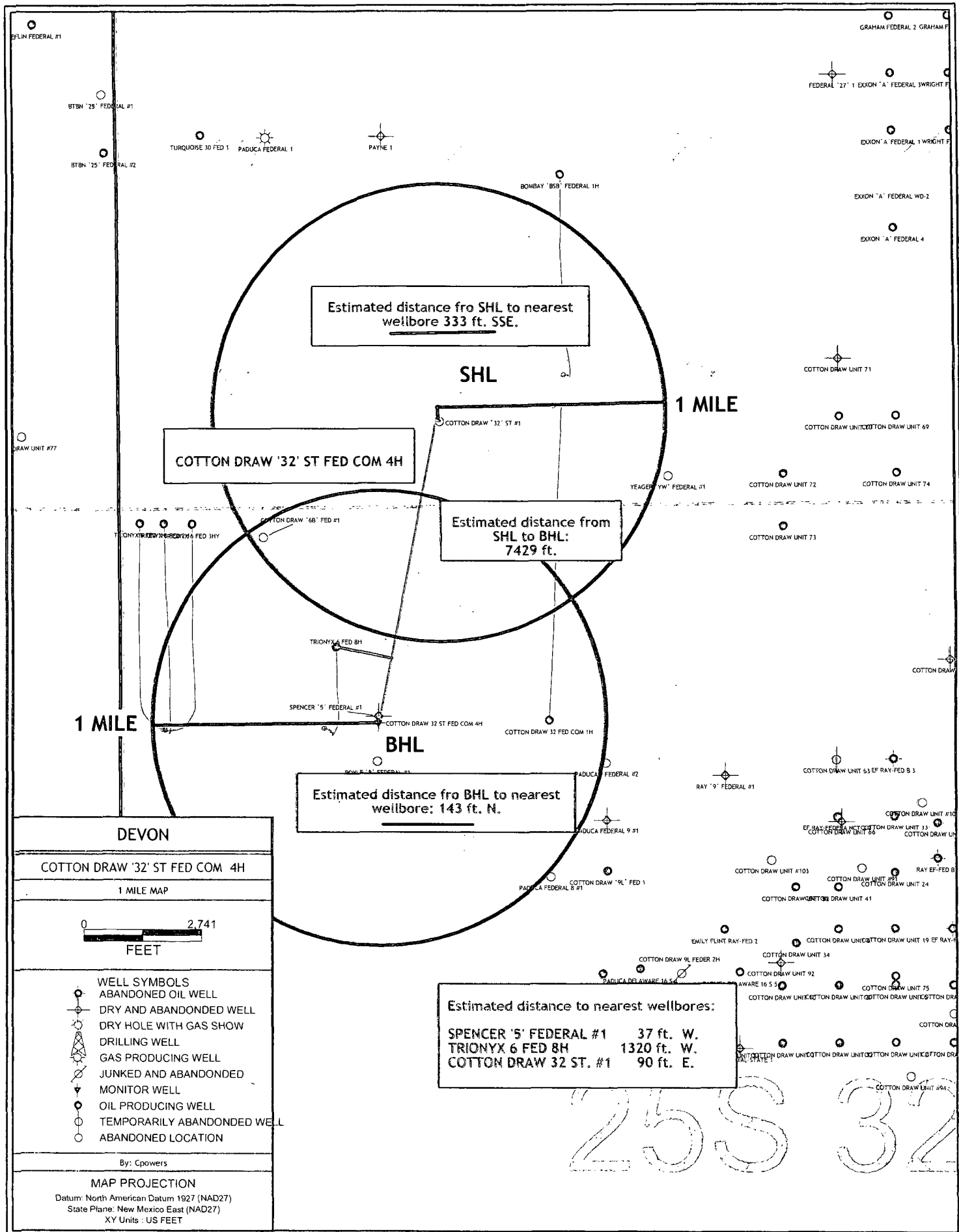
NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MARCH 2012

DEVON ENERGY PRODUCTION COMPANY, L.P.
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AND 1930 FT. FROM THE WEST LINE OF
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RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

FEBRUARY 7, 2013

SURVEY NO. 1583

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO



Operations Engineer

1. Potential Hazards:

(Note any anticipated drilling hazards, including H₂S, lost circulation, or abnormal pressure.)

2. Anticipated Starting Date and Duration of Operations:

Example Text:

- a. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

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

Example Text:

- a. In the event the well is found productive, the Cotton Draw "33-4" Federal 1H & 2H tank battery would be built, and the necessary production equipment will be installed at the well site. The tank battery would be located on the current well pad. Flow lines will be set alongside of the access road, where applicable. When said flow lines are needed, a plat and a sundry notice will be filed with your office.
- b. See interim reclamation diagram.
- c. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set alongside of the access road, where applicable. If said power poles are needed, a plat and a sundry notice will be filed with your office.
- 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.

4. Ancillary Facilities:

Example Text:

(If permitting a frac pond within the APD, describe dimensions and wells serviced here.)

No campsite or other facilities will be constructed as a result of this well.