<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
1000 Rio Brazos Rd., Aztec, NM 87410

Phone:(505) 334-6178 Fax:(505) 334-6170 District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

## **State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505**

Form C-101 August 1, 2011

Permit 273523

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD	A ZONE
---	--------

1. Operator Name and Address					
	DEVON ENERGY PRODUCTION COMPANY, LP				
333 West Sheridan Ave.	3. API Number				
Oklahoma City, OK 73102	Oklahoma City, OK 73102				
4. Property Code	5. Property Name	6. Well No.			
323153	332H				

7. Surface Location

ſ	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	E	14	21S	27E		1715	N	280	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Α	13	21S	27E	Α	1310	N	20	E	Eddv

9. Pool Information

CARLSBAD;BONE SPRING, EAST	96144

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
New Well	OIL		State	3255
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date
N	19284	Bone Spring		1/15/2021
Depth to Ground water		Distance from nearest fresh water well	Distance to nearest surface water	

#### ☑ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	325	274	0
Int1	12.25	9.625	40	2919	452	0
Prod	8.75	5.5	17	19284	2616	0

#### Casing/Cement Program: Additional Comments

22. Proposed Blowout Prevention Program

==::::										
Туре	Working Pressure	Test Pressure	Manufacturer							
Annular	5000	5000								
Blind	5000	5000								
Double Ram	5000	5000								
Annular	5000	5000								
Blind	5000	5000								
Double Ram	5000	5000								

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.  I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.  Signature:				OIL CONSERVATION	ON DIVISION
Printed Name:	Electronically filed by Jeff Walla		Approved By:	Raymond Podany	
Title:	Supervisor Land		Title:	Geologist	
Email Address:	Jeff.Walla@dvn.com		Approved Date:	10/21/2019	Expiration Date: 10/21/2021
Date:	10/18/2019	Conditions of App	roval Attached		

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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone: (505) 476-3460 Fax: (505) 476-3462

640

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

1220 South St. Francis Dr. Santa Fe, NM 87505

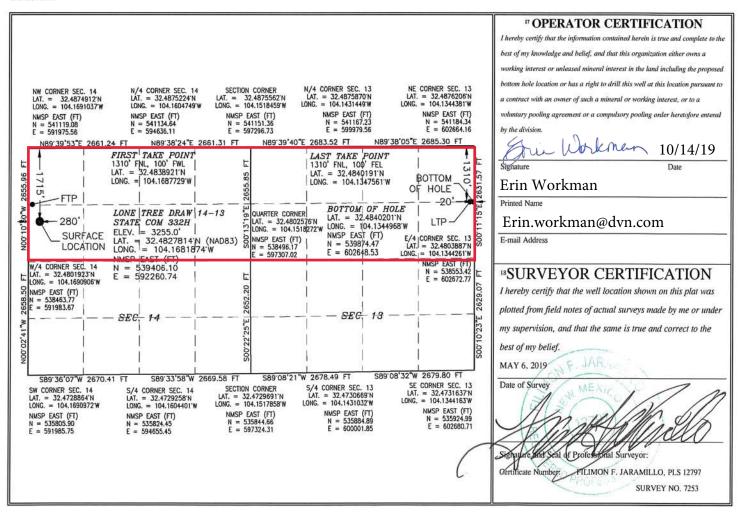
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

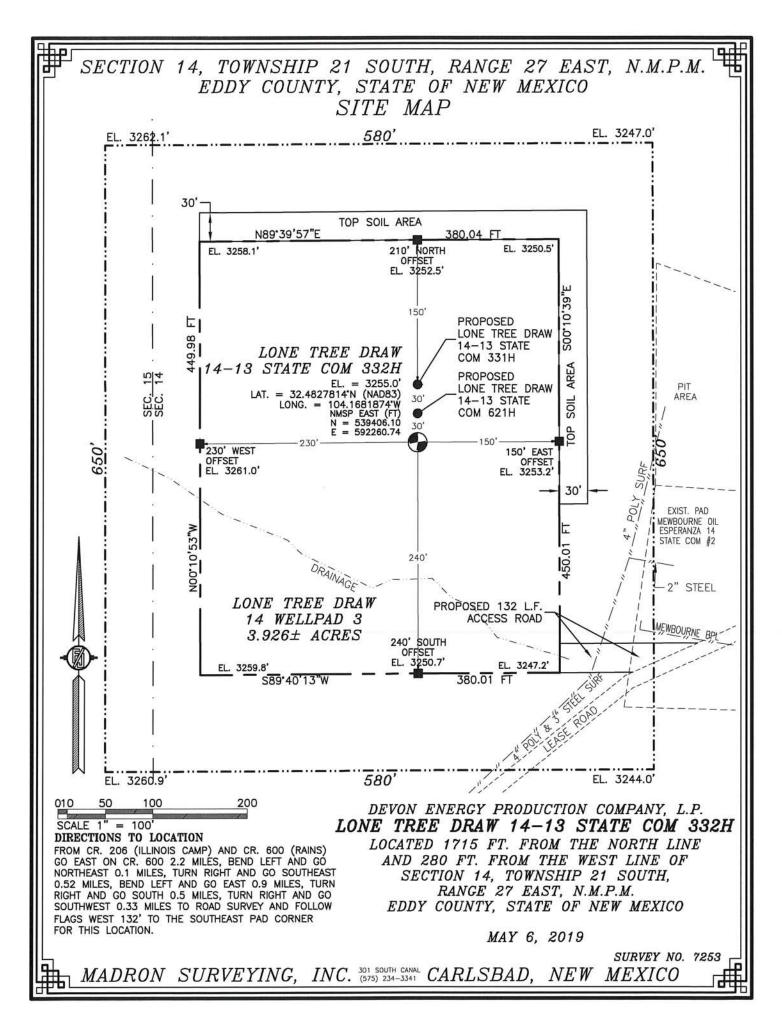
### WELL LOCATION AND ACREAGE DEDICATION PLAT

1,	API Numbe	r		<sup>2</sup> Pool Code 96144	2	CARLSBAD; BONE SPRING, EAST			
o									
<sup>4</sup> Property Code					<sup>5</sup> Property	Name			6 Well Number
				LONE T		332H			
OGRID 1	No. Soperator Name							<sup>9</sup> Elevation	
6137 DEVON ENERGY					GY PRODUC	Y PRODUCTION COMPANY, L.P.			
					10 Surface	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	21 S	27 E		1715	NORTH	280	WEST	EDDY
· · · · · · · · · · · · · · · · · · ·		**	" Bot	tom Hol	e Location If	Different From	m Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	13	21 S	27 E		1310	NORTH	20	EAST	EDDY

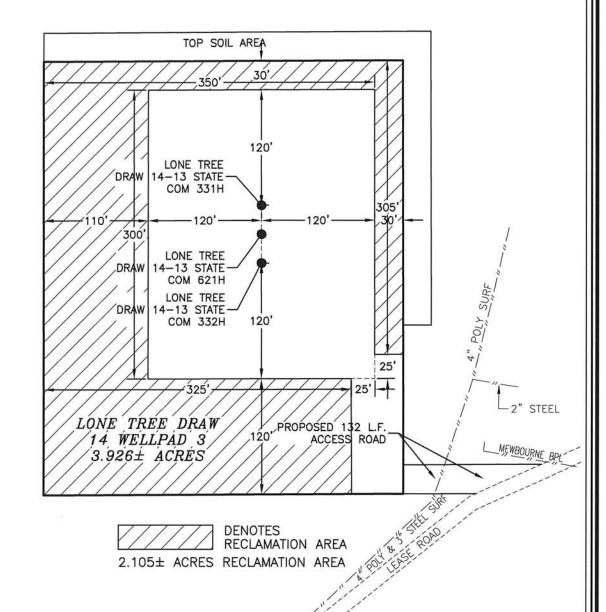
allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



Intent X As Drilled								
API#								
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.		Property N LONE TF COM		RAW 14	-13	STAT	E	Well Number 332H
Kick Off Point (KOP)								
UL Section Township Range Lot 14 21S 27E	Feet 1310	From NOR	0.000	Feet 50	From	2-02-10	County EDDY	7
Latitude 210 27L	Longitu		111	30	VVI	.01	NAD	
32.483896		-104.16893	2				83	
First Take Point (FTP)								
	Feet 1310	From NOR		Feet 00	From		County EDDY	
Latitude	Longitu			00	,,		NAD	
32.4838921	104.1	1687729 83					83	
Last Take Point (LTP)  UL   Section   Township   Range   Lot	Feet	From N/S	Feet	From	E/M/	Count		
	1310	NORTH	100	EAST		EDD'		
Latitude	Longitu							
32.4840191	104.1	347561				83		
Is this well the defining well for the Horizo	ontal Sp	pacing Unit?	Y	ES				
Is this well an infill well? NO								
If infill is yes please provide API if availabl Spacing Unit.  API #	le, Oper	ator Name	and we	ll number	for D	efinin	g well fo	r Horizontal
	-							
Operator Name:		Property N	ame:					Well Number







010 50 100 200 SCALE 1" = 100'

DEVON ENERGY PRODUCTION COMPANY, L.P.

LONE TREE DRAW 14-13 STATE COM 332H

LOCATED 1715 FT. FROM THE NORTH LINE

AND 280 FT. FROM THE WEST LINE OF

SECTION 14, TOWNSHIP 21 SOUTH,

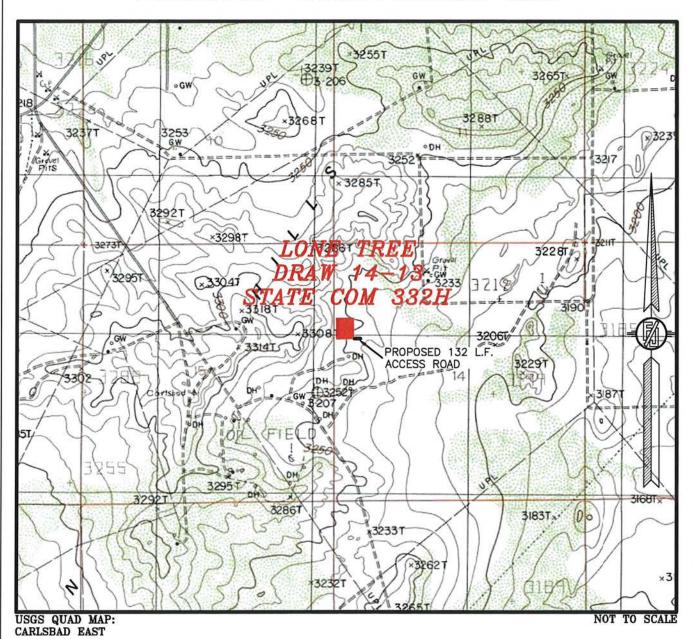
RANGE 27 EAST, N.M.P.M.

EDDY COUNTY, STATE OF NEW MEXICO

MAY 6, 2019

SURVEY NO. 7253

## SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



DEVON ENERGY PRODUCTION COMPANY, L.P.

LONE TREE DRAW 14-13 STATE COM 332H

LOCATED 1715 FT. FROM THE NORTH LINE

AND 280 FT. FROM THE WEST LINE OF

SECTION 14, TOWNSHIP 21 SOUTH,

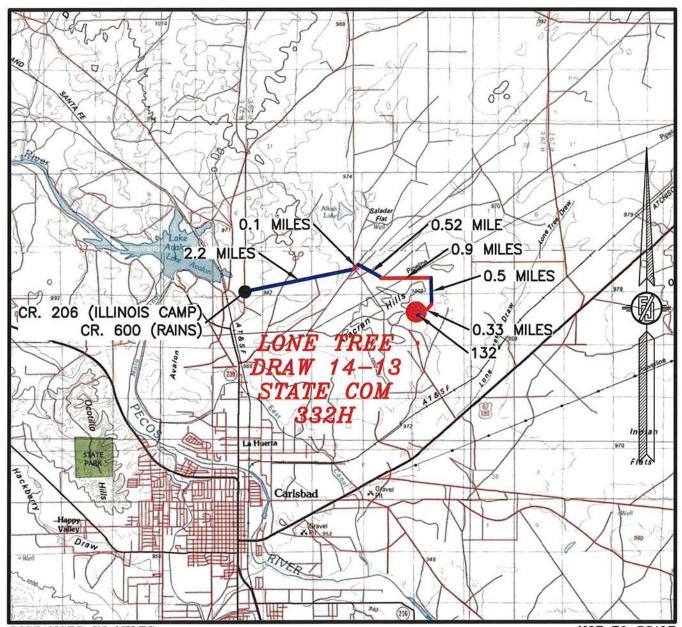
RANGE 27 EAST, N.M.P.M.

EDDY COUNTY, STATE OF NEW MEXICO

MAY 6, 2019

SURVEY NO. 7253

## SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

#### DIRECTIONS TO LOCATION

FROM CR. 206 (ILLINOIS CAMP) AND CR. 600 (RAINS) GO EAST ON CR. 600 2.2 MILES, BEND LEFT AND GO NORTHEAST 0.1 MILES, TURN RIGHT AND GO SOUTHEAST 0.52 MILES, BEND LEFT AND GO EAST 0.9 MILES, TURN RIGHT AND GO SOUTH 0.5 MILES, TURN RIGHT AND GO SOUTHWEST 0.33 MILES TO ROAD SURVEY AND FOLLOW FLAGS WEST 132' TO THE SOUTHEAST PAD CORNER FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.

LONE TREE DRAW 14-13 STATE COM 332H

LOCATED 1715 FT. FROM THE NORTH LINE

AND 280 FT. FROM THE WEST LINE OF

SECTION 14, TOWNSHIP 21 SOUTH,

RANGE 27 EAST, N.M.P.M.

EDDY COUNTY, STATE OF NEW MEXICO

MAY 6, 2019

SURVEY NO. 7253

## SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH MAR. 2016

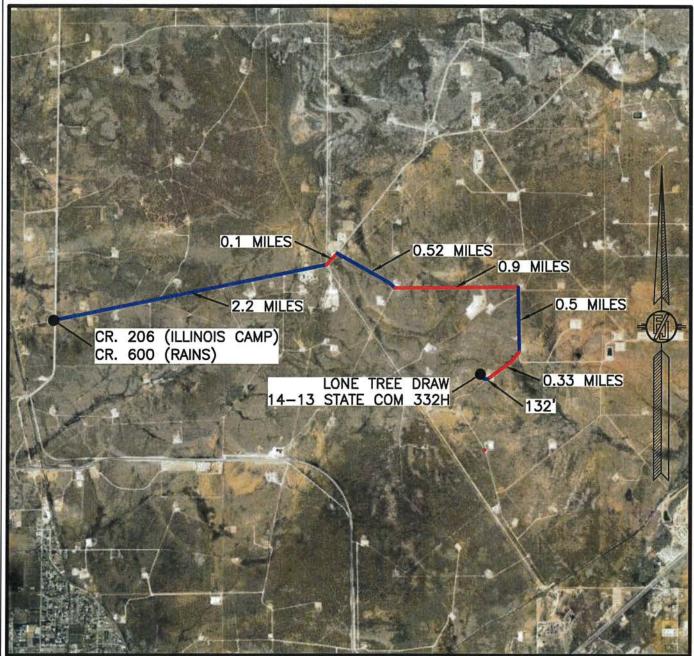
DEVON ENERGY PRODUCTION COMPANY, L.P. LONE TREE DRAW 14-13 STATE COM 332H

LOCATED 1715 FT. FROM THE NORTH LINE AND 280 FT. FROM THE WEST LINE OF SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

MAY 6, 2019

SURVEY NO. 7253

## SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO AERIAL ACCESS ROUTE MAP



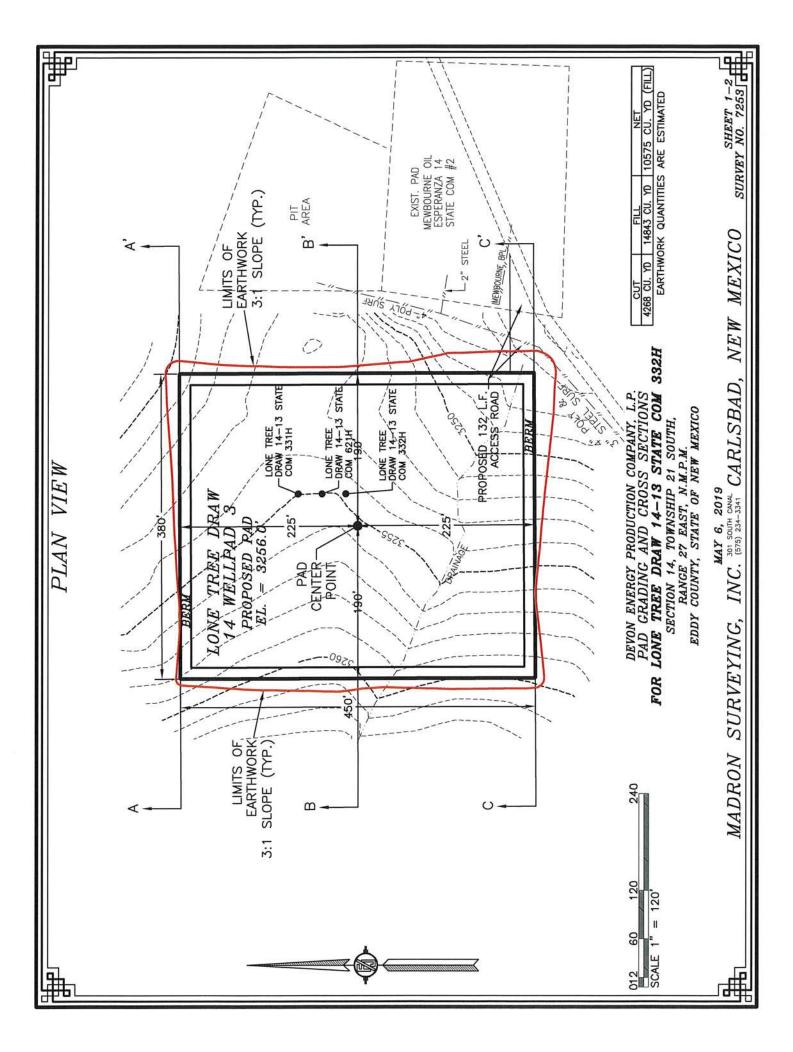
NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH MAR. 2016

DEVON ENERGY PRODUCTION COMPANY, L.P. LONE TREE DRAW 14-13 STATE COM 332H

LOCATED 1715 FT. FROM THE NORTH LINE AND 280 FT. FROM THE WEST LINE OF SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

MAY 6, 2019

SURVEY NO. 7253

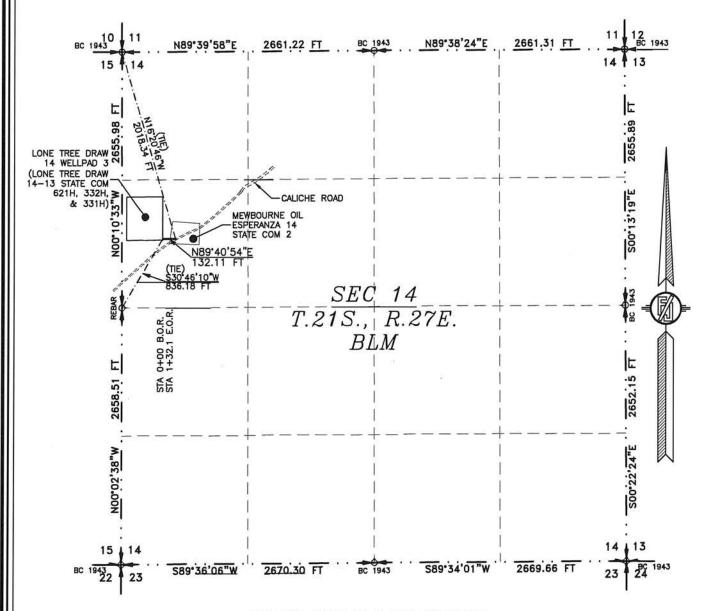


#### SURVEY NO. 7253 CUT FILL NET (FILL) 4268 CU. YD (14843 CU. YD (FILL) EARTHWORK QUANTITIES ARE ESTIMATED 3255 3250 3255 3260 3250 3245 3260 3255 3245 3260 3250 3245 MEXICO 7+00 7+00 7+00 0+50 1+00 1+50 2+00 2+50 3+00 3+50 4+00 4+50 5+00 5+50 6+00 6+50 2+50 3+00 3+50 4+00 4+50 5+00 5+50 6+00 6+50 6+50 2+00 2+50 3+00 3+50 4+00 4+50 5+00 5+50 6+00 NEW 332H MAY 6, 2019 INC. 301 SOUTH CANAL CARLSBAD, DEVON ENERGY PRODUCTION COMPANY, L.P. PAD GRADING AND CROSS SECTIONS SECTIONS SECTION SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO =PAD BERM CROSS-SECTIONS EXISTING GRADE -PAD - PAD EXISTING GRADE EXISTING GRADE SURVEYING, 0+50 1+00 1+50 2+00 0+50 1+00 1+50 FOR SECTION A-A' SECTION B-B SECTION C-C (TYP.) SLOPE 3:1 SLOPE - (TP) MADRON VER 00+0 00+0 00+0 3255 3255 3260 3250 3245 3260 3255 3250 3245 3260 3250 3245 120 09

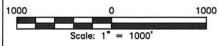
#### ACCESS ROAD PLAT

ACCESS ROAD FOR LONE TREE DRAW 14 WELLPAD 3 (LONE TREE DRAW 14-13 STATE COM 621H, 332H, & 331H)

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO MAY 6, 2019



SEE NEXT SHEET (2-2) FOR DESCRIPTION



#### GENERAL NOTES

1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVÉY.

SHEET: 1-2

MADRON SURVEYING, INC. (575) 234-7334-7

#### SURVEYOR CERTIFICATE

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS & DAY OF MAY 2019

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

SURVEY NO. 7253

JARAMIELO PLS. 12797 CARLSBAD, NEW MEXICO

#### ACCESS ROAD PLAT

ACCESS ROAD FOR LONE TREE DRAW 14 WELLPAD 3 (LONE TREE DRAW 14-13 STATE COM 621H, 332H, & 331H)

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO MAY 6, 2019

#### DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SW/4 NW/4 OF SAID SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M., WHENCE THE WEST QUARTER CORNER OF SAID SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS S30'46'10"W, A DISTANCE OF 836.18 FEET;

THENCE N89'40'54"E A DISTANCE OF 132.11 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTHWEST CORNER OF SAID SECTION 14, TOWNSHIP 21 SOUTH, RANGE 27 EAST, N.M.P.M. BEARS N16'20'46"W, A DISTANCE OF 2018.34 FEET;

SAID STRIP OF LAND BEING 132.11 FEET OR 8.01 RODS IN LENGTH, CONTAINING 0.091 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SW/4 NW/4 132.11 L.F. 8.01 RODS 0.091 ACRES

#### SURVEYOR CERTIFICATE

GENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.

2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVÉY.

SHEET: 2-2

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS DAY OF MAY 2019

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341

FILMON F. JAHAMILLO PLS. 12797

SURVEY NO. 7253

MADRON SURVEYING, INC. (575) 234-334 CARLSBAD, NEW MEXICO

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

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1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

## **State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505**

		GAS CAP	TURE PLAN				
Date: 10/21/2019							
☑ Original	Operator & OGRID No.:	[6137] DEVON ENERG	GY PRODUCTION COM	IPANY, LP			
☐ Amended - Reason for Amendment:							
this Gas Capture Plan outlines action in the submitte view of the submitte	d and approved prior to exceed	•	, ,	, ,	ew drill, recomple	ete to new zon	∍, re-frac) activity.
he well(s) that will be located at the	<del>-</del>	n the table below.					
Well Name	· · · · · · · · · · · · · · · · · · ·	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
LONE TREE DRAW 14 13 STATE (	COM #332H	30-015-46402	E-14-21S-27E	1715N 0280W	10	Flared	
Sathering System and Pipeline Not	tification						

Well(s) will be connected to a production facility after flowback operations are complete, if g	jas transport	er system is in pla	ace. The gas	s produce	d from pro	duction t	facility is dedica	ited to
DCP OPERATING COMPANY, LP and will be connected to DCP OPERATING COMPA	NY, LP	High Pressure	gathering sy	stem loca	ated in Ed	ldy	County, N	ew
Mexico. It will require 21120' of pipeline to connect the facility to High Pressure gather	ing system.	DEVON ENERGY	PRODUCT	ION COM	PANY, LP	pro	vides (periodica	ılly) to
DCP OPERATING COMPANY, LP a drilling, completion and estimated first production	date for well	s that are schedu	led to be dri	lled in the	e foreseeal	ble future	e. In addition,	
DEVON ENERGY PRODUCTION COMPANY, LP and DCP OPERATING COMPANY, LF	have have	periodic conferen	ce calls to c	liscuss ch	nanges to	drilling a	nd completion	
schedules. Gas from these wells will be processed at DCP OPERATING COMPANY, LP	Processin	ng Plant located in	n Sec. <u>19,</u>	Twn. 198	S, Rng.	32E,	Eddy	County,
New Mexico. The actual flow of the gas will be based on compression operating paramete	rs and gathe	ring system press	sures.					

#### Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>DCP OPERATING COMPANY, LP</u> system at that time. Based on current information, it is belief the system can take this gas upon completion of the well(s). DEVON ENERGY PRODUCTION COMPANY, LP's

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

#### Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal On lease
  - o Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

Form APD Comments

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

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## **State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505**

Permit 273523

#### PERMIT COMMENTS

Operator Name and Address:	API Number:
DEVON ENERGY PRODUCTION COMPANY, LP [6137]	30-015-46402
333 West Sheridan Ave.	Well:
Oklahoma City, OK 73102	LONE TREE DRAW 14 13 STATE COM #332H

Created By	Comment	Comment Date

Form APD Conditions

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

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## **State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505**

Permit 273523

#### PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
DEVON ENERGY PRODUCTION COMPANY, LP [6137]	30-015-46402
333 West Sheridan Ave.	Well:
Oklahoma City, OK 73102	LONE TREE DRAW 14 13 STATE COM #332H

OCD Reviewer	Condition
rpodany	Will require a directional survey with the C-104
rpodany	Cement is required to circulate on both surface and intermediate1 strings of casing

### Lone Tree Draw 14-13 State Com 332H

### 1. Geologic Formations

TVD of target	8890	Pilot hole depth	N/A
MD at TD:	19284	Deepest expected fresh water	

### Basin

Formation	Depth (TVD)	Water/Mineral Bearing/Target	Hazards*
	from KB	Zone?	
TOP SALT	100		
BASE SALT	300		
CAPITAN	675		
Delaware	2944		
1BSSS	6528		
Bone Spring 2nd	7286		
Bone Spring 3rd	8648		
WFMP	8945		
WFMP_A_U_100	9108		

<sup>\*</sup>H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

Hole Size	Casing	Interval	Csg. Size	Wt	Wt Grade	nde Conn	Min SF	Min SF	Min SF
Hole Size	From	To	Csg. Size	(PPF)	Graue	Com	Collapse	Burst	Tension
17 1/2	0	325 TVD	13 3/8	48.0	H40	ВТС	1.125	1.25	1.6
12 1/4	0	2919 TVD	9 5/8	40.0	J-55	ВТС	1.125	1.25	1.6
8 3/4	0	TD	5 1/2	17.0	P110	ВТС	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 continengcy casing.
- Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.
- A variance is requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing.
- Int casing shoe will be selected based on drilling data, gamma, and flows experienced while drilling. Setting depth with be revised accordingly if needed.
- A variance is requested to wave the centralizer requirement for the Intermediate casing and production casing.

#### Lone Tree Draw 14-13 State Com 332H

	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 specficition 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	Y
assumptions, casing design criteria).	
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating	Y
of the casing?	•
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 <sup>rd</sup> 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 <sup>nd</sup> string set 100' to 600' below the base of salt?	
	N
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 (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	274	Surf	13.2	1.4	Lead: Class C Cement + additives
Total	298	Surf	9.0	3.3	Lead: Class C Cement + additives
Int	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
	290	Surf	9.0	3.3	1st stage Lead: Class C Cement + additives
Int 1 Two Stage	136	500' above shoe	13.2	1.4	1st stage Tail: Class H / C + additives
w/ DV @ TVD of Delaware	291	Surf	9.0	3.3	2nd stage Lead: Class C Cement + additives
	136	500' above DV	13.2	1.4	2nd stage Tail: Class H / C + additives
Int 1	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
Intermediate	298	Surf	9.0	3.3	Lead: Class C Cement + additives
Squeeze	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	504	500' Tieback	9.0	3.3	Lead: Class H /C + additives
rioduction	2112	КОР	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	30%
Production	10%

4. Pressure Control Equipment (Three String Design)

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type		✓	Tested to:																									
			Anı	Annular		50% of rated working pressure																									
I.,. 1	12 50"	514	Bline	d Ram	X																										
Int 1	13-58"	5M	Pipe	Ram		5M																									
			Doub	le Ram	X	5M																									
			Other*																												
	13-5/8"	5M	Annular		X	50% of rated working pressure																									
Production			5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	Bline	d Ram	X	
Production																												JIVI	SIVI	JIVI	3101
			Doub	le Ram	X	JIVI																									
			Other*																												
			Annul	ar (5M)																											
			Blind Ram																												
			Pipe Ram			1																									
			Double Ram																												
			Other*			7																									

5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	Brine	10-10.5
Production	WBM	8.5-9

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

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

6. Logging and Testing Procedures

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

Additional logs planned		Interval
	Resistivity	
	Density	
X	CBL	Production casing
X	Mud log	KOP to TD
	PEX	

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	4161
Abnormal temperature	No

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

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

N	H2S is present
Y	H2S plan attached.

#### 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 nippled up and tested on the wellhead before drilling operations commences on each well.
  - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments	
X	Directional Plan
	Other, describe
	ı ´

### Lone Tree Draw 14-13 State Com 332H

### 1. Geologic Formations

TVD of target	8890	Pilot hole depth	N/A
MD at TD:	19284	Deepest expected fresh water	

### Basin

Formation	Depth (TVD)	Water/Mineral Bearing/Target	Hazards*
	from KB	Zone?	
TOP SALT	100		
BASE SALT	300		
CAPITAN	675		
Delaware	2944		
1BSSS	6528		
Bone Spring 2nd	7286		
Bone Spring 3rd	8648		
WFMP	8945		
WFMP_A_U_100	9108		

<sup>\*</sup>H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

Hole Size	Casing	Interval	Csg. Size	Cag Size	Wt	Grade	Conn	Min SF	Min SF	Min SF
Hole Size	From	To	Csg. Size	(PPF)	Graue	Com	Collapse	Burst	Tension	
17 1/2	0	325 TVD	13 3/8	48.0	H40	ВТС	1.125	1.25	1.6	
12 1/4	0	2919 TVD	9 5/8	40.0	J-55	ВТС	1.125	1.25	1.6	
8 3/4	0	TD	5 1/2	17.0	P110	ВТС	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 continengcy casing.
- Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.
- A variance is requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing.
- Int casing shoe will be selected based on drilling data, gamma, and flows experienced while drilling. Setting depth with be revised accordingly if needed.
- A variance is requested to wave the centralizer requirement for the Intermediate casing and production casing.

#### Lone Tree Draw 14-13 State Com 332H

	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 specficition 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	Y
assumptions, casing design criteria).	
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating	Y
of the casing?	•
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 <sup>rd</sup> 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 <sup>nd</sup> string set 100' to 600' below the base of salt?	
	N
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 (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	274	Surf	13.2	1.4	Lead: Class C Cement + additives
Total	298	Surf	9.0	3.3	Lead: Class C Cement + additives
Int	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
	290	Surf	9.0	3.3	1st stage Lead: Class C Cement + additives
Int 1 Two Stage w/ DV @ TVD of Delaware	136	500' above shoe	13.2	1.4	1st stage Tail: Class H / C + additives
	291	Surf	9.0	3.3	2nd stage Lead: Class C Cement + additives
	136	500' above DV	13.2	1.4	2nd stage Tail: Class H / C + additives
Int 1	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
Intermediate	298	Surf	9.0	3.3	Lead: Class C Cement + additives
Squeeze	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	504	500' Tieback	9.0	3.3	Lead: Class H /C + additives
	2112	КОР	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	30%
Production	10%

4. Pressure Control Equipment (Three String Design)

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		✓	Tested to:			
			Annular		Annular X				
I.,. 1	12 50"	514	Bline	d Ram	X				
Int 1	13-58"	5M	Pipe	Ram		5M			
			Doub	le Ram	X	5M			
			Other*						
			Annular		X	50% of rated working pressure			
Production	13-5/8"	13-5/8" 5M	13-5/8"	5M	5M	Bline	lind Ram X Pipe Ram	X	
Production						Pipe		5M	
					Doub	Double Ram X		JIVI	
			Other*						
			Annul	ar (5M)					
			Blind Ram Pipe Ram						
						1			
			Double Ram						
			Other*			7			

5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	Brine	10-10.5
Production	WBM	8.5-9

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

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

6. Logging and Testing Procedures

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

<b>Additional</b>	logs planned	Interval
	Resistivity	
	Density	
X	CBL	Production casing
X	Mud log	KOP to TD
	PEX	

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	4161
Abnormal temperature	No

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

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

N	H2S is present
Y	H2S plan attached.

#### 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.
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  - 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
	ı ´

### Lone Tree Draw 14-13 State Com 332H

### 1. Geologic Formations

TVD of target	8890	Pilot hole depth	N/A
MD at TD:	19284	Deepest expected fresh water	

### Basin

Formation	Depth (TVD)	Water/Mineral Bearing/Target	Hazards*
	from KB	Zone?	
TOP SALT	100		
BASE SALT	300		
CAPITAN	675		
Delaware	2944		
1BSSS	6528		
Bone Spring 2nd	7286		
Bone Spring 3rd	8648		
WFMP	8945		
WFMP_A_U_100	9108		

<sup>\*</sup>H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

Hole Size	Casing Interval	Csg. Size Wt	Grade Con	Conn	Min SF	Min SF	Min SF		
Hole Size	From	To	Csg. Size	(PPF)	Graue	Grade Colli	Collapse	Burst	Tension
17 1/2	0	325 TVD	13 3/8	48.0	H40	ВТС	1.125	1.25	1.6
12 1/4	0	2919 TVD	9 5/8	40.0	J-55	ВТС	1.125	1.25	1.6
8 3/4	0	TD	5 1/2	17.0	P110	ВТС	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 continengcy casing.
- Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.
- A variance is requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing.
- Int casing shoe will be selected based on drilling data, gamma, and flows experienced while drilling. Setting depth with be revised accordingly if needed.
- A variance is requested to wave the centralizer requirement for the Intermediate casing and production casing.

#### Lone Tree Draw 14-13 State Com 332H

	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 specficition 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	Y
assumptions, casing design criteria).	1
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating	Y
of the casing?	1
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 <sup>rd</sup> 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 <sup>nd</sup> 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 (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	274	Surf	13.2	1.4	Lead: Class C Cement + additives
Total	298	Surf	9.0	3.3	Lead: Class C Cement + additives
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	290	Surf	9.0	3.3	1st stage Lead: Class C Cement + additives
Int 1 Two Stage	136	500' above shoe	13.2	1.4	1st stage Tail: Class H / C + additives
w/ DV @ TVD of Delaware	291	Surf	9.0	3.3	2nd stage Lead: Class C Cement + additives
	136	500' above DV	13.2	1.4	2nd stage Tail: Class H / C + additives
Int 1	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
Intermediate Squeeze	298	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	504	500' Tieback	9.0	3.3	Lead: Class H /C + additives
rioduction	2112	КОР	13.2	1.4	Tail: Class H / C + additives

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Casing String	% Excess
Surface	50%
Intermediate	30%
Production	10%

4. Pressure Control Equipment (Three String Design)

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	T	ype	✓	Tested to:																																																
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Int 1	13-58"		Pipe	Ram		5M																																																
			Doub	le Ram	X																																																	
			Other*																																																			
	13-5/8"		Anı	nular	X	50% of rated working pressure																																																
Production		13-5/8" 5M	13-5/8" 5M	13-5/8"	13-5/8" 5M	13-5/8" 5M	13-5/8" 5M	13-5/8" 5M	13-5/8" 5M	13-5/8" 5M	13-5/8"	5)/	/8" 5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	Bline	d Ram	X	
Production												13-5/8																																					Pipe	Ram		5M		
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5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	Brine	10-10.5
Production	WBM	8.5-9

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

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

6. Logging and Testing Procedures

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

Additional logs planned		Interval
	Resistivity	
	Density	
X	CBL	Production casing
X	Mud log	KOP to TD
	PEX	

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	4161
Abnormal temperature	No

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

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N	H2S is present
Y	H2S plan attached.

#### 8. Other facets of operation

Is this a walking operation? Potentially

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  - 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

# Lone Tree Draw 14-13 State Com 332H

# 1. Geologic Formations

TVD of target	8890	Pilot hole depth	N/A
MD at TD:	19284	Deepest expected fresh water	

# Basin

Formation	Depth (TVD)	Water/Mineral Bearing/Target	Hazards*
	from KB	Zone?	
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Bone Spring 2nd	7286		
Bone Spring 3rd	8648		
WFMP	8945		
WFMP_A_U_100	9108		

<sup>\*</sup>H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

Hole Size	Casing	Interval	- Csg. Size   Wt (PPF)   Grade	Cag Size	Cag Siza Wt		Conn	Min SF	Min SF	Min SF
Hole Size	From	To		Graue	Com	Collapse	Burst	Tension		
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12 1/4	0	2919 TVD	9 5/8	40.0	J-55	ВТС	1.125	1.25	1.6	
8 3/4	0	TD	5 1/2	17.0	P110	ВТС	1.125	1.25	1.6	
		-		BLM Minimum Safety Factor			1.125	1	1.6 Dry 1.8 Wet	

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- 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, and flows experienced while drilling. Setting depth with be revised accordingly if needed.
- A variance is requested to wave the centralizer requirement for the Intermediate casing and production casing.

#### Lone Tree Draw 14-13 State Com 332H

	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 specficition 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	Y
assumptions, casing design criteria).	
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating	Y
of the casing?	•
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 <sup>rd</sup> 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 <sup>nd</sup> string set 100' to 600' below the base of salt?	
	N
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 (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	274	Surf	13.2	1.4	Lead: Class C Cement + additives
Total	298	Surf	9.0	3.3	Lead: Class C Cement + additives
Int	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
	290	Surf	9.0	3.3	1st stage Lead: Class C Cement + additives
Int 1 Two Stage	136	500' above shoe	13.2	1.4	1st stage Tail: Class H / C + additives
w/ DV @ TVD of Delaware	291	Surf	9.0	3.3	2nd stage Lead: Class C Cement + additives
	136	500' above DV	13.2	1.4	2nd stage Tail: Class H / C + additives
Int 1	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
Intermediate	298	Surf	9.0	3.3	Lead: Class C Cement + additives
Squeeze	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	504	500' Tieback	9.0	3.3	Lead: Class H /C + additives
rioduction	2112	КОР	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	30%
Production	10%

4. Pressure Control Equipment (Three String Design)

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	T	ype	✓	Tested to:																															
			Anı	Annular		50% of rated working pressure																															
I.,. 1	12 50"	514	Bline	d Ram	X																																
Int 1	13-58"	5M	Pipe	Ram		5M																															
			Doub	le Ram	X	5M																															
			Other*			1																															
	13-5/8"		Anı	nular	X	50% of rated working pressure																															
Production		13-5/8" 5M	12 5 /0" 5M	12 5/0" 5M	12 5 /9" 5M	13-5/8" 5M	5M	3" 5M	5/8" 5M	13-5/8" 5M	Bline	d Ram	X																								
Production			5M	5M	5   5WI																													3101	3101	3101	3101
							Doub	le Ram	X	JIVI																											
			Other*																																		
			Annul	ar (5M)																																	
			Blind Ram																																		
			Pipe Ram			1																															
			Double Ram																																		
			Other*			7																															

5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	Brine	10-10.5
Production	WBM	8.5-9

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

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

6. Logging and Testing Procedures

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

<b>Additional</b>	logs planned	Interval
	Resistivity	
	Density	
X	CBL	Production casing
X	Mud log	KOP to TD
	PEX	

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	4161
Abnormal temperature	No

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

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

N	H2S is present
Y	H2S plan attached.

#### 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 nippled up and tested on the wellhead before drilling operations commences on each well.
  - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments	
X	Directional Plan
	Other, describe



Devon Energy Center 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-5015

# Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan

For

Lone Tree Draw 14-13 State Com 332H

Sec-14 T-21S R-27E 1715 FNL & 280' FWL LAT. = 32.4827814' N (NAD83) LONG = 104.1681874' W

**Eddy County NM** 

# Lone Tree Draw 14-13 State Com 332H This is an open drilling site. H<sub>2</sub>S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H<sub>2</sub>S, including warning signs, wind indicators and H<sub>2</sub>S monitor. Lone Tree Draw 14-13 State Com 332H 13 **Location Road** 22 Assumed 100 ppm RO 3000' (Re

# **Escape**

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated from the location entrance road. Crews should then block the entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. There are no homes or buildings in or near the ROE.

100 ppm H2S concentration shall trigger activation of this plan.

**Assumed 100 ppm ROE = 3000'** 

# 100 ppm H<sub>2</sub>S concentration shall trigger activation of this plan.

# **Emergency Procedures**

In the event of a release of gas containing H<sub>2</sub>S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H<sub>2</sub>S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
  - Detection of H₂S, and
  - Measures for protection against the gas,
  - Equipment used for protection and emergency response.

# **Ignition of Gas Source**

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

#### Characteristics of H<sub>2</sub>S and SO<sub>2</sub>

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = 1	2 ppm	N/A	1000 ppm

# **Contacting Authorities**

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

# **Hydrogen Sulfide Drilling Operation Plan**

# I. HYDROGEN SULFIDE (H<sub>2</sub>S) TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- 1. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- 4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- 1. The effects of H<sub>2</sub>S metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
- 2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- 3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan.

#### II. HYDROGEN SULFIDE TRAINING

Note: All H<sub>2</sub>S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H<sub>2</sub>S.

# 1. Well Control Equipment

- A. Flare line
- B. Choke manifold Remotely Operated
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer and rotating head.
- E. Mud/Gas Separator

# 2. Protective equipment for essential personnel:

30-minute SCBA units located at briefing areas, as indicated on well site diagram, with escape units available in the top doghouse. As it may be difficult to communicate audibly while wearing these units, hand signals shall be utilized.

# 3. H<sub>2</sub>S detection and monitoring equipment:

Portable H<sub>2</sub>S monitors positioned on location for best coverage and response. These units have warning lights which activate when H<sub>2</sub>S levels reach 10 ppm and audible sirens which activate at 15 ppm. Sensor locations:

- Bell nipple
- Possum Belly/Shale shaker
- Rig floor
- Choke manifold
- Cellar

# Visual warning systems:

- A. Wind direction indicators as shown on well site diagram
- B. Caution/ Danger signs shall be posted on roads providing direct access to locations. Signs will be painted a high visibility yellow with black lettering of sufficient size to be reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

# 4. Mud program:

The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to surface. Proper mud weight, safe drilling practices and the use of H<sub>2</sub>S scavengers will minimize hazards when penetrating H<sub>2</sub>S bearing zones.

# 5. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H<sub>2</sub>S trim.
- B. All elastomers used for packing and seals shall be H<sub>2</sub>S trim.

#### 6. Communication:

- Company personnel have/use cellular telephones in the field.
- B. Land line (telephone) communications at Office

# 7. Well testing:

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H<sub>2</sub>S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

Drilling Su	pervisor – Basin – Mark Kramer	405-823-4796				
EHS Profe	405-439-8129					
Agency	Call List					
Lea	Hobbs					
County	Lea County Communication Authority	393-3981				
<u>(575)</u>	State Police	392-5588				
	City Police	397-9265				
	Sheriff's Office	393-251				
	Ambulance	911				
	Fire Department	397-9308				
	LEPC (Local Emergency Planning Committee)	393-2870				
	NMOCD	393-6161				
	US Bureau of Land Management	393-3612				
Eddy	Carlsbad					
County	State Police	885-313				
<u>(575)</u>	City Police	885-211				
	Sheriff's Office	887-755°				
	Ambulance	91′				
	Fire Department	885-312				
	LEPC (Local Emergency Planning Committee)	887-3798				
	US Bureau of Land Management	887-654				
	NM Emergency Response Commission (Santa Fe)	(505) 476-9600				
	24 HR	(505) 827-9126				
	National Emergency Response Center	(800) 424-8802				
	National Pollution Control Center: Direct	(703) 872-6000				
	For Oil Spills	(800) 280-7118				
	Emergency Services	,				
	Wild Well Control	(281) 784-4700				
	Cudd Pressure Control (915) 699- 0139	(915) 563-3356				
	Halliburton	(575) 746-275				
	B. J. Services	(575) 746-3569				
Give	Native Air – Emergency Helicopter – Hobbs (NM and TX)	(800)642-7828				
GPS	Flight For Life - Lubbock, TX	(806) 743-991				
position:	Aerocare - Lubbock, TX	(806) 747-892				
	Med Flight Air Amb - Albuquerque, NM	(575) 842-443				
	Lifeguard Air Med Svc. Albuquerque, NM	(800) 222-122				
	Poison Control (24/7)	(575) 272-311				
	Oil & Gas Pipeline 24 Hour Service	(800) 364-4366				

Prepared in conjunction with Dave Small

