Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. DRILL REENTER 1a. Type of work: 1b. Type of Well: Gas Well Oil Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone 9. API Well No. 30-025-52999 2. Name of Operator 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T. R. M. or Blk. and Survey or Area At surface At proposed prod. zone 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State 15. Distance from proposed* 16. No of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 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. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. SUPO must be filed with the appropriate Forest Service Office). 6. Such other site specific information and/or plans as may be requested by the 25. Signature Name (Printed/Typed) Date Title Approved by (Signature) Date Name (Printed/Typed) Title Office 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



District I 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 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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

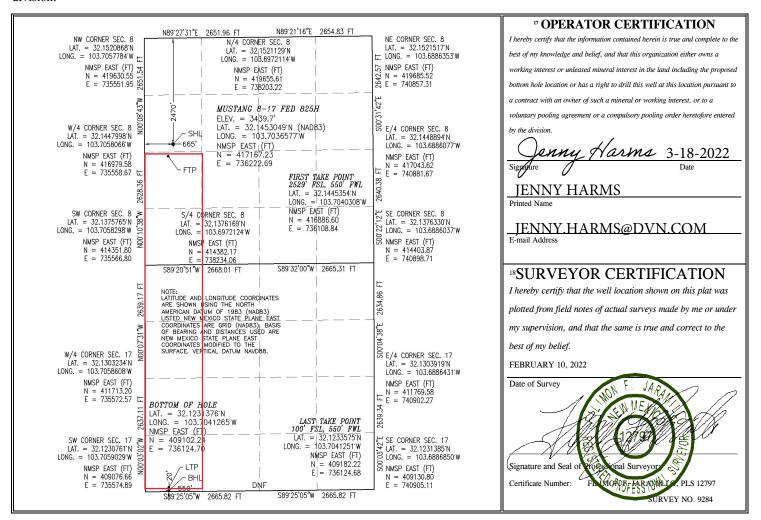
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Numbe	er	² Pool Code	³ Pool Name					
30-025-529	999	98387	WC-025 G-09 S253229J;LWR WOI	LFCAMP				
⁴ Property Code		⁵ Pr	operty Name	⁶ Well Number				
335926		MUSTA	ANG 8-17 FED	825H				
⁷ OGRID No.		⁸ O _I	perator Name	⁹ Elevation				
6137		DEVON ENERGY PRO	DUCTION COMPANY, L.P.	3439.7				

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn								
\mathbf{E}	8	25 S	32 E		2470	NORTH	665	WEST	LEA			
Bottom Hole Location If Different From Surface												
UL or lot no.	ot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line County								County			
M	17	25 S	32 E		20	SOUTH	550	WEST	LEA			
¹² Dedicated Acre 240	s ¹³ Joint	or Infill 14	Consolidation	1 Code			15 Order No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



ntent	X	As Drill	ed									
API#]									
Ope	rator Nan	ne:	1			Property N	lame:					Well Number
DEV	ON ENE	RGY PRO	DUCTION	I CO.,	L.P.	MUSTANO	3 8-1 7	7 FED				825H
Kick O	off Point (KOP)			,							
UL	Section 8	Township 25S	Range 32E	Lot	Feet 2606 F	From N	N/S	Feet 551 FW	Fron/L	n E/W	County	
Latitu	l de 32.14464	4139		<u> </u>	Longitud -103	de .70410130)				NAD 83	
-irst T	ake Poin	t (FTP)									!	
UL E	Section 8	Township 25S	Range 32E	Lot	Feet 2529	From N	√S TH	Feet 550	Fron WE	n E/W S T	County LEA	
Latitu	de 32.144	5354			Longitud	de 103.704	0308				NAD 83	
	ake Point	· · ·		T	le .] - N/c	Τ	1-	5/11	I		
M M	Section 17	Township 25S	Range 32E	Lot	Feet 100	From N/S SOUTH	550 550) Fro	m E/W EST	Count LEA	ty	
Latitu		233575			Longitud	de 103.704	125	1		NAD	83	
		defining w nfill well?	ell for the	Horizo	ontal Spac	cing Unit?		N				
Spacir	I is yes p ng Unit.	olease prov	ride API i	f availa	able, Ope	erator Nam	e and	well nun	nber fo	r Defi	ning well	for Horizontal
API#												
Opei	rator Nan	ne:				Property N	lame:					Well Number

KZ 06/29/2018

State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description Effective May 25, 2021

I. Operator: DEVON ENE	RGY PRODUCT	ION COMPANY, LP	OGRID: 613	37		Date: 3	/_24 /_2022
II. Type: □ Original □	Amendment	due to □ 19.15.27	.9.D(6)(a) NMA	C □ 19.15.27.9.D(6)(b) N	IMAC □ Other	
If Other, please describe:							
III. Well(s): Provide the be recompleted from a si					vells p	roposed to be d	rilled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	1	cipated MCF/D	Anticipated Produced Water BBL/D
See attachment.							
V. Anticipated Schedule proposed to be recomplet Well Name						et of wells prop Initial Flow Back Date	First Production Date
See attachment							
VI. Separation Equipmed VII. Operational Practic Subsection A through F of VIII. Best Management during active and planned	ices: Attacion 19.15.27.8 In the Practices: In the Indian Incidence Incidence In the Indian Incidence	h a complete desc NMAC. Attach a comple	ription of the ac	tions Operator will	take t	o comply with	the requirements of

NATURAL GAS MANAGEMENT PLAN Section 1 - Plan Description

Ill. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

		T								-		
				-						Anticipated	Anticipated Gas	Anticipated Produced
Well Name	Central Delivery Point Name:	API	ULSTR	,		FOOTA	AGES			Oil BBL/D	MCF/D	Water BBL/D
CHINCOTEAGUE 8-32 FED STATE COM 711H	MUSTANG 8 CTB 1		1	8-25S-32E	2170	FNL	635	FWL	WFMP A 110		d/(+/-)1857bopd/	
CHINCOTEAGUE 8-32 FED STATE COM 821H	MUSTANG 8 CTB 1		1	8-25S-32E	2170	FNL	665	FWL	WFMP B		d/(+/-)1857bopd/	
CHINCOTEAGUE 8-32 FED STATE COM 621H	MUSTANG 8 CTB 1		1	8-25S-32E	2170	FNL	695	FWL	WFMP XY		d/(+/-)1857bopd/	
CHINCOTEAGUE 8-32 FED STATE COM 731H	MUSTANG 8 CTB 1		1	8-25S-32E	2170	FNL	725	FWL	WFMP A 130		d/(+/-)1857bopd/	
MUSTANG 8-17 FED 715H	MUSTANG 8 CTB 2			8-25S-32E	2470	FNL	635	FWL	WFMP A 110		d/(+/-)1857bopd/	
IUSTANG 8-17 FED 825H	MUSTANG 8 CTB 2		1	8-25S-32E	2470	FNL	665	FWL	WEMP B		d/(+/-)1857bopd/	
IUSTANG 8-17 FED 625H	MUSTANG 8 CTB 2			8-25S-32E	2470	FNL	695	FWL	WFMP XY		d/(+/-)1857bopd/	
USTANG 8-17 FED 735H	MUSTANG 8 CTB 2		1	8-255-32E	2470	FNL	725	FWL	WFMP A 130		d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 712H	MUSTANG 8 CTB 1			8-25S-32E	2318	FNL	1695	FWL			d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 822H	MUSTANG 8 CTB 1			8-255-32E	2318	FNL	1725	FWL	WEMP B		d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 622H	MUSTANG 8 CTB 1	†		8-25S-32E	2318	FNL	1785	FWL	WFMP XY		d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 732H	MUSTANG 8 CTB 1	t		8-255-32E	2318	FNL	1785	FWL	WFMP A 130		d/(+/-)1857bopd/	
IUSTANG 8-17 FED 716H	MUSTANG 8 CTB 2			8-25S-32E	2618	FNL	1385	FWL			d/(+/-)1857bopd/	
IUSTANG 8-17 FED 826H	MUSTANG 8 CTB 2			8-25S-32E	2618	FNL	1415	FWL	WFMP B		d/(+/-)1857bopd/	
IUSTANG 8-17 FED 626H	MUSTANG 8 CTB 2			8-255-32E	2618	FNI	1445	FWL			d/(+/-)1857bopd/	
USTANG 8-17 FED 736H	MUSTANG 8 CTB 2			8-255-32E	2618	FNL	1475	FWL	WFMP A 130		d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 713H	CHINCOTEAGUE 8 CTB 3			8-255-32E	2464	FNL	2410	FEL	WFMP A 110		d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 823H	CHINCOTEAGUE 8 CTB 3			8-25S-32E	2464	FNL	2380	FEL	WFMP B		d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 623H	CHINCOTEAGUE 8 CTB 3			8-25S-32E	2464	FNI	2350	FEL	WFMP XY		d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 733H	CHINCOTEAGUE 8 CTB 3			8-25S-32E	2464	FNL	2320	FEL	WFMP A 130		d/(+/-)1857bopd/	
IUSTANG 8-17 FED COM 717H	MUSTANG 8 CTB 3		1	8-25S-32E	2512	FSL	2220	FEL	WFMP A 110		d/(+/-)1857bopd/	
MUSTANG 8-17 FED COM 827H	MUSTANG 8 CTB 3			8-25S-32E	2512	FSL	2190	FEL	WFMP B		/(+/-)1857bopd/	
IUSTANG 8-17 FED COM 627H	MUSTANG 8 CTB 3			8-25S-32E	2512	FSL	2160	FEL	WFMP XY		1/(+/-)1857bopd/	
IUSTANG 8-17 FED COM 737H	MUSTANG 8 CTB 3	1		8-25S-32E	2512	FSL	2130	FEL	WFMP A 130	(+/-)6539 mcf	1/(+/-)1857bopd/	(+/-)9727bwpd
HINCOTEAGUE 8-32 FED STATE COM 714H	CHINCOTEAGUE 8 CTB 3			8-25S-32E	2313	FNL	525	FEL	WFMP A 110		1/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 824H	CHINCOTEAGUE 8 CTB 3			8-25S-32E	2313	FNL	495	FEL			d/(+/-)1857bopd/	
HINCOTEAGUE 8-32 FED STATE COM 624H	CHINCOTEAGUE 8 CTB 3			8-25S-32E	2313	FNL	465	FEL	WFMP XY	(+/-)6539mcf	d/(+/-)1857bopd/	(+/-)9727bwpd
HINCOTEAGUE 8-32 FED STATE COM 734H	CHINCOTEAGUE 8 CTB 3			8-25S-32E	2313	FNL	435	FEL	WFMP A 130		d/(+/-)1857bopd/	
IUSTANG 8-17 FED COM 718H	MUSTANG 8 CTB 3			8-25S-32E	2613	FNL	525	FEL	WFMP A 110	(+/-)6539mcf	d/(+/-)1857bopd/	(+/-)9727bwpd
MUSTANG 8-17 FED COM 828H	MUSTANG 8 CTB 3			8-25S-32E	2613	FNL	495	FEL	WFMP B		d/(+/-)1857bopd/	
IUSTANG 8-17 FED COM 628H	MUSTANG 8 CTB 3			8-25S-32E	2613	FNL	465	FEL	WFMP XY	(+/-)6539 mcf	d/(+/-)1857bopd/	(+/-)9727bwpd
MUSTANG 8-17 FED COM 738H	MUSTANG 8 CTB 3	<u> </u>		8-25S-32E	2613	FNL	435	FEL	WFMP A 130	(+/-)6539 mcf	d/(+/-)1857bopd/	(+/-)9727bwpd

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

				Completion		First
		1	TD Reached	Commencem	Initial Flow	Production
Well Name	API	Spud Date	Date	ent Date	back Date	Date
CHINCOTEAGUE 8-32 FED STATE COM 711H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 821H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 621H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 731H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
MUSTANG 8-17 FED 715H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED 825H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED 625H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED 735H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
CHINCOTEAGUE 8-32 FED STATE COM 712H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 822H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 622H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 732H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
MUSTANG 8-17 FED 716H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED 826H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED 626H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED 736H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
CHINCOTEAGUE 8-32 FED STATE COM 713H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 823H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 623H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 733H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
MUSTANG 8-17 FED COM 717H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED COM 827H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED COM 627H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED COM 737H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
CHINCOTEAGUE 8-32 FED STATE COM 714H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 824H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 624H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
CHINCOTEAGUE 8-32 FED STATE COM 734H		11/1/2023	12/1/2023	3/30/2024	3/30/2024	3/30/2024
MUSTANG 8-17 FED COM 718H		11/15/2023	12/15/2023	4/13/2024		4/13/2024
MUSTANG 8-17 FED COM 828H		11/15/2023	12/15/2023	4/13/2024		4/13/2024
MUSTANG 8-17 FED COM 628H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024
MUSTANG 8-17 FED COM 738H		11/15/2023	12/15/2023	4/13/2024	4/13/2024	4/13/2024

*dates above are subject to change

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

🗵 Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. \square Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system	\square will \square will not have capacity to	gather 100% of the anticipated natural gas
production volume from the well prior to the date of first		

XIII.	Line Pressı	re. Operator	□ does □	does not	anticipate	that its existing	ng well(s)	connected to	the same segmen	nt, or portion	ı, of the
natura	l gas gather	ing system(s)	described	above wil	1 continue	to meet antic	ipated inci	reases in line	pressure caused b	by the new v	vell(s).

☐ Attach Operator's plan to manage production in response to the increased li	ine pressure
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XIV. Confidentiality: Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information providence of	ded in
Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information of the	mation
for which confidentiality is asserted and the basis for such assertion.	

Section 3 - Certifications <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:
Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or
Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following:
Well Shut-In. □ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or
Venting and Flaring Plan. Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential
alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:
(a) power generation on lease;
(b) power generation for grid;
(c) compression on lease;
(d) liquids removal on lease;
(e) reinjection for underground storage;
(f) reinjection for temporary storage; (g) reinjection for enhanced oil recovery;
(h) fuel cell production; and
(i) other alternative beneficial uses approved by the division.

Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information. Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	JW
Printed Name: Lindsey N. Miles	
Title: Land Manager	
E-mail Address:	
Date:	
Phone:	
OIL CONSERVATION DIVISION	
(Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	



VI. Separation Equipment

Devon Energy Production Company, L.P. utilizes a "stage separation" process in which oil and gas separation is carried out through a series of separators operating at successively reduced pressures. Hydrocarbon liquids are produced into a high-pressure inlet separator, then carried through one or more lower pressure separation vessels before entering the storage tanks. The purpose of this separation process is to attain maximum recovery of liquid hydrocarbons from the fluids and allow maximum capture of produced gas into the sales pipeline. Devon utilizes a series of Low-Pressure Compression units to capture gas off the staged separation and send it to the sales pipeline. This process minimizes the amount of flash gas that enters the end-stage storage tanks that is subsequently vented or flared.



VII. Operational Practices

Devon Energy Production Company, L. P. will employ best management practices and control technologies to maximize the recovery and minimize waste of natural gas through venting and flaring.

- During drilling operations, Devon will utilize flares and/or combustors to capture and control
 natural gas, where technically feasible. If flaring is deemed technically in-feasible, Devon will
 employ best management practices to minimize or reduce venting to the extent possible.
- During completions operations, Devon will utilize Green Completion methods to capture gas
 produced during well completions that is otherwise vented or flared. If capture is technically
 in-feasible, flares and/or combustors will be used to capture and control flow back fluids
 entering into frac tanks during initial flowback. Upon indication of first measurable hydrocarbon
 volumes, Devon will turn operations to onsite separation vessels and flow to the gathering
 pipeline.
- During production operations, Devon will take every practical effort to minimize waste of natural gas through venting and flaring by:
 - Designing and constructing facilities in a manner consistent to achieve maximum capture and control of hydrocarbon liquids & produced gas
 - Utilizing a closed-loop capture system to collect and route produced gas to sales line via low pressure compression, or to a flare/combustor
 - Flaring in lieu of venting, where technically feasible
 - Utilizing auto-ignitors or continuous pilots, with thermocouples connected to Scada, to quickly detect and resolve issues related to malfunctioning flares/combustors
 - Employ the use of automatic tank gauging to minimize storage tank venting during loading events
 - o Installing air-driven or electric-driven pneumatics & combustion engines, where technically feasible to minimize venting to the atmosphere
 - Confirm equipment is properly maintained and repaired through a preventative maintenance and repair program to ensure equipment meets all manufacturer specifications
 - Conduct and document AVO inspections on the frequency set forth in Part 27 to detect and repair any onsite leaks as quickly and efficiently as is feasible



VIII. Best Management Practices during Maintenance

Devon Energy Production Company, L.P. will utilize best management practices to minimize venting during active and planned maintenance activities. Devon is operating under guidance that production facilities permitted under NOI permits have no provisions to allow high pressure flaring and high pressure flaring is only allowed in disruption scenarios so long as the duration is less than eight hours. When technically feasible, flaring during maintenance activities will be utilized in lieu of venting to the atmosphere. Devon will work with third-party operators during scheduled maintenance of downstream pipeline or processing plants to address those events ahead of time to minimize venting. Actions considered include identifying alternative capture approaches or planning to temporarily reduce production or shut in the well to address these circumstances.

MUSTANG 8-17 FED 825H

1. Geologic Formations

TVD of target	12714	Pilot hole depth	N/A
MD at TD:	20410	Deepest expected fresh water	

Basin

Dasin	Domalh	Water/Mineral	
	Depth		
Formation	(TVD)	Bearing/Target	Hazards*
	from KB	Zone?	
Rustler	739		
Salt	1104		
Base of Salt	4373		
Delaware	4561		
Cherry Canyon	5769		
Brushy Canyon	6690		
1st Bone Spring Lime	8768		
Bone Spring 1st	9857		
Bone Spring 2nd	10075		
3rd Bone Spring Lime	10581		
Bone Spring 3rd	11332		
Wolfcamp	11754		

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

2. Casing Program (Primary Design)

	Csg. Size	Wt			Casing	Interval	Casing	Interval
Hole Size		(PPF)	Grade	Conn	From (MD)	To (MD)	From (TVD)	To (TVD)
17 1/2	13 3/8	48	H40	STC	0	764	0	764
9 7/8	8 5/8	32	P110	TLW	0	11754	0	11754
7 7/8	5 1/2	17	P110	ВТС	0	20410	0	12714

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

3. Cementing Program (Primary Design)

Casing	# Sks	TOC	Wt.	Yld	Slurry Description
			ppg	(ft3/sack)	• •
Surface	591	Surf	13.2	1.44	Lead: Class C Cement + additives
Total	462	Surf	9	3.27	Lead: Class C Cement + additives
Int 1	465	4000' above	13.2	1.44	Tail: Class H / C + additives
Int 1	As Needed	Surf	13.2	1.44	Squeeze Lead: Class C Cement + additives
Intermediate	462	Surf	9	3.27	Lead: Class C Cement + additives
Squeeze	465	4000' above	13.2	1.44	Tail: Class H / C + additives
Production	117	10220	9	3.27	Lead: Class H /C + additives
Troduction	1084	12220	13.2	1.44	Tail: Class H / C + additives

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	Туре		✓	Tested to:	
				Annular		50% of rated working pressure	
Int 1	13-58"	5M	Blind	d Ram	X		
Int 1	13-30	5111	Pipe	Ram		5M	
			Doub	le Ram	X	3101	
			Other*				
			Annul	ar (5M)	X	100% of rated working pressure	
Due du eti en	12 5/01	101/1	Bline	d Ram	X		
Production	13-5/8"	13-5/8"	13-5/8" 10M	8" 10M Pipe Ram			10M
			Doub	le Ram	X	TOW	
			Other*				
			Annular (5M)				
			Blind Ram				
			Pipe Ram]	
			Double Ram]	
			Other*				
N A variance is requested for	the use of a	diverter or	the surface	casing. See	attached for s	schematic.	
Y A variance is requested to a	un a 5 M a	nnular on a	10M system				

5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	DBE / Cut Brine	10-10.5
Production	OBM	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
what will be used to monitor the loss of gain of fluid:	1 v 1/1 ason/ v isuai 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 shumitted 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	Specfiy what type and where?
BH pressure at deepest TVD	6942
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.

IN	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
- 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

MUSTANG 8-17 FED 825H

from the pad until all wells have production casing run/cemented.

Will be pre-setting casing? Potentially

- 1 Spudder rig will move in and batch drill surface hole.
 - a. Rig will utilize fresh water based mud to drill surface hole to TD. Solids control will be handled entirely on a closed loop basis.,
- 2 After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
- 3 The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- 4 A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
- 5 Spudder rig operations is expected to take 4-5 days per well on a multi-well pa.
- 6 The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7 Drilling operations will be performed with drilling rig. A that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
 - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

	Other, describe
X	Directional Plan
Attachments	3



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

Drilling Plan Data Report

05/08/2024

APD ID: 10400084307 **Submission Date:** 04/08/2022

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: MUSTANG 8-17 FED Well Number: 825H

Well Type: OIL WELL Well Work Type: Drill

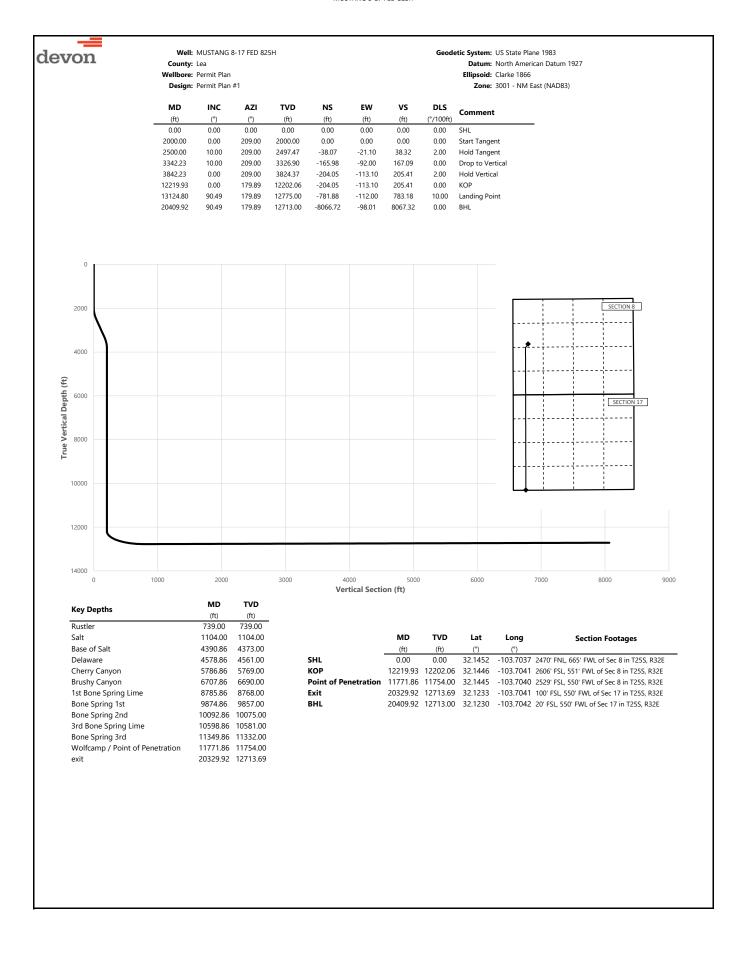
Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation			True Vertical			Mineral Resources	Producing
ID	Formation Name	Elevation		Depth	Lithologies		Formatio
13390044	UNKNOWN	3440	0	Ō	ALLUVIUM, OTHER : Surface	NONE	N
13390045	RUSTLER	2701	739	739	SANDSTONE	NONE	N
13390049	TOP SALT	2336	1104	1104	SALT	NONE	N
13390047	BASE OF SALT	-933	4373	4373	SALT	NONE	N
13390053	BELL CANYON	-1121	4561	4561	SANDSTONE	NATURAL GAS, OIL	N
13390054	CHERRY CANYON	-2329	5769	5769	SANDSTONE	NATURAL GAS, OIL	N
13390055	BRUSHY CANYON	-3250	6690	6690	SANDSTONE	NATURAL GAS, OIL	N
13390056	BONE SPRING LIME	-5328	8768	8768	LIMESTONE	NATURAL GAS, OIL	N
13390046	BONE SPRING	-6417	9857	9857	SANDSTONE	NATURAL GAS, OIL	N
13390043	BONE SPRING 2ND	-6635	10075	10075	SANDSTONE	NATURAL GAS, OIL	N
13390057	BONE SPRING LIME	-7141	10581	10581	LIMESTONE	NATURAL GAS, OIL	N
13390051	BONE SPRING 3RD	-7892	11332	11332	SANDSTONE	NATURAL GAS	N
13390050	WOLFCAMP	-8314	11754	11754	SANDSTONE	NATURAL GAS, OIL	Y
13390052	STRAWN	-10455	13895	13895	LIMESTONE	NATURAL GAS, OIL	N

Section 2 - Blowout Prevention



Well: MUSTANG 8-17 FED 825H Geodetic System: US State Plane 1983 devon County: Lea Datum: North American Datum 1927 Wellbore: Permit Plan Ellipsoid: Clarke 1866 Design: Permit Plan #1 Zone: 3001 - NM East (NAD83) MD TVD vs INC AZI NS EW DLS Comment (°/100ft) (ft) (ft) (°) (°) (ft) (ft) (ft) SHL 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 100.00 0.00 209.00 100.00 0.00 0.00 0.00 0.00 200.00 0.00 209.00 200.00 0.00 0.00 0.00 0.00 300.00 0.00 209.00 300.00 0.00 0.00 0.00 0.00 400.00 0.00 209.00 400.00 0.00 0.00 0.00 0.00 500.00 0.00 209.00 500.00 0.00 0.00 0.00 0.00 600.00 0.00 209.00 600.00 0.00 0.00 0.00 0.00 700.00 0.00 209.00 700.00 0.00 0.00 0.00 0.00 739.00 0.00 209.00 739.00 0.00 0.00 0.00 0.00 Rustler 800.00 0.00 209.00 800.00 0.00 0.00 0.00 0.00 900.00 209.00 900.00 0.00 0.00 0.00 0.00 0.00 1000.00 0.00 209.00 1000.00 0.00 0.00 0.00 0.00 1100.00 0.00 209.00 1100.00 0.00 0.00 0.00 0.00 1104.00 0.00 209.00 1104.00 0.00 0.00 0.00 Salt 1200.00 0.00 209.00 1200.00 0.00 0.00 0.00 0.00 1300.00 0.00 209.00 1300.00 0.00 0.00 0.00 0.00 1400.00 209.00 1400.00 0.00 0.00 0.00 0.00 0.00 1500.00 0.00 209.00 1500.00 0.00 0.00 0.00 0.00 1600.00 0.00 209.00 1600.00 0.00 0.00 0.00 0.00 1700.00 0.00 209.00 1700.00 0.00 0.00 0.00 0.00 1800.00 0.00 209.00 1800.00 0.00 0.00 0.00 0.00 1900.00 0.00 209.00 1900.00 0.00 0.00 0.00 0.00 2000.00 0.00 209 00 2000 00 0.00 0.00 0.00 0.00 Start Tangent 2100.00 2.00 209.00 2099.98 -1.53 -0.85 1.54 2.00 2200.00 4.00 209.00 2199.84 -6.10 -3.38 6.14 2.00 2300.00 6.00 209.00 2299.45 -13.73 -7.61 13.82 2.00 2400.00 8.00 209.00 2398.70 -24 38 -13.52 24 55 2.00 2500.00 10.00 209.00 2497.47 -38.07 -21.10 38.32 Hold Tangent 2.00 2600.00 10.00 209.00 2595.95 -53.25 -29.52 53.61 0.00 2700.00 10.00 209.00 2694.43 -68.44 -37.94 68.90 0.00 2800.00 10.00 209.00 2792.91 -83.63 -46.36 84.19 0.00 2900.00 2891.39 -98.82 99.47 0.00 10.00 209.00 -54.77 3000.00 209.00 2989.87 -114.00 -63.19 114.76 10.00 0.00 3088.35 3100.00 10.00 209.00 -129.19-71.61130.05 0.00 3200.00 10.00 209.00 3186.83 -144.38 -80.03 145.34 0.00 3300.00 10.00 209.00 3285.31 -159.57 -88.45 160.63 0.00 3342.23 10.00 209.00 3326.90 -165.98 -92.00 167.09 0.00 Drop to Vertical 3400.00 8.84 209.00 3383.89 -174.25 -96.59 175.41 2.00 3500.00 6.84 209.00 3482.95 -186.19 -103.21 187.43 2.00 3600.00 4.84 209.00 3582.42 -195.09 -108.14 2.00 196.39 3700.00 3682.19 2.84 209.00 -200.96 -111.39202.30 2.00 3800.00 0.84 209.00 3782 14 -203.77 -112.95 205.13 2.00 3842.23 205.41 0.00 209.00 3824.37 -204.05 -113.10 2.00 Hold Vertical 3900.00 3882.14 205.41 0.00 179.89 -204.05 -113.10 0.00 4000.00 0.00 179.89 3982.14 -204.05 -113.10205.41 0.00 4100.00 0.00 179.89 4082.14 -204.05 -113.10 205.41 0.00 4200.00 0.00 179.89 4182.14 -204.05 -113.10 205.41 0.00 4300.00 0.00 179.89 4282.14 -204.05 205.41 0.00 -113.104390.86 0.00 179.89 4373.00 -204.05 -113.10 205.41 0.00 Base of Salt 4400.00 179.89 4382.14 -204.05 -113.10 205.41 0.00 0.00 4500.00 0.00 179.89 4482.14 -204.05 -113.10 205.41 0.00



Well: MUSTANG 8-17 FED 825H

County: Lea Wellbore: Permit Plan Design: Permit Plan #1 Geodetic System: US State Plane 1983

Datum: North American Datum 1927 **Ellipsoid:** Clarke 1866

Zone: 3001 - NM East (NAD83)

Design: Permit Plan #1						Zone: 3001 - NM East (NAD83)		
MD	INC	AZI	TVD	NS	EW	vs	DLS	Command
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(°/100ft)	Comment
6300.00	0.00	179.89	6282.14	-204.05	-113.10	205.41	0.00	
6400.00	0.00	179.89	6382.14	-204.05	-113.10	205.41	0.00	
6500.00	0.00	179.89	6482.14	-204.05	-113.10	205.41	0.00	
6600.00	0.00	179.89	6582.14	-204.05	-113.10	205.41	0.00	
6700.00	0.00	179.89	6682.14	-204.05	-113.10	205.41	0.00	
6707.86	0.00	179.89	6690.00	-204.05	-113.10	205.41	0.00	Brushy Canyon
6800.00	0.00	179.89	6782.14	-204.05	-113.10	205.41	0.00	stastly early on
6900.00	0.00	179.89	6882.14	-204.05	-113.10	205.41	0.00	
7000.00	0.00	179.89	6982.14	-204.05	-113.10	205.41	0.00	
				-204.05				
7100.00	0.00	179.89	7082.14		-113.10	205.41	0.00	
7200.00	0.00	179.89	7182.14	-204.05	-113.10	205.41	0.00	
7300.00	0.00	179.89	7282.14	-204.05	-113.10	205.41	0.00	
7400.00	0.00	179.89	7382.14	-204.05	-113.10	205.41	0.00	
7500.00	0.00	179.89	7482.14	-204.05	-113.10	205.41	0.00	
7600.00	0.00	179.89	7582.14	-204.05	-113.10	205.41	0.00	
7700.00	0.00	179.89	7682.14	-204.05	-113.10	205.41	0.00	
7800.00	0.00	179.89	7782.14	-204.05	-113.10	205.41	0.00	
7900.00	0.00	179.89	7882.14	-204.05	-113.10	205.41	0.00	
8000.00	0.00	179.89	7982.14	-204.05	-113.10	205.41	0.00	
8100.00	0.00	179.89	8082.14	-204.05	-113.10	205.41	0.00	
8200.00	0.00	179.89	8182.14	-204.05	-113.10	205.41	0.00	
8300.00	0.00	179.89	8282.14	-204.05	-113.10	205.41	0.00	
8400.00	0.00	179.89	8382.14	-204.05	-113.10	205.41	0.00	
8500.00	0.00	179.89	8482.14	-204.05	-113.10	205.41	0.00	
8600.00	0.00	179.89	8582.14	-204.05	-113.10	205.41	0.00	
8700.00	0.00	179.89	8682.14	-204.05	-113.10	205.41	0.00	
8785.86	0.00	179.89	8768.00	-204.05	-113.10	205.41	0.00	1st Bone Spring Lime
8800.00	0.00	179.89	8782.14	-204.05	-113.10	205.41	0.00	ist boile spining zame
8900.00	0.00	179.89	8882.14	-204.05	-113.10	205.41	0.00	
9000.00	0.00	179.89	8982.14	-204.05	-113.10	205.41	0.00	
		179.89	9082.14	-204.05		205.41		
9100.00	0.00				-113.10		0.00	
9200.00	0.00	179.89	9182.14	-204.05	-113.10	205.41	0.00	
9300.00	0.00	179.89	9282.14	-204.05	-113.10	205.41	0.00	
9400.00	0.00	179.89	9382.14	-204.05	-113.10	205.41	0.00	
9500.00	0.00	179.89	9482.14	-204.05	-113.10	205.41	0.00	
9600.00	0.00	179.89	9582.14	-204.05	-113.10	205.41	0.00	
9700.00	0.00	179.89	9682.14	-204.05	-113.10	205.41	0.00	
9800.00	0.00	179.89	9782.14	-204.05	-113.10	205.41	0.00	
9874.86	0.00	179.89	9857.00	-204.05	-113.10	205.41	0.00	Bone Spring 1st
9900.00	0.00	179.89	9882.14	-204.05	-113.10	205.41	0.00	
10000.00	0.00	179.89	9982.14	-204.05	-113.10	205.41	0.00	
10092.86	0.00	179.89	10075.00	-204.05	-113.10	205.41	0.00	Bone Spring 2nd
10100.00	0.00	179.89	10082.14	-204.05	-113.10	205.41	0.00	
10200.00	0.00	179.89	10182.14	-204.05	-113.10	205.41	0.00	
10300.00	0.00	179.89	10282.14	-204.05	-113.10	205.41	0.00	
10400.00	0.00	179.89	10382.14	-204.05	-113.10	205.41	0.00	
10500.00	0.00	179.89	10482.14	-204.05	-113.10	205.41	0.00	
10598.86	0.00	179.89	10581.00	-204.05	-113.10	205.41	0.00	3rd Bone Spring Lime
10600.00	0.00	179.89	10582.14	-204.05	-113.10	205.41	0.00	r y ·
10700.00	0.00	179.89	10682.14	-204.05	-113.10	205.41	0.00	
10800.00	0.00	179.89	10782.14	-204.05	-113.10	205.41	0.00	
10900.00	0.00	179.89	10882.14	-204.05	-113.10	205.41	0.00	
11000.00	0.00	179.89	10982.14	-204.05	-113.10	205.41	0.00	
11100.00	0.00	179.89	11082.14	-204.05	-113.10	205.41	0.00	
11200.00	0.00	179.89	11182.14	-204.05 -204.05	-113.10	205.41	0.00	
11200.00								
	0.00	179.89	11282.14	-204.05	-113.10	205.41	0.00	Pono Corina 2rd
11349.86	0.00	179.89	11332.00	-204.05	-113.10	205.41	0.00	Bone Spring 3rd
11400.00	0.00	179.89	11382.14	-204.05	-113.10	205.41	0.00	
11500.00	0.00	179.89	11482.14	-204.05	-113.10	205.41	0.00	
11600.00	0.00	179.89	11582.14	-204.05	-113.10	205.41	0.00	
11700.00	0.00	179.89	11682.14	-204.05	-113.10	205.41	0.00	
11771.86	0.00	179.89	11754.00	-204.05	-113.10	205.41	0.00	Wolfcamp / Point of Penetration
11800.00	0.00	179.89	11782.14	-204.05	-113.10	205.41	0.00	
11900.00	0.00	179.89	11882.14	-204.05	-113.10	205.41	0.00	
12000.00	0.00	179.89	11982.14	-204.05	-113.10	205.41	0.00	
12100.00	0.00	179.89	12082.14	-204.05	-113.10	205.41	0.00	
12200.00	0.00	179.89	12182.14	-204.05	-113.10	205.41	0.00	
12219.93	0.00	179.89	12202.06	-204.05	-113.10	205.41	0.00	KOP
12300.00	8.01	179.89	12281.87	-209.63	-113.09	210.99	10.00	
	18.01	179.89	12379.19	-232.11	-113.05	233.47	10.00	
12400.00								



Well: MUSTANG 8-17 FED 825H

County: Lea Wellbore: Permit Plan Geodetic System: US State Plane 1983

Datum: North American Datum 1927 Ellipsoid: Clarke 1866

	Design: Permit Plan #1						Zone: 3001 - NM East (NAD83)		
MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment	
12500.00	28.01	179.89	12471.11	-271.15	-112.98	272.50	10.00		
12600.00	38.01	179.89	12554.87	-325.55	-112.87	326.90	10.00		
12700.00	48.01	179.89	12627.90	-393.67	-112.74	395.02	10.00		
12800.00	58.01	179.89	12688.00	-473.44	-112.59	474.78	10.00		
12900.00	68.01	179.89	12733.33	-562.44	-112.42	563.76	10.00		
13000.00	78.01	179.89	12762.52	-657.95	-112.23	659.27	10.00		
13100.00 13124.80	88.01 90.49	179.89 179.89	12774.67 12775.00	-757.08 -781.88	-112.04 -112.00	758.39 783.18	10.00	Landing Point	
13200.00	90.49	179.89	12774.36	-857.07	-112.00	858.37	10.00 0.00	Landing Point	
13300.00	90.49	179.89	12773.51	-957.07	-111.66	958.36	0.00		
13400.00	90.49	179.89	12772.66	-1057.07	-111.47	1058.34	0.00		
13500.00	90.49	179.89	12771.81	-1157.06	-111.27	1158.33	0.00		
13600.00	90.49	179.89	12770.96	-1257.06	-111.08	1258.32	0.00		
13700.00	90.49	179.89	12770.11	-1357.05	-110.89	1358.30	0.00		
13800.00 13900.00	90.49 90.49	179.89 179.89		-1457.05 -1557.05	-110.70 -110.51	1458.29 1558.27	0.00		
14000.00	90.49	179.89	12766.40	-1657.04	-110.31	1658.26	0.00		
14100.00	90.49	179.89	12766.70	-1757.04	-110.12	1758.25	0.00		
14200.00	90.49	179.89	12765.85	-1857.04	-109.93	1858.23	0.00		
14300.00	90.49	179.89	12765.00	-1957.03	-109.74	1958.22	0.00		
14400.00	90.49	179.89	12764.15	-2057.03	-109.54	2058.21	0.00		
14500.00	90.49	179.89	12763.30	-2157.02	-109.35	2158.19	0.00		
14600.00	90.49	179.89	12762.45	-2257.02	-109.16	2258.18	0.00		
14700.00 14800.00	90.49 90.49	179.89 179.89	12761.60 12760.75	-2357.02 -2457.01	-108.97 -108.78	2358.17 2458.15	0.00		
14900.00	90.49	179.89	12759.89	-2557.01	-108.78	2558.14	0.00		
15000.00	90.49	179.89	12759.04	-2657.00	-108.39	2658.13	0.00		
15100.00	90.49	179.89	12758.19	-2757.00	-108.20	2758.11	0.00		
15200.00	90.49	179.89	12757.34	-2857.00	-108.01	2858.10	0.00		
15300.00	90.49	179.89	12756.49	-2956.99	-107.81	2958.09	0.00		
15400.00	90.49	179.89	12755.64	-3056.99	-107.62	3058.07	0.00		
15500.00 15600.00	90.49 90.49	179.89 179.89	12754.79 12753.94	-3156.99 -3256.98	-107.43 -107.24	3158.06 3258.04	0.00		
15700.00	90.49	179.89	12753.09	-3356.98	-107.04	3358.03	0.00		
15800.00	90.49	179.89	12752.24	-3456.97	-106.85	3458.02	0.00		
15900.00	90.49	179.89	12751.39	-3556.97	-106.66	3558.00	0.00		
16000.00	90.49	179.89	12750.53	-3656.97	-106.47	3657.99	0.00		
16100.00	90.49	179.89	12749.68	-3756.96	-106.28	3757.98	0.00		
16200.00 16300.00	90.49 90.49	179.89	12748.83	-3856.96 -3956.96	-106.08 -105.89	3857.96	0.00		
16400.00	90.49	179.89 179.89	12747.98 12747.13	-4056.95	-105.79	3957.95 4057.94	0.00		
16500.00	90.49	179.89	12746.28	-4156.95	-105.51	4157.92	0.00		
16600.00	90.49	179.89	12745.43	-4256.94	-105.31	4257.91	0.00		
16700.00	90.49	179.89	12744.58	-4356.94	-105.12	4357.90	0.00		
16800.00	90.49	179.89	12743.73	-4456.94	-104.93	4457.88	0.00		
16900.00	90.49	179.89	12742.88	-4556.93	-104.74	4557.87	0.00		
17000.00 17100.00	90.49 90.49	179.89 179.89	12742.03 12741.17		-104.55 -104.35	4657.86 4757.84	0.00		
17100.00	90.49	179.89	12741.17		-104.33	4857.83	0.00		
17300.00	90.49	179.89	12739.47	-4956.92	-103.97	4957.81	0.00		
17400.00	90.49	179.89	12738.62	-5056.91	-103.78	5057.80	0.00		
17500.00	90.49	179.89	12737.77		-103.58	5157.79	0.00		
17600.00	90.49	179.89	12736.92	-5256.91	-103.39	5257.77	0.00		
17700.00 17800.00	90.49 90.49	179.89 179.89	12736.07	-5356.90 -5456.90	-103.20 -103.01	5357.76 5457.75	0.00		
17800.00	90.49	179.89	12735.22 12734.37	-5456.90 -5556.89	-103.01	5457.75 5557.73	0.00		
18000.00	90.49	179.89	12733.52	-5656.89	-102.62	5657.72	0.00		
18100.00	90.49	179.89	12732.67	-5756.89	-102.43	5757.71	0.00		
18200.00	90.49	179.89	12731.81	-5856.88	-102.24	5857.69	0.00		
18300.00	90.49	179.89	12730.96	-5956.88	-102.05	5957.68	0.00		
18400.00	90.49	179.89	12730.11	-6056.88	-101.85	6057.67	0.00		
18500.00 18600.00	90.49	179.89	12729.26	-6156.87	-101.66	6157.65	0.00		
18700.00	90.49 90.49	179.89 179.89	12728.41 12727.56	-6256.87 -6356.86	-101.47 -101.28	6257.64 6357.63	0.00		
18800.00	90.49	179.89	12726.71	-6456.86	-101.28	6457.61	0.00		
18900.00	90.49	179.89	12725.86	-6556.86	-100.89	6557.60	0.00		
19000.00	90.49	179.89	12725.01	-6656.85	-100.70	6657.58	0.00		
19100.00	90.49	179.89	12724.16	-6756.85	-100.51	6757.57	0.00		
19200.00	90.49	179.89	12723.31	-6856.85	-100.32	6857.56	0.00		
19300.00	90.49	179.89	12722.45	-6956.84	-100.12	6957.54	0.00		



Well: MUSTANG 8-17 FED 825H

County: Lea
Wellbore: Permit Plan
Design: Permit Plan #1

Geodetic System: US State Plane 1983

Datum: North American Datum 1927 **Ellipsoid:** Clarke 1866

Zone: 3001 - NM East (NAD83)

MD	INC	AZI	TVD	NS	EW	VS	DLS	Comment
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(°/100ft)	Comment
19400.00	90.49	179.89	12721.60	-7056.84	-99.93	7057.53	0.00	
19500.00	90.49	179.89	12720.75	-7156.83	-99.74	7157.52	0.00	
19600.00	90.49	179.89	12719.90	-7256.83	-99.55	7257.50	0.00	
19700.00	90.49	179.89	12719.05	-7356.83	-99.36	7357.49	0.00	
19800.00	90.49	179.89	12718.20	-7456.82	-99.16	7457.48	0.00	
19900.00	90.49	179.89	12717.35	-7556.82	-98.97	7557.46	0.00	
20000.00	90.49	179.89	12716.50	-7656.81	-98.78	7657.45	0.00	
20100.00	90.49	179.89	12715.65	-7756.81	-98.59	7757.44	0.00	
20200.00	90.49	179.89	12714.80	-7856.81	-98.39	7857.42	0.00	
20300.00	90.49	179.89	12713.95	-7956.80	-98.20	7957.41	0.00	
20329.92	90.49	179.89	12713.69	-7986.72	-98.14	7987.33	0.00	exit
20400.00	90.49	179.89	12713.09	-8056.80	-98.01	8057.40	0.00	
20409.92	90.49	179.89	12713.00	-8066.72	-98.01	8067.32	0.00	BHL

MUSTANG 8-17 FED 825H Well: MUSTANG 8-17 FED 825H Geodetic System: US State Plane 1983 County: Lea Datum: North American Datum 1927 Wellbore: Permit Plan Ellipsoid: Clarke 1866 Design: Permit Plan #1 **Zone:** 3001 - NM East (NAD83) INC TVD EW MD AZI NS ٧S DLS Comment (ft) (°) (°) (ft) (ft) (ft) (ft) (°/100ft)

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 nippled 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.



Commitment Runs Deep



Design Plan
Operation and Maintenance Plan
Closure Plan

SENM - Closed Loop Systems June 2010

I. Design Plan

Devon uses MI SWACO closed loop system (CLS). The MI SWACO CLS is designed to maintain drill solids at or below 5%. The equipment is arranged to progressively remove solids from the largest to the smallest size. Drilling fluids can thus be reused and savings is realized on mud and disposal costs. Dewatering may be required with the centrifuges to insure removal of ultra fine solids.

The drilling location is constructed to allow storm water to flow to a central sump normally the cellar. This insures no contamination leaves the drilling pad in the event of a spill. Storm water is reused in the mud system or stored in a reserve fluid tank farm until it can be reused. All lubricants, oils, or chemicals are removed immediately from the ground to prevent the contamination of storm water. An oil trap is normally installed on the sump if an oil spill occurs during a storm.

A tank farm is utilized to store drilling fluids including fresh water and brine fluids. The tank farm is constructed on a 20 ml plastic lined, bermed pad to prevent the contamination of the drilling site during a spill. Fluids from other sites may be stored in these tanks for processing by the solids control equipment and reused in the mud system. At the end of the well the fluids are transported from the tank farm to an adjoining well or to the next well for the rig.

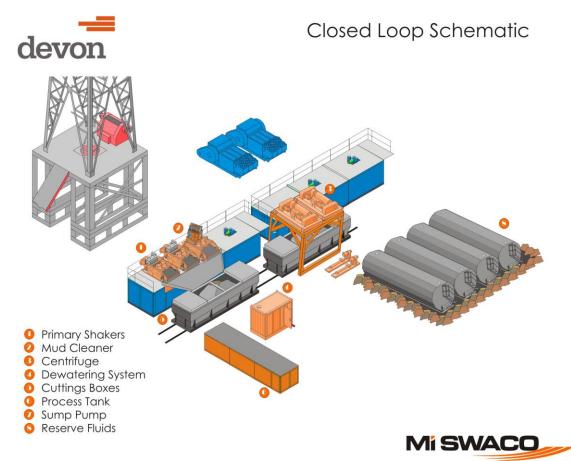
Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

Signs will be posted on the fence surrounding the closed-loop system unless the closed-loop system is located on a site where there is an existing well, that is operated by Devon.

II. Operations and Maintenance Plan

Primary Shakers: The primary shakers make the first removal of drill solids from the drilling mud as it leaves the well bore. The shakers are sized to handle maximum drilling rate at optimal screen size. The shakers normally remove solids down to 74 microns.

Mud Cleaner: The Mud Cleaner cleans the fluid after it leaves the shakers. A set of hydrocyclones are sized to handle 1.25 to 1.5 times the maximum circulating rate. This ensures all the fluid is being processed to an average cut point of 25 microns. The wet discharged is dewatered on a shaker equipped with ultra fine mesh screens and generally cut at 40 microns.



Centrifuges: The centrifuges can be one or two in number depending on the well geometry or depth of well. The centrifuges are sized to maintain low gravity solids at 5% or below. They may or may not need a dewatering system to enhance the removal rates. The centrifuges can make a cut point of 8-10 microns depending on bowl speed, feed rate, solids loading and other factors.

The centrifuge system is designed to work on the active system and be flexible to process incoming fluids from other locations. This set-up is also dependant on well factors.

Dewatering System: The dewatering system is a chemical mixing and dosing system designed to enhance the solids removal of the centrifuge. Not commonly used in shallow wells. It may contain pH adjustment, coagulant mixing and dosing, and polymer mixing and dosing. Chemical flocculation binds ultra fine solids into a mass that is within the centrifuge operating design. The

dewatering system improves the centrifuge cut point to infinity or allows for the return of clear water or brine fluid. This ability allows for the ultimate control of low gravity solids.

Cuttings Boxes: Cuttings boxes are utilized to capture drill solids that are discarded from the solids control equipment. These boxes are set upon a rail system that allows for the removal and replacement of a full box of cuttings with an empty one. They are equipped with a cover that insures no product is spilled into the environment during the transportation phase.

Process Tank: (Optional) The process tank allows for the holding and process of fluids that are being transferred into the mud system. Additionally, during times of lost circulation the process tank may hold active fluids that are removed for additional treatment. It can further be used as a mixing tank during well control conditions.

Sump and Sump Pump: The sump is used to collect storm water and the pump is used to transfer this fluid to the active system or to the tank for to hold in reserve. It can also be used to collect fluids that may escape during spills. The location contains drainage ditches that allow the location fluids to drain to the sump.

Reserve Fluids (Tank Farm): A series of frac tanks are used to replace the reserve pit. These are steel tanks that are equipped with a manifold system and a transfer pump. These tanks can contain any number of fluids used during the drilling process. These can include fresh water, cut brine, and saturated salt fluid. The fluid can be from the active well or reclaimed fluid from other locations. A 20 ml liner and berm system is employed to ensure the fluids do not migrate to the environment during a spill.

If a leak develops, the appropriate division district office will be notified within 48 hours of the discovery and the leak will be addressed. Spill prevention is accomplished by maintaining pump packing, hoses, and pipe fittings to insure no leaks are occurring. During an upset condition the source of the spill is isolated and repaired as soon as it is discovered. Free liquid is removed by a diaphragm pump and returned to the mud system. Loose topsoil may be used to stabilize the spill and the contaminated soil is excavated and placed in the cuttings boxes. After the well is finished and the rig has moved, the entire location is scrapped and testing will be performed to determine if a release has occurred.

All trash is kept in a wire mesh enclosure and removed to an approved landfill when full. All spent motor oils are kept in separate containers and they are removed and sent to an approved recycling center. Any spilled lubricants, pipe

dope, or regulated chemicals are removed from soil and sent to landfills approved for these products.

These operations are monitored by Mi Swaco service technicians. Daily logs are maintained to ensure optimal equipment operation and maintenance. Screen and chemical use is logged to maintain inventory control. Fluid properties are monitored and recorded and drilling mud volumes are accounted for in the mud storage farm. This data is kept for end of well review to insure performance goals are met. Lessons learned are logged and used to help with continuous improvement.

A MI SWACO field supervisor manages from 3-5 wells. They are responsible for training personnel, supervising installations, and inspecting sites for compliance of MI SWACO safety and operational policy.

III. Closure Plan

A maximum 340' X 340' caliche pad is built per well. All of the trucks and steel tanks fit on this pad. All fluid cuttings go to the steel tanks to be hauled by various trucking companies to an agency approved disposal.

Devon Energy Annular Preventer Summary

General Procedures While Pulling BHA thru Stack

- 1. PRIOR to pulling last joint of drillpipe thru the stack.
 - a. Perform flowcheck, if flowing:
 - b. Sound alarm (alert crew)
 - c. Stab full opening safety valve and close
 - d. Space out drill string with tool joint just beneath the upper pipe ram.
 - e. Shut-in using upper pipe ram. (HCR and choke will already be in the closed position.)
 - f. Confirm shut-in
 - g. Notify toolpusher/company representative
 - h. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - i. Regroup and identify forward plan
- 2. With BHA in the stack and compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. Stab crossover and full opening safety valve and close
 - c. Space out drill string with upset just beneath the compatible pipe ram.
 - d. Shut-in using compatible pipe ram. (HCR and choke will already be in the closed position.)
 - e. Confirm shut-in
 - f. Notify toolpusher/company representative
 - g. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - h. Regroup and identify forward plan
- 3. With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario.
 - c. If impossible to pick up high enough to pull the string clear of the stack:
 - d. Stab crossover, make up one joint/stand of drillpipe, and full opening safety valve and close
 - e. Space out drill string with tooljoint just beneath the upper pipe ram.
 - f. Shut-in using upper pipe ram. (HCR and choke will already be in the closed position.)
 - g. Confirm shut-in
 - h. Notify toolpusher/company representative
 - i. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - i. Regroup and identify forward plan

A multibowl wellhead may be used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

Devon proposes using a multi-bowl wellhead assembly. 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.

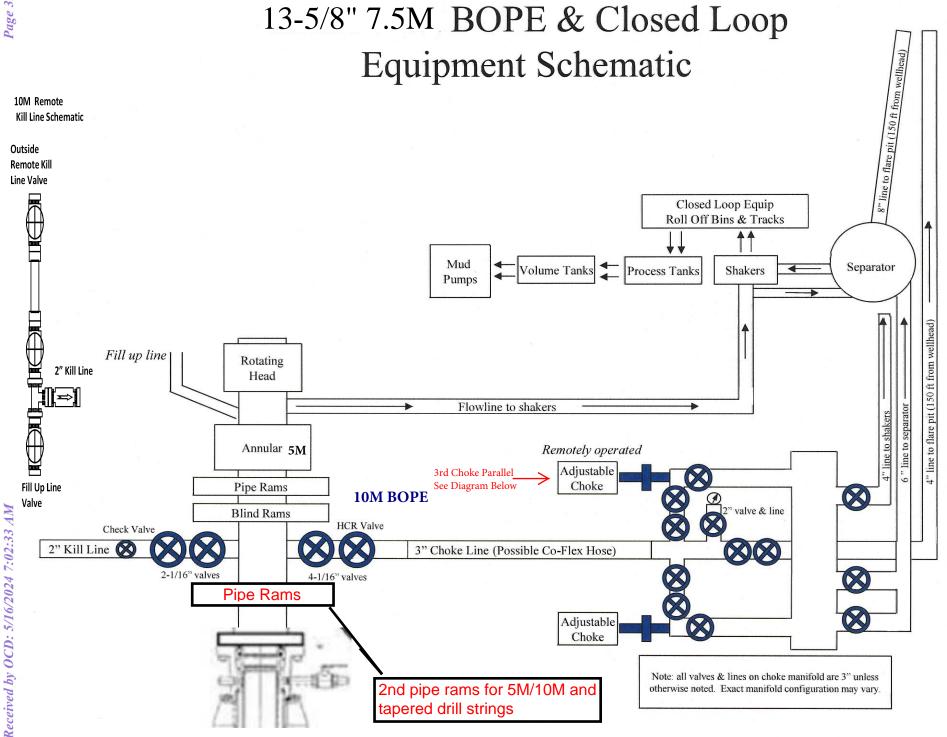
- Wellhead will be installed by wellhead representatives.
- If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- Wellhead representative will install the test plug for the initial BOP test.
- Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to 5M, as shown on the attached schematic.
 Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.
- If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
- Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
- Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.

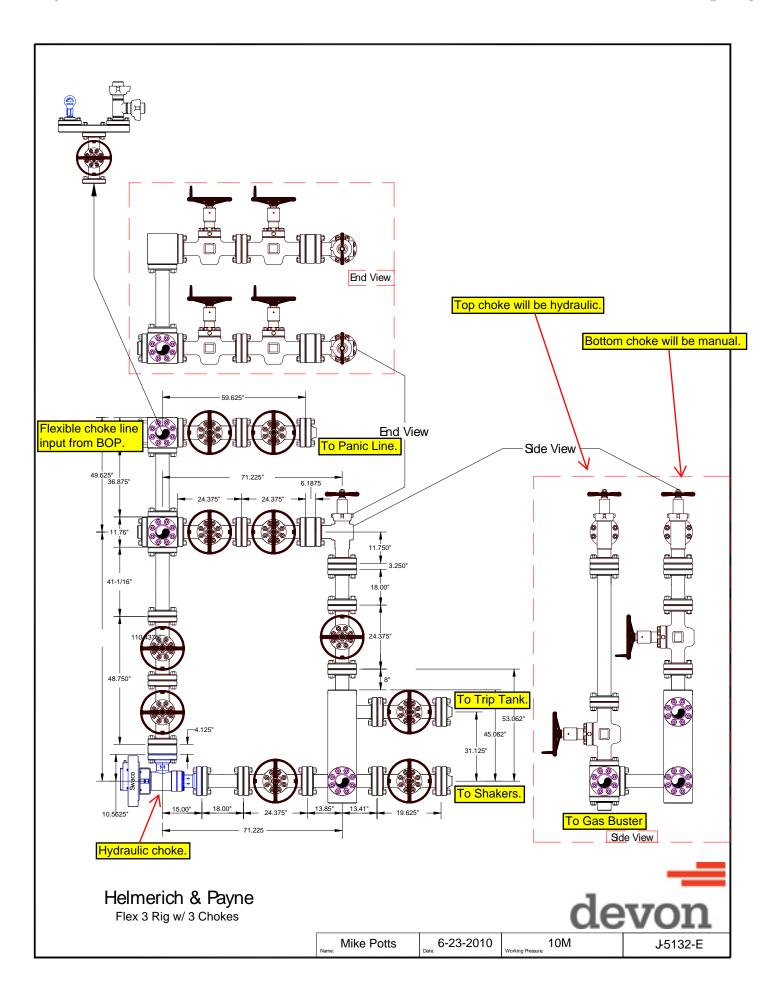
After running the surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2.

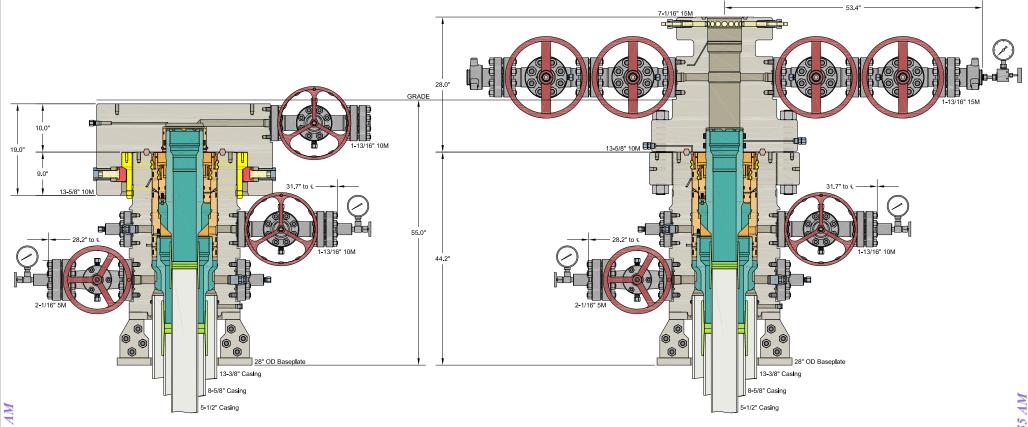
After running the intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed and tested, with 5M annular being tested to 100% of rated working pressure.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 10,000 psi WP.

Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron.







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CACTUS WELLHEAD LLC

13-3/8" x 8-5/8" x 5-1/2" 5M MBU-3T Wellhead System With 8-5/8" & 5-1/2" Pin Down Rotating Mandrel Hangers And 13-5/8" 10M x 7-1/16" 15M CTH-P-DBLHPS Tubing Head

DEVON ENERGY CORPORATIO

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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

Devon Energy Production Company LP OPERATOR'S NAME:

NMLC061873B **LEASE NO.:**

LOCATION: Section 8, T.25 S., R.32 E., NMPM **COUNTY:** •

Lea County, New Mexico

WELL NAME & NO.: Mustang 8-17 Fed 715H

2470'/N & 635'/W **SURFACE HOLE FOOTAGE:** 20'/S & 330'/W **BOTTOM HOLE FOOTAGE ATS/API ID:** ATS-22-1053

> **APD ID:** 10400084302

Sundry ID: N/a

WELL NAME & NO.: Mustang 8-17 Fed 825H

SURFACE HOLE FOOTAGE: 2470'/N & 665'/W 20'/S & 550'/W **BOTTOM HOLE FOOTAGE**

ATS/API ID: ATS-22-1056 **APD ID:** 10400084307

> **Sundry ID:** N/a

> > COA

H2S	No 🔻		
Potash	None		
Cave/Karst Potential	Low		
Cave/Karst	□ Critical		
Potential			
Variance	None	Flex Hose	C Other
Wellhead	Conventional and Multibow	vI 🔻	
Other	□4 String	Capitan Reef	□WIPP
		None	
Other	Pilot Hole	☐ Open Annulus	
	None 🔻		
Cementing	Contingency Squeeze	Echo-Meter	Primary Cement
	Int 1	None ▼	Squeeze
			None -
Special	☐ Water	□ СОМ	□ Unit
Requirements	Disposal/Injection		
Special	☐ Batch Sundry		
Requirements			
Special	☐ Break Testing	□ Offline	☐ Casing
Requirements		Cementing	Clearance
Variance			

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 **43 CFR part 3170 Subpart 3176**, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

- 1. The 13-3/8 inch surface casing shall be set at approximately 800 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite and above the salt when present, and below usable fresh water) and cemented to the surface. The surface hole shall be 17 1/2 inch in diameter.
 - 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 8-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
 Cement excess is less than 25%, more cement is required if washout occurs. Adjust cement volume and excess based on a fluid caliper or similar method that reflects the as-drilled size of the wellbore.

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

If cement does not tie-back into the previous casing shoe, a third stage remediation BH may be performed. The appropriate BLM office shall be notified.

- 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.

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 8-5/8 inch intermediate casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.

Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the 13-3/8 inch 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. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) 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 43 CFR 3172.6(b)(9) must be followed.

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)

✓ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 689-5981

- 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 **43** CFR part **3170** Subpart **3172** 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 when present.
- 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. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 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. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 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 43 CFR part 3170 Subpart 3172 and API STD 53 Sec. 5.3.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. 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 43 CFR 3172.6(b)(9) 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 cement), 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to 43 CFR part 3170 Subpart 3172 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 43 CFR part 3170 Subpart 3172.
- 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.

Long Vo (LVO) 4/30/2024



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

Hydrogen Sulfide (H₂S) Contingency Plan

For

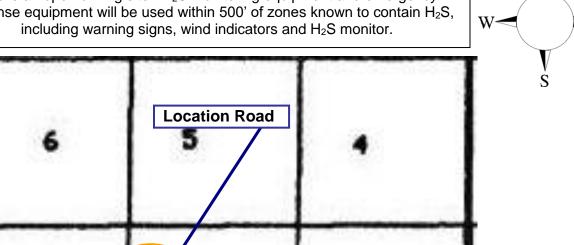
Mustang 8-17 Fed 825H

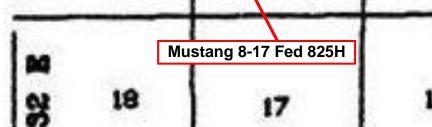
Sec-8 T-25S R-32E 2470 FNL & 665' FWL LAT. = 32.1453049 N (NAD83) LONG = 103.7036577 W

Lea County NM

Mustang 8-17 Fed 825H

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.





3000' (Radius of Exposure) Assumed 100 ppm ROE 100 ppm H2S concentration shall trigger activation of this plan.

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.

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, 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 H₂S 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 (SO₂). 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 H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	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 (H₂S) 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 (H₂S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H₂S 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 H₂S 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 H₂S Drilling Operations Plan.

There will be weekly H₂S and well control drills for all personnel in each crew.

II. HYDROGEN SULFIDE TRAINING

Note: All H_2S 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_2S .

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.

Fire extinguishers are located at various locations around the rig. First Aid supplies are located in the top doghouse and the rig manger's office.

3. H₂S detection and monitoring equipment:

Portable H₂S monitors positioned on location for best coverage and response. These units have warning lights which activate when H₂S 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

4. 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.

5. Mud program:

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight, safe drilling practices and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.

6. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H₂S trim.

All elastomers used for packing and seals shall be H₂S trim.

7. Communication:

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

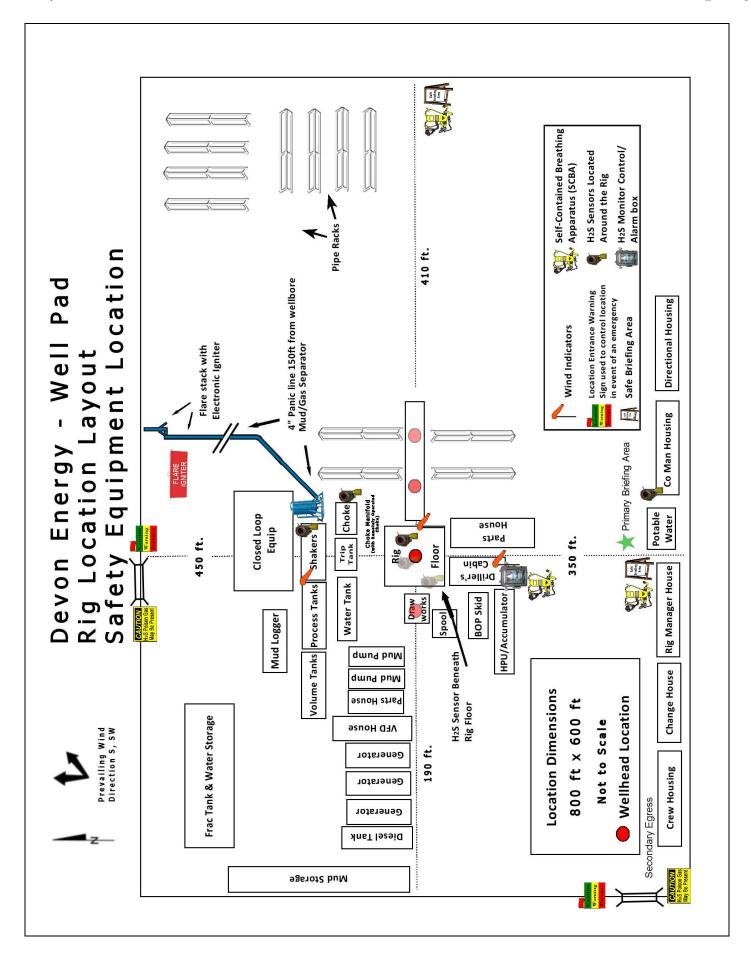
8. Well testing:

- 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 H₂S environment will use the closed chamber method of testing.
- **b.** There will be no drill stem testing.

Devon Energy Corp. Company Call List						
Employee/Company Contact Representative		Position	Phone Number	After Hours Number		
Jonathan Fisher (North)		Drilling Manager	832-967-7912			
Jason Hildebrand (South)		Drilling Manager	405-552-6514			
Rich Downey		Drilling VP	405-228-2415			
Josh Harvey		EHS Manger	405-228-2440	918-500-5536		
Laura Wright		EHS Supervisor	405-552-5334	832-969-8145		
Robert Glover		EHS Professional	575-703-5712	575-703-5712		
Lane Frank		Lead EHS	580-579-7052	580-579-7052		
Rickey Po		Lead EHS	903-720-8315	903-720-8315		
Brock Vise		Lead EHS	918-413-3291	918-413-3291		
Agency	Call List					
Lea	Hobbs					
County	Lea County Communic	ation Authority		397-9265		
<u>(575)</u>	State Police			885-3138		
	City Police			397-9265		
	Sheriff's Office			396-3611		
	Ambulance 911					
	Fire Department		397-9308			
	LEPC (Local Emergen	ee)	393-2870			
	NMOCD	393-6161				
	US Bureau of Land Ma	fice Closed)	393-0002			
Eddy	Carlsbad					
County (575)	State Police		885-3137			
<u>(575)</u>	City Police	885-2111				
	Sheriff's Office	887-7551				
	Ambulance		911			
	Fire Department	\	885-3125			
	LEPC (Local Emergen	,	887-3798			
	US Bureau of Land M	aa)	(575)-706-1920			
	BLM – CFO		(575)-234-5909			
	BLM - PET Petroleur	(575) 234-5972 (575) 689-5981				
	Cement Notifications		(EOE) 476 OCCO			
	NM Emergency Respo	(505) 476-9600				
	24 HR	(505) 827-9126				
	National Emergency R	(800) 424-8802				
	National Pollution Cont		(703) 872-6000			
	For Oil Spills		(800) 280-7118			
	Emergency Services					
	Wild Well Control			(281) 784-4700		
	Cudd Pressure Contro	(915) 563-3356				
	Halliburton	(575) 746-2757				

	B. J. Services	(575) 746-3569
Give	Native Air – Emergency Helicopter – Hobbs	(575) 347-9836
GPS	For Air Ambulance - Eddy County Dispatch	(575)-616-7155
position:	For Air Ambulance - Lea County (LCCA)	(575)-397-9265
	Poison Control (24/7)	(800) 222-1222
	Oil & Gas Pipeline 24 Hour Service	(800) 364-4366
	NOAA – Website - www.nhc.noaa.gov	
	National Pollution Control Center	202-795-6958
	NPCC – Oil Spills	800-280-7118
	BNSF Railroad Resource Operations	800-832-5452
	NM OSHA – Santa Fe	505-222-9595
	NM OSHA (Reporting)	877-610-6742
	· · ·	505-476-8700

Prepared in conjunction with Dave Small



District I
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

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**

CONDITIONS

Action 344933

CONDITIONS

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	344933
	Action Type:
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	6/4/2024
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	6/4/2024
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	6/4/2024
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	6/4/2024
pkautz	If cement does not circulate on any string, a CBL is required for that string of casing	6/4/2024