

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

Operator Certification Data Report

Operator Certification

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

NAME: Rebecca Deal Signed on: 03/15/2018

Title: Regulatory Compliance Professional

Street Address: 333 West Sheridan Avenue

City: Oklahoma City State: OK Zip: 73102

Phone: (405)228-8429

Email address: Rebecca.Deal@dvn.com

Field Representative

Representative Name: Travis Phibbs

Street Address: 6488 Seven Rivers Hwy

City: Artesia State: NM Zip: 88210

Phone: (575)748-9929

Email address: travis.phibbs@dvn.com



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

Application Data Report

07/16/2018

APD ID: 10400028460 **Submission Date:** 03/19/2018

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: FLAGLER 8 FED Well Number: 26H

Well Type: OIL WELL Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General

BLM Office: CARLSBAD User: Rebecca Deal Title: Regulatory Compliance

Professional Professional

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

Lease number: NMNM097151 Lease Acres: 520

Surface access agreement in place? Allotted? Reservation:

Agreement in place? NO Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO APD Operator: DEVON ENERGY PRODUCTION COMPANY LP

Operator letter of designation:

Operator Info

Operator Organization Name: DEVON ENERGY PRODUCTION COMPANY LP

Operator Address: 333 West Sheridan Avenue
Zip: 73102

Operator PO Box:

Operator City: Oklahoma City State: OK

Operator Phone: (405)552-6571
Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO Mater Development Plan name:

Well in Master SUPO? NO Master SUPO name:

Well in Master Drilling Plan? NO Master Drilling Plan name:

Well Name: FLAGLER 8 FED Well Number: 26H Well API Number:

Field/Pool or Exploratory? Field and Pool Field Name: RED HILLS Pool Name: UPPER BONE

SPRING SHALE

Well Name: FLAGLER 8 FED Well Number: 26H

Is the proposed well in an area containing other mineral resources? USEABLE WATER

Describe other minerals:

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

Type of Well Pad: MULTIPLE WELL Multiple Well Pad Name: Number: 3

Well Class: HORIZONTAL FLAGLER 8
Number of Legs: 1

Well Work Type: Drill
Well Type: OIL WELL
Describe Well Type:
Well sub-Type: INFILL

Describe sub-type:

Distance to town: Distance to nearest well: 3061 FT Distance to lease line: 380 FT

Reservoir well spacing assigned acres Measurement: 160 Acres

Well plat: Flagler_8_Fed_26H_C_102_Signed_20180612114541.pdf

Well work start Date: 03/10/2019 Duration: 45 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 Vertical Datum: NAVD88

Survey number:

| | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD |
|------------------|---------|--------------|----------|--------------|------|-------|---------|-------------------|---------------|----------------------|--------|-------|-------------------|------------|----------------|---------------|----------|----------|
| SHL Leg #1 | 380 | FSL | 263 0 | FEL | 25S | 33E | 8 | Aliquot SWSE | 32.13889 9 | - 103.5942 456 | LEA | | NEW MEXI CO | F | NMNM 097151 | 344 6 | 0 | 0 |
| KOP Leg #1 | 200 | FSL | 243 5 | FEL | 25S | 33E | 8 | Aliquot SWSE | 32.13840 5 | - 103.5936 17 | LEA | | NEW MEXI CO | F | NMNM 097151 | - 578 1 | 923 3 | 922 7 |
| PPP Leg #1 | 330 | FSL | 243 5 | FEL | 25S | 33E | 8 | Aliquot SWSE | 32.13875 8 | - 103.5936 17 | LEA | | NEW MEXI CO | F | NMNM 097151 | - 614 2 | 962 4 | 958 8 |

Well Name: FLAGLER 8 FED Well Number: 26H

| | NS-Foot | NS Indicator | EW-Foot | EW Indicator | Twsp | Range | Section | Aliquot/Lot/Tract | Latitude | Longitude | County | State | Meridian | Lease Type | Lease Number | Elevation | MD | TVD |
|------|---------|--------------|---------|--------------|------|-------|---------|-------------------|----------|-----------|--------|-------|----------|------------|--------------|-----------|-----|-----|
| EXIT | 330 | FNL | 243 | FEL | 25S | 33E | 8 | Aliquot | 32.15145 | - | LEA | NEW | NEW | F | NMNM | - | 143 | 980 |
| Leg | | | 5 | | | | | NWNE | 9 | 103.5936 | | MEXI | MEXI | | 097151 | 635 | 09 | 0 |
| #1 | | | | | | | | | | 01 | | CO | CO | | | 4 | | |
| BHL | 330 | FNL | 243 | FEL | 25S | 33E | 8 | Aliquot | 32.15145 | - | LEA | NEW | NEW | F | NMNM | - | 143 | 980 |
| Leg | | | 5 | | | | | NWNE | 9 | 103.5936 | | MEXI | MEXI | | 097151 | 635 | 09 | 0 |
| #1 | | | | | | | | | | 01 | | CO | CO | | | 4 | | |



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

Drilling Plan Data Report

07/16/2018

APD ID: 10400028460 Submission Date: 03/19/2018

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Number: 26H Well Name: FLAGLER 8 FED

Well Type: OIL WELL Well Work Type: Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

| Formation ID | Formation Name | Elevation | True Vertical Depth | Measured Depth | Lithologies | Mineral Resources | Producing Formation |
|--------------|-----------------|-----------|------------------------|-------------------|-----------------|-------------------|---------------------|
| 1 | | 3467 | 0 | 0 | OTHER : Surface | NONE | No |
| 2 | RUSTLER | 2322 | 1145 | 1145 | SANDSTONE | NONE | No |
| 3 | TOP SALT | 1959 | 1508 | 1508 | SALT | NONE | No |
| 4 | BELL CANYON | -1533 | 5000 | 5000 | SANDSTONE | NATURAL GAS,OIL | No |
| 5 | BASE OF SALT | -1533 | 5000 | 5000 | LIMESTONE | NONE | No |
| 6 | CHERRY CANYON | -2573 | 6040 | 6040 | SANDSTONE | NATURAL GAS,OIL | No |
| 7 | BRUSHY CANYON | -4223 | 7690 | 7690 | SANDSTONE | NATURAL GAS,OIL | No |
| 8 | BONE SPRING | -5643 | 9110 | 9110 | SHALE | NATURAL GAS,OIL | Yes |
| 9 | BONE SPRING 1ST | -6549 | 10016 | 10016 | SANDSTONE | NATURAL GAS,OIL | No |

Section 2 - Blowout Prevention

Rating Depth: 5000 Pressure Rating (PSI): 3M

Equipment: BOP/BOPE will be installed per Onshore Oil & Gas Order #2 requirements prior to drilling below 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system. BOP/BOPE will be tested by an independent service company per Onshore Oil & Gas Order #2 requirements and MASP (Maximum Anticipated Surface Pressure) calculations. If the system is upgraded, all the components installed will be functional and tested.

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP stack to the choke manifold. See attached for specs for hydrostatic test chart.

Testing Procedure: 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.

Choke Diagram Attachment:

Flagler_8_Fed_26H_3M_BOPE_CK_20180315132239.pdf

Well Name: FLAGLER 8 FED Well Number: 26H

Flagler_8_Fed_26H_3M_BOPE_CK_20180315132239.pdf

BOP Diagram Attachment:

Flagler_8_Fed_26H_3M_BOPE_CK_20180315132255.pdf

Pressure Rating (PSI): 3M Rating Depth: 9800

Equipment: BOP/BOPE will be installed per Onshore Oil & Dil & Order #2 requirements prior to drilling below 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system. BOP/BOPE will be tested by an independent service company per Onshore Oil & Dil & Order #2 requirements and MASP (Maximum Anticipated Surface Pressure) calculations. If the system is upgraded, all the components installed will be functional and tested.

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP stack to the choke manifold. See attached for specs for hydrostatic test chart.

Testing Procedure: 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.

Choke Diagram Attachment:

Flagler_8_Fed_26H_3M_BOPE_CK_20180315132313.pdf

BOP Diagram Attachment:

Flagler_8_Fed_26H_3M_BOPE_CK_20180315132331.pdf

Section 3 - Casing

| Casing ID | String Type | Hole Size | Csg Size | Condition | Standard | Tapered String | Top Set MD | Bottom Set MD | Top Set TVD | Bottom Set TVD | Top Set MSL | Bottom Set MSL | Calculated casing length MD | Grade | Weight | Joint Type | Collapse SF | Burst SF | Joint SF Type | Joint SF | Body SF Type | Body SF |
|-----------|------------------|-----------|----------|-----------|----------|----------------|------------|---------------|-------------|----------------|-------------|----------------|--------------------------------|-----------|--------|----------------|-------------|----------|---------------|----------|--------------|---------|
| 1 | SURFACE | 17.5 | 13.375 | NEW | API | N | 0 | 1150 | 0 | 1150 | | | 1150 | H-40 | _ | | 1.12 5 | 1.25 | BUOY | 1.6 | BUOY | 1.6 |
| - 1 | INTERMED IATE | 12.2 5 | 9.625 | NEW | API | N | 0 | 5000 | 0 | 5000 | | | 5000 | J-55 | - | OTHER - BTC | 1.12 5 | 1.25 | BUOY | 1.6 | BUOY | 1.6 |
| | PRODUCTI ON | 8.75 | 5.5 | NEW | API | N | 0 | 14309 | 0 | 9800 | | | 14309 | P- 110 | | OTHER - BTC | 1.12 5 | 1.25 | BUOY | 1.6 | BUOY | 1.6 |

Casing Attachments

| Operator Name: DEVON ENERGY PR | RODUCTION COMPANY LP |
|--------------------------------|---------------------------|
| Well Name: FLAGLER 8 FED | Well Number: 26H |
| Casing Attachments | |
| Casing ID: 1 String T | Type:SURFACE |
| Inspection Document: | |
| Spec Document: | |
| Tapered String Spec: | |
| Casing Design Assumptions and | Worksheet(s): |
| Flagler_8_Fed_26H_Surf_Cs | sg_Ass_20180315132346.pdf |
| Casing ID: 2 String T | Type:INTERMEDIATE |
| Inspection Document: | |
| Spec Document: | |
| Tapered String Spec: | |
| Casing Design Assumptions and | Worksheet(s): |
| Flagler_8_Fed_26H_Int_Csg | _Ass_20180315132359.pdf |
| Casing ID: 3 String T | Type:PRODUCTION |
| Inspection Document: | |
| Spec Document: | |
| Tapered String Spec: | |
| Casing Design Assumptions and | Worksheet(s): |
| Flagler 8 Fed 26H Prod C | sg Ass 20180315132425.pdf |

Section 4 - Cement

Well Name: FLAGLER 8 FED Well Number: 26H

| String Type | Lead/Tail | Stage Tool Depth | Top MD | Bottom MD | Quantity(sx) | Yield | Density | Cu Ft | Excess% | Cement type | Additives |
|-------------|-----------|---------------------|--------|-----------|--------------|-------|---------|-------|---------|-------------|---------------------------------|
| SURFACE | Lead | | 0 | 815 | 901 | 1.33 | 14.8 | 1198 | 50 | CLASS C | 0.125 lbs/sack Poly-F- Flake |

| INTERMEDIATE | Lead | 0 | 3950 | 511 | 3.65 | 10.3 | 1864 | 30 | 50:50 POZ | (65:35) Class C Cement: Poz (Fly Ash): 6% BWOC Bentonite + 5% BWOW Sodium Chloride + 0.125 lbs/sks Poly-E-Flake |
|--------------|------|------|-----------|------|------|------|------|----|-----------|--|
| INTERMEDIATE | Tail | 3950 | 4450 | 306 | 1.33 | 14.8 | 407 | 30 | С | 0.125 lbs/sack Poly-F- Flake |
| PRODUCTION | Lead | 4800 | 9700 | 457 | 3.27 | 9 | 1494 | 25 | TUNED | N/A |
| PRODUCTION | Tail | 9700 | 1430 9 | 1207 | 1.2 | 14.5 | 1449 | 25 | CLASS H | (50:50) Clas H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite |

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

Describe the mud monitoring system utilized: PVT/Pason/Visual Monitoring

Circulating Medium Table

Well Name: FLAGLER 8 FED Well Number: 26H

| Top Depth | Bottom Depth | Mud Type | Min Weight (lbs/gal) | Max Weight (lbs/gal) | Density (lbs/cu ft) | Gel Strength (lbs/100 sqft) | ЬН | Viscosity (CP) | Salinity (ppm) | Filtration (cc) | Additional Characteristics |
|-----------|--------------|--------------------|----------------------|----------------------|---------------------|-----------------------------|----|----------------|----------------|-----------------|----------------------------|
| 0 | 1150 | WATER-BASED MUD | 8.4 | 9 | | | | 2 | | | |
| 5000 | 1430 9 | WATER-BASED MUD | 8.33 | 9.3 | | | | 12 | | | |
| 1150 | 5000 | SALT SATURATED | 9 | 10.5 | | | | 2 | | | |

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will run GRMWD from TD to from KOP. Cement bond logs will be run in vertical to determine top of cement. Stated logs run will be in the Completion Report and submitted to the BLM.

List of open and cased hole logs run in the well:

CALIPER, CBL, DS, GR, MUDLOG

Coring operation description for the well:

N/A

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4720 Anticipated Surface Pressure: 2564

Anticipated Bottom Hole Temperature(F): 160

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Flagler_8_Fed_26H_H2S_Plan_20180315132830.pdf

Well Name: FLAGLER 8 FED Well Number: 26H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Flagler_8_Fed_26H_Dir_Svy_20180315132844.pdf

Flagler_8_Fed_26H_Plot_Plan_20180315132903.pdf

Other proposed operations facets description:

MULTI-BOWL VERBIAGE

MULTI-BOWL WELLHEAD

CLOSED LOOP DESIGN PLAN

DRILLING PLAN w/ CONTINGENCY

CO-FLEX HOSE

SPUDDER RIG REQUEST

AC REPORT

GCP FORM

Other proposed operations facets attachment:

Flagler_8_Fed_26H_AC_Report_20180315132951.pdf

Flagler_8_Fed_26H_Clsd_Loop_20180315132952.pdf

Flagler_8_Fed_26H_MB_Verb_3M_20180315132953.pdf

Flagler_8_Fed_26H_MB_Wellhd_3M_20180315132953.pdf

Flagler_8_Fed_26H_Spudder_Rig_Info_20180315133002.pdf

Flagler_8_Fed_Com_26H_Drlg_Plan_w_Cont_20180319080855.pdf

Flagler_8_Fed_26H_GCP_Form_20180612114606.pdf

Other Variance attachment:

Flagler_8_Fed_26H_Co_flex_20180315133011.pdf

1. Geologic Formations

| TVD of target | 9,800' | Pilot hole depth | N/A |
|---------------|---------|-------------------------------|-----|
| MD at TD: | 14,309' | Deepest expected fresh water: | |

Basin

| Formation | Depth (TVD) from KB | Water/Mineral Bearing/ Target Zone? | Hazards* |
|-----------------|------------------------|--|----------|
| RUSTLER | 1145 | | |
| TOP SALT | 1508 | | |
| BASE OF SALT | 5000 | | |
| BELL CANYON | 5000 | | |
| CHERRY CANYON | 6040 | | |
| BRUSHY CANYON | 7690 | | |
| BONE SPRING | 9110 | | |
| BONE SPRING 1ST | 10016 | | |
| BONE SPRING 2ND | 10610 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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

2. Casing Program

| Hole | Casing Interval | | Csg. | Weight | Grade | Conn. | SF | SF | SF |
|--------|------------------------|---------|---------|---------|------------|----------|----------|-------|---------|
| Size | From | To | Size | (lbs) | | | Collapse | Burst | Tension |
| 17.5" | 0 | 1,150' | 13.375" | 48 | H40 | STC | 1.125 | 1 | 1.6 |
| 12.25" | 0 | 5,000' | 9.625" | 40 | J55 | LTC | 1.125 | 1 | 1.6 |
| 8.75" | 0 | 14,309' | 5.5" | 17 | P110 | BTC | 1.125 | 1 | 1.6 |
| | | | | BLM Min | imum Safet | y 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 III.B.1.h

Must have table for contingency casing

| | Y or N |
|--|--------|
| Is casing new? If used, attach certification as required in Onshore Order #1 | Y |
| Does casing meet API specifications? If no, attach casing specification sheet. | Y |
| Is premium or uncommon casing planned? If yes attach casing specification sheet. | N |
| Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria). | Y |
| Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing? | Y |
| Is well located within Capitan Reef? | N |
| If yes, does production casing cement tie back a minimum of 50' above the Reef? | |
| Is well within the designated 4 string boundary. | |
| Is well located in SOPA but not in R-111-P? | N |
| If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing? | |
| Is well located in R-111-P and SOPA? | N |
| If yes, are the first three strings cemented to surface? | |
| Is 2 nd string set 100' to 600' below the base of salt? | |
| Is well located in high Cave/Karst? | N |
| If yes, are there two strings cemented to surface? | |
| (For 2 string wells) If yes, is there a contingency casing if lost circulation occurs? | |
| Is well located in critical Cave/Karst? | N |
| If yes, are there three strings cemented to surface? | |

3. Cementing Program

| Casing | # Sks | Wt. lb/ gal | Yld ft3/ sack | H ₂ 0 gal/sk | 500# Comp. Strength (hours) | Slurry Description |
|--------|-------|-------------------|---------------------|----------------------------|--------------------------------------|---|
| Surf. | 901 | 14.8 | 1.33 | 6.32 | 6 | Lead: Class C Cement + 0.125 lbs/sack Poly-F-Flake |
| Inter. | 511 | 10.3 | 3.65 | 22.06 | 24 | Lead: (50:50) Poz (Silica) 3 lbm/sk Kol-Seal, .125 lbm/sk Poly-E-Flake |
| | 306 | 14.8 | 1.33 | 6.32 | 6 | Tail: Class C Cement + 0.125 lbs/sack Poly-F-Flake |
| Prod. | 457 | 9 | 3.27 | 13.5 | 21 | Lead: Tuned Light Cement |
| | 1207 | 14.5 | 1.2 | 5.31 | 25 | Tail: (50:50) Clas H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite |

| Casing String | TOC | % Excess |
|---------------------|-------|----------|
| 13-3/8" Surface | 0' | 50% |
| 9-5/8" Intermediate | 0' | 30% |
| 5-1/2" Production | 4800' | 25% |

4. Pressure Control Equipment

N A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

| BOP installed and tested before drilling which hole? | Size? | Min. Required WP | Туре | | ✓ | Tested to: |
|---|---------|------------------------|-----------|--------|----------|-------------------------|
| | | | Anı | nular | X | 50% of working pressure |
| | | 3M | Bline | d Ram | | |
| 12-1/4" | 13-5/8" | | Pipe Ram | | | 3M |
| | | | Doub | le Ram | 1 X | |
| | | | Other* | | | |
| | 13-5/8" | 3M | Anı | nular | X | 50% of working pressure |
| | | | Blind Ram | | | |
| 8-3/4" | | | Pipe Ram | | | |
| 0-3/4 | | | Doub | le Ram | X | 3M |
| | | | Other | | | |
| | | | * | | | |
| | | | Annular | | | |
| | | | Blind Ram | | | _ |

| Pipe Ram | | |
|------------|--|--|
| Double Ram | | |
| Other | | |
| * | | |

^{*}Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

- Y Formation integrity test will be performed per Onshore Order #2.
 On Exploratory wells or 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. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
- A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
 - Y Are anchors required by manufacturer?
- Y A multibowl wellhead is being 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. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi.

- o Wellhead will be installed by wellhead representatives.
- o 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.
- o 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 packoff, the pack-off and the lower flange will be tested to 3M, 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.

- o 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.
- O Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
- Onshore Order #2.

After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 3,000 psi high pressure test. The 3,000 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 9-5/8' intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 3M will already be installed on the wellhead.

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 3,000 psi WP.

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

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 3,000 psi WP.

5. Mud Program

| Depth | | Type | Weight (ppg) | Viscosity | Water Loss |
|-------|--------|-----------------|--------------|-----------|------------|
| From | To | | | | |
| 0 | 1150 | FW Gel | 8.5-9.0 | 28-34 | N/C |
| 1150 | 5,000 | Saturated Brine | 10.0-11.0 | 28-34 | N/C |
| 5,000 | 14,309 | Cut Brine | 8.5-9.3 | 28-34 | N/C |

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 | PVT/Pason/Visual Monitoring |
|---|-----------------------------|
| of fluid? | |

6. Logging and Testing Procedures

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

| Additional logs planned | | Interval | | |
|-------------------------|-------------|-------------------|--|--|
| | Resistivity | Int. shoe to KOP | | |
| | Density | Int. shoe to KOP | | |
| X | CBL | Production casing | | |
| X | Mud log | KOP to TD | | |
| | PEX | | | |

7. Drilling Conditions

| Condition | Specify what type and where? | | |
|----------------------------|------------------------------|--|--|
| BH Pressure at deepest TVD | 4720 psi | | |
| Abnormal Temperature | No | | |

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

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

N | H2S is present

| N | H2S is present |
|---|-------------------|
| Y | H2S Plan attached |

8. Other facets of operation

Is this a walking operation? Yes Will be pre-setting casing? Yes

- 1. Spudder rig will move in and drill surface hole.
 - **a.** Rig will utilize fresh water based mud to drill 17½" 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 13-3/8" 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 the 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.

| Atta | achments |
|------|------------------|
| _X_ | Directional Plan |
| | Other, describe |