Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an

. OCD Hobbs

FORM APPROVED OMB No. 1004-0137 Evpires: October 31, 201

	CHAID	10. 1007	-01.	"
	Expires:	October	31,	20
ce Serial No				

5. Lease Serial No. BHL:NMNM043564

6. If Indian, Allottee or Tribe Name

abandoned well.	Use Form 3160-3 (AF	PD) for such p	roposals.	AF)		· · · · · · · · · · · · · · · · · · ·		
SUBM	IT IN TRIPLICATE - Other in	nstructions on pag	3º MOBBS O	السال	7. If Unit of CA/Agree	ment, Name	and/or No	·
I. Type of Well ☑ Oil Well ☐ Gas V	<u>·</u>		MAY 12	2015	8. Well Name and No Gaucho 21 Fed 3H	3 4H	-021	<u> </u>
2. Name of Operator Devon Energy Production Compan	v. L.P.				9. API Well No.	UDIA		27 7 - 1 6
3a. Address 6488 Seven Rivers Highway Artesia, NM 88210	3	3b. Phone No. <i>(incl</i>	ude ar RECOLE)	/ED_	10. Field and Pool or E Gaucho	Exploratory A	reà	<u> </u>
4. Location of Well <i>(Footage, Sec., T.</i> 200 FSL & 1500 FEL; Sec 21, T22S, R 34E. 200 FSL & 1450 FEL; Sec 21, T22S, R 34E.—	,R.,M., or Survey Description)				11. County or Parish, S Sec 21,T22S, R34E	State	•	
12. CHE	CK THE APPROPRIATE BOX	K(ES) TO INDICA	ΓΕ NATURE OF	NOTIC	CE, REPORT OR OTHE	ER DATA		
TYPE OF SUBMISSION	·		ТҮРЕ С	OF ACT	ION			
✓ Notice of Intent	Acidize Alter Casing	Deepen Fracture T	reat [_	uction (Start/Resume)	☐ Well	r Shut-Off Integrity	
Subsequent Report	Casing Repair Change Plans	New Cons		_	mplete porarily Abandon	7 Othe	On-Lea	ase Flow Line
Final Abandonment Notice	Convert to Injection	Plug Back	_	_ `	r Disposal			
following completion of the involutesting has been completed. Final determined that the site is ready for the spacings for said line will be 30. These lines are expected to each of the expected start date will be soon affected work time should be 1 were started.	Abandonment Notices must be or final inspection.) The meditch Fiberflex Poly Flow of feet wide by 1,134.68 feet earry 400 BOE a day. The approval of this sundry are	e filed only after all vilnes from the Ga	requirements, in- aucho 21 Fed 3 taining 0.78 acre	cluding H and 4 es.	reclamation, have been	completed a	nd the ope	
See attached plat R3565.							•	
							`	
14. I hereby certify that the foregoing is James Crittenden	true and correct. Name (Printed)	(Typed)					· · · · · · · · · · · · · · · · · · ·	
James Ontendon		Tit	le Landman					
Signature / Lin	>	. Da	le 04/22/2015				·	
	THIS SPACE F	OR FEDERA	L OR STAT	E OF	FICE USE	··· · · · · · · · · · · · · · · · · ·		
Approved by	/ STEPHEN J. CAFF	EY	Title			Date MA	\Y 4	2015
Conditions of approval, if any, are attach that the applicant holds legal or equitable entitle the applicant to conduct operation	title to those rights in the subject	not warrant or certify t lease which would						
Title 18 U.S.C. Section 1001 and Title 4.	3 U.S.C. Section 1212, make it a	crime for any person	knowingly and w	illfully i	to make to any departmen	it or agency o	f the Unite	d States any false,

(Instructions on page 2)

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

MAY 1 3 2015

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Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVEI	D
OMB No. 1004-013	37
Expires: October 31	201

5. Lease Serial No. BHL:NMNM043564;

6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals

abandoned wen.	03e i 01111 3 100-3 (A	rb) ioi suc	n proposal	13.			
SUBMIT IN TRIPLICATE - Other instructions on page 2.			7. If Unit of CA/Agreement, Name and/or No.				
1. Type of Well						•	
✓ Oil Well ☐ Gas Well ☐ Other					8. Well Name and No. Gaucho 21 Fed 3H;		
2. Name of Operator Devon Energy Production Company	, L.P.				9. API Well No. 30 - 045 - 42	136	
3a. Address 6488 Seven Rivers Highway		3b. Phone No. (include area co	de)	10. Field and Pool or Exploratory Area		
Artesia, NM 88210		575-748-1854			Gaucho; Bone Spring		
4. Location of Well (Footage, Sec., T., I 200 FSL & 1450 FWL; Sec 21, T22S, R 34E. 200 FSL & 1500 FWL; Sec 21, T22S, R 34E.	R., M., or Survey Description Gaucho 21 Federal 3H Gaucho 21 Federal 4H)			11. County or Parish, S Sec 21,T22S, R34E		
12. CHEC	K THE APPROPRIATE BO	X(ES) TO INDI	CATE NATUR	E OF NOTIC	E, REPORT OR OTHE	ER DATA	
TYPE OF SUBMISSION			TY	PE OF ACT	ION		
✓ Notice of Intent	Acidize	Deeper	n	Produ	action (Start/Resume)	Water Shut-Off	
Worker of friend	Alter Casing	Fractu	re Treat	Recta	mation	Well Integrity	
Subsequent Report	Casing Repair	New C	Construction	Reco	mplete	Other On-Lease Flow Line	
Subsequent Report	Change Plans	Plug 2	nd Abandon	Temp	orarily Abandon		
Final Abandonment Notice	Convert to Injection	Plug B	ack	☐ Watc	r Disposal		
following completing of the involve testing has been completed. Final a determined that the site is ready for. To construct a 8" buried in the same. The spacings for said line will be 30. These lines are expected to carry 40. Expected start date will be soon after the Expected work time should be 1 week. See attached plat R3565.	Abandonment Notices must in final inspection.) I ditch Fiber flex Poly Flow feet wide by 1,134.68 feet MOE a day each. If approval of this sundry.	be filed only after	r all requiremen Gaucho 21 Fed	ts, including	reclamation, have been	completed and the operator has	
14. Thereby certify that the foregoing is tr James Crittenden	ue and correct. Name (Printe	d/Typed)	Title Landma	ın			
Signature Will			Date 1	1/17/	2015		
	THIS SPACE	FOR FEDER	RAL OR ST	ATE OFF	ICE USE		
Approved by							
		•	Title		1	Date	
Conditions of approval, if any, are attached that the applicant holds legal or equitable ti entitle the applicant to conduct operations t	tle to those rights in the subje		ertify				
Title 18 U.S.C. Section 1001 and Title 43 I fictitious or fraudulent statements or representations.		• •		and willfully to	o make to any departmen	t or agency of the United States any false	

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations and reports of such operations when completed as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local area or regional procedures and practices, are either shown below, will be issued by or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present productive zones or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to the top of any tubing left in the hole; method of closing top of well and date well site conditioned for final inspection looking for approval of the abandonment.

NOTICES

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and grantingapproval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c)and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

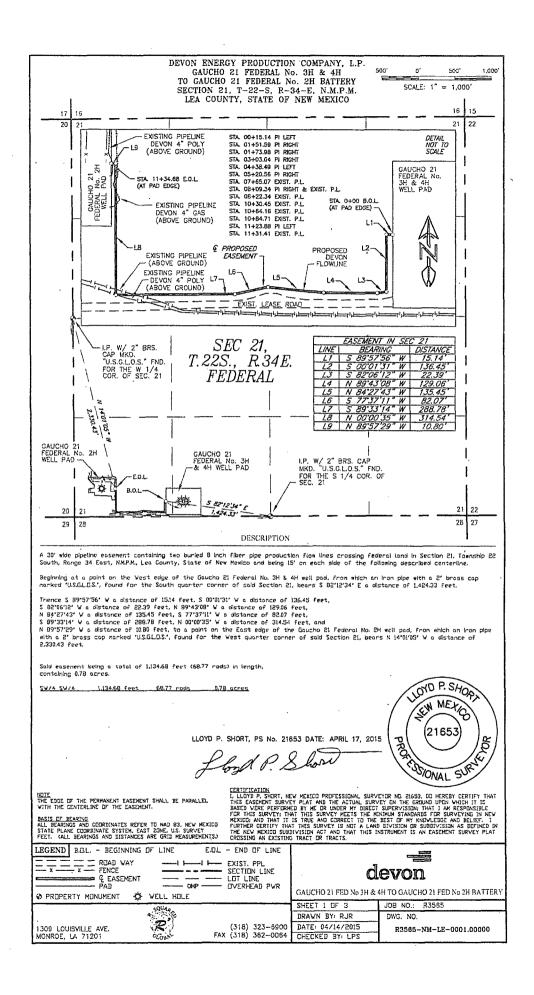
The Paperwork Reduction Act of 1995 requires us to inform you that:

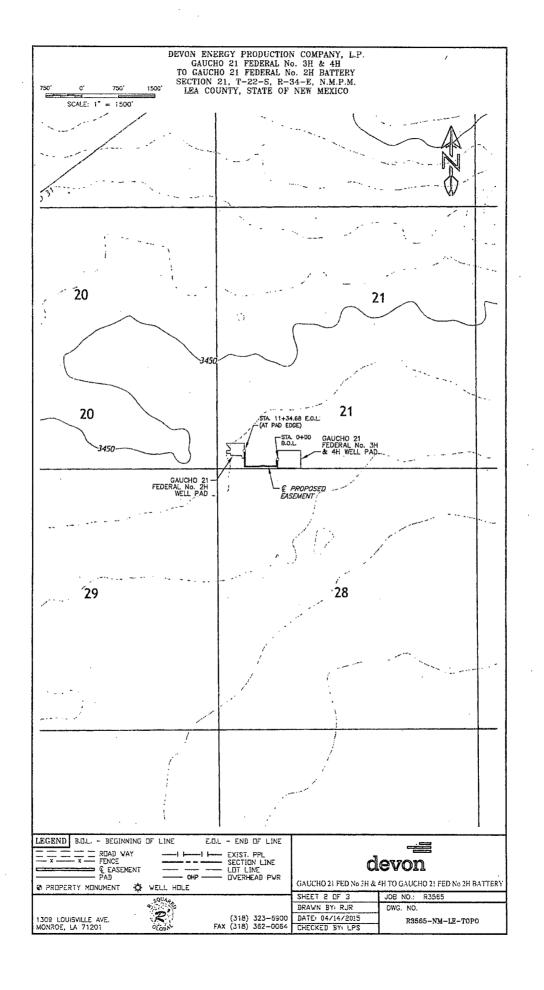
The BLM collects this information to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

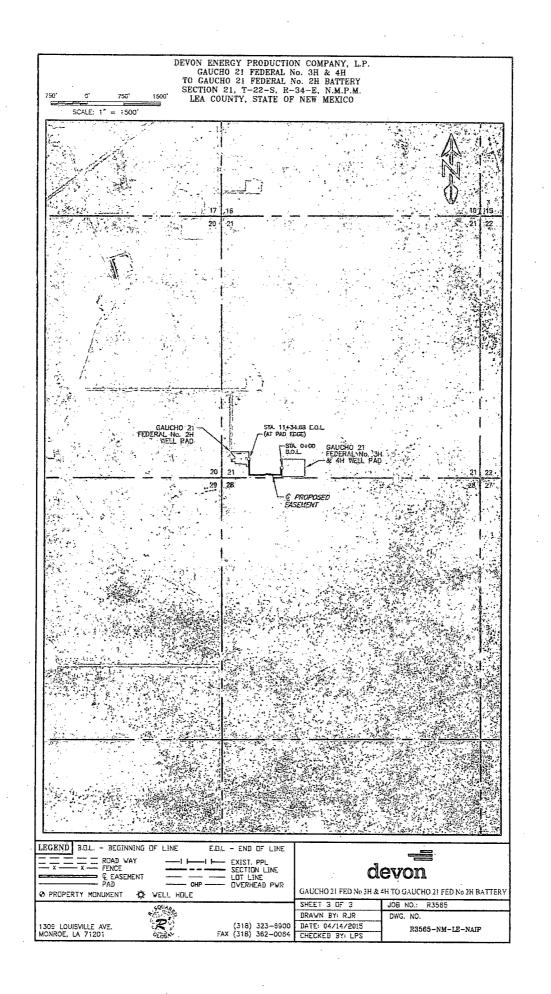
Response to this request is mandatory.

The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C St., N.W., Mail Stop 401 LS, Washington, D.C. 20240







BLM LEASE NUMBER: Lease No. NMNM43564

COMPANY NAME: Devon Energy Production Company, L.P.

ASSOCIATED WELL NAME: Gaucho 21 Federal 3H, Gaucho 21 Federal 4H

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be $\underline{30}$ feet:
• Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed <u>20</u> feet. The trench is included in this area. (Blading is defined as the complete removal of brush and ground vegetation.)
• Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.)
• The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (Compressing can be caused by vehicle tires, placement of equipment, etc.)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.
() seed mixture 1 () seed mixture 3 () seed mixture 2 () seed mixture 4 (x) seed mixture 2/LPC () Aplomado Falcon Mixture

- 13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2.
- 14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.
- 15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.
- 16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.
- 17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.
- 18. <u>Escape Ramps</u> The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:
 - a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench
 - b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.
- 19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration

other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.