

HOBBS OCD

OCT 06 2014

ATS-12-1041

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs RECEIVED

FORM APPROVED  
OMB No. 1004-0137  
Expires October 31, 2014

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. BHL-NM-96782, SHL-NM-96781	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY, L.P.		7. If Unit or CA Agreement, Name and No.	
3a. Address 333 W. SHERIDAN OKLAHOMA CITY, OK. 73102		8. Lease Name and Well No. <b>&lt;39874&gt;</b> REDSTART 28 FED COM 1H	
3b. Phone No. (include area code) <b>&lt;6137&gt;</b> (405) 552-4524		9. API Well No. 30-025-42171	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 1470 FSL & 2050 FWL, SECTION 28 <b>Unit K</b> At proposed prod. zone 1815 FSL & 2310 FWL, SECTION 27 <b>Unit K</b>		10. Field and Pool, or Exploratory <b>&lt;13160&gt;</b> CORBIN; BONE SPRING, SOUTH	
11. Sec., T. R. M. or Blk. and Survey or Area SHL: SECTION 28, T. 18 S., R. 33 E. BHL: SECTION 27, T. 18 S., R. 33 E.		12. County or Parish LEA	
13. State NM		14. Distance in miles and direction from nearest town or post office* 10.5 MILES SOUTHEAST OF MALJAMAR, NM	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 825' (BHL) 730' (SHL)	16. No. of acres in lease 320 (BHL)	17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. SHL-50' north of 2H BHL-1160' north of 2H	19. Proposed Depth MD: 15005' TVD: 9707'	20. BLM/BIA Bond No. on file NMB-000801 CO-1104	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3781.2' GL	22. Approximate date work will start*	23. Estimated duration 30 Days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature <b>Barry W. Hunt</b>	Name (Printed/Typed) BARRY W. HUNT	Date 8/2/12
Title PERMIT AGENT FOR DEVON ENERGY PRODUCTION COMPANY, L.P.		
Approved by (Signature) <b>Steve Caffey</b>	Name (Printed/Typed)	Date OCT 1 - 2014
Title FIELD MANAGER	Office CARLSBAD FIELD 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.

APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

Capitan Controlled Water Basin

**K2**  
**10/08/14**

E-PERMITTING - - New Well **PM**  
Comp \_\_\_\_\_ P&A \_\_\_\_\_ TA \_\_\_\_\_  
CSNG \_\_\_\_\_ Loc Chng \_\_\_\_\_  
ReComp \_\_\_\_\_ Add New Well \_\_\_\_\_  
Cancl Well \_\_\_\_\_ Create Pool \_\_\_\_\_

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Approval Subject to General Requirements  
& Special Stipulations Attached

OCT 09 2014

DEVON ENERGY PRODUCTION, L. P.  
DRILLING PLAN

REDSTART 28 FED COM 1H  
SHL: 1470 FSL & 2050 FWL  
Section 28, T. 18 S., R. 33 E.  
BHL: 1815 FSL & 2310 FWL  
Section 27, T. 18 S., R. 33 E.  
LEA County, NM

HOBBS OCD

OCT 06 2014

RECEIVED

The elevation of the unprepared ground is 3781.2' feet above sea level.

The geologic name of the surface formation is Quaternary - Alluvium.

A rotary rig will be utilized to drill the well.

Proposed total depth is: MD: 15077'. TVD: 9707'.

Estimated tops of important geologic markers:

Quaternary – Alluvium	Surface*
Rustler	1405'
Salado/ Top of Salt	1618'
Base of Salt	2761'
Yates	2981'
Queen	4180'
Grayburg	4830'
Delaware	5560'
Bone Spring	8767'
2 <sup>nd</sup> Bone Spring	9020'
TVD	9707' (145 degree F)

\*Water anticipated at 200 feet.

Estimated depths at which anticipated water, oil, gas or other mineral bearing formations are expected to be encountered:

Yates	Oil (1312 psi)
Queen	Oil (1839 psi)
Grayburg	Oil (2125 psi)
Delaware	Oil (2446 psi)
Bone Spring	Oil (3857 psi)
2 <sup>nd</sup> Bone Spring	Oil (3969 psi)
TVD	Oil BHP 4271 psi

Drilling Program / Surface Use Plan  
Discipline-Specific Input Form

1. **Pressure Control Equipment**

BOP DESIGN: The BOP system used to drill the intermediate and production holes will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the prior casing shoe.

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 requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns.

2. **Casing and Cementing Plan Summary**

The surface fresh water sands will be protected by setting 13-3/8" casing at 1,425' and circulating cement back to surface. The fresh water sands will be protected by setting 9-5/8" casing at 2,800' and circulating cement to surface. The Bone Spring intervals will be isolated by setting 5-1/2" casing to total depth and circulating cement above the base of the 9-5/8" casing. All casing is new and API approved.

3. **Casing Program:**

Hole Size	Hole Interval	Casing OD	Casing Interval	Weight	Collar	Grade
17-1/2"	0 - 1,425'	13-3/8"	0 - 1,425'	54.5#	STC	J-55
12-1/4"	1,425' - 2,800'	9-5/8"	0 - 2,800'	40#	LTC	J-55
8-3/4"	2,800' - 9,000'	5-1/2"	0 - 9,000'	17#	LTC	HCP-110
8-3/4"	9,000' - 15,077'	5-1/2"	9,000' - 15,077'	17#	BTC	HCP-110

4. **Design Factors:**

Casing Size	Collapse Design Factor	Burst Design Factor	Tension Design Factor
13-3/8"	1.53	2.34	4.15
9-5/8"	1.77	2.72	4.64
5-1/2" LTC	1.89	2.34	2.70
5-1/2" BTC	1.64	2.34	2.23

5. **Cement Program:**

13-3/8" Surface

**Lead:** 895 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Poly-E-Flake + 4% bwoc Bentonite + 70.1% Fresh Water, 13.5 ppg

**Yield:** 1.75 cf/sk

**TOC @ surface**

**Tail:** 335 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Poly-E-Flake + 63.1% Fresh Water, 14.8 ppg

**Yield:** 1.35 cf/sk

9-5/8" Intermediate

**Lead:** 535 sacks (65:35) Class C Cement:Poz (Fly Ash): + 5% bwow Sodium Chloride + 0.125 lbs/sack Poly-E-Flake + 6% bwoc Bentonite + 70.9% Fresh Water, 12.9 ppg

**Yield:** 1.85 cf/sk

*This is soft zone*  
*Self COA*

*14,1628.01 per new directional plan.*

Drilling Program / Surface Use Plan  
Discipline-Specific Input Form

**TOC @ surface**

**Tail:** 245 sacks Class C Cement + 0.125 lbs/sack Poly-E-Flake + 63.5% Water, 14.8 ppg

**Yield:** 1.33 cf/sk

5-1/2" Production

**1<sup>st</sup> Stage**

**Lead:** 390 sacks (65:35) Class H Cement:Poz (Fly Ash) + 6% bwoc Bentonite + 0.2% bwoc HR-601 + 74.1% Fresh Water, 12.5 ppg

**Yield:** 1.95 cf/sk

**Tail:** 1690 sacks (50:50) Class H Cement:Poz (Fly Ash) + 1 lb/sk Sodium Chloride + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bentonite + 58.8% Fresh Water, 14.5 ppg

**Yield:** 1.22 cf/sk

*See COA*

**DV TOOL at 6500 ft**

**2<sup>nd</sup> Stage**

**Lead:** 405 sacks Class C Cement + 3% bwoc Econolite + 0.125 lbs/sack Poly-E-Flake + 82.4% Fresh Water, 11.4 ppg

**Yield:** 2.87 cf/sk

**Tail:** 285 sacks Class C Cement + 0.125 lbs/sack Poly-E-Flake + 63.5% Fresh Water, 14.8 ppg

**Yield:** 1.33cf/sk

**TOC @ 2300 ft** *See COA 500' tie back*

String	TOC
Surface	Surface
Intermediate	Surface
Production	2,300'

The above cement volumes are based on 25% excess. Actual cement volumes could be adjusted based on fluid caliper and caliper log data.

**6. Proposed Mud Circulation System:**

*See COA*

Depth Range	Mud Weight	Viscosity	Fluid Loss	Type System
0 - 1,425' <i>1480'</i>	8.4-8.6	28-32	NC	Fresh Water
1,425' - 2,800' <i>2925'</i>	9.9-10.1	28-29	NC	Brine
2,800' - 15,077'	8.7-9.2	28-29	NC	Fresh Water

The necessary mud products for weight addition and fluid loss control will be on location at all times.

Drilling Program / Surface Use Plan  
Discipline-Specific Input Form

**7. LOGGING, CORING, AND TESTING PROGRAM:**

- a. Drill stem tests will be based on geological sample shows.
- b. If a drill stem test is anticipated; a procedure, equipment to be used and safety measures will be provided via sundry notice to the BLM.
- c. The open hole electrical logging program will be:
  1. Total depth to intermediate casing      Dual Laterolog-Micro Laterolog with SP and Gamma Ray.  
Compensated Neutron – Z Density log with Gamma Ray and Caliper.
  2. Total Depth to Surface      Compensated Neutron with Gamma Ray.
  3. No coring program is planned.
  4. Additional testing will be initiated subsequent to setting the 5 ½" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

**8. Auxiliary Well Control and Monitoring Equipment:**

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13-3/8" casing shoe until the 5-1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13-3/8" shoe until total depth is reached.

**9. Potential Hazards:**

*Self COA*  
No abnormal pressures or temperatures are expected. There is no known presence of H<sub>2</sub>S in this area. If H<sub>2</sub>S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP of 4,271 psi and estimated BHT 145°. No H<sub>2</sub>S is anticipated to be encountered.

**10. Anticipated Starting Date and Duration of Operations:**

- a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as a rig becomes available following BLM approval. Move in operations and drilling is expected to take 32 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

# DEVON ENERGY

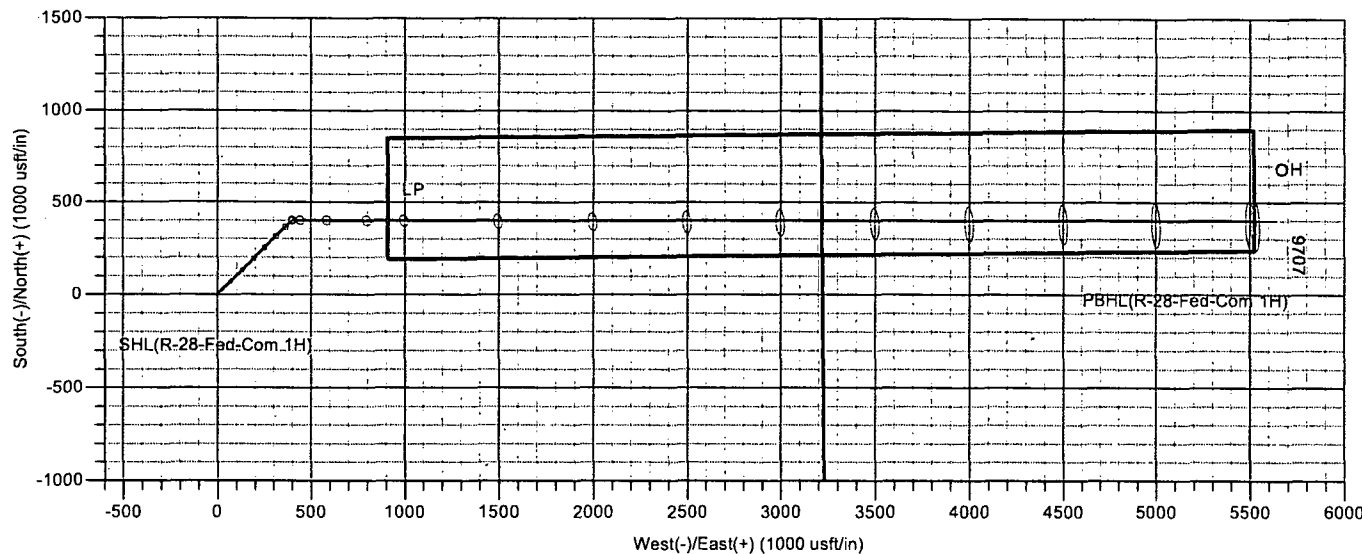
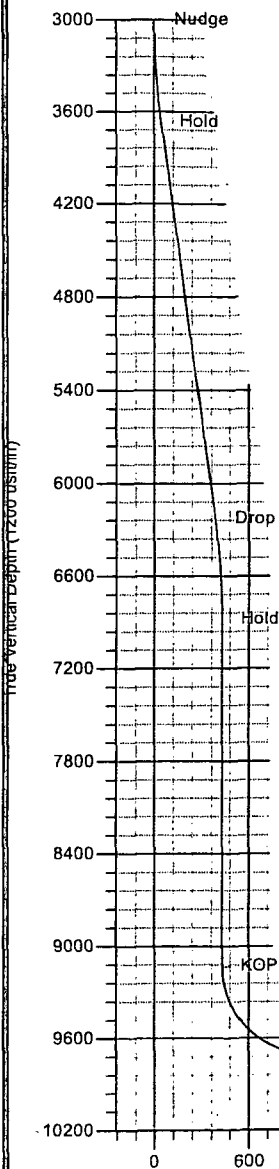
Project: Lea County, NM (NAD-83)  
 Site: Redstart 28 Fed Com  
 Well: 1H  
 Wellbore: OH  
 Design: Plan #1



Azimuths to Grid North  
 True North: -0.36°  
 Magnetic North: 7.12°

Magnetic Field  
 Strength: 48741.3snT  
 Dip Angle: 60.58°  
 Date: 1/10/2013  
 Model: IGRF2010

devon



## DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
SHL(R-28-Fed-Com 1H)	0.00	0.00	0.00	624594.90	745374.60	32° 42' 55.069 N	103° 40' 11.741 W
PBHL(R-28-Fed-Com 1H)	9707.00	401.40	5521.98	624996.30	750896.58	32° 42' 58.694 N	103° 39' 7.080 W

## SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VFace	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	3000.00	0.00	0.00	3000.00	0.00	0.00	0.00	0.00	0.00	Nudge
3	3666.67	10.00	45.00	3663.29	41.03	41.03	1.50	45.00	43.90	Hold
4	6266.67	10.00	45.00	6223.79	360.28	360.28	0.00	0.00	385.45	Drop
5	6933.33	0.00	0.00	6887.07	401.32	401.32	1.50	180.00	429.35	Hold
6	9180.30	0.00	0.00	9134.04	401.32	401.32	0.00	0.00	429.35	KOP 10° DLS
7	10080.30	90.00	90.00	9707.00	401.32	974.27	10.00	90.00	1000.81	LP
8	14628.01	90.00	90.00	9707.00	401.40	5521.98	0.00	0.00	5536.55	TD

14628

Plan #1

PBHL(R-28-Fed-Com 1H)

Vertical Section at 85.84° (1200 usft/in)



LEAM DRILLING SYSTEMS LLC  
 2010 East Davis, Conroe, Texas 77301  
 Phone: 936/756-7577, Fax 936/756-7595

Plan: Plan #1 (1H/OH)  
 Redstart 28 Fed Com  
 Created By: Brady Deaver  
 Date: 10/00, September 30 2014  
 Approved: \_\_\_\_\_ Date: \_\_\_\_\_

# **DEVON ENERGY**

**Lea County, NM (NAD-83)**

**Redstart 28 Fed Com**

**1H**

**OH**

**Plan: Plan #1**

## **Standard Planning Report**

**30 September, 2014**

# LEAM Drilling Systems LLC

## Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 1H
Company:	DEVON ENERGY	TVD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Project:	Lea County, NM (NAD-83)	MD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Site:	Redstart 28 Fed Com	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Project	Lea County, NM (NAD-83)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Redstart 28 Fed Com		
Site Position:		Northing:	624,594.90 usft
From:	Map	Easting:	745,374.60 usft
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "
		Latitude:	32° 42' 55.069 N
		Longitude:	103° 40' 11.741 W
		Grid Convergence:	0.36 "

Well	1H		
Well Position	+N/-S	0.00 usft	Northing: 624,594.90 usft
	+E/-W	0.00 usft	Easting: 745,374.60 usft
Position Uncertainty	0.00 usft	Wellhead Elevation:	Ground Level: 3,781.00 usft

Wellbore	OH		
Magnetics	Model Name	Sample Date	Declination (°)
	IGRF2010	1/10/2013	7.47
			Dip Angle (°)
			60.58
			Field Strength (nT)
			48,741

Design	Plan #1		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)
	0.00	0.00	0.00
			Direction (°)
			85.84

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,666.67	10.00	45.00	3,663.29	41.03	41.03	1.50	1.50	0.00	45.00	
6,266.67	10.00	45.00	6,223.79	360.28	360.28	0.00	0.00	0.00	0.00	
6,933.33	0.00	0.00	6,887.07	401.32	401.32	1.50	-1.50	0.00	180.00	
9,180.30	0.00	0.00	9,134.04	401.32	401.32	0.00	0.00	0.00	0.00	
10,080.30	90.00	90.00	9,707.00	401.32	974.27	10.00	10.00	10.00	90.00	
14,628.02	90.00	90.00	9,707.00	401.40	5,521.98	0.00	0.00	0.00	0.00	PBHL(R-28-Fed-Com)



# LEAM Drilling Systems LLC

## Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 1H
Company:	DEVON ENERGY	TVD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Project:	Lea County, NM (NAD-83)	MD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Site:	Redstart 28 Fed Com	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

### Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>SHL(R-28-Fed-Com 1H)</b>									
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	0.00	0.00	0.00	0.00	0.00	0.00
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Nudge</b>									
3,100.00	1.50	45.00	3,099.99	0.93	0.93	0.99	1.50	1.50	0.00
3,200.00	3.00	45.00	3,199.91	3.70	3.70	3.96	1.50	1.50	0.00
3,300.00	4.50	45.00	3,299.69	8.33	8.33	8.91	1.50	1.50	0.00
3,400.00	6.00	45.00	3,399.27	14.80	14.80	15.83	1.50	1.50	0.00
3,500.00	7.50	45.00	3,498.57	23.11	23.11	24.72	1.50	1.50	0.00
3,600.00	9.00	45.00	3,597.54	33.25	33.25	35.58	1.50	1.50	0.00
3,666.67	10.00	45.00	3,663.29	41.03	41.03	43.90	1.50	1.50	0.00
<b>Hold</b>									
3,700.00	10.00	45.00	3,696.11	45.13	45.13	48.28	0.00	0.00	0.00
3,800.00	10.00	45.00	3,794.59	57.41	57.41	61.42	0.00	0.00	0.00
3,900.00	10.00	45.00	3,893.08	69.68	69.68	74.55	0.00	0.00	0.00
4,000.00	10.00	45.00	3,991.56	81.96	81.96	87.69	0.00	0.00	0.00
4,100.00	10.00	45.00	4,090.04	94.24	94.24	100.83	0.00	0.00	0.00
4,200.00	10.00	45.00	4,188.52	106.52	106.52	113.96	0.00	0.00	0.00
4,300.00	10.00	45.00	4,287.00	118.80	118.80	127.10	0.00	0.00	0.00
4,400.00	10.00	45.00	4,385.48	131.08	131.08	140.24	0.00	0.00	0.00
4,500.00	10.00	45.00	4,483.96	143.36	143.36	153.37	0.00	0.00	0.00
4,600.00	10.00	45.00	4,582.44	155.64	155.64	166.51	0.00	0.00	0.00
4,700.00	10.00	45.00	4,680.92	167.91	167.91	179.65	0.00	0.00	0.00
4,800.00	10.00	45.00	4,779.40	180.19	180.19	192.78	0.00	0.00	0.00

# LEAM Drilling Systems LLC

## Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 1H
Company:	DEVON ENERGY	TVD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Project:	Lea County, NM (NAD-83)	MD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Site:	Redstart 28 Fed Com	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

### Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,900.00	10.00	45.00	4,877.88	192.47	192.47	205.92	0.00	0.00	0.00
5,000.00	10.00	45.00	4,976.36	204.75	204.75	219.06	0.00	0.00	0.00
5,100.00	10.00	45.00	5,074.85	217.03	217.03	232.19	0.00	0.00	0.00
5,200.00	10.00	45.00	5,173.33	229.31	229.31	245.33	0.00	0.00	0.00
5,300.00	10.00	45.00	5,271.81	241.59	241.59	258.47	0.00	0.00	0.00
5,400.00	10.00	45.00	5,370.29	253.87	253.87	271.60	0.00	0.00	0.00
5,500.00	10.00	45.00	5,468.77	266.14	266.14	284.74	0.00	0.00	0.00
5,600.00	10.00	45.00	5,567.25	278.42	278.42	297.88	0.00	0.00	0.00
5,700.00	10.00	45.00	5,665.73	290.70	290.70	311.01	0.00	0.00	0.00
5,800.00	10.00	45.00	5,764.21	302.98	302.98	324.15	0.00	0.00	0.00
5,900.00	10.00	45.00	5,862.69	315.26	315.26	337.29	0.00	0.00	0.00
6,000.00	10.00	45.00	5,961.17	327.54	327.54	350.42	0.00	0.00	0.00
6,100.00	10.00	45.00	6,059.65	339.82	339.82	363.56	0.00	0.00	0.00
6,200.00	10.00	45.00	6,158.13	352.10	352.10	376.70	0.00	0.00	0.00
6,266.67	10.00	45.00	6,223.79	360.28	360.28	385.45	0.00	0.00	0.00
<b>Drop</b>									
6,300.00	9.50	45.00	6,256.64	364.27	364.27	389.72	1.50	-1.50	0.00
6,400.00	8.00	45.00	6,355.47	375.03	375.03	401.23	1.50	-1.50	0.00
6,500.00	6.50	45.00	6,454.67	383.95	383.95	410.78	1.50	-1.50	0.00
6,600.00	5.00	45.00	6,554.16	391.04	391.04	418.36	1.50	-1.50	0.00
6,700.00	3.50	45.00	6,653.89	396.28	396.28	423.96	1.50	-1.50	0.00
6,800.00	2.00	45.00	6,753.77	399.67	399.67	427.59	1.50	-1.50	0.00
6,900.00	0.50	45.00	6,853.74	401.21	401.21	429.24	1.50	-1.50	0.00
6,933.33	0.00	0.00	6,887.07	401.32	401.32	429.35	1.50	-1.50	0.00
<b>Hold</b>									
7,000.00	0.00	0.00	6,953.74	401.32	401.32	429.35	0.00	0.00	0.00
7,100.00	0.00	0.00	7,053.74	401.32	401.32	429.35	0.00	0.00	0.00
7,200.00	0.00	0.00	7,153.74	401.32	401.32	429.35	0.00	0.00	0.00
7,300.00	0.00	0.00	7,253.74	401.32	401.32	429.35	0.00	0.00	0.00
7,400.00	0.00	0.00	7,353.74	401.32	401.32	429.35	0.00	0.00	0.00
7,500.00	0.00	0.00	7,453.74	401.32	401.32	429.35	0.00	0.00	0.00
7,600.00	0.00	0.00	7,553.74	401.32	401.32	429.35	0.00	0.00	0.00
7,700.00	0.00	0.00	7,653.74	401.32	401.32	429.35	0.00	0.00	0.00
7,800.00	0.00	0.00	7,753.74	401.32	401.32	429.35	0.00	0.00	0.00
7,900.00	0.00	0.00	7,853.74	401.32	401.32	429.35	0.00	0.00	0.00
8,000.00	0.00	0.00	7,953.74	401.32	401.32	429.35	0.00	0.00	0.00
8,100.00	0.00	0.00	8,053.74	401.32	401.32	429.35	0.00	0.00	0.00
8,200.00	0.00	0.00	8,153.74	401.32	401.32	429.35	0.00	0.00	0.00
8,300.00	0.00	0.00	8,253.74	401.32	401.32	429.35	0.00	0.00	0.00
8,400.00	0.00	0.00	8,353.74	401.32	401.32	429.35	0.00	0.00	0.00
8,500.00	0.00	0.00	8,453.74	401.32	401.32	429.35	0.00	0.00	0.00
8,600.00	0.00	0.00	8,553.74	401.32	401.32	429.35	0.00	0.00	0.00
8,700.00	0.00	0.00	8,653.74	401.32	401.32	429.35	0.00	0.00	0.00
8,800.00	0.00	0.00	8,753.74	401.32	401.32	429.35	0.00	0.00	0.00
8,900.00	0.00	0.00	8,853.74	401.32	401.32	429.35	0.00	0.00	0.00
9,000.00	0.00	0.00	8,953.74	401.32	401.32	429.35	0.00	0.00	0.00
9,100.00	0.00	0.00	9,053.74	401.32	401.32	429.35	0.00	0.00	0.00
9,180.30	0.00	0.00	9,134.04	401.32	401.32	429.35	0.00	0.00	0.00
<b>KOP 10° DLS</b>									
9,200.00	1.97	90.00	9,153.74	401.32	401.65	429.69	10.00	10.00	0.00
9,250.00	6.97	90.00	9,203.57	401.32	405.55	433.58	10.00	10.00	0.00
9,300.00	11.97	90.00	9,252.87	401.32	413.77	441.78	10.00	10.00	0.00
9,350.00	16.97	90.00	9,301.27	401.32	426.26	454.24	10.00	10.00	0.00

# LEAM Drilling Systems LLC

## Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 1H
Company:	DEVON ENERGY	TVD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Project:	Lea County, NM (NAD-83)	MD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Site:	Redstart 28 Fed Com	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

### Planned Survey

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Buird Rate (°/100usft)	Turn Rate (°/100usft)
9,400.00	21.97	90.00	9,348.40	401.32	442.92	470.85	10.00	10.00	0.00
9,450.00	26.97	90.00	9,393.89	401.32	463.63	491.50	10.00	10.00	0.00
9,500.00	31.97	90.00	9,437.41	401.32	488.22	516.03	10.00	10.00	0.00
9,550.00	36.97	90.00	9,478.62	401.32	516.51	544.24	10.00	10.00	0.00
9,600.00	41.97	90.00	9,517.20	401.32	548.28	575.93	10.00	10.00	0.00
9,650.00	46.97	90.00	9,552.87	401.32	583.29	610.86	10.00	10.00	0.00
9,700.00	51.97	90.00	9,585.35	401.32	621.29	648.75	10.00	10.00	0.00
9,750.00	56.97	90.00	9,614.40	401.32	661.96	689.32	10.00	10.00	0.00
9,800.00	61.97	90.00	9,639.79	401.32	705.02	732.26	10.00	10.00	0.00
9,850.00	66.97	90.00	9,661.34	401.32	750.12	777.24	10.00	10.00	0.00
9,900.00	71.97	90.00	9,678.87	401.32	796.93	823.93	10.00	10.00	0.00
9,950.00	76.97	90.00	9,692.25	401.32	845.09	871.96	10.00	10.00	0.00
10,000.00	81.97	90.00	9,701.38	401.32	894.23	920.97	10.00	10.00	0.00
10,050.00	86.97	90.00	9,706.20	401.32	943.98	970.60	10.00	10.00	0.00
10,080.30	90.00	90.00	9,707.00	401.32	974.27	1,000.81	10.00	10.00	0.00
LP									
10,100.00	90.00	90.00	9,707.00	401.32	993.97	1,020.45	0.00	0.00	0.00
10,200.00	90.00	90.00	9,707.00	401.33	1,093.97	1,120.19	0.00	0.00	0.00
10,300.00	90.00	90.00	9,707.00	401.33	1,193.97	1,219.92	0.00	0.00	0.00
10,400.00	90.00	90.00	9,707.00	401.33	1,293.97	1,319.66	0.00	0.00	0.00
10,500.00	90.00	90.00	9,707.00	401.33	1,393.97	1,419.40	0.00	0.00	0.00
10,600.00	90.00	90.00	9,707.00	401.33	1,493.97	1,519.13	0.00	0.00	0.00
10,700.00	90.00	90.00	9,707.00	401.33	1,593.97	1,618.87	0.00	0.00	0.00
10,800.00	90.00	90.00	9,707.00	401.34	1,693.97	1,718.61	0.00	0.00	0.00
10,900.00	90.00	90.00	9,707.00	401.34	1,793.97	1,818.35	0.00	0.00	0.00
11,000.00	90.00	90.00	9,707.00	401.34	1,893.97	1,918.08	0.00	0.00	0.00
11,100.00	90.00	90.00	9,707.00	401.34	1,993.97	2,017.82	0.00	0.00	0.00
11,200.00	90.00	90.00	9,707.00	401.34	2,093.97	2,117.56	0.00	0.00	0.00
11,300.00	90.00	90.00	9,707.00	401.34	2,193.97	2,217.29	0.00	0.00	0.00
11,400.00	90.00	90.00	9,707.00	401.35	2,293.97	2,317.03	0.00	0.00	0.00
11,500.00	90.00	90.00	9,707.00	401.35	2,393.97	2,416.77	0.00	0.00	0.00
11,600.00	90.00	90.00	9,707.00	401.35	2,493.97	2,516.50	0.00	0.00	0.00
11,700.00	90.00	90.00	9,707.00	401.35	2,593.97	2,616.24	0.00	0.00	0.00
11,800.00	90.00	90.00	9,707.00	401.35	2,693.97	2,715.98	0.00	0.00	0.00
11,900.00	90.00	90.00	9,707.00	401.35	2,793.97	2,815.72	0.00	0.00	0.00
12,000.00	90.00	90.00	9,707.00	401.36	2,893.97	2,915.45	0.00	0.00	0.00
12,100.00	90.00	90.00	9,707.00	401.36	2,993.97	3,015.19	0.00	0.00	0.00
12,200.00	90.00	90.00	9,707.00	401.36	3,093.97	3,114.93	0.00	0.00	0.00
12,300.00	90.00	90.00	9,707.00	401.36	3,193.97	3,214.66	0.00	0.00	0.00
12,400.00	90.00	90.00	9,707.00	401.36	3,293.97	3,314.40	0.00	0.00	0.00
12,500.00	90.00	90.00	9,707.00	401.36	3,393.97	3,414.14	0.00	0.00	0.00
12,600.00	90.00	90.00	9,707.00	401.36	3,493.97	3,513.87	0.00	0.00	0.00
12,700.00	90.00	90.00	9,707.00	401.37	3,593.97	3,613.61	0.00	0.00	0.00
12,800.00	90.00	90.00	9,707.00	401.37	3,693.97	3,713.35	0.00	0.00	0.00
12,900.00	90.00	90.00	9,707.00	401.37	3,793.97	3,813.08	0.00	0.00	0.00
13,000.00	90.00	90.00	9,707.00	401.37	3,893.97	3,912.82	0.00	0.00	0.00
13,100.00	90.00	90.00	9,707.00	401.37	3,993.97	4,012.56	0.00	0.00	0.00
13,200.00	90.00	90.00	9,707.00	401.37	4,093.97	4,112.30	0.00	0.00	0.00
13,300.00	90.00	90.00	9,707.00	401.38	4,193.97	4,212.03	0.00	0.00	0.00
13,400.00	90.00	90.00	9,707.00	401.38	4,293.97	4,311.77	0.00	0.00	0.00
13,500.00	90.00	90.00	9,707.00	401.38	4,393.97	4,411.51	0.00	0.00	0.00
13,600.00	90.00	90.00	9,707.00	401.38	4,493.97	4,511.24	0.00	0.00	0.00
13,700.00	90.00	90.00	9,707.00	401.38	4,593.97	4,610.98	0.00	0.00	0.00
13,800.00	90.00	90.00	9,707.00	401.38	4,693.97	4,710.72	0.00	0.00	0.00

# LEAM Drilling Systems LLC

## Planning Report

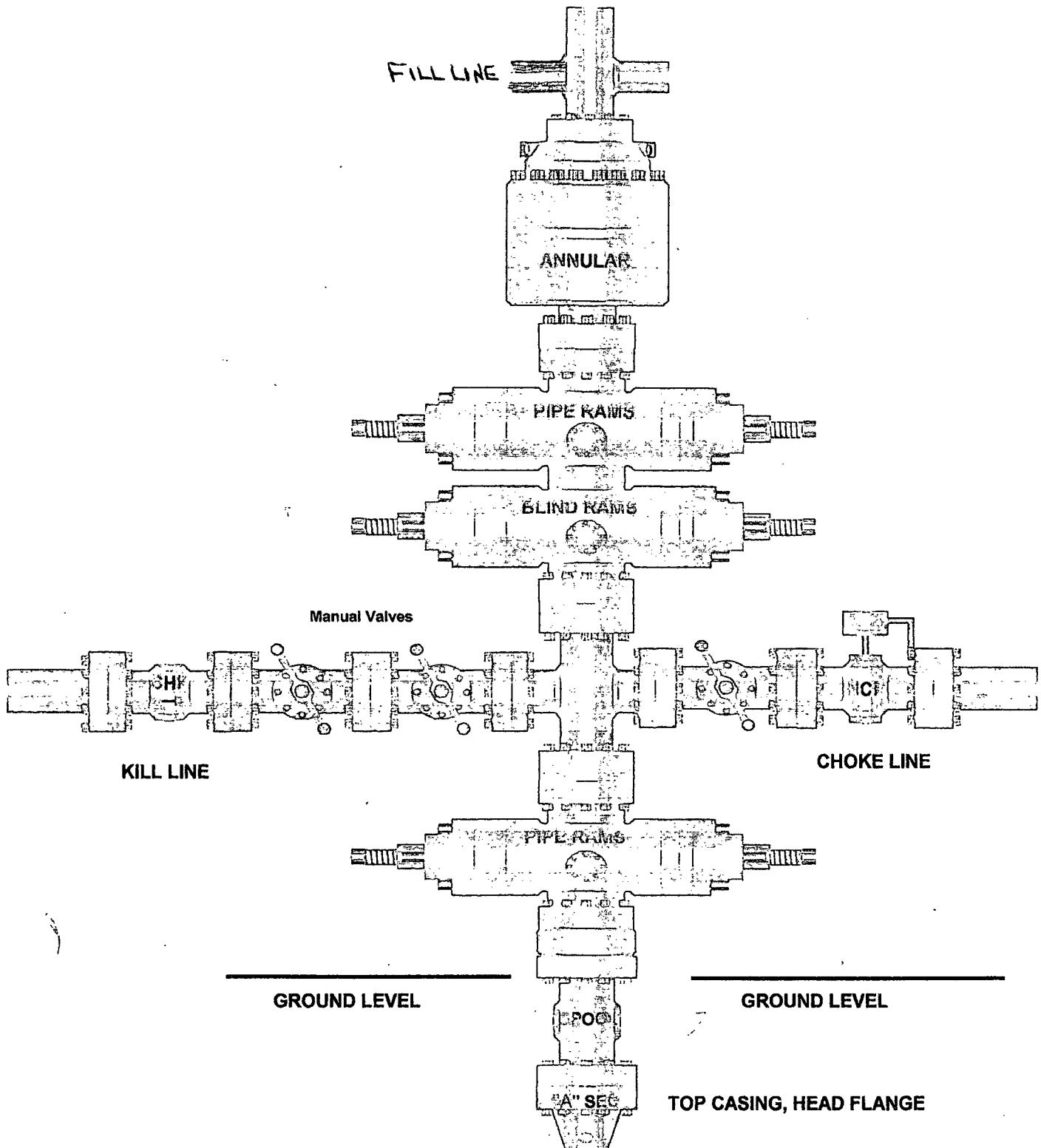
Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 1H
Company:	DEVON ENERGY	TVD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Project:	Lea County, NM (NAD-83)	MD Reference:	GE 3781' + KB 18 @ 3799.00usft (Permitting)
Site:	Redstart 28 Fed Com	North Reference:	Grid
Well:	1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
13,900.00	90.00	90.00	9,707.00	401.39	4,793.97	4,810.45	0.00	0.00	0.00
14,000.00	90.00	90.00	9,707.00	401.39	4,893.97	4,910.19	0.00	0.00	0.00
14,100.00	90.00	90.00	9,707.00	401.39	4,993.97	5,009.93	0.00	0.00	0.00
14,200.00	90.00	90.00	9,707.00	401.39	5,093.97	5,109.67	0.00	0.00	0.00
14,300.00	90.00	90.00	9,707.00	401.39	5,193.97	5,209.40	0.00	0.00	0.00
14,400.00	90.00	90.00	9,707.00	401.39	5,293.97	5,309.14	0.00	0.00	0.00
14,500.00	90.00	90.00	9,707.00	401.40	5,393.97	5,408.88	0.00	0.00	0.00
14,600.00	90.00	90.00	9,707.00	401.40	5,493.97	5,508.61	0.00	0.00	0.00
14,628.02	90.00	90.00	9,707.00	401.40	5,521.98	5,536.55	0.00	0.00	0.00
TD - PBHL(R-28-Fed-Com 1H)									

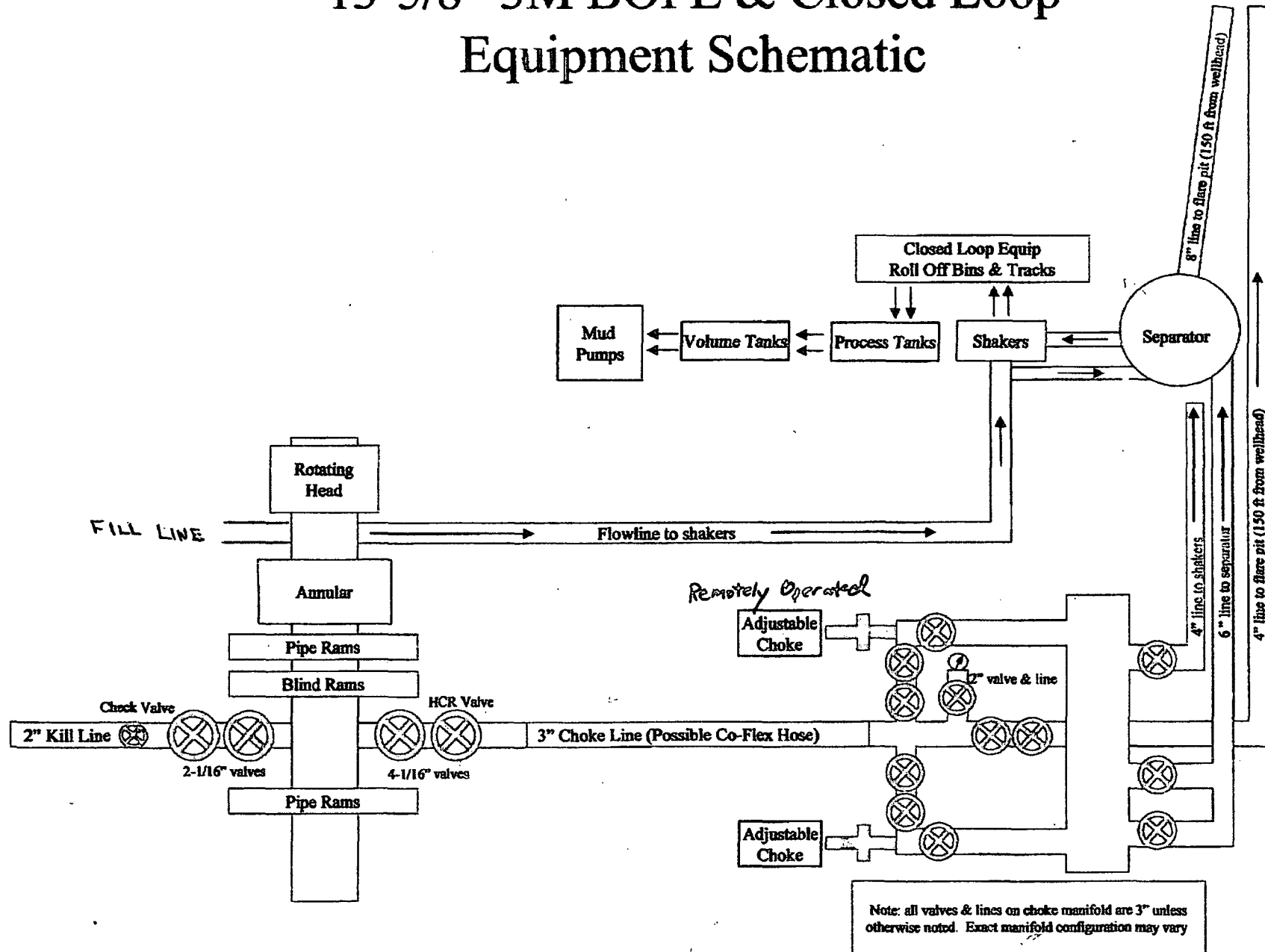
Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
SHL(R-28-Fed-Com 1H) - hit/miss target - Shape - Point	0.00	0.00	0.00	0.00	0.00	624,594.90	745,374.60	32° 42' 55.069 N	103° 40' 11.741 W
PBHL(R-28-Fed-Com 1H) - plan hits target center - Point	0.00	0.00	9,707.00	401.40	5,521.98	624,996.30	750,896.58	32° 42' 58.694 N	103° 39' 7.080 W

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
3,000.00	3,000.00	0.00	0.00	Nudge
3,666.67	3,663.29	41.03	41.03	Hold
6,266.67	6,223.79	360.28	360.28	Drop
6,933.33	6,887.07	401.32	401.32	Hold
9,180.30	9,134.04	401.32	401.32	KOP 10° DLS
10,080.30	9,707.00	401.32	974.27	LP
14,628.02	9,707.00	401.40	5,521.98	TD

# 13-5/8" x 3,000 psi BOP Stack



# 13-5/8" 3M BOPE & Closed Loop Equipment Schematic



Attachment to Exhibit #1  
NOTES REGARDING BLOWOUT PREVENTERS  
Devon Energy Production Company, LP  
**Redstart 28 Fed Com 1H**

Surface Location: 1470' FSL & 2050' FWL, Unit K, Sec 28 T18S R33E, Lea, NM  
Bottom Hole Location: 1815' FSL & 2310' FWL, Unit K, Sec 27 T18S R33E, Lea, NM

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
2. Wear ring will be properly installed in head.
3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 5000 psi working pressure.
4. All fittings will be flanged.
5. A full bore safety valve tested to a minimum 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
6. All choke lines will be anchored to prevent movement.
7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
8. Will maintain a kelly cock attached to the kelly.
9. Hand wheels and wrenches will be properly installed and tested for safe operation.
10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.



# Hydrostatic Test Certificate

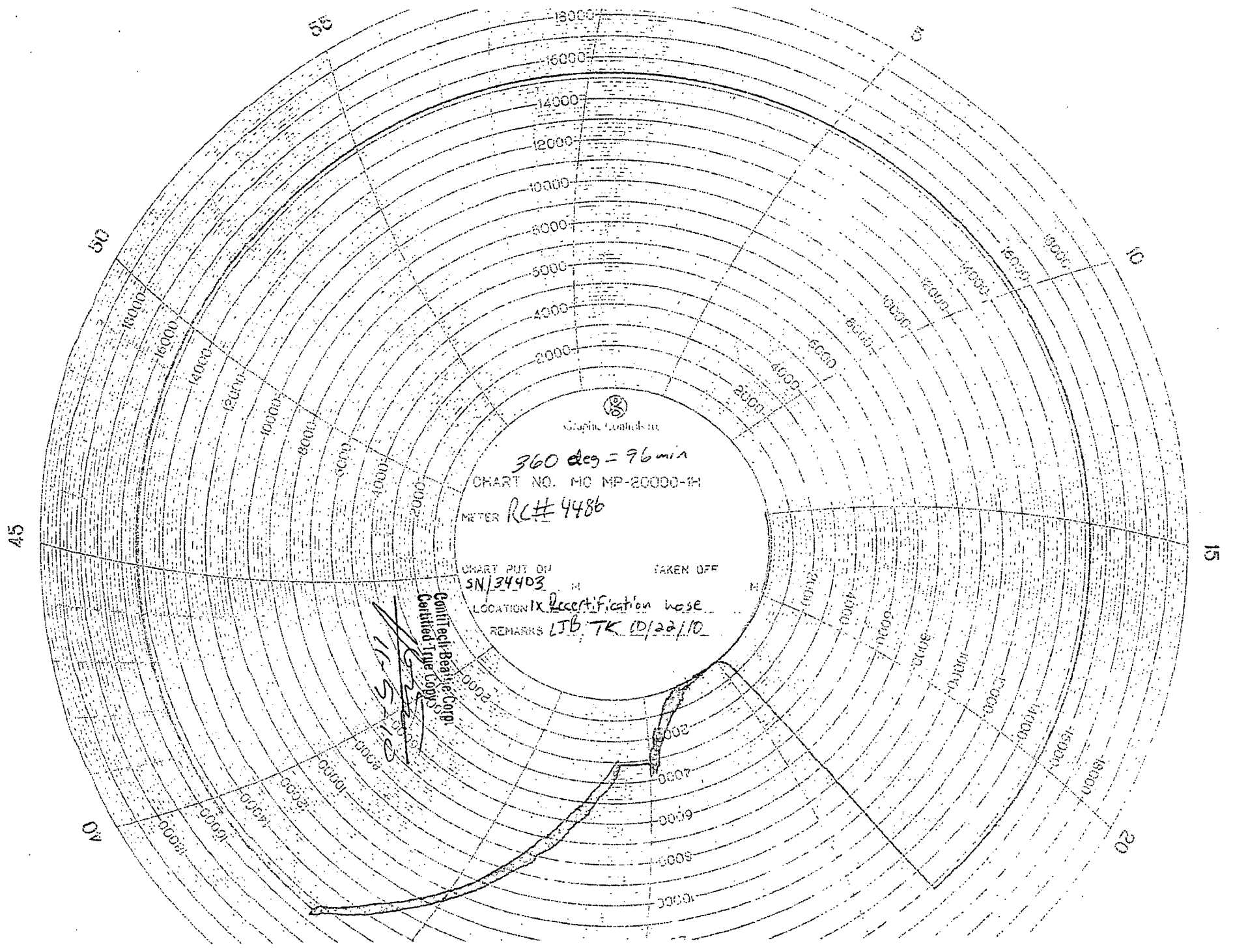
Certificate Number: 4520	PBC No: 10321	Customer Name & Address
Customer Purchase Order No: RIG 300		HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119
Project:		
Test Centre Address	Accepted by ContiTech Beattie Inspection	Accepted by Client Inspection
ContiTech Beattie Corp. 11535 Brittmoore Park Drive Houston, TX 77041 USA	Signed: Josh Sims Date: 10/27/10	

We certify that the goods detailed hereon have been inspected by our Quality Management System, and to the best of our knowledge are found to conform to relevant industrial standards within the requirements of the purchase order as issued to ContiTech Beattie Corporation.

These goods were made in the United States of America.

Item	Part No.	Description	Qty	Serial Number	As-Built Length (m)	Work. Press.	Test Press.	Test Time (minutes)
1		3" ID 10K Choke & Kill Hose x 35ft OAL End A: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange End B: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange Working Pressure: 10,000psi Test Pressure: 15,000psi Serial#: 49106	1	49106		10 kpsi	15 kpsi	60





Graphic Controls Inc.

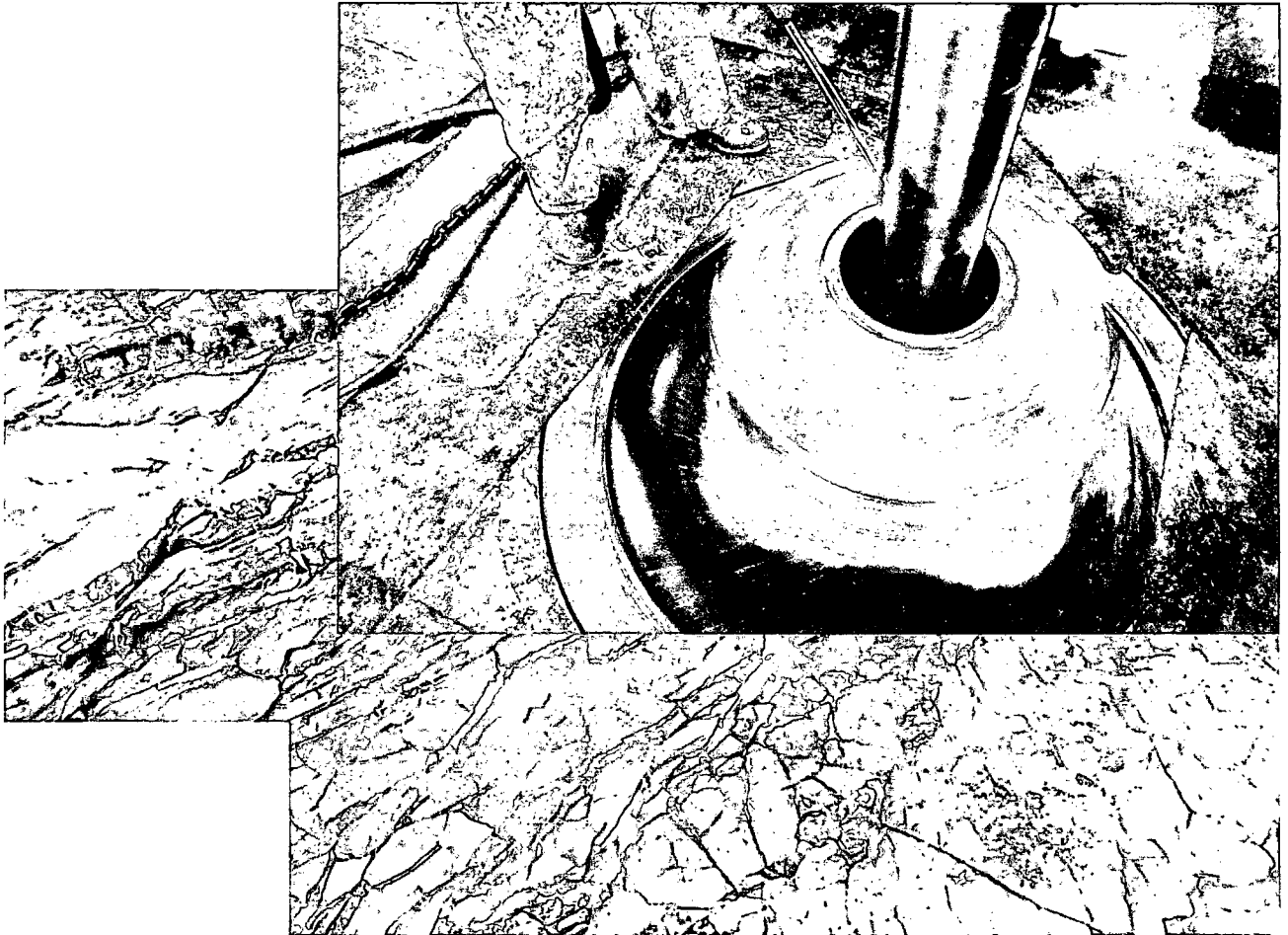
360 deg = 96 min  
CHART NO. MC NP-20000-1H  
METER RL# 4486

CHART PUT ON SN/34403  
TAKEN OFF  
LOCATION IX Recert. Fiction base  
REMARKS LTB TK 10/22/10

*H. S. [unclear]*  
Certified True Copy  
Control Tech Beavie Corp.



Commitment Runs Deep



Design Plan  
Operation and Maintenance Plan  
Closure Plan

SENM - Closed Loop Systems  
June 2012

## **I. Design Plan**

Devon uses various high efficient closed loop systems (CLS). The CLS shown 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.

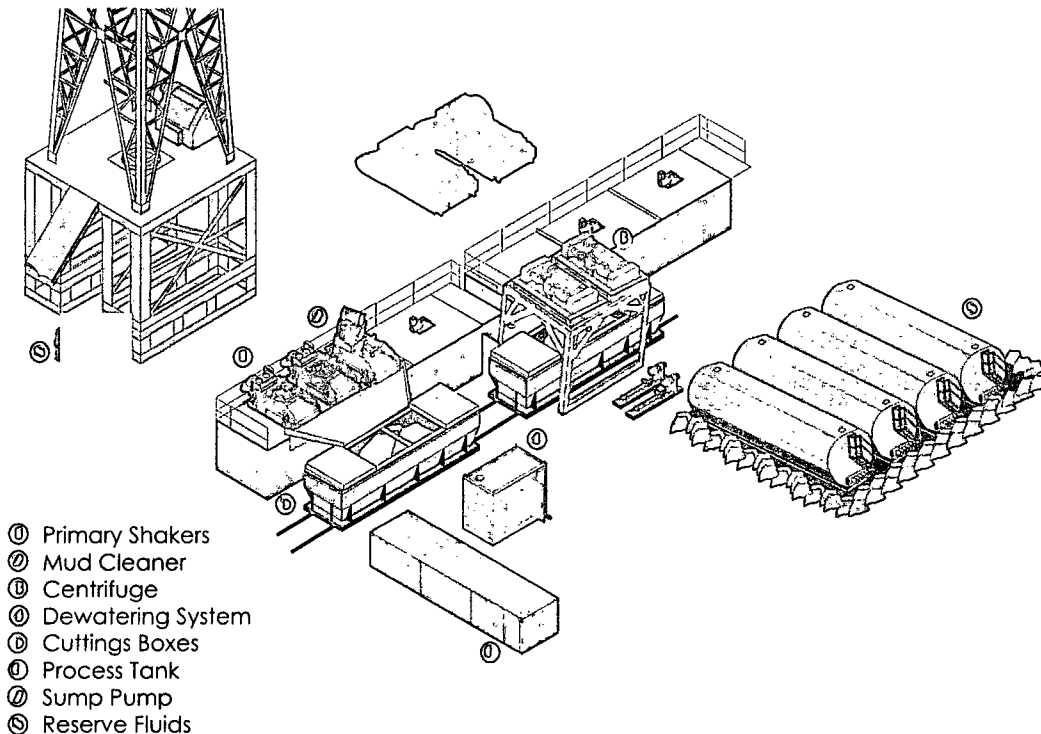
## **II. Operations and Maintenance Plan**

*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.

  
devon

## Closed Loop Schematic



**Centrifuges:** The centrifuges can be utilized depending on the well's anticipated solids volume. One or two centrifuges can be used 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 Solids Control 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.

### **III. Closure Plan**

A maximum 170' X 170' 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.

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-144 CLEZ  
July 21, 2008

For closed-loop systems *that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure*, submit to the appropriate NMOCD District Office.

**Closed-Loop System Permit or Closure Plan Application**

*(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

Type of action: ☒ Permit ☐ Closure

**Instructions:** Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

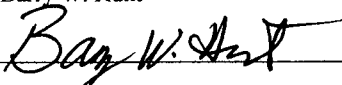
1.  
Operator: Devon Energy Production Company, L.P. OGRID #: 6137  
Address: 333 W. Sheridan, Oklahoma City, OK 73102  
Facility or well name: Redstart 28 Fed Com 1H  
API Number: \_\_\_\_\_ OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr: K Section: 28 Township: 18S Range: 33E County: Lea  
Center of Proposed Design: Latitude 32°42'55.07"N Longitude 103°40'11.74"W NAD: ☐ 1927 ☒ 1983  
Surface Owner: ☒ Federal : ☐ State ☐ Private ☐ Tribal Trust or Indian Allotment

2.  
☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Operation: ☒ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A  
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3.  
**Signs:** Subsection C of 19.15.17.11 NMAC  
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers  
☒ Signed in compliance with 19.15.3.103 NMAC

4.  
**Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  
☐ Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_  
☐ Previously Approved Operating and Maintenance Plan API Number: \_\_\_\_\_

5.  
**Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)  
**Instructions:** Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.  
Disposal Facility Name: Controlled Recovery Incorporated (CRI) Disposal Facility Permit Number: R-9166  
Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_  
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that *will not* be used for future service and operations?  
☐ Yes (If yes, please provide the information below) ☒ No  
**Required for impacted areas which will not be used for future service and operations:**  
☐ Soil Backfill and Cover Design Specifications - - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC  
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC  
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.  
**Operator Application Certification:**  
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.  
Name (Print): Barry W. Hunt Title: Permit Agent for Devon Energy Production Co., L.P.  
Signature:  Date: 8/2/12  
e-mail address: specialpermitting@gmail.com Telephone: 575-361-4078

7.  
**OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

**OCD Representative Signature:** \_\_\_\_\_ **Approval Date:** \_\_\_\_\_

**Title:** \_\_\_\_\_ **OCD Permit Number:** \_\_\_\_\_

8.  
**Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

*Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*

☐ Closure Completion Date: \_\_\_\_\_

9.  
**Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

*Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.*

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

*Required for impacted areas which will not be used for future service and operations:*

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10.  
**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

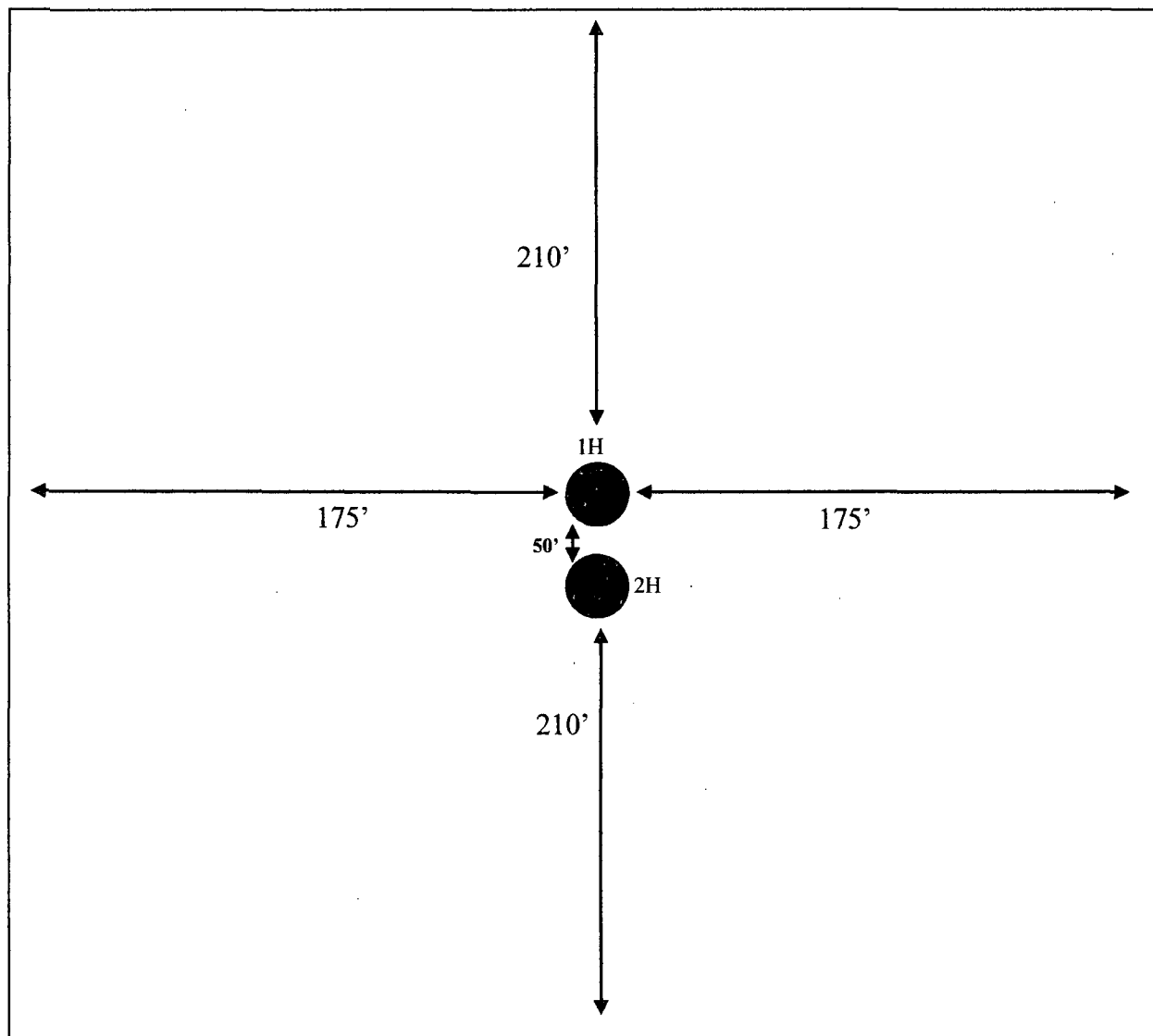
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_



**EXHIBIT D**

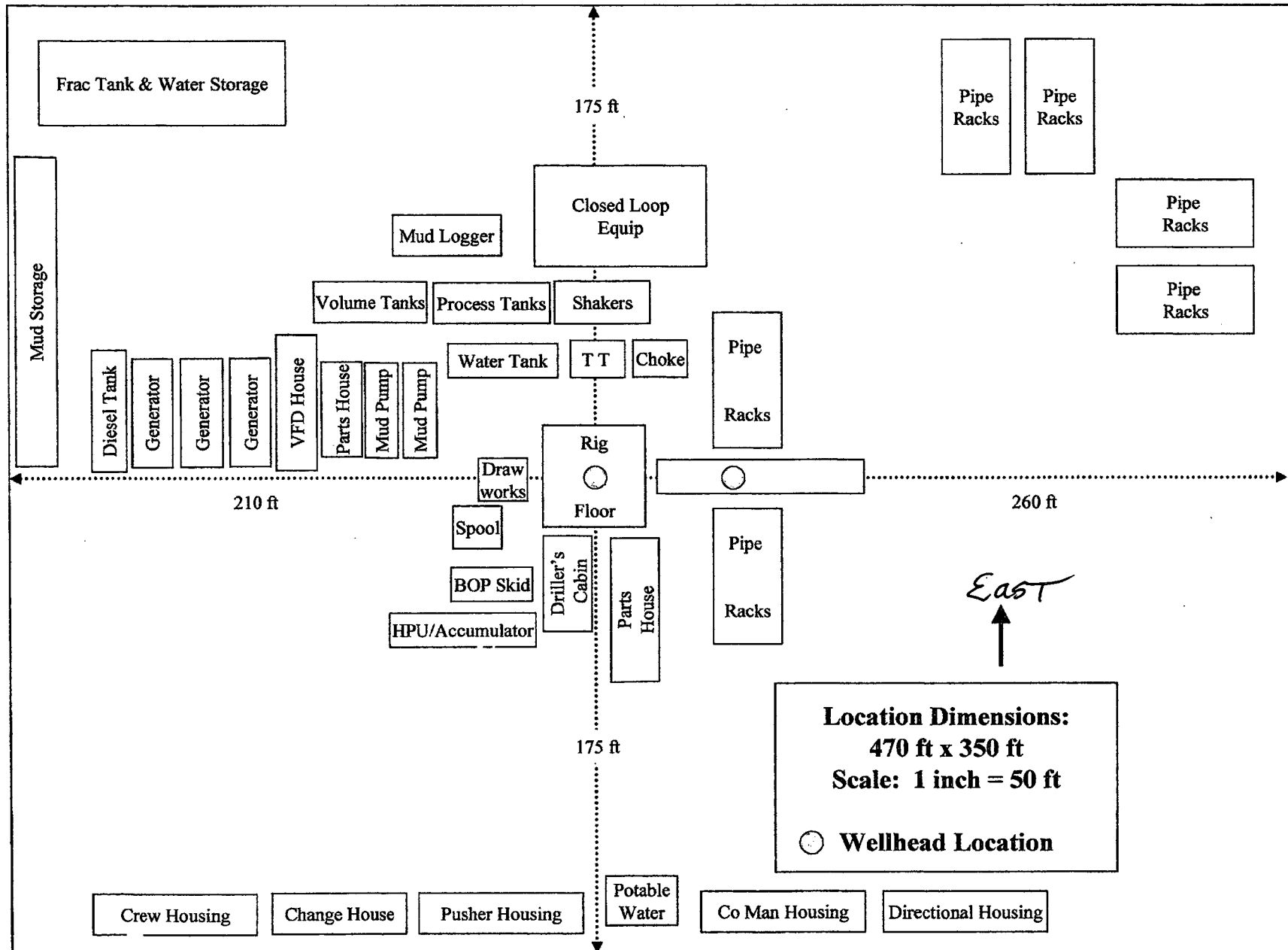
**Pad Size Only  
REDSTART 28 FED COM 1H & 2H  
V-DOOR SOUTH**



**NORTH**

# H&P Flex Rig Location Layout

## 2 Well Pad



I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or Devon Energy Production, L.P. am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U. S. C. 1001 for the filing of false statements. Executed this 2nd day of August 2012.

Signed: \_\_\_\_\_

*Barry W. Hunt*

Printed Name: Barry Hunt

Position: Agent for Devon Energy Production, LLC.

Address: 1403 Springs Farm Place, Carlsbad, NM 88220

Telephone: (575) 361-4078

E-mail: [specialtpermitting@gmail.com](mailto:specialtpermitting@gmail.com)

Field Representative: Don Mayberry

Address: P. O. Box 250, Artesia, NM 88211-0250

Telephone: Office: (575) 748-0164, Cell: (575) 748-5235

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