HOBBS OCD

Devon Energy Prod. Co., L.P./Cotton Draw Unit 508H

AUG 0 3 2017

1. Geologic Formations

RECEIVED

TVD of target	10480	Pilot hole depth	
MD at TD:	19946	Deepest expected fresh water:	708

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Rustler	708		
Salado	1036		
Base of Salt	4286		
Delaware	4514		
Brushy Canyon	6884		
1st BSPG Lime	8402		
1st BSPG Sand	9470		
2nd BSPG Lime	9695		
2nd BSPG Sand	10089		
3rd BSPG Lime	10565		

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

2. Casing Program

Hole	Casin	g Interval	Csg.	Weight	Grade	Conn.	SF	SF	SF
Size	From	То	Size	(lbs)			Collapse	Burst	Tension
17.5"	0	788'	13.375"	48	H-40	STC	1.74	2.45	4.13
12.25"	0	4,350'	9.625"	40	J-55	LTC	1.19	1.42	3.98
8.75"	0	19,946'	5.5"	17	P110	BTC	2.18	2.7	3.21
	•			BLM Min	imum Safe	ty 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

	YorN
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?	I N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	1
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?	

2. Cementing Program

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Casing	# Sks	Wt. Ib/ gal	H₂0 gal/sk	Yld ft3/ sack	500# Comp. Strength (hours)	Slurry Description
13-3/8" Surface	613	14.8	6.34	1.34	6	Tail: Class C Cement + 1% Calcium Chloride
9-5/8" Inter.	737	12.9	9.81	1.85	14	Lead: (65:35) Class C Cement: Poz (Fly Ash): 6% BWOC Bentonite + 5% BWOW Sodium Chloride + 0.125 lbs/sack Poly-E-Flake
	306	14.8	6.32	1.33	6	Tail: Class C Cement + 0.125 lbs/sack Poly-E-Flake
	626	9	13.5	3.27	21	Lead: Tuned Light® Cement
5-1/2" Prod	2462	14.5	5.31	1.2	25	Tail: (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
	602	10.9	20.6	3.31	24	1st Stage Lead: (50:40:10) Class C: Silicalite: Enhancer 923 + 10% BWOC Bentonite + 0.05% BWOC SA-1015 + 0.3% BWOC HR-800 + 0.2% BWOC FE-2 + 0.125 lb/sk Pol-E-Flake + 0.5 lb/sk D-Air 5000
5-1/2" Prod	2462	14.5	5.31	1.2	25	1st Stage Tail: (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
Two					D\	/ Tool = 4400ft
Stage	20	10.9	20.6	3.31	24	2 nd Stage Lead: (50:40:10) Class C: Silicalite: Enhancer 923 + 10% BWOC Bentonite + 0.05% BWOC SA-1015 + 0.3% BWOC HR-800 + 0.2% BWOC FE-2 + 0.125 lb/sk Pol-E-Flake + 0.5 lb/sk D-Air 5000
	30	14.8	6.32	1.33	6	2 nd Stage Tail: Class C Cement + 0.125 lbs/sack Poly-E- Flake

DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
13-3/8" Surface	0'	50%
9-5/8" Intermediate	0'	30%
5-1/2" Production Casing	4150'	25%
5-1/2" Production Casing Two Stage Option	1 st Stage = 4400' / 2 nd Stage = 4150'	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	Type		1	Tested to:				
			Ar	nular	X	50% of working pressure				
			Blir	nd Ram						
12-1/4"	13-5/8"	3M	Pip	e Ram		3M				
			Doul	ole Ram	X	3101				
			Other*							
			Ar	nular	X	50% testing pressure				
			Blir	nd Ram						
8-3/4"	13-5/8"	3M	Pip	e Ram						
0-3/4	13-3/6	5141	5141	5141	3141	13-3/6	Doul	ole Ram	X	3M
			Other *			,				
			Ar	nular						
			Blin	Blind Ram						
			Pip	e 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 Y 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.

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

After running the 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 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

5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	То				
0	788'	FW Gel	8.6-8.8	28-34	N/C
788'	4,350'	Saturated Brine	10.0-10.2	28-34	N/C
4,350'	19,946'	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

Log	ging, Coring and Testing.
Х	Will run GR/CNL fromTD 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

Add	litional logs planned	Interval
Resistivity		Int. shoe to KOP
	Density	Int. shoe to KOP
X	CBL	Production casing
X	Mud log	Intermediate shoe to TD
	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4658 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

Y H2S Plan attached

8. Other facets of operation

Is this a walking operation? No Will be pre-setting casing? No

Attachments
X Directional Plan
Other, describe