

**PECOS DISTRICT DRILLING
CONDITIONS OF APPROVAL**

HOBBS OCD

| | | |
|------------------------------|--|---------------------------------|
| OPERATOR'S NAME: | Devon Energy Production Company, L.P. | AUG 06 2018 RECEIVED |
| LEASE NO.: | NMMN-086153 | |
| WELL NAME & NO.: | Fluffy Cat 16-21 State Fed Com 212H | |
| SURFACE HOLE FOOTAGE: | 2620' FNL & 0619' FWL | |
| BOTTOM HOLE FOOTAGE: | 0330' FSL & 0400' FWL Sec. 21, T. 23 S., R 32 E. | |
| LOCATION: | Section 16, T. 23 S., R 32 E., NMPM | |
| COUNTY: | County, New Mexico | |

Communitization Agreement

The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.

If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.

In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

☐ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 3933612

1. A Hydrogen Sulfide (H₂S) Drilling Plan shall be activated 500 feet prior to drilling into the Delaware formation. **As a result, the Hydrogen Sulfide area must meet Onshore Order 6 requirements, which includes equipment and personnel/public**

protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Option – Setting surface casing with Spudder Rig
 - a. Notify the BLM when removing the Spudder Rig.
 - b. Notify the BLM when moving in the H&P Flex Rig. Rig to be moved in within 60 days of notification that Ashton Oilfield Services Rig has left the location. Failure to notify or have rig on location within 60 days will result in an Incident of Non-Compliance.
 - c. Once the H&P Flex Rig is on location, it shall not be removed from over the hole without prior approval unless the production casing has been run and cemented or the well has been properly plugged. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
 - d. BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as H&P Flex Rig is rigged up on well. CIT for the surface casing shall be performed and results recorded on subsequent sundry – pressure to be 1200 psi.
4. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
5. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Water Basin:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least **8 hours**. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Possible water flows in the Salado and Castile.

Possible lost circulation in the Red Beds, Rustler, and Delaware.

1. The 13-3/8 inch surface casing shall be set at approximately 1202 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If salt is encountered, set casing at least 25 feet above the salt. Excess calculates to 16% - Additional cement may be required.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength,

whichever is greater.

- d. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing shall be kept fluid filled while running into hole to meet BLM minimum collapse requirements.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

☐ Cement to surface. If cement does not circulate see B.1.a, c-d above.

Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

☐ Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API 53.
2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. **Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
3. **Operator has proposed 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 psi.

- a. **Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.**
 - b. **If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.**
 - c. **Manufacturer representative shall install the test plug for the initial BOP test.**
 - d. **Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.**
 - e. **If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.**
4. The appropriate BLM office shall be notified a minimum of hours in advance for a representative to witness the tests.
- a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - a. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer.**
 - b. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test

plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

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**PECOS DISTRICT
SURFACE USE
CONDITIONS OF APPROVAL**

| | |
|-----------------------|-------------------------------------|
| OPERATOR'S NAME: | Devon Energy Production Company LP |
| LEASE NO.: | NMNM086153 |
| WELL NAME & NO.: | Fluffy Cat 16-21 State Fed Com 212H |
| SURFACE HOLE FOOTAGE: | 2620'/N & 619'/W |
| BOTTOM HOLE FOOTAGE: | 330'/S & 400'/W |
| LOCATION: | Section 16, T.23 S., R.32 E., NMPM |
| COUNTY: | Lea County, New Mexico |

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I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator 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 shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

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 the roads, pads, associated 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.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling 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, 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. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. 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 feet from the source of the noise.

Below Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

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.

Communitization Agreement:

1. The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
2. If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
3. In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.
4. Com shall be included in the Well Name to designate the associated Communitization Agreement. Operator shall submit a Sundry to Add "Com" to the well name.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

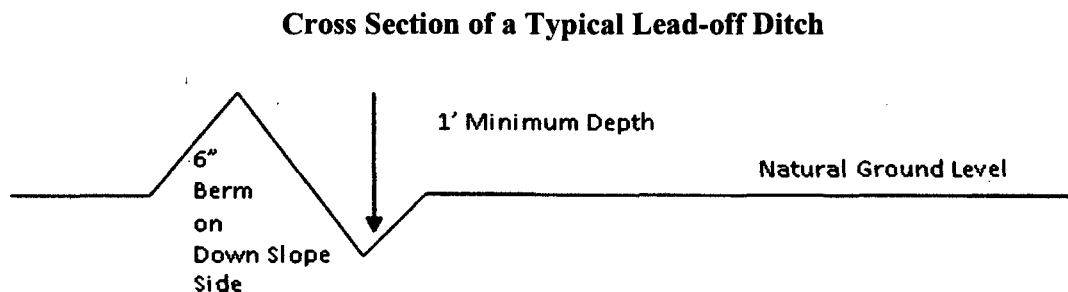
Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

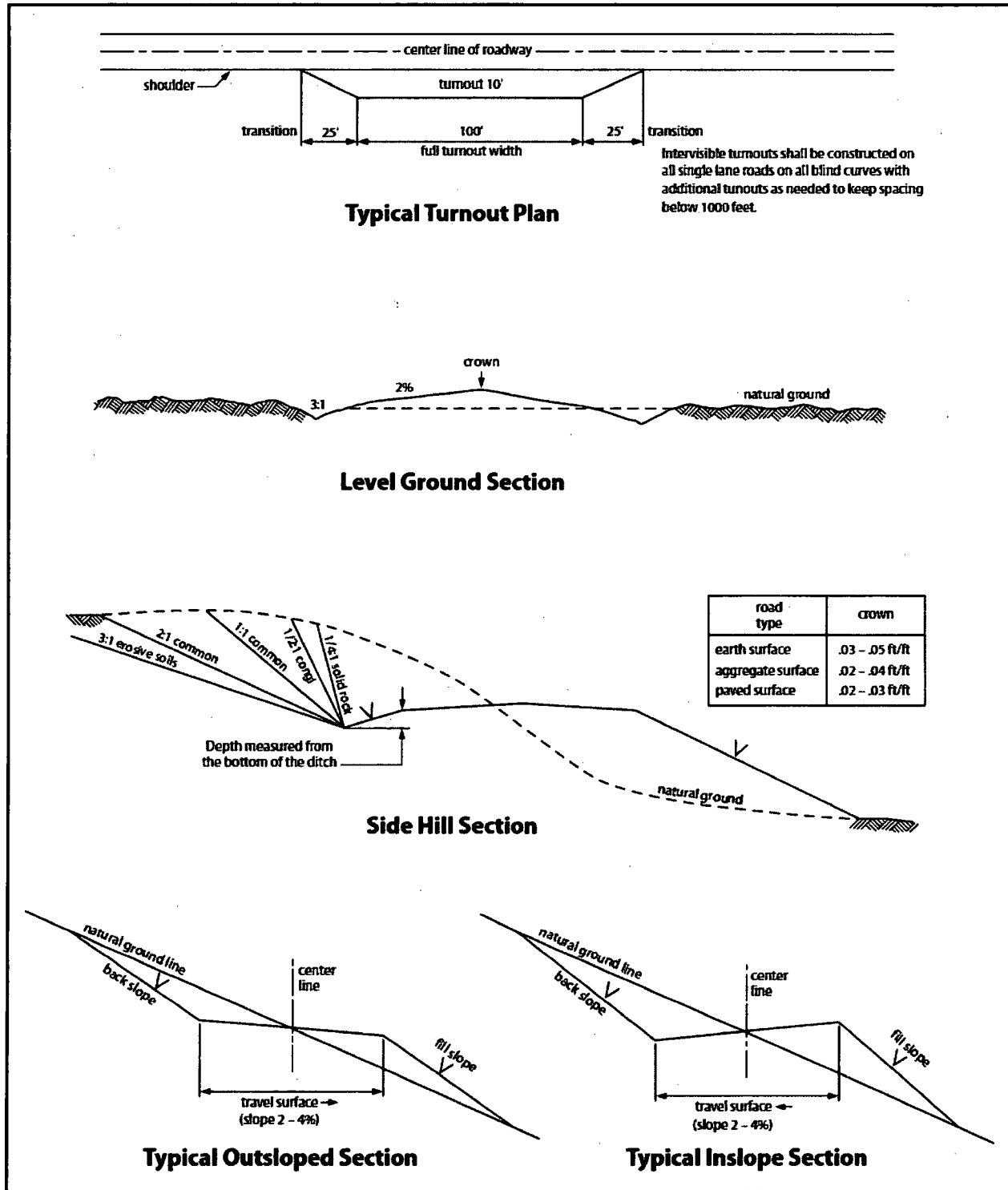


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. Seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

| <u>Species</u> | <u>lb/acre</u> |
|---------------------|----------------|
| Plains Bristlegrass | 5lbs/A |
| Sand Bluestem | 5lbs/A |
| Little Bluestem | 3lbs/A |
| Big Bluestem | 6lbs/A |
| Plains Coreopsis | 2lbs/A |
| Sand Dropseed | 1lbs/A |

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

| | |
|-----------------------|-------------------------------------|
| OPERATOR'S NAME: | Devon Energy Production Company LP |
| LEASE NO.: | NMNM086153 |
| WELL NAME & NO.: | Fluffy Cat 16-21 State Fed Com 212H |
| SURFACE HOLE FOOTAGE: | 2620'/N & 619'/W |
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Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

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- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
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I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator 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 shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

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 the roads, pads, associated 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.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling 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, 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.

Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. 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 feet from the source of the noise.

Below Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

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.

Communitization Agreement:

1. The operator will submit a Communitization Agreement to the Carlsbad Field Office, 620 E Greene St. Carlsbad, New Mexico 88220, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
2. If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
3. In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.
4. Com shall be included in the Well Name to designate the associated Communitization Agreement. Operator shall submit a Sundry to Add "Com" to the well name.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS**Road Width**

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

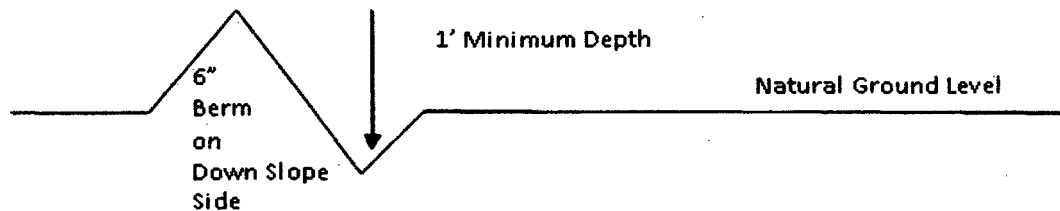
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Construction Steps

1. Salvage topsoil
2. Construct road

3. Redistribute topsoil
4. Revegetate slopes

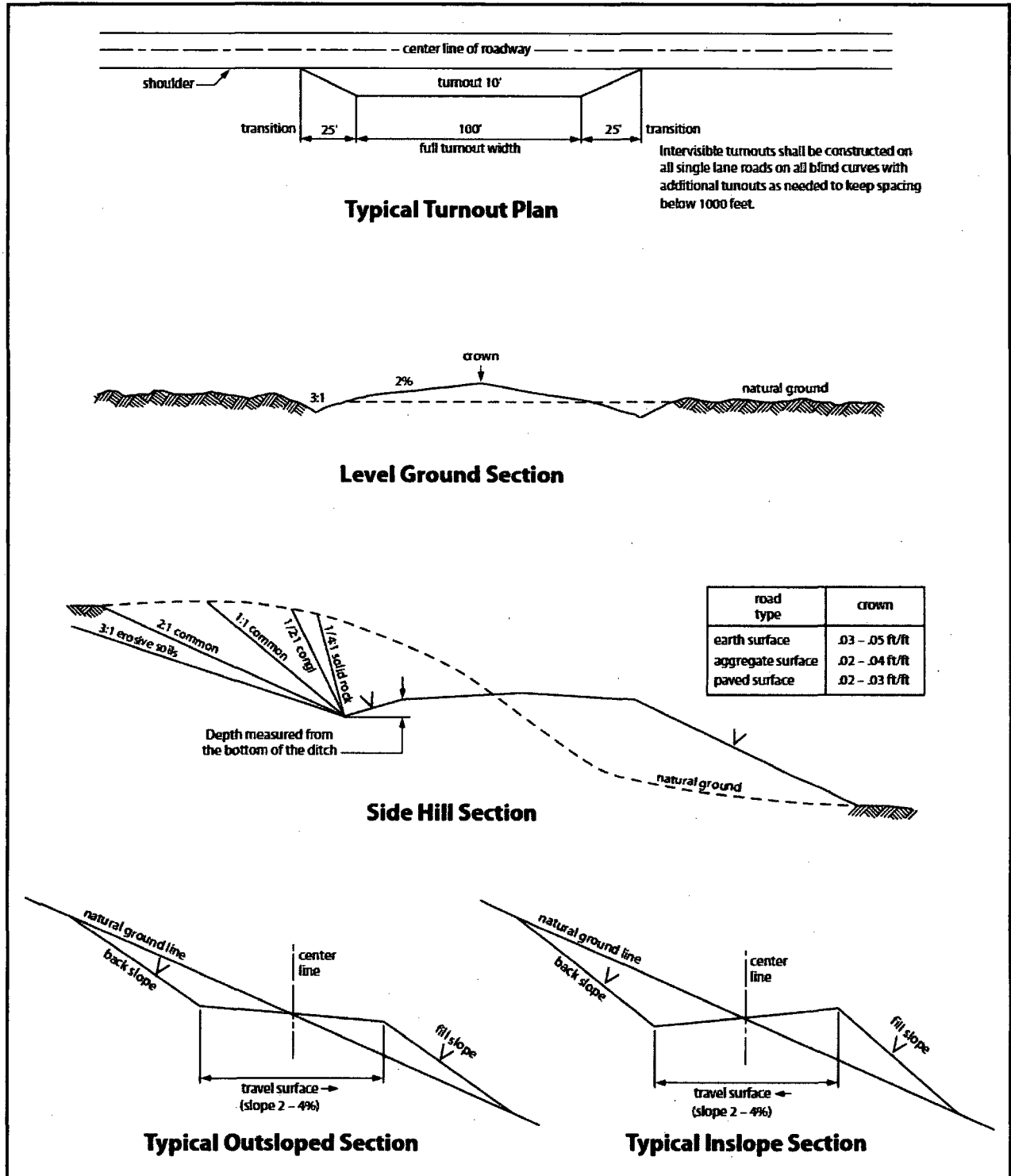


Figure 1. Cross-sections and plans for typical road sections representative of BLM resource or FS local and higher-class roads.

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **Shale Green** from the BLM Standard Environmental Color Chart (CC-001: June 2008).

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

Holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed shall be either certified or registered seed. The seed container shall be tagged in accordance with State law(s) and available for inspection by the Authorized Officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). Holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. Seeding shall be repeated until a satisfactory stand is established as determined by the Authorized Officer. Evaluation of growth may not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

| <u>Species</u> | <u>lb/acre</u> |
|---------------------|----------------|
| Plains Bristlegrass | 5lbs/A |
| Sand Bluestem | 5lbs/A |
| Little Bluestem | 3lbs/A |
| Big Bluestem | 6lbs/A |
| Plains Coreopsis | 2lbs/A |
| Sand Dropseed | 1lbs/A |

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed



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

Hydrogen Sulfide (H₂S) Contingency Plan

For

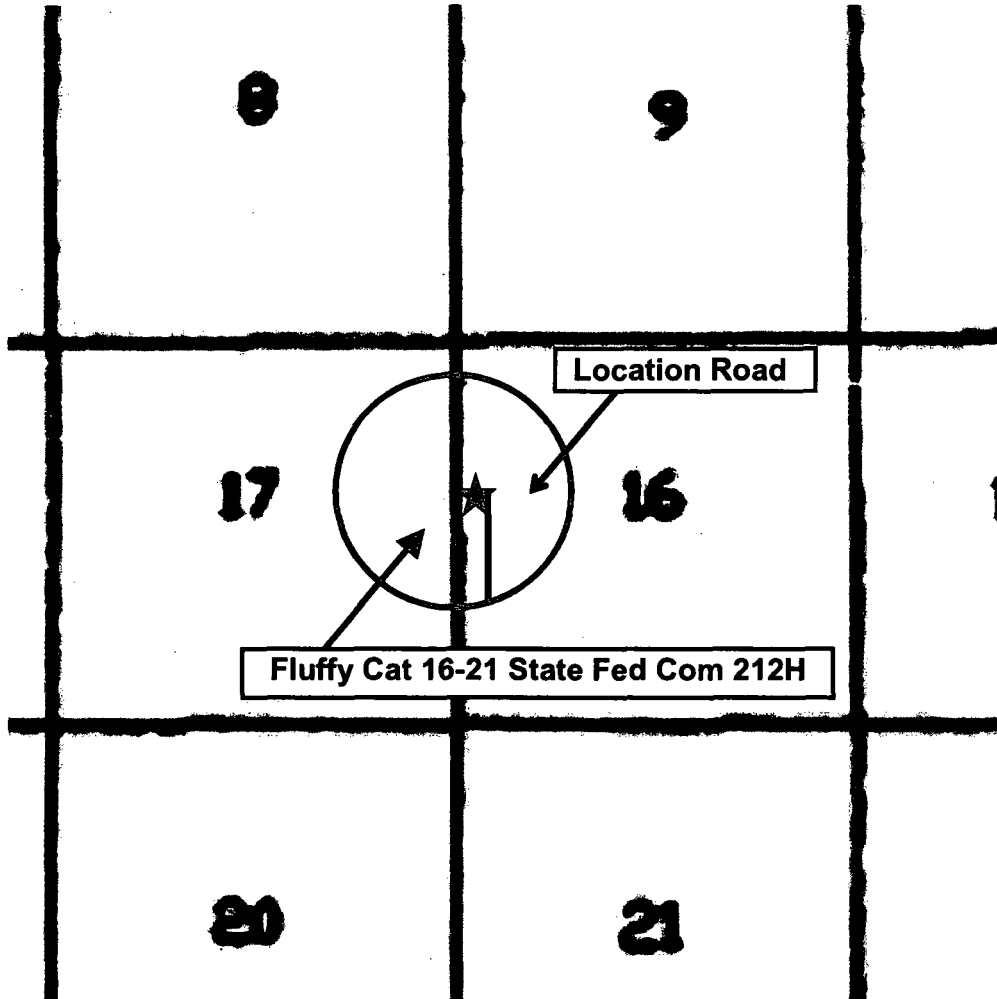
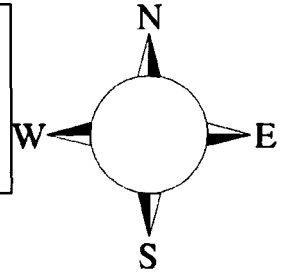
Fluffy Cat 16-21 State Fed Com 212H

**Sec-16 T-23S R-32E
2620' FNL & 619' FWL
LAT. = 32.3046482' N (NAD83)
LONG = 103.6861602' W**

Lea County NM

Fluffy Cat 16-21 State Fed Com 212H

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



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

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated from the location entrance road. Crews should then block the entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. There are no homes or buildings in or near the ROE.

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- **Isolate the area and prevent entry by other persons into the 100 ppm ROE.**
- **Evacuate any public places encompassed by the 100 ppm ROE.**
- **Be equipped with H₂S monitors and air packs in order to control the release.**
- **Use the “buddy system” to ensure no injuries occur during the response**
- **Take precautions to avoid personal injury during this operation.**
- **Contact operator and/or local officials to aid in operation. See list of phone numbers attached.**
- **Have received training in the**
 - **Detection of H₂S, and**
 - **Measures for protection against the gas,**
 - **Equipment used for protection and emergency response.**

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

| Common Name | Chemical Formula | Specific Gravity | Threshold Limit | Hazardous Limit | Lethal Concentration |
|-------------------------|-------------------------|--------------------------|------------------------|------------------------|-----------------------------|
| Hydrogen Sulfide | H₂S | 1.189 Air = 1 | 10 ppm | 100 ppm/hr | 600 ppm |
| Sulfur Dioxide | SO₂ | 2.21 Air = 1 | 2 ppm | N/A | 1000 ppm |

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE (H₂S) TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan.

II. HYDROGEN SULFIDE TRAINING

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H₂S.

1. Well Control Equipment

- A. Flare line
- B. Choke manifold – Remotely Operated
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer and rotating head.
- E. Mud/Gas Separator

2. Protective equipment for essential personnel:

30-minute SCBA units located at briefing areas, as indicated on well site diagram, with escape units available in the top doghouse. As it may be difficult to communicate audibly while wearing these units, hand signals shall be utilized.

3. H₂S detection and monitoring equipment:

Portable H₂S monitors positioned on location for best coverage and response. These units have warning lights which activate when H₂S levels reach 10 ppm and audible sirens which activate at 15 ppm. Sensor locations:

- Bell nipple
- Possum Belly/Shale shaker
- Rig floor
- Choke manifold
- Cellar

Visual warning systems:

- A. Wind direction indicators as shown on well site diagram
- B. Caution/ Danger signs shall be posted on roads providing direct access to locations. Signs will be painted a high visibility yellow with black lettering of sufficient size to be reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

4. Mud program:

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

5. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H₂S trim.
- B. All elastomers used for packing and seals shall be H₂S trim.

6. Communication:

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

7. Well testing:

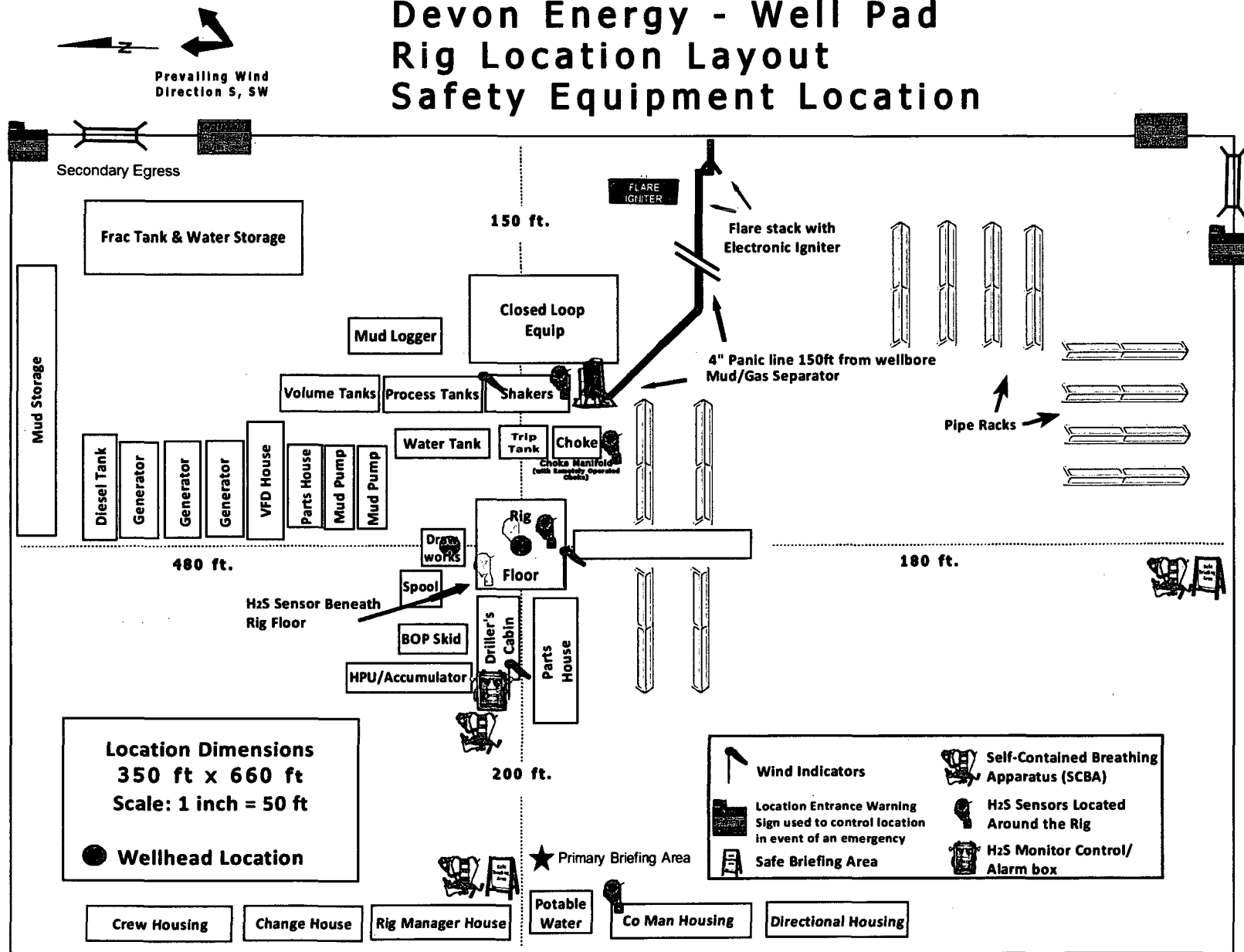
- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H₂S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

| <u>Devon Energy Corp. Company Call List</u> | | |
|--|---|-------------------------------|
| Drilling Supervisor – Basin – Mark Kramer | | 405-823-4796 |
| EHS Professional – Laura Wright | | 405-439-8129 |
| <u>Agency Call List</u> | | |
| <u>Lea County (575)</u> | Hobbs | |
| | Lea County Communication Authority | 393-3981 |
| | State Police | 392-5588 |
| | City Police | 397-9265 |
| | Sheriff's Office | 393-2515 |
| | Ambulance | 911 |
| | Fire Department | 397-9308 |
| | LEPC (Local Emergency Planning Committee) | 393-2870 |
| | NMOCD | 393-6161 |
| | US Bureau of Land Management | 393-3612 |
| <u>Eddy County (575)</u> | Carlsbad | |
| | State Police | 885-3137 |
| | City Police | 885-2111 |
| | Sheriff's Office | 887-7551 |
| | Ambulance | 911 |
| | Fire Department | 885-3125 |
| | LEPC (Local Emergency Planning Committee) | 887-3798 |
| | US Bureau of Land Management | 887-6544 |
| | NM Emergency Response Commission (Santa Fe) | (505) 476-9600 |
| | 24 HR | (505) 827-9126 |
| | National Emergency Response Center | (800) 424-8802 |
| | National Pollution Control Center: Direct | (703) 872-6000 |
| | For Oil Spills | (800) 280-7118 |
| | Emergency Services | |
| | Wild Well Control | (281) 784-4700 |
| | Cudd Pressure Control | (915) 699-0139 (915) 563-3356 |
| | Halliburton | (575) 746-2757 |
| | B. J. Services | (575) 746-3569 |
| <u>Give GPS position:</u> | Native Air – Emergency Helicopter – Hobbs | (575) 392-6429 |
| | Flight For Life - Lubbock, TX | (806) 743-9911 |
| | Aerocare - Lubbock, TX | (806) 747-8923 |
| | Med Flight Air Amb - Albuquerque, NM | (575) 842-4433 |
| | Lifeguard Air Med Svc. Albuquerque, NM | (800) 222-1222 |
| | Poison Control (24/7) | (575) 272-3115 |
| | Oil & Gas Pipeline 24 Hour Service | (800) 364-4366 |
| | NOAA – Website - www.nhc.noaa.gov | |

Prepared in conjunction with
Dave Small



Devon Energy - Well Pad Rig Location Layout Safety Equipment Location



Devon Energy

WELL DETAILS: Fluffy Cat 16-21 State Fed Com 212H

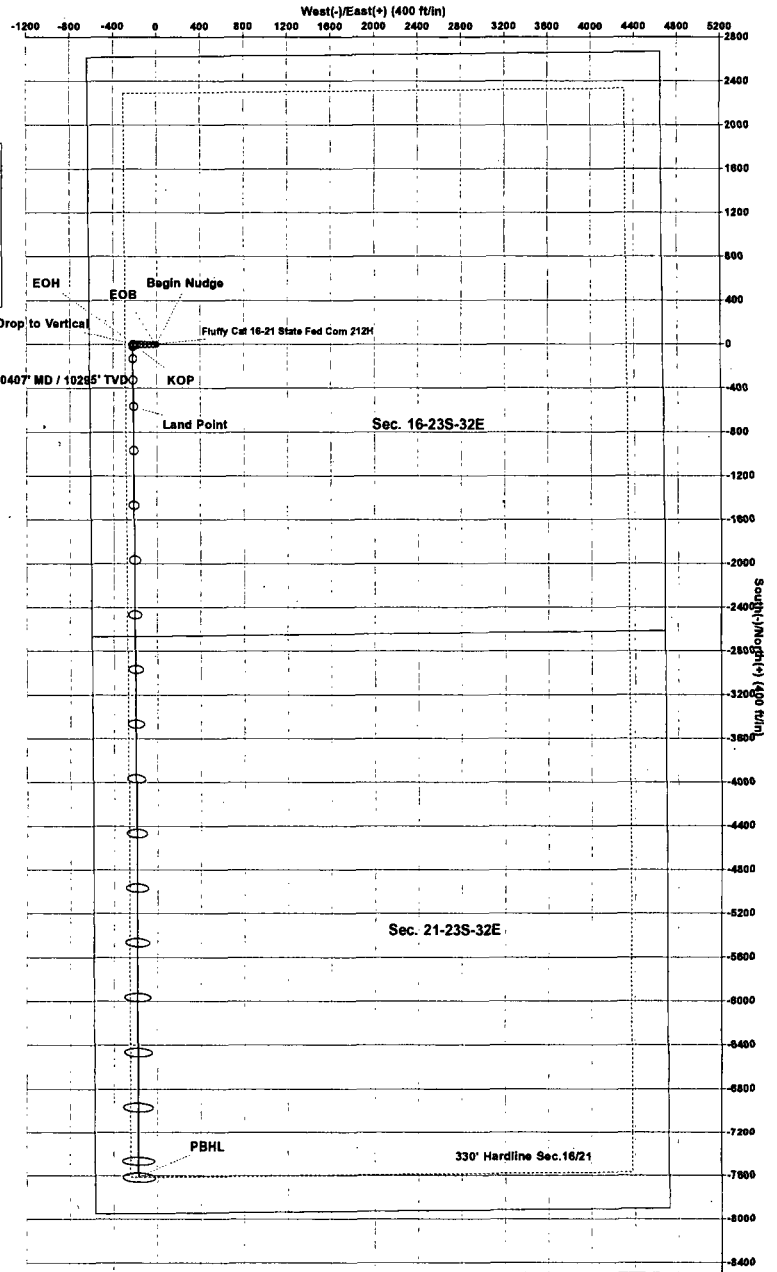
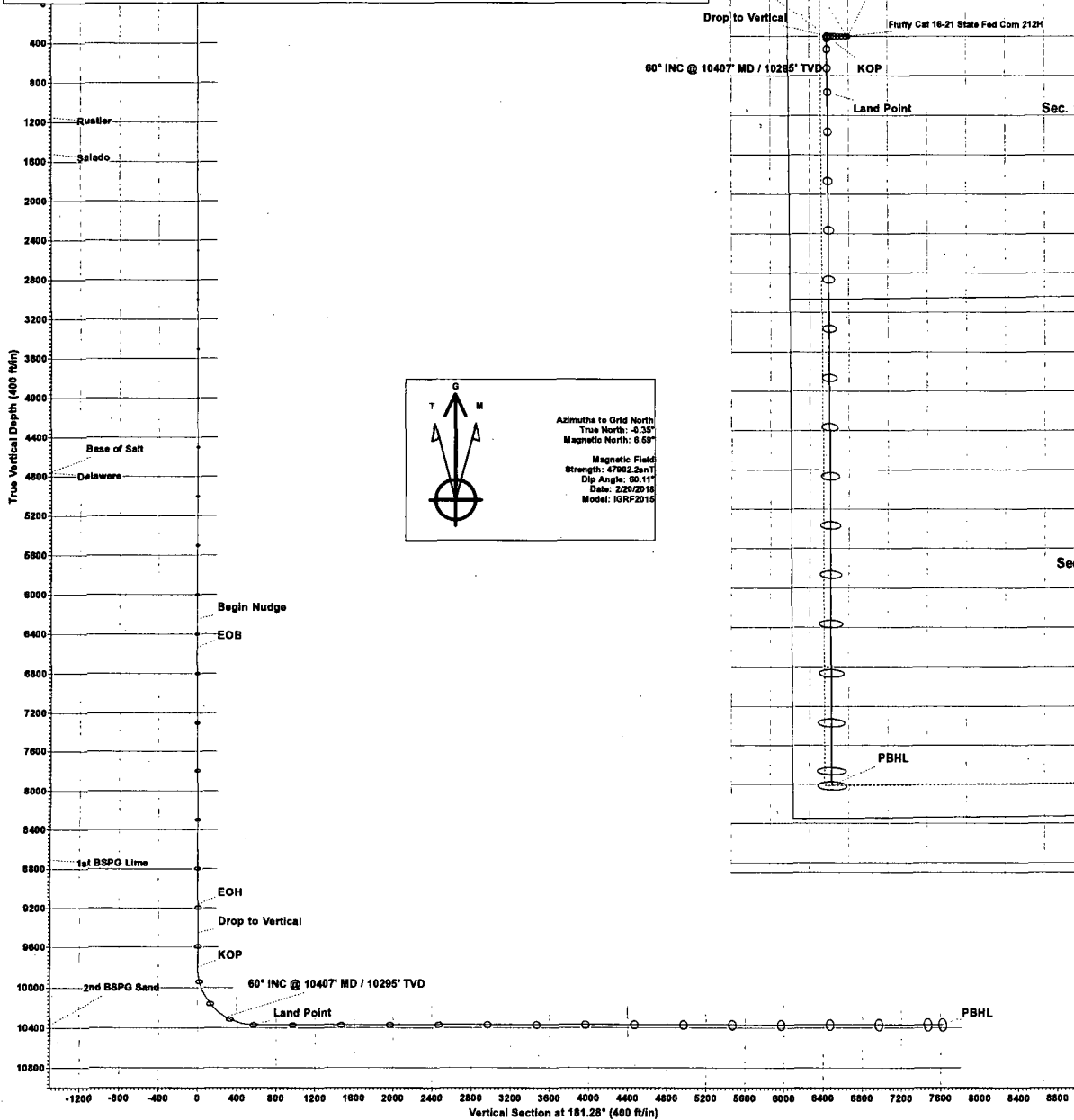
RKB @ 3698.30ft

3673.30

Northing 475166.99 Easting 741269.11 Latitude 32.304648 Longitude -103.686160

SECTION DETAILS Permit Plan 1

| | MD | Inc | Azi | TVD | +N/-S | +E/-W | Diag | Vsect | Annotation |
|---|----------|-------|--------|----------|----------|---------|-------|---------|------------------|
| | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | Begin Nudge |
| | 6250.00 | 0.00 | 0.00 | 6250.00 | 0.00 | 0.00 | 0.00 | 0.00 | EOB |
| | 6538.16 | 4.32 | 270.00 | 6537.89 | 0.00 | -10.88 | 1.50 | 0.24 | EOH |
| | 9168.87 | 4.32 | 270.00 | 9161.11 | 0.00 | -209.14 | 0.00 | 4.68 | EOH |
| 5 | 9457.03 | 0.00 | 0.00 | 9449.00 | 0.00 | -220.00 | 1.50 | 4.93 | Drop to Vertical |
| 6 | 9807.07 | 0.00 | 0.00 | 9799.04 | 0.00 | -220.00 | 0.00 | 4.93 | KOP |
| 7 | 10707.07 | 90.00 | 179.63 | 10372.00 | -572.95 | -216.28 | 10.00 | 577.65 | Land Point |
| 8 | 17749.94 | 90.00 | 179.63 | 10372.00 | -7615.67 | -170.60 | 0.00 | 7617.58 | PBHL |



WCDSC Permian NM

Lea County (NAD83 New Mexico East)

Sec 16-T23S-R32E

Fluffy Cat 16-21 State Fed Com 212H

Wellbore #1

Plan: Permit Plan 1

Standard Planning Report

20 February, 2018

Planning Report

| | | | |
|------------------|-------------------------------------|-------------------------------------|--|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Fluffy Cat 16-21 State Fed Com 212H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3698.30ft |
| Project: | Lea County (NAD83 New Mexico East) | MD Reference: | RKB @ 3698.30ft |
| Site: | Sec 16-T23S-R32E | North Reference: | Grid |
| Well: | Fluffy Cat 16-21 State Fed Com 212H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 1 | | |

| | | | |
|--------------------|------------------------------------|----------------------|----------------|
| Project | Lea County (NAD83 New Mexico East) | | |
| Map System: | US State Plane 1983 | System Datum: | Mean Sea Level |
| Geo Datum: | North American Datum 1983 | | |
| Map Zone: | New Mexico Eastern Zone | | |

| | | | | | |
|-----------------------|---------|------------------|-----------------|-------------------|-------------|
| Site | | Sec 16-T23S-R32E | | | |
| Site Position: | | Northing: | 474,609.56 usft | Latitude: | 32.303123 |
| From: | Map | Easting: | 740,873.61 usft | Longitude: | -103.687516 |
| Position Uncertainty: | 0.00 ft | Slot Radius: | 13-3/16 " | Grid Convergence: | 0.35 |

| | | | | | | |
|-----------------------------|-------------------------------------|-----------|----------------------------|-----------------|----------------------|-------------|
| Well | Fluffy Cat 16-21 State Fed Com 212H | | | | | |
| Well Position | +N/-S | 557.43 ft | Northing: | 475,166.99 usft | Latitude: | 32.304648 |
| | +E/-W | 415.50 ft | Easting: | 741,289.11 usft | Longitude: | -103.686160 |
| Position Uncertainty | | 0.50 ft | Wellhead Elevation: | | Ground Level: | 3,673.30 ft |

| | | | | | |
|------------------|-------------------|--------------------|----------------------------|--------------------------|--------------------------------|
| Wellbore | Wellbore #1 | | | | |
| Magnetics | Model Name | Sample Date | Declination (°) | Dip Angle (°) | Field Strength (nT) |
| | IGRF2015 | 2/20/2018 | 6.94 | 60.11 | 47,902.20250830 |

| | | | | |
|--------------------------|----------------------------------|-----------------------|-----------------------|--------------------------|
| Design | Permit Plan 1 | | | |
| Audit Notes: | | | | |
| Version: | Phase: | PROTOTYPE | Tie On Depth: | 0.00 |
| Vertical Section: | Depth From (TVD) (ft) | +N/-S (ft) | +E/-W (ft) | Direction (°) |
| | 0.00 | 0.00 | 0.00 | 181.28 |

| | | | | |
|---------------------------------|--------------------------|--------------------------|-----------------------------|------------------------------------|
| Plan Survey Tool Program | Date 2/20/2018 | | | |
| Depth From (ft) | Depth To (ft) | Survey (Wellbore) | Tool Name | Remarks |
| 1 | 0.00 | 17,749.94 | Permit Plan 1 (Wellbore #1) | MWD+IGRF OWSG MWD + IGRF or WMM |

| | | | | | | | | | | |
|------------------------------------|----------------------------|------------------------|------------------------------------|-----------------------|-----------------------|--|---------------------------------------|--------------------------------------|--------------------|-----------------------------|
| Plan Sections | | | | | | | | | | |
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | 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 | |
| 6,250.00 | 0.00 | 0.00 | 6,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 6,538.16 | 4.32 | 270.00 | 6,537.89 | 0.00 | -10.86 | 1.50 | 1.50 | 0.00 | 270.00 | |
| 9,168.87 | 4.32 | 270.00 | 9,161.11 | 0.00 | -209.14 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 9,457.03 | 0.00 | 0.00 | 9,449.00 | 0.00 | -220.00 | 1.50 | -1.50 | 0.00 | 180.00 | Vertical Point - Fluffy Cat |
| 9,807.07 | 0.00 | 0.00 | 9,799.04 | 0.00 | -220.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 10,707.07 | 90.00 | 179.63 | 10,372.00 | -572.95 | -216.28 | 10.00 | 10.00 | 0.00 | 179.63 | Fluffy Cat 212H PBHL |
| 17,749.94 | 90.00 | 179.63 | 10,372.00 | -7,615.67 | -170.60 | 0.00 | 0.00 | 0.00 | 0.00 | Fluffy Cat 212H PBHL |

Planning Report

| | | | |
|------------------|-------------------------------------|-------------------------------------|--|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Fluffy Cat 16-21 State Fed Com 212H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3698.30ft |
| Project: | Lea County (NAD83 New Mexico East) | MD Reference: | RKB @ 3698.30ft |
| Site: | Sec 16-T23S-R32E | North Reference: | Grid |
| Well: | Fluffy Cat 16-21 State Fed Com 212H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 1 | | |

| Planned Survey | | | | | | | | | |
|---------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-------------------------|------------------------|-----------------------|
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | 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 |
| 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 |
| 1,152.00 | 0.00 | 0.00 | 1,152.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Rustler | | | | | | | | | |
| 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 |
| 1,522.00 | 0.00 | 0.00 | 1,522.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Salado | | | | | | | | | |
| 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 |
| 3,100.00 | 0.00 | 0.00 | 3,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,200.00 | 0.00 | 0.00 | 3,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,300.00 | 0.00 | 0.00 | 3,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,400.00 | 0.00 | 0.00 | 3,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,500.00 | 0.00 | 0.00 | 3,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,600.00 | 0.00 | 0.00 | 3,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,700.00 | 0.00 | 0.00 | 3,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,800.00 | 0.00 | 0.00 | 3,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3,900.00 | 0.00 | 0.00 | 3,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,100.00 | 0.00 | 0.00 | 4,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,200.00 | 0.00 | 0.00 | 4,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,300.00 | 0.00 | 0.00 | 4,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,400.00 | 0.00 | 0.00 | 4,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,500.00 | 0.00 | 0.00 | 4,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,600.00 | 0.00 | 0.00 | 4,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,700.00 | 0.00 | 0.00 | 4,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,752.00 | 0.00 | 0.00 | 4,752.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Planning Report

| | | | |
|------------------|-------------------------------------|-------------------------------------|--|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Fluffy Cat 16-21 State Fed Com 212H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3698.30ft |
| Project: | Lea County (NAD83 New Mexico East) | MD Reference: | RKB @ 3698.30ft |
| Site: | Sec 16-T23S-R32E | North Reference: | Grid |
| Well: | Fluffy Cat 16-21 State Fed Com 212H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 1 | | |

Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|---------------------------|--------------------|----------------|---------------------------|---------------|---------------|-----------------------------|-------------------------------|------------------------------|-----------------------------|
| Base of Salt | | | | | | | | | |
| 4,762.00 | 0.00 | 0.00 | 4,762.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Delaware | | | | | | | | | |
| 4,800.00 | 0.00 | 0.00 | 4,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,900.00 | 0.00 | 0.00 | 4,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,000.00 | 0.00 | 0.00 | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,100.00 | 0.00 | 0.00 | 5,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,200.00 | 0.00 | 0.00 | 5,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,300.00 | 0.00 | 0.00 | 5,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,400.00 | 0.00 | 0.00 | 5,400.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,500.00 | 0.00 | 0.00 | 5,500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,600.00 | 0.00 | 0.00 | 5,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,700.00 | 0.00 | 0.00 | 5,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,800.00 | 0.00 | 0.00 | 5,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5,900.00 | 0.00 | 0.00 | 5,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,000.00 | 0.00 | 0.00 | 6,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,100.00 | 0.00 | 0.00 | 6,100.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,200.00 | 0.00 | 0.00 | 6,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6,250.00 | 0.00 | 0.00 | 6,250.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Begin Nudge | | | | | | | | | |
| 6,300.00 | 0.75 | 270.00 | 6,300.00 | 0.00 | -0.33 | 0.01 | 1.50 | 1.50 | 0.00 |
| 6,400.00 | 2.25 | 270.00 | 6,399.96 | 0.00 | -2.94 | 0.07 | 1.50 | 1.50 | 0.00 |
| 6,500.00 | 3.75 | 270.00 | 6,499.82 | 0.00 | -8.18 | 0.18 | 1.50 | 1.50 | 0.00 |
| 6,538.16 | 4.32 | 270.00 | 6,537.89 | 0.00 | -10.86 | 0.24 | 1.50 | 1.50 | 0.00 |
| EOB | | | | | | | | | |
| 6,600.00 | 4.32 | 270.00 | 6,599.55 | 0.00 | -15.52 | 0.35 | 0.00 | 0.00 | 0.00 |
| 6,700.00 | 4.32 | 270.00 | 6,699.27 | 0.00 | -23.06 | 0.52 | 0.00 | 0.00 | 0.00 |
| 6,800.00 | 4.32 | 270.00 | 6,798.98 | 0.00 | -30.60 | 0.69 | 0.00 | 0.00 | 0.00 |
| 6,900.00 | 4.32 | 270.00 | 6,898.70 | 0.00 | -38.14 | 0.85 | 0.00 | 0.00 | 0.00 |
| 7,000.00 | 4.32 | 270.00 | 6,998.41 | 0.00 | -45.67 | 1.02 | 0.00 | 0.00 | 0.00 |
| 7,100.00 | 4.32 | 270.00 | 7,098.13 | 0.00 | -53.21 | 1.19 | 0.00 | 0.00 | 0.00 |
| 7,200.00 | 4.32 | 270.00 | 7,197.84 | 0.00 | -60.75 | 1.36 | 0.00 | 0.00 | 0.00 |
| 7,300.00 | 4.32 | 270.00 | 7,297.56 | 0.00 | -68.28 | 1.53 | 0.00 | 0.00 | 0.00 |
| 7,400.00 | 4.32 | 270.00 | 7,397.28 | 0.00 | -75.82 | 1.70 | 0.00 | 0.00 | 0.00 |
| 7,500.00 | 4.32 | 270.00 | 7,496.99 | 0.00 | -83.36 | 1.87 | 0.00 | 0.00 | 0.00 |
| 7,600.00 | 4.32 | 270.00 | 7,596.71 | 0.00 | -90.89 | 2.04 | 0.00 | 0.00 | 0.00 |
| 7,700.00 | 4.32 | 270.00 | 7,696.42 | 0.00 | -98.43 | 2.20 | 0.00 | 0.00 | 0.00 |
| 7,800.00 | 4.32 | 270.00 | 7,796.14 | 0.00 | -105.97 | 2.37 | 0.00 | 0.00 | 0.00 |
| 7,900.00 | 4.32 | 270.00 | 7,895.85 | 0.00 | -113.50 | 2.54 | 0.00 | 0.00 | 0.00 |
| 8,000.00 | 4.32 | 270.00 | 7,995.57 | 0.00 | -121.04 | 2.71 | 0.00 | 0.00 | 0.00 |
| 8,100.00 | 4.32 | 270.00 | 8,095.28 | 0.00 | -128.58 | 2.88 | 0.00 | 0.00 | 0.00 |
| 8,200.00 | 4.32 | 270.00 | 8,195.00 | 0.00 | -136.11 | 3.05 | 0.00 | 0.00 | 0.00 |
| 8,300.00 | 4.32 | 270.00 | 8,294.72 | 0.00 | -143.65 | 3.22 | 0.00 | 0.00 | 0.00 |
| 8,400.00 | 4.32 | 270.00 | 8,394.43 | 0.00 | -151.19 | 3.39 | 0.00 | 0.00 | 0.00 |
| 8,500.00 | 4.32 | 270.00 | 8,494.15 | 0.00 | -158.72 | 3.55 | 0.00 | 0.00 | 0.00 |
| 8,600.00 | 4.32 | 270.00 | 8,593.86 | 0.00 | -166.26 | 3.72 | 0.00 | 0.00 | 0.00 |
| 8,700.00 | 4.32 | 270.00 | 8,693.58 | 0.00 | -173.80 | 3.89 | 0.00 | 0.00 | 0.00 |
| 8,713.46 | 4.32 | 270.00 | 8,707.00 | 0.00 | -174.81 | 3.92 | 0.00 | 0.00 | 0.00 |
| 1st BSPG Lime | | | | | | | | | |
| 8,800.00 | 4.32 | 270.00 | 8,793.29 | 0.00 | -181.33 | 4.06 | 0.00 | 0.00 | 0.00 |
| 8,900.00 | 4.32 | 270.00 | 8,893.01 | 0.00 | -188.87 | 4.23 | 0.00 | 0.00 | 0.00 |
| 9,000.00 | 4.32 | 270.00 | 8,992.72 | 0.00 | -196.41 | 4.40 | 0.00 | 0.00 | 0.00 |
| 9,100.00 | 4.32 | 270.00 | 9,092.44 | 0.00 | -203.95 | 4.57 | 0.00 | 0.00 | 0.00 |
| 9,168.87 | 4.32 | 270.00 | 9,161.11 | 0.00 | -209.14 | 4.68 | 0.00 | 0.00 | 0.00 |

Planning Report

| | | | |
|------------------|-------------------------------------|-------------------------------------|--|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Fluffy Cat 16-21 State Fed Com 212H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3698.30ft |
| Project: | Lea County (NAD83 New Mexico East) | MD Reference: | RKB @ 3698.30ft |
| Site: | Sec 16-T23S-R32E | North Reference: | Grid |
| Well: | Fluffy Cat 16-21 State Fed Com 212H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 1 | | |

Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|---|-----------------|-------------|---------------------|------------|------------|-----------------------|-------------------------|------------------------|-----------------------|
| EOH | | | | | | | | | |
| 9,200.00 | 3.86 | 270.00 | 9,192.17 | 0.00 | -211.36 | 4.73 | 1.50 | -1.50 | 0.00 |
| 9,300.00 | 2.36 | 270.00 | 9,292.02 | 0.00 | -216.77 | 4.85 | 1.50 | -1.50 | 0.00 |
| 9,400.00 | 0.86 | 270.00 | 9,391.97 | 0.00 | -219.57 | 4.92 | 1.50 | -1.50 | 0.00 |
| 9,457.03 | 0.00 | 0.00 | 9,449.00 | 0.00 | -220.00 | 4.93 | 1.50 | -1.50 | 0.00 |
| Drop to Vertical | | | | | | | | | |
| 9,500.00 | 0.00 | 0.00 | 9,491.97 | 0.00 | -220.00 | 4.93 | 0.00 | 0.00 | 0.00 |
| 9,600.00 | 0.00 | 0.00 | 9,591.97 | 0.00 | -220.00 | 4.93 | 0.00 | 0.00 | 0.00 |
| 9,700.00 | 0.00 | 0.00 | 9,691.97 | 0.00 | -220.00 | 4.93 | 0.00 | 0.00 | 0.00 |
| 9,800.00 | 0.00 | 0.00 | 9,791.97 | 0.00 | -220.00 | 4.93 | 0.00 | 0.00 | 0.00 |
| 9,807.07 | 0.00 | 0.00 | 9,799.04 | 0.00 | -220.00 | 4.93 | 0.00 | 0.00 | 0.00 |
| KOP | | | | | | | | | |
| 9,900.00 | 9.29 | 179.63 | 9,891.56 | -7.52 | -219.95 | 12.44 | 10.00 | 10.00 | 0.00 |
| 10,000.00 | 19.29 | 179.63 | 9,988.35 | -32.18 | -219.79 | 37.09 | 10.00 | 10.00 | 0.00 |
| 10,100.00 | 29.29 | 179.63 | 10,079.38 | -73.26 | -219.52 | 78.16 | 10.00 | 10.00 | 0.00 |
| 10,200.00 | 39.29 | 179.63 | 10,161.89 | -129.53 | -219.16 | 134.41 | 10.00 | 10.00 | 0.00 |
| 10,300.00 | 49.29 | 179.63 | 10,233.37 | -199.28 | -218.71 | 204.12 | 10.00 | 10.00 | 0.00 |
| 10,400.00 | 59.29 | 179.63 | 10,291.66 | -280.37 | -218.18 | 285.19 | 10.00 | 10.00 | 0.00 |
| 10,407.07 | 60.00 | 179.63 | 10,295.24 | -286.47 | -218.14 | 291.29 | 10.00 | 10.00 | 0.00 |
| 60° INC @ 10407' MD / 10295' TVD | | | | | | | | | |
| 10,500.00 | 69.29 | 179.63 | 10,334.99 | -370.36 | -217.60 | 375.14 | 10.00 | 10.00 | 0.00 |
| 10,600.00 | 79.29 | 179.63 | 10,362.02 | -466.50 | -216.97 | 471.24 | 10.00 | 10.00 | 0.00 |
| 10,700.00 | 89.29 | 179.63 | 10,371.96 | -565.88 | -216.33 | 570.58 | 10.00 | 10.00 | 0.00 |
| 10,707.07 | 90.00 | 179.63 | 10,372.00 | -572.95 | -216.28 | 577.65 | 10.00 | 10.00 | 0.00 |
| Land Point - 2nd BSPG Sand | | | | | | | | | |
| 10,800.00 | 90.00 | 179.63 | 10,372.00 | -665.87 | -215.68 | 670.54 | 0.00 | 0.00 | 0.00 |
| 10,900.00 | 90.00 | 179.63 | 10,372.00 | -765.87 | -215.03 | 770.50 | 0.00 | 0.00 | 0.00 |
| 11,000.00 | 90.00 | 179.63 | 10,372.00 | -865.87 | -214.38 | 870.45 | 0.00 | 0.00 | 0.00 |
| 11,100.00 | 90.00 | 179.63 | 10,372.00 | -965.87 | -213.73 | 970.41 | 0.00 | 0.00 | 0.00 |
| 11,200.00 | 90.00 | 179.63 | 10,372.00 | -1,065.87 | -213.09 | 1,070.37 | 0.00 | 0.00 | 0.00 |
| 11,300.00 | 90.00 | 179.63 | 10,372.00 | -1,165.86 | -212.44 | 1,170.33 | 0.00 | 0.00 | 0.00 |
| 11,400.00 | 90.00 | 179.63 | 10,372.00 | -1,265.86 | -211.79 | 1,270.29 | 0.00 | 0.00 | 0.00 |
| 11,500.00 | 90.00 | 179.63 | 10,372.00 | -1,365.86 | -211.14 | 1,370.25 | 0.00 | 0.00 | 0.00 |
| 11,600.00 | 90.00 | 179.63 | 10,372.00 | -1,465.86 | -210.49 | 1,470.20 | 0.00 | 0.00 | 0.00 |
| 11,700.00 | 90.00 | 179.63 | 10,372.00 | -1,565.86 | -209.84 | 1,570.16 | 0.00 | 0.00 | 0.00 |
| 11,800.00 | 90.00 | 179.63 | 10,372.00 | -1,665.85 | -209.19 | 1,670.12 | 0.00 | 0.00 | 0.00 |
| 11,900.00 | 90.00 | 179.63 | 10,372.00 | -1,765.85 | -208.55 | 1,770.08 | 0.00 | 0.00 | 0.00 |
| 12,000.00 | 90.00 | 179.63 | 10,372.00 | -1,865.85 | -207.90 | 1,870.04 | 0.00 | 0.00 | 0.00 |
| 12,100.00 | 90.00 | 179.63 | 10,372.00 | -1,965.85 | -207.25 | 1,970.00 | 0.00 | 0.00 | 0.00 |
| 12,200.00 | 90.00 | 179.63 | 10,372.00 | -2,065.84 | -206.60 | 2,069.95 | 0.00 | 0.00 | 0.00 |
| 12,300.00 | 90.00 | 179.63 | 10,372.00 | -2,165.84 | -205.95 | 2,169.91 | 0.00 | 0.00 | 0.00 |
| 12,400.00 | 90.00 | 179.63 | 10,372.00 | -2,265.84 | -205.30 | 2,269.87 | 0.00 | 0.00 | 0.00 |
| 12,500.00 | 90.00 | 179.63 | 10,372.00 | -2,365.84 | -204.65 | 2,369.83 | 0.00 | 0.00 | 0.00 |
| 12,600.00 | 90.00 | 179.63 | 10,372.00 | -2,465.84 | -204.01 | 2,469.79 | 0.00 | 0.00 | 0.00 |
| 12,700.00 | 90.00 | 179.63 | 10,372.00 | -2,565.83 | -203.36 | 2,569.75 | 0.00 | 0.00 | 0.00 |
| 12,800.00 | 90.00 | 179.63 | 10,372.00 | -2,665.83 | -202.71 | 2,669.70 | 0.00 | 0.00 | 0.00 |
| 12,900.00 | 90.00 | 179.63 | 10,372.00 | -2,765.83 | -202.06 | 2,769.66 | 0.00 | 0.00 | 0.00 |
| 13,000.00 | 90.00 | 179.63 | 10,372.00 | -2,865.83 | -201.41 | 2,869.62 | 0.00 | 0.00 | 0.00 |
| 13,100.00 | 90.00 | 179.63 | 10,372.00 | -2,965.83 | -200.76 | 2,969.58 | 0.00 | 0.00 | 0.00 |
| 13,200.00 | 90.00 | 179.63 | 10,372.00 | -3,065.82 | -200.11 | 3,069.54 | 0.00 | 0.00 | 0.00 |
| 13,300.00 | 90.00 | 179.63 | 10,372.00 | -3,165.82 | -199.46 | 3,169.49 | 0.00 | 0.00 | 0.00 |
| 13,400.00 | 90.00 | 179.63 | 10,372.00 | -3,265.82 | -198.82 | 3,269.45 | 0.00 | 0.00 | 0.00 |
| 13,500.00 | 90.00 | 179.63 | 10,372.00 | -3,365.82 | -198.17 | 3,369.41 | 0.00 | 0.00 | 0.00 |

Planning Report

| | | | |
|------------------|-------------------------------------|-------------------------------------|--|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Fluffy Cat 16-21 State Fed Com 212H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3698.30ft |
| Project: | Lea County (NAD83 New Mexico East) | MD Reference: | RKB @ 3698.30ft |
| Site: | Sec 16-T23S-R32E | North Reference: | Grid |
| Well: | Fluffy Cat 16-21 State Fed Com 212H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 1 | | |

Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100usft) | Build Rate (°/100usft) | Turn Rate (°/100usft) |
|---------------------------|--------------------|----------------|---------------------------|---------------|---------------|-----------------------------|-------------------------------|------------------------------|-----------------------------|
| 13,600.00 | 90.00 | 179.63 | 10,372.00 | -3,465.82 | -197.52 | 3,469.37 | 0.00 | 0.00 | 0.00 |
| 13,700.00 | 90.00 | 179.63 | 10,372.00 | -3,565.81 | -196.87 | 3,569.33 | 0.00 | 0.00 | 0.00 |
| 13,800.00 | 90.00 | 179.63 | 10,372.00 | -3,665.81 | -196.22 | 3,669.29 | 0.00 | 0.00 | 0.00 |
| 13,900.00 | 90.00 | 179.63 | 10,372.00 | -3,765.81 | -195.57 | 3,769.24 | 0.00 | 0.00 | 0.00 |
| 14,000.00 | 90.00 | 179.63 | 10,372.00 | -3,865.81 | -194.92 | 3,869.20 | 0.00 | 0.00 | 0.00 |
| 14,100.00 | 90.00 | 179.63 | 10,372.00 | -3,965.80 | -194.28 | 3,969.16 | 0.00 | 0.00 | 0.00 |
| 14,200.00 | 90.00 | 179.63 | 10,372.00 | -4,065.80 | -193.63 | 4,069.12 | 0.00 | 0.00 | 0.00 |
| 14,300.00 | 90.00 | 179.63 | 10,372.00 | -4,165.80 | -192.98 | 4,169.08 | 0.00 | 0.00 | 0.00 |
| 14,400.00 | 90.00 | 179.63 | 10,372.00 | -4,265.80 | -192.33 | 4,269.04 | 0.00 | 0.00 | 0.00 |
| 14,500.00 | 90.00 | 179.63 | 10,372.00 | -4,365.80 | -191.68 | 4,368.99 | 0.00 | 0.00 | 0.00 |
| 14,600.00 | 90.00 | 179.63 | 10,372.00 | -4,465.79 | -191.03 | 4,468.95 | 0.00 | 0.00 | 0.00 |
| 14,700.00 | 90.00 | 179.63 | 10,372.00 | -4,565.79 | -190.38 | 4,568.91 | 0.00 | 0.00 | 0.00 |
| 14,800.00 | 90.00 | 179.63 | 10,372.00 | -4,665.79 | -189.73 | 4,668.87 | 0.00 | 0.00 | 0.00 |
| 14,900.00 | 90.00 | 179.63 | 10,372.00 | -4,765.79 | -189.09 | 4,768.83 | 0.00 | 0.00 | 0.00 |
| 15,000.00 | 90.00 | 179.63 | 10,372.00 | -4,865.79 | -188.44 | 4,868.79 | 0.00 | 0.00 | 0.00 |
| 15,100.00 | 90.00 | 179.63 | 10,372.00 | -4,965.78 | -187.79 | 4,968.74 | 0.00 | 0.00 | 0.00 |
| 15,200.00 | 90.00 | 179.63 | 10,372.00 | -5,065.78 | -187.14 | 5,068.70 | 0.00 | 0.00 | 0.00 |
| 15,300.00 | 90.00 | 179.63 | 10,372.00 | -5,165.78 | -186.49 | 5,168.66 | 0.00 | 0.00 | 0.00 |
| 15,400.00 | 90.00 | 179.63 | 10,372.00 | -5,265.78 | -185.84 | 5,268.62 | 0.00 | 0.00 | 0.00 |
| 15,500.00 | 90.00 | 179.63 | 10,372.00 | -5,365.78 | -185.19 | 5,368.58 | 0.00 | 0.00 | 0.00 |
| 15,600.00 | 90.00 | 179.63 | 10,372.00 | -5,465.77 | -184.55 | 5,468.54 | 0.00 | 0.00 | 0.00 |
| 15,700.00 | 90.00 | 179.63 | 10,372.00 | -5,565.77 | -183.90 | 5,568.49 | 0.00 | 0.00 | 0.00 |
| 15,800.00 | 90.00 | 179.63 | 10,372.00 | -5,665.77 | -183.25 | 5,668.45 | 0.00 | 0.00 | 0.00 |
| 15,900.00 | 90.00 | 179.63 | 10,372.00 | -5,765.77 | -182.60 | 5,768.41 | 0.00 | 0.00 | 0.00 |
| 16,000.00 | 90.00 | 179.63 | 10,372.00 | -5,865.77 | -181.95 | 5,868.37 | 0.00 | 0.00 | 0.00 |
| 16,100.00 | 90.00 | 179.63 | 10,372.00 | -5,965.76 | -181.30 | 5,968.33 | 0.00 | 0.00 | 0.00 |
| 16,200.00 | 90.00 | 179.63 | 10,372.00 | -6,065.76 | -180.65 | 6,068.29 | 0.00 | 0.00 | 0.00 |
| 16,300.00 | 90.00 | 179.63 | 10,372.00 | -6,165.76 | -180.01 | 6,168.24 | 0.00 | 0.00 | 0.00 |
| 16,400.00 | 90.00 | 179.63 | 10,372.00 | -6,265.76 | -179.36 | 6,268.20 | 0.00 | 0.00 | 0.00 |
| 16,500.00 | 90.00 | 179.63 | 10,372.00 | -6,365.75 | -178.71 | 6,368.16 | 0.00 | 0.00 | 0.00 |
| 16,600.00 | 90.00 | 179.63 | 10,372.00 | -6,465.75 | -178.06 | 6,468.12 | 0.00 | 0.00 | 0.00 |
| 16,700.00 | 90.00 | 179.63 | 10,372.00 | -6,565.75 | -177.41 | 6,568.08 | 0.00 | 0.00 | 0.00 |
| 16,800.00 | 90.00 | 179.63 | 10,372.00 | -6,665.75 | -176.76 | 6,668.04 | 0.00 | 0.00 | 0.00 |
| 16,900.00 | 90.00 | 179.63 | 10,372.00 | -6,765.75 | -176.11 | 6,767.99 | 0.00 | 0.00 | 0.00 |
| 17,000.00 | 90.00 | 179.63 | 10,372.00 | -6,865.74 | -175.46 | 6,867.95 | 0.00 | 0.00 | 0.00 |
| 17,100.00 | 90.00 | 179.63 | 10,372.00 | -6,965.74 | -174.82 | 6,967.91 | 0.00 | 0.00 | 0.00 |
| 17,200.00 | 90.00 | 179.63 | 10,372.00 | -7,065.74 | -174.17 | 7,067.87 | 0.00 | 0.00 | 0.00 |
| 17,300.00 | 90.00 | 179.63 | 10,372.00 | -7,165.74 | -173.52 | 7,167.83 | 0.00 | 0.00 | 0.00 |
| 17,400.00 | 90.00 | 179.63 | 10,372.00 | -7,265.74 | -172.87 | 7,267.78 | 0.00 | 0.00 | 0.00 |
| 17,500.00 | 90.00 | 179.63 | 10,372.00 | -7,365.73 | -172.22 | 7,367.74 | 0.00 | 0.00 | 0.00 |
| 17,600.00 | 90.00 | 179.63 | 10,372.00 | -7,465.73 | -171.57 | 7,467.70 | 0.00 | 0.00 | 0.00 |
| 17,700.00 | 90.00 | 179.63 | 10,372.00 | -7,565.73 | -170.92 | 7,567.66 | 0.00 | 0.00 | 0.00 |
| 17,749.93 | 90.00 | 179.63 | 10,372.00 | -7,615.66 | -170.60 | 7,617.57 | 0.00 | 0.00 | 0.00 |
| PBHL | | | | | | | | | |
| 17,749.94 | 90.00 | 179.63 | 10,372.00 | -7,615.67 | -170.60 | 7,617.58 | 0.00 | 0.00 | 0.00 |

Planning Report

| | | | |
|------------------|-------------------------------------|-------------------------------------|--|
| Database: | EDM r5000.141_Prod US | Local Co-ordinate Reference: | Well Fluffy Cat 16-21 State Fed Com 212H |
| Company: | WCDSC Permian NM | TVD Reference: | RKB @ 3698.30ft |
| Project: | Lea County (NAD83 New Mexico East) | MD Reference: | RKB @ 3698.30ft |
| Site: | Sec 16-T23S-R32E | North Reference: | Grid |
| Well: | Fluffy Cat 16-21 State Fed Com 212H | Survey Calculation Method: | Minimum Curvature |
| Wellbore: | Wellbore #1 | | |
| Design: | Permit Plan 1 | | |

Design Targets

| Target Name | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (usft) | Easting (usft) | Latitude | Longitude |
|--|------------------|-----------------|-------------|---------------|---------------|--------------------|-------------------|-----------|-------------|
| - hit/miss target | | | | | | | | | |
| - Shape | | | | | | | | | |
| Fluffy Cat 212H PBHL | 0.00 | 0.00 | 0.00 | -7,615.67 | -170.60 | 467,551.34 | 741,118.51 | 32.283718 | -103.686861 |
| - plan misses target center by 7617.58ft at 0.00ft MD (0.00 TVD, 0.00 N, 0.00 E) | | | | | | | | | |
| - Point | | | | | | | | | |
| Vertical Point - Fluffy Ca | 0.00 | 0.00 | 9,449.00 | 0.00 | -220.00 | 475,166.99 | 741,069.11 | 32.304652 | -103.686873 |
| - plan hits target center | | | | | | | | | |
| - Point | | | | | | | | | |

Formations

| Measured Depth (ft) | Vertical Depth (ft) | Name | Lithology | Dip (°) | Dip Direction (°) |
|---------------------------|---------------------------|---------------|-----------|------------|-------------------------|
| 1,152.00 | 1,152.00 | Rustler | | 0.00 | |
| 1,522.00 | 1,522.00 | Salado | | 0.00 | |
| 4,752.00 | 4,752.00 | Base of Salt | | 0.00 | |
| 4,762.00 | 4,762.00 | Delaware | | 0.00 | |
| 8,713.46 | 8,707.00 | 1st BSPG Lime | | 0.00 | |
| 10,707.07 | 10,372.00 | 2nd BSPG Sand | | 0.00 | |

Plan Annotations

| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates | | Comment |
|---------------------------|---------------------------|-------------------|---------------|----------------------------------|
| | | +N/-S (ft) | +E/-W (ft) | |
| 6,250.00 | 6,250.00 | 0.00 | 0.00 | Begin Nudge |
| 6,538.16 | 6,537.89 | 0.00 | -10.86 | EOB |
| 9,168.87 | 9,161.11 | 0.00 | -209.14 | EOH |
| 9,457.03 | 9,449.00 | 0.00 | -220.00 | Drop to Vertical |
| 9,807.07 | 9,799.04 | 0.00 | -220.00 | KOP |
| 10,407.07 | 10,295.24 | -286.47 | -218.14 | 60° INC @ 10407' MD / 10295' TVD |
| 10,707.07 | 10,372.00 | -572.95 | -216.28 | Land Point |
| 17,749.93 | 10,372.00 | -7,615.66 | -170.60 | PBHL |

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

Devon proposes using a multi-bowl wellhead assembly. 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.

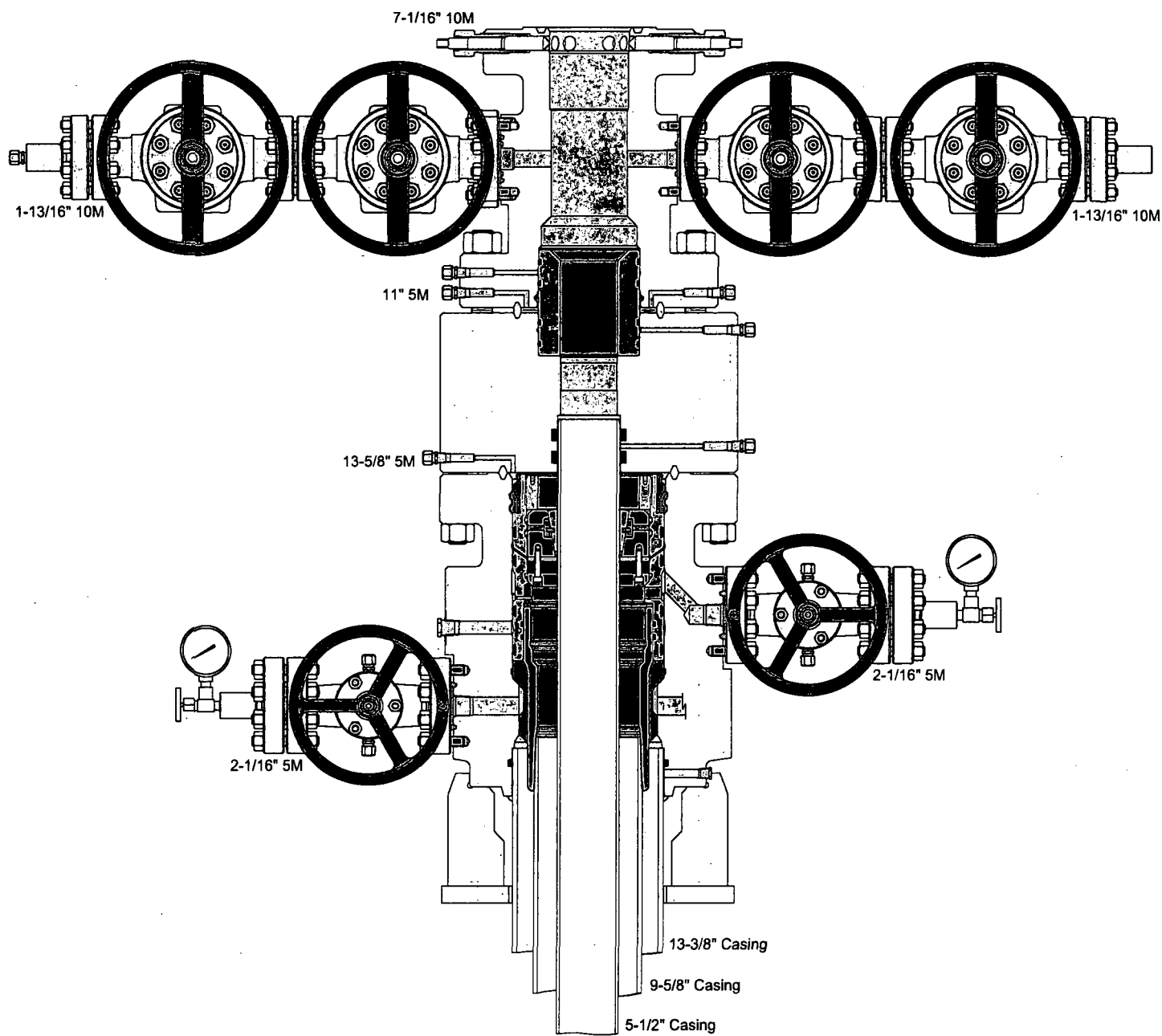
- Wellhead will be installed by wellhead representatives.
- If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- Wellhead representative will install the test plug for the initial 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 pack-off, 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.

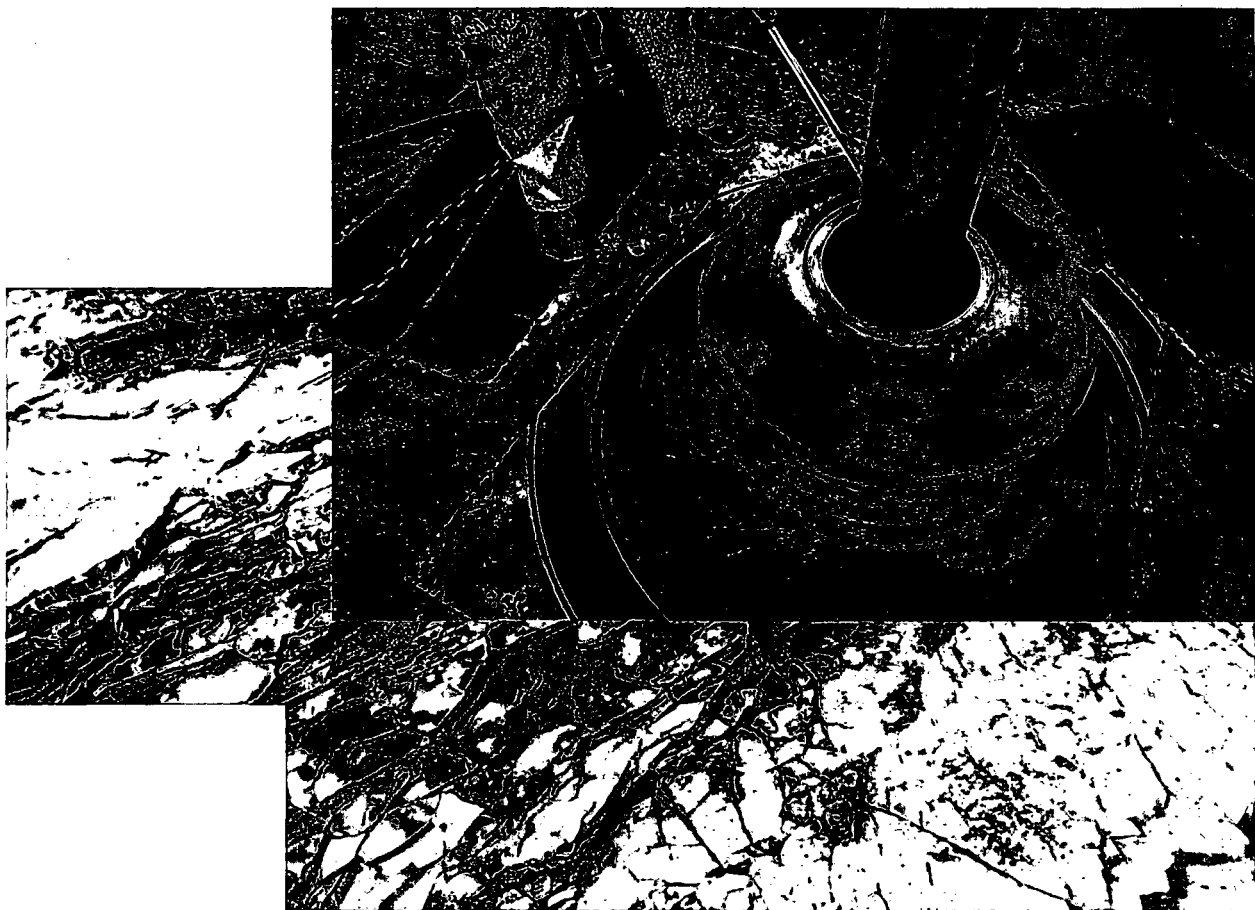
The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer,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

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





Commitment Runs Deep



Design Plan
Operation and Maintenance Plan
Closure Plan

SENM - Closed Loop Systems
June 2010

I. Design Plan

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

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

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

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

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

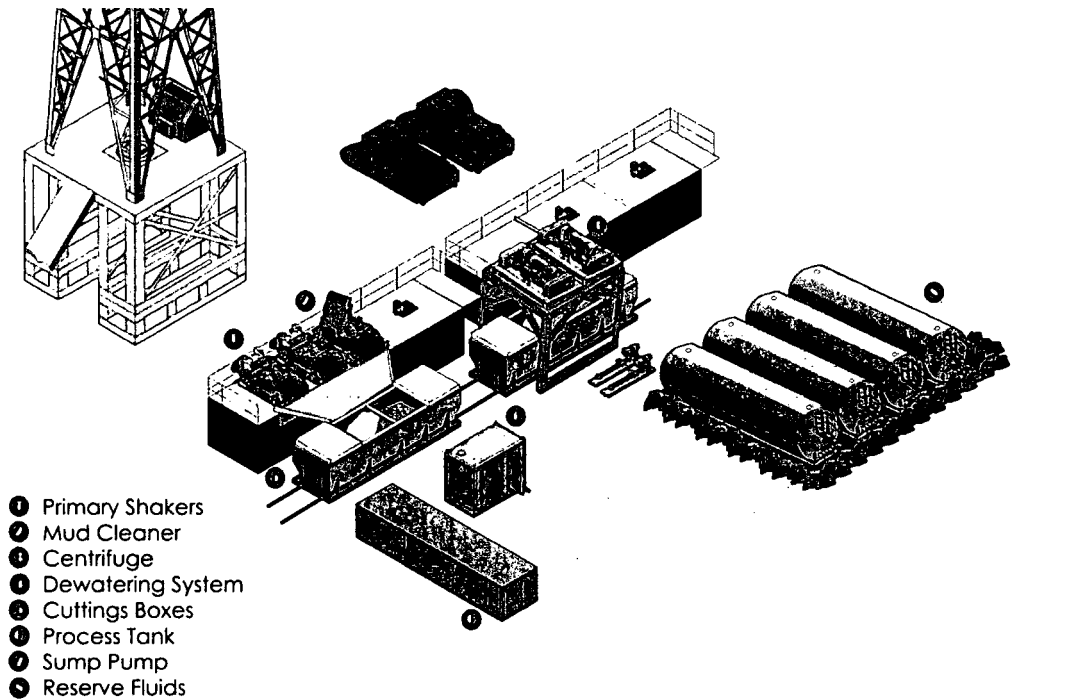
II. Operations and Maintenance Plan

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

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



Closed Loop Schematic



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

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

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

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

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

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

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

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

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

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

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

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

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

III. Closure Plan

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



Fluid Technology

ContiTech Beattie Corp.
Website: www.contitechbeattie.com

Monday, June 14, 2010

RE: Drilling & Production Hoses
Lifting & Safety Equipment

To Helmerich & Payne,

A Continental ContiTech hose assembly can perform as intended and suitable for the application regardless of whether the hose is secured or unsecured in its configuration. As a manufacturer of High Pressure Hose Assemblies for use in Drilling & Production, we do offer the corresponding lifting and safety equipment, this has the added benefit of easing the lifting and handling of each hose assembly whilst affording hose longevity by ensuring correct handling methods and procedures as well as securing the hose in the unlikely event of a failure; but in no way does the lifting and safety equipment affect the performance of the hoses providing the hoses have been handled and installed correctly. It is good practice to use lifting & safety equipment but not mandatory.

Should you have any questions or require any additional information/clearifications then please do not hesitate to contact us.

ContiTech Beattie is part of the Continental AG Corporation and can offer the full support resources associated with a global organization.

Best regards,

Robin Hodgson
Sales Manager
ContiTech Beattie Corp

ContiTech Beattie Corp,
11535 Brittmoore Park Drive,
Houston, TX 77041
Phone: +1 (832) 327-0141
Fax: +1 (832) 327-0148
www.contitechbeattie.com



RIG 212



QUALITY DOCUMENT

**PHOENIX RUBBER
INDUSTRIAL LTD.**

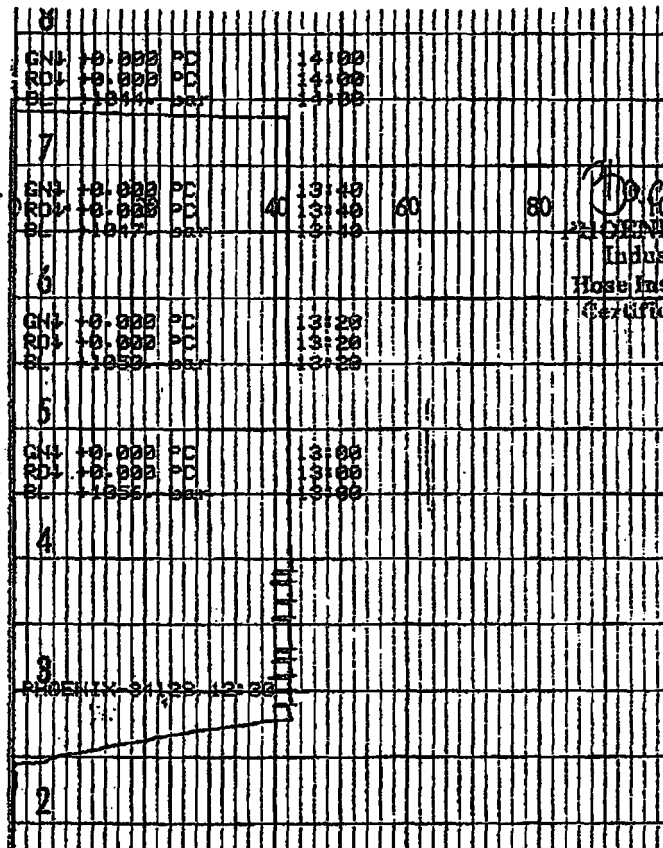
 6728 Szeged, Budapest út 10. Hungary • H-6701 Szeged, P. O. Box 152
 Phone: (3662) 558-737 • Fax: (3662) 558-738

 SALES & MARKETING: H-1092 Budapest, Ráday u. 42-44. Hungary • H-1440 Budapest, P. O. Box 28
 Phone: (361) 458-4200 • Fax: (361) 217-2872, 458-4273 • www.taurusemmer.hu

| QUALITY CONTROL INSPECTION AND TEST CERTIFICATE | | | | CERT. N°: 552 | |
|---|-----------|--------------------------------------|--|--------------------|--|
| PURCHASER: Phoenix Beattie Co. | | | | P.O. N° 1519FA-871 | |
| PHOENIX RUBBER order N° 170466 | | HOSE TYPE: 3" ID Choke and Kill Hose | | | |
| HOSE SERIAL N° 34128 | | NOMINAL / ACTUAL LENGTH: 11,43 m | | | |
| W.P. 68,96 MPa 10000 psi | | T.P. 103,4 MPa 15000 psi | | Duration: 60 min. | |
| Pressure test with water at ambient temperature <div style="text-align: center;">See attachment. (1 page)</div> | | | | | |
| ↑ 10 mm = 10 Min. → 10 mm = 25 MPa | | | | | |
| COUPLINGS | | | | | |
| Type | Serial N° | | Quality | Heat N° | |
| 3" coupling with 4 1/16" Flange end | 720 | 719 | AISI 4130 | C7626 | |
| | | | AISI 4130 | 47357 | |
| | | | | | |
| | | | | | |
| API Spec 16 C Temperature rate: "B" | | | | | |
| All metal parts are flawless | | | | | |
| WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT. | | | | | |
| Date: | Inspector | | Quality Control | | |
| 29. April. 2002. | | | PHOENIX RUBBER Industrial Ltd. Hose Inspection and Testing Dept. PHOENIX RUBBER G.C. | | |

14094-65

40920-0-00015 N800C



[Signature]
GENIX RUBBER
 Industrial Ltd.
 Hose Inspection and
 Certification Dept.

VERIFIED TRUE CO.
 PHOENIX RUBBER CO.

Devon Energy, Fluffy Cat 16-21 State Fed Com 212H

1. Geologic Formations

| | | | |
|---------------|--------|-------------------------------|-----|
| TVD of target | 10,372 | Pilot hole depth | N/A |
| MD at TD: | 17,749 | Deepest expected fresh water: | |

Basin

| Formation | Depth (TVD) from KB | Water/Mineral Bearing/ Target Zone? | Hazards* |
|----------------------------------|------------------------|--|----------|
| Rustler | 1,152 | | |
| Salado | 1,522 | | |
| Base of Salt | 4,752 | | |
| Delaware | 4,762 | | |
| 1 st Bone Spring Lime | 8,707 | | |
| 2 nd Bone Spring Sand | 10,372 | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

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

2. Casing Program

| Hole Size | Casing Interval | | Csg. Size | Weight (lbs) | Grade | Conn. | SF Collapse | SF Burst | SF Tension |
|---------------------------|-----------------|-------|--------------|-----------------|-------|-------|----------------|-------------|--------------------|
| | From | To | | | | | | | |
| 17.5" | 0 | 1177 | 13.375" | 48 | H40 | BTC | 1.125 | 1.25 | 1.6 |
| 12.25" | 0 | 4500 | 9.625" | 40 | J55 | BTC | 1.125 | 1.25 | 1.6 |
| 12.25" | 4500 | 6000 | 9.625" | 40 | HCK55 | BTC | 1.125 | 1.25 | 1.6 |
| 8.75" | 0 | 21320 | 5.5" | 17 | P110 | BTC | 1.125 | 2.07 | 1.6 |
| BLM Minimum Safety 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 |

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| | |
|--|---|
| 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 O gal/s k | 500# Comp. Strengt h (hours) | Slurry Description |
|--------|-------|-------------------|---------------------|--------------------------------|--|---|
| Surf. | 900 | 14.8 | 1.33 | 6.32 | 6 | Lead: Class C Cement + 0.125 lbs/sack Poly-F-Flake |
| Inter. | 790 | 10.5 | 3.625 | 22 | 14 | Tuned Light Weight |
| | 235 | 14.8 | 1.33 | 6.32 | 6 | Tail: Class C Cement + 0.125 lbs/sack Poly-F-Flake |
| Prod. | 420 | 9 | 3.27 | 13.5 | 21 | Lead: Tuned Light Cement |
| | 2000 | 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 |

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

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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 | 5800' | 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 | ✓ | Tested to: |
|--|---------|------------------|------------|---|-------------------------|
| 12-1/4" | 13-5/8" | 3M | Annular | x | 50% of working pressure |
| | | | Blind Ram | | 3M |
| | | | Pipe Ram | | |
| | | | Double Ram | x | |
| | | | Other* | | |
| 8-3/4" | 13-5/8" | 3M | Annular | x | 50% testing pressure |
| | | | Blind Ram | | 3M |
| | | | Pipe Ram | | |
| | | | Double Ram | x | |
| | | | 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.

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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. |
| Y | 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 | <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> ○ 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. <p>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.</p> |

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| | |
|--|---|
| | <p>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.</p> <p>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.</p> <p>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.</p> <p>Devon's proposed wellhead manufactures will be EMC Technologies, Cactus Wellhead, or Cameron.</p> <p>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.</p> <p>See attached schematic.</p> |
|--|---|

5. Mud Program

| Depth | | Type | Weight (ppg) | Viscosity | Water Loss |
|-------|--------|-----------------|--------------|-----------|------------|
| From | To | | | | |
| 0 | 1177 | FW Gel | 8.6-8.8 | 28-34 | N/C |
| 1177 | 6000 | Saturated Brine | 10.0-11.0 | 28-34 | N/C |
| 6000 | 17,749 | 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 of fluid? | PVT/Pason/Visual Monitoring |
|---|-----------------------------|