Form 3160-3 (June 2015)	НС	OBBS (OCD	FORM A OMB No Expires: Ja	APPROVED 5. 1004-0137 nuary 31, 2018
UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANA	S NTERIOR <u>[</u>] AGEMENT	UN 042(019	5. Lease Serial No. NMNM096256	
		ECEIV	ED	6. If Indian, Allotee	or Tribe Name
1a. Type of work: Image: DRILL Image: RE 1b. Type of Well: Image: Oil Well Image: Gas Well Other 1c. Type of Completion: Image: Hydraulic Fracturing Image: Since Sinc	EENTER ther ngle Zone M	ultiple Zone		7. If Unit or CA Agr 8. Lease Name and	well No.
				3H	325736)
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY LP	7 7)		· N	9: API-Well No.	5-46152
3a. Address 333 West Sheridan Avenue Oklahoma City OK 73102	3b Phone No. (in (800)583-3866	clude area cod	le)	10, Field and Pool, o WC-025 G-09, \$26	or Exploratory 98/17 3504N / WOLFCAMP
4. Location of Well (<i>Report location clearly and in accordance w</i> At surface NESE / 2090 FSL / 720 FEL / LAT 32.04175	vith any State requi 566 / LONG -103. 5 32 0650002 / 10	irements.*) .3491576 DNG =103.356	11147	11. Sec., T. R. M. of SEC 15 T26S./ R	Blk. and Survey or Area 35E / NMP
14. Distance in miles and direction from nearest town or post offi	ice*			12. County or Parish LEA	13. State
15. Distance from proposed* 720 feet location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No of acres ir 640	n lease	17. Spacin 240	ig Unit dedicated to the	his well
 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3078 feet 	19. Proposed Dep 12420 feet / 209	oth 141 feet	20./BLM/ FED: CC	BIA Bond No. in file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3086 feet	22. Approximate 06/01/2019	date work will	start*	23. Estimated durati 45 days	on
	24. Attachme	nts			
The following, completed in accordance with the requirements of (as applicable)	Onshore Oil and O	Gas Order No. 1	l, and the F	lydraulic Fracturing ra	ule per 43 CFR 3162.3-3
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syster SUPO must be filed with the appropriate Forest Service Office 	4. E I m Lands, the).	Bond to cover th tem 20 above). Operator certific Such other site sp BLM.	ne operation cation. pecific infor	s unless covered by ar mation and/or plans as	existing bond on file (see may be requested by the
25. Signature (Electronic Submission)	Name (Prin Rebecca D	nted/Typed) Deal / Ph: (405	o)228- 8 429)	Date 09/05/2018
Title					
Approved by (Signature)	Name (Prin	nted/Typed)			Date
(Electronic Submission)	Tony Rolle	r / Ph: (303)2:	36-1234		05/31/2019
BA	CARLSBA	D			
Application approval does not warrant or certify that the applican applicant to conduct operations thereon. Conditions of approval, if any, are attached.	it holds legal or equ	uitable title to th	hose rights	in the subject lease w	hich would entitle the
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, m of the United States any false, fictitious or fraudulent statements of	nake it a crime for a or representations a	any person know is to any matter	wingly and within its j	willfully to make to a urisdiction.	ny department or agency
(Continued on page 2)	PPR	VE	D	KZ 2 26 2 REC *(In:	Y 19 WINES NSL structions on page 2)

.

ovar Date: 05/31/2019

INSTRUCTIONS

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

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.



The Privacy Act of 1974 and regulation in 43 CFR 2,48(d) provide that you be furnished the following information in connection with information required by this application.

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

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

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

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

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

(Continued on page 3)

Approval Date: 05/31/2019

(Form 3160-3, page 2)

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	DEVON ENERGY PRODUCTION COMPANY LP.
LEASE NO.:	NMNM96256
WELL NAME & NO.:	3H- ARENA ROJO FED UNIT 15-10
SURFACE HOLE FOOTAGE:	2090'/S & 720'/E
BOTTOM HOLE FOOTAGE	20'/N & 1010'/E
LOCATION:	Section. 15., T26S., R.35E., NMP
COUNTY:	LEA County, New Mexico

COA

H2S	C Yes	۰ No	
Potash	None	C Secretary	^ R-111-P
Cave/Karst Potential	C Low	Medium	High
Variance	C None	Flex Hose	Other
Wellhead	Conventional	Multibowl	Soth
Other	□ □ 4 String Area	Capitan Reef	└ WIPP
Other	Fluid Filled	Cement Squeeze	
Special Requirements	✓ Water Disposal	ГСОМ	🔽 Unit

A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

B. CASING

Primary Casing Design:

- 1. The **10-3/4** inch surface casing shall be set at approximately **1043 feet** (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - 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 will be a minimum of $\underline{8}$

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hours or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

- 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 must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the 7-5/8 inch intermediate casing is:

Option 1 (Single Stage):

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

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.

Operator has proposed to pump down 10-3/4" X 7-5/8" annulus. <u>Operator must run</u> a CBL from TD of the 7-5/8" casing to surface. Submit results to BLM.

- 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.

Alternate Casing Design:

- 4. The 13-3/8 inch surface casing shall be set at approximately 1043 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall

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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 will be a minimum of <u>8</u> <u>hours</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
- 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 must be kept fluid filled to meet BLM minimum collapse requirement.

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

Option 1 (Single Stage):

• Cement to surface. If cement does not circulate see B.1.a, c-d above. Cement excess is less than 25%, more cement might be required.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 Cement excess is less than 25% more coment might be required.

Cement excess is less than 25%, more cement might be required.

Operator has proposed to pump down 13-3/8" X 8-5/8" annulus. <u>Operator must run</u> <u>a CBL from TD of the 8-5/8" casing to surface. Submit results to BLM.</u>

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6. 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.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'

2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) psi.

Option 2:

- 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 10,000 (10M) psi. Variance is approved to use a 5000 (5M) Annular which shall be tested to 5000 (5M) 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. 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.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

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D. SPECIAL REQUIREMENT (S)

1.9 10

<u>Unit Wells</u>

The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

Commercial Well Determination

A commercial well determination shall be submitted after production has been established for at least six months.

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GENERAL 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)
 - Chaves and Roosevelt Counties
 Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
 During office hours call (575) 627-0272.
 After office hours call (575)

\boxtimes Eddy County

2

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- Lea County Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612
- 1. 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.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 2. 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 are located, this does not include the dog house or stairway area.

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3. 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.

A. 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.
- 2. <u>Wait on cement (WOC) for Potash Areas:</u> 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 for all cement blends, 2) until cement has been in place at least <u>24 hours</u>. WOC time will be recorded in the driller's log.
- <u>Wait on cement (WOC) for Water Basin:</u> 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 <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.
- 4. 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.
- 5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
- 6. 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. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 7. 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.

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- 8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.
- B. 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 RP 53 Sec. 17.
- 2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: 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.
- 3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - 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. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
 - 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.
- 5. The appropriate BLM office shall be notified a minimum of 4 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

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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).

- b. In potash areas, 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. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. 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.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. 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.
- g. 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.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
- C. DRILLING MUD

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Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

D. 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.:	NMNM96256
WELL NAME & NO.:	3H- ARENA ROJO FED UNIT 15-10
SURFACE HOLE FOOTAGE:	2090'/S & 720'/E
BOTTOM HOLE FOOTAGE	20'/N & 1010'/E
LOCATION:	Section. 15.,T26S.,R.35E., NMP
COUNTY:	LEA County, New Mexico

TABLE OF CONTENTS

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.

General Provisions
Permit Expiration
Archaeology, Paleontology, and Historical Sites
Noxious Weeds
Special Requirements
Build as you go Sub pad only No grading big pad
Lesser Prairie-Chicken Timing Stipulations
Ground-level Abandoned Well Marker
Power Line Avian Protection
Escape Ramps
Range
Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
Road Section Diagram
Production (Post Drilling)
Well Structures & Facilities
Pipelines
Electric Lines
Interim Reclamation
Final Abandonment & Reclamation

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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.

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V. SPECIAL REQUIREMENT(S)

Build as you go Sub pad only, No grading big pad just sub pad.

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.

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.

Power line Avian Protection

Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all power line structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. The holder without liability or expense shall make such modifications and/or additions to the United States.

Escape Ramps

The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

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- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

Fence Requirement

Where entry is granted across a fence line, the fence must be braced and tied off on both sides of the passageway with H-braces prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

The operator must contact the allotment holder prior to construction to identify the location of the pipeline. The operator must take measures to protect the pipeline from compression or other damages. If the pipeline is damaged or compromised in any way near the proposed project as a result of oil and gas activity, the operator is responsible for repairing the pipeline immediately. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock

Cattle Guard Requirement

Where entry is granted across a fence line for an access road, the fence must be braced and tied off on both sides of the passageway with H-braces prior to cutting. Once the work is completed, the fence will be restored to its prior condition with an appropriately sized cattle guard sufficient to carry out the project. Any new or existing cattle guards on the access 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 cattle guards that are in place and are utilized during lease operations. Once the road is abandoned, the fence would be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

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During construction, the proponent shall minimize disturbance to existing fences, water lines, troughs, windmills, and other improvements on public lands. The proponent is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the grazing permittee/allottee prior to disturbing any range improvement projects. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

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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)

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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

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Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping 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 foot road with 4% road slope: 400' + 100' = 200' lead-off ditch interval 4%

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards 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 cattle guards 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.

Livestock Watering Requirement

Structures that provide water to livestock, such as windmills, pipelines, drinking troughs, and earthen reservoirs, will be avoided by moving the proposed action.

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-OR- +

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

J

Public Access

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

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

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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

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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, <u>Shale Green</u> from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

BURIED PIPELINE STIPULATIONS

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

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

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

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4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

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5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of $\underline{36}$ inches between the top of the pipe and ground level.

- 7. The maximum allowable disturbance for construction in this right-of-way will be $\underline{30}$ feet:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed <u>30</u> feet. The trench and bladed area are included in this area. (Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (Compressing can be caused by vehicle tires, placement of equipment, etc.)

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

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12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1	() seed mixture 3
() seed mixture 2	() seed mixture 4
(X) seed mixture 2/LPC	() Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-ofway and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. <u>Escape Ramps</u> - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or

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other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- c. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- d. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.
- 19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

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

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b.

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A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply

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with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

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, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. 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 ft. from the source of the noise.

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.

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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).

IX. 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).

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.

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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 <u>no</u> 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:

Species	<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	11bs/A

*Pounds of pure live seed:

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

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



Operator Certification

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

NAME: Rebecca Deal

Title: Regulatory Compliance ProfessionalStreet Address: 333 West Sheridan AvenueCity: Oklahoma CityState: OKPhone: (405)228-8429Email address: Rebecca.Deal@dvn.com

Signed on: 09/05/2018

Zip: 73102

Field Representative

Representative Name: Travis PhibbsStreet Address: 333 W SHERIDAN AVECity: OKCState: OKPhone: (575)748-9929

Email address: travis.phibbs@dvn.com

Zip: 73102



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

Application Data Report

 APD ID: 10400033738
 Submission Date: 09/05/2018

 Operator Name: DEVON ENERGY PRODUCTION COMPANY LP
 Mell Name: ARENA ROJA FED UNIT 15-10
 Well Number: 3H

 Show Final Text
 Well Work Type: Drill

Section 1 - General							
APD ID: 10400033738	Tie to previous NOS?	Submission Date: 09/05/2018					
BLM Office: CARLSBAD	User: Rebecca Deal	, Title: Regulatory Compliance					
Federal/Indian APD: FED	Professional Is the first lease penetrated for production Federal or Indian? FED						
Lease number: NMNM096256	Lease Acres: 640						
Surface access agreement in place?	Allotted? Reservation:						
Agreement in place? NO	Federal or Indian agreeme	ent:					
Agreement number:							
Agreement name:							
Keep application confidential? YES							
Permitting Agent? NO	APD Operator: DEVON ENERGY PRODUCTION COMPANY LP						
Operator letter of designation:							

Operator Info

Operator Organization Name: DEVON ENERGY PRODUCTION COMPANY LP

Operator Address: 333 West Sheridan Avenue

Operator PO Box:

Operator City: Oklahoma City State: OK

Operator Phone: (800)583-3866

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO	Master Development Plan na	Master Development Plan name: Master SUPO name:							
Well in Master SUPO? NO	Master SUPO name:								
Well in Master Drilling Plan? NO	Master Drilling Plan name:								
Well Name: ARENA ROJA FED UNIT 15-10	Well Number: 3H	Well API Number:							
Field/Pool or Exploratory? Field and Pool	Field Name: WC-025 G-09 S263504N	Pool Name: WOLFCAMP							

Zip: 73102

Operator Name: DEVON ENERGY PRODUCTION COMPA	NY LP
Well Name: ARENA ROJA FED UNIT 15-10	Well Number: 3H

Is the proposed well in an area containing other mineral resources? USEABLE WATER Describe other minerals: Is the proposed well in a Helium production area? N Use Existing Well Pad? NO New surface disturbance? Number: 2 Type of Well Pad: MULTIPLE WELL Multiple Well Pad Name: **ARENA ROJA 15 WELLPAD** Well Class: HORIZONTAL Number of Legs: 1 Well Work Type: Drill Well Type: OIL WELL **Describe Well Type:** Well sub-Type: APPRAISAL Describe sub-type: **Distance to town:** Distance to nearest well: 3078 FT Distance to lease line: 720 FT Reservoir well spacing assigned acres Measurement: 240 Acres Well plat: Arena_Roja_Fed_Unit_15_10_3H_C_102_RDS_20180910083341.pdf Well work start Date: 06/01/2019 **Duration: 45 DAYS Section 3 - Well Location Table** Survey Type: RECTANGULAR **Describe Survey Type:** Datum: NAD83 Vertical Datum: NAVD88 Survey number:

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Trac	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	209 0	FSL	720	FEL	26S	35E	15	Aliquot NESE	32.04175 66	- 103.3491 576	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 096256	308 6	0	0
KOP Leg #1	254 0	FSL	101 0	FEL	26S	35E	15	Aliquot NESE	32.04300 1	- 103.3500 8	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 096256	- 876 1	118 69	118 47
PPP Leg #1	254 2	FNL	101 0	FEL	26S	35E	15	Aliquot SENE	32.04354 07	- 103.3500 935	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 096256	- 919 6	123 55	122 82
Well Name: ARENA ROJA FED UNIT 15-10

Well Number: 3H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
EXIT Leg #1	20	FNL	101 0	FEL	26S	35E	10	Aliquot NENE	32.06500 02	- 103.3501 147	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 096254	- 933 4	209 41	124 20
BHL Leg #1	20	FNL	101 0	FEL	26S	35E	10	Aliquot NENE	32.06500 02	- 103.3501 147	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 096254	- 933 4	209 41	124 20



SECTION 15, TOWNSHIP 26 SOUTH, RANGE 35 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO INTERIM SITE BUILD PLAN



SECTION 15, L	TOWNSHIP 26 S EA COUNTY, STA VICIN	SOUTH, TE OF ITY MA	RANGE 35 NEW MEXIC P	EAST, N.M.P.M.
PROP. ACCESS ROAD 0.42 MILES 0.97 MILES LEASE ROAD	ARENA ROJA FED UNIT 15–10 3H <i>LAT: 32.0414336</i> <i>LON: –103.3497388</i> ACCESS ROAD 1.27 MILES 5.37	MILES	LAT: 3 LON: - ANTHO FRYING PAN 2.93 MI 2.93 MI	32.0512702 103.2304676 ONY ROAD ROAD LES
	DEVON ENERGY PRO ARENA ROJA FL LOCATED 2090 FT. AND 720 FT. FI SECTION 15, 1 RANGE 35 LEA COUNTY, ST	DUCTION ED UNIT FROM T ROM THE OWNSHIP EAST, N ATE OF I	COMPANY, L. 15–10 3H THE SOUTH LI EAST LINE C 26 SOUTH, M.P.M. NEW MEXICO	P. NOT TO SCALE INE DF
<u>DIRECTIONS</u> T FROM THE INTERSECTION OF J-3 ROAD, HEAD SOUTH ON FRYING P. ONTO BECKHAM ROAD AND HEAD AND CONTINUE NORTH ON AN EXIS TURN RIGHT ONTO AN EXISTING AN 1.27 TURN RIGHT AND HEAD EAST ON THE PROPOSED ACCESS ROAD CORNER OF THE PROPOSED AREN,	<u>O LOCATION</u> (FRYING PAN ROAD) AND ANTHONY AN ROAD FOR 2.93 MILES. TURN RIGHT WEST FOR 5.37 MILES. TURN RIGHT STING LEASE ROAD FOR 0.97 MILES. CCESS ROAD AND HEAD NORTH FOR OFF OF THE EXISTING ACCESS ROAD FOR 0.42 MILES TO THE SOUTHWEST A ROJA 15 WELLPAD 2.	HORIZO Devon energ Drawn dy: chris maas	DN ROW LLC Y PRODUCTION CO., L.P. Date: 05/30/2018 Rev. Date: 7/28/18	









SECTION 15, T26S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

ACCESS ROAD PLAT

LEGAL DESCRIPTION

FOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

BUREAU OF LAND MANAGEMENT

30' EASEMENT DESCRIPTION:

BEING an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the southwest quarter (SW ¼) and the southeast quarter (SE ¼) of Section 15, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 2" iron pipe w/BC for the southwest corner of Section 15, T26S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 46°43'54" E a distance of 2905.61' to the **Point of Beginning** of this easement having coordinates of Northing=380178.68, Easting=843861.50 feet and continuing the following courses;

Thence N 89°27'45" E a distance of 2248.06' to the **Point of Ending** having coordinates of Northing=380199.77, Easting=846109.46 feet from said point a 1" iron pipe w/BC for the east quarter corner of Section 15, T26S-R35E bears N 52°58'33" E a distance of 1119.84', covering **2248.06' or 136.25 rods** and having an area of **1.548 acres**.

NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404

Date Signed: 08/06/2018 Horizon Row, LLC P.O. Box 548, Dry Creek, La. (903) 388-3045 70637 Employee of Horizon Row, LLC







SECTION 22, T26S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

ACCESS ROAD PLAT

LEGAL DESCRIPTION

FOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

BUREAU OF LAND MANAGEMENT

30' EASEMENT DESCRIPTION:

BEING an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the southwest quarter (SW ¼) and the northwest quarter (NW ¼) of Section 22, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC for the south quarter corner of Section 22, T26S-R35E, N.M.P.M., Lea County, New Mexico;

Thence N 45°04'51" W a distance of 783.78' to the **Point of Beginning** of this easement having coordinates of Northing=373482.55 feet, Easting=843884.61 feet, and continuing the following courses;

Thence N 00°04'54" W a distance of 597.23' to an angle point;

Thence N 00°05'19" W a distance of 3207.36' to an angle point;

Thence N 00°06'17" W a distance of 918.94' to the **Point of Ending** in the north line of Section 22, having coordinates of Northing=378206.07 feet, Easting=843877.13 feet, from said point a 1" iron pipe w/BC for the north quarter corner of Section 22, T26S-R35E bears N 89°29'27" E a distance of 508.04', covering **4723.53' or 286.27 rods** and having an area of **3.253 acres**.

NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

PLS 22404 R L

B.L. Laman PLS 22404 Date Signed: 08/05/2018 Horizon Row, LLC P.O. Box 548, Dry Creek, La. (903) 388-3045 70637 Employee of Horizon Row, LLC





SECTION 15, T26S-R35E, N.M.P.M., LEA COUNTY, NEW MEXICO

ACCESS ROAD PLAT

LEGAL DESCRIPTION

FOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

BUREAU OF LAND MANAGEMENT

30' EASEMENT DESCRIPTION:

BEING an easement thirty (30) feet in width lying fifteen (15) feet on the right side and fifteen (15) feet on the left side of the survey centerline described below, being out of the southwest quarter (SW ¼) of Section 15, Township 26 South, Range 35 East, N.M.P.M., Lea County, New Mexico, and being out of a parcel of land owned by the Bureau of Land Management. Said centerline of easement being more particularly described as follows:

Commencing from a 1" iron pipe w/BC for the south quarter corner of Section 15, T26S-R35E, N.M.P.M., Lea County, New Mexico;

Thence S 89°29'27" W a distance of 508.04' to the **Point of Beginning** of this easement in the south line of Section 15, having coordinates of Northing=378206.07, Easting=843877.13 feet and continuing the following courses;

Thence N 00°06'17" W a distance of 1243.29' to an angle point;

Thence N 01°02'58" W a distance of 729.45' to the **Point of Ending** having coordinates of Northing=380178.68, Easting=843861.50 feet from said point a 1" iron pipe w/BC for the west quarter corner of Section 15, T26S-R35E bears N 73°07'33" W a distance of 2237.68', covering **1972.74' or 119.56 rods** and having an area of **1.359 acres**.

NOTES:

Bearings, distances and coordinates shown herein are based on New Mexico State Plane Coordinate System, NAD 83, East Zone 3001, US Survey Feet, all distances are grid.

I, B.L. Laman, New Mexico PLS No. 22404, hereby certify this survey to reflect an actual survey made on the ground under my supervision. This survey meets the minimum standards for surveying in New Mexico.

B.L. Laman PLS 22404 Date Signed: 08/05/2018 Horizon Row, LLC P.O. Box 548, Dry Creek, La. (903) 388-3045 70637 Employee of Horizon Row, LLC



Sheet 4 of 6









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

Drilling Plan Data Report

and a

APD ID: 10400033738

Submission Date: 09/05/2018

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: ARENA ROJA FED UNIT 15-10

Well Number: 3H

Show Final Text

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Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation			True Vertical	Measured			Producing
D ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	Formation
1		3140	0	0	OTHER : Surface	NONE	No
2	RUSTLER	2250	1065	1065	SANDSTONE	NONE	No
3	TOP SALT	1730	1585	1585	SALT	NONE	No
4	BASE OF SALT	-1675	4990	4990	LIMESTONE	NONE	No
5	BELL CANYON	-2030	5345	5345	SANDSTONE	NATURAL GAS,OIL	No
6	CHERRY CANYON	-2995	6310	6310	SANDSTONE	NATURAL GAS, OIL	No
7	BRUSHY CANYON	-4605	7920	7920	SANDSTONE	NATURAL GAS,OIL	No
8	BONE SPRING	-6085	9225	9225	SHALE	NATURAL GAS, OIL	No
9	BONE SPRING 1ST	-7295	10435	10435	SANDSTONE	NATURAL GAS,OIL	No
10	BONE SPRING 2ND	-7715	10855	10855	SANDSTONE	NATURAL GAS,OIL	No
11	BONE SPRING 3RD	-8990	12130	12130	SANDSTONE	NATURAL GAS,OIL	No
12	WOLFCAMP	-9305	12445	12445	SHALE	NATURAL GAS,OIL	Yes
13	STRAWN	-11105	14245	14245	LIMESTONE	NATURAL GAS,OIL	No

Section 2 - Blowout Prevention

Well Name: ARENA ROJA FED UNIT 15-10

Well Number: 3H

Pressure Rating (PSI): 10M

Rating Depth: 12420

Equipment: BOP/BOPE will be installed per Onshore Oil & Gas Order #2 requirements prior to drilling below intermediate casing, a 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed on the wellhead system. BOP/BOPE will be tested by an independent service company per Onshore Oil & amp; amp; Gas Order #2 requirements and MASP (Maximum Anticipated Surface Pressure) calculations. If the system is upgraded, all the components installed will be functional and tested.

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP stack to the choke manifold. See attached for specs for hydrostatic test chart. Devon requests a variance to run a 5M annular on a 10M BOP system. See separately attached variance request and support documents in AFMSS.

Testing Procedure: A multibowl wellhead may be used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested. 5M annular on 10M system will be tested to 100% of rated working pressure.

Choke Diagram Attachment:

10M_BOPE_CHK_DR_CLS_RKL_20190130074631.pdf

BOP Diagram Attachment:

10M_BOPE_CHK_DR_CLS_RKL_20190130074639.pdf

Pressure Rating (PSI): 5M

Rating Depth: 12400

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

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

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

Choke Diagram Attachment:

5M_BOPE_CK_20180823115324.pdf

BOP Diagram Attachment:

5M_BOPE_CK_20180823115333.pdf

Well Name: ARENA ROJA FED UNIT 15-10

Well Number: 3H

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	14.7 5	10.75	NEW	API	N	0	1043	0	900			1043	J-55	40.5	STC	1.12 5	1.25	BUOY	1.6	BUOY	1.6
2		9.87 5	7.625	NEW	API	N	0	11860	0	11847			11860	P- 110	29.7	OTHER - BTC	1.12 5	1.25	BUOY	1.6	BUOY	1.6
3	INTERMED IATE	8.75	7.625	NEW	API	N	11860	12413	11847	12400			553	P- 110	29.7	OTHER - FLUSHMAX	1.12 5	1.25	BUOY	1.6	BUOY	1.6
4	PRODUCTI ON	6.75	5.5	NEW	API	N	0	20941	0	12420			20941	Р- 110	20	OTHER - VAM SG	1.12 5	1.25	BUOY	1.6	BUOY	1.6

Casing Attachments

Casing ID: 1

String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Surf_Csg_Assumpt_20180823115432.pdf

Page 3 of 7

Well Name: ARENA ROJA FED UNIT 15-10

Well Number: 3H

	2	String Type: INTERMEDIATE		
Inspection	Document:			
-				
Spec Docu	ment:			
Tapered St	ring Spec:			
Casing De	sign Assump	tions and Worksheet(s):		
Int_C	sg_Assumpt_	20180823115539.pdf		
Casing ID:	3	String Type: INTERMEDIATE		
Inspection	Document:			
Spec Docu	ment:			
Tapered St	ring Spec:			
Casing Do	oian Accumn	tions and Workshoot(s):		
	sign Assump			
Int_C	sg_Assumpt_	20180823115631.pdf	 	
Casing ID:	4	String Type: PRODUCTION		
Inspection	Document:			
	mont			
Spec Docu	ment:			•
Spec Docu	intent:			
Spec Docu Tapered St	tring Spec:			
Spec Docu Tapered Si Casing De	tring Spec:	tions and Worksheet(s):		
Spec Docu Tapered S Casing De	tring Spec: sign Assump	tions and Worksheet(s):		
Spec Docu Tapered S Casing De Prod	tring Spec: sign Assump _Csg_Assump	tions and Worksheet(s): ht_20180823115705.pdf		
Spec Docu Tapered S Casing De Prod	tring Spec: sign Assump _Csg_Assump	tions and Worksheet(s): x_20180823115705.pdf		

Well Name: ARENA ROJA FED UNIT 15-10

Well Number: 3H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
INTERMEDIATE	Lead		0	0	0	0	0	0		N/A	N/A

SURFACE	Lead	0	1043	649	1.34	14.8	870	50	CLASS C	1% Calcium Chloride
										·

INTERMEDIATE	Lead	0	8413	718	3.27	9	2347	30	TUNED	Tuned Light
INTERMEDIATE	Tail	8413	1241 3	646	1.6	13.2	1034	30	CLASS H	Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
PRODUCTION	Lead	1221 3	2094 1	684.4 6	1.33	13.2	912	25	Class H	0.125 lbs/sack Poly-E- Flake

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

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

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

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

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

Circulating Medium Table

Well Name: ARENA ROJA FED UNIT 15-10

Well Number: 3H

Top Depth	Bottom Depth	Mud Type	Min Weight (Ibs/gal)	Max Weight (Ibs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	Н	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1043	SPUD MUD	8.33	9				2			
1043	1241 3	SALT SATURATED	9	10				2			
1043	1241 3	SALT SATURATED	9	10				2			
1241 3	2094 1	OIL-BASED MUD	10	12				12			

Section 6 - Test, Logging, Coring

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

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

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

CALIPER,CBL,DS,GR,MUDLOG

Coring operation description for the well:

N/A

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7000

Anticipated Surface Pressure: 4267.6

Anticipated Bottom Hole Temperature(F): 180

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Arena_Roja_Fed_Unit_15_10_3H_H2S_Plan_20180905093020.pdf

Well Name: ARENA ROJA FED UNIT 15-10

Well Number: 3H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Arena_Roja_Fed_Unit_15_10_3H_DIR_SVY_20180905093050.pdf Arena_Roja_Fed_Unit_15_10_3H_Plot_20180905093051.pdf

Other proposed operations facets description:

MULTI-BOWL VERBIAGE MULTI-BOWL WELLHEAD - 2 VARIATIONS OF 10M 10M ANNULAR VARIANCE DOC & SCHEMATIC CLOSED LOOP DESIGN PLAN DRILLING PLAN AC REPORT CO-FLEX HOSE SPUDDER RIG REQUEST GCP FORM SPEC SHEETS - 3

Other proposed operations facets attachment:

MB_Wellhd_5M___WC_20180823120205.pdf 7.625_29.70_P110_Flushmax_20180823120159.pdf MB_Wellhd_10M_20180823120206.pdf Spudder_Rig_Info_20180823120206.pdf 5.5_x_20_P110_EC_VAMSG_20180823120158.PDF MB_Wellhd_10M_2_20180823120321.PDF Clsd_Loop_20180823120203.pdf 8.625_32__P110EC_VAM_FJL_NA_7.875_SD_20180823120159.PDF Arena_Roja_Fed_Unit_15_10_WP2_GCP_FORM_20180905093356.pdf 8.625_32__P110EC__7.875_SD_20181220082047.pdf 13.375_48__H40_20190118110150.pdf MB_Verb_10M_20190130074756.pdf Arena_Roja_Fed_unit_15_10_3H_Drilling_Doc_R6_20190509085741.pdf Other Variance attachment:

> Co_flex_20180823120220.pdf 10M_BOPE_DR_and_CLS_Sch_RKL_20190118104316.pdf Arena_Roja_Fed_Unit_15_10_3H_Annular_Preventer_Summary_20190227081653.pdf











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Intermediate

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Intermediate Casing Burst Design		
Load Case External Pressure Internal Pressure		
Pressure Test	Formation Pore Pressure	Max mud weight of next hole- section plus Test psi
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole section
Fracture @ Shoe	Formation Pore Pressure	Dry gas

Intermediate Casing Collapse Design		
Load Case External Pressure Internal Pressure		
Full Evacuation	Water gradient in cement, mud above TOC	None
Cementing Wet cement weight Water (8.33ppg)		

Intermediate Casing Tension Design	
Load Case Assumptions	
Overpull	100kips
Runing in hole	2 ft/s
Service Loads N/A	

Intermediate

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Intermediate Casing Burst Design		
Load Case External Pressure Internal Pressure		
Pressure Test	Formation Pore Pressure	Max mud weight of next hole- section plus Test psi
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole section
Fracture @ Shoe	Formation Pore Pressure	Dry gas

Intermediate Casing Collapse Design		
Load Case External Pressure Internal Pressure		
Full Evacuation	Water gradient in cement, mud above TOC	None
Cementing Wet cement weight Water (8.33ppg)		

Intermediate Casing Tension Design	
Load Case Assumptions	
Overpull	100kips
Runing in hole	2 ft/s
Service Loads N/A	

Production

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Production Casing Burst Design		
Load Case	External Pressure	Internal Pressure
Pressure Test	Formation Pore Pressure	Fluid in hole (water or produced water) + test psi
Tubing Leak	Formation Pore Pressure	Packer @ KOP, leak below surface 8.6 ppg packer fluid
Stimulation	Formation Pore Pressure	Max frac pressure with heaviest frac fluid

Production Casing Collapse Design			
Load Case External Pressure Internal Pressure			
Full Evacuation	Water gradient in cement, mud above TOC.	None 🧳	
Cementing	Wet cement weight	Water (8.33ppg)	

ı.

Production Casing Tension Design	
Load Case Assumptions	
Overpull	100kips
Runing in hole 2 ft/s	
Service Loads N/A	

Surface

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Surface Casing Burst Design		
Load Case External Pressure Internal Pressure		
Pressure Test	Formation Pore Pressure	Max mud weight of next hole- section plus Test psi
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole section
Displace to Gas	Formation Pore Pressure	Dry gas from next casing point

Surface Casing Collapse Design			
Load Case External Pressure Internal Pressure			
Full Evacuation	Water gradient in cement, mud above TOC	None	
Cementing Wet cement weight Water (8.33ppg)			

Surface Casing Tension Design	
Load Case Assumptions	
Overpull	100kips
Runing in hole 3 ft/s	
Service Loads N/A	



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

Hydrogen Sulfide (H₂S) Contingency Plan

For

Arena Roja Fed Unit 15-10 3H

Sec-15 T-26S R-35E 2090' FSL & 720 FEL LAT. = 32.0417566' N (NAD83) LONG = 103.3491576' W

Lea County NM

Devon Energy Corp. Cont Plan. Page 1



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. <u>There are no homes or buildings in or near the ROE</u>.

Assumed 100 ppm ROE = 3000'

Devon Energy Corp. Cont Plan. Page 2

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 encomp8assed 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

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	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Characteristics of H₂S and SO₂

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 H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S 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 H_2S .

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.

Devon Energy Corp. Cont Plan. Page 6

Devon En	Devon Energy Corp. Company Call List										
Drilling Su	pervisor – Basin – Jonathan Fisher	405-228-8976									
Randy Gla	dden - Day 575-748-1805 Cell 575-513-9463	100 220 0010									
EHS Profe	ssional – Jason Robison	405-541-2841									
Agency	Call List										
Lea	Hobbs										
County	Lea County Communication Authority	393-3981									
(575)	State Police	392-5588									
	City Police	397-9265									
	Sheriff's Office	393-2515									
	Ambulance 911										
	Fire Department 397-9308										
	LEPC (Local Emergency Planning Committee)	Fire Department 397-9308									
		303-6161									
	US Bureau of Land Management	302 3612									
		330-3012									
Eddy	Carlsbad										
County	State Police	885-3137									
(575)	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									
Give	Native Air – Emergency Helicopter – Hobbs	(575) 392-6429									
GPS	Flight For Life - Lubbock, TX	(806) 743-9911									
position:	Aerocare - Lubbock, TX	(806) 747-8923									
•	Med Flight Air Amb - Albuguergue, 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





WCDSC Permian NM

Lea County (NAD83 New Mexico East) Sec 15-T26S-R35E Arena Roja Fed Unit 15-10 3H

Wellbore #1

Plan: Permit Plan 1

Standard Planning Report - Geographic

02 August, 2018

******								****		
Database:	EDM	r5000.141_Pro	dUS		Local Co-	ordinate Refer	ence: \	Vell Arena Roja	Fed Unit 15-10) ЗН
Company:	WCDS	SC Permian N	И		TVD Refer	ence:	F	RKB @ 3111.00ft		
Project:	Lea C	ounty (NAD83	New Mexico Ea	ast)	MD Refere	ence:	F	RKB @ 3111.00f	t	
Site:	Sec 1	5-T26S-R35E			North Refe	erence:	C	Grid		
Well:	Arena	Roja Fed Unit	15-10 3H		Survey Ca	lculation Meth	1 :bor	Minimum Curvat	ure	
Wellbore:	Wellb	ore #1								
Design:	Permi	t Plan 1								
Project			lew Mexico Ea	et)						
Froject				5()						
Map System:	US State	e Plane 1983			System Dat	tum:	Me	an Sea Level		
Geo Datum:	North An	nerican Datum	1983							
Map Zone:	New Me	xico Eastern Z	one							
Site	Sec 15	-T26S-R35E					<u></u>			
			North			471 16 1158			•	
Site Position:	No		Footin		941	604 92 use	Latitude:			32.000030
From: Desition Uncost	NUI	ie r		g: odinor	041.	12 2/16 "	Cold Convers			-103.303090
Position Oncert	ainty:	· · · ··-·				13-3/10	Grid Converg	ence:		0.51
Well	Arena F	Roja Fed Unit 1	5-10 3H							
Well Position	+N/-S		0.00 ft No	orthing:		380,318.91	usft Lati	tude:		32.041757
	+E/-W		0.00 ft Ea	sting:		846,288.49	usft Lon	gitude:		-103.349158
Position Uncert	ainty		0.50 ft We	ellhead Elevat	tion:		Gro	und Level:		3,086.00 ft
Wellbore	Wellbo	ore #1				,,,	· . · . · . · . · . · . · . · . · . · .	····		
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Magnetics	MC	del Name	Sample	e Date	Declina (°)	tion	Dip A (°	ngle	Field S	trength Tl
		10052045		8/2/2019		6 74		50.00	47.7	17
		IGRF2015		8/2/2018		0.71		59.92	47,7	39.74450817
Design	Permit	 Plan 1								1
Design										L
Audit Notes:										
Version:			Phase	e: f	PROTOTYPE	Tie	On Depth:		0.00	
Vertical Section	:		Depth From (T)	/D)	+N/-S	+E	/-W	Dire	ction	
			(ft)	-	(ft)	(1	ft)		(°)	
			0.00		0.00	0.	00	35	7.47	
			<u>_</u>	· <u> </u>	· · · · ·					
Plan Survey To	ol Program	Date	8/2/2018				•			
Depth Fro	m Dept	h To								
(ft)	(f	t) Survey	(Wellbore)		Tool Name		Remarks			
1	0.00 20,9	941.48 Permit	Plan 1 (Wellbor	e#1)	MWD+HDGM					
					OWSG MWD	+ HDGM				
Dia= 04						· ····	<u></u> .		·	
man Sections										
Measured			Vertical			Dogleg	Build	Turn		
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Rate	Rate	Rate	TFO	I
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(°/100usft)	(°/100usft)	(°/100usft)	(°)	Target
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
5 000 00	0.00	0.00	0.00	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	
5,307.26	3.84	224.03	5,307.03	-7.40	-7.15	1.25	1.25	0.00	224.03	
11,254.73	3.84	224.03	11,241.14	-293.83	-284.04	0.00	0.00	0.00	0.00	
11,510.78	0.00	0.00	11,497.00	-300.00	-290.00	1.50	-1.50	0.00	180.00	
11,860.82	0.00	0.00	11,847.04	-300.00	-290.00	0.00	0.00	0.00	0.00	
12,760.82	90.00	359.45	12,420.00	272.93	-295.47	10.00	10.00	0.00	359.45	PBHL - Arena Roja Fe
20,941.48	90.00	359.45	12,420.00	8,453.21	-373.59	0.00	0.00	0.00	0.00	BHL - Arena Roja Fe

8/2/2018 9:02:01AM

		· · · · · · · · · · · · · · · · · · ·		_
Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Arena Roja Fed Unit 15-10 3H	
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3111.00ft	
Project:	Lea County (NAD83 New Mexico East)	MD Reference:	RKB @ 3111.00ft	
Site:	Sec 15-T26S-R35E	North Reference:	Grid	
Well:	Arena Roja Fed Unit 15-10 3H	Survey Calculation Method:	Minimum Curvature	
Wellbore:	Wellbore #1			
Design:	Permit Plan 1			

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Planned Survey

Measured			Vertical			Мар	Мар		
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting		
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
0.00	0.00	0.00	0.00	0.00	0.00	380,318.91	846,288.49	32.041757	-103.349158
100.00	0.00	0.00	100.00	0.00	0.00	380,318.91	846,288.49	32.041757	-103.349158
200.00	0.00	0.00	200.00	0.00	0.00	380.318.91	846.288.49	32.041757	-103.349158
300.00	0.00	0.00	300.00	0.00	0.00	380,318.91	846,288.49	32.041757	-103.349158
400.00	0.00	0.00	400.00	0.00	0.00	380,318.91	846,288.49	32.041757	-103.349158
500.00	0.00	0.00	500.00	0.00	0.00	380.318.91	846,288,49	32.041757	-103.349158
600.00	0.00	0.00	600.00	0.00	0.00	380.318.91	846,288,49	32.041757	-103.349158
700.00	0.00	0.00	700.00	0.00	0.00	380.318.91	846,288,49	32.041757	-103.349158
800.00	0.00	0.00	800.00	0.00	0.00	380 318 91	846 288 49	32 041757	-103 349158
900.00	0.00	0.00	900.00	0.00	0.00	380,318,91	846,288,49	32.041757	-103.349158
1.000.00	0.00	0.00	1.000.00	0.00	0.00	380.318.91	846,288,49	32.041757	-103.349158
1 100 00	0.00	0.00	1 100 00	0.00	0.00	380 318 91	846 288 49	32 041757	-103 349158
1 200 00	0.00	0.00	1 200 00	0.00	0.00	380 318 91	846 288 49	32 041757	-103 349158
1 300 00	0.00	0.00	1,200.00	0.00	0.00	380 318 91	846 288 49	32 041757	-103 349158
1 400 00	0.00	0.00	1 400 00	0.00	0.00	380 318 91	846 288 49	32 041757	-103 349158
1,400.00	0.00	0.00	1,400.00	0.00	0.00	380 318 91	846 288 49	32 041757	-103.349158
1,000.00	0.00	0.00	1,000.00	0.00	0.00	380 318 91	846 288 49	32 041757	-103 349158
1,000.00	0.00	0.00	1,000.00	0.00	0.00	380 318 01	846 288 49	32.041757	-103.349158
1,700.00	0.00	0.00	1,700.00	0.00	0.00	380 318 01	846 288 49	32.041757	-103.349150
1,000.00	0.00	0.00	1,000.00	0.00	0.00	380 318 01	846 288 49	32.041757	-103.349150
2,000,00	0.00	0.00	2,000,00	0.00	0.00	380 318 01	946 299 40	32.041757	-103.349150
2,000.00	0.00	0.00	2,000.00	0.00	0.00	380 318 01	946 299 49	32.041757	103 349158
2,100.00	0.00	0.00	2,100.00	0.00	0.00	300,310.91	946,200.49	32.041757	-103.349130
2,200.00	0.00	0.00	2,200.00	0.00	0.00	300,310.91	940,200.49	32.041757	-103.349156
2,300.00	0.00	0.00	2,300.00	0.00	0.00	300,310.91	946,200.49	32.041757	-103.349156
2,400.00	0.00	0.00	2,400.00	0.00	0.00	300,310.91	940,200.49	32.041757	-103.349130
2,500.00	0.00	0.00	2,500.00	0.00	0.00	300,310.91	040,200.49 946 298 40	32.041757	-103.349150
2,000.00	0.00	0.00	2,600.00	0.00	0.00	300,310.91	040,200.49 946 299 40	32.041757	-103.349136
2,700.00	0.00	0.00	2,700.00	0.00	0.00	300,310.91	040,200.49	32.041757	-103.349136
2,800.00	0.00	0.00	2,800.00	0.00	0.00	300,310.91	040,200.49	32.041/5/	-103.349156
2,900.00	0.00	0.00	2,900.00	0.00	. 0.00	360,316.91	040,200.49	32.041757	-103.349156
3,000.00	0.00	0.00	3,000.00	0.00	0.00	360,318.91	040,200.49 946 388 40	32.041/5/	-103.349136
3,100.00	0.00	0.00	3,100.00	0.00	0.00	380,318.91	840,288.49	32.041/5/	-103.349158
3,200.00	0.00	0.00	3,200.00	0.00	0.00	360,318.91	040,200.49	32.041/5/	-103.349138
3,300.00	0.00	0.00	3,300.00	0.00	0.00	300,310.91	040,200.49	32.041757	-103.349158
3,400.00	0.00	0.00	3,400.00	0.00	0.00	300,310.91	040,200.49 846 388 40	32.041757	-103.349156
3,500.00	0.00	0.00	3,500.00	0.00	0.00	360,318.91	040,200.49	32.041757	-103.349156
3,600.00	0.00	0.00	3,500.00	0.00	0.00	300,310.91	040,200.49	32.041757	-103.349156
3,700.00	0.00	0.00	3,700.00	0.00	0.00	300,310.91	040,200.49	32.041757	-103.349138
3,800.00	0.00	0.00	3,800.00	0.00.	0.00	300,310.91	940,200.49	32.041757	-103.349158
3,900.00	0.00	0.00	3,900.00	0.00	0.00	300,310.91	946,200.49	32.041757	103 340159
4,000.00	0.00	0.00	4,000.00	0.00	0.00	380 318 01	946 288 49	32.041757	-103 349158
4,100.00	0.00	0.00	4,100.00	0.00	0.00	380,318.91	940,200.49	32.041757	-103.349158
4,200.00	0.00	0.00	4,200.00	0.00	0.00	300,310.91	040,200.49 946 299 40	32.041757	-103.349130
4,300.00	0.00	0.00	4,300.00	0.00	0.00	380,318.91	040,200.49	32.041757	-103.349150
4,400.00	0.00	0.00	4,400.00	0.00	0.00	360,318.91	040,200.49	32.041757	-103.349158
4,500.00	0.00	0.00	4,500.00	0.00	0.00	380,318.91	845,288.49	32.041757	-103.349156
4,600.00	0.00	0.00	4,600.00	0.00	0.00	380,318.91	845,288.49	32.041757	-103.349158
4,700.00	0.00	0.00	4,700.00	0.00	0.00	380,318.91	846,288.49	32.041/5/	-103.349158
4,800.00	0.00	0.00	4,800.00	0.00	0.00	380,318.91	846,288.49	32.041757	-103.349158
4,900.00	0.00	0.00	4,900.00	0.00	0.00	380,318.91	846,288.49	32.041757	-103.349158
5,000.00	0.00 ا	0.00	5,000.00	0.00	0.00	380,318.91	846,288.49	32.041757	-103.349158
5,100.00	1.25	224.03	5,099.99	-0.78	-0.76	380,318.12	846,287.73	32.041755	-103.349160
5,200.00	2.50	224.03	5,199.94	-3.14	-3.03	380,315.77	846,285.46	32.041748	-103.349168
5,300.00	3.75	224.03	5,299.79	-7.06	-6.82	380,311.85	846,281.67	32.041737	-103.349180
5,307.26	3.84	224.03	5,307.03	-7.40	-7.15	380,311.50	846,281.34	32.041737	-103.349181

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Arena Roja Fed Unit 15-10 3H
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3111.00ft
Project:	Lea County (NAD83 New Mexico East)	MD Reference:	RKB @ 3111.00ft
Site:	Sec 15-T26S-R35E	North Reference:	Grid
Wett:	Arena Roja Fed Unit 15-10 3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 1		

Planned Survey

Measured			Vertical			Мар	Мар		
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting		
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
5,400.00	3.84	224.03	5,399.56	-11.87	-11.47	380,307.04	846,277.02	32.041724	-103.349195
5,500.00	3.84	224.03	5,499,34	-16.68	-16.13	380, 302, 22	846,272,36	32.041711	-103.349210
5 600 00	3.84	224 03	5 599 11	-21 50	-20 78	380 297 41	846 267 71	32 041698	-103 349226
5 700 00	3.84	224.03	5 698 89	-26.32	-25.44	380 292 59	846 263 05	32 041685	-103 349241
5 800 00	3.84	224.00	5 708 66	-31 13	-30.09	380 287 77	846 258 40	32 041672	-103 349256
5,000.00	2.04	224.03	5,750.00	-51.15	-30.05	200,207.77	946 252 74	32.041072	102 240271
5,500.00	3.04	224.03	5,090.44	-33.93	-3-4.73	200,202.90	040,233.74 946 340 00	32.041039	103.349271
6,000.00	3.04	224.03	5,990.21	-40.76	-39.41	300,276.14	040,249.09	32.041040	-103.349200
6,100.00	3.84	224.03	6,097.99	-45.58	-44.06	380,273.33	846,244.43	32.041633	-103.349301
6,200.00	3.84	224.03	6,197.77	-50.40	-48.72	380,268.51	846,239.78	32.041619	-103.349317
6,300.00	3.84	224.03	6,297.54	-55.21	-53.37	380,263.69	846,235.12	32.041606	-103.349332
6,400.00	3.84	224.03	6,397.32	-60.03	-58.03	380,258.88	846,230.47	32.041593	-103.349347
6,500.00	3.84	224.03	6,497.09	-64.84	-62.68	380,254.06	846,225.81	32.041580	-103.349362
6,600.00	3.84	224.03	6,596.87	-69.66	-67.34	380,249.25	846,221.15	32.041567	-103.349377
6,700.00	3.84	224.03	6,696.64	-74.48	-71.99	380,244.43	846,216.50	32.041554	-103.349392
6,800.00	3.84	224.03	6,796.42	-79.29	-76.65	380,239.61	846,211.84	32.041541	-103.349408
6,900.00	3.84	224.03	6,896.19	-84.11	-81.30	380,234.80	846,207.19	32.041528	-103.349423
7,000.00	3.84	224.03	6,995.97	-88.92	-85.96	380,229.98	846,202.53	32.041514	-103.349438
7,100.00	3.84	224.03	7,095.74	-93.74	-90.62	380,225.17	846,197.88	32.041501	-103.349453
7,200.00	3.84	224.03	7,195.52	-98.56	-95.27	380,220.35	846,193.22	32.041488	-103.349468
7,300.00	3.84	224.03	7,295,29	-103.37	-99.93	380,215,53	846,188,57	32.041475	-103.349483
7 400 00	3.84	224 03	7 395 07	-108 19	-104 58	380 210 72	846 183 91	32 041462	-103 349499
7 500 00	3.84	224.03	7 494 85	-113.00	-109 24	380 205 90	846 179 26	32 041449	-103 349514
7 600 00	3.84	224.03	7 594 62	-117 82	-113 89	380 201 09	846 174 60	32 041436	-103 349529
7,000.00	3.84	224.00	7 694 40	-122.64	-118 55	380 196 27	846 169 94	32 041423	-103 349544
7,700.00	384	224.03	7 704 17	-127.45	-123.20	380 101 45	846 165 20	32 041400	-103 340550
7,000.00	· 3.04	224.03	7,134.17	127.70	127.86	380 186 64	946 160 63	32.041306	103.349574
8,000,00	· 3.04	224.03	7,093.93	132.27	-127.00	380,180.04	946 155 09	32.041393	103.349574
8,000.00	J 3.04	224.03	7,993.72 P.003.50	-137.00	-132.31	300,101.02	040,100.90	32.041303	-103.349390
8,100.00	J 3.04	224.03	8,093.50	-141.90	-137,17	360,177.01	040,101.32	32.041370	-103.349603
8,200.00	3.84	224.03	8,193.27	-146.72	-141.83	380,172.19	840,140.07	32.041357	-103.349620
8,300.00	3.84	224.03	8,293.05	-151.53	-146.48	380,167.37	846,142.01	32.041344	-103.349635
8,400.00	3.84	224.03	8,392.82	-156.35	-151.14	380,162.56	846,137.36	32.041331	-103.349650
8,500.00) 3.84	224.03	8,492.60	-161.16	-155.79	380,157.74	846,132.70	32.041318	-103.349665
8,600.00) 3.84	224.03	8,592.38	-165.98	-160.45	380,152.93	846,128.04	32.041304	-103.349680
8,700.00) 3.84	224.03	8,692.15	-170.80	-165.10	380,148.11	846,123.39	32.041291	-103.349696
8,800.00) 3.84	224.03	8,791.93	-175.61	-169.76	380,143.29	846,118.73	32.041278	-103.349711
8,900.00) 3.84	224.03	8,891.70	-180.43	-174.41	380,138.48	846,114.08	32.041265	-103.349726
9,000.00) 3.84	224.03	8,991.48	-185.24	-179.07	380,133.66	846,109.42	32.041252	-103.349741
9,100.00) 3.84	224.03	9,091.25	-190.06	-183.72	380,128.85	846,104.77	32.041239	-103.349756
9,200.00) 3.84	224.03	9,191.03	-194.88	-188.38	380,124.03	846,100.11	32.041226	-103.349771
9,300.00	3.84	224.03	9,290.80	-199.69	-193.04	380,119.21	846,095.46	32.041213	-103.349787
9,400.00) 3.84	224.03	9,390.58	-204.51	-197.69	380,114.40	846,090.80	32.041200	-103.349802
9,500.00) 3.84	224.03	9,490.35	-209.32	-202.35	380,109.58	846,086.15	32.041186	-103.349817
9,600.00) 3.84	224.03	9,590.13	-214.14	-207.00	380,104.77	846,081.49	32.041173	-103.349832
9,700.00) 3.84	224.03	9,689.90	-218.96	-211.66	380,099.95	846,076.83	32.041160	-103.349847
9,800.00) 3.84	224.03	9,789.68	-223.77	-216.31	380,095.13	846,072.18	32.041147	-103.349862
9,900.00) 3.84	224.03	9,889,46	-228.59	-220.97	380.090.32	846.067.52	32.041134	-103.349878
10 000 00	3.84	224.03	9 989 23	-233 40	-225.62	380.085.50	846.062.87	32.041121	-103.349893
10,000,00	3.84	224 03	10.089.01	-238 22	-230 28	380,080,69	846.058.21	32 041108	-103 349908
10,100.00	. 0.04) 2.94	224.00	10 188 78	-243 04	-234 93	380 075 87	846 053 56	32 041095	-103 349923
10,200.00	, 3.04	224.03	10,100.70	-2-13.04	-239.55	380.071.05	846 049 00	32 041085	-103 3/0029
10,300.00	· 3.04	224.03	10,200.00	-2-11.00	-208.08	390.066.34	946 044 25	32.041001	-103.348830
10,400.00	3.64	224.03	10,300.33	-202.07	-244.20	300,000.24	040,044.20	32.041000	-103.348833
10,500.00	3.64	224.03	10,488.11	-207.48	-248.90	300,001.42	040,039.59	32.041055	-103.349969
10,600.00	3.84	224.03	10,587.88	-262.30	-253.56	380,056.61	840,034.94	32.041042	-103.349984
10,700.00	3.84	224.03	10,687.66	-267.12	-258.21	380,051.79	846,030.28	32.041029	-103.349999
10,800.00	3.84	224.03	10,787.43	-271.93	-262.87	380,046.97	846,025.62	32.041016	-103.350014

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Arena Roja Fed Unit 15-10 3H
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3111.00ft
Project:	Lea County (NAD83 New Mexico East)	MD Reference:	RKB @ 3111.00ft
Site:	Sec 15-T26S-R35E	North Reference:	Grid
Well:	Arena Roja Fed Unit 15-10 3H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 1		

Planned Survey

Measured			Vertical			Мар	Мар		
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting		
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
10,900.00	3.84	224.03	10,887.21	-276.75	-267.52	380,042.16	846,020.97	32.041003	-103.350029
11,000.00	3.84	224.03	10,986.98	-281.56	-272.18	380,037.34	846,016.31	32.040990	-103.350044
11,100.00	3.84	224.03	11,086.76	-286.38	-276.83	380,032.53	846,011.66	32.040976	-103.350060
11,200.00	3.84	224.03	11,186.54	-291.20	-281.49	380,027.71	846,007.00	32.040963	-103.350075
11,254.73	3.84	224.03	11,241.14	-293.83	-284.04	380,025.07	846,004.46	32.040956	-103.350083
11,300.00	3.16	224.03	11,286.33	-295.82	-285.96	380,023.09	846,002.53	32.040951	-103.350089
11,400.00	1.66	224.03	11,386.24	-298.85	-288.88	380,020.06	845,999.61	32.040943	-103.350099
11,500.00	0.16	224.03	11,486.22	-299.99	-289.99	380,018.92	845,998.50	32.040939	-103.350102
11,510.78	0.00	0.00	11,497.00	-300.00	-290.00	380,018.91	845,998.49	32.040939	-103.350102
11,600.00	0.00	0.00	11,586.22	-300.00	-290.00	380,018.91	845,998.49	32.040939	-103.350102
11,700.00	0.00	0.00	11,686.22	-300.00	-290.00	380,018.91	845,998.49	32.040939	-103.350102
11,800.00	0.00	0.00	11,786.22	-300.00	-290.00	380,018.91	845,998.49	32.040939	-103.350102
11,860.82	0.00	0.00	11,847.04	-300.00	-290.00	380,018.91	845,998.49	32.040939	-103.350102
KOP @ 1	1861' MD, 179	90' FSL, 1010'	FEL						
11,900.00	3.92	359.45	11,886.19	-298.66	-290.01	380,020.24	845,998.48	32.040943	-103.350102
12,000.00	13.92	359.45	11,984.86	-283.18	-290.16	380,035.73	845,998.33	32.040986	-103.350103
12,100.00	23.92	359.45	12,079.33	-250.80	-290.47	380,068.11	845,998.02	32.041075	-103.350103
12,200.00	33.92	359.45	12,166.75	-202.51	-290.93	380,116.40	845,997.56	32.041207	-103.350103
12,300.00	43.92	359.45	12,244.46	-139.77	-291.53	380,179.14	845,996.96	32.041380	-103.350103
12,354.71	49.39	359.45	12,282.00	-100.00	-291.91	380,218.90	845,996.58	32.041489	-103.350103
First Tak	e Point @ 123	55' MD, 1990	' FSL, 1010' FE						
12,400.00	53.92	359.45	12,310.09	-64.49	-292.25	380,254.41	845,996.24	32.041587	-103.350103
12,500.00	63.92	359.45	12,361.65	21.04	-293.07	380,339.94	845,995.43	32.041822	-103.350103
12,600.00	73.92	359.45	12,397.58	114.22	-293.96	380,433.13	845,994.54	32.042078	-103.350103
12,700.00	83.92	359.45	12,416.77	212.23	-294.89	380,531.13	845,993.60	32.042347	-103.350103
12,760.82	90.00	359.45	12,420.00	272.93	-295.47	380,591.84	845,993.02	32.042514	-103.350103
12,800.00	90.00	359.45	12,420.00	312.11	-295.85	380,631.01	845,992.65	32.042622	-103.350103
12,900.00	90.00	359.45	12,420.00	412.11	-296.80	380,731.01	845,991.69	32.042897	-103.350104
13,000.00	90.00	359.45	12,420.00	512.10	-297.76	380,831.01	845,990.74	32.043172	-103.350104
13,100.00	90.00	359.45	12,420.00	612.10	-298.71	380,931.00	845,989.78	32.043447	-103.350104
13,200.00	90.00	359.45	12,420.00	/12.09	-299.67	381,031.00	845,988.83	32.043721	-103.350104
13,300.00	90.00	359.45	12,420.00	812.09	-300.62	381,130.99	845,987.87	32.043996	-103.350104
13,400.00	90.00	359.45	12,420.00	912.08	-301.58	381,230.99	845,986.92	32.044271	-103.350104
13,500.00	90.00	359.45	12,420.00	1,012.06	-302.53	301,330.90	845,965.90	32.044546	-103.330104
13,600.00	90.00	359.45	12,420.00	1,112.07	-303.49	301,430.90	040,900.01 845.084.05	32.044021	-103.350105
13,700.00	90.00	359.45	12,420.00	1,212.07	-304.44	301,030.97	845,954.00	32.045090	-103.350105
13,800.00	90.00	359.45	12,420.00	1,312.06	-305.40	301,030.97	045,963.10 945.093.14	32.045371	-103.350105
14,000,00	90.00	359.45	12,420.00	1,412.00	-307.30	381 830 96	845 081 10	32.045020	-103.350105
14,000.00	90.00	359.45	12,420.00	1,512.00	-308.26	381 930 95	845 980 23	32.045320	-103.350105
14,100.00	90.00	359.45	12,420.00	1 712 05	-309.20	382 030 95	845 979 28	32.046470	-103.350105
14,200.00	90.00	359.45	12,420.00	1 812 04	-310 17	382 130 94	845 978 32	32 046745	-103.350106
14,300.00	90.00	359.45	12,420.00	1,012.04	-311 12	382 230 94	845 977 37	32 047020	-103 350106
14,500.00	90.00	359.45	12,420.00	2 012 03	-312.08	382 330 93	845 976 41	32 047295	-103 350106
14,000.00	90.00	359 45	12,420,00	2 112 03	-313.03	382 430 93	845 975 46	32 047570	-103 350106
14,000.00	90.00	359.45	12 420 00	2 212 02	-313 99	382 530 92	845 974 50	32 047844	-103 350106
14,700.00	90.00	359 45	12 420 00	2 312 02	-314 94	382 630 92	845 973 55	32 048119	-103 350106
14 900 00	90.00	359 45	12,420.00	2 412 01	-315 90	382 730 91	845 972 59	32 048394	-103 350106
15 000 00	00.00 00.00	359 45	12 420 00	2 512 01	-316 85	382 830 91	845 971 64	32.048669	-103 350107
15 100 00	90.00	359 45	12,420.00	2,612.01	-317 81	382,930,91	845.970.68	32.048944	-103 350107
15 200 00	90.00	359.45	12,420,00	2,712.00	-318.76	383 030 90	845,969,73	32.049219	-103.350107
15 300 00	90.00 90.00	359 45	12,420.00	2 812 00	-319 72	383,130,90	845 968 77	32 049494	-103 350107
15 400 00	an nn	359 45	12 420 00	2 911 99	-320.67	383 230 89	845 967 82	32 049769	-103 350107
15 500 00	90.00	359 45	12,420.00	3 011 99	-321 63	383,330,89	845,966 86	32,050043	-103.350107
10,000.00	50.00		12,720.00	0,011.00	-021.00	000,000.00	0.0,000.00	02.000040	100,000101

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Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Arena Roja Fed Unit 15-10 3H	
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3111.00ft	
Project:	Lea County (NAD83 New Mexico East)	MD Reference:	RKB @ 3111.00ft	
Site:	Sec 15-T26S-R35E	North Reference:	Grid	
Well:	Arena Roja Fed Unit 15-10 3H	Survey Calculation Method:	Minimum Curvature	
Wellbore:	Wellbore #1			
Design:	Permit Plan 1			

Planned Survey

Measured			Vertical			Мар	Мар		
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting		
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
15,600.00	90.00	359.45	12,420.00	3,111.98	-322.58	383,430.88	845,965.91	32.050318	-103.350107
15,700.00	90.00	359.45	12,420.00	3,211.98	-323.54	383,530.88	845,964.95	32.050593	-103.350108
15,800.00	90.00	359.45	12,420.00	3,311.97	-324.49	383,630.87	845,964.00	32.050868	-103.350108
15,900.00	90.00	359.45	12,420.00	3,411.97	-325.45	383,730.87	845,963.04	32.051143	-103.350108
16,000.00	90.00	359.45	12,420.00	3,511.96	-326.40	383,830.86	845,962.09	32.051418	-103.350108
16,100.00	90.00	359.45	12,420.00	3,611.96	-327,36	383,930,86	845,961,13	32.051693	-103.350108
16,200,00	90.00	359.45	12,420.00	3,711,96	-328.31	384.030.85	845,960,18	32.051967	-103.350108
16,300,00	90.00	359.45	12,420.00	3.811.95	-329.27	384,130.85	845,959,22	32,052242	-103.350108
16,400.00	90.00	359.45	12,420,00	3.911.95	-330.22	384,230,84	845,958,27	32.052517	-103,350109
16,500.00	90.00	359,45	12,420,00	4.011.94	-331.18	384,330,84	845.957.31	32.052792	-103.350109
16,600,00	90.00	359.45	12,420.00	4,111,94	-332.13	384,430,83	845,956,36	32,053067	-103.350109
16 700 00	90.00	359.45	12,420,00	4,211,93	-333.09	384,530,83	845,955,40	32.053342	-103 350109
16 800 00	90.00	359.45	12 420 00	4 311 93	-334 04	384 630 82	845 954 45	32 053617	-103 350109
16,000.00	90.00	359 45	12 420 00	4 411 92	-335.00	384 730 82	845 953 49	32 053892	-103 350109
17,000,00	90.00	359.45	12 420 00	4 511 92	-335.95	384 830 81	845 952 54	32 054166	-103 350109
17,000.00	90.00	359.45	12 420 00	4 611 91	-336.91	384 930 81	845 951 58	32 054441	-103 350110
17,100.00	90.00	359 45	12 420 00	4 711 91	-337.86	385 030 81	845 950 63	32 054716	-103 350110
17,200.00	90.00	359.45	12,420.00	4 811 90	-338.82	385 130 80	845 949 67	32 054991	-103.350110
17,000.00	90.00	359.45	12,420.00	4,011,00	-330.77	385 230 80	845 048 72	32.054331	-103 350110
17,400.00	90.00	359.45	12,420.00	5,011,90	-340 73	385 330 79	845 947 76	32.055200	-103.350110
17,500.00	90.00	359.45	12,420.00	5 111 80	-341.68	385 430 79	845 046 81	32.055816	-103.350110
17,000.00	90.00	359.45	12,420.00	5 211 20	-341.00	395 530 79	845,940.01 845 045 85	32.0556001	-103.350110
17,700.00	90.00	359.45	12,420.00	5,211.09	-342.04	395 630 78	845 044 00	32.050091	102.350110
17,000.00	90.00	359.45	12,420.00	5,511.00	-343.39	305,030.70	945,544.50	32.050505	-103.330111
18,000,00	90.00	359.45	12,420.00	5,411.00	-344.55	395 930 77	845,943.93	32.050040	103.350111
18,000.00	90.00	359.45	12,420.00	5,511.87	-345.50	395 030 76	845 942.99	32.050915	-103.350111
18,100.00	90.00	359.45	12,420.00	5,011.07	-340.40	303,930.70	043,942.04	32.037 190	-103.350111
18,200.00	90.00	259.45	12,420.00	5,711.00	-347.41	300,030.70	945,941.00	32.037403	-103.350111
18,300.00	90.00	359.45	12,420.00	5,011.00	-340.37	300,130.75	045,940.13	32.057740	-103.330111
18,400.00	90.00	359.45	12,420.00	5,911.65	-349.32	300,230.75	045,939.17	32.030013	-103.350111
18,500.00	90.00	359.45	12,420.00	6 111 85	-350.20	300,330.74	043,930.22	32.030209	-103.330111
18,600.00	90.00	359.45	12,420.00	0,111.00	-351.23	300,430.74	040,937.20 945.036.31	32.030304	-103.350112
18,700.00	90.00	359.45	12,420.00	0,211.04	-352.19	300,330.73	040,930.31	32.000039	-103.350112
18,800.00	90.00	309.40	12,420.00	0,311.84	-353.14	380,030.73	845,935.35	32.059114	-103.350112
18,900.00	90.00	359.45	12,420.00	0,411.83	-354.10	300,730.72	845,934.40	32.059369	-103.350112
19,000.00	90.00	359.45	12,420.00	0,511.83	-355.05	300,030.72	845,933.44 845,033,40	32.059004	-103.350112
19,100.00	90.00	359.45	12,420.00	0,011.02	-350.01	300,930.72	040,932.49	32.059939	-103.350112
19,200.00	90.00	250.45	12,420.00	6 911 91	-330.90	307,030.71	945,931.33	32.000214	102.350112
19,300.00	90.00	359.45	12,420.00	0,011.01	-357.92	307,130.71	845,930.30	32.000466	-103.350113
19,400.00	90.00	359.45	12,420.00	7 011 80	-350.07	307,230.70	945,929.02	32.000703	-103.350113
19,500.00	90.00	359.45	12,420.00	7,011.60	-359.63	307,330.70	040,920.07	32.001030	-103.350113
19,600.00	90.00	359.45	12,420.00	7,111.00	-300.78	307,430.09	040,527.71 845.006.76	32.001313	103.350113
19,700.00	90.00	359.45	12,420.00	7,211.00	-301.74	307,530.09	845,920.70	32.001300	-103.350113
19,800.00	90.00	359.45	12,420.00	7,311.79	-302.05	307,030.00	845,923.00	32.001003	103.350113
19,900.00	90.00	359.45	12,420.00	7,411.79	-303.05	307,730.00	845,924.03	32.002130	103.350113
20,000.00	90.00	359.45	12,420.00	7,511.76	-304.00	307,030.07	045,923.09	32.002412	-103.330114
20,100.00	90.00	309.40	12,420.00	7,744 77	-303.30	301,930.01	040,922.94 945 004 00	32.002007	-103,330114
20,200.00	90.00	359.45	12,420.00	7,711.77	-300.51	365,030.66	845,921.98	32.002902	-103.350114
20,300.00	90.00	359.45	12,420.00	7,811.77	-30/.4/	300,130.00	845,921.03	32.003237	-103.350114
20,400.00	90.00	359.45	12,420.00	7,911.76	-368.42	388,230.65	845,920.07	32.063512	-103.350114
20,500.00	90.00	359.45	12,420.00	8,011.76	-369.38	388,330.65	845,919.12	32.063787	-103.350114
20,600.00	90.00	359.45	12,420.00	8,111.75	-370.33	388,430.64	845,918.16	32.064062	-103.350114
20,700.00	90.00	359.45	12,420.00	8,211.75	-371.29	388,530.64	845,917.21	32.064337	-103.350115
20,800.00	90.00	359.45	12,420.00	8,311.75	-372.24	388,630.63	845,916.25	32.064611	-103.350115

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Database:	EDM	r5000.141_P	rod US		Local Co-	ordinate Reference	: Well Arer	a Roja Fed Unit 15-10	зн	
Company:	WCD	SC Permian I	M		TVD Refe	rence:	RKB @ 3111.00ft			
Project:	Lea C	County (NAD8	3 New Mexico I	East)	MD Refere	ence:	RKB @ 3	RKB @ 3111.00ft		
Site:	Sec 1	5-T26S-R358			North Ref	erence:	Grid			
Well:	Arena	a Roja Fed Ur	nit 15-10 3H		Survey Ca	lculation Method:	Minimum	Curvature		
Wellbore:	Wellb	ore #1								
Design:	Perm	it Plan 1								
Planned Survey	у									
Measured			Vertical			Мар	Мар			
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting			
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude	
20,861.48	90.00	359.45	12,420.00	8,373.22	-372.83	388,692.11	845,915.66	32.064780	-103.350115	
Last Tal	ke Point @ 208	61' MD, 100'	FNL, 1010' FEL							
20,900.00	90.00	359.45	12,420.00	8,411.74	-373.20	388,730.63	845,915.30	32.064886	-103.350115	
20,941.48	90.00	359.45	12,420.00	8,453.21	-373.59	388,772.10	845,914.90	32.065000	-103.350115	
PBHL; 2	20' FNL, 1010' 1	FEL								
Design Targets	3						-			
Target Name										
- hit/miss ta	rget Dip	Angle Dig	Dir. TVD	+N/-S	+E/-W	Northing	Easting			
- Shape	· ·	(°)	(°) (ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude	
PBHL - Arena F - plan miss - Point	Roja Fed es target cente	0.00 r by 8461.47f	0.00 0. tat 0.00ft MD (0	00 8,453.: 0.00 TVD, 0.00	21 -373.59 N, Q.00 E)	388,772.10	845,914.90	32.065000	-103.350115	
Plan Annotatio	ons			,						
	Measured	Vertical	L	ocal Coordin	ates					
	Depth	Depth	+N/-S	5	+E/-W					
	(ft)	(ft)	(ft)	-	(ft)	Comment				
	11,860,82	11.847 ()4 -3	00 00	-290.00	KOP @ 11861' MI	D 1790' FSL 1010)' FEI		
	12,354.71	12,282.0		00.00	-291.91	First Take Point @	0 12355' MD, 1990	' FSL. 1010' FEL		
	20,861.48	12,420.0	0 8.3	73.22	-372.83	3 Last Take Point @ 20861' MD, 100' FNL, 1010' FEL				
1	20,941.48	12,420.0	0 8,4	53.21	-373.59	PBHL, 20' FNL, 1	010' FEL			





		Page	44-0		
FLUSHMAX-III		Date	25-Jan-17		
tal One Connection Data Sheet					
			<u>N - 1</u>		
Pipe Body		<u>al <u>S.I.</u></u>			
	7 5/8	in	193.68	mm	
Actual weight	29.04		43.21	kg/m	
Pipe ID (d)	6.875	in	174.63	mm	
Drift Dia.	6.750	in	171.45	mm	
Connection					
PIN ID	6.875	in	174 63	mm	
Thread Taper	1 / 16 (3/4" per ft)				
Performance Properties M.I.Y.P. Note S.M.Y.S.= Specif M.I.Y.P. = Minim	for Pipe Bod 9,470 ied Minimum Yl um Internal Yie	y psi ELD Strer Id Pressur	65.31 ngth of Pipe b e of Pipe bod	MPa ody v	
Performance Properties for Connection					
Min. Compression Yield	563 kips	;(60% c	of <u>S.M.Y.S.</u>)		
External Pressure		100% of	Collapse S	Strength	
Recommended Torque					
Opti.	17,200	ft-lb	23,300	N-m	
Operational Max.	23,600	ft-lb	32,000	N-m	
Note : Operational Max. t	orque can be app	blied for hig	h torque applic	ation	
eader/user's risk and no warranty is implied of to as "Metal One") with respect to the use of ses only, and was prepared by reference to of which are the sole responsibility of the opera ect to this information. If products for certain types of applications are dard well configurations. Such statements on onsibility to validate that a particular product	or expressed by Metal information contained engineering informatio ators and users of the re based on Metal One are not binding statem with the properties des	One Corporati herein. The in n that is specifi subject connect s's knowledge of ents about the scribed in the p	on or its parents, su formation provided ic to the subject pro- ctors. Metal One as of typical requireme suitability of produc product specification	ubsidiaries or on this Connection oducts, without ssumes no ents that are often sts for a particular n is suitable for use	
	FLUSHMAX Connection Data Pipe Body Pipe OD (D) Actual weight Actual weight Actual weight Actual weight Actual weight Drift Dia. Connection PIN ID Pipe Actual Taper Preformance Properties M.I.Y.P. Note S.M.Y.S.= Specifi M.I.Y.P. = Minim Performance Properties Min. Compression Yield External Pressure Min. Compression Yield External Pressure Opti. Operational Max. Note : Operational Max. Note : Operational Max. Minded Orely with respect to the use of ses only, and was prepared by reference to omore Actual Onely with respect to the use of ses only, and was prepared by reference to make a particular product for certain types of applications a material on the sole responsibility of the operational Max.	FLUSHMAX-III Connection Data Sheet Pipe Body Imperia Pipe OD (D) 7 5/8 Actual weight 29.04 Pipe ID (d) 6.875 Drift Dia. 6.750 Connection 6.875 Pine ID (d) 6.875 Drift Dia. 6.750 Connection 7 PIN ID 6.875 Thread Taper 1 MI.Y.P. 9,470 Note S.M.Y.S.= Specified Minimum Yf M.I.Y.P. Min. Compression Yield 563 kips External Pressure 563 kips External Pressure 563 kips Recommended Torque 0pti. 17,200 Note : Operational Max. torque can be app seader/user's risk and no warranty is implied or expressed by Metal to as Such statements are not binding statements infolder that a particular products for certain types of applications are based on Metal One dard well configurations. Such statements are not binding statements information	FLUSHMAX-III Page Date Connection Data Sheet Rev. Pipe Body Imperial Pipe OD (D) 7 5/8 in Actual weight 29.04 Pipe ID (d) 6.875 in Drift Dia. 6.750 in Pipe ID (d) 6.875 in Drift Dia. 6.750 in Pipe ID (d) 6.875 in Pipe ID (d) 6.875 in Pipe ID (d) 6.875 in Print Dia. 6.750 in Pipe ID (d) 6.875 in Performance Properties for Pipe Body Min. Pipe ID (d) 9,470 psi Min.Y.P. 9,470 psi Psi Pipe ID (d) 9,470 psi Note S.M.Y.S.= Specified Minimum YIELD Strem M.I.Y.P. 9,470 psi Pipe ID (d) 0,633 kips (60% c) Note S.M.Y.S.= Specified Minimum YIELD Strem M.I.Y.P. 9,470 psi Pipe ID (d) 0,533 kips (60% c) External Pressure 100% o) In 0,200 In 1,200 It-Ib Doge at 10 00% o) <th>FLUSHMAX-III Page 44-C Connection Data Sheet Date 25-Jan Rev. N - 1 Rev. N - 1 Pipe Body Rev. N - 1 Pipe Body S.I. Pipe OD (D) 7 5/8 in 193.68 Actual weight 29.04 43.21 Connection 6.875 in 174.63 Drift Dia. 6.750 in 174.63 Drift Dia. 6.875 in 174.63 Thread Taper 1 / 16 (3/4" per ft) 174.63 Performance Properties for Pipe Body Minumum Internal Yield Pressure of Pipe bod 174.63 Performance Properties for Connection Min. Y.P. 9,470 psi 65.31 Note S.M.Y.S.= Specified Minimum VIELD Strength of Pipe bod Min.Y.P. 9,470 psi 65.31 Note S.M.Y.S.= Specified Minimum VIELD Strength of Pipe bod Min.Y.P. 9,470 psi 65.31 Note S.M.Y.S.= Specified Minimum Internal Yield Pressure of Pipe bod Pipe bod</th>	FLUSHMAX-III Page 44-C Connection Data Sheet Date 25-Jan Rev. N - 1 Rev. N - 1 Pipe Body Rev. N - 1 Pipe Body S.I. Pipe OD (D) 7 5/8 in 193.68 Actual weight 29.04 43.21 Connection 6.875 in 174.63 Drift Dia. 6.750 in 174.63 Drift Dia. 6.875 in 174.63 Thread Taper 1 / 16 (3/4" per ft) 174.63 Performance Properties for Pipe Body Minumum Internal Yield Pressure of Pipe bod 174.63 Performance Properties for Connection Min. Y.P. 9,470 psi 65.31 Note S.M.Y.S.= Specified Minimum VIELD Strength of Pipe bod Min.Y.P. 9,470 psi 65.31 Note S.M.Y.S.= Specified Minimum VIELD Strength of Pipe bod Min.Y.P. 9,470 psi 65.31 Note S.M.Y.S.= Specified Minimum Internal Yield Pressure of Pipe bod Pipe bod	



Devon Energy APD VARIANCE DATA

OPERATOR NAME: Devon Energy

1. SUMMARY OF Variance:

Devon Energy respectfully requests approval for the following additions to the drilling plan:

1. Potential utilization of a spudder rig to pre-set surface casing.

2. Description of Operations

- 1. A spudder rig contractor may move in their rig to drill the surface hole section and pre-set surface casing on this well.
 - **a.** After drilling the surface hole section, the rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
 - **b.** Rig will utilize fresh water based mud to drill surface hole to TD.
- 2. The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- 3. A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
 - **a.** A means for intervention will be maintained while the drilling rig is not over the well.
- 4. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 5. Drilling operation will be performed with the big rig. At that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
 - **a.** The BLM will be contacted / notified 24 hours before the big rig moves back on to the pad with the pre-set surface casing.
- 6. Devon Energy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
- 7. Once the rig is removed, Devon Energy will secure the wellhead area by placing a guard rail around the cellar area.





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.



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.