Form 3160-3 (June 2015)		OMB No.	PPROVED . 1004-0137 nuary 31, 2018			
UNITED STATES DEPARTMENT OF THE IN BUREAU OF LAND MANAG		5. Lease Serial No. NMNM097910				
APPLICATION FOR PERMIT TO DR	ILL OR REENTER	6. If Indian, Allotee of	or Tribe Name			
1a. Type of work: ✓ DRILL REE	ENTER	•	ement, Name and No. ERAL / NMNM 11274			
1b. Type of Well: ✓ Oil Well Gas Well Other	er	8. Lease Name and Well No.				
1c. Type of Completion: ☐ Hydraulic Fracturing ✓ Sing	gle Zone Multiple Zone	ARENA ROJA FED	UNIT 34832]			
		703H				
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY LP [6137]		9. API Well No.	30-025-50859			
3a. Address 3 333 WEST SHERIDAN AVE, OKLAHOMA CITY, OK 7310 (4)	b. Phone No. (include area code) 405) 235-3611	10. Field and Pool, of JABALINA/WOLFC	r Exploratory [96776] AMP, SOUTHWEST			
4. Location of Well (Report location clearly and in accordance with	h any State requirements.*)		Blk. and Survey or Area			
At surface NWNE / 250 FNL / 2501 FEL / LAT 32.020808	8 / LONG -103.371934	SEC 28/T26S/R35E	E/NMP			
At proposed prod. zone LOT 2 / 20 FSL / 2430 FEL / LAT 3	32.000358 / LONG -103.371694					
14. Distance in miles and direction from nearest town or post office	*	12. County or Parish LEA	13. State NM			
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1	16. No of acres in lease 17. Spacin 480.0	ng Unit dedicated to the	is well			
18 Distance from proposed location*	19. Proposed Depth 20. BLM	/BIA Bond No. in file				
to nearest well, drilling, completed, 833 feet 1	2720 feet / 20141 feet FED: NN	/IB-000801				
	22. Approximate date work will start* 2/14/2022	23. Estimated duration 45 days	on			
	24. Attachments					
The following, completed in accordance with the requirements of C (as applicable)	Inshore Oil and Gas Order No. 1, and the F	Iydraulic Fracturing ru	le per 43 CFR 3162.3-3			
1. Well plat certified by a registered surveyor.	4. Bond to cover the operation	is unless covered by an	existing bond on file (see			
 A Drilling Plan. A Surface Use Plan (if the location is on National Forest System) 	Item 20 above).Lands, the5. Operator certification.					
SUPO must be filed with the appropriate Forest Service Office).	6. Such other site specific infor BLM.	mation and/or plans as i	may be requested by the			
25. Signature	Name (Printed/Typed)		Date			
(Electronic Submission)	CHELSEY GREEN / Ph: (405) 23	5-3611	04/27/2022			
Title Regulatory Compliance Professional						
Approved by (Signature)	Name (Printed/Typed)		Date			
(Electronic Submission)	CODY LAYTON / Ph: (575) 234-59	959	11/29/2022			
Title Assistant Field Manager Lands & Minerals	Office Carlsbad Field Office					
Application approval does not warrant or certify that the applicant h applicant to conduct operations thereon. Conditions of approval, if any, are attached.	nolds legal or equitable title to those rights	in the subject lease wh	ich would entitle the			
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make of the United States any false, fictitious or fraudulent statements or			ny department or agency			
NGMP Rec 12/02/2022		k	<u> </u>			





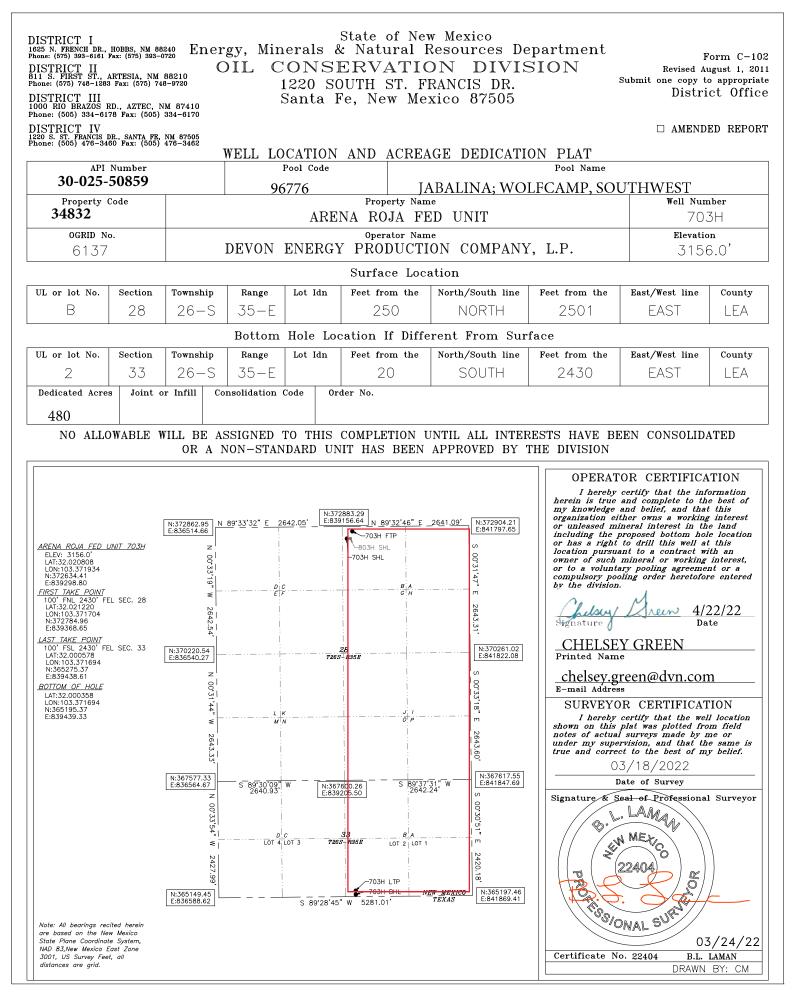
Additional Operator Remarks

Location of Well

0. SHL: NWNE / 250 FNL / 2501 FEL / TWSP: 26S / RANGE: 35E / SECTION: 28 / LAT: 32.020808 / LONG: -103.371934 (TVD: 0 feet, MD: 0 feet) PPP: NWNE / 162 FNL / 2430 FEL / TWSP: 26S / RANGE: 35E / SECTION: 33 / LAT: 32.0065171 / LONG: -103.3716975 (TVD: 12720 feet, MD: 17900 feet) PPP: NWNE / 100 FNL / 2430 FEL / TWSP: 26S / RANGE: 35E / SECTION: 28 / LAT: 32.0212201 / LONG: -103.3717039 (TVD: 12380 feet, MD: 12404 feet) BHL: LOT 2 / 20 FSL / 2430 FEL / TWSP: 26S / RANGE: 35E / SECTION: 33 / LAT: 32.000358 / LONG: -103.371694 (TVD: 12720 feet, MD: 20141 feet)

BLM Point of Contact

Name: Candy Vigil Title: LIE Phone: (575) 234-5982 Email: cvigil@blm.gov



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As Drilled

API # 30-025-50859

Operator Name:	Property Name:	Well Number
DEVON ENERGY PRODUCTION COMPANY, LP.	ARENA ROJA FED UNIT	703H

Kick Off Point (KOP)

UL B	Section 28	Township 26S	Range 35E	Lot	Feet 40	From N/S NORTH	Feet 2430	From E/W EAST	County LEA
Latitude 32.02129191				Longitude -103.371	78997			NAD 83	

First Take Point (FTP)

UL B	Section 28	Township 26-S	Range 35-E	Lot	Feet 100	From N/S	Feet 2430	From E/W	County LEA
Latitu 32.	^{ide} 0212	20			Longitude 103.37	1704			NAD 83

Last Take Point (LTP)

UL	Section 33	Township 26-S	Range 35-E	Lot 2	Feet 100	From N/S SOUTH	Feet 2430	From E/W	County LEA
Latitu 32 .	^{de} 0005	78			Longitud	。 371694	4		NAD 83

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

YES

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

 API #

 Operator Name:

 DEVON ENERGY PRODUCTION CO,

 LP

Property Name:

 Well Number

 804H

KZ 06/29/2018

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	E	Stat nergy, Minerals a	e of New Mez nd Natural Res		ent		Subn Via I	nit Electronically E-permitting	
		Oil Co	nservation Di	ivision					
	1220 South St. Francis Dr.								
	Santa Fe, NM 87505								
NATURAL GAS MANAGEMENT PLAN									
This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.									
·									
	<u>Section 1 – Plan Description</u> <u>Effective May 25, 2021</u>								
I. Operator: DEVON E	I. Operator:								
	-	1					.1		
II. Type: 🖾 Original	☐ Amendment	due to \Box 19.15.27.	9.D(6)(a) NMA	C ∐ 19.15.27.9.D(6)(b) N	$MAC \sqcup O$	ther.		
If Other, please describe	2:								
III. Well(s): Provide th be recompleted from a s					wells pr	oposed to b	oe dri	lled or proposed to	
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D		cipated MCF/D	P	Anticipated roduced Water BBL/D	
See attachment									
IV. Central Delivery P	oint Name:	See attachment				[See 19	.15.2	7.9(D)(1) NMAC]	
V. Anticipated Schedu proposed to be recomple					vell or s	et of wells _I	propo	osed to be drilled or	
Well Name	API	Spud Date	TD Reached Date	Completion Commencement		Initial Flo Back Da		First Production Date	
See attachment									
VI. Separation Equipm	VI. Separation Equipment: 🛛 Attach a complete description of how Operator will size separation equipment to optimize gas capture.								
VII. Operational Prac Subsection A through F			ription of the ac	tions Operator wil	l take t	o comply w	vith t	he requirements of	
VIII. Best Managemen during active and planne			te description of	f Operator's best n	nanager	nent practio	ces to	o minimize venting	

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NATURAL GAS MANAGEMENT PLAN

Section 1 - Plan Description

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

						Anticipated Oil	Anticipated Gas
Well Name	API	ULSTR		FOOTAGES		BBL/D	MCF/D
Arena Roja 28-33 Fed Com 701H		28-26S-35E	250 FNL	288	FWL	(+/-)1468bopd	(+/-)2202mcfd
Arena Roja 28-33 Fed Com 801H		28-26S-35E	250 FNL	318	FWL	(+/-)850bopd	(+/-)2063mcfd
Arena Roja 28-33 Fed Com 702H		28-26S-35E	250 FNL	1385	FWL	(+/-)1468bopd	(+/-)2202mcfd
Arena Roja 28-33 Fed Com 802H		28-26S-35E	250 FNL	1415	FWL	(+/-)850bopd	(+/-)2063mcfd
Arena Roja Fed Unit 703H	30-025-50859	28-26S-35E	250 FNL	2501	FEL	(+/-)1468bopd	(+/-)2202mcfd
Arena Roja Fed Unit 803H		28-26S-35E	250 FNL	2471	FEL	(+/-)850bopd	(+/-)2063mcfd
Arena Roja Fed Unit 704H		28-26S-35E	250 FNL	1402	FEL	(+/-)1468bopd	(+/-)2202mcfd
Arena Roja Fed Unit 804H		28-26S-35E	250 FNL	1372	FEL	(+/-)850bopd	(+/-)2063mcfd
Arena Roja Fed Unit 705H		28-26S-35E	250 FNL	1132	FEL	(+/-)1468bopd	(+/-)2202mcfd
Arena Roja Fed Unit 805H		28-26S-35E	250 FNL	1102	FEL	(+/-)850bopd	(+/-)2063mcfd

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

				Completion		First
			TD Reached	Commencem	Initial Flow	Production
Well Name	API	Spud Date	Date	ent Date	back Date	Date
Arena Roja 28-33 Fed Com 701H	n/a	3/24/2023	4/23/2023	8/21/2023	8/21/2023	8/21/2023
Arena Roja 28-33 Fed Com 801H	n/a	2/23/2023	3/25/2023	7/23/2023	7/23/2023	7/23/2023
Arena Roja 28-33 Fed Com 702H	n/a	3/7/2023	4/6/2023	8/4/2023	8/4/2023	8/4/2023
Arena Roja 28-33 Fed Com 802H	n/a	3/28/2023	4/27/2023	8/25/2023	8/25/2023	8/25/2023
Arena Roja Fed Unit 703H	n/a 30-025-50859	3/15/2023	4/14/2023	8/12/2023	8/12/2023	8/12/2023
Arena Roja Fed Unit 803H	n/a	4/13/2023	5/13/2023	9/10/2023	9/10/2023	9/10/2023
Arena Roja Fed Unit 704H	n/a	3/16/2023	4/15/2023	8/13/2023	8/13/2023	8/13/2023
Arena Roja Fed Unit 804H	n/a	4/6/2023	5/6/2023	9/3/2023	9/3/2023	9/3/2023
Arena Roja Fed Unit 705H	n/a	2/17/2023	3/19/2023	7/17/2023	7/17/2023	7/17/2023
Arena Roja Fed Unit 805H	n/a	3/18/2023	4/17/2023	8/15/2023	8/15/2023	8/15/2023

* Dates subject to change

Section 2 – Enhanced Plan EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. \Box Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system \Box will \Box will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator \Box does \Box does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

□ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: \Box Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

 \square Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

D Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. *If Operator checks this box, Operator will select one of the following:*

Well Shut-In. \Box Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. \Box Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (t) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:
Printed Name: Jeff Walla
Title: Surface Land and Regulatory Manager
E-mail Address:
Date:
Phone:
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:



VI. Separation Equipment

Devon Energy Production Company, L.P. utilizes a "stage separation" process in which oil and gas separation is carried out through a series of separators operating at successively reduced pressures. Hydrocarbon liquids are produced into a high-pressure inlet separator, then carried through one or more lower pressure separation vessels before entering the storage tanks. The purpose of this separation process is to attain maximum recovery of liquid hydrocarbons from the fluids and allow maximum capture of produced gas into the sales pipeline. Devon utilizes a series of Low-Pressure Compression units to capture gas off the staged separation and send it to the sales pipeline. This process minimizes the amount of flash gas that enters the end-stage storage tanks that is subsequently vented or flared.



VII. Operational Practices

Devon Energy Production Company, L. P. will employ best management practices and control technologies to maximize the recovery and minimize waste of natural gas through venting and flaring.

- During drilling operations, Devon will utilize flares and/or combustors to capture and control natural gas, where technically feasible. If flaring is deemed technically in-feasible, Devon will employ best management practices to minimize or reduce venting to the extent possible.
- During completions operations, Devon will utilize Green Completion methods to capture gas produced during well completions that is otherwise vented or flared. If capture is technically in-feasible, flares and/or combustors will be used to capture and control flow back fluids entering into frac tanks during initial flowback. Upon indication of first measurable hydrocarbon volumes, Devon will turn operations to onsite separation vessels and flow to the gathering pipeline.
- During production operations, Devon will take every practical effort to minimize waste of natural gas through venting and flaring by:
 - Designing and constructing facilities in a manner consistent to achieve maximum capture and control of hydrocarbon liquids & produced gas
 - Utilizing a closed-loop capture system to collect and route produced gas to sales line via low pressure compression, or to a flare/combustor
 - Flaring in lieu of venting, where technically feasible
 - Utilizing auto-ignitors or continuous pilots, with thermocouples connected to Scada, to quickly detect and resolve issues related to malfunctioning flares/combustors
 - Employ the use of automatic tank gauging to minimize storage tank venting during loading events
 - Installing air-driven or electric-driven pneumatics & combustion engines, where technically feasible to minimize venting to the atmosphere
 - Confirm equipment is properly maintained and repaired through a preventative maintenance and repair program to ensure equipment meets all manufacturer specifications
 - Conduct and document AVO inspections on the frequency set forth in Part 27 to detect and repair any onsite leaks as quickly and efficiently as is feasible



VIII. Best Management Practices during Maintenance

Devon Energy Production Company, L.P. will utilize best management practices to minimize venting during active and planned maintenance activities. Devon is operating under guidance that production facilities permitted under NOI permits have no provisions to allow high pressure flaring and high pressure flaring is only allowed in disruption scenarios so long as the duration is less than eight hours. When technically feasible, flaring during maintenance activities will be utilized in lieu of venting to the atmosphere. Devon will work with third-party operators during scheduled maintenance of downstream pipeline or processing plants to address those events ahead of time to minimize venting. Actions considered include identifying alternative capture approaches or planning to temporarily reduce production or shut in the well to address these circumstances.

1. Geologic Formations

TVD of target	12720	Pilot hole depth	N/A
MD at TD:	20141	Deepest expected fresh water	

Basin

	Depth	Water/Mineral	
Formation	(TVD)	Bearing/Target	Hazards*
	from KB	Zone?	
Rustler	1035		
Salt	1615		
Base of Salt	4950		
Delaware	5280		
Cherry Canyon	6325		
Brushy Canyon	7930		
1st Bone Spring Lime	9170		
Bone Spring 1st	10430		
Bone Spring 2nd	10960		
3rd Bone Spring Lime	11395		
Bone Spring 3rd	12060		
Wolfcamp	12380		

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

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2. Casing Program (Primary Design)

		Wt	Grade			Casing	Interval	Casing	Interval
Hole Size	Csg. Size	(PPF)		Grade Conn	From (MD)	To (MD)	From (TVD)	To (TVD)	
13 1/2	10 3/4	40 1/2	H40	BTC	0	1060	0	1060	
9 7/8	8 5/8	32	P110	TLW	0	12380	0	12380	
7 7/8	5 1/2	17	P110	BTC	0	20141	0	12720	

• All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 IILB.1.h Must have table for contingency casing.

3. Cementing Program (Primary Design)

Casing	# Sks	тос	Wt. ppg	Yld (ft3/sack)	Slurry Description
Surface	428	Surf	13.21.44Lead: Class C Cement		Lead: Class C Cement + additives
Let 1	430 S		9	3.27	Lead: Class C Cement + additives
Int 1	465	4000' above	13.2	1.44	Tail: Class H / C + additives
Int 1	As Needed	Surf	13.2	1.44	Squeeze Lead: Class C Cement + additives
Intermediate	430	Surf	9	3.27	Lead: Class C Cement + additives
Squeeze	465	4000' above	13.2	1.44	Tail: Class H / C + additives
Production	117	10164	9	3.27	Lead: Class H /C + additives
	1056	12164	13.2	1.44	Tail: Class H / C + additives

Casing String	% Excess
Surface	50%
Intermediate 1	30%
Intermediate 1 (Two Stage)	25%
Prod	10%

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Ţ	уре	~	Tested to:																												
			An	nular	X	50% of rated working pressure																												
Int 1	13-5/8"	5M		d Ram	Х																													
	15-5/6	5101	1	e Ram		- 5M																												
			Doub	le Ram	Х	5111																												
			Other*																															
	13-5/8"	10M	Annular (5M) Blind Ram		Х	100% of rated working pressure																												
Production					Х																													
Troduction		13-5/8	13-5/8	13-3/8	13-3/8	10101	TOIVI	10101	15-5/8 1014	10101	10191	1011		10111	10101	Pipe Ram Double Ram	10111	10111	10111	10111	10101	10111	10111	10111	10111	10111	10111	10101	10101	10101	i			10M
																	le Ram	Х	1011															
			Other*																															
			Annul	ar (5M)																														
			Blind Ram Pipe Ram																															
			Doub	le Ram																														
			Other*																															
N A variance is requested for	the use of a	a diverter or	the surface	casing. See	attached for	schematic.																												
Y A variance is requested to a	A variance is requested to run a 5 M annular on a 10M system																																	

4. Pressure Control Equipment (Three String Design)

5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	DBE / Cut Brine	10-10.5
Production	OBM	10-10.5

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Co	oring and Testing
	Will run GR/CNL from TD to surface (horizontal well - vertical portion of hole). Stated logs run will be in the
Х	Completion Rpeort and sbumitted to the BLM.
	No logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain.
	Coring? If yes, explain.

Additional	logs planned	Interval
	Resistivity	Int. shoe to KOP
	Density	Int. shoe to KOP
Х	CBL	Production casing
Х	Mud log	Intermediate shoe to TD
	PEX	

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	6945
Abnormal temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers.

Hydrogren Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrationsgreater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide isencountered measured values and formations will be provided to the BLM.NH2S is present

8. Other facets of operation

Is this a walking operation? Potentially

H2S plan attached.

- 1 If operator elects, drilling rig will batch drill the surface holes and run/cement surface casing; walking the rig to next wells on the pad.
- 2 The drilling rig will then batch drill the intermediate sections and run/cement intermediate casing; the wellbore will be isolated with a blind flange and pressure gauge installed for monitoring the well before walking to the next well.
- 3 The drilling rig will then batch drill the production hole sections on the wells with OBM, run/cement production casing, and install TA caps or tubing heads for completions.

NOTE: During batch operations the drilling rig will be moved from well to well however, it will not be removed

Arena Roja Fed Unit 703H

from the pad until all wells have production casing run/cemented.

Will be pre-setting casing? Potentially

- 1 Spudder rig will move in and batch drill surface hole.
 - a. Rig will utilize fresh water based mud to drill surface hole to TD. Solids control will be handled entirely on a closed loop basis.,
- 2 After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
- 3 The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- 4 A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
- 5 Spudder rig operations is expected to take 4-5 days per well on a multi-well pa.
- 6 The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7 Drilling operations will be performed with drilling rig. A that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
 - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments

X Directional Plan Other, describe



Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
8512802	UNKNOWN	0	0	Ö	OTHER : SURFACE	NONE	N
8512803	RUSTLER	-1035	1035	1035	SANDSTONE	NONE	N
8512804	TOP SALT	-1615	1615	1615	SALT	NONE	N
8512805	BASE OF SALT	-4950	4950	4950	ANHYDRITE	NONE	N
8512806	BELL CANYON	-5280	5280	5280	SANDSTONE	NATURAL GAS, OIL	N
8512807	CHERRY CANYON	-6325	6325	6325	SANDSTONE	NATURAL GAS, OIL	N
8512808	BRUSHY CANYON	-7930	7930	7930	SANDSTONE	NATURAL GAS, OIL	N
8512809	BONE SPRING LIME	-9170	9170	9170	LIMESTONE	NATURAL GAS, OIL	N
8512812	BONE SPRING 1ST	-10430	10430	10430	SANDSTONE	NATURAL GAS, OIL	N
8512810	BONE SPRING 2ND	-10960	10960	10960	SANDSTONE	NATURAL GAS, OIL	N
8512811	BONE SPRING LIME	-11395	11395	11395	LIMESTONE	NATURAL GAS, OIL	N
8512813	BONE SPRING 3RD	-12060	12060	12060	SANDSTONE, SHALE	NATURAL GAS, OIL	N
8512814	WOLFCAMP	-12380	12380	12380	SHALE	NATURAL GAS, OIL	Y
8512815	STRAWN	-14230	14230	14230	LIMESTONE	NATURAL GAS, OIL	N

Section 2 - Blowout Prevention



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.

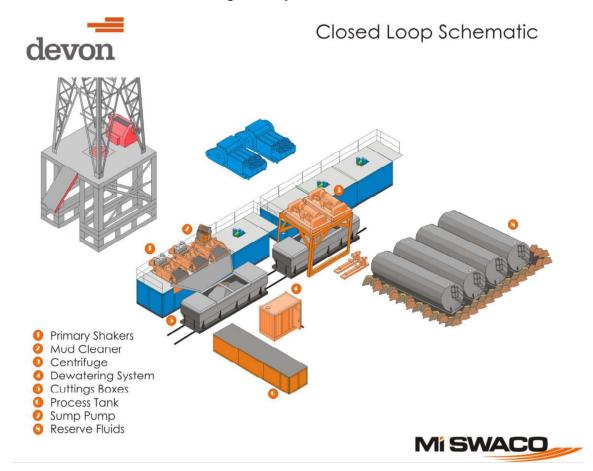
Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

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 dependent 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.

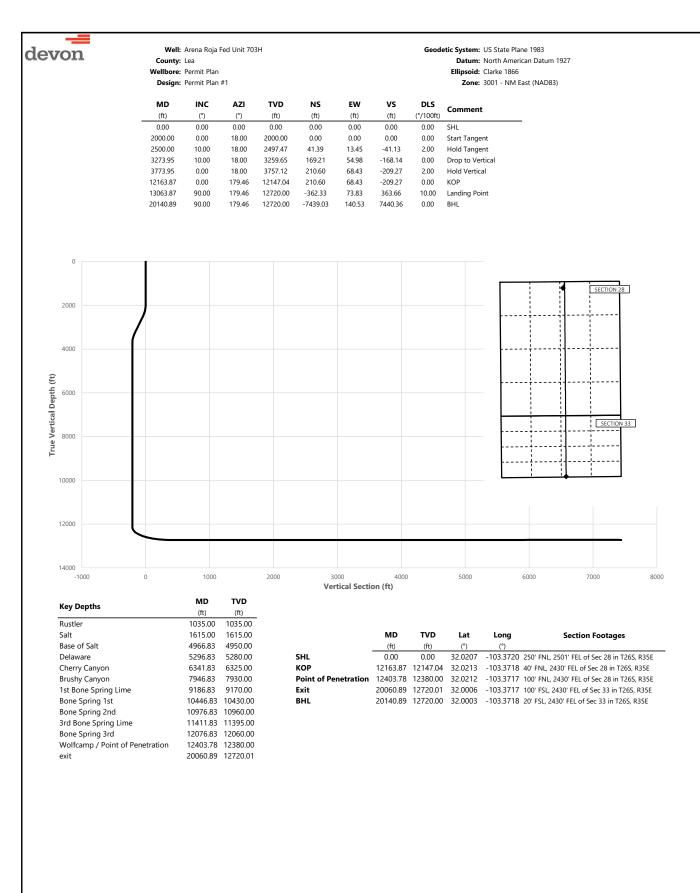
All trash is kept in a wire mesh enclosure and removed to an approved landfill when full. All spent motor oils are kept in separate containers and they are removed and sent to an approved recycling center. Any spilled lubricants, pipe dope, or regulated chemicals are removed from soil and sent to landfills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



devon			-	Fed Unit 703	н				Geodetic System: US State Plane 1983
		County: Wellbore:	Lea Permit Plar	1					Datum: North American Datum 1927 Ellipsoid: Clarke 1866
			Permit Plar						Zone: 3001 - NM East (NAD83)
	MD	INC	AZI	TVD	NS	EW	vs	DLS	Comment
-	(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(°/100ft)	
	0.00 100.00	0.00 0.00	0.00 18.00	0.00 100.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	SHL
	200.00	0.00	18.00	200.00	0.00	0.00	0.00	0.00	
	300.00	0.00	18.00	300.00	0.00	0.00	0.00	0.00	
	400.00	0.00	18.00	400.00	0.00	0.00	0.00	0.00	
	500.00 600.00	0.00 0.00	18.00 18.00	500.00 600.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	
	700.00	0.00	18.00	700.00	0.00	0.00	0.00	0.00	
	800.00	0.00	18.00	800.00	0.00	0.00	0.00	0.00	
	900.00	0.00	18.00	900.00	0.00	0.00	0.00	0.00	
	1000.00	0.00	18.00	1000.00	0.00	0.00	0.00	0.00	
	1035.00 1100.00	0.00 0.00	18.00 18.00	1035.00 1100.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Rustler
	1200.00	0.00	18.00	1200.00	0.00	0.00	0.00	0.00	
	1300.00	0.00	18.00	1300.00	0.00	0.00	0.00	0.00	
	1400.00	0.00	18.00	1400.00	0.00	0.00	0.00	0.00	
	1500.00	0.00	18.00	1500.00	0.00	0.00	0.00	0.00	
	1600.00 1615.00	0.00 0.00	18.00 18.00	1600.00 1615.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Salt
	1700.00	0.00	18.00	1700.00	0.00	0.00	0.00	0.00	Sait
	1800.00	0.00	18.00	1800.00	0.00	0.00	0.00	0.00	
	1900.00	0.00	18.00	1900.00	0.00	0.00	0.00	0.00	
	2000.00	0.00	18.00	2000.00	0.00	0.00	0.00	0.00	Start Tangent
	2100.00 2200.00	2.00 4.00	18.00 18.00	2099.98 2199.84	1.66 6.64	0.54 2.16	-1.65 -6.60	2.00 2.00	
	2300.00	6.00	18.00	2299.45	14.93	4.85	-14.83	2.00	
	2400.00	8.00	18.00	2398.70	26.52	8.62	-26.35	2.00	
	2500.00	10.00	18.00	2497.47	41.39	13.45	-41.13	2.00	Hold Tangent
	2600.00	10.00	18.00	2595.95	57.91	18.82	-57.54	0.00	
	2700.00 2800.00	10.00 10.00	18.00 18.00	2694.43 2792.91	74.42 90.94	24.18 29.55	-73.95 -90.36	0.00 0.00	
	2900.00	10.00	18.00	2891.39	107.45	34.91	-106.77	0.00	
	3000.00	10.00	18.00	2989.87	123.97	40.28	-123.18	0.00	
	3100.00	10.00	18.00	3088.35	140.48	45.65	-139.59	0.00	
	3200.00 3273.95	10.00 10.00	18.00 18.00	3186.83 3259.65	157.00 169.21	51.01 54.98	-156.01 -168.14	0.00 0.00	Drop to Vertical
	3300.00	9.48	18.00	3285.33	173.40	56.34	-172.31	2.00	
	3400.00	7.48	18.00	3384.23	187.42	60.90	-186.24	2.00	
	3500.00	5.48	18.00	3483.59	198.15	64.38	-196.90	2.00	
	3600.00	3.48	18.00	3583.28	205.58	66.80	-204.28	2.00	
	3700.00 3773.95	1.48 0.00	18.00 18.00	3683.18 3757.12	209.69 210.60	68.13 68.43	-208.37 -209.27	2.00 2.00	Hold Vertical
	3800.00	0.00	179.46	3783.17	210.60	68.43	-209.27	0.00	
	3900.00	0.00	179.46	3883.17	210.60	68.43	-209.27	0.00	
	4000.00	0.00	179.46	3983.17	210.60	68.43	-209.27	0.00	
	4100.00 4200.00	0.00 0.00	179.46 179.46	4083.17 4183.17	210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	4200.00	0.00	179.46	4183.17	210.60 210.60	68.43	-209.27	0.00	
	4400.00	0.00	179.46	4383.17	210.60	68.43	-209.27	0.00	
	4500.00	0.00	179.46	4483.17	210.60	68.43	-209.27	0.00	
	4600.00	0.00	179.46	4583.17	210.60	68.43	-209.27	0.00	
	4700.00 4800.00	0.00 0.00	179.46 179.46	4683.17 4783.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	4900.00	0.00	179.46	4883.17	210.60	68.43	-209.27	0.00	
	4966.83	0.00	179.46	4950.00	210.60	68.43	-209.27	0.00	Base of Salt
	5000.00	0.00	179.46	4983.17	210.60	68.43	-209.27	0.00	
	5100.00	0.00	179.46	5083.17	210.60	68.43	-209.27	0.00	
	5200.00 5296.83	0.00 0.00	179.46 179.46	5183.17 5280.00	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	Delaware
	5300.00	0.00	179.46	5280.00 5283.17	210.60	68.43	-209.27	0.00	
	5400.00	0.00	179.46	5383.17	210.60	68.43	-209.27	0.00	
	5500.00	0.00	179.46	5483.17	210.60	68.43	-209.27	0.00	
	5600.00	0.00	179.46	5583.17	210.60	68.43	-209.27	0.00	
	5700.00 5800.00	0.00 0.00	179.46 179.46	5683.17 5783.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	5900.00	0.00	179.46	5883.17	210.60	68.43	-209.27	0.00	
	6000.00	0.00	179.46	5983.17	210.60	68.43	-209.27	0.00	
	6100.00	0.00	179.46	6083.17	210.60	68.43	-209.27	0.00	
	6200.00 6300.00	0.00 0.00	179.46 179.46	6183.17 6283.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	0000.00	0.00	175.40	5205.17	210.00	50.45	205.21	0.00	

devon		Well:	Arena Roja	Fed Unit 703	н				Geodetic System: US State Plane 1983
devon		County:							Datum: North American Datum 1927
			Permit Plar Permit Plar						Ellipsoid: Clarke 1866 Zone: 3001 - NM East (NAD83)
		-							
	MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment
-	6341.83	0.00	179.46	6325.00	210.60	68.43	-209.27	0.00	Cherry Canyon
	6400.00	0.00	179.46	6383.17	210.60	68.43	-209.27	0.00	
	6500.00	0.00	179.46	6483.17	210.60	68.43	-209.27	0.00	
	6600.00 6700.00	0.00 0.00	179.46 179.46	6583.17 6683.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	6800.00	0.00	179.46	6783.17	210.60	68.43	-209.27	0.00	
	6900.00	0.00	179.46	6883.17	210.60	68.43	-209.27	0.00	
	7000.00	0.00	179.46	6983.17	210.60	68.43	-209.27	0.00	
	7100.00	0.00	179.46	7083.17	210.60	68.43	-209.27	0.00	
	7200.00	0.00	179.46	7183.17	210.60	68.43	-209.27	0.00	
	7300.00 7400.00	0.00 0.00	179.46 179.46	7283.17 7383.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	7400.00	0.00	179.46	7483.17	210.60	68.43	-209.27	0.00	
	7600.00	0.00	179.46	7583.17	210.60	68.43	-209.27	0.00	
	7700.00	0.00	179.46	7683.17	210.60	68.43	-209.27	0.00	
	7800.00	0.00	179.46	7783.17	210.60	68.43	-209.27	0.00	
	7900.00	0.00	179.46	7883.17	210.60	68.43	-209.27	0.00	
	7946.83	0.00	179.46	7930.00	210.60	68.43	-209.27	0.00	Brushy Canyon
	8000.00 8100.00	0.00 0.00	179.46 179.46	7983.17 8083.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	8200.00	0.00	179.46	8183.17	210.60	68.43	-209.27	0.00	
	8300.00	0.00	179.46	8283.17	210.60	68.43	-209.27	0.00	
	8400.00	0.00	179.46	8383.17	210.60	68.43	-209.27	0.00	
	8500.00	0.00	179.46	8483.17	210.60	68.43	-209.27	0.00	
	8600.00	0.00	179.46	8583.17	210.60	68.43	-209.27	0.00	
	8700.00 8800.00	0.00 0.00	179.46 179.46	8683.17 8783.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	8900.00	0.00	179.46	8883.17	210.60	68.43	-209.27	0.00	
	9000.00	0.00	179.46	8983.17	210.60	68.43	-209.27	0.00	
	9100.00	0.00	179.46	9083.17	210.60	68.43	-209.27	0.00	
	9186.83	0.00	179.46	9170.00	210.60	68.43	-209.27	0.00	1st Bone Spring Lime
	9200.00	0.00	179.46	9183.17	210.60	68.43	-209.27	0.00	
	9300.00 9400.00	0.00 0.00	179.46 179.46	9283.17 9383.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	9500.00	0.00	179.46	9483.17	210.60	68.43	-209.27	0.00	
	9600.00	0.00	179.46	9583.17	210.60	68.43	-209.27	0.00	
	9700.00	0.00	179.46	9683.17	210.60	68.43	-209.27	0.00	
	9800.00	0.00	179.46	9783.17	210.60	68.43	-209.27	0.00	
	9900.00 10000.00	0.00 0.00	179.46 179.46	9883.17 9983.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	10100.00	0.00	179.46	10083.17	210.60	68.43	-209.27	0.00	
	10200.00	0.00	179.46	10183.17	210.60	68.43	-209.27	0.00	
	10300.00	0.00	179.46	10283.17	210.60	68.43	-209.27	0.00	
	10400.00	0.00	179.46	10383.17	210.60	68.43	-209.27	0.00	
	10446.83	0.00	179.46	10430.00	210.60	68.43	-209.27	0.00	Bone Spring 1st
	10500.00 10600.00	0.00 0.00	179.46 179.46	10483.17 10583.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	10700.00	0.00	179.46	10683.17	210.60	68.43	-209.27	0.00	
	10800.00	0.00	179.46	10783.17	210.60	68.43	-209.27	0.00	
	10900.00	0.00	179.46	10883.17	210.60	68.43	-209.27	0.00	
	10976.83	0.00	179.46	10960.00	210.60	68.43	-209.27	0.00	Bone Spring 2nd
	11000.00 11100.00	0.00 0.00	179.46 179.46	10983.17 11083.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	11200.00	0.00	179.46	11183.17	210.60	68.43	-209.27	0.00	
	11300.00	0.00	179.46	11283.17	210.60	68.43	-209.27	0.00	
	11400.00	0.00	179.46	11383.17	210.60	68.43	-209.27	0.00	
	11411.83	0.00	179.46	11395.00	210.60	68.43	-209.27	0.00	3rd Bone Spring Lime
	11500.00	0.00	179.46	11483.17	210.60	68.43	-209.27	0.00	
	11600.00	0.00	179.46	11583.17	210.60	68.43	-209.27	0.00	
	11700.00 11800.00	0.00 0.00	179.46 179.46	11683.17 11783.17	210.60 210.60	68.43 68.43	-209.27 -209.27	0.00 0.00	
	11900.00	0.00	179.46	11883.17	210.60	68.43	-209.27	0.00	
	12000.00	0.00	179.46	11983.17	210.60	68.43	-209.27	0.00	
	12076.83	0.00	179.46	12060.00	210.60	68.43	-209.27	0.00	Bone Spring 3rd
	12100.00	0.00	179.46	12083.17	210.60	68.43	-209.27	0.00	
	12163.87	0.00	179.46	12147.04	210.60	68.43	-209.27	0.00	КОР
	12200.00 12300.00	3.61 13.61	179.46 179.46	12183.15 12281.90	209.46 194.51	68.44 68.58	-208.13 -193.18	10.00 10.00	
	12300.00	23.61	179.46	12281.90	162.63	68.88	-161.30	10.00	
	12403.78	23.99	179.46	12380.00	161.11	68.90	-159.78	10.00	Wolfcamp / Point of Penetration

L		Well: County:		Fed Unit 703	н				Geodetic System: US State Plane Datum: North American	
			Permit Plan Permit Plan						Ellipsoid: Clarke 1866 Zone: 3001 - NM East	(NAD83)
	MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment	
	12500.00	33.61	179.46	12464.22	114.80	69.33	-113.47	10.00		
	12600.00	43.61	179.46	12542.26	52.48	69.92	-51.15	10.00		
	12700.00	53.61	179.46	12608.29	-22.45	70.63	23.78	10.00		
	12800.00	63.61	179.46	12660.31	-107.70	71.43	109.03	10.00		
	12900.00	73.61	179.46	12696.73	-200.69	72.31	202.02	10.00		
	13000.00	83.61	179.46	12716.44	-298.60	73.23	299.93	10.00		
	13063.87	90.00	179.46	12720.00	-362.33	73.83	363.66	10.00	Landing Point	
	13100.00	90.00	179.46	12720.00	-398.46	74.17	399.79	0.00		
	13200.00	90.00	179.46	12720.00	-498.46	75.11	499.79	0.00		
	13300.00	90.00	179.46	12720.00	-598.45	76.05	599.78	0.00		
	13400.00	90.00	179.46	12720.00	-698.45	77.00	699.78	0.00		
	13500.00	90.00	179.46	12720.00	-798.44	77.94	799.77	0.00		
	13600.00	90.00	179.46	12720.00	-898.44	78.88	899.77	0.00		
	13700.00 13800.00	90.00 90.00	179.46 179.46	12720.00 12720.00	-998.43 -1098.43	79.83 80.77	999.76 1099.76	0.00 0.00		
	13800.00	90.00 90.00	179.46 179.46	12720.00	-1098.43	80.77 81.71	1099.76	0.00		
	14000.00	90.00	179.46	12720.00	-1198.42	82.65	1299.75	0.00		
	14000.00	90.00	179.46	12720.00	-1298.42	83.60	1399.75	0.00		
	14200.00	90.00	179.46	12720.00	-1498.41	84.54	1499.74	0.00		
	14300.00	90.00	179.46	12720.00	-1598.41	85.48	1599.74	0.00		
	14400.00	90.00	179.46	12720.00	-1698.40	86.42	1699.73	0.00		
	14500.00	90.00	179.46	12720.00	-1798.40	87.37	1799.73	0.00		
	14600.00	90.00	179.46	12720.00	-1898.39	88.31	1899.72	0.00		
	14700.00	90.00	179.46	12720.00	-1998.39	89.25	1999.72	0.00		
	14800.00	90.00	179.46	12720.00	-2098.38	90.20	2099.71	0.00		
	14900.00	90.00	179.46	12720.00	-2198.38	91.14	2199.71	0.00		
	15000.00	90.00	179.46	12720.00	-2298.38	92.08	2299.70	0.00		
	15100.00	90.00	179.46	12720.00	-2398.37	93.02	2399.70	0.00		
	15200.00	90.00	179.46	12720.00	-2498.37	93.97	2499.70	0.00		
	15300.00	90.00	179.46	12720.00	-2598.36	94.91	2599.69	0.00		
	15400.00	90.00	179.46	12720.00	-2698.36	95.85	2699.69	0.00		
	15500.00	90.00	179.46	12720.00	-2798.35	96.79	2799.68	0.00		
	15600.00	90.00	179.46	12720.00	-2898.35 -2998.34	97.74	2899.68	0.00		
	15700.00 15800.00	90.00 90.00	179.46 179.46	12720.00 12720.00	-2998.34	98.68 99.62	2999.67 3099.67	0.00 0.00		
	15900.00	90.00	179.46	12720.00	-3198.34	99.62 100.57	3199.66	0.00		
	16000.00	90.00	179.46	12720.00	-3298.33	100.57	3299.66	0.00		
	16100.00	90.00	179.46	12720.00	-3398.33	101.51	3399.66	0.00		
	16200.00	90.00	179.46	12720.00	-3498.32	102.45	3499.65	0.00		
	16300.00	90.00	179.46	12720.00	-3598.32	104.34	3599.65	0.00		
	16400.00	90.00	179.46	12720.00	-3698.31	105.28	3699.64	0.00		
	16500.00	90.00	179.46	12720.00	-3798.31	106.22	3799.64	0.00		
	16600.00	90.00	179.46	12720.00	-3898.30	107.16	3899.63	0.00		
	16700.00	90.00	179.46	12720.00	-3998.30	108.11	3999.63	0.00		
	16800.00	90.00	179.46	12720.00	-4098.30	109.05	4099.62	0.00		
	16900.00	90.00	179.46	12720.01	-4198.29	109.99	4199.62	0.00		
	17000.00	90.00	179.46	12720.01	-4298.29	110.94	4299.62	0.00		
	17100.00	90.00	179.46	12720.01	-4398.28	111.88	4399.61	0.00		
	17200.00	90.00	179.46	12720.01	-4498.28	112.82	4499.61	0.00		
	17300.00	90.00	179.46	12720.01	-4598.27	113.76	4599.60	0.00		
	17400.00	90.00	179.46	12720.01	-4698.27	114.71	4699.60	0.00		
	17500.00	90.00	179.46	12720.01	-4798.26	115.65	4799.59	0.00		
	17600.00	90.00	179.46	12720.01	-4898.26	116.59	4899.59	0.00		
	17700.00	90.00	179.46	12720.01	-4998.26	117.53	4999.58	0.00		
	17800.00 17900.00	90.00 90.00	179.46 179.46	12720.01 12720.01	-5098.25 -5198.25	118.48 119.42	5099.58 5199 58	0.00 0.00		
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	18000.00	90.00 90.00	179.46 179.46	12720.01	-5298.24 -5398.24	120.36	5299.57 5399.57	0.00		
	18100.00	90.00	179.46	12720.01	-5398.24	121.31	5499.57	0.00		
	18200.00	90.00	179.46	12720.01	-5498.23	122.25	5499.56 5599.56	0.00		
	18400.00	90.00	179.46	12720.01	-5698.22	124.13	5699.55	0.00		
	18500.00	90.00	179.46	12720.01	-5798.22	125.08	5799.55	0.00		
	18600.00	90.00	179.46	12720.01	-5898.22	126.02	5899.54	0.00		
	18700.00	90.00	179.46	12720.01	-5998.21	126.96	5999.54	0.00		
	18800.00	90.00	179.46	12720.01	-6098.21	127.90	6099.53	0.00		
	18900.00	90.00	179.46	12720.01	-6198.20	128.85	6199.53	0.00		
	19000.00	90.00	179.46	12720.01	-6298.20	129.79	6299.53	0.00		
	19100.00	90.00	179.46	12720.01	-6398.19	130.73	6399.52	0.00		
	19200.00	90.00	179.46	12720.01	-6498.19	131.68	6499.52	0.00		
	19300.00	90.00	179.46	12720.01	-6598.18	132.62	6599.51	0.00		

devon		County: Wellbore:	,		н				Geodetic System: US State Plane 1983 Datum: North American Datum 1927 Ellipsoid: Clarke 1866 Zone: 3001 - NM East (NAD83)
	MD	INC	AZI	TVD	NS	EW	VS	DLS	Comment
	(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(°/100ft)	
	19400.00	90.00	179.46	12720.01	-6698.18	133.56	6699.51	0.00	
	19500.00	90.00	179.46	12720.01	-6798.18	134.50	6799.50	0.00	
	19600.00	90.00	179.46	12720.01	-6898.17	135.45	6899.50	0.00	
	19700.00	90.00	179.46	12720.01	-6998.17	136.39	6999.49	0.00	
	19800.00	90.00	179.46	12720.01	-7098.16	137.33	7099.49	0.00	
	19900.00	90.00	179.46	12720.01	-7198.16	138.27	7199.49	0.00	
	20000.00	90.00	179.46	12720.01	-7298.15	139.22	7299.48	0.00	
	20060.89	90.00	179.46	12720.01	-7359.04	139.79	7360.37	0.00	exit
	20100.00	90.00	179.46	12720.01	-7398.15	140.16	7399.48	0.00	
1									

	County: Wellbore:	Arena Roja F Lea Permit Plan Permit Plan	I		Geodetic System: US State Plane 1983 Datum: North American Datum 1927 Ellipsoid: Clarke 1866 Zone: 3001 - NM East (NAD83)					
						Comment				

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Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: ARENA ROJA FED UNIT

Well Number: 703H

Pressure Rating (PSI): 10M

Rating Depth: 12720

Equipment: BOP/BOPE will be installed per Onshore Oil & Gas Order #2 requirements prior to drilling below intermediate casing, a BOP/BOPE system with the above minimum rating 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:

10M_BOPE_CHK_DR_CLS_RKL_20220426080326.pdf

BOP Diagram Attachment:

10M_BOPE_CHK_DR_CLS_RKL_20220426080333.pdf

MB_Wellhd_10M_10.75_8.625_5.5_20220925155239.pdf

Pressure Rating (PSI): 5M

Rating Depth: 12380

Equipment: BOP/BOPE will be installed per Onshore Oil & Gas Order #2 requirements prior to drilling below surface casing, a BOP/BOPE system with the above minimum rating 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.

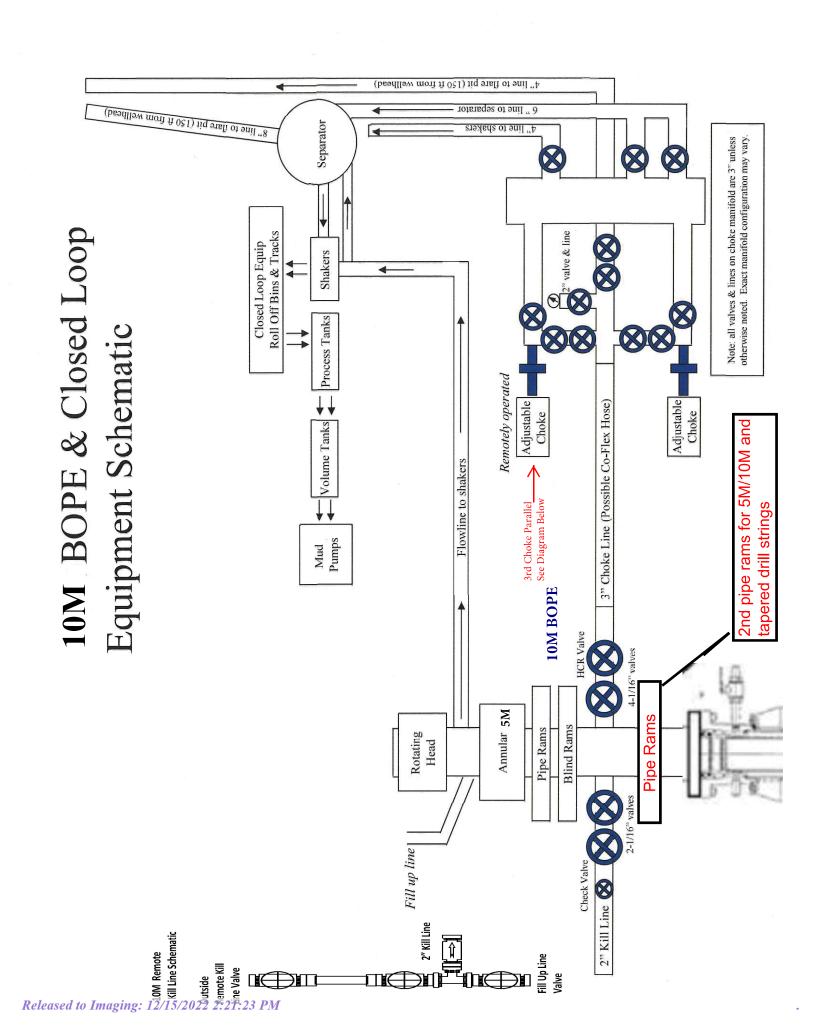
Testing Procedure: A multibowl wellhead may be used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

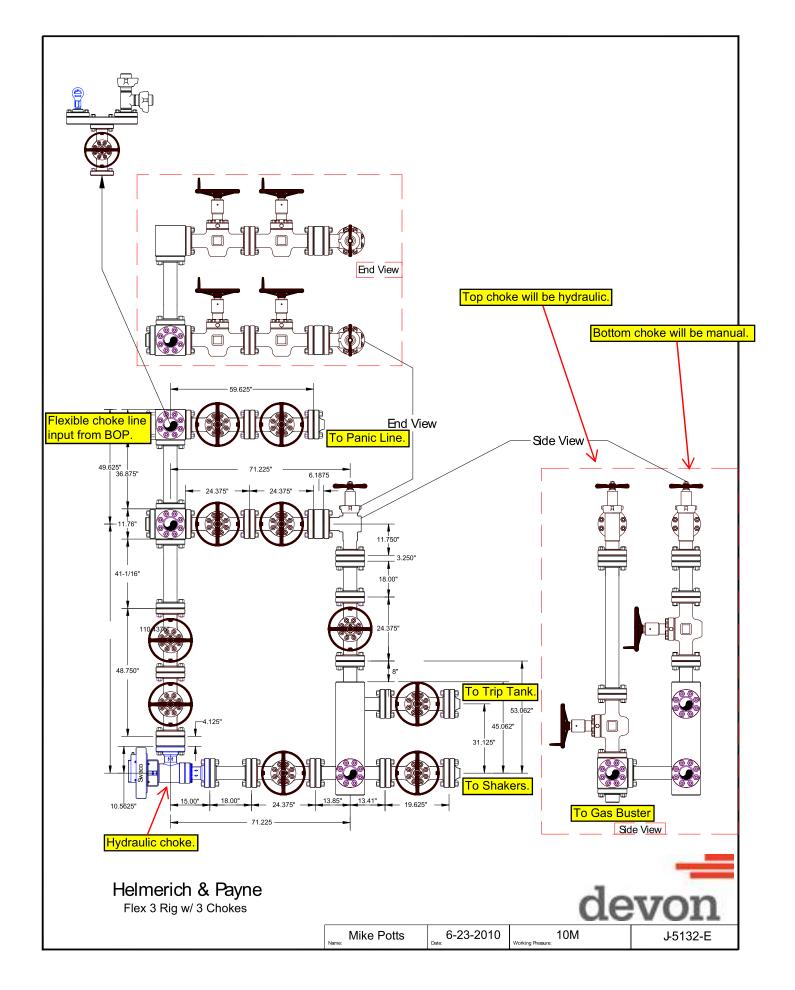
Choke Diagram Attachment:

5M_BOPE__CK_20220426080404.pdf

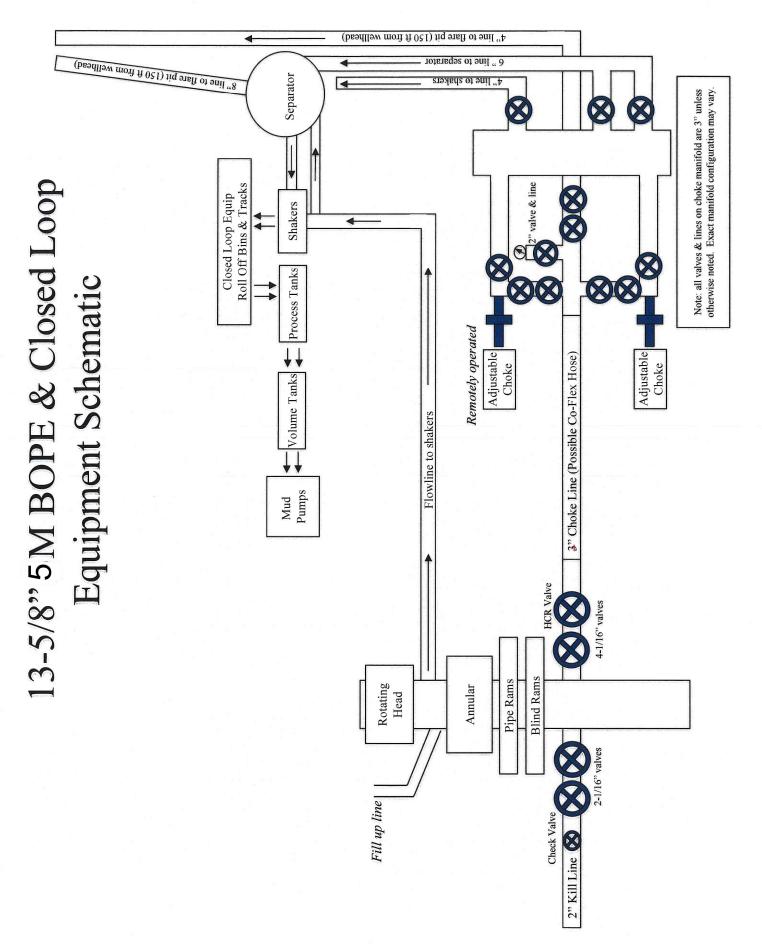
BOP Diagram Attachment:

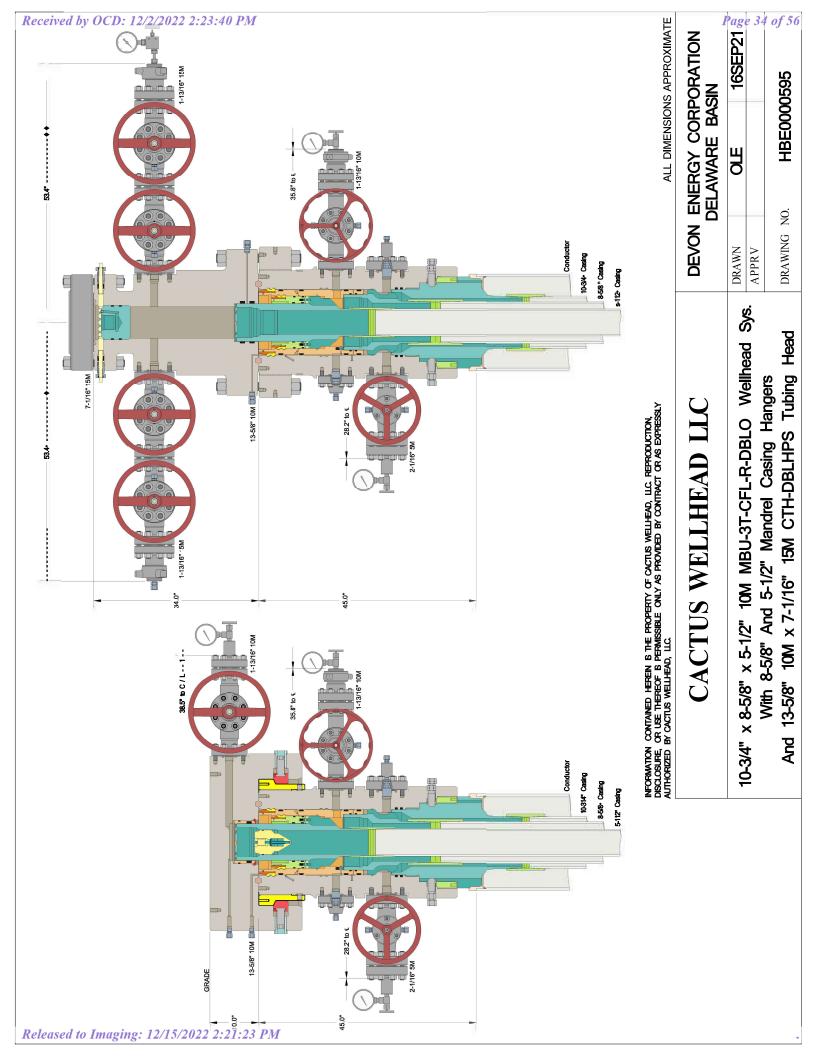
5M_BOPE__CK_20220426080408.pdf











Section 2 - Blowout Preventer Testing Procedure

Variance Request

Devon Energy requests to only test BOP connection breaks after drilling out of surface casing and while skidding between wells which conforms to API Standard 53 and industry standards. This test will include the Top Pipe Rams, HCR, Kill Line Check Valve, QDC (quick disconnect to wellhead) and Shell of the 10M BOPE to 5M for 10 minutes. If a break to the flex hose that runs to the choke manifold is required due to repositioning from a skid, the HCR will remain open during the shell test to include that additional break. The variance only pertains to intermediate hole-sections and no deeper than the Bone Springs Formation where 5M BOP tests are required. The initial BOP test will follow OOGO2.III.A.2.i, and subsequent tests following a skid will only test connections that are broken. The annular preventer will be tested to 100% working pressure. This variance will meet or exceed OOGO2.III.A.2.i per the following: Devon Energy will perform a full BOP test per OOGO2.III.A.2.i before drilling out of the intermediate casing string(s) and starting the production hole, before starting any hole section that requires a 10M test, before the expiration of the allotted 14-days for 5M intermediate batch drilling or when the drilling rig is fully mobilized to a new well pad, whichever is sooner. We will utilize a 200' TVD tolerance between intermediate shoes as the cutoff for a full BOP test. The BLM will be contacted 4hrs prior to a BOPE test. The BLM will be notified if and when a well control event is encountered. Break test will be a 14 day interval and not a 30 day full BOPE test interval. If in the event break testing is not utilized, then a full BOPE test would be conducted.

1. Well Control Response:

1. Primary barrier remains fluid

2. In the event of an influx due to being underbalanced and after a realized gain or flow, the order of closing BOPE is as follows:

- a) Annular first
- b) If annular were to not hold, Upper pipe rams second (which were tested on the skid BOP test)
- c) If the Upper Pipe Rams were to not hold, Lower Pipe Rams would be third



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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company LP	
LEASE NO.:	NMNM097910	
LOCATION:	Section 28, T.26 S., R.35 E., NMPM	
COUNTY:		
WELL NAME & NO.:	Arena Roja Fed Unit 703H	
SURFACE HOLE FOOTAGE:	250'/N & 2501'/E	
BOTTOM HOLE FOOTAGE	20'/S & 2430'/E	
ATS/API ID:	ATS-22-1150	
Sundry ID:	N/A	
WELL NAME & NO.:	Arena Roja Fed Unit 704H	
SURFACE HOLE FOOTAGE:	250'/N & 1402'/E	
BOTTOM HOLE FOOTAGE	20'/S & 1590'/E	
ATS/API ID:		
Sundry ID:	N/A	
WELL NAME & NO.:	Arena Roja Fed Unit 705H	
SURFACE HOLE FOOTAGE:	250'/N & 1132'/E	
BOTTOM HOLE FOOTAGE	20'/S & 750'/E	
ATS/API ID:	ATS-22-1149	
Sundry ID:	N/A	
WELL NAME & NO.:	Arena Roja Fed Unit 803H	
SURFACE HOLE FOOTAGE:	250'/N & 2471'/E	
BOTTOM HOLE FOOTAGE	20'/S & 2010'/E	
ATS/API ID:		
Sundry ID:	N/A	
WELL NAME & NO.:	Arena Roja Fed Unit 804H	
SURFACE HOLE FOOTAGE:	250'/N & 1372'/E	
BOTTOM HOLE FOOTAGE	20'/S & 1170'/E	
ATS/API ID:	ATS-22-1152	
Sundry ID:		
~unury ID.	1	
WELL NAME & NO.:	Arena Roja Fed Unit 805H	
SURFACE HOLE FOOTAGE:	250'/N & 1102'/E	
BOTTOM HOLE FOOTAGE	20'/S & 330'/E	
ATS/API ID:	ATS-22-1153	
Sundry ID:	N/A	
¥		

COA

H2S	O Yes	O No	
Potash	O None	Secretary	C R-111-P
Cave/Karst Potential	C Low	C Medium	🖸 High
Cave/Karst Potential	Critical		
Variance	🖸 None	🖸 Flex Hose	Other
Wellhead	Conventional	🖸 Multibowl	🖸 Both
Wellhead Variance	Diverter		
Other	□4 String	Capitan Reef	□ WIPP
Other	Fluid Filled	🗖 Pilot Hole	🗆 Open Annulus
Cementing	Cement Squeeze	EchoMeter	
Special Requirements	U Water Disposal	СОМ	🗹 Unit
Special Requirements	Break Testing	Offline	
Variance		Cementing	

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

- The 10-3/4 inch surface casing shall be set at approximately 1115 feet (a minimum of 25 feet (Lea County) into the Rustler Anhydrite, above the salt, and below usable fresh water) 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 $\underline{8}$ <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.

- 2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.

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

If cement does not tie-back into the previous casing shoe, a third stage remediation BH may be performed. The appropriate BLM office shall be notified.

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

- 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.

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. Annular which shall be tested to **5000 (5M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 8-5/8 inch 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 **10-3/4** inch 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.

D. SPECIAL REQUIREMENT (S)

<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.

BOPE Break Testing Variance

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. (Annular preventer must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP)
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- Variance only pertains to the intermediate hole-sections and no deeper than the Bone Springs formation.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer (575-706-2779) prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required. (200' TVD tolerance between intermediate shoes is allowable).

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- The BLM is to be contacted (575-689-5981 Lea County) 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at 14-day intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per Onshore Oil and Gas Order No. 2.
- If in the event break testing is not utilized, then a full BOPE test would be conducted.

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)
 - Eddy County 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)
 689-5981
- 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.
- 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

- 1. 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.
- <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</u> <u>hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 3. <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. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 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.
- 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: The flex line must meet the requirements of API 16C. 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 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, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- 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

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.

LVO 10/25/2022



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

Hydrogen Sulfide (H₂S) Contingency Plan

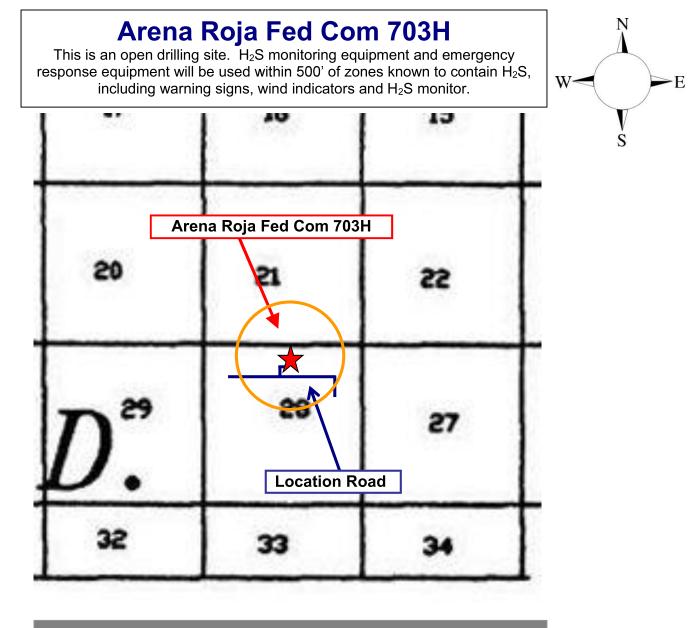
For

Arena Roja Fed Com 703H

Sec-28 T-26S R-35E 250' FNL & 2501' FEL LAT. = 32.020808 N (NAD83) LONG = 103.371934 W

Lea County NM

Revision 3/10/2022



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

Escape

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

Revision 3/10/2022

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

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

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
 - \circ 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	H ₂ S	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.

There will be weekly H_2S and well control drills for all personnel in each crew.

II. HYDROGEN SULFIDE TRAINING

Note: All H_2S 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.

Fire extinguishers are located at various locations around the rig. First Aid supplies are located in the top doghouse and the rig manger's office.

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

4. 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.

5. Mud program:

The mud program has been designed to minimize the volume of H_2S circulated to surface. Proper mud weight, safe drilling practices and the use of H_2S scavengers will minimize hazards when penetrating H_2S bearing zones.

6. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H₂S trim.

All elastomers used for packing and seals shall be H₂S trim.

7. Communication:

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

8. 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.

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F actoria		Desition	Dhama	A ft on Llound	
	ee/Company Contact	Position	Phone Number	After Hours	
	Representative Fisher (North)	Drilling Managar	832-967-7912	Number	
	debrand (South)	Drilling Manager Drilling Manager	405-552-6514		
Rich Dow	· · · · · ·	Drilling VP	405-228-2415		
Josh Har	•	EHS Manger	405-228-2415	918-500-5536	
Laura Wri		EHS Mangel EHS Supervisor	405-552-5334	832-969-8145	
Robert Gl	0	EHS Professional	575-703-5712	575-703-5712	
Lane Frar		Lead EHS	580-579-7052		
Rickey Po		Lead EHS	903-720-8315	903-720-8315	
Brock Vis		Lead EHS	918-413-3291	918-413-3291	
DIOCK VI3	0		010 410 0201	010 410 0201	
<u> </u>					
Agency	<u>/ Call List</u>				
<u>Lea</u> County	Hobbs	ation Authority		207 0205	
<u>(575)</u>	Lea County Communic			<u>397-9265</u> 885-3138	
<u>(373)</u>	State Police				
	City Police Sheriff's Office			<u>397-9265</u> 396-3611	
				<u> </u>	
	Fire Department	397-9308			
	LEPC (Local Emergen	393-2870			
	NMOCD	393-6161 393-0002			
	US Bureau of Land Management (Hobbs Office Closed) 39				
<u>Eddy</u>	Carlsbad				
County	State Police		885-3137		
<u>(575)</u>	City Police	885-2111			
	Sheriff's Office	887-7551			
	Ambulance		911		
	Fire Department	885-3125			
	LEPC (Local Emergen		887-3798		
	US Bureau of Land M	anagement (Carlsba	ad)	(575)-706-1920	
				(575)-234-5909	
	BLM – CFO		<u></u>	(575) 234-5972	
	BLM – PET Petroleum Engineering Tech. ON CALL – (575) 689-5981 Cement Notifications or Emergency issues.				
			(505) 476 0600		
	NM Emergency Respo	(505) 476-9600			
	24 HR	(505) 827-9126			
	National Emergency R	(800) 424-8802			
	National Pollution Cont		(703) 872-6000		
	For Oil Spills		(800) 280-7118		
	Emergency Services				
	Wild Well Control			(281) 784-4700	
		(91	5) 699-0139	(281) 784-4700 (915) 563-3356	

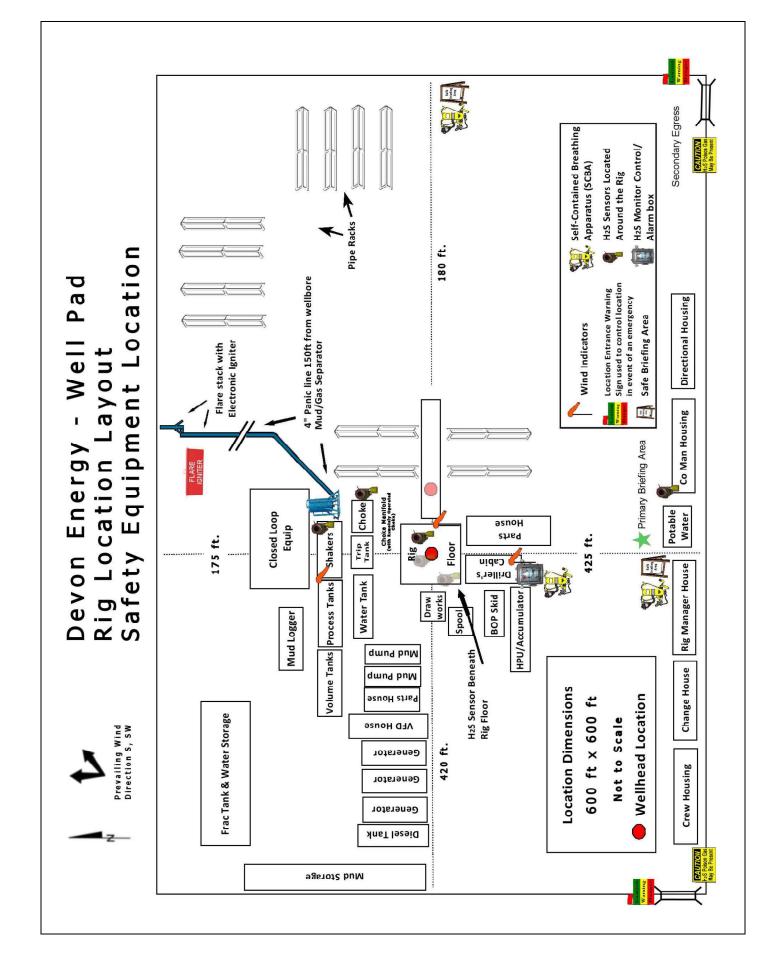
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	B. J. Services	(575) 746-3569
Give	Native Air – Emergency Helicopter – Hobbs	(575) 347-9836
GPS	For Air Ambulance - Eddy County Dispatch	(575)-616-7155
position:	For Air Ambulance - Lea County (LCCA)	(575)-397-9265
	Poison Control (24/7)	(800) 222-1222
	Oil & Gas Pipeline 24 Hour Service	(800) 364-4366
	NOAA – Website - www.nhc.noaa.gov	
	National Pollution Control Center	202-795-6958
	NPCC – Oil Spills	800-280-7118
	BNSF Railroad Resource Operations	800-832-5452
	NM OSHA – Santa Fe	505-222-9595
	NM OSHA (Reporting)	877-610-6742
		505-476-8700



Revision 3/10/2022

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District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Operator:	OGRID:	
DEVON ENERGY PRODUCTION COMPANY, LP	6137	
333 West Sheridan Ave.	Action Number:	
Oklahoma City, OK 73102	163433	
	Action Type:	
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)	

CONDITIONS

Created By	Condition	Condition Date			
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104	12/15/2022			
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	12/15/2022			
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system	12/15/2022			
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing	12/15/2022			

CONDITIONS

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Action 163433