Form 3160-3 (June 2015)		FORM APP OMB No. 10 Expires: Januar	04-0137
UNITED STATES DEPARTMENT OF THE INT BUREAU OF LAND MANAG		5. Lease Serial No.	
APPLICATION FOR PERMIT TO DRI	LL OR REENTER	6. If Indian, Allotee or T	ribe Name
1a. Type of work: DRILL REEN	NTER	7. If Unit or CA Agreem	ent, Name and No.
1b. Type of Well: Oil Well Gas Well Other		8. Lease Name and Well	No.
1c. Type of Completion: Hydraulic Fracturing Single	e Zone Multiple Zone		
2. Name of Operator		9. API Well No. 30-015	5-55012
3a. Address 3b.	. Phone No. (include area code)	10. Field and Pool, or Ex	ploratory
4. Location of Well (Report location clearly and in accordance with	any State requirements.*)	11. Sec., T. R. M. or Blk	and Survey or Area
At surface			
At proposed prod. zone			
14. Distance in miles and direction from nearest town or post office*		12. County or Parish	13. State
15. Distance from proposed* 16 location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	5. No of acres in lease 17. Spaci	ng Unit dedicated to this w	rell
18. Distance from proposed location* 19 to nearest well, drilling, completed, applied for, on this lease, ft. 19	D. Proposed Depth 20, BLM	/BIA Bond No. in file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22	2. Approximate date work will start*	23. Estimated duration	
2	24. Attachments	-	
The following, completed in accordance with the requirements of Or (as applicable)	nshore Oil and Gas Order No. 1, and the H	Hydraulic Fracturing rule p	er 43 CFR 3162.3-3
 Well plat certified by a registered surveyor. A Drilling Plan. 	4. Bond to cover the operation Item 20 above).	ns unless covered by an exis	sting bond on file (see
3. A Surface Use Plan (if the location is on National Forest System L SUPO must be filed with the appropriate Forest Service Office).	ands, the 5. Operator certification. 6. Such other site specific infor BLM.	rmation and/or plans as may	be requested by the
25. Signature	Name (Printed/Typed)	Dat	e
Title			
Approved by (Signature)	Name (Printed/Typed)	Dat	e
Title	Office	1	
Application approval does not warrant or certify that the applicant he applicant to conduct operations thereon. Conditions of approval, if any, are attached.	Ids legal or equitable title to those rights	in the subject lease which	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 re			epartment or agency



*(Instructions on page 2)

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(Continued on page 2)

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District III</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

1	API Number	•		² Pool Code	e		³ Pool Na		
30-015-5	5012			96641]		PADUCA;BC	NE SPRING	Ĵ	
⁴ Property C	Code		•		⁵ Property	Name			⁶ Well Number
328885					SHIRE 22-15	FED COM			237H
⁷ OGRID	No.				⁸ Operator	Name			⁹ Elevation
6137			DEV	ON ENE	RGY PRODUC	CTION COMPA	NY, L.P.		3336.1
					[™] Surfac	e Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West lin	e County
Р	22	25 S	31 E		500	SOUTH	800	EAST	EDDY
			пF	Bottom H	lole Location	If Different Fr	om Surface		Ŀ
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West lin	e County
Α	15	25 S	31 E		20	NORTH	550	EAST	EDDY
Dedicated Acre 320	s ¹³ Joint	or Infill ¹⁴	Consolidatio	n Code			¹⁵ Order No.		

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	N89'42'57"E 2652.44 FT N89'37'34"E 2664.18 FT		17 OPERATOR CERTIFICATION
NW CORNER SEC. 15 LAT. = 32.1376857*N	N/4 CORNER SEC. 15 500 LAT. = 32.1376837'N BOTTOM	➡ NE CORNER SEC. 15 ↓ LAT. = 32.1376926*N	I hereby certify that the information contained herein is true and complete
LONG. = 103.7743767'W	LONG. = 103.7658094W OF HOLE	LONG. = 103.7572043'W	to the best of my knowledge and belief, and that this organization either
NMSP EAST (FT)	NMSP EAST (FT)	MSP EAST (FT) N = 414305.21 F = 719664.53	owns a working interest or unleased mineral interest in the land including
E = 714349.16		∾ E = 719664.53 ≥	the proposed bottom hole location or has a right to drill this well at this
	100' FNL, 550' FEL LAT. = 32.1376359*N	5	location pursuant to a contract with an owner of such a mineral or working
W/4 CORNER SEC. 15		8 9 E/4 CORNER SEC. 15	interest, or to a voluntary pooling agreement or a compulsory pooling order
LAT. = 32.1303992'N LONG. = 103.7744266'W NMSP EAST (FT) N = 411623.90	$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	 E/4 CORNER SEC. 15 LAT. = 32.1304013'N LONG. = 103.7572709'W NMSP EAST (FT) N = 411652.64 	Cherocofars enjoyed by the division 2-15-2022
E = 714347.47	SEC. 15	E = 719658.11	Signature Date
2656.8		2650.2	JENNY HARMS
MZ		2	Printed Name
23'2'		03.1	JENNY.HARMS@DVN.COM
SECTION CORNER LAT. = 32.1230977'N Z LONG. = 103.7744128'W	QUARTER CORNER LAT. = 32 1230874'N N89'46'55"E LONG. = 103.7659304'W N89'27'26"E	 SECTION CORNER LAT. = 32.1231179'N LONG. = 103.7573247'W 	E-mail Address
NMSP EAST (FT) N = 408967.74	2626.60 FT NMSP EAST (FT) 2664.80 FT N = 408977.73	NMSP EAST (FT)	¹⁸ SURVEYOR CERTIFICATION
E = 714365.52	E = 716991.53	E = 719655.63	<i>I hereby certify that the well location shown on this plat</i>
/ 264		264	was plotted from field notes of actual surveys made by
M00,	100' FISL. 550' FEL LAT. ≕ 32.1088332'N LONG. ≔ 103.7591196'W	. 22	me or under my supervision, and that the same is true
W/4 CORNER SEC. 22 0 LAT. = 32.1158227*N	N = 403803.46 E = 719127.63	8 E/4 CORNER SEC. 22	and correct to the best of my belief.
LAT. = 32.1158227*N ≥ LONG. = 103.7744447*W	SEC 22 SHIRE 22-15 FED COM 237H	LAT. = 32.1158546*N LONG. = 103.7573421*W	JANUARY 7, 2022
NMSP EAST (FT) N = 406321.16 E = 714369.37	ELEV. = 3336.1 LAT. = 32.10993191N (NAD83) LONG. = 103.7599266'W	L NMSP EAST (FT) N = 406360.67 ↓ E = 719664.36 55 55 55 55 55 55 55 55 55 5	Date of Survey
SW CORNER SEC. 22 ≱ LAT. = 32.1085472'N 0 LONG. = 103.7744766'W 0 NMSP EAST (FT) N = 403674.44 E = 714373.22	E = 718875.64 S/4 QORNER SEC. 22 LAT. = 32.1085528N LONG. = 103.7569126'W NMSP EAST (FT) N = 403690.32 E = 717024.86	 N SE CORNER SEC. 22 LAT. = 32.1085597'N LONG. = 103.7573438'W NMSP EAST (FT) NMSP EAST (FT) N = 403706.91 E = 719678.01 	Signature and Seal of Protectional Surveyor:
	S89'39'25"W 2652.26 FT S89'38'30"W 2653.78 FT		-/LUNE /10-100. 920/

Received by OCD: 4/16/2024 1:27:04 PM

I	r	l	τ	e	ľ	l	t

Х	As Drilled	

API #			
Operator Name:		Property Name:	Well Number
DEVON ENERGY PI COMPANY, L.P.	RODUCTION	SHIRE 22-15 FED COM	237H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	22	25S	31E		45 FNL		550 FEL		EDDY
Latitu	de				Longitude				NAD
32	2.10858	592			-103.7592	20343			83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
P	22	25S	31E		100	SOUTH	550	EAST	EDDY
Latitu 32.1	^{de} 08833	2			Longitude 103.7591	1196			NAD 83

Last Take Point (LTP)

UL A	Section 15	Township 25S	Range 31E	Lot	Feet 100	From N/S NORTH	Feet 550	From E/W EAST	County EDDY
Latitu					Longitud				NAD
32.1	37416	0			103.7	589833			83

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

Is this well an infill well?

_		
	Υ	

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

API #		
Operator Name:	Property Name:	Well Number
	•	

KZ 06/29/2018

	N	ATURAL O	GAS MANA	GEMENT P	LAN		
This Natural Gas Man	agement Plan m	ust be submitted v	with each Applica	tion for Permit to I	Drill (AP	D) for a new o	or recompleted well.
			n 1 – Plan D				*
ster Alternational de la constante Alternational de la constante A			Effective May 25				
I. Operator: DEVON E	NERGY PRODUCT	'ION COMPANY, LP	OGRID: 61	37		Date: 2 /	1 / 2022
II. Type: 🖾 Original							
If Other, please describ					(0)(0) 144		
III. Well(s): Provide the recompleted from a	he following inf single well pad	ormation for each or connected to a	new or recomple central delivery p	eted well or set of v point.	wells proj	posed to be dr	illed or proposed to
		ULSTR	Footages	Anticipated Oil BBL/D	Antici		Anticipated
Well Name	API				I (ras M	ICF/D I	Produced Water
Well Name	API						BBL/D
See attachment. IV. Central Delivery	Point Name: _S		ation for each part			_[See 19.15.2	BBL/D 27.9(D)(1) NMAC]
See attachment. IV. Central Delivery I V. Anticipated Schedi	Point Name: _S	following inform	TD Reached	v or recompleted w ral delivery point. Completion	rell or set	_[See 19.15.2	BBL/D 27.9(D)(1) NMAC]
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp Well Name	Point Name: _Se ale: Provide the leted from a sing	following inform gle well pad or co	nnected to a centr	v or recompleted w ral delivery point.	rell or set	_ [See 19.15.2 of wells prop	BBL/D 27.9(D)(1) NMAC] osed to be drilled or
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp	Point Name: _Se ale: Provide the leted from a sing	following inform gle well pad or co	TD Reached	v or recompleted w ral delivery point. Completion	rell or set	[See 19.15.2 of wells prop Initial Flow	BBL/D 27.9(D)(1) NMAC] osed to be drilled or First Production
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp Well Name See attachment	Point Name: _Se ale: Provide the leted from a sing API	following inform gle well pad or co Spud Date	TD Reached Date	v or recompleted w al delivery point. Completion Commencement	rell or set	_ [See 19.15.2 of wells prop Initial Flow Back Date	BBL/D 27.9(D)(1) NMAC] osed to be drilled or First Production Date
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp Well Name See attachment VI. Separation Equipt	Point Name: _Se ale: Provide the leted from a sing API ment: 🖾 Attach	following inform gle well pad or co Spud Date a complete descr	TD Reached Date	v or recompleted w ral delivery point. Completion Commencement erator will size sepa	Date	_ [See 19.15.2 of wells prop Initial Flow Back Date	BBL/D 27.9(D)(1) NMAC] osed to be drilled or First Production Date Date
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp Well Name See attachment VI. Separation Equipt VII. Operational Prace	Point Name: _Se ale: Provide the leted from a sing API ment: 🖾 Attach ctices: 🖾 Attach	following inform gle well pad or co Spud Date a complete descr h a complete descr	TD Reached Date	v or recompleted w ral delivery point. Completion Commencement erator will size sepa	Date	_ [See 19.15.2 of wells prop Initial Flow Back Date	BBL/D 27.9(D)(1) NMAC] osed to be drilled or First Production Date Date
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp Well Name See attachment VI. Separation Equipt VII. Operational Prace Subsection A through F VIII. Best Manageme	Point Name: _Se ale: Provide the leted from a sing API ment: I Attach ctices: I Attach ctices: I Attach rof 19.15.27.8 P	following inform gle well pad or co Spud Date a complete descr h a complete descr NMAC.	TD Reached Date	v or recompleted w ral delivery point. Completion Commencement erator will size sepa tions Operator will	Date	_ [See 19.15.2 of wells prop Initial Flow Back Date quipment to op comply with t	BBL/D 27.9(D)(1) NMAC] osed to be drilled or First Production Date Date Dtimize gas capture.
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp Well Name See attachment VI. Separation Equipt VII. Operational Prace Subsection A through F	Point Name: _Se ale: Provide the leted from a sing API ment: I Attach ctices: I Attach ctices: I Attach rof 19.15.27.8 P	following inform gle well pad or co Spud Date a complete descr h a complete descr NMAC.	TD Reached Date	v or recompleted w ral delivery point. Completion Commencement erator will size sepa tions Operator will	Date	_ [See 19.15.2 of wells prop Initial Flow Back Date quipment to op comply with t	BBL/D 27.9(D)(1) NMAC] osed to be drilled or First Production Date Date Dtimize gas capture.
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp Well Name See attachment VI. Separation Equipt VII. Operational Prace Subsection A through F VIII. Best Manageme	Point Name: _Se ale: Provide the leted from a sing API ment: I Attach ctices: I Attach ctices: I Attach rof 19.15.27.8 P	following inform gle well pad or co Spud Date a complete descr h a complete descr NMAC.	TD Reached Date	v or recompleted w ral delivery point. Completion Commencement erator will size sepa tions Operator will	Date	_ [See 19.15.2 of wells prop Initial Flow Back Date quipment to op comply with t	BBL/D 27.9(D)(1) NMAC] osed to be drilled or First Production Date Date Dtimize gas capture.
See attachment. IV. Central Delivery I V. Anticipated Schedu proposed to be recomp Well Name See attachment VI. Separation Equipt VII. Operational Prace Subsection A through F VIII. Best Manageme	Point Name: _Se ale: Provide the leted from a sing API ment: I Attach ctices: I Attach ctices: I Attach rof 19.15.27.8 P	following inform gle well pad or co Spud Date a complete descr h a complete descr NMAC.	TD Reached Date	v or recompleted w ral delivery point. Completion Commencement erator will size sepa tions Operator will	Date	_ [See 19.15.2 of wells prop Initial Flow Back Date quipment to op comply with t	BBL/D 27.9(D)(1) NMAC] osed to be drilled or First Production Date Date Dtimize gas capture.

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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.

Vell Name	Central Delivery Point Name:	API	ULSTR	FOOTA	GES		Anticipated Anticipated Gas Anticipated Prod Oil BBL/D MCF/D Water BBL/D
HIRE 22-15 FED COM 525H	SHIRE 22 CTB 3		22-25S-31E	1820 FEL	500 FSL	AVLN B	(+/-)5663 mcfd/(+/-)1408bopd/(+/-)3169 bwpd
HIRE 22-15 FED COM 125H	SHIRE 22 CTB 3		22-255-31E	1790 FEL	500 FSL	2BSLT	(+/-)3736mcfd/(+/-)1291bopd/(+/-)5000bwpd
HIRE 22-15 FED COM 526H	SHIRE 22 CTB 3		22-255-31E	1760 FEL	500 FSL	AVLN B	(+/-)5663 mcfd/(+/-)1408bopd/(+/-)3169 bwpd
HIRE 22-15 FED COM 824H	SHIRE 22 CTB 2		22-255-31E	860 FEL	200 FSL	WFMP B200	(+/-)6319mcfd/(+/-)886bopd/(+/-)4728bwpd
HIRE 22-15 FED COM 834H	SHIRE 22 CTB 2		22-255-31E	830 FEL	200 FSL	WEMP 8300	(+/-)7968mcfd/(+/-)528bopd/(+/-)4567bwpd
HIRE 22-15 FED COM 527H	SHIRE 22 CTB 3		22-255-31E	860 FEL	SOO FSL	AVLN B	(+/-)5663 mcfd/(+/-)1408bopd/(+/-)3169 bwpd
HRE 22-15 FED COM 127H	SHIRE 22 CTB 3		22-255-31E	830 FEL	500 FSL	2BSLT	(+/-)3736mcfd/(+/-)1291bopd/(+/-)5000bwpd
HRE 22-15 FED COM 237H	SHIRE 22 CTB 3		22-25S-31E	800 FEL	500 FSL	2BSSS	(+/-) 3749mcfd/(+/-)1384bopd/(+/-)5713bwpd
HIRE 22-15 FED COM 528H	SHIRE 22 CTB 3		22-255-318	770 FEL	500 FSL	AVLN B	(+/-)5663 mcfd/(+/-)1408bopd/(+/-)3169 bwpd

				Completion		First
			TD Reached	Commencem	Initial Flow	Production
Well Name	API	Spud Date	Date	ent Date	back Date	Date
SHIRE 22-15 FED COM 525H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
SHIRE 22-15 FED COM 125H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
SHIRE 22-15 FED COM 526H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
SHIRE 22-15 FED COM 824H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
SHIRE 22-15 FED COM 834H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
SHIRE 22-15 FED COM 527H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
SHIRE 22-15 FED COM 127H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
SHIRE 22-15 FED COM 237H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/202
SHIRE 22-15 FED COM 528H		2/11/2023	3/13/2023	7/11/2023	7/11/2023	7/11/2023

*dates above are 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):

3				
Operator	System	ULSTR of Tie-in	Anticipated Gathering	Available Maximum Daily Capacity
			Start Date	of System Segment Tie-in
	And an		la construction de la construction	

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).

 \Box 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

 \Box 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.
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;
- (f) 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:	JW				
Printed Name: Lindsey N. Miles					
Title: Land 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	10350	Pilot hole depth	N/A
MD at TD:	20681	Deepest expected fresh water	

Basin

Dusin			
	Depth	Water/Mineral	
Formation	(TVD)	Bearing/Target	Hazards*
	from KB	Zone?	
Rustler	1160		
Salt	1460		
Base of Salt	4330		
Delaware	4330		
Cherry Canyon	5295		
Brushy Canyon	6650		
1st Bone Spring Lime	8250		
Bone Spring 1st	9330		
Bone Spring 2nd	9950		

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

		Wt			Casing	Interval	Casing	Interval
Hole Size	Csg. Size	(PPF)	Grade	Conn	From (MD)	To (MD)	From (TVD)	To (TVD)
17 1/2	13 3/8	48	H40	BTC	0	1185	0	1185
12 1/4	9 5/8	40	J-55	BTC	0	4430	0	4430
8 3/4	5 1/2	17	P110	BTC	0	20681	0	10350

2. Casing Program

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

Casing	# Sks	тос	Wt.	Yld	Slurry Description
Casing	T DKS	100	(lb/gal)	(ft3/sack)	Shurry Description
Surface	896	Surf	13.2	1.4	Lead: Class C Cement + additives
L., 4 1	478	Surf	9.0	3.3	Lead: Class C Cement + additives
Int 1	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Int 1	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
Intermediate	478	Surf	9.0	3.3	Lead: Class C Cement + additives
Squeeze	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	502	500' tieback	9.0	3.3	Lead: Class H /C + additives
rioduction	2096	КОР	13.2	1.4	Tail: Class H / C + additives

3. Cementing Program (3-String Primary Design)

If a DV tool is ran the depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. Slurry weights will be adjusted based on estimated fracture gradient of the formation. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. If cement is not returned to surface during the primary cement job on the surface casing string, a planned top job will be conducted immediately after completion of the primary job.

Casing String	% Excess
Surface	50%
Intermediate	30%
Production	10%

4. Pressure Control Equipment (11	ce buing D																																						
BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		✓	Tested to:																																	
			Anı	Annular		50% of rated working pressure																																	
Lut 1	12 50"	514	Bline	d Ram	Х																																		
Int 1	13-58"	5M	Pipe	Ram		514																																	
			Doub	le Ram	Х	5M																																	
			Other*																																				
	12.5/04		Annular		X	50% of rated working pressure																																	
Production		5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	5M	Blind	d Ram	Х																	
Production	13-5/8"																			SM	SM	JM	JM	5101	5101	5101	5101	5101	5101	5111	5111	JIVI	JIVI	JIVI	JIVI	Pipe	Ram		5M
																						Doub	le Ram	Х	5M														
			Other*																																				
			Annul	ar (5M)																																			
			Blind Ram																																				
			Pipe Ram																																				
			Double Ram																																				
			Other*																																				

4. Pressure Control Equipment (Three String Design)

5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	Brine	10-10.5
Production	WBM	8.5-9

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, C	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 Report 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	
	Density	
Х	CBL	Production casing
Х	Mud log	KOP to TD
	PEX	

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	4844
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 concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered measured values and formations will be provided to the BLM.

N	H2S is present
Y	H2S plan attached.

8. Other facets of operation

Is this a walking operation? Potentially

- 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 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 pad.
- 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. 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 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	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
12409040	UNKNOWN	3349	0	0	ALLUVIUM, OTHER : Surface	NONE	N
12409041	RUSTLER	2189	1160	1160	SANDSTONE	NONE	N
12409045	TOP SALT	1889	1460	1460	SALT	NONE	N
12409043	BASE OF SALT	-981	4330	4330	SALT	NONE	N
12409044	LAMAR	-981	4330	4330	SANDSTONE	NATURAL GAS, OIL	N
12409049	BELL CANYON	-981	4330	4330	SANDSTONE	NATURAL GAS, OIL	N
12409050	CHERRY CANYON	-1946	5295	5295	SANDSTONE	NATURAL GAS, OIL	N
12409051	BRUSHY CANYON	-3301	6650	6650	SANDSTONE	NATURAL GAS, OIL	N
12409052	BONE SPRING LIME	-4901	8250	8250	LIMESTONE	NATURAL GAS, OIL	N
12409042	BONE SPRING	-5981	9330	9330	SANDSTONE	NATURAL GAS, OIL	N
12409039	BONE SPRING 2ND	-6601	9950	9950	SANDSTONE	NATURAL GAS, OIL	Y
12409053	BONE SPRING LIME	-7091	10440	10440	LIMESTONE	NATURAL GAS, OIL	N
12409047	BONE SPRING 3RD	-7866	11215	11215	SANDSTONE	NATURAL GAS	N
12409046	WOLFCAMP	-8321	11670	11670	SANDSTONE	NATURAL GAS, OIL	N
12409048	STRAWN	-11071	14420	14420	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.

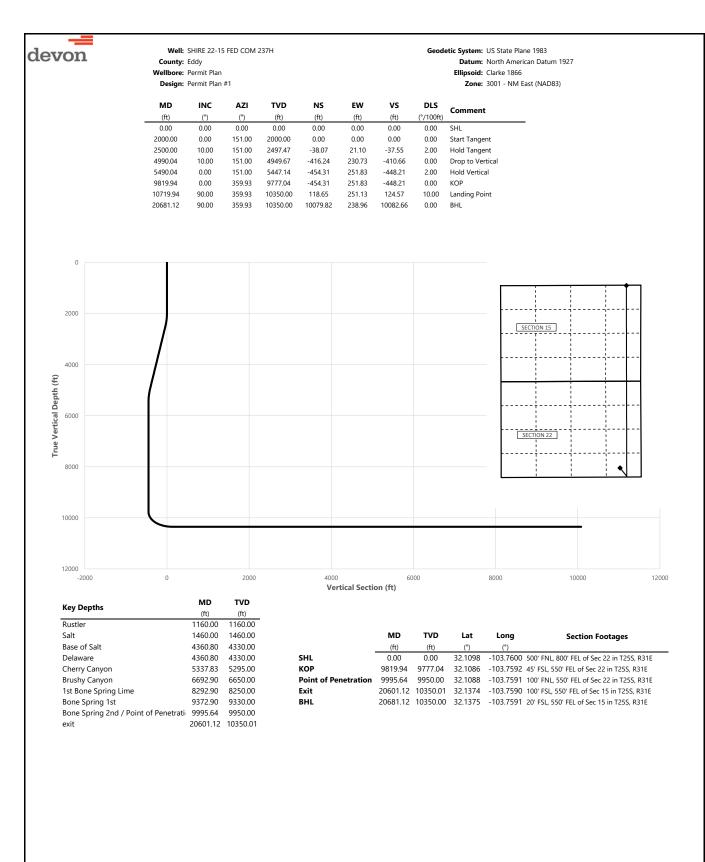
All trash is kept in a wire mesh enclosure and removed to an approved landfill when full. All spent motor oils are kept in separate containers and they are removed and sent to an approved recycling center. Any spilled lubricants, pipe dope, or regulated chemicals are removed from soil and sent to landfills 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		Well: County:		5 FED COM 2	3/H				Geodetic System: US State Plane 1983 Datum: North American Datum 1927
		-	Eddy Permit Plan						Ellipsoid: Clarke 1866
			Permit Plan						Zone: 3001 - NM East (NAD83)
	MD	INC	A.71	TVD	NS	EW	ve		
	(ft)	(°)	AZI (°)	(ft)	NS (ft)	EVV (ft)	VS (ft)	DLS (°/100ft)	Comment
_	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	SHL
	100.00	0.00	151.00	100.00	0.00	0.00	0.00	0.00	
	200.00	0.00	151.00	200.00	0.00	0.00	0.00	0.00	
	300.00 400.00	0.00 0.00	151.00 151.00	300.00 400.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	
	500.00	0.00	151.00	500.00	0.00	0.00	0.00	0.00	
	600.00	0.00	151.00	600.00	0.00	0.00	0.00	0.00	
	700.00	0.00	151.00	700.00	0.00	0.00	0.00	0.00	
	800.00	0.00	151.00	800.00	0.00	0.00	0.00	0.00	
	900.00 1000.00	0.00 0.00	151.00 151.00	900.00 1000.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	
	1100.00	0.00	151.00	1100.00	0.00	0.00	0.00	0.00	
	1160.00	0.00	151.00	1160.00	0.00	0.00	0.00	0.00	Rustler
	1200.00	0.00	151.00	1200.00	0.00	0.00	0.00	0.00	
	1300.00	0.00	151.00	1300.00	0.00	0.00	0.00	0.00	
	1400.00 1460.00	0.00 0.00	151.00 151.00	1400.00 1460.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	Salt
	1400.00	0.00	151.00	1460.00	0.00	0.00	0.00	0.00	Sait
	1600.00	0.00	151.00	1600.00	0.00	0.00	0.00	0.00	
	1700.00	0.00	151.00	1700.00	0.00	0.00	0.00	0.00	
	1800.00	0.00	151.00	1800.00	0.00	0.00	0.00	0.00	
	1900.00	0.00	151.00	1900.00	0.00	0.00	0.00	0.00	
	2000.00 2100.00	0.00 2.00	151.00 151.00	2000.00 2099.98	0.00 -1.53	0.00 0.85	0.00 -1.51	0.00 2.00	Start Tangent
	2200.00	4.00	151.00	2199.84	-6.10	3.38	-6.02	2.00	
	2300.00	6.00	151.00	2299.45	-13.73	7.61	-13.54	2.00	
	2400.00	8.00	151.00	2398.70	-24.38	13.52	-24.06	2.00	
	2500.00	10.00	151.00	2497.47	-38.07	21.10	-37.55	2.00	Hold Tangent
	2600.00 2700.00	10.00 10.00	151.00 151.00	2595.95 2694.43	-53.25 -68.44	29.52 37.94	-52.54 -67.52	0.00 0.00	
	2800.00	10.00	151.00	2792.91	-83.63	46.36	-82.51	0.00	
	2900.00	10.00	151.00	2891.39	-98.82	54.77	-97.49	0.00	
	3000.00	10.00	151.00	2989.87	-114.00	63.19	-112.47	0.00	
	3100.00	10.00	151.00	3088.35	-129.19	71.61	-127.46	0.00	
	3200.00 3300.00	10.00 10.00	151.00 151.00	3186.83 3285.31	-144.38 -159.57	80.03 88.45	-142.44 -157.43	0.00 0.00	
	3400.00	10.00	151.00	3383.79	-174.75	96.87	-172.41	0.00	
	3500.00	10.00	151.00	3482.27	-189.94	105.29	-187.39	0.00	
	3600.00	10.00	151.00	3580.75	-205.13	113.71	-202.38	0.00	
	3700.00	10.00	151.00	3679.23	-220.32	122.12	-217.36	0.00	
	3800.00 3900.00	10.00 10.00	151.00 151.00	3777.72 3876.20	-235.50 -250.69	130.54 138.96	-232.34 -247.33	0.00 0.00	
	4000.00	10.00	151.00	3974.68	-265.88	147.38	-247.33	0.00	
	4100.00	10.00	151.00	4073.16	-281.07	155.80	-277.30	0.00	
	4200.00	10.00	151.00	4171.64	-296.25	164.22	-292.28	0.00	
	4300.00	10.00	151.00	4270.12	-311.44	172.64	-307.26	0.00	
	4360.80	10.00	151.00	4330.00	-320.68	177.75	-316.37	0.00	Base of Salt, Delaware
	4400.00 4500.00	10.00 10.00	151.00 151.00	4368.60 4467.08	-326.63 -341.82	181.05 189.47	-322.25 -337.23	0.00 0.00	
	4600.00	10.00	151.00	4565.56	-357.00	197.89	-352.21	0.00	
	4700.00	10.00	151.00	4664.04	-372.19	206.31	-367.20	0.00	
	4800.00	10.00	151.00	4762.52	-387.38	214.73	-382.18	0.00	
	4900.00	10.00	151.00	4861.00	-402.57	223.15	-397.17	0.00	Decision Mention
	4990.04 5000.00	10.00 9.80	151.00 151.00	4949.67 4959.49	-416.24 -417.74	230.73 231.56	-410.66 -412.14	0.00 2.00	Drop to Vertical
	5100.00	7.80	151.00	5058.31	-431.12	238.97	-425.34	2.00	
	5200.00	5.80	151.00	5157.60	-441.48	244.72	-435.55	2.00	
	5300.00	3.80	151.00	5257.24	-448.80	248.77	-442.78	2.00	
	5337.83	3.04	151.00	5295.00	-450.77	249.87	-444.72	2.00	Cherry Canyon
	5400.00	1.80	151.00	5357.12	-453.07	251.14	-446.99	2.00	
	5490.04 5500.00	0.00 0.00	151.00 359.93	5447.14 5457.10	-454.31 -454.31	251.83 251.83	-448.21 -448.21	2.00 0.00	Hold Vertical
	5600.00	0.00	359.93	5457.10 5557.10	-454.31	251.83	-448.21	0.00	
	5700.00	0.00	359.93	5657.10	-454.31	251.83	-448.21	0.00	
	5800.00	0.00	359.93	5757.10	-454.31	251.83	-448.21	0.00	
	5900.00	0.00	359.93	5857.10	-454.31	251.83	-448.21	0.00	
	6000.00 6100.00	0.00 0.00	359.93 359.93	5957.10 6057.10	-454.31 -454.31	251.83 251.83	-448.21 -448.21	0.00 0.00	
	6200.00	0.00	359.93	6157.10	-454.31 -454.31	251.83	-448.21 -448.21	0.00	
	6300.00	0.00	359.93	6257.10	-454.31	251.83	-448.21	0.00	

devon				5 FED COM 2	5/11				Geodetic System: US State Plane 1983
		County:							Datum: North American Datum 1927
			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
	6400.00	0.00	359.93	6357.10	-454.31	251.83	-448.21	0.00	
	6500.00	0.00	359.93	6457.10	-454.31	251.83	-448.21	0.00	
	6600.00	0.00	359.93	6557.10	-454.31	251.83	-448.21	0.00	Brushu Canuar
	6692.90 6700.00	0.00 0.00	359.93 359.93	6650.00 6657.10	-454.31 -454.31	251.83 251.83	-448.21 -448.21	0.00 0.00	Brushy Canyon
	6800.00	0.00	359.93	6757.10	-454.31	251.83	-448.21	0.00	
	6900.00	0.00	359.93	6857.10	-454.31	251.83	-448.21	0.00	
	7000.00	0.00	359.93	6957.10	-454.31	251.83	-448.21	0.00	
	7100.00	0.00	359.93	7057.10	-454.31	251.83	-448.21	0.00	
	7200.00 7300.00	0.00 0.00	359.93 359.93	7157.10 7257.10	-454.31 -454.31	251.83 251.83	-448.21 -448.21	0.00 0.00	
	7400.00	0.00	359.93	7357.10	-454.31	251.83	-448.21	0.00	
	7500.00	0.00	359.93	7457.10	-454.31	251.83	-448.21	0.00	
	7600.00	0.00	359.93	7557.10	-454.31	251.83	-448.21	0.00	
	7700.00	0.00	359.93	7657.10	-454.31	251.83	-448.21	0.00	
	7800.00	0.00	359.93	7757.10	-454.31	251.83	-448.21	0.00	
	7900.00 8000.00	0.00 0.00	359.93 359.93	7857.10 7957.10	-454.31 -454.31	251.83 251.83	-448.21 -448.21	0.00 0.00	
	8100.00	0.00	359.93	8057.10	-454.31	251.83	-448.21	0.00	
	8200.00	0.00	359.93	8157.10	-454.31	251.83	-448.21	0.00	
	8292.90	0.00	359.93	8250.00	-454.31	251.83	-448.21	0.00	1st Bone Spring Lime
	8300.00	0.00	359.93	8257.10	-454.31	251.83	-448.21	0.00	
	8400.00 8500.00	0.00 0.00	359.93 359.93	8357.10 8457.10	-454.31 -454.31	251.83 251.83	-448.21 -448.21	0.00 0.00	
	8600.00	0.00	359.93	8557.10	-454.31	251.83	-448.21	0.00	
	8700.00	0.00	359.93	8657.10	-454.31	251.83	-448.21	0.00	
	8800.00	0.00	359.93	8757.10	-454.31	251.83	-448.21	0.00	
	8900.00	0.00	359.93	8857.10	-454.31	251.83	-448.21	0.00	
	9000.00 9100.00	0.00 0.00	359.93 359.93	8957.10 9057.10	-454.31 -454.31	251.83 251.83	-448.21 -448.21	0.00 0.00	
	9200.00	0.00	359.93	9057.10	-454.31	251.83	-448.21	0.00	
	9300.00	0.00	359.93	9257.10	-454.31	251.83	-448.21	0.00	
	9372.90	0.00	359.93	9330.00	-454.31	251.83	-448.21	0.00	Bone Spring 1st
	9400.00	0.00	359.93	9357.10	-454.31	251.83	-448.21	0.00	
	9500.00	0.00	359.93	9457.10	-454.31	251.83	-448.21	0.00	
	9600.00 9700.00	0.00 0.00	359.93 359.93	9557.10 9657.10	-454.31 -454.31	251.83 251.83	-448.21 -448.21	0.00 0.00	
	9800.00	0.00	359.93	9757.10	-454.31	251.83	-448.21	0.00	
	9819.94	0.00	359.93	9777.04	-454.31	251.83	-448.21	0.00	КОР
	9900.00	8.01	359.93	9856.84	-448.72	251.82	-442.63	10.00	
	9995.64	17.57	359.93	9950.00	-427.58	251.79	-421.49	10.00	Bone Spring 2nd / Point of Penetration
	10000.00	18.01	359.93	9954.15	-426.25 -387.21	251.79	-420.16	10.00 10.00	
	10100.00 10200.00	28.01 38.01	359.93 359.93	10046.08 10129.84	-332.81	251.75 251.68	-381.14 -326.75	10.00	
	10200.00	48.01	359.93	10202.87	-264.69	251.59	-258.65	10.00	
	10400.00	58.01	359.93	10262.97	-184.92	251.50	-178.91	10.00	
	10500.00	68.01	359.93	10308.30	-95.93	251.39	-89.94	10.00	
	10600.00	78.01	359.93	10337.49	-0.42	251.27	5.54	10.00	
	10700.00 10719.94	88.01 90.00	359.93 359.93	10349.65 10350.00	98.71 118.65	251.15 251.13	104.64 124.57	10.00 10.00	Landing Point
	10719.94	90.00	359.93	10350.00	198.71	251.03	204.60	0.00	Londing Com
	10900.00	90.00	359.93	10350.00	298.71	250.91	304.57	0.00	
	11000.00	90.00	359.93	10350.00	398.71	250.78	404.54	0.00	
	11100.00	90.00	359.93	10350.00	498.71	250.66	504.51	0.00	
	11200.00 11300.00	90.00 90.00	359.93 359.93	10350.00 10350.00	598.71 698.71	250.54 250.42	604.48 704.45	0.00	
	11300.00	90.00 90.00	359.93 359.93	10350.00	698.71 798.71	250.42 250.29	704.45 804.42	0.00 0.00	
	11500.00	90.00	359.93	10350.00	898.71	250.17	904.38	0.00	
	11600.00	90.00	359.93	10350.00	998.71	250.05	1004.35	0.00	
	11700.00	90.00	359.93	10350.00	1098.71	249.92	1104.32	0.00	
	11800.00	90.00	359.93	10350.00	1198.71	249.80	1204.29	0.00	
	11900.00 12000.00	90.00 90.00	359.93 359.93	10350.00 10350.00	1298.71 1398.71	249.68 249.56	1304.26 1404.23	0.00 0.00	
	12000.00	90.00 90.00	359.93	10350.00	1398.71	249.56 249.43	1404.23	0.00	
	12200.00	90.00	359.93	10350.00	1598.71	249.31	1604.17	0.00	
	12300.00	90.00	359.93	10350.00	1698.71	249.19	1704.14	0.00	
	12400.00	90.00	359.93	10350.00	1798.71	249.07	1804.11	0.00	
	12500.00	90.00	359.93	10350.00	1898.71	248.94	1904.07	0.00	
	12600.00	90.00	359.93	10350.00	1998.71	248.82	2004.04	0.00	
	12700.00	90.00	359.93	10350.00	2098.71	248.70	2104.01	0.00	

damar		Well:	SHIRE 22-1	5 FED COM 2	37H				Geodetic System:	US State Plane 1983
devon		County:							•	North American Datum 1927
		Wellbore:	Permit Plar	1					Ellipsoid:	Clarke 1866
		Design:	Permit Plar	n #1					Zone:	: 3001 - NM East (NAD83)
	MD	INC	AZI	TVD	NS	EW	vs	DLS	_	
	(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(°/100ft)	Comment	
-	12800.00	90.00	359.93	10350.00	2198.71	248.58	2203.98	0.00		
	12900.00	90.00	359.93	10350.00	2298.71	248.45	2303.95	0.00		
	13000.00 13100.00	90.00 90.00	359.93 359.93	10350.00 10350.00	2398.71 2498.71	248.33 248.21	2403.92 2503.89	0.00 0.00		
	13200.00	90.00	359.93	10350.00	2598.71	248.08	2603.86	0.00		
	13300.00	90.00	359.93	10350.00	2698.71	247.96	2703.83	0.00		
	13400.00	90.00	359.93	10350.00	2798.71	247.84	2803.79	0.00		
	13500.00 13600.00	90.00 90.00	359.93 359.93	10350.00 10350.00	2898.71 2998.71	247.72 247.59	2903.76 3003.73	0.00 0.00		
	13700.00	90.00	359.93	10350.00	3098.71	247.59	3103.70	0.00		
	13800.00	90.00	359.93	10350.00	3198.71	247.35	3203.67	0.00		
	13900.00	90.00	359.93	10350.00	3298.71	247.23	3303.64	0.00		
	14000.00	90.00	359.93	10350.00	3398.71	247.10	3403.61	0.00		
	14100.00 14200.00	90.00 90.00	359.93 359.93	10350.00 10350.00	3498.71 3598.71	246.98 246.86	3503.58 3603.55	0.00 0.00		
	14300.00	90.00	359.93	10350.00	3698.71	246.73	3703.51	0.00		
	14400.00	90.00	359.93	10350.00	3798.71	246.61	3803.48	0.00		
	14500.00	90.00	359.93	10350.01	3898.71	246.49	3903.45	0.00		
	14600.00 14700.00	90.00 90.00	359.93 359.93	10350.01 10350.01	3998.71 4098.71	246.37 246.24	4003.42 4103.39	0.00 0.00		
	14700.00	90.00	359.93	10350.01	4098.71	246.24 246.12	4203.39	0.00		
	14900.00	90.00	359.93	10350.01	4298.71	246.00	4303.33	0.00		
	15000.00	90.00	359.93	10350.01	4398.71	245.88	4403.30	0.00		
	15100.00	90.00	359.93	10350.01	4498.71	245.75	4503.27	0.00		
	15200.00 15300.00	90.00 90.00	359.93 359.93	10350.01 10350.01	4598.71 4698.71	245.63 245.51	4603.24 4703.20	0.00 0.00		
	15400.00	90.00	359.93	10350.01	4798.71	245.38	4803.17	0.00		
	15500.00	90.00	359.93	10350.01	4898.70	245.26	4903.14	0.00		
	15600.00	90.00	359.93	10350.01	4998.70	245.14	5003.11	0.00		
	15700.00 15800.00	90.00 90.00	359.93 359.93	10350.01 10350.01	5098.70 5198.70	245.02 244.89	5103.08 5203.05	0.00 0.00		
	15900.00	90.00	359.93	10350.01	5298.70	244.03	5303.02	0.00		
	16000.00	90.00	359.93	10350.01	5398.70	244.65	5402.99	0.00		
	16100.00	90.00	359.93	10350.01	5498.70	244.53	5502.96	0.00		
	16200.00 16300.00	90.00 90.00	359.93 359.93	10350.01 10350.01	5598.70 5698.70	244.40 244.28	5602.92 5702.89	0.00 0.00		
	16400.00	90.00	359.93	10350.01	5798.70	244.20	5802.86	0.00		
	16500.00	90.00	359.93	10350.01	5898.70	244.04	5902.83	0.00		
	16600.00	90.00	359.93	10350.01	5998.70	243.91	6002.80	0.00		
	16700.00 16800.00	90.00 90.00	359.93 359.93	10350.01 10350.01	6098.70 6198.70	243.79 243.67	6102.77 6202.74	0.00 0.00		
	16900.00	90.00	359.93	10350.01	6298.70	243.54	6302.74	0.00		
	17000.00	90.00	359.93	10350.01	6398.70	243.42	6402.68	0.00		
	17100.00	90.00	359.93	10350.01	6498.70	243.30	6502.64	0.00		
	17200.00	90.00	359.93	10350.01	6598.70 6698.70	243.18	6602.61	0.00		
	17300.00 17400.00	90.00 90.00	359.93 359.93	10350.01 10350.01	6798.70	243.05 242.93	6702.58 6802.55	0.00 0.00		
	17500.00	90.00	359.93	10350.01	6898.70	242.81	6902.52	0.00		
	17600.00	90.00	359.93	10350.01	6998.70	242.69	7002.49	0.00		
	17700.00	90.00	359.93	10350.01	7098.70	242.56	7102.46	0.00		
	17800.00 17900.00	90.00 90.00	359.93 359.93	10350.01 10350.01	7198.70 7298.70	242.44 242.32	7202.43 7302.40	0.00 0.00		
	18000.00	90.00	359.93	10350.01	7398.70	242.19	7402.36	0.00		
	18100.00	90.00	359.93	10350.01	7498.70	242.07	7502.33	0.00		
	18200.00	90.00	359.93	10350.01	7598.70	241.95	7602.30	0.00		
	18300.00 18400.00	90.00 90.00	359.93 359.93	10350.01 10350.01	7698.70 7798.70	241.83 241.70	7702.27 7802.24	0.00 0.00		
	18500.00	90.00	359.93	10350.01	7898.70	241.70	7902.24	0.00		
	18600.00	90.00	359.93	10350.01	7998.70	241.46	8002.18	0.00		
	18700.00	90.00	359.93	10350.01	8098.70	241.34	8102.15	0.00		
	18800.00	90.00	359.93	10350.01	8198.70	241.21	8202.12	0.00		
	18900.00 19000.00	90.00 90.00	359.93 359.93	10350.01 10350.01	8298.70 8398.70	241.09 240.97	8302.09 8402.05	0.00 0.00		
	19100.00	90.00	359.93	10350.01	8498.70	240.97	8502.02	0.00		
	19200.00	90.00	359.93	10350.01	8598.70	240.72	8601.99	0.00		
	19300.00	90.00	359.93	10350.01	8698.70	240.60	8701.96	0.00		
	19400.00 19500.00	90.00 90.00	359.93 359.93	10350.01 10350.01	8798.70 8898.70	240.48 240.35	8801.93 8901.90	0.00 0.00		
	19500.00	90.00 90.00	359.93	10350.01	8998.70 8998.70	240.35 240.23	9001.90 9001.87	0.00		
	19700.00	90.00	359.93	10350.01	9098.70	240.11	9101.84	0.00		

devon		County: Wellbore:			37H	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)				
	19800.00	90.00	359.93	10350.01	9198.70	239.99	9201.81	0.00				
	19900.00	90.00	359.93	10350.01	9298.70	239.86	9301.77	0.00				
	20000.00	90.00	359.93	10350.01	9398.70	239.74	9401.74	0.00				
	20100.00	90.00	359.93	10350.01	9498.70	239.62	9501.71	0.00				
	20200.00	90.00	359.93	10350.01	9598.70	239.49	9601.68	0.00				
	20300.00	90.00	359.93	10350.01	9698.70	239.37	9701.65	0.00				
	20400.00	90.00	359.93	10350.01	9798.70	239.25	9801.62	0.00				
	20500.00	90.00	359.93	10350.01	9898.70	239.13	9901.59	0.00				
	20600.00	90.00	359.93	10350.01	9998.70	239.00	10001.56	0.00				
	20601.12	90.00	359.93	10350.01	9999.82	239.00	10002.68	0.00	exit			
	20681.12	90.00	359.93	10350.00	10079.82	238.96	10082.66	0.00	BHL			

	County: Wellbore:	Eddy		37H				Geodetic System: US State Plane 1983 Datum: North American Datum 1927 Ellipsoid: Clarke 1866 Zone: 3001 - NM East (NAD83)		
MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment		

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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.

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

Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 5000 (5M) psi.

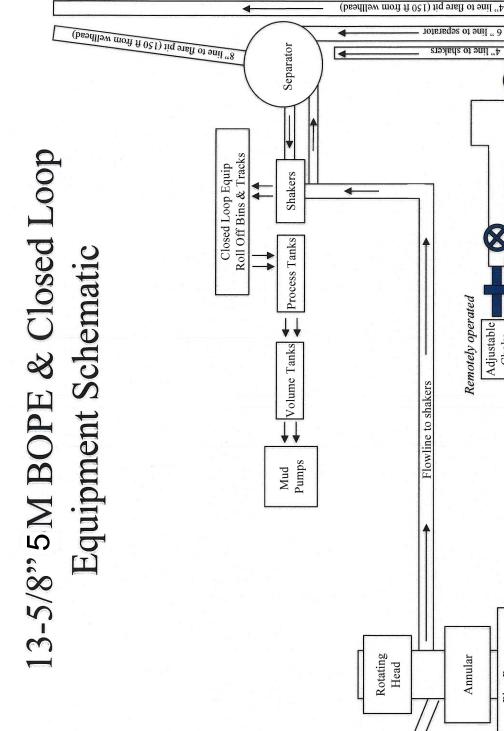
- Wellhead will be installed by wellhead representatives.
- If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- Wellhead representative will install the test plug for the initial BOP test.
- Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to 5M, as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.
- If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
- Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
- Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.

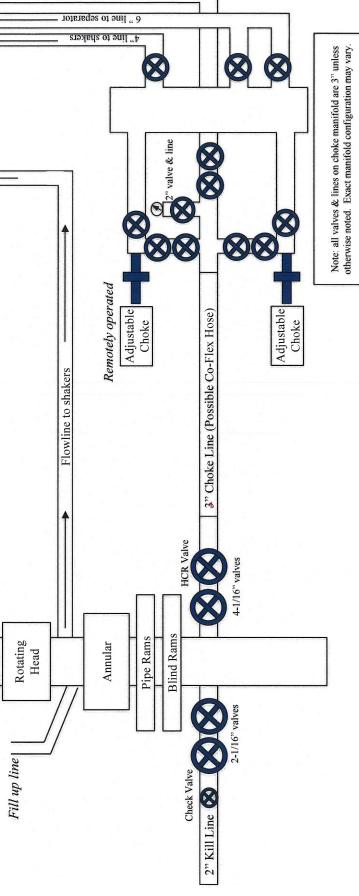
After running the surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2.

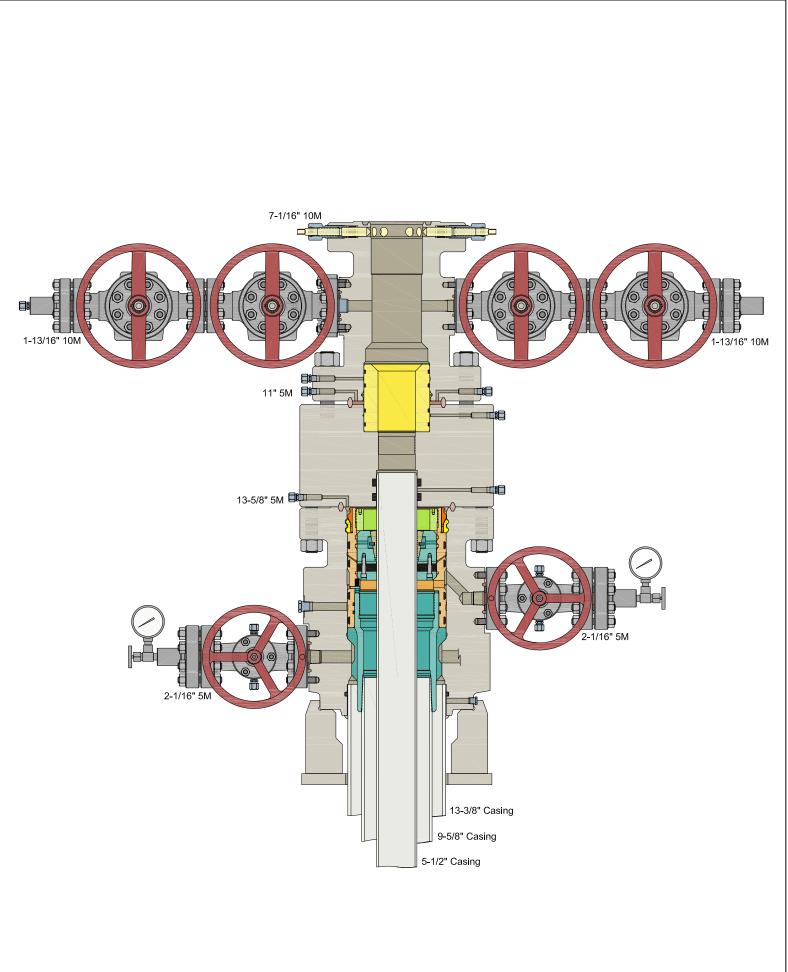
After running the intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 5M will already be installed on the wellhead.

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 5,000 psi WP.

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







PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company LP
LEASE NO.:	NMNM016131
LOCATION:	Section 22, T.25 S., R.31 E., NMPM
COUNTY:	Eddy County, New Mexico
WELL NAME & NO.:	Shire 22-15 Fed Com 125H
SURFACE HOLE FOOTAGE:	500'/S & 1790'/E
BOTTOM HOLE FOOTAGE	20'/N & 2150'/E
ATS/API ID:	ATS-22-749
Sundry ID:	N/A
WELL NAME & NO.:	Shire 22-15 Fed Com 127H
SURFACE HOLE FOOTAGE:	
BOTTOM HOLE FOOTAGE	
ATS/API ID:	
Sundry ID:	N/A
WELL NAME & NO.:	Shire 22-15 Fed Com 237H
SURFACE HOLE FOOTAGE:	500'/S & 800'/E
BOTTOM HOLE FOOTAGE	20'/N & 550'/E
ATS/API ID:	ATS-22-751
Sundry ID:	N/A
WELL NAME & NO.:	Shire 22-15 Fed Com 525H
SURFACE HOLE FOOTAGE:	500'/S & 1820'/E
BOTTOM HOLE FOOTAGE	20'/N & 2310'/E
ATS/API ID:	ATS-22-752
Sundry ID:	N/A
WELL NAME & NO.:	Shire 22-15 Fed Com 526H
SURFACE HOLE FOOTAGE:	
BOTTOM HOLE FOOTAGE	20'/N & 1650'/E
ATS/API ID:	ATS-22-753
Sundry ID:	N/A
WELL NAME & NO.:	Shire 22-15 Fed Com 527H
SURFACE HOLE FOOTAGE:	500'/S & 860'/E
BOTTOM HOLE FOOTAGE	20'/N & 990'/E
ATS/API ID:	ATS-22-754
Sundry ID:	N/A

Approval Date: 11/03/2023

WELL NAME & NO.:	Shire 22-15 Fed Com 528H
SURFACE HOLE FOOTAGE:	500'/S & 770'/E
BOTTOM HOLE FOOTAGE	20'/N & 400'/E
ATS/API ID:	ATS-22-755
Sundry ID:	N/A

COA

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

- 1. The **13-3/8** inch surface casing shall be set at approximately **930 feet** (a minimum of **70 feet (Eddy 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 <u>8</u> <u>hours</u> or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)

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- 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 **9-5/8** inch intermediate casing shall be set at approximately **4275 feet** is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 - In <u>Medium Cave/Karst Areas</u> if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Operator has proposed to pump down 13-3/8" X 9-5/8" annulus after primary cementing stage. <u>Operator must run a CBL from TD of the 9-5/8" 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.

- 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. Cement excess is less than 25%, more cement is required if washout occurs. Adjust cement volume and excess based on a fluid caliper or similar method that reflects the as-drilled size of the wellbore.

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:

Approval Date: 11/03/2023

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** inch intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** 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 **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)

Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. <u>When the Communitization Agreement number is known, it shall also be on the sign.</u>

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 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 8/23/2022



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

Hydrogen Sulfide (H₂S) Contingency Plan

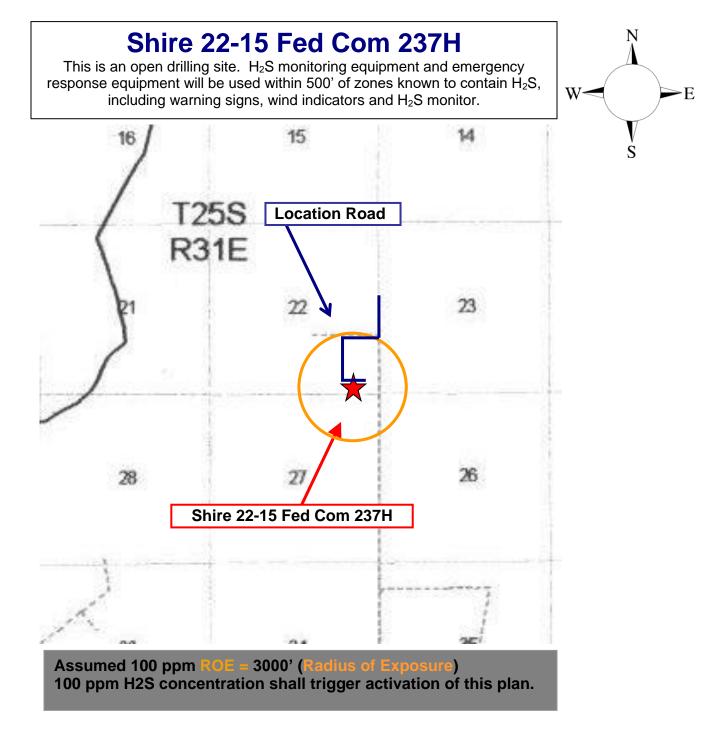
For

Shire 22-15 Fed Com 237H

Sec-22 T-25S R-31E 500 FSL & 800' FEL LAT. = 32.1099319 N (NAD83) LONG = 103.7599266 W

Eddy County NM

Revision September 2021



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'

Revision September 2021

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	Chemical	Specific	Threshold	Hazardous Limit	Lethal
Name	Formula	Gravity	Limit		Concentration
Hydrogen Sulfide	H₂S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur	SO ₂	2.21	2	N/A	1000 nnm
Dioxide	302	Air = 1	2 ppm		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 H₂S circulated to surface. Proper mud weight, safe drilling practices and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.

6. Metallurgy:

All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H_2S 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.

Devon Energy	Corp.	Company	/ Call List

~	ee/Company Contact	Position	Phone	After Hours	
	epresentative		Number	Number	
	Fisher (North)	Drilling Manager	832-967-7912		
	lebrand (South)	Drilling Manager	405-552-6514		
Rich Dowr	, ,	Drilling VP	405-228-2415	040 500 5500	
Josh Harv	· · · · · · · · · · · · · · · · · · ·	EHS Manger	405-228-2440	918-500-5536	
Laura Wrig		EHS Supervisor	405-552-5334	832-969-8145	
Robert Glo		EHS Professional	575-703-5712	575-703-5712	
Lane Fran		Lead EHS	580-579-7052		
Rickey Po		Lead EHS	903-720-8315		
Brock Vise	3	Lead EHS	918-413-3291	918-413-3291	
Agency	<u>Call List</u>				
<u>Lea</u>	Hobbs				
County	Lea County Communic	ation Authority		397-9265	
<u>(575)</u>	State Police			885-3138	
	City Police			397-9265	
	Sheriff's Office			396-3611	
	Ambulance 911				
	Fire Department	397-9308			
	LEPC (Local Emergene	393-2870			
	NMOCD	393-6161			
	US Bureau of Land Management (Hobbs Office Closed) 393-000				
Eddy	Carlsbad				
<u>County</u>	State Police			885-3137	
<u>(575)</u>	City Police			885-2111	
	Sheriff's Office			887-7551	
	Ambulance			911	
	Fire Department			885-3125	
	LEPC (Local Emergene		1	887-3798	
	US Bureau of Land Ma	nagement (Carlsbac	(k	(575)-706-1920	
		(575)-234-5909			
	NM Emergency Respo	anta Fe)	(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			
	Cudd Pressure Control (915) 699-0139			(915) 563-3356	
	Halliburton	(0)		(575) 746-2757	
	B. J. Services			(575) 746-3569	
	D. J. UCIVILES			(010) 140-0008	

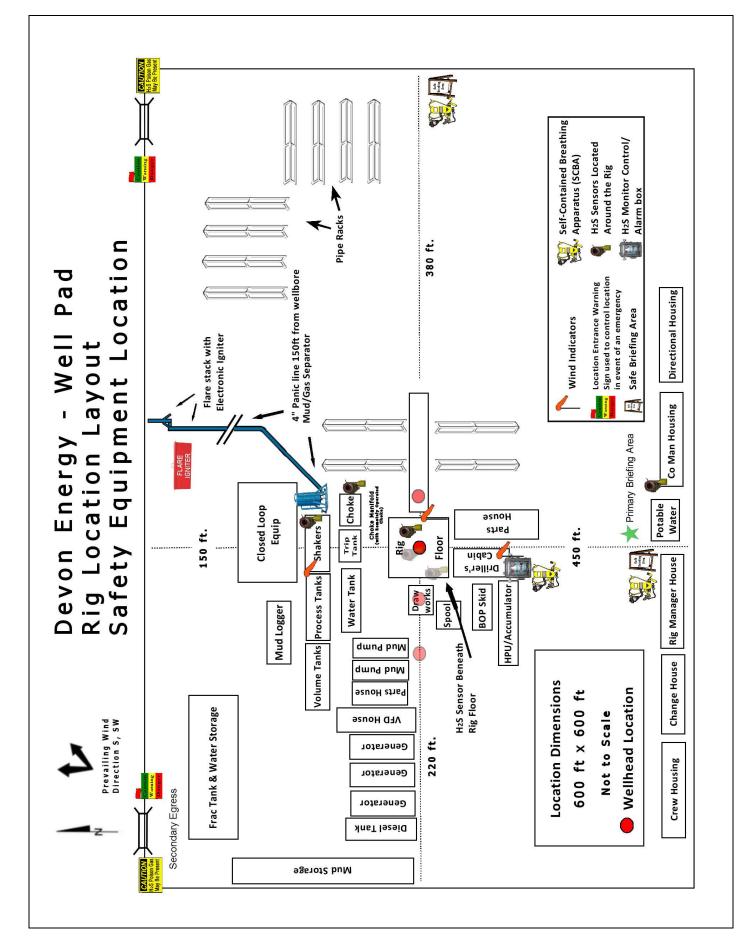
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Give	Native Air – Emergency Helicopter – Hobbs	(575) 347-9836
GPS	For Air Ambulance - Eddy County Dispatch	(575)-616-7155
position:	For Air Ambulance - Lea County (LCCA)	(575)-397-9265
	Poison Control (24/7)	(800) 222-1222
	Oil & Gas Pipeline 24 Hour 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 September 2021

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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

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CONDITIONS

Action 334011

CONDITIONS

Operator:	OGRID:
DEVON ENERGY PRODUCTION COMPANY, LP	6137
333 West Sheridan Ave.	Action Number:
Oklahoma City, OK 73102	334011
	Action Type:
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
ward.rikala	Notify OCD 24 hours prior to casing & cement	5/9/2024
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104	5/9/2024
ward.rikala	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	5/9/2024
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing	5/9/2024
ward.rikala	If cement does not circulate on any string, a CBL is required for that string of casing	5/9/2024
ward.rikala	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	5/9/2024