30-015-39232

Devon Energy Production Company, LP **Beetle Juice 19 Federal 4H**

Surface Location: 220' FNL & 1450' FWL, Unit C, Sec 19 T19S R31E, Eddy, NM Bottom hole Location: 330' FSL & 890' FWL, Unit M, Sec 19 T19S R31E, Eddy, NM

Surface Protection Specialist: Randy Rust

1. Existing Roads:

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Basin Surveys.
- b. All roads into the location are depicted on the surveyor plats.
- c. Directions to Location: From CR #222 (Shugart Rd) and CR #248 (Lusk Plant Rd) go SW on 222 4.3 miles turn right on caliche road go north 2.0 miles bend left and go west 0.25 miles where road bends to the north, continue west on two track road pipeline road following a proposed road survey 1800' to a PI left, go south 64' on road survey to the northeast corner of the proposed pad for this location.
- d. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.
- e. If existing road is shared with other operators, Devon will share in its cost to maintain the road as required by the BLM.

2. New or Reconstructed Access Roads:

- a. The well site layout, Form C-102 shows approximately 1878' of new access road will be constructed as follows:
- b. The maximum width of the road will be 14'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 2%.
- d. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

1 Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat.

4. Location of Existing and/or Proposed Production Facilities:

- a. In the event the well is found productive, the Beetle Juice 19 Federal 3H/4H tank battery would be utilized and the necessary production equipment will be installed at the well site. The tank battery would be located at the Beetle Juice 19 Federal 3H & Beetle Juice 19 Federal 4H well pad in Sec 19-T19S-R31E.
- a. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road.
- b. If the well is productive, rehabilitation plans are as follows:
 - i. A closed loop system will be utilized.
 - ii. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and harlish to location by transport truck using the existing and proposed roads shown in the C-102. On occasion water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In location where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used the size distance and man showing round will likely the secured. where a poly pipeline is used to transport water for arming purposes, proper action is secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the

6. Construction Materials:

nstruction Materials:
The caliche utilized for the drilling pad and proposed access road will be from minerals that are located onsite or will be used onsite. If minerals are not available onsite, then an established mineral pit will be used on onsite or will be used on onsite or will be used on one of the road.

7. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed of in a closed loop system.
 b. All trash, junk and other waste material will be contained in trash cages of trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved

- sanitary landfill.

 c. The supplier, including broken sacks, will pick up salts remaining after completion of well.

 d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete during e. Remaining drilling fluids will be sent to a closed loop system. Water produced during will be put into a closed loop system. Oil and condensate produced will be put into a storage tank
- f. Disposal of fluids to be transported by the following companies:
 - i. American Production Service Inc, Odessa TX
 - ii. Gandy Corporation, Lovington NM
 - iii. I & W Inc, Loco Hill NM
 - iv. Jims Water Service of Co Inc. Denver CO
- 8. Ancillary Facilities: No campsite or other facilities will be constructed as a result of this well.

9. Well Site Layout

- a. The rig layout diagram shows the proposed well site layout with dimensions of the pad layout.
- a. The rig Tayout diagram snows me proposed wen she had a sump pits and living facilities d keytrus.

 b. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- c. A closed loop system will be utilized.
 d. If a pit or closed loop system will be utilized, Devon will comply with the NMOCD requirements
 19.15.17 and submit form C-144 CLEZ to the appropriate NMOCD District Office. An amapproved
- e. Topsoil Stockpiling:
 - i. Standard practice is topsoil will be pushed to the high side of logation to prevent water from running across location to control erosion. If a cut out is done and there are two or three high sides, we will use those there.

10. Plans for Surface Reclamation Include Both Final & Interim:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and used for other drilling locations, repair existing roads, repair existing locations, etc. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography. We will use a closed loop system.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.
- d. All disturbed areas not needed for active support of production operations will undergo interim reclamation. The portions of the cleared well site not needed for operational and safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Topsoil will be respread over areas not needed for all-weather operations.

11. Surface Ownership

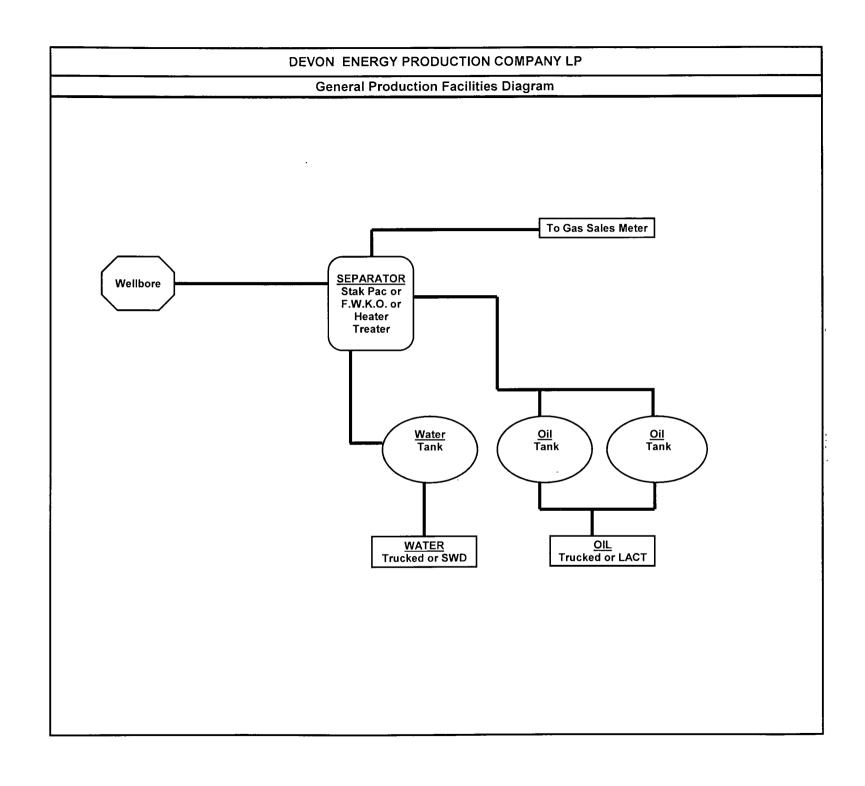
- a. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
- b. The proposed road routes and the surface location will be restored as directed by the BLM.

12. Other Information:

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sagebush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of location.
- d. A Cultural Resources Examination will be completed by Southern New Mexico Archaeological Services, Inc. and forwarded to the BLM office in Carlsbad, New Mexico.

13. Bond Coverage:

Bond Coverage is Nationwide; Bond # is CO-1104



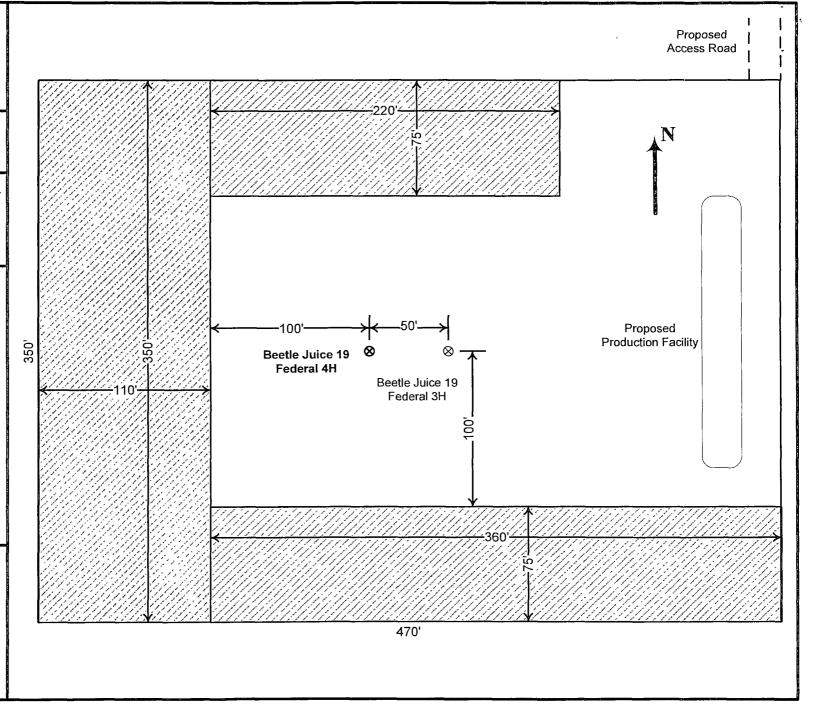


Proposed Interim Site Reclamation

Devon Energy Production Co. Beetle Juice 19 Federal 4H 220' FNL & 1450' FWL Sec. 19-T19S-R31E Eddy County, NM

> Proposed Reclamation Area

Scale: 1in = 60ft.



Operators Representative:

The Devon Energy Production Company, L.P. representatives responsible for ensuring compliance of the surface use plan are listed below.

Steven Jones Operations Engineer Advisor Don Mayberry Superintendent

Devon Energy Production Company, L.P. 20 North Broadway, Suite 1500 Oklahoma City, OK 73102-8260

Devon Energy Production Company, L.P. Post Office Box 250 Artesia, NM 88211-0250

(405) 552-7994 (office) (405) 596-8041 (cell)

(505) 748-0164 (office) (505) 748-5235 (cell)

Certification

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

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this _15th//day of _February___, 2011.

Printed Name: Stephanie A. Ysasaga

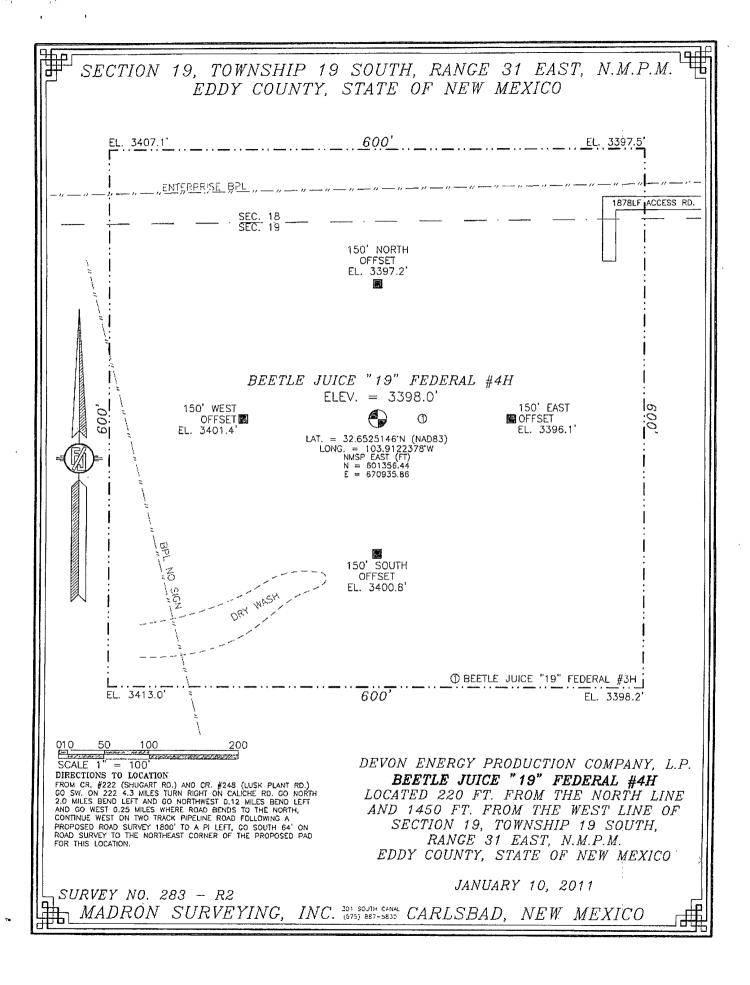
Signed Name: //// Position Title: St. Staff Engineering/Technician Address: 20 North Broadway, ØK Ø OK 73102

Telephone: (405)-552-7802

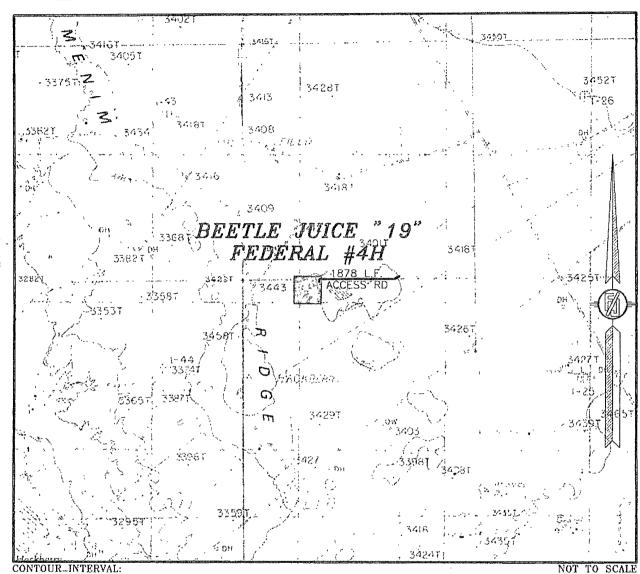
Field Representative (if not above signatory): Don Mayberry (see above)

Address (if different from above): Telephone (if different from above):

E-mail (optional):



SECTION 19, TOWNSHIP 19 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



DEVON ENERGY PRODUCTION COMPANY, L.P.

BEETLE JUICE "19" FEDERAL #4H

LOCATED 220 FT. FROM THE NORTH LINE

AND 1450 FT. FROM THE WEST LINE OF

SECTION 19, TOWNSHIP 19 SOUTH,

RANGE 31 EAST, N.M.P.M.

EDDY COUNTY, STATE OF NEW MEXICO

JANUARY 10, 2011

SURVEY NO. 283 - R2

MADRON SURVEYING, INC. STAGE CARLSBAD, NEW MEXICO

HACKBERRY LAKE

SECTION LAND PLAT

	Eddy County			State of	New Mexico	1	
	-						
Section	19		Township	19 S	. Range	31 E	

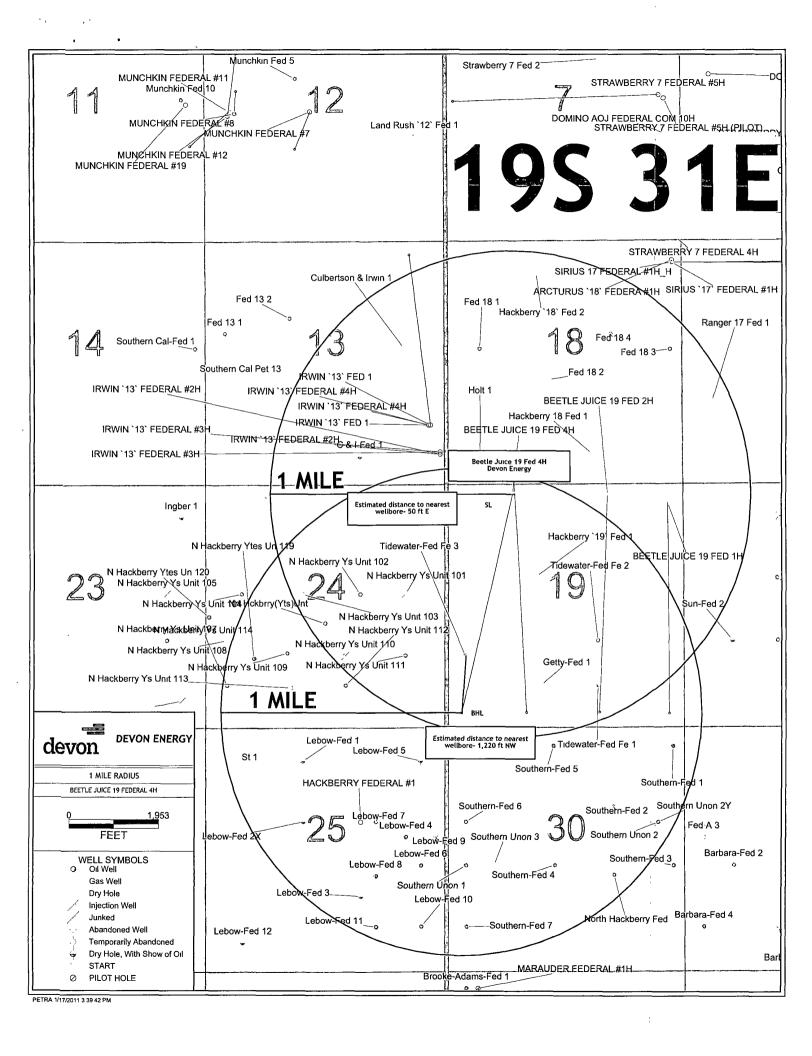
Beetle Juice 19 Federal 4 H SHL: 220' FNL, 1450' FWL BHL: 330' FSL, 890' FWL

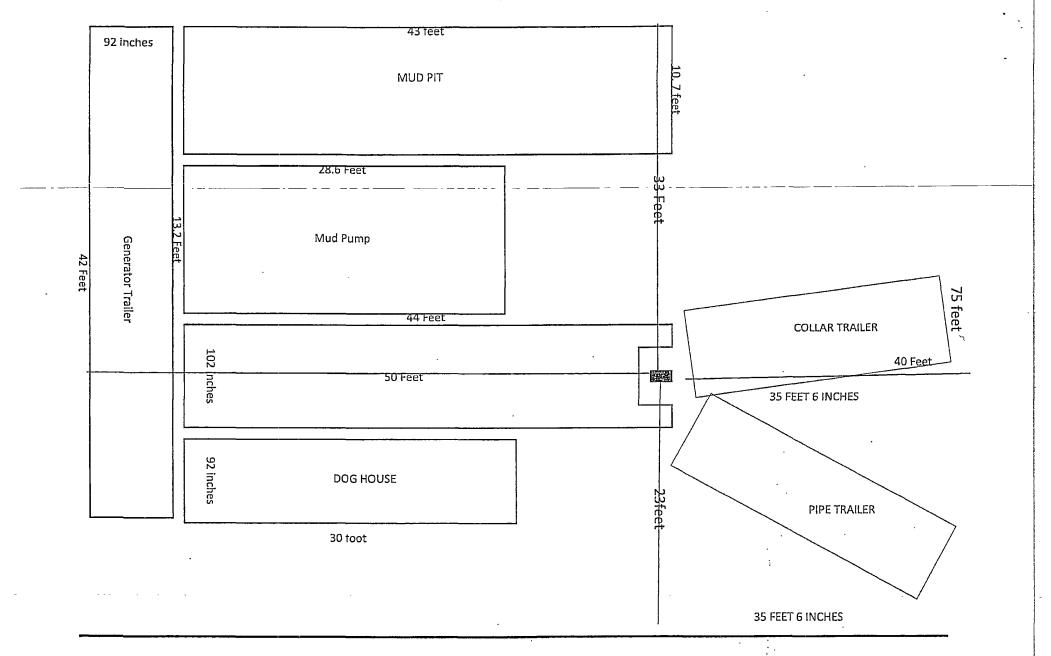
*SHL is the pad of the Beetle Juice 19 Fed 3

*SHL

USA NM 90534

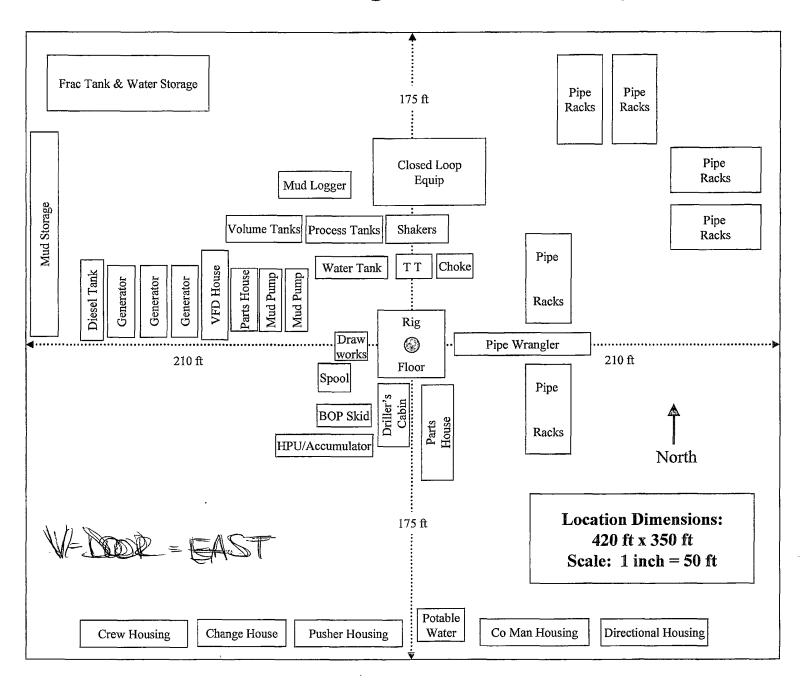
BHL



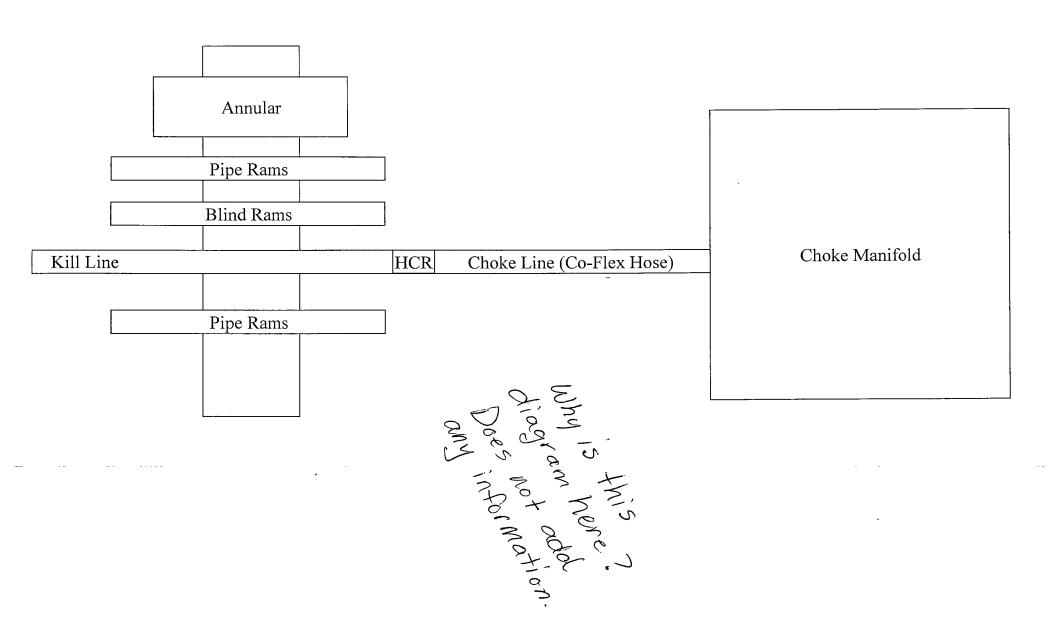


ASHTON OILFIELD SERVICES

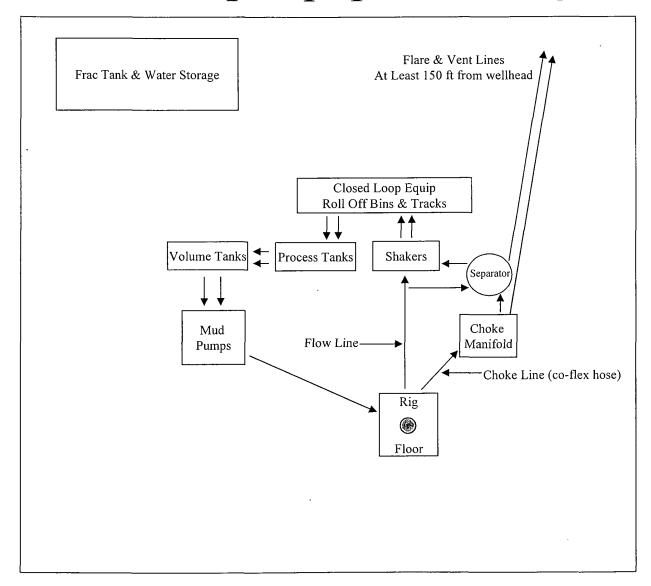
H&P Flex Rig Location Layout



Co-Flex Hose Diagram



Closed Loop Equipment Diagram





Hydrostatic Test Certificate

Certificate Number: 4520	PBC No:	10321			Customer Name & Address		
					HELMERICH & PAYNE I	NTL DRILLING CO	
Customer Purchase Order No: RIG 300					1437 SOUTH BOULDER	,	
					TULSA, OK 74119		
Project:						0.00	
Test Centre Address	Accept	ed by Conti	Tech Beattle	Inspection	Accepte	ed by Client Inspection	176. i. 1-32. v. i.
ContiTech Beattie Corp.		Josh Sims	15			,	
11535 Brittmoore Park Drive	Signed:		25			· ·	
Houston, TX 77041		A CONTRACTOR OF THE PARTY OF TH			_	1	
USA	Date:	10/27/10			1		

We cerufy that the goods detailed hereon have been inspected by our Quality Management System, and to the best of our knowledge are found to conform to relevant industrial standards within the requirements of the purchase order as issued to ContiTech Beattle Corporation.

These goods were made in the United States of America

Item: Part No Description Onty Rumber Length (m) Press Press (minutes)
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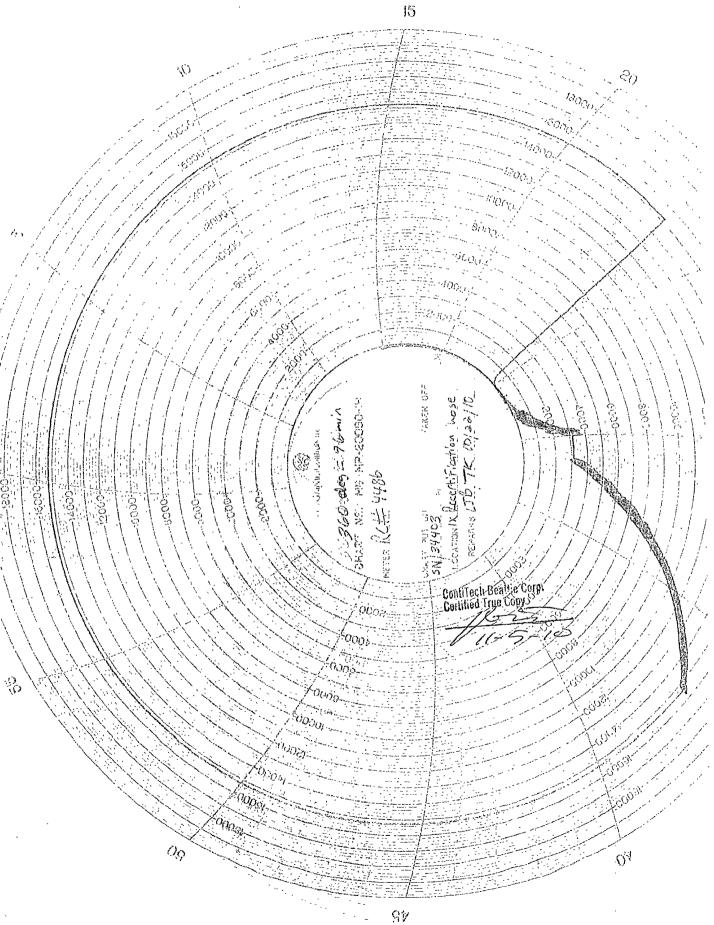
49106

3" ID 10K Choke & Kill Hose x 35ft OAL

End A: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange End B: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange

Working Pressure: 10,000psi Test Pressure: 15,000psi Serial#: 49106







Fluid Technology

ContiTech Beattie Corp. Website: www.contitechbeattie.com

Monday, June 14, 2010

RE:

Drilling & Production Hoses Lifting & Safety Equipment

To Helmerich & Payne,

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

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

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

Best regards,

Robin Hodgson Sales Manager ContiTech Beattie Corp

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

