

30-015-39306

RECEIVED

MAY 27 2011

NMOCD ARTESIA

SURFACE USE PLAN

Devon Energy Production Company, LP

Cotton Draw Unit 139H

Surface Location: 200' FSL & 1650' FEL, Unit O, Sec 2 T25S R31E, Eddy, NM

Bottom Hole Location: 2600' FNL & 1642' FEL, Unit J, Sec 35 T24S R31E, Eddy, NM

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 Madron Surveying, Inc.
- b. All roads into the location are depicted on Exhibit 3.
- c. Directions to Location: From CR #786 (Buck Jackson) and CR #791 (Buck Thorn) go south 3.1 miles, turn left and go east 1.6 miles to a proposed road survey and follow flags north 815' to proposed pad for this location.

2. New or Reconstructed Access Roads:

- a. The well site layout, Form C-102 shows the existing County road. Approximately 815' of new access road will be constructed as follows. The maximum width of the road will be 15'. It will be crowned and made of 6" rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- b. 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 1%.
- c. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

One 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 it will go to a battery on site and the necessary production equipment will be installed at the well site. (See Attached diagram)
- b. 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.
- c. All flow lines will adhere to API standards.
- d. If the well is productive, rehabilitation plans are as follows:
 - i. 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 hauled 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 these cases 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 map showing route will be provided to the BLM via sundry notice.

6. Construction 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 to build the location and stem road.

7. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed.
- b. All trash, junk and other waste material will be contained in trash cages or 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.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.
- 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. Exhibit D shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicated proposed location of sump pits and living facilities.
- c. Mud pits in the active circulating system will be steel pits.
- d. A closed loop system will be utilized.

- e. If a pit or closed loop system is utilized, Devon will comply with the NMOCD requirements 19.15.17 and submit form C-144 to the appropriate NMOCD District Office. A copy to be provided to the BLM.

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 transported to the original caliche pit or used for other drilling locations. 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, sage bush, 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 the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III Survey for cultural resources associated with their project within the BLM office in Carlsbad, New Mexico.

13. Bond Coverage:

Bond Coverage is Nationwide; Bond # is CO-1104

Operators Representative:

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

Greg McGowen - Operations Engineer
Advisor

Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, OK 73102-8260
(405) 228-8965 (office)
(405) 464-9769 (Cellular)

Don Mayberry - Superintendent
Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, NM 88211-0250
(575) 748-3371 (office)
(575) 746-4945 (home)

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: Judy A. Barnett

Signed Name:

Position Title: Regulatory Specialist

Address: 20 North Broadway, OKC OK 73102

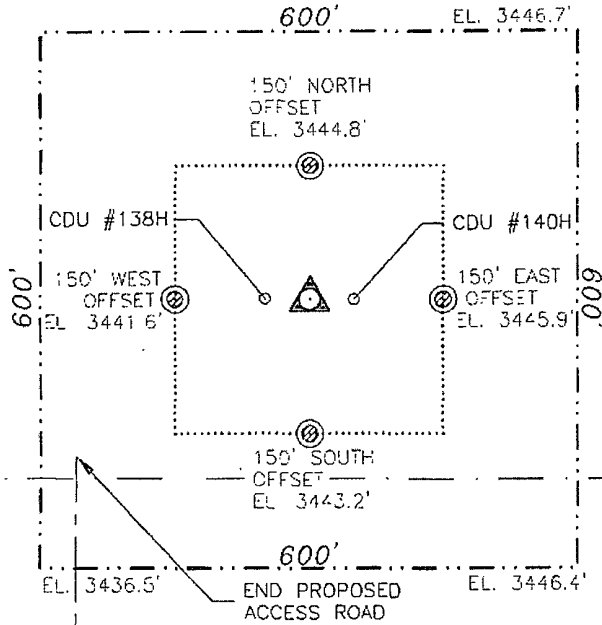
Telephone: (405)-228-8699

Field Representative (if not above signatory):

Address (if different from above):

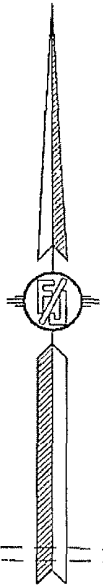
Telephone (if different from above):

SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO



COTTON DRAW UNIT #139H
ELEV. = 3443.3'
LAT. = 32°09'09.726"N (NAD83)
LONG. = 103°44'43.601"W
NMSP EAST (FT)
N = 419723.71
E = 723283.81

SEC. 2
SEC. 11



0 20 100 200 400

SCALE 1" = 200'

DIRECTIONS TO LOCATION

FROM CR. # 786 (BUCK JACKSON) (CALICHE) AND CR. # 791 (BUCK THORN) (CALICHE) GO SOUTH ON CR. 791 3.1 MILES TURN LEFT AND GO EAST 1.6 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS NORTH 815' TO A PROPOSED PAD FOR THIS LOCATION.

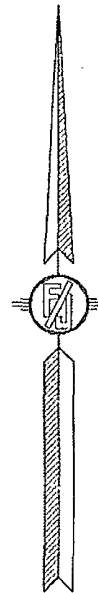
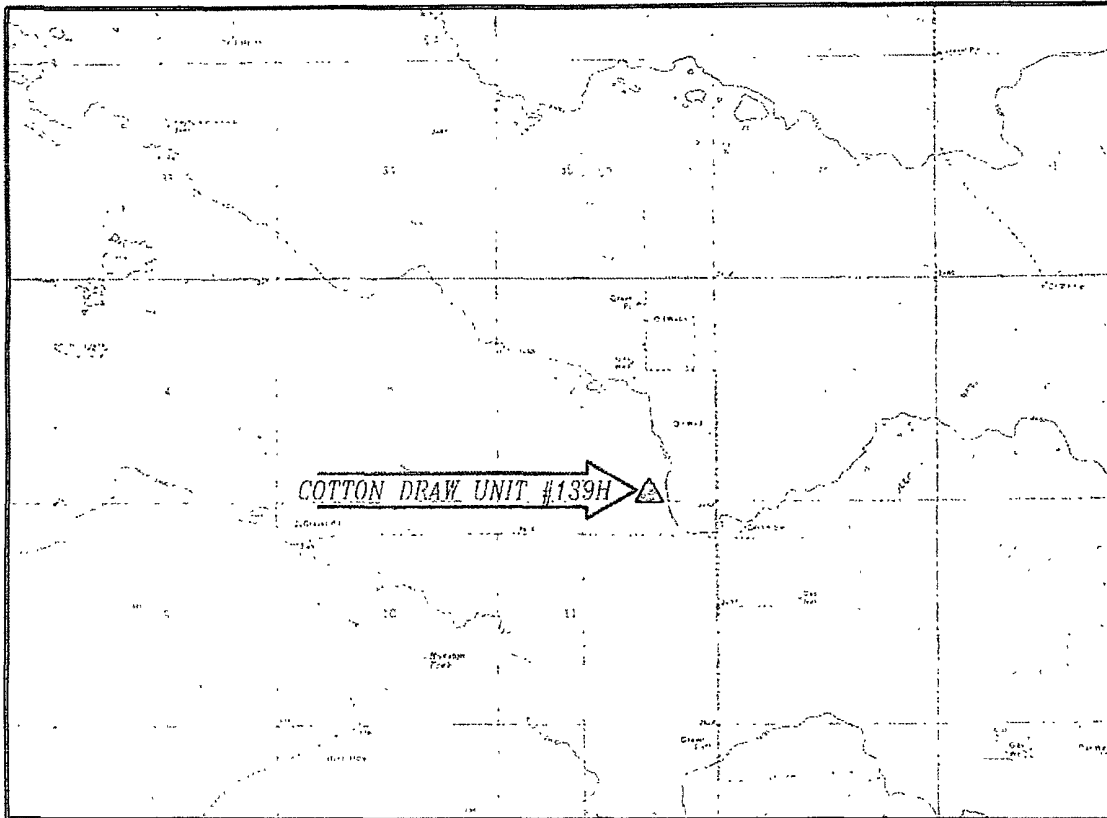
DEVON ENERGY PRODUCTION COMPANY, L.P.
COTTON DRAW UNIT #139H
LOCATED 200 FT. FROM THE SOUTH LINE
AND 1650 FT. FROM THE EAST LINE OF
SECTION 2, TOWNSHIP 25 SOUTH,
RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 10, 2010

SURVEY NO. 178 - R1

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 887-5830 CARLSBAD, NEW MEXICO

SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



CONTOUR INTERVAL:
 BIG SINKS
 PADUCA BREAKS NW

NOT TO SCALE

DIRECTIONS TO LOCATION

FROM CR.# 786 (BUCK JACKSON) (CALICHE) AND CR.# 791 (BUCK THORN) (CALICHE) GO SOUTH ON CR. 791 3.1 MILES TURN LEFT AND GO EAST 1.6 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS NORTH 815' TO A PROPOSED PAD FOR THIS LOCATION.

SEC. 2 TWP. 25-S RGE. 31-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 200' FSL & 1650' FEL
 ELEVATION 3443.3'
 OPERATOR DEVON ENERGY PRODUCTION COMPANY, LP
 LEASE COTTON DRAW

DEVON ENERGY PRODUCTION COMPANY, L.P.
 COTTON DRAW UNIT #139H
 LOCATED 200 FT. FROM THE SOUTH LINE
 AND 1650 FT. FROM THE EAST LINE OF
 SECTION 2, TOWNSHIP 25 SOUTH,
 RANGE 31 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

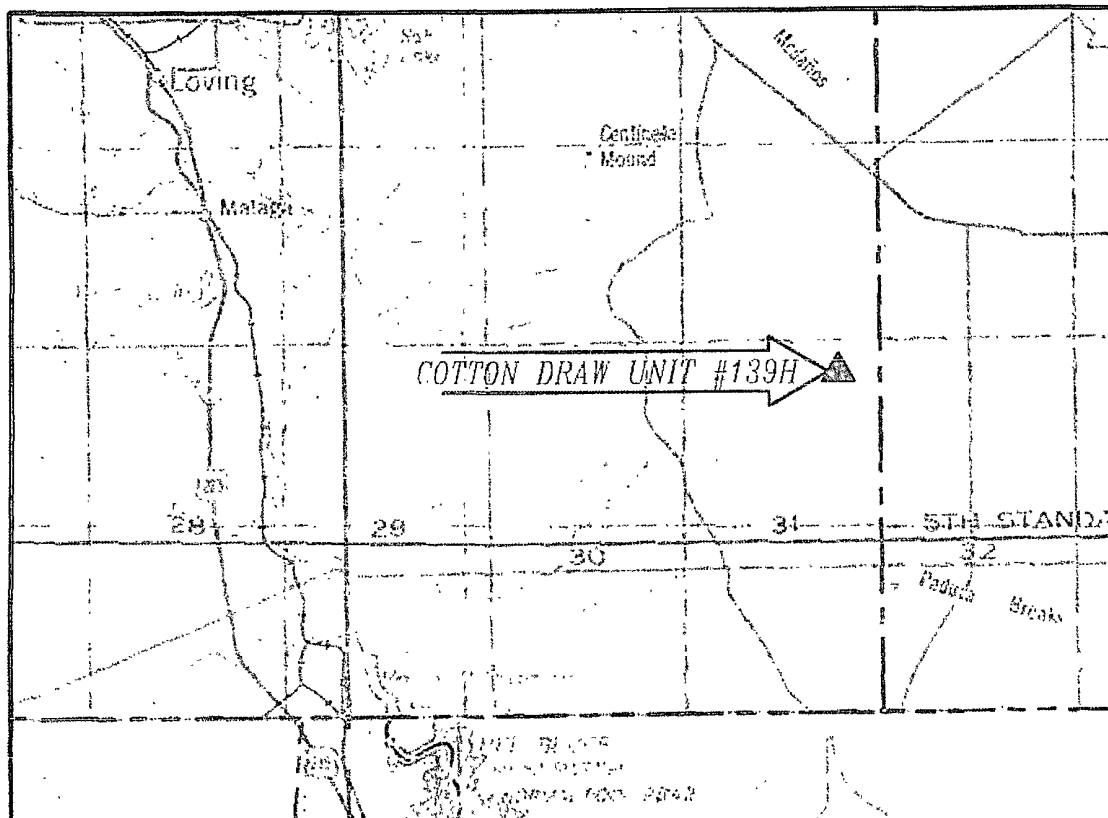
AUGUST 10, 2010

SURVEY NO. 178 - R1

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

301 SOUTH CAVA
 (505) 891-1140

SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 VICINITY MAP



DIRECTIONS TO LOCATION

FROM CR.# 786 (BUCK JACKSON) (CALICHE) AND CR.# 791 (BUCK THORN) (CALICHE) GO SOUTH ON CR. 791 3.1 MILES TURN LEFT AND GO EAST 1.6 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS NORTH 815' TO A PROPOSED PAD FOR THIS LOCATION.

NOT TO SCALE

SEC. 2 TWP. 25-S RGE. 31-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 200' FSL & 1650' FCL
 ELEVATION 3443.3'
 OPERATOR DEVON ENERGY PRODUCTION COMPANY, LP
 LEASE COTTON DRAW

DEVON ENERGY PRODUCTION COMPANY, L.P.
 COTTON DRAW UNIT #139H
 LOCATED 200 FT. FROM THE SOUTH LINE
 AND 1650 FT. FROM THE EAST LINE OF
 SECTION 2, TOWNSHIP 25 SOUTH,
 RANGE 31 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

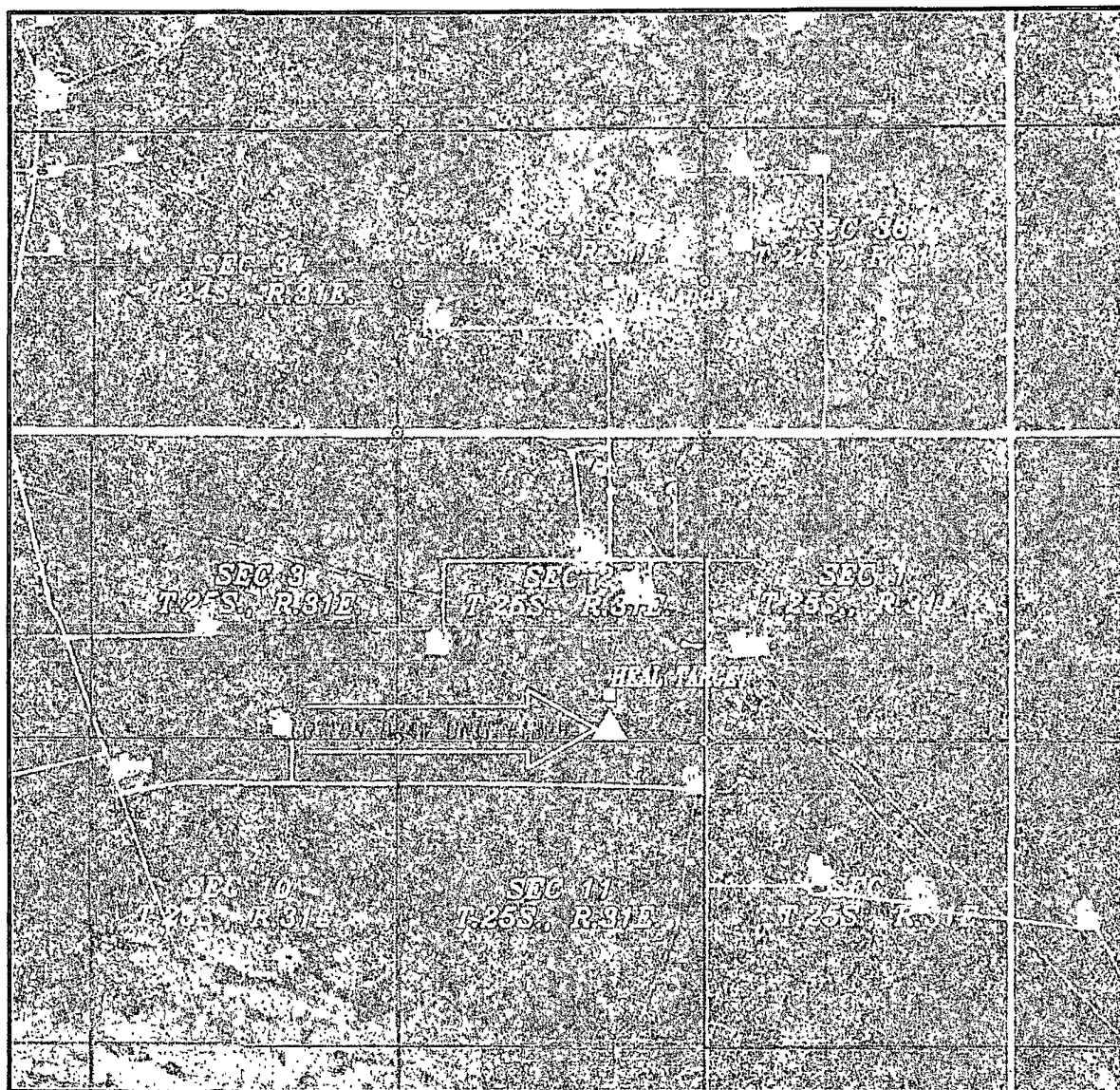
AUGUST 10, 2010

SURVEY NO. 178 - R1

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 887-5810 CARLSBAD, NEW MEXICO

SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
USDA - AUG, 2009

DEVON ENERGY PRODUCTION COMPANY, L.P.
COTTON DRAW UNIT #139H
LOCATED 200 FT. FROM THE SOUTH LINE
AND 1650 FT. FROM THE EAST LINE OF
SECTION 2, TOWNSHIP 25 SOUTH,
RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 10, 2010

SURVEY NO. 178 - R1

MADRON SURVEYING, INC. 531 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 887-5930

OKER LAKE Ut 302H

28

24S 31E

Cotton Draw Ut 120H

Bel-Net 1

Bel-Net Fed 2

26

25

PLU 70

PLU 36

Cotton Draw Ut 114H (Pilot)

Cotton Draw Ut 110H

PLU 75

PLU 73

PLU 76

Cotton Draw Ut 114H

Cotton Draw Ut 113

Cotton Draw 90

Cotton Draw Ut 111

33

Rowley 1

PLU 77

34

35

Cotton Draw Ut 112

BHL

1 MILE

36

Estimated distance to nearest wellbore- 660 ft W

LU 197

Cotton Draw Ut 67

PLU 50

LOST TANK 4 Fed 14

4

3

2

1

Cotton Draw 161H

Cotton Draw 160H

Cotton Draw Ut 65

Cotton Draw Ut 115H

Cotton Draw Ut 84

Cotton Draw Ut 81

Cotton Draw Ut 76

PLU 67

Cotton Draw Ut 89

Cotton Draw Ut 140H

1 MILE

Estimated distance to nearest wellbore- 50 ft W

ER LAKE Ut 303H



DEVON ENERGY

1 MILE RADIUS MAP

Cotton Draw 139H

0 2,189
FEET

WELL SYMBOLS

- Location Only
- Oil Well
- Gas Well
- Dry Hole
- Injection Well
- Abandoned Oil Well
- Abandoned GAS Well
- Prospect Location
- TD REACHED

Pauley-Harrison 2

10

Cotton Draw Ut 138H

COTTON DRAW 138H
Devon Energy

11

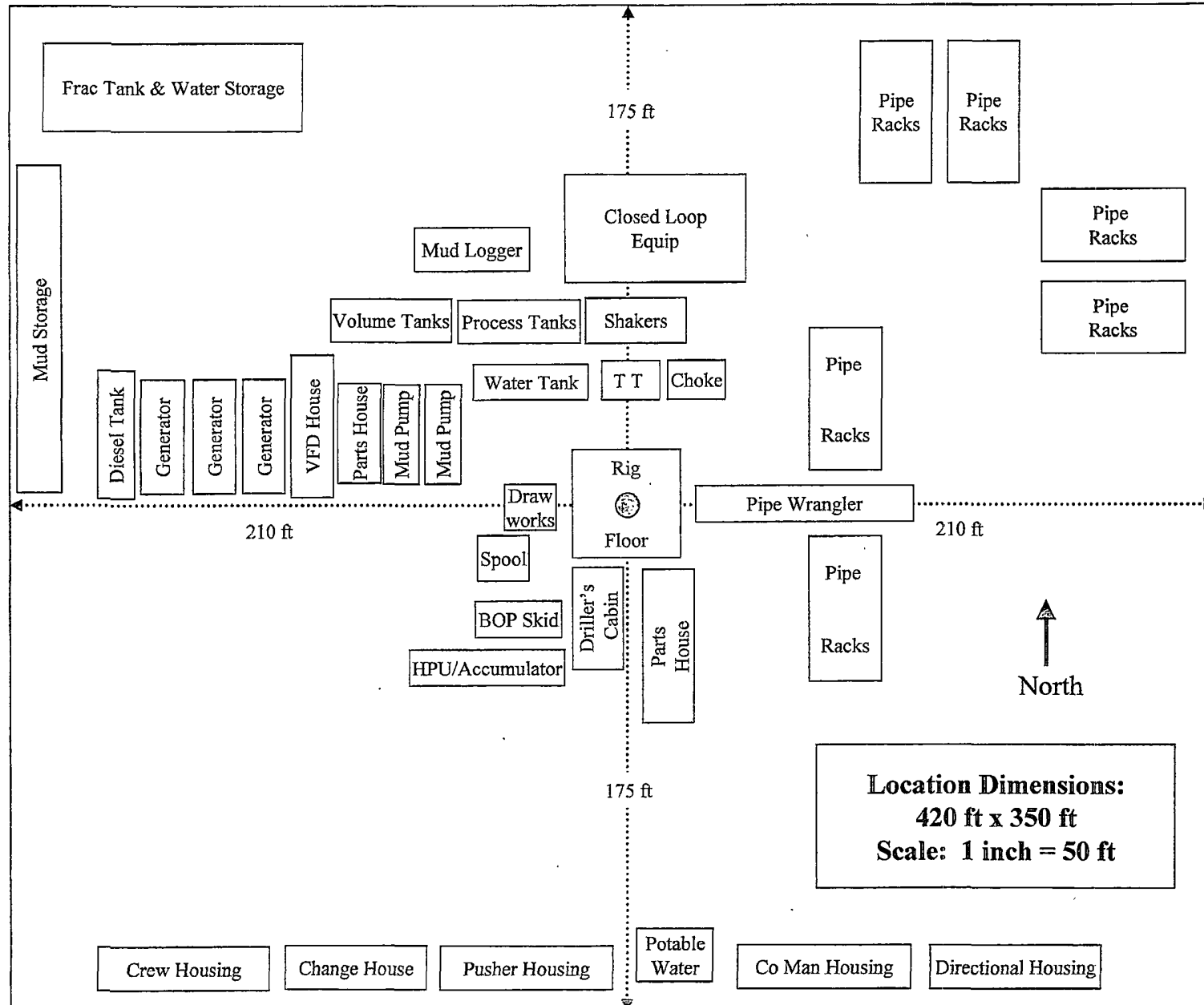
Cotton Draw Ut 87

12

Cotton Draw Ut 68

Cotton Draw Ut

H&P Flex Rig Location Layout




Site plan diagram showing the layout of various equipment and structures. The plan includes a Generator Trailer (92 inches x 42 feet), a Mud Pit (43 feet x 10.7 feet), a Mud Pump (28.5 feet x 33 feet), a Dog House (30 feet x 23 feet), a Collar Trailer (75 feet x 40 feet), and a Pipe Trailer (35 feet 6 inches x 35 feet 6 inches). Dimensions are provided for each structure and the overall layout.


ASHTON OILFIELD SERVICES




Proposed Interim Site Reclamation

Devon Energy Production Co.
CDU 138H, 139H and 140H
SW/4 SE/4
Sec. 2-T25S-R31E
Eddy County, NM

 Proposed
Reclamation Area


1" = 50'

GM 8/26/10


Future Compressor

Proposed
Production Facility

CDU 138H

CDU 139H

CDU 140H

Proposed
Access Road

