

OCD-ARTESIA

Form 3160-3
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007 **EA 1149**5 Lease Serial No.
SL: NM99039 BHL: NM005470C

6 If Indian, Allottee or Tribe Name

7 If Unit or CA Agreement, Name and No

8 Lease Name and Well No **Lusk, BS, West**
Capella 14 Federal Com Int9 API Well No. **30-0K-39416**10 Field and Pool, or Exploratory
41480 Hackberry, Bone Spring, NW

11 Sec, T R M or Blk and Survey or Area

Sec 14 T19S R31E

12 County or Parish

Eddy County

13 State

NM

1a. Type of work ☒ DRILL ☐ REENTER1b. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2 Name of Operator
Devon Energy Production Company, LP3a Address **20 North Broadway**
Oklahoma City, Oklahoma City 73102-82603b. Phone No. (include area code)
405-552-7802

4 Location of Well (Report location clearly and in accordance with any State requirements *)

At surface **NENE 330' FNL & 940' FEL Lot A**At proposed prod. zone **SESE 330' FSL & 940' FEL Lot P**14 Distance in miles and direction from nearest town or post office*
Approximately 13 miles southeast of Loco Hills, NM15 Distance from proposed* location to nearest property or lease line, ft
260' on horizontal
(Also to nearest drg unit line, if any) **330'**16 No. of acres in lease
SL: 480 BHL: 36017 Spacing Unit dedicated to this well
16018 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
SL: 1100' BHL: 450'19 Proposed Depth
MTVD 9150' 13463' MD20 BLM/BIA Bond No. on file
CO-110421 Elevations (Show whether DF, KDB, RT, GL, etc.)
3564.6' GL22 Approximate date work will start*
08/15/201123 Estimated duration
45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form

- | | |
|--|--|
| 1 Well plat certified by a registered surveyor. | 4 Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2 A Drilling Plan. | 5 Operator certification |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6 Such other site specific information and/or plans as may be required by the authorized officer |

25 Signature
[Signature]
Title
Sr. Staff Engineering TechnicianName (Printed/Typed)
Stephanie A. YsasagaDate
07/15/2011Approved by (Signature)
/s/ Don Peterson

Name (Printed/Typed)

Date
SEP 16 2011Title
FIELD MANAGEROffice
CARLSBAD FIELD OFFICEApplication approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.**APPROVAL FOR TWO YEARS**

Title 18 USC. Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

*(Instructions on page 2)

Capitan Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVALApproval Subject to General Requirements
& Special Stipulations Attached

DRILLING PROGRAM

Devon Energy Production Company, LP

Bone Spring

Capella 14 Federal Com 1H

Surface Location: 330' FNL & 940' FEL, Unit A, Sec 14 T19S R31E, Eddy, NM

Bottom hole Location: 330' FSL & 940' FEL, Unit P, Sec 14 T19S R31E, Eddy, NM

1. **Geologic Name of Surface Formation**

- a. Permian

2. **Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:**

a. Quaternary Alluvium	Surface'	Water at ~200'
b. Rustler	640'	Barren
c. Salado	930'	Barren
d. Tansil Dolomite	2310'	Oil
e. Capitan	2750'	Barren
f. Delaware	4580'	Oil
g. Bone Spring Lm	6910'	Oil
h. 2 nd Bone Spring Ss	8960'	Oil
i. Total Depth	MTVD 9150' MD 13463'	

See COA

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at ~~675'~~ and circulating cement back to surface. The fresh water sands will be protected by setting 9 5/8" casing at 4550' and circulating cement to surface. The Delaware/Bone Spring intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 9 5/8" casing. All casing is new and API approved.

3. **Casing Program: MAX TVD 9,150'**

* See COA

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Csg</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
17 1/2"	0'-675'	13 3/8"	0'-675'	48#	STC	H-40
12 1/4"	675'-4550'	9 5/8"	0'-4550'	40#	LTC	J-55
8 3/4"	4550'-8400	5 1/2"	0'-8400'	17#	LTC	HCP-110
8 3/4"	8400'-13463'	5 1/2"	8400'-13463'	17#	BTC	HCP-110

* SEE COA

Design Parameter Factors:

<u>Casing Size</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
13 3/8"	1.8	4.0	7.3
9 5/8" 40# J-55 LTC	1.2	1.8	3.0
5 1/2" 17# HCP-110 LTC	1.6	2.0	1.6
5 1/2" HCP-110 BTC	1.6	1.9	5.2

	Capella 14 Fed Com 1H	Capella 14 Fed Com 2H	Capella 14 Fed Com 3H
	330' FNL, 940' FEL	330' FNL, 2490' FEL	330' FNL, 1700' FWL
	14-19S31E	14-19S31E	14-19S31E
	KB 3591 (est.)	KB 3587 (est.)	KB 3583 (est.)
FORMATION	DEPTH	DEPTH	DEPTH
	(tvd)	(tvd)	(tvd)
Quaternary alluvium	Surface	Surface	Surface
Rustler	640	640	645
Salado	930	930	900
Base Salado	2240	2240	2210
Tansil Dolomite	2310	2310	2280
Yates	2430	2430	2400
Seven Rivers	2650	2650	2600
Capitan	2750	2750	2695
Base Capitan	3570	3570	3465
Delaware (formation top)	4580	4580	4580
Delaware (massive sand)	5140	5140	5205
	No Pilot Hole Planned	No Pilot Hole Planned	No Pilot Hole Planned
DEPTH TO FRESHWATER AT ALL LOCATIONS ~200' IN QUATERNARY ALLUVIUM			

** See COA*

NOTE REGARDING COLLAPSE DESIGN FACTOR FOR INTERMEDIATE CASING:

The maximum possible collapse load that the intermediate casing will experience will result from evacuated casing with the pore pressure exerting a collapse load at TD. The pore pressure is estimated to be 9.0 ppg for this calculation. This results in a collapse design factor of 1.2 for the 9-5/8" 40# J-55 LTC casing at a depth of 4,550 ft. While running the intermediate casing, the casing string will never be completely evacuated. There is no potential for the intermediate casing to be used as a production string.

** See COA*

4. Cement Program: (Note: All cement volumes are calculated with 25% excesses.)

a. 13 3/8" Conductor

Lead: 800 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite + 81.4% Fresh Water, 13.5 ppg. **Yield:** 1.75 cf/sk

Tail: 250 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water, 14.8 ppg. **Yield:** 1.35 cf/sk.. **TOC @ surface.**

b. 9 5/8" Intermediate

Lead: 1200 sacks (35:65) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 6% bwoc Bentonite + 107.8% Fresh Water, 12.5 ppg. **Yield:** 2.04 cf/sk

Tail: 300 sacks Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.4% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 52.7% Water, 13.8 ppg. **Yield:** 1.37 cf/sk. **TOC @ surface.**

c. 5 1/2" Production

1st Stage

Lead: 500 sacks (35:65) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 2% bwoc Bentonite + 0.6% bwoc Sodium Metasilicate + 0.5% bwoc FL-52A + 102.5% Fresh Water, 12.5 ppg. **Yield:** 2.01 cf/sk

Tail: 1,500 sacks (50:50) Poz (Fly Ash):Class H Cement + 1% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 58.3% Fresh Water, 14.2 ppg. **Yield:** 1.28 cf/sk

DV TOOL at ~5,500 ft

2nd Stage

Lead: 500 sacks Class C Cement + 1% bwow Calcium Chloride + 0.125 lbs/sack Cello Flake + 157.8% Fresh Water, 11.4 ppg. **Yield:** 2.89 cf/sk

Tail: 100 sacks (60:40) Poz (Fly Ash):Class C Cement + 1% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake +

** WOC See COA*

9/7/11

CAPELLA 3 STRING JUSTIFICATION
MHC 9.2.11

There are 2 recently drilled wells in section 14 that were drilled without 4 strings (details below). Based on the history of a 3 string design in this section, a 3 string design for the Capella wells will be sufficient.

Chaparral 14 FC #1 (COG)
API # 30-015-34038
13-3/8" at 635 ft
8-5/8" at 4408 ft
5-1/2" at 12,762 ft
Drilled in 2005

Coyote 14 Fed #2Y (Devon)
API # 30-015-35423
13-3/8" at 601 ft
9-5/8" at 4,658 ft
5-1/2" at 11,220 ft
Drilled in 2007

** See COA
Special Capital Reef
Requirements*

In addition, the TOC for the production casing will be at least 50 ft above the Capital Reef at approx 2,700 ft. Cement volumes for production casing are as follows (approx 25% excess):

1st Stage

Lead: 500 sacks (35.65) Poz (Fly Ash): Class H Cement + 5% bwoc Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 2% bwoc Bentonite + 0.6% bwoc Sodium Metasilicate + 0.5% bwoc FL-52A + 102.5% Fresh Water, 12.5 ppg

Yield: 2.01 cf/sk

Tail: 1,500 sacks (50.50) Poz (Fly Ash): Class H Cement + 1% bwoc Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 58.3% Fresh Water, 14.2 ppg

Yield: 1.28 cf/sk

DV TOOL at 5,500 ft

2nd Stage

Lead: 400 sacks Class C Cement + 1% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 157.8% Fresh Water, 11.4 ppg

Yield: 2.89 cf/sk

Tail: 100 sacks (60.40) Poz (Fly Ash): Class C Cement + 1% bwoc Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 63.2% Fresh Water, 13.8 ppg

Yield: 1.37 cf/sk

TOC @ 2,700 ft

** See COA*

ACTUAL CEMENT VOLUMES WILL BE ADJUSTED BASED ON FLUID CALIPER AND CALIPER LOG DATA.

0.5% bwoc BA-10A + 4% bwoc MPA-5 + 63.2% Fresh Water, 13.8 ppg. Yield: 1.37cf/sk. TOC @ ~~4,050'~~

TOC for All Strings:

Surface: 0'

Intermediate: 0'

Production: ~~4,050'~~

See COA
9/7/11

The above cement volumes could be revised pending the caliper measurement from the open hole logs. Actual cement volumes will be adjusted bases on fluid caliper and caliper log data.

5. Pressure Control Equipment: See COA

The BOP system used to drill the intermediate hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the surface casing shoe.

The BOP system used to drill the production hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the intermediate casing shoe.

The pipe rams will be operated and checked as per Onshore Order No 2. 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 3,000 psi WP.

See COA
Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns.

6. Proposed Mud Circulation System

See COA

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>
0' - 675'	8.4-9.0	30-34	NC	Fresh Water
675' - 4550'	9.8-10.0	28-32	NC	Brine
4550' - 13463'	8.6-9.0	28-32	NC-12	Fresh Water

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- A Kelly cock will be in the drill string at all times.
- A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- Hydrogen Sulfide detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

8. Logging, Coring, and Testing Program: * See COA

- Drill stem tests will be based on geological sample shows.

- b. If a drill stem test is anticipated; a procedure, equipment to be used and safety measures will be provided via sundry notice to the BLM.
- c. The open hole electrical logging program will be:
 - i. Total Depth to Intermediate Casing Dual Laterolog-Micro Laterolog with SP and Gamma Ray. Compensated Neutron – Z Density log with Gamma Ray and Caliper.
 - ii. Total Depth to Surface Compensated Neutron with Gamma Ray
 - iii. No coring program is planned
 - iv. Additional testing will be initiated subsequent to setting the 5 ½” production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Potential Hazards:

- a. No abnormal pressures or temperatures are expected. There is no known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6 No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 3600 psi and Estimated BHT 130°. No H₂S is anticipated to be encountered.

10. Anticipated Starting Date and Duration of Operations:

- a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.



Weatherford®

Drilling Services

Proposal



devon

CAPELLA 14 FEDERAL COM 1H

EDDY COUNTY, NM

WELL FILE: **PLAN 1**

JUNE 22, 2011

Weatherford International, Ltd.

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Midland, TX 79711 USA

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devon

Capella 14 Federal Com 1H
Eddy Co., New Mexico

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	179.59	0.00	0.00	0.00	0.00	0.00	0.00	
2	8544.24	0.00	179.59	8544.24	0.00	0.00	0.00	0.00	0.00	
3	9351.65	88.82	179.59	9065.00	-510.09	3.63	11.00	179.59	510.10	
4	13462.70	88.82	179.59	9150.00	-4620.15	32.88	0.00	0.00	4620.27	PBHL

WELL DETAILS						
Name+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
1H	0.00	0.00	606689.56	32°40'00.626N	103°50'04.168W	N/A

TARGET DETAILS						
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
PBHL	9150.00	-4620.15	32.88	602069.41	694878.10	Point

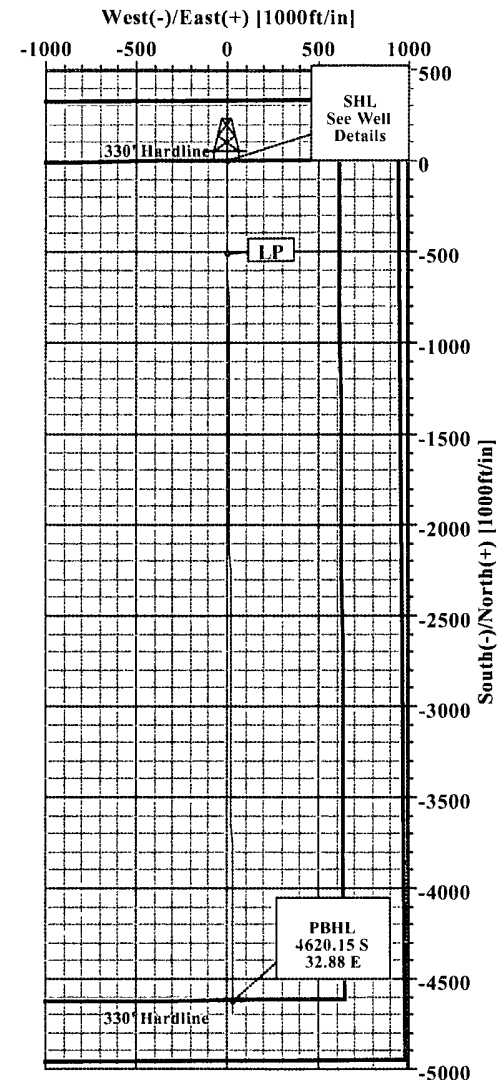
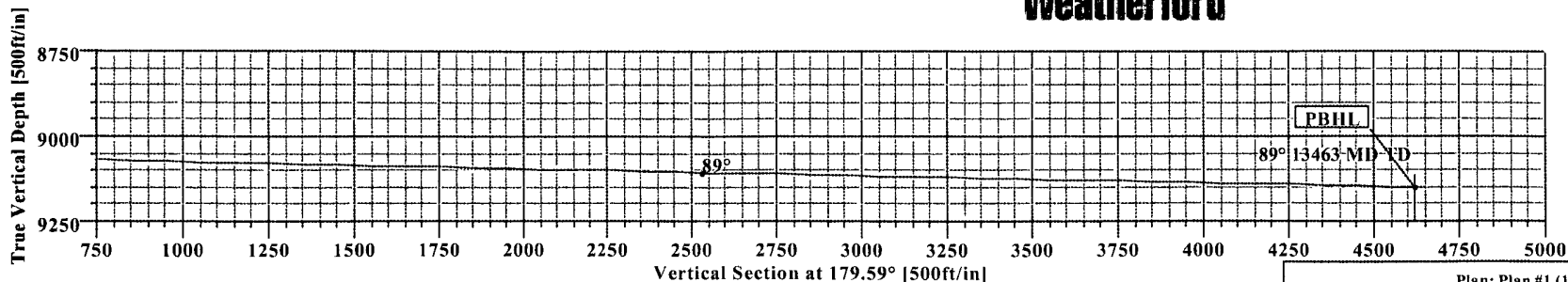
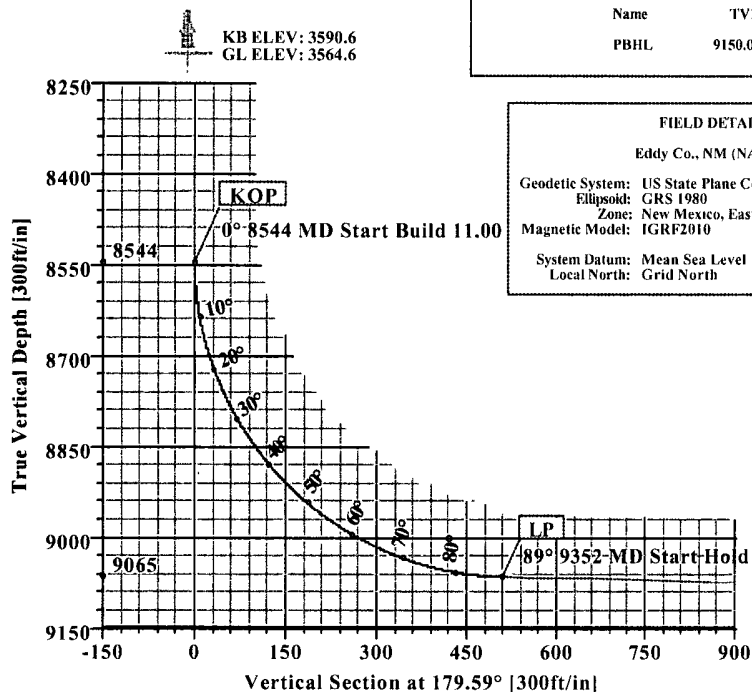
FIELD DETAILS
Eddy Co., NM (NAD 83)
Geodetic System: US State Plane Coordinate System 1983
Ellipsoid: GRS 1980
Zone: New Mexico, Eastern Zone
Magnetic Model: IGRF2010
System Datum: Mean Sea Level
Local North: Grid North

SITE DETAILS
Capella 14 Federal Com 1H
Site Centre Northing: 606689.56
Easting: 694845.22
Ground Level: 3564.60
Positional Uncertainty: 0.00
Convergence: 0.27

LEGEND
1 Plan #1

Weatherford

Azimuths to Grid North
True North: -0.27°
Magnetic North: 7.39°
Magnetic Field
Strength: 48813nT
Dip Angle: 60.53°
Date: 2/15/2012
Model: IGRF2010
Total Correction to Grid North: 7.39°



Plan: Plan #1 (1H/1)
Created By: Keith Noack
Date: 6/23/2011

Company: Devon Energy	Date: 6/22/2011	Time: 13:45:22	Page: 1
Field: Eddy Co., NM (NAD 83)	Co-ordinate(NE) Reference: Well: 1H, Grid North		
Site: Capella 14 Federal Com 1H	Vertical (TVD) Reference: SITE 3590.6		
Well: 1H	Section (VS) Reference: Well: (0.00N,0.00E,179.59Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Plan: Plan #1	Date Composed: 6/22/2011
Principal: Yes	Version: 1
	Tied-to: From Surface

Field: Eddy Co., NM (NAD 83)

Map System: US State Plane Coordinate System 1983	Map Zone: New Mexico, Eastern Zone
Geo Datum: GRS 1980	Coordinate System: Well Centre
Sys Datum: Mean Sea Level	Geomagnetic Model: IGRF2010

Site: Capella 14 Federal Com 1H

Site Position:	Northing: 606689.56 ft	Latitude: 32 40 0 626 N
From: Map	Easting: 694845.22 ft	Longitude: 103 50 4 168 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 3564 60 ft		Grid Convergence: 0 27 deg

Well: 1H	Slot Name:
Well Position: +N-S 0.00 ft	Northing: 606689.56 ft
+E-W 0.00 ft	Easting: 694845 22 ft
Position Uncertainty: 0.00 ft	Latitude: 32 40 0 626 N
	Longitude: 103 50 4 168 W

Wellpath: 1	Drilled From: Surface
Current Datum: SITE	Tie-on Depth: 0 00 ft
Magnetic Data: 2/15/2012	Above System Datum: Mean Sea Level
Field Strength: 48813 nT	Declination: 7 66 deg
Vertical Section: Depth From (TVD)	Mag Dip Angle: 60 53 deg
ft	+N-S
	ft
9150 00	0.00
	0.00
	179 59

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0 00	179 59	0.00	0.00	0 00	0 00	0 00	0.00	0.00	
8544.24	0 00	179 59	8544.24	0.00	0 00	0 00	0 00	0.00	0.00	
9351.65	88 82	179 59	9065.00	-510 09	3 63	11.00	11 00	0.00	179 59	
13462 70	88.82	179 59	9150.00	-4620 15	32 88	0.00	0 00	0.00	0.00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
8500.00	0 00	179 59	8500.00	0.00	0.00	0 00	0.00	606689 56	694845.22	
8544.24	0.00	179.59	8544.24	0 00	0 00	0 00	0.00	606689 56	694845.22	KOP
8600.00	6.13	179 59	8599.89	-2.98	0.02	2 98	11 00	606686 58	694845.24	
8700 00	17.13	179 59	8697.69	-23.12	0.16	23.12	11 00	606666 44	694845 38	
8800.00	28 13	179.59	8789 85	-61.54	0 44	61.54	11.00	606628 02	694845 66	
8900.00	39 13	179.59	8872 98	-116.84	0 83	116 84	11.00	606572.72	694846.05	
9000 00	50 13	179.59	8944.03	-186.99	1 33	186 99	11 00	606502.57	694846.55	
9100 00	61 13	179.59	9000.39	-269.40	1.92	269 41	11.00	606420.16	694847.14	
9200.00	72.13	179 59	9039.99	-361.06	2.57	361 07	11.00	606328.50	694847.79	
9300.00	83 13	179.59	9061.37	-458 59	3.26	458.60	11 00	606230 97	694848 48	
9351.65	88.82	179 59	9065 00	-510 09	3.63	510.10	11 00	606179 47	694848 85	LP
9400.00	88.82	179.59	9066.00	-558 43	3 97	558.44	0.00	606131 13	694849 19	
9500 00	88.82	179 59	9068.07	-658.40	4.69	658 42	0 00	606031 16	694849 91	
9600 00	88.82	179.59	9070.13	-758.38	5 40	758 40	0 00	605931.18	694850 62	
9700.00	88.82	179.59	9072 20	-858.35	6 11	858.38	0 00	605831 21	694851.33	
9800.00	88.82	179 59	9074.27	-958 33	6 82	958.35	0 00	605731.23	694852.04	
9900 00	88.82	179 59	9076.34	-1058 31	7.53	1058 33	0.00	605631 25	694852 75	



Company: Devon Energy	Date: 6/22/2011	Time: 13:45:22	Page: 2
Field: Eddy Co., NM (NAD.83)	Co-ordinate(NE) Reference: Well: 1H, Grid North		
Site: Capella 14 Federal Com 1H	Vertical (TVD) Reference: SITE 3590.6		
Well: 1H	Section (VS) Reference: Well (0.00N,0.00E,179.59Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Survey

MD ft.	Incl deg	Azim deg	TVD ft.	N/S ft.	E/W ft.	VS ft.	DLS deg/100ft	MapN ft.	MapE ft.	Comment
10000.00	88.82	179.59	9078.40	-1158.28	8.24	1158.31	0.00	605531.28	694853.46	
10100.00	88.82	179.59	9080.47	-1258.26	8.95	1258.29	0.00	605431.30	694854.17	
10200.00	88.82	179.59	9082.54	-1358.23	9.67	1358.27	0.00	605331.33	694854.89	
10300.00	88.82	179.59	9084.61	-1458.21	10.38	1458.25	0.00	605231.35	694855.60	
10400.00	88.82	179.59	9086.68	-1558.19	11.09	1558.23	0.00	605131.37	694856.31	
10500.00	88.82	179.59	9088.74	-1658.16	11.80	1658.20	0.00	605031.40	694857.02	
10600.00	88.82	179.59	9090.81	-1758.14	12.51	1758.18	0.00	604931.42	694857.73	
10700.00	88.82	179.59	9092.88	-1858.11	13.22	1858.16	0.00	604831.45	694858.44	
10800.00	88.82	179.59	9094.95	-1958.09	13.94	1958.14	0.00	604731.47	694859.16	
10900.00	88.82	179.59	9097.01	-2058.07	14.65	2058.12	0.00	604631.49	694859.87	
11000.00	88.82	179.59	9099.08	-2158.04	15.36	2158.10	0.00	604531.52	694860.58	
11100.00	88.82	179.59	9101.15	-2258.02	16.07	2258.08	0.00	604431.54	694861.29	
11200.00	88.82	179.59	9103.22	-2357.99	16.78	2358.05	0.00	604331.57	694862.00	
11300.00	88.82	179.59	9105.28	-2457.97	17.49	2458.03	0.00	604231.59	694862.71	
11400.00	88.82	179.59	9107.35	-2557.95	18.20	2558.01	0.00	604131.61	694863.42	
11500.00	88.82	179.59	9109.42	-2657.92	18.92	2657.99	0.00	604031.64	694864.14	
11600.00	88.82	179.59	9111.49	-2757.90	19.63	2757.97	0.00	603931.66	694864.85	
11700.00	88.82	179.59	9113.55	-2857.88	20.34	2857.95	0.00	603831.68	694865.56	
11800.00	88.82	179.59	9115.62	-2957.85	21.05	2957.93	0.00	603731.71	694866.27	
11900.00	88.82	179.59	9117.69	-3057.83	21.76	3057.90	0.00	603631.73	694866.98	
12000.00	88.82	179.59	9119.76	-3157.80	22.47	3157.88	0.00	603531.76	694867.69	
12100.00	88.82	179.59	9121.82	-3257.78	23.18	3257.86	0.00	603431.78	694868.40	
12200.00	88.82	179.59	9123.89	-3357.76	23.90	3357.84	0.00	603331.80	694869.12	
12300.00	88.82	179.59	9125.96	-3457.73	24.61	3457.82	0.00	603231.83	694869.83	
12400.00	88.82	179.59	9128.03	-3557.71	25.32	3557.80	0.00	603131.85	694870.54	
12500.00	88.82	179.59	9130.10	-3657.68	26.03	3657.78	0.00	603031.88	694871.25	
12600.00	88.82	179.59	9132.16	-3757.66	26.74	3757.76	0.00	602931.90	694871.96	
12700.00	88.82	179.59	9134.23	-3857.64	27.45	3857.73	0.00	602831.92	694872.67	
12800.00	88.82	179.59	9136.30	-3957.61	28.16	3957.71	0.00	602731.95	694873.38	
12900.00	88.82	179.59	9138.37	-4057.59	28.88	4057.69	0.00	602631.97	694874.10	
13000.00	88.82	179.59	9140.43	-4157.56	29.59	4157.67	0.00	602532.00	694874.81	
13100.00	88.82	179.59	9142.50	-4257.54	30.30	4257.65	0.00	602432.02	694875.52	
13200.00	88.82	179.59	9144.57	-4357.52	31.01	4357.63	0.00	602332.04	694876.23	
13300.00	88.82	179.59	9146.64	-4457.49	31.72	4457.61	0.00	602232.07	694876.94	
13400.00	88.82	179.59	9148.70	-4557.47	32.43	4557.58	0.00	602132.09	694877.65	
13462.70	88.82	179.59	9150.00	-4620.15	32.88	4620.27	0.00	602069.41	694878.10	PBHL

Targets

Name	Description Dip	Dir.	TVD ft.	+N/-S ft.	+E/-W ft.	Map Northing ft.	Map Easting ft.	Latitude Deg Min Sec	Longitude Deg Min Sec
PBHL			9150.00	-4620.15	32.88	602069.41	694878.10	32 39 14.908 N	103 50 4.037 W

Casing Points

MD	TVD	Diameter	Hole Size	Name



Weatherford International Ltd.

WFT Plan Report - X & Y's



Weatherford

Company: Devon Energy
Field: Eddy Co., NM (NAD 83)
Site: Capella 14 Federal Com 1H
Well: 1H
Wellpath: 1

Date: 6/22/2011 Time: 13:45:22 Page: 3
Co-ordinate (NE) Reference: Well: 1H, Grid: North
Vertical (TVD) Reference: SITE 3590.6
Section (VS) Reference: Well (0.00N; 0.00E, 179.59Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Annotation

MD ft	TVD ft	
8544.24	8544.24	KOP
9351.65	9065.00	LP
13462.69	9150.00	PBHL

Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction

**Weatherford®****Weatherford Drilling Services**

GeoDec v5.03

Report Date: June 22, 2011
Job Number: _____
Customer: Devon
Well Name: Capella 14 Federal Com 1H
API Number: _____
Rig Name: _____
Location: Eddy Co., NM
Block: _____
Engineer: KRN

US State Plane 1983	Geodetic Latitude / Longitude
System: New Mexico Eastern Zone	System: Latitude / Longitude
Projection: Transverse Mercator/Gauss Kruger	Projection: Geodetic Latitude and Longitude
Datum: North American Datum 1983	Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: GRS 1980	Ellipsoid: Clarke 1866
North/South 606689.560 USFT	Latitude 32.6667238 DEG
East/West 694845.220 USFT	Longitude -103.8339846 DEG
Grid Convergence: .27°	
Total Correction: +7.39°	

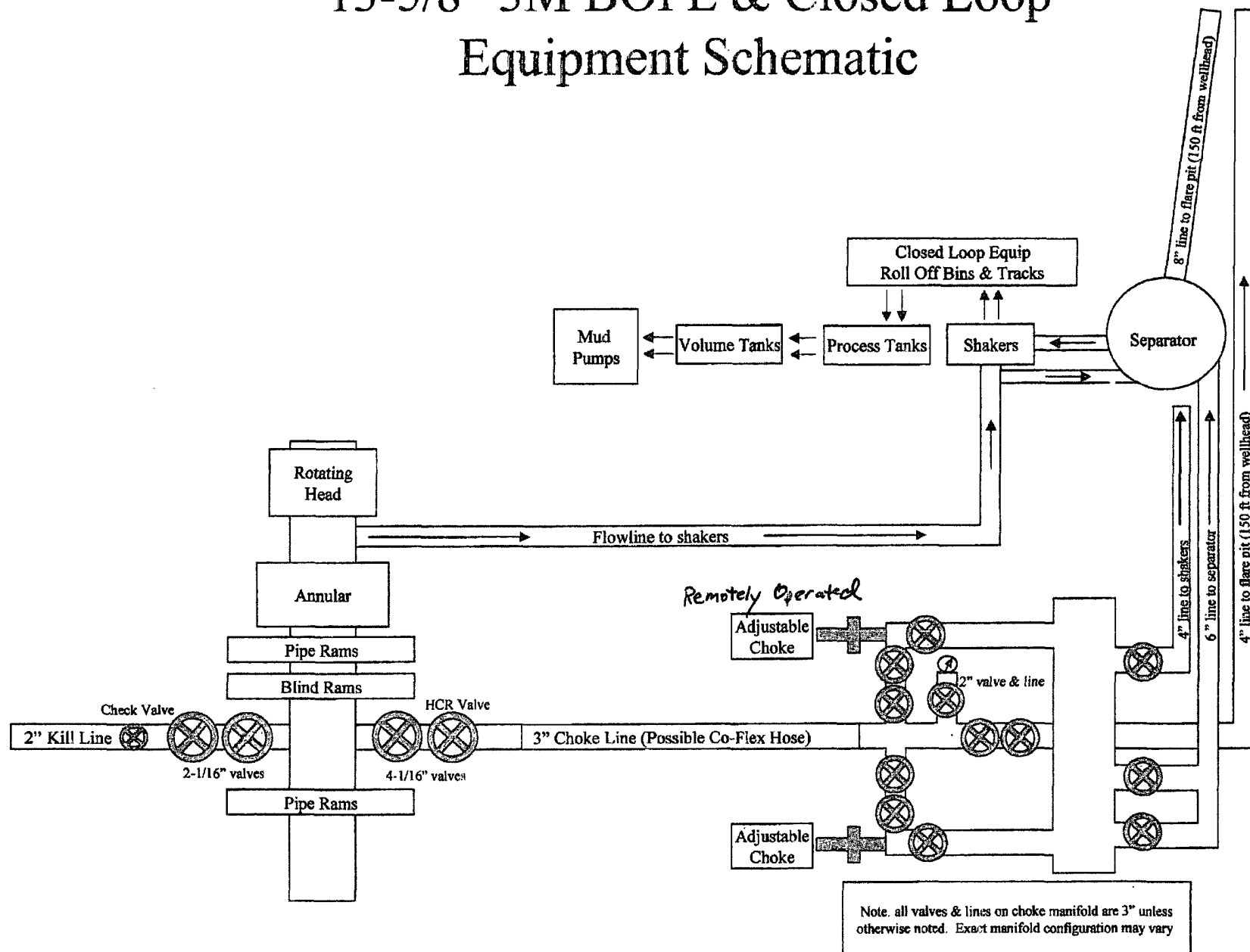
Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude =	32.66672° N	32° 40 min .206 sec
Longitude =	103.83398° W	103° 50 min 2.345 sec

Magnetic Declination =	7.66°	[True North Offset]
Local Gravity =	.9988 g	Checksum = 6678
Local Field Strength =	48809 nT	Magnetic Vector X = 23794 nT
Magnetic Dip =	60.54°	Magnetic Vector Y = 3200 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z = 42496 nT
Spud Date =	Feb 15, 2012	Magnetic Vector H = 24009 nT

Signed: _____

Date: _____

13-5/8" 3M BOPE & Closed Loop Equipment Schematic



Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP

Capella 14 Federal Com 1H

Surface Location: 330' FNL & 940' FEL, Unit A, Sec 14 T19S R31E, Eddy, NM
Bottom hole Location: 330' FSL & 940' FEL, Unit P, Sec 14 T19S R31E, Eddy, NM

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
2. Wear ring will be properly installed in head.
3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.
4. All fittings will be flanged.
5. A full bore safety valve tested to a minimum 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
6. All choke lines will be anchored to prevent movement.
7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
8. Will maintain a kelly cock attached to the kelly.
9. Hand wheels and wrenches will be properly installed and tested for safe operation.
10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

Hydrostatic Test Certificate

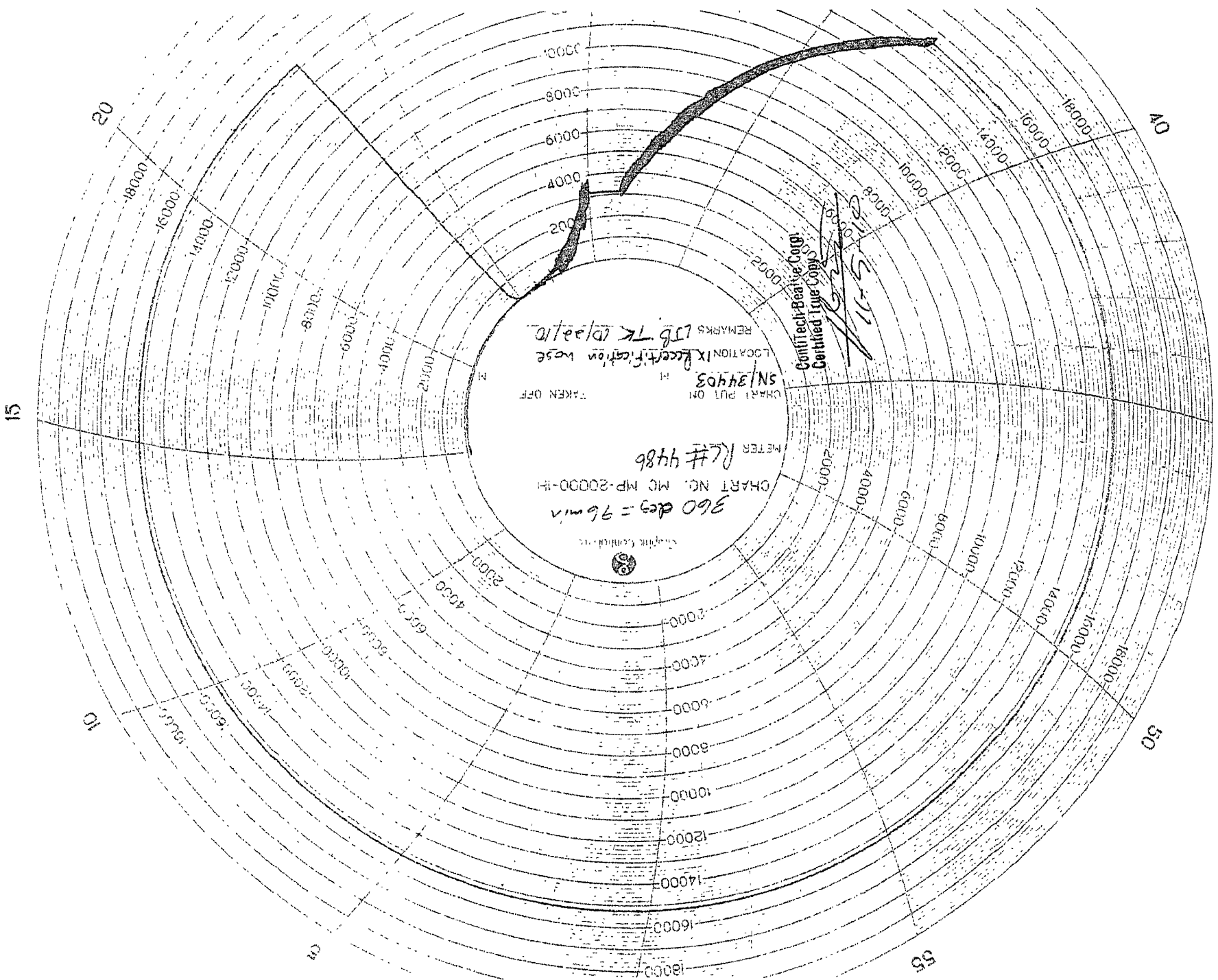


Certificate Number: 4520	PBC No: 10321	Customer Name & Address
Customer Purchase Order No: RIG 300		HELMERICH & PAYNE INT'L DRILLING CO 1437 SOUTH BOULDER TULSA, OK 74119
Project:		
Test Centre Address	Accepted by ContiTech Beattie Inspection	Accepted by Client Inspection
ContiTech Beattie Corp. 11535 Brittmoore Park Drive Houston, TX 77041 USA	Signed: Josh Sims Date: 10/27/10	

We certify 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 Beattie Corporation.

These goods were made in the United States of America.

Item	Part No.	Description	Qty	Serial Number	As-Built Length (m)	Work Press.	Test Press.	Test Time (minutes)
1		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	1	49106		10 kpsi	15 kpsi	60





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

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Houston, TX 77041
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Fax: +1 (832) 327-0148
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