

HOBBS OCD

APR 25 2012

RECEIVED

MAY 22 2012

Form C-102

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88201

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Revised October 15, 2009

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 15 40206	² Pool Code 49622	³ Pool Name PARKWAY; BONE SPRING
⁴ Property Code 38555	⁵ Property Name CORAL PWU "28"	⁶ Well Number 1H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3320.6

¹⁰ Surface Location

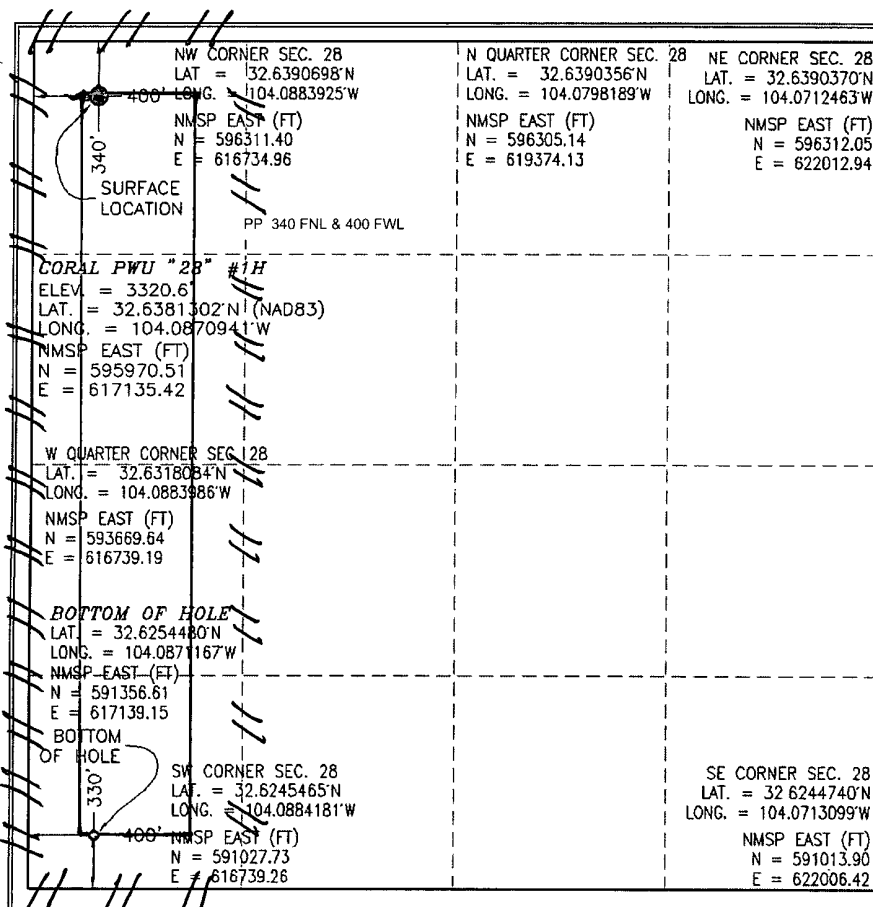
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	19 S	29 E		340	NORTH	400	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	19 S	29 E		330	SOUTH	400	WEST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation 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.

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

Signature: *D. A.* Date: 4/4/12

Printed Name:
David H. Cook Regulatory Specialist

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

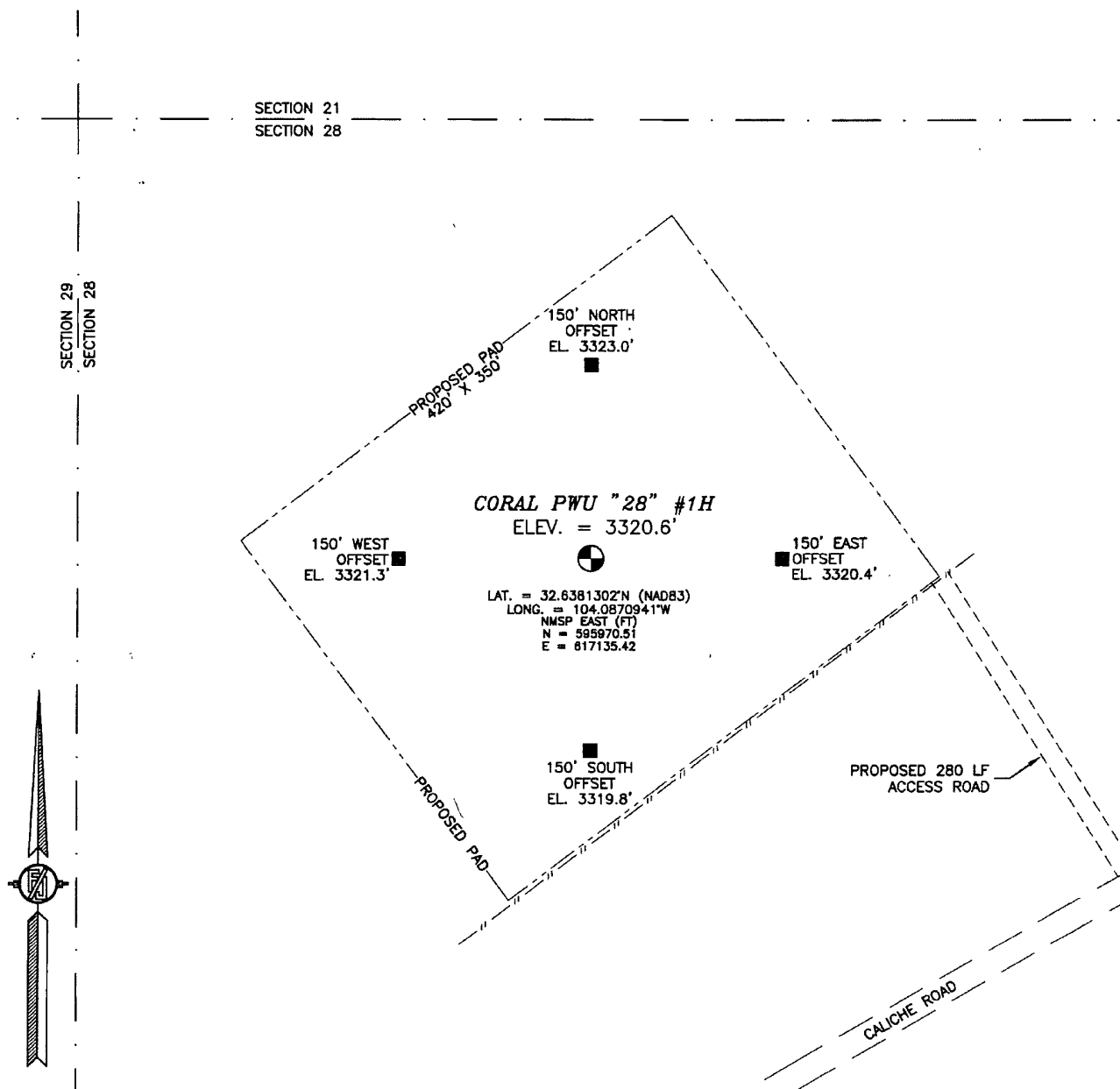
FEBRUARY 25, 2012

Date of Survey:

Signature and Seal of Professional Surveyor:
Filmon F. Jaramillo

Certificate Number: FILMON F. JARAMILLO, PLS 12797
SURVEY NO. 795

SECTION 28, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO



012 60 120 240

SCALE 1" = 120'

DIRECTIONS TO LOCATION

FROM Cr 235 (CURRY COMB) AND Cr 210 (OLD LOCO) GO
SOUTHEAST ON Cr 235 0.2 MILES, TURN RIGHT AND GO SOUTH 1.0
MILES, BEND RIGHT AND GO WEST 0.45 MILES, BEND LEFT AND GO
SOUTHWEST 0.25 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW
FLAGS NORTHWEST 280 FT TO THE NE CORNER OF PROPOSED PAD
FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.

CORAL PWU "28" #1H

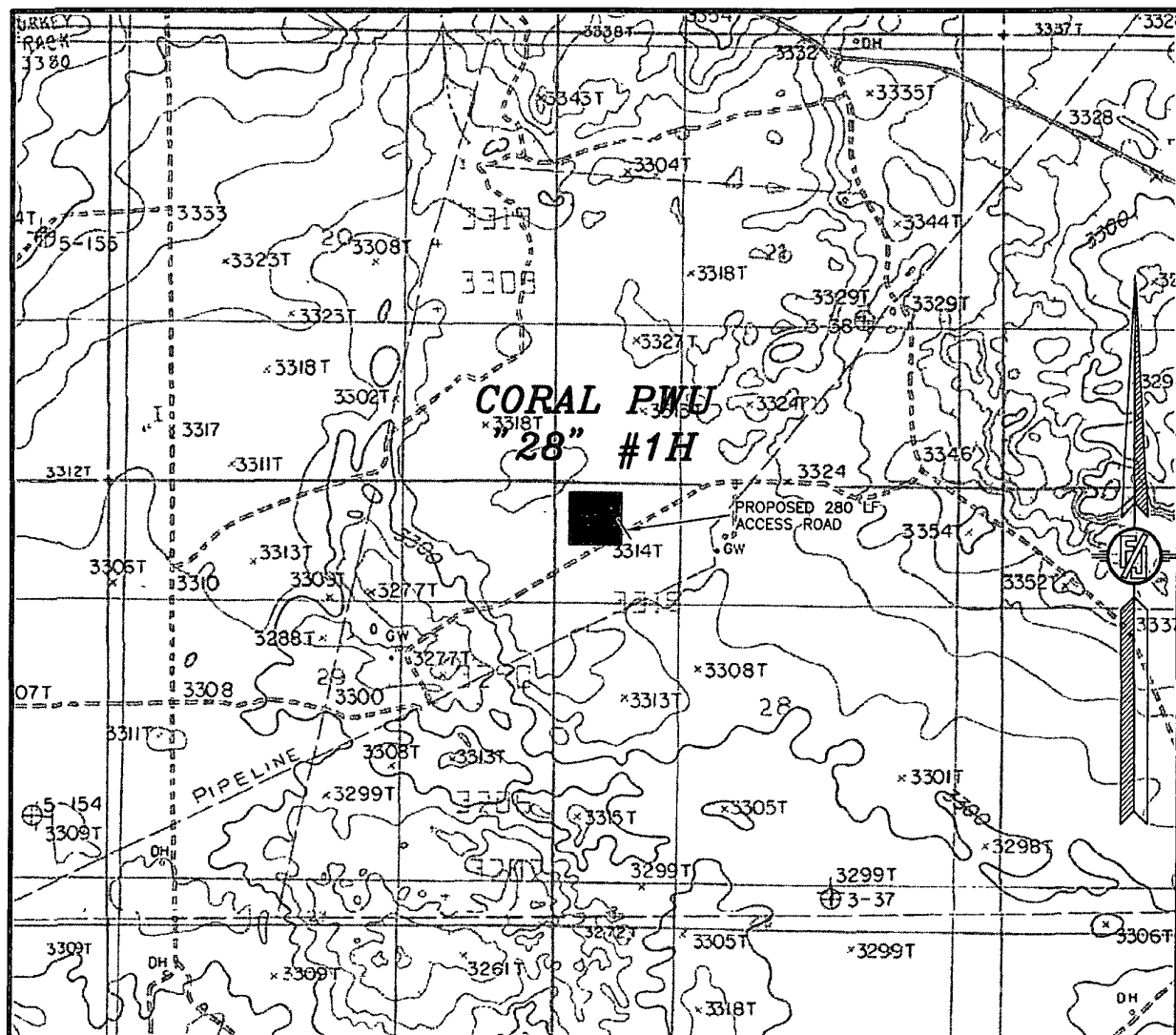
LOCATED 340 FT. FROM THE NORTH LINE
AND 400 FT. FROM THE WEST LINE OF
SECTION 28, TOWNSHIP 19 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

FEBRUARY 25, 2012

SURVEY NO. 795

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341

SECTION 28, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 LOCATION VERIFICATION MAP



USGS QUAD MAP:
 ILLINOIS CAMP NE

NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.

CORAL PWU "28" #1H

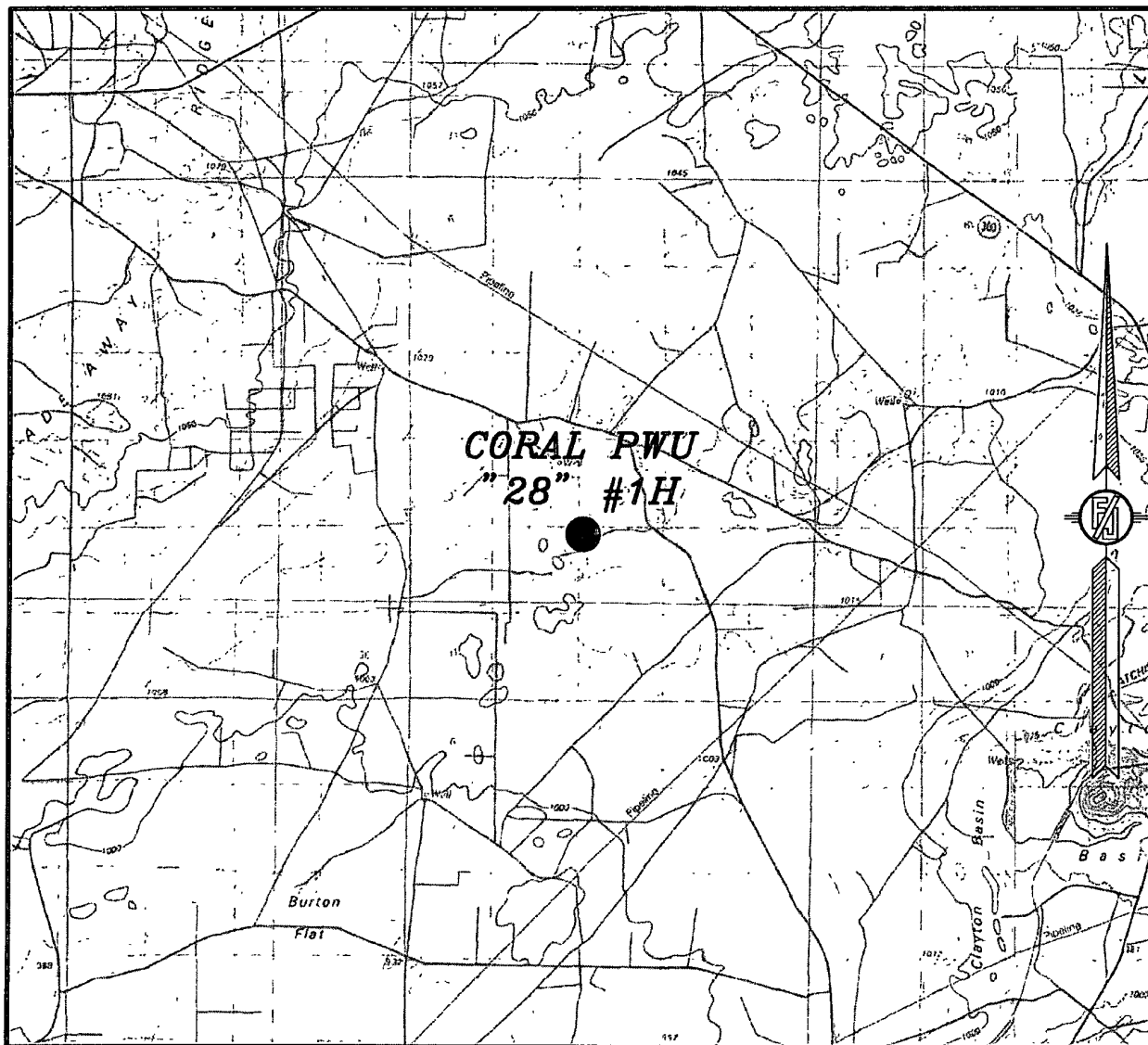
LOCATED 340 FT. FROM THE NORTH LINE
 AND 400 FT. FROM THE WEST LINE OF
 SECTION 28, TOWNSHIP 19 SOUTH,
 RANGE 29 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

FEBRUARY 25, 2012

SURVEY NO. 795

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 28, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
VICINITY MAP



NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.

CORAL PWU "28" #1H

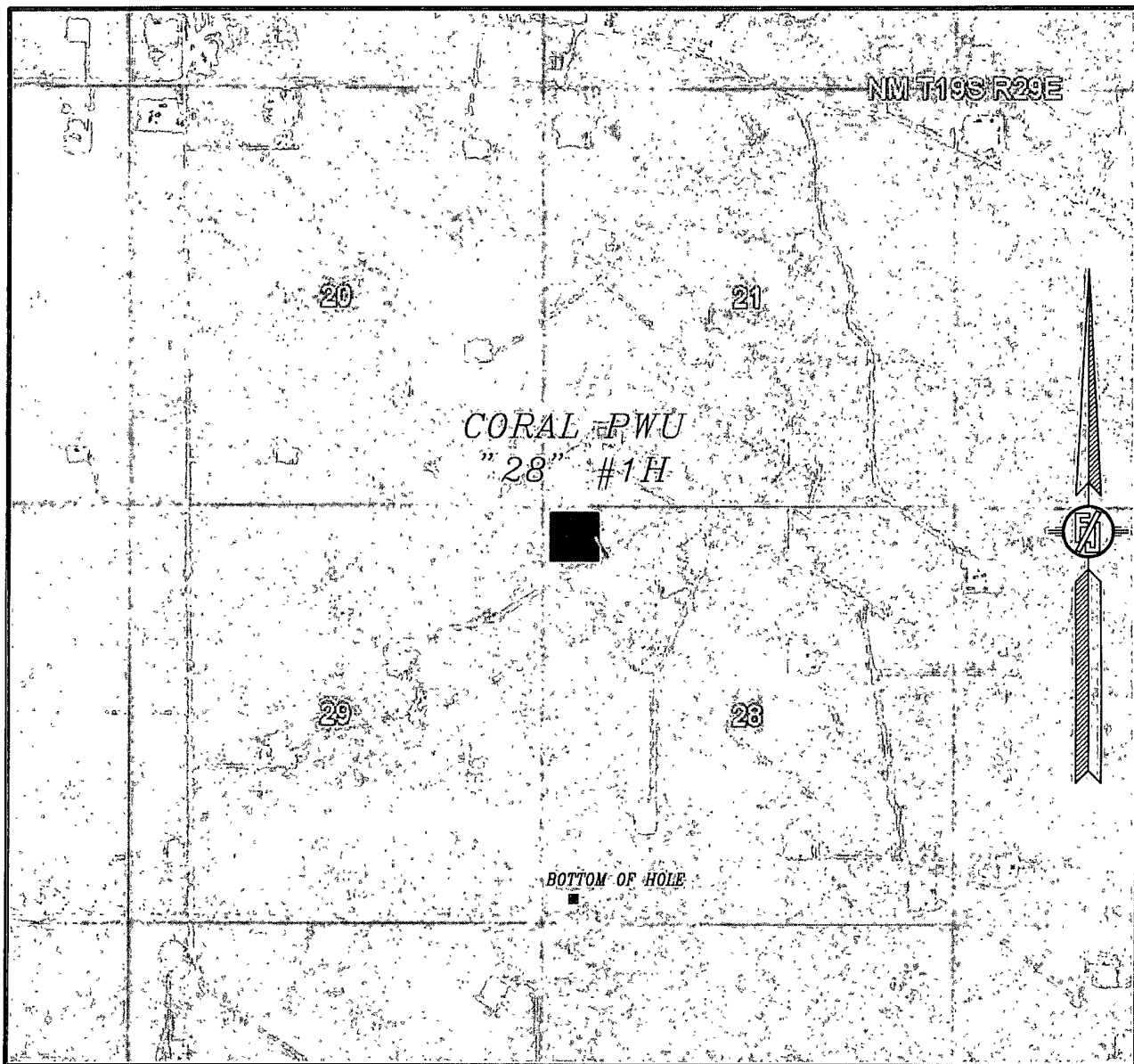
LOCATED 340 FT. FROM THE NORTH LINE
AND 400 FT. FROM THE WEST LINE OF
SECTION 28, TOWNSHIP 19 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

FEBRUARY 25, 2012

SURVEY NO. 795

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341

SECTION 28, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
JUNE 2011

DEVON ENERGY PRODUCTION COMPANY, L.P.

CORAL PWU "28" #1H

LOCATED 340 FT. FROM THE NORTH LINE
AND 400 FT. FROM THE WEST LINE OF
SECTION 28, TOWNSHIP 19 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

FEBRUARY 25, 2012

SURVEY NO. 795

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341



Weatherford[®]

Drilling Services

Proposal



CORRAL PWU 28 1H

EDDY COUNTY, NM

WELL FILE: PLAN 1

APRIL 17, 2012

Weatherford International, Ltd.

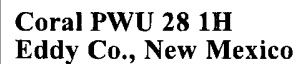
P.O. Box 61028

Midland, TX 79711 USA

+1.432 561 8892 Main

+1.432 561.8895 Fax

www.weatherford.com

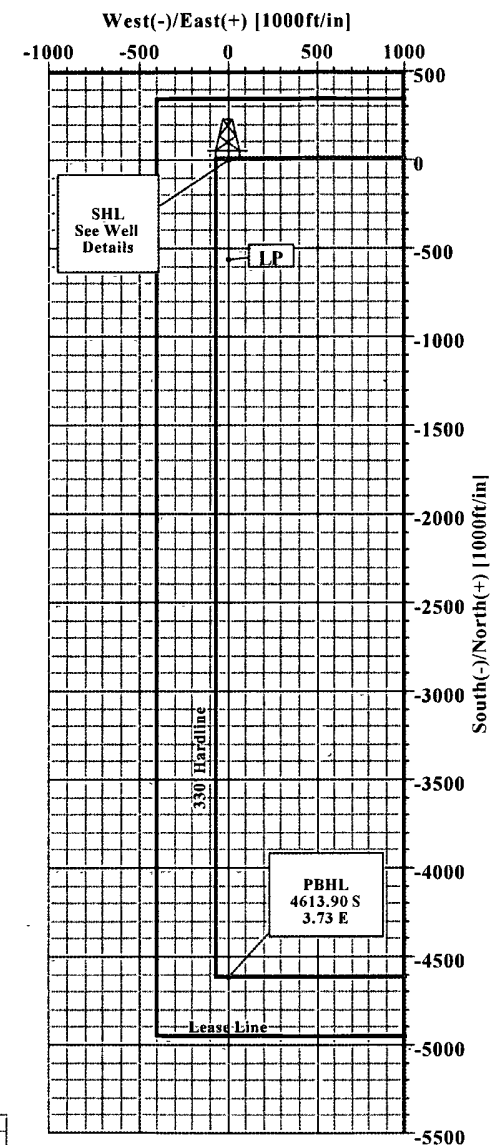
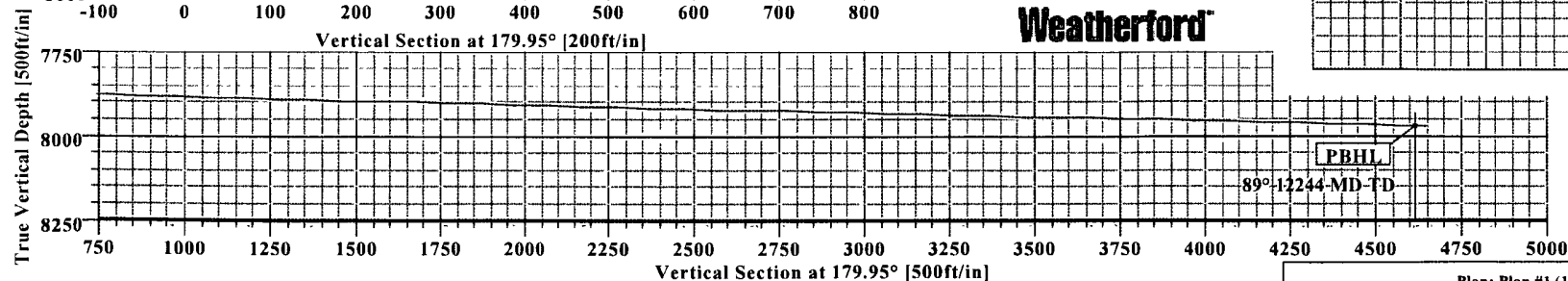
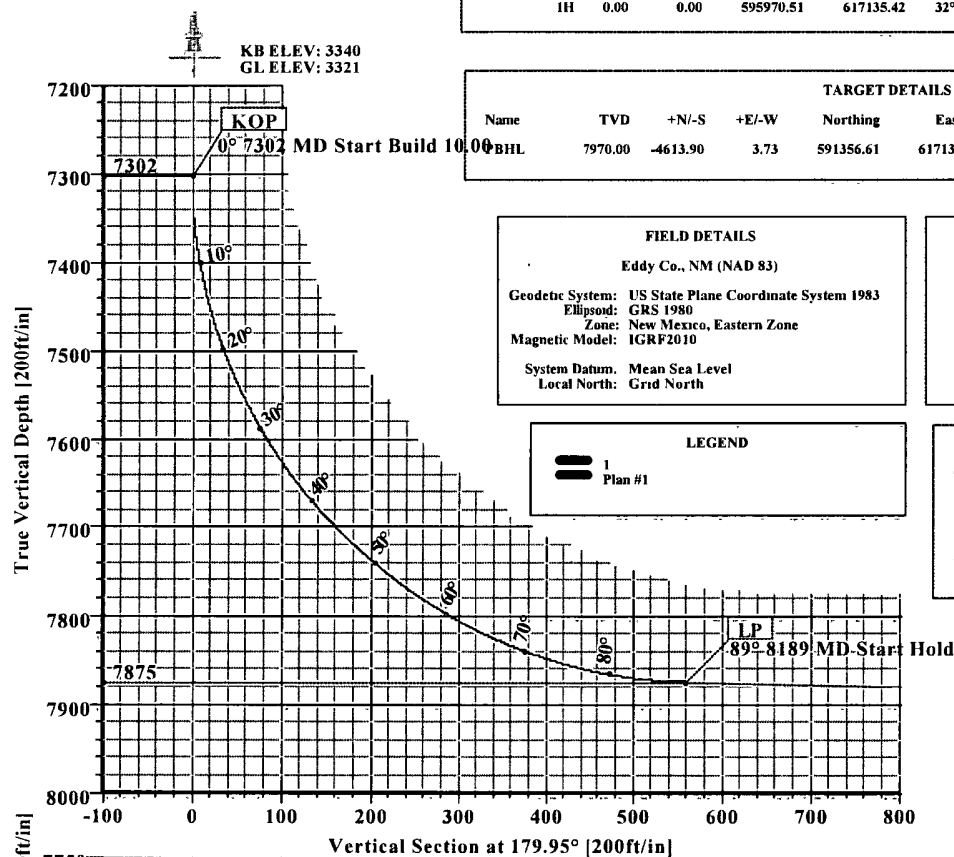


A diagram showing a circle representing Earth's surface. A vertical line passes through the center, with an arrow pointing upwards labeled 'G'. Two other arrows, labeled 'T' and 'M', originate from the center and point upwards and outwards, representing magnetic field vectors.

Azimuths to Grid North
True North: -0.13
Magnetic North: 7.59N

Magnetic Field
Strength: 48726n
Dip Angle: 60.45
Date: 7/15/2011
Model: IGRF2011

Total Correction to Grid North: 7.59N



Weatherford

Plan: Plan #1 (1H/1)
Created By: Russell W. Joyner **Date: 4/16/2012**



Weatherford International Ltd.

WFT Plan Report - X & Y's

**Weatherford**

Company: Devon Energy	Date: 4/16/2012	Time: 18:33 46	Page: 1
Field: Eddy Co., NM (NAD 83)	Co-ordinate(NE) Reference: Well. 1H, Grnd North		
Site: Coral PWU 28 1H	Vertical (TVD) Reference: SITE 3340 0		
Well: 1H	Section (VS) Reference: Well (0.00N,0 00E,179 95Azi)		
Wellpath: 1	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Plan: Plan #1	Date Composed: 3/1/2012
Principal: Yes	Version: 1
	Tied-to: From Surface

Field: Eddy Co., NM (NAD 83)**Map System:** US State Plane Coordinate System 1983
Geo Datum: GRS 1980
Sys Datum: Mean Sea Level**Map Zone:** New Mexico, Eastern Zone
Coordinate System: Well Centre
Geomagnetic Model: IGRF2010**Site:** Coral PWU 28 1H

Site Position:	Northing: 595970 51 ft	Latitude: 32 38 17.257 N
From: Map	Easting: 617135 42 ft	Longitude: 104 5 13 553 W
Position Uncertainty: 0.00 ft		North Reference: Grid
Ground Level: 3321 00 ft		Grid Convergence: 0 13 deg

Well: 1H**Slot Name:**

Well Position: +N/-S 0 00 ft	Northing: 595970 51 ft	Latitude: 32 38 17.257 N
+E/-W 0 00 ft	Easting: 617135.42 ft	Longitude: 104 5 13 553 W
Position Uncertainty: 0 00 ft		

Wellpath: 1

Current Datum: SITE	Height 3340 00 ft	Drilled From: Surface
Magnetic Data: 7/15/2012		Tie-on Depth: 0 00 ft
Field Strength: 48726 nT		Above System Datum: Mean Sea Level
Vertical Section: Depth From (TVD)		Declination: 7 72 deg
ft	+N/-S ft	Mag Dip Angle: 60 45 deg
		+E/-W Direction
		deg
0 00	0 00	0 00 179.95

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 95	0 00	0 00	0 00	0 00	0 00	0 00	0.00	
7302 20	0 00	179.95	7302 20	0 00	0 00	0 00	0 00	0 00	0.00	
8188 78	88 66	179 95	7875 00	-559 54	0 45	10 00	10 00	0 00	179.95	
12244 26	88 66	179 95	7970 00	-4613 90	3 73	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
7300.00	0.00	179 95	7300 00	0 00	0 00	0 00	0 00	595970.51	617135.42	KOP
7302 20	0 00	179 95	7302 20	0 00	0 00	0 00	0 00	595970.51	617135.42	
7400 00	9 78	179 95	7399 53	-8 33	0 01	8 33	10 00	595962.18	617135.43	
7500 00	19 78	179 95	7496 09	-33 81	0 03	33 81	10 00	595936.70	617135 45	
7600.00	29 78	179.95	7586 77	-75.67	0 06	75 67	10 00	595894 84	617135 48	
7700 00	39 78	179 95	7668 80	-132.64	0 11	132.64	10 00	595837.87	617135.53	LP
7800 00	49 78	179.95	7739 69	-202 98	0 16	202 99	10 00	595767.53	617135.58	
7900 00	59 78	179.95	7797 29	-284 58	0 23	284 58	10 00	595685.93	617135 65	
8000.00	69 78	179.95	7839.85	-374 93	0 30	374 93	10.00	595595 58	617135 72	
8100 00	79 78	179 95	7866.07	-471 30	0 38	471 30	10.00	595499 21	617135 80	
8188 78	88 66	179.95	7875.00	-559 54	0 45	559 54	10.00	595410 97	617135 87	
8200 00	88 66	179 95	7875 26	-570 76	0 46	570 76	0.00	595399 75	617135 88	
8300 00	88.66	179 95	7877 61	-670 73	0 54	670 73	0.00	595299 78	617135 96	
8400 00	88.66	179 95	7879 95	-770 70	0 62	770 70	0.00	595199 81	617136 04	
8500 00	88 66	179 95	7882 29	-870.67	0 70	870 67	0 00	595099 84	617136 12	
8600 00	88 66	179 95	7884 63	-970 65	0 78	970 65	0.00	594999 86	617136 20	
8700.00	88 66	179.95	7886 98	-1070 62	0 87	1070 62	0 00	594899 89	617136 29	



Weatherford International Ltd.

WFT Plan Report - X & Y's

**Weatherford**

Company: Devon Energy
Field: Eddy Co., NM (NAD 83)
Site: Coral PWU 28 1H
Well: 1H
Wellpath: 1

Date: 4/16/2012 Time: 18:33 46 Page: 2
Co-ordinate(NE) Reference: Well: 1H, Grid North
Vertical (TVD) Reference: SITE 3340.0
Section (VS) Reference: Well (0.00N,0 00E,179.95Azi)
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
8800 00	88 66	179 95	7889.32	-1170.59	0.95	1170 59	0.00	594799 92	617136 37	
8900 00	88 66	179 95	7891.66	-1270 56	1 03	1270 56	0 00	594699 95	617136 45	
9000 00	88 66	179 95	7894.00	-1370.54	1 11	1370 54	0 00	594599 97	617136 53	
9100.00	88 66	179 95	7896 35	-1470.51	1 19	1470 51	0 00	594500.00	617136 61	
9200 00	88 66	179 95	7898.69	-1570 48	1 27	1570 48	0.00	594400.03	617136.69	
9300 00	88.66	179 95	7901.03	-1670 45	1 35	1670.45	0.00	594300.06	617136.77	
9400 00	88.66	179 95	7903 37	-1770 43	1 43	1770.43	0 00	594200.08	617136 85	
9500.00	88 66	179 95	7905 72	-1870.40	1 51	1870.40	0.00	594100.11	617136.93	
9600 00	88 66	179.95	7908 06	-1970 37	1.59	1970.37	0 00	594000 14	617137.01	
9700 00	88 66	179 95	7910 40	-2070.34	1.67	2070 34	0.00	593900 17	617137 09	
9800.00	88 66	179 95	7912.74	-2170 32	1.75	2170 32	0.00	593800 19	617137 17	
9900 00	88 66	179 95	7915.09	-2270.29	1.84	2270 29	0.00	593700.22	617137 26	
10000 00	88 66	179 95	7917.43	-2370.26	1 92	2370 26	0 00	593600.25	617137 34	
10100 00	88 66	179 95	7919 77	-2470.23	2 00	2470 23	0 00	593500 28	617137.42	
10200.00	88 66	179 95	7922.11	-2570.21	2 08	2570 21	0 00	593400 30	617137.50	
10300 00	88 66	179 95	7924 46	-2670 18	2 16	2670 18	0 00	593300 33	617137 58	
10400 00	88 66	179 95	7926 80	-2770.15	2 24	2770 15	0 00	593200 36	617137 66	
10500 00	88 66	179 95	7929 14	-2870 12	2 32	2870 12	0 00	593100 39	617137 74	
10600 00	88 66	179 95	7931 48	-2970 10	2 40	2970 10	0 00	593000 41	617137 82	
10700 00	88.66	179.95	7933 83	-3070 07	2 48	3070 07	0 00	592900 44	617137 90	
10800.00	88.66	179.95	7936 17	-3170 04	2 56	3170.04	0 00	592800.47	617137 98	
10900 00	88 66	179.95	7938 51	-3270 01	2 64	3270 02	0 00	592700.50	617138.06	
11000 00	88 66	179 95	7940 85	-3369 99	2 72	3369.99	0.00	592600.52	617138.14	
11100 00	88 66	179 95	7943 20	-3469 96	2.81	3469 96	0.00	592500 55	617138 23	
11200.00	88.66	179.95	7945 54	-3569 93	2 89	3569 93	0.00	592400.58	617138 31	
11300 00	88 66	179 95	7947.88	-3669 90	2 97	3669 91	0 00	592300 61	617138 39	
11400 00	88 66	179.95	7950 22	-3769.88	3.05	3769 88	0.00	592200 63	617138.47	
11500.00	88 66	179 95	7952.57	-3869.85	3.13	3869 85	0.00	592100 66	617138 55	
11600.00	88.66	179 95	7954.91	-3969 82	3.21	3969 82	0 00	592000 69	617138.63	
11700 00	88.66	179 95	7957 25	-4069 79	3.29	4069 80	0.00	591900 72	617138.71	
11800 00	88 66	179 95	7959 59	-4169.77	3.37	4169 77	0 00	591800 74	617138 79	
11900 00	88 66	179.95	7961 94	-4269 74	3 45	4269 74	0 00	591700 77	617138 87	
12000 00	88.66	179 95	7964 28	-4369 71	3 53	4369 71	0 00	591600 80	617138 95	
12100 00	88.66	179 95	7966 62	-4469 68	3 61	4469 69	0 00	591500 83	617139.03	
12200 00	88 66	179 95	7968 96	-4569 66	3 69	4569.66	0.00	591400.85	617139 11	
12244 26	88 66	179 95	7970 00	-4613 90	3 73	4613 90	0 00	591356 61	617139 15	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			7970 00	-4613 90	3 73	591356.61	617139.15	32	37	31 601 N	104	5	13.635 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: Coral PWU 28 1H
Well: 1H
Wellpath: 1

Date: 4/16/2012 Time: 18 33:46 Page: 3
Co-ordinate(NE) Reference: Well 1H, Grid North
Vertical (TVD) Reference: SITE 3340 0
Section (VS) Reference: Well (0.00N,0 00E,179 95Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Annotation

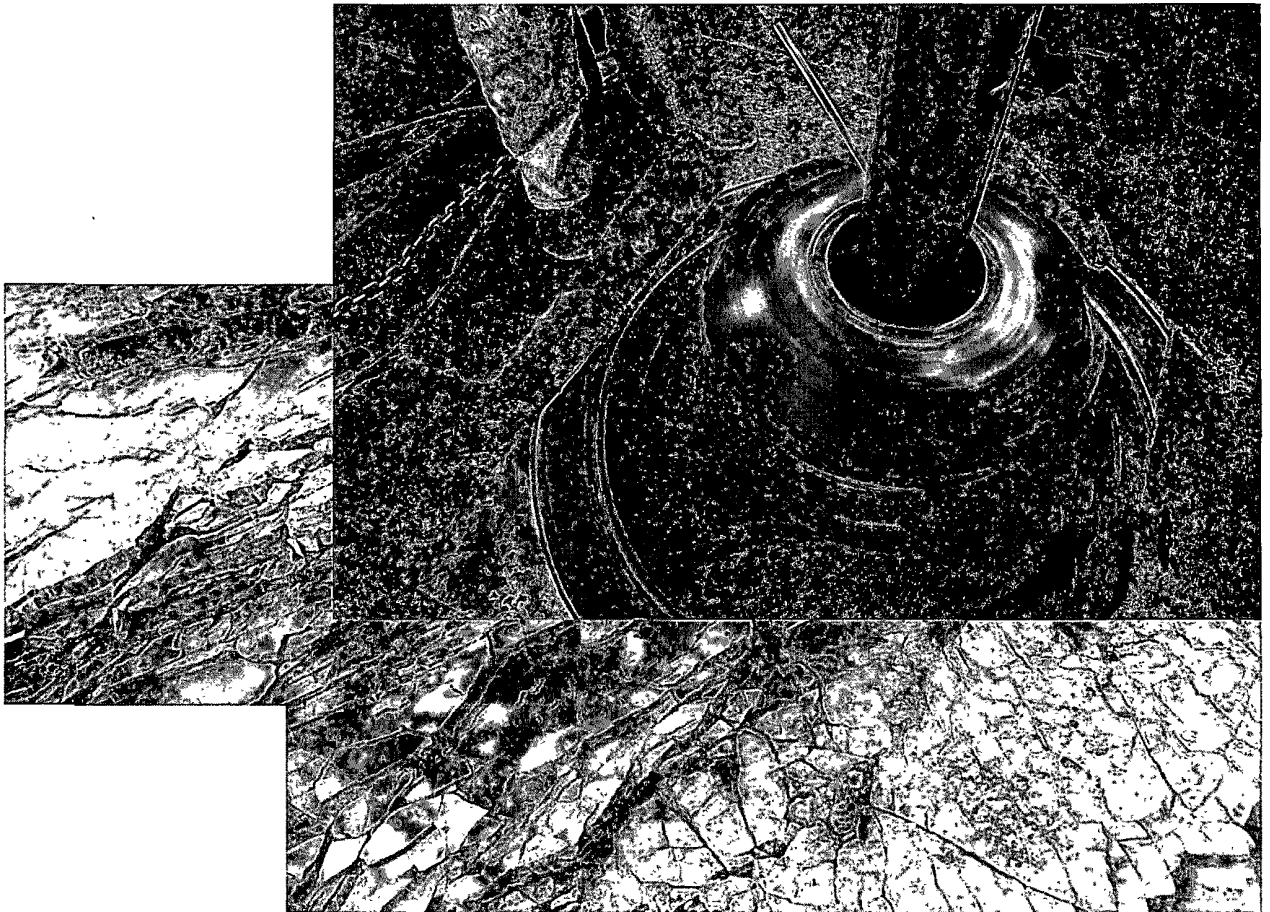
MD ft	TVD ft	
7302.20	7302.20	KOP
8188 78	7875.00	LP
12244.25	7970 00	PBHL

Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction



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.

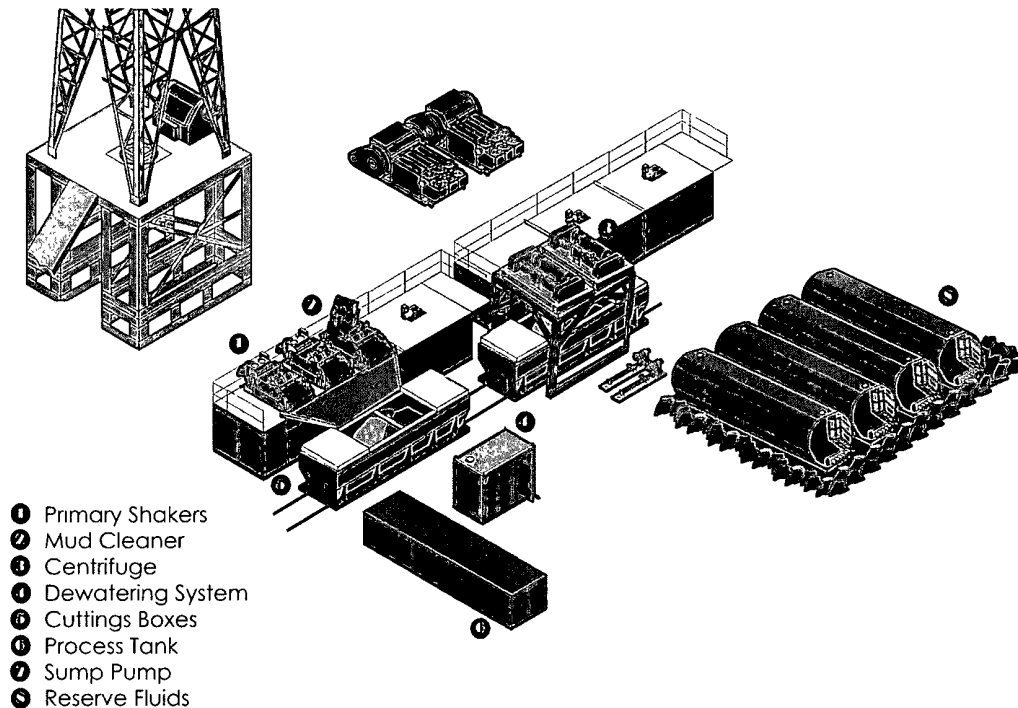
II. Operations and Maintenance Plan

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.



Closed Loop Schematic



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 dependant 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.