District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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

Form C-102
Revised October 15,2009
Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-015-40207	49622	PARKWAY;BONE SPRING

[4] Property Code	[5] Property Name	[6] Well Number
38555	CORAL PWU "28"	3H

[7] OGRID No.	[8] Operator Name	[9] Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3300.8

[10] Surface Location

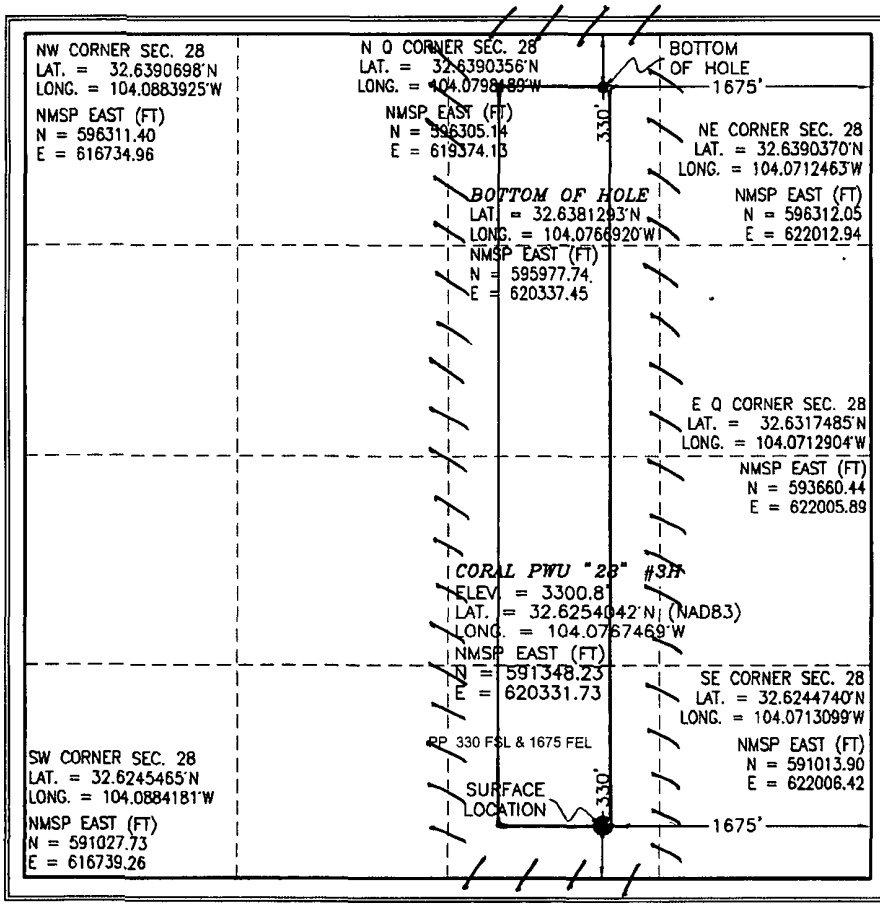
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	28	19 S	29 E		330	SOUTH	1675	EAST	EDDY

[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
B	28	19 S	29 E		330	NORTH	1675	EAST	EDDY

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160			

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 unleased 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 — Date: 4/4/12

Printed Name: David C. 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

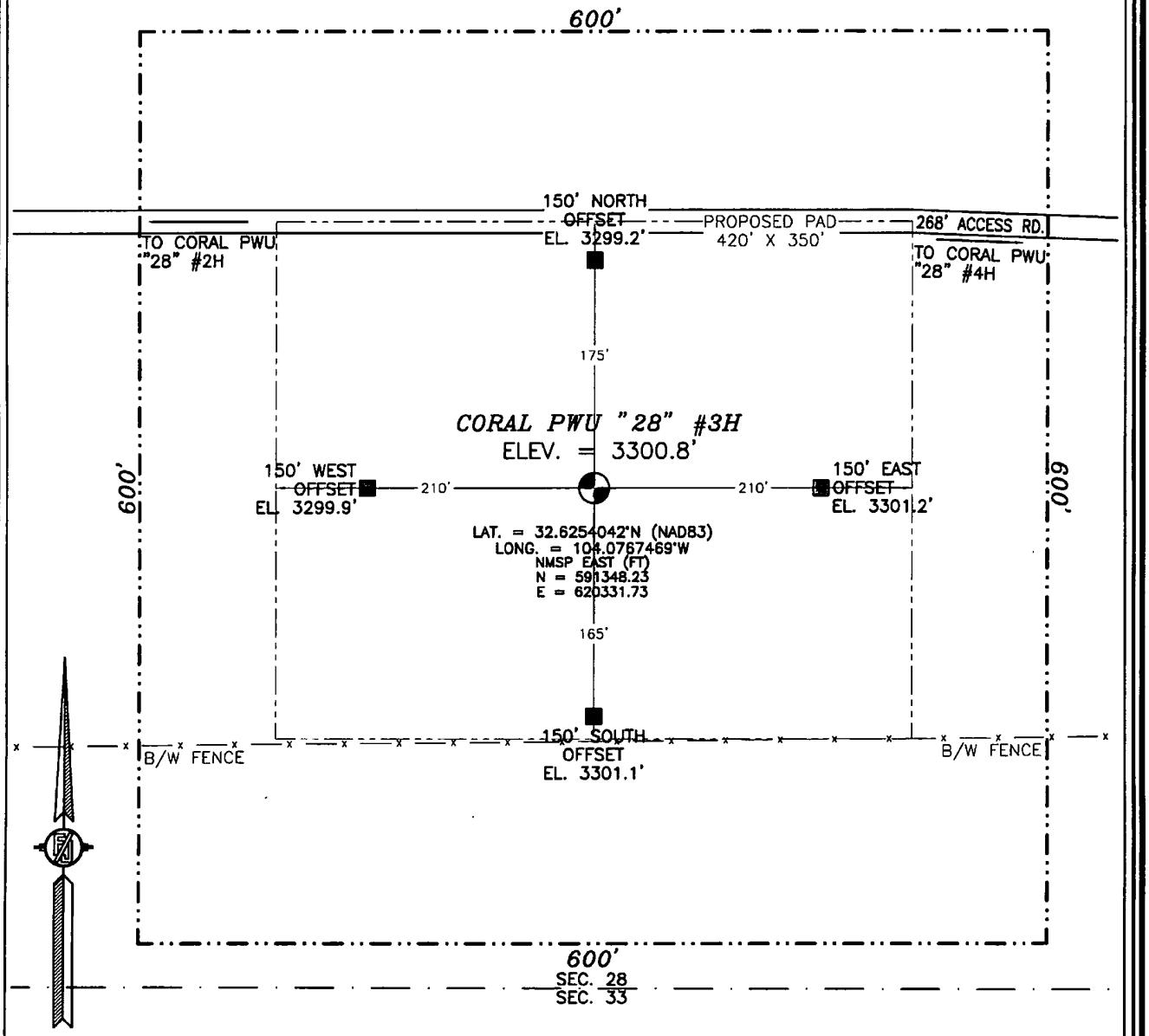
Date of Survey:

Signature and Seal of Professional Surveyor:

Certificate Number: FILIMON F. JARAMILLO PLS 12797

FILIMON F. JARAMILLO — NEW MEXICO — 12797 — REGISTERED LAND SURVEYOR — SURVEY NO. 797

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



010 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM CR. 235 AND CR. 210 GO SOUTHEAST ON 235 0.2 MILES TURN RIGHT AND GO SOUTH 1.0 MILES BEND RIGHT AND GO WEST 0.25 MILES, TURN LEFT AND GO SOUTHEAST 0.3 MILES TURN RIGHT AND GO SOUTH 0.7 MILES TURN RIGHT AND GO 200' TO EXISTING PAD FOR CORAL PWU "28" #4H AND FROM THE NW. CORNER OF PAD FOLLOW THE PROPOSED ROAD SURVEY FLAGS WEST 288' TO THE NE CORNER OF PROPOSED PAD FOR CORAL PWU "28" #3H

DEVON ENERGY PRODUCTION COMPANY, L.P.

CORAL PWU "28" #3H

LOCATED 330 FT. FROM THE SOUTH LINE AND 1675 FT. FROM THE EAST LINE OF SECTION 28, TOWNSHIP 19 SOUTH, RANGE 29 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO

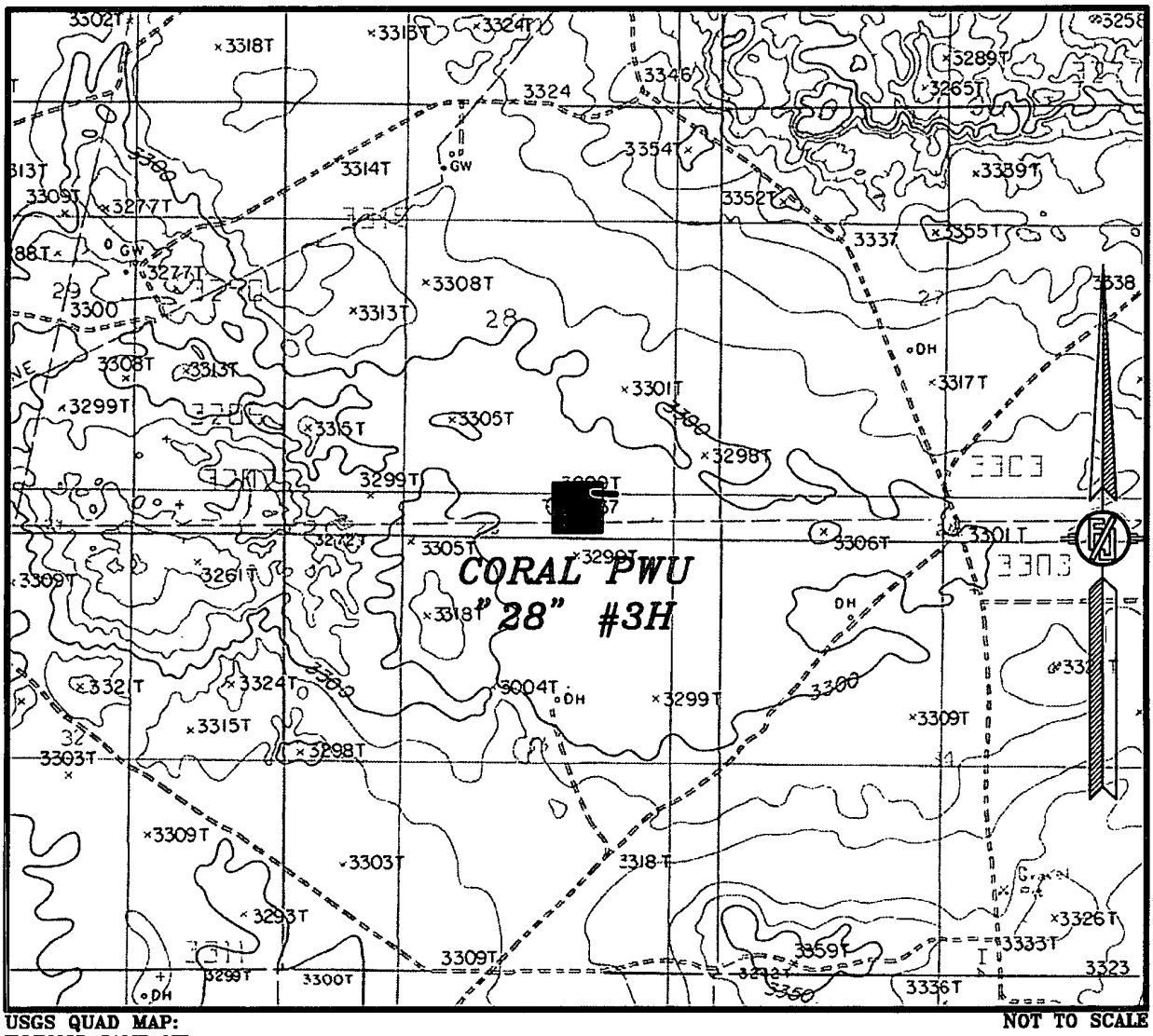
FEBRUARY 25, 2012

SURVEY NO. 797

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

LOCATION VERIFICATION MAP



USGS QUAD MAP:
ILLINOIS CAMP NE

NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.

CORAL PWU "28" #3H

LOCATED 330 FT. FROM THE SOUTH LINE
AND 1675 FT. FROM THE EAST LINE OF
SECTION 28, TOWNSHIP 19 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

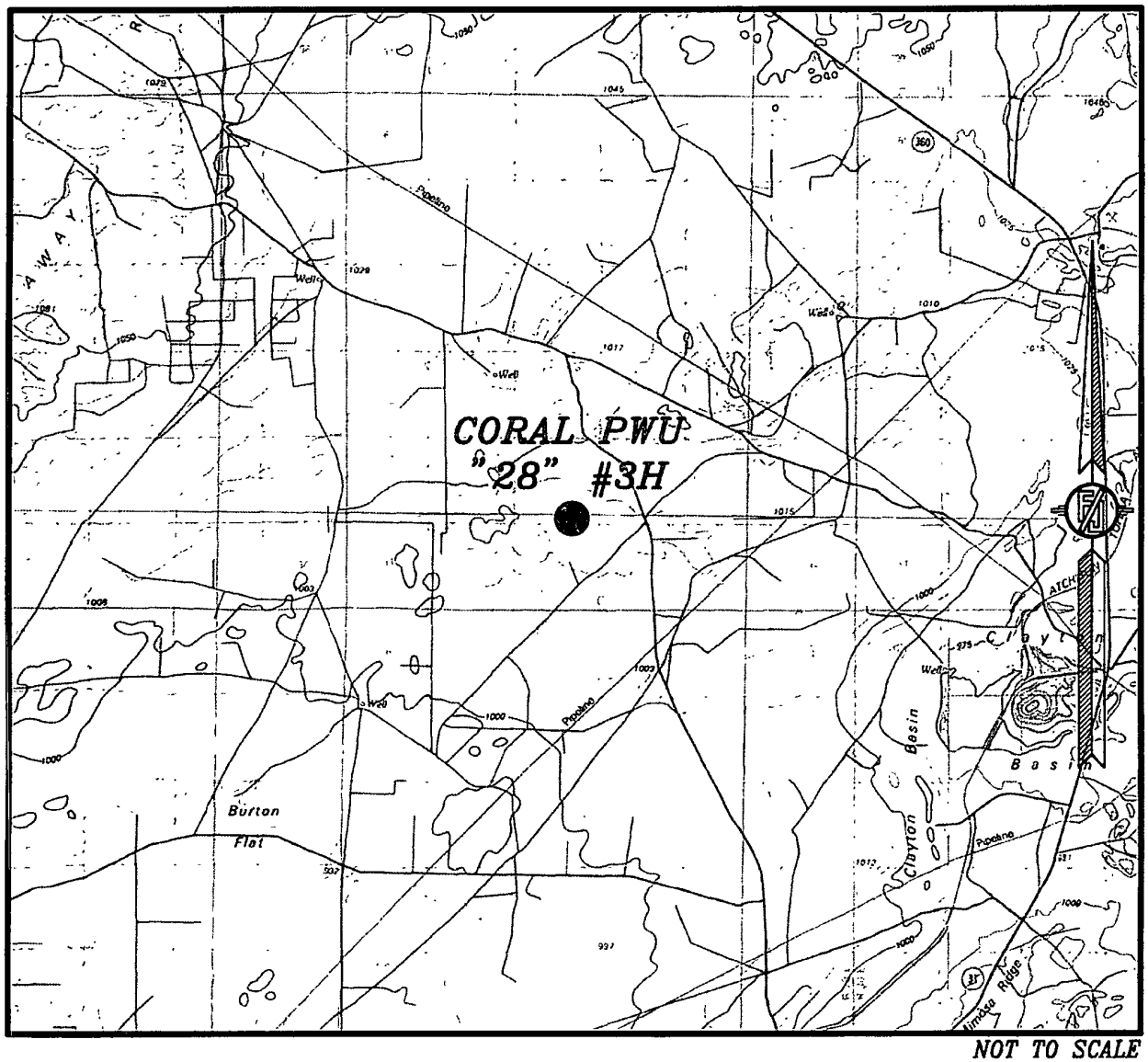
FEBRUARY 25, 2012

SURVEY NO. 797

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" #3H

LOCATED 330 FT. FROM THE SOUTH LINE
AND 1675 FT. FROM THE EAST LINE OF
SECTION 28, TOWNSHIP 19 SOUTH,
RANGE 29 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

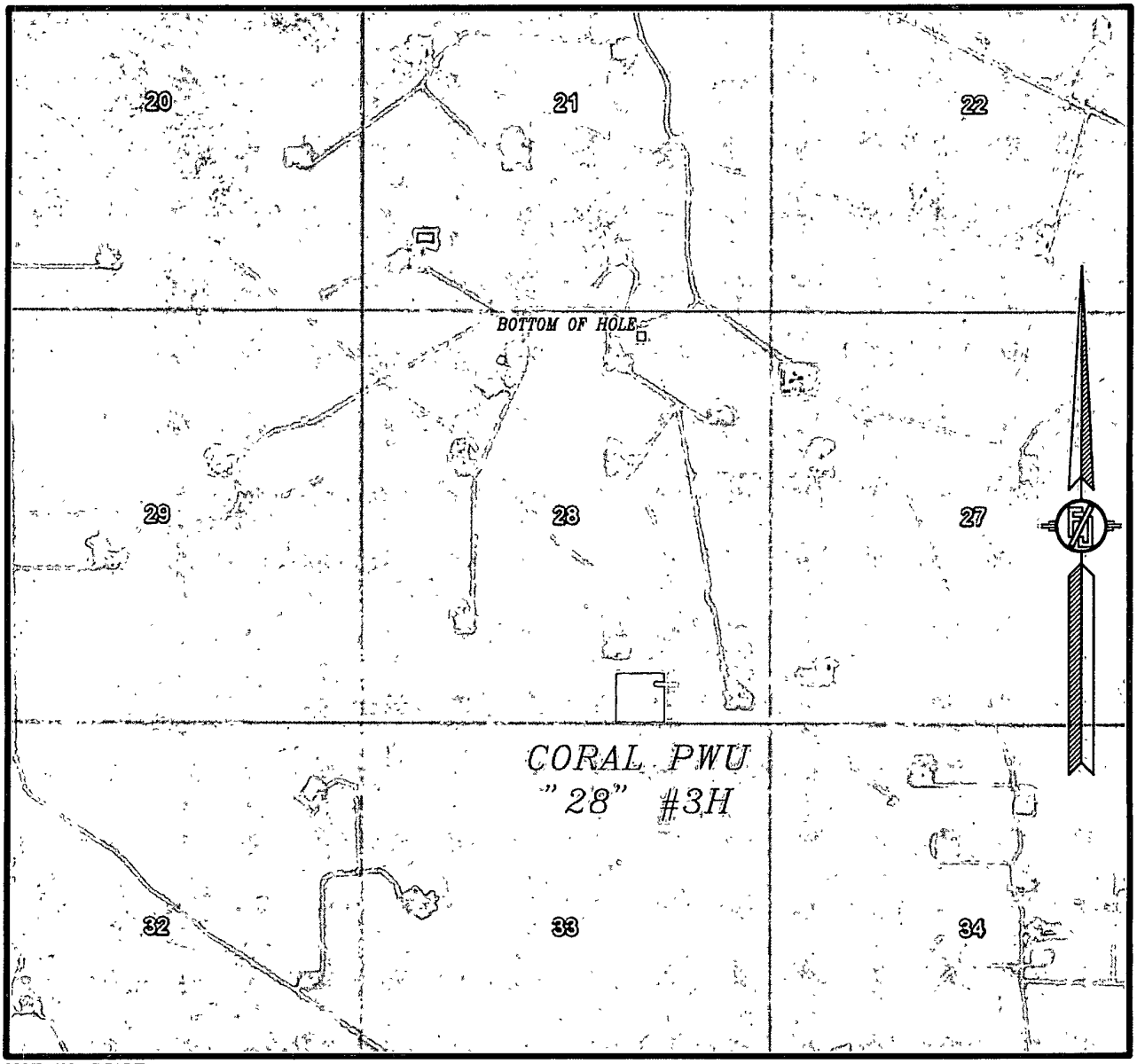
FEBRUARY 25, 2012

SURVEY NO. 797

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

AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
JUNE 2011

DEVON ENERGY PRODUCTION COMPANY, L.P.

CORAL PWU "28" #3H

LOCATED 330 FT. FROM THE SOUTH LINE
AND 1675 FT. FROM THE EAST 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. 797

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

HOBBS OCD
APR 25 2012
RECEIVED

Weatherford®

Drilling Services

Proposal

devon

CORRAL PWU 28 3H

EDDY COUNTY, NM

WELL FILE: **PLAN 1**

APRIL 16, 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

devon

Coral PWU 28 3H
Eddy Co., New Mexico

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00	0.00	
2	7407.12	0.00	0.07	7407.12	0.00	0.00	0.00	0.00	0.00	
3	8316.32	90.92	0.07	7980.00	582.16	0.72	10.00	0.07	582.16	
4	12364.20	90.92	0.07	7915.00	4629.51	5.72	0.00	0.00	4629.51	PBHL

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
3H	0.00	0.00	591348.23	620331.73	32°37'31.443N	104°04'36.303W	N/A

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL	7915.00	4629.51	5.72	595977.74	620337.45	32°38'17.254N	104°04'36.106W	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

Corral PWU 28 3H

Site Centre Northing: 591348.23
Easting: 620331.73

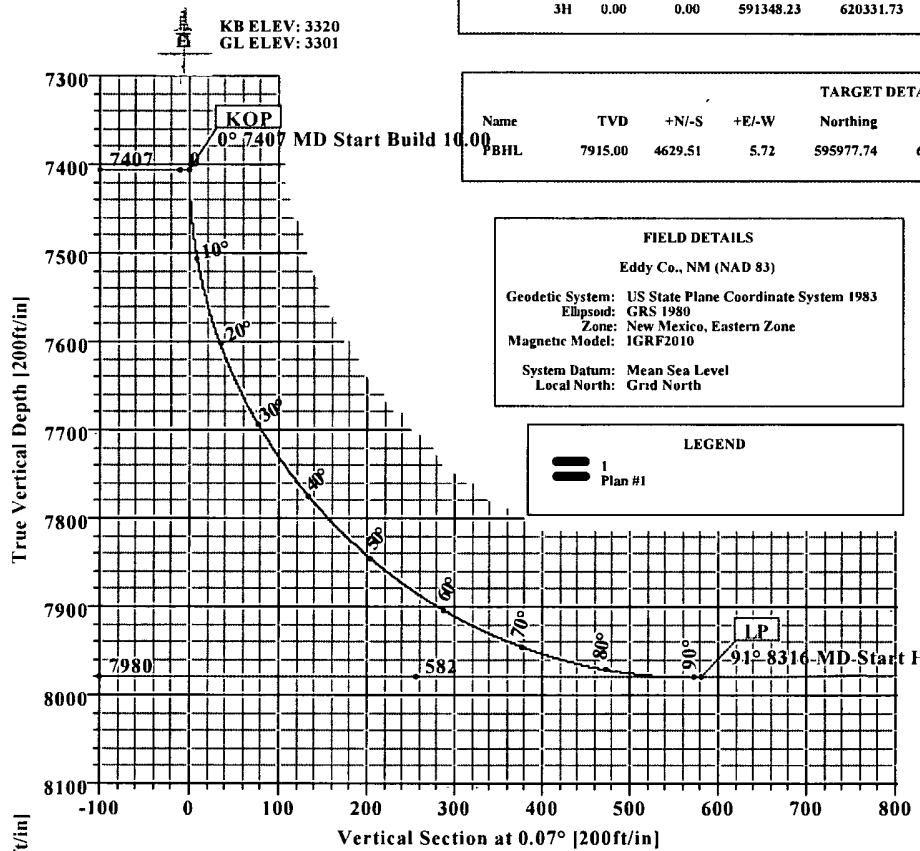
Ground Level: 3301.00
Positional Uncertainty: 0.00
Convergence: 0.14

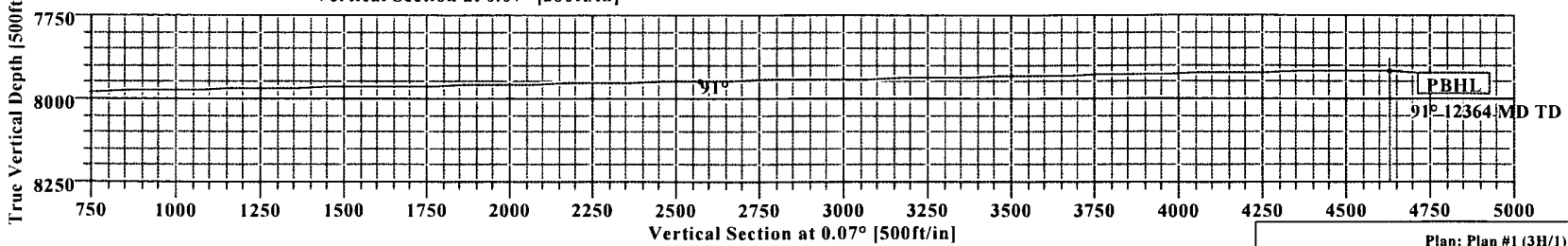
LEGEND

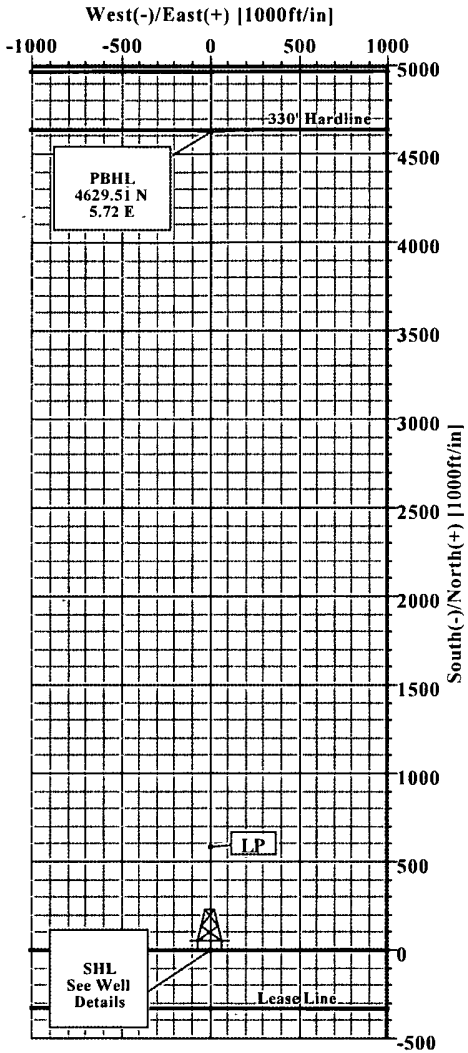
1
Plan #1

Azimuths to Grid North
True North: -0.14°
Magnetic North: 7.57°

Magnetic Field
Strength: 48711nT
Dip Angle: 60.44°
Date: 8/15/2012
Model: IGRF2010
Total Correction to Grid North: 7.57°







Weatherford

Plan: Plan #1 (3H/1)

Created By: Russell W. Joyner Date: 4/16/2012

Weatherford International Ltd.
WFT Plan Report - X & Y's

devon

Weatherford

Company:	Devon Energy	**Date:** 4/16/2012	**Time:** 13.48 50	**Page:**	1
Field:	Eddy Co., NM (NAD 83)	**Co-ordinate(NE) Reference:**	Well: 3H, Grid North		
Site:	Corral PWU 28 3H	**Vertical (TVD) Reference:**	SITE 3320 0		
Well:	3H	**Section (VS) Reference:**	Well (0.00N,0 00E,0 07Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Plan:	Plan #1	**Date Composed:**	3/1/2012
		Version:	1
Principal:	Yes	**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:	Corral PWU 28 3H				
Site Position:		**Northing:**	591348.23 ft	**Latitude:**	32 37 31 443 N
From:	Map	**Easting:**	620331.73 ft	**Longitude:**	104 4 36 303 W
Position Uncertainty:	0.00 ft			**North Reference:**	Grid
Ground Level:	3301 00 ft			**Grid Convergence:**	0 14 deg

Well:	3H				**Slot Name:**	
Well Position:	+N/-S	0 00 ft	**Northing:**	591348 23 ft	**Latitude:**	32 37 31.443 N
	+E/-W	0.00 ft	**Easting :**	620331.73 ft	**Longitude:**	104 4 36.303 W
Position Uncertainty:		0 00 ft				

Wellpath:	1			**Drilled From:**	Surface
				Tie-on Depth:	0 00 ft
Current Datum:	SITE	**Height**	3320 00 ft	**Above System Datum:**	Mean Sea Level
Magnetic Data:	8/15/2012			**Declination:**	7 71 deg
Field Strength:	48711 nT			**Mag Dip Angle:**	60.44 deg

Vertical Section:	**Depth From (TVD)**	**+N/-S**	**+E/-W**	**Direction**
	ft	ft	ft	deg
	0 00	0 00	0 00	0.07

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	0.07	0.00	0.00	0.00	0 00	0.00	0 00	0 00	
7407 12	0.00	0.07	7407.12	0 00	0.00	0 00	0.00	0.00	0 00	
8316 32	90 92	0.07	7980 00	582 16	0 72	10.00	10 00	0.00	0 07	
12364 20	90 92	0.07	7915 00	4629 51	5.72	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
7400.00	0 00	0 07	7400 00	0 00	0 00	0.00	0 00	591348 23	620331.73	
7407.12	0 00	0 07	7407 12	0 00	0 00	0 00	0 00	591348.23	620331.73	KOP
7500.00	9 29	0 07	7499 59	7 51	0 01	7 51	10 00	591355 74	620331.74	
7600.00	19 29	0.07	7596.38	32 16	0 04	32 16	10 00	591380 39	620331.77	
7700 00	29 29	0 07	7687 41	73 24	0.09	73.24	10 00	591421 47	620331.82	
7800 00	39 29	0 07	7769 93	129.50	0 16	129 50	10 00	591477 73	620331 89	
7900 00	49 29	0 07	7841 42	199 24	0 25	199 24	10 00	591547 47	620331 98	
8000 00	59 29	0 07	7899 72	280 33	0 35	280.34	10.00	591628 56	620332 08	
8100 00	69 29	0 07	7943 05	370 32	0 46	370 32	10.00	591718 55	620332 19	
8200 00	79 29	0 07	7970 09	466 46	0 58	466 46	10.00	591814 69	620332 31	
8300.00	89 29	0 07	7980 03	565 84	0 70	565 84	10.00	591914 07	620332.43	
8316 32	90 92	0 07	7980 00	582 16	0 72	582 16	10.00	591930 39	620332 45	LP
8400.00	90 92	0.07	7978 66	665 83	0.82	665 83	0.00	592014 06	620332 55	
8500.00	90.92	0 07	7977.05	765.81	0 95	765 81	0 00	592114.04	620332 68	
8600.00	90.92	0 07	7975 45	865.80	1 07	865 80	0.00	592214 03	620332 80	
8700 00	90 92	0.07	7973 84	965 79	1 19	965 79	0 00	592314.02	620332 92	
8800 00	90 92	0 07	7972 24	1065.77	1 32	1065 78	0.00	592414.00	620333 05	

Weatherford International Ltd.
WFT Plan Report - X & Y's

devon

Weatherford

Company:	Devon Energy	**Date:** 4/16/2012	**Time:** 13.48:50	**Page:**	2
Field:	Eddy Co , NM (NAD 83)	**Co-ordinate(NE) Reference:**	Well 3H, Grid North		
Site:	Corral PWU 28 3H	**Vertical (TVD) Reference:**	SITE 3320 0		
Well:	3H	**Section (VS) Reference:**	Well (0.00N,0 00E,0 07Azi)		
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
8900 00	90.92	0 07	7970.63	1165.76	1.44	1165 76	0 00	592513 99	620333 17	
9000 00	90 92	0 07	7969.02	1265 75	1 56	1265 75	0 00	592613 98	620333.29	
9100 00	90 92	0 07	7967 42	1365 74	1 69	1365 74	0 00	592713 97	620333.42	
9200 00	90 92	0 07	7965 81	1465 72	1 81	1465 72	0 00	592813 95	620333 54	
9300 00	90 92	0 07	7964 21	1565 71	1 93	1565 71	0 00	592913 94	620333 66	
9400 00	90.92	0 07	7962 60	1665 70	2 06	1665.70	0 00	593013 93	620333.79	
9500 00	90 92	0 07	7961 00	1765 68	2 18	1765 68	0 00	593113 91	620333 91	
9600 00	90.92	0.07	7959.39	1865 67	2 31	1865 67	0 00	593213 90	620334 04	
9700 00	90 92	0 07	7957 78	1965 66	2.43	1965.66	0.00	593313.89	620334 16	
9800 00	90 92	0.07	7956 18	2065.64	2 55	2065 65	0 00	593413 87	620334.28	
9900 00	90 92	0.07	7954 57	2165 63	2 68	2165 63	0 00	593513 86	620334 41	
10000 00	90.92	0 07	7952 97	2265 62	2.80	2265.62	0 00	593613 85	620334.53	
10100 00	90 92	0 07	7951 36	2365 61	2 92	2365 61	0 00	593713 84	620334 65	
10200 00	90 92	0 07	7949 75	2465 59	3 05	2465.59	0 00	593813.82	620334 78	
10300.00	90 92	0 07	7948 15	2565 58	3.17	2565.58	0.00	593913.81	620334.90	
10400 00	90 92	0.07	7946 54	2665 57	3.29	2665.57	0 00	594013.80	620335.02	
10500.00	90 92	0 07	7944 94	2765 55	3 42	2765.56	0 00	594113.78	620335.15	
10600 00	90 92	0 07	7943 33	2865 54	3 54	2865 54	0 00	594213.77	620335 27	
10700.00	90 92	0.07	7941 72	2965 53	3 66	2965.53	0 00	594313 76	620335.39	
10800.00	90 92	0 07	7940 12	3065 51	3 79	3065.52	0 00	594413 74	620335 52	
10900.00	90.92	0.07	7938 51	3165.50	3 91	3165 50	0 00	594513 73	620335 64	
11000.00	90.92	0.07	7936.91	3265.49	4.03	3265.49	0 00	594613.72	620335 76	
11100.00	90 92	0 07	7935 30	3365.48	4 16	3365.48	0.00	594713 71	620335.89	
11200.00	90 92	0.07	7933 70	3465.46	4 28	3465.47	0 00	594813.69	620336.01	
11300.00	90 92	0.07	7932 09	3565.45	4.41	3565.45	0 00	594913.68	620336.14	
11400 00	90 92	0.07	7930 48	3665 44	4 53	3665.44	0.00	595013 67	620336.26	
11500.00	90 92	0.07	7928 88	3765 42	4 65	3765 43	0 00	595113.65	620336.38	
11600 00	90 92	0.07	7927 27	3865 41	4 78	3865 41	0 00	595213.64	620336.51	
11700 00	90 92	0 07	7925.67	3965 40	4 90	3965 40	0.00	595313.63	620336 63	
11800 00	90 92	0.07	7924.06	4065 39	5.02	4065 39	0.00	595413.62	620336 75	
11900 00	90 92	0.07	7922 45	4165 37	5 15	4165 38	0 00	595513.60	620336.88	
12000 00	90 92	0.07	7920 85	4265 36	5 27	4265 36	0 00	595613 59	620337.00	
12100 00	90 92	0.07	7919 24	4365 35	5 39	4365.35	0 00	595713 58	620337.12	
12200.00	90 92	0.07	7917.64	4465 33	5.52	4465.34	0 00	595813.56	620337 25	
12300 00	90.92	0.07	7916.03	4565 32	5 64	4565.32	0 00	595913 55	620337 37	
12364 20	90 92	0 07	7915.00	4629 51	5 72	4629.51	0 00	595977.74	620337 45	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			7915.00	4629 51	5.72	595977 74	620337.45	32 38 17 254 N	104 4 36.106 W

Casing Points

MD	TVD	Diameter	Hole Size	Name

Weatherford International Ltd.
WFT Plan Report - X & Y's

Company:	Devon Energy	**Date:** 4/16/2012	**Time:** 13 48:50	**Page:**	3
Field:	Eddy Co , NM (NAD 83)	**Co-ordinate(NE) Reference:**	Well: 3H, Grid North		
Site:	Corral PWU 28 3H	**Vertical (TVD) Reference:**	SITE 3320.0		
Well:	3H	**Section (VS) Reference:**	Well (0 00N,0.00E,0 07Azi)		
Wellpath:	1	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Sybase

Annotation

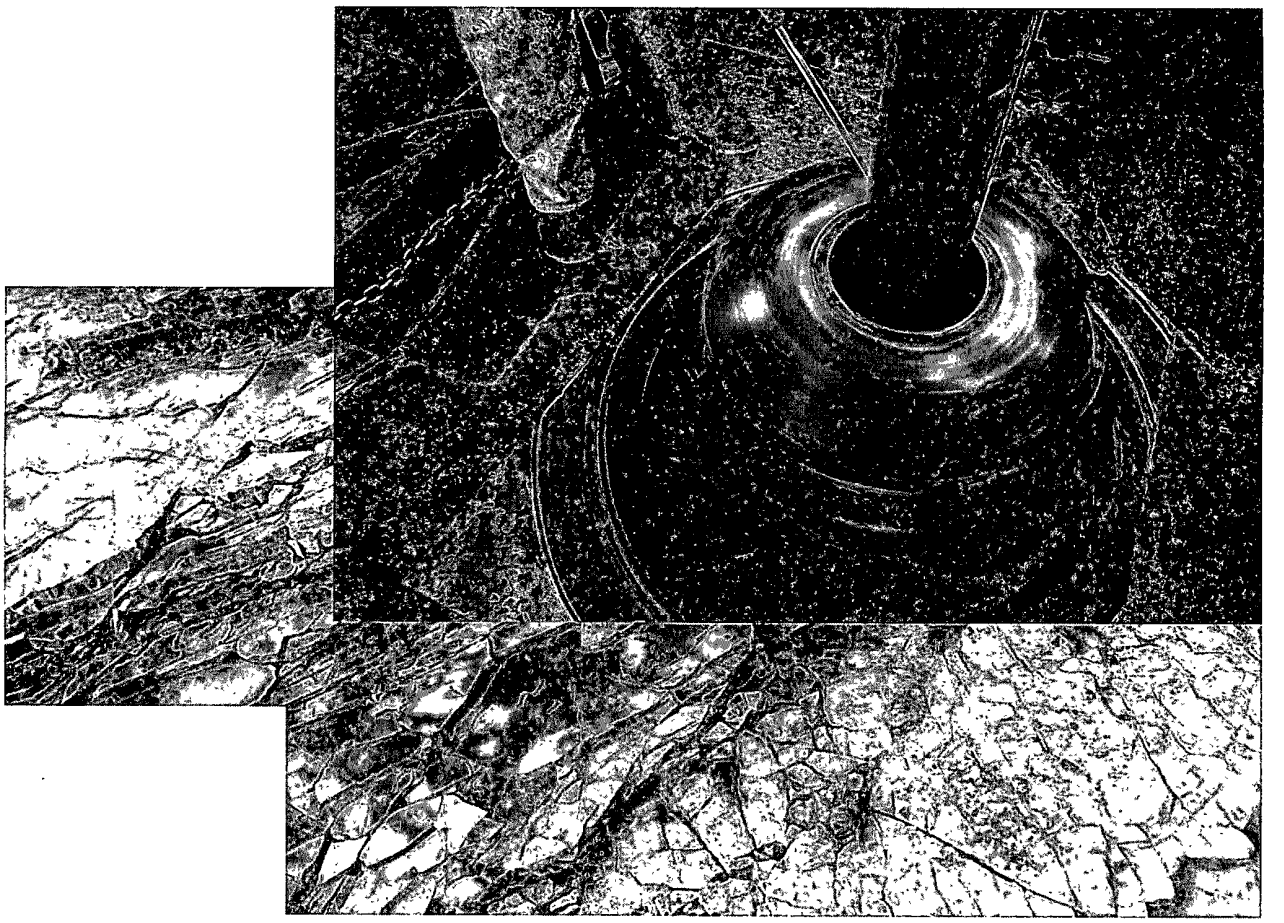
MD ft	TVD ft	
7407.12	7407.12	KOP
8316.32	7980.00	LP
12364.20	0 00	PBHL

Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction

devon

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.

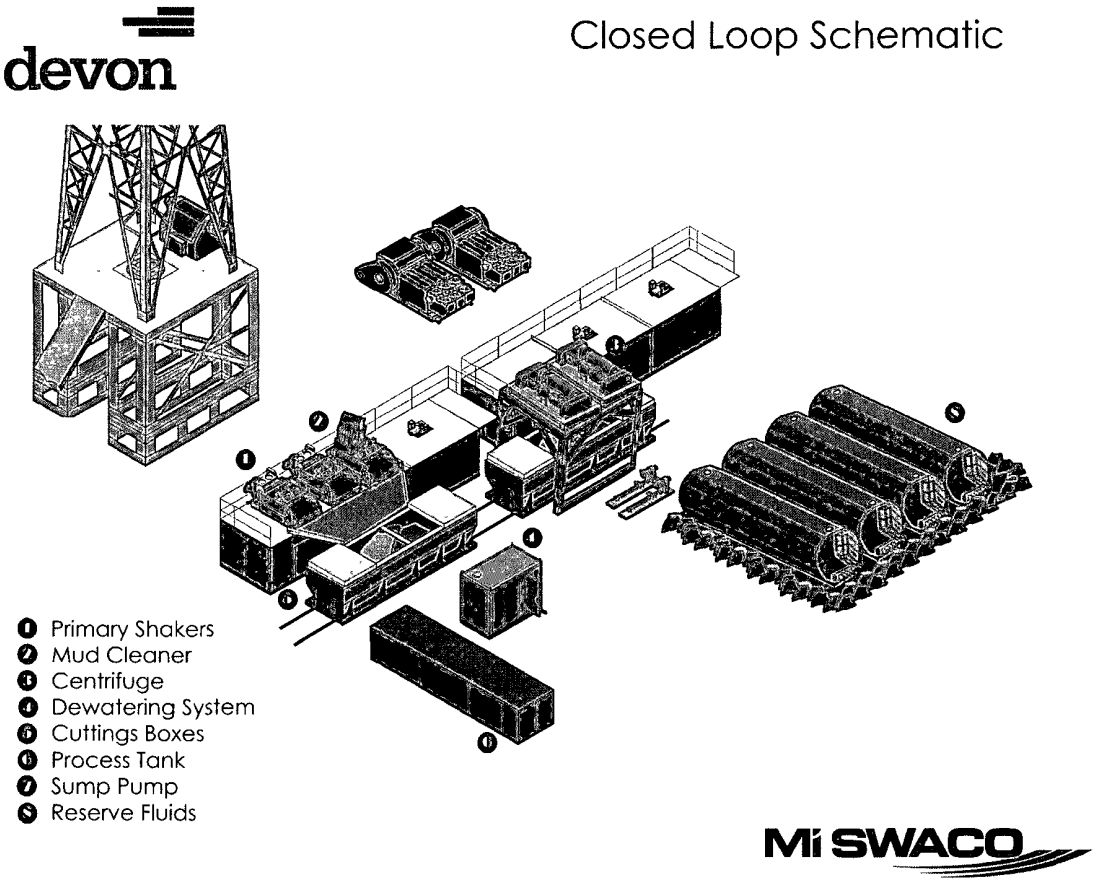
Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

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 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.