12-956

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Form 3160-3
(February 2005)

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

TES 9/13/2012

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5 Lease Serial No.
NM0560295 & NM0560290

6. If Indian, Allotee or Tribe Name

1a. Type of work ☑ DRILL ☐ REENTER

7 If Unit or CA Agreement, Name and No
~~**BFDU-14-08-0001-12391**~~ NM70798X

1b Type of Well ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Burton Flat Deep Unit 55H <302206>

2 Name of Operator
Devon Energy Production Co., LP <6137>

9. API Well No.
30-015-40682

3a. Address **333 W. Sheridan Avenue, OKC, OK 73102**

3b Phone No. *(include area code)* **(405)-228-4248**

10. Field and Pool, or Exploratory
~~**Burton Flat, Bone Spring**~~ Avalon, EAST <32137>

4 Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **3175' FNL & 50' FEL Lot 9, Sec 3, 21S-27E**
At proposed prod. zone **2920' FNL & 330' FWL Lot 12, Sec 3, 21S-27E**

11. Sec., T., R., M., or Blk and Survey or Area
Sec 3-21S-27E

14 Distance in miles and direction from nearest town or post office*
Approximately 4 miles North of Carlsbad, NM.

12 County or Parish **Eddy** | 13 State **NM**

15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any) **330'**

16. No of acres in lease **95: 40 ac/90: 360 ac**

17 Spacing Unit dedicated to this well **N/2 S/2 of Sec 3-21S-27E or 160 acres**

18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft **See attached map**

19. Proposed Depth **TVD: 6484' MD: 11227'** MAX TVD 6545'

20. BLM/BIA Bond No on file **CO-1104 & NMB-000801**

21 Elevations (Show whether DF, KDB, RT, GL, etc.) **3203.6' GL**

22. Approximate date work will start*

23 Estimated duration **45 days**

To be pad drilled with BFDU #51H

24. Attachments

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

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

25. Signature Patti Riechers | Name *(Printed/Typed)* **Patti Riechers** | Date **07/25/2012**

Title **Sr. Staff Operations Technician**

Approved by *(Signature)* /s/ Don Peterson | Name *(Printed/Typed)* /s/ Don Peterson | Date SEP 10 2012

Title FIELD MANAGER | Office CARLSBAD FIELD OFFICE

Application 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 U.S.C. Section 1001 and Title 43 U.S.C. 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 APPROVAL

Approval Subject to General Requirements & Special Stipulations Attached

Operators Representative:

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

James Allbee - Operations Engineer Advisor
Devon Energy Production Company, L.P.
333 West Sheridan Ave.
Oklahoma City, OK 73102-5010
(405) 228-8698 (office)
(405) 820-8682 (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 _13th__ day of __August, 2012.
Printed Name: Patti Riechers
Signed Name: Patti Riechers
Position Title: Operations Technician
Address: 333 West Sheridan Ave., OKC, OK 73102
Telephone: (405)-228-4248
Field Representative (if not above signatory):
Address (if different from above):
Telephone (if different from above):

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	
30-015-40682	3713	~~Bone Spring~~ Avalon; Bone Spring, EAST	
[4] Property Code	[5] Property Name		[6] Well Number
302209	BURTON FLAT DEEP UNIT		55H
[7] OGRID No.	[8] Operator Name		[9] Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.		3203.6

[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
9	3	21 S	27 E		3175	NORTH	50	EAST	EDDY

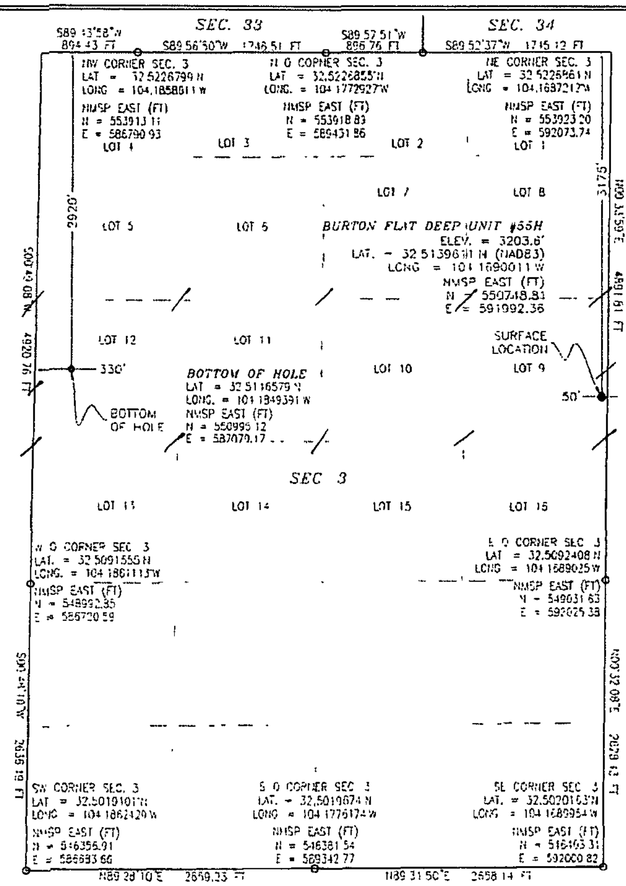
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12	3	21 S	27 E		2920	NORTH	330	WEST	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.

OPERATOR: Please do not report production under this pool id code until OCD confirms perfs and appropriate pool designation on completion and C104 approvals.



[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.

Patti Riechers 7/11/2012
Signature Date

Printed Name
Patti Riechers, Operations Tech

[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.

MAY 25, 2012
Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number: FILIMON F. JARAMILLO, PLS 12797
SURVEY NO. 1054

DRILLING PROGRAM
Devon Energy Production Company, LP
Burton Flat Deep Unit #55H

Surface Location: 3175' FNL & 50' FEL, Lot 9, Sec 3 T21S R27E, Eddy, NM
Bottom Hole Location: 2920' FNL & 330' FWL, Lot 12, Sec 3 T21S R27E, Eddy, NM

1. **Geologic Name of Surface Formation**

   a. Quaternary

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

a.	Fresh Water	15'	
b.	Rustler	surface	
c.	Salado	269'	Barren
d.	Base of Salt	429'	Barren
e.	Tansil	505'	Barren
f.	Yates	615'	Barren
g.	Seven Rivers	750'	Barren
h.	Capitan	865'	Water
i.	Capitan Base	2590'	Barren
j.	Delaware	2761'	Oil
k.	Bone Spring Lm	5239'	Oil
l.	1st Bone Spring Ss	6447'	Oil
	Total Depth	6,484'	

3. **Casing Program: All casing is new and API approved.**

Hole Size	Hole Interval	OD Csg	Casing Interval	Weight	Collar	Grade
26"	0' –200'	20"	0'-200' See COA	94#	BT&C	J/K-55
17 ½ "	200'–850'	13 3/8"	0'-850'	48#	ST&C	H-40
12 ¼"	850'-2,750'	9 5/8"	0'-2,750'	40#	LT&C	J-55
8 ¾"	2,750'-5,800'	5 ½"	0'-5,800'	17#	LT&C	HCP-110
8 ¾"	5,800'-11,227'	5 ½"	5,800'-11,227'	17#	BT&C	HCP-110

Design Parameter Factors:

Casing Size	Collapse Design Factor	Burst Design Factor	Tension Design Factor
20"	5.55	22.5	7.46
13 3/8"	1.97	4.44	8.94
9 5/8"	2.00	3.07	4.73
5 ½"	2.45	3.50	2.33
5 ½"	2.75	3.92	7.06

4. **Cement Program:** **(all cement volumes based on at least 25% excess)**

a. 20" Surface **Lead** w/ 510 Cl C cmt + 2% bwoc Calcium Chloride + 0.125#/sx CF + 56.3% FW. 14.8 ppg. **Yield** 1.35 cf/sx. **TOC** @ surface.

b. 13 3/8" 1st Intermediate **Lead** w/ 415 sx Class C +2% bwow Calcium Chloride +0.125#/sx CF + 4% bwoc Bentonite + 81.4% FW, 13.5 ppg. **Yield** 1.75 cf/sx. **Tail** w/ 335 sx Class C + 2% bwow Calcium Chloride + 0.125#/sx CF + 56.3% FW, 14.8 ppg. **Yield** 1.35 cf/sx. **TOC** @ surface.

c. 9 5/8" 2nd Intermediate **Lead** w/ 700 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack CF + 3 lbs/sack LCM-1 + 1% bwoc Sodium Metasilicate + 89.7% FW. 12.6 ppg. **Yield** 1.73 cf/sx. **Tail** w/ 300 sx (60:40) Poz (Fly Ash):Cl C Cmt + 5% bwow Sodium Chloride + 0.125 lbs/sack CF + 0.4% bwoc Sodium Metasilicate + 4% bwoc (MPA-5, to enhance compressive, tensile, flexural strength development and reduce permeability) + 65.5% FW. 13.8 ppg. **Yield** 1.38 cf/sx. **TOC** @ surface.

d. 5 1/2" Production **1st Lead** w/ 615 sx 50:50 POZ (Fly Ash) Class H + 0.5% bwoc FL-52 + 0.15% bwoc (ASA-301, to reduce free water and settling in cmt slurries) + 10% bwoc Bentonite + 0.3% bwoc (R-21, temperature retarder) + 130.5% FW, 11.8 ppg. **Yield 2.30** cf/sx. **2nd lead** w/415 sacks (35:65) Poz (Fly Ash):Cl H Cement + 3% bwow Sodium Chloride + 0.125 lbs/sack CF + 0.7% bwoc FL-52 + 6% bwoc Bentonite + 105.4% FW. 12.5 ppg. **Yield** 2.00 cf/sx. **Tail** w/ 1430 sacks (50:50) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.5% bwoc FL-52 + 0.5% bwoc Sodium Metasilicate + 57.3% FW, 14.2 ppg. **Yield** 1.28 cf/sx. **TOC** @ 750'.

The above cement volumes could be revised pending the caliper measurement from the open hole logs.

5. **Pressure Control Equipment**

The BOP system used to drill the **17-1/2"** hole will consist of a **20" 2M Annular preventer**. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a **2M system** prior to drilling out the casing shoe.

The BOP system used to drill the **12-1/4" and 8-3/4"** holes will consist of a **13-5/8" 3M Double 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 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**.

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**

Depth	Mud Wt.	Visc	Fluid Loss	Type System
0' – 200' see COA	8.4-9.0	30-34	NC	FW
200'– 850'	9.8-10.0	28-32	NC	Brine
850'–2,750'	8.4-9.0	28-30	NC	FW
2750'-11,227'	8.6-9.0	28-32	NC-12	FW

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. A Kelly cock will be in the drill string at all times.
   b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
   c. 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:**
   a. 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 3000 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.

Devon Energy Corporation

HALLIBURTON | Sperry Drilling

Project: Eddy County, NM (NAD 83)
Site: Burton Flat Deep Unit
Well: Burton Flat Deep Unit 55
Wellbore: Wellbore #1
Plan: Plan #1
Rig: TBD

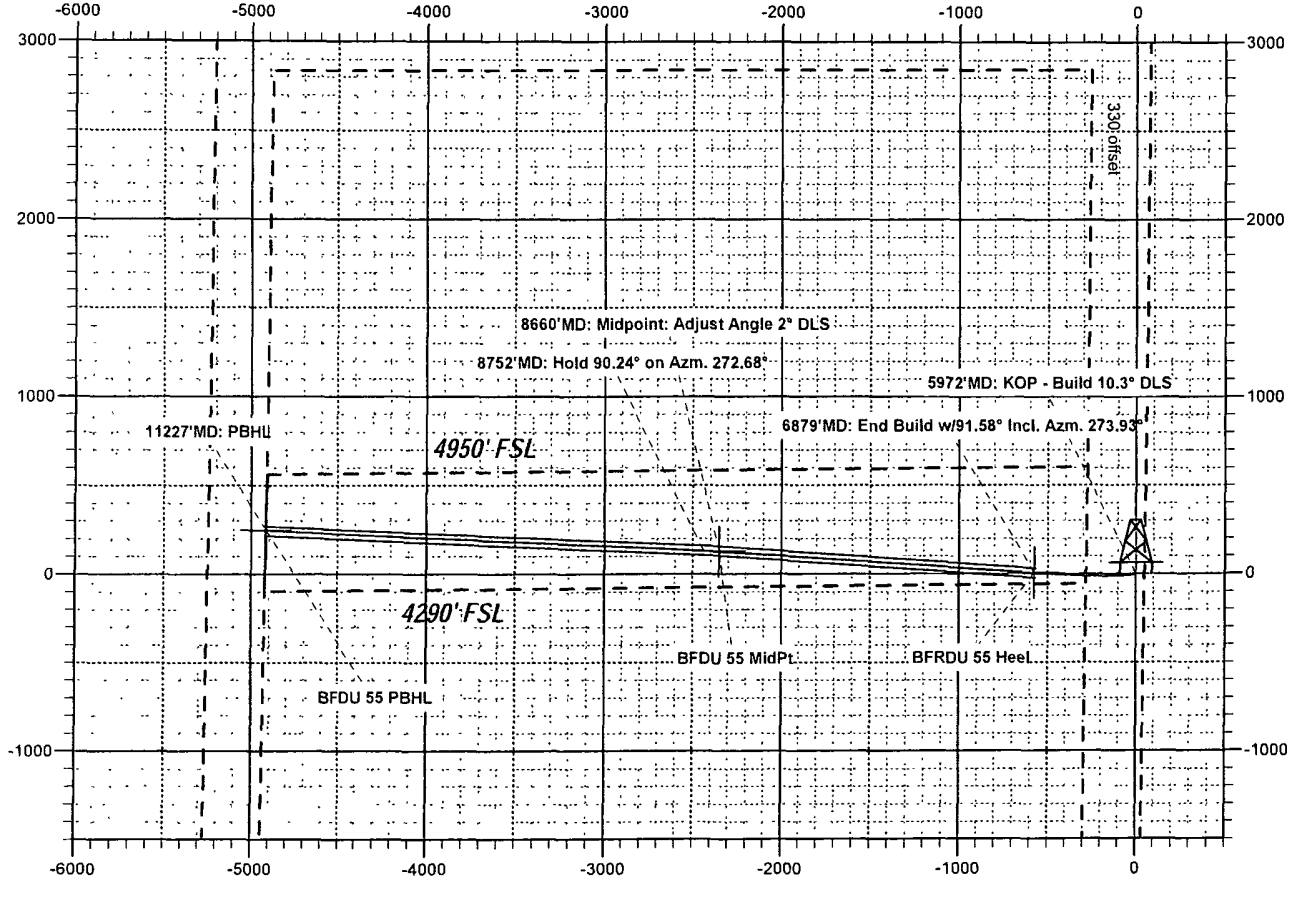
To convert a Magnetic Direction to a Grid Direction, Add 7 76°

Magnetic Model BGGM2011 Date: 13-Jun-12
Azimuths to Grid North

SURFACE LOCATION

US State Plane 1983
New Mexico Eastern Zone
Elevation GL 3203 6+ 25 @ 3228.60ft (TBD)

Northing	Easting	Latitude	Longitude
550748 81	591992 36	32° 30' 50 260 N	104° 10' 8.404 W



Devon Energy Corporation

HALLIBURTON | Sperry Drilling

Project: Eddy County, NM (NAD 83)
Site: Burton Flat Deep Unit
Well: Burton Flat Deep Unit 55
Wellbore: Wellbore #1
Plan: Plan #1
Rig: TBD

devon

SURFACE LOCATION

US State Plane 1983
New Mexico Eastern Zone
Elevation GL 3203.6+ 25 @ 3228 60ft (TBD)

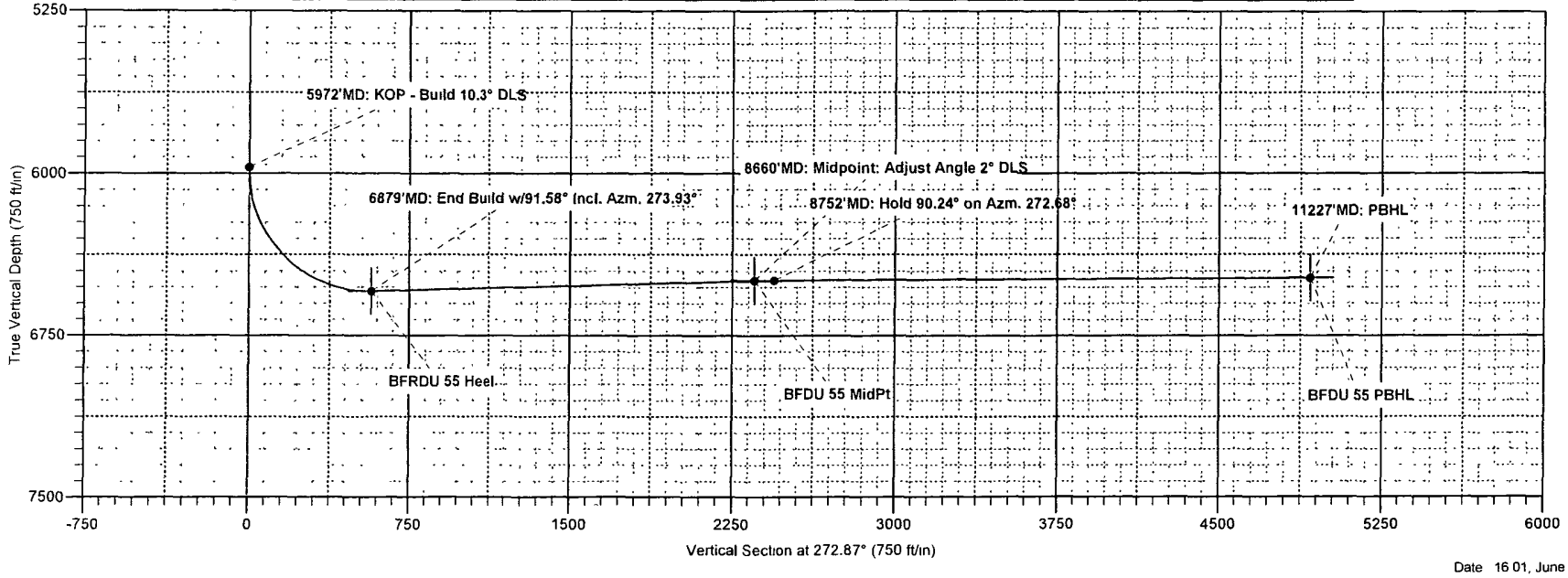
Northing	Easting	Latitude	Longitude
550748 81	591992.36	32° 30' 50 260 N	104° 10' 8.404 W

WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
BFDU 55 PBHL	6484 00	246 31	-4913.19	550995 12	587079.17	Point
BFDU 55 MidPt	6496.00	125.42	-2348.88	550874 23	589643 48	Point
BFRDU 55 Heel	6545 00	3.32	-573 00	550752.13	591419 36	Point

SECTION DETAILS

MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Annotation
0.00	0 00	0.00	0 00	0 00	0.00	0 00	0 00	0 00	
5972.24	0.00	0 00	5972 24	0.00	0 00	0 00	0.00	0.00	5972'MD KOP - Build 10.3° DLS
6015.96	4.50	220 09	6015 92	-1.31	-1.11	10 30	220.09	1.04	Turn / Build
6879.12	91.58	273.93	6545.00	3 32	-573.00	10 30	53 83	572.45	6879'MD. End Build w/91.58° Incl Azm 273.93°
8659.87	91 58	273.93	6496.00	125 42	-2348.88	0 00	0 00	2352.21	8660'MD Midpoint Adjust Angle 2° DLS
8751 45	90.24	272.68	6494.54	130.70	-2440.29	2.00	-136 68	2443 78	8752'MD Hold 90.24° on Azm 272.68°
11227.07	90 24	272.68	6484.00	246.31	-4913.19	0.00	0.00	4919 36	11227'MD. PBHL



Date 16 01, June 18 2012

Devon Energy Corporation

Eddy County, NM (NAD 83)
Burton Flat Deep Unit
Burton Flat Deep Unit 55

Wellbore #1

Plan: Plan #1

Sperry Drilling Services

Proposal Report

18 June, 2012

Well Coordinates 550,748 81 N, 591,992.36 E (32° 30' 50 26" N, 104° 10' 08.40" W)
Ground Level. 3,203 60 ft

Local Coordinate Origin·	Centered on Well Burton Flat Deep Unit 55
Viewing Datum:	GL 3203 6+ 25 @ 3228.60ft (TBD)
TVDs to System.	N
North Reference	Grid
Unit System:	API - US Survey Feet

Version: 2003 16 Build· 431

HALLIBURTON

Plan Report for Burton Flat Deep Unit 55 - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
0 00	0.00	0 00	0 00	0.00	0 00	0.00	0.00	0 00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0 00	0.00	0.00	0.00	0.00	0 00
200.00	0 00	0 00	200.00	0 00	0.00	0 00	0.00	0.00	0 00	0.00
300.00	0 00	0.00	300 00	0 00	0 00	0.00	0.00	0 00	0 00	0 00
400.00	0 00	0 00	400.00	0.00	0.00	0.00	0 00	0.00	0 00	0.00
500 00	0 00	0 00	500.00	0 00	0.00	0 00	0 00	0.00	0.00	0.00
600.00	0 00	0 00	600.00	0 00	0.00	0.00	0 00	0 00	0 00	0 00
700 00	0 00	0 00	700 00	0.00	0.00	0 00	0 00	0.00	0.00	0 00
800 00	0.00	0.00	800 00	0.00	0 00	0 00	0 00	0 00	0 00	0 00
900 00	0 00	0 00	900 00	0 00	0.00	0.00	0 00	0.00	0.00	0.00
1,000 00	0.00	0.00	1,000 00	0 00	0 00	0.00	0 00	0.00	0 00	0 00
1,100.00	0 00	0 00	1,100 00	0 00	0 00	0.00	0.00	0 00	0 00	0 00
1,200 00	0.00	0.00	1,200 00	0.00	0.00	0 00	0 00	0 00	0.00	0 00
1,300 00	0.00	0 00	1,300 00	0.00	0.00	0.00	0 00	0 00	0 00	0 00
1,400.00	0.00	0 00	1,400.00	0.00	0 00	0.00	0.00	0.00	0.00	0 00
1,500 00	0 00	0 00	1,500.00	0.00	0 00	0.00	0 00	0 00	0 00	0 00
1,600.00	0 00	0 00	1,600.00	0 00	0.00	0 00	0 00	0.00	0 00	0 00
1,700.00	0.00	0 00	1,700 00	0.00	0 00	0 00	0.00	0 00	0 00	0 00
1,800 00	0 00	0 00	1,800.00	0.00	0.00	0.00	0 00	0.00	0 00	0 00
1,900.00	0 00	0 00	1,900.00	0.00	0 00	0 00	0.00	0 00	0 00	0 00
2,000 00	0 00	0.00	2,000 00	0 00	0.00	0.00	0 00	0 00	0.00	0.00
2,100 00	0 00	0 00	2,100 00	0 00	0 00	0 00	0.00	0.00	0.00	0.00
2,200.00	0.00	0 00	2,200.00	0 00	0.00	0 00	0.00	0.00	0 00	0 00
2,300.00	0.00	0.00	2,300 00	0 00	0 00	0.00	0 00	0.00	0 00	0 00
2,400 00	0 00	0.00	2,400 00	0 00	0 00	0.00	0.00	0.00	0 00	0 00
2,500 00	0.00	0 00	2,500.00	0 00	0.00	0.00	0 00	0 00	0 00	0 00
2,600 00	0.00	0 00	2,600.00	0 00	0 00	0.00	0 00	0.00	0 00	0 00
2,700 00	0 00	0.00	2,700.00	0 00	0 00	0 00	0.00	0 00	0.00	0 00
2,800 00	0 00	0 00	2,800.00	0 00	0 00	0.00	0 00	0 00	0 00	0.00
2,900 00	0.00	0 00	2,900 00	0.00	0 00	0 00	0.00	0.00	0 00	0 00
3,000.00	0.00	0.00	3,000 00	0 00	0.00	0.00	0 00	0.00	0 00	0.00
3,100.00	0 00	0.00	3,100.00	0 00	0 00	0.00	0 00	0 00	0 00	0 00
3,200.00	0.00	0 00	3,200.00	0.00	0 00	0 00	0 00	0 00	0 00	0.00
3,300.00	0 00	0 00	3,300 00	0 00	0 00	0.00	0 00	0 00	0 00	0 00
3,400 00	0 00	0 00	3,400 00	0 00	0.00	0.00	0.00	0 00	0.00	0.00
3,500 00	0 00	0.00	3,500 00	0.00	0.00	0 00	0.00	0.00	0.00	0.00
3,600.00	0 00	0.00	3,600 00	0 00	0 00	0.00	0.00	0 00	0.00	0 00
3,700 00	0 00	0 00	3,700.00	0 00	0.00	0.00	0 00	0 00	0.00	0.00
3,800 00	0 00	0.00	3,800.00	0.00	0 00	0 00	0 00	0 00	0 00	0 00
3,900 00	0 00	0 00	3,900 00	0 00	0.00	0 00	0.00	0 00	0 00	0 00
4,000.00	0 00	0 00	4,000 00	0.00	0 00	0 00	0 00	0 00	0.00	0 00
4,100.00	0 00	0 00	4,100.00	0 00	0.00	0.00	0 00	0 00	0 00	0 00
4,200 00	0 00	0 00	4,200.00	0 00	0 00	0 00	0 00	0 00	0 00	0.00
4,300 00	0 00	0.00	4,300.00	0.00	0 00	0 00	0.00	0.00	0 00	0.00
4,400 00	0 00	0 00	4,400 00	0.00	0 00	0 00	0.00	0 00	0 00	0 00
4,500 00	0.00	0 00	4,500 00	0 00	0 00	0 00	0 00	0 00	0.00	0.00
4,600 00	0 00	0 00	4,600 00	0.00	0 00	0 00	0.00	0 00	0.00	0 00
4,700.00	0 00	0 00	4,700 00	0.00	0 00	0 00	0 00	0 00	0 00	0.00
4,800.00	0 00	0 00	4,800.00	0 00	0 00	0.00	0 00	0 00	0 00	0 00
4,900.00	0 00	0 00	4,900.00	0.00	0 00	0 00	0.00	0.00	0 00	0.00
5,000.00	0.00	0 00	5,000 00	0 00	0 00	0.00	0 00	0 00	0 00	0 00
5,100 00	0 00	0 00	5,100 00	0 00	0.00	0.00	0 00	0 00	0 00	0 00
5,200 00	0.00	0 00	5,200.00	0 00	0 00	0 00	0.00	0 00	0.00	0 00
5,300 00	0 00	0 00	5,300 00	0.00	0 00	0 00	0 00	0 00	0 00	0.00
5,400 00	0 00	0 00	5,400.00	0 00	0 00	0.00	0 00	0 00	0 00	0.00
5,500.00	0 00	0 00	5,500.00	0 00	0 00	0 00	0 00	0 00	0 00	0.00
5,600.00	0 00	0 00	5,600 00	0 00	0 00	0 00	0.00	0 00	0 00	0.00
5,700 00	0 00	0 00	5,700.00	0 00	0.00	0 00	0.00	0 00	0.00	0 00
5,800 00	0 00	0.00	5,800 00	0.00	0 00	0.00	0 00	0 00	0 00	0.00

Plan Report for Burton Flat Deep Unit 55 - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
5,900.00	0 00	0 00	5,900.00	0.00	0.00	0 00	0 00	0 00	0.00	0.00
5,972 24	0 00	0.00	5,972 24	0 00	0.00	0.00	0.00	0.00	0.00	0 00
5972'MD: KOP - Build 10.3° DLS										
6,000.00	2.86	220 09	5,999 99	-0.53	-0 45	0 42	10 30	10 30	0 00	220.09
6,015 96	4.50	220.09	6,015 92	-1.31	-1.11	1.04	10.30	10 30	0.00	0.00
Turn / Build										
6,100.00	11.88	256 26	6,099 08	-5 90	-11.65	11.34	10 30	8.78	43 04	53 83
6,200.00	21 91	264 75	6,194 66	-10.07	-40.31	39 75	10 30	10 03	8.49	17.93
6,300.00	32 11	268.02	6,283 64	-12.70	-85 57	84 83	10.30	10 20	3.28	9.78
6,400 00	42.35	269 84	6,363.16	-13 72	-145 97	145 10	10.30	10 24	1 81	6.85
6,500 00	52.61	271.05	6,430 65	-13 08	-219.58	218 65	10.30	10 26	1 21	5 40
6,600 00	62 89	271 97	6,483.95	-10.82	-304 00	303.08	10 30	10 27	0.92	4 58
6,700.00	73 16	272.73	6,521 32	-7 00	-396.53	395.69	10 30	10.28	0 76	4.08
6,800 00	83 44	273 41	6,541.56	-1 74	-494 18	493 48	10.30	10 28	0.68	3 80
6,879.12	91 58	273 93	6,545.00	3.32	-573 00	572.45	10.30	10 28	0 66	3 66
6879'MD: End Build w/91.58° Incl. Azm. 273.93° - BFRDU 55 Heel										
6,900.00	91.58	273 93	6,544 43	4.75	-593.82	593.31	0 00	0 00	0 00	0.00
7,000.00	91.58	273 93	6,541 67	11 61	-693.55	693.26	0.00	0.00	0.00	0 00
7,100.00	91.58	273.93	6,538.92	18.46	-793 28	793 20	0 00	0 00	0 00	0.00
7,200.00	91.58	273 93	6,536.17	25 32	-893.00	893.15	0 00	0.00	0.00	0 00
7,300.00	91.58	273.93	6,533 42	32 18	-992 73	993 09	0 00	0 00	0.00	0 00
7,400 00	91.58	273.93	6,530.67	39.03	-1,092 46	1,093 04	0 00	0 00	0 00	0.00
7,500 00	91 58	273.93	6,527 92	45 89	-1,192.18	1,192 98	0 00	0 00	0.00	0.00
7,600.00	91 58	273.93	6,525 16	52 75	-1,291.91	1,292 93	0 00	0.00	0 00	0.00
7,700 00	91.58	273 93	6,522.41	59.60	-1,391 64	1,392.87	0.00	0.00	0 00	0.00
7,800 00	91 58	273 93	6,519 66	66.46	-1,491 36	1,492.82	0.00	0.00	0 00	0.00
7,900.00	91 58	273.93	6,516 91	73 32	-1,591 09	1,592.76	0.00	0.00	0 00	0.00
8,000 00	91 58	273.93	6,514 16	80.18	-1,690 82	1,692.71	0 00	0 00	0.00	0 00
8,100 00	91 58	273 93	6,511 41	87 03	-1,790.54	1,792 65	0.00	0.00	0 00	0 00
8,200.00	91 58	273 93	6,508 65	93 89	-1,890 27	1,892.60	0 00	0 00	0.00	0.00
8,300.00	91 58	273.93	6,505 90	100 75	-1,990 00	1,992.54	0 00	0 00	0 00	0 00
8,400.00	91.58	273 93	6,503 15	107 60	-2,089 72	2,092 49	0 00	0 00	0.00	0 00
8,500 00	91 58	273 93	6,500.40	114 46	-2,189.45	2,192 43	0 00	0 00	0.00	0 00
8,600 00	91 58	273.93	6,497.65	121.32	-2,289.18	2,292 38	0.00	0.00	0 00	0.00
8,659 87	91 58	273.93	6,496 00	125 42	-2,348 88	2,352 21	0 00	0.00	0.00	0.00
8660'MD: Midpoint: Adjust Angle 2° DLS - BFDU 55 MidPt										
8,700 00	90 99	273.38	6,495 10	127.98	-2,388 92	2,392.33	2 00	-1.46	-1 37	-136.68
8,751 45	90 24	272.68	6,494 54	130 70	-2,440 29	2,443.78	2 00	-1 46	-1 37	-136 69
8752'MD: Hold 90.24° on Azm. 272.68°										
8,800.00	90 24	272 68	6,494 34	132.97	-2,488.79	2,492 33	0.00	0.00	0 00	0.00
8,900 00	90 24	272 68	6,493 91	137 64	-2,588 68	2,592 33	0.00	0 00	0 00	0 00
9,000 00	90 24	272 68	6,493 49	142.31	-2,688 57	2,692 32	0 00	0.00	0 00	0.00
9,100 00	90.24	272 68	6,493 06	146 98	-2,788 46	2,792 32	0.00	0 00	0 00	0 00
9,200 00	90.24	272 68	6,492 63	151 65	-2,888 35	2,892 32	0 00	0 00	0 00	0.00
9,300.00	90.24	272.68	6,492.21	156.32	-2,988 24	2,992 32	0.00	0.00	0 00	0 00
9,400.00	90 24	272 68	6,491 78	160 99	-3,088 13	3,092 32	0 00	0 00	0 00	0 00
9,500 00	90 24	272 68	6,491 36	165 66	-3,188 02	3,192.32	0 00	0 00	0 00	0 00
9,600 00	90 24	272.68	6,490 93	170.33	-3,287.91	3,292 31	0 00	0 00	0 00	0 00
9,700.00	90.24	272 68	6,490.50	175 00	-3,387 80	3,392.31	0 00	0 00	0 00	0 00
9,800 00	90 24	272 68	6,490.08	179 67	-3,487 69	3,492 31	0.00	0 00	0 00	0 00
9,900 00	90 24	272.68	6,489 65	184 34	-3,587 58	3,592 31	0 00	0.00	0 00	0 00
10,000 00	90.24	272 68	6,489 23	189.01	-3,687 47	3,692 31	0 00	0.00	0 00	0 00
10,100 00	90 24	272.68	6,488 80	193 68	-3,787 36	3,792 31	0 00	0 00	0 00	0 00
10,200 00	90 24	272 68	6,488 37	198 35	-3,887 25	3,892 31	0 00	0.00	0 00	0 00
10,300 00	90 24	272 68	6,487.95	203 02	-3,987 14	3,992 30	0.00	0 00	0 00	0 00
10,400 00	90 24	272 68	6,487 52	207.69	-4,087 03	4,092 30	0.00	0 00	0 00	0.00
10,500 00	90 24	272 68	6,487 10	212 36	-4,186 92	4,192 30	0.00	0 00	0 00	0 00
10,600 00	90 24	272.68	6,486.67	217 03	-4,286.81	4,292 30	0 00	0.00	0 00	0 00
10,700 00	90.24	272.68	6,486 25	221 70	-4,386 70	4,392 30	0.00	0 00	0 00	0 00

Plan Report for Burton Flat Deep Unit 55 - Plan #1

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	Toolface Azimuth (°)
10,800 00	90 24	272.68	6,485 82	226 37	-4,486 59	4,492.30	0 00	0 00	0 00	0.00
10,900 00	90 24	272 68	6,485 39	231 04	-4,586.48	4,592 30	0 00	0.00	0 00	0.00
11,000 00	90 24	272 68	6,484.97	235.71	-4,686.37	4,692.29	0 00	0 00	0.00	0 00
11,100.00	90 24	272 68	6,484 54	240 38	-4,786.26	4,792.29	0.00	0.00	0 00	0 00
11,200.00	90 24	272 68	6,484.12	245.05	-4,886 15	4,892.29	0 00	0 00	0.00	0 00
11,227.07	90 24	272 68	6,484 00	246 31	-4,913 19	4,919 36	0 00	0 00	0 00	0.00
11227'MD: PBHL - BFDU 55 PBHL										

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	+E/-W (ft)	Comment
5,972.24	5,972.24	0.00	0 00	5972'MD· KOP - Build 10 3° DLS
6,015.96	6,015 92	-1 31	-1 11	Turn / Build
6,879 12	6,545.00	3 32	-573 00	6879'MD End Build w/91 58° Incl Azm 273 93°
8,659 87	6,496 00	125.42	-2,348.88	8660'MD. Midpoint Adjust Angle 2° DLS
8,751 45	6,494 54	130 70	-2,440.29	8752'MD: Hold 90 24° on Azm 272.68°
11,227 07	6,484.00	246 31	-4,913 19	11227'MD: PBHL

Vertical Section Information

Angle Type	Target	Azimuth (°)	Origin Type	Origin +N/_S (ft)	Origin +E/-W (ft)	Start TVD (ft)
User	No Target (Freehand)	272 87	Slot	0 00	0 00	0 00

Survey tool program

From (ft)	To (ft)	Survey/Plan	Survey Tool
0.00	11,227 07	Plan #1	MWD

Targets associated with this wellbore

Target Name	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Shape
BFDU 55 MidPt	6,496 00	125 42	-2,348 88	Point
BFRDU 55 Heel	6,545 00	3 32	-573.00	Point
BFDU 55 PBHL	6,484 00	246 31	-4,913 19	Point

North Reference Sheet for Burton Flat Deep Unit - Burton Flat Deep Unit 55 - Wellbore #1

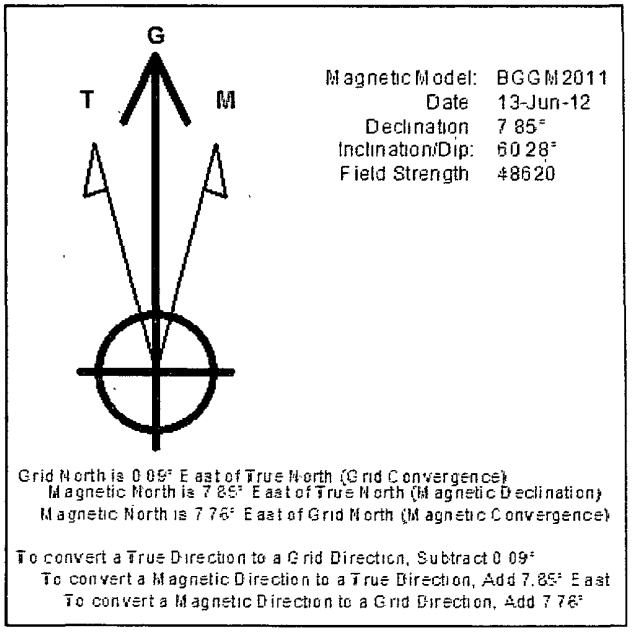
All data is in US Feet unless otherwise stated Directions and Coordinates are relative to Grid North Reference
Vertical Depths are relative to GL 3203 6+ 25 @ 3228 60ft (TBD) Northing and Easting are relative to Burton Flat Deep Unit 55
Coordinate System is US State Plane 1983, New Mexico Eastern Zone using datum North American Datum 1983, ellipsoid GRS 1980

Projection method is Transverse Mercator (Gauss-Kruger)
Central Meridian is -104.33°, Longitude Origin 0° 0' 0 000 E°, Latitude Origin 0° 0' 0 000 N°
False Easting 541,337.50ft, False Northing. 0.00ft, Scale Reduction: 0.99991203

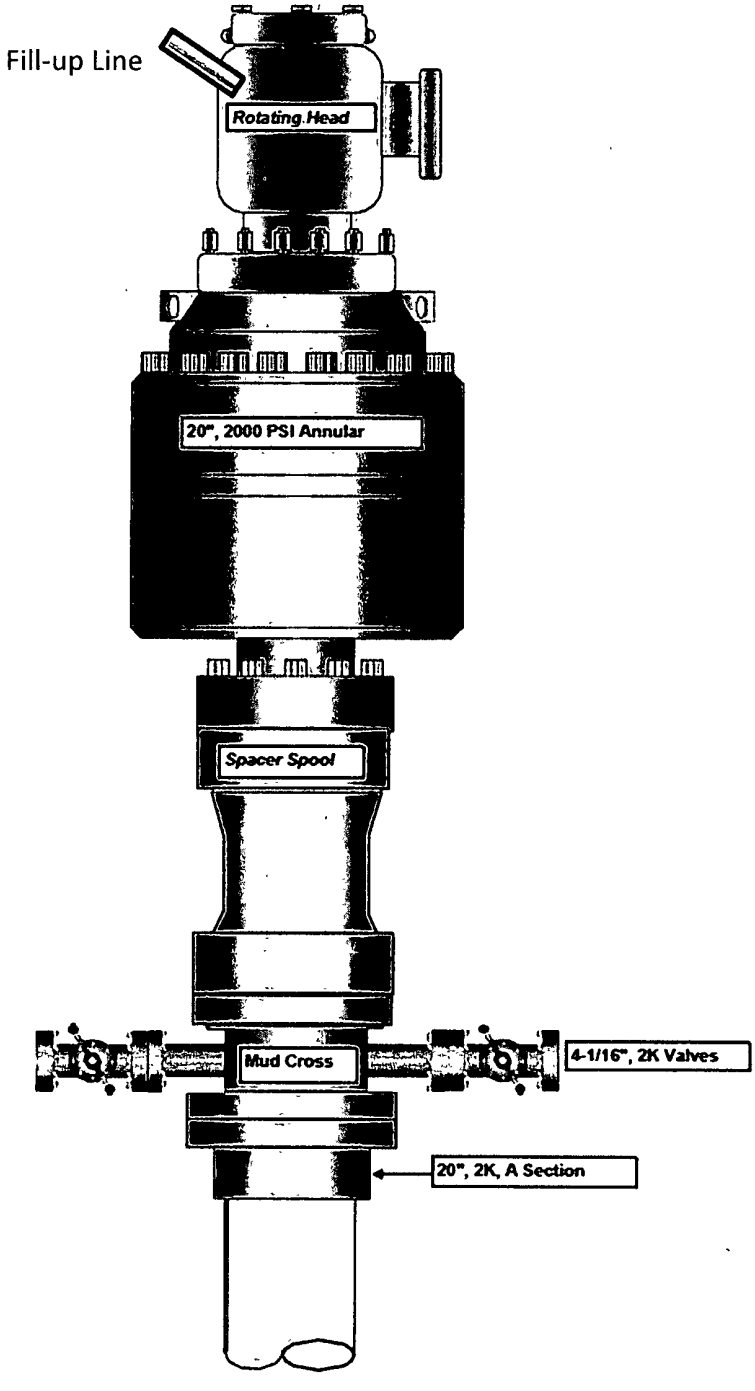
Grid Coordinates of Well 550,748 81 ft N, 591,992 36 ft E
Geographical Coordinates of Well 32° 30' 50.26" N, 104° 10' 08.40" W
Grid Convergence at Surface is: 0 09°

Based upon Minimum Curvature type calculations, at a Measured Depth of 11,227 07ft
the Bottom Hole Displacement is 4,919.36ft in the Direction of 272 87° (Grid)

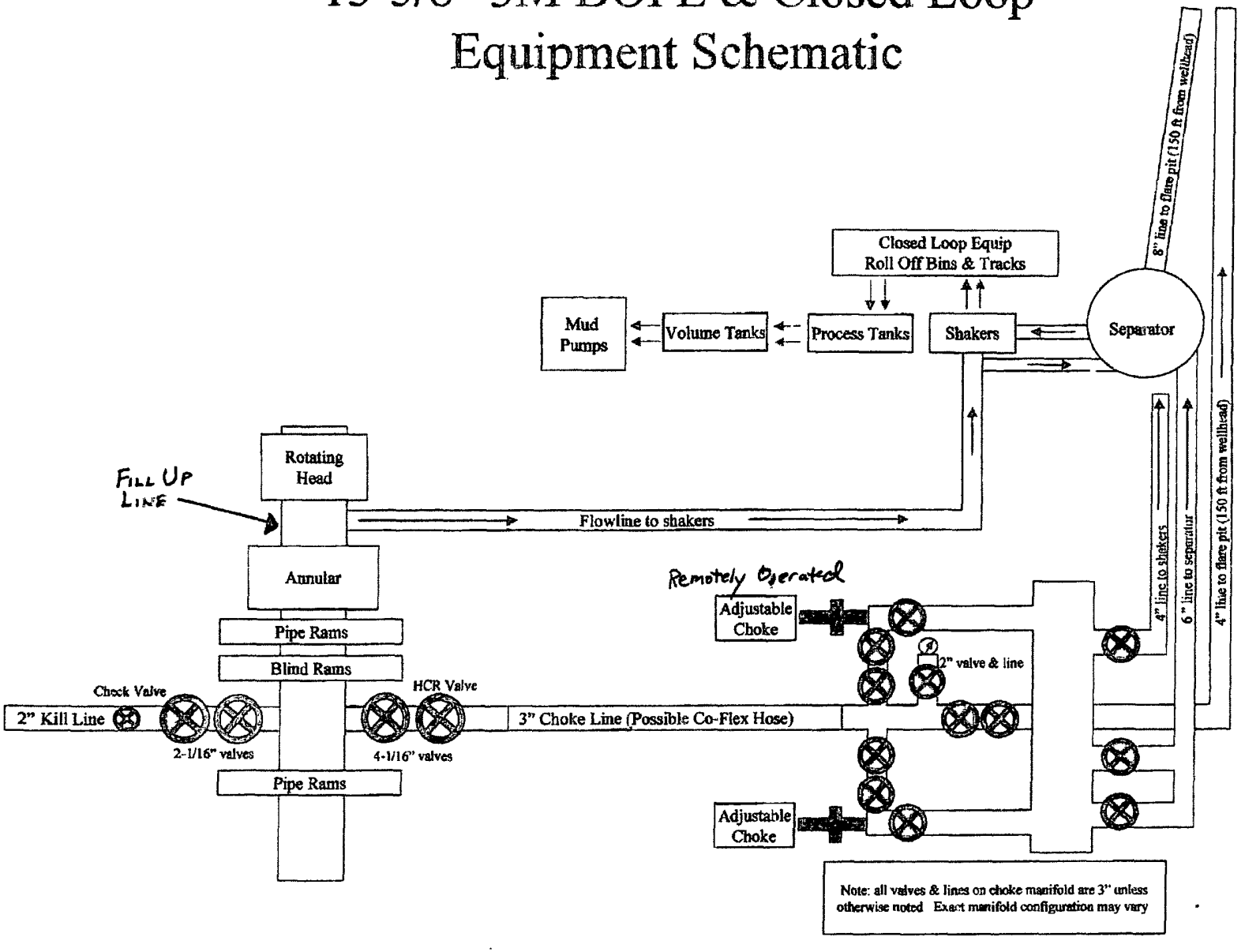
Magnetic Convergence at surface is: -7 76° (13 June 2012, , BGGM2011)



20" 2K Annular



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



NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
Burton Flat Deep Unit #55H

Surface Location: 3175' FNL & 50' FEL, Unit 9, Sec 3 T21S R27E, Eddy, NM
Bottom Hole Location: 2920' FNL & 330' FWL, Unit 12, Sec 3 T21S R27E, 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.

PHOENIX

QUALITY DOCUMENT

PHOENIX RUBBER INDUSTRIAL LTD.

H-6728 Szeged, Budapesti út 10. Hungary • H-6701 Szeged, P. O. Box 152
Phone. (3662) 568-737 • Fax (3662) 568-738

SALES & MARKETING: H-1092 Budapest, Ráday u. 42-44. Hungary • H-1440 Budapest, P. O. Box 26
Phone: (361) 456-4200 • Fax: (361) 217-2972, 456-4273 • www.taurusemerge.hu

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE					CERT N°: 890
PURCHASER: Phoenix Beattie Co					P.O. N°: 1520FA-872
PHOENIX ORDER N°: 172232		HOSE TYPE: 3" ID		Choke and Kill Hose	
HOSE SERIAL N°: 34403		NOMINAL / ACTUAL LENGTH:		11,43 m	
W.P 68,96 MPa	10000 psi	T.P 103,4 MPa	15000 psi	Duration: 60	min.

Pressure test with water at ambient temperature

See attachment. (1 page)

↑ 10 mm = 10 Min.
→ 10 mm = 16 MPa

COUPLINGS

Type	Serial N°	Quality	Heat N°
3" coupling with 4 1/16" Flange end	1231/a 1228	AISI 4130 AISI 4130	80751 47438

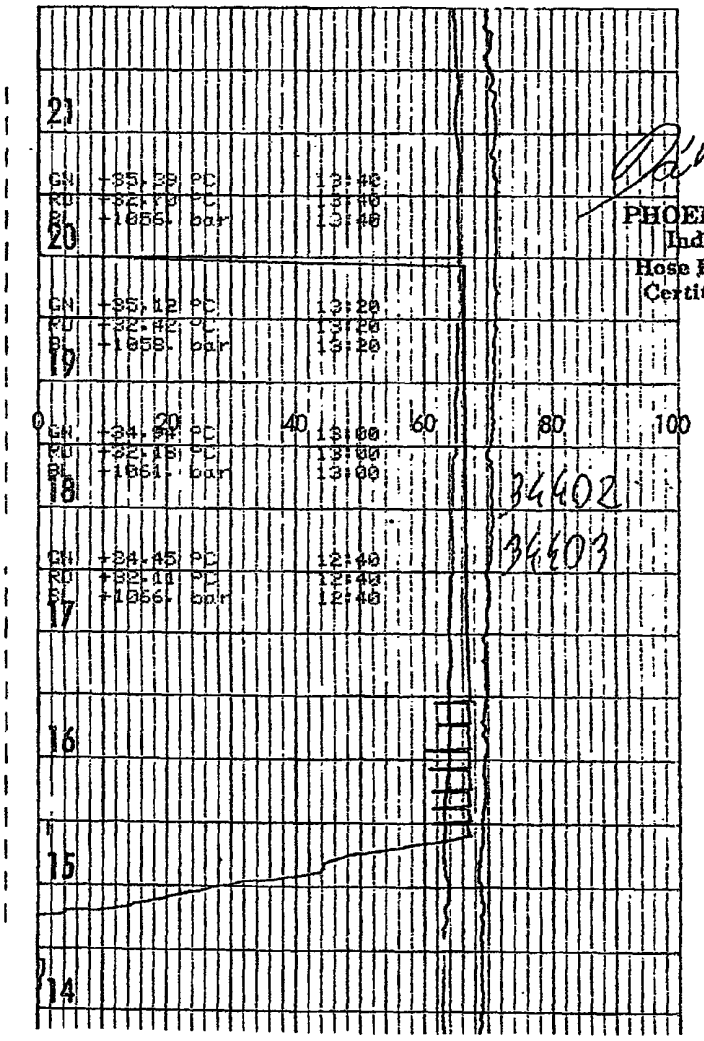
API Spec 16 C
Temperature rate:"B"

All metal parts are flawless

WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.

Date:	Inspector	Quality Control
20. June. 2002.		PHOENIX RUBBER Industrial Ltd. Hose Inspection and Certification Dept.

VERIFIED TRUE COPY
PHOENIX RUBBER Q.C.



PHOENIX RUBBER
Industrial Ltd.
Hose Inspection and
Certification Dept.

VERIFIED TRUE COPY
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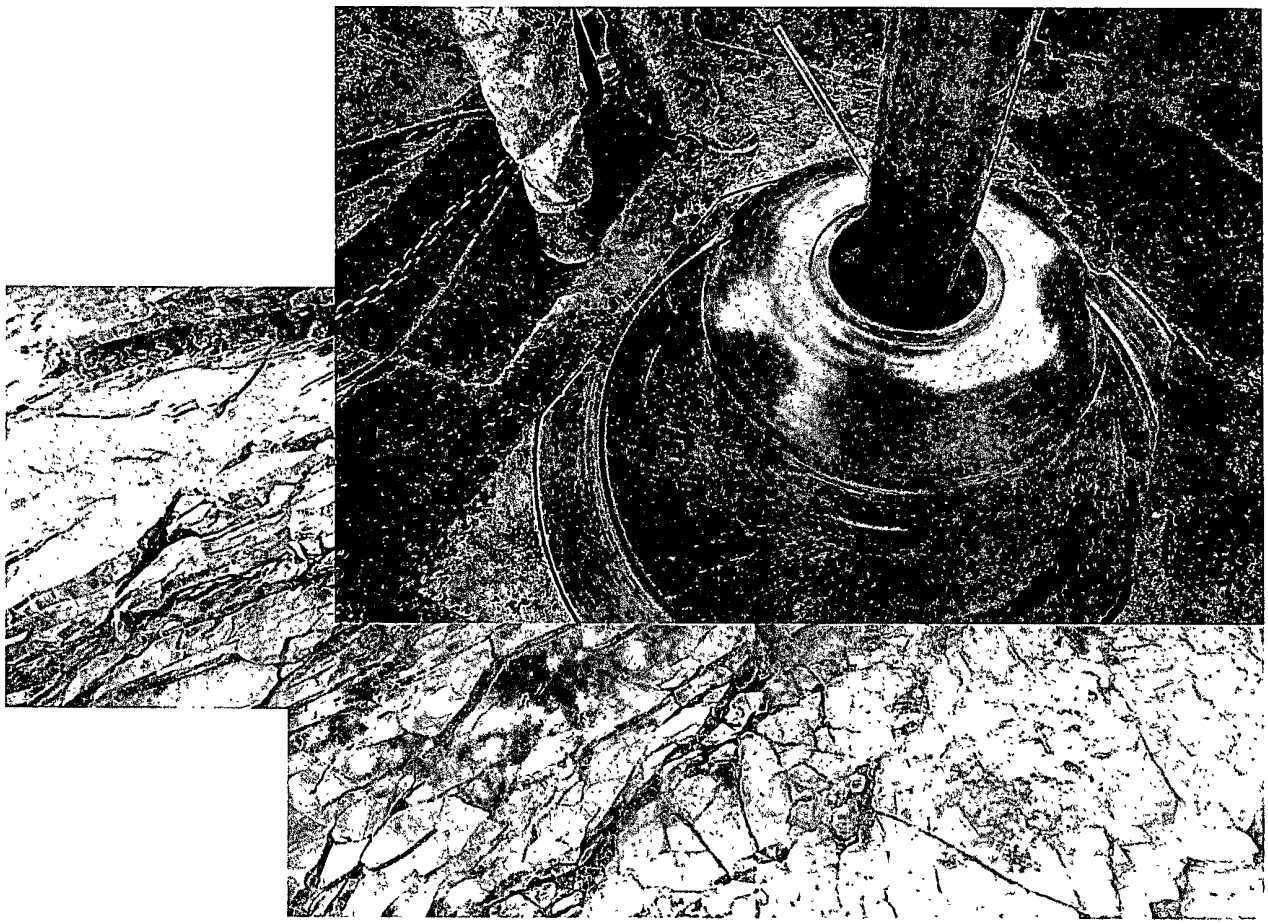
devon

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.

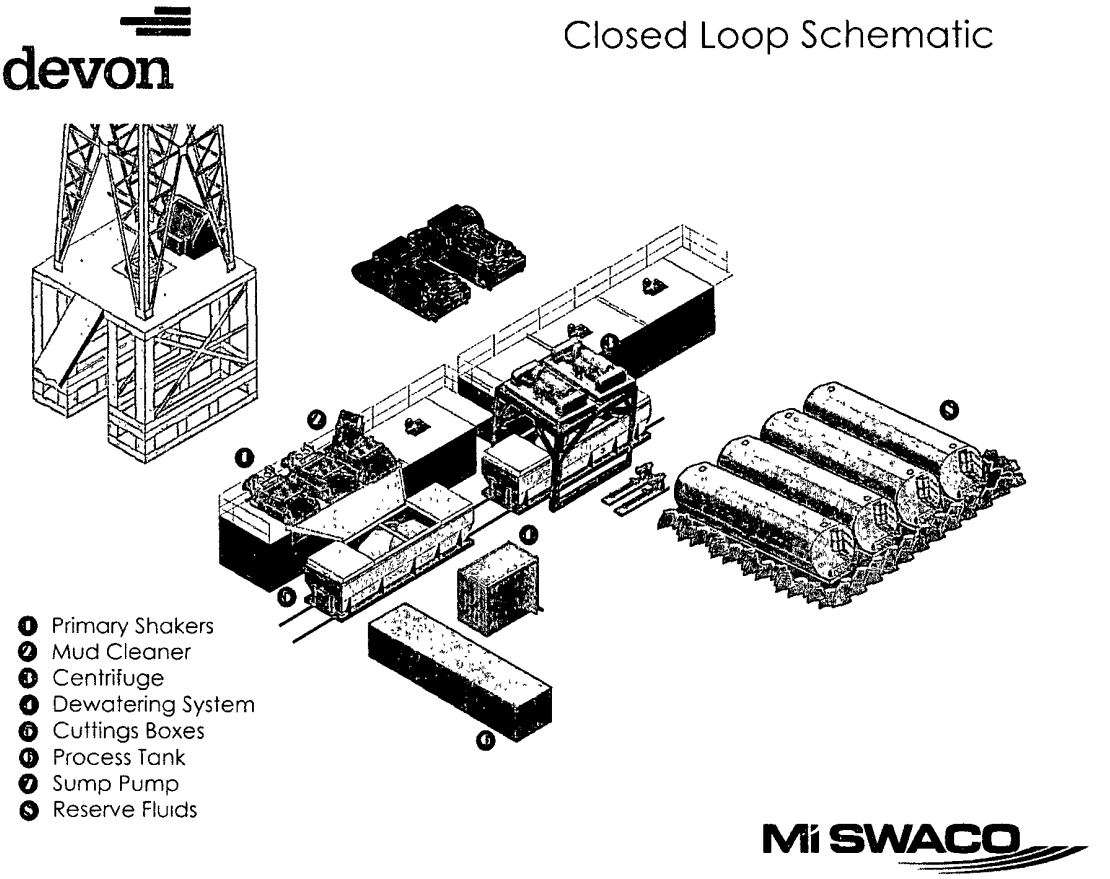
Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

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.

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Hydrogen Sulfide (H_2S) Contingency Plan

For

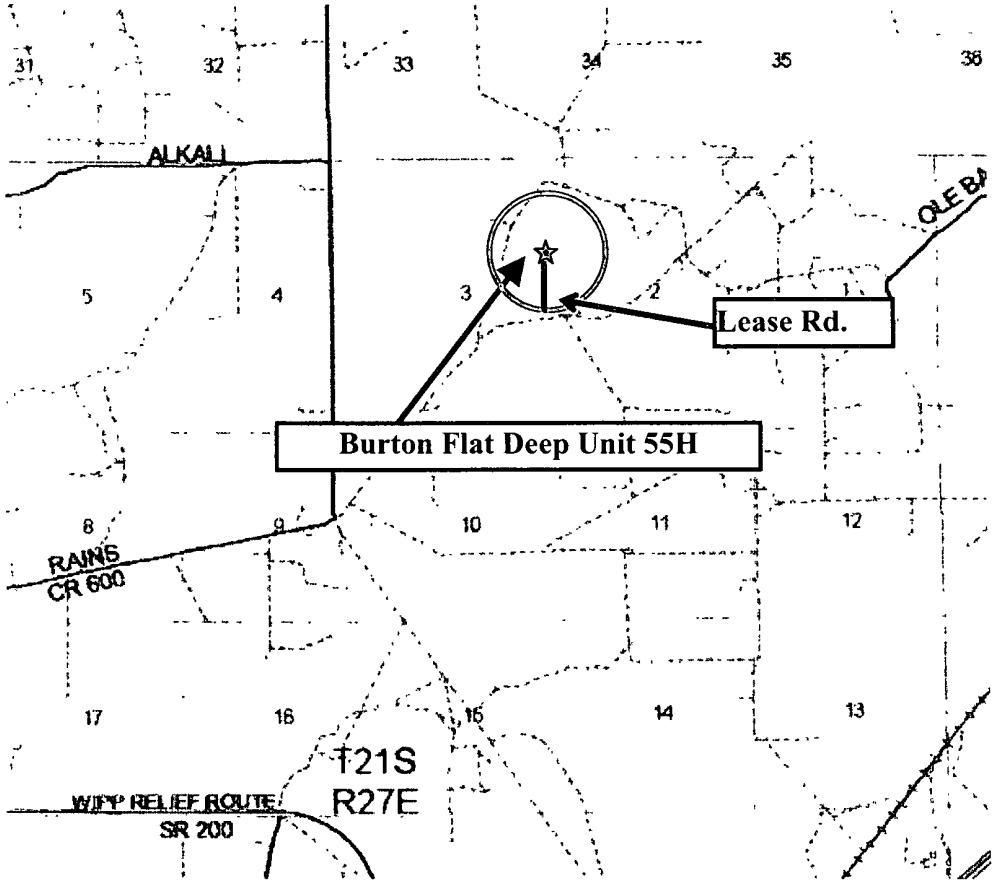
Burton Flat Deep Unit 55H

Sec-3, T-21S R-27E
3175' FNL & 50' FEL,
LAT. = 32.5139611'N (NAD83)
LONG = 104.1690011'W

Eddy County NM

Burton Flat Deep Unit 55H

This is an open drilling site. H_2S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H_2S, including warning signs, wind indicators and H_2S monitor.



Assumed 100 ppm ROE = 3000' (
100 ppm H2S concentration shall trigger activation of this plan.

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated from the location entrance road, South then Southwest or Northeast on primitive road. Crews should then block both directions of the road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. There are no homes or buildings in or near the ROE.

Assumed 100 ppm ROE = 3000'

100 ppm H_2S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H_2S, the first responder(s) must

- **Isolate the area and prevent entry by other persons into the 100 ppm ROE.**
- **Evacuate any public places encompassed by the 100 ppm ROE.**
- **Be equipped with H_2S monitors and air packs in order to control the release.**
- **Use the "buddy system" to ensure no injuries occur during the response**
- **Take precautions to avoid personal injury during this operation.**
- **Contact operator and/or local officials to aid in operation. See list of phone numbers attached.**
- **Have received training in the**
  - **Detection of H_2S, and**
  - **Measures for protection against the gas,**
  - **Equipment used for protection and emergency response.**

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H_2S and SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE (H_2S) TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H_2S)

2. The proper use and maintenance of personal protective equipment and life support systems.

3. The proper use of H_2S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.

4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H_2S metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.

2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.

3. The contents and requirements of the H_2S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S Drilling Operations Plan and the Public Protection Plan.

II. HYDROGEN SULFIDE TRAINING

Note: All H_2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H_2S.

1. **Well Control Equipment**

   A. Flare line

   B. Choke manifold

   C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit

   D. Auxiliary equipment may include if applicable: annular preventer and rotating head.

2. **Protective equipment for essential personnel:**

   A. 30-minute SCBA units located in the doghouse and at briefing areas, as indicated on well site diagram. As it may be difficult to communicate audibly while wearing these units, hand signals shall be utilized.

3. **H_2S detection and monitoring equipment:**

   A. Portable H_2S monitors positioned on location for best coverage and response. These unites have warning lights and audible sirens when H_2S levels of 20 PPM are reached. These units are usually capable of detecting SO_2, which is a byproduct of burning H_2S.

4. **Visual warning systems:**

   A. Wind direction indicators as shown on well site diagram

   B. Caution/ Danger signs shall be posted on roads providing direct access to locations. Signs will be painted a high visibility yellow with black lettering of sufficient size to be reasonable distance from the immediate location. Bilingual signs will be used when appropriate..

5. **Mud program:**

   A. The mud program has been designed to minimize the volume of H_2S circulated to surface. Proper mud weight, safe drilling practices and the use of H_2S scavengers will minimize hazards when penetrating H_2S bearing zones.

6. **Metallurgy:**

   A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H_2S trim.

   B. All elastomers used for packing and seals shall be H_2S trim.

7. **Communication:**

   A. Radio communications in company vehicles including cellular telephones and 2-way radio

   B. Land line (telephone) communications at Office

8. **Well testing:**

   A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H_2S environment will use the closed chamber method of testing.

   B. There will be no drill stem testing.

Devon Energy Corp. Company Call List

Artesia (575)	Cellular	Office	Home
Foreman – Robert Bell	748-7448	748-0178	746-2991
Asst. Foreman –Tommy Polly	748-5290	748-0165	748-2846
Don Mayberry	748-5235	748-0164	746-4945
Montral Walker	390-5182	748-0193	936-414-6246
Engineer – Marcos Ortiz	(405) 317-0666	(405) 552-8152	(405) 381-4350

Agency Call List

Lea County (575)

Hobbs

State Police	392-5588
City Police	397-9265
Sheriff's Office	393-2515
Ambulance	911
Fire Department	397-9308
LEPC (Local Emergency Planning Committee)	393-2870
NMOCD	393-6161
US Bureau of Land Management	393-3612

Eddy County (575)

Carlsbad

State Police	885-3137
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee)	887-3798
US Bureau of Land Management	887-6544
New Mexico Emergency Response Commission (Santa Fe)	(505)476-9600
24 HR	(505) 827-9126
National Emergency Response Center (Washington, DC)	(800) 424-8802

Emergency Services

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control	(915) 699-0139 or (915) 563-3356
Halliburton	(575) 746-2757
B. J. Services	(575) 746-3569

Give GPS position:

Flight For Life - Lubbock, TX	(806) 743-9911
Aerocare - Lubbock, TX	(806) 747-8923
Med Flight Air Amb - Albuquerque, NM	(575) 842-4433
Lifeguard Air Med Svc. Albuquerque, NM	(575) 272-3115

Prepared in conjunction with
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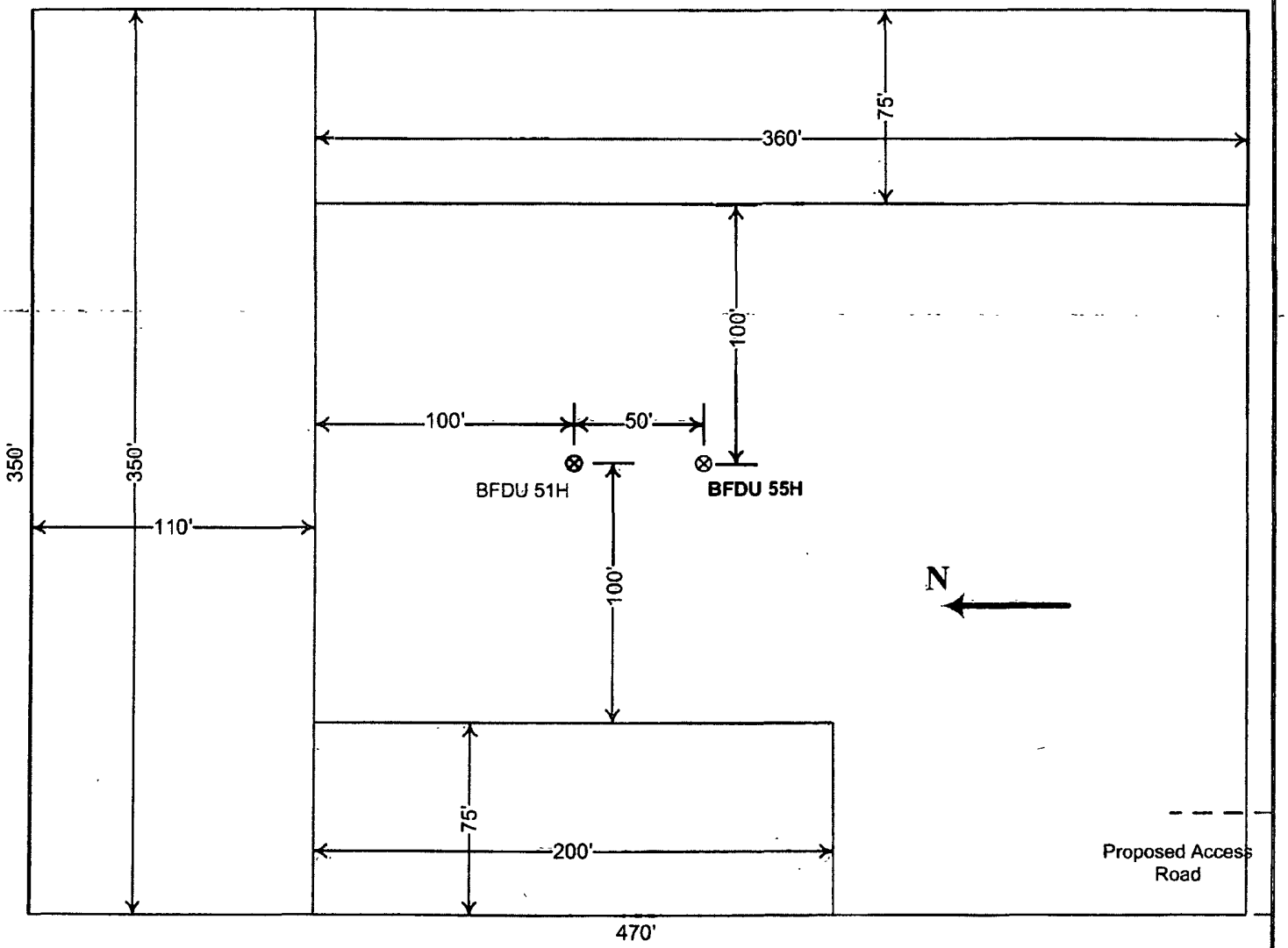
devon

Proposed Interim Site Reclamation

Devon Energy Production Co.
BFDU 55H
3175' FNL & 50' FEL
Sec. 3-T21S-R27E
Eddy County, NM

Proposed Production Facility at the BFDU 52H/56H well pad in Sec. 3-T21S-R27E



Topsoil stock pile on West edge of location

Proposed Reclamation Area

Scale: 1in = 60ft.

PECOS DISTRICT
CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company LP
LEASE NO.:	NM-0560295
WELL NAME & NO.:	Burton Flat Deep Unit #55H
SURFACE HOLE FOOTAGE:	3175' FNL & 0050' FEL
BOTTOM HOLE FOOTAGE	2920' FNL & 0330' FWL
LOCATION:	Section 3, T. 21 S., R 27 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.