	m 3160-3 arch 2012)		Field O		FORM	TS-16-7 A APPROVED No. 1004-0137	-	Ţ
ь. 1	UNITED STA		Artesia		Expires 5. Lease Serial No.	October 31, 2014		
	DEPARTMENT OF TH BUREAU OF LAND M				NMLC061862			
	APPLICATION FOR PERMIT				6. If Indian, Allote	e or Tribe Name		
la	. Type of work: 🔽 DRILL 🗌 REE	ENTER			7. If Unit or CA Ag		nd No.	
			•		Cotton Draw Un 8. Lease Name and			
	. Type of Well: 🔽 Oil Well 🗌 Gas Well 🛄 Other		Single Zone Multi	ple Zone	Cotton Draw Unit	238H		
2.	Name of Operator Devon Energy Production Company	y, L.P.			9. API Well No.	5-43	2,1	09
За.	Address 333 W. Sheridan	1	No. (include area code)		10. Field and Pool, or	r Exploratory		
	Oklahoma City, OK 73102-5010	ma City, OK 73102-5010 405.228.7203 Report location clearly and in accordance with any State requirements.*)			Paduca; Bone Sp 11. Sec., T. R. M. or			
4.		in any state requi 50 FNL & 660		ANAY	Sec. 13 T25S R	-	or Area	
	At proposed prod. zone 330 FSL & 660 FWL, Unit M		NOKIH	UDU	A.			
	Distance in miles and direction from nearest town or post office	* .	TINCAT	TOLA	12. County or Parish		State	
	Approximately 18 miles Southwest of Malaga, NM Distance from proposed* See attached man	16 No o	f acres in lease	17 Spacin	Eddy County	s well		
	location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		5182 - 1,720 ac	160 ac	•			
18.	Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Propo TVD: 10 MD: 14,	•		И/BIA Bond No. on file 104; NBM-000801			
21.	Elevations (Show whether DF, KDB, RT, GL, etc.) 3404.7' GL		ximate date work will sta	urt*	23. Estimated duration 45 Days			
		24. At	achments					
· S	A Surface Use Plan (if the location is on National Forest Sys SUPO must be filed with the appropriate Forest Service Office)).	5. Operator certifi 6. Such other site BLM. ne (Printed/Typed)		ormation and/or plans	as may be require Date	ed by t	he
Turs	pal Coul		na C. Couch			12/10/2014		
App	Regulatory Analyst roved by (Signature)	Nar	ne (Printed/Typed)			Date	27	201
	Steve Caffey	Off	Office CARLSBAD FIELD OFF				61	
Title		holds legal or eq	uitable title to those right	its in the sub	ject lease which would	entitle the applic	antto	
	lication approval does not warrant or certify that the applicant	nordo regaror et						- 10
App	FIELD MANAGER lication approval does not warrant or certily that the applicant luct operations thereon. ditions of approval, if any, are attached.	nondo regui or et		A		FOR TW/	1 VL	
App cond Con	luct operations thereon. ditions of approval, if any, are attached.		person knowingly and r within its jurisdiction.			FOR TW(or agency of the		
App cond Cond Title State	luct operations thereon.		person knowingly and r within its jurisdiction.		nake to any department		Unite	
App cond Cond Title State	duct operations thereon. ditions of approval, if any, are attached. 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it as any false, fictitious or fraudulent statements or representation		person knowingly and r within its jurisdiction.		nake to any department	or agency of the structions on $8 - /(-)5$	Unite page	
App cond Conu Title State	duct operations thereon. ditions of approval, if any, are attached. 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it as any false, fictitious or fraudulent statements or representation		person knowingly and r within its jurisdiction.		nake to any department	or agency of the	Unite page	
App cond Conu Title State	 luct operations thereon. ditions of approval, if any, are attached. 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it as any false, fictitious or fraudulent statements or representation ontinued on page 2) 	t a crime for any is as to any matte NM OIL	CONSERVATI	Willfully to n	nake to any department *(Ins	or agency of the structions on 8-11-15 HQ	Unite	
App cond Conu Title State	 luct operations thereon. ditions of approval, if any, are attached. 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it as any false, fictitious or fraudulent statements or representation ontinued on page 2) 	t a crime for any is as to any matte NM OIL		Willfully to n	nake to any department *(Ins	or agency of the structions on 8-11-15 HQ	Unite	
App cond Conu Title State	 luct operations thereon. ditions of approval, if any, are attached. 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it as any false, fictitious or fraudulent statements or representation ontinued on page 2) 	t a crime for any is as to any matte NM OIL	CONSERVATI ESIA DISTRICT	Willfully to n	nake to any department *(Ins	or agency of the structions on 8-11-15 HQ	Unite	
App cond Con Title State (Co	Auct operations thereon. ditions of approval, if any, are attached. 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it as any false, fictitious or fraudulent statements or representation ontinued on page 2) ad Controlled Water Basin	t a crime for any is as to any matter NM OIL ART AL	CONSERVATI esia district JG 3 2015	Willfully to n	nake to any department *(Ins	or agency of the structions on 8-11-15 HQ	Unite	
App cond Con Title State (Co	 luct operations thereon. ditions of approval, if any, are attached. 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it as any false, fictitious or fraudulent statements or representation ontinued on page 2) 	t a crime for any is as to any matter NM OIL ART AL	CONSERVATI ESIA DISTRICT IG 3 2015	ON	nake to any department *(Ins	or agency of the structions on 8-11-15 HQD	Unite	

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.

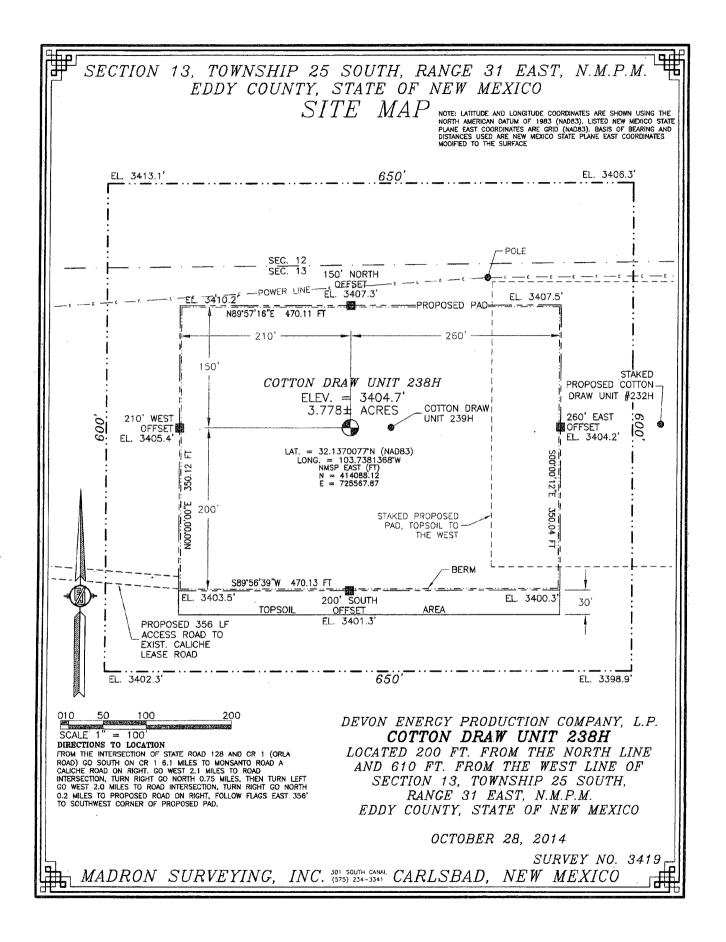
District I Form C-102 State of New Mexico 1625 N. French Dr., Hobbs, NM 88240 Revised August 1, 2011 Phone: (575) 393-6161 Fax: (575) 393-0720 Energy, Minerals & Natural Resources Department District II Submit one copy to appropriate 811 S. First St., Artesia, NM 88210 OIL CONSERVATION DIVISION Phone: (575) 748-1283 Fax: (575) 748-9720 District Office District III 1220 South St. Francis Dr. 1000 Rio Brazos Road, Aztec, NM \$7410 Phone: (505) 334-6178 Fax: (505) 334-6170 AMENDED REPORT Santa Fe, NM 87505 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code ³ Pool Name API Numbe - 43210C 96641 Paduca; Bone Spring ⁵ Property Name Well Number **COTTON DRAW UNIT** 238H OGRID * Operator Name Elevation 6137 **DEVON ENERGY PRODUCTION COMPANY, L.P.** 3404.7 ¹⁰ Surface Location Township UL or lot no. Section East/West line Range Lot idn Feet from the North/South line Feet from the County EDDY D 13 25 S 31 E 200 NORTH 610 WEST ¹¹ Bottom Hole Location If Different From Surface UL or lot no. Section Township Range East/West line Lot Ida Feet from the North/South line Feet from the County 25 S 330 SOUTH M 13 31 E 660 WEST EDDY ² Dedicated Acres Joint or Infill **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.

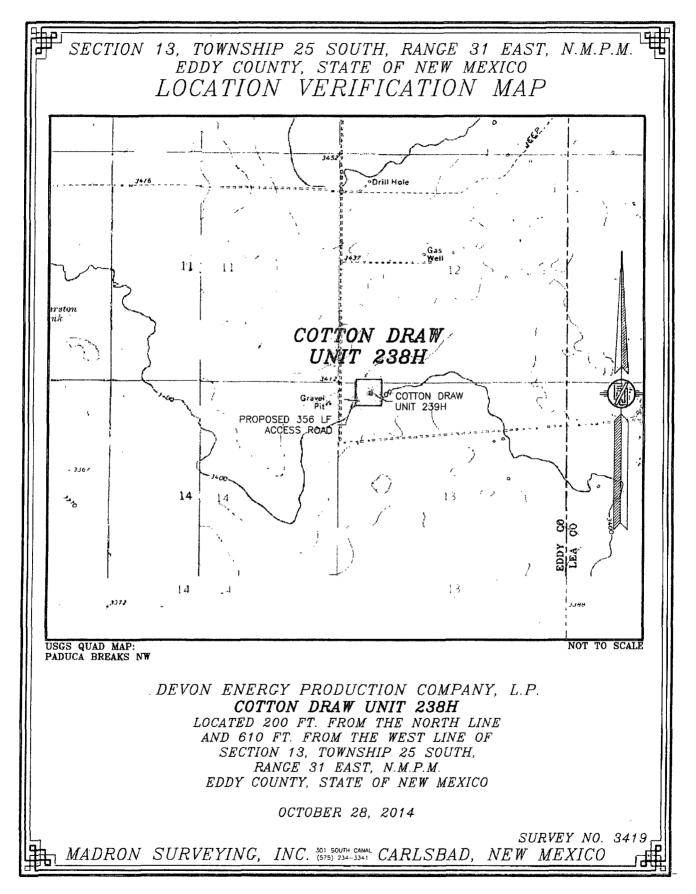
	1 N89'25'4	2"E 2641.72 FT	N89'44'47"E	2653.15 FT		" OPERATOR CERTIFICATION
	NW CORNER			NE CORNER SEC. 13]	I hereby certify that the information contained herein is true and complete
		375499'N LAT. = 32.1375820'N		LAT. = 32.1375733'N		to the best of my knowledge and belief, and that this organization either
	/ -	3.7401065'W LONG. = 103.7315741'Y	Y	LONG. = 103.7230046'W NMSP EAST (FT)		owns a working interest or unleased mineral interest in the land including
	$\binom{8}{100}$ NMSP EAST N = 41428			N = 414320.09		the proposed bottom hole location or has a right to drill this well at this
Z	F 70.05			E = 730250.66	ន	location pursuant to a contract with un owner of such a mineral or working
N00" 15" 40" W				E = 730250.66	7 .13	interest, or 10 a voluntary pooling agreement or a compidsory pooling
6	SURFACE	1		1	20″E	order heretafore entered by the division.
×	·	COTTON DRAW UNIT 238H		+		A = P A I I when when I
26		ELEV. = 3404.7' LAT. = 32.1370077'N (NAD83)		1	2640.21	Alacia approximation of the second se
2643.79		LONG. = 103.7381368 W		\$	9 .21	
1		NMSP EAST (FT) N = 414088.12			Э	Trina C. Couch, Regulatory Analyst
		E = 725567.87				Printed Name
	W O CORNER SEC. 13			E Q CORNER SEC. 13		trina.couch@dvn.com
	LAT. = 32,1302841'N	i		LAT. = 32.1303174"N		E-mail Address
	LONG. = 103.7401147W			LONG. = $103.7230198'W$ NMSP EAST (FT)		
	NMSP EAST (FT) N = 411638.81	i i		N = 411680.47		SURVEYOR CERTIFICATION
	E = 724969.15			E = 730260.90		I hereby certify that the well location shown on this
						plat was plotted from field notes of actual surveys
N		OF HOLE		4	g	made by me or miller my supervision, and that the
N00'12'34	$LAT_{.} = 32$	1239543'N 03.7379970'W			500'13'47 ' E	
34 W	NMSP EAST	(FT)			47"E	same is irue and correct to the best of iny belief. OCTOBER 28, 2014
	$ \frac{N}{E} = \frac{40933}{72563}$	9.73				
2636.03	BOTTOM			1	2640.74	Date of Survey, (12/9/1/17)
6.03	OF HOLE				.74	And she sell
1		R SEC. 13 S Q CORNER SEC. 13		SE CORNER SEC. 13	Э	S BXIC MANULL
		1230397'N LAT. = 32.1230701'N 103.7401304'W LONG. = 103.7316050'W		LAT. = 32.1230600 N LONG. = 103.7230339 W		Signature and Seal of the put signate Sirve U.r.
			:	NMSP EAST (FT)	L	Certificate Number: Str. Phys. P. J. Rat.MILLO, PLS 12797
	N = 4090	03.37 N = 409029.07		N = 409040.33 E = 730271.48		SURVEY NO. 3419
	E = 7249 \$89'26'31"W	2639.94 FT	S89'45'25'W	2654.07 FT		
1	305 20 31 W	2005.57 11	565 TO 25 H	200.007 11		

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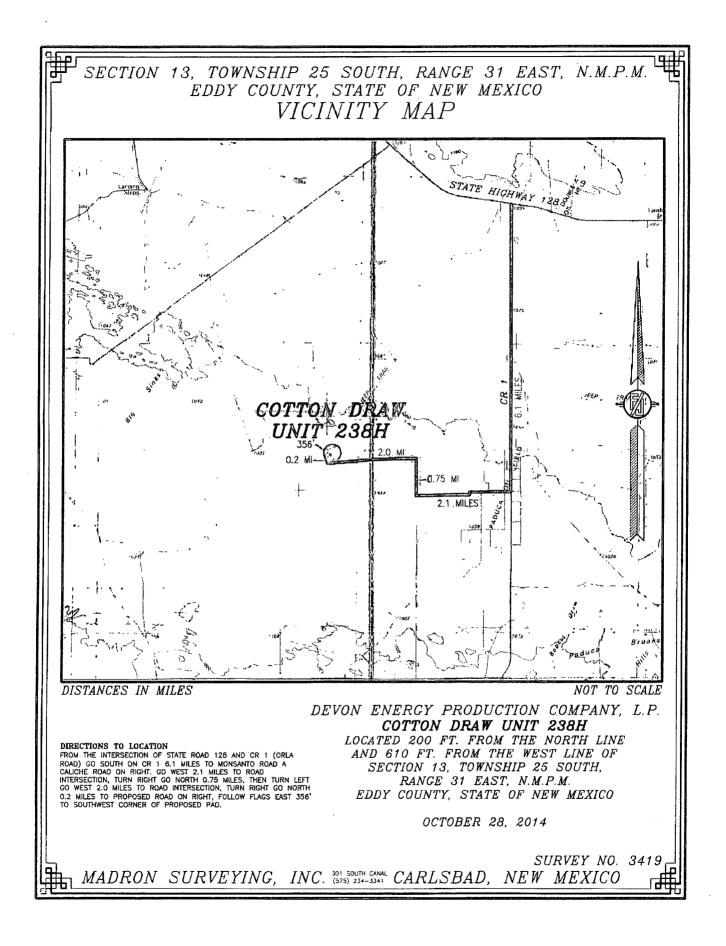
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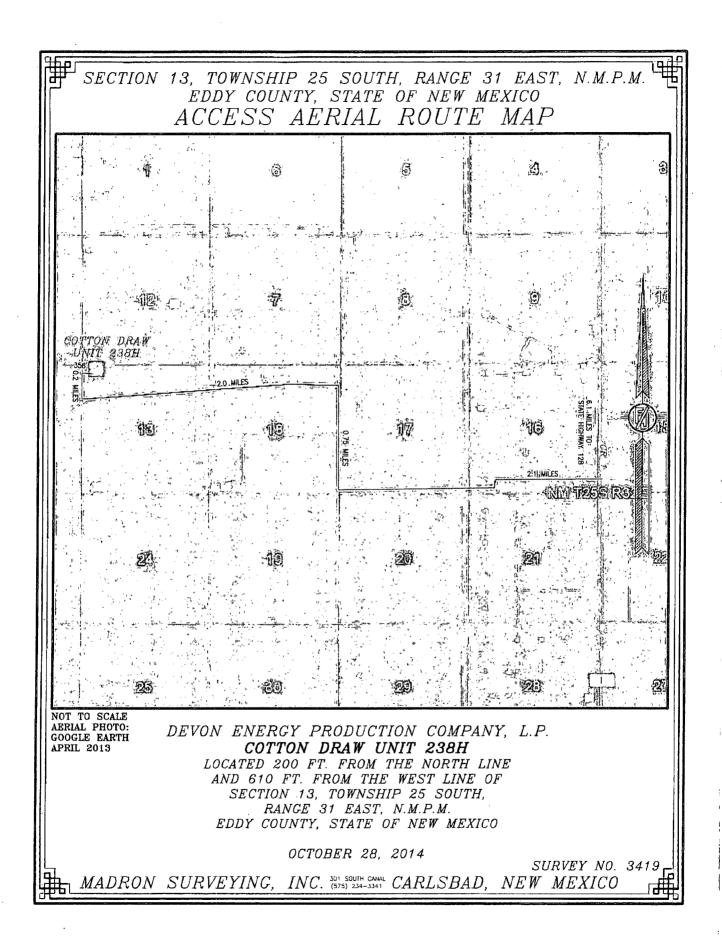


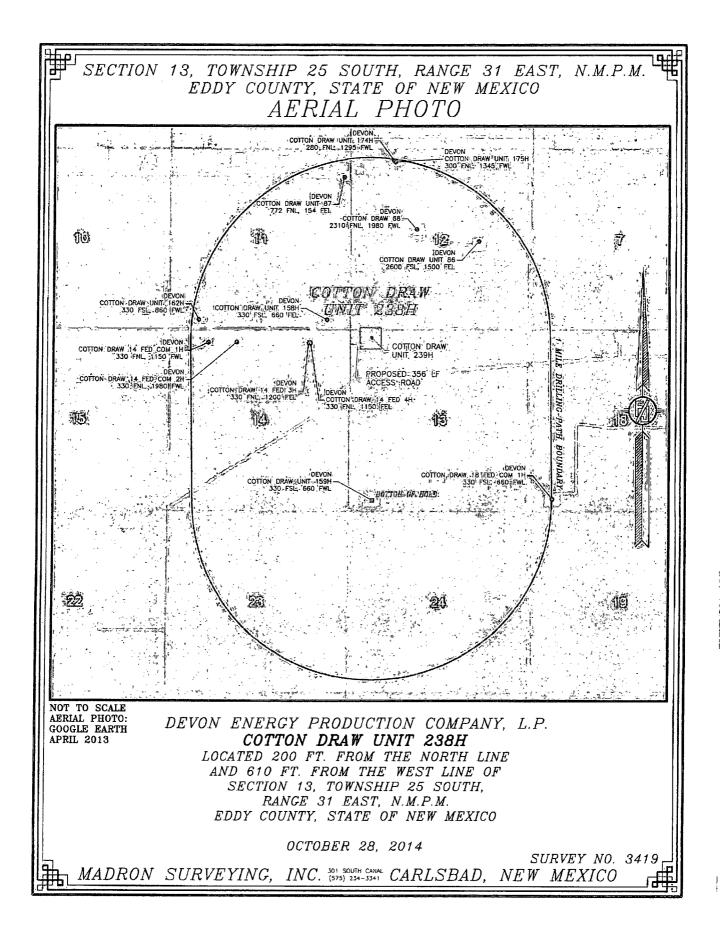
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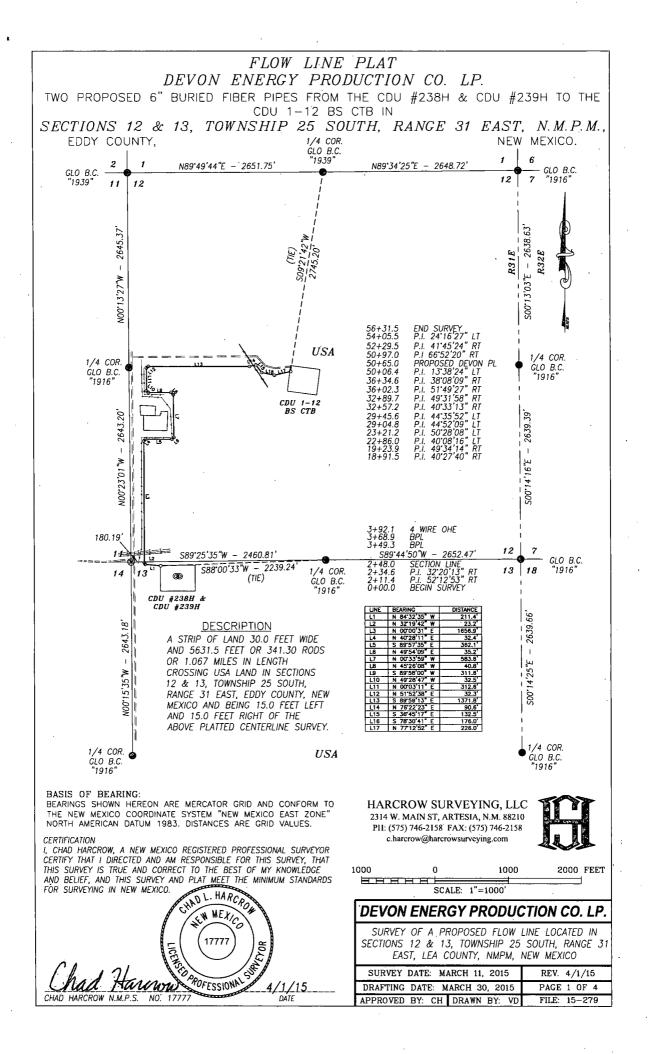


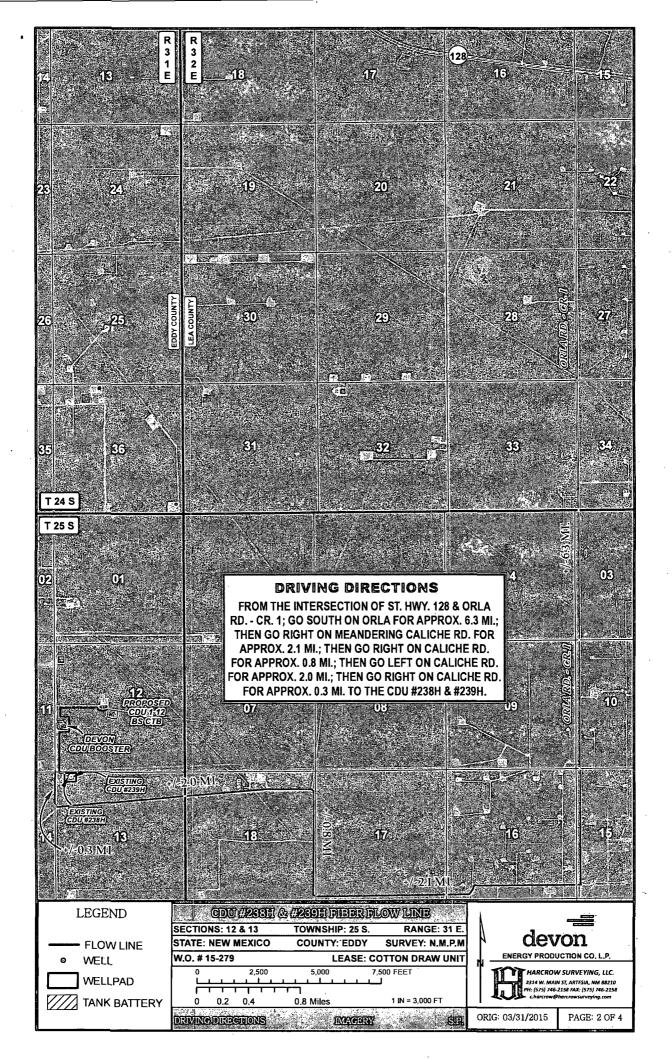
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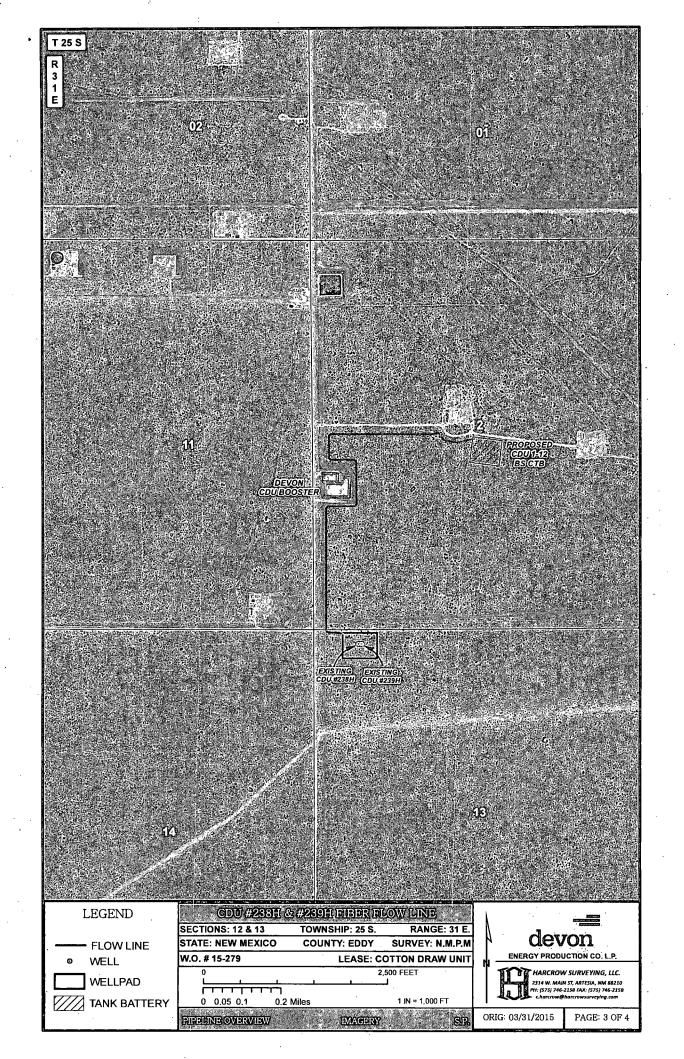


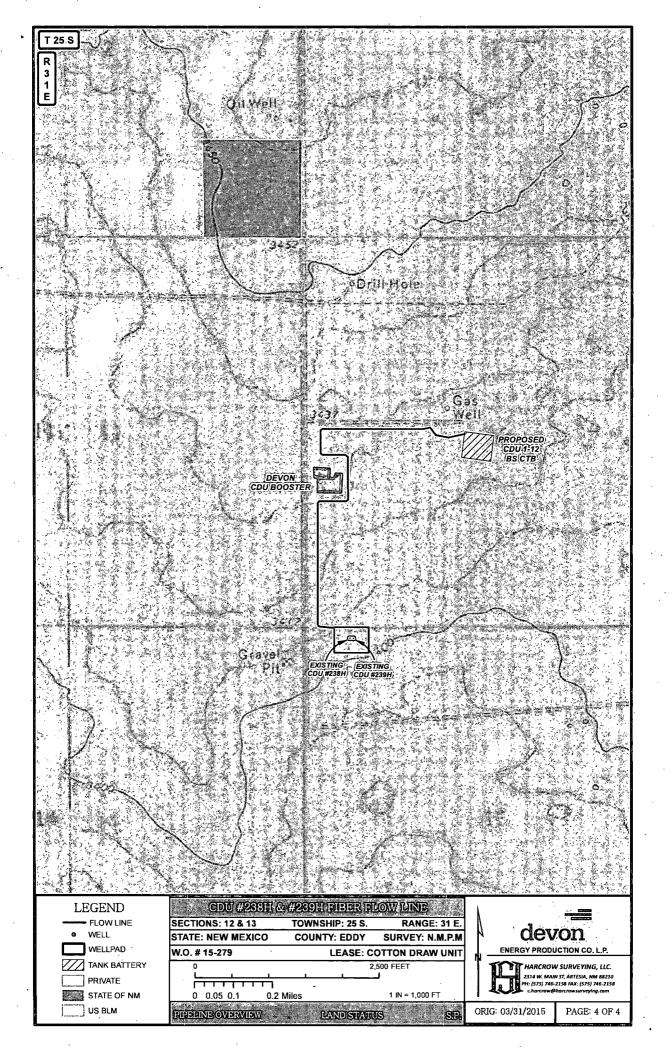


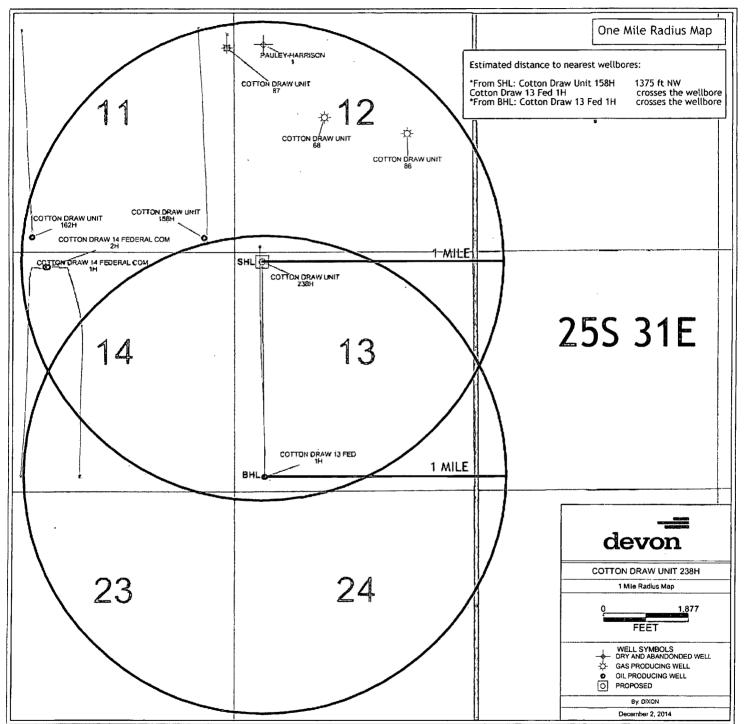












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1. Geologic Formations

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TVD of target	10,496'	Pilot hole depth	N/A
MD at TD:	14,947'	Deepest expected fresh water:	

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Rustler	599	Water	
Top of Salt	994	Salt	
Castile	2,800	Barren	
Bell Canyon	4,407	Oil/Gas	
Cherry Canyon	5,296	Oil/Gas	
Brushy Canyon	6,621	Oil/Gas	
1st BSPG Lime	8,203	Oil/Gas	
1st BSPG Sand	9,334	Oil/Gas	
2nd BSPG Lime	9,711	Oil/Gas	
2nd BSPG Sand	9,711	Target Zone	
	-		
		·	
			1

*H2S, water flows, loss of circulation, abnormal pressures, etc.

Devon Energy, Cotton Draw Unit 238H

Hole	Casing	g Interval	Csg.	Weight	Grade	Conn	SF	SF	SF
Size	From	То	Size	(lbs)		•	Collapse	Burst	Tension
17.5"	0	750'	13.375"	48	H-40	STC	1.77	3.98	7.71
12.25"	0	3,400'	9.625"	36	J-55	LTC	1.15	1.66	1.97
12.25	3,400'	4,300'	9.625"	40	J-55	LTC	1.18	1.81	3.10
8.75"	0	14,947'	5.5"	17	P-110	BTC	1.56	1.93	2.26
8.75"									
	•	▲_ · · · · · · · · · · · · · · · · · · ·		BLM Min	imum Safet	y Factor	1.125	1.00	1.6 Dry
					·	•			1.8 Wet

2. Casing Program

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Must have table for contingency casing

	YorN				
Is casing new? If used, attach certification as required in Onshore Order #1	Y				
Does casing meet API specifications? If no, attach casing specification sheet.					
Is premium or uncommon casing planned? If yes attach casing specification sheet.					
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y				
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y				
Is well located within Capitan Reef?	N				
If yes, does production casing cement tie back a minimum of 50' above the Reef?					
Is well within the designated 4 string boundary.					
Is well located in SOPA but not in R-111-P?	<u>N</u>				
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?					
Is well located in R-111-P and SOPA?	N				
If yes, are the first three strings cemented to surface?					
Is 2 nd string set 100' to 600' below the base of salt?					
Is well located in high Cave/Karst?	N				
If yes, are there two strings cemented to surface?					
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?					
Is well located in critical Cave/Karst?	NT				
If yes, are there three strings cemented to surface?	N				

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3. Cementing Program

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Casing	# Sks	. Wt.	H ₂ O	Yld	500#	Slurry Description
		lb/ gal	gal/sk	ft3/ sack	Comp.	
					(hours)	
Surf.	820	14.8	6.32	1.33	7	Tail: Class C Cement + 0.125 lbs/sack Poly-E-Flake
Inter.	910	12.9	9.81	1.85	17	Lead: (65:35) Class C Cement: Poz (Fly Ash): 6% BWOC Bentonite + 5% BWOW Sodium Chloride + 0.125 Ibs/sack Poly-E-Flake
	430	14.8	6.32	1.33	6	Tail: Class C Cement + 0.125 lbs/sack Poly-E-Flake
Prod.	870	12.5	10.86	1.96	30	1 st Lead: (65:35) Class H Cement: Poz (Fly Ash) + 6% BWOC Bentonite + 0.25% BWOC HR-601 + 0.125 lbs/sack Poly-E-Flake
	1350	14.5	5.31	1.2	25	1 st Tail: (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
					DV/	'ECP Tool 4500'
	80	11	14.81	2.55	22	2 nd stage Lead: Tuned Light [®] Cement + 0.125 lb/sk Pol-E-Flake
	110	14.8	6.32	1.33	6	2 nd stage Tail: Class C Cement + 0.125 lbs/sack Poly-E- Flake

DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
Surface	0′	100%
Intermediate	0'	75%
Production	1 st Stage = 4100' / 2	2 nd Stage = 3300' 25%

4. Pressure Control Equipment

N A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	. T	уре		Tested to:	
			An	nular	X	50% of working pressure	
			Blin	d Ram			
12-1/4"	13-5/8"	3M	Pipe	e Ram		3M	
			Doub	le Ram	x	5101	
			Other*				
	13 5/8"		An	nular	x	50% testing pressure	
		13-5/8"	214	Blind Ram			
8-3/4"				3M Pipe Ram			
-5/4	15-5/0	J1 V1	Double Ram		x	3M	
			Other *				
			An	nular			
			Blin	d Ram			
			Pipe Ram				
· · · ·			Doub	le Ram			
			Other				
			*				

*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Y Formation integrity test will be performed per Onshore Order #2.
 On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.

Devon Energy, Cotton Draw Unit 238H

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	A variance is requested for the use of a flexible choke line from the BOP to Choke
Y	Manifold. See attached for specs and hydrostatic test chart.
	Y Are anchors required by manufacturer?
Y	A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.
	 Devon proposes using a multi-bowl wellhead assembly (FMC Uni-head). This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi. Wellhead will be installed by FMC's representatives. If the welding is performed by a third party, the FMC's representative will monitor
	the temperature to verify that it does not exceed the maximum temperature of the seal.
	 FMC representative will install the test plug for the initial BOP test.
	 FMC representative with instant the test plug for the initial BOF test. FMC will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to 5M, as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
	 Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating. Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.
	After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed on the FMC Uni-head wellhead system and will undergo a 250 psi low pressure test followed by a 3,000 psi high pressure test. The 3,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2. After running the 9-5/8' intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 3M will already be installed on the FMC Uni-head.
	The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. 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

See attached schematic.

5. Mud Program

D From	epth To	Туре	Weight (ppg)	Viscosity	Water Loss
0	750'	FW Gel	8.6-8.8	28-34	N/C
750'	4,300'	Saturated Brine	10.0-10.2	28-34	N/C
4,300'	14,947'	Cut Brine	8.5-9.3	28-34	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain	PVT/Pason/Visual Monitoring
of fluid?	

6. Logging and Testing Procedures

Log	ging, Coring and Testing.
	Will run GR/CNL fromTD to surface (horizontal well - vertical portion of hole). Stated
	logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain

Add	litional logs planned	d Interval
	Resistivity	Int. shoe to KOP
	Density	Int. shoe to KOP
Х	CBL	Production casing
X	Mud log	Intermediate shoe to TD
	PEX	

Devon Energy, Cotton Draw Unit 238H

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4723 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

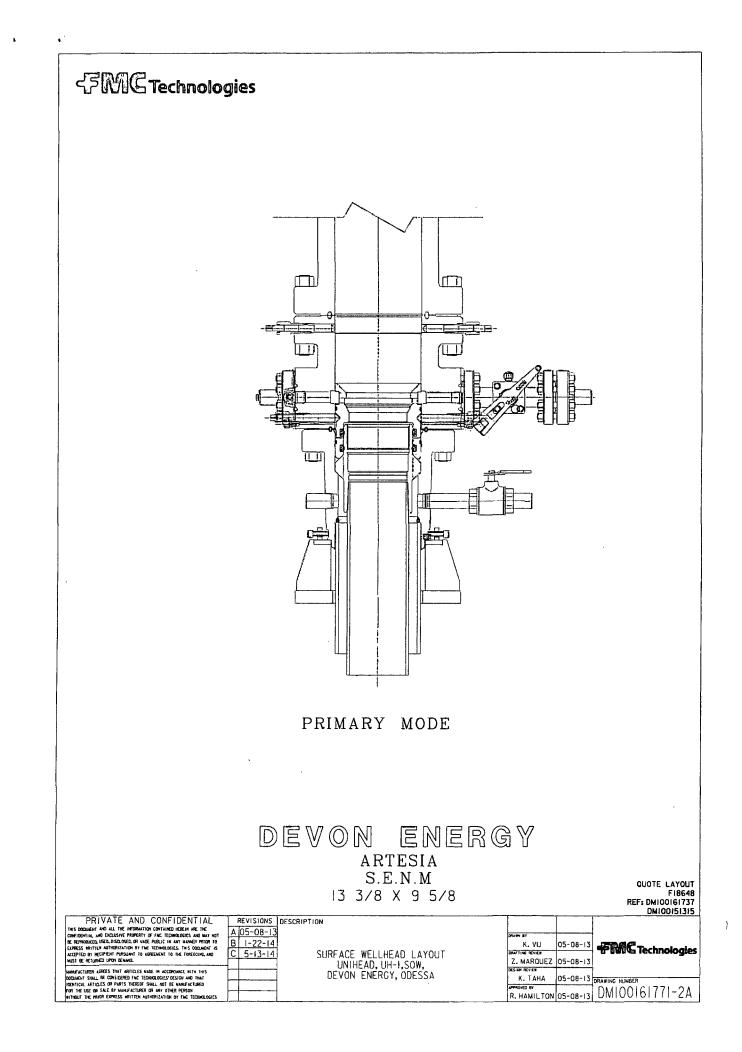
N	H2S is present		
Y	H2S Plan attached		

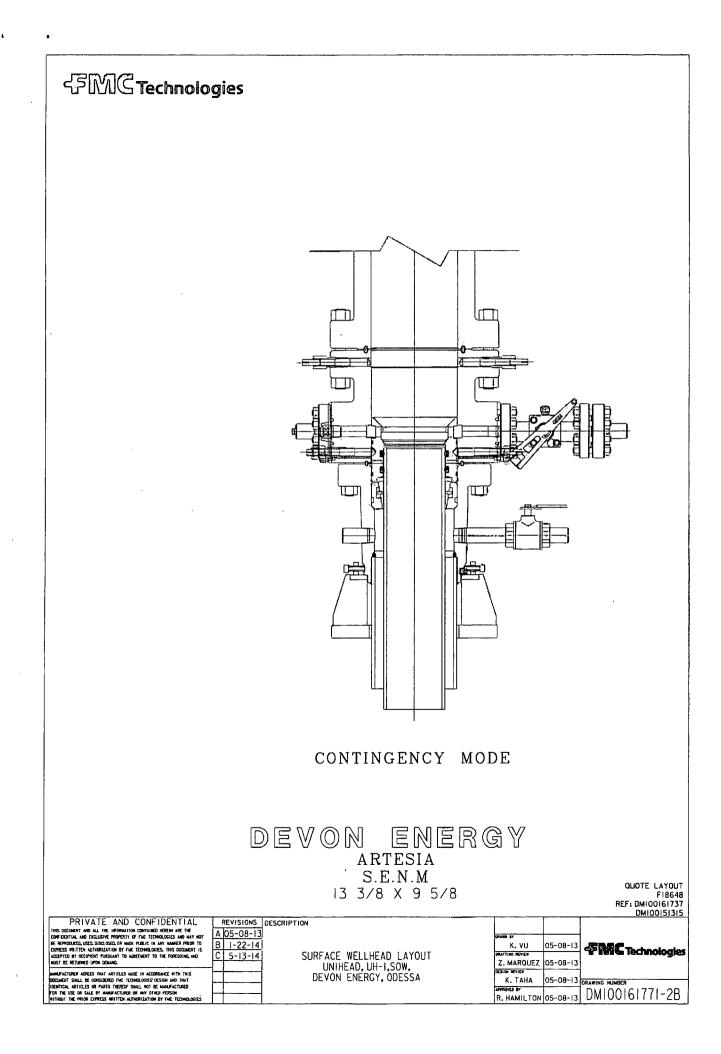
8. Other facets of operation

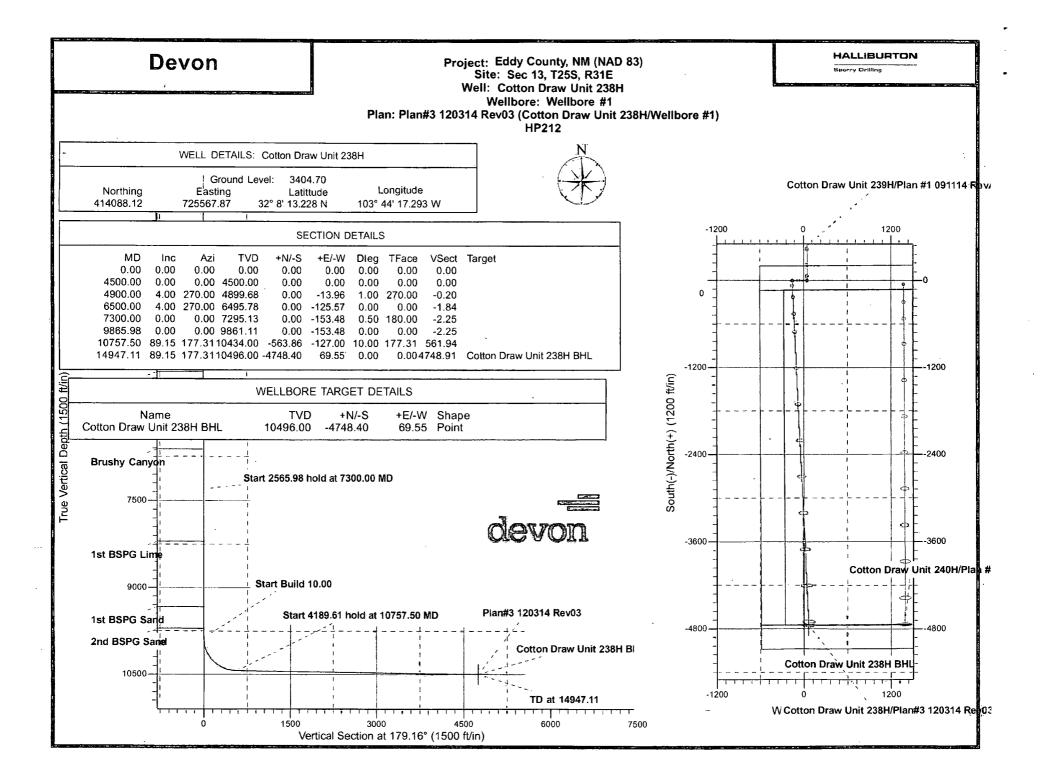
Is this a walking operation? No. Will be pre-setting casing? No.

Attachments \underline{x} Directional Plan

____ Other, describe







			F
Devon			
	v, NM (NAD 83) Se	c 13, T25S, R31E	
	aw Unit 238H & 610' FWL		
	120314 Rev03		
Sperr	-	g Services	
	Report	g Services	
Sperr Combo	Report	Services North American Datum 1983 New Mexico Eastern Zone 414,088.12 N 725,567.87 E	
Sperr Combo 03 December, 3	Report 2014 32° 08' 13.23° N 103° 44' 17.29° W	North American Datum 1983 New Mexico Eastern Zone 414,088.12 N	
Sperr Combo 03 December, 2 Well Coordinates: Ground Level: 3,404.70 Local Coordinate Origin	Report 2014 32° 08' 13.23° N 103° 44' 17.29' W	North American Datum 1983 New Mexico Eastern Zone 414,088.12 N 725,567.87 E Centered on Well Cotton Draw Unit 238H	
Sperr Combo 03 December, 2 Well Coordinates: Ground Level: 3,404.70	Report 2014 32° 08' 13.23° N 103° 44' 17.29' W	North American Datum 1983 New Mexico Eastern Zone 414,088.12 N 725,567.87 E	

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Devon Eddy County, NM (NAD 83)

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Plan Report for Cotton Draw Unit 238H - Plan#3 120314 Rev03

Measured		Grid	TVD below	Vertical	Local Cod	ordinates	Map Coor	dinates	Dogleg	Vertical	
Depth (ft)	Inclination (°)	Azimuth (°)	System (ft)	Depth (ft)	Northing (ft)	Easting (ft)	Northing (usft)	Easting (usft)	Rate (*/100usft)	Section (ft)	Comments
0.00			-3,429.70	0.00	0.00 N	0.00 E	414,088.12	725,567.87	7 0.00	0.00	
100.00				100.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
200.00				200.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
300.00				300.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
400.00				400.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
500.00				500.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
595.70				595.70	0.00 N	0.00 E	414,088.12	725,567.87			Rustler
600.00				600.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
700.00				700.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
800.00				800.00	0.00 N	0.00 E	414,088.12	725,567.87	0.00	0.00	
900.00				900.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
990.70				990.70	0.00 N	0.00 E	414,088.12	725,567.87			Top of Salt
1,000.00				1,000.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
1,100.00				1,100.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
1,200.00		0.00	-2,229.70	1,200.00	0.00 N	0.00 E	414,088.12	725,567.87	0.00	0.00	
1,300.00				1,300.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
1,400.00				1,400.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
1,500.00				1,500.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
1,600.00				1,600.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
1,700.00				1,700.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
1,800.00				1,800.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
1,900.00				1,900.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,000.00				2,000.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,100.00				2,100.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,200.00				2,200.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,300.00				2,300.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,400.00				2,400.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,500.00				2,500.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,600.00				2,600.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,700.00				2,700.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,796.70				2,796.70	0.00 N	0.00 E	414,088.12	725,567.87			Castile
2,800.00				2,800.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
2,900.00				2,900.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
3,000.00 3,100.00				3,000.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
				3,100.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
3,200.00				3,200.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
3,300.00 3,400.00				3,300.00	0.00 N	0.00 E	414,088.12	725,567.87 725,567.87		0.00	
3,400.00				3,400.00	0.00 N	0.00 E 0.00 E	414,088.12 414,088.12	725,567.87		0.00 0.00	
3,600.00		0.00		3,500.00 3,600.00	0.00 N 0.00 N	0.00 E	414,088.12	725,567.87		0.00	
3,700.00											
3,700.00	0.00	0.00	270.30	3,700.00	0.00 N	0.00 E	414,088.12	725,567.87	0.00	0.00	
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Devon Eddy County, NM (NAD 83)

Plan Report for Cotton Draw Unit 238H - Plan#3 120314 Rev03

leasured			TVD below	Vertical	Local Coc	rdinates	Map Coor	dinates	Dogleg	Vertical	
Depth (ft)	inclination (°)	Azimuth (°)	System (ft)	Depth (ft)	Northing (ft)	Easting (ft)	Northing (usft)	Easting (usft)	Rate (*/100usft)	Section (ft)	Comments
3,800.00		0.00		3,800.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
3,900.00		0.00		3,900.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
4,000.00		0.00		4,000.00	0.00 N	0.00 E	414,088.12	725,567.87		0.00	
4,100.00	0.00	0.00	670.30	4,100.00	0.00 N	0.00 E	414,088.12	725,567.87	0.00	0.00	
4,200.00	0.00	0.00	770.30	4,200.00	0.00 N	0.00 E	414,088.12	725,567.87	0.00	0.00	
4,300.00	0.00	0.00	870.30	4,300.00	0.00 N	0.00 E	414,088.12	725,567.87	0.00	0.00	
4,400.00		0.00	970.30	4,400.00	0.00 N	0.00 E	414,088.12	725,567.87	0.00	0.00	
4,403.70		0.00		4,403.70	0.00 N	0.00 E	414,088.12	725,567.87			Bell Canyon
4,500.00	0.00	0.00	1,070.30	4,500.00	0.00 N	0.00 E	414,088.12	725,567.87	0.00	0.00	Start Build 1.00
4,600.00	1.00	270.00	1,170.29	4,599.99	0.00 N	0.87 W	414,088,12	725,567.00	1.00	-0.01	
4,700.00		270.00		4,699.96	0.00 N	3.49 W	414,088.12	725,564.38		-0.05	
4,800.00		270.00		4,799.86	0.00 N	7.85 W	414,088.12	725,560.02	1.00	-0.11	
4,900.00		270.00		4,899.68	0.00 N	13.96 W	414,088.12	725,553.91		-0.20	Start 1600.00 hold at 4900.00 MD
5,000.00		270.00		4,999.43	0.00 N	20.93 W	414,088.12	725,546.94		-0.31	
5,100.00		270.00	•	5,099.19	0.00 N	27.91 W	414.088.12	725,539.96		-0.41	
5,200.00		270.00		5,198.94	0.00 N	34.88 W	414,088.12	725,532.99		-0.51	
5,293.98		270.00		5,292.70	0.00 N	41.44 W	414,088.12	725,526.43			Cherry Canyon
5,300.00		270.00		5,298.70	0.00 N	41.86 W	414,088.12	725,526.01		-0.61	Cherry Carryon
5,400.00		270.00		5,398.46	0.00 N	48.84 W	414,088.12	725,519.03		-0.72	
5,500.00		270.00		5,498.21	0.00 N	55.81 W	414,088.12	725,512.06		-0.82	
5,600.00		270.00		5,597.97	0.00 N	62.79 W	414,088.12	725,505.08		-0.92	
5,700.00		270.00		5,697.73	0.00 N	69.76 W	414,088.12	725,498.11		-1.02	
5,800.00		270.00		5,797.48	0.00 N	76.74 W	414,088.12	725,491.13		-1,12	
5,900.00		270.00		5,897.24	0.00 N	83.71 W	414,088.12	725,484.16		-1.23	
6,000.00		270.00		5,997.00	0.00 N	90.69 W	414,088.12	725,477.18		-1.33	
6,100.00		270.00		6,096.75	0.00 N	97.66 W	414,088.12	725,470.21		-1.43	
6,200.00		270.00		6,196.51	0.00 N	104.64 W	414,088.12	725,463.23		-1.53	
6,300.00		270.00		6,296.26	0.00 N	111.62 W	414,088.12	725,456.25		-1.63	
6,400.00	4.00	270.00	2,966.32	6,396.02	0.00 N	118.59 W	414,088.12	725,449.28	0.00	-1.74	
6,500.00	4.00	270.00	3,066.08	6,495.78	0.00 N	125.57 W	414,088.12	725,442.30	0.00	-1.84	Start Drop -0.50
6,600.00		270.00	3,165.86	6,595.56	0.00 N	132.11 W	414,088.12	725,435.76	0.50	-1.93	
6,622.18	3.39	270.00	3,188.00	6,617.70	0.00 N	133.44 W	414,088.12	725,434.43	0.50	-1.95	Brushy Canyon
6,700.00	3.00	270.00	3,265.70	6,695.40	0.00 N	137.78 W	414,088.12	725,430.09	0.50	-2.02	
6,800.00		270.00		6,795.29	0.00 N	142.57 W	414,088.12	725,425.30	0.50	-2.09	
6,900.00		· 270.00	3.465.51	6.895.21	0.00 N	146.50 W	414.088.12	725,421.37	0.50	-2.15	
7.000.00		270.00	3,565,46	6,995,16	0.00 N	149.55 W	414,088.12	725,418.32		-2.19	
7,100.00		270.00		7,095.14	0.00 N	151.74 W	414,088.12	725,416.13		-2.22	
7,200.00		270.00		7,195.13	0.00 N	153.04 W	414,088.12	725,414.83		-2.24	
7,300.00		0.00	3,865.43	7,295.13	0.00 N	153.48 W	414,088.12	725,414.39			Start 2565.98 hold at 7300.00 MD
7,400.00	0.00	0.00		7,395.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
7,500.00	0.00	0.00	4,065.43	7,395.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
7,000.00	0.00	0.00	4,005.43	7,495.13	0.00 N	100.40 44	414,000.1Z	(20,414.39	0.00	-2.25	

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Devon Eddy County, NM (NAD 83)

Plan Report for Cotton Draw Unit 238H - Plan#3 120314 Rev03

Measured		Griđ	TVD below	Vertical	Local Coo	rdinates	Map Coord	linates	Dogleg	Vertical	
Depth	Inclination	Azimuth	System	Depth	Northing	Easting	Northing	Easting	Rate	Section	Comments
(ft) 7,600.00	(°) 0.00	(°) 0.00	(ft) 4,165.43	(ft) 7,595.13	(ft) 0.00 N	(ft) 153.48 W	(usft) 414,088,12	(usft) 725,414.39	(°/100usft)	(ft) -2.25	
7,500.00		0.00		7,695.13	0.00 N 0.00 N	153.48 W	414,088.12 414,088.12	725,414.39		-2.25	
7,800.00				7,795.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
7,900.00		0.00		7.895.13	0.00 N	153.48 W	414,088,12	725,414.39		-2.25	
8,000.00		0.00		7,995.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
8,100.00	0.00	0.00		8,095.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
8,200.00				8,195.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
8,204.57		0.00	4,770.00	8,199.70	0.00 N	153.48 W	414,088.12	725,414.39			1st BSPG Lime
8,300.00		0.00		8,295.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
8,400.00	0.00	0.00		8,395.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
8,500.00	0.00 0.00	0.00		8,495.13 8,595.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
8,600.00 8,700.00	0.00	0.00 0.00		8,695.13	0.00 N 0.00 N	153.48 W 153.48 W	414,088.12 414,088.12	725,414.39 725,414.39		-2.25 -2.25	
8,800.00	0.00	0.00	5,205.43	8,795.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
8,800.00	0.00	0.00	5,465.43	8,895.13	0.00 N	153.46 W	414,088.12	725,414.39		-2.25	
9,000.00	0.00	0.00	5,565.43	8,995,13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
9,100.00	0.00	0.00	5,665.43	9,095.13	0.00 N	153.48 W	414,088,12	725,414.39		-2.25	
9,200.00		0.00		9,195.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
9.300.00	0.00	0.00	5,865.43	9,295.13	0.00 N	153.48 W	414,088.12	725,414.39	0.00	-2.25	
9,335.57	0.00	0.00	5,901.00	9,330.70	0.00 N	153.48 W	414,088.12	725,414.39	0.00		1st BSPG Sand
9,400.00	0.00	0.00	5,965.43	9,395.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
9,500.00	0.00	0.00		9,495.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
9,600.00		0.00	6,165.43	9,595.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
9,700.00	0.00	0.00	6,265.43	9,695.13	0.00 N	153.48 W	414,088.12	725,414.39		-2.25	
9,712.57	0.00	0.00	6,278.00	9,707.70 9,795.13	0.00 N	153.48 W 153.48 W	414,088.12	725,414.39		-2.25	2nd BSPG Lime - 2nd BSPG Sand
9,800.00 9,865.98	0.00 0.00	0.00	6,365.43 6,431.41	9,795.13	0.00 N 0.00 N	153.46 W	414,088.12 414,088.12	725,414.39 725,414.39			Start Build 10.00
9,900.00	3.40	177.31	6,465.41	9,895.11	1.01 S	153.43 W	414,087.11	725,414.33	10.00	-1.24	Start Build 10.00
10,000.00	13.40	177.31	6,564.21	9,993.91	15.59 S	152.75 W	414,072.53	725,415.12		13.35	
10,100.00	23.40	177.31	6,658.98	10,088.68	47.08 S	151.27 W	414,041.04	725,416.60	10.00	44.86	
10,200.00	33.40	177.31	6,746.83	10,176.53	94.53 S	149.04 W	413,993.59	725,418.83	10.00	92.34	
10,300.00	43.40	177.31	6,825.09	10,254.79	156.50 S	146.13 W	413,931.62	725,421.74	10.00	154.35	~
10,400.00	53.40	177.31	6,891.40	10,321.10	231.11 S	142.63 W	413,857.01	725,425.24	10.00	229.00	
10,500.00	63.40	177.31	6,943.73	10,373.43	316.08 S	138.63 W	413,772.04	725,429.24	10.00	314.02	
10,600.00	73.40	177.31	6,980.49	10,410.19	408.84 S	134.28 W	413,679.28	725,433.59	10.00	406.83	
10,700.00	83.40	177.31	7,000.57	10,430.27	506.57 S	129.69 W	413,581.55	725,438.18	10.00	504.61	
10,757.50 10,800.00	89.15 89.15	177.31 177.31	7,004.30 7,004.93	10,434.00 10,434.63	563.86 S 606.31 S	127.00 W 125.00 W	413,524.26 413,481.81	725,440.87 725,442.87	10.00 0.00	561.94 604.41	Start 4189.61 hold at 10757.50 MD
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10,900.00 11,000.00	89.15 89.15	177.31 177.31	7,006.41 7,007.89	10,436.11 10,437.59	706.19 S 806.06 S	120.31 W 115.62 W	413,381.94 413,282.06	725,447.56 725,452.25	0.00 0.00	704.35 804.28	
11,100.00	89.15	177.31	7,009.37	10,437.59	905.94 S	110.93 W	413,182.18	725,452.25	0.00	904.22	
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Devon Eddy County, NM (NAD 83)

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Plan Report for Cotton Draw Unit 238H - Plan#3 120314 Rev03

Measured			TVD below	Vertical	Local Co	ordinates	Map Coor	dinates	Dogleg	Vertical	
Depth (ft)	Inclination (°)	Azimuth (°)	System (ft)	Depth (ft)	Northing (ft)	Easting (ft)	Northing (usft)	Easting (usft)	Rate (*/100usft)	Section (ft)	Comments
11,200.00		177.31	7,010.85		1,005.82 S	106.24 W	413,082.30	725,461.63		1,004.16	
11,300.00		177.31	7,012.33	10,442.03	1,105.70 S	101.55 W	412,982.42	725,466.32	0.00	1,104.10	
11,400.00		177.31			1,205.58 S	96.86 W	412,882.54	725,471.01		1,204.03	
11,500.00		177.31	7,015.29		1,305.46 S	92.16 W	412,782.66	725,475.71		1,303.97	
11,600.00		177.31			1,405.34 S	87.47 W	412,682.78	725,480.40		1,403.91	
11,800.00		177.31 177.31	7,018.25 7,019.73		1,505.22 S 1,605.10 S	82.78 W 78.09 W	412,582.91 412,483.03	725,485.09 725,489.78		1,503.84 1,603.78	
11,900.00		177.31	7.021.21		1,704.98 S	73.40 W	412,383.15	725,494.47		1,703.72	
12,000.00		177.31	7.022.69		1,704.98 S	68.71 W	412,283.27	725,499,16		1.803.65	
12,100.00		177.31	7.024.17		1,904.73 S	64.02 W	412,183.39	725,503.85		1,903.59	
12,200.00		177.31	7,025.65		2,004.61 S	59.33 W	412,083.51	725,508.55		2,003.53	
12,300.00	89.15	177.31	7,027.13	10,456.83	2,104.49 S	54.63 W	411,983.63	725,513.24	0.00	2,103.47	
12,400.00		177.31	7,028.61		2,204.37 S	49.94 W	411,883.75	725,517.93		2,203.40	
12,500.00		177.31	7,030.09		2,304.25 S	45.25 W	411,783.88	725,522.62		2,303.34	
12,600.00		177.31 177.31	7,031.57	10,461.27	2,404.13 S 2,504.01 S	40.56 W 35.87 W	411,684.00 411,584.12	725,527.31 725,532.00		2,403.28 2,503.21	
12,800.00		177.31		10,462.75		31.18 W	411,484.24	725,532.00		2,603.15	
12,900.00		177.31	7.036.01		2,703.76 S	26.49 W	411,384.36	725.541.38		2,703.09	
13,000.00		177.31	7.037.49		2,803.64 S	21.79 W	411,284,48	725,546.08		2,703.03	
13,100.00		177.31		10,468.67		17.10 W	411,184.60	725,550.77		2,902.96	
13,200.00		177.31		10,470.15		12.41 W	411,084.72	725,555.46		3,002.90	
13,300.00	89.15	177.31	7,041.93	10,471.63	3,103.28 S	7.72 W	410,984.85	725,560.15	0.00	3,102.83	
13,400.00		177.31	7,043.41		3,203.16 S	3.03 W	410,884.97	725,564.84		3,202.77	
13,500.00		177.31	7,044.89		3,303.04 S	1.66 E	410,785.09	725,569.53		3,302.71	
13,600.00		177.31 177.31	7,046.37		3,402.92 S	6.35 E 11.04 E	410,685.21	725,574.22 725,578.91		3,402.65 3,502.58	
13,800.00		177.31	7,047.85	10,477.55	3,602.60 S	15.74 E	410,585.33 410,485.45	725,583.61		3,602.58	
13,900.00		177.31	7.050.80	-	3.702.55 S	20.43 E	410,385.57	725,588.30		3,702.46	
14,000.00		177.31	7,052.28		3,802.43 \$	25.12 E	410,285.69	725,592.99		3,802.39	
14,100.00		177.31	7,053.76		3,902.31 S	29.81 E	410,185.82	725,597.68		3,902.33	
14,200.00		177.31	7,055.24		4,002.19 S	34.50 E	410,085.94	725,602.37		4,002.27	
14,300.00		177.31		10,486.42		39.19 E	409,986.06	725,607.06		4,102.20	
14,400.00		177.31	7,058.20		4,201.95 S	43.88 E	409,886.18	725,611.75		4,202.14	
14,500.00		177.31	7,059.68		4,301.83 S	48.57 E	409,786.30	725,616.44		4,302.08	
14,600.00		177.31 177.31	7,061.16 7,062.64		4,401.71 S 4,501.59 S	53.27 E 57.96 E	409,686.42 409,586.54	725,621.14 725,625.83		4,402.01 4,501.95	
14,800.00		177.31	7,064.12	10,493.82		62.65 E	409,486.66	725,630.52		4,601.89	
14,900.00		177.31	7.065.60	10,495.30		67.34 E	409,386.79	725,635.21	0.00	4,701.83	
14,947.11	89.15	177.31	7,066.30			69.55 E	409,339.73	725.637.42			TD at 14947

03 December, 2014 - 11:01

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Devon Eddy County, NM (NAD 83)

HALLIBURTON

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Plan Report for Cotton Draw Unit 238H - Plan#3 120314 Rev03

Plan Annotations

Measured	Vertical	Local Coor	rdinates	
Depth (ft)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment
4,500.00	4,500.00	0.00	0.00	Start Build 1.00
4,900.00	4,899.68	0.00	-13.96	Start 1600.00 hold at 4900.00 MD
6,500.00	6,495.78	0.00	-125.57	Start Drop -0.50
7,300.00	7,295.13	0.00	-153.48	Start 2565.98 hold at 7300.00 MD
9,865.98	9,861.11	0.00	-153.48	Start Build 10.00
10,757.50	10,434.00	-563.86	-127.00	Start 4189.61 hold at 10757.50 MD
14,947.11	10,496.00	-4,748.40	69.55	TD at 14947.11

Vertical Section Information

Angle			Orlgin	Orig	Start	
Туре	Target Azim		Туре	+N/_S (ft)	+E/-W (ft)	TVD (ft)
. TD	No Target (Freehand)	179.16	Slot	0.00	0.00	0.00
Survey tool program						

From	То		Survey/Plan	Survey Tool
(ft) 0.00	(ft) 14,947.03	Pian#3 120314 Rev03		MWD

Formation Details

Measured Depth (ft)	Vertical Depth (ft)	TVDSS , (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
595.70	595.70	-2,834.00	Rustler		0.00	
990.70	990.70	-2,439.00	Top of Salt		0.00	
2,796.70	2,796.70	-633.00	Castile		0.00	
4,403.70	4,403.70	974.00	Bell Canyon		0.00	
5,293.98	5,292.70	1,863.00	Cherry Canyon		0.00	
6,622.18	6,617.70	3,188.00	Brushy Canyon		0.00	
8,204.57	8,199.70	4,770.00	1st BSPG Lime		0.00	
9,335.57	9,330.70	5,901.00	1st BSPG Sand		0.00	
9,712.57	9,707.70	6,278.00	2nd BSPG Lime		0.00	
9,712.57	9,707.70	6,278.00	2nd BSPG Sand		0.00	

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Devon Eddy County, NM (NAD 83)

Plan Report for Cotton Draw Unit 238H - Plan#3 120314 Rev03

Design Targets Target Name - hit/miss target - Shape	Dip	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
Cotton Draw Unit 2	38H BHL	0							
- plan hits target - Point	0.00 center	0.00	10,496.00	-4,748.40	69.55	409,339.73	725,637.42	32° 7′ 26.235 N	103° 44' 16.789 W
Directional Diff	ficulty li	ndex							
Average Dog	_		0.65 °/1	Duct	Mavi	mum Dogleg over Sur	10.00 9	°/100usft at	
Average Dog	lieg over a	suivey.	0.05 / 1	Jousn	Max	mum bogieg over Sur	10,757		
Net Tortousit	y applicat	le to Plan	s: 0.65 %/10	DOusft	Direc	tional Difficulty Index:	6.052		

<u>Audit Info</u>

SAP=346244

03 December, 2014 - 11:01

Page 7 of 8

Devon Eddy County, NM (NAD 83)

HALLIBURTON

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North Reference Sheet for Sec 13, T25S, R31E - Cotton Draw Unit 238H - Wellbore #1

All data is in Feet unless otherwise stated. Directions and Coordinates are relative to Grid North Reference.

Vertical Depths are relative to Well @ 3429.70ft (HP212). Northing and Easting are relative to Cotton Draw Unit 238H

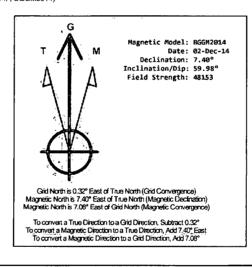
Coordinate System is US State Plane 1983, New Mexico Eastern Zone using datum North American Datum 1983, ellipsoid GRS 1980

Projection method is Transverse Mercator (Gauss-Kruger)

Central Meridian is 104° 20' 0.000 W°, Longitude Origin:0° 0' 0.000 E°, Latitude Origin:0° 0' 0.000 N° False Easting: 541,337.50usfi, False Northing: 0.00usfi, Scale Reduction: 0.99994796

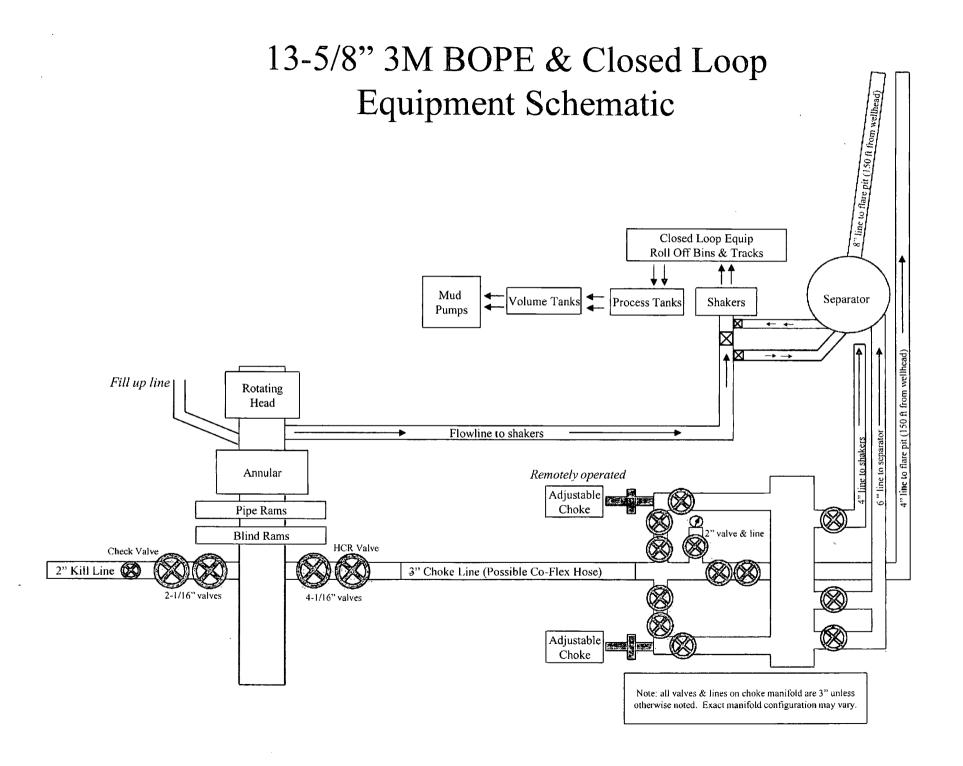
Grid Coordinates of Well: 414,088.12 usft N, 725,567.87 usft E Geographical Coordinates of Well: 32° 08' 13.23° N, 103° 44' 17.29° W Grid Convergence at Surface is: 0.32°

Based upon Minimum Curvature type calculations, at a Measured Depth of 14,947.11ft the Bottom Hole Displacement is 4,748.91ft in the Direction of 179.16° (Grid). Magnetic Convergence at surface is: -7.08° (2 December 2014, , BGGM2014)



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NOTES REGARDING BLOWOUT PREVENTERS

Devon Energy Production Company, L.P. Cotton Draw Unit 238H

- 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 filings will be in operable condition to withstand a minimum of 3000psi working pressure.
- 4. All fittings will be flanged.
- 5. A fill bore safety valve tested to a minimum of 3000psi 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.

Ontinental & contitech

Fluid Technology

ContiTech Beattle Corp. Website: <u>www.contitechbeattie.com</u>

Monday, June 14, 2010

RE: Drilling & Production Hoses Lifting & Safety Equipment

To Helmerich & Payne,

A Continental ContiTech hose assembly can perform as intended and suitable for the application regardless of whether the hose is secured or unsecured in its configuration. As a manufacturer of High Pressure Hose Assemblies for use in Drilling & Production, we do offer the corresponding lifting and safety equipment, this has the added benefit of easing the lifting and handling of each hose assembly whils affording hose longevity by ensuring correct handling methods and procedures as well as securing the hose in the unlikely event of a failure; but in no way does the lifting and safety equipment affect the performance of the hoses providing the hose have been handled and installed correctly. It is good practice to use lifting & safety equipment but not mandatory

Should you have any questions or require any additional information/darifications then please do not hesitate to contact us.

ContiTech Beattie is part of the Continental AG Corporation and can offer the full support resources associated with a global organization.

Best regards,

Robin Hodgson Sales Manager ContiTech Beattie Corp

ContiTech Seattle Corp, 11535 Brittmoore Park Drive, Houston, TX 77041 Phone: +1 (832) 327-0141 Fax: +1 (832) 327-0148 www.contitechbeattle.com



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>>> PHOENIX

QUALITY DOCUMENT

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PHOENIX RUBBER INDUSTRIAL LTD.

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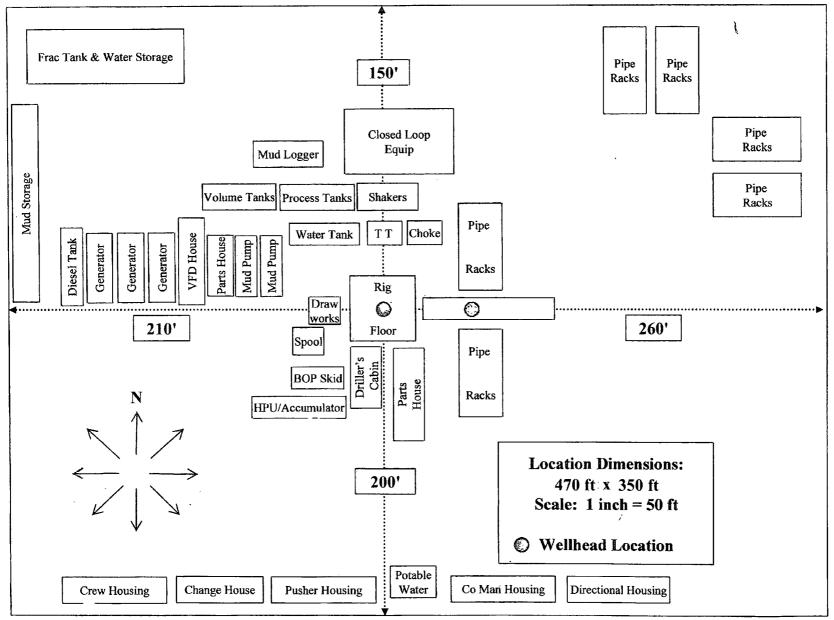
C 26728 Szeged, Budapest út 10, Hungary • H-6701 Szeged, P. O. Box 152 hone; (3662) 556-737 • Fax: (3652) 558-738
SALES & MARKETING: H-1092 Budapest, Ráday u. 42-44, Hungary • H-1440 Budapest, P. O. Box 26 Phone: (361) 456-4200 • Fax: (361) 217-2972, 456-4273 • www.taurusemerge.hu

PURCHASER:	Phoe	enix Beat	tie Co.			P.O. Nº.	15	19FA-871	
PHOENIX RUBBER'ord	ler Nº 17	0466	HOSE TYPE:	3"	ID I	Che	oke and h	Kill Hose	
HOSE SERIAL Nº		128	NOMINAL / A	CTUAL L	ENGTH:		11,43	m	
W.P. 68,96 MPa	10000	psi	T.P. 103,4	MPa	1500) psi	Duration:	60	mi
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	ith	<u>د</u> 72	Serial Nº	INGS	At	SI 4130	1	C762	6
Type 3° coupling w	ith	< ' 72	Serial Nº	INGS	At		1		6
Type 3° coupling w	ith	<u>< '</u> 72	Serial Nº	INGS	At	SI 4130	1	C762	6
Type 3° coupling w	ith	< ⁷ 72	Serial Nº	APIS	Al Al	SI 4130 SI 4130		C762	6
Type 3° coupling w 4 1/16" Flang	ith e end	< ⁷ 72	Serial Nº	APIS	Al Al	SI 4130 SI 4130		C762	6
Type 3° coupling w 4 1/16° Flang All metal parts are flawle	ith e end		Serial N° 20 719	API S Temp	Al Al Spec 16 Derature	SI 4130 SI 4130 I C e rate:"I	3"	C762 47357	6 7
Type 3° coupling w 4 1/16" Flang All metai parts are flawle WE CERTIFY THAT THE	ess ABOVE HOSE	HAS BEEN	Serial N° 10 719	API S Temp	Al Al Spec 16 Derature	SI 4130 SI 4130 I C e rate:"I	3"	C762 47357	6
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		14094-65	GN1 +0.000 PC R04 +0.000 PC SL +1050 PC	13:20	Certification Dept.	
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H&P Flex Rig Location Layout 2 Well Pad





Devon Energy Center 333 West Sheridan Avenue Oklahoma City, Oklahoma 73102-5015

Hydrogen Sulfide (H₂S) Contingency Plan

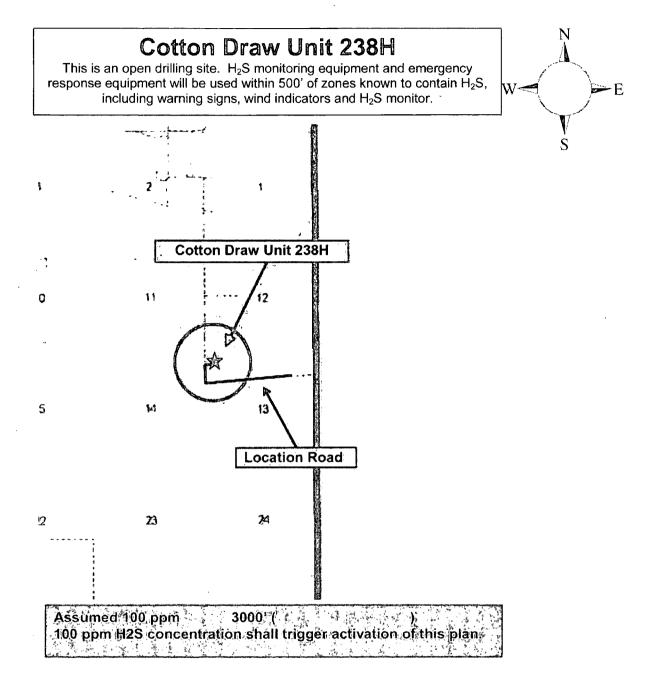
For

Cotton Draw Unit 238H

Sec-13, T-25S R-31E 200' FNL & 610' FWL LAT. = 32.1370077 N (NAD83) LONG = 103.7381368 W"

Eddy County NM

Devon Energy Corp. Cont Plan. Page 1



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, West then Northwest on lease road. Crews should then block entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. <u>There are no homes or buildings in or near the ROE</u>.

Devon Energy Corp. Cont Plan. Page 2

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, 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 H₂S 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
 - \circ Detection of H₂S, 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

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H₂S	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

Characteristics of H₂S and SO₂

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 (H₂S) 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 (H₂S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H₂S 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 H₂S metal components. If high tensile tubulars 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 H₂S 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 reasonably expected to contain H_2S .

1. Well Control Equipment

- A. Flare line
- B. Choke manifold Remotely Operated
- 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.
- E. Mud/Gas Separator

2. Protective equipment for essential personnel:

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

3. H₂S detection and monitoring equipment:

Portable H_2S monitors positioned on location for best coverage and response. These units have warning lights which activate when H_2S levels reach 10 ppm and audible sirens which activate at 15 ppm. Sensor locations:

- Bell nipple
 Shale shaker
 Trip tank
- Suction pit
 Rig floor
 Cellar
- Choke manifold
 Living Quarters (usually the company man's trailer stairs.)

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.

4. Mud program:

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.

5. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H₂S trim.
- B. All elastomers used for packing and seals shall be H₂S trim.

6. Communication:

- A. Company personnel have/use cellular telephones in the field.
- B. Land line (telephone) communications at Office

7. 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 H₂S 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	
Asst. Foreman -Tommy Po	olly.748-5290		748-2846
Don Mayberry			
Montral Walker			. (936) 414-6246
Engineer – Marcos Ortiz	(405) 317-0666	(405) 552-8152	.(405) 381-4350

Agency Call List

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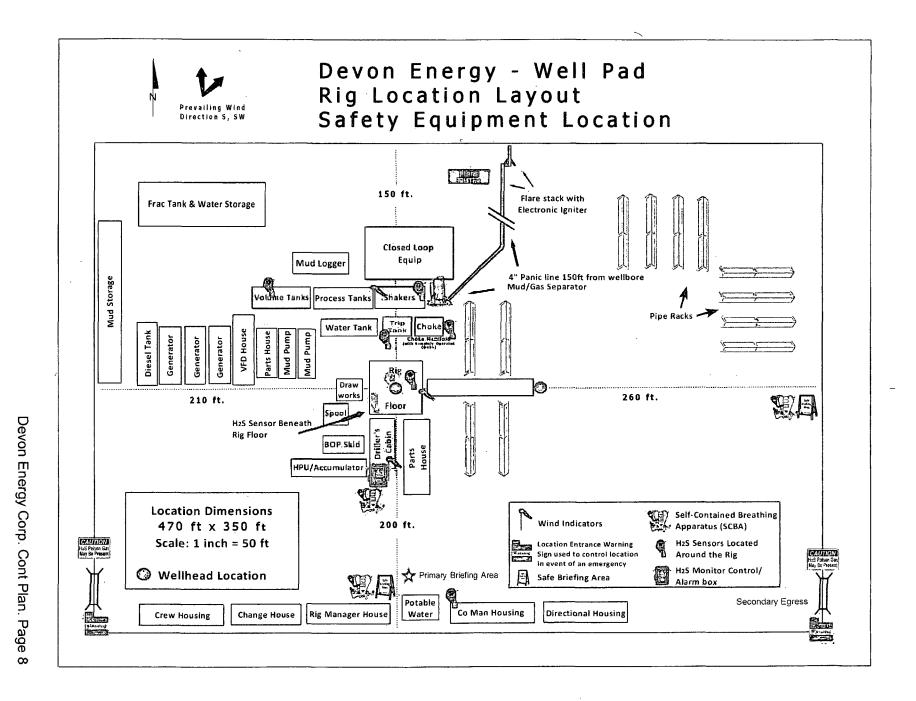
<u>Lea</u> <u>County</u> (575)	HobbsLea County Communication Authority393-3981State Police392-5588City Police397-9265Sheriff's Office393-2515Ambulance911Fire Department397-9308LEPC (Local Emergency Planning Committee)393-2870NMOCD393-6161US Bureau of Land Management393-3612
<u>Eddy</u> <u>County</u> (575)	CarlsbadState Police885-3137City Police885-2111Sheriff's Office885-2111Sheriff's Office911Fire Department885-2111LEPC (Local Emergency Planning Committee)887-3798US Bureau of Land Management887-6544NM Emergency Response Commission (Santa Fe)(505) 476-960024 HR(505) 827-9126National Emergency Response Center (Washington, DC)(800) 424-8802
	Emergency Services

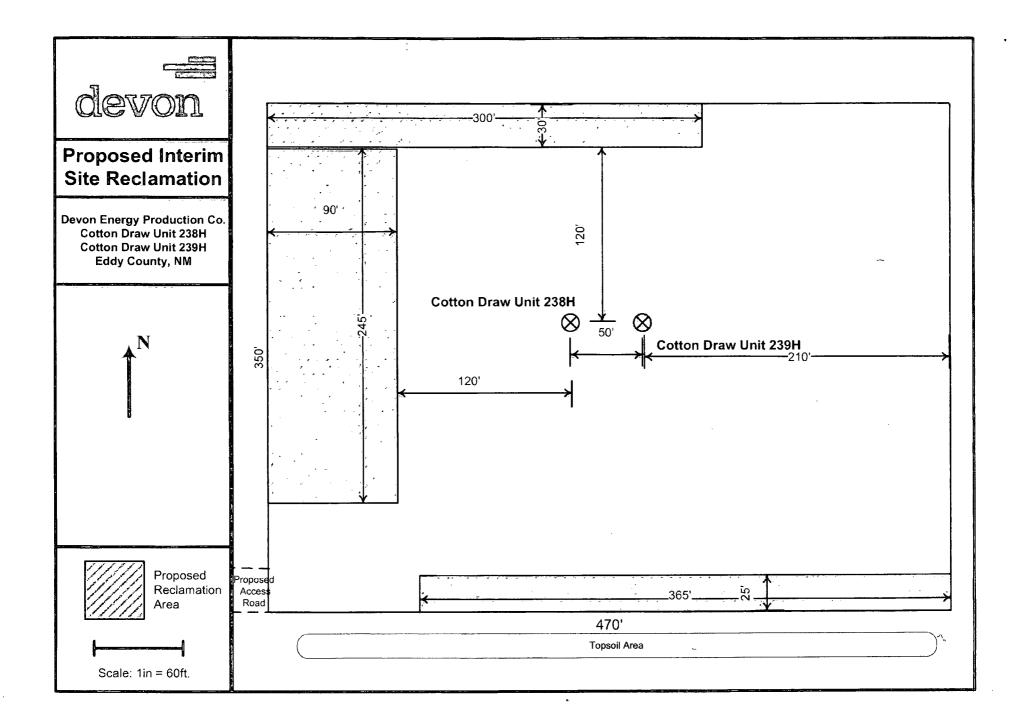
	Boots & Coots IWC	(800)-256-9688 or (281) 931-8884
	Cudd Pressure Control	(915) 699-0139 or (915) 563-3356
	Halliburton	(575) 746-2757
	B. J. Services	(575) 746-3569
Give	Native Air – Emergency Helicopter – Hobbs	(575) 392-6429
GPS	Flight For Life - Lubbock, TX	(806) 743-9911
position:	Aerocare - Lubbock, TX	(806) 747-8923
	Med Flight Air Amb - Albuquerque, NM	(575) 842-4433
	Lifeguard Air Med Svc. Albuquerque, NM	(575) 272-3115

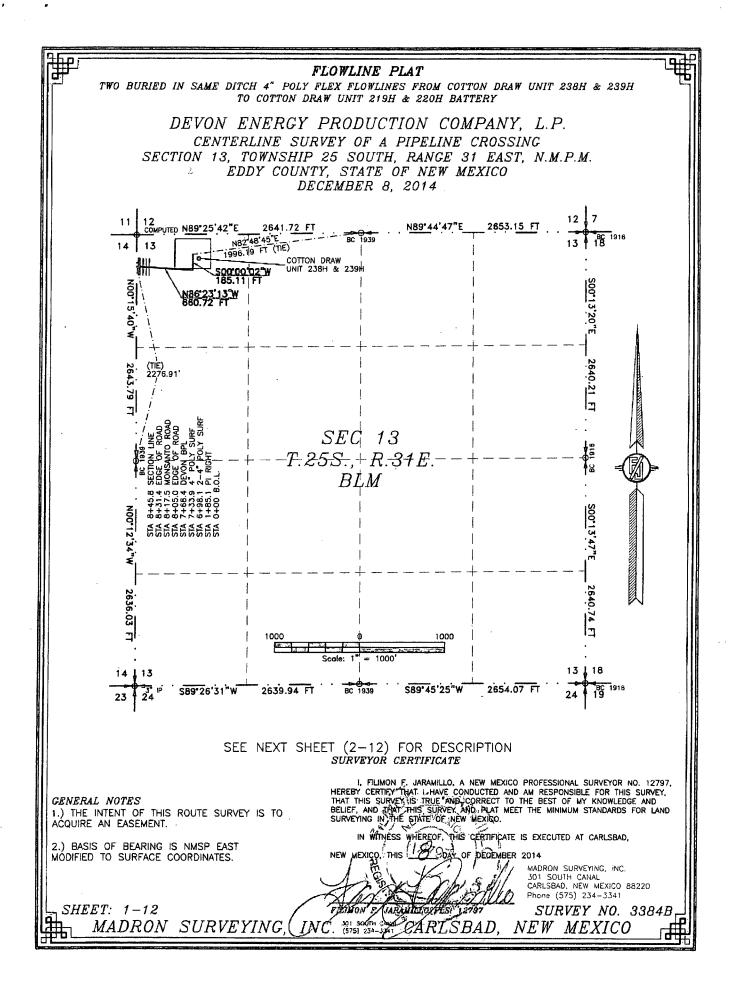
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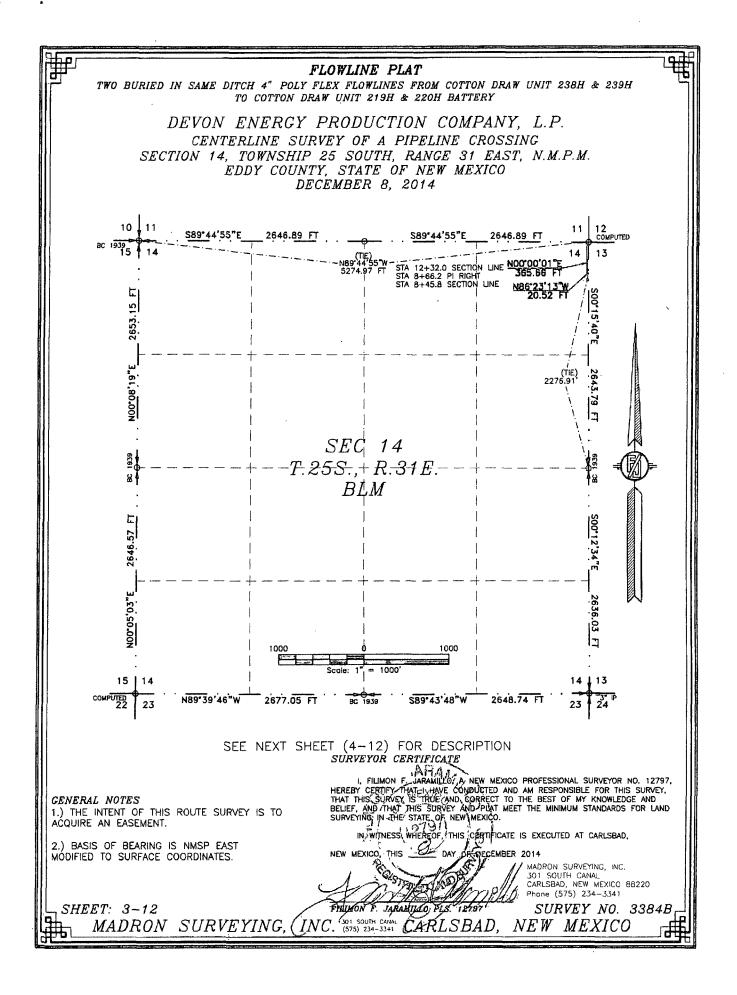
Devon Energy Corp. Cont Plan. Page 7



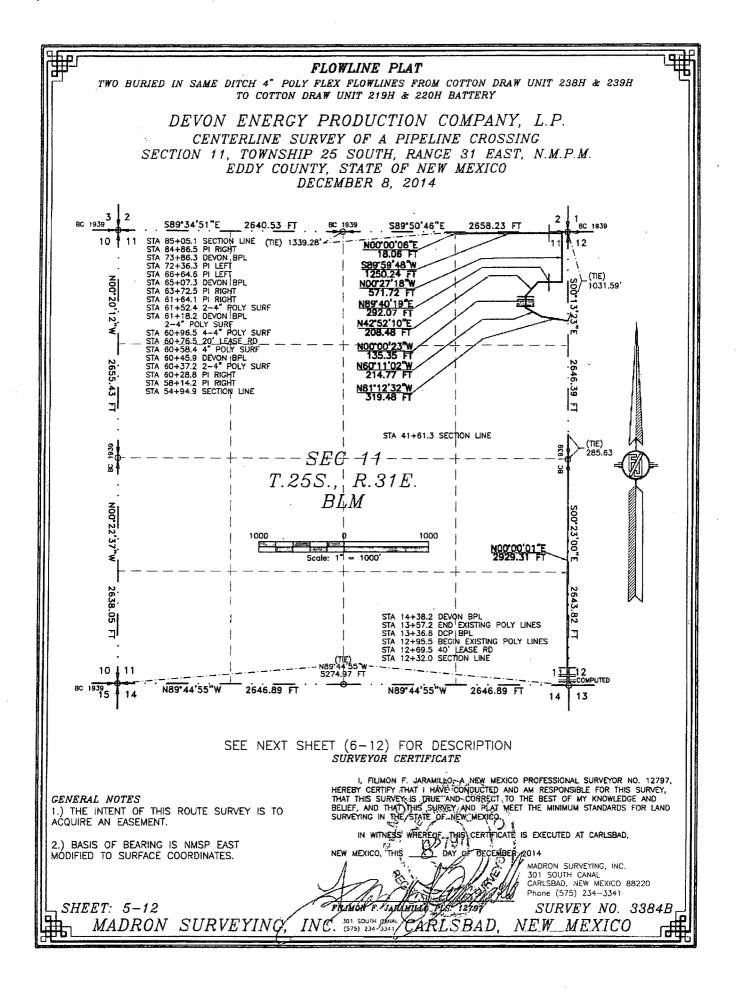




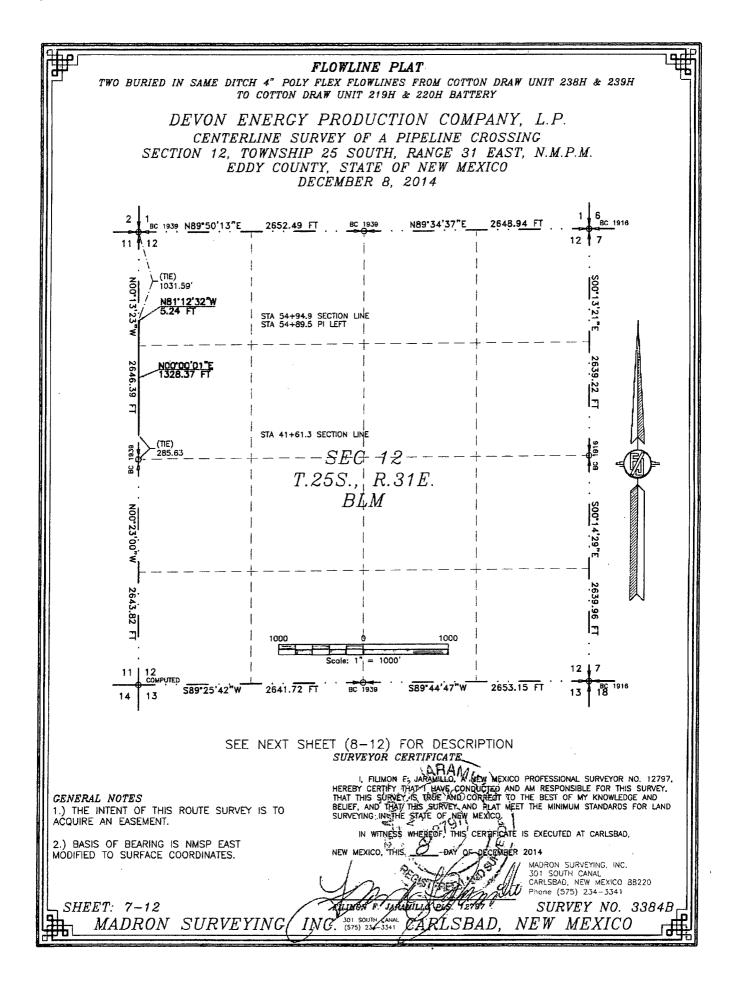
	FLOWLINE PLAT TWO BURIED IN SAME DITCH 4" POLY FLEX FLOWLINES FROM COTTON DRAW UNIT 238H & 239H TO COTTON DRAW UNIT 219H & 220H BATTERY	
	DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF A PIPELINE CROSSING SECTION 13, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO DECEMBER 8, 2014	
	DESCRIPTION A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 13, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:	
	BEGINNING AT A POINT WITHIN THE NW/4 NW/4 OF SAID SECTION 13, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M., WHENCE THE NORTH QUARTER CORNER OF SAID SECTION 13, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS N82'48'45"E, A DISTANCE OF 1996.19 FEET; THENCE SOO'00'02"W A DISTANCE OF 185.11 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N86'23'13"W A DISTANCE OF 660.72 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE WEST QUARTER CORNER OF SAID SECTION 13, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS SOO'15'40"E, A DISTANCE OF 2276.91 FEET;	
	SAID STRIP OF LAND BEING 845.83 FEET OR 51.26 RODS IN LENGTH, CONTAINING 0.583 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:	
	NW/4 NW/4 845.83 L.F. 51.26 RODS 0.583 ACRES	
• •		
	SURVEYOR CERTIFICATE I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797 HEREBY CERTIFY THAT I HAVE COMPUTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY, AND REAT MEET THE MINIMUM STANDARDS FOR LAND BELIEF, AND THAT THIS SURVEY, AND REAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,	•
	2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES. SHEET: 2-12 NEW MEXICO, THIS DAT BE DECEMBER 2014 (MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341 FHILING T. LANGUILLA 325, JE2337 SURVEY NO. 3384E	3
	MADRON SURVEYING, (INC. 1575) 234-3341 CARLSBAD, NEW MEXICO	围



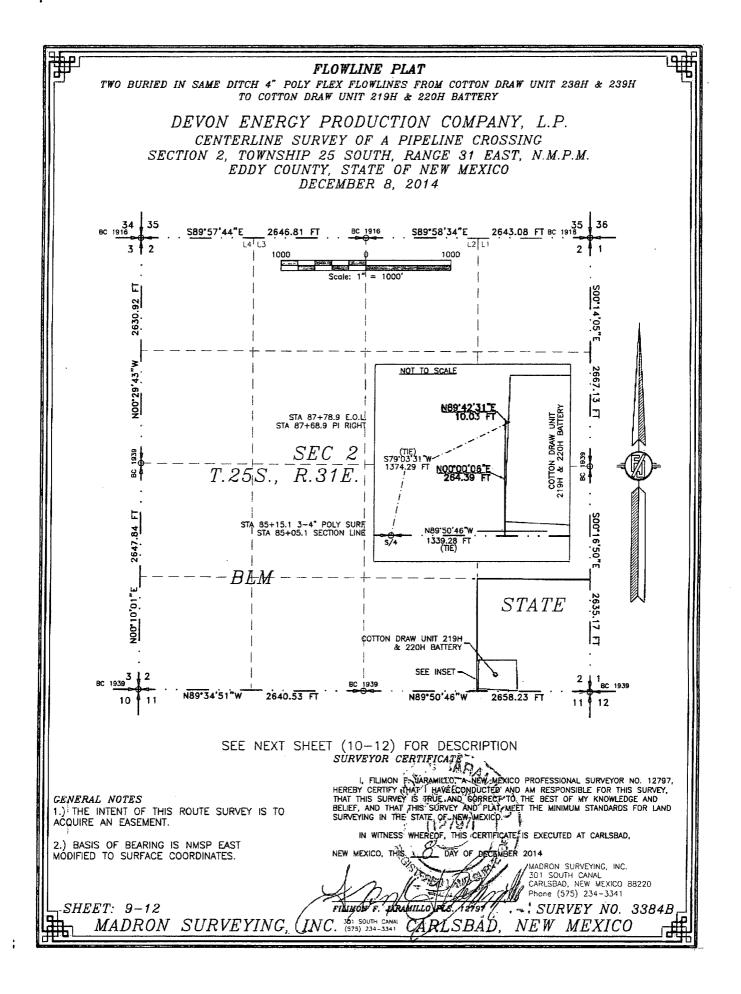
	FLOWLINE PLAT TWO BURIED IN SAME DITCH 4" POLY FLEX FLOWLINES FROM COTTON DRAW UNIT 238H & 23 TO COTTON DRAW UNIT 219H & 220H BATTERY	
	DEVON ENERGY PRODUCTION COMPANY, L.P. Centerline survey of a pipeline crossing section 14, township 25 south, range 31 east, n.m.p.m. eddy county, state of new mexico december 8, 2014	
	DESCRIPTION STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 14, TOWNSHIP 10TH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF LLOWING DESCRIBED CENTERLINE SURVEY:	25 • THE
	GINNING AT A POINT WITHIN THE NE/4 NE/4 OF SAID SECTION 14, TOWNSHIP 25 SOUTH, RANGE 31 EAST, M.P.M., WHENCE THE EAST QUARTER CORNER OF SAID SECTION 14, TOWNSHIP 25 SOUTH, RANGE 31 EAST, M.P.M. BEARS SOO'15'40"E, A DISTANCE OF 2276.91 FEET; ENCE N86'23'13"W A DISTANCE OF 20.52 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; ENCE N00'00'01"E A DISTANCE OF 365.66 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE RTHWEST CORNER OF SAID SECTION 14, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS N89'44'55 ITANCE OF 5274.97 FEET;	-
	ID STRIP OF LAND BEING 386.18 FEET OR 23.41 RODS IN LENGTH, CONTAINING 0.266 ACRES MORE OR LE ING ALLOCATED BY FORTIES AS FOLLOWS:	ESS AND
	/4 NE/4 386.18 L.F. 23.41 RODS 0.266 ACRES	
	SURVEYOR CERTIFICATE	
1.) ACQ 2.)	LAL NOTES LAL NOTES	HIS SURVEY, EDGE AND DS FOR LAND AD, IC. D 88220
, S.	EET: 4-12 Filework Jackwy 10 Phone (575) 234-334 Filework F. Jackwy 10 Pis. 12797 SURVEY NO	111



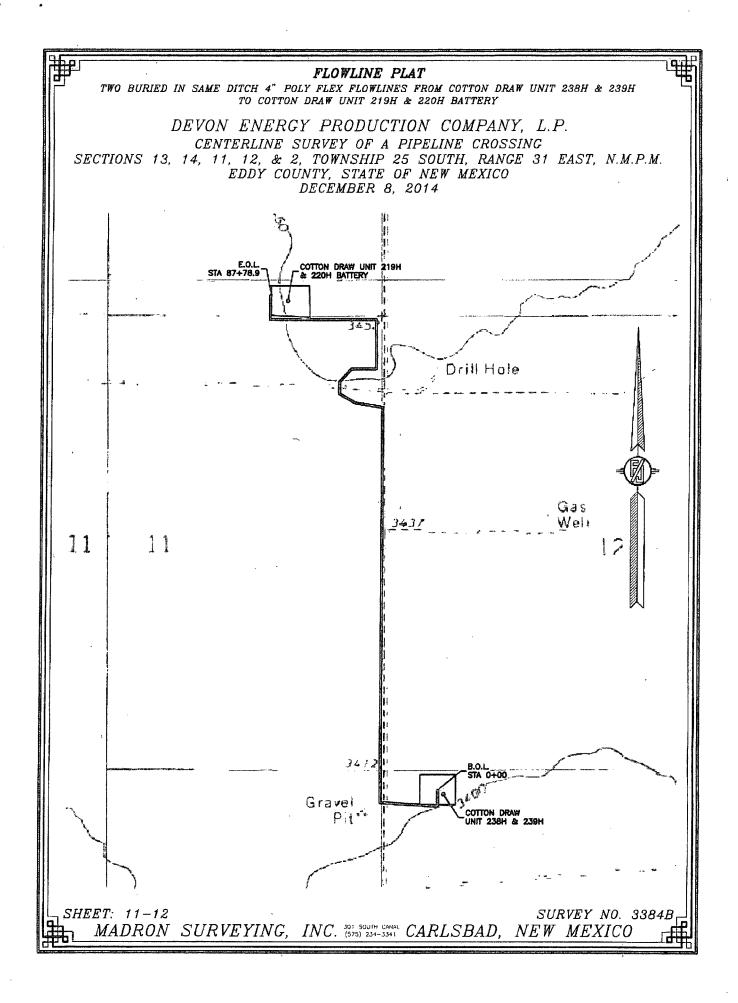
FLOWLINE PLAT TWO BURIED IN SAME DITCH 4" POLY FLEX FLOWLINES FROM COTTON DRAW UNIT TO COTTON DRAW UNIT 219H & 220H BATTERY	238H & 239H	Ħ
DEVON ENERGY PRODUCTION COMPANY, L.F CENTERLINE SURVEY OF A PIPELINE CROSSING SECTION 11, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M EDDY COUNTY, STATE OF NEW MEXICO DECEMBER 8, 2014		
DESCRIPTION A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 11 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EA FOLLOWING DESCRIBED CENTERLINE SURVEY:		
SEGMENT 1 BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 11, TOWNSHIP 25 SOUTH, RANG N.M.P.M., WHENCE THE SOUTHWEST CORNER OF SAID SECTION 11, TOWNSHIP 25 SOUTH, RANGE BEARS N89'44'55"W, A DISTANCE OF 5274.97 FEET; THENCE NOO'00'01"E A DISTANCE OF 2929.31 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, QUARTER CORNER OF SAID SECTION 11, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS DISTANCE OF 285.63 FEET;	31 EAST, N.M.P.M.	
SAID STRIP OF LAND BEING 2929.31 FEET OR 177.53 RODS IN LENGTH, CONTAINING 2.017 ACRE AND BEING ALLOCATED BY FORTIES AS FOLLOWS:	S MORE OR LESS	
SE/4 SE/4 1321.84 L.F. 80.11 RODS 0.910 ACRES NE/4 SE/4 1321.85 L.F. 80.11 RODS 0.910 ACRES SE/4 NE/4 285.62 L.F. 17.31 RODS 0.197 ACRES		
SEGMENT 2 BEGINNING AT A POINT WITHIN THE NE/4 NE/4 OF SAID SECTION 11, TOWNSHIP 25 SOUTH, RANG N.M.P.M., WHENCE THE NORTHEAST CORNER OF SAID SECTION 11, TOWNSHIP 25 SOUTH, RANGE 3 BEARS NO013'23'W, A DISTANCE OF 1031.59 FEET; THENCE N81'12'32'W A DISTANCE OF 319.48 FEET TO AN ANGLE POINT OF THE LINE HEREIN DES THENCE N60'11'02'W A DISTANCE OF 214.77 FEET TO AN ANGLE POINT OF THE LINE HEREIN DES THENCE N00'00'23'W A DISTANCE OF 135.35 FEET TO AN ANGLE POINT OF THE LINE HEREIN DES THENCE N42'52'10'E A DISTANCE OF 208.48 FEET TO AN ANGLE POINT OF THE LINE HEREIN DES THENCE N89'40'19'E A DISTANCE OF 292.07 FEET TO AN ANGLE POINT OF THE LINE HEREIN DES THENCE N89'40'19'E A DISTANCE OF 571.72 FEET TO AN ANGLE POINT OF THE LINE HEREIN DES THENCE S89'59'48'W A DISTANCE OF 1250.24 FEET TO AN ANGLE POINT OF THE LINE HEREIN DES THENCE N00'00'06'E A DISTANCE OF 18.06 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, W QUARTER CORNER OF SAID SECTION 11, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS DISTANCE OF 1339.28 FEET;	31 EAST, N.M.P.M. SCRIBED; SCRIBED; SCRIBED; SCRIBED; SCRIBED; SCRIBED; ESCRIBED; HENCE THE NORTH	
SAID STRIP OF LAND BEING 3010.16 FEET OR 182.43 RODS IN LENGTH, CONTAINING 2.073 ACRES AND BEING ALLOCATED BY FORTIES AS FOLLOWS:	S MORE OR LESS	
NE/4 NE/4 3010.16 L.F. 182.43 RODS 2.073 ACRES		
301 SOL CARLSBA	ONSIBLE FOR THIS SURVEY, OF MY KNOWLEDGE AND IIMUM STANDARDS FOR LAND	
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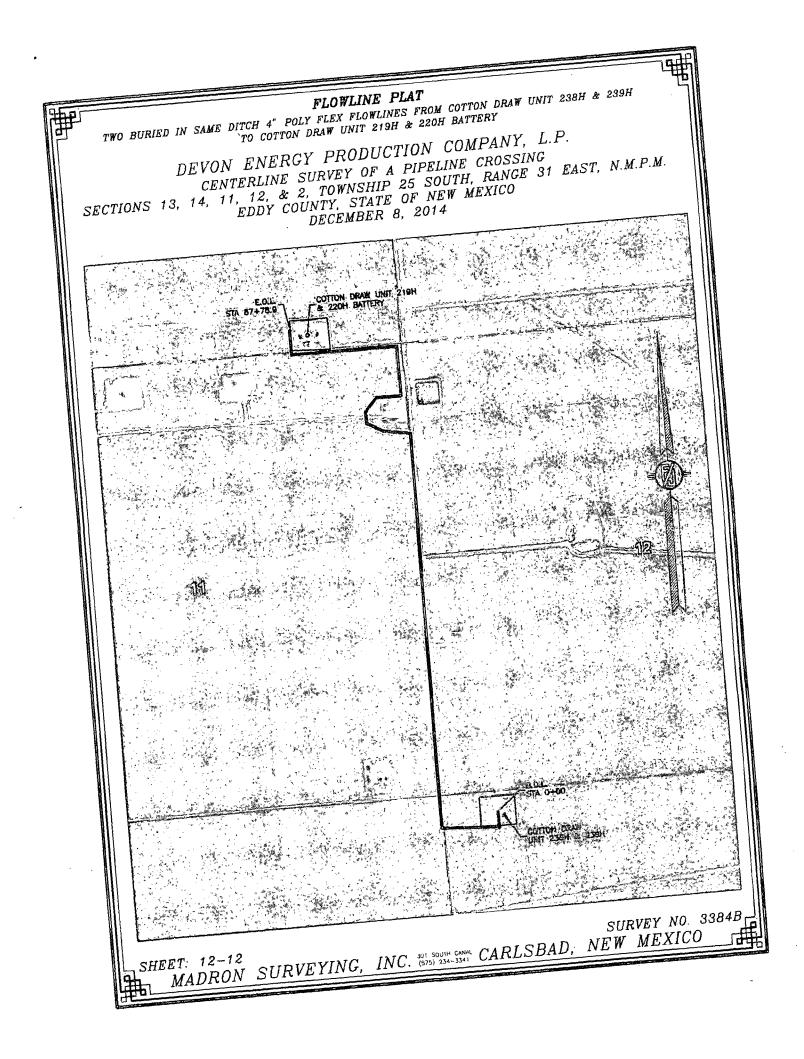


		4" POLY FLE	WLINE PLAT X FLOWLINES FROM COTTON DI UNIT 219H & 220H BATTERY	RAW UNIT 238H & 239H	
	CENTERLII SECTION 12, TOW	NE SURVE VNSHIP 28 COUNTY,	RODUCTION COMPAN TY OF A PIPELINE CROS 5 SOUTH, RANGE 31 EA STATE OF NEW MEXICO MBER 8, 2014	SSINC ST, N.M.P.M.	
SOUTH, RANG	LAND 30 FEET WIDE CROS E 31 EAST, N.M.P.M., EDI ESCRIBED CENTERLINE SU	SSING BUREAU DY COUNTY, S	ESCRIPTION OF LAND MANAGEMENT LAND IN TATE OF NEW MEXICO AND BEING	SECTION 12, TOWNSHIP 25 15 FEET EACH SIDE OF THE	
N.M.P.M., WHI N.M.P.M. BEA THENCE NOO THENCE N81 NORTHWEST C	ENCE THE WEST QUARTER RS S00'13'23"E, A DISTAN 00'01"E A DISTANCE OF 12'32"W A DISTANCE OF	ÉCORNÉR OF NCE OF 285.6 1328.37 FEET 5.24 FEET TH	SAID SECTION 12, TOWNSHIP 25 S SAID SECTION 12, TOWNSHIP 25 S 3 FEET; TO AN ANGLE POINT OF THE LINE E TERMINUS OF THIS CENTERLINE P 25 SOUTH, RANGE 31 EAST, N.1	SOUTH, RANGE 31 EAST, E HEREIN DESCRIBED; SURVEY, WHENCE THE	
	F LAND BEING 1333.61 F LLOCATED BY FORTIES AS		2 RODS IN LENGTH, CONTAINING O	.918 ACRES MORE OR LESS	
SW/4 NW/4 NW/4 NW/4		88 RODS 94 RODS	0.715 ACRES 0.204 ACRES		
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AĆQUIRE AN EASE 2.) BASIS OF BE/ MODIFIED TO SUR	IF THIS ROUTE SURVEY IS EMENT. ARING IS NMSP EAST FACE COORDINATES.	; то	SURVEYOR CERTIFICATE I, FILIMON F. JARAMILLO, A NEW ME HEREBY CERTIFY THAT, I-HAVE CONDUCTED THAT THIS SURVEY IS TRUE AND CORRECT BELLEF, AND THAT THIS SURVEY AND PLAT SURVEYING IN THE STATE OF NEW MEXICO IN WITNESS WHEREOF, THIS CERTIFIC NEW MEXICO; THIS DAY OF DECEM	TO THE BEST OF MY KNOWLEDGE AND MEET THE MINIMUM STANDARDS FOR L CATE IS EXECUTED AT CARLSBAD, IBER 2014 MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341	EY. AND
SHEET: 8- MADF	-12 RON SURVEYIN		ALANDN F. JARAUNILO FLS. 12794 301 SOUTH CANAL CARLSBAD, (575) 234-334	SURVEY NO. 338 NEW MEXICO	



	FLOWLINE PLAT TWO BURIED IN SAME DITCH 4" POLY FLEX FLOWLINES FROM COTTON DRAW UNIT 238H & 239H TO COTTON DRAW UNIT 219H & 220H BATTERY
	DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF A PIPELINE CROSSING SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO DECEMBER 8, 2014
R/	DESCRIPTION STRIP OF LAND 30 FEET WIDE CROSSING STATE OF NEW MEXICO LAND IN SECTION 2, TOWNSHIP 25 SOUTH, ANGE 31 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE DLLOWING DESCRIBED CENTERLINE SURVEY:
N. N. Tł Tł QI	EGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, M.P.M., WHENCE THE SOUTH QUARTER CORNER OF SAID SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, M.P.M. BEARS N89'50'46"W, A DISTANCE OF 1339.28 FEET; HENCE N00'00'06"E A DISTANCE OF 264.39 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; HENCE N89'42'31"E A DISTANCE OF 10.03 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTH JARTER CORNER OF SAID SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS S79'03'31"W, A STANCE OF 1374.29 FEET;
	ND STRIP OF LAND BEING 274.42 FEET OR 16.63 RODS IN LENGTH, CONTAINING 0.189 ACRES MORE OR LESS AND EING ALLOCATED BY FORTIES AS FOLLOWS:
SE	Z/4 SE/4 274.42 L.F. 16.63 RODS 0.189 ACRES
	SURVEYOR CERTIFICATE
1.) TH	I, FILIMON, F. JARAMILLO, TA NEW MEXICO PROFESSIONAL SURVEYOR NO. 12 HEREBY CERTIFY THAT LANG CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY THAT THIS SURVEY IS TO THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR L SURVEYING IN THE STATE OF NEW MEXICO AN EASEMENT. IN WITHESS WHEREOF THE SECURED AT CARLSBAD,
	SIS OF BEARING IS NMSP EAST ED TO SURFACE COORDINATES. NEW MEXICO, THIS Day of DECEMBER 2014 MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341
1 017	EET: 10-12 Fuluer 8. Inkamilter 12. 12787 SURVEY NO. 338





SURFACE USE PLAN

Devon Energy Production Company, L.P. Cotton Draw Unit 238H and Cotton Draw Unit 239H

1. Existing Roads:

- a. The well site and elevation plat for the proposed well are reflected on the "Site Map". The well was staked by Madron Surveying, Inc.
- b. All roads into the location are depicted on the "Vicinity Map". The operator will repair pot holes, clear ditches, repair the crown, etc. All existing structures on the entire access route such as cattle guards, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use. BLM written approval will be acquired before application of surfactants, binding agents, or other dust suppression chemicals on roadways.
- c. Directions to Location: From the intersection of State Road 128 and CR 1 (Orla Road) go South on CR 1 6.1 miles to Monsanto Road A Caliche Road on right. Go West 2.1 miles to road intersection, turn right go North 0.75 miles, then turn left go West 2.0 miles to road intersection, turn right go North 0.2 miles to proposed road on right. Follow flags East 356' to Southwest corner of proposed pad.

2. New or Reconstructed Access Roads:

- a. The "Site Map" shows new constructed access road, which will be approximately <u>356</u> LF from the existing Lease road.
- b. The maximum driving width of the access road will be 14 feet. The maximum width of surface disturbance when constructing the access road will not exceed 25 feet. The road will be crowned and ditched with 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 3 feet wide with 3:1 slopes. The driving surface will be made of 6" rolled and compacted caliche.
- c. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

The attached "One Mile Radius Map" shows all existing and proposed wells within a one-mile radius of the proposed location.

4. Location of Existing and/or Proposed Production Facilities:

- a. In the event the well is found productive, the Cotton Draw Unit 219H & 220H tank battery would be utilized and shared, and the necessary production equipment will be installed at the well site. This facility is located in Sec 2-T25S-R31E. See "Proposed Flowline Plat".
- b. If necessary, the well will be operated by means of an electric prime mover. If electric power poles are needed, a plat and a sundry notice will be filed with your office.
- c. All flow lines will adhere to API standards.
- d. If the well is productive, rehabilitation plans are as follows:

- i. A closed loop system will be utilized.
- ii. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads described and depicted on the "Vicinity Map". On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

6. Construction Materials:

Obtaining caliche: One primary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means caliche will be obtained from the actual well site. Actual amounts will vary for each pad. The procedure below has been approved by BLM personnel:

- a. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
- b. Subsoil is removed and stockpiled within the surveyed well pad.
- c. When caliche is found, material will be stock piled within the pad site to build the location and road.
- d. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- e. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced.
- f. Neither caliche, nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the Well Site Layout or survey plat.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other established mineral pit. A BLM mineral material permit will be acquired prior to obtaining any mineral material from BLM pits or land.

7. Methods of Handling Waste Material:

- a. Drill cuttings will be safely contained in a closed loop system and disposed of properly at a NMOCD approved disposal site.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier will pick up salts remaining after completion of well, including broken sacks.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.

- f. Disposal of fluids to be transported by the following companies:
 - i. American Production Service Inc, Odessa TX
 - ii. Gandy Corporation, Lovington NM
 - iii. 1 & W Inc, Loco Hill NM
 - iv. Jims Water Service of Co Inc, Denver CO
- 8. Ancillary Facilities: No campsite or other facilities will be constructed as a result of this well.

9. Well Site Layout

- a. The Rig Location Layout attachment shows the proposed well site layout and pad dimensions.
- b. The Rig Location Layout attachment proposes location of sump pits and living facilities.
- c. Mud pits in the active circulating system will be steel pits.
- d. A closed loop system will be utilized.
- e. If a pit or closed loop system is utilized, Devon will provide a copy of the Design Plan to the BLM.

10. Plans for Surface Reclamation:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.
- d. All disturbed areas not needed for active support of production operations will undergo interim reclamation. The portions of the cleared well site not needed for operational and safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Topsoil will be respread over areas not needed for all-weather operations.

11. Surface Ownership

- a. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
- b. The proposed road routes and the surface location will be restored as directed by the BLM.

12. Other Information:

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sage bush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of location.

d. A Cultural Resources Examination will be completed by the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III Survey for cultural resources associated with their project within the BLM office in Carlsbad, New Mexico.

13. Bond Coverage:

Bond Coverage is Nationwide; Bond # is CO-1104 & NMB-000801.

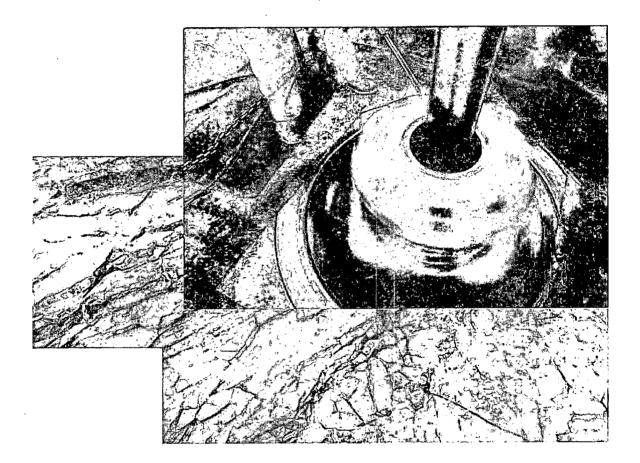
Operators Representative:

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

James Allbee, Program Supervisor Devon Energy Production Company, L.P. 333 W. Sheridan 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)



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.

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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.

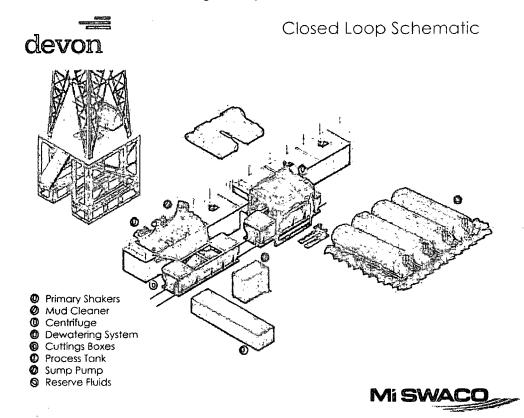
Signs will be posted on the fence surrounding the closed-loop system unless the closed-loop system is located on a site where there is an existing well, that is operated by Devon.

II. Operations and Maintenance Plan

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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 dependent 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.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company, L.P.
LEASE NO.:	NMLC-061862
WELL NAME & NO.:	
SURFACE HOLE FOOTAGE:	0200' FNL & 0610' FWL
BOTTOM HOLE FOOTAGE	0330' FSL & 0660' FWL
LOCATION:	Section 13, T. 25 S., R 31 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.

General Provisions Permit Expiration Archaeology, Paleontology, and Historical Sites **Noxious Weeds** 🛛 Special Requirements **Commercial Well Determination** Unit Well Sign Specs Lesser Prairie-Chicken Timing Stipulations Ground-level Abandoned Well Marker Watershed Construction Notification Topsoil Closed Loop System Federal Mineral Material Pits Well Pads Roads **Road Section Diagram** 🛛 Drilling **Cement Requirements** Logging Requirements Waste Material and Fluids X Production (Post Drilling) Well Structures & Facilities Pipelines **Interim Reclamation**

Final Abandonment & Reclamation

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

<u>Ground-level Abandoned Well Marker to avoid raptor perching</u>: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

Commercial Well Determination

A commercial well determination shall be submitted after production has been established for at least six months.

Unit Wells

The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

Watershed

• The entire well pad will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The berm shall be maintained through the life of the well and after interim reclamation has been completed.

• Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion.

• Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

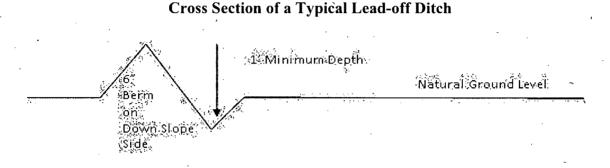
Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: $\underline{400'} + 100' = 200'$ lead-off ditch interval $\frac{400'}{4\%}$

Cattleguards

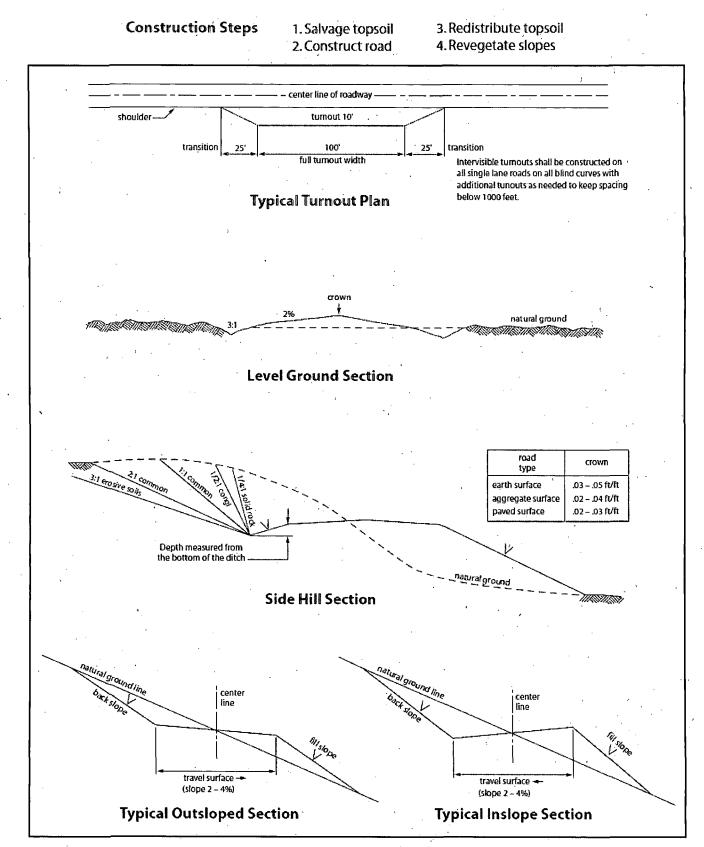
An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

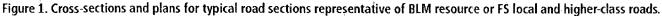
Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.





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VII. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Eddy County

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

- 1. Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. Operator has stated that they will have monitoring equipment in place prior to drilling out of the surface shoe. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.
- Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a "Major" violation.
- 3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
- 4. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). Centralizers required on horizontal leg, must be type for horizontal service and a minimum of one every other joint.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Operator has proposed DV tool at depth of 4500', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range.

a. First stage to DV tool:

Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

b. Second stage above DV tool:

Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.

4. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API 53.

2. Variance approved to use flex line from BOP to choke manifold. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor. If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).

- 3. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. Operator shall perform the intermediate casing integrity test to 70% of the casing burst. This will test the multi-bowl seals.
 - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.

4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

- a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**.
- c. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

f. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

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largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, <u>Shale Green</u> from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full

expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

7. The maximum allowable disturbance for construction in this right-of-way will be **30** feet:

- Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed <u>20</u> feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
- Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed <u>30</u> feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
- The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

() seed mixture 1	() seed mixture 3

() seed mixture 2

() seed mixture 4

(x) seed mixture 2/LPC

() Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-ofway and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. <u>Escape Ramps</u> - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.
- 19. Special Stipulations:

Lesser Prairie-Chicken

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal,

drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture for LPC Sand/Shinnery Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be <u>no</u> primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species Plains Bristlegrass Sand Bluestem Little Bluestem Big Bluestem Plains Coreopsis Sand Dropseed

*Pounds of pure live seed:

5lbs/A 5lbs/A

3lbs/A

6lbs/A

2lbs/A

1lbs/A

Pounds of seed x percent purity x percent germination = pounds pure live seed

ropseed

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