

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

Form 3160-3  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 29 2005

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER <b>R-111-POTASH</b>		5. Lease Serial No. <b>NMNM0405444</b>
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>Devon Energy Production Company, LP</b>		7. If Unit or CA Agreement, Name and No.
3a. Address <b>20 North Broadway Oklahoma City, Oklahoma City 73102-8260</b>		8. Lease Name and Well No. <b>Todd 15H Fed 8 32233</b>
3b. Phone No. (include area code) <b>405-552-7802</b>		9. API Well No. <b>30-015-34301</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>1980' FNL &amp; 660' FEL</b> At proposed prod. zone <b>1980' FNL &amp; 660' FEL</b>		10. Field and Pool, or Exploratory <b>Ingle Wells (Delaware)</b>
11. Sec., T. R. M. or Blk. and Survey or Area <b>Unit H Sec 15-T23S-R31E</b>		12. County or Parish <b>Eddy County</b>
13. State <b>NM</b>		14. Distance in miles and direction from nearest town or post office* <b>Approximately 35 miles WNW of Jal, NM</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease <b>1320</b>	17. Spacing Unit dedicated to this well <b>40</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>8800'</b>	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3463'</b>	22. Approximate date work will start* <b>07/15/2005</b>	23. Estimated duration <b>45 days</b>

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

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

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

25. Signature 	Name (Printed Typed) <b>Stephanie A. Ysasaga</b>	Date <b>07/06/2005</b>
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Title  
**Senior Engineering Technician**

Approved by (Signature) <b>/s/ Linda S. C. Rundell</b>	Name (Printed Typed) <b>/s/ Linda S. C. Rundell</b>	Date <b>AUG 18 2005</b>
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Title <b>STATE DIRECTOR</b>	Office <b>NM STATE OFFICE</b>
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

**APPROVAL FOR 1 YEAR**

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

\*(Instructions on page 2)

5-17  
79.5

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

Witness Surface &  
Intermediate Casing

## DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code 33745	Pool Name Ingle Wells (Delaware)
Property Code	Property Name TODD 15H		Well Number 8
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.		Elevation 3464'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	15	23-S	31-E		1980'	NORTH	660'	EAST	EDDY

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 4c	Joint or Infill	Consolidation Code		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

				<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature _____ Stephanie A. Ysasaga Printed Name _____ Senior Engineering Tech Title _____ 7/6/2005 Date _____	
				<b>SURVEYOR CERTIFICATION</b>  I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  DECEMBER 19, 2002 Date Surveyed _____ Signature & Seal of Professional Surveyor _____ AWB RONALD J. EDSON 02.11.0986 Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641	
<b>GEODETIC COORDINATES</b> WGS 84 NMSPC EZ Y=475641.6 X=718700.8 LAT. 32°18'22.73"N LONG. 103°45'33.40"W					

**Additional Operator Remarks:**

Devon Energy Production Company, LP proposes to drill a Delaware well to 8800' for commercial quantities of oil and gas. If the well is deemed noncommercial, the wellbore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

Drilling Program, Surface Use and Operating Plan

Exhibit #1 = Blowout Prevention Equipment

Exhibit #2 = Location and Elevation Map

Exhibit #3 = Road Map and Top Map

Exhibit #4 = Wells within a 1 mile radius

Exhibit #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design

H2S Operating Plan

## DRILLING PROGRAM

Attached to Form 3160-3  
Devon Energy Corporation (Nevada)  
TODD "15H" FEDERAL #8  
1980' FNL & 660' FEL  
Section 15-T23S-R31E, Unit H  
Eddy County, New Mexico

1. Geologic Name of Surface Formation

Permian

2. Estimated Tops of Important Geologic Markers

Rustler	800'
Top of Salt	1100'
Base of Salt	3900'
Bell Canyon	4400'
Cherry Canyon	5600'
Brushy Canyon	7000'
Bone Spring Lime	8300'
Total Depth	8800'

3. Estimated Depths of Possible Fresh Water-, Oil-, or Gas-Bearing Formations

Upper Permian Sands	above 800'	fresh water
Delaware (Bell Canyon)	4400'	oil
Delaware (Cherry Canyon)	6000'	oil
Delaware (Brushy Canyon)	8000'	oil

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at 850' and circulating cement back to surface. The Potash and Salt intervals will be protected by setting 8 5/8" casing at 4350' and circulating cement to surface. The Delaware intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 8 5/8" casing.

4. Casing Program

Hole Size	Interval	Casing OD	Weight	Grade	Type
30"	0-40'	20"		Conductor	0.30" wall
17 1/2"	0-850'	13 3/8"	48#	H-40	ST&C, new R-3
11"	0-4350'	8 5/8"	32#	J-55	ST&C, new R-3
7 7/8"	0'-TD (8800'±)	5 1/2"	15.5# & 17#	J-55	LT&C, new R-3

Cementing Program

20" Conductor Casing	Cement with Ready-mix to surface.
13 3/8" Surface Casing WITNESS	Cement to surface using 500 sx Poz (35% Poz, 65% Class C, 6% gel) with 2% CaCl <sub>2</sub> and 1/4 lb/sx Cellophane flakes + 200 sx Class C with 2% CaCl <sub>2</sub> and 1/4 lb/sx Cellophane flakes.
8 5/8" Intermediate Casing WITNESS	Cement to surface using 1600 sx Poz (35% Poz, 65% Class C, 6% gel, 15% salt) with 1/4 lb/sx Cellophane flakes + 200 sx Class C with 2% CaCl <sub>2</sub> , 1/4 lb/sx Cellophane flakes
5 1/2" Production Casing with DV tool at ±5500'	Cement 1st stage with 525 sx Silica Lite (Class H) with 3% salt, 0.6% FL additive, 1/4 lb/sx Cellophane flakes Cement 2nd stage with 225 sx Poz (35% Poz, 65% Class H, 6% gel) with 1/4 lb/sx Cellophane flakes + 400 sx Class H with 4% gel, 5% salt, 1/4 lb/sx Cellophane flakes.

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach 450'± above the 8 5/8" casing seat at 4350'.

5. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (2000 psi WP) preventer and a bag-type (Hydril) preventer (2000 psi WP). Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and 4 1/2" drill pipe rams on bottom. Both BOP's will be installed on the 13 3/8" surface casing and utilized continuously until total depth is reached. All BOP's and associated equipment will be tested to 1200 psi

before drilling out the 13 3/8" casing shoe (70% of 48# H-40 casing). Prior to drilling out the 8 5/8" casing shoe, the BOP's and Hydril will be function tested as per BLM drilling Operations Order #2.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drillers log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a kelly cock, floor safety valve, choke lines and choke manifold having 3000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System

The well will be drilled to total depth using brine, cut brine and polymer mud systems. Depths of systems are as follows.

Depth	Type	Weight (ppg)	Viscosity (1/sec)	Water Loss (cc/30 mins)
0-850'	Fresh water	8.8	34-36	No control
850-4350'	Brine water	10.0	28	No control
4350'-TD	Fresh water polymer	8.8	32-36	10-20

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

7. Auxiliary Well Control and Monitoring Equipment

- A. A kelly cock will be in the drill string at all times.
- B. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- C. Hydrogen Sulfide detection equipment (Compliance Package) will be in operation when drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented.

8. Logging, Testing and Coring Program

- A. Drill stem tests will be based on geological sample shows.
- B. The open hole wireline logging program will be as follows.

TD to intermediate casing: Induction / Gamma Ray / Neutron / Density Log.

TD to surface: Neutron with Gamma Ray.

- C. Rotary sidewall cores are planned.
- D. Additional testing will be initiated subsequent to setting the 5 1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Abnormal Pressures, Temperatures and Potential Hazards

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is approximately 130 degrees and maximum bottom hole pressure is approximately 2900 psig. No hydrogen sulfide gas has been reported or is known to exist at these depths in this area. No major lost circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations

A Cultural Resources Examination will be completed by Don Clifton Archaeological Consultant, and submitted to the BLM. Road and location preparation will not be undertaken until approval has been received from the BLM. If approved, the anticipated spud date for the well will be in the first quarter, 1999. The drilling operation should require approximately 21 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether permanent production facilities will be constructed.

## **SURFACE USE AND OPERATING PLAN**

Attachment to Form 3160-3  
Devon Energy Corporation (Nevada)  
TODD "15H" FEDERAL #8  
1980' FNL & 660' FEL  
Section 15-T23S-R31E, Unit H  
Eddy County, New Mexico

### **1. Existing Roads**

- A. The well site and elevation plat for the proposed TODD "15H" FEDERAL #8 are reflected on Exhibit #2. This well was staked by Topographic Land Surveyors of Midland, Texas.
- B. All roads into the location are depicted in Exhibit #3. New construction from the County road will be used to access the location. New construction will conform to the specifications outlined in item 2 below.
- C. Directions to location: Travel west-northwest from Jal, NM approximately 35 miles on State Highway #128 to County Road #798, just into Eddy County from Lea County. Turn north (right) on County Road #798 and travel approximately 3.5 miles. Then, turn left (west) onto existing lease road. Go approximately 1.25 miles to Todd "15A" Federal #1, and go approximately 0.25 mile and turn left (south) and go approximately 0.25 mile then turn left (east) and go approximately 0.25 mile to proposed TODD "15H" FEDERAL #8 location.

### **2. Proposed Access Road**

Access to this location will require the construction of approximately 3960' of new access road from the County road. All new road construction would adhere to the following specifications:

- A. The maximum width of the road will be fifteen (15) feet.
- B. It will be crowned and made of 6 inches of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- C. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location.
- D. The average grade will be approximately 1%.



# MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

EXHIBIT # 1

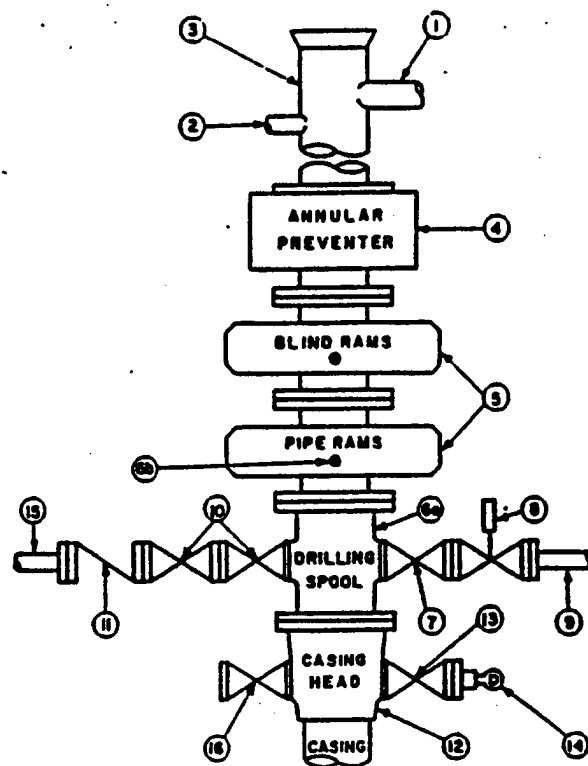
## STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve <input type="checkbox"/> Gate <input type="checkbox"/> Plug <input type="checkbox"/>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves <input type="checkbox"/> Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve <input type="checkbox"/> Gate <input type="checkbox"/> Plug <input type="checkbox"/>	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

## OPTIONAL

16	Flanged valve	1-13/16"	
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CONFIGURATION A



## CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

## MEC TO FURNISH:

1. Bradenhead or casinghead and side valves.
2. Wear bushing, if required.

## GENERAL NOTES:

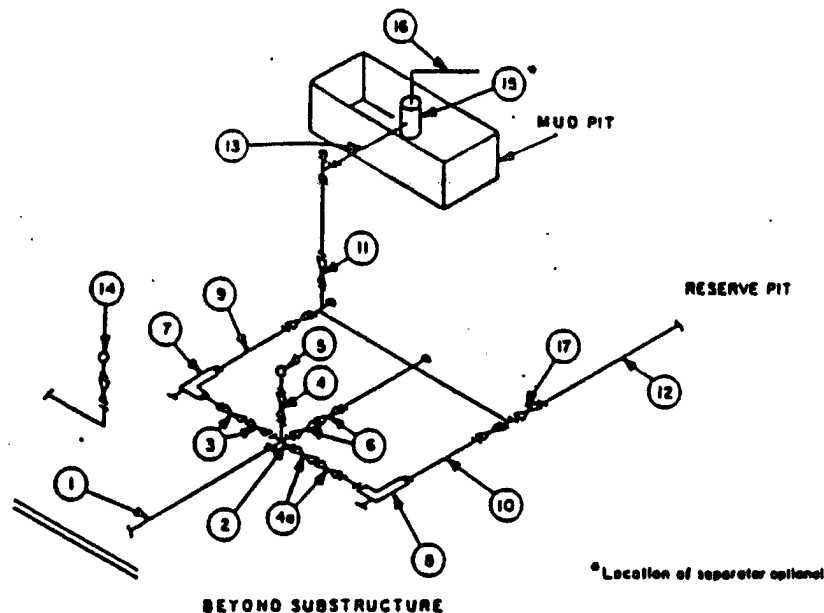
1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.

7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

**MINIMUM CHOKE MANIFOLD**  
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP

**EXHIBIT # 1**



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

**EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS**

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

Exhibit #1A  
NOTES REGARDING BLOWOUT PREVENTERS  
Devon Energy Corporation (Nevada)  
TODD "15H" FEDERAL #8  
1980' FNL & 660' FEL  
Section 15-T23S-R31E, Unit H  
Eddy County, New Mexico

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

Topographic map showing a coastal area with contour lines and elevation markers. The map includes a proposed access road labeled "1016' OF ACCESS ROAD" and a point labeled "TODD 15H #8". The map also shows a "Gravel Pit" and a "Gravel Road".

CONTOUR INTERVAL: 10'  
LOS MEDANOS, N.M.

U.S.G.S. TOPOGRAPHIC MAP  
LOS MEDANOS, N.M.

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

# **DEVON ENERGY CORPORATION**

## **HYDROGEN SULFIDE DRILLING OPERATIONS PLAN**

### **A. Hydrogen Sulfide Training**

All rig crews and company personnel will receive training from a qualified instructor in the following areas prior to penetrating any hydrogen sulfide bearing formations during drilling operations:

1. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S).
2. The proper use and maintenance of the H<sub>2</sub>S safety equipment and of personal protective equipment to be utilized at the location such as H<sub>2</sub>S detection monitors, alarms and warning systems, and breathing equipment. Briefing areas and evacuation procedures will also be discussed and established.
3. Proper rescue techniques and procedures will be discussed and established.

In addition to the above, supervisory personnel will be trained in the prevention of oil and gas well blowouts in accordance with Minerals Management Service Standards Subpart - 0 - 250 - 212.

Prior to penetrating any known H<sub>2</sub>S bearing formation, H<sub>2</sub>S training will be required at the rig sight for all rig crews and company personnel that have not previously received such training. This instruction will be provided by a qualified instructor with each individual being required to pass a 20 question test regarding H<sub>2</sub>S safety procedures. All contract personnel employed on an unscheduled basis will be required to have received appropriate H<sub>2</sub>S training.

This Hydrogen Sulfide Drilling And Operations Plan shall be available at the wellsite during drilling operations.

### **B. H<sub>2</sub>S Safety Equipment And Systems**

All H<sub>2</sub>S safety equipment and systems will be installed, tested, and operational when drilling operations reach a depth approximately 500' above any known or probable H<sub>2</sub>S bearing formation. The safety systems to be utilized during drilling operations are as follows:

**1. Well Control Equipment**

- (a) Double ram BOP with a properly sized closing unit and pipe rams to accommodate all pipe sizes in use.
- (b) A choke manifold with a minimum of one remote choke.

**2. H2S Detection And Monitoring Equipment**

- (a) Three (3) H2S detection monitors will be placed in service at the location. One monitor will be placed near the bell nipple on the rig floor; one will be placed at the rig substructure; and, one will be at the working mud pits or shale shaker. This monitoring system will have warning lights and audible alarms that will alert personnel when H2S levels reach 10 ppm.
- (b) One (1) Sensidyne Pump with the appropriate detection tubes will also be available to perform spot checks for H2S concentrations in any remote or isolated areas.

**3. Protective Equipment For Essential Personnel**

Protective equipment will consist of the following:

- (a) Four (4) - five minute escape packs located at strategic points around the rig.
- (b) Two (2) - thirty minute rescue packs to be located at the designated briefing areas.

**4. Visual Warning System**

Visual warning system will consist of the following:

- (a) Two wind direction indicators.
- (b) One condition / warning sign which will be posted on the road providing direct access to the location. The sign will contain lettering of sufficient size to be readable at a reasonable distance from the immediate location. The sign will inform the public that a hydrogen sulfide gas environment could be encountered at the location.

**DEVON ENERGY CORPORATION**  
**Hydrogen Sulfide Drilling**  
**Operations Plan**

**3**

**5. Mud Program**

The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to surface. Proper mud weight and safe drilling practices (for example, keeping the hole filled during trips) will minimize hazards when drilling in H<sub>2</sub>S bearing formations.

**6. Metallurgy**

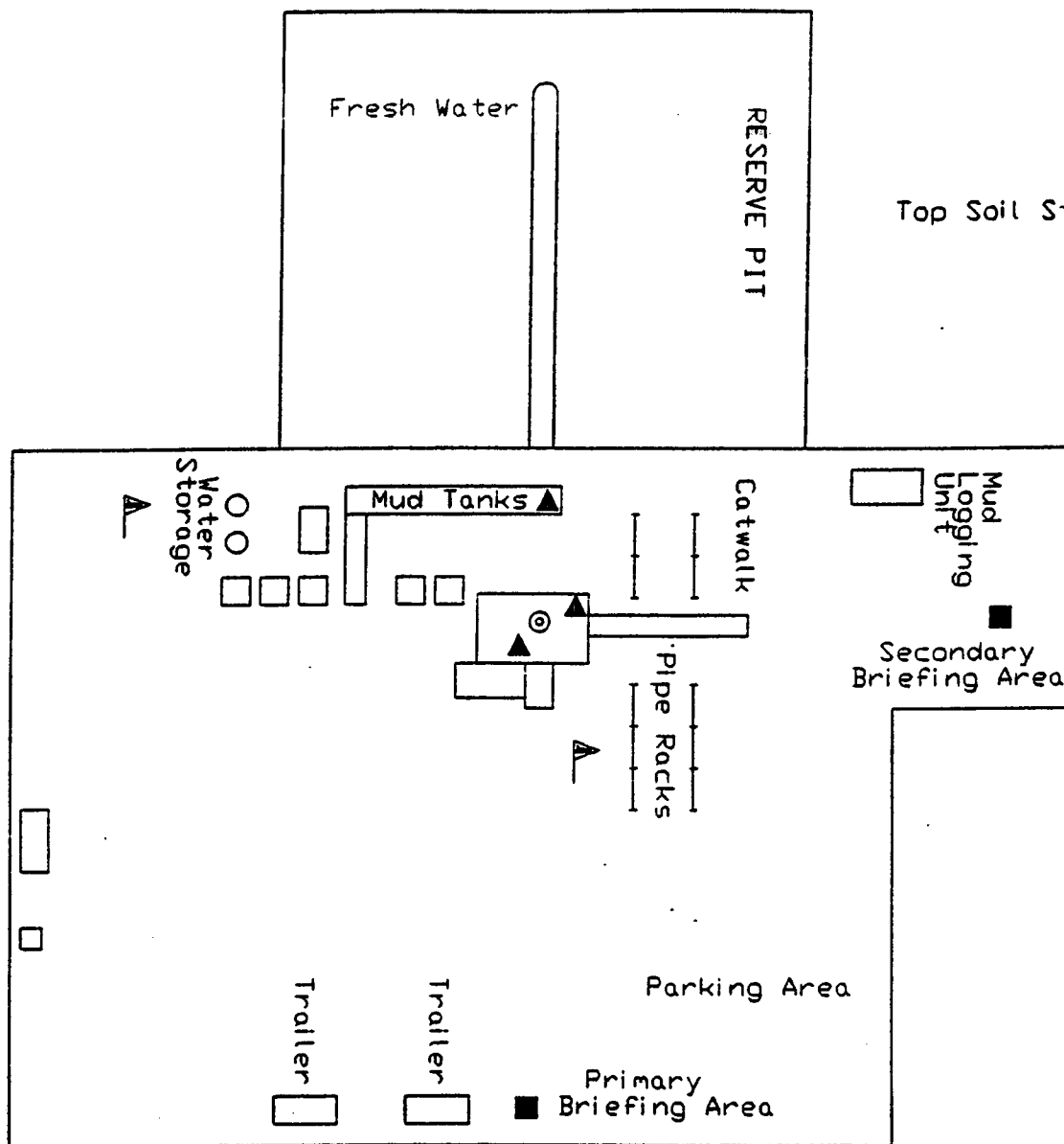
All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines and valves shall be suitable for H<sub>2</sub>S service.

**7. Communication**

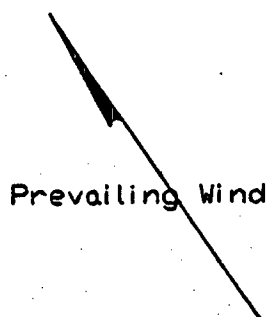
Cellular telephone communication will be available in company vehicles.

**C. Diagram of Drilling Location**

Attached is a diagram representing a typical location layout as well as the location of H<sub>2</sub>S monitors, briefing areas and wind direction indicators.



- ▲ H2S MONITORS WITH ALARMS AT THE BELL NIPPLE, SUBSTRUCTURE, AND SHALE SHAKER
- ▲ WIND DIRECTION INDICATORS
- SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT



File: G:\NM\H2S-PLAN

**devon**  
ENERGY SERVICES

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EDDY COUNTY, NEW MEXICO

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**H2S PLAN**

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Scale in Feet  
25      0      25      50      75      100

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4/97



## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Devon Energy Production Company LP  
Well Name & No. Todd '15H' Federal # 8 - RESUBMITTAL  
Location: 1980' FNL, 660' FEL, Section 15, T. 23 S., R. 31 E., Eddy County, New Mexico  
Lease: NM-0405444

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### **II. DRILLING OPERATIONS REQUIREMENTS:**

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

- A. Well spud
- B. Cementing casing: 13-3/8 inch 8-5/8 inch 5-1/2 inch
- C. BOP tests

2. 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.

3. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

4. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

5. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface; cable speed not to exceed 30 feet per minute.

### **II. CASING:**

1. The 13-3/8 inch surface casing shall be set at approximately 850 feet in the top of the Rustler anhydrite and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is to be sufficient to circulate to the surface.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is to be sufficient to reach approximately 500 feet above the base of the 8-5/8 inch casing shoe.

4. Whenever a casing string is cemented in the R-111-P Potash Area, cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

### **III. PRESSURE CONTROL:**

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 13-3/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 3000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.