

HOBBS OCD  
JUN 13 2012  
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## SURFACE USE PLAN

Devon Energy Production Company, LP

### Gaucho21 Federal 2H

Surface Location: 375' FSL & 375' FWL, Unit M, Sec 21 T22S R34E, Lea, NM

Bottom Hole Location: 375' FNL & 375' FWL, Unit D, Sec 21 T22S R34E, Lea, NM

**1. Existing Roads:**

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Madron Surveying.
- b. All roads into the location are depicted on Exhibit 3.
- c. Directions to Location: From State Hwy 128 and paved CR #21 (Delaware Basin Rd) go north on CR21 8 miles road bends right and go east 1.3 miles and turn left on caliche lease road and go north 3.5 miles turn right and go east .6 miles to proposed road survey and follow flags south 1260' to the northwest corner of proposed pad for this location.

**2. New or Reconstructed Access Roads:**

- a. The well site layout, Form C-102 shows the existing County road. Approximately 1260' of new access road will be constructed as follows. The maximum width of the road will be 15'. It will be crowned and made of 6" rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- b. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- c. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

**3. Location of Existing Wells:**

One Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat.

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

- a. In the event the well is found productive, a tank battery will be utilized and the necessary production equipment will be installed at the well site. Working on Right of Way. See Production Facilities Layout diagram.
- b. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road.
- c. All flow lines will adhere to API standards.
- d. If the well is productive, rehabilitation plans are as follows:
  - i. 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 shown in the C-102. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these 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:**

The caliche utilized for the drilling pad and proposed access road will be from minerals that are located onsite or will be used onsite. If minerals are not available onsite, then an established mineral pit will be used to build the location and stem road.

**7. Methods of Handling Waste Material:**

- a. Drill cuttings will be disposed.
- 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, including broken sacks, will pick up salts remaining after completion of well.  
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.
- d. Disposal of fluids to be transported by the following companies:
  - i. American Production Service Inc, Odessa TX
  - ii. Gandy Corporation, Lovington NM
  - iii. I & 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. Exhibit D shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicated proposed 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 comply with the NMOCDC requirements 19.15.17 and submit form C-144 to the appropriate NMOCDC District Office. A copy to be provided 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.

**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 Southern New Mexico Archaeological Services, Inc. and forwarded to the BLM office in Carlsbad, New Mexico.

**13. Bond Coverage:**

Bond Coverage is Nationwide; Bond # is CO-1104

**Operators Representative:**

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

James Allbee - Operations Engineer Advisor  
Devon Energy Production Company, L.P.  
20 North Broadway  
Oklahoma City, OK 73102-8260  
(405) 228-8698 (office)  
(405) 820-8682 (Cellular)

Don Mayberry - Superintendent  
Devon Energy Production Company, L.P.  
Post Office Box 250  
Artesia, NM 88211-0250  
(575) 748-3371 (office)  
(575) 746-4945 (home)

### Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or Devon Energy Production Company, L.P. am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this 30th day of January, 2012.

Printed Name: Judy A. Barnett

Signed Name: 

Position Title: Regulatory Specialist

Address: 20 North Broadway, OKC OK 73102

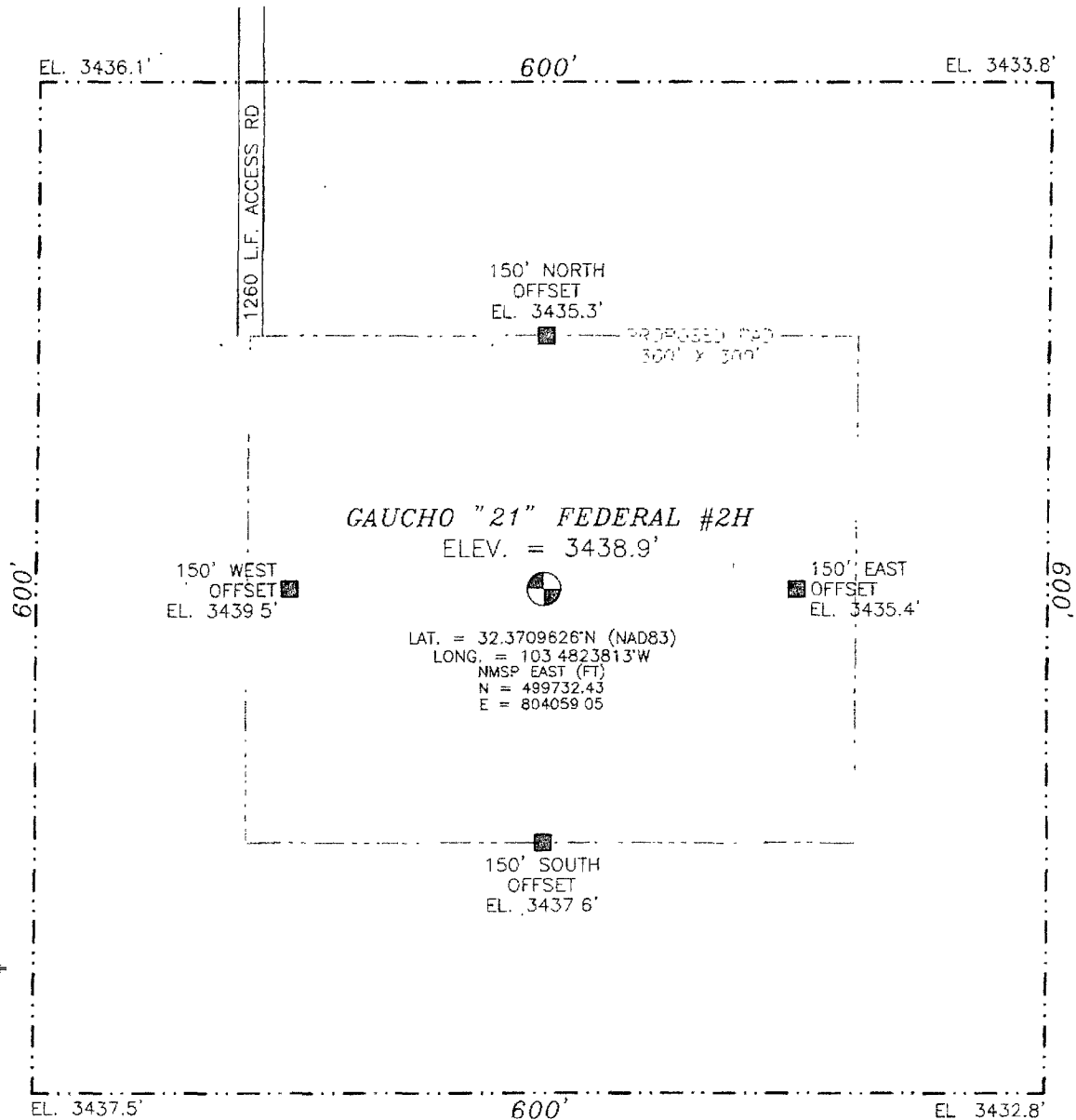
Telephone: (405)-228-8699

Field Representative (if not above signatory):

Address (if different from above):

Telephone (if different from above):

SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.  
LEA COUNTY, STATE OF NEW MEXICO



0 10 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM STATE HWY. 128 AND PAVED CR #21 (DELAWARE BASIN ROAD)  
GO NORTH ON CR #21 8 MILES, ROAD BENDS RIGHT AND GO EAST  
1.3 MILES AND TURN LEFT ON CALICHE LEASE ROAD AND GO NORTH  
3.5 MILES, TURN RIGHT ON CALICHE ROAD AND GO EAST 0.6 MILES  
TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS SOUTH 1260' TO  
NORTHWEST CORNER OF PROPOSED PAD FOR THIS LOCATION

DEVON ENERGY PRODUCTION COMPANY, L.P.

GAUCHO "21" FEDERAL #2H

LOCATED 375 FT. FROM THE SOUTH LINE  
AND 375 FT. FROM THE WEST LINE OF

SECTION 21, TOWNSHIP 22 SOUTH,

RANGE 34 EAST, N.M.P.M.

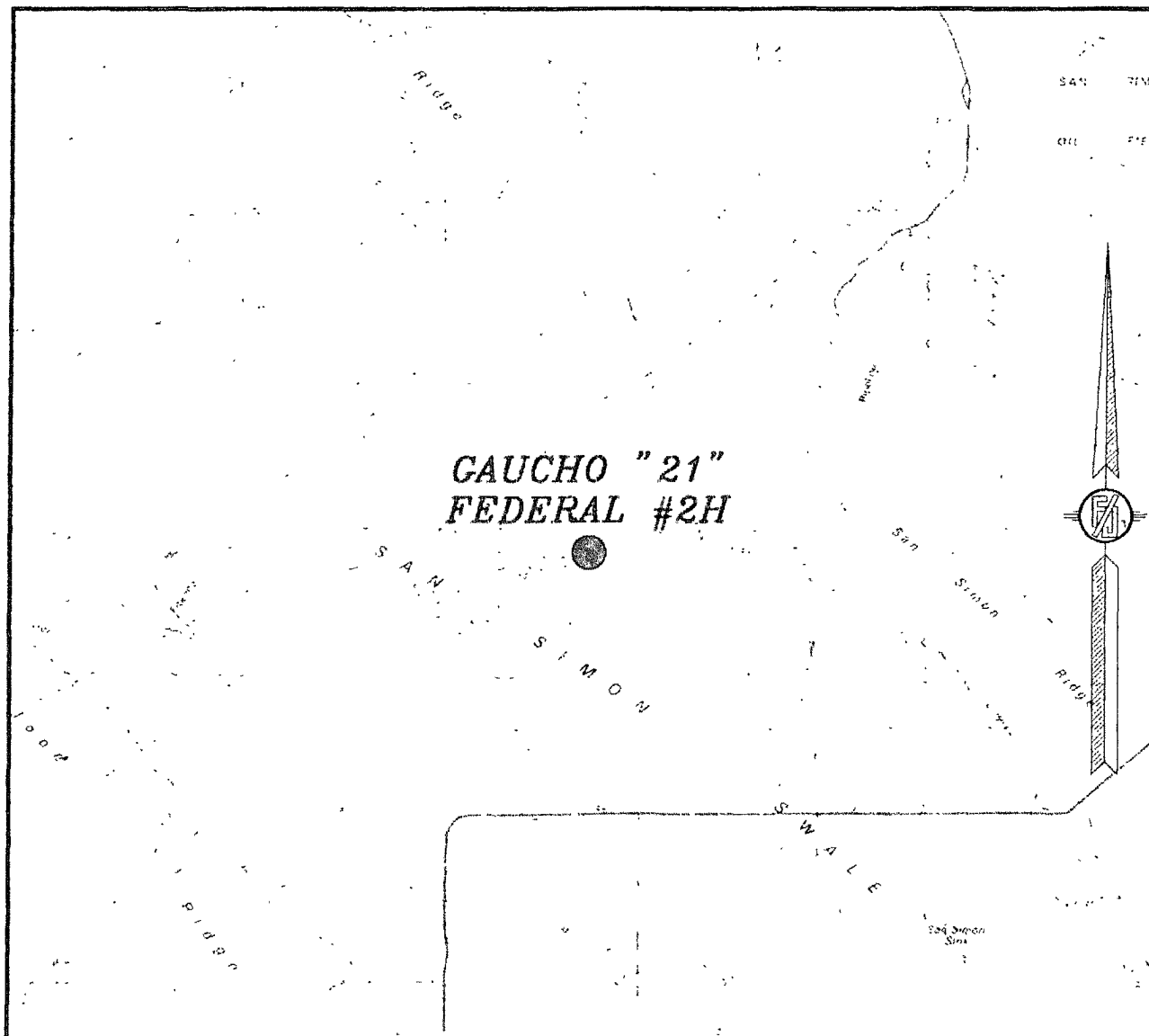
LEA COUNTY, STATE OF NEW MEXICO

DECEMBER 1, 2011

SURVEY NO. 709

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

SECTION 21, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.  
LEA COUNTY, STATE OF NEW MEXICO  
VICINITY MAP



NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.

**GAUCHO "21" FEDERAL #2H**

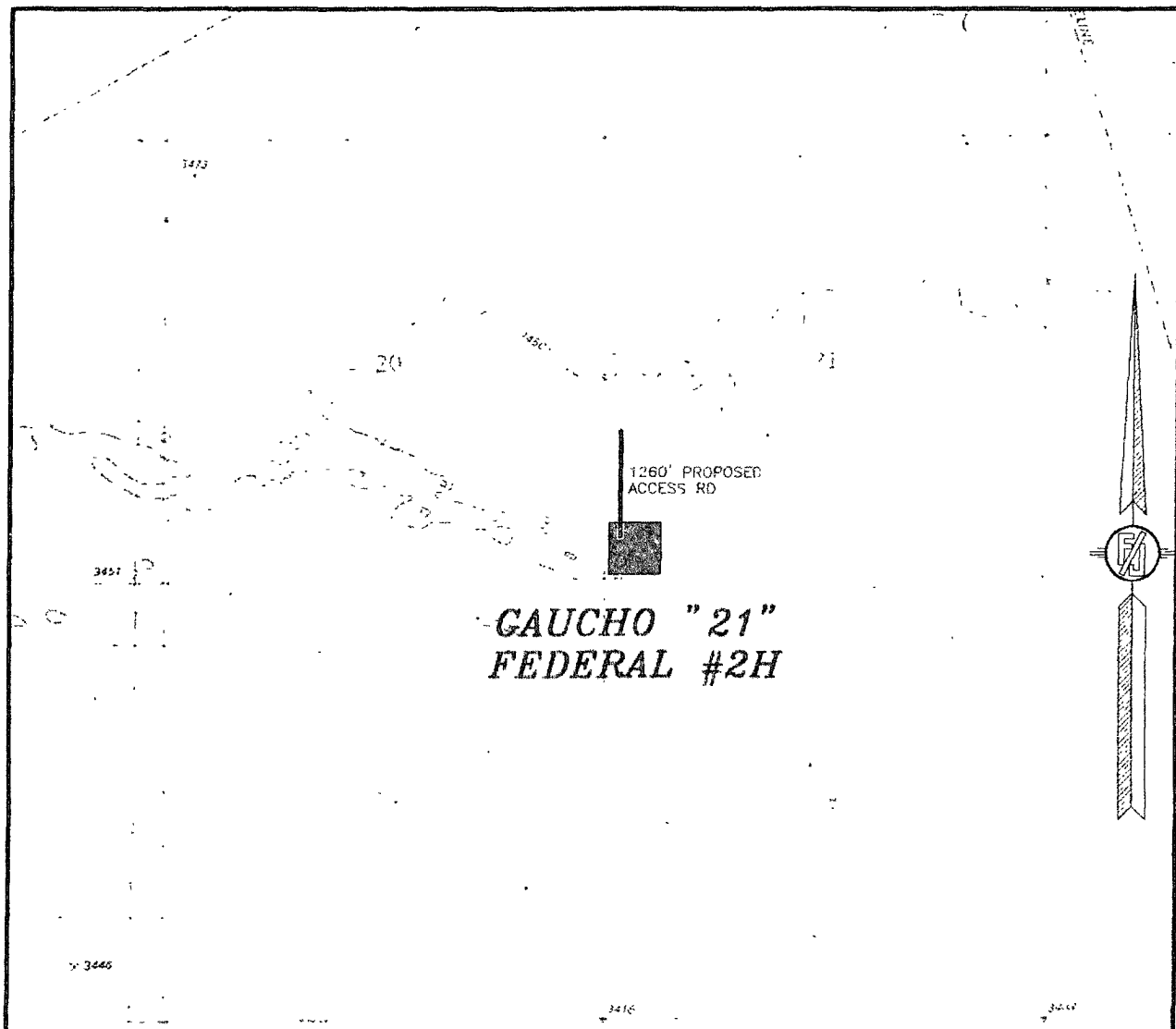
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LEA COUNTY, STATE OF NEW MEXICO  
LOCATION VERIFICATION MAP



CONTOUR INTERVAL:  
SAN SIMON SINK  
SAN SIMON RANCH

NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.

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AND 375 FT. FROM THE WEST LINE OF  
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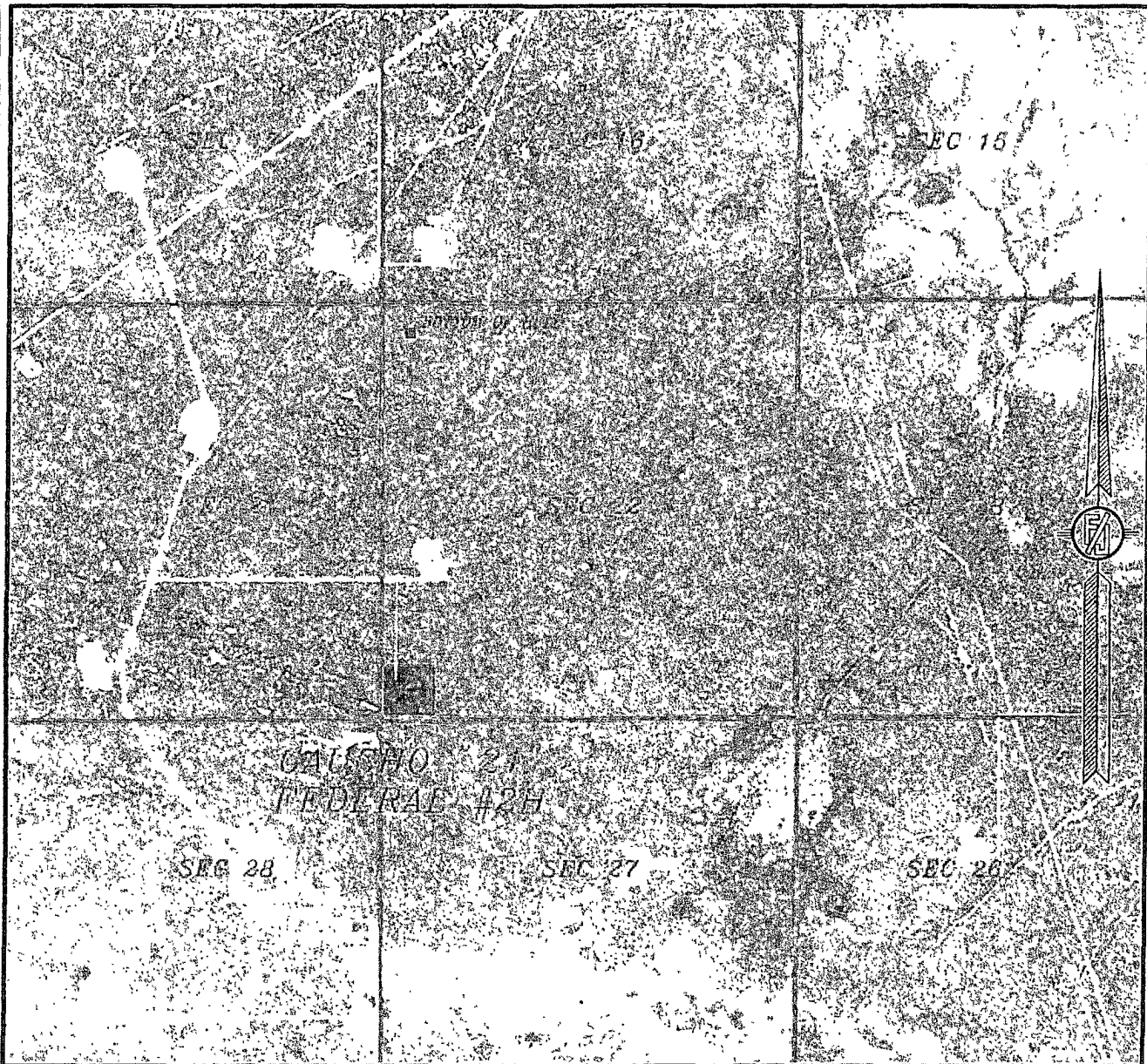
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LEA COUNTY, STATE OF NEW MEXICO

*AERIAL PHOTO*



NOT TO SCALE  
AERIAL PHOTO:  
GOOGLE EARTH  
USDA - AUG, 2009

DEVON ENERGY PRODUCTION COMPANY, L.P.

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22 S 34 E

GRAMA 8817 JV-P COM

18

17

16

GAUCHO UT 7

GAUCHO UT 6

STATE GL #1

LEA STATE #1

8817 JV-P GRAMA C1

RICKER 1

1 MILE

BHL

Estimated distance from BHL  
to nearest wellbore - 1054' NE

ENGEE '20' FED 1

GRANDE 1-Y  
EL ALTO GRANDE UT 1

19

WOODY FED COM #1

20

GAUCHO UT 4

21

GAUCHO UNIT #8

GAUCHO UNIT #3

GAUCHO '21' FED 1

GAUCHO 21 FED 2H

SL

GAUCHO UT 3

1 MILE

FED 28 #11

Estimated distance from BHL  
to nearest wellbore - 1218' SE

SHAMROCK '29' FED

29

GAUCHO UT 1

28

CIBOLA '28' FED

30

SUNRISE '29' FED

GAUCHO UT 2Y

GAUCHO UT 2

GAUCHO '28' FED

Devon

SE New Mexico

1 Mile Radius Map

Gaucha 21 Federal 2H

0 2,095

FEET

POSTED WELL DATA

Well Label

WELL SYMBOLS

- Oil Well
- Gas Well
- Dry Hole
- Abandoned Well
- Location Only
- Dry Hole, With Show of Oil
- Junked

January 25, 2012

Estimated distance to nearest wellbore:  
Gaucha 21 Fed 1 282' E  
Gaucha UT 4 2676' W

RIO BLANCO 33 FED 2

32

33

RIO BLANCO 33 FED 3

RIO BLANCO 33 FED 1

FALSE FED 1