

HOBBS OCD
OCD Hobbs
MAY 16 2013

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER RECEIVED

5. Lease Serial No.
NMNM 116574

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

8. Lease Name and Well No.
Bell Lake 24 Fed 1H <399117>

2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY, L.P. <61377>

9. API Well No.
30025-41182 <979647>

3a. Address 333 W. SHERIDAN AVENUE
OKLAHOMA CITY, OK 73102-5010

3b. Phone No. (include area code)
405-552-7848

10. Field and Pool, or Exploratory
WC-025 607 5243225C

4. Location of Well (Report location clearly and in accordance with any State requirements. *)
At surface 200 FSL & 660 FWL; Unit M, 24-24S-32E PP: 223 FSL & 660 FWL
At proposed prod. zone 990 FSL & 660 FWL; Unit M, 13-24S-32E

11. Sec., T. R. M. or Bk. and Survey or Area
24-24S-32E
Lower Bone Spring

14. Distance in miles and direction from nearest town or post office*
Approximately 20 mi East of Malaga, NM

12. County or Parish
Lea

13. State
NM

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

16. No. of acres in lease 680 Acres

17. Spacing Unit dedicated to this well 200 Acres

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See Attached Map

19. Proposed Depth 16,830' MD 11,000' TVD PH: 11,200'

20. BLM/BIA Bond No. on file CO1104; NMB-000801

21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3,579' GL

22. Approximate date work will start*

23. Estimated duration 45 DAYS

24. Attachments

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

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

25. Signature  Name (Printed/Typed) David H. Cook Date 01/09/2013

Title Regulatory Specialist

Approved by (Signature)  Name (Printed/Typed) s/George MacDonell Date MAY 13 2013

Title FIELD MANAGER Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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

(Continued on page 2)

*(Instructions on page 2)

Carlsbad Controlled Water Basin

KG 05/17/13

Approval Subject to General Requirements & Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

MAY 20 2013

DRILLING PROGRAM

Devon Energy Production Company, LP

Bell Lake 24 Fed 1H

Surface Location: 200' FSL & 660' FWL, Unit M, Sec 24 T24S R32E, Lea, NM
 Bottom Hole Location: 990' FSL & 660' FWL, Unit M, Sec 13 T24S R32E, Lea, NM

1. Geologic Name of Surface Formation

a. Quaternary

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

| | | |
|-------------------------------------|---------|-----------|
| a. Fresh Water | 200' | |
| b. Rustler | 1,078' | |
| c. Top of Salt | 1,410' | |
| d. Base of Salt | 4,750' | |
| e. Delaware | 4,950' | Oil & Gas |
| f. Bone Spring | 8,950' | Oil & Gas |
| g. 1 st Bone Spring Sand | 10,000' | Oil & Gas |
| h. 2 nd Bone Spring Sand | 11,000' | Oil & Gas |
| i. Pilot Hole | 11,200' | |

Total Depth 16,830' MD 11,000' TVD
 Note: only new casing will be utilized

3. Casing Program

| <u>Hole Size</u> | <u>Hole Interval</u> | <u>OD Csg</u> | <u>Casing Interval</u> | <u>Weight</u> | <u>Collar</u> | <u>Grade</u> |
|------------------|----------------------------|---------------|----------------------------|---------------|---------------|--------------|
| 17-1/2" | 0 - 1,150 1,195 | 13-3/8" | 0 - 1,150 1,195 | 48# | STC | H-40 |
| 12-1/4" | 1,150 - 4,900 | 9-5/8" | 0 - 4,900 | 40.26# | LTC | HCP-110 |
| 8-3/4" | 4,900 - 10,200 | 5-1/2" | 0 - 10,200 | 17# | LTC | HCP-110 |
| 8-3/4" | 10,200 - 16,830 | 5-1/2" | 10,200 - 16,830 | 17# | BTC | HCP-110 |

See COA

per Kurtis Schmitz
8/9/13 CRW

Note: only new casing will be utilized

An 8-3/4" pilot hole will be drilled to 11,200 ft, and plugged back to KOP with approx 300 sxs Class H, 15.6 ppg, 1.18 cf/sk cement.

MAXIMUM TVD in the lateral 11,000'

Design Parameter Factors:

| <u>Casing Size</u> | <u>Collapse Design</u> <u>Factor</u> | <u>Burst Design</u> <u>Factor</u> | <u>Tension Design</u> <u>Factor</u> |
|--------------------|---|--------------------------------------|--|
| 13 3/8" | 1.43 | 3.21 | 5.83 |
| 9 5/8" | 1.66 | 1.38 | 3.21 |
| 5 1/2" | 1.56 | 2.23 | 1.56 |
| 5 1/2" | 1.45 | 2.07 | 5.04 |

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

| | | |
|---------|--------------|---|
| 13 3/8" | Surface | <p>Lead: 850 ft 675 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Poly-E-Flake + 4% bwoc Bentonite + 70.1% Fresh Water, 13.5 ppg, Yield: 1.75 cf/sk TOC @ surface</p> <p>Tail: 300 ft 310 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Poly-E-Flake + 63.1% Fresh Water, 14.8 ppg, Yield: 1.35 cf/sk</p> |
| 9-5/8" | Intermediate | <p>Lead: 3900 ft 1000 sacks (65:35) Class C Cement:Poz (Fly Ash): + 5% bwow Sodium Chloride + 0.125 lbs/sack Poly-E-Flake + 6% bwoc Bentonite + 70.9% Fresh Water, 12.9 ppg, Yield: 1.85 cf/sk TOC @ surface</p> <p>Tail: 1000ft 360 sacks Class C Cement + 0.125 lbs/sack Poly-E-Flake + 63.5% Water, 14.8 ppg Yield: 1.33 cf/sk</p> |
| 5-1/2" | Production | <p>1st Stage: Lead: 4800 ft 780 sacks (65:35) Class H Cement:Poz (Fly Ash) + 6% bwoc Bentonite + 0.2% bwoc HR-601 + 74.1% Fresh Water, 12.5 ppg, Yield: 1.95 cf/sk</p> <p>Tail: 6100 ft 1580 sacks (50:50) Class H Cement:Poz (Fly Ash) + 1 lb/sk Sodium Chloride + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bentonite + 58.8% Fresh Water, 14.5 ppg, Yield: 1.22 cf/sk</p> <p><u>DV TOOL at 6000 ft</u></p> <p>2nd Stage Lead: 2200 ft 960 sacks Class C Cement + 3% bwoc Econolite + 0.125 lbs/sack Poly-E-Flake + 82.4% Fresh Water, 11.4 ppg, Yield: 2.87 cf/sk</p> <p>Tail: 1000 ft 285 sacks Class C Cement + 0.125 lbs/sack Poly-E-Flake + 63.5% Fresh Water, 14.8 ppg, Yield: 1.33cf/sk TOC @ 4,400' ft</p> |

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

5. **Pressure Control Equipment**

BOP system used to drill the intermediate hole will consist of a 13-5/8" Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2. 3M system will be installed and tested prior to drilling out the surface casing shoe.)

The BOP system used to drill the production hole will consist of a 13-5/8" Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2. 3M system will be installed prior to drilling out the intermediate casing shoe.)

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 5,000 psi WP.

Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line); **if an H&P rig drills this well. Otherwise no flex line is needed.** The line will be kept as straight as possible with minimal turns.

6. **Proposed Mud Circulation System**

| <u>Depth</u> | <u>Mud Wt.</u> | <u>Visc</u> | <u>Fluid Loss</u> | <u>Type System</u> |
|------------------|----------------|-------------|-------------------|--------------------|
| 0' - 1,150' 1195 | 8.4-9.0 | 30-34 | NC | FW |
| 1,150' - 4,900' | 9.8-10.0 | 28-32 | NC | Brine |
| 4,900' - 16,830' | 8.6-9.0 | 28-32 | N12 | FW |

The necessary mud products for weight addition and fluid loss control will be on location at all times. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume. If abnormal pressures are encountered, electronic/mechanical mud monitoring equipment will be installed.

7. **Auxiliary Well Control and Monitoring Equipment:**

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

8. **Logging, Coring, and Testing Program:** See COA
- a. Drill stem tests will be based on geological sample shows.
 - b. If a drill stem test is anticipated; a procedure, equipment to be used and safety measures will be provided via sundry notice to the BLM.
 - c. The open hole electrical logging program will be:
 - i. Total Depth to Intermediate Casing Dual Laterolog-Micro Laterolog with SP and Gamma Ray. Compensated Neutron – Z Density log with Gamma Ray and Caliper.
 - ii. Total Depth to Surface Compensated Neutron with Gamma Ray
 - iii. No coring program is planned
 - iv. Additional testing will be initiated subsequent to setting the 5 ½" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.
9. **Potential Hazards:**
- a. No abnormal pressures or temperatures are expected. There is no known presence of H₂S in this area. If H₂S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6 No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 5,440 psi and Estimated BHT 167°. No H₂S is anticipated to be encountered.
10. **Anticipated Starting Date and Duration of Operations:**
- a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.



Weatherford™

Drilling Services

Proposal



devon

BELL LAKE 24 FED #1H

LEA COUNTY, NM

WELL FILE: PLAN 1

DECEMBER 21, 2012

Weatherford International, Ltd.

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Midland, TX 79711 USA

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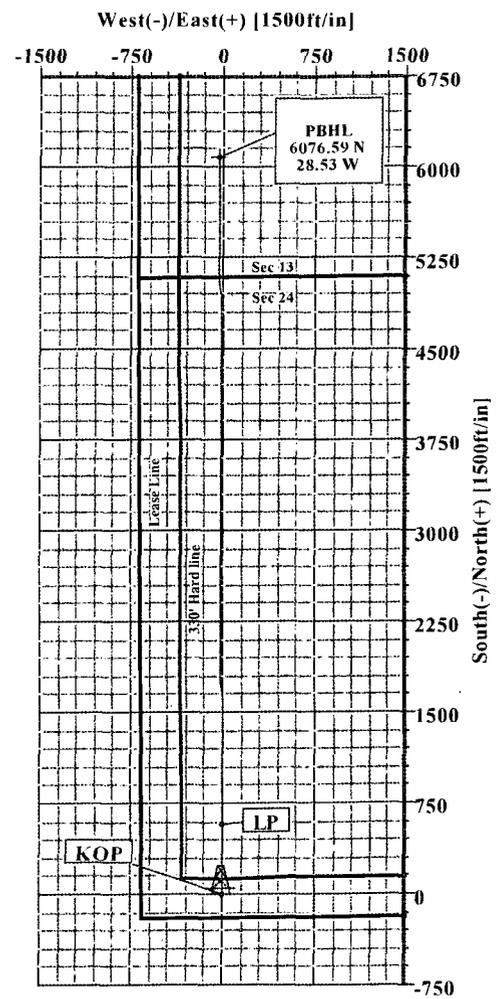
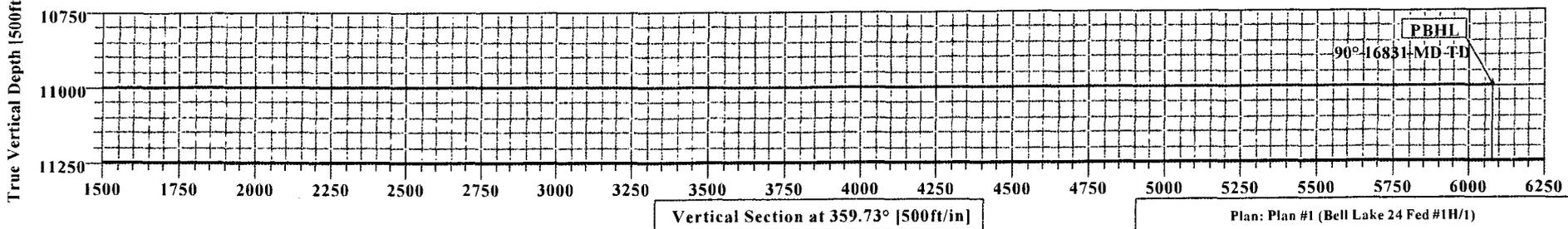
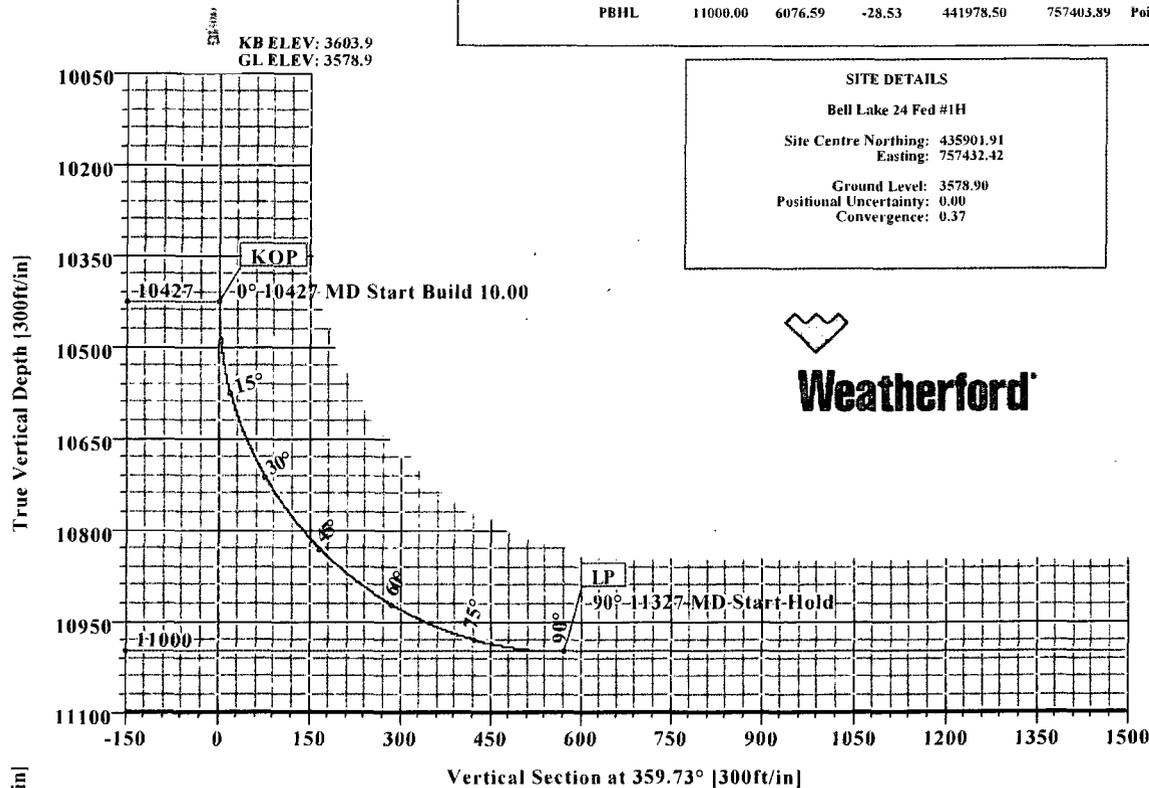
Bell Lake 24 Fed #1H
Lea County, New Mexico

| SECTION DETAILS | | | | | | | | | | | |
|-----------------|----------|-------|--------|----------|---------|--------|-------|--------|---------|--------|--|
| Sec | MD | Inc | Azi | TVD | +N/-S | +E/-W | DLeg | TFace | VSec | Target | |
| 1 | 0.00 | 0.00 | 359.73 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 2 | 10427.04 | 0.00 | 359.73 | 10427.04 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | | |
| 3 | 11327.04 | 90.00 | 359.73 | 11000.00 | 572.95 | -2.69 | 10.00 | 359.73 | 572.96 | | |
| 4 | 16830.74 | 90.00 | 359.73 | 11000.00 | 6076.59 | -28.53 | 0.00 | 0.00 | 6076.66 | PBHL | |

| WELL DETAILS | | | | | | | |
|----------------------|-------|-------|-----------|-----------|---------------|----------------|------|
| Name | +N/-S | +E/-W | Northing | Easting | Latitude | Longitude | Slot |
| Bell Lake 24 Fed #1H | 0.00 | 0.00 | 435901.91 | 757432.42 | 32°11'47.182N | 103°38'05.082W | N/A |

| TARGET DETAILS | | | | | | | |
|----------------|----------|---------|--------|-----------|-----------|-------|--|
| Name | TVD | +N/-S | +E/-W | Northing | Easting | Shape | |
| PBHL | 11000.00 | 6076.59 | -28.53 | 441978.50 | 757403.89 | Point | |

| SITE DETAILS | |
|-------------------------|-----------|
| Bell Lake 24 Fed #1H | |
| Site Centre Northing: | 435901.91 |
| Easting: | 757432.42 |
| Ground Level: | 3578.90 |
| Positional Uncertainty: | 0.00 |
| Convergence: | 0.37 |





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WFT Plan Report - X & Y's



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| | | | |
|---|-----------------------------------|--|-------------------|
| Company: Devon Energy | Date: 12/21/2012 | Time: 10:38:58 | Page: 2 |
| Field: Lea County, New Mexico (NAD 83) | Co-ordinate(NE) Reference: | Well: Bell Lake 24 Fed #1H, Grid North | |
| Site: Bell Lake 24 Fed #1H | Vertical (TVD) Reference: | SITE 3603.9 | |
| Well: Bell Lake 24 Fed #1H | Section (VS) Reference: | Well (0.00N,0.00E,359.73Azi) | |
| Wellpath: 1 | Survey Calculation Method: | Minimum Curvature | Db: Sybase |

Survey

| MD ft | Incl deg | Azim deg | TVD ft | N/S ft | E/W ft | VS ft | DLS deg/100ft | MapN ft | MapE ft | Comment |
|----------|-------------|-------------|-----------|-----------|-----------|----------|------------------|------------|------------|---------|
| 11600.00 | 90.00 | 359.73 | 11000.00 | 845.91 | -3.97 | 845.92 | 0.00 | 436747.82 | 757428.45 | |
| 11700.00 | 90.00 | 359.73 | 11000.00 | 945.91 | -4.44 | 945.92 | 0.00 | 436847.82 | 757427.98 | |
| 11800.00 | 90.00 | 359.73 | 11000.00 | 1045.90 | -4.91 | 1045.92 | 0.00 | 436947.81 | 757427.51 | |
| 11900.00 | 90.00 | 359.73 | 11000.00 | 1145.90 | -5.38 | 1145.92 | 0.00 | 437047.81 | 757427.04 | |
| 12000.00 | 90.00 | 359.73 | 11000.00 | 1245.90 | -5.85 | 1245.92 | 0.00 | 437147.81 | 757426.57 | |
| 12100.00 | 90.00 | 359.73 | 11000.00 | 1345.90 | -6.32 | 1345.92 | 0.00 | 437247.81 | 757426.10 | |
| 12200.00 | 90.00 | 359.73 | 11000.00 | 1445.90 | -6.79 | 1445.92 | 0.00 | 437347.81 | 757425.63 | |
| 12300.00 | 90.00 | 359.73 | 11000.00 | 1545.90 | -7.26 | 1545.92 | 0.00 | 437447.81 | 757425.16 | |
| 12400.00 | 90.00 | 359.73 | 11000.00 | 1645.90 | -7.73 | 1645.92 | 0.00 | 437547.81 | 757424.69 | |
| 12500.00 | 90.00 | 359.73 | 11000.00 | 1745.90 | -8.20 | 1745.92 | 0.00 | 437647.81 | 757424.22 | |
| 12600.00 | 90.00 | 359.73 | 11000.00 | 1845.90 | -8.67 | 1845.92 | 0.00 | 437747.81 | 757423.75 | |
| 12700.00 | 90.00 | 359.73 | 11000.00 | 1945.89 | -9.14 | 1945.92 | 0.00 | 437847.80 | 757423.28 | |
| 12800.00 | 90.00 | 359.73 | 11000.00 | 2045.89 | -9.61 | 2045.92 | 0.00 | 437947.80 | 757422.81 | |
| 12900.00 | 90.00 | 359.73 | 11000.00 | 2145.89 | -10.08 | 2145.92 | 0.00 | 438047.80 | 757422.34 | |
| 13000.00 | 90.00 | 359.73 | 11000.00 | 2245.89 | -10.54 | 2245.92 | 0.00 | 438147.80 | 757421.88 | |
| 13100.00 | 90.00 | 359.73 | 11000.00 | 2345.89 | -11.01 | 2345.92 | 0.00 | 438247.80 | 757421.41 | |
| 13200.00 | 90.00 | 359.73 | 11000.00 | 2445.89 | -11.48 | 2445.92 | 0.00 | 438347.80 | 757420.94 | |
| 13300.00 | 90.00 | 359.73 | 11000.00 | 2545.89 | -11.95 | 2545.92 | 0.00 | 438447.80 | 757420.47 | |
| 13400.00 | 90.00 | 359.73 | 11000.00 | 2645.89 | -12.42 | 2645.92 | 0.00 | 438547.80 | 757420.00 | |
| 13500.00 | 90.00 | 359.73 | 11000.00 | 2745.89 | -12.89 | 2745.92 | 0.00 | 438647.80 | 757419.53 | |
| 13600.00 | 90.00 | 359.73 | 11000.00 | 2845.88 | -13.36 | 2845.92 | 0.00 | 438747.79 | 757419.06 | |
| 13700.00 | 90.00 | 359.73 | 11000.00 | 2945.88 | -13.83 | 2945.92 | 0.00 | 438847.79 | 757418.59 | |
| 13800.00 | 90.00 | 359.73 | 11000.00 | 3045.88 | -14.30 | 3045.92 | 0.00 | 438947.79 | 757418.12 | |
| 13900.00 | 90.00 | 359.73 | 11000.00 | 3145.88 | -14.77 | 3145.92 | 0.00 | 439047.79 | 757417.65 | |
| 14000.00 | 90.00 | 359.73 | 11000.00 | 3245.88 | -15.24 | 3245.92 | 0.00 | 439147.79 | 757417.18 | |
| 14100.00 | 90.00 | 359.73 | 11000.00 | 3345.88 | -15.71 | 3345.92 | 0.00 | 439247.79 | 757416.71 | |
| 14200.00 | 90.00 | 359.73 | 11000.00 | 3445.88 | -16.18 | 3445.92 | 0.00 | 439347.79 | 757416.24 | |
| 14300.00 | 90.00 | 359.73 | 11000.00 | 3545.88 | -16.65 | 3545.92 | 0.00 | 439447.79 | 757415.77 | |
| 14400.00 | 90.00 | 359.73 | 11000.00 | 3645.88 | -17.12 | 3645.92 | 0.00 | 439547.79 | 757415.30 | |
| 14500.00 | 90.00 | 359.73 | 11000.00 | 3745.87 | -17.59 | 3745.92 | 0.00 | 439647.78 | 757414.83 | |
| 14600.00 | 90.00 | 359.73 | 11000.00 | 3845.87 | -18.06 | 3845.92 | 0.00 | 439747.78 | 757414.36 | |
| 14700.00 | 90.00 | 359.73 | 11000.00 | 3945.87 | -18.53 | 3945.92 | 0.00 | 439847.78 | 757413.89 | |
| 14800.00 | 90.00 | 359.73 | 11000.00 | 4045.87 | -19.00 | 4045.92 | 0.00 | 439947.78 | 757413.42 | |
| 14900.00 | 90.00 | 359.73 | 11000.00 | 4145.87 | -19.47 | 4145.92 | 0.00 | 440047.78 | 757412.95 | |
| 15000.00 | 90.00 | 359.73 | 11000.00 | 4245.87 | -19.93 | 4245.92 | 0.00 | 440147.78 | 757412.49 | |
| 15100.00 | 90.00 | 359.73 | 11000.00 | 4345.87 | -20.40 | 4345.92 | 0.00 | 440247.78 | 757412.02 | |
| 15200.00 | 90.00 | 359.73 | 11000.00 | 4445.87 | -20.87 | 4445.92 | 0.00 | 440347.78 | 757411.55 | |
| 15300.00 | 90.00 | 359.73 | 11000.00 | 4545.87 | -21.34 | 4545.92 | 0.00 | 440447.78 | 757411.08 | |
| 15400.00 | 90.00 | 359.73 | 11000.00 | 4645.86 | -21.81 | 4645.92 | 0.00 | 440547.77 | 757410.61 | |
| 15500.00 | 90.00 | 359.73 | 11000.00 | 4745.86 | -22.28 | 4745.92 | 0.00 | 440647.77 | 757410.14 | |
| 15600.00 | 90.00 | 359.73 | 11000.00 | 4845.86 | -22.75 | 4845.92 | 0.00 | 440747.77 | 757409.67 | |
| 15700.00 | 90.00 | 359.73 | 11000.00 | 4945.86 | -23.22 | 4945.92 | 0.00 | 440847.77 | 757409.20 | |
| 15800.00 | 90.00 | 359.73 | 11000.00 | 5045.86 | -23.69 | 5045.92 | 0.00 | 440947.77 | 757408.73 | |
| 15900.00 | 90.00 | 359.73 | 11000.00 | 5145.86 | -24.16 | 5145.92 | 0.00 | 441047.77 | 757408.26 | |
| 16000.00 | 90.00 | 359.73 | 11000.00 | 5245.86 | -24.63 | 5245.92 | 0.00 | 441147.77 | 757407.79 | |
| 16100.00 | 90.00 | 359.73 | 11000.00 | 5345.86 | -25.10 | 5345.92 | 0.00 | 441247.77 | 757407.32 | |
| 16200.00 | 90.00 | 359.73 | 11000.00 | 5445.86 | -25.57 | 5445.92 | 0.00 | 441347.77 | 757406.85 | |
| 16300.00 | 90.00 | 359.73 | 11000.00 | 5545.85 | -26.04 | 5545.92 | 0.00 | 441447.76 | 757406.38 | |
| 16400.00 | 90.00 | 359.73 | 11000.00 | 5645.85 | -26.51 | 5645.92 | 0.00 | 441547.76 | 757405.91 | |
| 16500.00 | 90.00 | 359.73 | 11000.00 | 5745.85 | -26.98 | 5745.92 | 0.00 | 441647.76 | 757405.44 | |
| 16600.00 | 90.00 | 359.73 | 11000.00 | 5845.85 | -27.45 | 5845.92 | 0.00 | 441747.76 | 757404.97 | |
| 16700.00 | 90.00 | 359.73 | 11000.00 | 5945.85 | -27.92 | 5945.92 | 0.00 | 441847.76 | 757404.50 | |



Weatherford International Ltd.

WFT Plan Report - X & Y's



| | | | |
|---|--|-----------------------|----------------|
| Company: Devon Energy | Date: 12/21/2012 | Time: 10:38:58 | Page: 3 |
| Field: Lea County, New Mexico (NAD 83) | Co-ordinate(NE) Reference: Well: Bell Lake 24 Fed #1H, Grid North | | |
| Site: Bell Lake 24 Fed #1H | Vertical (TVD) Reference: SITE 3603.9 | | |
| Well: Bell Lake 24 Fed #1H | Section (VS) Reference: Well (0.00N,0.00E,359.73Azi) | | |
| Wellpath: 1 | Survey Calculation Method: Minimum Curvature | Db: Sybase | |

Survey

| MD ft | Incl deg | Azim deg | TVD ft | N/S ft | E/W ft | VS ft | DLS deg/100ft | MapN ft | MapE ft | Comment |
|----------|-------------|-------------|-----------|-----------|-----------|----------|------------------|------------|------------|---------|
| 16800.00 | 90.00 | 359.73 | 11000.00 | 6045.85 | -28.39 | 6045.92 | 0.00 | 441947.76 | 757404.03 | |
| 16830.74 | 90.00 | 359.73 | 11000.00 | 6076.59 | -28.53 | 6076.66 | 0.00 | 441978.50 | 757403.89 | PBHL |

Targets

| Name | Description Dip. | Dir. | TVD ft | +N/-S ft | +E/-W ft | Map Northing ft | Map Easting ft | ←-- Latitude --→ | | | ←-- Longitude --→ | | | | |
|------|---------------------|------|-----------|-------------|-------------|-----------------------|----------------------|------------------|-----|--------|-------------------|-----|-----|-------|---|
| | | | | | | | | Deg | Min | Sec | Deg | Min | Sec | | |
| PBHL | | | 11000.00 | 6076.59 | -28.53 | 441978.50 | 757403.89 | 32 | 12 | 47.314 | N | 103 | 38 | 4.954 | W |

Casing Points

| MD | TVD | Diameter | Hole Size | Name |
|----|-----|----------|-----------|------|
| | | | | |

Annotation

| MD ft | TVD ft | |
|----------|-----------|------|
| 10427.04 | 10427.04 | KOP |
| 11327.04 | 11000.00 | LP |
| 16830.74 | 11000.00 | PBHL |

Formations

| MD | TVD | Formations | Lithology | Dip Angle | Dip Direction |
|----|-----|------------|-----------|-----------|---------------|
| | | | | | |

Field: Lea County, New Mexico (NAD 83)

| | |
|--|---|
| Map System: US State Plane Coordinate System 1983 | Map Zone: New Mexico, Eastern Zone |
| Geo Datum: GRS 1980 | Coordinate System: Well Centre |
| Sys Datum: Mean Sea Level | Geomagnetic Model: IGRF2010 |



Weatherford

Weatherford Drilling Services

GeoDec v5.03

Report Date: December 21, 2012
 Job Number: _____
 Customer: Devon Energy
 Well Name: Bell Lake 24 Fed #1H
 API Number: _____
 Rig Name: _____
 Location: Lea County, NM
 Block: _____
 Engineer: Patrick Rudolph

| | |
|--|---|
| US State Plane 1983 | Geodetic Latitude / Longitude |
| System: New Mexico Eastern Zone | System: Latitude / Longitude |
| Projection: Transverse Mercator/Gauss Kruger | Projection: Geodetic Latitude and Longitude |
| Datum: North American Datum 1983 | Datum: North American Datum 1983 |
| Ellipsoid: GRS 1980 | Ellipsoid: GRS 1980 |
| North/South 435901.910 USFT | Latitude 32.1964419 DEG |
| East/West 757432.420 USFT | Longitude -103.6347401 DEG |
| Grid Convergence: .37° | |
| Total Correction: +7.14° | |

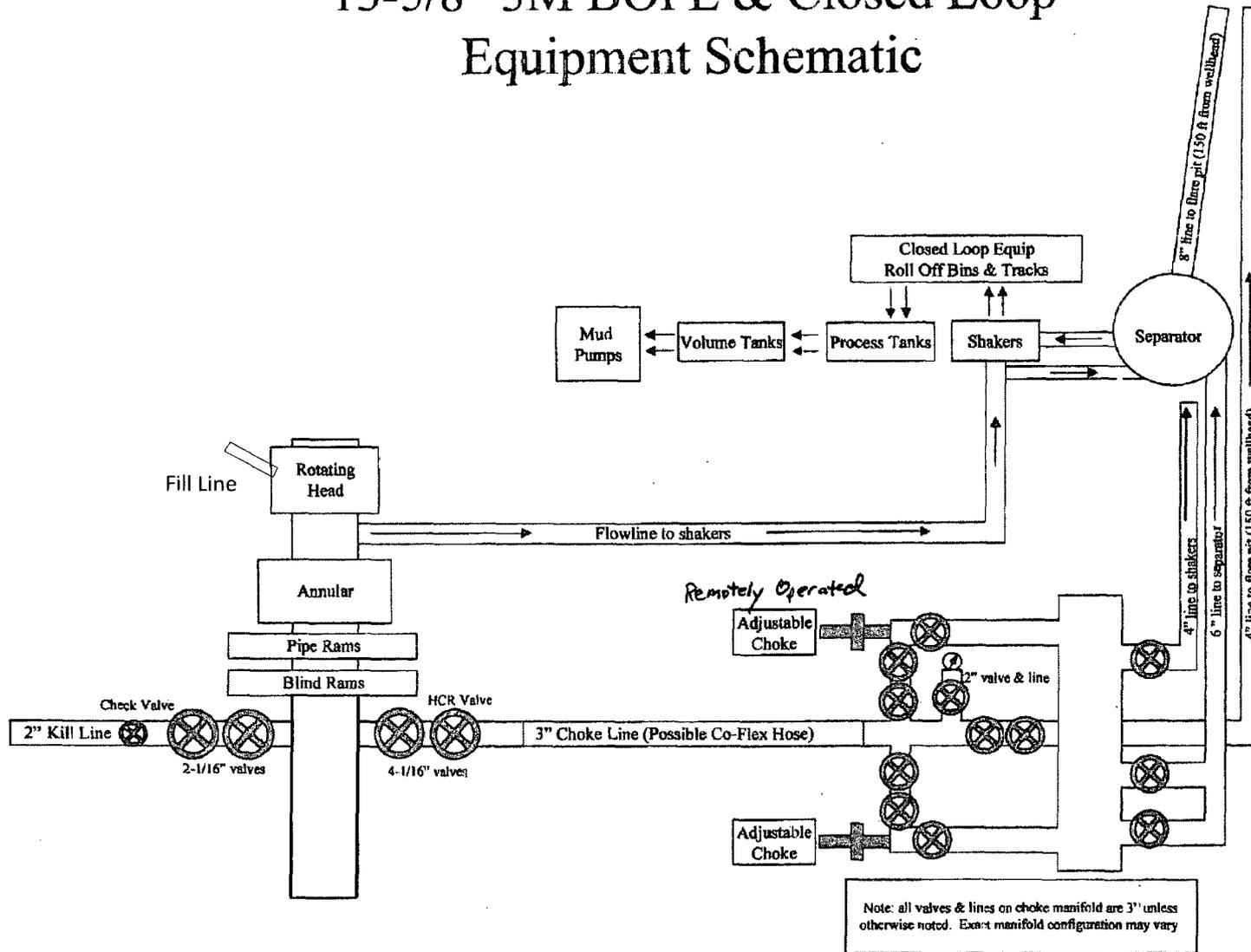
Geodetic Location WGS84 Elevation = 0.0 Meters
 Latitude = 32.19644° N 32° 11 min 47.191 sec
 Longitude = 103.63474° W 103° 38 min 5.064 sec

| | | | |
|------------------------|--------------|---------------------|----------|
| Magnetic Declination = | 7.51° | [True North Offset] | |
| Local Gravity = | .9988 g | Checksum = | 6564 |
| Local Field Strength = | 48426 nT | Magnetic Vector X = | 23958 nT |
| Magnetic Dip = | .60.07° | Magnetic Vector Y = | 3158 nT |
| Magnetic Model = | bggm2012 | Magnetic Vector Z = | 41966 nT |
| Spud Date = | Mar 01, 2013 | Magnetic Vector H = | 24165 nT |

Signed: _____

Date: _____

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



NOTES REGARDING BLOWOUT PREVENTERS

Devon Energy Production Company, LP
Bell Lake 24 Fed 1H

Surface Location: 200' FSL & 660' FWL, Unit M, Sec 24 T24S R32E, Lea, NM
Bottom Hole Location: 990' FSL & 660' FWL, Unit M, Sec 13 T24S R32E, Lea, NM

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



Fluid Technology

ContiTech Beattie Corp.
Website: www.contitechbeattie.com

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 whilst 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 hoses 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/clarifications then please do not hesitate to contact us.

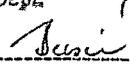
ContiTech Beattie is part of the Continental AG Corporation and can offer the full support resources associated with a global organization.

Best regards,

Robin Hodgson
Sales Manager
ContiTech Beattie Corp

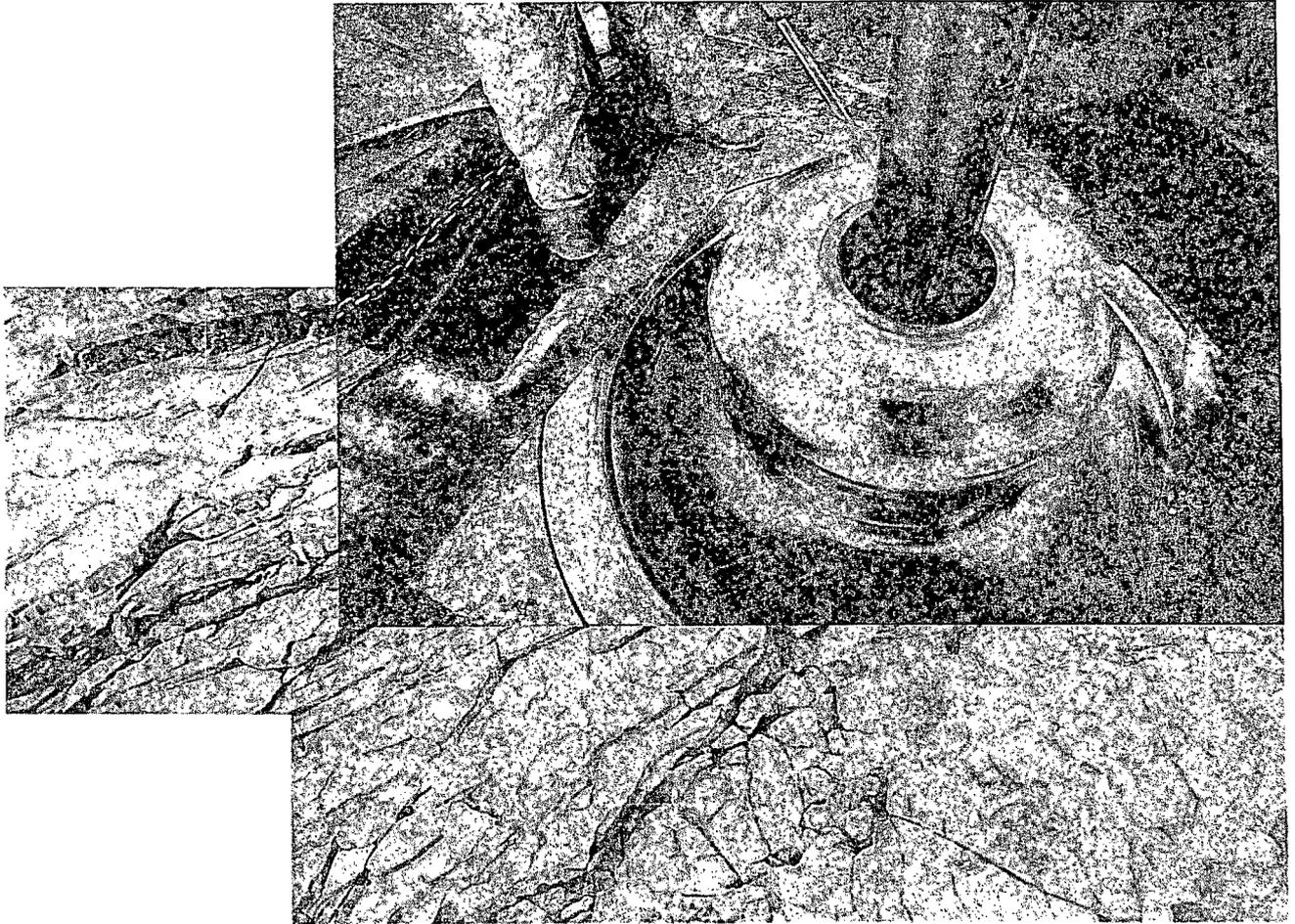
ContiTech Beattie Corp,
11535 Brittmoore Park Drive,
Houston, TX 77041
Phone: +1 (832) 327-0141
Fax: +1 (832) 327-0148
www.contitechbeattie.com



| QUALITY CONTROL INSPECTION AND TEST CERTIFICATE | | | | CERT. N°: 1713 | |
|--|--|--------------------------------------|-----------------|---|--|
| PURCHASER: ContiTech Beattie Co. | | | P.O. N°: 002808 | | |
| CONTITECH ORDER N°: 426127 | | HOSE TYPE: 3" ID Choke and Kill Hose | | | |
| HOSE SERIAL N°: 53622 | | NOMINAL / ACTUAL LENGTH: 10,67 m | | | |
| W.P. 68,96 MPa 10000 psi | | T.P. 103,4 MPa 15000 psi | | Duration: 60 min. | |
| <p>Pressure test with water at ambient temperature</p> <p style="text-align: center;">See attachment. (1 page)</p> <p>↑ 10 mm = 10 Min. → 10 mm = 25 MPa</p> | | | | | |
| COUPLINGS Type | | Serial N° | | Quality | |
| 3" coupling with 4 1/16" Flange end | | 5503 2029 | | AISI 4130 AISI 4130 | |
| | | | | Heat N° N1590P 27566 | |
| INFOCHIP INSTALLED | | | | API Spec 16 C Temperature rate:"B" | |
| All metal parts are flawless | | | | Hose conform to NACE MR 01-75 | |
| WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT. | | | | | |
| STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements. | | | | | |
| COUNTRY OF ORIGIN HUNGARY/EU | | | | | |
| Date: 25. August. 2008 | | Inspector | | Quality Control ContiTech Rubber Industrial Kft. Quality Control Dept.   | |



Commitment Runs Deep



Design Plan
Operation and Maintenance Plan
Closure Plan

SENM - Closed Loop Systems
June 2010

I. Design Plan

Devon uses MI SWACO closed loop system (CLS). The MI SWACO CLS is designed to maintain drill solids at or below 5%. The equipment is arranged to progressively remove solids from the largest to the smallest size. Drilling fluids can thus be reused and savings is realized on mud and disposal costs. Dewatering may be required with the centrifuges to insure removal of ultra fine solids.

The drilling location is constructed to allow storm water to flow to a central sump normally the cellar. This insures no contamination leaves the drilling pad in the event of a spill. Storm water is reused in the mud system or stored in a reserve fluid tank farm until it can be reused. All lubricants, oils, or chemicals are removed immediately from the ground to prevent the contamination of storm water. An oil trap is normally installed on the sump if an oil spill occurs during a storm.

A tank farm is utilized to store drilling fluids including fresh water and brine fluids. The tank farm is constructed on a 20 ml plastic lined, bermed pad to prevent the contamination of the drilling site during a spill. Fluids from other sites may be stored in these tanks for processing by the solids control equipment and reused in the mud system. At the end of the well the fluids are transported from the tank farm to an adjoining well or to the next well for the rig.

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

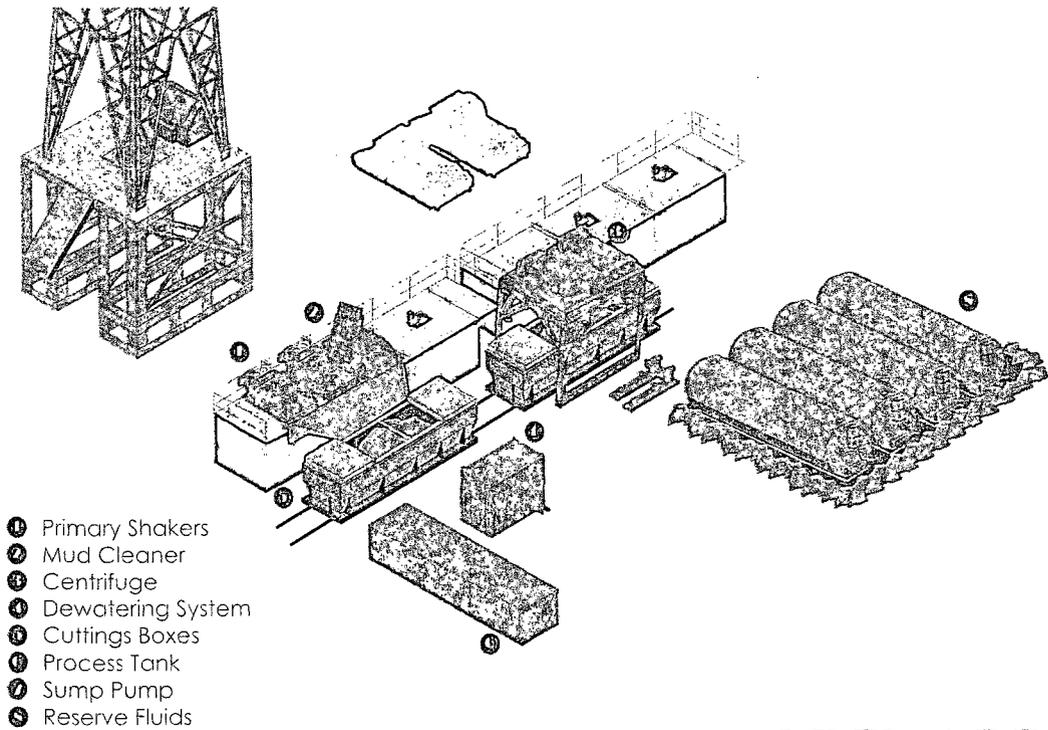
Signs will be posted on the fence surrounding the closed-loop system unless the closed-loop system is located on a site where there is an existing well, that is operated by Devon.

II. Operations and Maintenance Plan

Primary Shakers: The primary shakers make the first removal of drill solids from the drilling mud as it leaves the well bore. The shakers are sized to handle maximum drilling rate at optimal screen size. The shakers normally remove solids down to 74 microns.

Mud Cleaner: The Mud Cleaner cleans the fluid after it leaves the shakers. A set of hydrocyclones are sized to handle 1.25 to 1.5 times the maximum circulating rate. This ensures all the fluid is being processed to an average cut point of 25 microns. The wet discharged is dewatered on a shaker equipped with ultra fine mesh screens and generally cut at 40 microns.

devon Closed Loop Schematic



Centrifuges: The centrifuges can be one or two in number depending on the well geometry or depth of well. The centrifuges are sized to maintain low gravity solids at 5% or below. They may or may not need a dewatering system to enhance the removal rates. The centrifuges can make a cut point of 8-10 microns depending on bowl speed, feed rate, solids loading and other factors.

The centrifuge system is designed to work on the active system and be flexible to process incoming fluids from other locations. This set-up is also dependant on well factors.

Dewatering System: The dewatering system is a chemical mixing and dosing system designed to enhance the solids removal of the centrifuge. Not commonly used in shallow wells. It may contain pH adjustment, coagulant mixing and dosing, and polymer mixing and dosing. Chemical flocculation binds ultra fine solids into a mass that is within the centrifuge operating design. The

dewatering system improves the centrifuge cut point to infinity or allows for the return of clear water or brine fluid. This ability allows for the ultimate control of low gravity solids.

Cuttings Boxes: Cuttings boxes are utilized to capture drill solids that are discarded from the solids control equipment. These boxes are set upon a rail system that allows for the removal and replacement of a full box of cuttings with an empty one. They are equipped with a cover that insures no product is spilled into the environment during the transportation phase.

Process Tank: (Optional) The process tank allows for the holding and process of fluids that are being transferred into the mud system. Additionally, during times of lost circulation the process tank may hold active fluids that are removed for additional treatment. It can further be used as a mixing tank during well control conditions.

Sump and Sump Pump: The sump is used to collect storm water and the pump is used to transfer this fluid to the active system or to the tank for to hold in reserve. It can also be used to collect fluids that may escape during spills. The location contains drainage ditches that allow the location fluids to drain to the sump.

Reserve Fluids (Tank Farm): A series of frac tanks are used to replace the reserve pit. These are steel tanks that are equipped with a manifold system and a transfer pump. These tanks can contain any number of fluids used during the drilling process. These can include fresh water, cut brine, and saturated salt fluid. The fluid can be from the active well or reclaimed fluid from other locations. A 20 ml liner and berm system is employed to ensure the fluids do not migrate to the environment during a spill.

If a leak develops, the appropriate division district office will be notified within 48 hours of the discovery and the leak will be addressed. Spill prevention is accomplished by maintaining pump packing, hoses, and pipe fittings to insure no leaks are occurring. During an upset condition the source of the spill is isolated and repaired as soon as it is discovered. Free liquid is removed by a diaphragm pump and returned to the mud system. Loose topsoil may be used to stabilize the spill and the contaminated soil is excavated and placed in the cuttings boxes. After the well is finished and the rig has moved, the entire location is scrapped and testing will be performed to determine if a release has occurred.

All trash is kept in a wire mesh enclosure and removed to an approved landfill when full. All spent motor oils are kept in separate containers and they are removed and sent to an approved recycling center. Any spilled lubricants, pipe

dope, or regulated chemicals are removed from soil and sent to landfills approved for these products.

These operations are monitored by Mi Swaco service technicians. Daily logs are maintained to ensure optimal equipment operation and maintenance. Screen and chemical use is logged to maintain inventory control. Fluid properties are monitored and recorded and drilling mud volumes are accounted for in the mud storage farm. This data is kept for end of well review to insure performance goals are met. Lessons learned are logged and used to help with continuous improvement.

A MI SWACO field supervisor manages from 3-5 wells. They are responsible for training personnel, supervising installations, and inspecting sites for compliance of MI SWACO safety and operational policy.

III. Closure Plan

A maximum 340' X 340' caliche pad is built per well. All of the trucks and steel tanks fit on this pad. All fluid cuttings go to the steel tanks to be hauled by various trucking companies to an agency approved disposal.