

OCD-ARTESIA

Form 3160-3
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

EA 803

1a. Type of work: ☒ DRILL ☐ REENTER		5. Lease Serial No. 042626 NM 0503 NMNM 42626	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Devon Energy Production Co., LP		7. If Unit or CA Agreement, Name and No.	
3a. Address 20 North Broadway OKC, OK 73102		8. Lease Name and Well No. Cotton Draw 10 Federal Com 1H	
3b. Phone No. (include area code) (405)-228-8973		9. API Well No. 30-015-39229	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface Unit O - 330' FSL & 2310' FEL At proposed prod. zone Unit B - 330' FNL & 1980' FEL		10. Field and Pool, or Exploratory COTTON DRAW; DEL, SOUTH	
14. Distance in miles and direction from nearest town or post office* Approximately 21 miles southeast of Loving, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec 10 T25S R31E	
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 2360.80 ac 240 ac	17. Spacing Unit dedicated to this well 160 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft See attached map	19. Proposed Depth 12,520' MD 8,179' TVD Pilot Hdc 11,675' TVD	20. BLM/BIA Bond No. on file CO-1104	
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3375.6' GL	22. Approximate date work will start* 12/01/2011	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. | 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 must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature <i>Spence Laird</i>	Name (Printed/Typed) Spence Laird	Date 04/11/2011
-----------------------------------	---	---------------------------

Title
Regulatory Analyst

Approved by (Signature) James A. Ames	Name (Printed/Typed)	Date JUL 11 2011
--	----------------------	----------------------------

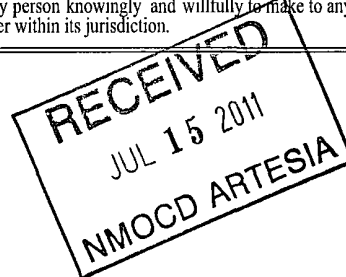
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE
-------------------------------	--

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

APPROVAL FOR TWO YEARS

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

*(Instructions on page 2)



Carlsbad Controlled Water Basin

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

**Approval Subject to General Requirements
& Special Stipulations Attached**

DRILLING PROGRAM

Devon Energy Production Company, LP

Cotton Draw 10 Federal Com 1H

Surface Location: 330' FSL & 2310' FEL, Unit O, Sec 10 T25S R31E, Eddy, NM

Bottom hole Location: 330' FNL & 1980' FEL, Unit B, Sec 10 T25S R31E, Eddy, NM

1. Geologic Name of Surface Formation

a. Quaternary Alluvium

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

Geologic Formation	Depth (TVD)	O/G/W	Penetration Point
a. Fresh Water	300'	Water	330' FNL & 2310' FEL
b. Rustler	591'	Water	330' FNL & 2310' FEL
c. Salt	970'	Barren	330' FNL & 2310' FEL
d. Base Salt	4041'	Barren	330' FNL & 2310' FEL
e. Delaware/Lamar	4313'	Oil	330' FNL & 2310' FEL
f. Bell Canyon	4348'	Oil	330' FNL & 2310' FEL
g. Cherry Canyon	5298'	Oil	330' FNL & 2310' FEL
h. Brushy Canyon	6561'	Oil	330' FNL & 2310' FEL
i. Bone Spring	8234'	Oil	
j. Horizontal Landing Depth	8179'	Oil	
k. Approx. Total Lateral Depth	8179'	Oil	
l. Pilot Hole TD (Wolfcamp)	11675'	Oil	
m. Total MD	12,520'	Oil	

Note: This well will have a pilot hole reaching TD approximately 50' into the Wolfcamp.

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 ~~750'~~ and circulating cement back to surface. The fresh water sands will be protected by setting 9 5/8" casing at ~~4375'~~ and circulating cement to surface. The Delaware will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 9 5/8" casing. All casing is new and API approved.

3. Casing Program:

See 10A

<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 - 750 675	13-3/8"	0 - 750 675	48#	STC	H-40
12-1/4"	750 4,375 4300	9-5/8"	0 - 4,375 4300	40#	LTC	J-55
8-3/4"	4,375 - 7,500	5-1/2"	0 - 7,500	17#	LTC	P-110
8-3/4"	7,500 - 12,520	5-1/2"	7,500 - 12,520	17#	BTC	P-110

Design Parameter Factors:

<u>Casing Size</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
13-3/8"	1.90	4.44	8.94
9-5/8" 40#	1.21	1.74	2.97
5-1/2" 17#	2.06	2.93	3.49
5-1/2" 17#	1.23	1.75	2.08

NOTE REGARDING COLLAPSE DESIGN FACTOR FOR INTERMEDIATE CASING: The maximum possible collapse load that the intermediate casing will experience will result from evacuated casing with the pore pressure exerting a collapse load at TD. The pore pressure is estimated to be 9.3 ppg for this calculation. This results in a collapse design factor of 1.21 for the 9-5/8" 40# J-55 LTC casing at a depth of 4,375 ft. While running the intermediate casing, the casing string will never be completely evacuated. There is no potential for the intermediate casing to be used as a production string.

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

13 3/8" Surface **Lead:** 485 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite + 81.4% Fresh Water 13.5 ppg **Yield:** 1.75 cf/sk **TOC @ Surface**
Tail: 250 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water 14.8 ppg **Yield:** 1.35 cf/sk

9 5/8" Intermediate **Lead:** 1225 sacks (35:65) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 6% bwoc Bentonite + 0.25% bwoc FL-52A + 107.7% Fresh Water 12.5 ppg **Yield:** 2.04 cf/sk **TOC @ surface**
Tail: 300 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.4% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 65.5% Fresh Water 13.8 ppg **Yield:** 1.37 cf/sk

5 1/2" Production **1st Stage**
Lead: 400 sacks (35:65) Poz (Fly Ash):Class H Cement + 3% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 3 lbs/sack LCM-1 + 6% bwoc Bentonite + 0.7% bwoc FL-52A + 102.5% Fresh Water 12.5 ppg **Yield:** 2.01 cf/sk
Tail: 1167 sacks (50:50) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.6% bwoc Sodium Metasilicate + 0.4% bwoc FL-52A + 57.3% Fresh Water 14.2 ppg **Yield:** 1.28 cf/sk **TOC @ 6,000'**

DV TOOL at 6,000'

2nd Stage
Lead: 325 sacks Class C Cement + 0.75% bwoc R-3 + 0.125 lbs/sack Cello Flake + 3% bwoc Sodium

Metasilicate + 157% Fresh Water 11.4 ppg **Yield:** 2.88 cf/sk **TOC @ 3,875'**
Tail: 100 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium
 Chloride + 0.125 lbs/sack Cello
 Flake + 0.1% bwoc Sodium Metasilicate + 4%
 bwoc MPA-5 + 65.4% Fresh Water 13.8 ppg **Yield:** 1.37cf/sk

8 3/4" Pilot Hole **Plug 1:** 966 sacks Class H Cement + 0.25% bwoc R-21 + 46.3% Fresh Water
 15.6 ppg, yield 1.18 cf/sk
Plug 2: 850 sacks Class H Cement + 0.25% bwoc R-21 + 46.3% Fresh Water
 15.6 ppg, yield 1.18 cf/sk TOC 7400'

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach approximately 500' above the 9 5/8" casing shoe. All casing is new and API approved.

Positive standoff centralizers will be utilized for the production string every other joint of casing from 100' MD above KOP or at the legal footage setback, which ever is the deeper MD, up to TOC.

5. Pressure Control Equipment:

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

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

Pipe rams will be operated and checked each 24 hour period and blind rams tested each time the drill pipe is out of the hole. These tests will be logged in the daily 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). The line will be kept as straight as possible with minimal turns. See attached.) *will not be used per e-mail 5/5/11*

6. Proposed Mud Circulation System

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>Fluid Loss</u>	<u>Type System</u>
0 - 750 675'	8.4 - 9.0	30 - 34	N/C	FW
750 - 4,375 4300'	9.8 - 10.0	28 - 32	N/C	Brine
4,375 - 12,520	8.6 - 9.0	28 - 32	N/C	FW

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

7. Auxiliary Well Control and Monitoring Equipment:

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

8. Logging, Coring, and Testing Program: *See 16A*

- 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 1/2" 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; therefore, no H2S is anticipated to be encountered. 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 4405 psi and Estimated BHT 145°.

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.

~~Depending on rig availability, Devon may set the surface casing using an Ashton Oilfield Services rig. The rig plat is attached. This rig will be used only to set the surface casing and will leave the location once the surface casing has been run and cemented. Another rig will drill the remainder of the wellbore. The reasons for using the smaller rig to set surface are: rig availability and economics.~~

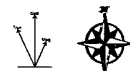
~~The BLM will be contacted 24 hours prior to commencing drilling operations. The surface casing will be run and cemented back to surface as per the approved APD. The well will be secured with a cap welded onto the surface casing. Another rig will be on location to drill the remainder of the wellbore within 60 days after the Ashton rig has left the location.~~

WELL Cotton Draw "10" Federal #1H ST01		FIELD NM Eddy County (NAD 83)		STRUCTURE Rig TBA	
Magnetic Parameters		Surface Location		Miscellaneous	
Model	BEGIM 2010	Dip	40.08°	Date	March 24, 2011
		Magn Dec	7.745°	IS	41502 Int
		Latitude		NAD83 New Mexico State Plane, Eastern Zone, U.S. Feet	
		Longitude		Grid Cont	
		Easting		Scale East	
		Northing		Scale West	
		Elevation		Slope East	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope West	
		Slope West		Slope North	
		Slope South		Slope East	
		Slope North		Slope South	
		Slope East		Slope	

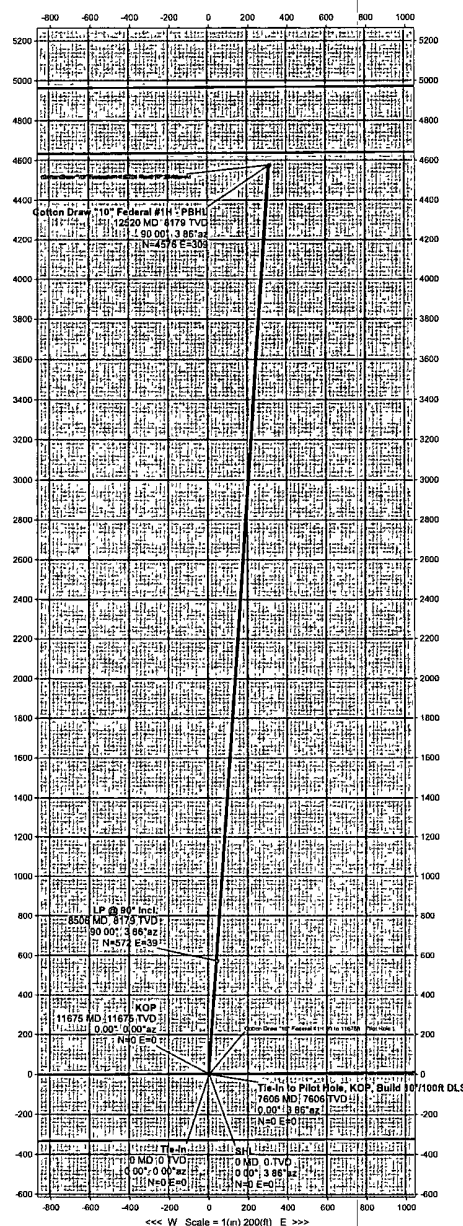
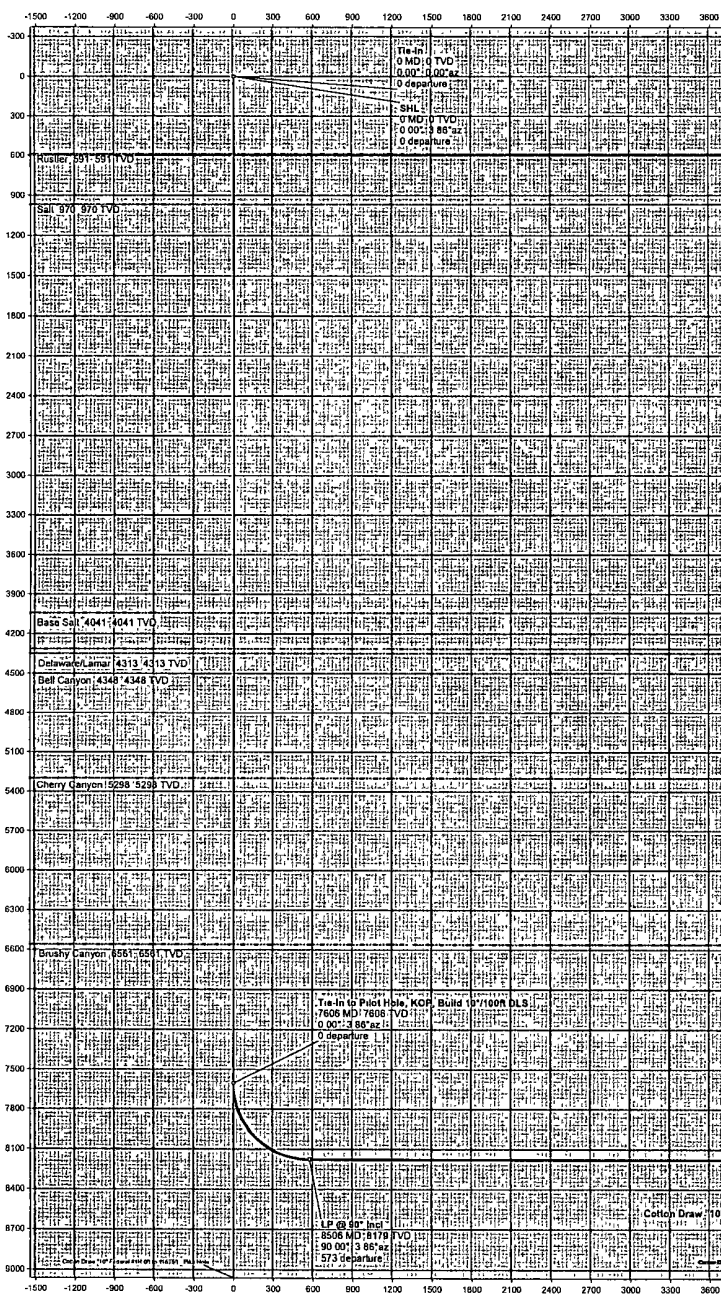
Submersible	Critical Points														
	Entry	AC	Net	12m	20m	30m	45m	60m	75m	90m	105m	120m	135m	150m	165m
SHL	0 00	0 00	3 88	0 00	-3400 60	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
Rustler	591	0 00	3 88	591	-2809 60	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
Salt	970	0 00	3 88	970	2439 90	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
Base Salt	4044	0 00	3 88	4044	640 40	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
1450m Laminar	4312	0 00	3 88	4312	124 00	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
Cherry Canyon	4348	0 00	3 88	4348	947 40	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
Bill Canyon	5288	0 00	3 88	5288	1897 40	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
Trinity Canyon	6565	0 00	3 88	6561	3169 40	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
Be-In to Pilot Hole, KOP, Build 1071000 DLS	7650	0 00	3 88	7656	4205 44	0 00	0 00	0 00	N 32	8 02	W 103 45 52 841	717349 41	414829 54	0 00	3 88
@ 90' Incl	8506	0 00	3 88	8179	4778 40	572 56	38 57	35 15	N 32	8 02	W 103 45 52 841	717357 58	415201 17	10 00	3 88
1000' Incl	8234	0 00	3 88	8179	4778 40	572 56	38 57	35 15	N 32	8 02	W 103 45 52 841	717357 58	415201 17	10 00	3 88
Colton Drive 100' Federal #1H - PBHL	12519 75	90 00	3 88	8179	4778 40	572 56	4576 25	30 75	N 32	8 02	W 103 45 54 869	717785 14	419205 53	0 00	3 88

Legen

- Colson Drive Unit 10 Federal BTH 5104
Colson Drive Unit 10 Fed TH - Tunnel Line
Colson Drive Unit 10 Fed TH - S32 Hard Line
Colson Drive Unit 10 Federal BTH 5101 Rev D TP 28-Mar-1



GNS Merch
 Tel: 0800 04 30 74 4222
 Mail: 0800 04 30 74 4222
 Web: www.gns.co.uk



Vertical Section (ft) Azim = 3 86°, Scale = 1(in) 300(ft) Origin = 0 N/S, 0 E/W

Drawn By Jasmine Reyes
Date Created March 28, 2011 13:30:45 AM
Checked By _____
Checked Date _____
Approved By _____
Approved Date _____



Cotton Draw "10" Federal #1H ST01 Rev0 TP 28-Mar-11 Proposal Report

(Def Plan)

Report Date: March 28, 2011 - 11 37 AM
Client: Devon
Field: NM Eddy County (NAD 83)
Structure / Slot: Devon Cotton Draw "10" Federal #1H / Cotton Draw "10" Federal #1H
Well: Cotton Draw "10" Federal #1H
Borehole: ST01
UWI / API#: Unknown / Unknown
Survey Name: Cotton Draw "10" Federal #1H ST01 Rev0 TP 28-Mar-11
Survey Date: March 24, 2011
Tort / AHD / DDI / ERD Ratio: 90 000 ° / 4586 656 ft / 5 801 / 0 561
Coordinate Reference: NAD83 New Mexico State Plane, Eastern Zone, US Feet
Location Lat / Long: N 32° 8' 19 02476", W 103° 45' 52 84081"
Location Grid N/E Y/X: N 414629 540 RUS, E 717349 410 RUS
CRS Grid Convergence Angle: 0 30251448 °
Grid Scale Factor: 0 99994457

Survey / DLS Computation: Minimum Curvature / Lubinski
Vertical Section Azimuth: 3 860 ° (Gnd North)
Vertical Section Origin: 0 000 ft, 0 000 ft
TVD Reference Datum: KB
TVD Reference Elevation: 3400 600 ft above
Seabed / Ground Elevation: 3375 600 ft above
Magnetic Declination: 7 745 °
Total Field Strength: 48598 256 nT
Magnetic Dip Angle: 60 083 °
Declination Date: March 24, 2011
Magnetic Declination Model: BGM 2010
North Reference: Gnd North
Grid Convergence Used: 0 303 °
Total Corr Mag North->Gnd North: 7 442 °
Local Coord Referenced To: Structure Reference Point

Comments	MD (ft)	Incl (°)	Azim Grd (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (ftUS)	Easting (ftUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
SHL	0 00	0 00	3 86	0 00	-3400 60	0 00	0 00	0 00	N/A	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	100 00	0 00	3 86	100 00	-3300 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	200 00	0 00	3 86	200 00	-3200 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	300 00	0 00	3 86	300 00	-3100 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	400 00	0 00	3 86	400 00	-3000 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Rustler	500 00	0 00	3 86	500 00	-2900 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	591 00	0 00	3 86	591 00	-2809 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	600 00	0 00	3 86	600 00	-2800 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	700 00	0 00	3 86	700 00	-2700 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	800 00	0 00	3 86	800 00	-2600 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Salt	900 00	0 00	3 86	900 00	-2500 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	970 00	0 00	3 86	970 00	-2430 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1000 00	0 00	3 86	1000 00	-2400 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1100 00	0 00	3 86	1100 00	-2300 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1200 00	0 00	3 86	1200 00	-2200 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1300 00	0 00	3 86	1300 00	-2100 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1400 00	0 00	3 86	1400 00	-2000 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1500 00	0 00	3 86	1500 00	-1900 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1600 00	0 00	3 86	1600 00	-1800 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1700 00	0 00	3 86	1700 00	-1700 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1800 00	0 00	3 86	1800 00	-1600 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	1900 00	0 00	3 86	1900 00	-1500 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2000 00	0 00	3 86	2000 00	-1400 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2100 00	0 00	3 86	2100 00	-1300 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2200 00	0 00	3 86	2200 00	-1200 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2300 00	0 00	3 86	2300 00	-1100 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2400 00	0 00	3 86	2400 00	-1000 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2500 00	0 00	3 86	2500 00	-900 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2600 00	0 00	3 86	2600 00	-800 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2700 00	0 00	3 86	2700 00	-700 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2800 00	0 00	3 86	2800 00	-600 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	2900 00	0 00	3 86	2900 00	-500 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3000 00	0 00	3 86	3000 00	-400 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3100 00	0 00	3 86	3100 00	-300 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3200 00	0 00	3 86	3200 00	-200 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3300 00	0 00	3 86	3300 00	-100 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3400 00	0 00	3 86	3400 00	-0 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3500 00	0 00	3 86	3500 00	99 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3600 00	0 00	3 86	3600 00	199 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3700 00	0 00	3 86	3700 00	299 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Base Salt	3800 00	0 00	3 86	3800 00	399 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	3900 00	0 00	3 86	3900 00	499 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4000 00	0 00	3 86	4000 00	599 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4041 00	0 00	3 86	4041 00	640 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4100 00	0 00	3 86	4100 00	699 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Delaware/La Bell Canyon	4200 00	0 00	3 86	4200 00	799 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4300 00	0 00	3 86	4300 00	899 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4313 00	0 00	3 86	4313 00	912 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4348 00	0 00	3 86	4348 00	947 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4400 00	0 00	3 86	4400 00	999 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4500 00	0 00	3 86	4500 00	1099 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4600 00	0 00	3 86	4600 00	1199 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4700 00	0 00	3 86	4700 00	1299 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4800 00	0 00	3 86	4800 00	1399 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	4900 00	0 00	3 86	4900 00	1499 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Cherry	5000 00	0 00	3 86	5000 00	1599 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5100 00	0 00	3 86	5100 00	1699 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5200 00	0 00	3 86	5200 00	1799 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5298 00	0 00	3 86	5298 00	1897 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5300 00	0 00	3 86	5300 00	1899 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5400 00	0 00	3 86	5400 00	1999 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5500 00	0 00	3 86	5500 00	2099 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5600 00	0 00	3 86	5600 00	2199 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5700 00	0 00	3 86	5700 00	2299 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5800 00	0 00	3 86	5800 00	2399 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	5900 00	0 00	3 86	5900 00	2499 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	6000 00	0 00	3 86	6000 00	2599 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	6100 00	0 00	3 86	6100 00	2699 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
	6200 00	0 00	3 86	6200 00	2799 40								



Cotton Draw "10" Federal #1H ST01 Rev0 TP 28-Mar-11 Proposal Report

(Def Plan)

Report Date.	March 28, 2011 - 11 35 AM	Survey / DLS Computation:	Minimum Curvature / Lubinski
Client	Devon	Vertical Section Azimuth	3 860 ° (Grid North)
Field.	NM Eddy County (NAD 83)	Vertical Section Origin.	0 000 ft, 0 000 ft
Structure / Slot.	Devon Cotton Draw "10" Federal #1H / Cotton Draw "10" Federal #1H	TVD Reference Datum	KB
Well.	Cotton Draw "10" Federal #1H	TVD Reference Elevation	3400 600 ft above
Borehole:	ST01	Seabed / Ground Elevation	3375 600 ft above
UW / API#.	Unknown / Unknown	Magnetic Declination	7 745 °
Survey Name	Cotton Draw "10" Federal #1H ST01 Rev0 TP 28-Mar-11	Total Field Strength.	48598 256 nT
Survey Date.	March 24, 2011	Magnetic Dip Angle	60 083 °
Tort / AHD / DDI / ERD Ratio:	90 000 ° / 4586 656 ft / 5 801 / 0 561	Declination Date	March 24, 2011
Coordinate Reference System:	NAD83 New Mexico State Plane, Eastern Zone, US Feet	Magnetic Declination Model.	BGGM 2010
Location Lat / Long:	N 32° 8' 19 02476", W 103° 45' 52 84081"	North Reference.	Grid North
Location Grid N/E Y/X.	N 414629 540 NUS, E 717349 410 RUS	Grid Convergence Used.	0 303 °
CRS Grid Convergence Angle.	0 30251448 °	Total Corr Mag North->Grid North	7 442 °
Grid Scale Factor	0 99994457	Local Coord Referenced To	Structure Reference Point

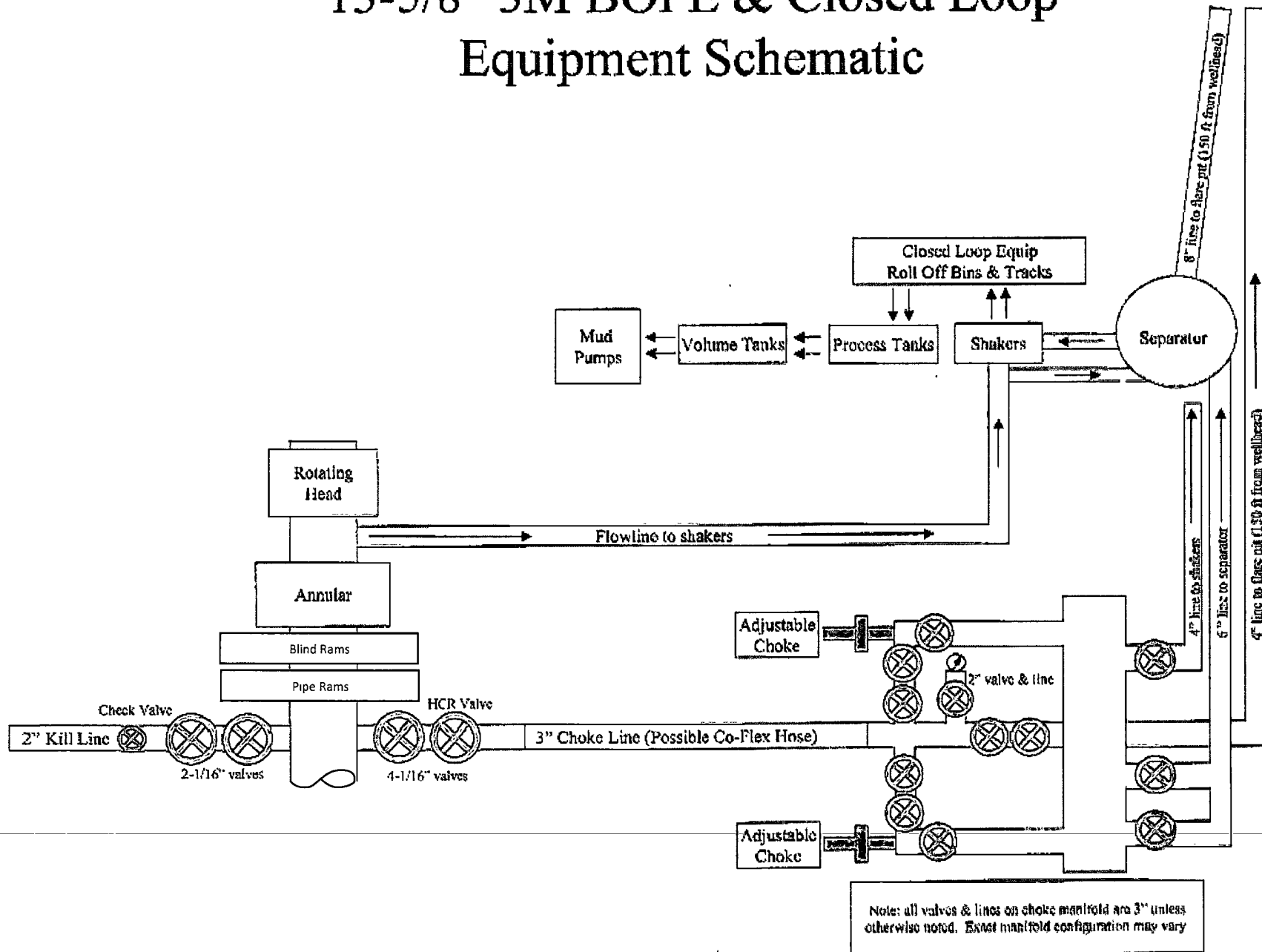
Comments	MD (ft)	Incl (°)	Azim Grid (°)	TVD (ft)	TVDSS (ft)	VSEC (ft)	NS (ft)	EW (ft)	DLS (°/100ft)	Northing (RUS)	Easting (RUS)	Latitude (N/S ° ' ")	Longitude (E/W ° ' ")
SHL	0 00	0 00	3 86	0 00	-3400 60	0 00	0 00	0 00	N/A	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Rustler	591 00	0 00	3 86	591 00	-2809 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Salt	970 00	0 00	3 86	970 00	-2430 60	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Base Salt	4041 00	0 00	3 86	4041 00	640 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Delaware/Lamar	4313 00	0 00	3 86	4313 00	912 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Bell Canyon	4348 00	0 00	3 86	4348 00	947 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Cherry Canyon	5298 00	0 00	3 86	5298 00	1897 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Brushy Canyon	6581 00	0 00	3 86	6581 00	3160 40	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
Tie-In to Pilot Hole, KOP, Build 10"/100ft DLS	7606 04	0 00	3 86	7606 04	4205 44	0 00	0 00	0 00	0 00	414629 54	717349 41	N 32 8 19 02	W 103 45 52 84
LP @ 90° Incl	8506 04	90 00	3 86	8179 00	4778 40	572 96	571 66	38 57	10 00	415201 17	717387 98	N 32 8 24 68	W 103 45 52 36
Cotton Draw "10" Federal #1H - PBHL	12519 74	90 00	3 86	8179 00	4778 40	4586 66	4576 25	308 75	0 00	419205 53	717658 14	N 32 9 4 29	W 103 45 48 97

Survey Type Def Plan

Survey Error Model: ISCWSA Rev 0 *** 3-D 95 000% Confidence 2 7955 sigma
Survey Program:

MD From (ft)	MD To (ft)	EOU Freq (ft)	Survey Tool Type	Borehole / Survey
0 000	25 000	1/100 000	SLB_MWD-STD-Depth Only	ST01 / Cotton Draw "10" Federal #1H ST01 Rev0 TP 28-Mar-11
25 000	12519 741	1/100 000	SLB_MWD-STD	ST01 / Cotton Draw "10" Federal #1H ST01 Rev0 TP 28-Mar-11

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



Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP

Cotton Draw 10 Federal Com 1H

Surface Location: 330' FSL & 2310' FEL, Unit O, Sec 10 T25S R31E, Eddy, NM
Bottom hole Location: 330' FNL & 1980' FEL, Unit B, Sec 10 T25S R31E, Eddy, NM

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

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

39223 Operator DEVON ENERGY PROD CO LP OGRID # 6137
 Well Name & # COTTON DRAW 10 FED COMH 1H Surface Type (F) (S) (P)
 Location: UL 0, Sect 10, Township 25 s, RNG 31 e, Sub-surface Type (F) (S) (P)
B - 10 - 25 - 31e

A. Date C101 rec'd / / C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID X, BONDING FED PROP CODE X, WELL # X, SIGNATURE

2. Inactive Well list as of: 7/22/11 # wells 1585, # Inactive wells 4

a. District Grant APD but see number of inactive wells:

No letter required X; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 7/22/11

a. District Denial because operator needs addition bonding:

No Letter required X; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required X; Sent Letter to Operator , To Santa Fe

C. C102 YES , NO , Signature

1. Pool COTTON DRAW; DEL, SOUTH, Code 90757

a. Dedicated acreage 160, What Units ACRD

b. SUR. Location Standard X; Non-Standard Location

c. Well shares acres: Yes , No X, # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No X

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes X No

a. Dedicated acreage 160, What Units ACRD

b. Bottomhole Location Standard X Non-Standard Bottomhole

4. Downhole Commingle: Yes , No X

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No FED

D. Blowout Preventer Yes X No

E. H2S Yes X No

F. C144 Pit Registration Yes , No , need

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No X, NSL #

2. Non-Standard Proration: Yes , No , NSP #

3. Simultaneous Dedication: Yes , No , SD #

Number of wells Plus #

4. Injection order Yes , No ; PMX # or WFX #

5. SWD order Yes , NO ; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date / /

API #30-0 15- 39229

8. Reviewers