

Form 3160-3  
(June 2015)

FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM092180
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY LP		8. Lease Name and Well No. YUKON GOLD 31-19 FED COM 211H
3a. Address 333 West Sheridan Avenue, Oklahoma City, OK 73102	3b. Phone No. (include area code) (800) 583-3866	9. API Well No. 30 015 47314
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENE / 2042 FNL / 1228 FEL / LAT 32.262944 / LONG -103.916165 At proposed prod. zone NWNE / 20 FNL / 2310 FEL / LAT 32.297672 / LONG -103.919783		10. Field and Pool, or Exploratory FORTY NINER RIDGE/BONE SPRING W
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area SEC 31/T23S/R30E/NMP
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 100 feet		12. County or Parish EDDY
16. No of acres in lease 1040		13. State NM
17. Spacing Unit dedicated to this well 800.0		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 662 feet		20. BLM/BIA Bond No. in file FED: NMB000801
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3131 feet		22. Approximate date work will start* 06/29/2021
24. Attachments		23. Estimated duration 45 days

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- |  |   |
|--|---|
| 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 requested by the BLM.            |

25. Signature (Electronic Submission)	Name (Printed/Typed) ERIN WORKMAN / Ph: (800) 583-3866	Date 12/11/2019
Title Regulatory Compliance Professional		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 07/29/2020
Title Assistant Field Manager Lands & Minerals 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.

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.



**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**Form C-102**  
Revised August 1, 2011

Submit one copy to  
appropriate District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30 015 47314</b>	<sup>2</sup> Pool Code 96526	<sup>3</sup> Pool Name FORTY NINER RIDGE WEST
<sup>4</sup> Property Code 328932	<sup>5</sup> Property Name YUKON GOLD 31-19 FED COM	
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	<sup>6</sup> Well Number 211H
		<sup>9</sup> Elevation 3130.8'

<sup>10</sup> Surface Location

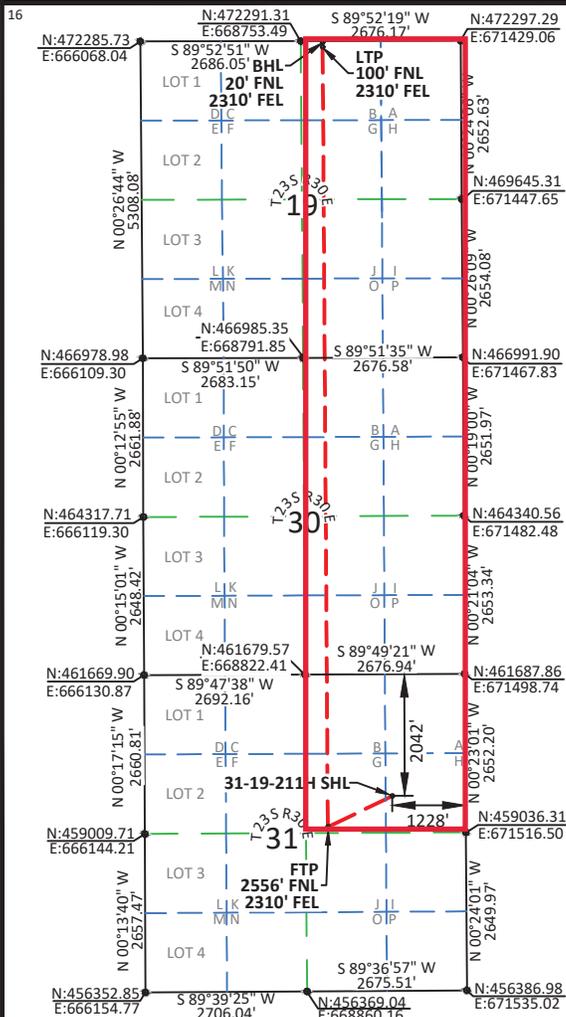
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	31	23-S	30-E		2042	NORTH	1228	EAST	EDDY

<sup>11</sup> 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
B	19	23-S	30-E		20	NORTH	2310	EAST	EDDY

<sup>12</sup> Dedicated Acres 800	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. INFILL WELL
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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.



**YUKON GOLD 31-19  
FED COM 211H  
2042' FNL - 1228' FEL  
SEC. 31, T23S, R30E  
ELEV: 3130.8'  
LAT: 32.262944°  
LON: 103.916165°  
N: 459642.56  
E: 670284.68**

**FIRST TAKE POINT  
2556' FNL - 2310' FEL  
SEC. 31, T23S, R30E  
LAT: 32.261532°  
LON: 103.919660°  
N: 459124.85  
E: 669206.37**

**LAST TAKE POINT  
100' FNL - 2310' FEL  
SEC. 19, T23S, R30E  
LAT. 32.297452°  
LON. 103.919776°  
N: 472192.15  
E: 669120.25**

**BOTTOM HOLE LOCATION  
20' FNL - 2310' FEL  
SEC. 19, T23S, R30E  
LAT: 32.297672°  
LON: 103.919777°  
N: 472272.12  
E: 669119.69**

- STONE
- ◆ NO.4 REBAR
- ◆ IRON PIPE
- USGLO BRASS CAP

**NOTES:**

1. BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT AT N:457834.965 E:670241.029 ELEV:3198.327 DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000221017
3. ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

<sup>17</sup> OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

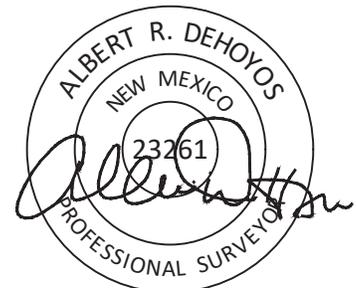
*Erin Workman* 07/14/2020  
Signature Date

Erin Workman  
Printed Name  
Erin.workman@dvn.com  
E-mail Address

<sup>18</sup> SURVEYOR CERTIFICATION

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.

05/26/2020  
Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate No. 23261 Albert Dehoyos  
Drawn by: DTW | Checked by: ARD | Date: 11/12/2019

Intent As Drilled 

API #

Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: YUKON GOLD 31-19 FED COM	Well Number 211H
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## Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	31	23S	30E		2602	NORTH	2310	EAST	EDDY
Latitude					Longitude			NAD	
32.261532					-103.919660			83	

## First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
G	31	23-S	30-E		2556	NORTH	2310	EAST	EDDY
Latitude					Longitude			NAD	
32.261532°					-103.919660°			83	

## Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
B	19	23-S	30-E		100	NORTH	2310	EAST	EDDY
Latitude					Longitude			NAD	
32.297452°					-103.919783°			83	

Is this well the defining well for the Horizontal Spacing Unit?  NOIs this well an infill well?  YES

If infill is yes provide API if available, Operator name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name: Devon Energy Production Co., LP	Property Name: Yukon Gold 31-19 Fed Com	Well Number 212H
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DW 11/12/2019

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 87505

State of New Mexico  
 Energy, Minerals and Natural Resources  
 Department  
 Oil Conservation  
 Division 1220  
 South St. Francis  
 Dr.  
 Santa Fe, NM 87505

Submit  
 Original  
 to  
 Appropria  
 te District  
 Office

**GAS CAPTURE PLAN**

Date:

12/09/19

x Original

Devon & OGRID No.: Devon Energy Prod Co., LP (6137)

Amended - Reason for Amendment:\_\_\_\_\_

This Gas Capture Plan outlines actions to be taken by the Devon to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

*Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).*

**Well(s)/Production Facility – Name of facility**

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected	Flare d/	Comments
Yukon Gold 31-19 Fed Com 211H		Sec. 31, T23S, R30E	2042 FNL, 1228 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 212H		Sec. 31, T23S, R30E	2042 FNL, 1198 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 213H		Sec. 31, T23S, R30E	2042 FNL, 1168 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 333H		Sec. 31, T23S, R30E	2192 FNL, 1168 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 623H		Sec. 31, T23S, R30E	2192 FNL, 1228 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 624H		Sec. 31, T23S, R30E	2192 FNL, 1138 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 712H		Sec. 31, T23S, R30E	2192 FNL, 1198 FEL			Yukon Gold 31 CTB

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if DCP system is in place. The gas produced from production facility is dedicated to DCP and will be connected to DCP low/high pressure gathering system located in Eddy County, New Mexico. It will require 10,560' of pipeline to connect the facility to low/high pressure gathering system. Devon provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Devon and DCP have periodic conference calls to discuss changes to the drilling and completion schedules. Gas from these wells will be processed at DCP Processing Plant located NENW in Sec., Twn. S, Rng. (\*See below), Eddy, County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

(\*DCP Supersystem Plants – Artesia Sec. 7, 18S, 28E, Eunice Sec. 5, T21S, R36E, Linam Sec. 6, T19S, 37E, & Zia II Sec. 19, T19S, 32E)

### **Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP system at that time. Based on current information, it is Devon's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

### **Alternatives to Reduce Flaring**

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines



**2. Casing Program**

Hole Size	Csg. Size	Wt (PPF)	Grade	Conn	Casing Interval		Casing Interval	
					From (MD)	To (MD)	From (TVD)	To (TVD)
17 1/2	13 3/8	48	H40	BTC	0	215	0	215
12 1/4	9 5/8	40	J-55	BTC	0	3435	0	3435
8 3/4	5 1/2	17	P110	BTC	0	22198	0	9120

- All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 IILB.1.h Must have table for contingency casing.

**3. Cementing Program (3-String Primary Design)**

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft <sup>3</sup> /sack)	Slurry Description
Surface	194	Surf	13.2	1.4	Lead: Class C Cement + additives
Int 1	363	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Int 1 Intermediate Squeeze	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
	363	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	490	500' tieback	9.0	3.3	Lead: Class H/C + additives
	2608	KOP	13.2	1.4	Tail: Class H / C + additives

Casing String	% Excess
Surface	50%
Intermediate	30%
Production	10%

**4. Pressure Control Equipment (Three String Design)**

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
Int 1	13-58"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram		
			Double Ram	X	
			Other*		
Production	13-5/8"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram		
			Double Ram	X	
			Other*		
			Annular (5M)		
			Blind Ram		
			Pipe Ram		
			Double Ram		
			Other*		

**5. Mud Program (Three String Design)**

Section	Type	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	Brine	10-10.5
Production	WBM	8.5-9

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

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring
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**6. Logging and Testing Procedures**

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

Additional logs planned	Interval
Resistivity	
Density	
X CBL	Production casing
X Mud log	KOP to TD
PEX	

**7. Drilling Conditions**

Condition	Specify what type and where?
BH pressure at deepest TVD	4268
Abnormal temperature	No

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

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

N	H2S is present
Y	H2S plan attached.

## 8. Other facets of operation

Is this a walking operation? Potentially

- 1 If operator elects, drilling rig will batch drill the surface holes and run/cement surface casing; walking the rig to next wells on the pad.
- 2 The drilling rig will then batch drill the intermediate sections and run/cement intermediate casing; the wellbore will be isolated with a blind flange and pressure gauge installed for monitoring the well before walking to the next well.
- 3 The drilling rig will then batch drill the production hole sections on the wells with OBM, run/cement production casing, and install TA caps or tubing heads for completions.

NOTE: During batch operations the drilling rig will be moved from well to well however, it will not be removed from the pad until all wells have production casing run/cemented.

Will be pre-setting casing? Potentially

- 1 Spudder rig will move in and batch drill surface hole.
  - a. Rig will utilize fresh water based mud to drill surface hole to TD. Solids control will be handled entirely on a closed loop basis.
- 2 After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
- 3 The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- 4 A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
- 5 Spudder rig operations is expected to take 4-5 days per well on a multi-well pad.
- 6 The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7 Drilling operations will be performed with drilling rig. At that time an approved BOP stack will be nipped up and tested on the wellhead before drilling operations commences on each well.
  - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments

X Directional Plan

           Other, describe

Casing Assumptions and Load Cases

Surface

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

<b>Surface Casing Burst Design</b>		
<b>Load Case</b>	<b>External Pressure</b>	<b>Internal Pressure</b>
Pressure Test	Formation Pore Pressure	Max mud weight of next hole-section plus Test psi
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole section
Displace to Gas	Formation Pore Pressure	Dry gas from next casing point

<b>Surface Casing Collapse Design</b>		
<b>Load Case</b>	<b>External Pressure</b>	<b>Internal Pressure</b>
Full Evacuation	Water gradient in cement, mud above TOC	None
Cementing	Wet cement weight	Water (8.33ppg)

<b>Surface Casing Tension Design</b>	
<b>Load Case</b>	<b>Assumptions</b>
Overpull	100kips
Runing in hole	3 ft/s
Service Loads	N/A

Casing Assumptions and Load Cases

Intermediate

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

<b>Intermediate Casing Burst Design</b>		
<b>Load Case</b>	<b>External Pressure</b>	<b>Internal Pressure</b>
Pressure Test	Formation Pore Pressure	Max mud weight of next hole-section plus Test psi
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole section
Fracture @ Shoe	Formation Pore Pressure	Dry gas

<b>Intermediate Casing Collapse Design</b>		
<b>Load Case</b>	<b>External Pressure</b>	<b>Internal Pressure</b>
Full Evacuation	Water gradient in cement, mud above TOC	None
Cementing	Wet cement weight	Water (8.33ppg)

<b>Intermediate Casing Tension Design</b>	
<b>Load Case</b>	<b>Assumptions</b>
Overpull	100kips
Runing in hole	2 ft/s
Service Loads	N/A

Casing Assumptions and Load Cases

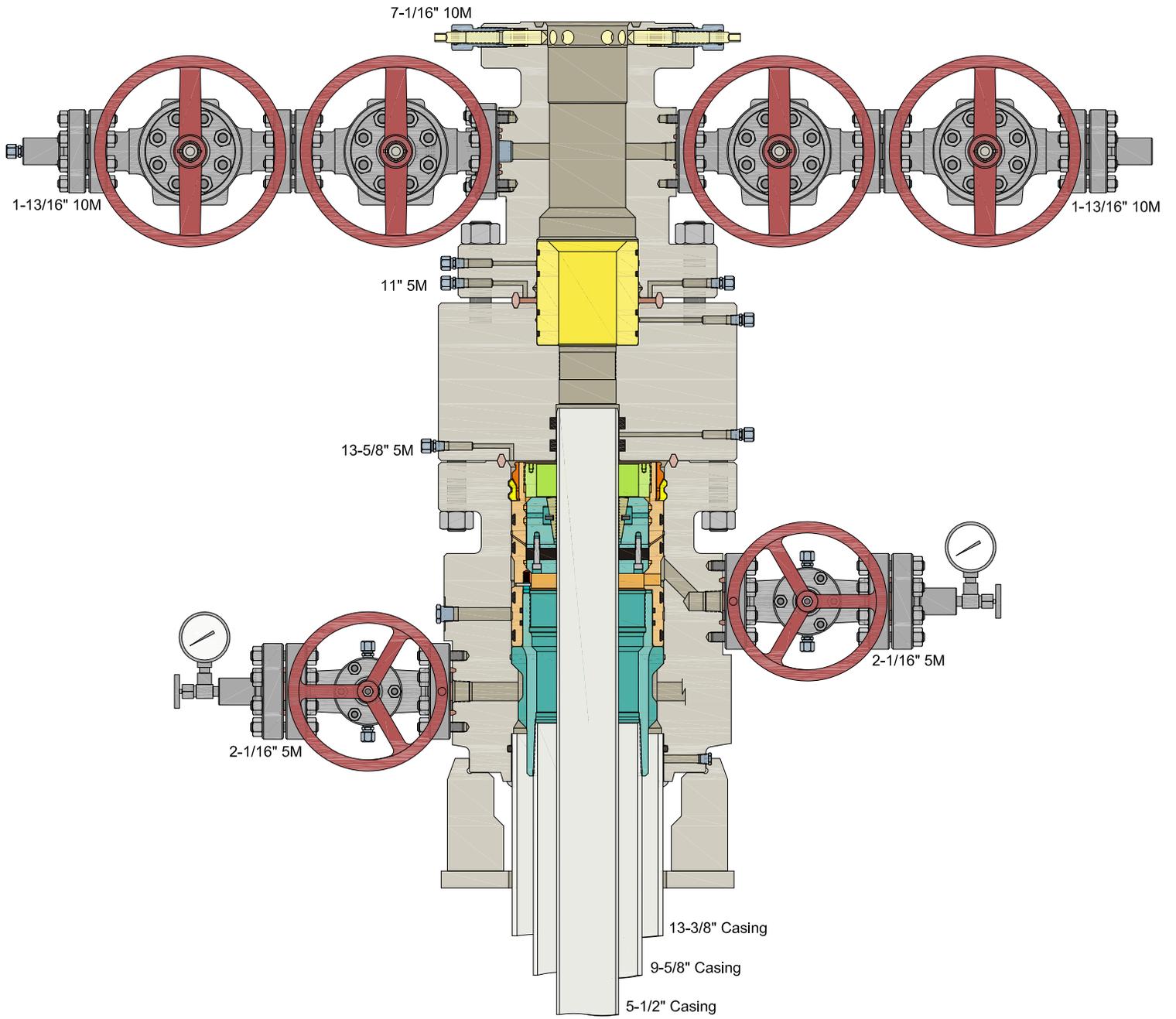
Production

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

<b>Production Casing Burst Design</b>		
<b>Load Case</b>	<b>External Pressure</b>	<b>Internal Pressure</b>
Pressure Test	Formation Pore Pressure	Fluid in hole (water or produced water) + test psi
Tubing Leak	Formation Pore Pressure	Packer @ KOP, leak below surface 8.6 ppg packer fluid
Stimulation	Formation Pore Pressure	Max frac pressure with heaviest frac fluid

<b>Production Casing Collapse Design</b>		
<b>Load Case</b>	<b>External Pressure</b>	<b>Internal Pressure</b>
Full Evacuation	Water gradient in cement, mud above TOC.	None
Cementing	Wet cement weight	Water (8.33ppg)

<b>Production Casing Tension Design</b>	
<b>Load Case</b>	<b>Assumptions</b>
Overpull	100kips
Runing in hole	2 ft/s
Service Loads	N/A



A multibowl wellhead may be used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 5000 (5M) psi.

- Wellhead will be installed by wellhead representatives.
- If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- Wellhead representative will install the test plug for the initial BOP test.
- Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to 5M, as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.
- If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
- Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
- Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.

After running the surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2.

After running the intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 5M will already be installed on the wellhead.

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's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron.

# **Devon Energy**

## **APD VARIANCE DATA**

**OPERATOR NAME:** Devon Energy

### **1. SUMMARY OF Variance:**

Devon Energy respectfully requests approval for the following additions to the drilling plan:

1. Potential utilization of a spudder rig to pre-set surface casing.

### **2. Description of Operations**

1. A spudder rig contractor may move in their rig to drill the surface hole section and pre-set surface casing on this well.
  - a. After drilling the surface hole section, the rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
  - b. Rig will utilize fresh water based mud to drill surface hole to TD.
2. The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
3. A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
  - a. A means for intervention will be maintained while the drilling rig is not over the well.
4. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
5. Drilling operation will be performed with the big rig. At that time an approved BOP stack will be nipped up and tested on the wellhead before drilling operations commences on each well.
  - a. The BLM will be contacted / notified 24 hours before the big rig moves back on to the pad with the pre-set surface casing.
6. Devon Energy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
7. Once the rig is removed, Devon Energy will secure the wellhead area by placing a guard rail around the cellar area.

# **WCDSC Permian NM**

**Eddy County (NAD 83 NM Eastern)**

**Sec 31-T23S-R30E**

**Yukon Gold 31-19 Fed Com 211H**

**Wellbore #1**

**Plan: Permit Plan 3**

## **Standard Planning Report - Geographic**

**02 March, 2020**

Planning Report - Geographic

<b>Database:</b>	EDM r5000.141_Prod US	<b>Local Co-ordinate Reference:</b>	Well Yukon Gold 31-19 Fed Com 211H
<b>Company:</b>	WCDCS Permian NM	<b>TVD Reference:</b>	RKB @ 3155.80ft
<b>Project:</b>	Eddy County (NAD 83 NM Eastern)	<b>MD Reference:</b>	RKB @ 3155.80ft
<b>Site:</b>	Sec 31-T23S-R30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Yukon Gold 31-19 Fed Com 211H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Permit Plan 3		

<b>Project</b>	Eddy County (NAD 83 NM Eastern)		
<b>Map System:</b>	US State Plane 1983	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	North American Datum 1983		
<b>Map Zone:</b>	New Mexico Eastern Zone		

<b>Site</b>	Sec 31-T23S-R30E				
<b>Site Position:</b>	<b>Northing:</b>	472,285.73 usft	<b>Latitude:</b>	32.297742	
<b>From:</b> Map	<b>Easting:</b>	666,068.04 usft	<b>Longitude:</b>	-103.929653	
<b>Position Uncertainty:</b>	0.00 ft	<b>Slot Radius:</b>	13-3/16 "	<b>Grid Convergence:</b>	0.22 °

<b>Well</b>	Yukon Gold 31-19 Fed Com 211H					
<b>Well Position</b>	<b>+N/-S</b>	0.00 ft	<b>Northing:</b>	459,642.56 usft	<b>Latitude:</b>	32.262944
	<b>+E/-W</b>	0.00 ft	<b>Easting:</b>	670,284.68 usft	<b>Longitude:</b>	-103.916166
<b>Position Uncertainty</b>		0.50 ft	<b>Wellhead Elevation:</b>		<b>Ground Level:</b>	3,130.80 ft

<b>Wellbore</b>	Wellbore #1				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination</b>	<b>Dip Angle</b>	<b>Field Strength</b>
	IGRF2015	12/2/2019	(°)	(°)	(nT)
			6.85	60.01	47,674.23513871

<b>Design</b>	Permit Plan 3			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PROTOTYPE	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD)</b>	<b>+N/-S</b>	<b>+E/-W</b>	<b>Direction</b>
	(ft)	(ft)	(ft)	(°)
	0.00	0.00	0.00	354.74

<b>Plan Survey Tool Program</b>	<b>Date</b>	3/2/2020		
<b>Depth From</b>	<b>Depth To</b>	<b>Survey (Wellbore)</b>	<b>Tool Name</b>	<b>Remarks</b>
(ft)	(ft)			
1	0.00	22,198.35 Permit Plan 3 (Wellbore #1)	MWD+HDGM	
			OWSG MWD + HDGM	

<b>Plan Sections</b>										
<b>Measured</b>	<b>Inclination</b>	<b>Azimuth</b>	<b>Vertical</b>	<b>+N/-S</b>	<b>+E/-W</b>	<b>Dogleg</b>	<b>Build</b>	<b>Turn</b>	<b>TFO</b>	<b>Target</b>
<b>Depth</b>	<b>(°)</b>	<b>(°)</b>	<b>Depth</b>	<b>(ft)</b>	<b>(ft)</b>	<b>Rate</b>	<b>Rate</b>	<b>Rate</b>	<b>(°)</b>	
(ft)			(ft)			(°/100usft)	(°/100usft)	(°/100usft)		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,352.61	13.53	242.64	3,340.08	-73.05	-141.13	1.00	1.00	0.00	242.64	
7,429.21	13.53	242.64	7,303.62	-511.30	-987.91	0.00	0.00	0.00	0.00	
8,330.95	0.00	0.00	8,197.00	-560.00	-1,082.00	1.50	-1.50	0.00	180.00	
8,680.99	0.00	0.00	8,547.04	-560.00	-1,082.00	0.00	0.00	0.00	0.00	
9,580.99	90.00	359.65	9,120.00	12.95	-1,085.49	10.00	10.00	0.00	359.65	PBHL - Yukon Gold 3
22,198.31	90.00	359.65	9,120.00	12,630.03	-1,162.35	0.00	0.00	0.00	0.00	PBHL3 - Yukon Gold :

Planning Report - Geographic

<b>Database:</b>	EDM r5000.141_Prod US	<b>Local Co-ordinate Reference:</b>	Well Yukon Gold 31-19 Fed Com 211H
<b>Company:</b>	WCDCS Permian NM	<b>TVD Reference:</b>	RKB @ 3155.80ft
<b>Project:</b>	Eddy County (NAD 83 NM Eastern)	<b>MD Reference:</b>	RKB @ 3155.80ft
<b>Site:</b>	Sec 31-T23S-R30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Yukon Gold 31-19 Fed Com 211H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Permit Plan 3		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
0.00	0.00	0.00	0.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
100.00	0.00	0.00	100.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
200.00	0.00	0.00	200.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
300.00	0.00	0.00	300.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
400.00	0.00	0.00	400.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
500.00	0.00	0.00	500.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
600.00	0.00	0.00	600.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
700.00	0.00	0.00	700.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
800.00	0.00	0.00	800.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
900.00	0.00	0.00	900.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,000.00	0.00	0.00	1,000.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,100.00	0.00	0.00	1,100.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,200.00	0.00	0.00	1,200.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,300.00	0.00	0.00	1,300.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,400.00	0.00	0.00	1,400.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,500.00	0.00	0.00	1,500.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,600.00	0.00	0.00	1,600.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,700.00	0.00	0.00	1,700.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,800.00	0.00	0.00	1,800.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
1,900.00	0.00	0.00	1,900.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
2,000.00	0.00	0.00	2,000.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166	
2,100.00	1.00	242.64	2,099.99	-0.40	-0.77	459,642.16	670,283.91	32.262943	-103.916168	
2,200.00	2.00	242.64	2,199.96	-1.60	-3.10	459,640.96	670,281.59	32.262939	-103.916176	
2,300.00	3.00	242.64	2,299.86	-3.61	-6.97	459,638.95	670,277.71	32.262934	-103.916188	
2,400.00	4.00	242.64	2,399.68	-6.42	-12.40	459,636.15	670,272.29	32.262926	-103.916206	
2,500.00	5.00	242.64	2,499.37	-10.02	-19.36	459,632.54	670,265.32	32.262916	-103.916228	
2,600.00	6.00	242.64	2,598.90	-14.43	-27.88	459,628.13	670,256.81	32.262904	-103.916256	
2,700.00	7.00	242.64	2,698.26	-19.63	-37.93	459,622.93	670,246.76	32.262890	-103.916289	
2,800.00	8.00	242.64	2,797.40	-25.63	-49.52	459,616.93	670,235.16	32.262874	-103.916326	
2,900.00	9.00	242.64	2,896.30	-32.42	-62.65	459,610.14	670,222.04	32.262855	-103.916369	
3,000.00	10.00	242.64	2,994.93	-40.01	-77.30	459,602.55	670,207.38	32.262834	-103.916416	
3,100.00	11.00	242.64	3,093.26	-48.39	-93.49	459,594.17	670,191.20	32.262812	-103.916469	
3,200.00	12.00	242.64	3,191.25	-57.55	-111.19	459,585.01	670,173.49	32.262787	-103.916526	
3,300.00	13.00	242.64	3,288.87	-67.50	-130.42	459,575.06	670,154.27	32.262759	-103.916588	
3,352.61	13.53	242.64	3,340.08	-73.05	-141.13	459,569.51	670,143.55	32.262744	-103.916623	
3,400.00	13.53	242.64	3,386.16	-78.14	-150.98	459,564.42	670,133.71	32.262730	-103.916655	
3,500.00	13.53	242.64	3,483.38	-88.89	-171.75	459,553.67	670,112.93	32.262701	-103.916722	
3,600.00	13.53	242.64	3,580.61	-99.64	-192.52	459,542.92	670,092.16	32.262672	-103.916790	
3,700.00	13.53	242.64	3,677.84	-110.39	-213.29	459,532.17	670,071.39	32.262642	-103.916857	
3,800.00	13.53	242.64	3,775.06	-121.14	-234.07	459,521.42	670,050.62	32.262613	-103.916924	
3,900.00	13.53	242.64	3,872.29	-131.89	-254.84	459,510.67	670,029.85	32.262584	-103.916992	
4,000.00	13.53	242.64	3,969.52	-142.64	-275.61	459,499.92	670,009.08	32.262554	-103.917059	
4,100.00	13.53	242.64	4,066.74	-153.39	-296.38	459,489.17	669,988.31	32.262525	-103.917126	
4,200.00	13.53	242.64	4,163.97	-164.15	-317.15	459,478.42	669,967.53	32.262496	-103.917194	
4,300.00	13.53	242.64	4,261.19	-174.90	-337.92	459,467.66	669,946.76	32.262466	-103.917261	
4,400.00	13.53	242.64	4,358.42	-185.65	-358.69	459,456.91	669,925.99	32.262437	-103.917328	
4,500.00	13.53	242.64	4,455.65	-196.40	-379.47	459,446.16	669,905.22	32.262408	-103.917396	
4,600.00	13.53	242.64	4,552.87	-207.15	-400.24	459,435.41	669,884.45	32.262378	-103.917463	
4,700.00	13.53	242.64	4,650.10	-217.90	-421.01	459,424.66	669,863.68	32.262349	-103.917530	
4,800.00	13.53	242.64	4,747.33	-228.65	-441.78	459,413.91	669,842.90	32.262320	-103.917598	
4,900.00	13.53	242.64	4,844.55	-239.40	-462.55	459,403.16	669,822.13	32.262290	-103.917665	
5,000.00	13.53	242.64	4,941.78	-250.15	-483.32	459,392.41	669,801.36	32.262261	-103.917732	
5,100.00	13.53	242.64	5,039.01	-260.90	-504.10	459,381.66	669,780.59	32.262232	-103.917800	
5,200.00	13.53	242.64	5,136.23	-271.65	-524.87	459,370.91	669,759.82	32.262202	-103.917867	
5,300.00	13.53	242.64	5,233.46	-282.40	-545.64	459,360.16	669,739.05	32.262173	-103.917934	

Planning Report - Geographic

<b>Database:</b>	EDM r5000.141_Prod US	<b>Local Co-ordinate Reference:</b>	Well Yukon Gold 31-19 Fed Com 211H
<b>Company:</b>	WCDCS Permian NM	<b>TVD Reference:</b>	RKB @ 3155.80ft
<b>Project:</b>	Eddy County (NAD 83 NM Eastern)	<b>MD Reference:</b>	RKB @ 3155.80ft
<b>Site:</b>	Sec 31-T23S-R30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Yukon Gold 31-19 Fed Com 211H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Permit Plan 3		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
5,400.00	13.53	242.64	5,330.68	-293.15	-566.41	459,349.41	669,718.28	32.262144	-103.918002	
5,500.00	13.53	242.64	5,427.91	-303.90	-587.18	459,338.66	669,697.50	32.262114	-103.918069	
5,600.00	13.53	242.64	5,525.14	-314.65	-607.95	459,327.91	669,676.73	32.262085	-103.918136	
5,700.00	13.53	242.64	5,622.36	-325.40	-628.73	459,317.16	669,655.96	32.262056	-103.918204	
5,800.00	13.53	242.64	5,719.59	-336.15	-649.50	459,306.41	669,635.19	32.262026	-103.918271	
5,900.00	13.53	242.64	5,816.82	-346.90	-670.27	459,295.66	669,614.42	32.261997	-103.918338	
6,000.00	13.53	242.64	5,914.04	-357.65	-691.04	459,284.91	669,593.65	32.261968	-103.918406	
6,100.00	13.53	242.64	6,011.27	-368.41	-711.81	459,274.16	669,572.87	32.261939	-103.918473	
6,200.00	13.53	242.64	6,108.50	-379.16	-732.58	459,263.41	669,552.10	32.261909	-103.918540	
6,300.00	13.53	242.64	6,205.72	-389.91	-753.35	459,252.65	669,531.33	32.261880	-103.918608	
6,400.00	13.53	242.64	6,302.95	-400.66	-774.13	459,241.90	669,510.56	32.261851	-103.918675	
6,500.00	13.53	242.64	6,400.17	-411.41	-794.90	459,231.15	669,489.79	32.261821	-103.918742	
6,600.00	13.53	242.64	6,497.40	-422.16	-815.67	459,220.40	669,469.02	32.261792	-103.918810	
6,700.00	13.53	242.64	6,594.63	-432.91	-836.44	459,209.65	669,448.25	32.261763	-103.918877	
6,800.00	13.53	242.64	6,691.85	-443.66	-857.21	459,198.90	669,427.47	32.261733	-103.918944	
6,900.00	13.53	242.64	6,789.08	-454.41	-877.98	459,188.15	669,406.70	32.261704	-103.919012	
7,000.00	13.53	242.64	6,886.31	-465.16	-898.76	459,177.40	669,385.93	32.261675	-103.919079	
7,100.00	13.53	242.64	6,983.53	-475.91	-919.53	459,166.65	669,365.16	32.261645	-103.919146	
7,200.00	13.53	242.64	7,080.76	-486.66	-940.30	459,155.90	669,344.39	32.261616	-103.919214	
7,300.00	13.53	242.64	7,177.99	-497.41	-961.07	459,145.15	669,323.62	32.261587	-103.919281	
7,400.00	13.53	242.64	7,275.21	-508.16	-981.84	459,134.40	669,302.84	32.261557	-103.919348	
7,429.21	13.53	242.64	7,303.62	-511.30	-987.91	459,131.26	669,296.78	32.261549	-103.919368	
7,500.00	12.46	242.64	7,372.59	-518.62	-1,002.05	459,123.94	669,282.64	32.261529	-103.919414	
7,600.00	10.96	242.64	7,470.50	-527.95	-1,020.08	459,114.61	669,264.61	32.261503	-103.919472	
7,700.00	9.46	242.64	7,568.91	-536.10	-1,035.83	459,106.46	669,248.86	32.261481	-103.919523	
7,800.00	7.96	242.64	7,667.76	-543.07	-1,049.28	459,099.50	669,235.41	32.261462	-103.919567	
7,900.00	6.46	242.64	7,766.96	-548.84	-1,060.43	459,093.72	669,224.25	32.261446	-103.919603	
8,000.00	4.96	242.64	7,866.46	-553.41	-1,069.28	459,089.15	669,215.41	32.261434	-103.919632	
8,100.00	3.46	242.64	7,966.19	-556.79	-1,075.80	459,085.77	669,208.89	32.261425	-103.919653	
8,200.00	1.96	242.64	8,066.07	-558.97	-1,080.01	459,083.59	669,204.68	32.261419	-103.919667	
8,300.00	0.46	242.64	8,166.05	-559.94	-1,081.89	459,082.62	669,202.80	32.261416	-103.919673	
8,330.95	0.00	0.00	8,197.00	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673	
8,400.00	0.00	0.00	8,266.05	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673	
8,500.00	0.00	0.00	8,366.05	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673	
8,600.00	0.00	0.00	8,466.05	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673	
8,680.99	0.00	0.00	8,547.04	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673	
<b>KOP @ 8681' MD, 2602' FNL, 2310' FEL</b>										
8,700.00	1.90	359.65	8,566.05	-559.68	-1,082.00	459,082.88	669,202.69	32.261417	-103.919673	
8,800.00	11.90	359.65	8,665.20	-547.68	-1,082.08	459,094.88	669,202.61	32.261450	-103.919673	
8,900.00	21.90	359.65	8,760.75	-518.65	-1,082.25	459,123.91	669,202.44	32.261529	-103.919673	
8,910.00	22.90	359.65	8,770.00	-514.84	-1,082.28	459,127.72	669,202.41	32.261540	-103.919673	
<b>FTP @ 8910' MD, 2557' FNL, 2310' FEL</b>										
9,000.00	31.90	359.65	8,849.82	-473.46	-1,082.53	459,169.10	669,202.16	32.261654	-103.919674	
9,100.00	41.90	359.65	8,929.69	-413.50	-1,082.89	459,229.06	669,201.79	32.261818	-103.919674	
9,200.00	51.90	359.65	8,997.93	-340.58	-1,083.34	459,301.99	669,201.35	32.262019	-103.919675	
9,300.00	61.90	359.65	9,052.47	-256.91	-1,083.85	459,385.65	669,200.84	32.262249	-103.919675	
9,400.00	71.90	359.65	9,091.65	-165.05	-1,084.41	459,477.51	669,200.28	32.262501	-103.919676	
9,500.00	81.90	359.65	9,114.28	-67.77	-1,085.00	459,574.79	669,199.69	32.262769	-103.919677	
9,580.99	90.00	359.65	9,120.00	12.95	-1,085.49	459,655.51	669,199.20	32.262991	-103.919677	
9,600.00	90.00	359.65	9,120.00	31.96	-1,085.61	459,674.52	669,199.08	32.263043	-103.919677	
9,700.00	90.00	359.65	9,120.00	131.95	-1,086.22	459,774.51	669,198.47	32.263318	-103.919678	
9,800.00	90.00	359.65	9,120.00	231.95	-1,086.82	459,874.51	669,197.86	32.263593	-103.919679	
9,900.00	90.00	359.65	9,120.00	331.95	-1,087.43	459,974.51	669,197.25	32.263868	-103.919679	
10,000.00	90.00	359.65	9,120.00	431.95	-1,088.04	460,074.51	669,196.64	32.264143	-103.919680	

Planning Report - Geographic

<b>Database:</b>	EDM r5000.141_Prod US	<b>Local Co-ordinate Reference:</b>	Well Yukon Gold 31-19 Fed Com 211H
<b>Company:</b>	WCDSO Permian NM	<b>TVD Reference:</b>	RKB @ 3155.80ft
<b>Project:</b>	Eddy County (NAD 83 NM Eastern)	<b>MD Reference:</b>	RKB @ 3155.80ft
<b>Site:</b>	Sec 31-T23S-R30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Yukon Gold 31-19 Fed Com 211H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Permit Plan 3		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
10,100.00	90.00	359.65	9,120.00	531.95	-1,088.65	460,174.51	669,196.04	32.264417	-103.919681	
10,200.00	90.00	359.65	9,120.00	631.94	-1,089.26	460,274.50	669,195.43	32.264692	-103.919682	
10,300.00	90.00	359.65	9,120.00	731.94	-1,089.87	460,374.50	669,194.82	32.264967	-103.919682	
10,400.00	90.00	359.65	9,120.00	831.94	-1,090.48	460,474.50	669,194.21	32.265242	-103.919683	
10,500.00	90.00	359.65	9,120.00	931.94	-1,091.09	460,574.50	669,193.60	32.265517	-103.919684	
10,600.00	90.00	359.65	9,120.00	1,031.94	-1,091.70	460,674.49	669,192.99	32.265792	-103.919684	
10,700.00	90.00	359.65	9,120.00	1,131.93	-1,092.31	460,774.49	669,192.38	32.266067	-103.919685	
10,800.00	90.00	359.65	9,120.00	1,231.93	-1,092.92	460,874.49	669,191.77	32.266342	-103.919686	
10,900.00	90.00	359.65	9,120.00	1,331.93	-1,093.52	460,974.49	669,191.16	32.266616	-103.919687	
11,000.00	90.00	359.65	9,120.00	1,431.93	-1,094.13	461,074.49	669,190.55	32.266891	-103.919687	
11,100.00	90.00	359.65	9,120.00	1,531.93	-1,094.74	461,174.48	669,189.94	32.267166	-103.919688	
11,200.00	90.00	359.65	9,120.00	1,631.93	-1,095.35	461,274.48	669,189.33	32.267441	-103.919689	
11,300.00	90.00	359.65	9,120.00	1,731.92	-1,095.96	461,374.48	669,188.73	32.267716	-103.919690	
11,400.00	90.00	359.65	9,120.00	1,831.92	-1,096.57	461,474.48	669,188.12	32.267991	-103.919690	
11,500.00	90.00	359.65	9,120.00	1,931.92	-1,097.18	461,574.48	669,187.51	32.268266	-103.919691	
11,600.00	90.00	359.65	9,120.00	2,031.92	-1,097.79	461,674.47	669,186.90	32.268541	-103.919692	
11,610.00	90.00	359.65	9,120.00	2,041.92	-1,097.85	461,684.47	669,186.84	32.268568	-103.919692	
<b>Cross section @ 11610' MD, 0' FSL, 2310' FEL</b>										
11,700.00	90.00	359.65	9,120.00	2,131.92	-1,098.40	461,774.47	669,186.29	32.268816	-103.919692	
11,800.00	90.00	359.65	9,120.00	2,231.91	-1,099.01	461,874.47	669,185.68	32.269090	-103.919693	
11,900.00	90.00	359.65	9,120.00	2,331.91	-1,099.62	461,974.47	669,185.07	32.269365	-103.919694	
12,000.00	90.00	359.65	9,120.00	2,431.91	-1,100.23	462,074.47	669,184.46	32.269640	-103.919695	
12,100.00	90.00	359.65	9,120.00	2,531.91	-1,100.83	462,174.46	669,183.85	32.269915	-103.919695	
12,200.00	90.00	359.65	9,120.00	2,631.91	-1,101.44	462,274.46	669,183.24	32.270190	-103.919696	
12,300.00	90.00	359.65	9,120.00	2,731.91	-1,102.05	462,374.46	669,182.63	32.270465	-103.919697	
12,400.00	90.00	359.65	9,120.00	2,831.90	-1,102.66	462,474.46	669,182.03	32.270740	-103.919698	
12,500.00	90.00	359.65	9,120.00	2,931.90	-1,103.27	462,574.46	669,181.42	32.271015	-103.919698	
12,600.00	90.00	359.65	9,120.00	3,031.90	-1,103.88	462,674.45	669,180.81	32.271289	-103.919699	
12,700.00	90.00	359.65	9,120.00	3,131.90	-1,104.49	462,774.45	669,180.20	32.271564	-103.919700	
12,800.00	90.00	359.65	9,120.00	3,231.90	-1,105.10	462,874.45	669,179.59	32.271839	-103.919700	
12,900.00	90.00	359.65	9,120.00	3,331.89	-1,105.71	462,974.45	669,178.98	32.272114	-103.919701	
13,000.00	90.00	359.65	9,120.00	3,431.89	-1,106.32	463,074.45	669,178.37	32.272389	-103.919702	
13,100.00	90.00	359.65	9,120.00	3,531.89	-1,106.93	463,174.44	669,177.76	32.272664	-103.919703	
13,200.00	90.00	359.65	9,120.00	3,631.89	-1,107.54	463,274.44	669,177.15	32.272939	-103.919703	
13,300.00	90.00	359.65	9,120.00	3,731.89	-1,108.14	463,374.44	669,176.54	32.273214	-103.919704	
13,400.00	90.00	359.65	9,120.00	3,831.88	-1,108.75	463,474.44	669,175.93	32.273489	-103.919705	
13,500.00	90.00	359.65	9,120.00	3,931.88	-1,109.36	463,574.44	669,175.32	32.273763	-103.919705	
13,600.00	90.00	359.65	9,120.00	4,031.88	-1,109.97	463,674.43	669,174.72	32.274038	-103.919706	
13,700.00	90.00	359.65	9,120.00	4,131.88	-1,110.58	463,774.43	669,174.11	32.274313	-103.919707	
13,800.00	90.00	359.65	9,120.00	4,231.88	-1,111.19	463,874.43	669,173.50	32.274588	-103.919708	
13,900.00	90.00	359.65	9,120.00	4,331.88	-1,111.80	463,974.43	669,172.89	32.274863	-103.919708	
14,000.00	90.00	359.65	9,120.00	4,431.87	-1,112.41	464,074.43	669,172.28	32.275138	-103.919709	
14,100.00	90.00	359.65	9,120.00	4,531.87	-1,113.02	464,174.42	669,171.67	32.275413	-103.919710	
14,200.00	90.00	359.65	9,120.00	4,631.87	-1,113.63	464,274.42	669,171.06	32.275688	-103.919711	
14,300.00	90.00	359.65	9,120.00	4,731.87	-1,114.24	464,374.42	669,170.45	32.275962	-103.919711	
14,400.00	90.00	359.65	9,120.00	4,831.87	-1,114.84	464,474.42	669,169.84	32.276237	-103.919712	
14,500.00	90.00	359.65	9,120.00	4,931.86	-1,115.45	464,574.41	669,169.23	32.276512	-103.919713	
14,600.00	90.00	359.65	9,120.00	5,031.86	-1,116.06	464,674.41	669,168.62	32.276787	-103.919713	
14,700.00	90.00	359.65	9,120.00	5,131.86	-1,116.67	464,774.41	669,168.01	32.277062	-103.919714	
14,800.00	90.00	359.65	9,120.00	5,231.86	-1,117.28	464,874.41	669,167.41	32.277337	-103.919715	
14,900.00	90.00	359.65	9,120.00	5,331.86	-1,117.89	464,974.41	669,166.80	32.277612	-103.919716	
15,000.00	90.00	359.65	9,120.00	5,431.86	-1,118.50	465,074.40	669,166.19	32.277887	-103.919716	
15,100.00	90.00	359.65	9,120.00	5,531.85	-1,119.11	465,174.40	669,165.58	32.278162	-103.919717	
15,200.00	90.00	359.65	9,120.00	5,631.85	-1,119.72	465,274.40	669,164.97	32.278436	-103.919718	

Planning Report - Geographic

<b>Database:</b>	EDM r5000.141_Prod US	<b>Local Co-ordinate Reference:</b>	Well Yukon Gold 31-19 Fed Com 211H
<b>Company:</b>	WCDCS Permian NM	<b>TVD Reference:</b>	RKB @ 3155.80ft
<b>Project:</b>	Eddy County (NAD 83 NM Eastern)	<b>MD Reference:</b>	RKB @ 3155.80ft
<b>Site:</b>	Sec 31-T23S-R30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Yukon Gold 31-19 Fed Com 211H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Permit Plan 3		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
15,300.00	90.00	359.65	9,120.00	5,731.85	-1,120.33	465,374.40	669,164.36	32.278711	-103.919719	
15,400.00	90.00	359.65	9,120.00	5,831.85	-1,120.94	465,474.40	669,163.75	32.278986	-103.919719	
15,500.00	90.00	359.65	9,120.00	5,931.85	-1,121.55	465,574.39	669,163.14	32.279261	-103.919720	
15,595.00	90.00	359.65	9,120.00	6,026.84	-1,122.12	465,669.39	669,162.56	32.279522	-103.919721	
<b>Cross NM 093205 @ 15595' MD, 1320' FNL, 2310' FEL</b>										
15,600.00	90.00	359.65	9,120.00	6,031.84	-1,122.15	465,674.39	669,162.53	32.279536	-103.919721	
15,700.00	90.00	359.65	9,120.00	6,131.84	-1,122.76	465,774.39	669,161.92	32.279811	-103.919721	
15,800.00	90.00	359.65	9,120.00	6,231.84	-1,123.37	465,874.39	669,161.31	32.280086	-103.919722	
15,900.00	90.00	359.65	9,120.00	6,331.84	-1,123.98	465,974.39	669,160.71	32.280361	-103.919723	
16,000.00	90.00	359.65	9,120.00	6,431.84	-1,124.59	466,074.38	669,160.10	32.280635	-103.919724	
16,100.00	90.00	359.65	9,120.00	6,531.83	-1,125.20	466,174.38	669,159.49	32.280910	-103.919724	
16,200.00	90.00	359.65	9,120.00	6,631.83	-1,125.81	466,274.38	669,158.88	32.281185	-103.919725	
16,300.00	90.00	359.65	9,120.00	6,731.83	-1,126.42	466,374.38	669,158.27	32.281460	-103.919726	
16,400.00	90.00	359.65	9,120.00	6,831.83	-1,127.03	466,474.38	669,157.66	32.281735	-103.919726	
16,500.00	90.00	359.65	9,120.00	6,931.83	-1,127.64	466,574.37	669,157.05	32.282010	-103.919727	
16,600.00	90.00	359.65	9,120.00	7,031.83	-1,128.25	466,674.37	669,156.44	32.282285	-103.919728	
16,700.00	90.00	359.65	9,120.00	7,131.82	-1,128.86	466,774.37	669,155.83	32.282560	-103.919729	
16,800.00	90.00	359.65	9,120.00	7,231.82	-1,129.46	466,874.37	669,155.22	32.282835	-103.919729	
16,900.00	90.00	359.65	9,120.00	7,331.82	-1,130.07	466,974.37	669,154.61	32.283109	-103.919730	
16,915.00	90.00	359.65	9,120.00	7,346.82	-1,130.16	466,989.37	669,154.52	32.283151	-103.919730	
<b>Cross section @ 16915' MD, 0' FSL, 2310' FEL</b>										
17,000.00	90.00	359.65	9,120.00	7,431.82	-1,130.68	467,074.36	669,154.00	32.283384	-103.919731	
17,100.00	90.00	359.65	9,120.00	7,531.82	-1,131.29	467,174.36	669,153.40	32.283659	-103.919732	
17,200.00	90.00	359.65	9,120.00	7,631.81	-1,131.90	467,274.36	669,152.79	32.283934	-103.919732	
17,300.00	90.00	359.65	9,120.00	7,731.81	-1,132.51	467,374.36	669,152.18	32.284209	-103.919733	
17,400.00	90.00	359.65	9,120.00	7,831.81	-1,133.12	467,474.36	669,151.57	32.284484	-103.919734	
17,500.00	90.00	359.65	9,120.00	7,931.81	-1,133.73	467,574.35	669,150.96	32.284759	-103.919734	
17,600.00	90.00	359.65	9,120.00	8,031.81	-1,134.34	467,674.35	669,150.35	32.285034	-103.919735	
17,700.00	90.00	359.65	9,120.00	8,131.81	-1,134.95	467,774.35	669,149.74	32.285308	-103.919736	
17,800.00	90.00	359.65	9,120.00	8,231.80	-1,135.56	467,874.35	669,149.13	32.285583	-103.919737	
17,900.00	90.00	359.65	9,120.00	8,331.80	-1,136.16	467,974.34	669,148.52	32.285858	-103.919737	
18,000.00	90.00	359.65	9,120.00	8,431.80	-1,136.77	468,074.34	669,147.91	32.286133	-103.919738	
18,100.00	90.00	359.65	9,120.00	8,531.80	-1,137.38	468,174.34	669,147.30	32.286408	-103.919739	
18,200.00	90.00	359.65	9,120.00	8,631.80	-1,137.99	468,274.34	669,146.70	32.286683	-103.919739	
18,300.00	90.00	359.65	9,120.00	8,731.79	-1,138.60	468,374.34	669,146.09	32.286958	-103.919740	
18,400.00	90.00	359.65	9,120.00	8,831.79	-1,139.21	468,474.33	669,145.48	32.287233	-103.919741	
18,500.00	90.00	359.65	9,120.00	8,931.79	-1,139.82	468,574.33	669,144.87	32.287507	-103.919742	
18,600.00	90.00	359.65	9,120.00	9,031.79	-1,140.43	468,674.33	669,144.26	32.287782	-103.919742	
18,700.00	90.00	359.65	9,120.00	9,131.79	-1,141.04	468,774.33	669,143.65	32.288057	-103.919743	
18,800.00	90.00	359.65	9,120.00	9,231.78	-1,141.65	468,874.33	669,143.04	32.288332	-103.919744	
18,900.00	90.00	359.65	9,120.00	9,331.78	-1,142.26	468,974.32	669,142.43	32.288607	-103.919745	
19,000.00	90.00	359.65	9,120.00	9,431.78	-1,142.87	469,074.32	669,141.82	32.288882	-103.919745	
19,100.00	90.00	359.65	9,120.00	9,531.78	-1,143.47	469,174.32	669,141.21	32.289157	-103.919746	
19,200.00	90.00	359.65	9,120.00	9,631.78	-1,144.08	469,274.32	669,140.60	32.289432	-103.919747	
19,300.00	90.00	359.65	9,120.00	9,731.78	-1,144.69	469,374.32	669,139.99	32.289707	-103.919747	
19,400.00	90.00	359.65	9,120.00	9,831.77	-1,145.30	469,474.31	669,139.39	32.289981	-103.919748	
19,500.00	90.00	359.65	9,120.00	9,931.77	-1,145.91	469,574.31	669,138.78	32.290256	-103.919749	
19,600.00	90.00	359.65	9,120.00	10,031.77	-1,146.52	469,674.31	669,138.17	32.290531	-103.919750	
19,700.00	90.00	359.65	9,120.00	10,131.77	-1,147.13	469,774.31	669,137.56	32.290806	-103.919750	
19,800.00	90.00	359.65	9,120.00	10,231.77	-1,147.74	469,874.31	669,136.95	32.291081	-103.919751	
19,900.00	90.00	359.65	9,120.00	10,331.76	-1,148.35	469,974.30	669,136.34	32.291356	-103.919752	
20,000.00	90.00	359.65	9,120.00	10,431.76	-1,148.96	470,074.30	669,135.73	32.291631	-103.919753	
20,100.00	90.00	359.65	9,120.00	10,531.76	-1,149.57	470,174.30	669,135.12	32.291906	-103.919753	
20,200.00	90.00	359.65	9,120.00	10,631.76	-1,150.18	470,274.30	669,134.51	32.292180	-103.919754	

Planning Report - Geographic

<b>Database:</b>	EDM r5000.141_Prod US	<b>Local Co-ordinate Reference:</b>	Well Yukon Gold 31-19 Fed Com 211H
<b>Company:</b>	WCDCS Permian NM	<b>TVD Reference:</b>	RKB @ 3155.80ft
<b>Project:</b>	Eddy County (NAD 83 NM Eastern)	<b>MD Reference:</b>	RKB @ 3155.80ft
<b>Site:</b>	Sec 31-T23S-R30E	<b>North Reference:</b>	Grid
<b>Well:</b>	Yukon Gold 31-19 Fed Com 211H	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	Wellbore #1		
<b>Design:</b>	Permit Plan 3		

Planned Survey										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude	
20,300.00	90.00	359.65	9,120.00	10,731.76	-1,150.78	470,374.30	669,133.90	32.292455	-103.919755	
20,400.00	90.00	359.65	9,120.00	10,831.76	-1,151.39	470,474.29	669,133.29	32.292730	-103.919755	
20,500.00	90.00	359.65	9,120.00	10,931.75	-1,152.00	470,574.29	669,132.68	32.293005	-103.919756	
20,600.00	90.00	359.65	9,120.00	11,031.75	-1,152.61	470,674.29	669,132.08	32.293280	-103.919757	
20,700.00	90.00	359.65	9,120.00	11,131.75	-1,153.22	470,774.29	669,131.47	32.293555	-103.919758	
20,800.00	90.00	359.65	9,120.00	11,231.75	-1,153.83	470,874.29	669,130.86	32.293830	-103.919758	
20,900.00	90.00	359.65	9,120.00	11,331.75	-1,154.44	470,974.28	669,130.25	32.294105	-103.919759	
21,000.00	90.00	359.65	9,120.00	11,431.74	-1,155.05	471,074.28	669,129.64	32.294380	-103.919760	
21,100.00	90.00	359.65	9,120.00	11,531.74	-1,155.66	471,174.28	669,129.03	32.294654	-103.919760	
21,200.00	90.00	359.65	9,120.00	11,631.74	-1,156.27	471,274.28	669,128.42	32.294929	-103.919761	
21,300.00	90.00	359.65	9,120.00	11,731.74	-1,156.88	471,374.28	669,127.81	32.295204	-103.919762	
21,400.00	90.00	359.65	9,120.00	11,831.74	-1,157.48	471,474.27	669,127.20	32.295479	-103.919763	
21,500.00	90.00	359.65	9,120.00	11,931.73	-1,158.09	471,574.27	669,126.59	32.295754	-103.919763	
21,600.00	90.00	359.65	9,120.00	12,031.73	-1,158.70	471,674.27	669,125.98	32.296029	-103.919764	
21,700.00	90.00	359.65	9,120.00	12,131.73	-1,159.31	471,774.27	669,125.38	32.296304	-103.919765	
21,800.00	90.00	359.65	9,120.00	12,231.73	-1,159.92	471,874.26	669,124.77	32.296579	-103.919766	
21,900.00	90.00	359.65	9,120.00	12,331.73	-1,160.53	471,974.26	669,124.16	32.296853	-103.919766	
22,000.00	90.00	359.65	9,120.00	12,431.73	-1,161.14	472,074.26	669,123.55	32.297128	-103.919767	
22,100.00	90.00	359.65	9,120.00	12,531.72	-1,161.75	472,174.26	669,122.94	32.297403	-103.919768	
22,118.00	90.00	359.65	9,120.00	12,549.72	-1,161.86	472,192.26	669,122.83	32.297453	-103.919768	
<b>LTP @ 22118' MD, 100' FNL, 2310' FEL</b>										
22,198.31	90.00	359.65	9,120.00	12,630.03	-1,162.35	472,272.57	669,122.34	32.297673	-103.919768	
<b>PBHL; 20' FNL, 2310' FEL</b>										

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
PBHL3 - Yukon Gold 31- - hit/miss target - Shape - Point	0.00	0.00	0.00	12,629.60	-1,167.08	472,272.13	669,117.60	32.297672	-103.919784	
- plan misses target center by 9120.00ft at 22197.90ft MD (9120.00 TVD, 12629.62 N, -1162.35 E)										
PBHL - Yukon Gold 31-1 - plan misses target center by 9120.00ft at 19235.89ft MD (9120.00 TVD, 9667.67 N, -1144.30 E) - Point	0.00	0.00	0.00	9,667.67	-1,144.30	469,310.21	669,140.38	32.289530	-103.919747	

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment	
8,680.99	8,547.04	-560.00	-1,082.00	KOP @ 8681' MD, 2602' FNL, 2310' FEL	
8,910.00	8,770.00	-514.84	-1,082.28	FTP @ 8910' MD, 2557' FNL, 2310' FEL	
11,610.00	9,120.00	2,041.92	-1,097.85	Cross section @ 11610' MD, 0' FSL, 2310' FEL	
15,595.00	9,120.00	6,026.84	-1,122.12	Cross NM 093205 @ 15595' MD, 1320' FNL, 2310' FEL	
16,915.00	9,120.00	7,346.82	-1,130.16	Cross section @ 16915' MD, 0' FSL, 2310' FEL	
22,118.00	9,120.00	12,549.72	-1,161.86	LTP @ 22118' MD, 100' FNL, 2310' FEL	
22,198.31	9,120.00	12,630.03	-1,162.35	PBHL; 20' FNL, 2310' FEL	

# Devon Energy

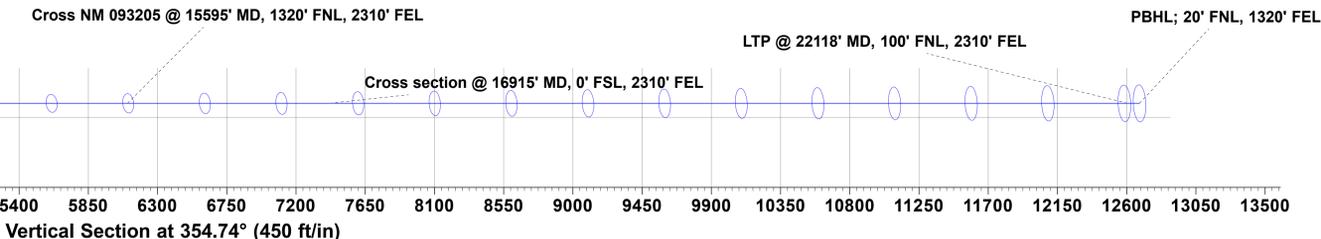
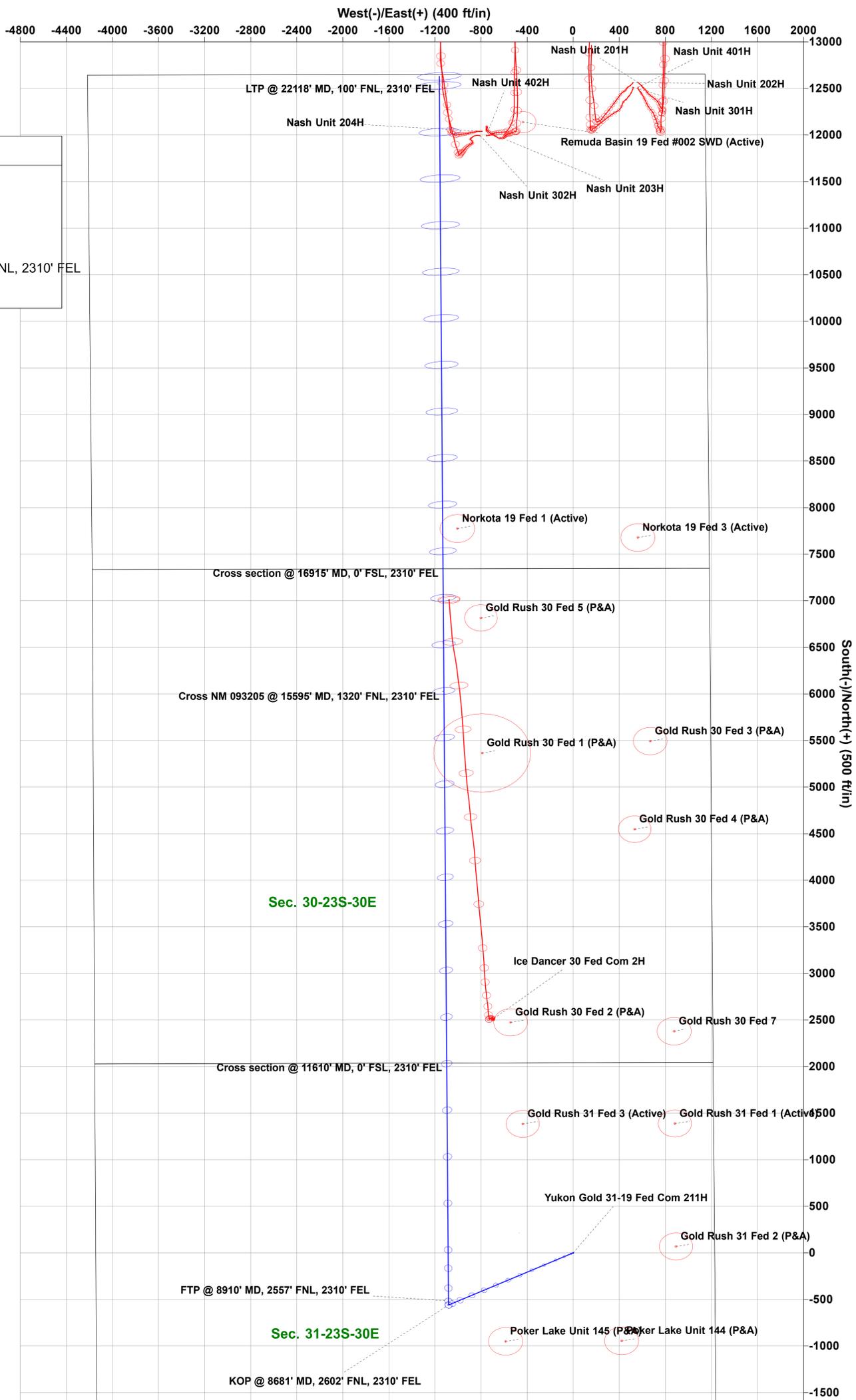
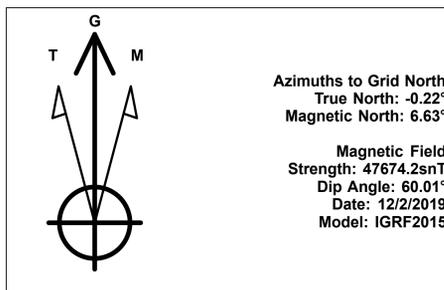
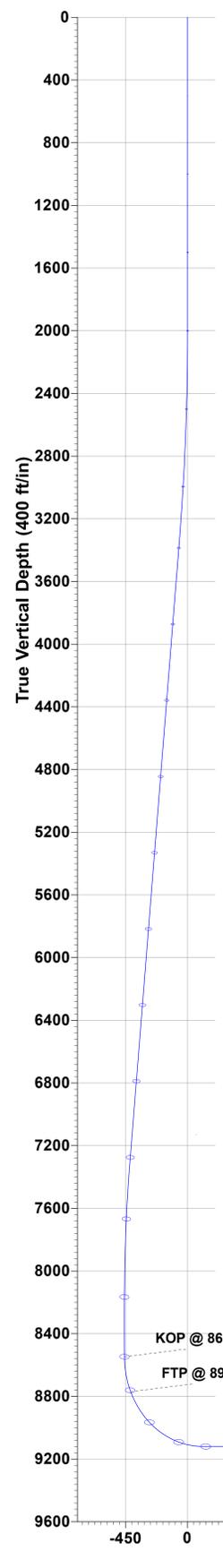
WELL DETAILS: Yukon Gold 31-19 Fed Com 211H

RKB @ 3155.80ft  
3130.80

Northing 459642.56 Easting 670284.68 Latitude 32.262944 Longitude -103.916165

SECTION DETAILS Permit Plan 3

MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	Vsect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	
3352.61	13.53	242.64	3340.08	-73.05	-141.13	1.00	-59.80	
7429.21	13.53	242.64	7303.62	-511.30	-987.91	0.00	-418.62	
5 8330.95	0.00	0.00	8197.00	-560.00	-1082.00	1.50	-458.49	
6 8680.99	0.00	0.00	8547.04	-560.00	-1082.00	0.00	-458.49	KOP @ 8681' MD, 2602' FNL, 2310' FEL
7 9580.99	90.00	359.65	9120.00	12.95	-1085.49	10.00	112.37	
8 22198.31	90.00	359.65	9120.00	12630.03	-1162.35	0.00	12683.40	PBHL; 20' FNL, 2310' FEL

## PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	<b>Devon Energy Production Company LP</b>
<b>LEASE NO.:</b>	<b>NMNM092180</b>
<b>LOCATION:</b>	Section 31, T.23 S., R.30 E., NMPM
<b>COUNTY:</b>	Eddy County, New Mexico

<b>WELL NAME &amp; NO.:</b>	Yukon Gold 31-19 Fed Com 211H
<b>SURFACE HOLE FOOTAGE:</b>	2042'/N & 1228'/E
<b>BOTTOM HOLE FOOTAGE:</b>	20'/N & 2310'/E

<b>WELL NAME &amp; NO.:</b>	Yukon Gold 31-19 Fed Com 212H
<b>SURFACE HOLE FOOTAGE:</b>	2042'/N & 1198'/E
<b>BOTTOM HOLE FOOTAGE:</b>	20'/N & 1320'/E

<b>WELL NAME &amp; NO.:</b>	Yukon Gold 31-19 Fed Com 213H
<b>SURFACE HOLE FOOTAGE:</b>	2042'/N & 1168'/E
<b>BOTTOM HOLE FOOTAGE:</b>	20'/N & 330'/E

COA

H2S	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Potash	<input type="checkbox"/> None	<input checked="" type="checkbox"/> Secretary	<input type="checkbox"/> R-111-P
Cave/Karst Potential	<input type="checkbox"/> Low	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> High
Cave/Karst Potential	<input type="checkbox"/> Critical		
Variance	<input type="checkbox"/> None	<input checked="" type="checkbox"/> Flex Hose	<input type="checkbox"/> Other
Wellhead	<input type="checkbox"/> Conventional	<input checked="" type="checkbox"/> Multibowl	<input type="checkbox"/> Both
Other	<input type="checkbox"/> 4 String Area	<input type="checkbox"/> Capitan Reef	<input type="checkbox"/> WIPP
Other	<input type="checkbox"/> Fluid Filled	<input checked="" type="checkbox"/> Cement Squeeze	<input type="checkbox"/> Pilot Hole
Special Requirements	<input type="checkbox"/> Water Disposal	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit

### A. HYDROGEN SULFIDE

Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

## B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **275 feet** (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing shall be set at approximately **3435 feet** is:
  - Cement to surface. If cement does not circulate see B.1.a, c-d above.  
**Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.**
  - ❖ In Medium Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
  - ❖ In Secretary Potash Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

**Operator has proposed to pump down 13-3/8" X 9-5/8" annulus. Operator must run a CBL from TD of the 9-5/8" casing to surface. Submit results to BLM.**

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
  - Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification.  
**Cement excess is less than 25%, more cement might be required.**

### C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
  - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

### D. SPECIAL REQUIREMENT (S)

#### Communitization Agreement

- The operator will submit a Communitization Agreement to the Santa Fe Office, 301 Dinosaur Trail Santa Fe, New Mexico 87508, at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
- If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
- In addition, the well sign shall include the surface and bottom hole lease numbers. When the Communitization Agreement number is known, it shall also be on the sign.

## GENERAL REQUIREMENTS

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

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

Eddy County

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

Lea County

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575)  
393-3612

1. 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.
  - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
  - b. When the operator proposes to set surface casing with Spudder Rig
    - Notify the BLM when moving in and removing the Spudder Rig.
    - Notify the BLM when moving in the 2<sup>nd</sup> Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
    - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

## A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.
2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.
6. On that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.
8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

## B. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply: The flex line must meet the requirements of API 16C. Check condition of flexible line from BOP to choke manifold, replace if exterior is damaged or if line fails test. Line to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.
3. 5M or higher system requires an HCR valve, remote kill line and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
4. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
  - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
  - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
  - c. Manufacturer representative shall install the test plug for the initial BOP test.
  - d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
  - e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not

hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).

- b. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time, except the casing pressure test can be initiated immediately after bumping the plug (only applies to single stage cement jobs).
- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- d. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
- e. The results of the test shall be reported to the appropriate BLM office.
- f. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
- g. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- h. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

## C. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

**D. WASTE MATERIAL AND FLUIDS**

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

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



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

# **Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan**

**For**

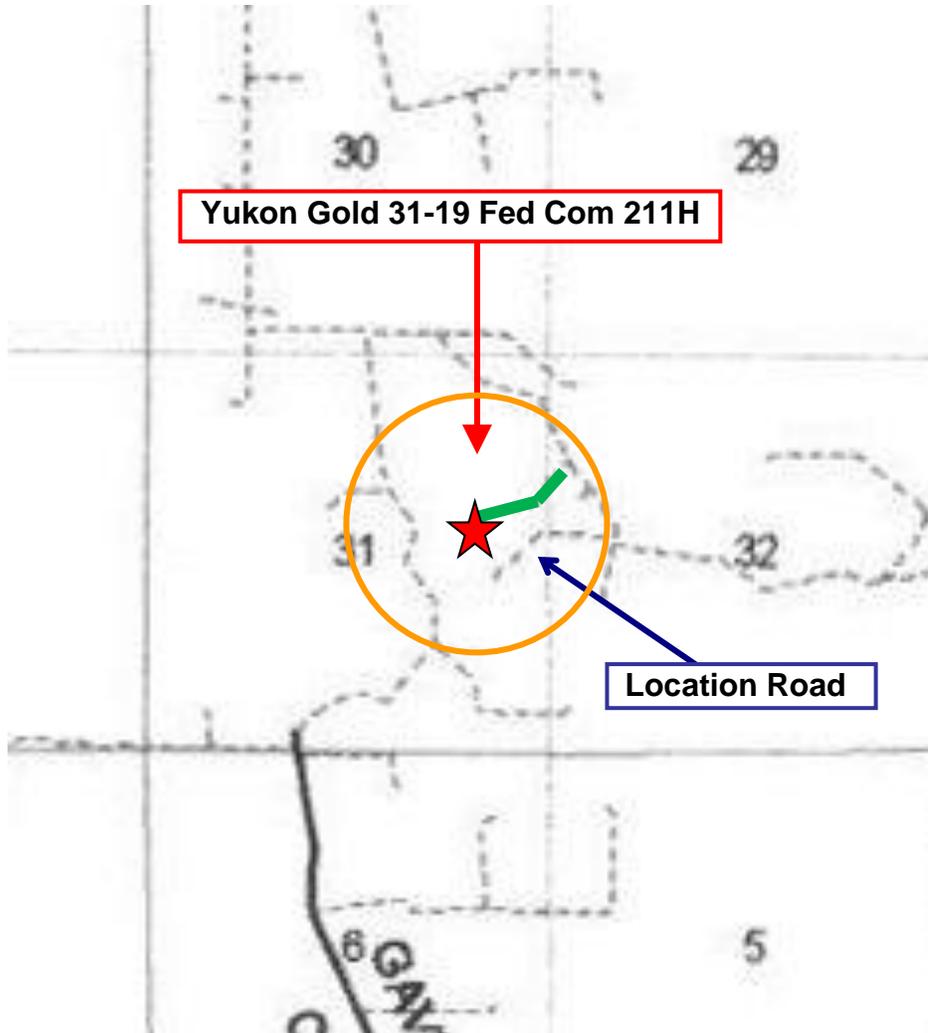
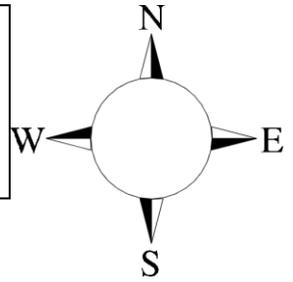
**Yukon Gold 31-19 Fed Com 211H**

**Sec-31 T-23S R-30E  
2042 FNL & 1228' FEL  
LAT. = 32.262944' N (NAD83)  
LONG = 103.916165' W**

**Eddy County NM**

## Yukon Gold 31-19 Fed Com 211H

This is an open drilling site. H<sub>2</sub>S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H<sub>2</sub>S, including warning signs, wind indicators and H<sub>2</sub>S monitor.



Assumed 100 ppm **ROE = 3000'** (**Radius of Exposure**)  
100 ppm H<sub>2</sub>S concentration shall trigger activation of this plan.

### Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated from the location entrance road. Crews should then block the entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. There are no homes or buildings in or near the ROE.

**Assumed 100 ppm ROE = 3000'**

## 100 ppm H<sub>2</sub>S concentration shall trigger activation of this plan.

### Emergency Procedures

In the event of a release of gas containing H<sub>2</sub>S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H<sub>2</sub>S monitors and air packs in order to control the release.
- Use the “buddy system” to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
  - Detection of H<sub>2</sub>S, and
  - Measures for protection against the gas,
  - Equipment used for protection and emergency response.

### **Ignition of Gas Source**

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

### **Characteristics of H<sub>2</sub>S and SO<sub>2</sub>**

<b>Common Name</b>	<b>Chemical Formula</b>	<b>Specific Gravity</b>	<b>Threshold Limit</b>	<b>Hazardous Limit</b>	<b>Lethal Concentration</b>
<b>Hydrogen Sulfide</b>	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
<b>Sulfur Dioxide</b>	SO <sub>2</sub>	2.21 Air = 1	2 ppm	N/A	1000 ppm

### **Contacting Authorities**

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

# Hydrogen Sulfide Drilling Operation Plan

## I. HYDROGEN SULFIDE (H<sub>2</sub>S) TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H<sub>2</sub>S metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan.

## II. HYDROGEN SULFIDE TRAINING

Note: All H<sub>2</sub>S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H<sub>2</sub>S.

## 1. Well Control Equipment

- A. Flare line
- B. Choke manifold – Remotely Operated
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer and rotating head.
- E. Mud/Gas Separator

## 2. Protective equipment for essential personnel:

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

## 3. H<sub>2</sub>S detection and monitoring equipment:

Portable H<sub>2</sub>S monitors positioned on location for best coverage and response. These units have warning lights which activate when H<sub>2</sub>S levels reach 10 ppm and audible sirens which activate at 15 ppm. Sensor locations:

- Bell nipple
- Rig floor
- Cellar
- Possum Belly/Shale shaker
- Choke manifold

### Visual warning systems:

- A. Wind direction indicators as shown on well site diagram
- B. Caution/ Danger signs shall be posted on roads providing direct access to locations. Signs will be painted a high visibility yellow with black lettering of sufficient size to be reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

#### **4. Mud program:**

The mud program has been designed to minimize the volume of H<sub>2</sub>S circulated to surface. Proper mud weight, safe drilling practices and the use of H<sub>2</sub>S scavengers will minimize hazards when penetrating H<sub>2</sub>S bearing zones.

#### **5. Metallurgy:**

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H<sub>2</sub>S trim.
- B. All elastomers used for packing and seals shall be H<sub>2</sub>S trim.

#### **6. Communication:**

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

#### **7. Well testing:**

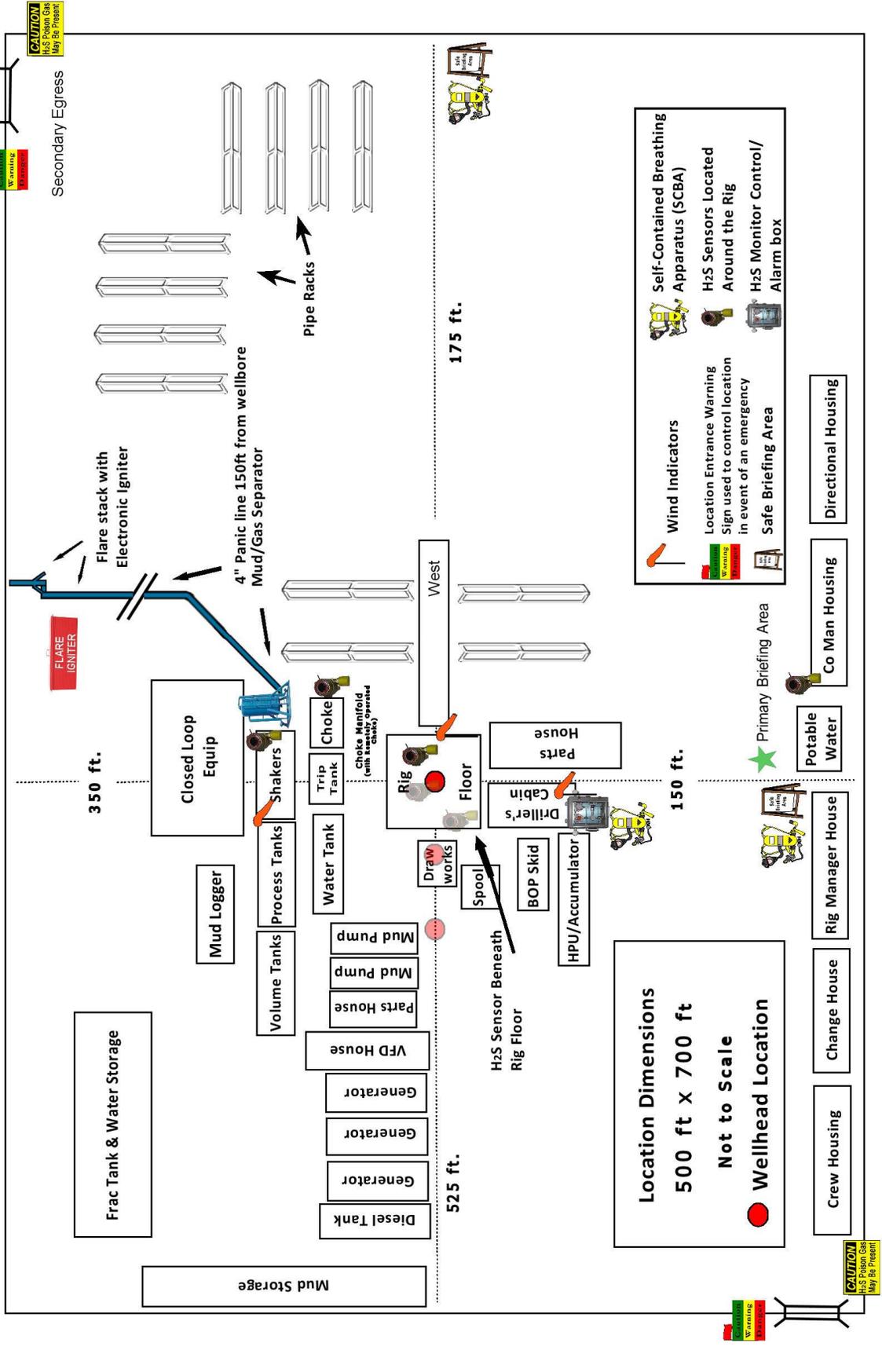
- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H<sub>2</sub>S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

<b><u>Devon Energy Corp. Company Call List</u></b>		
Drilling Supervisor – Basin – Mark Kramer		405-823-4796
EHS Professional – Laura Wright		405-439-8129
<b><u>Agency Call List</u></b>		
<b><u>Lea County (575)</u></b>	<b>Hobbs</b>	
	Lea County Communication Authority	393-3981
	State Police	392-5588
	City Police	397-9265
	Sheriff's Office	393-2515
	<b>Ambulance</b>	<b>911</b>
	Fire Department	397-9308
	LEPC (Local Emergency Planning Committee)	393-2870
	NMOCD	393-6161
	US Bureau of Land Management	393-3612
	<b><u>Eddy County (575)</u></b>	<b>Carlsbad</b>
State Police		885-3137
City Police		885-2111
Sheriff's Office		887-7551
<b>Ambulance</b>		<b>911</b>
Fire Department		885-3125
LEPC (Local Emergency Planning Committee)		887-3798
US Bureau of Land Management		887-6544
NM Emergency Response Commission (Santa Fe)		(505) 476-9600
24 HR		(505) 827-9126
National Emergency Response Center		(800) 424-8802
National Pollution Control Center: Direct		(703) 872-6000
For Oil Spills		(800) 280-7118
<b>Emergency Services</b>		
Wild Well Control		(281) 784-4700
Cudd Pressure Control		(915) 699-0139 (915) 563-3356
Halliburton		(575) 746-2757
B. J. Services	(575) 746-3569	
<b><u>Give GPS position:</u></b>	Native Air – Emergency Helicopter – Hobbs (NM and TX)	(800)642-7828
	Flight For Life - Lubbock, TX	(806) 743-9911
	Aerocare - Lubbock, TX	(806) 747-8923
	Med Flight Air Amb - Albuquerque, NM	(575) 842-4433
	Lifeguard Air Med Svc. Albuquerque, NM	(800) 222-1222
	Poison Control (24/7)	(575) 272-3115
	Oil & Gas Pipeline 24 Hour Service	(800) 364-4366
	NOAA – Website - <a href="http://www.nhc.noaa.gov">www.nhc.noaa.gov</a>	

Prepared in conjunction with  
Dave Small



# Devon Energy - Well Pad Rig Location Layout Safety Equipment Location





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.

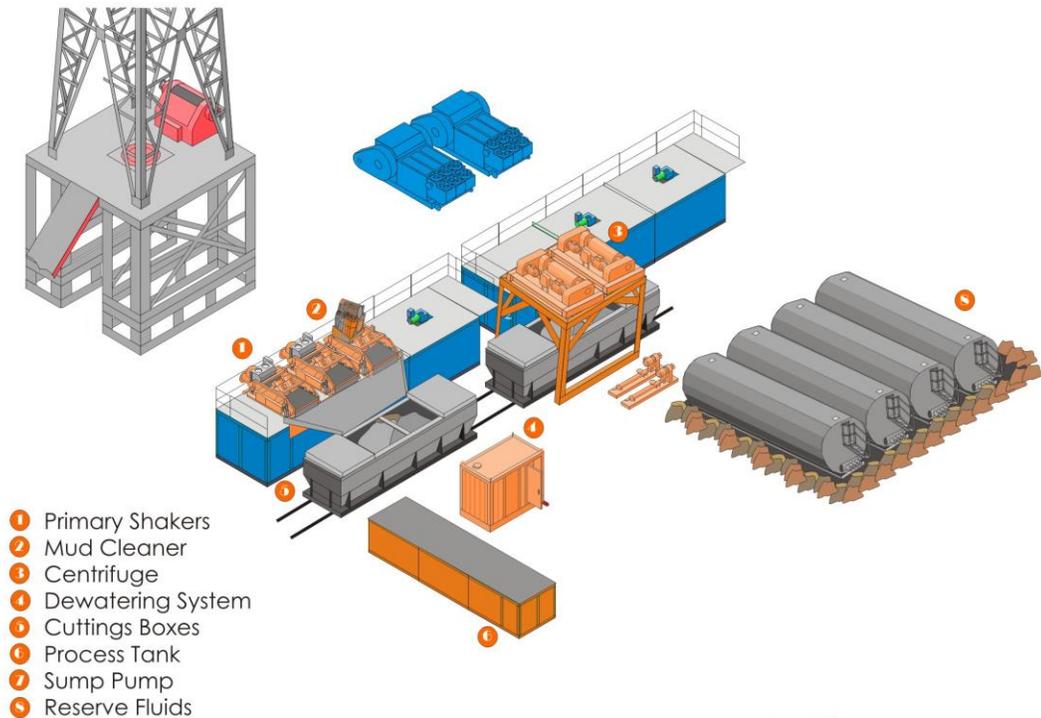
## II. Operations and Maintenance Plan

*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.



## 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.

District I  
 1625 N. French Dr., Hobbs, NM  
 88240 District II  
 811 S. First St., Artesia, NM  
 88210 District III  
 1000 Rio Brazos Road, Aztec, NM  
 87410 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM  
 87505

State of New Mexico  
 Energy, Minerals and Natural Resources  
 Department  
 Oil Conservation  
 Division 1220  
 South St. Francis  
 Dr.  
 Santa Fe, NM 87505

Submit  
 Original  
 to  
 Appropria  
 te District  
 Office

**GAS CAPTURE PLAN**

Date:

12/09/19

x Original

Devon & OGRID No.: Devon Energy Prod Co., LP (6137)

Amended - Reason for Amendment:\_\_\_\_\_

This Gas Capture Plan outlines actions to be taken by the Devon to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

*Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).*

**Well(s)/Production Facility – Name of facility**

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected	Flare d/	Comments
Yukon Gold 31-19 Fed Com 211H		Sec. 31, T23S, R30E	2042 FNL, 1228 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 212H		Sec. 31, T23S, R30E	2042 FNL, 1198 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 213H		Sec. 31, T23S, R30E	2042 FNL, 1168 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 333H		Sec. 31, T23S, R30E	2192 FNL, 1168 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 623H		Sec. 31, T23S, R30E	2192 FNL, 1228 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 624H		Sec. 31, T23S, R30E	2192 FNL, 1138 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 712H		Sec. 31, T23S, R30E	2192 FNL, 1198 FEL			Yukon Gold 31 CTB

**Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if DCP system is in place. The gas produced from production facility is dedicated to DCP and will be connected to DCP low/high pressure gathering system located in Eddy County, New Mexico. It will require 10,560' of pipeline to connect the facility to low/high pressure gathering system. Devon provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Devon and DCP have periodic conference calls to discuss changes to the drilling and completion schedules. Gas from these wells will be processed at DCP Processing Plant located NENW in Sec., Twn. S, Rng. (*\*See below*), Eddy, County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

(\*DCP Supersystem Plants – Artesia Sec. 7, 18S, 28E, Eunice Sec. 5, T21S, R36E, Linam Sec. 6, T19S, 37E, & Zia II Sec. 19, T19S, 32E)

### **Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on DCP system at that time. Based on current information, it is Devon's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

### **Alternatives to Reduce Flaring**

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
  - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
  - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines