			RECEIVED				
Form 3160-5 (June 2015) D. E	-5 UNITED STATES) DEPARTMENT OF THE IN BUREAU OF LAND MANAG			APR 2 6 2018			18
SUNDRY Do not use th abandoned we	NOTICES AND REPOR his form for proposals to ell. Use form 3160-3 (APL	RTS ON WEL drill or to level D) for such pro	hier an posals.		6. If Indian, Allottee on	Tribe Nam	e
SUBMIT IN	TRIPLICATE Other inst	ructions on pa	ge 2		7. If Unit or CA/Agree 891005247X	ment, Name	e and/or No.
1. Type of Well	OCD A	<u>riesia</u>			8. Well Name and No. COTTON DRAW	UNIT 516H	
Oil Well Gas Well C O	Contact:	LINDA GOOD			9. API Well No. 30-015-44717-0	0-X1	
3a. Address 333 WEST SHERIDAN AVE		3b. Phone No. (Ph: 405.552)	include area code) 6558		10. Field and Pool or I	Exploratory WOLFC	Area
OKLAHOMA, OK 73102 4. Location of Well (Footage, Sec.,	T., R., M., or Survey Description	1)			11. County or Parish,	State	0
Sec 25 T24S R31E NENE 4 32.194267 N Lat, 103.72439	85FNL 440FEL 96 W Lon				EDDY COUNTY	Υ, NM	
12. CHECK THE	APPROPRIATE BOX(ES)	TO INDICAT	E NATURE OF	NOTICE	, REPORT, OR OTH	HER DAT	ĨA.
TYPE OF SUBMISSION			TYPE OF	ACTION			
 Notice of Intent Subsequent Report Final Abandonment Notice 	 Acidize Alter Casing Casing Repair Change Plans Convert to Injection 	Deep Hydr New Plug Plug	en aulic Fracturing Construction and Abandon Back	 Product Reclant Recommon Tempor Water 	ation (Start/Resume) nation uplete prarily Abandon Disposal	 □ Wate □ Well ⊠ Othe Change PD 	er Shut-Off I Integrity er e to Original A
testing has been completed. Final determined that the site is ready for Devon Energy Production (FSL 330 FEL to Lot 3, 330	Abandonment Notices must be f or final inspection. Co., LP respectfully reques FSL 1650 FEL. Formation	ts permission to changed from	o change the BH Wolfcamp to Bc	IL from Lot	4, 200		
Attached is the revised C-1			SEE	ATTA	CHED FOR ONS OF APP	ROVA	AL .
14. I hereby certify that the foregoin Name (Printed/Typed) LINDA	ng is true and correct. Electronic Submission For DEVON ENER Committed to AFMSS for pro	#410314 verifie GY PRODUCTIO cessing by PRI	d by the BLM We ON COM LP, sen SCILLA PEREZ o Title REGUI	II Informati t to the Car on 04/06/20 _ATORY S	oon System Isbad 18 (18PP1457SE) SPECIALIST		
Circuitors (Electronic Submission)			Date 04/04/2018				
	THIS SPACE	FOR FEDERA	L OR STATE	OFFICE	USE		
Approved By_ZOTA STEVENS	³			EUM ENG	INEER	Γ	Date 04/19/2018
Conditions of approval, if any, are att certify that the applicant holds legal o which would entitle the applicant to c	ached. Approval of this notice do r equitable title to those rights in onduct operations thereon.	oes not warrant or the subject lease	Office Carlsba	ad		×	Calue Marine 3
Title 18 U.S.C. Section 1001 and Titl States any false, fictitious or fraudu	e 43 U.S.C. Section 1212, make lent statements or representations	it a crime for any p s as to any matter w	erson knowingly an ithin its jurisdictior	d willfully to 1.	make to any department	or agency o	t the United
(Instructions on page 2) ** BLM R	EVISED ** BLM REVIS	ED ** BLM R	EVISED ** BL	M REVIS	ed ** BLM REVIS	еD ** 012	

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APR 26 2018

Form C-102

District Office

District 1 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

X AMENDED REPORT

none: (505) 476-3460	Pax. (505) 470	W	ELL LO	CATIO	ON AND	ACR	EAGE DEDIC	CATION PLA	T		
1 /	PI Number	-		² Pool C	ode			³ Pool Nar	ne		
30-015-	44717		96	6641	Paduca; Bone Spring						
4 Property (ode				⁵ Pr	operty N	lame			° Well Number	
300635	Juc				COTTON	DR	AW UNIT				516H
100000					8 Or	erator l	Name			9	Elevation
'OGRID !	No.		DEVO	ON EN	ERGY PRO	DUC	TION COMPAN	NY, L.P.			3541.5
0157					" Sur	face I	ocation				
	0.1	Township	Panea	Lot Ide	Feet from	the	North/South line	Feet from the	East/W	est line	County
UL or lot no.	Section	Township	Kange	Lot ful	1 100		NODTU	440	EA	ST	EDDY
A	25	24 S	31 E		485		NUKIN	-9-9V	Lizza		1002
		1	" B	ottom	Hole Loca	tion	If Different Fr	om Surface			
III or lot no	Section	Township	Range	Lot Idr	Feet from	n the	North/South line	Feet from the	East/W	est line	County
2	36	24 S	31 E		330 SOUTH 1650 EAST EDDY						
¹² Dedicated Acr	es ¹⁹ Joint	or Infill 14	Consolidation	n Code				¹⁵ Order No.			
320											
320											

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.

		"OPERATOR CERTIFICATION
NW CORNER SEC. 25	NB9'39'11"E 2640.02 FI NB9'41'48'E 2642.71 FI N/4 dORNER SEC. 25 LAT. 32.1956038'N LAT. > 32.1956013'N LONG. = 103.7315137W' 440'	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
NMSP EAST (FT)	NMSP EAST (FT) SURFACE TANAS EAST (FT)	working interest or unleased mineral interest in the lund including the proposed
N = 435400.01	N = 435415.99 LOCATION E = 727498.75 LOCATION E = 730140.78	bottom hole location or has a right to drill this well at this location pursuant to
E = 724035.42		a contract with un owner of such a mineral or working interest, or to a
12.6	COTTON DRAW UNIT 516H R	voluntary pooling agreement or a compulsory pooling order heretofore entered
W/4 CORNER SEC. 25 LAT. = 32.1883435'N LONG. = 103.7400437W	$ \begin{bmatrix} LAT. & = & 32.194268B'N & (NADB3) \\ LONG. & = & 103.7245942'W \\ NMSP & EAST (FT) \\ N & = & 434942.73 \\ \end{bmatrix} \begin{bmatrix} E & F & F & F \\ F & F & F & F \\ F & F & F$	by the displan food 4/4/2018
N = 432760.11	E = 729703.82 $h = 432790.66F = 730156.82$	Signifure Date
E = /248/4.69	SEC 25	Linda Good
x 26		Printed Name
(90,	8	linda.good@dvn.com
SECTION CORNER SECTION CORNER LAT. = 32.1810840'N Z LONG = 103.7400384'W	QUARTER CORNER LAT. = 32/18/0875'N LAT. = 32/18/0875'N LONG. = 105.73/5034'W NB9'39'28"E LONG. = 103.7229683'W	E-mail Address
NMSP EAST (FT)	2641.30 FT NMSP EAST (FT) 2641.31 FT NMSP EAST (FT) N = 430135.17 N = 430150.94	*SURVEYOR CERTIFICATION
N = 430119.23 E E = 724890.89 E	E = 727531.50 $E = 730172.13$	I hereby certify that the well location shown on this plat was
2641 4	2643	plotted from field notes of actual surveys made by me or under
W ²⁰	1575	my supervision, and that the same is true and correct to the
010	E/4 CORNER SEC. 36	best of my belief. JAR
W/4 CORNER SEC. 36 5 LAT. = 32.1738251'N	LAT. = 32.1738293'N	MARCH 21, 2018
LONG. = 103.7400606W	BOTTOM OF HOLE NMSP EAST (FT)	Due of Surger
NMSP EASI (FI) N = 427478.46 L E = 724896.60	LAT. = $\frac{1}{52} \cdot \frac{1675123^{\circ}N}{1620262}$ W = $\frac{1}{2} \cdot \frac{1675123^{\circ}N}{1620262}$ E = $\frac{1}{730189.00}$ NMSP EAST (FT) E = 730189.00 N = 425202.26 E = 728554.00	Jacob Survey
SW CORNER SEC. 36 ≥	LOT 1 S/4 CORNER SEC. 36 LOT 3 CH LOT 4 SE CORNER SEC. 36	EVANA WAND
LONG. = 103.7400854'W 2	LONG. = 103.7315233W I OF HOLE & LONG. = 103.7229572W	Signature and Sualder professional Surveyor.
NMSP EAST (FT) 8	NMSP EAST (FT)	Cedificate Number: FILINON F. JARAMILLO, PLS 12797
N = 424872.06 ² E = 724905.29	$ \begin{array}{c} R = 424571.99 \\ E = 727554.76 \\ \hline R = 727554.76 \\ \hline R = 730205.50 \\ \hline R = 73$	SURVEY NO. 5334A

















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ACCESS ROAD PLAT ACCESS ROAD FOR COTTON DRAW UNIT 514H, 515H, 516H, & 517H

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 25, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO MARCH 21, 2018

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 25, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE NE/4 NE/4 OF SAID SECTION 25, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., WHENCE THE NORTHEAST CORNER OF SAID SECTION 25, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS N68'13'39"E, A DISTANCE OF 778.70 FEET;

THENCE NO0°23'10"W A DISTANCE OF 100.02 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N45°05'17"E A DISTANCE OF 191.48 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N89"36'41"E A DISTANCE OF 358.78 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE NORTHEAST CORNER OF SAID SECTION 25, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS N77"25'12"E, A DISTANCE OF 235.10 FEET;

SAID STRIP OF LAND BEING 650.28 FEET OR 39.41 RODS IN LENGTH, CONTAINING 0.448 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

NE/4 NE/4 650.28 L.F. 39.41 RODS 0.448 ACRES

SURVEYOR CERTIFICATE

<i>CENERAL NOTES</i> 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.	I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.
AN DARIE OF BEARING AND DISTANCE IS NUSP	IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLEBAD,
EAST (NADB3) MODIFIED TO SURFACE	NEW MOXICO, THIS DAY OF MARCH 2018
COORDINATES. NAD 83 (FEET) AND NAVD 88	MADRON SURVEYING, INC. 301 SOUTH CANAL
(FEET) COORDINATE SYSTEMS USED IN THE	CARLSBAD, NEW MEXICO 88220 Phone (575) 234-3341
SURVEY.	SUBVEY NO 53344
\square SHEET: $2-2$	WILLINGK, T. SARAHALU PEST LETON SURVEY ING. JOSTA
MADRON SURVEYING	INC. (375) ANAL CARLSBAD, NEW MEXICO

Cotton Draw Unit 516H Sec 25-T24S-R31E Eddy County, NM

Drilling Plan

1. Geologic Formations

TVD of target	9060'	Pilot hole depth	N/A	
MD at TD:	19054'	Deepest Expected fresh water:	<u> </u>	1

Formation	Depth (TVD) from KB	Hydrocarbon/Water Bearing Zones	Potential Hazard(s)
Rustler	• 701.5	Barren	
Salado	1036.5	Barren	<u> </u>
Base of Salt	4599.69	Barren	
Delaware	4615	Oil	
Bell Canvon	4655.83	Oil	
Cherry Canvon	5543.76	Óil	
Brushy Canvon	8253.25	Oil	
1BSLM	8573.25	Oil	<u> </u>
Leonard A	8658.31	Ōil	
Leonard B	9195.58	Oil	
			· · · · · · · · · · · · · · · · · · ·
	<u></u>		
			·

*H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

Hole Size	Casing Interval	Casing Size	Weight	Grade	Connection,	SF Collapse	SF Burst	SF Tension
47 5	0 - 727	13.375"	48	H-40	STC	1.125	1.25	1.6
17.5	0-727	9.625"	40	J-55	BTC	1.125	1.25	1.6
0.75	0 10054'	5.5"	17	P110	BTC	1.125	1.25	1.6
8.75	0 - 19034		<u> </u>			4.4.25	1.00	1.6 Dry
			-	BLM Minimum	Safety Factor	1.125	1.00	1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Must have table for contingency casing

	YOFN
Is Cooling New? If Used, attach certification as required in Onshore Order #1	Y
Is Casing New: In Osed, and connection of the asing specification sheet.	Y
Does casing meet APT specifications: If his, attach casing specification sheet.	N
Is premium or uncommon casing planned: If yes attach casing specification and provide justification (load	N
Does the above casing design meet of exceed BLIVE's infinition standards. If not provide further	Ĩ. Î
assumptions, casing design criteria).	
Will the intermediate pipe be kept at a minimum 1/3 fund thied to avoid approaching the compact	. Y
pressure rating of the casing?	
	N
Is well located within Capitan Reef?	
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	The second s
Is well located in SOPA but not in R-111-P?	<u>N</u>
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous	
in yes, acting a content of a c	
i ginado	
Line Attended in the Constant of State and State	N
Is well located in K-TTT-F and SOTA:	
If yes, are the first three strings cemenced to surface.	
Is 2 ^{no} string set 100' to 600' below the base of salt?	
the second second and the second s	N
Is well located in high Cave/Karst?	
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	ALC THE ALC ALC REPORT OF SUCCESSION
	Carlos Alexandre
Is well located in critical Cave/Karst?	N
If ves, are there three strings cemented to surface?	

3. Cementing Program

Casing	# Sacks	Weight Ib/gal	H ₂ 0 gal/sack	Yield ft^3/sack	500# Compessive Strength (hours)	Slurry Description
Surface	564	14.8	6.32	<u>з</u> Ì.34	6	Lead: Class C cement +0.125 lbs/sack Poly-F-Flake
	468	10.3	22.06	3.65	24	Lead: (50:50) Poz (Silica) 3 lbm/sk Kol- Seal, .125 lbm/sk Poly-E-Flake
Intermidiate	153	14.8	6.32	1.33	6	Tail: Class C cement + 0.125 lbs/sack Poly-E-Flake
	495	11	13.5	3.27	21	Lead: Tuned Light Cement
Production	2401	13.2	7.45	1.2	18	Tail: (50:50) Class H cement Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% bwoc HR- 601 + 2% bwoc Bentonite

Cacing String	TOC	% Excess
Surface	0'	50%
	0,	30%
Broduction	3750'	25%
FIGULCHION		

4. Pressure Control Equipment

Ν

A variance is requested for the use of a diverter on the surface casing. See attached for schematic

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	Check	Tested to:												
Contraction of the second s	States of a fact game of plantage		Annular	x	50% of working pressure												
			Blind Ram														
12-1/4"	13-5/8"	3M	Pipe Ram		3M												
12 11			Double Ram	X	2112												
			Other*														
			Annular	X	50% of working pressure												
			Blind Ram														
8-3/4"	13-5/8"	3M	Pipe Ram		3M												
			Double Ram	X													
				ł	ł											Other*	
	<u> </u>		Annular	X	·												
	· ·	1	Blind Ram														
		1	Pipe Ram]												
	-		Double Ram	X													
	-		Other*														

*Specify if additional ram is utilized

3 of 6

•

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

	find the second se
	Formation integrity test will be performed per Unshore Order #2.
× Y .	On Exploratory wells or on that portion of any well approved for a SM DOT E
-	system or greater, a pressure integrity test of each casing shoe shell be
	performed.
• •	A variance is requested for the use of a field block into from the port of
Ŷ	Choke Manifold. See attached for specs and hydrostate test onder.
	Y Are anchors required by manufacturer:
	A multibowl wellnead may be used. The BOT will be tested per change of the start of the surface casing which will cover testing
	Order #2 after installation on the surface casing which while over testing
	requirements for a maximum of 50 days. If any scal subject to test presented
	• Wellhead will be installed by wellhead representatives.
	p This assembly will
	Devon proposes using a multi-bowl weinlead assembly. This assembly mile
	only be tested when installed on the surface casing. Within an working provide for
	of the blowout preventer (BOF) and related equipment (BOF 2) requires the
	drilling below the surface casing shoe shan be soor (Shr) point
• •	Is proken the system must be tested.
	• Weinicad with be instance by weinicad representative
	• If the weight is performed by a unit party, and weight exceed the
	will monitor the temperature of the seal
•	Wallbaad representative will install the test plug for the initial BOP test.
	• Wellhead company will install a solid steel body nack-off to completely
	isolate the lower head after cementing intermediate casing. After
	installation of the nack-off the nack-off and the lower flange will be
Y	tested to 3M 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 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a
	minimum rating of 3M will be installed on the wellhead system and will underg
	a 250 psi low pressure test followed by a 3,000 psi high pressure test. The 3,000
	nsi 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
	#7
1	1774.

	After running the 9-5/8' intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 3M 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 3,000 psi WP.
	Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron.
	Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as

5. Mud Program

D	epth	Туре	Weight (Dgg)	Viscosity	Water Loss
F.FOII	727'	FW Gel	8.4 - 9	28-34	N/C
727	4750'	Saturated Brine	9 - 10.5	28-34	<u>N/C</u>
4750'	19054'	Water Based Mud	8.5 - 9.3	28-34	<u>N/C</u>

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

6. Logging and Testing Procedures

Logging, Co	ring and Testing	
v	Will run GR/CNL fromTD to surface (horizontal well - vertical portion of hole). Stated	
	logs	_
	No Logs are planned based on well control or offset log information.	_
	Drill stem test? If yes, explain	
	Coring? If yes, explain	•

Additional	logsplanned	Interval
The party of the second second	Resistivity	Int. shoe to KOP
	Density	Int. shoe to KOP
x	CBL	Production casing
X	Mud Log	KOP TD
	PEX	

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	3957
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 H2Sis detected in concentrations greater than 100 ppm, the operator will comply with theprovisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measuredvalues and formations will be provided to the BLM.NH2S is present

7. Other facets of operation

Y

H2S Plan attached

Is this a walking operation? Yes

- 1. In the event the spudder rig is unable to drill the surface holes the drilling rig will batch drill the surface holes and run/cement surface casing; walking the rig to next wells on the pad.
- The drilling rig will then batch drill the intermediate sections with either OBM or cut brine and run/cement intermediate casing; the wellbore will be isolated with a blind flange and pressure
- 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? Yes

- 1. Spudder rig will move in and drill surface hole.
 - a. Rig will utilize fresh water based mud to drill 17½" 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 13-3/8" 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 the drilling rig. At that time an approved BOP stack will be nippled 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

Х	Directional Plan
	Other, describe

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	3971
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.

Y	H2S Plan attached

7. Other facets of operation

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- 3. The wellhead will be installed and tested once the 13-3/8" 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.
- The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7. Drilling operations will be performed with the drilling rig. At that time an approved BOP stack will be nippled 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

WCDSC Permian NM

Eddy County (NAD 83 NM Eastern) Sec 25-T24S-R31E Cotton Draw Unit 516H

Wellbore #1

Plan: Permit Plan 1

Standard Planning Report - Geographic

27 March, 2018

Database: Company: Project: Site: Nell: Nellbore: Design:	EDM r5000 WCDSC P Eddy Cour Sec 25-T2 Cotton Dra Wellbore # Permit Pla	0.141_Prod US ermian NM hty (NAD 83 NM 4S-R31E aw Unit 516H #1 in 1	Eastern)		Local Co-ordi TVD Reference MD Reference North Reference Survey Calcu	nate Referenc :e: e: nce: lation Method	e: Well RKB RKB Grid : Mini	Cotton Draw U @ 3566.50ft @ 3566.50ft mum Curvature	nit 516H	
Project	Eddy Coun	ty (NAD 83 NM	Eastern)		A TO AGATOMIC PLANE	NAMES OF A COMPANY OF A COMPANY	n and a star and a star and	na demonstration and a second second	NEW CAR AND THE PARTY CARDING STOR	STARSTON SALES FOR STREET
Map System: Geo Datum: Map Zone:	US State Pla North Americ New Mexico	ane 1983 can Datum 1983 Eastern Zone	3		System Datum	1:	Mean	Sea Level		
Site	Sec 25-T2-	4S-R31E		and the second second second	an a		na cantan di tana dagi babbasa Manggung Kunga dang satih tinak	and the second second second		Carlos Carlos State Shattan Arabia
Site Position: From: Position Uncertainty:	Мар	5.00	Northing Easting: ft Slot Rad	j: lius:	435,40 724,85	00,53 usft La 59,44 usft Lo 13-3/16 " G	atitude: ongitude: rid Convergend	ce:		32.195602 -103.740046 0.32 °
Well	Cotton Dra	w Unit 516H			tin og det som som som hadened. 1939 og som som som som som			11.11.11.11.11.11.11.11.11.11.11.11.11.		ALLO MARKA ALLO TALLAND
Well Position Position Uncertainty	+N/-S +E/-W	0.0 0.0 0.5	0 ft Nort 0 ft East 0 ft Well	hing: ting: lhead Elevatio	on:	434,942.73 us 729,703.82 us	sft Latitud sft Longit Groun	de: tude: id Level:		32.194269 -103.724394 3,541.50 ft
Wellbore	Wellbore	#1	<u>za zazkon da 1880</u> 0				n ann an an ann ann ann ann an ann an an	a ser anna ann an ann an an ann an ann an ann an a		
Magnetics	Mode	I Name	Sample	Date	Declinati (°)	on	Dip Ang (°)	gle	Field Stre (nT)	ngth
Design Audit Notes: Version: Vertical Section:	Permit Pla	an 1 Dep	Phase th From (TV (ft) 0.00	: P D)	ROTOTYPE +N/-S (ft) 0.00	Tie (+E/- (ft 0.0	On Depth: W) 00	0 Dire (186	0.00 ction °) 3.73	
Plan Survey Tool Pr Depth From (ft) 1 0.00	rogram Depth (ft) D 19,05	Date 3 To Survey (M 4.41 Permit Pla	/27/2018 /ellbore) an 1 (Wellbor	e #1)	Tool Name MWD+HDGM OWSG MWD -	+ HDGM	Remarks	l		
Plan Sections		non anter estat anter a service				ana an			Selection and a selection of the selecti	
Measured Depth Inc (ft)	lination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00 950.00 2,103.51 7,489.74	0.00 0.00 11.54 11.54	0.00 0.00 287.31 287.31	0.00 950.00 2,095.74 7,373.18	0.00 0.00 34.44 354.93	0.00 0.00 -110.48 -1.138.77	0.00 0.00 1.00 0.00	0.00 0.00 1.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 287.31 0.00	ertical Point - CDU -
8,258.75 8,608.79 9,508.79 19,054.41	0.00 0.00 90.00 90.00	0.00 0.00 179.65 179.65	8,137.00 8,487.04 9,060.00 9,060.00	377.89 377.89 -195.06 -9,740.49	-1,212.42 -1,212.42 -1,208.88 -1,149.82	1.50 0.00 10.00 0.00	-1.50 0.00 10.00 0.00	0.00 0.00 0.00 0.00	0.00 179.65 P 0.00 P	BHL - CDU 516H BHL - CDU 516H

Database: EDM r5000.141_Prod US Company: WCDSC Permian NM Project: Eddy County (NAD 83 NM Eastern) Site: Sec 25-T24S-R31E Well: Cotton Draw Unit 516H Wellbore: Wellbore #1 Design Permit Plan 1	Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference: Survey Calculation Method:	Well Cotton Draw Unit 516H RKB @ 3566.50ft RKB @ 3566.50ft Grid Minimum Curvature
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Planned Survey

	Measured		A - i - u u th	Vertical	+N/-S	+E/-W	Map Northing	Map Easting		100
	Depth (ft)	Inclination (°)	Azimuth (°)	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
1.412	0.00	0.00	0.00	0.00	0.00	0.00	434,942.73	729,703.82	32.194269	-103.724394
	100.00	0.00	0.00	100.00	0.00	0.00	434,942.73	729,703.82	32.194269	-103.724394
	200.00	0.00	0.00	200.00	0.00	0.00	434,942.73	729,703.82	32.194269	-103.724394
	300.00	0.00	0.00	300.00	0.00	0.00	434,942.73	729,703.82	32.194269	-103.724394
	400.00	0.00	0.00	400.00	0.00	0.00	434,942.73	729,703.82	32.194269	-103.724394
	500.00	0.00	0.00	500.00	0.00	0.00	434,942.73	729,703.82	32.194269	103 724394
	600.00	0.00	0.00	600.00	0.00	0.00	434,942.73	729,703.82	32.194269	-103 724394
	700.00	0.00	0.00	700.00	0.00	0.00	434,942.73	729,703.82	32.194269	-103 724394
	800.00	0.00	0.00	800.00	0.00	0.00	434,942.73	729,703.82	32,194209	-103 724394
	900.00	0.00	0.00	900.00	0.00	0.00	434,942.73	729,703.82	32.194209	-103 724394
	950.00	0.00	0.00	950.00	0.00	0.00	434,942.73	129,103.62	32.194200	100.121001
	Begin N	udge				0.01	424 042 70	729 703 61	32 194269	-103,724395
	1,000.00	0.50	287.31	1,000.00	0.06	-0.21	434,942.79	729,703.01	32,194271	-103.724401
	1,100.00	1.50	287.31	1,099.98	0.58	-1.87	434,943.31	729 698 61	32,194273	-103.724411
	1,200.00	2.50	287.31	1,199.92	1.62	-5.21	434,944.35	729,693,61	32,194278	-103.724427
	1,300.00	3.50	287.31	1,299.78	3.18	-10.20	434,943.91	729 686 95	32,194284	-103.724449
	1,400.00	4.50	287.31	1,399.54	5.26	-10.00	434,947.55	729 678 63	32.194291	-103.724476
	1,500.00	5.50	287.31	1,499.16	7.85	-25.16	434 953 69	729 668 65	32.194300	-103.724508
	1,600.00	6.50	287.31	1,598.61	10.90	-35.10	434 957 32	729.657.02	32.194310	-103.724545
	1,700.00	7.50	287.31	1,697.66	14.55		434 961 46	729,643,73	32,194321	-103.724588
	1,800.00	8.50	287.31	1,790.09	22.28	-75.02	434 966 11	729,628.80	32.194334	-103.724637
	1,900.00	9.50	287.31	1,095.05	28.55	-91.60	434,971.28	729,612.22	32.194349	-103.724690
	2,000.00	10.50	207.31	2 092 29	34 23	-109.81	434,976.96	729,594.00	32,194365	-103.724749
	2,100.00	11.50	207.31	2,092.20	34.44	-110,48	434,977.16	729,593.33	32.194365	-103.724751
	2,103.51	11.54	207.01	2,000.10						
	EOB		297 21	2 190 27	40 18	-128.90	434,982.91	729,574.91	32.194381	-103.724810
	2,200.00	11.54	207.31	2 288 25	46.13	-147.99	434,988.86	729,555.82	32.194398	-103.724872
	2,300.00) 11.54	287.31	2 386 24	52.08	-167.08	434,994.81	729,536.73	32.194415	-103.724934
	2,400.00	11.54	287.31	2 484 22	58,03	-186.18	435,000.76	729,517.64	32.194431	-103.724995
	2,500.00	11.54	287.31	2,582,20	63.98	-205.27	435,006.71	729,498.55	32.194448	-103.725057
	2,000.00	11.54	287.31	2,680,18	69.93	-224.36	435,012.66	729,479.46	32.194465	-103.725118
	2,700.00	11.54	4 287.31	2,778.16	75.88	-243.45	435,018.61	729,460.37	32.194481	-103.725180
	2 900 00	11.54	287.31	2,876.14	81.83	-262.54	435,024.56	729,441.28	32.194498	-103.725242
	3,000,00	0 11.54	4 287.31	2,974.12	87.78	-281.63	435,030.51	729,422.19	32.194515	103.725365
	3,100,0	D 11.54	4 287.31	3,072.10	93.73	-300.72	435,036.46	729,403.10	32.194531	103 725426
	3,200.0	0 11.54	4 287.31	3,170.08	99.68	-319.81	435,042.41	729,384.00	32.194540	-103 725488
	3,300.0	0 11.54	4 287.31	3,268.06	105.63	-338.90	435,048.36	729,364.91	32,194503	-103 725550
	3,400.0	0 11.54	4 287.31	3,366.04	111.58	-357.99	435,054.31	729,345.82	32 194598	-103.725611
	3,500.0	0 11.5	4 287.31	3,464.02	117.53	-377.09	435,060.26	729,320.73	32 194614	-103,725673
	3,600.0	0 11.5	4 287.31	3,562.00	123.48	-396.18	435,066,21	729,307.04	32 194631	-103,725734
	3,700.0	0 11.5	4 287.31	3,659.98	129.43	-415.27	435,072.10	729,269,46	32 194648	-103.725796
	3,800.0	0 11.5	4 287.31	3,757.96	135.38	-434.36	435,076.11	729 250 37	32,194664	-103.725858
	3,900.0	0 11.5	4 287.31	3,855.94	141.33	-453.45	435,004.00	729,231,28	32,194681	-103.725919
	4,000.0	0 11.5	4 287.31	3,953.92	147.28	-4/2.54	435,090.01	729 212 19	32, 194698	-103.725981
	4,100.0	0 11.5	4 287.31	4,051.90	153.23	-491.63	435,095.90	729 193 09	32,194714	-103.726043
	4,200.0	0 11.5	4 287.31	4,149.88	159.18	-510.72	435,107.86	729 174 00	32,194731	-103.726104
	4,300.0	0 11.5	4 287.31	4,247.86	165.13	-529.01	435,107.00	729 154 91	32,194748	-103,726166
	4,400.0	0 11.5	4 287.31	4,345.84	1/1.08	-346,90	135 110 76	729 135 82	32,194764	-103.726227
	4,500.0	0 11.5	4 287.31	4,443.82	1/7.03	-368.00	435, 115.70	729 116 73	32,194781	-103.726289
	4,600.0	11.5	4 287.31	4,541.80	182.98	-367.09	435 131 66	729 097 64	32,194798	-103.726351
	4,700.0	11.5	287.31	4,639.78	188.93	-000.10	435 137 61	729.078.55	32,194814	-103.726412
	4,800.0	0 11.5	287.31	4,737.76	194.88	-020.27	435 143 56	729.059.46	32,194831	-103.726474
	4,900.0	0 11.5	287.31	4,835.74	200.84	-044.30	400,140,00			

Database: Company: Project: Site: Well: Wellbore: Design:	EDM r5000.141_Prod US WCDSC Permian NM Eddy County (NAD 83 NM Eastern) Sec 25-T24S-R31E Cotton Draw Unit 516H Wellbore #1 Permit Plan 1	Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference: Survey Calculation Method:	Well Cotton Draw Unit 516H RKB @ 3566.50ft RKB @ 3566.50ft Grid Minimum Curvature
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Planned Survey

Measured Depth	Inclination	Azimuth	Vertical Depth	+N/-S (ff)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
(IT)	()	0	(15)	(10)	002.45	425 149 51	729 040 37	32,194848	-103.726535
5,000.00	11.54	287.31	4,933.72	206.79	-663.45	435, 145.51	729 021 28	32,194864	-103.726597
5,100.00	11.54	287.31	5,031.70	212.74	-082.04	435,155.47	729 002 19	32,194881	-103.726659
5,200.00	11.54	287.31	5,129.68	218.69	-701.63	435, 101.42	728 983 09	32,194898	-103.726720
5,300.00	11.54	287.31	5,227.66	224.64	-720.72	435,107.37	728,964,00	32,194914	-103,726782
5,400.00	11.54	287.31	5,325.64	230.59	-/39.81	435,175.52	728,904.00	32,194931	-103.726843
5,500.00	11.54	287.31	5,423.62	236.54	-/58.91	435,179.27	728 925 82	32 194948	-103.726905
5,600.00) 11.54	287.31	5,521.60	242.49	-778.00	435,105.22	728 906 73	32,194964	-103.726967
5,700.00) 11.54	287.31	5,619.58	248.44	-797.09	435,191.17	728 887 64	32 194981	-103.727028
5,800.00	11.54	287.31	5,717.56	254.39	-816.18	435,197.12	728 868 55	32,194997	-103.727090
5,900.00	11.54	287.31	5,815.54	260.34	-835.27	435,203.07	728,849,46	32,195014	-103.727151
6,000.00) 11.54	287.31	5,913.52	266.29	-854.30	435,209.02	728 830 37	32,195031	-103.727213
6,100.00	11.54	287.31	6,011.50	272.24	-8/3.45	435,214.57	728 811 28	32,195047	-103.727275
6,200.00	11.54	287.31	6,109.48	278.19	-892.54	435,220.92	728 792 18	32,195064	-103.727336
6,300.00	0 11.54	287.31	6,207.46	284.14	-911.63	435,220.07	728 773 09	32,195081	-103.727398
6,400.00	0 11.54	287.31	6,305.44	290.09	-930.72	435,232.02	728 754 00	32,195097	-103.727459
6,500.00	0 11.54	287.31	6,403.43	296.04	-949.82	435,230.77	728 734 91	32,195114	-103.727521
6,600.00	0 11.54	287.31	6,501.41	301.99	-968.91	435,244.72	728,734.57	32 195131	-103.727583
6,700.00	0 11.54	287.31	6,599.39	307.94	-988.00	435,250.07	728 696 73	32 195147	-103.727644
6,800.0	0 11.54	287.31	6,697.37	313.89	-1,007.09	435,250.02	728 677 64	32 195164	-103.727706
6,900.0	0 11.54	287.31	6,795.35	319.84	-1,026.18	435,202.57	728 658 55	32,195181	-103.727767
7,000.0	0 11.54	287.31	6,893.33	325.79	-1,045.27	435,200.52	728 639 46	32 195197	-103.727829
7,100.0	0 11.54	287.31	6,991.31	331.74	-1,064.36	435,274.47	728,630,37	32 195214	-103.727891
7,200.0	0 11.54	287.31	7,089.29	337.69	-1,083.45	435,200.42	728,601,27	32 195231	-103.727952
7,300.0	11.54	287.31	7,187.27	343.64	-1,102.54	435,200.37	728,582,18	32 195247	-103,728014
7,400.0	11.54	287.31	7,285.25	349.59	-1,121.63	435,292.32	728,565,05	32 195262	-103.728069
7,489.7	4 11.54	287.31	7,373.17	354.93	-1,138.77	435,297.00	120,000.00	02.100202	
EOH						405 008 07	728 563 11	32 195264	-103,728075
7,500.0	11.38	3 287.31	7,383.23	355.54	-1,140.71	435,290.27	728,505.11	32 195279	-103,728132
7,600.0	9.88	3 287.31	7,481.51	361.03	-1,158.33	435,303.76	728 530 34	32 195292	-103,728181
7,700.0	8.38	8 287.31	7,580.24	365.75	-1,173.48	435,308.40	728,530.54	32 195304	-103.728222
7,800.0	6.8	8 287.31	7,679.35	369.70	-1,186.15	435,312.43	728,517.07	32 195312	-103.728255
7,900.0	5.3	8 287.31	7,778.78	372.88	-1,196.35	435,315.01	728,307.47	32 195319	-103,728280
8,000.0	3.8	8 287.31	7,878.45	375.28	-1,204.06	435,318.01	728 494 55	32 195324	-103,728297
8,100.0	2.3	8 287.31	7,978.30	376.91	-1,209.27	435,319.64	728,494,55	32 195326	-103.728305
8,200.0	0.8	8 287.31	8,078.25	377.76	-1,211.99	435,320.48	728,491.00	32 195326	-103,728307
8,258.7	75 0.0	0.00	8,137.00	377.89	-1,212.42	435,320.02	120,401.40		
Drop t	to Vertical					105 000 60	728 401 40	32 195326	-103,728307
8,300.0	0.0	0.00	8,178.25	377.89	-1,212.42	435,320.62	720,491.40	32 195326	-103,728307
8,400.0	0.0	0.00	8,278.25	377.89	-1,212.42	435,320.62	720,491.40	32 195326	-103,728307
8,500.0	0.0	0.00	8,378.25	377.89	-1,212.42	435,320.62	728,491.40	32 195326	-103,728307
8,600.0	0.0	0.00	8,478.25	377.89	-1,212.42	435,320.62	728,491,40	32 195326	-103,728307
8,608.	79 0.0	0.00	8,487.04	377.89	-1,212.42	435,320.62	720,431,40	02.100021	
KOP	@ 8609' MD, 10	00' FNL, 1652'	FEL			105 040 07	709 401 44	32 195307	-103,728307
8,700.	9.1	2 179.65	8,577.87	370.65	-1,212.38	435,313.37	720,491.44	32 195240	-103,728307
8,800.	00 19.1	2 179.65	8,674.72	346.28	-1,212.23	435,289.01	720,491.39	32 195127	-103,728307
8,900.	00 29.1	2 179.65	8,765.87	305.47	-1,211.97	435,248.20	720,491.04	32 10/073	-103,728307
9,000.	00 39.1	2 179.65	8,848.55	249.44	-1,211.63	435,192.17	720,492.19	30 10/780	-103 728306
9.100.	00 49.1	2 179.65	8,920.25	179.92	-1,211.20	435,122.65	720,492.02	22 104714	-103 728306
9,132.	.19 52.3	179.65	8,940.62	155.00	-1,211.04	435,097.73	128,492.18	52.154/14	-,00,720000
First	Take Point @	9132' MD, 330'	FNL, 1651' FE	L			700 100 10	20 10/560	103 728306
9 200	.00 59.1	12 179.65	8,978.78	99.00	-1,210.70	435,041.72	728,493.12	32.194560	-103.720300
9 300	.00 69.1	12 179.65	9,022.38	9.14	-1,210.14	434,951.87	728,493.68	32,194313	103.720300
9 400	.00 79.	12 179.65	9,049.70	-86,92	-1,209.55	434,855.81	728,494.27	32,194049	-103.720300
9,500	.00 89.	12 179.65	9,059.93	-186.27	-1,208.93	434,756.46	728,494.89	32,193776	-103.720300

3/27/2018 11:32:24AM

Database: Company: Project: Site: Well: Wellbore: Design:	EDM r5000.141_Prod US WCDSC Permian NM Eddy County (NAD 83 NM Eastern) Sec 25-T24S-R31E Cotton Draw Unit 516H Wellbore #1 Permit Plan 1	Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference: Survey Calculation Method:	Well Cotton Draw Unit 516H RKB @ 3566.50ft RKB @ 3566.50ft Grid Minimum Curvature
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Planned Survey

1	Measured			Vertical		EUM	Map	Map Easting		
	Depth (ft)	Inclination (°)	Azimuth (°)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	(usft)	(usft)	Latitude	Longitude
	9,508.79	90.00	179.65	9,060.00	-195.06	-1,208.88	434,747.67	728,494,94	32.193751	-103.728306
	Land Po	int						700 407 54	22 102501	-103 728306
	9,600.00	90.00	179.65	9,060.00	-286.26	-1,208.31	434,656.47	728,495.51	32.193301	-103 728305
	9,700.00	90.00	179.65	9,060.00	-386.26	-1,207.69	434,556.47	728,496.12	32,193220	-103 728305
	9,800.00	90.00	179.65	9,060.00	-486.26	-1,207.08	434,456.47	728,496.74	32,192931	-103 728305
	9,900.00	90.00	179.65	9,060.00	-586.26	-1,206.46	434,356.47	728,497.30	32 192401	-103 728305
	10,000.00	90.00	179.65	9,060.00	-686.26	-1,205.84	434,256.47	728,497.90	32 192126	-103,728305
	10,100.00	90.00	179.65	9,060.00	-786.25	-1,205.22	434,156.48	720,490.00	32 191851	-103,728305
	10,200.00	90.00	179.65	9,060.00	-886.25	-1,204.60	434,056.48	728,499.22	32 191577	-103,728304
	10,300.00	90.00	179.65	9,060.00	-986.25	-1,203.98	433,956.48	728,499.04	32 191302	-103,728304
	10,400.00	90.00	179.65	9,060.00	-1,086.25	-1,203.36	433,856.40	728,500.45	32 191027	-103,728304
	10,500.00	90.00	179.65	9,060.00	-1,186.25	-1,202.75	433,756.40	728,501.07	32 190752	-103,728304
	10,600.00	90.00	179.65	9,060.00	-1,286.25	-1,202.13	433,000.49	728,507.03	32 190477	-103,728304
	10,700.00	90.00	179.65	9,060.00	-1,386.24	-1,201.51	433,000.49	728 502 93	32,190202	-103.728303
	10,800.00	90.00	179.65	9,060.00	-1,486.24	-1,200.89	433,450.49	728 503 55	32,189927	-103.728303
	10,900.00	90.00	179.65	9,060.00	-1,586.24	-1,200.27	433,356.49	728 504 17	32,189652	-103.728303
	11,000.00	90.00	179.65	9,060.00	-1,686.24	-1,199.65	433,250.50	728 504 79	32,189378	-103.728303
	11,100.00	90.00	179.65	9,060.00	-1,786.24	-1,199.03	433,150.50	728 505 40	32,189103	-103.728303
	11,200.00	90.00	179.65	9,060.00	-1,886.23	-1,190.41	432,956,50	728 506 02	32.188828	-103.728303
	11,300.00	90.00) 179.65	9,060.00	-1,986.23	-1,197.00	432,856,50	728,506,64	32,188553	-103,728302
	11,400.00	90.00	179.65	9,060.00	-2,086.23	-1,197.10	432,050.50	728 507 26	32.188278	-103.728302
	11,500.00	90.00) 179.65	9,060.00	-2,160.23	-1,190.00	432 656 51	728 507.88	32.188003	-103.728302
	11,600.00	90.00	179.65	9,060.00	-2,200.23	1 105 32	432 556 51	728,508,50	32.187728	-103.728302
	11,700.00	0.00	179.65	9,060.00	-2,300.22	-1,193.32	432 456 51	728,509,12	32,187453	-103.728302
	11,800.00	90.00	1/9.65	9,060.00	-2,400.22	-1,194,08	432 356 51	728,509,73	32.187179	-103.728301
	11,900.00	90.00	1/9.65	9,060.00	-2,500.22	-1 193 47	432 256 52	728,510,35	32.186904	-103.728301
	12,000.00	0 90.00	179.65	9,060.00	-2,000.22	-1 192 85	432,156,52	728,510.97	32,186629	-103.728301
	12,100.00	90.00	179.65	9,000.00	-2,886,21	-1 192 23	432,056,52	728,511.59	32,186354	-103.728301
	12,200.0	90,00	0 179.65	9,000,00	-2 986 21	-1 191 61	431,956,52	728,512.21	32.186079	-103.728301
	12,300.0	0 90.0	0 179.05	9,000.00	-3.086.21	-1 190 99	431,856.52	728,512.83	32.185804	-103.728301
	12,400.0	0 90.0	0 179.65	9,000.00	-3 186 21	-1.190.37	431,756.53	728,513.45	32.185529	-103.728300
	12,500.0	0 90.0	0 179.65	9,060,00	-3 286 21	-1.189.75	431,656.53	728,514.07	32,185254	-103.728300
	12,600.0	0 90.0	0 179.65	9,060,00	-3.386.21	-1,189.13	431,556.53	728,514.68	32.184979	-103.728300
	12,700.0	0 90.0	0 179.65	9.060.00	-3,486.20	-1,188.52	431,456.53	728,515.30	32.184705	-103.728300
	12,000.0	0 90.0	0 179.65	9,060.00	-3,586.20	-1,187.90	431,356.54	728,515.92	32.184430	-103.728300
	12,000.0	0 90.0	0 179.65	9,060.00	-3,686.20	-1,187.28	431,256.54	728,516.54	32.184155	-103.728299
	13 100 0	0 90.0	0 179.65	9,060.00	-3,786.20	-1,186.66	431,156.54	728,517.16	32.183880	-103,728299
	13 200 0	0 90.0	0 179.65	9,060.00	-3,886.20	-1,186.04	431,056.54	728,517.78	32.183605	-103.728299
	13 300 0	90.0	179.65	9,060.00	-3,986.19	-1,185.42	430,956.54	728,518.40	32,183330	-103.728299
	13,400.0	90.0	179.65	9,060.00	-4,086.19	-1,184.80	430,856.55	728,519.01	32,183055	-103.728298
	13,500.0	90.00	179.65	9,060.00	-4,186.19	-1,184.19	430,756.55	728,519.63	32.182780	-103.720295
	13,600.0	0.00 90.0	179.65	9,060.00	-4,286.19	-1,183.57	430,656.55	728,520.25	32,182506	103.720290
	13,700.0	0.00 90.0	179.65	9,060.00	-4,386.19	-1,182.95	430,556.55	728,520.87	32.182231	102 72820
	13.800.0	90.00	179.65	9,060.00	-4,486.18	-1,182.33	430,456.55	728,521.49	32.181956	-103.720290
	13,900.0	90.0	179.65	9,060.00	-4,586.18	-1,181.71	430,356.56	728,522.11	32.181681	-103.720290
	14,000.0	90.0	179.65	9,060.00	-4,686.18	-1,181.09	430,256.56	728,522.73	32,181406	-103.720290
	14,100.0	90.0	179.65	9,060.00	-4,786.18	-1,180.47	430,156.56	728,523.35	32,181131	-103.72029
	14.200.0	0.00 00.00	179.65	9,060.00	-4,886.18	-1,179.85	430,056.56	728,523.96	32,180806	-103,72029
	14.300.0	0.00 00.00	179.65	9,060.00	-4,986.17	-1,179.24	429,956.57	728,524.58	32,180381	-103.72029
	14.400.0	90.0	179.65	9,060.00	-5,086.17	-1,178.62	429,856.57	728,525.20	32,180306	-103.72029
	14.500.0	90.0	179.65	9,060.00	-5,186.17	-1,178.00	429,756.57	728,525.82	32.180032	102 72920
	14.600.0	00 90.0	179.65	9,060.00	-5,286.17	-1,177.38	429,656.57	728,526.44	32.1/9/5/	103.72029
	14 700 (0.00	179.65	9,060.00	-5,386.17	-1,176.76	429,556.57	728,527.06	32.179482	-103,72829

Database: Company: Project: Site: Well: Wellbore: Design:	EDM r5000.141_Prod US WCDSC Permian NM Eddy County (NAD 83 NM Eastern) Sec 25-T24S-R31E Cotton Draw Unit 516H Wellbore #1 Permit Plan 1	Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference: Survey Calculation Method:	Well Cotton Draw Unit 516H RKB @ 3566.50ft RKB @ 3566.50ft Grid Minimum Curvature
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Planned Survey

Measured Depth	Inclination	Azimuth	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
(11)	()	170.65	0.060.00	-5 486 17	-1 176 14	429,456,58	728,527.68	32.179207	-103.728296
14,800.0	0 90.00	179.05	9,000,00	-5,586,16	-1 175.52	429,356.58	728,528.29	32.178932	-103.728296
14,900.0	90.00	179.05	9,000.00	-5,686,16	-1 174.91	429,256.58	728,528.91	32.178657	-103.728296
15,000.0	90.00	179.05	9,000.00	-5 786 16	-1.174.29	429,156.58	728,529.53	32.178382	-103.728296
15,100.0	90.00	179.05	9,000.00	-5,886,16	-1 173 67	429,056,58	728,530.15	32.178107	-103.728295
15,200.0	90.00	179.05	9,000.00	-5 986 16	-1 173 05	428,956,59	728,530.77	32.177833	-103.728295
15,300.0	90.00	179.65	9,060.00	-0,000.10	-1 172 43	428,856,59	728,531.39	32.177558	-103.728295
15,400.0	90.00	179.65	9,060.00	-0,000.15	-1 171 81	428 756 59	728,532.01	32.177283	-103.728295
15,500.0	90.00	179.65	9,060.00	-0,100.15	-1 171 19	428 656 59	728,532,63	32,177008	-103.728295
15,600.0	90.00	179.65	9,060.00	-0,200.15	-1 170 57	428 556 59	728,533.24	32.176733	-103.728295
15,700.0	90.00	179.65	9,060.00	-0,300.15	1 169 96	428 456 60	728,533,86	32.176458	-103.728294
15,800.0	90.00	179.65	9,060.00	-0,400.15	1 169 34	428 356 60	728,534,48	32,176183	-103.728294
15,900.0	90.00) 179.65	9,060.00	-0,500.14	1 168 72	428,256,60	728,535,10	32.175908	-103.728294
16,000.	90.00) 179.65	9,060.00	-0,000.14	-1,100.72	428,200.00	728 535.72	32.175634	-103.728294
16,100.	90.00) 179.65	9,060.00	-0,780.14	-1,100.10	428,100.00	728 536 34	32.175359	-103.728294
16,200.	90.00	179.65	9,060.00	-0,880.14	-1,107.40	427,056,61	728 536 96	32,175084	-103.728293
16,300.	00 90.00	179.65	9,060.00	-6,986.14	-1,100.00	427,856,61	728 537 57	32,174809	-103,728293
16,400.	00 90.00	179.65	9,060.00	-7,086.13	-1,100.24	427,050.01	728 538 19	32,174534	-103.728293
16,500.	00 90.00	179.65	9,060.00	-7,186.13	-1,165.63	427,750.01	728 538 81	32,174259	-103.728293
16,600.	00 90.00	179.65	9,060.00	-7,286.13	-1,165.01	427,050.01	728 539 43	32,173984	-103.728293
16,700.	00 90.00	0 179.65	9,060.00	-7,386.13	-1,164.39	427,550.02	728 540 05	32,173709	-103.728293
16,800.	00 90.00	0 179.65	9,060.00	-7,486.13	-1,103.77	427,450.02	728,540,67	32,173434	-103.728292
16,900.	00 90.0	0 179.65	9,060.00	-7,586.12	-1,163.15	427,350.02	728 541 29	32,173160	-103.728292
17,000.	0.00 90.0	0 179.65	9,060.00	-7,686.12	-1,162.53	427,250.02	728 541 91	32,172885	-103.728292
17,100.	.00 90.0	0 179.65	9,060.00	-7,786.12	-1,161.91	427,150.02	728 542 52	32 172610	-103,728292
17,200	.00 90.0	0 179.65	9,060.00	-7,886.12	-1,161.29	427,050.05	728 543 14	32 172335	-103,728292
17,300	.00 90.0	0 179.65	9,060.00	-7,986.12	-1,160.68	420,950.05	728 543 76	32 172060	-103.728291
17,400	.00 90.0	0 179.65	9,060.00	-8,086.12	-1,160.06	420,000.00	728 544 38	32 171785	-103,728291
17,500	.00 90.0	0 179.65	9,060.00	-8,186.11	-1,159.44	420,750.05	728,545,00	32 171510	-103.728291
17,600	.00 90.0	179.65	9,060.00	-8,286.11	-1,158.82	420,000.00	728 545 62	32 171235	-103,728291
17,700	.00 90.0	179.65	9,060.00	-8,386.11	-1,158.20	426,556.64	728,545.02	32 170961	-103,728291
17,800	.00 90.0	179.65	9,060.00	-8,486.11	-1,157.58	426,456.64	728,546,85	32 170686	-103,728291
17,900	.00 90.0	179.65	9,060.00	-8,586.11	-1,156.96	426,356.64	720,540.05	32 170411	-103,728290
18,000	.00 90.0	179.65	9,060.00	-8,686.10	-1,156.35	426,256.64	728 548 09	32 170136	-103,728290
18,100	.00 90.0	179.65	9,060.00	-8,786.10	-1,155.73	426,156.65	728,548,71	32 169861	-103,728290
18,200	.00 90.0	179.65	9,060.00	-8,886.10	-1,155.11	426,056.65	728,540,33	32 169586	-103.728290
18,300	.00 90.0	179.65	9,060.00	-8,986.10	-1,154.49	425,956.65	728 549 95	32 169311	-103,728290
18,400	.00 90.0	179.65	9,060.00	-9,086.10	-1,153.87	425,856,65	728,549.95	32 169036	-103,728289
18,500	.00 90.0	179.65	9,060.00	-9,186.09	-1,153.25	425,756.65	728,550.57	32 168761	-103,728289
18,600	.00 90.0	179.65	9,060.00	-9,286.09	-1,152.63	420,000.00	728,551.19	32 168487	-103.728289
18,700	.00 90.0	179.65	9,060.00	-9,386.09	-1,152.01	425,550.66	728 552 42	32 168212	-103.728289
18,800	.00 90.0	179.65	9,060.00	-9,486.09	-1,151.40	425,456.66	729 552 04	32 167937	-103,728289
18,900	.00 90.0	179.65	5 9,060.00	-9,586.09	-1,150.78	425,356.66	729 553.04	32 167662	-103.728289
19,000	.00 90.0	00 179.65	5 9,060.00	-9,686.08	-1,150.16	425,256.66	720,555.00	32 167512	-103.728288
19,054	1.41 90.0	179.65	5 9,060.00	-9,740.49	-1,149.82	425,202.26	120,554.00	02.107012	
PBH	L; 330' FSL, 16	50' FEL							

Database: Company: Project: Site: Well: Wellbore: Design:	EDM r5000.141_Prod US WCDSC Permian NM Eddy County (NAD 83 NM Eastern) Sec 25-T24S-R31E Cotton Draw Unit 516H Wellbore #1 Permit Plan 1			Local Co-or TVD Refere MD Referen North Refer Survey Cal	rdinate Reference: nce: nce: rence: culation Method:	Well Cotton RKB @ 356 RKB @ 356 Grid Minimum C	Well Cotton Draw Unit S16H RKB @ 3566.50ft RKB @ 3566.50ft Grid Minimum Curvature		
Design Targets Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL - CDU 516H - plan misses targ - Point	0.00 et center by 906	0.00 0.00ft at 190	0.00 054.41ft MD	-9,740.49 (9060.00 TVD,	-1,149.82 -9740.49 N,	425,202.26 -1149.82 E)	728,554.00	32.167512	-103.728288
Vertical Point - CDU 5 - plan hits target o - Point	16 0.00 center	0.00	8,137.00	377.89	-1,212.42	435,320.62	728,491.40	32,195326	-103.726307

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Dip Dip Direction Lithology (°) (°)
701.50	701.50	Rustler	0.00
1,036.50	1,036.50	Salado	0.00
4,599.69	4,541.50	Base of Salt	
4,615.00	4,556.50	Delaware	
 4,655.83	4,596.50	Bell Canyon	
5,543.76	5,466.50	Cherry Canyon	
8,253.25	8,131.50	L Brushy	
8,573.25	8,451.50	1st BSPG Lime	
8,658.31	8,536.50	Leonard 'A'	
9,195.58	8,976.50	Leonard 'B'	

Plan Annotations

Measured	Vertical	Local Coordinates		
Depth (ft)	Depth (ft)	+N/-S (ft)	+E/-W (ft)	Comment
950.00	950.00	0.00	0.00	Begin Nudge
2 103 5	2 095 73	34.44	-110.48	EOB
7 489 7	7 373.17	354.93	-1,138.77	EOH
8 258 7	8 137.00	377.89	-1,212.42	Drop to Vertical
8 608 7	8,487.04	377.89	-1,212.42	KOP @ 8609' MD, 100' FNL, 1652' FEL
9 132 1	8,940.62	155.00	-1,211.04	First Take Point @ 9132' MD, 330' FNL, 1651' FEL
9 508 7	9,060.00	-195.06	-1,208.88	Land Point
19,054.4	9,060.00	-9,740.49	-1,149.82	PBHL; 330' FSL, 1650' FEL

8

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

•		
	[]	Formation integrity test will be performed per Onshore Order #2.
Y	, [On Exploratory wells or on that portion of any well approved for a strip bor 2
-	4	system or greater, a pressure integrity test of each casing shoe shart of
		performed.
_	. ŀ	A variance is requested for the use of a first ble choice the from the bor to
Y		Choke Manifold. See attached for specs and hydrostate test ond t
		Y Are anchors required by maintracturer
		A multibowl wellnead may be used. The BOT will be tested per character
		Order #2 after installation on the surface casing which will be to test the surface of the surface casing which will be to test pressure
		requirements for a maximum of 50 days. If any scal subject to test presented
		• Wellnead will be instance by weinical representatives.
		by the assembly will be a sembly the assembly will
		Devon proposes using a multi-bowl weinted assention in the surface casing Minimum working pressure
		only be tested when installed on the surface casing, withinken working provident of the surface casing within the surface casing in
		of the blowout preventer (BOF) and related equipment (DOF 2) require a state
		drilling below the surface casing shoe shall be seee (shall per
•		is broken the system must be tested.
		• Weinhead will be instance by weinhead representative
		• If the weiding is performed of a unit party, does not exceed the
		will monitor the temperature of the seal
		Wollhood 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 nack-off the nack-off and the lower flange will be
	Y	tested to 3M as shown on the attached schematic. Everything above
1		the neck off will not have been altered whatsoever from the initial nipple
	•	Therefore the BOP components will not be retested at that time.
1		• 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.
1		• Devon will pressure test all seals above and below the mandrel (but still
1		above the casing) to full working pressure rating.
1		• Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater,
		as per Onshore Order #?
		After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a
		minimum rating of 3M will be installed on the wellhead system and will undergo
ľ		a 250 psi low pressure test followed by a 3,000 psi high pressure test. The 3,000
		nsi high and 250 nsi 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
1		of this BOP test another full BOP test will be conducted, as per Onshore Order
· ·		#7

	After running the 9-5/8' intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 3M 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 3,000 psi WP.
	Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron.
	Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as

5. Mud Program

D	epth	Туре	Weight	Viscosity	Water Loss
From	<u>To</u>	FW Gel	(P88)	28-34	N/C
<u> </u>	/21	Saturated Brine	9 - 10.5	28-34	N/C
4769'	19286'	Water Based Mud	8.5 - 9.3	28-34	N/C

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

2

6. Logging and Testing Procedures

Logging, Co	ring and Testing
v	Will run GR/CNL fromTD to surface (horizontal well – vertical portion of hole). Stated
· A	logs
	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	Int. shoe to KOP
	Density	Int. shoe to KOP
x	CBL	Production casing
<u> </u>	Mud Log	KOP TD
	PEX	

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	DEVON ENERGY
LEASE NO.:	NMNM89055
WELL NAME & NO.:	COTTON DRAW UNIT 516H
SURFACE HOLE FOOTAGE:	485' FNL & 440' FEL
BOTTOM HOLE FOOTAGE	330' FSL & 1650' FEL
LOCATION:	Section 25, T. 24 S., R 31 E., NMPM
COUNTY:	Eddy County, New Mexico

COA

H2S	CYes	No	
Potech	© None	C Secretary	C R-111-P
Cave/Karst Potential	© Low	C Medium	← High
Variance	C None	Flex Hose	C Other
Wallhead	Conventional	Multibowl	C Both
Other	Γ 4 String Area	□ Capitan Reef	F WIPP

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 **727** feet (a minimum of 25 feet 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 $\underline{\mathbf{8}}$ <u>hours</u> 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.

Operator shall filled 1/3rd casing with fluid while running intermediate casing to maintain collapse safety factor.

- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above. Additional cement maybe required. Excess calculates to 23%.
- 3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
 - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification. Additional cement maybe required. Excess calculates to 23%.

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. 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.
- Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 intermediate casing shoe shall be 3000 (3M) psi.

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)

Chaves and Roosevelt Counties

Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201. During office hours call (575) 627-0272. After office hours call (575)

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 2nd 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. <u>Wait on cement (WOC) for Potash Areas:</u> 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 $\underline{24}$ <u>hours</u>. WOC time will be recorded in the driller's log. The casing intergrity test can be done (prior to the cement setting up) immediately after bumping the plug.

- 3. <u>Wait on cement (WOC) for Water Basin:</u> 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 <u>8 hours</u>. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements. The casing intergrity 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. 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.
- 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).

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- 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).
 - The tests shall be done by an independent service company utilizing a test

plug. The results of the test shall be reported to the appropriate BLM office.

- 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. 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.
- f. 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. This test shall be performed prior to the test at full stack pressure.
- g. 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.

Waste Minimization Plan (WMP)

In the interest of resource development, submission of additional well gas capture development plan information is deferred but may be required by the BLM Authorized Officer at a later date.

ZS 041918

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Lesser	r ran	16-01	neuen.

13 3/8 surface csg in a		17 1/2	inch hole.	0 ann a bha 8 ann	Design Factors		SURFACE		
Segment	#/ft	Grade		Coupling	Joint	Collapse	Burst	Length	Weight
"A"	48.00	H	40	ST&C	9.23	2.27	0.67	727	34,896
"""	MARK SAL	S 80 129 150	WINE REAL PARTY	A CARE AN				0	0
w/9 A#/a	mud 20min Sfo	Cog Test noig	894	Tail Cmt	does	circ to sfc.	Totals:	727	34,896
Comparison of	f Proposed t	o Minimum	Required Ce	ement Volume	s				
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Reg'd	Min Dist
Size	Volume	Cmt Sx	CuEt Cmt	Cu Et	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
OILE	Volume	564	756	560	35	9.00	1546	2M	1.56
17 1/2	0.6946			0 70 OK					
17 1/2 Burst Frac Grac	0.6946 lient(s) for Se	gment(s) A,	B=,b All:	> 0.70, OK.	11 1000 11 1000 11 100		- e mar a mar a m	ne product a source a	2000 V 1000 V 4000
17 1/2 Burst Frac Grac	0.6946	gment(s) A,	B=,b All:	> 0.70, OK.	1 1000 1 1000 1 100	Design	Factors	INTERN	MEDIATE
17 1/2 Burst Frac Grac 9 5/8	0.6946 lient(s) for Se casing in	gment(s) A,	B=,b All: 13 3/8	> 0.70, OK.	Body	Design Collapse	Factors Burst	INTERN	VEDIATE Weight
17 1/2 Burst Frac Grac 9 5/8 Segment	0.6946 lient(s) for Se casing in #/ft	gment(s) A, side the Grade	B=,b All: 133/8	> 0.70, OK.	Body 3 32	Design Collapse	Factors Burst	INTERN Length 4 750	VEDIATE Weight 190.000
17 1/2 Burst Frac Grac 9 5/8 Segment "A"	0.6946 lient(s) for Se casing in #/ft 40.00	gment(s) A, side the Grade	B=,b All: 13 3/8	> 0.70, ОК Соирling BUTT	Body 3.32	Design Collapse 0.99	Factors Burst 0.9	INTERN Length 4,750 0	VEDIATE Weight 190,000 0
17 1/2 Burst Frac Grac 9 5/8 Segment "A" "B"	0.6946 lient(s) for Se casing in #/ft 40.00	gment(s) A, side the Grade	B=,b All: 13 3/8	> 0.70, ОК. Соирling ВUTT	Body 3.32	Design Collapse 0.99	Factors Burst 0.9	INTERN Length 4,750 0 4 750	MEDIATE Weight 190,000 0 190.000
17 1/2 Burst Frac Grac 9 5/8 Segment "A" "B" w/8.4#/g	0.6946 lient(s) for Se casing in #/ft 40.00 mud, 30min Sf	gment(s) A, side the Grade J	B = , b All : 13 3/8 1 55 :	> 0.70, OK. Coupling BUTT	Body 3.32	Design Collapse 0.99	Factors Burst 0.9 Totals:	INTERN Length 4,750 0 4,750 727	MEDIATE Weight 190,000 0 190,000 overlap.
17 1/2 Burst Frac Grac 9 5/8 Segment "A" "B" w/8.4#/g The c	0.6946 lient(s) for Se casing in #/ft 40.00 mud, 30min Sf ement volum	gment(s) A, side the Grade J c Csg Test psig ne(s) are into	B = , b All: 13 3/8 55 ended to acl	> 0.70, OK. Coupling BUTT hieve a top of	Body 3.32	Design Collapse 0.99 ft from su Drilling	Factors Burst 0.9 Totals: urface or a	INTERN Length 4,750 0 4,750 727 Reg'd	AEDIATE Weight 190,000 0 190,000 overlap. Min Dist
17 1/2 Burst Frac Grac 9 5/8 Segment "A" "B" w/8.4#/g The c Hole	0.6946 lient(s) for Se casing in #/ft 40.00 mud, 30min Sf ement volun Annular	gment(s) A, side the Grade Crade J c Csg Test psig ne(s) are inte 1 Stage	B = , b All : 13 3/8 55 conded to acl 1 Stage	> 0.70, OK. Coupling BUTT hieve a top of Min	Body 3.32 0 1 Stage	Design Collapse 0.99 ft from su Drilling Mud Wt	Factors Burst 0.9 Totals: urface or a Calc MASP	INTERN Length 4,750 0 4,750 727 Req'd BOPE	VEDIATE Weight 190,000 0 190,000 overlap. Min Dist Hole-Chl
17 1/2 Burst Frac Grac 9 5/8 Segment "A" "B" w/8.4#/g The c Hole Size	0.6946 lient(s) for Se casing in #/ft 40.00 mud, 30min Sf ement volun Annular Volume	gment(s) A, side the Grade C Csg Test psig ne(s) are into 1 Stage Cmt Sx	B = , b All 13 3/8 55 ended to acl 1 Stage CuFt Cmt	> 0.70, OK.	Body 3.32 0 1 Stage % Excess	Design Collapse 0.99 ft from su Drilling Mud Wt	Factors Burst 0.9 Totals: urface or a Calc MASP 2284	INTERN Length 4,750 0 4,750 727 Req'd BOPE 2M	VEDIATE Weight 190,000 0 190,000 overlap. Min Dist Hole-Cplg 0,81

Burst Frac Gradient(s) for Segment(s): A, B, C, D = 0.83, b, c, d
ALT. COLLAPSE SF: 0.99*1.5= 1.49 All > 0.70, OK. AND 2 AND 8 11

51/2	casing ins	ide the	9 5/8	2 Mar / 2007 3 8000	"" 1820 / A220 2 4220	Design Fa	ctors	PROD	UCTION
Segment	#/ft	Grade		Coupling	Body	Collapse	Burst	Length	Weight
"A"	17.00	Р	110	BUTT	2.90	3.45	1.93	8,609	146,353
"B"	17.00	Р	110	BUTT	6.70	2.96	1.93	10,445	177,565
w/8 4#/s	mud. 30min Sfc	Csg Test psig:	1.894				Totals:	19,054	323,918
B	would be:	COB COSt Ports	_,		58.17	3.28	if it were a	vertical we	ellbore.
U	mould sol		MTD	Max VTD	Csg VD	Curve KOP	Dogleg ^o	Severity ^o	MEOC
No Pi	lot Hole Plar	nned	19054	9060	9060	8609	90	10	9509
The	cement volum	e(s) are inte	nded to ach	nieve a top of	4550	ft from s	urface or a	200	overlap.
Hole	Annular	1 Stage	1 Stage	Min	1 Stage	Drilling	Calc	Req'd	Min Dist
Size	Volume	Cmt Sx	CuFt Cmt	Cu Ft	% Excess	Mud Wt	MASP	BOPE	Hole-Cplg
8 3/4	0.2526	2896	4500	3671	23	9.30			1.35