RECEIVED

ŧ

Form 3160-3 (June 2015)	DEC 0 4 2019	FORM APP OMB No. 10 Expires: Januar	04-0137			
UNITED STATES DEPARTMENT OF THE INT BUREAU OF LAND MANAGEI	STRICTIARTESIAO.C.D.	5. Lease Serial No. NMNM120904				
APPLICATION FOR PERMIT TO DRILL	OR REENTER	6. If Indian, Allotee or Tribe Name				
Ia. Type of work: Image: DRILL Image: REENT Ib. Type of Well: Image: Oil Well Image: Gas Well Other Ic. Type of Completion: Image: Hydraulic Gas Well Image: Gas Well Image: Gas Well		 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. THOROUGHBRED 10-3.FED 				
2. Name of Operator		711H				
DEVON ENERGY PRODUCTION COMPANY LP	N	30-015				
	Phone No. (include area code) 583-3866	VIO Field and Pop of Ex	BONE SPRING LI GAS			
4. Location of Well (Report location clearly and in accordance with an	ny State requirements.*)	11. Sec., T. R. M. of Blk				
At surface SWSW / 220 FSL / 350 FWL / LAT 32.0507278 /	LONG -103.7735247	SEC 104 T265 A R31E	/ NMP			
At proposed prod. zone NWSW / 2310 FSL / 330 FWL / LAT 3	2.0711267 / LONG -103.7735584					
14. Distance in miles and direction from nearest town or post office*		12. County or Parish EDDY	13. State NM			
15. Distance from proposed* 220 feet location to nearest 220 feet property or lease line, ft. 200 (Also to nearest drig, unit line, if any) 00	No of acres in lease 17. Spaci	ng.Unit dedicated to this w	ell			
to nearest well drilling completed		'BIA Bond No. in file 1B000801				
	Approximate date work will start* 7/2020	23. Estimated duration45 days				
24.	Attachments					
The following, completed in accordance with the requirements of Onsh (as applicable)	ore Oil and Gas Order No. 1, and the F	lydraulic Fracturing rule p	er 43 CFR 3162.3-3			
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest System Lan SUPO must be filed with the appropriate Forest Service Office). 	 4. Bond to cover the operation Item 20 above). 5. Operator certification. 6. Such other site specific infor BLM. 	·	- .			
25. Signature	Name (Printed/Typed)	Dat				
(Electronic Submission)	Jenny Harms / Ph: (405)552-6560	06/	27/2019			
Regulatory Compliance Professional						
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Christopher Walls / Ph: (575)234-2	2234 Date 11/	e 25/2019			
Title / Petrolęum Engineer	Office CARLSBAD	······	,			
Application approval does not warrant or certify that the applicant hold applicant to conduct operations thereon. Conditions of approval, if any, are attached.	s legal or equitable title to those rights	in the subject lease which	would entitle the			
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it of the United States any false, fictitious or fraudulent statements or repr			epartment or agency			
	WITH CONDITIONS	GCF	1.7			

Approval Date: 11/25/2019

(Continued on page 2)

*(Instructions on page 2) PPP 12 -10-19.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

Consult local ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.



The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application. AUTHORITY: 30 U.S.C. 181 et seq., 25 U(S:C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agencysponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

(Continued on page 3)

Approval Date: 11/25/2019

(Form 3160-3, page 2)

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company LP
LEASE NO.:	NMNM120904
WELL NAME & NO.:	THOROUGHBIRD 10-3 FED 711H
SURFACE HOLE FOOTAGE:	220'/S & 350'/W
BOTTOM HOLE FOOTAGE	2310'W & 330'/W
LOCATION:	Section 10, T.26 S., R.31 E., NMP
COUNTY:	Eddy County, New Mexico



H2S	C Yes	© No	
Potash	💽 None	C Secretary	C R-111-P
Cave/Karst Potential	CLow	💽 Medium	C High
Cave/Karst Potential	Critical		
Variance		• Flex Hose	C Other
Wellhead	Conventional	C Multibowl	🖸 Both
Other	C4 String Area	Capitan Reef	WIPP
Other	Fluid Filled	Cement Squeeze	🖵 Pilot Hole
Special Requirements	☐ Water Disposal	Г СОМ	L 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

Primary Casing Design:

- 1. The 13-3/8 inch surface casing shall be set at approximately 1443 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

Page 1 of 10

completing the cement job.

- b. Wait on cement (WOC) time for a primary cement job will be a minimum of <u>8</u>
 <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.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

2. The minimum required fill of cement behind the 7-5/8 inch intermediate casing is:

Option 1 (Single Stage):

• 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. Cement excess is less than 25%, more cement might be required.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 Cement excess is less than 25%, more cement might be required.
- In <u>Medium Cave/Karst Areas</u> 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 7-5/8" annulus. <u>Operator must run</u> <u>a CBL from TD of the 7-5/8" casing to surface. Submit results to BLM.</u>

Page 2 of 10

- 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.

Alternate Casing Design:

- 4. The 13-3/8 inch surface casing shall be set at approximately 1443 feet (a minimum of 70 feet (Eddy County) into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - e. 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.
 - f. 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)
 - g. 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.
 - h. If cement falls back, remedial cementing will be done prior to drilling out that string.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

5. The minimum required fill of cement behind the 8-5/8 inch intermediate casing is:

Option 1 (Single Stage):

• 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. Cement excess is less than 25%, more cement might be required.

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

- c. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- d. Second stage above DV tool:
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
 Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 Cement excess is less than 25%, more cement might be required.
- In <u>Medium Cave/Karst Areas</u> 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 8-5/8" annulus. <u>Operator must run</u> a CBL from TD of the 8-5/8" casing to surface. Submit results to BLM.

- 6. 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.

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.

Option 1:

- a. 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.
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the intermediate casing shoe shall be **5000 (5M)** psi.

Option 2:

1. 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

Page 4 of 10

blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **5000 (5M)** 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.

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 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.

Page 6 of 10

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.
- <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 <u>24 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. 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 <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

Page 7 of 10

- 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.

ł

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

Page 8 of 10

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

Page 9 of 10

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.

Page 10 of 10

PECOS DISTRICT SURFACE USE CONDITIONS OF APPROVAL

Thoroughbred 10-3 Fed Com 621H (Pad 1) 220 FSL, 380 FWL Section 10, T.26., R. 31E. Thoroughbred 10-3 Fed Com 711H (Pad 1) 220 FSL, 350 FWL Section 10, T.26., R. 31E. Thoroughbred 10-3 Fed Com 731H (Pad 1) 220 FSL, 410 FWL Section 10, T.26., R. 31E. Thoroughbred 10-3 Fed Com 712H (Pad 2) 220 FSL, 1470 FWL Section 10, T.26., R. 31E. Thoroughbred 10-3 Fed Com 332H (Pad 2) 220 FSL, 1500 FWL Section 10, T.26., R. 31E. Thoroughbred 10-3 Fed Com 732H (Pad 2) 220 FSL, 1500 FWL Section 10, T.26., R. 31E.

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

General Provisions
Permit Expiration
Archaeology, Paleontology, and Historical Sites
Noxious Weeds
Special Requirements
Phantom Banks SMA
Hydrology
Range
Karst
Construction
Notification
Topsoil
Closed Loop System
Federal Mineral Material Pits
Well Pads
Roads
Road Section Diagram
Production (Post Drilling)
Well Structures & Facilities
Pipelines
Electric Lines
Interim Reclamation
Final Abandonment & Reclamation

Page 1 of 20

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

Page 2 of 20

V. SPECIAL REQUIREMENT(S)

Phantom Banks SMA

Surface disturbance will not be allowed within up to 200 meters of active heronries or by delaying activity for up to 120 days, or a combination of both.

Hydrology:

The entire well pad(s) will be bermed to prevent oil, salt, and other chemical contaminants from leaving the well pad. The compacted berm shall be constructed at a minimum of 12 inches with impermeable mineral material (e.g. caliche). Topsoil shall not be used to construct the berm. No water flow from the uphill side(s) of the pad shall be allowed to enter the well pad. The integrity of the berm shall be maintained around the surfaced pad throughout the life of the well and around the downsized pad after interim reclamation has been completed. Any water erosion that may occur due to the construction of the well pad during the life of the well will be quickly corrected and proper measures will be taken to prevent future erosion. Stockpiling of topsoil is required. The top soil shall be stockpiled in an appropriate location to prevent loss of soil due to water or wind erosion and not used for berming or erosion control. If fluid collects within the bermed area, the fluid must be vacuumed into a safe container and disposed of properly at a state approved facility.

Tank battery locations will be lined and bermed. A 20 mil permanent liner will be installed with a 4 oz. felt backing to prevent tears or punctures. Tank battery berms must be large enough to contain $1\frac{1}{2}$ times the content of the largest tank or 24 hour production, whichever is greater. Automatic shut off, check valves, or similar systems will be installed for tanks to minimize the effects of catastrophic line failures used in production or drilling.

When crossing ephemeral drainages the pipeline(s) will be buried to a minimum depth of 48 inches from the top of pipe to ground level. Erosion control methods such as gabions and/or rock aprons should be placed on both up and downstream sides of the pipeline crossing. In addition, curled (weed free) wood/straw fiber wattles/logs and/or silt fences should be placed on the downstream side for sediment control during construction and maintained until soils and vegetation have stabilized. Water bars should be placed within the ROW to divert and dissipate surface runoff. A pipeline access road is not permitted to cross these ephemeral drainages. Traffic should be diverted to a preexisting route. Additional seeding may be required in floodplains and drainages to restore energy dissipating vegetation.

Prior to pipeline installation/construction a leak detection plan will be developed. The method(s) could incorporate gauges to detect pressure drops, situating valves and lines so they can be visually inspected periodically or installing electronic sensors to alarm when a leak is present. The leak detection plan will incorporate an automatic shut off system that will be installed for proposed pipelines to minimize the effects of an undesirable event.

Page 3 of 20

Any water erosion that may occur due to the construction of overhead electric line and during the life of the power line will be quickly corrected and proper measures will be taken to prevent future erosion. A power pole should not be placed in drainages, playas, wetlands, riparian areas, or floodplains and must span across the features at a distance away that would not promote further erosion.

Livestock Watering Requirement

Any damage to structures that provide water to livestock throughout the life of the well, caused by operations from the well site, must be immediately corrected by the operator. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

Fence Requirement

Where entry is granted across a fence line, the fence must be braced and tied off on both sides of the passageway with H-braces prior to cutting. Once the work is completed, the fence will be restored to its prior condition, or better. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

The operator must contact the allotment holder prior to construction to identify the location of the pipeline. The operator must take measures to protect the pipeline from compression or other damages. If the pipeline is damaged or compromised in any way near the proposed project as a result of oil and gas activity, the operator is responsible for repairing the pipeline immediately. The operator must notify the BLM office (575-234-5972) and the private surface landowner or the grazing allotment holder if any damage occurs to structures that provide water to livestock.

During construction, the proponent shall minimize disturbance to existing fences, water lines, troughs, windmills, and other improvements on public lands. The proponent is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the grazing permittee/allottee prior to disturbing any range improvement projects. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

CONSTRUCTION MITIGATION

In order to mitigate the impacts from construction activities on cave and karst resources, the following Conditions of Approval will apply to this APD or project:

- In the event that any underground voids are encountered during construction activities, construction activities will be halted and the BLM will be notified immediately.
- No blasting the pad and roads will be constructed and leveled by adding the necessary fill and caliche.
- All pads will be bermed to minimize the impact of any spilled contaminates

DRILLING MITIGATION

Federal regulations and standard Conditions of Approval applied to all APDs require that adequate measures are taken to prevent contamination to the environment. Due to the extreme sensitivity of the cave and karst resources in this project area, the following additional Conditions of Approval will be added to this APD.

Page 4 of 20

To prevent cave and karst resource contamination the following will be required.

- Closed mud system using steel tanks all fluids and cuttings will be hauled off-site and disposed of properly
- Rotary drilling with fresh water where cave or karst features are expected to prevent contamination of freshwater aquifers.
- Directional drilling is only allowed at depths greater than 100 feet below the cave occurrence zone to prevent additional impacts resulting from directional drilling.
- Lost circulation zones will be logged and reported in the drilling report so BLM can assess the situation and work with the operator on corrective actions.
- Additional drilling, casing, and cementing procedures to protect cave zones and fresh water aquifers. See drilling COAs.

PRODUCTION MITIGATION

In order to mitigate the impacts from production activities and due to the nature of karst terrane, the following Conditions of Approval will apply to this APD:

- Tank battery locations and facilities will be bermed and lined with a 20 mil thick permanent liner that has a 4 oz. felt backing, or equivalent, to prevent tears or punctures. Tank battery berms must be large enough to contain 1 ½ times the content of the largest tank.
- Development and implementation of a leak detection system to provide an early alert to operators when a leak has occurred.
- Automatic shut off, check values, or similar systems will be installed for pipelines and tanks to minimize the effects of catastrophic line failures used in production or drilling.

RESIDUAL AND CUMULATIVE MITIGATION

• The operator will perform annual pressure monitoring on all casing annuli and reported in a sundry notice. If the test results indicated a casing failure has occurred, remedial action will be taken to correct the problem to the BLM's approval.

PLUGGING AND ABANDONMENT MITIGATION

• Upon well abandonment in high cave karst areas additional plugging conditions of approval may be required. The BLM will assess the situation and work with the operator to ensure proper plugging of the wellbore.

Page 5 of 20

Page 6 of 20

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation. The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Page 7 of 20

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

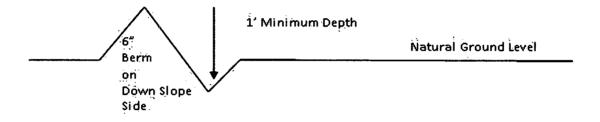
Drainage

Page 8 of 20

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: 400' + 100' = 200' lead-off ditch interval 4%

Cattle guards

An appropriately sized cattle guard sufficient to carry out the project shall be installed and maintained at fence/road crossings. Any existing cattle guards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guards that are in place and are utilized during lease operations.

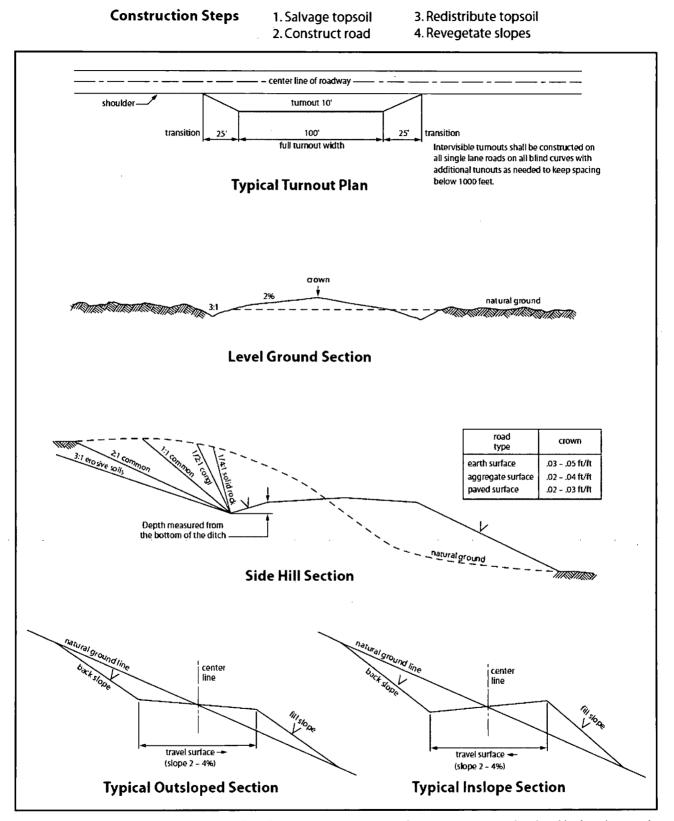
Fence Requirement

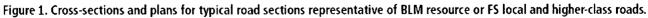
Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting. The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Page 9 of 20





Page 10 of 20

VII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks until the operator removes the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Page 11 of 20

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, <u>Shale Green</u> from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES

BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 <u>et seq.</u> (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C.6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

Page 12 of 20

4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

Page 13 of 20

5. All construction and maintenance activity will be confined to the authorized right-of-way.

6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.

- 7. The maximum allowable disturbance for construction in this right-of-way will be $\underline{30}$ feet:
 - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed **20** feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
 - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed <u>30</u> feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
 - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)

8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately <u>6</u> inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.

9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.

11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.

Page 14 of 20

12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

1

() seed mixture 1	() seed mixture 3
(X) seed mixture 2	() seed mixture 4
() seed mixture 2/LPC	() Aplomado Falcon Mixture

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-ofway and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. <u>Escape Ramps</u> - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or

Page 15 of 20

other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

C. ELECTRIC LINES

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.

2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.

3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, <u>et seq</u>. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, <u>et seq</u>.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.

Page 16 of 20

4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.

5. Power lines shall be constructed and designed in accordance to standards outlined in "Suggested Practices for Avian Protection on Power lines: The State of the Art in 2006" Edison Electric Institute, APLIC, and the California Energy Commission 2006. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication deter raptor perching, roosting, and nesting. Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

Raptor deterrence will consist of but not limited to the following: triangle perch discouragers shall be placed on each side of the cross arms and a nonconductive perching deterrence shall be placed on all vertical poles that extend past the cross arms.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the

Page 17 of 20

Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

VIII. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations; as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

IX. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

Page 18 of 20

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Page 19 of 20

Seed Mixture 2, for Sandy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law (s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

Species	lb/acre			
Sand dropseed (Sporobolus cryptandrus)	1.0			
Sand love grass (Eragrostis trichodes)	1.0			
Plains bristlegrass (Setaria macrostachya)	2.0			

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed

Page 20 of 20



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT



Zip: 73102

Operator Certification

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

NAME: Jenny Harms		Signed on: 06/21/2019					
Title: Regulatory Compliance	Professional						
Street Address: 333 West S	heridan Avenue						
City: Oklahoma City	State: OK	Zip: 73102					
Phone: (405)552-6560							
Email address: jennifer.harm	ns@dvn.com						
Field Representa	itive						
Representative Name: Ray	vaz						
Street Address: 333 WEST \$	SHERIDAN AVE						

City: OKLAHOMA CITY State: OK

Phone: (575)748-1871

Email address: ray.vaz@dvn.com

U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

erior MENT Application Data Report 12/02/2019 Submission Date: 06/27/2019 Highlighted data

APD ID: 10400043114Submission Date: 06/27/2019Highlighted data
reflects the most
recent changesOperator Name: DEVON ENERGY PRODUCTION COMPANY LPHighlighted data
reflects the most
recent changesWell Name: THOROUGHBRED 10-3 FEDWell Number: 711HShow Final TextWell Type: OIL WELLWell Work Type: Drill

Section 1 - General APD ID: 10400043114 Tie to previous NOS? Submission Date: 06/27/2019 BLM Office: CARLSBAD **User:** Jenny Harms Title: Regulatory Compliance Professional Federal/Indian APD: FED Is the first lease penetrated for production Federal or Indian? FED Lease number: NMNM120904 Lease Acres: 200 Surface access agreement in place? Allotted? Reservation: Agreement in place? NO Federal or Indian agreement: Agreement number: Agreement name:

Keep application confidential? YES

Permitting Agent? NO

Operator letter of designation:

Operator Info

Operator Organization Name: DEVON ENERGY PRODUCTION COMPANY LP

Operator Address: 333 West Sheridan Avenue

Operator PO Box:

Operator City: Oklahoma City State: OK

Operator Phone: (800)583-3866

Operator Internet Address:

Section 2 - Well Information

Well in Master Development Plan? NO

Well in Master SUPO? NO

Well in Master Drilling Plan? NO

Well Name: THOROUGHBRED 10-3 FED

Field/Pool or Exploratory? Field and Pool

Master Development Plan name:

APD Operator: DEVON ENERGY PRODUCTION COMPANY LP

Zip: 73102

Master SUPO name:

Master Drilling Plan name:

Well Number: 711H

Field Name: FORTY NINER RIDGE BONE SPRING Well API Number:

Pool Name: UPPER BONE SPRING SHALE

Is the proposed well in an area containing other minera	al resources? NATURAL GAS,OIL,P	OTASH
---	---------------------------------	-------

Is the proposed well in a Helium production area? N						N Use E	Use Existing Well Pad? YES New surface disturbance? N							? N				
Type of Well Pad: MULTIPLE WELL						•	Multiple Well Pad Name: Number: 1											
Well Class: HORIZONTAL							ROUGHBR		WELL	PAD								
Well	Work	Туре	: Drill															
Well	Type:	OIL	NELL															
Desc	ribe V	Vell T	ype:															
Well	sub-T	ype:	INFILI	-														
Desc	ribe s	ub-ty	pe:															
Dista	ince t	o tow	n:				Dist	tance to	nearest v	vell: 1846	FT	Dist	ance t	o le	ase line:	: 220	T-	
Rese	ervoir	well s	pacin	ıg ass	ignec	l acre	s Mea	asurem	ent: 240 A	cres								
Well plat: THOROUGHBRED_10_3_FED_COM_711H_WL_P_C102_SIGNED_5_3_2019_20190627202520.pdf																		
Well	work	start	Date:	05/27	/2020				Durat	i on: 45 DA	AYS							
r																		
	Sec	tion	3 - V	Vell	Loca	ation	Tal	ole										
Surv	еу Туј	oe: RE	ECTAI	NGUL	AR													
Desc	ribe S	urvey	/ Туре	: :														
Datu	m: NA	D83							Vertic	al Datum:	NAVE	88						
Surv	ey nui	mber:	7225						Refer	ence Datu	m:							
						<u> </u>						<u> </u>						
Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	DM	TVD
SHL Leg #1	220	FSL	350	FWL	26S	31E	10	Aliquot SWS W	32.05072 78	- 103.7735 247	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 120904	340 1	0	0
KOP Leg	50	FSL	330	FWL	26S	31E	10	Aliquot SWS	32.05026 1	- 103.7735	EDD Y	NEW MEXI	NEW MEXI	F	NMNM 120904	- 751	109 14	109 12

92

89

103.7735 Y

-

32.05103

w

w

Aliquot

sws

#1 PPP

Leg

#1-1

FSL

330

330

FWL 26S 31E 10

CO

NEW

со

EDD

CO

CO

MEXI MEXI

NEW F

Page 2 of 3

115

07

114

04

1

-

3

800

NMNM

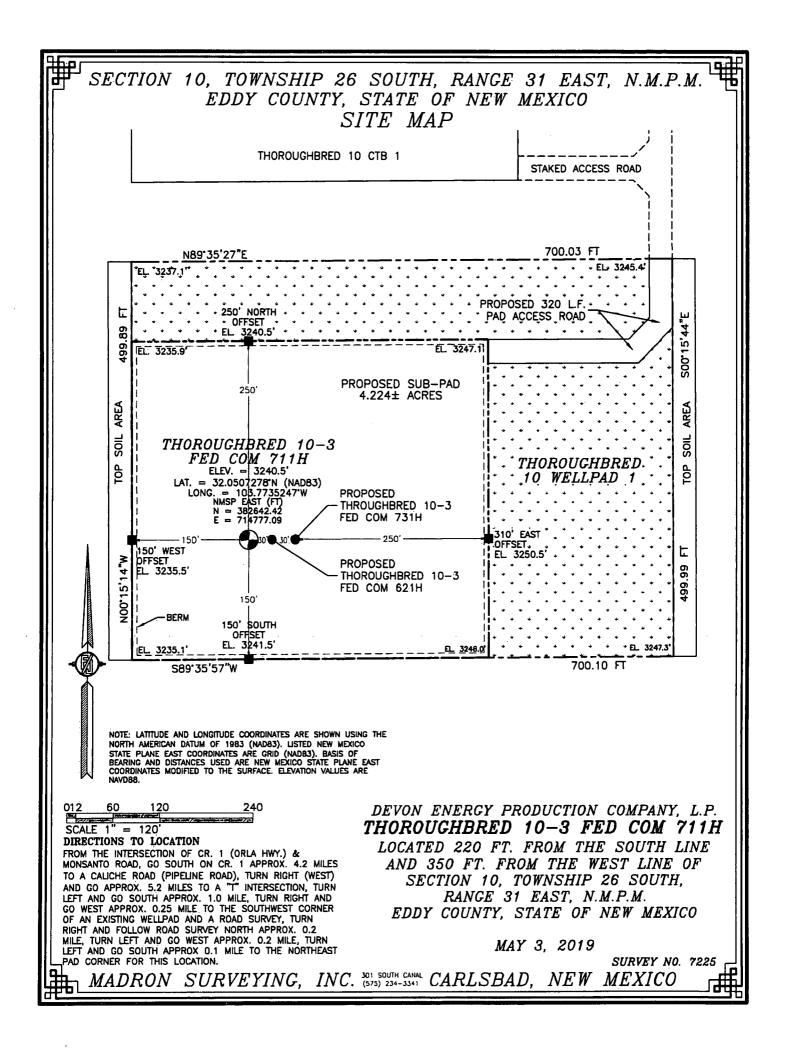
120904

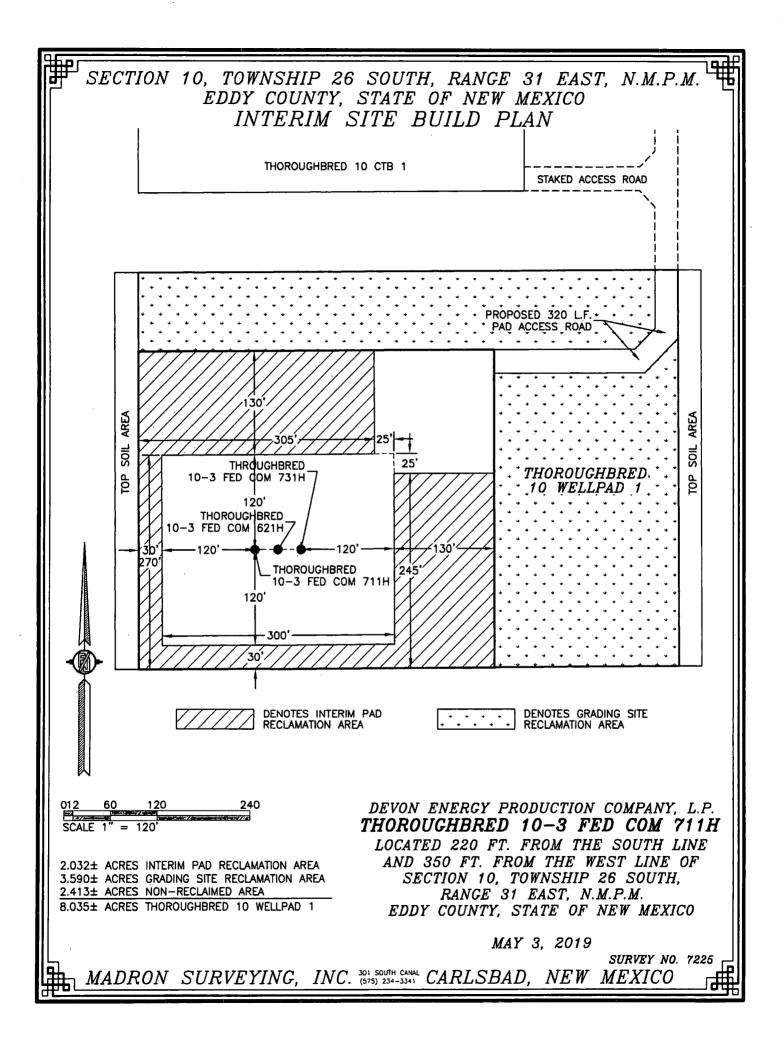
Will this well produce from this lease?

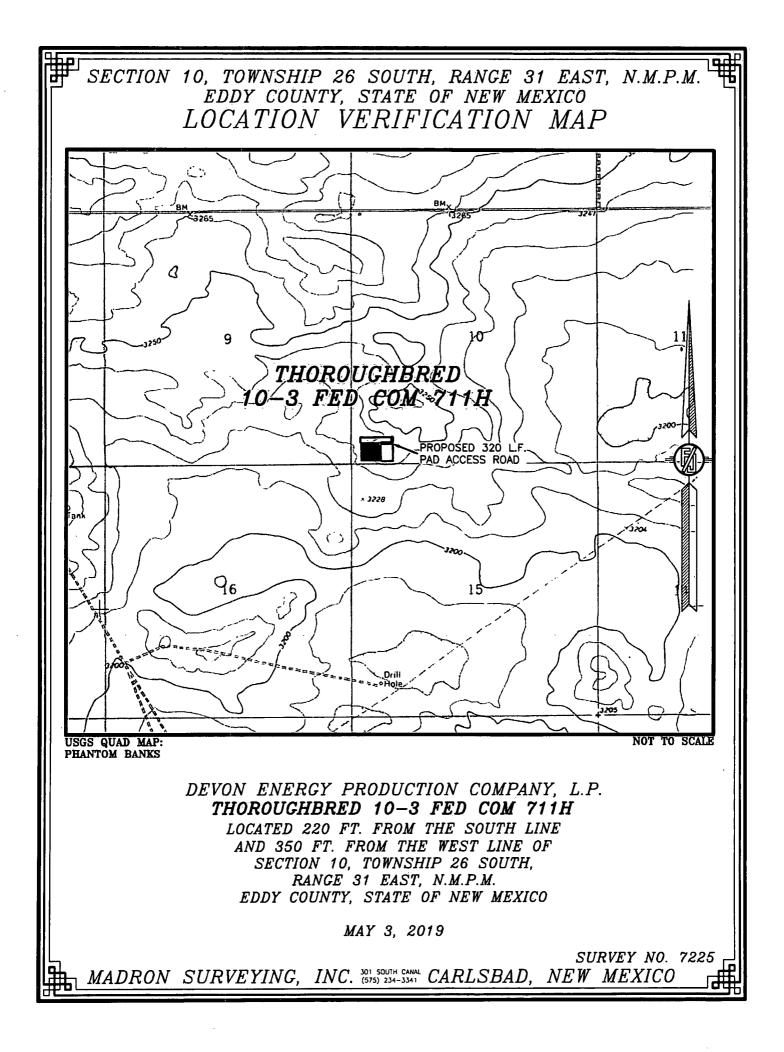
Well Name: THOROUGHBRED 10-3 FED

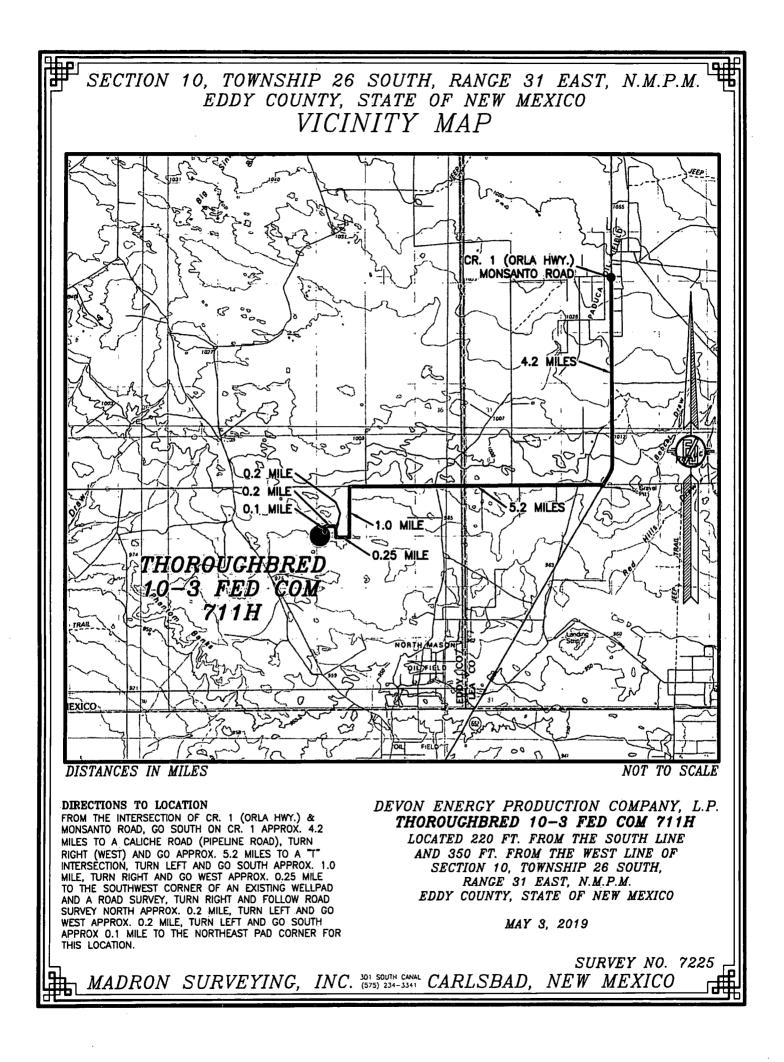
Well Number: 711H

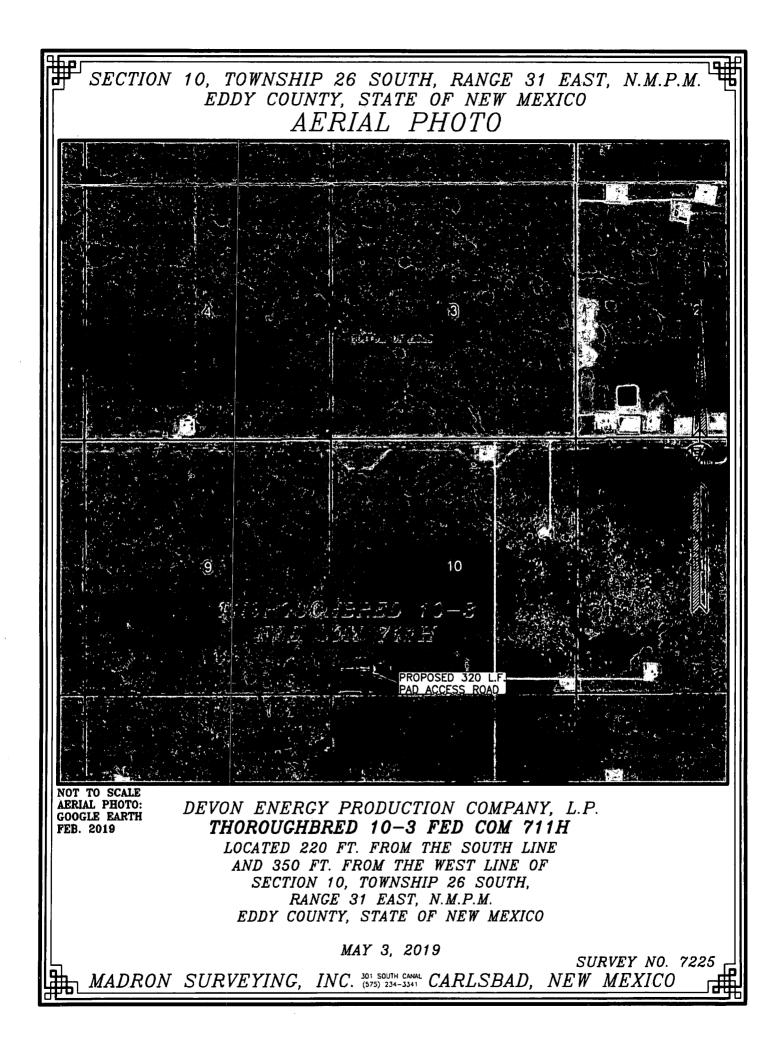
Wellbore	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD	Will this well produce from this lease?
EXIT Leg #1	231 0	FSL	330	FWL	26S	31E	3	Aliquot NWS W	32.07112 67	- 103.7735 584	EDD Y		NEW MEXI CO	F.	NMNM 089057	- 808 4	188 32	114 85	
BHL Leg #1	231 0	FSL	330	FWL	26S	31E	3	Aliquot NWS W	32.07112 67	- 103.7735 584	EDD Y	NEW MEXI CO	NEW MEXI CO	F	NMNM 089057	- 808 4	188 32	114 85	

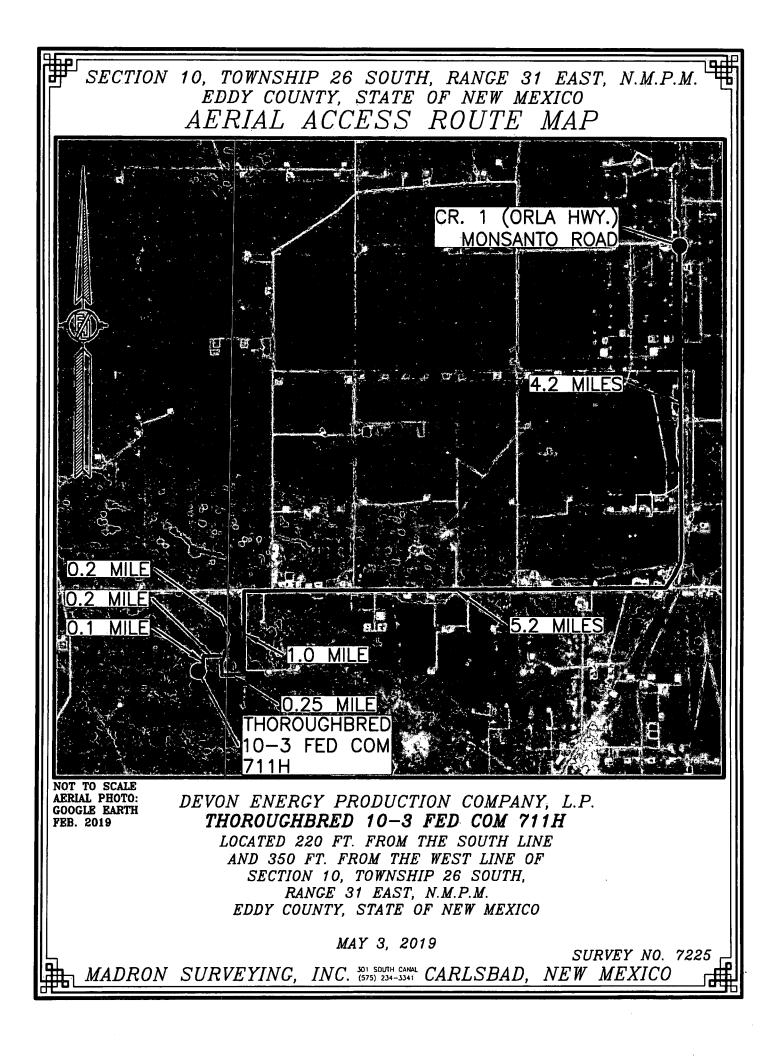


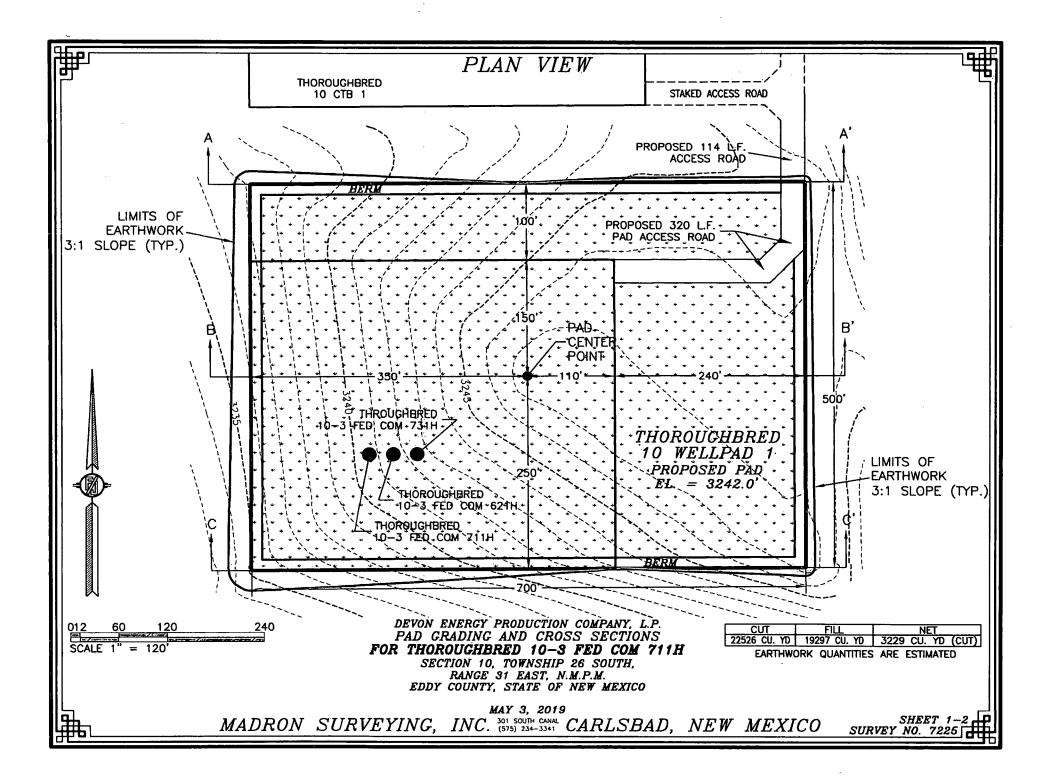


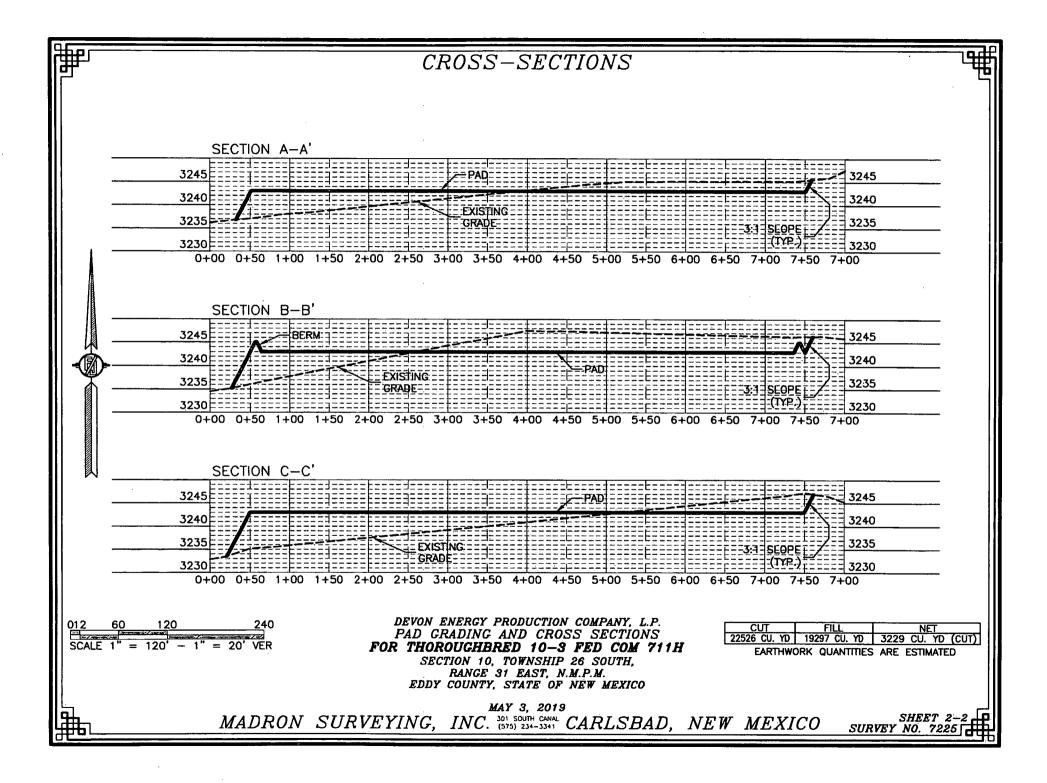


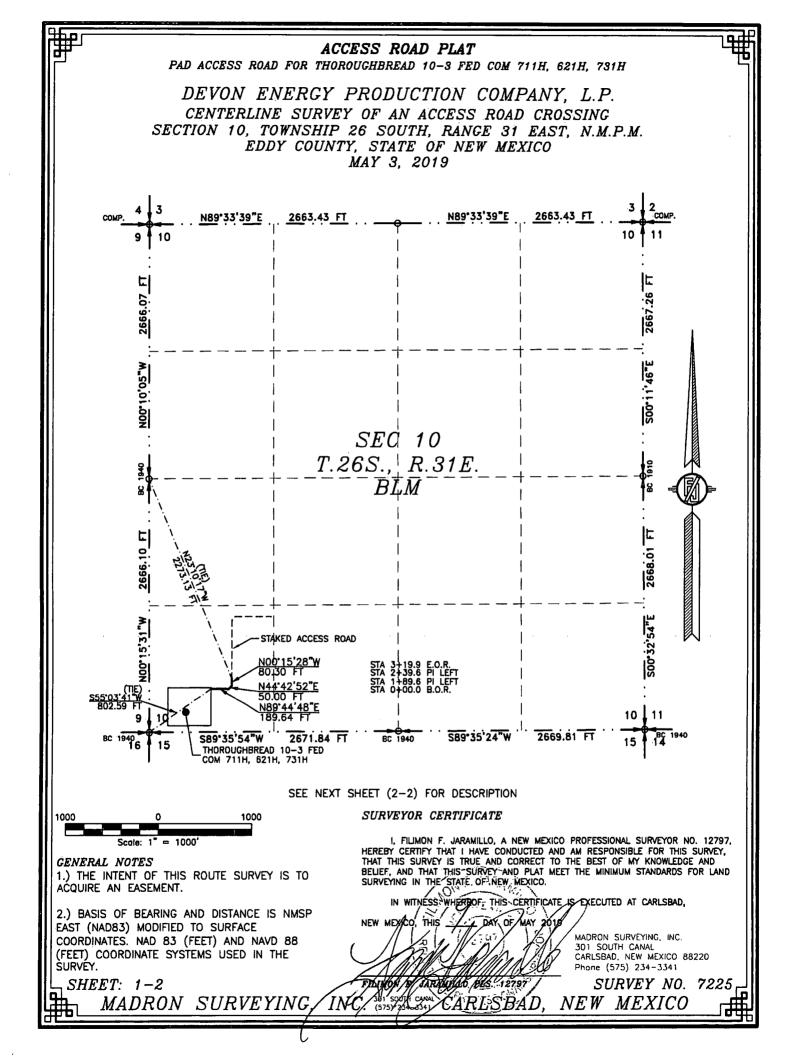












ACCESS ROAD PLAT

PAD ACCESS ROAD FOR THOROUGHBREAD 10-3 FED COM 711H, 621H, 731H

DEVON ENERGY PRODUCTION COMPANY, L.P. CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING SECTION 10, TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M. EDDY COUNTY, STATE OF NEW MEXICO MAY 3, 2019

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 10, TOWNSHIP 26 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 SW/4 SW/4 OF SAID SECTION 10, TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M., WHENCE THE SOUTHWEST CORNER OF SAID SECTION 10, TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS S55'03'41"W, A DISTANCE OF 802.59 FEET; THENCE N89'44'48"E A DISTANCE OF 189.64 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N44'42'52"E A DISTANCE OF 50.00 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N00'15'28"W A DISTANCE OF 80.30 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE WEST QUARTER CORNER OF SAID SECTION 10, TOWNSHIP 26 SOUTH, RANGE 31 EAST, N.M.P.M. BEARS N23'10'17"W, A DISTANCE OF 2273.13 FEET;

SAID STRIP OF LAND BEING 319.94 FEET OR 19.39 RODS IN LENGTH, CONTAINING 0.220 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SW/4 SW/4 319.94 L.F. 19.39 RODS 0.220 ACRES

SURVEYOR CERTIFICATE

CENERAL NOTES 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT. 2.) BASIS OF BEARING AND DISTANCE IS NMSP EAST (NAD83) MODIFIED TO SURFACE COORDINATES. NAD 83 (FEET) AND NAVD 88 (FEET) COORDINATE SYSTEMS USED IN THE SURVEY.	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.
\subseteq SHEET: 2–2	SURVEY NO. 7225
SURVEY. SHEET: 2-2 MADRON SURVEYING, 11	NC. (575) 234-341/CARLSBAD, NEW MEXICO



U.S. Department of the Interior BUREAU OF LAND MANAGEMENT

APD ID: 10400043114

Submission Date: 06/27/2019

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: THOROUGHBRED 10-3 FED

Well Number: 711H

Highlighted data reflects the most recent changes

2000

12/02/2019

Drilling Plan Data Report

1

Show Final Text

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Geologic Formations

Formation			True Vertical	Measured			Producing
ID	Formation Name	Elevation	Depth	Depth	Lithologies	Mineral Resources	
1	UNKNOWN	3241	0	0	OTHER,ALLUVIUM : Surface	NONE	N
2	RUSTLER	1905	1338	1338	SANDSTONE	NONE	N
3	TOP SALT	1592	1651	1651	SALT	NONE	N
4	BASE OF SALT	-599	3842	3842	SALT	NONE	N
5	LAMAR	-841	4082	4082	SANDSTONE	NATURAL GAS, OIL	N
6	BELL CANYON	-861	4102	4102	SANDSTONE	NATURAL GAS,OIL	N
7	CHERRY CANYON	-1811	5052	5052	SANDSTONE	NATURAL GAS, OIL	N
8	BRUSHY CANYON	-3101	6342	6342	SANDSTONE	NATURAL GAS,OIL	N
9	BONE SPRING LIME	-4759	8000	8000	LIMESTONE	NATURAL GAS,OIL	N
10	BONE SPRING	-5781	9022	9022	SANDSTONE	NATURAL GAS,OIL	Ň
11	BONE SPRING 2ND	-6421	9662	9662	SANDSTONE	NATURAL GAS,OIL	N
12	BONE SPRING LIME	-6971	10212	102.12	LIMESTONE	NATURAL GAS,OIL	N
13	BONE SPRING 3RD	-7681	10922	10922	SANDSTONE	NATURAL GAS	N
14	WOLFCAMP	-8084	11327	11327	SANDSTONE	NATURAL GAS,OIL	Y
15	STRAWN	-10581	13822	13822	LIMESTONE	NATURAL GAS,OIL	N

Section 2 - Blowout Prevention

Well Name: THOROUGHBRED 10-3 FED

Well Number: 711H

Pressure Rating (PSI): 5M

Rating Depth: 11485

Equipment: BOP/BOPE will be installed per Onshore Oil & amp; Gas Order #2 requirements prior to drilling below surface casing, a BOP/BOPE system with the above minimum rating will be installed on the wellhead system. BOP/BOPE will be tested by an independent service company per Onshore Oil & amp; Gas Order #2 requirements and MASP (Maximum Anticipated Surface Pressure) calculations. If the system is upgraded, all the components installed will be functional and tested.

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP stack to the choke manifold. See attached for specs for hydrostatic test chart.

Testing Procedure: 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.

Choke Diagram Attachment:

5M_BOPE__CK_20190406162412.pdf

BOP Diagram Attachment:

5M_BOPE__CK_20190408073802.pdf

Pressure Rating (PSI): 5M

Rating Depth: 10929

Equipment: BOP/BOPE will be installed per Onshore Oil & Gas Order #2 requirements prior to drilling below intermediate casing, a BOP/BOPE system with the above minimum rating will be installed on the wellhead system. BOP/BOPE will be tested by an independent service company per Onshore Oil & Gas Order #2 requirements and MASP (Maximum Anticipated Surface Pressure) calculations. If the system is upgraded, all the components installed will be functional and tested. **Requesting Variance?** YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP stack to the choke manifold. See attached for specs for hydrostatic test chart.

Testing Procedure: 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.

Choke Diagram Attachment:

5M_BOPE_CK_20190627150314.pdf

BOP Diagram Attachment:

5M_BOPE__CK_20190627150323.pdf

Well Name: THOROUGHBRED 10-3 FED

Well Number: 711H

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	1443	0	1443	-6965	-8031	1443	H-40	48	ST&C	1.12 5	1	BUOY	1.6	BUOY	1.6
2	INTERMED IATE	9.87 5	7.625	NEW	API	N	0	10929	0	10929	-6965	- 12965	10929	P- 110		OTHER - Flushmax III	1.12 5	1	BUOY	1.6	BUOY	1.6
3	PRODUCTI ON	6.75	5.5	NEW	API	N	0	18832	0	11485		- 17514	18832	P- 110		OTHER - Vam SG	1.12 5	1	BUOY	1.6	BUOY	1.6

Casing Attachments

Casing ID: 1 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Surf_Csg_Ass_20190406163130.pdf

Well Name: THOROUGHBRED 10-3 FED

Well Number: 711H

Casing Attachments

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Int_Csg_Ass_20190406163257.pdf

Casing ID: 3 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Prod_Csg_Ass_20190406163405.pdf

Section	4 - Ce	emen	t								
String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1443	1082. 7	1.44	13.2	1559. 1	50	С	Class C + adds

INTERMEDIATE	Lead		0	6929	717.5	3.27	9	2346. 3	30	С	Class C + Adds
INTERMEDIATE	Tail	6	6929	1092 9	783	1.44	13.2	1127. 6	30	С	Class C + Adds
PRODUCTION	Lead	. 8	3914	1091 4	62.5	3.27	9	204.3	10	TUNED	Class C + adds

Well Name: THOROUGHBRED 10-3 FED

Well Number: 711H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
PRODUCTION	Tail		1091 4	1883 2	505.1	1.44	13.2	727.4	10	Н	(50:50) Clas H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

Describe the mud monitoring system utilized: PVT/Pason/Visual Monitoring

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	Н	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
1092 9	1148 5	OIL-BASED MUD	10	10.5				2			
1443	1092 9	OTHER : DBE / Cut Brine	10	10.5				2			
0	1143	OTHER : FW Gel	8.5	9							

Well Name: THOROUGHBRED 10-3 FED

Well Number: 711H

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will run GRMWD from TD to from KOP. Cement bond logs will be run in vertical to determine top of cement. Stated logs run will be in the completion report and submitted to the BLM.

List of open and cased hole logs run in the well:

CALIPER,CBL,DS,GR,MUDLOG

Coring operation description for the well:

N/A

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 6271

Anticipated Surface Pressure: 6271

Anticipated Bottom Hole Temperature(F): 161

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Thoroughbred_10_3_Fed_Com_711H_H2S_20190627150913.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Devon_Thoroughbred_10_3_Fed_Com_711H_AC_Report_Permit_Plan_1_20190627150946.pdf Devon_Thoroughbred_10_3_Fed_Com_711H_Permit_Plan_1_20190627150946.pdf Devon_Thoroughbred_10_3_Fed_Com_711H_Plot_Permit_Plan_1_20190627150947.pdf Thoroughbred_10_3_Fed_Com_711H_Permit_Plan_1_20190627150947.pdf

Other proposed operations facets description:

Multi-Bowl Verbiage 5M Multi-Bowl Wellhead 5M Closed-Loop Design Plan Gas Capture Plan Spudder Rig

Other proposed operations facets attachment:

Spudder_Rig_Info_20190314132650.pdf Clsd_Loop_20190314132649.pdf MB_Wellhd_10M_13.375_7.625_5.5_20190510092941.pdf 5.5_20_P110_EC_VAMSG_20190510092825.pdf 7.625_29.70_P110_Flushmax_20190510092838.pdf

Well Name: THOROUGHBRED 10-3 FED

Well Number: 711H

MB_Wellhd_5M_13.375_8.625_20190627151021.pdf MB_Wellhd_10M_13.375_7.625_5.5_20190627151022.pdf GasCapturePlan_THOROUGHBRED_10_CTB_1_20190627151043.pdf MB_Verb_5M_20190905090548.pdf

Other Variance attachment:

Co_flex_20190314132801.pdf



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

Hydrogen Sulfide (H₂S) Contingency Plan

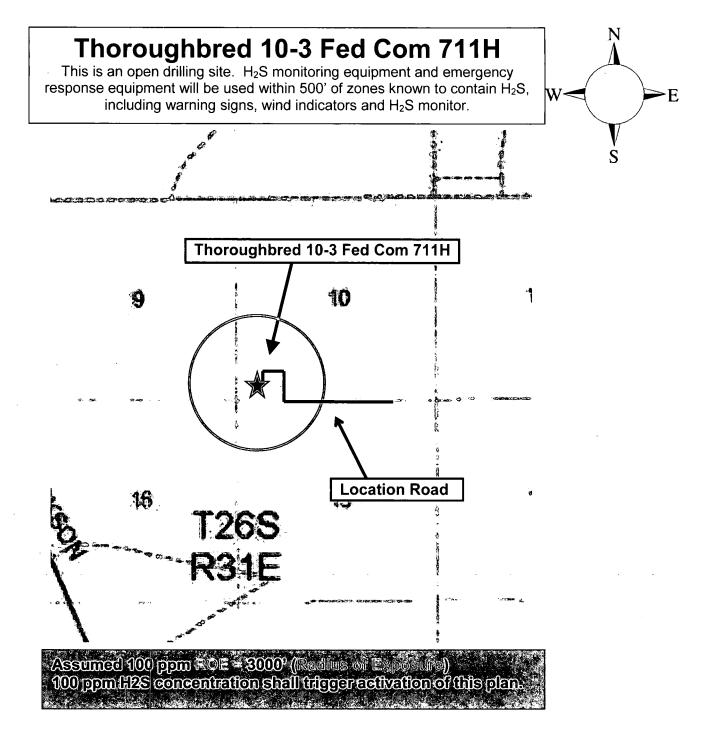
For

Thoroughbred 10-3 Fed Com 711H

Sec-10 T-26S R-31E 220' FSL & 350' FWL LAT. = 32.0507278' N (NAD83) LONG = 103.7735247' W

Eddy County NM

Devon Energy Corp. Cont Plan. Page 1



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. <u>There are no homes or buildings in or near the ROE</u>.

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, 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 H₂S 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
 - \circ Detection of H₂S, 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 (SO₂). 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

Common	Chemical	Specific	Threshold	Hazardous	Lethal
Name	Formula	Gravity	Limit	Limit	Concentration
Hydrogen Sulfide	H₂S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Characteristics of H₂S and SO₂

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 (H₂S) 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 (H₂S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H₂S 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 H₂S 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 H₂S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan.

II. HYDROGEN SULFIDE TRAINING

Note: All H_2S 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_2S .

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. H₂S detection and monitoring equipment:

Portable H₂S monitors positioned on location for best coverage and response. These units have warning lights which activate when H₂S levels reach 10 ppm and audible sirens which activate at 15 ppm. Sensor locations:

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

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 H₂S circulated to surface. Proper mud weight, safe drilling practices and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.

5. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H₂S trim.
- B. All elastomers used for packing and seals shall be H₂S 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 H₂S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

Devon Energy Corp. Company Call List

Drilling Supervisor – Basin – Mark Kramer

405-823-4796

EHS Professional - Laura Wright

405-439-8129

Agency Call List

Lea	Hobbs	
<u>County</u>	Lea County Communication Authority	393-3981
<u>(575)</u>	State Police	392-5588
	City Police	397-9265
	Sheriff's Office	393-2515
	Ambulance	911
	Fire Department	397-9308
	LEPC (Local Emergency Planning Committee)	393-2870
	NMOCD	393-6161
	US Bureau of Land Management	393-3612
Eddy	Carlsbad	
County	State Police	885-3137
(575)	City Police	885-2111
	Sheriff's Office	887-7551
	Ambulance	911
	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
	Emergency Services	
	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
Give	Native Air – Emergency Helicopter – Hobbs (TX & NM)	(800) 642-7828
GPS	Flight For Life - Lubbock, TX	(806) 743-9911
position:	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 - www.nhc.noaa.gov	

Prepared in conjunction with Dave Small



WCDSC Permian NM

Eddy County (NAD 83 NM Eastern) Sec 10-T26S-R31E Thoroughbred 10-3 Fed Com 711H

Wellbore #1

Plan: Permit Plan 1

Standard Planning Report - Geographic

20 June, 2019

Database:	EDM I	5000.141_Proc	d US		Local Co-	ordinate Refer	rence	Nell Thoroughb	red 10-3 Fed (Com 71'	1H ⁻
Company:	WCDS	SC Permian NM	1 1	· .	TVD Refe	rence:		RKB @ 3265.50			
Project:	Eddy	County (NAD 8	3 NM Eastern))	MD Refere		1	RKB @ 3265.50			
Site:	Sec 10	0-T26S-R31E	L.	•	North Ref		1	Grid			
Well:		ughbred 10-3 F	ed Com 711H	÷ .		alculation Meti		Minimum Curva	ture		
2	Wellbo	-	k k		Survey Ca	alculation wet	noa:	Virininum Curva	luie		
Wellbore:	1		1			· ·		· •			
Design:	Permi	Plan 1					,	nan ang pang ganapin mangangata.			and the second second second
Project	Eddy C	ounty (NAD 83	NM Eastern)				** (
Map System:	US State	Plane 1983			System Dat	tum:	Me	an Sea Level			
Geo Datum:	North An	nerican Datum	1983								
Map Zone:	New Me	kico Eastern Zo	one								
Site	Sec 10	-T26S-R31E									
Site Position:			North	ing:	382	,457.83 usft	Latitude:				32.039419
From:	Map)	Eastir	ng:		0.00 usft	Longitude:				-106.080279
Position Uncert	tainty:	0	.00 ft Slot R	Radius:		13-3/16 "	Grid Converg	ence:			-0.93 °
	(=;								The Assessment American States and Assessment		
Well	Thoroug	phbred 10-3 Fe	d Com 711H				، چەتەرۇپىيەرە يېچىدىلۇرىپ مەتەر	ge ugui, muta a laga a sagang, sag			
Well Position	+N/-S		0.00 ft No	orthing:		382,642.42	usft Lati	tude:			32.050728
	+E/-W		0.00 ft Ea	asting:		714,777.09	usft Lon	gitude:			-103.773525
Position Uncert	tainty		0.50 ft 🛛 ₩	ellhead Elevati	ion:		Gro	und Level:			3,240.50 ft
							-		~ ~		
Wellbore	Wellbo	ore #1	1								
					·····	·····					
Magnetics	Mo	del Name	Sampl	le Date	Declina	tion	Dip A	-	Field S	Strength	ı
,			1				(°	۱	1		
					(°)		1. 1. 1. A. A.	,	<u> </u>	nT)	
		IGRF2015		6/17/2019	(*)	6.82	<u> </u>	59.85		510.190	25170
				6/17/2019	(*)	6.82					25170
Design	Permit		-l	6/17/2019	(7)	6.82					25170
Design Audit Notes:	Permit			6/17/2019	(*)	6.82					25170
· · · · · · · · · · · · · · · · · · ·	Permit		Phas		(') ROTOTYPE		On Depth:	59.85			25170
Audit Notes: Version:		Plan 1	-)	e: P	ROTOTYPE	Tie	On Depth:	59.85	0.00		25170
Audit Notes:		Plan 1	epth From (T	e: P	PROTOTYPE +N/-S	Tie +E	On Depth: /-W	59.85	47,6 0.00 ection		25170
Audit Notes: Version:		Plan 1	epth From (T) (ft)	e: P	PROTOTYPE +N/-S (ft)	Tie +E (1	On Depth: /-W ft)	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version:		Plan 1	epth From (T	e: P	PROTOTYPE +N/-S	Tie +E	On Depth: /-W ft)	59.85	47,6 0.00 ection		25170
Audit Notes: Version: Vertical Section	n:	Plan 1	epth From (T) (ft) 0.00	e: P	PROTOTYPE +N/-S (ft)	Tie +E (1	On Depth: /-W ft)	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version:	n:	Plan 1	epth From (T) (ft)	e: P	PROTOTYPE +N/-S (ft)	Tie +E (1	On Depth: /-W ft)	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version: Vertical Section	n:	Plan 1 D Date n To	6/20/2019	e: P	PROTOTYPE +N/-S (ft) 0.00	Tie +E (1	On Depth: /-W ft)	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version: Vertical Section Plan Survey To	n:	Plan 1 D Date 1 To	epth From (T) (ft) 0.00	e: P	PROTOTYPE +N/-S (ft)	Tie +E (1	On Depth: /-W ft)	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro	n: ool Program om Depti (ft	Plan 1 D Date n To) Survey	6/20/2019 (Wellbore)	ie: P VD)	PROTOTYPE +N/-S (ft) 0.00	Tie +E (1 0.	On Depth: /-W ft) 00	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft)	n: ool Program om Depti (ft	Plan 1 D Date 1 To	6/20/2019 (Wellbore)	ie: P VD)	PROTOTYPE +N/-S (ft) 0.00 Tool Name	Tie +E (1 0.	On Depth: /-W ft) 00	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft)	n: ool Program om Depti (ft	Plan 1 D Date n To) Survey	6/20/2019 (Wellbore)	ie: P VD)	ROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM	Tie +E (1 0.	On Depth: /-W ft) 00	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1	n: ool Program om Depti (ft	Plan 1 D Date n To) Survey	6/20/2019 (Wellbore)	ie: P VD)	ROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM	Tie +E (1 0.	On Depth: /-W ft) 00	59.85	47,6 0.00 ection (°)		25170
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections	n: ool Program om Depti (ft	Plan 1 D Date n To) Survey	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo	ie: P VD)	ROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM	Tie +E (1 0.	On Depth: /-W ft) 00 Remarks	59.85 Dir 38	47,6 0.00 ection (°)		25170
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured	n: pol Program om Depth (ft 0.00 18,8	Plan 1 D Date n To) Survey 332.25 Permit F	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo	re #1)	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD	Tie +E (1 0. + HDGM	On Depth: /-W ft) 00 Remarks Build	59.85 Dir 38	47,6 0.00 ection (°) 59.62		25170
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth	n: ool Program om Depth (ft 0.00 18,8	Plan 1 Date n To) Survey 332.25 Permit F	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Plan 1 (Wellbo	.e: P VD) re #1) +N/-S	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W	Tie +E (1 0. + HDGM Dogleg Rate	On Depth: /-W ft) 00 Remarks Build Rate	59.85 Dir 38	47,6 0.00 ection (°) 59.62 TFO	510.1902	
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured	n: pol Program om Depth (ft 0.00 18,8	Plan 1 D Date n To) Survey 332.25 Permit F	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo	re #1)	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD	Tie +E (1 0. + HDGM	On Depth: /-W ft) 00 Remarks Build	59.85 Dir 38	47,6 0.00 ection (°) 59.62	510.1902	25170
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth	n: ool Program om Depth (ft 0.00 18,8	Plan 1 Date n To) Survey 332.25 Permit F	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Plan 1 (Wellbo	.e: P VD) re #1) +N/-S	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W	Tie +E (1 0. + HDGM Dogleg Rate	On Depth: /-W ft) 00 Remarks Build Rate	59.85 Dir 38	47,6 0.00 ection (°) 59.62 TFO	510.1902	
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth (ft) 0.00	n: bol Program om Depth (ft 0.00 18,8 Inclination (°) 0.00	Plan 1 Date Date N To) Survey 332.25 Permit F Azimuth (°) 0.00	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Plan 1 (Wellbo Vertical Depth (ft) 0.00	.e: P VD) .re #1) +N/-S (ft) 0.00	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W (ft) 0.00	Tie +E (f 0. 	On Depth: /-W ft) 00 Remarks Build Rate (°/100usft) 0.00	59.85 Dirr 35 Turn Rate (°/100usft) 0.00	47,6 0.00 ection (°) 59.62 TFO (°)	510.1902	
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth (ft) 0.00 4,500.00	n: pol Program om Depth (ft 0.00 18,6 Inclination (°) 0.00 0.00	Plan 1 Date Date Survey 332.25 Permit F Azimuth (°) 0.00 0.00	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Vertical Depth (ft) 0.00 4,500.00	re #1) +N/-S (ft) 0.00 0.00	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W (ft) 0.00 0.00	Tie +E ((0. 	On Depth: /-W ft) 00 Remarks Build Rate (°/100usft) 0.00 0.00	59.85 Dir 35 Turn Rate (°/100usft) 0.00 0.00	47,6 0.00 ection (°) 59.62 TFO (°) 0.00 0.00	510.1902	
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth (ft) 0.00 4,500.00 4,655.51	n: Dol Program om Depth (ft 0.00 18,6 Inclination (°) 0.00 0.00 1.66	Plan 1 Date Date Date 32.25 Permit F Azimuth (°) 0.00 0.00 186.71	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Plan 1 (Wellbo Vertical Depth (ft) 0.00 4,500.00 4,665.48	e: P VD) re #1) +N/-S (ft) 0.00 0.00 -2.37	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W (ft) 0.00 0.00 0.00 -0.28	Tie +E ((0. 	On Depth: /-W ft) 00 Remarks Build Rate (°/100usft) 0.00 0.00 1.00	59.85 Dir 35 Turn Rate (°/100usft) 0.00 0.00 0.00	47,6 0.00 ection (°) 59.62 TFO (°) 0.00 0.00 186.71	510.1902	
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth (ft) 0.00 4,500.00 4,665.51 10,454.12	n: Dol Program om Depti (ft 0.00 18,8 Inclination (°) 0.00 0.00 1.66 1.66	Plan 1 Date Date Date 32.25 Permit F Azimuth (°) 0.00 0.00 186.71 186.71	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Plan 1 (Wellbo Plan 1 (Wellbo 0.00 4,500.00 4,655.48 10,451.68	e: P VD) re #1) +N/-S (ft) 0.00 0.00 -2.37 -168.42	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W (ft) 0.00 0.00 -0.28 -19.81	Tie +E ((0. 0. 1 + HDGM Dogleg Rate (°/100usft) 0.00 0.00 1.00 0.00	On Depth: /-W ft) 00 Remarks Build Rate (°/100usft) 0.00 0.00 1.00 0.00	59.85 Dir 35 35 <u>Turn Rate (°/100usft)</u> 0.00 0.00 0.00 0.00	47,6 0.00 ection (°) 59.62 TFO (°) 0.00 0.00 186.71 0.00	510.1902	
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth (ft) 0.00 4,500.00 4,665.51 10,454.12 10,564.45	n: Dol Program om Deptit (ft 0.00 18,8 Inclination (°) 0.00 0.00 1.66 1.66 0.00	Plan 1 Date Date Date Survey 332.25 Permit F Azimuth (°) 0.00 0.00 186.71 186.71 186.71 0.00	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Plan 1 (Wellbo Plan 1 (Wellbo 0.00 4,500.00 4,665.48 10,451.68 10,562.00	re #1) +N/-S (ft) 0.00 0.00 -2.37 -168.42 -170.00	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W (ft) 0.00 0.00 0.00 -0.28 -19.81 -20.00	Tie +E ((0. 0. 1 + HDGM Dogleg Rate (°/100usft) 0.00 0.00 1.00 0.00 1.50	On Depth: /-W ft) 00 Remarks Build Rate (°/100usft) 0.00 0.00 1.00 0.00 -1.50	59.85 Dir 38 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	47,6 0.00 ection (°) 59.62 TFO (°) 0.00 0.00 186.71 0.00 186.71 0.00 180.00	510.1902	
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth (ft) 0.00 4,500.00 4,665.51 10,454.12 10,564.45 10,914.49	n: Dol Program om Depth (ft 0.00 18,8 Inclination (°) 0.00 1.66 1.66 0.00 0.00 0.00	Plan 1 Date Date Date Survey 322.25 Permit F Azimuth (°) 0.00 0.00 186.71 186.71 0.00 0.00 0.00	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Plan 1 (Wellbo Plan 1 (Wellbo 0.00 4,500.00 4,665.48 10,451.68 10,562.00 10,912.04	re #1) +N/-S (ft) 0.00 0.00 -2.37 -168.42 -170.00 -170.00	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W (ft) 0.00 0.00 -0.28 -19.81 -20.00 -20.00	Tie +E ((0. 0. 1 + HDGM Dogleg Rate (°/100usft) 0.00 0.00 1.00 0.00 1.50 0.00	On Depth: /-W ft) 00 Remarks Build Rate (°/100usft) 0.00 0.00 1.00 0.00 -1.50 0.00	59.85 Dir 35 35 (°/100usft) 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.	47,6 0.00 ection (°) 59.62 TFO (°) 0.00 (°) 0.00 186.71 0.00 186.71 0.00 180.00 0.00	510.1902	Target
Audit Notes: Version: Vertical Section Plan Survey To Depth Fro (ft) 1 Plan Sections Measured Depth (ft) 0.00 4,500.00 4,665.51 10,454.12 10,564.45	n: Dol Program om Deptit (ft 0.00 18,8 Inclination (°) 0.00 0.00 1.66 1.66 0.00	Plan 1 Date Date Date Survey 332.25 Permit F Azimuth (°) 0.00 0.00 186.71 186.71 186.71 0.00	epth From (T) (ft) 0.00 6/20/2019 (Wellbore) Plan 1 (Wellbo Plan 1 (Wellbo Plan 1 (Wellbo 0.00 4,500.00 4,665.48 10,451.68 10,562.00	re #1) +N/-S (ft) 0.00 0.00 -2.37 -168.42 -170.00	PROTOTYPE +N/-S (ft) 0.00 Tool Name MWD+HDGM OWSG MWD +E/-W (ft) 0.00 0.00 0.00 -0.28 -19.81 -20.00	Tie +E ((0. 0. 1 + HDGM Dogleg Rate (°/100usft) 0.00 0.00 1.00 0.00 1.50	On Depth: /-W ft) 00 Remarks Build Rate (°/100usft) 0.00 0.00 1.00 0.00 -1.50	59.85 Dir 38 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	47,6 0.00 ection (°) 59.62 TFO (°) 0.00 0.00 186.71 0.00 186.71 0.00 180.00 0.00 359.78	PBHL -	

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference	Well Thoroughbred 10-3 Fed Com 711H
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3265.50ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3265.50ft
Site:	Sec 10-T26S-R31E	North Reference:	Grid
Well:	Thoroughbred 10-3 Fed Com 711H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 1		

Planned Survey	
All the second	•

ſ

· · ·	· · ·		-	· · · ·	÷	4	* * * *		
Measured		· ·	Vertical			Мар	Мар	4	
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting		
(ft)	(°)	<u>(°)</u>	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
0.00	0.00	0.00	0.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
100.00	0.00	0.00	100.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
200.00	0.00	0.00	200.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
300.00	0.00	0.00	300.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
400.00	0.00	0.00	400.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
500.00	0.00	0.00	500.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
600.00	0.00	0.00	600.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
700.00	0.00	0.00	700.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
800.00	0.00	0.00	800.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
900.00	0.00	0.00	900.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
1,000.00	0.00	0.00	1,000.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
1,100.00	0.00	0.00	1,100.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
1,200.00	0.00	0.00	1,200.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
1,300.00	0.00	0.00	1,300.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
1,400.00	0.00	0.00	1,400.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
1,500.00	0.00	0.00	1,500.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
1,600.00	0.00	0.00	1,600.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
1,700.00	0.00	0.00	1,700.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
1,800.00	0.00	0.00	1,800.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
1,900.00	0.00	0.00	1,900.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,000.00	0.00	0.00	2,000.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.7735
2,100.00	0.00	0.00	2,100.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,200.00	0.00	0.00	2,200.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,300.00	0.00	0.00	2,300.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,400.00	0.00	0.00	2,400.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,500.00	0.00	0.00	2,500.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,600.00	0.00	0.00	2,600.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,700.00	• 0.00 •	0.00	2,700.00	- 0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,800.00	0.00	0.00	2,800.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
2,900.00	0.00	0.00	2,900.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
3,000.00	0.00	0.00	3,000.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
3,100.00	0.00	0.00	3,100.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
3,200.00 3,300.00	0.00 0.00	0.00 0.00	3,200.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
3,400.00	0.00	0.00	3,300.00 3,400.00	0.00 0.00	0.00 0.00	382,642.42 382,642.42	714,777.09	32.050728	-103.773
3,400.00	0.00	0.00	3,400.00	0.00	0.00	382,642.42	714,777.09 714,777.09	32.050728	-103.773 -103.773
3,600.00	0.00	0.00	3,600.00	0.00	0.00	382,642.42	714,777.09	32.050728 32.050728	-103.773
3,700.00	0.00	0.00	3,700.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
3,800.00	0.00	0.00	3,800.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
3,900.00	0.00	0.00	3,900.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
4,000.00	0.00	0.00	4,000.00	0.00	0.00	382.642.42	714,777.09	32.050728	-103.773
4,000.00	0.00	0.00	4,100.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
4,100.00	0.00	0.00	4,100.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
4,200.00	0.00	0.00	4,200.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
4,300.00	0.00	0.00	4,300.00 4,400.00	0.00	0.00	382,642.42	714,777.09	32.050728	-103.773
4,400.00		0.00	4,400.00 4,500.00	0.00	0.00	382,642.42 382,642.42	714,777.09	32.050728	-103.773
	0.00			-0.87	-0.10			32.050726	-103.773
4,600.00	1.00	186.71	4,600.00			382,641.55	714,776.98		
4,665.51	1.66	186.71	4,665.48	-2.37	-0.28	382,640.04	714,776.81	32.050721	-103.773 -103.773
4,700.00	1.66	186.71	4,699.96	-3.36	-0.40	382,639.06	714,776.69	32.050719	
4,800.00	1.66	186.71	4,799.92	-6.23	-0.73	382,636.19	714,776.35	32.050711	-103.773
4,900.00	1.66	186.71	4,899.88	-9.10	-1.07	382,633.32	714,776.02	32.050703	-103.773
5,000.00	1.66	186.71	4,999.84	-11.97	-1.41	382,630.45	714,775.68	32.050695	-103.773
5,100.00	1.66	186.71	5,099.80	-14.84	-1.75	382,627.58	714,775.34	32.050687	-103.773
5,200.00	1.66	186.71	5,199.75	-17.71	-2.08	382,624.71	714,775.00	32.050679	-103.773

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference	Well Thoroughbred 10-3 Fed Com 711H
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3265.50ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3265:50ft
Site:	Sec 10-T26S-R31E	North Reference:	Grid
Well:	Thoroughbred 10-3 Fed Com 711H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 1		

Planned Survey

	Measured			Vertical		- x	Мар	Мар		
n	Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting	•	
	(ft)	(°)	(°)	(ft)	(ft)	+E/-₩ (ft)	-	-	Latitude	Longitude
				· · · · · · · · · · · · · · · · · · ·			(usft)	(usft)		
	5,300.00	1.66	186.71	5,299.71	-20.57	-2.42	382,621.84	714,774.67	32.050671	-103.773533
	5,400.00	1.66	186.71	5,399.67	-23.44	-2.76	382,618.98	714,774.33	32.050664	-103.773534
	5,500.00 5,600.00	1.66	186.71	5,499.63	-26.31	-3.10	382,616.11	714,773.99	32.050656	-103.773535
	5,800.00	1.66 1.66	186.71 186.71	5,599.59 5,699.55	-29.18 -32.05	-3.43 -3.77	382,613.24	714,773.65	32.050648	-103.773537
	5,800.00	1.66	186.71	5,899.55 5,799.50	-32.05 -34.92	-3.77 -4.11	382,610.37 382,607.50	714,773.32 714,772.98	32.050640 32.050632	-103.773538 -103.773539
	5,900.00	1.66	186.71	5,899.46	-34.92	-4.11	382,604.63	714,772.64	32.050632	-103.773540
	6,000.00	1.66	186.71	5,999.42	-40.65	-4.78	382,601.77	714,772.30	32.050616	-103.773541
	6,100.00	1.66	186.71	6,099.38	-43.52	-5.12	382,598.90	714,771.97	32.050608	-103.773542
	6,200.00	1.66	186.71	6,199.34	-46.39	-5.46	382,596.03	714,771.63	32.050600	-103.773543
	6,300.00	1.66	186.71	6,299.30	-49.26	-5.80	382,593.16	714,771.29	32.050593	-103.773545
	6,400.00	1.66	186.71	6,399.25	-52.13	-6.13	382,590.29	714,770.95	32.050585	-103.773546
	6,500.00	1.66	186.71	6,499.21	-55.00	-6.47	382,587.42	714,770.62	32.050577	-103.773547
	6,600.00	1.66	186.71	6,599.17	-57.86	-6.81	382,584.55	714,770.28	32.050569	-103.773548
	6,700.00	1.66	186.71	6,699.13	-60.73	-7.14	382,581.69	714,769.94	32.050561	-103.773549
	6,800.00	1.66	186.71	6,799.09	-63.60	-7.48	382,578,82	714,769.60	32.050553	-103.773550
Ì	6,900.00	1.66	186.71	6,899.04	-66.47	-7.82	382,575.95	714,769.27	32.050545	-103.773551
	7,000.00	1.66	186.71	6,999.00	-69.34	-8.16	382,573.08	714,768.93	32.050537	-103.773552
	7,100.00	1.66	186.71	7,098.96	-72.21	-8.49	382,570.21	714,768.59	32.050530	-103.773554
	7,200.00	1.66	186.71	7,198.92	-75.07	-8.83	382,567.34	714,768.25	32.050522	-103.773555
	7,300.00	1.66	186.71	7,298.88	-77.94	-9.17	382,564.48	714,767.92	32.050514	-103.773556
	7,400.00	1.66	186.71	7,398.84	-80.81	-9.51	382,561.61	714,767.58	32.050506	-103.773557
Ì	7,500.00	1.66	186.71	7,498.79	-83.68	-9.84	382,558.74	714,767.24	32.050498	-103.773558
	7,600.00	1.66	186.71	7,598.75	-86.55	-10.18	382,555.87	714,766.90	32.050490	-103.773559
	7,700.00	1.66	186.71	7,698.71	-89.42	-10.52	382,553.00	714,766.57	32.050482	-103.773560
	7,800.00	1.66	186.71	7,798.67	-92.29	-10.86	382,550.13	714,766.23	32.050474	-103.773562
	7,900.00	1.66	186.71	7,898.63	-95.15	-11.19	382,547.26	714,765.89	32.050467	-103.773563
	8,000.00	1.66	186.71	7,998.59	-98.02	-11.53	382,544.40	714,765.55	32.050459	-103.773564
	8,100.00	1.66	186.71	8,098.54	-100.89	-11.87	382,541.53	714,765.22	32.050451	-103.773565
	8,200.00	1.66	186.71	8,198.50	-103.76	-12.21	382,538.66	714,764.88	32.050443	-103.773566
	8,300.00	1.66	186.71	8,298.46	-106.63	-12.54	382,535.79	714,764.54	32.050435	-103.773567
	8,400.00	1.66	186.71	8,398.42	-109.50	-12.88	382,532.92	714,764.20	32.050427	-103.773568
	8,500.00	1.66	186.71	8,498.38	-112.36	-13.22	382,530.05	714,763.87	32.050419	-103.773570
	8,600.00	1.66	186.71	8,598.34	-115.23	-13.56	382,527.19	714,763.53	32.050411	-103.773571
	8,700.00	1.66	186.71	8,698.29	-118.10	-13.89	382,524.32	714,763.19	32.050403	-103.773572
	8,800.00	1.66	186.71	8,798.25	-120.97	-14.23	382,521.45	714,762.85	32.050396	-103.773573
	8,900.00	1.66	186.71	8,898.21	-123.84	-14.57	382,518.58	714,762.52	32.050388	-103.773574
	9,000.00	1.66	186.71	8,998.17	-126.71	-14.91	382,515.71	714,762.18	32.050380	-103.773575
	9,100.00	1.66	186.71	9,098.13	-129.58	-15.24	382,512.84	714,761.84	32.050372	-103.773576
	9,200.00	1.66	186.71	9,198.09	-132.44	-15.58	382,509.98	714,761.50	32.050364	-103.773578
	9,300.00 9,400.00	1.66 1.66	186.71 186.71	9,298.04	-135.31	-15.92	382,507.11	714,761.17	32.050356	-103.773579
				9,398.00	-138.18	-16.26	382,504.24	714,760.83	32.050348	-103.773580
	9,500.00	1.66	186.71	9,497.96	-141.05	-16.59	382,501.37	714,760.49	32.050340	-103.773581
	9,600.00	1.66	186.71	9,597.92	-143.92	-16.93	382,498.50	714,760.15	32.050333	-103.773582
	9,700.00	1.66	186.71	9,697.88	-146.79	-17.27	382,495.63	714,759.82	32.050325	-103.773583
	9,800.00	1.66	186.71	9,797.84	-149.65	-17.61	382,492.76	714,759.48	32.050317	-103.773584
	9,900.00	1.66	186.71	9,897.79	-152.52	-17.94	382,489.90	714,759.14	32.050309	-103.773585
1	10,000.00	1.66	186.71	9,997.75	-155.39	-18.28	382,487.03	714,758.80	32.050301	-103.773587
	10,100.00	1.66	186.71	10,097.71	-158.26	-18.62	382,484.16	714,758.47	32.050293	-103.773588
	10,200.00	1.66	186.71	10,197.67	-161.13	-18.96	382,481.29	714,758.13	32.050285	-103.773589
	10,300.00	1.66	186.71	10,297.63 10,297.58	-164.00	-19.29	382,478.42	714,757.79	32.050277	-103.773590
	10,400.00	1.66	186.71	10,397.58	-166.87	-19.63	382,475.55	714,757.45	32.050270	-103.773591
	10,454.12	1.66	186.71	10,451.68	-168.42	-19.81	382,474.00	714,757.27	32.050265	-103.773592
L	10,500.00	0.97	186.71	10,497.55	-169.46	-19.94	382,472.96	714,757.15	32.050262	-103.773592

		1	
Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference	Well Thoroughbred 10-3 Fed Com 711H
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3265.50ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3265.50ft
Site:	Sec 10-T26S-R31E	North Reference:	Grid
Well:	Thoroughbred 10-3 Fed Com 711H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 1	the second se	

leasured			Vertical	.*	· · ·	Мар	Мар		· · · ·
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting	· · · ·	
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
10,564.45	0.00	0.00	10,562.00	-170.00	-20.00	382,472.42	714,757.09	32.050261	-103.77
10,600.00	0.00	0.00	10,597.55	-170.00	-20.00	382,472.42	714,757.09	32.050261	-103.77
10,700.00	0.00	0.00	10,697.55	-170.00	-20.00	382,472.42	714,757.09	32.050261	-103.77
10,800.00	0.00	0.00	10,797.55	-170.00	-20.00	382,472.42	714,757.09	32.050261	-103.77
10,900.00	0.00	0.00	10,897.55	-170.00	-20.00	382,472.42	714,757.09	32.050261	-103.77
10,914.49	0.00	0.00	10,912.04	-170.00	-20.00	382,472.42	714,757.09	32.050261	-103.77
KOP @	0914' MD, 50'	FSL, 330' FV	VL			•• • · · · ·		i a que tunne record unde	
11,000.00	8.55	359.78	10,997.23	-163.63	-20.02	382,478.79	714,757.06	32.050278	-103.77
11,100.00	18.55	359.78	11,094.32	-140.23	-20.11	382,502.19	714,756.97	32.050343	-103.77
11,200.00	28.55	359.78	11,185.88	-100.33	-20.27	382,542.09	714,756.82	32.050452	-103.77
11,300.00	38.55	359.78	11,269.11	-45.13	-20.48	382,597.29	714,756.61	32.050604	-103.77
11,400.00	48.55	359.78	11,341.50	23.68	-20.74	382,666.10	714,756.35	32.050793	-103.77
11,500.00	58.55	359.78	11,400.83	104.02	-21.04	382,746.44	714,756.04	32.051014	-103.77
11,507.00	59.25	359.78	11,404.45	110.01	-21.07	382,752.43	714,756.02	32.051031	-103.77
FTP @ 1	1507' MD, 330	' FSL, 330' FV	ŇL	· · ·		· · · ·	· · · ·		· · · · ·
11,600.00	68.55	359.78	11,445.32	193.44	-21.38	382,835.85	714,755.70	32.051260	-103.77
11,700.00	78.55	359.78	11,473.60	289.22	-21.75	382,931.64	714,755.34	32.051523	-103.77
11,800.00	88.55	359.78	11,484.82	388.46	-22.13	383,030.88	714,754.96	32.051796	-103.77
11,814.50	90.00	359.78	11,485.00	402.95	-22.18	383,045.37	714,754.90	32.051836	-103.77
11,900.00	90.00	359.78	11,485.00	488.46	-22.51	383,130.88	714,754.58	32.052071	-103.77
12,000.00	90.00	359.78	11,485.00	588.46	-22.89	383,230.88	714,754.20	32.052346	-103.77
12,100.00	90.00	359.78	11,485.00	688.46	-23.27	383,330.87	714,753.82	32.052621	-103.77
12,200.00	90.00	359.78	11,485.00	788.46	-23.65	383,430.87	714,753.44	32.052896	-103.77
12,300.00	90.00	359.78	11,485.00	888.46	-24.03	383,530.87	714,753.05	32.053170	-103.77
12,400.00	90.00	359.78	11,485.00	988.46	-24.41	383,630.87	714,752.67	32.053445	-103.77
12,500.00	90.00	359.78	11,485.00	1,088.45	-24.79	383,730.87	714,752.29	32.053720	-103.77
12,600.00	90.00	359.78	11,485.00	1,188.45	-25.17	383,830.87	714,751.91	32.053995	-103.77
12,700.00	90.00	359.78	11,485.00	1,288.45	-25.55	383,930.87	714,751.53	32.054270	-103.77
12,800.00	90.00	359.78	11,485.00	1,388.45	-25.94	384,030.87	714,751.15	32.054545	-103.77
12,900.00	90.00	359.78	11,485.00	1,488.45	-26.32	384,130.87	714,750.77	32.054820	-103.77
13,000.00	90.00	359.78	11,485.00	1,588.45	-26.70	384,230.87	714,750.39	32.055095	-103.77
13,100.00	90.00	359.78	11,485.00	1,688.45	-27.08	384,330.87	714,750.01	32.055370	-103.77
13,200.00	90.00	359.78	11,485.00	1,788.45	-27.46	384,430.86	714,749.63	32.055644	-103.77
13,300.00	90.00	359.78	11,485.00	1,888.45	-27.84	384,530.86	714,749.25	32.055919	-103.77
13,400.00	90.00	359.78	11,485.00	1,988.45	-28.22	384,630.86	714,748.87	32.056194	-103.77
13,500.00	. 90.00	359.78	11,485.00	2,088.45	-28.60	384,730.86	714,748.48	32.056469	-103.77
13,600.00	90.00	359.78	11,485.00	2,188.45	-28.98	384,830.86	714,748.10	32.056744	-103.77
13,700.00	90.00	359.78	11,485.00	2,288.45	-29.36	384,930.86	714,747.72	32.057019	-103.77
13,800.00	90.00	359.78	11,485.00	2,388.45	-29.74	385,030.86	714,747.34	32.057294	-103.77
, 13,900.00	90.00	359.78	11,485.00	2,488.44	-30.13	385,130.86	714,746.96	32.057569	-103.77
14,000.00	90.00	359.78	11,485.00	2,588.44	-30.51	385,230.86	714,746.58	32.057844	-103.77
14,100.00	90.00	359.78	11,485.00	2,688.44	-30.89	385,330.86	714,746.20	32.058118	-103.77
14,200.00	90.00	359.78	11,485.00	2,788.44	-31.27	385,430.86	714,745.82	32.058393	-103.77
14,300.00	90.00	359.78	11,485.00	2,888.44	-31.65	385,530.85	714,745.44	32.058668	-103.77
14,400.00	90.00	359.78	11,485.00	2,988.44	-32.03	385,630.85	714,745.06	32.058943	-103.77
14,500.00	90.00	359.78	11,485.00	3,088.44	-32.41	385,730.85	714,744.68	32.059218	-103.77
14,600.00	90.00	359.78	11,485.00	3,188.44	-32.79	385,830.85	714,744.29	32.059493	-103.77
14,700.00	90.00	359.78	11,485.00	3,288.44	-33.17	385,930.85	714,743.91	32.059768	-103.77
14,800.00	90.00	359.78	11,485.00	3,388.44	-33.55	386,030.85	714,743.53	32.060043	-103.77
14,900.00	90.00	359.78	11,485.00	3,488.44	-33.93	386,130.85	714,743.15	32.060318	-103.77
15,000.00	90.00	359.78	11,485.00	3,588.44	-34.31	386,230.85	714,742.77	32.060592	-103.77
15,100.00	90.00	359.78	11,485.00	3,588.44	-34.31	386,330.85	714,742.39	32.060867	-103.77
15,200.00	90.00 90.00	359.78	11,485.00	3,000.44 3,788.44	-34.70 -35.08	386,430.85	714,742.09	32.060887	-103.77

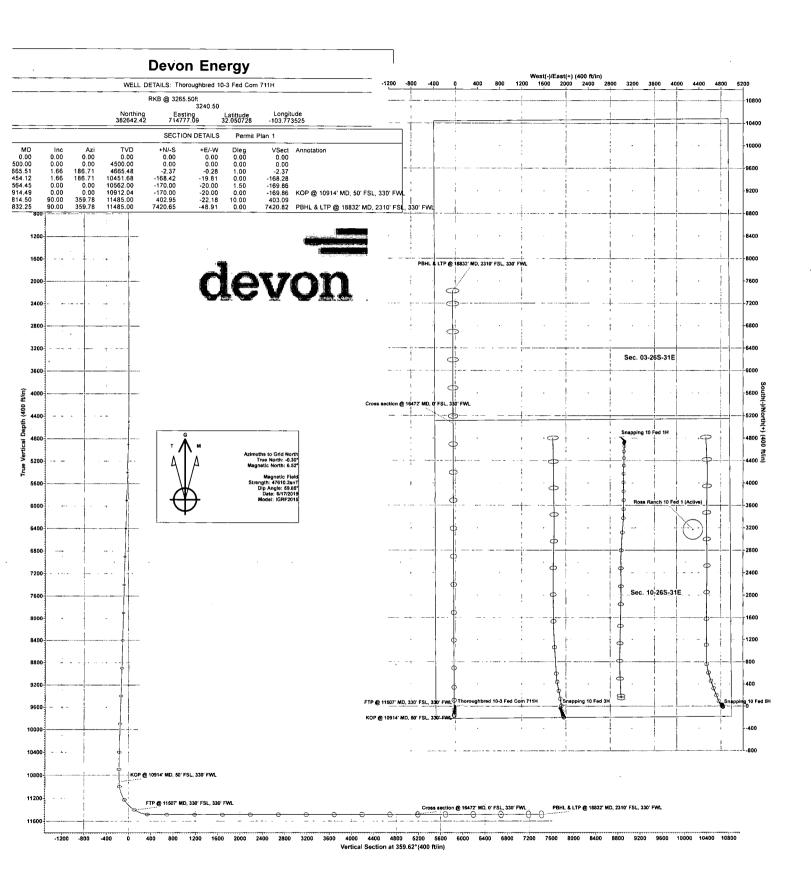
Planned Survey

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference	Well Thoroughbred 10-3 Fed Com 711H			
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3265.50ft			
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3265.50ft			
Site:	Sec 10-T26S-R31E	North Reference:	Grid			
Well:	Thoroughbred 10-3 Fed Com 711H	Survey Calculation Method:	Minimum Curvature			
Wellbore:	Wellbore #1	and the second				
Design:	Permit Plan 1					
Planned Survey						
· · · · · · · · · · · · · · · · · · ·			al. Ale and an analysis for a second s			
Measured	Vertical	Мар Ма	p A K A A A			
Depth Incli	nation Azimuth Depth +N/-S	+E/-W Northing East	ing			

Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Northing	Easting		
(ft)	. (°),	(°)	(ft)	(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
15,300.00	90.00	359.78	11,485.00	3,888.43	-35.46	386,530.85	714,741.63	32.061417	-103.7735
15,400.00	90.00	359.78	11,485.00	3,988.43	-35.84	386,630.84	714,741.25	32.061692	-103.7735
15,500.00	90.00	359.78	11,485.00	4,088.43	-36.22	386,730.84	714,740.87	32.061967	-103.7735
15,600.00	90.00	359.78	11,485.00	4,188.43	-36.60	386,830.84	714,740.49	32.062242	-103.7735
15,700.00	90.00	359.78	11,485.00	4,288.43	-36.98	386,930.84	714,740,11	32,062517	-103.7735
15,800.00	90.00	359.78	11,485.00	4,388.43	-37.36	387,030.84	714,739.72	32.062792	-103.7735
15,900.00	90.00	359.78	11,485.00	4,488.43	-37.74	387,130.84	714,739.34	32.063066	-103.7735
16,000.00	90.00	359.78	11,485.00	4,588.43	-38.12	387,230.84	714,738.96	32.063341	-103.7735
16,100.00	90.00	359.78	11,485.00	4,688.43	-38.50	387,330.84	714,738.58	32.063616	-103.7735
16,200.00	90.00	359.78	11,485.00	4,788.43	-38.88	387,430.84	714,738.20	32.063891	-103.7735
16,300.00	90.00	359.78	11,485.00	4,888.43	-39.27	387,530.84	714,737.82	32.064166	-103.7735
16,400.00	90.00	359.78	11,485.00	4,988.43	-39.65	387,630.84	714,737.44	32.064441	-103.7735
16,472.00	90.00	359.78	11,485.00	5,060.43	-39.92	387,702.83	714,737.17	32.064639	-103.7735
		2' MD, 0' FSL,		-	00.02				-100.7700
16,500.00	90.00	359.78	11,485.00	5,088.43	-40.03	387,730.83	714,737.06	32.064716	-103.7735
16,600.00	90.00	359.78	11,485.00	5,188.43	-40.41	387,830.83	714,736.68	32.064991	-103.7735
16,700.00	90.00	359.78	11,485.00	5,288.42	-40.79	387,930.83	714,736.30	32.065266	-103.7735
16,800.00	90.00	359.78	11,485.00	5,288.42 5,388.42	-41.17	388,030.83	714,735.92	32.065540	-103.7735
16,900.00	90.00	359.78	11,485.00	5,488.42	-41.55	388,130.83	714,735.54	32.065815	-103.7735
17,000.00	90.00	359.78	11,485.00	5,588.42 5,588.42	-41.55	388,230.83	,		
17,000.00	90.00	359.78	11,485.00	5,688.42 5,688.42	-41.93		714,735.15	32.066090	-103.7735 -103.7735
					-42.51	388,330.83	714,734.77 714,734.39	32.066365	
17,200.00	90.00	359.78	11,485.00	5,788.42		388,430.83		32.066640	-103.7735
17,300.00	90.00	359.78	11,485.00	5,888.42	-43.07	388,530.83	714,734.01	32.066915	-103.7735
17,400.00	90.00	359.78	11,485.00	5,988.42	-43.46	388,630.83	714,733.63	32.067190	-103.7735
17,500.00	90.00	359.78	11,485.00	6,088.42	-43.84	388,730.82	714,733.25	32.067465	-103.7735
17,600.00	90.00	359.78	11,485.00	6,188.42	-44.22	388,830.82	714,732.87	32.067740	-103.7735
17,700.00	90.00	359.78	11,485.00	6,288.42	-44.60	388,930.82	714,732.49	32.068014	-103.7735
17,800.00	. 90:00	359.78	11,485.00	6,388.42	-44.98	389,030.82	714,732.11	32.068289	-103.7735
17,900.00	90.00	359.78	11,485.00	6,488.42	-45.36	389,130.82	714,731.73	32.068564	-103.7735
18,000.00	90.00	359.78	11,485.00	6,588.41	-45.74	389,230.82	714,731.35	32.068839	-103.7735
18,100.00	90.00	359.78	11,485.00	6,688.41	-46.12	389,330.82	714,730.96	32.069114	-103.7735
18,200.00	90.00	359.78	11,485.00	6,788.41	-46.50	389,430.82	714,730.58	32.069389	-103.7735
18,300.00	90.00	359.78	11,485.00	6,888.41	-46.88	389,530.82	714,730.20	32.069664	-103.7735
18,400.00	90.00	359.78	11,485.00	6,988.41	-47.26	389,630.82	714,729.82	32.069939	-103.7735
18,500.00	90.00	359.78	11,485.00	7,088.41	-47.64	389,730.82	714,729.44	32.070214	-103.7735
18,600.00	90.00	359.78	11,485.00	7,188.41	-48.03	389,830.81	714,729.06	32.070488	-103.7735
18,700.00	90.00	359.78	11,485.00	7,288.41	-48.41	389,930.81	714,728.68	32.070763	-103.7735
18,800.00	90.00	359.78	11,485.00	7,388.41	-48.79	390,030.81	714,728.30	32.071038	-103.7735
18,832.24	90.00	359.78	11,485.00	7,420.65	-48.91	390,063.05	714,728.18	32.071127	-103.7735
PBHL & L	TP @ 18832'	MD, 2310' FSL	, 330' FWL						
18,832.25	90.00	359.78	11,485.00	7,420.66	-48.91	390,063.06	714,728.18	32.071127	-103.7735
sign Targets		Magne a second							****
rget Name	• • •	· · · ·		· · · · · · · · · · · · · · · · · · ·		· · · · · · · · · · · · · · · · · · ·		anner var und in samtan för i annende försammangart	na - nagara da desta galari - nangarar in agarana
- hit/miss targ	et Din	Angle Dip I	Dir. TVD	+N/-S	+E/-W	Northing	Easting	л	
- Shape		(°) (°		(ft)	(ft)	(usft)	(usft)	Latitude	Longitude
3HL - Thorough - plan misses - Point		0.00 r by 7420.82ft	0.00 0.0 at 0.00ft MD (0			390,063.06	714,728.18	32.071127	-103.773

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference	Well Thoroughbred 10-3 Fed Com 711H				
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3265.50ft				
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3265.50ft				
Site:	Sec 10-T26S-R31E	North Reference:	Grid				
Well:	Thoroughbred 10-3 Fed Com 711H	Survey Calculation Method:	Minimum Curvature				
Wellbore:	Wellbore #1						
Design:	Permit Plan 1						
Plan Annotations							

	Measured	Vertical	Local C	Coordinat	tes		• • •	· • •	• .,		A State of the second sec	
1	Depth	Depth	+N/-S		+E/-W	.		•				4
	(ft)	(ft)	(ft)		(ft)		Comment		• • •	· .		
	10,914.49	10,912.04	-170.00		-20.0	00	KOP @ 10914	4' MD, 50' FSL	330' FWL			
	11,507.00	11,404.45	110.01		-21.0)7	FTP @ 11507	' MD, 330' FSL	, 330' FWL			
	16,472.00	11,485.00	5,060.43		-39.9	92	Cross section	@ 16472' MD,	0' FSL, 330' F\	NŁ		
	18,832.24	11,485.00	7,420.65		-48.9	91	PBHL & LTP @	@ 18832' MD, 2	2310' FSL, 330'	FWL		



1. Geologic Formations

TVD of target	11485	Pilot hole depth	N/A
MD at TD:	18832	Deepest expected fresh water	

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/Target Zone?	Hazards*
RUSTLER	1418		
SALADO	1724		
BASE OF SALT	3854		
DELAWARE	4083		
BONE SPRING	8010		
BONE SPRING 1ST	8967		
BONE SPRING 2ND	9663		
BONE SPRING 3RD	10929		· · · · · · · · · · · · · · · · · · ·
WOLFCAMP	11345		

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

Hole Size	Casin	g Interval	Cag Sino Wt	Wt	Com	Min SF	Min SF	Min SF	
Hole Size	From	To	Csg. Size	(PPF)	Grade	Conn	Collapse	Burst	Tension
17 1/2	0	1443 TVD	13 3/8	48.0	H40	STC	1.125	1.25	1.6
9 7/8	0	10929 TVD	7 5/8	29.7	P110	Flushmax III	1.125	1.25	1.6
6 3/4	0	TD	5 1/2	20.0	P110	Vam SG	1.125	1.25	1.6
				BLM N	4inimum Sa	fety Factor	1.125	1	1.6 Dry 1.8 Wet

2. Casing Program (Primary Design)

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

• Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.

• A variance is requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing.

• Int casing shoe will be selected based on drilling data/gamma, setting depth with be revised accordingly if needed.

• A variance is requested to wave the centralizer requirement for the Intermediate casing and production casing.

• A variance is requested to set intermediate casing in the curve if hole conditions dictate that a higher shoe strength is required.

Hole Size	Casing	g Interval	Csg. Size	Wt	Grade	Conn	Min SF	Min SF	Min SF
Hole Size	From	То	Csg. Size	(PPF)	Grade	Conn	Collapse	Burst	Tension
17 1/2	0	1443 TVD	13 3/8	48.0	H40	STC	1.125	1.25	1.6
9 7/8	. 0	10929 TVD	8 5/8	32.0	P110	TLW	1.125	1.25	1.6
7 7/8	0	TD	5 1/2	17.0	P110	BTC	1.125	1.25	1.6
		• <u> </u>		BLM N	/inimum Sat	fety Factor	1.125	1	1.6 Dry

Casing Program (Alternative Design)

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

• Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.

• A variance is requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing.

• Int casing shoe will be selected based on drilling data/gamma, setting depth with be revised accordingly if needed.

• A variance is requested to wave the centralizer requirement for the Intermediate casing and production casing.

•Variance requested to drill 10.625" hole instead of 9.875" for intermediate 1, the 8.625" connection will change from TLW to BTC.

• A variance is requested to set intermediate casing in the curve if hole conditions dictate that a higher shoe strength is required.

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specificition sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
	f de la
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 rd string cement tied back 500' into previous casing?	
	e Statistica en
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 nd string set 100' to 600' below the base of salt?	
	n Nervy in George
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

ł

Casing	# Sks	тос	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	1083	Surf	13.2	1.44	Lead: Class C Cement + additives
	718	Surf	9	3.27	Lead: Class C Cement + additives
Int 1	783	4000' above shoe	13.2	1.44	Tail: Class H / C + additives
	856	Surf	· 9	3.27	1 st stage Lead: Class C Cement + additives
Int 1 Two Stage	93	500' above shoe	13.2	1.44	l st stage Tail: Class H / C + additives
w/ DV @ TVD of Delaware	425	Surf	9	3.27	2nd stage Lead: Class C Cement + additives
	93	500' above DV	13.2	1.44	2nd stage Tail: Class H / C + additives
Int 1	As Needed	Surf	9	1.44	Squeeze Lead: Class C Cement + additives
Intermediate	718	Surf	9	3.27	Lead: Class C Cement + additives
Squeeze	783	4000' above shoe	13.2	1.44	Tail: Class H / C + additives
Declustice	62	8914	9.0	3.3	Lead: Class H /C + additives
Production	505	10914	13.2	1.4	Tail: Class H / C + additives

3. Cementing Program (Primary Design)

If a DV tool is ran the depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. Slurry weights will be adjusted based on estimated fracture gradient of the formation. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. If cement is not returned to surface during the primary cement job on the surface casing string, a planned top job will be conducted immediately after completion of the primary job.

Casing String	% Excess
Surface	50%
Intermediate 1	30%
Intermediate 1 (Two Stage)	25%
Prod	10%

3. Cementing Program (Alternative Design)						
Casing	# Sks	тос	Wt. ppg	yld (ft3/sack)	Slurry Description	
Surface	1083	Surf	13.2	1.44	Lead: Class C Cement + additives	
	485	Surf	9	3.27	Lead: Class C Cement + additives	
Int 1	465	4000' above shoe	13.2	1.44	Tail: Class H / C + additives	
	503	Surf	9	3.27	1st stage Lead: Class C Cement + additives	
Int 1 Two Stage	55	500' above shoe	13.2	1.44	1st stage Tail: Class H / C + additives	
w DV @ ~4500	313	Surf	9	3.27	2nd stage Lead: Class C Cement + additives	
	55	500' above DV	13.2	1.44	2nd stage Tail: Class H / C + additives	
Int 1	As Needed	Surf	13.2	1.44	Squeeze Lead: Class C Cement + additives	
Intermediate	485	Surf	9	3.27	Lead: Class C Cement + additives	
Squeeze	465	4000' above shoe	13.2	1.44	Tail: Class H / C + additives	
Int 1 (10.625" Hole Size)	668	Surf	9	3.27	Lead: Class C Cement + additives	
Int I (10.025 Hole Size)	768	4000' above shoe	13.2	1.44	Tail: Class H / C + additives	
Production	117	8914	9.0	3.3	Lead: Class H /C + additives	
FIGUERON	1048	10914	13.2	1.4	Tail: Class H / C + additives	

3. Cementing Program (Alternative Design)

If a DV tool is ran the depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. Slurry weights will be adjusted based on estimated fracture gradient of the formation. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. If cement is not returned to surface during the primary cement job on the surface casing string, a planned top job will be conducted immediately after completion of the primary job.

Casing String	% Excess
Surface	50%
Intermediate 1	30%
Intermediate 1 (Two Stage)	25%
Prod	10%

BOP installed and tested before drilling which hole?	Size?	Min. Require d WP	T.	ype		Tested to:
			Annular		X	50% of rated working pressure
Int 1	13-58"	5M		l Ram	X	
	15 50	2141	Pipe	Ram		5M
			Doub	le Ram	X	JIVI
			Other*			
		Annular (5M)		Х	50% of rated working pressure	
Production	13-5/8"	5M	Blind Ram		X	5M
rioduction		5101	Pipe Ram			
			Doub	Double Ram		
<u> </u>			Other*]
			Annul	ar (5M)		
			Blind Ram Pipe Ram			
			Doub	le Ram		
			Other*			
A variance is requested for	the use of a	diverter on	the surface	casing. See a	ttached for so	chematic.
Y A variance is requested to r	un a 5 M ani	nular on a	10M system			

4. Pressure Control Equipment (Three String Design)

5. Mud Program (Three String Design)

Section	Туре	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	DBE / Cut Brine	10-10.5
Production	OBM	10-10.5

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, C	logging, Coring and Testing					
	Will run GR/CNL from TD to surface (horizontal well - vertical portion of hole). Stated logs run will be in the					
X Completion Report and sbumitted 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.					

Additiona	ll logs planned	Interval
	Resistivity	Int. shoe to KOP
	Density	Int. shoe to KOP
Х	CBL	Production casing
Х	Mud log	Intermediate shoe to TD
	PEX	

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	6271
Abnormal temperature	No

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

Hydrogren 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 pa.
- 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. A 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

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 nippled 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.