

Secretary's Potash

## OCD-ARTESIA

Form 3160-3  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

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

EA10-1159

5. Lease Serial No.  
SH: K-4562; BH: NM036379

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.  
Cotton Draw Unit 134H

9. API Well No.

10. Field and Pool, or Exploratory  
BONE SPRING

11. Sec., T. R. M. or Blk. and Survey or Area

SEC 2 T25S R31E

1a. Type of work: ☒ DRILL☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator  
Devon Energy Production Company, LP3a. Address 20 North Broadway  
Oklahoma City, Oklahoma City 73102-82603b. Phone No. (include area code)  
405-228-86994. Location of Well (Report location clearly and in accordance with any State requirements.)  
At surface SW/4 SW/4 200 FSL & 330 FWL PP: 200 FSL & 330 FWL  
At proposed prod. zone NW/4 SW/4 2600 FSL & 330 FWL SEC 35 T24S R31E14. Distance in miles and direction from nearest town or post office\*  
Approximately12. County or Parish  
Eddy County13. State  
NM15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any) 40'16. No. of acres in lease  
639.92 Acres17. Spacing Unit dedicated to this well  
240 Acres18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft. See attached map.19. Proposed Depth  
16,354' MD 8980' TVD20. BLM/BLA Bond No. on file  
CO-110421. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3418' GL

22. Approximate date work will start\*

23. Estimated duration  
45 days

## 24. Attachments

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

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature  
Judy A. Barnett  
Title  
Regulatory AnalystName (Printed/Typed)  
Judy A. BarnettDate  
08/30/2010

Approved by (Signature) /s/ Linda S. C. Rundell

Name (Printed/Typed)  
/s/ Linda S. C. RundellDate  
OCT 27 2010Title  
STATE DIRECTOROffice  
NM STATE OFFICEApplication approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title is in the name of the applicant.  
\* OED CONDITION OF APPROVAL of Drilling?  
Intent to drill ONLY CANNOT produce until the Non-Standard  
Location has been approved by OED Santa Fe office.

I knowingly and willfully make to any department or agency of the United States its jurisdiction.

NSL#6280  
CARLSBAD CONTROLLED WATER BASIN

RECEIVED

NOV 05 2010

NMOCD ARTESIA

SEE ATTACHED FOR  
CONDITIONS OF APPROVALK 11/23/10  
APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-102  
Revised October 15, 2009  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>70-015-38293</b>	<sup>2</sup> Pool Code <b>9.6641</b>	<sup>3</sup> Pool Name <b>PADUCA; BONE SPRING</b>
<sup>4</sup> Property Code <b>300635</b>	<sup>5</sup> Property Name <b>COTTON DRAW UNIT</b>	<sup>6</sup> Well Number <b>134H</b>
<sup>7</sup> OGRID No. <b>6137</b>	<sup>8</sup> Operator Name <b>DEVON ENERGY PRODUCTION COMPANY, L.P.</b>	<sup>9</sup> Elevation <b>3418.5</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>2</b>	<b>25 S</b>	<b>31 E</b>		<b>200</b>	<b>SOUTH</b>	<b>330</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

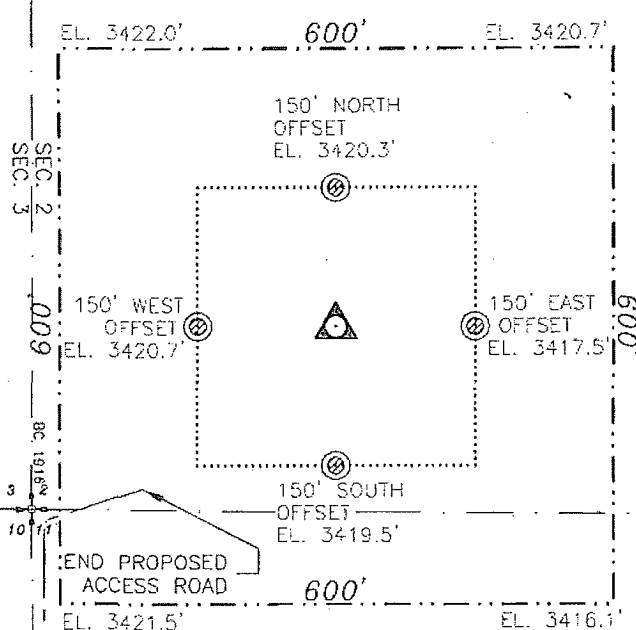
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>L</b>	<b>35</b>	<b>24 S</b>	<b>31 E</b>		<b>2600</b>	<b>SOUTH</b>	<b>330</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>240</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. <b>NSL-6280</b>
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NW CORNER SEC. 35 LAT. = 32°10'51.95"N LONG. = 103°45'25.86"W NMSP EAST (FT) N = 430036.93 E = 719612.25</p> <p>SECTION CORNER LAT. = 32°10'00.38"N LONG. = 103°45'25.88"W NMSP EAST (FT) N = 424824.54 E = 719621.10</p> <p>SW CORNER SEC. 2 LAT. = 32°09'08.16"N LONG. = 103°45'26.03"W NMSP EAST (FT) N = 419545.75 E = 719636.14</p>	<p>TOE TARGET LAT. = 32°10'25.50"N LONG. = 103°45'21.82"W NMSP EAST (FT) N = 427424.33 E = 719948.03</p> <p>TOE TARGET LAT. = 32°09'10.099"N (NAD83) LONG. = 103°45'22.174"W NMSP EAST (FT) N = 419743.42 E = 719966.81</p> <p>HEAL TARGET LAT. = 32°09'16.03"N LONG. = 103°45'22.12"W NMSP EAST (FT) N = 420343.36 E = 719968.49</p>	<p>NE CORNER SEC. 35 LAT. = 32°10'52.00"N LONG. = 103°44'24.18"W NMSP EAST (FT) N = 430070.15 E = 724896.74</p> <p>SECTION CORNER LAT. = 32°10'00.07"N LONG. = 103°44'24.35"W NMSP EAST (FT) N = 424821.55 E = 724911.12</p> <p>SE CORNER SEC. 2 LAT. = 32°09'07.61"N LONG. = 103°44'24.41"W NMSP EAST (FT) N = 419519.18 E = 724934.87</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Judy A. Barnett</i> 8/30/10 Signature Date Judy A. Barnett Regulatory Analyst</p> <p><b>18 SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>AUGUST 30 2010 Date of Survey NEW MEXICO 10797 Signature and Seal of Professional Surveyor Certificate Number: ET-FILMON-TN-CAMILLO, PLS 12797 SURVEY NO. 173-RJ</p>
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SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

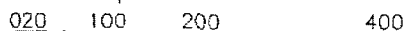


COTTON DRAW UNIT #134H  
ELEV. = 3418.5'  
LAT. = 32°09'10.099"N (NAD83)  
LONG. = 103°45'22.174"W  
NMSP EAST (FT)  
N = 419743.42  
E = 719966.81

CENTERLINE  
PROPOSED  
ACCESS ROAD  
(880 L.F.)

BEGIN PROPOSED  
ACCESS ROAD

EXISTING 15' CALICHE ROAD



SCALE 1" = 200'

DIRECTIONS TO LOCATION

FROM CR.# 786 (BUCK JACKSON) (CALICHE) AND CR.# 791 (BUCK THORN) (CALICHE) GO SOUTH ON CR. 791 3.1 MILES TURN LEFT AND GO EAST 0.9 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS NORTH 880' TO A PROPOSED PAD FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.  
COTTON DRAW UNIT #134H  
LOCATED 200 FT. FROM THE SOUTH LINE  
AND 330 FT. FROM THE WEST LINE OF  
SECTION 2, TOWNSHIP 25 SOUTH,  
RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

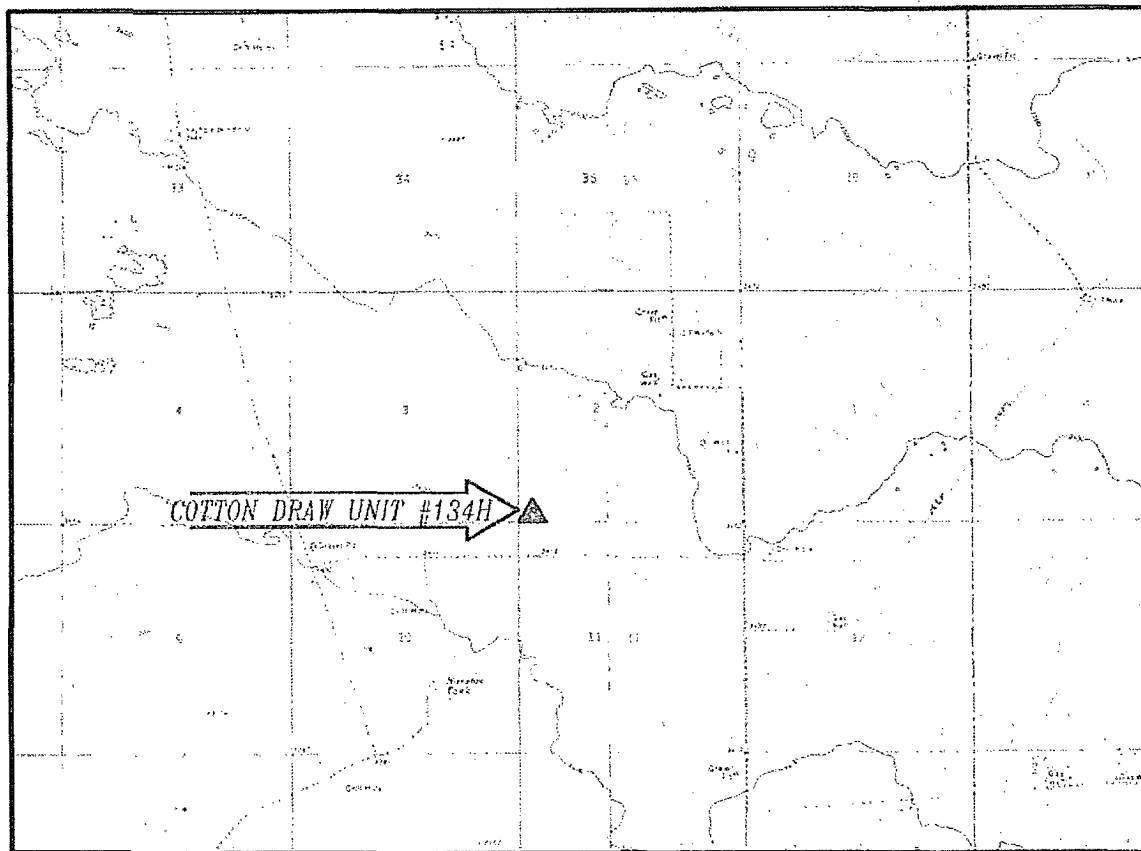
AUGUST 9, 2010

SURVEY NO. 173 - R1

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
(575) 657-5630

301 SOUTH CANAL  
(575) 857-5630

SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO  
**LOCATION VERIFICATION MAP**



CONTOUR INTERVAL:

BIG SINKS

PADUCA BREAKS NW

NOT TO SCALE

**DIRECTIONS TO LOCATION**

FROM CR.# 786 (BUCK JACKSON) (CALICHE) AND CR.# 791 (BUCK THORN) (CALICHE) GO SOUTH ON CR. 791 3.1 MILES TURN LEFT AND GO EAST 0.9 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS NORTH 880' TO A PROPOSED PAD FOR THIS LOCATION.

SEC. 2 TWP. 25-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 200' FSL & 330' FWL

ELEVATION 3418.5'

OPERATOR DEVON ENERGY PRODUCTION COMPANY, LP

LEASE COTTON DRAW

DEVON ENERGY PRODUCTION COMPANY, L.P.

COTTON DRAW UNIT #134H

LOCATED 200 FT. FROM THE SOUTH LINE  
AND 330 FT. FROM THE WEST LINE OF  
SECTION 2, TOWNSHIP 25 SOUTH,  
RANGE 31 EAST, N.M.P.M.

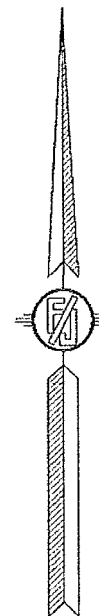
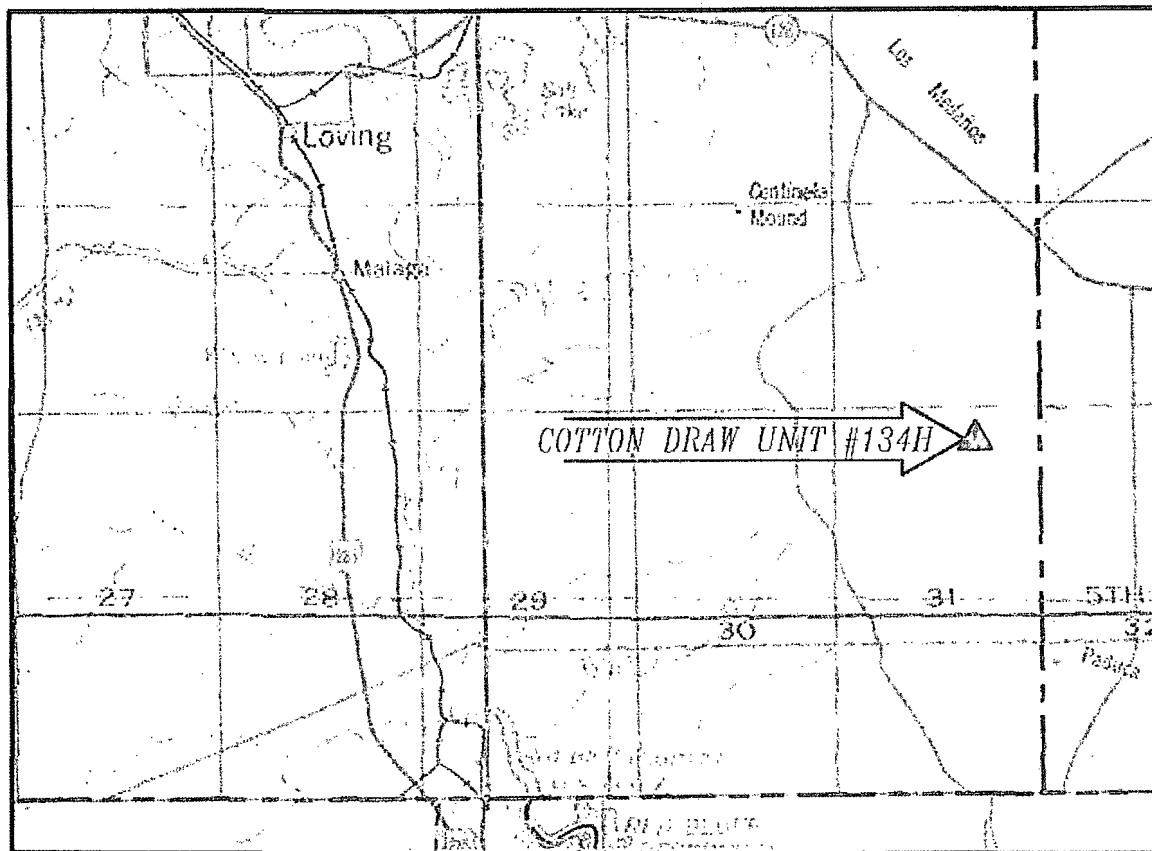
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 9, 2010

SURVEY NO. 173 - R1

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 887-5830 CARLSBAD, NEW MEXICO

SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO  
**VICINITY MAP**



**DIRECTIONS TO LOCATION**

FROM CR. # 786 (BUCK JACKSON) (CALICHE) AND CR. # 791 (BUCK THORN) (CALICHE) GO SOUTH ON CR. 791 3.1 MILES TURN LEFT AND GO EAST 0.9 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW FLAGS NORTH 880' TO A PROPOSED PAD FOR THIS LOCATION.

NOT TO SCALE

SEC. 2 TWP. 25-S RGE. 31-E  
SURVEY N.M.P.M.  
COUNTY EDDY STATE NEW MEXICO  
DESCRIPTION 200' FSL & 330' FWL  
ELEVATION 3418.5'  
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LEASE COTTON DRAW

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RANGE 31 EAST, N.M.P.M.  
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AUGUST 9, 2010

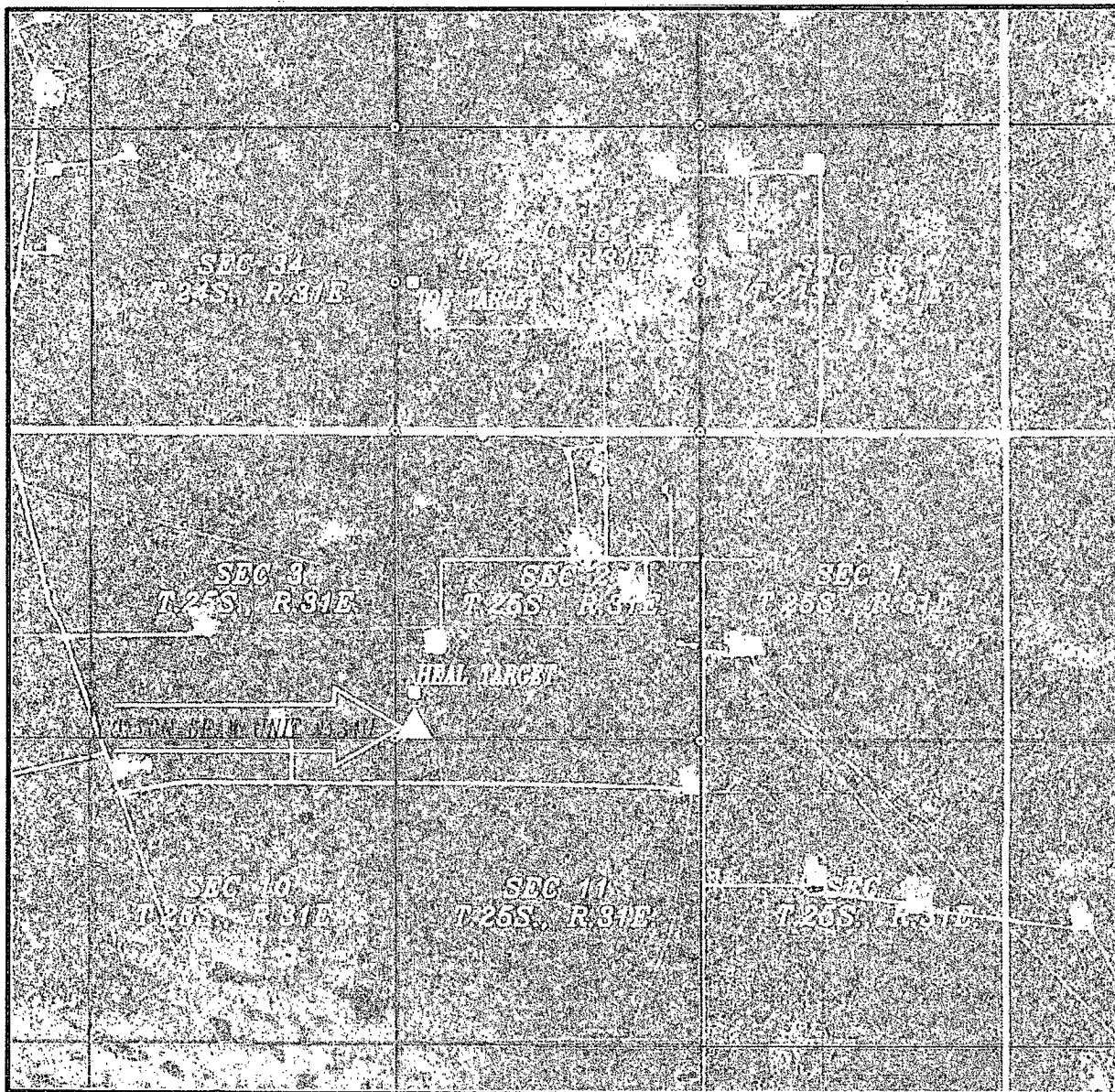
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MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

391 SOUTH CANAL  
(575) 687-5530

SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

## AERIAL PHOTO



NOT TO SCALE  
AERIAL PHOTO:  
GOOGLE EARTH  
USDA - AUG, 2009

DEVON ENERGY PRODUCTION COMPANY, L.P.  
COTTON DRAW UNIT #134H  
LOCATED 200 FT. FROM THE SOUTH LINE  
AND 330 FT. FROM THE WEST LINE OF  
SECTION 2, TOWNSHIP 25 SOUTH,  
RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 9, 2010

SURVEY NO. 173 - R1

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO  
(575) 887-5530

# 24S 31E

# 27

# 26

Bel-Net F

PLU 199

PLU 70

PLU 36

PLU 75

PLU 73

PLU 77

# 33

Rowley 1

PLU 197

Cotton Draw Ut 114H

PLU 76

# 34

Estimated distance to nearest wellbore- 715 ft SE

Cotton Draw Ut 115H

Cotton Draw Ut 112

Cotton Draw 90

# 35

# 1 MILE

BHL

Cotton Draw Ut 67

Cotton Draw Ut

PLU 50

# 4

LOST TANK 4 FEDERAL #14

POKER LAKE UNIT #303H

# 3

PLU 67

Estimated distance to nearest wellbore- 1500 ft SW

Cotton Draw Ut 89

Cotton Draw Ut 65

# 2

Cotton Draw Ut 76

Cotton Draw Ut 81

Cotton Draw Ut 84

# 1 MILE

SL

COTTON DRAW UNIT 134H  
DEVON ENERGY

Cotton Draw Ut 87

PLU 53

# 9

Pauley-Harrison 2

# 10

# 11

Pauley-Harrison 1

**devon** DEVON ENERGY

SE NEW MEXICO

COTTON DRAW UNIT 134H 1 MILE RADIUS

0 2,091  
FEET

### WELL SYMBOLS

- Location Only
- Oil Well
- Gas Well
- Dry Hole
- Injection Well

# 15

# 25S 31E

## **DRILLING PROGRAM**

Devon Energy Production Company, LP

### **Cotton Draw Unit 134H**

Surface Location: 200' FSL & 330' FWL, Unit M, Sec 2 T25S R31E, Eddy, NM

Bottom Hole Location: 2600' FSL & 330' FWL, Unit L, Sec 35 T24S R31E, Eddy, NM

#### **1. Geologic Name of Surface Formation**

a. Quaternary

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

a. Rustler	574'	
b. Salado	944'	
c. Base Salt	4064'	
d. Delaware	7289'	
e. Bell Canyon	4314'	
f. Cherry Canyon	5319'	Oil
g. Brushy Canyon	6599'	Oil
h. Bone Spring	8564'	Oil
i. Total Depth	16,354'	

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 17 1/2" casing at 650' and circulating cement back to surface. Fresh water sands will be protected by setting 9 5/8" casing at 4250' and circulating cement to surface. The Bone Spring intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 9 5/8" casing.

#### **Casing Program:**

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Csg</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
17 1/2"	0 - 650'	13 3/8"	0'-650'	48#	ST&C	H-40
12 1/4"	650-4250'	9 5/8"	0'-4250'	40#	LT&C	J-55
8 3/4"	4250-8000'	5 1/2"	0-8000'	17#	LT&C	HCP-110
8 3/4"	8000-16,354'	5 1/2"	8000-16,354'	17#	BTC	HCP-110



**Design Parameter Factors:**

<u>Casing Size</u>	<u>Collapse Design</u>	<u>Burst Design</u>	<u>Tension Design</u>
	<u>Factor</u>	<u>Factor</u>	<u>Factor</u>
13 3/8"	2.53	5.69	10.32
9 5/8" 40#	1.15	1.77	2.83
5 1/2" 17#	2.00	2.50	1.70
5 1/2" 17#	1.80	2.20	4.00

**Cement Program:**

13 3/8"

**Lead:** w/ 400 sx Cl C + 2% bwoc Calcium Chloride + 0.25#/sx CF + 4% bwoc Bentonite + 81.4% FW, 13.50 ppg Yld: 1.75 cf/sx.  
**Tail:** w/250 sx Cl C + 2% bwoc Calcium Chloride + 0.125 #/sx CF + 56.3% FW. 14.8 ppg, Yld: 1.35 cf/sx. TOC @ surface.

9 5/8" Intermediate

**Lead:** w/ 1100 sx (35:65) Poz (Fly Ash): Cl C + 5% bwow Sodium Chloride + 0.125#/sx CF + 6% bwoc Bentonite + 107.8% FW, 12.5 ppg, Yld: 2.04 cf/sx. TOC @ surface. **Tail:** w/300 sx 60:40 POZ (Fly Ash): Cl C + 5% bwow Sodium Chloride + 0.125#/sx CF + 4% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 64.7% FW, 13.8 ppg Yld: 1.37 cf/sx.

5 1/2" Production

1<sup>st</sup> Stage

**Lead:** w/ 500 sx (35:65) Poz (Fly Ash): Cl H + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 2% bwoc Bentonite + 0.6% bwoc Sodium Metasilicate + 0.5% bwoc FL-52A + 102.5% FW, 12.5 ppg, Yld: 2.01 cf/sx. **Tail:** w/2000 sx (50:50) Poz Fly Ash Cl H+1% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125#/sx CF + 0.5% bwoc BA-10A + 4% bwoc MPA-5 58.3% FW, 14.2 ppg, Yld: 1.28 cf/sx

2nd Stage . DV TOOL @ 6000'

**Lead:** w/300 sx Cl C + 1% bwow Calcium Chloride + 0.125#/sx CF + 157.8% FW, 11.4 ppg. Yld: 2.89 cf/sx.

**Tail:** w/ 200 sx (60:40) Poz (Fly Ash) Cl C + 1% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125#/sx CF + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 63.2% FW, 13.8 ppg. Yld: 1.37 cf/sx.

TOC @ 11,000'.

see  
COA

3750' per operator  
10/20/10  
HWA

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

**Pressure Control Equipment BOP DESIGN:** *See COA*

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

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

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 5,000 psi WP.

*Flex line should be described in this section.*

**Proposed Mud Circulation System**

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>
0' - 650'	8.4-9.0	30-34	NC	FW
650' - 4250'	9.8-10.0	28-32	NC	Brine
4250' - 8200'	8.6-9.0	28-32	NC-12	FW
8200-16,354'	8.6-9.0	28-60	NC-12	60/40 OBM

*See COA*

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

3. Auxiliary Well Control and Monitoring Equipment:
  - a. A Kelly cock will be in the drill string at all times.
  - b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times
  - c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 20" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 20" shoe until total depth is reached.
4. Logging, Coring, and Testing Program: *See COA*
  - a. Drill stem tests will be based on geological sample shows.
  - b. If a drill stem test is anticipated; a procedure, equipment to be used and safety measures will be provided via sundry notice to the BLM.

- c. The open hole electrical logging program will be: *See COA*
- i. Total Depth to Intermediate Casing      Dual Laterolog-Micro Laterolog with SP and Gamma Ray. Compensated Neutron – Z Density log with Gamma Ray and Caliper.
  - ii. Total Depth to Surface      Compensated Neutron with Gamma Ray
  - iii. No coring program is planned
  - iv. Additional testing will be initiated subsequent to setting the 5 ½" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

**5. Potential Hazards:**

- a. No abnormal pressures or temperatures are expected. There is no known presence of H<sub>2</sub>S in this area. If H<sub>2</sub>S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6 No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 5500 psi and Estimated BHT 170°. No H<sub>2</sub>S is anticipated to be encountered.

**6. Anticipated Starting Date and Duration of Operations:**

- a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.



**Weatherford®**

## **Drilling Services**

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## **Proposal**

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**devon**

**COTTON DRAW #134H**

**EDDY COUNTY, NM**

**WELL FILE: PLAN 1**

**AUGUST 23, 2010**

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**Weatherford International, Ltd.**

P.O. Box 61028

Midland, TX 79711 USA

+1.432.561.8892 Main

+1.432.561.8895 Fax

[www.weatherford.com](http://www.weatherford.com)

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	359.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	8263.80	0.00	359.86	8263.80	0.00	0.00	0.00	0.00	0.00	0.00
3	9388.80	90.00	359.86	8980.00	716.20	-18.78	8.00	359.86	716.20	Pbhl
4	16353.54	90.00	359.86	8980.00	7680.91	-18.78	0.00	0.00	7680.93	Pbhl

WELL DETAILS

Name	+N/-S	+E/-W	North	East	Latitude	Longitude	Slot
Cotton Draw #134H	0.00	0.00	419743.42	719966.81	32°09'09.48"N	103°45'22.098"W	N/A

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	North	East	Shape
Pbhl	8980.00	7680.91	-18.78	427424.33	719948.03	Point

FIELD DETAILS

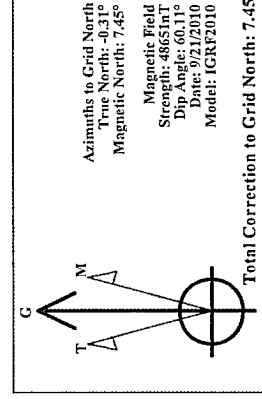
Eddy Co., NM (NAD 83)

Geodetic System: US State Plane Coordinate System 1983  
 Ellipsoid: GRS 1980  
 Zone: New Mexico, Eastern Zone  
 Magnetic Model: IGRF2010  
 System Datum: Mean Sea Level  
 Local North: Grid North

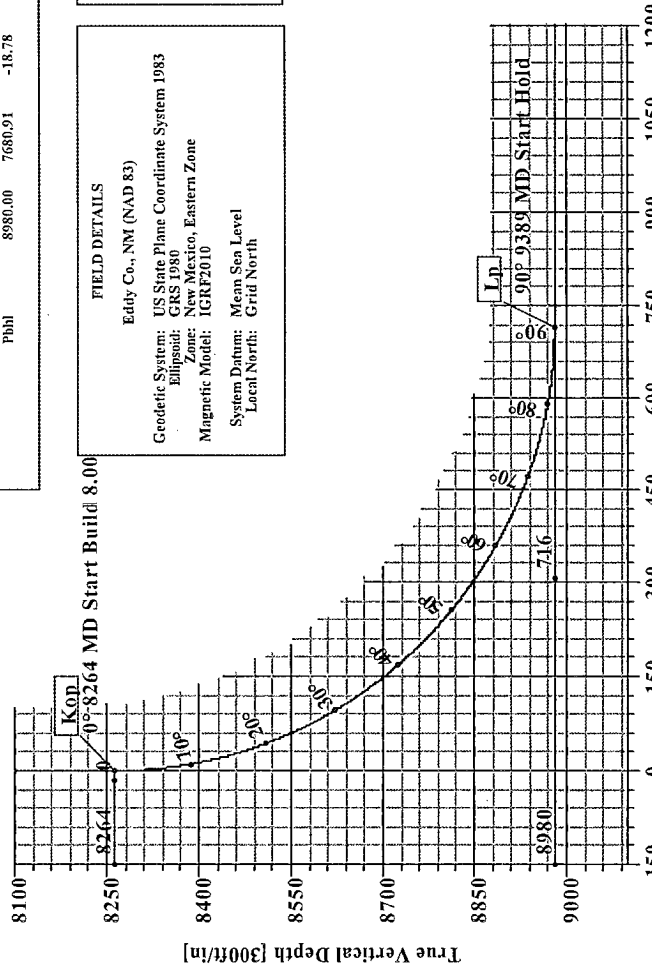
SITE DETAILS

Cotton Draw #134H

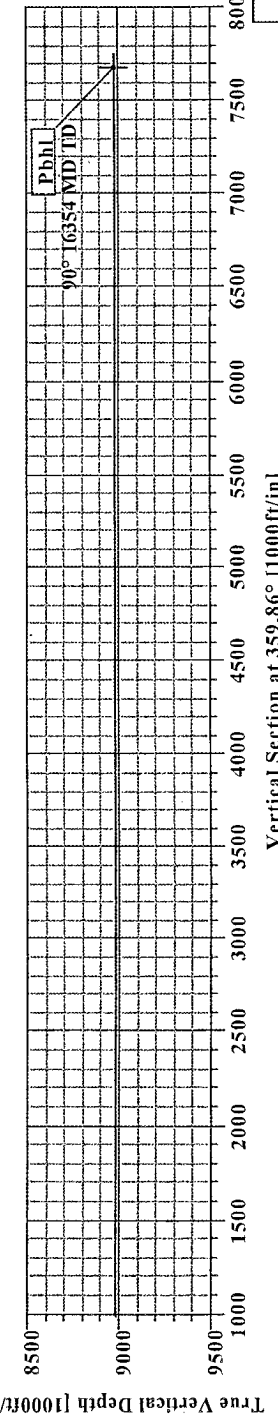
Site Centre Northing: 419743.42  
 Easting: 719966.81  
 Ground Level: 3418.50  
 Positional Uncertainty: 0.00  
 Convergence: 0.31



KB ELEV: 3443.5  
GL ELEV: 3418.5



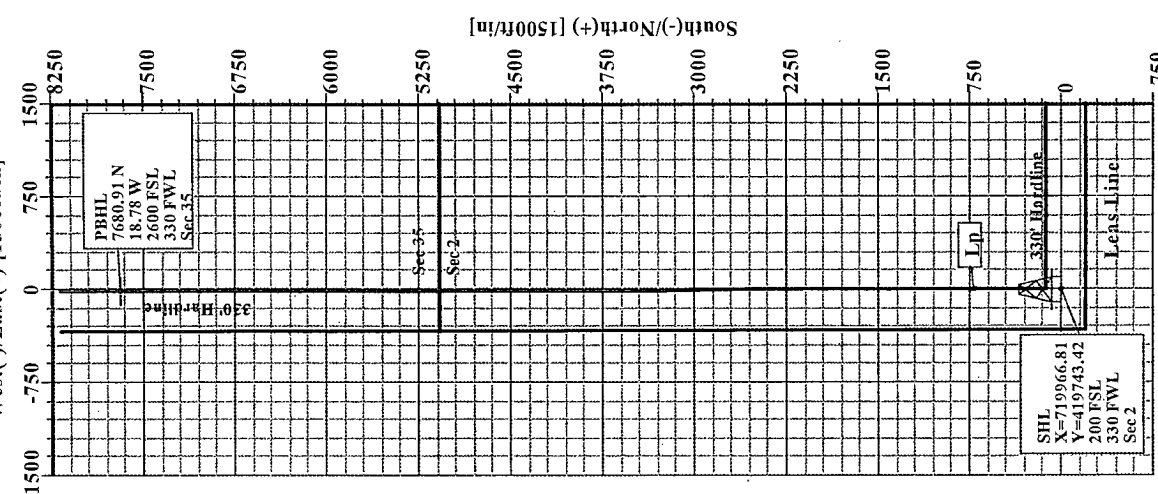
Vertical Section at 359.86° [300ft/in]



Vertical Section at 359.86° [1000ft/in]



West(-)/East(+) [1500ft/in]



Vertical Section at 359.86° [1500ft/in]

Plan: Plan #1 (Cotton Draw #134H/1)

Created By: Russell W. Joyner

Date: 8/21/2010



# Weatherford International Ltd.

## WFT Plan Report - X & Y's

**Weatherford**

Company: Devon Energy  
Field: Eddy Co., NM (NAD 83)  
Site: Cotton Draw #134H  
Well: Cotton Draw #134H  
Wellpath: 1

Date: 8/21/2010  
Co-ordinate(N/E) Reference: Well: Cotton Draw #134H, Grid North  
Vertical (TVD) Reference: SITE 3443.5  
Section (VS) Reference: Well (0.00N,0.00E,359.86Azi)  
Survey Calculation Method: Minimum Curvature Db: Sybase

Time: 12:19:25  
Page: 1

Plan: Plan #1  
Principal: Yes

Date Composed: 8/21/2010  
Version: 1  
Tied-to: From Surface

Field: Eddy Co., NM (NAD 83)

Map System: US State Plane Coordinate System 1983  
Geo Datum: GRS 1980  
Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone  
Coordinate System: Well Centre  
Geomagnetic Model: IGRF2010

Site: Cotton Draw #134H

Site Position: Northing: 419743.42 ft Latitude: 32 9 9.484 N  
From: Map Easting: 719966.81 ft Longitude: 103 45 22.098 W  
Position Uncertainty: 0.00 ft North Reference: Grid  
Ground Level: 3418.50 ft Grid Convergence: 0.31 deg

Well: Cotton Draw #134H Slot Name:

Well Position: +N/-S 0.00 ft Northing: 419743.42 ft Latitude: 32 9 9.484 N  
+E/-W 0.00 ft Easting: 719966.81 ft Longitude: 103 45 22.098 W  
Position Uncertainty: 0.00 ft

Wellpath: 1

Current Datum: SITE Height 3443.50 ft  
Magnetic Data: 9/21/2010  
Field Strength: 48651 nT  
Vertical Section: Depth From (TVD) +N/-S  
ft ft  
8980.00 0.00 0.00 359.86

Drilled From: Surface  
Tie-on Depth: 0.00 ft  
Above System Datum: Mean Sea Level  
Declination: 7.76 deg  
Mag Dip Angle: 60.11 deg  
+E/-W Direction  
ft deg

### Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	359.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8263.80	0.00	359.86	8263.80	0.00	0.00	0.00	0.00	0.00	0.00	
9388.80	90.00	359.86	8980.00	716.20	-1.75	8.00	8.00	0.00	359.86	
16353.54	90.00	359.86	8980.00	7680.91	-18.78	0.00	0.00	0.00	0.00	Pbhl

### Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
8200.00	0.00	359.86	8200.00	0.00	0.00	0.00	0.00	419743.42	719966.81	Kop
8263.80	0.00	359.86	8263.80	0.00	0.00	0.00	0.00	419743.42	719966.81	
8300.00	2.90	359.86	8299.98	0.91	0.00	0.91	8.00	419744.33	719966.81	
8400.00	10.90	359.86	8399.18	12.91	-0.03	12.91	8.00	419756.33	719966.78	
8500.00	18.90	359.86	8495.74	38.60	-0.09	38.60	8.00	419782.02	719966.72	
8600.00	26.90	359.86	8587.79	77.47	-0.19	77.47	8.00	419820.89	719966.62	Lp
8700.00	34.90	359.86	8673.53	128.78	-0.31	128.78	8.00	419872.20	719966.50	
8800.00	42.90	359.86	8751.29	191.52	-0.47	191.52	8.00	419934.94	719966.34	
8900.00	50.90	359.86	8819.57	264.47	-0.65	264.47	8.00	420007.89	719966.16	
9000.00	58.90	359.86	8877.03	346.21	-0.85	346.21	8.00	420089.63	719965.96	
9100.00	66.90	359.86	8922.56	435.16	-1.06	435.16	8.00	420178.58	719965.75	
9200.00	74.90	359.86	8955.26	529.57	-1.29	529.57	8.00	420272.99	719965.52	
9300.00	82.90	359.86	8974.50	627.62	-1.53	627.62	8.00	420371.04	719965.28	
9388.80	90.00	359.86	8980.00	716.20	-1.75	716.20	8.00	420459.62	719965.06	
9400.00	90.00	359.86	8980.00	727.39	-1.78	727.39	0.00	420470.81	719965.03	
9500.00	90.00	359.86	8980.00	827.39	-2.02	827.39	0.00	420570.81	719964.79	
9600.00	90.00	359.86	8980.00	927.39	-2.27	927.39	0.00	420670.81	719964.54	



# Weatherford International Ltd.

## WFT Plan Report - X & Y's

**Weatherford**

Company: Devon Energy  
Field: Eddy Co., NM (NAD 83)  
Site: Cotton Draw #134H  
Well: Cotton Draw #134H  
Wellpath: 1

Date: 8/21/2010 Time: 12:19:25 Page: 2  
Co-ordinate(NE) Reference: Well: Cotton Draw #134H, Grid North  
Vertical (TVD) Reference: SITE 3443.5  
Section (VS) Reference: Well (0.00N,0.00E,359.86Azi)  
Survey Calculation Method: Minimum Curvature Db: Sybase

### Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
9700.00	90.00	359.86	8980.00	1027.39	-2.51	1027.39	0.00	420770.81	719964.30	
9800.00	90.00	359.86	8980.00	1127.39	-2.76	1127.39	0.00	420870.81	719964.05	
9900.00	90.00	359.86	8980.00	1227.39	-3.00	1227.39	0.00	420970.81	719963.81	
10000.00	90.00	359.86	8980.00	1327.39	-3.25	1327.39	0.00	421070.81	719963.56	
10100.00	90.00	359.86	8980.00	1427.39	-3.49	1427.39	0.00	421170.81	719963.32	
10200.00	90.00	359.86	8980.00	1527.39	-3.73	1527.39	0.00	421270.81	719963.08	
10300.00	90.00	359.86	8980.00	1627.39	-3.98	1627.39	0.00	421370.81	719962.83	
10400.00	90.00	359.86	8980.00	1727.39	-4.22	1727.39	0.00	421470.81	719962.59	
10500.00	90.00	359.86	8980.00	1827.39	-4.47	1827.39	0.00	421570.81	719962.34	
10600.00	90.00	359.86	8980.00	1927.39	-4.71	1927.39	0.00	421670.81	719962.10	
10700.00	90.00	359.86	8980.00	2027.39	-4.96	2027.39	0.00	421770.81	719961.85	
10800.00	90.00	359.86	8980.00	2127.39	-5.20	2127.39	0.00	421870.81	719961.61	
10900.00	90.00	359.86	8980.00	2227.39	-5.45	2227.39	0.00	421970.81	719961.36	
11000.00	90.00	359.86	8980.00	2327.39	-5.69	2327.39	0.00	422070.81	719961.12	
11100.00	90.00	359.86	8980.00	2427.39	-5.94	2427.39	0.00	422170.81	719960.87	
11200.00	90.00	359.86	8980.00	2527.39	-6.18	2527.39	0.00	422270.81	719960.63	
11300.00	90.00	359.86	8980.00	2627.39	-6.42	2627.39	0.00	422370.81	719960.39	
11400.00	90.00	359.86	8980.00	2727.39	-6.67	2727.39	0.00	422470.81	719960.14	
11500.00	90.00	359.86	8980.00	2827.39	-6.91	2827.39	0.00	422570.81	719959.90	
11600.00	90.00	359.86	8980.00	2927.39	-7.16	2927.39	0.00	422670.81	719959.65	
11700.00	90.00	359.86	8980.00	3027.39	-7.40	3027.39	0.00	422770.81	719959.41	
11800.00	90.00	359.86	8980.00	3127.39	-7.65	3127.39	0.00	422870.81	719959.16	
11900.00	90.00	359.86	8980.00	3227.38	-7.89	3227.39	0.00	422970.80	719958.92	
12000.00	90.00	359.86	8980.00	3327.38	-8.14	3327.39	0.00	423070.80	719958.67	
12100.00	90.00	359.86	8980.00	3427.38	-8.38	3427.39	0.00	423170.80	719958.43	
12200.00	90.00	359.86	8980.00	3527.38	-8.62	3527.39	0.00	423270.80	719958.19	
12300.00	90.00	359.86	8980.00	3627.38	-8.87	3627.39	0.00	423370.80	719957.94	
12400.00	90.00	359.86	8980.00	3727.38	-9.11	3727.39	0.00	423470.80	719957.70	
12500.00	90.00	359.86	8980.00	3827.38	-9.36	3827.39	0.00	423570.80	719957.45	
12600.00	90.00	359.86	8980.00	3927.38	-9.60	3927.39	0.00	423670.80	719957.21	
12700.00	90.00	359.86	8980.00	4027.38	-9.85	4027.39	0.00	423770.80	719956.96	
12800.00	90.00	359.86	8980.00	4127.38	-10.09	4127.39	0.00	423870.80	719956.72	
12900.00	90.00	359.86	8980.00	4227.38	-10.34	4227.39	0.00	423970.80	719956.47	
13000.00	90.00	359.86	8980.00	4327.38	-10.58	4327.39	0.00	424070.80	719956.23	
13100.00	90.00	359.86	8980.00	4427.38	-10.83	4427.39	0.00	424170.80	719955.98	
13200.00	90.00	359.86	8980.00	4527.38	-11.07	4527.39	0.00	424270.80	719955.74	
13300.00	90.00	359.86	8980.00	4627.38	-11.31	4627.39	0.00	424370.80	719955.50	
13400.00	90.00	359.86	8980.00	4727.38	-11.56	4727.39	0.00	424470.80	719955.25	
13500.00	90.00	359.86	8980.00	4827.38	-11.80	4827.39	0.00	424570.80	719955.01	
13600.00	90.00	359.86	8980.00	4927.38	-12.05	4927.39	0.00	424670.80	719954.76	
13700.00	90.00	359.86	8980.00	5027.38	-12.29	5027.39	0.00	424770.80	719954.52	
13800.00	90.00	359.86	8980.00	5127.38	-12.54	5127.39	0.00	424870.80	719954.27	
13900.00	90.00	359.86	8980.00	5227.38	-12.78	5227.39	0.00	424970.80	719954.03	
14000.00	90.00	359.86	8980.00	5327.38	-13.03	5327.39	0.00	425070.80	719953.78	
14100.00	90.00	359.86	8980.00	5427.38	-13.27	5427.39	0.00	425170.80	719953.54	
14200.00	90.00	359.86	8980.00	5527.38	-13.51	5527.39	0.00	425270.80	719953.30	
14300.00	90.00	359.86	8980.00	5627.38	-13.76	5627.39	0.00	425370.80	719953.05	
14400.00	90.00	359.86	8980.00	5727.38	-14.00	5727.39	0.00	425470.80	719952.81	
14500.00	90.00	359.86	8980.00	5827.38	-14.25	5827.39	0.00	425570.80	719952.56	
14600.00	90.00	359.86	8980.00	5927.38	-14.49	5927.39	0.00	425670.80	719952.32	
14700.00	90.00	359.86	8980.00	6027.38	-14.74	6027.39	0.00	425770.80	719952.07	
14800.00	90.00	359.86	8980.00	6127.38	-14.98	6127.39	0.00	425870.80	719951.83	
14900.00	90.00	359.86	8980.00	6227.38	-15.23	6227.39	0.00	425970.80	719951.58	



# Weatherford International Ltd.

## WFT Plan Report - X & Y's

**Weatherford**

Company: Devon Energy  
Field: Eddy Co., NM (NAD 83)  
Site: Cotton Draw #134H  
Well: Cotton Draw #134H  
Wellpath: 1

Date: 8/21/2010 Time: 12:19:25 Page: 3  
Co-ordinate(N/E) Reference: Well: Cotton Draw #134H, Grid North  
Vertical (TVD) Reference: SITE 3443.5  
Section (VS) Reference: Well (0.00N,0.00E,359.86Azi)  
Survey Calculation Method: Minimum Curvature Db: Sybase

### Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Comment
15000.00	90.00	359.86	8980.00	6327.38	-15.47	6327.39	0.00	426070.80	719951.34	
15100.00	90.00	359.86	8980.00	6427.38	-15.72	6427.39	0.00	426170.80	719951.09	
15200.00	90.00	359.86	8980.00	6527.38	-15.96	6527.39	0.00	426270.80	719950.85	
15300.00	90.00	359.86	8980.00	6627.37	-16.20	6627.39	0.00	426370.79	719950.61	
15400.00	90.00	359.86	8980.00	6727.37	-16.45	6727.39	0.00	426470.79	719950.36	
15500.00	90.00	359.86	8980.00	6827.37	-16.69	6827.39	0.00	426570.79	719950.12	
15600.00	90.00	359.86	8980.00	6927.37	-16.94	6927.39	0.00	426670.79	719949.87	
15700.00	90.00	359.86	8980.00	7027.37	-17.18	7027.39	0.00	426770.79	719949.63	
15800.00	90.00	359.86	8980.00	7127.37	-17.43	7127.39	0.00	426870.79	719949.38	
15900.00	90.00	359.86	8980.00	7227.37	-17.67	7227.39	0.00	426970.79	719949.14	
16000.00	90.00	359.86	8980.00	7327.37	-17.92	7327.39	0.00	427070.79	719948.89	
16100.00	90.00	359.86	8980.00	7427.37	-18.16	7427.39	0.00	427170.79	719948.65	
16200.00	90.00	359.86	8980.00	7527.37	-18.40	7527.39	0.00	427270.79	719948.41	
16300.00	90.00	359.86	8980.00	7627.37	-18.65	7627.39	0.00	427370.79	719948.16	
16353.54	90.00	359.86	8980.00	7680.91	-18.78	7680.93	0.00	427424.33	719948.03	Pbhl

### Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude --->			<--- Longitude --->		
Pbhl			8980.00	7680.91	-18.78	427424.33	719948.03	32	10	25.493 N	103	45	21.837 W

### Casing Points

MD	TVD	Diameter	Hole Size	Name

### Annotation

MD ft	TVD ft	
8263.80	8263.80	Kop
9388.80	8980.00	Lp
16353.53	8980.00	Pbhl

### Formations

MD	TVD	Formations	Lithology	Dip Angle	Dip Direction



**Weatherford®****Weatherford Drilling Services**

GeoDec v5.03

---

Report Date: August 21, 2010  
Job Number: \_\_\_\_\_  
Customer: Devon Energy  
Well Name: Cotton Draw #134H  
API Number: \_\_\_\_\_  
Rig Name: \_\_\_\_\_  
Location: Eddy Co., NM (NAD 83)  
Block: \_\_\_\_\_  
Engineer: RWJ

---

US State Plane 1983	Geodetic Latitude / Longitude
System: New Mexico Eastern Zone	System: Latitude / Longitude
Projection: Transverse Mercator/Gauss Kruger	Projection: Geodetic Latitude and Longitude
Datum: North American Datum 1983	Datum: North American Datum 1983
Ellipsoid: GRS 1980	Ellipsoid: GRS 1980
North/South 419743.420 USFT	Latitude 32.1526368 DEG
East/West 719966.810 USFT	Longitude -103.7561336 DEG
Grid Convergence: .31°	
Total Correction: +7.45°	

---

Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude =	32.15264° N	32° 9 min 9.492 sec
Longitude =	103.75613° W	103° 45 min 22.081 sec

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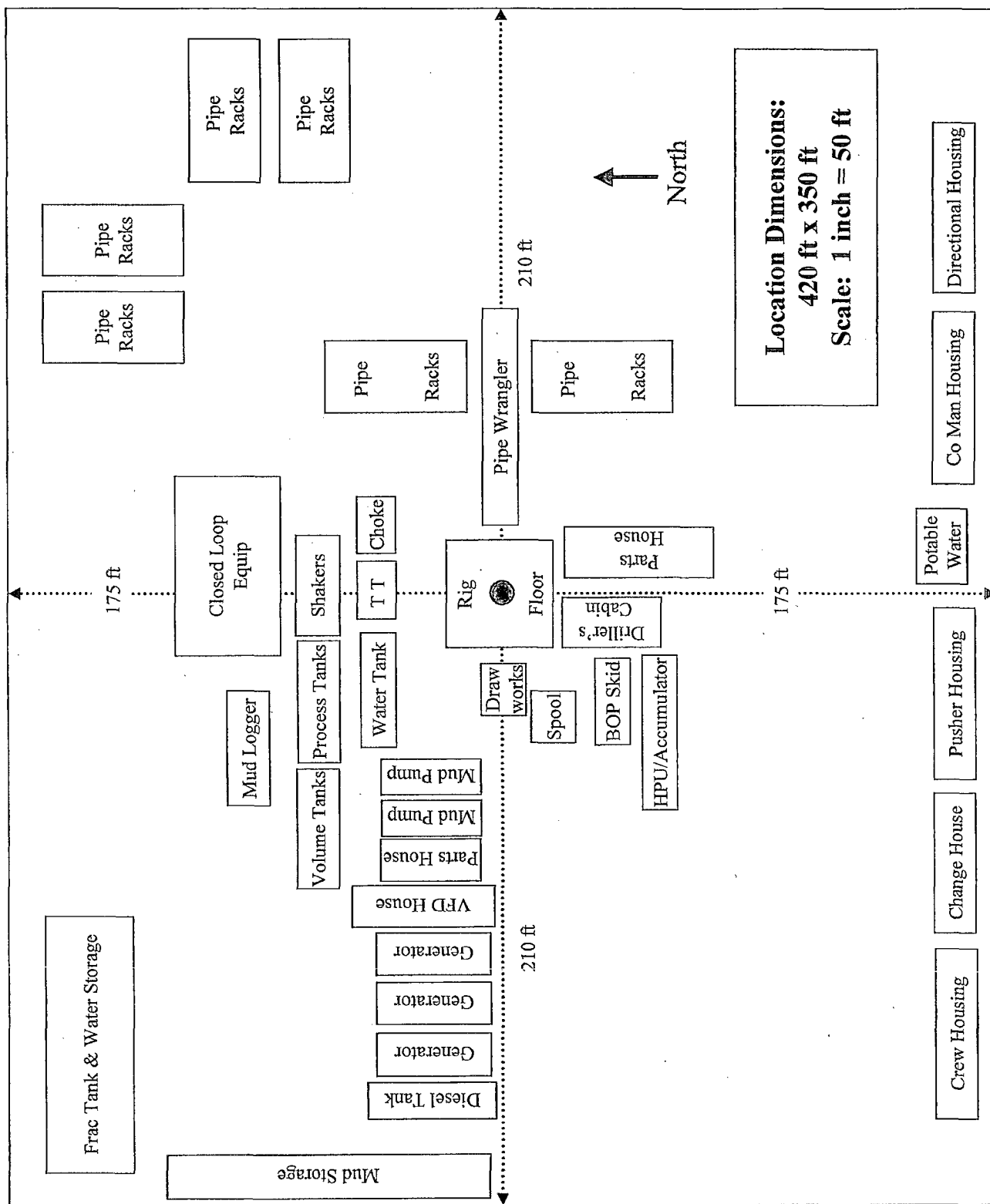
Magnetic Declination =	7.76°	[True North Offset]
Local Gravity =	.9988 g	Checksum = 6539
Local Field Strength =	48647 nT	Magnetic Vector X = 24024 nT
Magnetic Dip =	60.11°	Magnetic Vector Y = 3272 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z = 42175 nT
Spud Date =	Sep 21, 2010	Magnetic Vector H = 24245 nT

---

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

# H&P Flex Rig Location Layout



## NOTES REGARDING BLOWOUT PREVENTERS

Devon Energy Production Company, LP

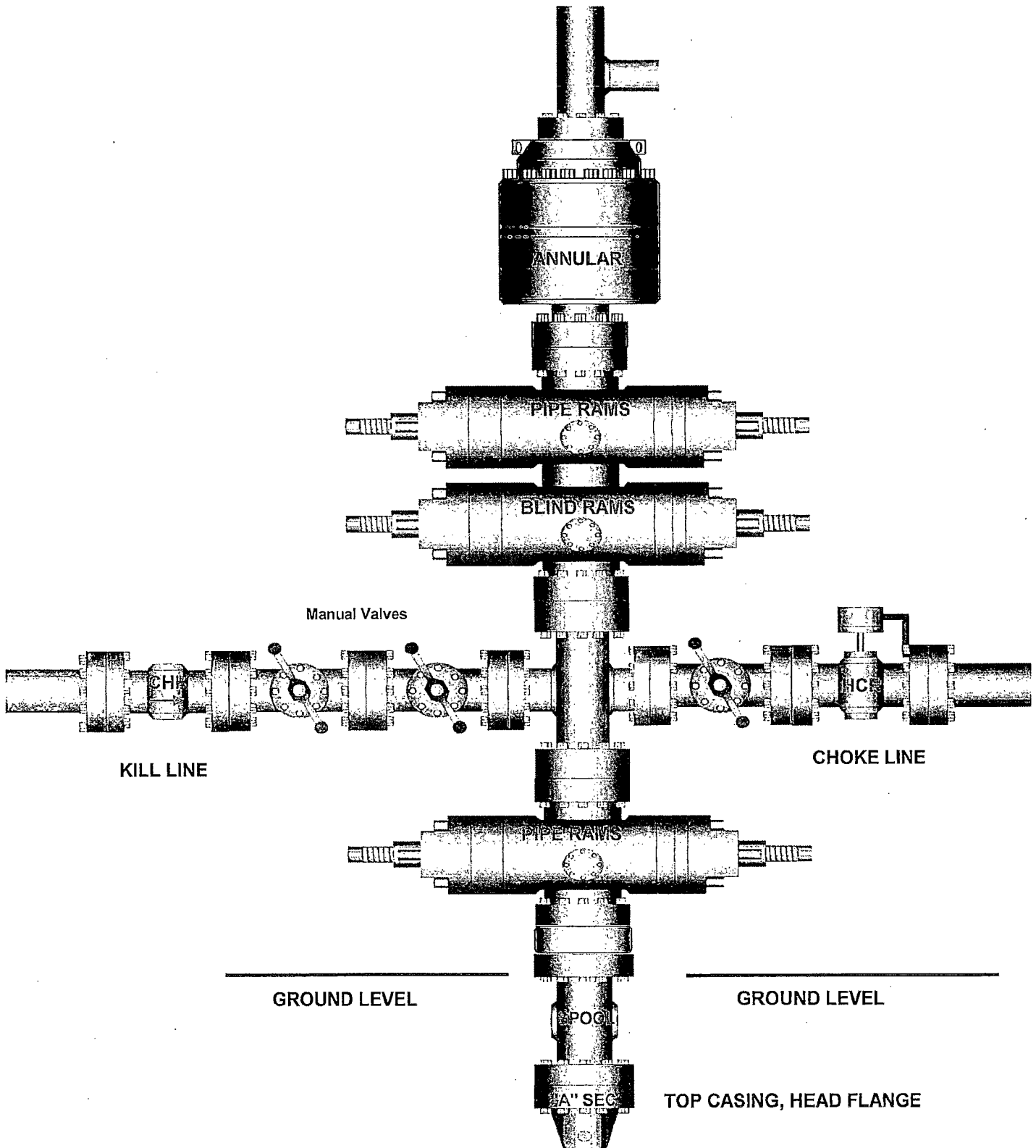
### **Cotton Draw Unit 134H**

Surface Location: 200' FSL & 330' FWL, Unit M, Sec 2 T25S R31E, Eddy, NM

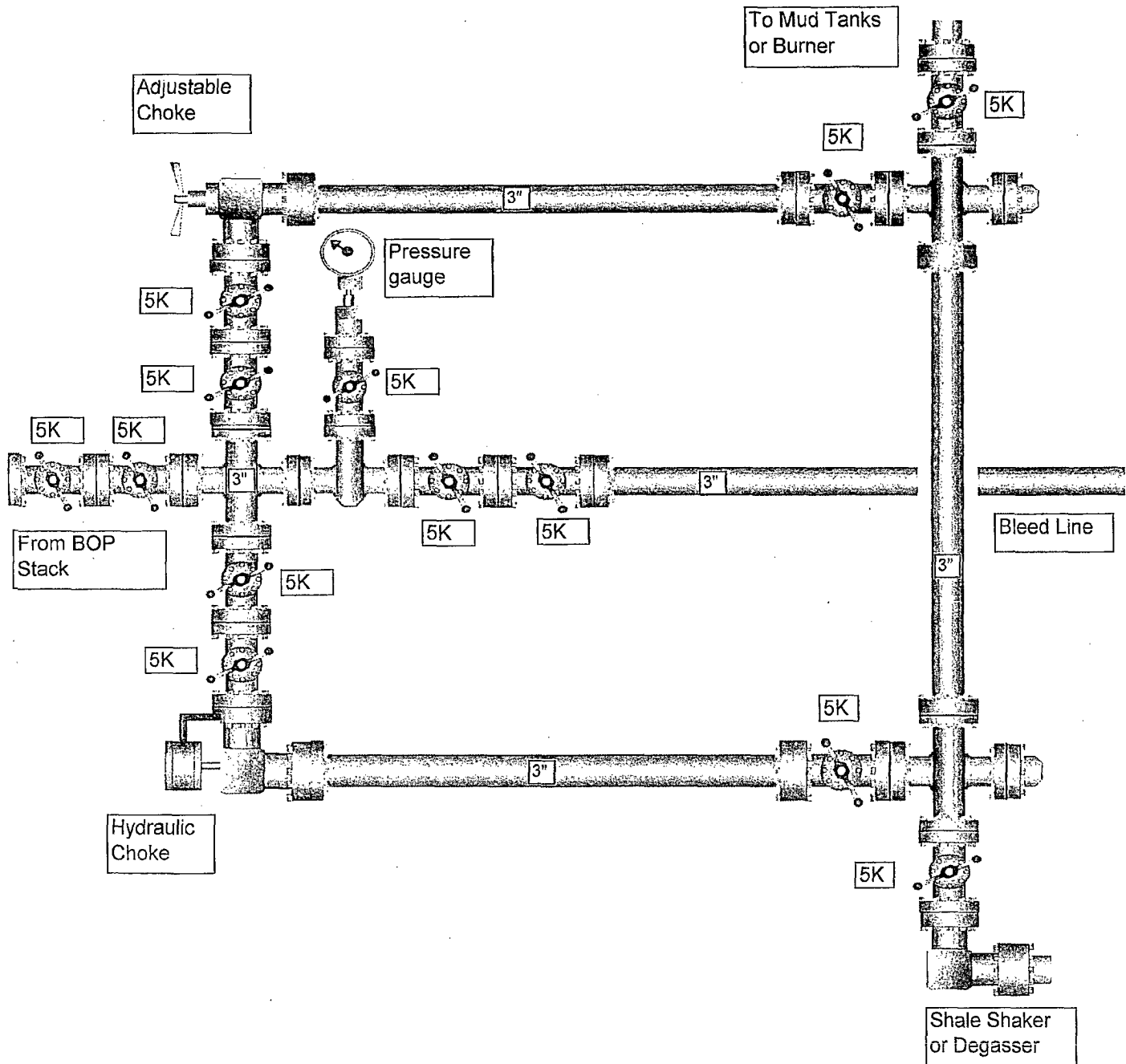
Bottom Hole Location: 2600' FSL & 330' FWL, Unit L, Sec 35 T24S R31E, Eddy, NM

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
2. Wear ring will be properly installed in head.
3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 3,000 psi working pressure.
4. All fittings will be flanged.
5. A full bore safety valve tested to a minimum 3,000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
6. All choke lines will be anchored to prevent movement.
7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
8. Will maintain a kelly cock attached to the kelly.
9. Hand wheels and wrenches will be properly installed and tested for safe operation.
10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

# 13-5/8" x 5,000 psi BOP Stack



# 5,000 PSI CHOKE MANIFOLD





## Fluid Technology

ContiTech Beattie Corp.  
Website: [www.contitechbeattie.com](http://www.contitechbeattie.com)

Monday, June 14, 2010

RE: Drilling & Production Hoses  
Lifting & Safety Equipment

To Helmerich & Payne,

A Continental ContiTech hose assembly can perform as intended and suitable for the application regardless of whether the hose is secured or unsecured in its configuration. As a manufacturer of High Pressure Hose Assemblies for use in Drilling & Production, we do offer the corresponding lifting and safety equipment, this has the added benefit of easing the lifting and handling of each hose assembly whilst affording hose longevity by ensuring correct handling methods and procedures as well as securing the hose in the unlikely event of a failure; but in no way does the lifting and safety equipment affect the performance of the hoses providing the hoses have been handled and installed correctly. It is good practice to use lifting & safety equipment but not mandatory.

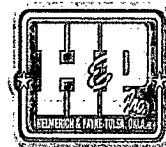
Should you have any questions or require any additional information/clarifications then please do not hesitate to contact us.

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

Best regards,

Robin Hodgson  
Sales Manager  
ContiTech Beattie Corp

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





## QUALITY DOCUMENT

PHOENIX RUBBER

INDUSTRIAL LTD.

H-6728 Szeged, Budapesti út 10, Hungary • H-6701 Szeged, P. O. Box 152  
Phone: (3662) 566-737 • Fax (3662) 566-738

SALES & MARKETING: H-1092 Budapest, Ráday u. 42-44, Hungary • H-1440 Budapest, P. O. Box 26  
Phone: (361) 456-4200 • Fax (361) 217-2972, 456-4273 • www.teurusaemarga.hu

<b>QUALITY CONTROL INSPECTION AND TEST CERTIFICATE</b>		CERT. N°: 555	
PURCHASER: Phoenix Beattie Co.		P.O. N°: 1519FA-871	
PHOENIX RUBBER order N°: 170466	HOSE TYPE: 3" ID Choke and Kill Hose		
HOSE SERIAL N°: 34137	NOMINAL / ACTUAL LENGTH: 11,43 m		
W.P. 68,96 MPa 10000 psi	T.P. 103,4 MPa 15000 psi	Duration: 60 min.	
Pressure test with water at ambient temperature			
See attachment. (1 page)			
↑ 10 mm = 10 Min. → 10 mm = 16 MPa			
COUPLINGS			
Type	Serial N°	Quality	Heat N°
3" coupling with 4 1/16" Flange end	714 715	AISI 4130 AISI 4130	C7626 47357
API Spec 16 C Temperature rate: "B"			
All metal parts are flawless			
WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.			
Date: 30. April 2002.	Inspector	Quality Control PHOENIX RUBBER Industrial Ltd. Hose Inspection and Test Section	

PHOENIX RUBBER  
Industrial Ltd.  
Hose Inspection and  
Certification Dept.

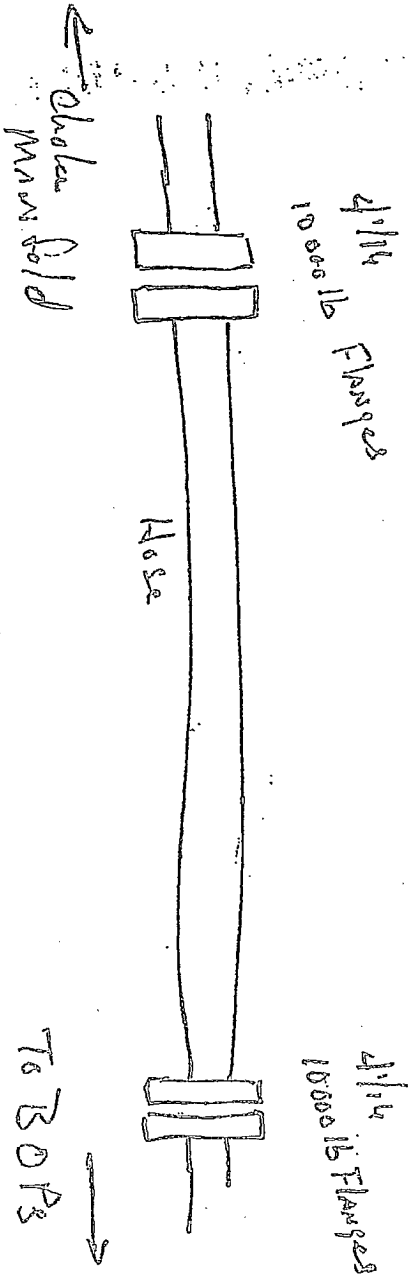
VERIFIED TRUE COPY  
PHOENIX RUBBER CO.

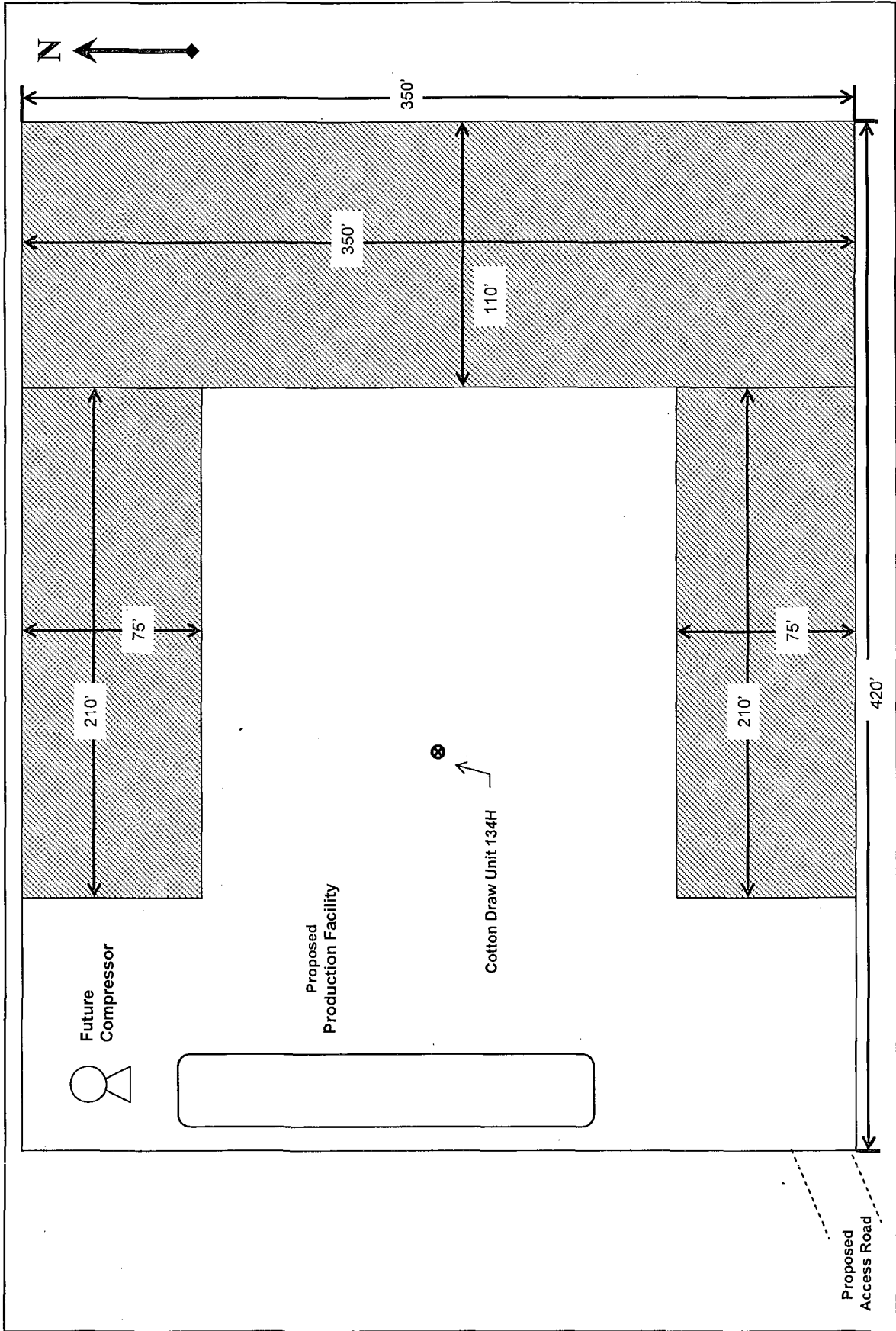


H&P 2/14



Choke here





# **Proposed Interim Site Reclamation**

Devon Energy Production Co.  
Cotton Draw Unit 134H  
200' FSL & 330' FWL  
Sec. 2-T25S-R31E  
Eddy County, NM



1" = 50'

GM 8/26/10

Assumed 100 ppm ROE = 3000'

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

### Emergency Procedures

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

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

### **Ignition of Gas Source**

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

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

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

### **Contacting Authorities**

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

## Devon Energy Corp. Company Call List

<u>Artesia (575)</u>	<u>Cellular</u>	<u>Office</u>	<u>Home</u>
Foreman – Robert Bell.....	748-7448 .....	748-0178 .....	746-2991
Asst. Foreman –Tommy Polly.....	748-5290 .....	748-0165 .....	748-2846
Don Mayberry .....	748-5235 .....	748-0164 .....	746-4945
Montral Walker.....	390-5182 .....	748-0193 .....	936-414-6246
Engineer – Marcos Ortiz.....	(405) 317-0666....	(405) 552-8152....	(405) 381-4350

## Agency Call List

<u>Lea</u>	<u>Hobbs</u>
<u>County</u>	State Police .....
<u>(575)</u>	City Police .....
	Sheriff's Office .....
	Ambulance.....
	Fire Department.....
	LEPC (Local Emergency Planning Committee).....
	NMOCD .....
	US Bureau of Land Management .....

<u>Eddy</u>	<u>Carlsbad</u>
<u>County</u>	State Police .....
<u>(575)</u>	City Police .....
	Sheriff's Office .....
	Ambulance.....
	Fire Department.....
	LEPC (Local Emergency Planning Committee).....
	US Bureau of Land Management .....
	New Mexico Emergency Response Commission (Santa Fe) ...
	24 HR .....
	National Emergency Response Center (Washington, DC) ..

### Emergency Services

Boots & Coots IWC .....	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....	(915) 699-0139 or (915) 563-3356
Halliburton .....	(575) 746-2757
B. J. Services.....	(575) 746-3569

<i>Give</i>	Flight For Life - Lubbock, TX .....	(806) 743-9911
<i>GPS</i>	Aerocare - Lubbock, TX .....	(806) 747-8923
<i>position:</i>	Med Flight Air Amb - Albuquerque, NM .....	(575) 842-4433
	Lifeguard Air Med Svc. Albuquerque, NM .....	(575) 272-3115

Prepared in conjunction with  
Wade Rohloff of;



**SURFACE USE PLAN**  
Devon Energy Production Company, LP  
**Cotton Draw Unit 134H**

Surface Location: 200' FSL & 330' FWL, Unit M, Sec 2 T25S R31E, Eddy, NM  
Bottom Hole Location: 2600' FSL & 330' FWL, Unit L, Sec 35 T24S R31E, Eddy, NM

**1. Existing Roads:**

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Madron Surveying, Inc.
- b. All roads into the location are depicted on Exhibit 3.
- c. Directions to Location: From the junction of Buck Jackson and Buck Thorn, go south 3.1 miles, turn left and go east 0.9 miles to a proposed road survey and follow flags north 880' to proposed location.

**2. New or Reconstructed Access Roads:**

- a. The well site layout, Form C-102 shows the existing County road. Approximately 880' of new access road will be constructed as follows. The maximum width of the road will be 15'. It will be crowned and made of 6" rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- b. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- c. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

**3. Location of Existing Wells:**

One Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat.

**4. Location of Existing and/or Proposed Production Facilities:**

- a. In the event the well is found productive it will go to a battery on site and the necessary production equipment will be installed at the well site. (See Attached diagram)
- b. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road.
- c. All flow lines will adhere to API standards.
- d. If the well is productive, rehabilitation plans are as follows:
  - i. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

**5. Location and Types of Water Supply:**

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in the C-102. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

**6. Construction Materials:**

The caliche utilized for the drilling pad and proposed access road will be from minerals that are located onsite or will be used onsite. If minerals are not available onsite, then an established mineral pit will be used to build the location and stem road.

**7. Methods of Handling Waste Material:**

- a. Drill cuttings will be disposed.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.
- f. Disposal of fluids to be transported by the following companies:
  - i. American Production Service Inc, Odessa TX
  - ii. Gandy Corporation, Lovington NM
  - iii. I & W Inc, Loco Hill NM
  - iv. Jims Water Service of Co Inc, Denver CO

**8. Ancillary Facilities:** No campsite or other facilities will be constructed as a result of this well.

**9. Well Site Layout**

- a. Exhibit D shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicated proposed location of sump pits and living facilities.
- c. Mud pits in the active circulating system will be steel pits.
- d. A closed loop system will be utilized.

- e. If a pit or closed loop system is utilized, Devon will comply with the NMOCD requirements 19.15.17 and submit form C-144 to the appropriate NMOCD District Office. A copy to be provided to the BLM.

**10. Plans for Surface Reclamation Include Both Final & Interim:**

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography. We will use a closed loop system.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.
- d. All disturbed areas not needed for active support of production operations will undergo interim reclamation. The portions of the cleared well site not needed for operational and safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Topsoil will be respread over areas not needed for all-weather operations.

**11. Surface Ownership**

- a. The surface is owned by the State of New Mexico. An agreement has been reached with the State. The minerals are owned and administered by the U.S. Federal Government. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
- b. The proposed road routes and the surface location will be restored as directed by the BLM.

**12. Other Information:**

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sage bush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of location.
- d. A Cultural Resources Examination will be completed by the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III Survey for cultural resources associated with their project within the BLM office in Carlsbad, New Mexico.

**13. Bond Coverage:**

Bond Coverage is Nationwide; Bond # is CO-1104

**Operators Representative:**

The Devon Energy Production Company, L.P. representatives responsible for ensuring compliance of the surface use plan are listed below.

Greg McGowen - Operations Engineer  
Advisor

Devon Energy Production Company, L.P.

20 North Broadway

Oklahoma City, OK 73102-8260

(405) 228-8965 (office)

(405) 464-9769 (Cellular)

Don Mayberry - Superintendent

Devon Energy Production Company, L.P.

Post Office Box 250

Artesia, NM 88211-0250

(575) 748-3371 (office)

(575) 746-4945 (home)



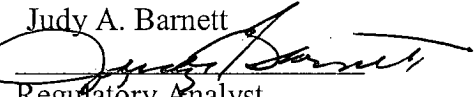
## Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently 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 Devon Energy Production Company, L.P. 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.

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this 30th day of August, 2010.

Printed Name: Judy A. Barnett

Signed Name: 

Position Title: Regulatory Analyst

Address: 20 North Broadway, OKC OK 73102

Telephone: (405)-228-8699

Field Representative (if not above signatory):

Address (if different from above):

Telephone (if different from above):

# PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	DEVON ENERGY PROD. CO. LP.
LEASE NO.:	NM036379 - State Surface
WELL NAME & NO.:	Cotton Draw Unit # 134H
SURFACE HOLE FOOTAGE:	0200' FSL & 0330' FWL
BOTTOM HOLE FOOTAGE:	2600' FSL & 0330' FWL Sec 35, T 24S R31E
LOCATION:	Section 02, T. 25 S., R. 31 E., NMPM (SHL)
COUNTY:	Lea County, New Mexico

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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.

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- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☒ **Special Requirements**
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- ☒ **Drilling**
  - Logging requirements
  - H2S requirements.
  - Waste Material and Fluids
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  - Well Structures & Facilities
  - Pipelines
  - Electric Lines
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**

## **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.

## **V. SPECIAL REQUIREMENT(S)**

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken: Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

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. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

### **Commercial Well Determination**

**A commercial well determination will need to be submitted after production has been established for at least six months.**

### **Plan of Development**

**A Unit Plan of Development (UPOD) is to be submitted annually to the BLM. Guidelines for UPOD are available upon request at the BLM Carlsbad Field Office.**

## **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) 234-5972 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 stockpile the topsoil in a low profile manner in order to prevent wind/water erosion of the topsoil. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be used 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. 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 (20) 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**

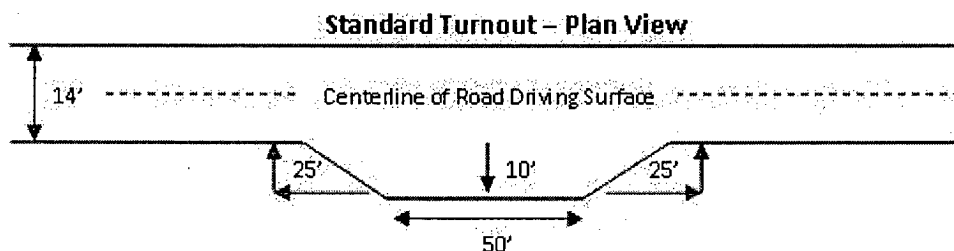
Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

### **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 be constructed on all blind curves. Turnouts shall conform to the following diagram:

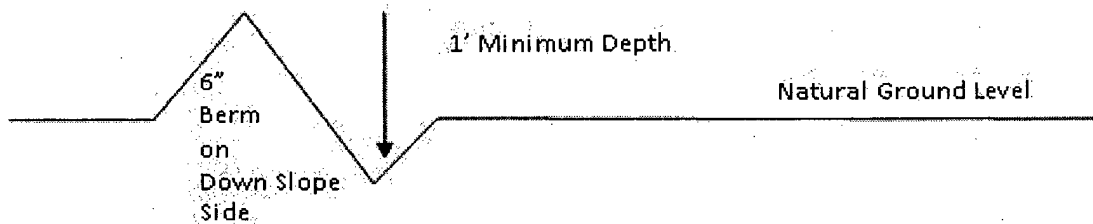


## Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outslowing 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:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

## Culvert Installations

Appropriately sized culvert(s) shall be installed at the deep waterway channel flow crossing.

## Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s).

Any existing cattleguard(s) on the access road 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 cattleguard(s) that are in place and are utilized during lease operations.

A gate shall be constructed and fastened securely to H-braces.

**Fence Requirement**

Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

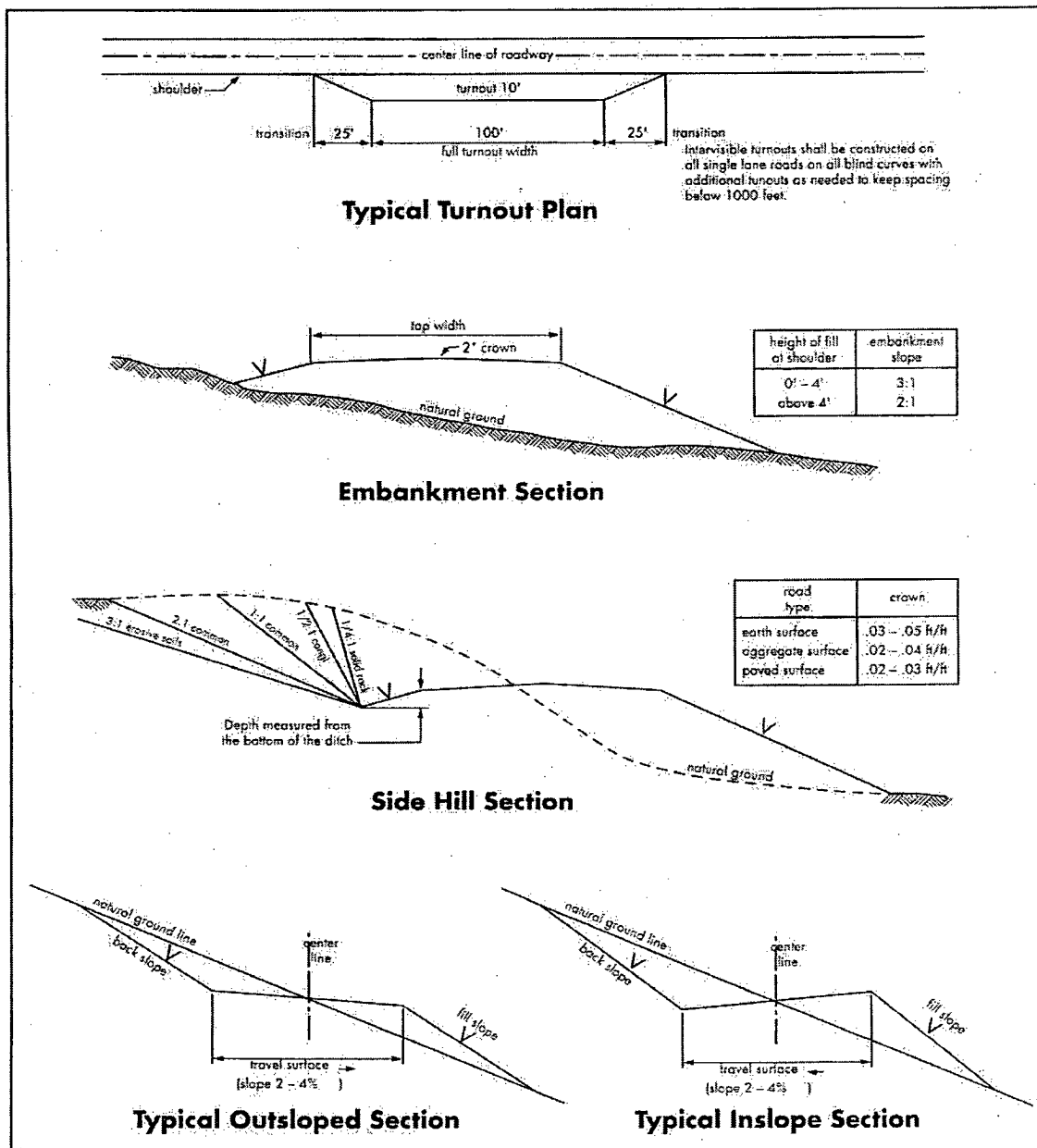
The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fence(s).

**Public Access**

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



**Figure 1 – Cross Sections and Plans For Typical Road Sections**



## VII. DRILLING

### A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 4 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

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

1. **Due to recent H2S encounters in the salt formation, it is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide prior to drilling out the surface shoe. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.**
2. 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. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. 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.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) will 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.**

### B. CASING

**Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.**

**Centralizers required on surface casing per Onshore Order 2.III.B.1.f.**

**Wait on cement (WOC) time prior to drilling out for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater for all casing strings. DURING THIS WOC TIME, NO DRILL PIPE, ETC. SHALL BE RUN IN THE HOLE. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.**

**No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.**

**Secretary's Potash**

**Possible water/brine flows in the Salado, Castile, Delaware and Bone Spring.**

**Possible lost circulation in the Delaware and Bone Spring.**

1. The 13-3/8 inch surface casing shall be set at approximately 650 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If the salt is encountered, the casing is to be set 25 feet above the salt.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
  - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
  - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
  - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
  - ☒ Cement to surface. If cement does not circulate see B.1.a, c-d above.  
**Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to potash.**

Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole. Report results to BLM office.

Centralizers required on horizontal leg, must be type for horizontal service and minimum of one every other joint.

3. The minimum required fill of cement behind the 5-1/2 inch production casing is:
  - a. First stage to DV tool, cement shall:
    - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
  - b. Second stage above DV tool, cement shall:
    - ☒ Cement should tie-back at least **500** feet into previous casing string due to Secretary's Potash. Operator shall provide method of verification.
4. 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.

#### **C. PRESSURE CONTROL**

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. **Variance approved to use flex line (Serial # 34137) from BOP to choke manifold. Check condition of 3" 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.**
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) psi. Operator installing a 5M system and testing as a 3M.**
  - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.

4. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8" intermediate casing shoe shall be **5000 (5M) psi. 5M 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.**
5. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - a. 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.
  - b. 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 (18 hours) or potash (24 hours) prior to initiating the test.
  - c. The results of the test shall be reported to the appropriate BLM office.
  - d. 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.**
  - e. 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.

#### **D. DRILLING MUD**

**See Waste Material section for oil based mud disposal.**

#### **E. DRILL STEM TEST**

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

## **F. WASTE MATERIAL AND FLUIDS**

All waste (i.e. drilling fluids (**oil based mud**), 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.

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## **VIII. 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.

#### **Containment Structures**

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

#### **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  
Shale Green, Munsell Soil Color Chart # 5Y 4/2

### **B. PIPELINES – not requested**

### **C. ELECTRIC LINES – not requested**

## **IX. 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).

## **X. 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.

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.

## Seed Mixture for LPC Sand/Shinnery 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:

<u>Species</u>	<u>lb/acre</u>
Plains Bristlegrass	5lbs/A
Sand Bluestem	5lbs/A
Little Bluestem	3lbs/A
Big Bluestem	6lbs/A
Plains Coreopsis	2lbs/A
Sand Dropseed	1lbs/A
Four-winged Saltbush	5lbs/A

\*Pounds of pure live seed:

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