

Form 3160-3
(June 2015)

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

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

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		5. Lease Serial No. NMNM105213 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. FULLY LOADED 12-1 FED COM 231H 9. API Well No. 30 015 48492
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY LP		10. Field and Pool, or Exploratory PIERCE CROSSING; BONE SPRING, EA 11. Sec., T. R. M. or Blk. and Survey or Area SEC 12/T24S/R29E/NMP
3a. Address 333 WEST SHERIDAN AVE, OKLAHOMA CITY, OK 7310	3b. Phone No. (include area code) (405) 235-3611	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENW / 1516 FNL / 1405 FWL / LAT 32.235255 / LONG -103.942074 At proposed prod. zone LOT 4 / 20 FNL / 330 FWL / LAT 32.253911 / LONG -103.945665		12. County or Parish EDDY 13. State NM
14. Distance in miles and direction from nearest town or post office*		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1405 feet	16. No of acres in lease 17. Spacing Unit dedicated to this well 480.0	20. BLM/BIA Bond No. in file FED: NMB000801
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 939 feet	19. Proposed Depth 8914 feet / 16862 feet	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3103 feet	22. Approximate date work will start* 09/30/2021	23. Estimated duration 45 days
24. Attachments		

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) JENNY HARMS / Ph: (800) 583-3866	Date 10/05/2020
Title Regulatory Compliance Professional		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 03/23/2021
Title Assistant Field Manager Lands & Minerals Carlsbad Field Office		

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

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



(Continued on page 2)

*(Instructions on page 2)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011

Submit one copy to
appropriate District Office

 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 96473	³ Pool Name PIERCE CROSSING; BONE SPRING, EAST
⁴ Property Code	⁵ Property Name FULLY LOADED 12-1 FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁶ Well Number 231H ⁹ Elevation 3102.8'

¹⁰ Surface Location

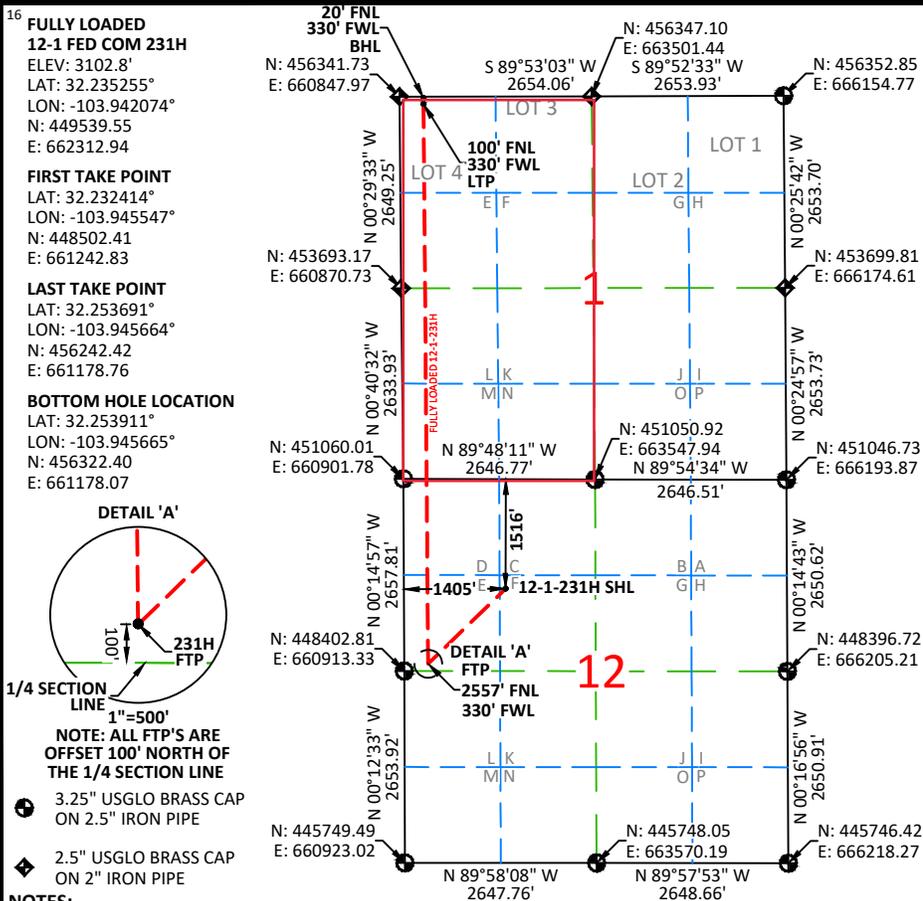
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	24-S	29-E		1516	NORTH	1405	WEST	EDDY

¹¹ 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
LOT 4	1	24-S	29-E		20	NORTH	330	WEST	EDDY

¹² Dedicated Acres 319.33	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



¹⁷ OPERATOR CERTIFICATION

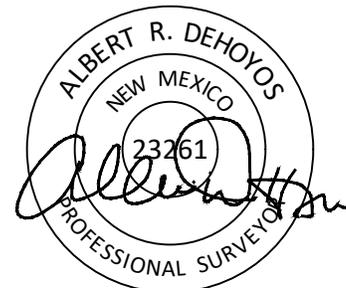
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this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

Jenny Harms 9-23-2020
Signature Date
JENNY HARMS
Printed Name
JENNY.HARMS@DVN.COM
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

07/23/2020
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate No. 23261 Albert Dehoyos
Drawn by: JSP Checked by: ARD Date: 07/16/2020

NOTES:
1. BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT NORTH: 457834.965, EAST: 670241.029, ELEVATION: 2306.69, DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000221019
3. ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code 11520	³ Pool Name CEDAR CANYON;BONE SPRING
⁴ Property Code	⁵ Property Name FULLY LOADED 12-1 FED COM	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁶ Well Number 231H
		⁹ Elevation 3102.8'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	24-S	29-E		1516	NORTH	1405	WEST	EDDY

¹¹ 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
LOT 4	1	24-S	29-E		20	NORTH	330	WEST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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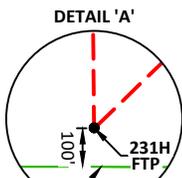
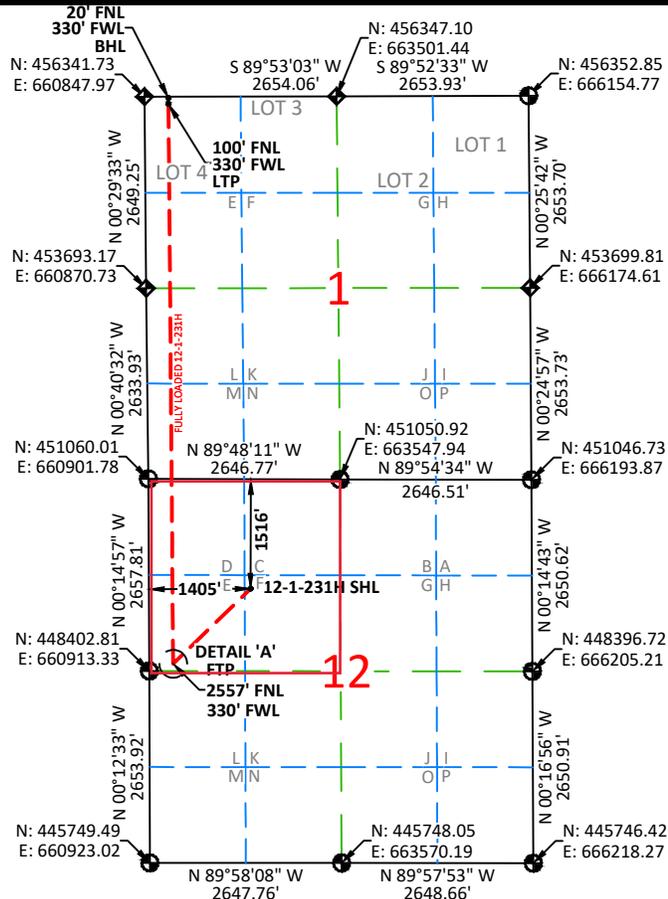
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ **FULLY LOADED 12-1 FED COM 231H**
ELEV: 3102.8'
LAT: 32.235255°
LON: -103.942074°
N: 449539.55
E: 662312.94

FIRST TAKE POINT
LAT: 32.232414°
LON: -103.945547°
N: 448502.41
E: 661242.83

LAST TAKE POINT
LAT: 32.253691°
LON: -103.945664°
N: 456242.42
E: 661178.76

BOTTOM HOLE LOCATION
LAT: 32.253911°
LON: -103.945665°
N: 456322.40
E: 661178.07



1/4 SECTION LINE
1"=500'
NOTE: ALL FTP'S ARE OFFSET 100' NORTH OF THE 1/4 SECTION LINE

3.25" USGLO BRASS CAP ON 2.5" IRON PIPE

2.5" USGLO BRASS CAP ON 2" IRON PIPE

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3. ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

¹⁷ OPERATOR CERTIFICATION

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

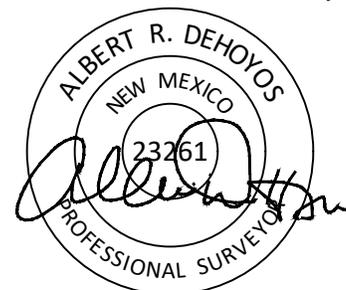
Jenny Harms 9-23-2020
Signature Date

JENNY HARMS
Printed Name
JENNY.HARMS@DVN.COM
E-mail Address

¹⁸ SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

07/23/2020
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate No. 23261 Albert Dehoyos
Drawn by: JSP Checked by: ARD Date: 07/16/2020

Intent As Drilled

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: FULLY LOADED 12-1 FED COM	Well Number 231H

Kick Off Point (KOP)

UL	Section 12	Township 24S	Range 29E	Lot	Feet 2578 FNL	From N/S	Feet 266 FWL	From E/W	County EDDY
Latitude 32.2323					Longitude -103.9458			NAD 83	

First Take Point (FTP)

UL E	Section 12	Township 24-S	Range 29-E	Lot	Feet 2557	From N/S SOUTH	Feet 330	From E/W WEST	County EDDY
Latitude 32.232414°					Longitude -103.945547°			NAD 83	

Last Take Point (LTP)

UL 4	Section 1	Township 24-S	Range 29-E	Lot	Feet 100	From N/S NORTH	Feet 330	From E/W WEST	County EDDY
Latitude 32.253691°					Longitude -103.945664°			NAD 83	

Is this well the defining well for the Horizontal Spacing Unit? NO

Is this well an infill well? YES

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

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

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

Submit Original
to Appropriate
District Office

GAS CAPTURE PLAN

Date: September 30, 2020

Original Devon & OGRID No.: Devon Energy Production Co., L.P. 6137
 Amended - Reason for Amendment: _____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	SHL FOOTAGES					Expected MCF/D	Flared or Vented	CTB
		12-24S-29E	2256	FNL	1233	FWL			
FULLY LOADED 12-13 FED COM 231H		12-24S-29E	2256	FNL	1233	FWL		Fully Loaded 12 CTB 2	
FULLY LOADED 12-1 FED COM 231H		12-24S-29E	2397	FNL	982	FWL		Fully Loaded 12 CTB 2	
FULLY LOADED 12-13 FED COM 232H		12-24S-29E	1516	FNL	1405	FWL		Fully Loaded 12 CTB 2	
FULLY LOADED 12-1 FED COM 232H		12-24S-29E	2397	FNL	1012	FWL		Fully Loaded 12 CTB 2	
FULLY LOADED 12-13 FED COM 233H		12-24S-29E	1516	FNL	1435	FWL		Fully Loaded 12 CTB 2	
FULLY LOADED 12-1 FED COM 233H		12-24S-29E	2397	FNL	1042	FWL		Fully Loaded 12 CTB 2	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if DCP system is in place. The gas produced from production facility is dedicated to DCP and will be connected to DCP low/high pressure gathering system located in Lea County, New Mexico. It will require 4442' of pipeline to connect the facility to low/high pressure gathering system. Devon will build the line to DCP and then after the line is ready for service, Devon give the to DCP for operations. Devon provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Devon and DCP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP Processing Plant located in the reference table. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

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

Reference Table:

DCP Plant locations

Artesia Sec. 7, T18S, R28E,

Eunice Sec. 5, T21S, R36E

Linam Sec. 6, T19S, R37E

Zia II Sec. 19, T19S, R32E

FULLY LOADED 12-1 FED COM 231H

1. Geologic Formations

TVD of target	8914	Pilot hole depth	N/A
MD at TD:	16862	Deepest expected fresh water	

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/Target Zone?	Hazards*
Rustler	358		
Salt	593		
Base of Salt	3093		
Lamar	3093		
Delaware	3328		
Cherry Canyon	4188		
Brushy Canyon	5768		
1st Bone Spring Lime	7008		
Bone Spring 1st	8043		
Bone Spring 2nd	8718		

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

FULLY LOADED 12-1 FED COM 231H

2. Casing Program

Hole Size	Csg. Size	Wt (PPF)	Grade	Conn	Casing Interval		Casing Interval	
					From (MD)	To (MD)	From (TVD)	To (TVD)
17 1/2	13 3/8	48	H40	BTC	0	383	0	383
12 1/4	9 5/8	40	J-55	BTC	0	3193	0	3193
8 3/4	5 1/2	17	P110	BTC	0	16862	0	8914

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

3. Cementing Program (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft ³ /sack)	Slurry Description
Surface	316	Surf	13.2	1.4	Lead: Class C Cement + additives
Int 1	332	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Int 1 Intermediate Squeeze	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
	332	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	511	500' tieback	9.0	3.3	Lead: Class H / C + additives
	1576	KOP	13.2	1.4	Tail: Class H / C + additives

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	30%
Production	10%

4. Pressure Control Equipment (Three String Design)

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

5. Mud Program (Three String Design)

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

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

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

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

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

7. Drilling Conditions

Condition	Specify what type and where?
BH pressure at deepest TVD	4172
Abnormal temperature	No

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

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

N	H2S is present
Y	H2S plan attached.

8. Other facets of operation

Is this a walking operation? Potentially

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

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

Will be pre-setting casing? Potentially

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

Attachments

- Directional Plan
- Other, describe



Commitment Runs Deep



Design Plan
Operation and Maintenance Plan
Closure Plan

SENM - Closed Loop Systems
June 2010

I. Design Plan

Devon uses MI SWACO closed loop system (CLS). The MI SWACO CLS is designed to maintain drill solids at or below 5%. The equipment is arranged to progressively remove solids from the largest to the smallest size. Drilling fluids can thus be reused and savings is realized on mud and disposal costs. Dewatering may be required with the centrifuges to insure removal of ultra fine solids.

The drilling location is constructed to allow storm water to flow to a central sump normally the cellar. This insures no contamination leaves the drilling pad in the event of a spill. Storm water is reused in the mud system or stored in a reserve fluid tank farm until it can be reused. All lubricants, oils, or chemicals are removed immediately from the ground to prevent the contamination of storm water. An oil trap is normally installed on the sump if an oil spill occurs during a storm.

A tank farm is utilized to store drilling fluids including fresh water and brine fluids. The tank farm is constructed on a 20 ml plastic lined, bermed pad to prevent the contamination of the drilling site during a spill. Fluids from other sites may be stored in these tanks for processing by the solids control equipment and reused in the mud system. At the end of the well the fluids are transported from the tank farm to an adjoining well or to the next well for the rig.

Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

Signs will be posted on the fence surrounding the closed-loop system unless the closed-loop system is located on a site where there is an existing well, that is operated by Devon.

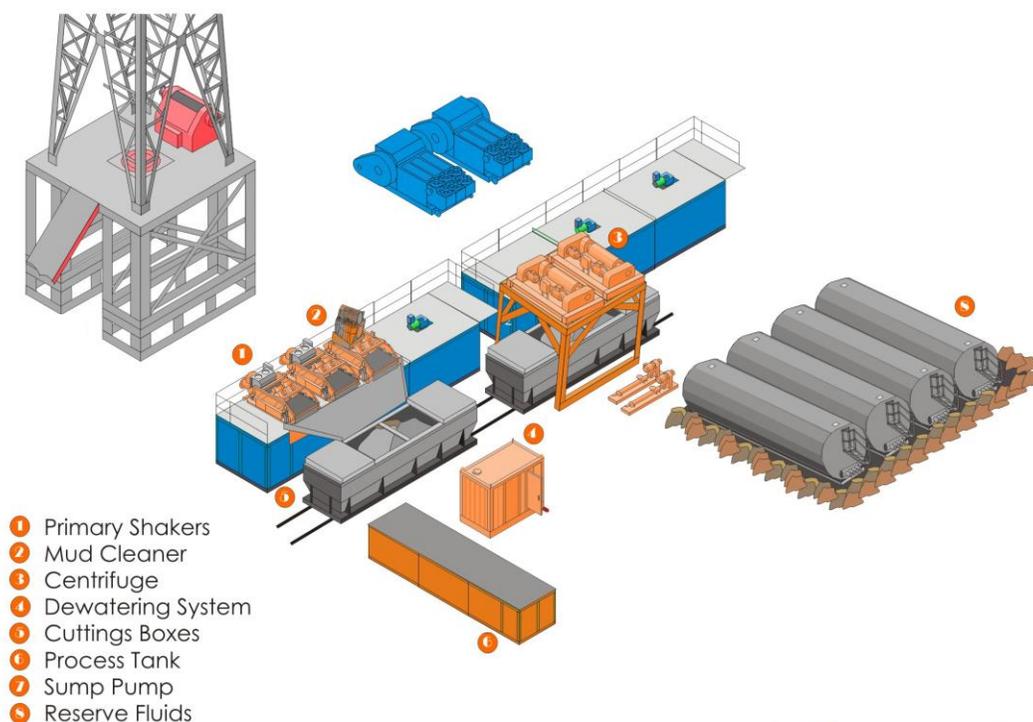
II. Operations and Maintenance Plan

Primary Shakers: The primary shakers make the first removal of drill solids from the drilling mud as it leaves the well bore. The shakers are sized to handle maximum drilling rate at optimal screen size. The shakers normally remove solids down to 74 microns.

Mud Cleaner: The Mud Cleaner cleans the fluid after it leaves the shakers. A set of hydrocyclones are sized to handle 1.25 to 1.5 times the maximum circulating rate. This ensures all the fluid is being processed to an average cut point of 25 microns. The wet discharged is dewatered on a shaker equipped with ultra fine mesh screens and generally cut at 40 microns.



Closed Loop Schematic



Centrifuges: The centrifuges can be one or two in number depending on the well geometry or depth of well. The centrifuges are sized to maintain low gravity solids at 5% or below. They may or may not need a dewatering system to enhance the removal rates. The centrifuges can make a cut point of 8-10 microns depending on bowl speed, feed rate, solids loading and other factors.

The centrifuge system is designed to work on the active system and be flexible to process incoming fluids from other locations. This set-up is also dependant on well factors.

Dewatering System: The dewatering system is a chemical mixing and dosing system designed to enhance the solids removal of the centrifuge. Not commonly used in shallow wells. It may contain pH adjustment, coagulant mixing and dosing, and polymer mixing and dosing. Chemical flocculation binds ultra fine solids into a mass that is within the centrifuge operating design. The

dewatering system improves the centrifuge cut point to infinity or allows for the return of clear water or brine fluid. This ability allows for the ultimate control of low gravity solids.

Cuttings Boxes: Cuttings boxes are utilized to capture drill solids that are discarded from the solids control equipment. These boxes are set upon a rail system that allows for the removal and replacement of a full box of cuttings with an empty one. They are equipped with a cover that insures no product is spilled into the environment during the transportation phase.

Process Tank: (Optional) The process tank allows for the holding and process of fluids that are being transferred into the mud system. Additionally, during times of lost circulation the process tank may hold active fluids that are removed for additional treatment. It can further be used as a mixing tank during well control conditions.

Sump and Sump Pump: The sump is used to collect storm water and the pump is used to transfer this fluid to the active system or to the tank for to hold in reserve. It can also be used to collect fluids that may escape during spills. The location contains drainage ditches that allow the location fluids to drain to the sump.

Reserve Fluids (Tank Farm): A series of frac tanks are used to replace the reserve pit. These are steel tanks that are equipped with a manifold system and a transfer pump. These tanks can contain any number of fluids used during the drilling process. These can include fresh water, cut brine, and saturated salt fluid. The fluid can be from the active well or reclaimed fluid from other locations. A 20 ml liner and berm system is employed to ensure the fluids do not migrate to the environment during a spill.

If a leak develops, the appropriate division district office will be notified within 48 hours of the discovery and the leak will be addressed. Spill prevention is accomplished by maintaining pump packing, hoses, and pipe fittings to insure no leaks are occurring. During an upset condition the source of the spill is isolated and repaired as soon as it is discovered. Free liquid is removed by a diaphragm pump and returned to the mud system. Loose topsoil may be used to stabilize the spill and the contaminated soil is excavated and placed in the cuttings boxes. After the well is finished and the rig has moved, the entire location is scrapped and testing will be performed to determine if a release has occurred.

All trash is kept in a wire mesh enclosure and removed to an approved landfill when full. All spent motor oils are kept in separate containers and they are removed and sent to an approved recycling center. Any spilled lubricants, pipe

dope, or regulated chemicals are removed from soil and sent to landfills approved for these products.

These operations are monitored by Mi Swaco service technicians. Daily logs are maintained to ensure optimal equipment operation and maintenance. Screen and chemical use is logged to maintain inventory control. Fluid properties are monitored and recorded and drilling mud volumes are accounted for in the mud storage farm. This data is kept for end of well review to insure performance goals are met. Lessons learned are logged and used to help with continuous improvement.

A MI SWACO field supervisor manages from 3-5 wells. They are responsible for training personnel, supervising installations, and inspecting sites for compliance of MI SWACO safety and operational policy.

III. Closure Plan

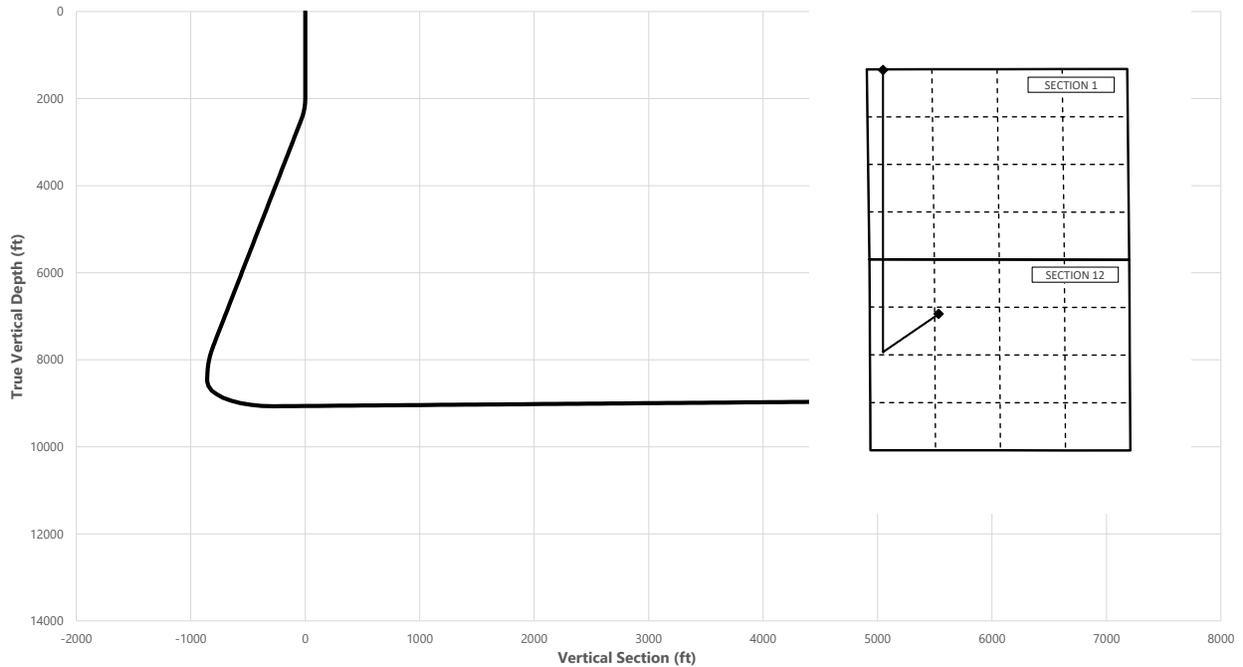
A maximum 340' X 340' caliche pad is built per well. All of the trucks and steel tanks fit on this pad. All fluid cuttings go to the steel tanks to be hauled by various trucking companies to an agency approved disposal.



Well: FULLY LOADED 12-1 FED COM 231H
County: Eddy
Wellbore: Permit Plan
Design: Permit Plan #1

Geodetic System: US State Plane 1983
Datum: North American Datum 1927
Ellipsoid: Clarke 1866
Zone: 3001 - NM East (NAD83)

MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	SHL
2000.00	0.00	227.00	2000.00	0.00	0.00	0.00	0.00	Start Tangent
2500.00	15.00	227.00	2494.31	-44.38	-47.59	-35.92	1.00	Hold Tangent
7866.86	15.00	227.00	7678.30	-991.71	-1063.48	-802.62	0.00	Drop to Vertical
8616.86	0.00	227.00	8419.76	-1058.28	-1134.87	-856.50	2.00	Hold Vertical
8692.27	0.00	0.00	8495.17	-1058.28	-1134.87	-856.50	0.00	KOP
9604.43	91.22	0.00	9068.00	-473.17	-1134.87	-279.41	10.00	Landing Point
16862.08	91.22	0.00	8914.00	6782.85	-1134.87	6877.13	0.00	BHL



Key Depths	MD (ft)	TVD (ft)
Rustler	0.00	0.00
Salt	593.00	593.00
Base of Salt	3119.81	3093.00
Lamar	3119.81	3093.00
Delaware	3363.10	3328.00
Cherry Canyon	4253.44	4188.00
Brushy Canyon	5889.18	5768.00
1st Bone Spring Lime	7172.92	7008.00
Bone Spring 1st	8239.01	8043.00
Bone Spring 2nd / Point of Penetrati	8921.14	8718.00
Exit	16782.08	8915.71

	MD (ft)	TVD (ft)	Lat (°)	Long (°)	Section Footages
SHL	0.00	0.00	32.2352	-103.9422	1516' FNL, 1405' FWL of Sec 12 in T24N, R29W
KOP	8692.27	8495.17	32.2323	-103.9458	2578' FNL, 266' FWL of Sec 12 in T24N, R29W
Point of Penetration	8921.14	8718.00	32.2324	-103.9455	2557' FNL, 330' FWL of Sec 12 in T24N, R29W
Exit	16782.08	8915.71	32.2537	-103.9457	100' FNL, 330' FWL of Sec 1 in T24N, R29W
BHL	16862.08	8914.00	32.2538	-103.9457	20' FNL, 330' FWL of Sec 1 in T24N, R29W



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Zone: 3001 - NM East (NAD83)

MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	SHL
100.00	0.00	227.00	100.00	0.00	0.00	0.00	0.00	
200.00	0.00	227.00	200.00	0.00	0.00	0.00	0.00	
300.00	0.00	227.00	300.00	0.00	0.00	0.00	0.00	
358.00	0.00	227.00	358.00	0.00	0.00	0.00	0.00	Rustler
400.00	0.00	227.00	400.00	0.00	0.00	0.00	0.00	
500.00	0.00	227.00	500.00	0.00	0.00	0.00	0.00	
593.00	0.00	227.00	593.00	0.00	0.00	0.00	0.00	Salt
600.00	0.00	227.00	600.00	0.00	0.00	0.00	0.00	
700.00	0.00	227.00	700.00	0.00	0.00	0.00	0.00	
800.00	0.00	227.00	800.00	0.00	0.00	0.00	0.00	
900.00	0.00	227.00	900.00	0.00	0.00	0.00	0.00	
1000.00	0.00	227.00	1000.00	0.00	0.00	0.00	0.00	
1100.00	0.00	227.00	1100.00	0.00	0.00	0.00	0.00	
1200.00	0.00	227.00	1200.00	0.00	0.00	0.00	0.00	
1300.00	0.00	227.00	1300.00	0.00	0.00	0.00	0.00	
1400.00	0.00	227.00	1400.00	0.00	0.00	0.00	0.00	
1500.00	0.00	227.00	1500.00	0.00	0.00	0.00	0.00	
1600.00	0.00	227.00	1600.00	0.00	0.00	0.00	0.00	
1700.00	0.00	227.00	1700.00	0.00	0.00	0.00	0.00	
1800.00	0.00	227.00	1800.00	0.00	0.00	0.00	0.00	
1900.00	0.00	227.00	1900.00	0.00	0.00	0.00	0.00	
2000.00	0.00	227.00	2000.00	0.00	0.00	0.00	0.00	Start Tangent
2100.00	3.00	227.00	2099.95	-1.79	-1.91	-1.44	3.00	
2200.00	6.00	227.00	2199.63	-7.14	-7.65	-5.77	3.00	
2300.00	9.00	227.00	2298.77	-16.04	-17.20	-12.98	3.00	
2400.00	12.00	227.00	2397.08	-28.46	-30.52	-23.04	3.00	
2500.00	15.00	227.00	2494.31	-44.38	-47.59	-35.92	1.00	Hold Tangent
2600.00	15.00	227.00	2590.90	-62.03	-66.52	-50.21	0.00	
2700.00	15.00	227.00	2687.49	-79.69	-85.45	-64.49	0.00	
2800.00	15.00	227.00	2784.09	-97.34	-104.38	-78.78	0.00	
2900.00	15.00	227.00	2880.68	-114.99	-123.31	-93.06	0.00	
3000.00	15.00	227.00	2977.27	-132.64	-142.24	-107.35	0.00	
3100.00	15.00	227.00	3073.86	-150.29	-161.17	-121.63	0.00	
3119.81	15.00	227.00	3093.00	-153.79	-164.92	-124.46	0.00	Base of Salt, Lamar
3200.00	15.00	227.00	3170.46	-167.94	-180.10	-135.92	0.00	
3300.00	15.00	227.00	3267.05	-185.59	-199.02	-150.21	0.00	
3363.10	15.00	227.00	3328.00	-196.73	-210.97	-159.22	0.00	Delaware
3400.00	15.00	227.00	3363.64	-203.25	-217.95	-164.49	0.00	
3500.00	15.00	227.00	3460.23	-220.90	-236.88	-178.78	0.00	
3600.00	15.00	227.00	3556.83	-238.55	-255.81	-193.06	0.00	
3700.00	15.00	227.00	3653.42	-256.20	-274.74	-207.35	0.00	
3800.00	15.00	227.00	3750.01	-273.85	-293.67	-221.64	0.00	
3900.00	15.00	227.00	3846.60	-291.50	-312.60	-235.92	0.00	
4000.00	15.00	227.00	3943.20	-309.15	-331.53	-250.21	0.00	
4100.00	15.00	227.00	4039.79	-326.81	-350.45	-264.49	0.00	
4200.00	15.00	227.00	4136.38	-344.46	-369.38	-278.78	0.00	
4253.44	15.00	227.00	4188.00	-353.89	-379.50	-286.41	0.00	Cherry Canyon
4300.00	15.00	227.00	4232.97	-362.11	-388.31	-293.06	0.00	
4400.00	15.00	227.00	4329.57	-379.76	-407.24	-307.35	0.00	
4500.00	15.00	227.00	4426.16	-397.41	-426.17	-321.64	0.00	
4600.00	15.00	227.00	4522.75	-415.06	-445.10	-335.92	0.00	
4700.00	15.00	227.00	4619.34	-432.71	-464.03	-350.21	0.00	
4800.00	15.00	227.00	4715.94	-450.37	-482.96	-364.49	0.00	
4900.00	15.00	227.00	4812.53	-468.02	-501.88	-378.78	0.00	
5000.00	15.00	227.00	4909.12	-485.67	-520.81	-393.06	0.00	
5100.00	15.00	227.00	5005.72	-503.32	-539.74	-407.35	0.00	
5200.00	15.00	227.00	5102.31	-520.97	-558.67	-421.64	0.00	
5300.00	15.00	227.00	5198.90	-538.62	-577.60	-435.92	0.00	
5400.00	15.00	227.00	5295.49	-556.27	-596.53	-450.21	0.00	
5500.00	15.00	227.00	5392.09	-573.93	-615.46	-464.49	0.00	
5600.00	15.00	227.00	5488.68	-591.58	-634.39	-478.78	0.00	
5700.00	15.00	227.00	5585.27	-609.23	-653.31	-493.07	0.00	
5800.00	15.00	227.00	5681.86	-626.88	-672.24	-507.35	0.00	
5889.18	15.00	227.00	5768.00	-642.62	-689.12	-520.09	0.00	Brushy Canyon
5900.00	15.00	227.00	5778.46	-644.53	-691.17	-521.64	0.00	
6000.00	15.00	227.00	5875.05	-662.18	-710.10	-535.92	0.00	
6100.00	15.00	227.00	5971.64	-679.84	-729.03	-550.21	0.00	
6200.00	15.00	227.00	6068.23	-697.49	-747.96	-564.49	0.00	
6300.00	15.00	227.00	6164.83	-715.14	-766.89	-578.78	0.00	



Well: FULLY LOADED 12-1 FED COM 231H
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 Zone: 3001 - NM East (NAD83)

MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment
6400.00	15.00	227.00	6261.42	-732.79	-785.82	-593.07	0.00	
6500.00	15.00	227.00	6358.01	-750.44	-804.74	-607.35	0.00	
6600.00	15.00	227.00	6454.60	-768.09	-823.67	-621.64	0.00	
6700.00	15.00	227.00	6551.20	-785.74	-842.60	-635.92	0.00	
6800.00	15.00	227.00	6647.79	-803.40	-861.53	-650.21	0.00	
6900.00	15.00	227.00	6744.38	-821.05	-880.46	-664.50	0.00	
7000.00	15.00	227.00	6840.97	-838.70	-899.39	-678.78	0.00	
7100.00	15.00	227.00	6937.57	-856.35	-918.32	-693.07	0.00	
7172.92	15.00	227.00	7008.00	-869.22	-932.12	-703.48	0.00	1st Bone Spring Lime
7200.00	15.00	227.00	7034.16	-874.00	-937.25	-707.35	0.00	
7300.00	15.00	227.00	7130.75	-891.65	-956.17	-721.64	0.00	
7400.00	15.00	227.00	7227.34	-909.30	-975.10	-735.92	0.00	
7500.00	15.00	227.00	7323.94	-926.96	-994.03	-750.21	0.00	
7600.00	15.00	227.00	7420.53	-944.61	-1012.96	-764.50	0.00	
7700.00	15.00	227.00	7517.12	-962.26	-1031.89	-778.78	0.00	
7800.00	15.00	227.00	7613.72	-979.91	-1050.82	-793.07	0.00	
7866.86	15.00	227.00	7678.30	-991.71	-1063.48	-802.62	0.00	Drop to Vertical
7900.00	14.34	227.00	7710.36	-997.43	-1069.62	-807.25	2.00	
8000.00	12.34	227.00	7807.65	-1013.16	-1086.49	-819.98	2.00	
8100.00	10.34	227.00	7905.70	-1026.57	-1100.86	-830.83	2.00	
8200.00	8.34	227.00	8004.37	-1037.64	-1112.73	-839.78	2.00	
8239.01	7.56	227.00	8043.00	-1041.31	-1116.67	-842.76	2.00	Bone Spring 1st
8300.00	6.34	227.00	8103.54	-1046.34	-1122.07	-846.83	2.00	
8400.00	4.34	227.00	8203.11	-1052.69	-1128.87	-851.97	2.00	
8500.00	2.34	227.00	8302.93	-1056.66	-1133.13	-855.18	2.00	
8600.00	0.34	227.00	8402.90	-1058.25	-1134.83	-856.47	2.00	
8616.86	0.00	227.00	8419.76	-1058.28	-1134.87	-856.50	2.00	Hold Vertical
8692.27	0.00	0.00	8495.17	-1058.28	-1134.87	-856.50	0.00	KOP
8700.00	0.77	0.00	8502.90	-1058.23	-1134.87	-856.44	10.00	
8800.00	10.77	0.00	8602.26	-1048.19	-1134.87	-846.54	10.00	
8900.00	20.77	0.00	8698.38	-1021.04	-1134.87	-819.76	10.00	
8921.14	22.89	0.00	8718.00	-1013.18	-1134.87	-812.01	10.00	Bone Spring 2nd / Point of Penetration
9000.00	30.77	0.00	8788.32	-977.61	-1134.87	-776.93	10.00	
9100.00	40.77	0.00	8869.35	-919.23	-1134.87	-719.35	10.00	
9200.00	50.77	0.00	8939.01	-847.66	-1134.87	-648.76	10.00	
9300.00	60.77	0.00	8995.19	-765.09	-1134.87	-567.32	10.00	
9400.00	70.77	0.00	9036.17	-674.01	-1134.87	-477.49	10.00	
9500.00	80.77	0.00	9060.72	-577.20	-1134.87	-382.01	10.00	
9600.00	90.77	0.00	9068.08	-477.60	-1134.87	-283.77	10.00	
9604.43	91.22	0.00	9068.00	-473.17	-1134.87	-279.41	10.00	Landing Point
9700.00	91.22	0.00	9065.97	-377.62	-1134.87	-185.16	0.00	
9800.00	91.22	0.00	9063.85	-277.64	-1134.87	-86.56	0.00	
9900.00	91.22	0.00	9061.73	-177.67	-1134.87	12.05	0.00	
10000.00	91.22	0.00	9059.61	-77.69	-1134.87	110.66	0.00	
10100.00	91.22	0.00	9057.49	22.29	-1134.87	209.26	0.00	
10200.00	91.22	0.00	9055.36	122.27	-1134.87	307.87	0.00	
10300.00	91.22	0.00	9053.24	222.24	-1134.87	406.48	0.00	
10400.00	91.22	0.00	9051.12	322.22	-1134.87	505.08	0.00	
10500.00	91.22	0.00	9049.00	422.20	-1134.87	603.69	0.00	
10600.00	91.22	0.00	9046.88	522.18	-1134.87	702.30	0.00	
10700.00	91.22	0.00	9044.75	622.15	-1134.87	800.90	0.00	
10800.00	91.22	0.00	9042.63	722.13	-1134.87	899.51	0.00	
10900.00	91.22	0.00	9040.51	822.11	-1134.87	998.12	0.00	
11000.00	91.22	0.00	9038.39	922.09	-1134.87	1096.72	0.00	
11100.00	91.22	0.00	9036.27	1022.06	-1134.87	1195.33	0.00	
11200.00	91.22	0.00	9034.15	1122.04	-1134.87	1293.94	0.00	
11300.00	91.22	0.00	9032.02	1222.02	-1134.87	1392.54	0.00	
11400.00	91.22	0.00	9029.90	1322.00	-1134.87	1491.15	0.00	
11500.00	91.22	0.00	9027.78	1421.97	-1134.87	1589.76	0.00	
11600.00	91.22	0.00	9025.66	1521.95	-1134.87	1688.36	0.00	
11700.00	91.22	0.00	9023.54	1621.93	-1134.87	1786.97	0.00	
11800.00	91.22	0.00	9021.42	1721.91	-1134.87	1885.58	0.00	
11900.00	91.22	0.00	9019.29	1821.88	-1134.87	1984.18	0.00	
12000.00	91.22	0.00	9017.17	1921.86	-1134.87	2082.79	0.00	
12100.00	91.22	0.00	9015.05	2021.84	-1134.87	2181.40	0.00	
12200.00	91.22	0.00	9012.93	2121.82	-1134.87	2280.01	0.00	
12300.00	91.22	0.00	9010.81	2221.79	-1134.87	2378.61	0.00	
12400.00	91.22	0.00	9008.68	2321.77	-1134.87	2477.22	0.00	
12500.00	91.22	0.00	9006.56	2421.75	-1134.87	2575.83	0.00	
12600.00	91.22	0.00	9004.44	2521.73	-1134.87	2674.43	0.00	



Well: FULLY LOADED 12-1 FED COM 231H
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MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment
12700.00	91.22	0.00	9002.32	2621.70	-1134.87	2773.04	0.00	
12800.00	91.22	0.00	9000.20	2721.68	-1134.87	2871.65	0.00	
12900.00	91.22	0.00	8998.08	2821.66	-1134.87	2970.25	0.00	
13000.00	91.22	0.00	8995.95	2921.64	-1134.87	3068.86	0.00	
13100.00	91.22	0.00	8993.83	3021.61	-1134.87	3167.47	0.00	
13200.00	91.22	0.00	8991.71	3121.59	-1134.87	3266.07	0.00	
13300.00	91.22	0.00	8989.59	3221.57	-1134.87	3364.68	0.00	
13400.00	91.22	0.00	8987.47	3321.55	-1134.87	3463.29	0.00	
13500.00	91.22	0.00	8985.35	3421.52	-1134.87	3561.89	0.00	
13600.00	91.22	0.00	8983.22	3521.50	-1134.87	3660.50	0.00	
13700.00	91.22	0.00	8981.10	3621.48	-1134.87	3759.11	0.00	
13800.00	91.22	0.00	8978.98	3721.46	-1134.87	3857.71	0.00	
13900.00	91.22	0.00	8976.86	3821.43	-1134.87	3956.32	0.00	
14000.00	91.22	0.00	8974.74	3921.41	-1134.87	4054.93	0.00	
14100.00	91.22	0.00	8972.61	4021.39	-1134.87	4153.53	0.00	
14200.00	91.22	0.00	8970.49	4121.37	-1134.87	4252.14	0.00	
14300.00	91.22	0.00	8968.37	4221.34	-1134.87	4350.75	0.00	
14400.00	91.22	0.00	8966.25	4321.32	-1134.87	4449.35	0.00	
14500.00	91.22	0.00	8964.13	4421.30	-1134.87	4547.96	0.00	
14600.00	91.22	0.00	8962.01	4521.28	-1134.87	4646.57	0.00	
14700.00	91.22	0.00	8959.88	4621.25	-1134.87	4745.17	0.00	
14800.00	91.22	0.00	8957.76	4721.23	-1134.87	4843.78	0.00	
14900.00	91.22	0.00	8955.64	4821.21	-1134.87	4942.39	0.00	
15000.00	91.22	0.00	8953.52	4921.19	-1134.87	5041.00	0.00	
15100.00	91.22	0.00	8951.40	5021.16	-1134.87	5139.60	0.00	
15200.00	91.22	0.00	8949.28	5121.14	-1134.87	5238.21	0.00	
15300.00	91.22	0.00	8947.15	5221.12	-1134.87	5336.82	0.00	
15400.00	91.22	0.00	8945.03	5321.10	-1134.87	5435.42	0.00	
15500.00	91.22	0.00	8942.91	5421.07	-1134.87	5534.03	0.00	
15600.00	91.22	0.00	8940.79	5521.05	-1134.87	5632.64	0.00	
15700.00	91.22	0.00	8938.67	5621.03	-1134.87	5731.24	0.00	
15800.00	91.22	0.00	8936.54	5721.01	-1134.87	5829.85	0.00	
15900.00	91.22	0.00	8934.42	5820.98	-1134.87	5928.46	0.00	
16000.00	91.22	0.00	8932.30	5920.96	-1134.87	6027.06	0.00	
16100.00	91.22	0.00	8930.18	6020.94	-1134.87	6125.67	0.00	
16200.00	91.22	0.00	8928.06	6120.92	-1134.87	6224.28	0.00	
16300.00	91.22	0.00	8925.94	6220.89	-1134.87	6322.88	0.00	
16400.00	91.22	0.00	8923.81	6320.87	-1134.87	6421.49	0.00	
16500.00	91.22	0.00	8921.69	6420.85	-1134.87	6520.10	0.00	
16600.00	91.22	0.00	8919.57	6520.83	-1134.87	6618.70	0.00	
16700.00	91.22	0.00	8917.45	6620.80	-1134.87	6717.31	0.00	
16782.08	91.22	0.00	8915.71	6702.87	-1134.87	6798.25	0.00	Exit
16800.00	91.22	0.00	8915.33	6720.78	-1134.87	6815.92	0.00	
16862.08	91.22	0.00	8914.00	6782.85	-1134.87	6877.13	0.00	BHL



Well: FULLY LOADED 12-1 FED COM 231H
County: Eddy
Wellbore: Permit Plan
Design: Permit Plan #1

Geodetic System: US State Plane 1983
Datum: North American Datum 1927
Ellipsoid: Clarke 1866
Zone: 3001 - NM East (NAD83)

MD (ft)	INC (°)	AZI (°)	TVD (ft)	NS (ft)	EW (ft)	VS (ft)	DLS (°/100ft)	Comment
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PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company LP
LEASE NO.:	NMNM105213
LOCATION:	Section 12, T.24 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

WELL NAME & NO.:	Fully Loaded 12-1 Fed Com 231H
SURFACE HOLE FOOTAGE:	1516'/N & 1405'/W
BOTTOM HOLE FOOTAGE:	20'/N & 330'/W

WELL NAME & NO.:	Fully Loaded 12-1 Fed Com 232H
SURFACE HOLE FOOTAGE:	1516'/N & 1435'/W
BOTTOM HOLE FOOTAGE:	20'/N & 1320'/W

WELL NAME & NO.:	Fully Loaded 12-1 Fed Com 233H
SURFACE HOLE FOOTAGE:	1516'/N & 1465'/W
BOTTOM HOLE FOOTAGE:	20'/N & 2310'/W

WELL NAME & NO.:	Fully Loaded 12-13 Fed Com 231H
SURFACE HOLE FOOTAGE:	2397'/N & 982'/W
BOTTOM HOLE FOOTAGE:	20'/S & 330'/W

WELL NAME & NO.:	Fully Loaded 12-13 Fed Com 232H
SURFACE HOLE FOOTAGE:	2397'/N & 1012'/W
BOTTOM HOLE FOOTAGE:	20'/S & 1320'/W

WELL NAME & NO.:	Fully Loaded 12-13 Fed Com 233H
SURFACE HOLE FOOTAGE:	2397'/N & 1042'/W
BOTTOM HOLE FOOTAGE:	20'/S & 2310'/W

COA

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

A. HYDROGEN SULFIDE

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

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **383 feet** (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **8 hours** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing shall be set at approximately **3193 feet** is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.

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

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.
Cement excess is less than 25%, more cement might be required.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **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.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

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

GENERAL REQUIREMENTS

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

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

Eddy County

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

Lea County

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

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
 - b. When the operator proposes to set surface casing with Spudder Rig
 - Notify the BLM when moving in and removing the Spudder Rig.
 - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.
3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

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

B. PRESSURE CONTROL

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

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

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

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

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



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

Hydrogen Sulfide (H₂S) Contingency Plan

For

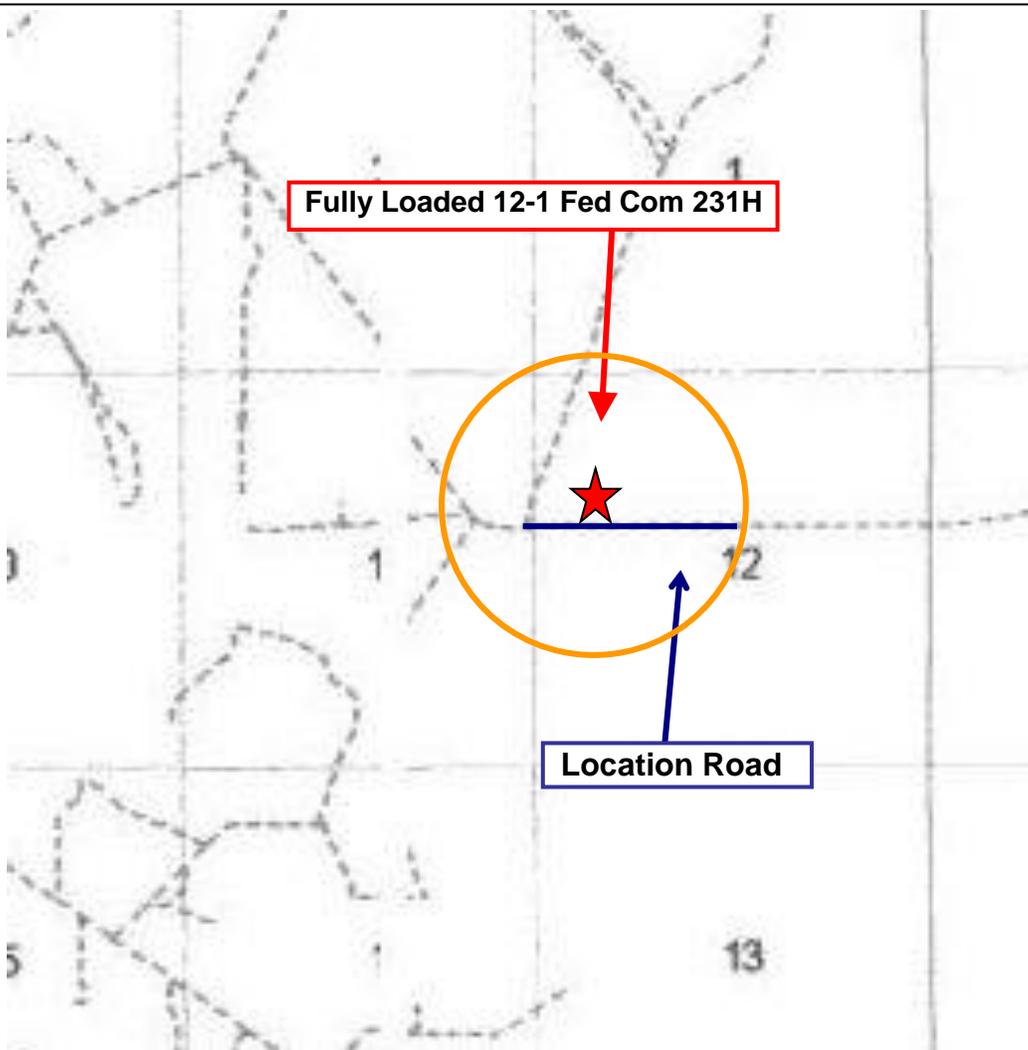
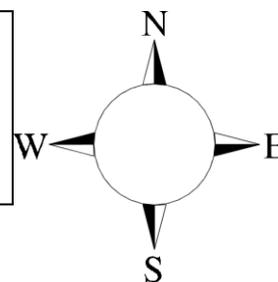
Fully Loaded 12-1 Fed Com 231H

**Sec-12 T-24S R-29E
1516' FNL & 1405' FWL
LAT. = 32.235255' N (NAD83)
LONG = 103.942074' W**

Eddy County NM

Fully Loaded 12-1 Fed Com 231H

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm **ROE = 3000'** (Radius of Exposure)
100 ppm H₂S concentration shall trigger activation of this plan.

Escape

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

Assumed 100 ppm ROE = 3000'

100 ppm 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
 - 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

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	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

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 H₂S 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 H₂S.

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:

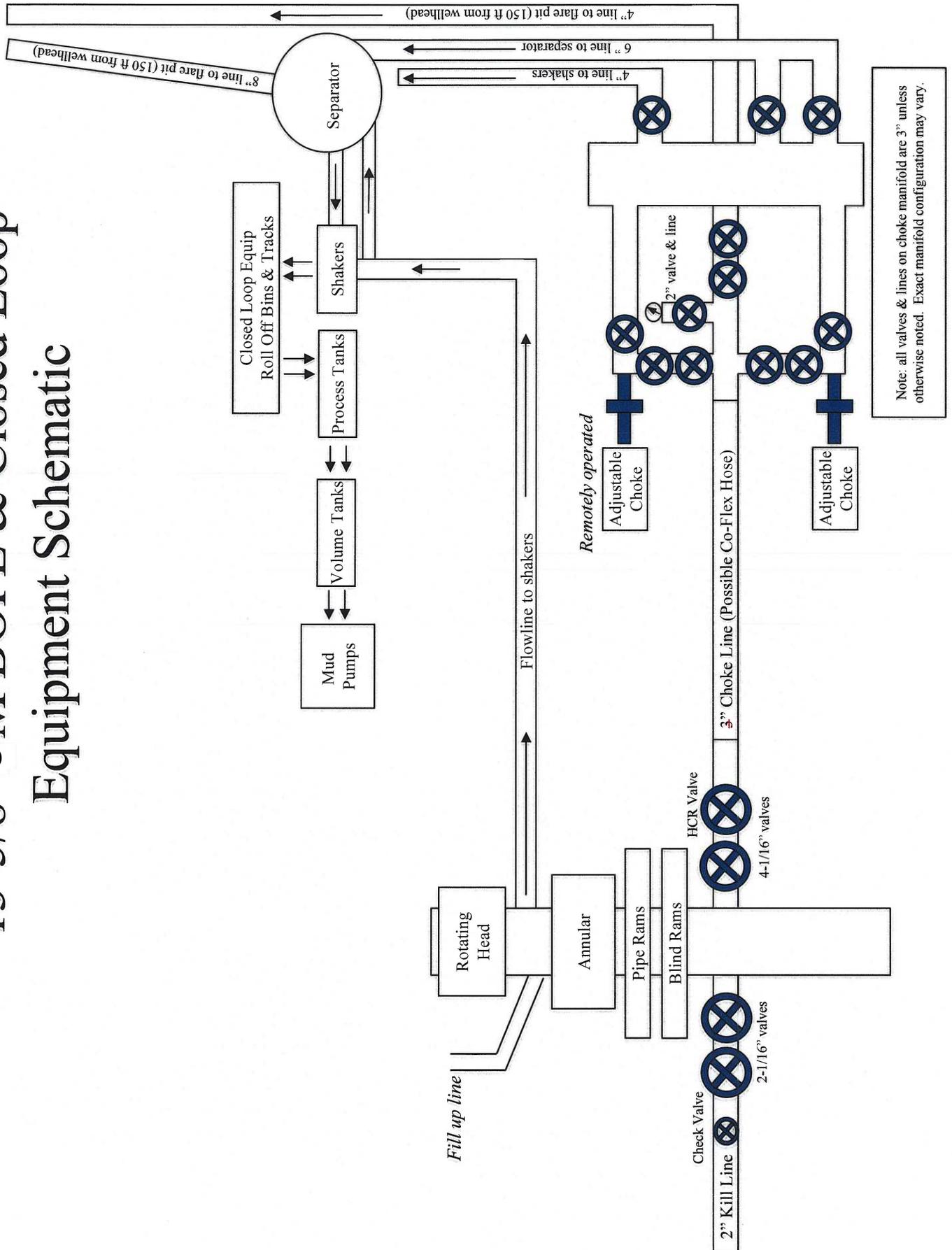
- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H₂S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

<u>Devon Energy Corp. Company Call List</u>		
Drilling Supervisor – Basin – Mark Kramer		405-823-4796
EHS Professional – Laura Wright		405-439-8129
<u>Agency Call List</u>		
<u>Lea County (575)</u>	Hobbs	
	Lea County Communication Authority	393-3981
	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
	<u>Eddy County (575)</u>	Carlsbad
State Police		885-3137
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
<u>Give GPS position:</u>	Native Air – Emergency Helicopter – Hobbs (TX & NM)	(800) 642-7828
	Flight For Life - Lubbock, TX	(806) 743-9911
	Aerocare - Lubbock, TX	(806) 747-8923
	Med Flight Air Amb - Albuquerque, NM	(575) 842-4433
	Lifeguard Air Med Svc. Albuquerque, NM	(800) 222-1222
	Poison Control (24/7)	(575) 272-3115
	Oil & Gas Pipeline 24 Hour Service	(800) 364-4366
	NOAA – Website - www.nhc.noaa.gov	

Prepared in conjunction with
Dave Small



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



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

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

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

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

COMMENTS

Action 28309

COMMENTS

Operator:	DEVON ENERGY PRODUCTION COMPAN	333 West Sheridan Ave.	Oklahoma City, OK73102	OGRID:	6137	Action Number:	28309	Action Type:	FORM 3160-3
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Created By	Comment	Comment Date
kpickford	KP GEO Review 5/17/2021	05/17/2021

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CONDITIONS

Action 28309

CONDITIONS OF APPROVAL

Operator:	DEVON ENERGY PRODUCTION COMPAN	333 West Sheridan Ave.	Oklahoma City, OK73102	OGRID:	6137	Action Number:	28309	Action Type:	FORM 3160-3
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OCD Reviewer	Condition
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
kpickford	Cement is required to circulate on both surface and intermediate 1 strings of casing
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system