

Form 3160-3
(June 2015)FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator		8. Lease Name and Well No.
3a. Address		9. API Well No. 30-015-55929
3b. Phone No. (include area code)		10. Field and Pool, or Exploratory
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		11. Sec., T. R. M. or Blk. and Survey or Area
14. Distance in miles and direction from nearest town or post office*		12. County or Parish
		13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be requested by the BLM. |

25. Signature	Name (Printed/Typed)	Date
Title		
Approved by (Signature)	Name (Printed/Typed)	Date
Title		
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 30-015-55929	² Pool Code 98211	³ Pool Name WC-015 G-03 S262925D;BONE SPRING
⁴ Property Code 332695	⁵ Property Name STEEL GUITAR 35-26 FED COM	⁶ Well Number 323H
⁷ OGRID No. 246289	⁸ Operator Name WPX ENERGY PERMIAN, LLC	⁹ Elevation 2889.3

¹⁰ Surface Location

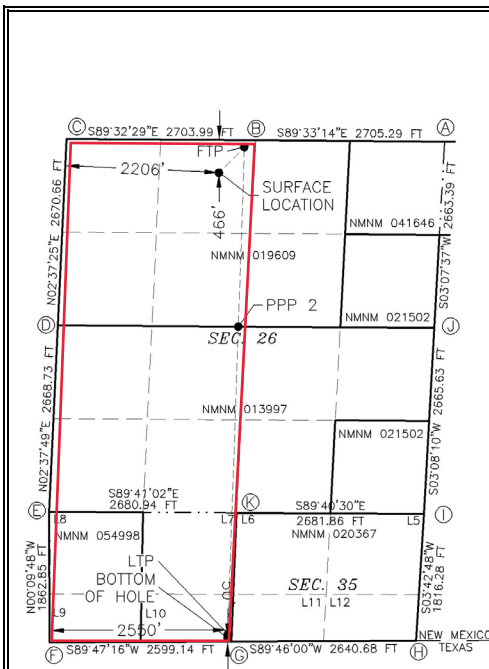
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	26	26 S	29 E		466	NORTH	2206	WEST	EDDY

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
10	35	26 S	29 E		50	SOUTH	2550	WEST	EDDY

¹² Dedicated Acres 431.99	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. Pending NSL
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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>STEEL GUITAR 35-26 FED COM 323H EL. = 2889.3</p> <p>GEODETC COORDINATES NAD 83 NMSP EAST SURFACE LOCATION N. = 370683.43 E. = 658266.00 LAT. = 32.0185277°N LONG. = 103.9560554°W</p> <p>KICK OFF POINT CALLS 53 FNL; 2549 FWL N. = 371093 E. = 658628 LAT. = 32.01955616 LONG. = -103.95496407</p> <p>FIRST TAKE POINT (PPP 1) 100' FNL, 2550' FWL N. = 371046.80 E. = 658626.92 LAT. = 32.0195231°N LONG. = 103.9548868°W</p> <p>LAST TAKE POINT 100' FSL, 2550' FWL N. = 364081.53 E. = 658390.09 LAT. = 32.0003782°N LONG. = 103.9557295°W</p> <p>BOTTOM OF HOLE 50' FSL, 2550' FWL N. = 364031.54 E. = 658390.23 LAT. = 32.0002408°N LONG. = 103.9557296°W</p> <p>PPP 2 2665' FNL, 2582' FWL N. = 368483.46 E. = 658539.76 LAT. = 32.0124775°N LONG. = 103.9551970°W</p> <p>CORNER COORDINATES TABLE NAD 83 NMSP EAST</p> <table border="1"> <tr><td>A - N. = 371124.47</td><td>E. = 661488.25</td></tr> <tr><td>B - N. = 371145.53</td><td>E. = 658783.63</td></tr> <tr><td>C - N. = 371167.17</td><td>E. = 656080.31</td></tr> <tr><td>D - N. = 368499.89</td><td>E. = 655958.09</td></tr> <tr><td>E - N. = 365834.55</td><td>E. = 655835.64</td></tr> <tr><td>F - N. = 363972.11</td><td>E. = 655840.95</td></tr> <tr><td>G - N. = 363981.73</td><td>E. = 658439.51</td></tr> <tr><td>H - N. = 363992.48</td><td>E. = 661079.59</td></tr> <tr><td>I - N. = 365804.56</td><td>E. = 661197.19</td></tr> <tr><td>J - N. = 368465.62</td><td>E. = 661343.00</td></tr> <tr><td>K - N. = 365819.76</td><td>E. = 658515.96</td></tr> </table> <p>LEGEND --- SECTION LINE --- QUARTER LINE --- LEASE LINE --- WELL PATH</p> <p>LAST TAKE POINT BOTTOM OF HOLE NEW MEXICO TEXAS LAST TAKE BOTTOM OF HOLE DETAIL</p>	A - N. = 371124.47	E. = 661488.25	B - N. = 371145.53	E. = 658783.63	C - N. = 371167.17	E. = 656080.31	D - N. = 368499.89	E. = 655958.09	E - N. = 365834.55	E. = 655835.64	F - N. = 363972.11	E. = 655840.95	G - N. = 363981.73	E. = 658439.51	H - N. = 363992.48	E. = 661079.59	I - N. = 365804.56	E. = 661197.19	J - N. = 368465.62	E. = 661343.00	K - N. = 365819.76	E. = 658515.96	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>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>Chelsey Green</i> 02/27/24 Signature Date Chelsey Green Printed Name chelsey.green@dvn.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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>DECEMBER 5, 2023 Date of Survey</p> <p><i>Linon F. Jaramillo</i> Signature and Seal of Professional Surveyor Certificate Number: 12797 SURV. NO. 9946</p>
A - N. = 371124.47	E. = 661488.25																						
B - N. = 371145.53	E. = 658783.63																						
C - N. = 371167.17	E. = 656080.31																						
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K - N. = 365819.76	E. = 658515.96																						

Intent ☒ As Drilled ☐

API #		
Operator Name: WPX ENERGY PERMIAN, LLC	Property Name: STEEL GUITAR 35-26 FED COM	Well Number 323H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	26	26S	29E		53	NORTH	2549	WEST	LEA
Latitude 32.01955616					Longitude -103.95496407				NAD 83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
C	26	26S	29E		100	NORTH	2550	WEST	LEA
Latitude 32.0195231					Longitude 103.9548868				NAD 83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	35	26S	29E	10	100	SOUTH	2550	WEST	LEA
Latitude 32.0003782					Longitude 103.9557295				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐ NIs this well an infill well? ☐ Y

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

API #		
Operator Name: WPX ENERGY PERMIAN, LLC.	Property Name: STEEL GUITAR FED COM 35-26	Well Number 322H

KZ 06/29/2018

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description **Effective May 25, 2021**

I. Operator: WPX ENERGY PERMIAN, LLC **OGRID:** 246289 **Date:** 01 / 15 / 2024

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
See attachment						

IV. Central Delivery Point Name: See attachment [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
See attachment						

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

NATURAL GAS MANAGEMENT PLAN

Section 1 - Plan Description

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR & FOOTAGES		Daily Anticipated GAS/OIL/WATER	Central Delivery Point Name:
STEEL GUITAR 35-26 FED COM 321H		26-26S-29E, 454 FNL & 2086 FWL		(+/-) 5265 mcf/(+/-) 1950 bopd/(+/-) 6825 bwpd	STEEL GUITAR 35-26 FED WEST PAD
STEEL GUITAR 35-26 FED COM 322H		26-26S-29E, 460 FNL & 2146 FWL		(+/-) 5265 mcf/(+/-) 1950 bopd/(+/-) 6825 bwpd	STEEL GUITAR 35-26 FED WEST PAD
STEEL GUITAR 35-26 FED COM 323H		26-26S-29E, 466 FNL & 2206 FWL		(+/-) 5265 mcf/(+/-) 1950 bopd/(+/-) 6825 bwpd	STEEL GUITAR 35-26 FED WEST PAD
STEEL GUITAR 35-26 FED COM 331H		26-26S-29E, 457 FNL & 2116 FWL		(+/-) 5516 mcf/(+/-) 1576 bopd/(+/-) 6304 bwpd	STEEL GUITAR 35-26 FED WEST PAD
STEEL GUITAR 35-26 FED COM 332H		26-26S-29E, 463 FNL & 2176 FWL		(+/-) 5516 mcf/(+/-) 1576 bopd/(+/-) 6304 bwpd	STEEL GUITAR 35-26 FED WEST PAD
STEEL GUITAR 35-26 FED COM 441H		26-26S-29E, 442 FNL & 1977 FWL		(+/-) 9000 mcf/(+/-) 855 bopd/(+/-) 9000 bwpd	STEEL GUITAR 35-26 FED WEST PAD
STEEL GUITAR 35-26 FED COM 442H		26-26S-29E, 448 FNL & 2036 FWL		(+/-) 9000 mcf/(+/-) 855 bopd/(+/-) 9000 bwpd	STEEL GUITAR 35-26 FED WEST PAD
STEEL GUITAR 35-26 FED COM 452H		26-26S-29E, 445 FNL & 2007 FWL		(+/-) 9000 mcf/(+/-) 855 bopd/(+/-) 9000 bwpd	STEEL GUITAR 35-26 FED WEST PAD
STEEL GUITAR 26-35 FED COM 324H		26-26S-29E, 655 FNL & 1090 FEL		(+/-) 5265 mcf/(+/-) 1950 bopd/(+/-) 6825 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 26-35 FED COM 325H		26-26S-29E, 655 FNL & 1030 FEL		(+/-) 5265 mcf/(+/-) 1950 bopd/(+/-) 6825 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 26-35 FED COM 333H		26-26S-29E, 655 FNL & 1120 FEL		(+/-) 5516 mcf/(+/-) 1576 bopd/(+/-) 6304 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 26-35 FED COM 334H		26-26S-29E, 655 FNL & 1060 FEL		(+/-) 5516 mcf/(+/-) 1576 bopd/(+/-) 6304 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 26-35 FED COM 335H		26-26S-29E, 655 FNL & 1060 FEL		(+/-) 5516 mcf/(+/-) 1576 bopd/(+/-) 6304 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 26-35 FED COM 414H		26-26S-29E, 455 FNL & 1060 FEL		(+/-) 7190 mcf/(+/-) 1563 bopd/(+/-) 8597 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 26-35 FED COM 415H		26-26S-29E, 455 FNL & 1000 FEL		(+/-) 7190 mcf/(+/-) 1563 bopd/(+/-) 8597 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 26-35 FED COM 424H		26-26S-29E, 455 FNL & 1090 FEL		(+/-) 7190 mcf/(+/-) 1563 bopd/(+/-) 8597 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 26-35 FED COM 425H		26-26S-29E, 455 FNL & 1030 FEL		(+/-) 7190 mcf/(+/-) 1563 bopd/(+/-) 8597 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 35-26 FED COM 410H		26-26S-29E, 455 FNL & 1120 FEL		(+/-) 7190 mcf/(+/-) 1563 bopd/(+/-) 8597 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 35-26 FED COM 443H		26-26S-29E, 255 FNL & 1060 FEL		(+/-) 9000 mcf/(+/-) 855 bopd/(+/-) 9000 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 35-26 FED COM 444H		26-26S-29E, 255 FNL & 1000 FEL		(+/-) 9000 mcf/(+/-) 855 bopd/(+/-) 9000 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 35-26 FED COM 453H		26-26S-29E, 255 FNL & 1090 FEL		(+/-) 7125 mcf/(+/-) 499 bopd/(+/-) 7125 bwpd	STEEL GUITAR 35-26 FED EAST PAD
STEEL GUITAR 35-26 FED COM 454H		26-26S-29E, 255 FNL & 1030 FEL		(+/-) 7125 mcf/(+/-) 499 bopd/(+/-) 7125 bwpd	STEEL GUITAR 35-26 FED EAST PAD

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow back Date	First Production Date
STEEL GUITAR 35-26 FED COM 321H	n/a	6/18/2026	7/18/2026	11/15/2026	11/15/2026	11/15/2026
STEEL GUITAR 35-26 FED COM 322H	n/a	7/4/2026	8/3/2026	12/1/2026	12/1/2026	12/1/2026
STEEL GUITAR 35-26 FED COM 323H	n/a	6/2/2026	7/2/2026	10/30/2026	10/30/2026	10/30/2026
STEEL GUITAR 35-26 FED COM 331H	n/a	5/17/2026	6/16/2026	10/14/2026	10/14/2026	10/14/2026
STEEL GUITAR 35-26 FED COM 332H	n/a	5/1/2026	5/31/2026	9/28/2026	9/28/2026	9/28/2026
STEEL GUITAR 35-26 FED COM 441H	n/a	8/8/2027	9/7/2027	1/5/2028	1/5/2028	1/5/2028
STEEL GUITAR 35-26 FED COM 442H	n/a	9/15/2027	10/15/2027	2/12/2028	2/12/2028	2/12/2028
STEEL GUITAR 35-26 FED COM 452H	n/a	8/27/2027	9/26/2027	1/24/2028	1/24/2028	1/24/2028
STEEL GUITAR 26-35 FED COM 324H	n/a	4/25/2025	5/25/2025	9/22/2025	9/22/2025	9/22/2025
STEEL GUITAR 26-35 FED COM 325H	n/a	5/11/2025	6/10/2025	10/8/2025	10/8/2025	10/8/2025
STEEL GUITAR 26-35 FED COM 333H	n/a	6/12/2025	7/12/2025	11/9/2025	11/9/2025	11/9/2025
STEEL GUITAR 26-35 FED COM 334H	n/a	6/29/2025	7/29/2025	11/26/2025	11/26/2025	11/26/2025
STEEL GUITAR 26-35 FED COM 335H	n/a	5/27/2025	6/26/2025	10/24/2025	10/24/2025	10/24/2025
STEEL GUITAR 26-35 FED COM 414H	n/a	5/21/2025	6/20/2025	10/18/2025	10/18/2025	10/18/2025
STEEL GUITAR 26-35 FED COM 415H	n/a	6/23/2025	7/23/2025	11/20/2025	11/20/2025	11/20/2025
STEEL GUITAR 26-35 FED COM 424H	n/a	6/6/2025	7/6/2025	11/3/2025	11/3/2025	11/3/2025
STEEL GUITAR 26-35 FED COM 425H	n/a	5/4/2025	6/3/2025	10/1/2025	10/1/2025	10/1/2025
STEEL GUITAR 35-26 FED COM 410H	n/a	4/30/2025	5/30/2025	9/27/2025	9/27/2025	9/27/2025
STEEL GUITAR 35-26 FED COM 443H	n/a	6/29/2025	7/29/2025	11/26/2025	11/26/2025	11/26/2025
STEEL GUITAR 35-26 FED COM 444H	n/a	7/18/2025	8/17/2025	12/15/2025	12/15/2025	12/15/2025
STEEL GUITAR 35-26 FED COM 453H	n/a	5/22/2025	6/21/2025	10/19/2025	10/19/2025	10/19/2025
STEEL GUITAR 35-26 FED COM 454H	n/a	6/10/2025	7/10/2025	11/7/2025	11/7/2025	11/7/2025

* DATES SUBJECT TO CHANGE

Section 2 – Enhanced Plan**EFFECTIVE APRIL 1, 2022**

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

D Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices


1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature:	
Printed Name:	Jeffrey Walla
Title:	Surface Land & Regulatory Manager
E-mail Address:	jeff.walla@dvn.com
Date:	01/15/2024
Phone:	(405) 552-8154
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	



VI. Separation Equipment

WPX Energy Permian, LLC (WPX) utilizes a "stage separation" process in which oil and gas separation is carried out through a series of separators operating at successively reduced pressures. Hydrocarbon liquids are produced into a high-pressure inlet separator, then carried through one or more lower pressure separation vessels before entering the storage tanks. The purpose of this separation process is to attain maximum recovery of liquid hydrocarbons from the fluids and allow maximum capture of produced gas into the sales pipeline. WPX utilizes a series of Low-Pressure Compression units to capture gas off the staged separation and send it to the sales pipeline. This process minimizes the amount of flash gas that enters the end-stage storage tanks that is subsequently vented or flared.



VII. Operational Practices

WPX Energy Permian, LLC will employ best management practices and control technologies to maximize the recovery and minimize waste of natural gas through venting and flaring.

- During drilling operations, WPX will utilize flares and/or combustors to capture and control natural gas, where technically feasible. If flaring is deemed technically in-feasible, WPX will employ best management practices to minimize or reduce venting to the extent possible.
- During completions operations, WPX will utilize Green Completion methods to capture gas produced during well completions that is otherwise vented or flared. If capture is technically in-feasible, flares and/or combustors will be used to capture and control flow back fluids entering into frac tanks during initial flowback. Upon indication of first measurable hydrocarbon volumes, WPX will turn operations to onsite separation vessels and flow to the gathering pipeline.
- During production operations, WPX will take every practical effort to minimize waste of natural gas through venting and flaring by:
 - Designing and constructing facilities in a manner consistent to achieve maximum capture and control of hydrocarbon liquids & produced gas
 - Utilizing a closed-loop capture system to collect and route produced gas to sales line via low pressure compression, or to a flare/combustor
 - Flaring in lieu of venting, where technically feasible
 - Utilizing auto-ignitors or continuous pilots, with thermocouples connected to Scada, to quickly detect and resolve issues related to malfunctioning flares/combustors
 - Employ the use of automatic tank gauging to minimize storage tank venting during loading events
 - Installing air-driven or electric-driven pneumatics & combustion engines, where technically feasible to minimize venting to the atmosphere
 - Confirm equipment is properly maintained and repaired through a preventative maintenance and repair program to ensure equipment meets all manufacturer specifications
 - Conduct and document AVO inspections on the frequency set forth in Part 27 to detect and repair any onsite leaks as quickly and efficiently as is feasible



VIII. Best Management Practices during Maintenance

WPX Energy Permian, LLC will utilize best management practices to minimize venting during active and planned maintenance activities. WPX is operating under guidance that production facilities permitted under NOI permits have no provisions to allow high pressure flaring and high pressure flaring is only allowed in disruption scenarios so long as the duration is less than eight hours. When technically feasible, flaring during maintenance activities will be utilized in lieu of venting to the atmosphere. WPX will work with third-party operators during scheduled maintenance of downstream pipeline or processing plants to address those events ahead of time to minimize venting. Actions considered include identifying alternative capture approaches or planning to temporarily reduce production or shut in the well to address these circumstances.

Offline Cementing

Variance Request

Devon Energy requests to offline cement on intermediate strings that are set in formations shallower than the Wolfcamp. Prior to commencing offline cementing operations, the well will be monitored for any abnormal pressures and confirmed to be static. A dual manifold system (equipped with chokes) for the returns will also be utilized as a redundancy. All equipment used for offline cementing will have a minimum 5M rating to match intermediate sections' 5M BOPE requirements.

Devon Energy Annular Preventer Summary

1. Component and Preventer Compatibility Table

The table below, which covers the drilling and casing of the 10M MASP portion of the well, outlines the tubulars and the compatible preventers in use. This table, combined with the mud program, documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

6-3/4" Production hole section, 10M requirement

Component	OD	Preventer	RWP
Drillpipe	4.5"	Fixed lower 4.5" Upper 4.5-7" VBR	10M
HWDP	4.5"	Fixed lower 4.5" Upper 4.5-7" VBR	10M
Drill collars and MWD tools	4.75"	Upper 4.5-7" VBR	10M
Mud Motor	4.75"	Upper 4.5-7" VBR	10M
Production casing	5.5"	Upper 4.5-7" VBR	10M
ALL	0-13-5/8"	Annular	5M
Open-hole	-	Blind Rams	10M

VBR = Variable Bore Ram. Compatible range listed in chart.

2. Well Control Procedures

Well control procedures are specific to the rig equipment and the operation at the time the kick occurs. Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the BHA through the BOPs. The pressure at which control is swapped from the annular to another compatible ram is variable, but the operator will document in the submission their operating pressure limit. The operator may chose an operating pressure less than or equal to RWP, but in no case will it exceed the RWP of the annular preventer.

General Procedure While Drilling

1. Sound alarm (alert crew)
2. Space out drill string
3. Shut down pumps (stop pumps and rotary)
4. Shut-in Well (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to the upper pipe ram.

Devon Energy Annular Preventer Summary

General Procedure While Tripping

1. Sound alarm (alert crew)
2. Stab full opening safety valve and close
3. Space out drill string
4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to the upper pipe ram.

General Procedure While Running Casing

1. Sound alarm (alert crew)
2. Stab crossover and full opening safety valve and close
3. Space out string
4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
 - a. SIDPP and SICP
 - b. Pit gain
 - c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to compatible pipe ram.

General Procedure With No Pipe In Hole (Open Hole)

1. Sound alarm (alert crew)
2. Shut-in with blind rams or BSR. (HCR and choke will already be in the closed position.)
3. Confirm shut-in
4. Notify toolpusher/company representative
5. Read and record the following:
 - a. SICP
 - b. Pit gain
 - c. Time
6. Regroup and identify forward plan

Devon Energy Annular Preventer Summary

General Procedures While Pulling BHA thru Stack

1. PRIOR to pulling last joint of drillpipe thru the stack.
 - a. Perform flowcheck, if flowing:
 - b. Sound alarm (alert crew)
 - c. Stab full opening safety valve and close
 - d. Space out drill string with tool joint just beneath the upper pipe ram.
 - e. Shut-in using upper pipe ram. (HCR and choke will already be in the closed position.)
 - f. Confirm shut-in
 - g. Notify toolpusher/company representative
 - h. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - i. Regroup and identify forward plan
2. With BHA in the stack and compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. Stab crossover and full opening safety valve and close
 - c. Space out drill string with upset just beneath the compatible pipe ram.
 - d. Shut-in using compatible pipe ram. (HCR and choke will already be in the closed position.)
 - e. Confirm shut-in
 - f. Notify toolpusher/company representative
 - g. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - h. Regroup and identify forward plan
3. With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.
 - a. Sound alarm (alert crew)
 - b. If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario.
 - c. If impossible to pick up high enough to pull the string clear of the stack:
 - d. Stab crossover, make up one joint/stand of drillpipe, and full opening safety valve and close
 - e. Space out drill string with tooljoint just beneath the upper pipe ram.
 - f. Shut-in using upper pipe ram. (HCR and choke will already be in the closed position.)
 - g. Confirm shut-in
 - h. Notify toolpusher/company representative
 - i. Read and record the following:
 - i. SIDPP and SICP
 - ii. Pit gain
 - iii. Time
 - j. Regroup and identify forward plan

STEEL GUITAR 35-26 FED COM 323H

1. Geologic Formations

TVD of target	8500	Pilot hole depth	N/A
MD at TD:	15365	Deepest expected fresh water	

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/Target Zone?	Hazards*
Rustler	386		
Salt	1261		
Base of Salt	2967		
Delaware	2967		
Cherry Canyon	3981		
Brushy Canyon	5070		
1st Bone Spring Lime	6701		
Bone Spring 1st	7601		
Bone Spring 2nd	8224		

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

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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	54 1/2	J-55	BTC	0	411	0	411
12 1/4	9 5/8	40	J-55	BTC	0	3067	0	3067
8 3/4	5 1/2	20	P110	DWC / C-IS+	0	15365	0	8500

•All casing strings will be tested in accordance with 43 CFR 3172. Must have table for contingency casing.

3. Cementing Program (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	336	Surf	13.2	1.4	Lead: Class C Cement + additives
Int 1	316	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	2567	13.2	1.4	Tail: Class H / C + additives
Int 1 Intermediate Squeeze	410	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
	316	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	2567	13.2	1.4	Tail: Class H / C + additives
Production	461	2567	9.0	3.3	Lead: Class H / C + additives
	1426	7972	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%

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4. Pressure Control Equipment (Three String Design)

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
Int 1	13-5/8"	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*		

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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
---	-----------------------------

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	3978
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 43 CFR 3176. If Hydrogen Sulfide is encountered measured values and formations will be provided to the BLM.

N	H ₂ S is present
Y	H ₂ S plan attached.

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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 (43 CFR 3172, all COAs and NMOCD regulations).
- 3 The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- 4 A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
- 5 Spudder rig operations is expected to take 4-5 days per well on a multi-well pad.
- 6 The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7 Drilling operations will be performed with drilling rig. At that time an approved BOP stack will be nipped up and tested on the wellhead before drilling operations commences on each well.
 - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments

X Directional Plan
 Other, describe



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

Drilling Plan Data Report

12/11/2024

APD ID: 10400098051

Submission Date: 04/12/2024

Highlighted data
reflects the most
recent changes

Operator Name: WPX ENERGY PERMIAN LLC

Well Name: STEEL GUITAR 35-26 FED COM

Well Number: 323H

Well Type: OIL WELL

Well Work Type: Drill

[Show Final Text](#)

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical	Measured Depth	Lithologies	Mineral Resources	Producing Formatio
14403286	UNKNOWN	2940	0	0	OTHER : SURFACE	NONE	N
14403296	BELL CANYON	-1	2941	2941	SANDSTONE, SHALE	NATURAL GAS, OIL	N
14403288	CHERRY CANYON	-1041	3981	3981	SANDSTONE, SHALE	NATURAL GAS, OIL	N
14403289	BRUSHY CANYON	-2130	5070	5070	SANDSTONE, SHALE	NATURAL GAS, OIL	N
14403290	BONE SPRING 1ST	-4661	7601	7601	SANDSTONE	NATURAL GAS, OIL	N
14403291	BONE SPRING LIME	-4967	7907	7907	LIMESTONE	NATURAL GAS, OIL	N
14403292	BONE SPRING 2ND	-5284	8224	8224	SANDSTONE	NATURAL GAS, OIL	Y
14403293	BONE SPRING 3RD	-5747	8687	8687	LIMESTONE	NATURAL GAS, OIL	N
14403294	WOLFCAMP	-6899	9839	9839	SHALE	NATURAL GAS, OIL	N

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M

Rating Depth: 8500

Equipment: BOP/BOPE will be installed per 43 CFR 3172 requirements prior to drilling below surface casing, a BOP/BOPE system with the above minimum rating will be installed on the wellhead system. BOP/BOPE will be tested by an independent service company per 43 CFR 3172 requirements and MASP (Maximum Anticipated Surface Pressure) calculations. If the system is upgraded, all the components installed will be functional and tested.

Requesting Variance? YES

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

Testing Procedure: A multibowl wellhead may be used. The BOP will be tested per 43 CFR 3172 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

Choke Diagram Attachment:

break_test_variance_BOP_1_15_24_20240412112004.pdf



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.

Devon Energy

APD VARIANCE DATA

OPERATOR NAME: Devon Energy

1. SUMMARY OF Variance:

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

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

2. Description of Operations

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

STEEL GUITAR 35-26 FED COM 323H



Well: STEEL GUITAR 35-26 FED COM 323H

County: Eddy

Wellbore: Permit Plan

Design: Permit Plan #1

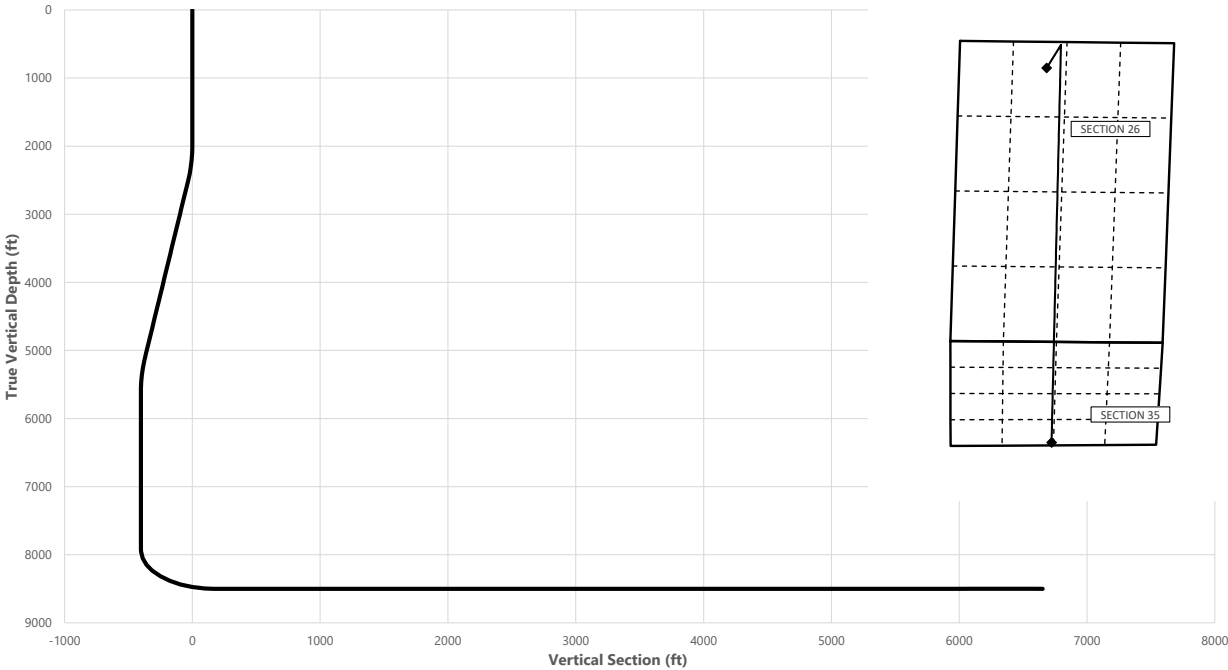
Geodetic System: US State Plane 1983

Datum: North American Datum 1927

Ellipsoid: Clarke 1866

Zone: 3001 - NM East (NAD83)

MD	INC	AZI	TVD	NS	EW	VS	DLS	Comment
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(°/100ft)	
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	SHL
2000.00	0.00	41.50	2000.00	0.00	0.00	0.00	0.00	Start Tangent
2500.00	10.00	41.50	2497.47	32.60	28.84	-32.05	2.00	Hold Tangent
5146.37	10.00	41.50	5103.64	376.77	333.34	-370.48	0.00	Drop to Vertical
5646.37	0.00	41.50	5601.10	409.37	362.18	-402.53	2.00	Hold Vertical
7972.32	0.00	181.93	7927.04	409.37	362.18	-402.53	0.00	KOP
8872.32	90.00	181.93	8500.00	-163.27	342.88	169.64	10.00	Landing Point
15364.62	90.00	181.93	8500.00	-6651.89	124.23	6653.05	0.00	BHL



Key Depths	MD	TVD
	(ft)	(ft)
Rustler	386.00	386.00
Salt	1261.00	1261.00
Base of Salt	2976.78	2967.00
Delaware	2976.78	2967.00
Cherry Canyon	4006.42	3981.00
Brushy Canyon	5112.22	5070.00
1st Bone Spring Lime	6746.27	6701.00
Bone Spring 1st	7646.27	7601.00
Bone Spring 2nd / Point of Penetrati	8284.49	8224.00
exit	15284.62	8500.01

SHL
KOP
Point of Penetration
Exit
BHL

MD	TVD	Lat	Long	Section Footages
(ft)	(ft)	(°)	(°)	
0.00	0.00	32.0184	-103.9561	466' FNL, 2206' FWL of Sec 26 in T26S, R29E
7972.32	7927.04	32.0196	-103.9550	53' FNL, 2549' FWL of Sec 26 in T26S, R29E
8284.49	8224.00	32.0195	-103.9549	100' FNL, 2550' FWL of Sec 26 in T26S, R29E
15284.62	8500.01	32.0004	-103.9557	100' FSL, 2550' FWL of Sec 35 in T26S, R29E
15364.62	8500.00	32.0001	-103.9558	50' FSL, 2550' FWL of Sec 35 in T26S, R29E

	Y	X	MD
KOP	371093	658628	7972.32

STEEL GUITAR 35-26 FED COM 323H



Well: STEEL GUITAR 35-26 FED COM 323H
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
100.00	0.00	41.50	100.00	0.00	0.00	0.00	0.00	
200.00	0.00	41.50	200.00	0.00	0.00	0.00	0.00	
300.00	0.00	41.50	300.00	0.00	0.00	0.00	0.00	
386.00	0.00	41.50	386.00	0.00	0.00	0.00	0.00	Rustler
400.00	0.00	41.50	400.00	0.00	0.00	0.00	0.00	
500.00	0.00	41.50	500.00	0.00	0.00	0.00	0.00	
600.00	0.00	41.50	600.00	0.00	0.00	0.00	0.00	
700.00	0.00	41.50	700.00	0.00	0.00	0.00	0.00	
800.00	0.00	41.50	800.00	0.00	0.00	0.00	0.00	
900.00	0.00	41.50	900.00	0.00	0.00	0.00	0.00	
1000.00	0.00	41.50	1000.00	0.00	0.00	0.00	0.00	
1100.00	0.00	41.50	1100.00	0.00	0.00	0.00	0.00	
1200.00	0.00	41.50	1200.00	0.00	0.00	0.00	0.00	
1261.00	0.00	41.50	1261.00	0.00	0.00	0.00	0.00	Salt
1300.00	0.00	41.50	1300.00	0.00	0.00	0.00	0.00	
1400.00	0.00	41.50	1400.00	0.00	0.00	0.00	0.00	
1500.00	0.00	41.50	1500.00	0.00	0.00	0.00	0.00	
1600.00	0.00	41.50	1600.00	0.00	0.00	0.00	0.00	
1700.00	0.00	41.50	1700.00	0.00	0.00	0.00	0.00	
1800.00	0.00	41.50	1800.00	0.00	0.00	0.00	0.00	
1900.00	0.00	41.50	1900.00	0.00	0.00	0.00	0.00	
2000.00	0.00	41.50	2000.00	0.00	0.00	0.00	0.00	Start Tangent
2100.00	2.00	41.50	2099.98	1.31	1.16	-1.29	2.00	
2200.00	4.00	41.50	2199.84	5.23	4.62	-5.14	2.00	
2300.00	6.00	41.50	2299.45	11.75	10.40	-11.56	2.00	
2400.00	8.00	41.50	2398.70	20.88	18.47	-20.53	2.00	
2500.00	10.00	41.50	2497.47	32.60	28.84	-32.05	2.00	Hold Tangent
2600.00	10.00	41.50	2595.95	45.60	40.35	-44.84	0.00	
2700.00	10.00	41.50	2694.43	58.61	51.85	-57.63	0.00	
2800.00	10.00	41.50	2792.91	71.61	63.36	-70.42	0.00	
2900.00	10.00	41.50	2891.39	84.62	74.86	-83.21	0.00	
2976.78	10.00	41.50	2967.00	94.60	83.70	-93.02	0.00	Base of Salt, Delaware
3000.00	10.00	41.50	2989.87	97.62	86.37	-95.99	0.00	
3100.00	10.00	41.50	3088.35	110.63	97.88	-108.78	0.00	
3200.00	10.00	41.50	3186.83	123.63	109.38	-121.57	0.00	
3300.00	10.00	41.50	3285.31	136.64	120.89	-134.36	0.00	
3400.00	10.00	41.50	3383.79	149.65	132.40	-147.15	0.00	
3500.00	10.00	41.50	3482.27	162.65	143.90	-159.94	0.00	
3600.00	10.00	41.50	3580.75	175.66	155.41	-172.72	0.00	
3700.00	10.00	41.50	3679.23	188.66	166.91	-185.51	0.00	
3800.00	10.00	41.50	3777.72	201.67	178.42	-198.30	0.00	
3900.00	10.00	41.50	3876.20	214.67	189.93	-211.09	0.00	
4000.00	10.00	41.50	3974.68	227.68	201.43	-223.88	0.00	
4006.42	10.00	41.50	3981.00	228.51	202.17	-224.70	0.00	Cherry Canyon
4100.00	10.00	41.50	4073.16	240.68	212.94	-236.67	0.00	
4200.00	10.00	41.50	4171.64	253.69	224.45	-249.45	0.00	
4300.00	10.00	41.50	4270.12	266.70	235.95	-262.24	0.00	
4400.00	10.00	41.50	4368.60	279.70	247.46	-275.03	0.00	
4500.00	10.00	41.50	4467.08	292.71	258.96	-287.82	0.00	
4600.00	10.00	41.50	4565.56	305.71	270.47	-300.61	0.00	
4700.00	10.00	41.50	4664.04	318.72	281.98	-313.40	0.00	
4800.00	10.00	41.50	4762.52	331.72	293.48	-326.18	0.00	
4900.00	10.00	41.50	4861.00	344.73	304.99	-338.97	0.00	
5000.00	10.00	41.50	4959.48	357.73	316.50	-351.76	0.00	
5100.00	10.00	41.50	5057.97	370.74	328.00	-364.55	0.00	
5112.22	10.00	41.50	5070.00	372.33	329.41	-366.11	0.00	Brushy Canyon
5146.37	10.00	41.50	5103.64	376.77	333.34	-370.48	0.00	Drop to Vertical
5200.00	8.93	41.50	5156.53	383.37	339.18	-376.97	2.00	
5300.00	6.93	41.50	5255.57	393.70	348.32	-387.13	2.00	
5400.00	4.93	41.50	5355.03	401.44	355.16	-394.73	2.00	
5500.00	2.93	41.50	5454.79	406.57	359.70	-399.78	2.00	
5600.00	0.93	41.50	5554.73	409.09	361.93	-402.26	2.00	
5646.37	0.00	41.50	5601.10	409.37	362.18	-402.53	2.00	Hold Vertical
5700.00	0.00	181.93	5654.73	409.37	362.18	-402.53	0.00	
5800.00	0.00	181.93	5754.73	409.37	362.18	-402.53	0.00	
5900.00	0.00	181.93	5854.73	409.37	362.18	-402.53	0.00	
6000.00	0.00	181.93	5954.73	409.37	362.18	-402.53	0.00	
6100.00	0.00	181.93	6054.73	409.37	362.18	-402.53	0.00	
6200.00	0.00	181.93	6154.73	409.37	362.18	-402.53	0.00	


STEEL GUITAR 35-26 FED COM 323H



Well: STEEL GUITAR 35-26 FED COM 323H
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
6300.00	0.00	181.93	6254.73	409.37	362.18	-402.53	0.00	
6400.00	0.00	181.93	6354.73	409.37	362.18	-402.53	0.00	
6500.00	0.00	181.93	6454.73	409.37	362.18	-402.53	0.00	
6600.00	0.00	181.93	6554.73	409.37	362.18	-402.53	0.00	
6700.00	0.00	181.93	6654.73	409.37	362.18	-402.53	0.00	
6746.27	0.00	181.93	6701.00	409.37	362.18	-402.53	0.00	1st Bone Spring Lime
6800.00	0.00	181.93	6754.73	409.37	362.18	-402.53	0.00	
6900.00	0.00	181.93	6854.73	409.37	362.18	-402.53	0.00	
7000.00	0.00	181.93	6954.73	409.37	362.18	-402.53	0.00	
7100.00	0.00	181.93	7054.73	409.37	362.18	-402.53	0.00	
7200.00	0.00	181.93	7154.73	409.37	362.18	-402.53	0.00	
7300.00	0.00	181.93	7254.73	409.37	362.18	-402.53	0.00	
7400.00	0.00	181.93	7354.73	409.37	362.18	-402.53	0.00	
7500.00	0.00	181.93	7454.73	409.37	362.18	-402.53	0.00	
7600.00	0.00	181.93	7554.73	409.37	362.18	-402.53	0.00	
7646.27	0.00	181.93	7601.00	409.37	362.18	-402.53	0.00	Bone Spring 1st
7700.00	0.00	181.93	7654.73	409.37	362.18	-402.53	0.00	
7800.00	0.00	181.93	7754.73	409.37	362.18	-402.53	0.00	
7900.00	0.00	181.93	7854.73	409.37	362.18	-402.53	0.00	
7972.32	0.00	181.93	7927.04	409.37	362.18	-402.53	0.00	KOP
8000.00	2.77	181.93	7954.72	408.70	362.15	-401.86	10.00	
8100.00	12.77	181.93	8053.67	395.21	361.70	-388.38	10.00	
8200.00	22.77	181.93	8148.78	364.75	360.67	-357.95	10.00	
8284.49	31.22	181.93	8224.00	326.45	359.38	-319.68	10.00	Bone Spring 2nd / Point of Penetration
8300.00	32.77	181.93	8237.15	318.24	359.11	-311.48	10.00	
8400.00	42.77	181.93	8316.10	257.11	357.05	-250.39	10.00	
8500.00	52.77	181.93	8383.23	183.20	354.56	-176.55	10.00	
8600.00	62.77	181.93	8436.50	98.76	351.71	-92.18	10.00	
8700.00	72.77	181.93	8474.28	6.37	348.60	0.14	10.00	
8800.00	82.77	181.93	8495.44	-91.18	345.31	97.62	10.00	
8872.32	90.00	181.93	8500.00	-163.27	342.88	169.64	10.00	Landing Point
8900.00	90.00	181.93	8500.00	-190.93	341.95	197.29	0.00	
9000.00	90.00	181.93	8500.00	-290.88	338.58	297.15	0.00	
9100.00	90.00	181.93	8500.00	-390.82	335.21	397.01	0.00	
9200.00	90.00	181.93	8500.00	-490.76	331.85	496.88	0.00	
9300.00	90.00	181.93	8500.00	-590.71	328.48	596.74	0.00	
9400.00	90.00	181.93	8500.00	-690.65	325.11	696.60	0.00	
9500.00	90.00	181.93	8500.00	-790.59	321.74	796.47	0.00	
9600.00	90.00	181.93	8500.00	-890.54	318.38	896.33	0.00	
9700.00	90.00	181.93	8500.00	-990.48	315.01	996.19	0.00	
9800.00	90.00	181.93	8500.00	-1090.42	311.64	1096.05	0.00	
9900.00	90.00	181.93	8500.00	-1190.37	308.27	1195.92	0.00	
10000.00	90.00	181.93	8500.00	-1290.31	304.91	1295.78	0.00	
10100.00	90.00	181.93	8500.00	-1390.25	301.54	1395.64	0.00	
10200.00	90.00	181.93	8500.00	-1490.20	298.17	1495.51	0.00	
10300.00	90.00	181.93	8500.00	-1590.14	294.80	1595.37	0.00	
10400.00	90.00	181.93	8500.00	-1690.08	291.43	1695.23	0.00	
10500.00	90.00	181.93	8500.00	-1790.03	288.07	1795.09	0.00	
10600.00	90.00	181.93	8500.00	-1889.97	284.70	1894.96	0.00	
10700.00	90.00	181.93	8500.00	-1989.91	281.33	1994.82	0.00	
10800.00	90.00	181.93	8500.00	-2089.86	277.96	2094.68	0.00	
10900.00	90.00	181.93	8500.00	-2189.80	274.60	2194.55	0.00	
11000.00	90.00	181.93	8500.00	-2289.74	271.23	2294.41	0.00	
11100.00	90.00	181.93	8500.00	-2389.69	267.86	2394.27	0.00	
11200.00	90.00	181.93	8500.00	-2489.63	264.49	2494.14	0.00	
11300.00	90.00	181.93	8500.00	-2589.57	261.13	2594.00	0.00	
11400.00	90.00	181.93	8500.00	-2689.52	257.76	2693.86	0.00	
11500.00	90.00	181.93	8500.00	-2789.46	254.39	2793.72	0.00	
11600.00	90.00	181.93	8500.00	-2889.40	251.02	2893.59	0.00	
11700.00	90.00	181.93	8500.00	-2989.35	247.66	2993.45	0.00	
11800.00	90.00	181.93	8500.00	-3089.29	244.29	3093.31	0.00	
11900.00	90.00	181.93	8500.00	-3189.23	240.92	3193.18	0.00	
12000.00	90.00	181.93	8500.00	-3289.18	237.55	3293.04	0.00	
12100.00	90.00	181.93	8500.00	-3389.12	234.19	3392.90	0.00	
12200.00	90.00	181.93	8500.00	-3489.06	230.82	3492.77	0.00	
12300.00	90.00	181.93	8500.00	-3589.01	227.45	3592.63	0.00	
12400.00	90.00	181.93	8500.00	-3688.95	224.08	3692.49	0.00	
12500.00	90.00	181.93	8500.00	-3788.89	220.72	3792.35	0.00	
12600.00	90.00	181.93	8500.00	-3888.84	217.35	3892.22	0.00	
12700.00	90.00	181.93	8500.01	-3988.78	213.98	3992.08	0.00	

		Well: STEEL GUITAR 35-26 FED COM 323H						Geodetic System: US State Plane 1983	
		County: Eddy						Datum: North American Datum 1927	
		Wellbore: Permit Plan						Ellipsoid: Clarke 1866	
		Design: Permit Plan #1						Zone: 3001 - NM East (NAD83)	
MD	INC	AZI	TVD	NS	EW	VS	DLS	Comment	
(ft)	(°)	(°)	(ft)	(ft)	(ft)	(ft)	(°/100ft)		
12800.00	90.00	181.93	8500.01	-4088.72	210.61	4091.94	0.00		
12900.00	90.00	181.93	8500.01	-4188.67	207.25	4191.81	0.00		
13000.00	90.00	181.93	8500.01	-4288.61	203.88	4291.67	0.00		
13100.00	90.00	181.93	8500.01	-4388.55	200.51	4391.53	0.00		
13200.00	90.00	181.93	8500.01	-4488.50	197.14	4491.39	0.00		
13300.00	90.00	181.93	8500.01	-4588.44	193.77	4591.26	0.00		
13400.00	90.00	181.93	8500.01	-4688.38	190.41	4691.12	0.00		
13500.00	90.00	181.93	8500.01	-4788.33	187.04	4790.98	0.00		
13600.00	90.00	181.93	8500.01	-4888.27	183.67	4890.85	0.00		
13700.00	90.00	181.93	8500.01	-4988.21	180.30	4990.71	0.00		
13800.00	90.00	181.93	8500.01	-5088.16	176.94	5090.57	0.00		
13900.00	90.00	181.93	8500.01	-5188.10	173.57	5190.44	0.00		
14000.00	90.00	181.93	8500.01	-5288.04	170.20	5290.30	0.00		
14100.00	90.00	181.93	8500.01	-5387.99	166.83	5390.16	0.00		
14200.00	90.00	181.93	8500.01	-5487.93	163.47	5490.02	0.00		
14300.00	90.00	181.93	8500.01	-5587.87	160.10	5589.89	0.00		
14400.00	90.00	181.93	8500.01	-5687.82	156.73	5689.75	0.00		
14500.00	90.00	181.93	8500.01	-5787.76	153.36	5789.61	0.00		
14600.00	90.00	181.93	8500.01	-5887.70	150.00	5889.48	0.00		
14700.00	90.00	181.93	8500.01	-5987.65	146.63	5989.34	0.00		
14800.00	90.00	181.93	8500.01	-6087.59	143.26	6089.20	0.00		
14900.00	90.00	181.93	8500.01	-6187.53	139.89	6189.07	0.00		
15000.00	90.00	181.93	8500.01	-6287.48	136.53	6288.93	0.00		
15100.00	90.00	181.93	8500.01	-6387.42	133.16	6388.79	0.00		
15200.00	90.00	181.93	8500.01	-6487.36	129.79	6488.65	0.00		
15284.62	90.00	181.93	8500.01	-6571.94	126.94	6573.16	0.00	exit	
15300.00	90.00	181.93	8500.01	-6587.30	126.42	6588.52	0.00		
15364.62	90.00	181.93	8500.00	-6651.89	124.23	6653.05	0.00	BHL	

Section 2 - Blowout Preventer Testing Procedure

Variance Request

Devon Energy requests to only test BOP connection breaks after drilling out of surface casing and while skidding between wells which conforms to API Standard 53 and industry standards. This test will include the Top Pipe Rams, HCR, Kill Line Check Valve, QDC (quick disconnect to wellhead) and Shell of the 10M BOPE to 5M for 10 minutes. If a break to the flex hose that runs to the choke manifold is required due to repositioning from a skid, the HCR will remain open during the shell test to include that additional break. The variance only pertains to intermediate hole-sections and no deeper than the Bone Springs Formation where 5M BOP tests are required. The initial BOP test will follow 43 CFR 3172, and subsequent tests following a skid will only test connections that are broken. The annular preventer will be tested to 100% working pressure. This variance will meet or exceed 43 CFR 3172 per the following: Devon Energy will perform a full BOP test per 43 CFR 3172 before drilling out of the intermediate casing string(s) and starting the production hole, before starting any hole section that requires a 10M test, before the expiration of the allotted 14-days for 5M intermediate batch drilling or when the drilling rig is fully mobilized to a new well pad, whichever is sooner. We will utilize a 200' TVD tolerance between intermediate shoes as the cutoff for a full BOP test. The BLM will be contacted 4hrs prior to a BOPE test. The BLM will be notified if and when a well control event is encountered. Break test will be a 14 day interval and not a 30 day full BOPE test interval. If in the event break testing is not utilized, then a full BOPE test would be conducted.

1. Well Control Response:
 1. Primary barrier remains fluid
 2. In the event of an influx due to being underbalanced and after a realized gain or flow, the order of closing BOPE is as follows:
 - a) Annular first
 - b) If annular were to not hold, Upper pipe rams second (which were tested on the skid BOP test)
 - c) If the Upper Pipe Rams were to not hold, Lower Pipe Rams would be third

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

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

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

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

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

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

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

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





Casing Assumptions and Load Cases

Surface

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

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

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

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

**PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL**

OPERATOR'S NAME:	WPX Energy Permian LLC
LEASE NO.:	NMNM19609
LOCATION:	Section 26, T.26 S., R.29 E., NMPM
COUNTY:	Eddy County, New Mexico

WELL NAME & NO.:	Steel Guitar 35-26 Fed Com 321H
BOTTOM HOLE FOOTAGE	50'/S & 330'/W
ATS/API ID:	ATS-24-1418
APD ID:	10400098052
Sundry ID:	N/a

WELL NAME & NO.:	Steel Guitar 35-26 Fed Com 322H
BOTTOM HOLE FOOTAGE	50'/S & 1440'/W
ATS/API ID:	ATS-24-1414
APD ID:	10400098050
Sundry ID:	N/a

WELL NAME & NO.:	Steel Guitar 35-26 Fed Com 323H
BOTTOM HOLE FOOTAGE	50'/S & 2550'/W
ATS/API ID:	ATS-24-1416
APD ID:	10400098051
Sundry ID:	N/a

COA

H2S	Yes		
Potash	None	None	
Cave/Karst Potential	High		
Cave/Karst Potential	<input type="checkbox"/> Critical		
Variance	<input checked="" type="checkbox"/> None	<input checked="" type="checkbox"/> Flex Hose	<input checked="" type="checkbox"/> Other
Wellhead	Conventional and Multibowl		
Other	<input type="checkbox"/> 4 String <input type="checkbox"/> 5 String	Capitan Reef None	<input type="checkbox"/> WIPP
Other	Pilot Hole None	<input type="checkbox"/> Open Annulus	
Cementing	Contingency Squeeze Int 1	Echo-Meter None	Primary Cement Squeeze None
Special Requirements	<input type="checkbox"/> Water Disposal/Injection	<input checked="" type="checkbox"/> COM	<input type="checkbox"/> Unit
Special Requirements	<input type="checkbox"/> Batch Sundry	Waste Prevention None	
Special Requirements Variance	<input checked="" type="checkbox"/> Break Testing	<input checked="" type="checkbox"/> Offline Cementing	<input type="checkbox"/> Casing Clearance

A. HYDROGEN SULFIDE

A Hydrogen Sulfide (H₂S) Drilling Plan shall be activated 500 feet prior to drilling into the **Delaware** formation. As a result, the Hydrogen Sulfide area must meet **43 CFR part 3170 Subpart 3176** requirements, which includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, please provide measured values and formations to the BLM.

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **411 feet** (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt when present, and below usable fresh water) and cemented to the surface. The surface hole shall be **17 1/2** inch in diameter.
 - 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 is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Option 2:

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

DV tool(s) shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall contact the BLM if DV tool(s) depth cannot

be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

- a. First stage to DV tool(s): Cement to circulate. If cement does not circulate off the DV tool(s), contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool(s):
 - Cement to surface. If cement does not circulate, contact the appropriate BLM office.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.

Operator has proposed to pump down 13-3/8" X 9-5/8" annulus after primary cementing stage. Operator must run a CBL from TD of the 9-5/8" casing to surface. Submit results to the BLM. Operator may conduct a negative and positive pressure test during completion to remediate sustained casing pressure.

If cement does not tie-back into the previous casing shoe, a third stage remediation BH may be performed. The appropriate BLM office shall be notified.

- ❖ In High Cave/Karst Areas if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
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.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
Cement excess is less than 25%, more cement is required if washout occurs. Adjust cement volume and excess based on a fluid caliper or similar method that reflects the as-drilled size of the wellbore.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
- 2.

Option 1:

- a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) psi. Annular which shall be tested to 2100 (70% Working Pressure) psi.**
- b. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the **9-5/8** inch intermediate casing shoe shall be **5000 (5M) psi.**

Option 2:

Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the **13-3/8** inch 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 43 CFR 3172.6(b)(9) 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.
- The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in **43 CFR part 3170 Subpart 3171**
- 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.

BOPE Break Testing Variance (Approved)

- BOPE Break Testing is ONLY permitted for 5M BOPE or less. **(Annular preventer must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP)**
- BOPE Break Testing is NOT permitted to drilling the production hole section.
- Variance only pertains to the intermediate hole-sections and no deeper than the Bone Springs formation.
- While in transfer between wells, the BOPE shall be secured by the hydraulic carrier or cradle.
- Any well control event while drilling require notification to the BLM Petroleum Engineer **(575-706-2779)** prior to the commencement of any BOPE Break Testing operations.
- A full BOPE test is required prior to drilling the first deep intermediate hole section. If any subsequent hole interval is deeper than the first, a full BOPE test will be required. (200' TVD tolerance between intermediate shoes is allowable).
- The BLM is to be contacted **(575-361-2822 Eddy County)** 4 hours prior to BOPE tests.
- As a minimum, a full BOPE test shall be performed at **21-day** intervals.
- In the event any repairs or replacement of the BOPE is required, the BOPE shall test as per **43 CFR part 3170 Subpart 3172**.
- If in the event break testing is not utilized, then a full BOPE test would be conducted.

Offline Cementing

Operator has been **(Approved)** to pump the proposed cement program offline in the **Intermediate(s) interval**.

Offline cementing should commence within 24 hours of landing the casing for the interval.

Notify the BLM 4hrs prior to cementing offline at **Eddy County: 575-361-2822**.

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

EMAIL or call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,

BLM_NM_CFO_DrillingNotifications@BLM.GOV

(575) 361-2822

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 **43 CFR part 3170 Subpart 3172** 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.

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 of both lead and tail cement, 2) until cement has been in place at least 8 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 **43 CFR part 3170 Subpart 3172 and API STD 53 Sec. 5.3**.

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 43 CFR 3172.6(b)(9) 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 cement), 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 cement plug. The BOPE test can be initiated after bumping the cement plug with the casing valve open. (only applies to single stage cement jobs, prior to the cement setting up.)

- c. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to **43 CFR part 3170 Subpart 3172** 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 8 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 **43 CFR part 3170 Subpart 3172**.

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.

Long Vo (LVO) 10/16/2024



WPX Energy Permian, LLC

**3500 One Williams Center
Tulsa, Oklahoma 74172**

Hydrogen Sulfide (H₂S) Contingency Plan

For

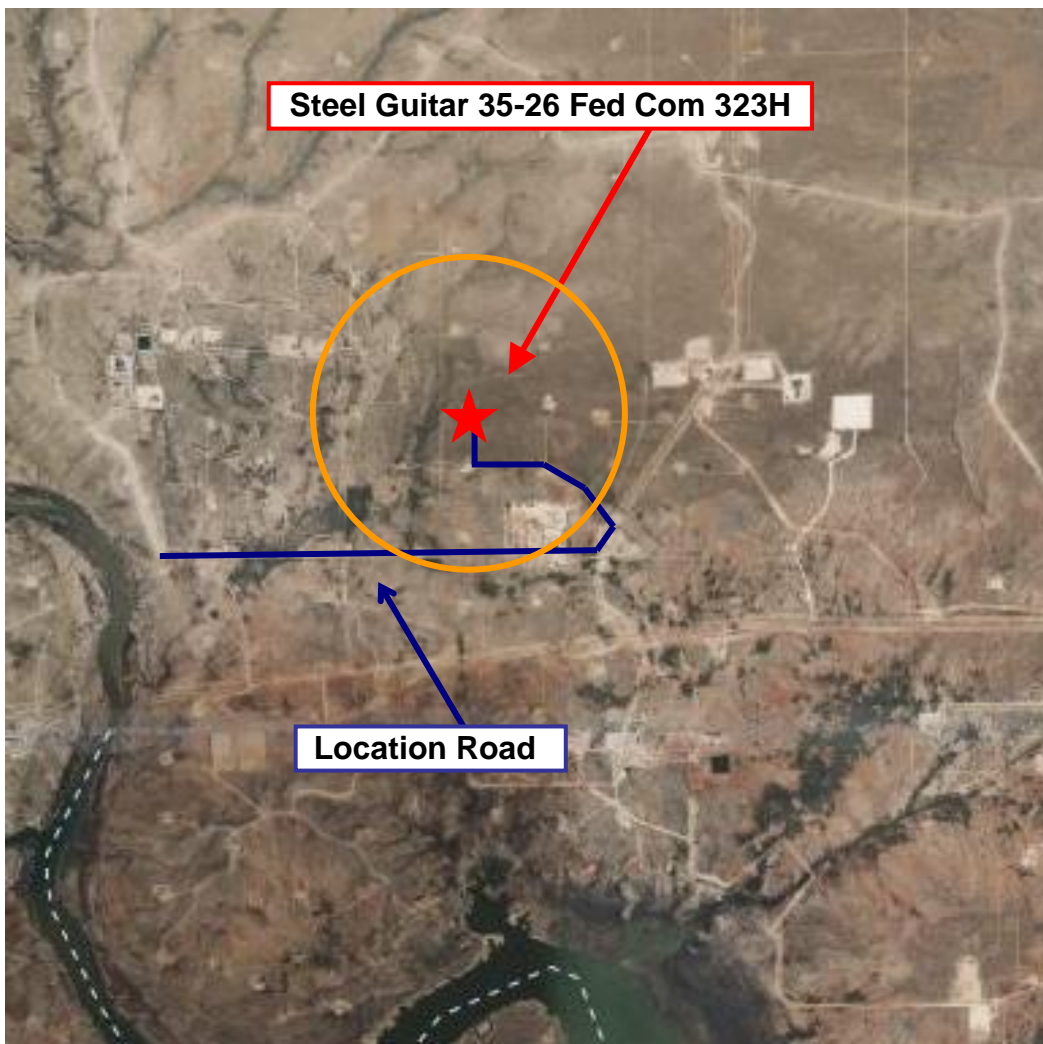
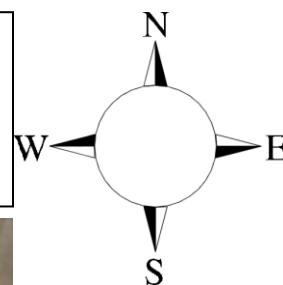
Steel Guitar 35-26 Fed Com 323H

**Sec-26 T-26S R-29E
466' FNL - 2206' FWL
LAT: 32.0185277° N (NAD83)
LONG: 103.9560554° W**

Eddy County, TX

Steel Guitar 35-26 Fed Com 323H

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 emergency responders and local officials. 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

WPX Energy Permian Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the TXRRC 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. WPX Energy Permian Corp. response must be in coordination with the Texas Railroad Commission

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.

There will be weekly H₂S and well control drills for all personnel in each crew.

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.

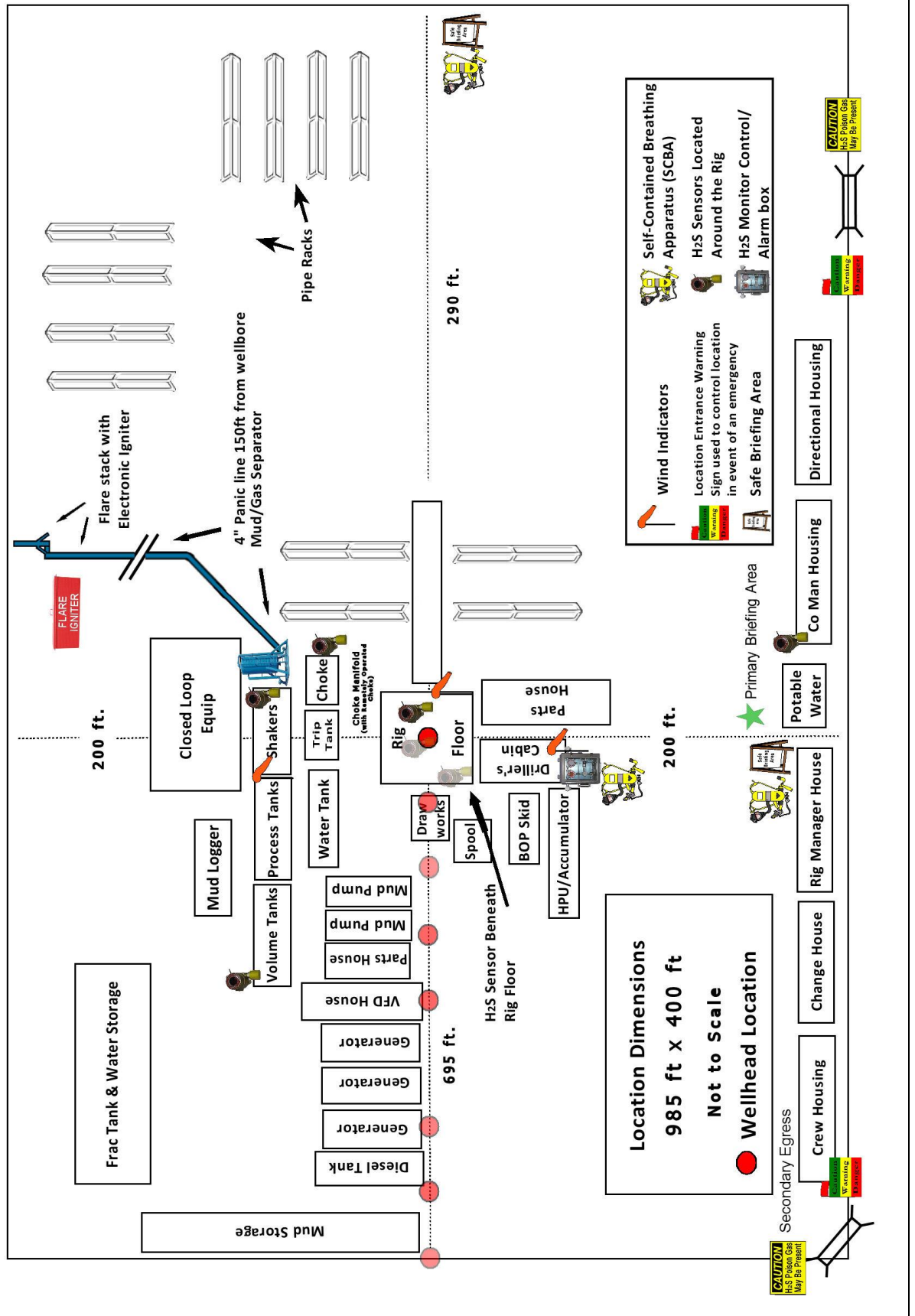
<u>WPX Energy Permian/Devon Energy Corp. Company Call List</u>			
Employee/Company Contact Representative	Position	Phone Number	After Hours Number
Jonathan Fisher (North)	Drilling Manager	832-967-7912	
Jason Hildebrand (South)	Drilling Manager	405-552-6514	
Rich Downey	Drilling VP	405-228-2415	
Josh Harvey	EHS Manger	405-228-2440	918-500-5536
Laura Wright	EHS Supervisor	405-552-5334	832-969-8145
Robert Glover	EHS Professional	575-703-5712	575-703-5712
Lane Frank	Lead EHS	580-579-7052	580-579-7052
Rickey Porter	Lead EHS	903-720-8315	903-720-8315
Ronnie Handy	Lead EHS	918-839-2046	918-839-2046
Brock Vise	Lead EHS	918-413-3291	918-413-3291

Agency Call List		
<u>Winkler County TX (432)</u>	Fire Dept. – Kermit Volunteer	911
	EMERGENCY MANAGEMENT	432-586-2035
	EMS	432-586-5860
	Winkler Co Sherriff	432-586-3461
	Texas Department of Emergency Services Region 4	915-849-4005
	Texas Railroad Commission - 24-Hour Emergency Numbers	844-773-0305 512-463-6788
	Winkler County Memorial Hospital ER	432-586-5864
	TCEQ	432-570-1359
<u>Lea County (575)</u>	Hobbs	
	Lea County Communication Authority	397-9265
	State Police	885-3138
	City Police	397-9265
	Sheriff's Office	396-3611
	Ambulance	911
	Fire Department	397-9308
<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
	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	(575) 347-9836
	For Air Ambulance - Eddy County Dispatch	(575)-616-7155
	For Air Ambulance - Lea County (LCCA)	(575)-397-9265
	Poison Control (24/7)	(800) 222-1222
	Oil & Gas Pipeline 24 Hour Service	(800) 364-4366
	NOAA – Website - www.nhc.noaa.gov	
	National Pollution Control Center	202-795-6958
	NPCC – Oil Spills	800-280-7118

Prepared in conjunction with
Dave Small



WPX Energy - Well Pad Rig Location Layout Safety Equipment Location



STEEL GUITAR 35-26 FED COM 323H

1. Geologic Formations

TVD of target	8500	Pilot hole depth	N/A
MD at TD:	15365	Deepest expected fresh water	

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/Target Zone?	Hazards*
Rustler	386		
Salt	1261		
Base of Salt	2967		
Delaware	2967		
Cherry Canyon	3981		
Brushy Canyon	5070		
1st Bone Spring Lime	6701		
Bone Spring 1st	7601		
Bone Spring 2nd	8224		

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

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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	54 1/2	J-55	BTC	0	411	0	411
12 1/4	9 5/8	40	J-55	BTC	0	3067	0	3067
8 3/4	5 1/2	20	P110	DWC / C-IS+	0	15365	0	8500

•All casing strings will be tested in accordance with 43 CFR 3172. Must have table for contingency casing.

3. Cementing Program (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	336	Surf	13.2	1.4	Lead: Class C Cement + additives
Int 1	316	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	2567	13.2	1.4	Tail: Class H / C + additives
Int 1 Intermediate Squeeze	410	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
	316	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	2567	13.2	1.4	Tail: Class H / C + additives
Production	461	2567	9.0	3.3	Lead: Class H / C + additives
	1426	7972	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%

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4. Pressure Control Equipment (Three String Design)

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
Int 1	13-5/8"	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*		

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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	3978
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 43 CFR 3176. If Hydrogen Sulfide is encountered measured values and formations will be provided to the BLM.

N	H ₂ S is present
Y	H ₂ S plan attached.

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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 (43 CFR 3172, all COAs and NMOCD regulations).
- 3 The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
- 4 A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
- 5 Spudder rig operations is expected to take 4-5 days per well on a multi-well pad.
- 6 The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 7 Drilling operations will be performed with drilling rig. At that time an approved BOP stack will be nipped up and tested on the wellhead before drilling operations commences on each well.
 - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments

X Directional Plan
 Other, describe

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 411589

CONDITIONS

Operator: WPX Energy Permian, LLC Devon Energy - Regulatory Oklahoma City, OK 73102	OGRID: 246289
	Action Number: 411589
	Action Type: [C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created By	Condition	Condition Date
wsalter	Cement is required to circulate on both surface and intermediate1 strings of casing.	12/13/2024
wsalter	If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.	12/13/2024
ward.rikala	Notify the OCD 24 hours prior to casing & cement.	12/26/2024
ward.rikala	File As Drilled C-102 and a directional Survey with C-104 completion packet.	12/26/2024
ward.rikala	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.	12/26/2024
ward.rikala	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.	12/26/2024
ward.rikala	Administrative order required for non-standard location prior to production.	12/26/2024
ward.rikala	Administrative order required for non-standard spacing unit prior to production.	12/26/2024
ward.rikala	Submit C-102 on new C-102 form.	12/26/2024