Form 3160-5
(June 2015)

OCD – REC'D 9/30/2020

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMNM92180

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
YUKON GOLD 31-19 FED COM 213H

2. Name of Operator
DEVON ENERGY PRODUCTION COMPAN

Contact: JENNIFER HARMS
Email: jennifer.harms@dvn.com

9. API Well No.
30-015-47313-00-X1

3a. Address
6488 SEVEN RIVERS HIGHWAY
ARTESIA, NM 88210

3b. Phone No. (include area code)
Ph: 405-552-6560

10. Field and Pool or Exploratory Area
FORTY NINER RIDGE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

Sec 31 T23S R30E SENE 2042FNL 1168FEL
32.262943 N Lat, 103.915970 W Lon

11. County or Parish, State

EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original APD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Devon Energy Production Co., L.P. (Devon) respectfully requests to have the option of deeper intermediate casing and changing from WBM to OBM. Please see attached revised drilling plan.

Offset Delaware depletion warrants a deeper intermediate casing string to be set in the 1st Bone Lime. We will drill this interval on a 10 ppg Brine and if the Delaware can hold this MW, we would like the contingency option to resort to our original intermediate casing design, which has a shoe just past the Base of Salt.

In addition, these wells have 2.5 mile laterals, so we will need to change the production drilling fluid to OBM to reduce friction. This change will be made regardless of intermediate set depth.

OCD Accepted for Record 10/5/2020 - JAG

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #530926 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPAN, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 09/22/2020 (20PP4232SE)

Name *(Printed/Typed)* JENNIFER HARMS — Title REGULATORY COMPLIANCE ANALYST

Signature (Electronic Submission) — Date 09/22/2020

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By LONG VO — Title PETROLEUM ENGINEER — Date 09/24/2020

Conditions of approval, if any, are attached. Approval of this notice 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.

Office Carlsbad

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.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Revisions to Operator-Submitted EC Data for Sundry Notice #530926

	Operator Submitted	BLM Revised (AFMSS)
Sundry Type:	APDCH NOI	APDCH NOI
Lease:	NMNM92180	NMNM92180
Agreement:		
Operator:	DEVON ENERGY PRODUCTION COMPAN 333 W SHERIDAN AVE OKLAHOMA CITY, OK 73102 Ph: 405-552-6560	DEVON ENERGY PRODUCTION COMPAN 6488 SEVEN RIVERS HIGHWAY ARTESIA, NM 88210 Ph: 575.748.3371
Admin Contact:	JENNIFER HARMS REGULATORY COMPLIANCE ANALYST E-Mail: jennifer.harms@dvn.com Ph: 405-552-6560	JENNIFER HARMS REGULATORY COMPLIANCE ANALYST E-Mail: jennifer.harms@dvn.com Ph: 405-552-6560
Tech Contact:	JENNIFER HARMS REGULATORY COMPLIANCE ANALYST E-Mail: jennifer.harms@dvn.com Ph: 405-552-6560	JENNIFER HARMS REGULATORY COMPLIANCE ANALYST E-Mail: jennifer.harms@dvn.com Ph: 405-552-6560
Location: State: County:	 NM EDDY	 NM EDDY
Field/Pool:	FORTY NINER RIDGE BONE SP	FORTY NINER RIDGE
Well/Facility:	YUKON GOLD 31-19 FED COM 213H Sec 31 T23S R30E SENE 2042FNL 1168FEL	YUKON GOLD 31-19 FED COM 213H Sec 31 T23S R30E SENE 2042FNL 1168FEL 32.262943 N Lat, 103.915970 W Lon

Yukon Gold 31-19 Fed Com 213H

1. Geologic Formations

TVD of target	9212	Pilot hole depth	N/A
MD at TD:	22085	Deepest expected fresh water	

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/Target Zone?	Hazards*
Rustler	190		
Salt	530		
Base of Salt	3150		
Delaware	3460		
Bone Spring 1st	8220		
Bone Spring 2nd	9090		
Bone Spring 3rd	10145		
Wolfcamp	10545		

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

2. Casing Program

Hole Size	Csg. Size	Wt (PPF)	Grade	Conn	Casing Interval		Casing Interval	
					From (MD)	To (MD)	From (TVD)	To (TVD)
17 1/2	13 3/8	48	H40	BTC	0	215	0	215
12 1/4	9 5/8	40	J-55	BTC	0	3435	0	3435
8 3/4	5 1/2	17	P110	BTC	0	22085	0	9212

Alternate Casing Program

Hole Size	Csg. Size	Wt (PPF)	Grade	Conn	Casing Interval		Casing Interval	
					From (MD)	To (MD)	From (TVD)	To (TVD)
17 1/2	13 3/8	48	H40	BTC	0	215	0	215
12 1/4	9 5/8	40	J-55	BTC	0	7400	0	7400
8 3/4	5 1/2	17	P110	BTC	0	22085	0	9212

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

• Variance requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing. No losses are expected in subsequent hole section.

3. Cementing Program (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	194	Surf	13.2	1.4	Lead: Class C Cement + additives
Int 1	363	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Int 1 Intermediate Squeeze	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
	363	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	492	500' tieback	9.0	3.3	Lead: Class H /C + additives
	2580	KOP	13.2	1.4	Tail: Class H / C + additives

Alternate Cementing Program (3-String Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft3/sack)	Slurry Description
Surface	194	Surf	13.2	1.4	Lead: Class C Cement + additives
Int 1	857	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Int 1 Intermediate Squeeze	As Needed	Surf	9.0	3.3	Squeeze Lead: Class C Cement + additives
	857	Surf	9.0	3.3	Lead: Class C Cement + additives
	154	500' above shoe	13.2	1.4	Tail: Class H / C + additives
Production	156	500' tieback	9.0	3.3	Lead: Class H /C + additives
	2580	KOP	13.2	1.4	Tail: Class H / C + additives

Casing String	% Excess
Surface	50%
Intermediate	30%
Production	10%

4. Pressure Control Equipment (Three String Design)

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

5. Mud Program (Three String Design)

Section	Type	Weight (ppg)
Surface	FW Gel	8.5-9
Intermediate	Brine	10-10.5
Production	OBM	9-9.5

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

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, 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 sbumitted to the BLM.
	No logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain.
	Coring? If yes, explain.

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

7. Drilling Conditions

Condition	Specfiy what type and where?
BH pressure at deepest TVD	4551
Abnormal temperature	No

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

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

Yukon Gold 31-19 Fed Com 213H

8. Other facets of operation

Is this a walking operation? Potentially

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

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

Will be pre-setting casing? Potentially

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

Attachments

X Directional Plan
_____ Other, describe