

Form 3160-3
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM092180
1b. Type of Well: <input checked="" 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 checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY LP		8. Lease Name and Well No. YUKON GOLD 31-19 FED COM 211H
3a. Address 333 West Sheridan Avenue, Oklahoma City, OK 73102	3b. Phone No. (include area code) (800) 583-3866	9. API Well No. 30 015 47314
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SENE / 2042 FNL / 1228 FEL / LAT 32.262944 / LONG -103.916165 At proposed prod. zone NWNE / 20 FNL / 2310 FEL / LAT 32.297672 / LONG -103.919783		10. Field and Pool, or Exploratory FORTY NINER RIDGE/BONE SPRING W 11. Sec., T. R. M. or Blk. and Survey or Area SEC 31/T23S/R30E/NMP
14. Distance in miles and direction from nearest town or post office*		12. County or Parish EDDY
13. State NM		
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 100 feet	16. No of acres in lease 1040	17. Spacing Unit dedicated to this well 800.0
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 662 feet	19. Proposed Depth 9120 feet / 22198 feet	20. BLM/BIA Bond No. in file FED: NMB000801
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3131 feet	22. Approximate date work will start* 06/29/2021	23. Estimated duration 45 days
24. Attachments		

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

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 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 (Electronic Submission)	Name (Printed/Typed) ERIN WORKMAN / Ph: (800) 583-3866	Date 12/11/2019
Title Regulatory Compliance Professional		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575) 234-5959	Date 07/29/2020
Title Assistant Field Manager Lands & Minerals Office Carlsbad Field Office		

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

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

APPROVED WITH CONDITIONS
Approval Date: 07/29/2020

(Continued on page 2)

*(Instructions on page 2)

Entered - KMS NMOCD

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 47314	² Pool Code 96526	³ Pool Name FORTY NINER RIDGE WEST
⁴ Property Code 328932	⁵ Property Name YUKON GOLD 31-19 FED COM	⁶ Well Number 211H
⁷ GRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3130.8'

¹⁰Surface Location

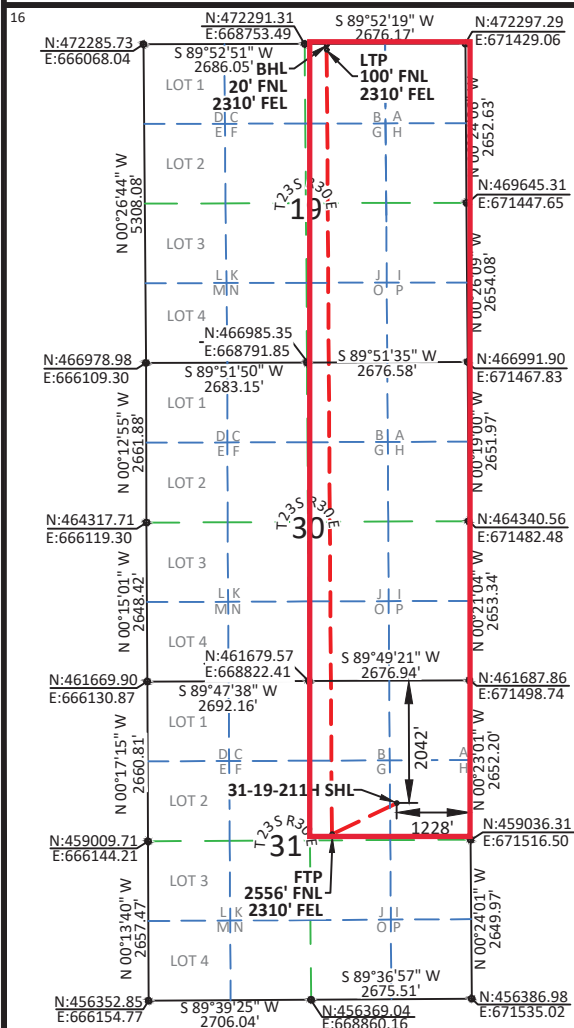
UL or lot no. H	Section 31	Township 23-S	Range 30-E	Lot Idn	Feet from the 2042	North/South line NORTH	Feet from the 1228	East/West line EAST	County EDDY
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¹¹Bottom Hole Location If Different From Surface

UL or lot no. B	Section 19	Township 23-S	Range 30-E	Lot Idn	Feet from the 20	North/South line NORTH	Feet from the 2310	East/West line EAST	County EDDY
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¹² Dedicated Acres 800	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. INFILL WELL
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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.



YUKON GOLD 31-19
FED COM 211H
2042' FNL - 1228' FEL
SEC. 31, T23S, R30E
ELEV: 3130.8'
LAT: 32.262944°
LON: 103.916165°
N: 459642.56
E: 670284.68

FIRST TAKE POINT
2556' FNL - 2310' FEL
SEC. 31, T23S, R30E
LAT: 32.261532°
LON: 103.919660°
N: 459124.85
E: 669206.37

LAST TAKE POINT
100' FNL - 2310' FEL
SEC. 19, T23S, R30E
LAT: 32.297452°
LON: 103.919776°
N: 472192.15
E: 669120.25

BOTTOM HOLE LOCATION
20' FNL - 2310' FEL
SEC. 19, T23S, R30E
LAT: 32.297672°
LON: 103.919777°
N: 472272.12
E: 669119.69

- STONE
- ◆ NO.4 REBAR
- ◆ IRON PIPE
- USGLO BRASS CAP

NOTES:

1. BEARINGS SHOWN ARE GRID BASED ON THE NEW MEXICO STATE PLANE EAST ZONE COORDINATE SYSTEM (3001), NAD 83 (2011), BASED FROM GPS OBSERVATIONS, OCCUPYING A WHS CONTROL POINT (5/8" REBAR), LOCATED AT N:457834.965 E:670241.029 ELEV:3198.327 DETERMINED BY AN OPUS SOLUTION ON DECEMBER 3RD, 2018.
2. DISTANCES DEPICTED HEREON ARE REPORTED AS GROUND DISTANCE IN US SURVEY FEET USING A COMBINED SCALE FACTOR OF 1.000221017
3. ELEVATIONS ARE OF NAVD 88 COMPUTED USING GEIOD 12B.

¹⁷OPERATOR CERTIFICATION

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

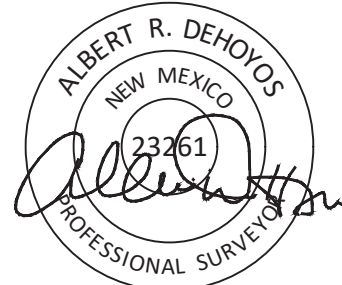
Erin Workman 07/14/2020
Signature Date

Erin Workman
Printed Name
Erin.workman@dvn.com
E-mail Address

¹⁸SURVEYOR CERTIFICATION

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

05/26/2020
Date of Survey
Signature and Seal of Professional Surveyor:



Certificate No. 23261 Albert Dehoyos
Drawn by: DTW Checked by: ARD Date: 11/12/2019

Intent ☒ As Drilled ☐

API #		
Operator Name: DEVON ENERGY PRODUCTION COMPANY, L.P.	Property Name: YUKON GOLD 31-19 FED COM	Well Number 211H

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
	31	23S	30E		2602	NORTH	2310	EAST	EDDY
Latitude 32.261532					Longitude -103.919660				NAD 83

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
G	31	23-S	30-E		2556	NORTH	2310	EAST	EDDY
Latitude 32.261532°					Longitude -103.919660°				NAD 83

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
B	19	23-S	30-E		100	NORTH	2310	EAST	EDDY
Latitude 32.297452°					Longitude -103.919783°				NAD 83

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

Is this well an infill well? ☐ YES

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

API #		
Operator Name: Devon Energy Production Co., LP	Property Name: Yukon Gold 31-19 Fed Com	Well Number 212H

DW 11/12/2019

District I
1625 N. French Dr., Hobbs, NM
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1000 Rio Brazos Road, Aztec, NM
87410 District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

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

Submit
Original
to
Appropria
te District
Office

GAS CAPTURE PLAN

Date:

12/09/19

x Original

Devon & OGRID No.: Devon Energy Prod Co., LP (6137)

Amended - Reason for Amendment:_____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected	Flare d/	Comments
Yukon Gold 31-19 Fed Com 211H		Sec. 31, T23S, R30E	2042 FNL, 1228 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 212H		Sec. 31, T23S, R30E	2042 FNL, 1198 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 213H		Sec. 31, T23S, R30E	2042 FNL, 1168 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 333H		Sec. 31, T23S, R30E	2192 FNL, 1168 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 623H		Sec. 31, T23S, R30E	2192 FNL, 1228 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 624H		Sec. 31, T23S, R30E	2192 FNL, 1138 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 712H		Sec. 31, T23S, R30E	2192 FNL, 1198 FEL			Yukon Gold 31 CTB

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if DCP system is in place. The gas produced from production facility is dedicated to DCP and will be connected to DCP low/high pressure gathering system located in Eddy County, New Mexico. It will require 10,560' of pipeline to connect the facility to low/high pressure gathering system. Devon provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Devon and DCP have periodic conference calls to discuss changes to the drilling and completion schedules. Gas from these wells will be processed at DCP Processing Plant located NENW in Sec., Twn. S, Rng. (*See below), Eddy, County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

(*DCP Supersystem Plants – Artesia Sec. 7, 18S, 28E, Eunice Sec. 5, T21S, R36E, Linam Sec. 6, T19S, 37E, & Zia II Sec. 19, T19S, 32E)

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

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

1. Geologic Formations

TVD of target	9120	Pilot hole depth	N/A
MD at TD:	22198	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	22198	0	9120

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

3. Cementing Program (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	Yld (ft ³ /sack)	Slurry Description
Surface	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	490	500' tieback	9.0	3.3	Lead: Class H / C + additives
	2608	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	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	4268
Abnormal temperature	No

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

Hydrogen Sulfide (H ₂ S) monitors will be installed prior to drilling out the surface shoe. If H ₂ S 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	H ₂ S is present
Y	H ₂ S plan attached.

8. Other facets of operation

Is this a walking operation? Potentially

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

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

Will be pre-setting casing? Potentially

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

Attachments

X Directional Plan
 Other, describe

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

Casing Assumptions and Load Cases

Intermediate

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.

Intermediate 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
Fracture @ Shoe	Formation Pore Pressure	Dry gas

Intermediate 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)

Intermediate Casing Tension Design	
Load Case	Assumptions
Overpull	100kips
Runing in hole	2 ft/s
Service Loads	N/A

Casing Assumptions and Load Cases

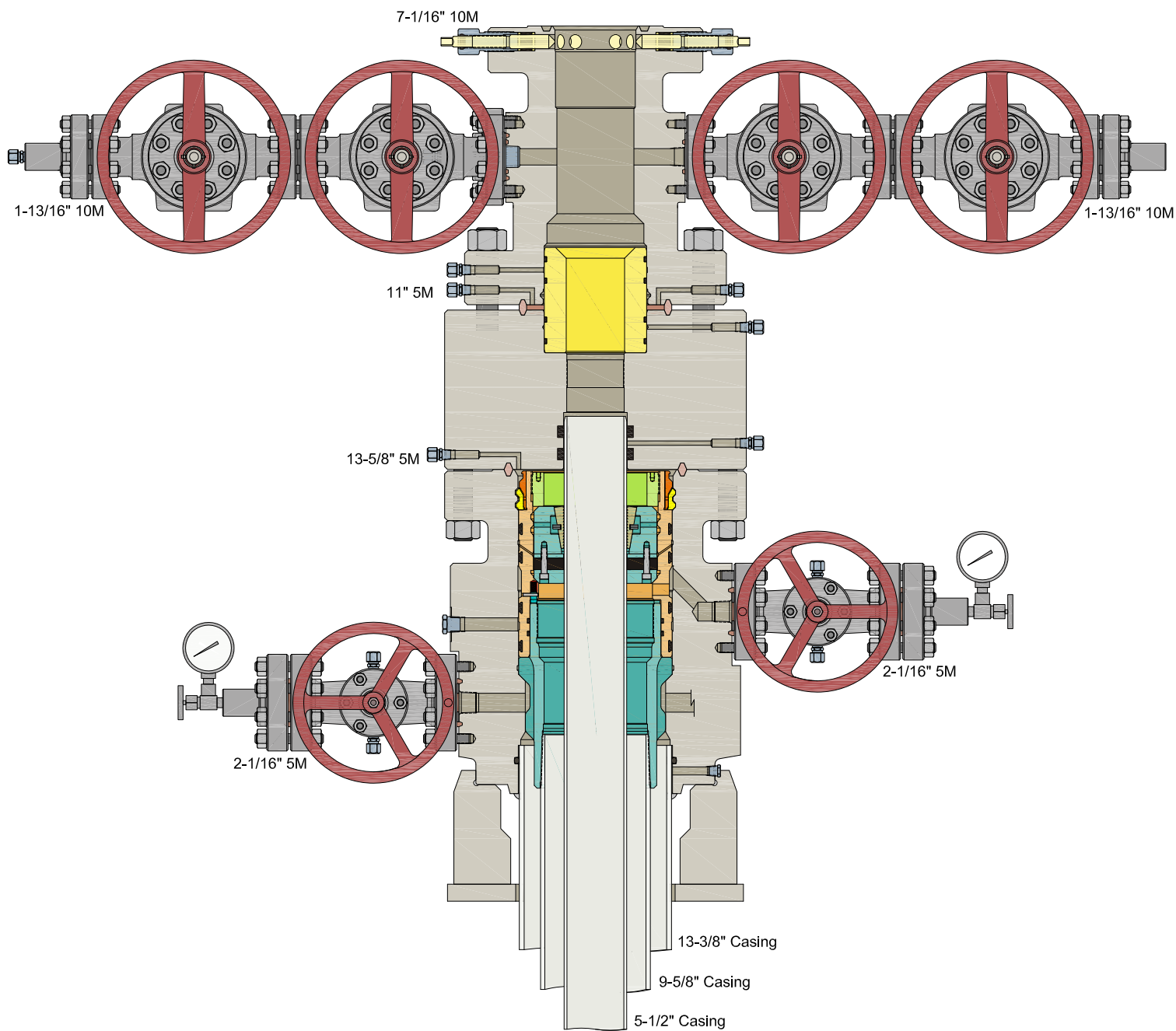
Production

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.

Production Casing Burst Design		
Load Case	External Pressure	Internal Pressure
Pressure Test	Formation Pore Pressure	Fluid in hole (water or produced water) + test psi
Tubing Leak	Formation Pore Pressure	Packer @ KOP, leak below surface 8.6 ppg packer fluid
Stimulation	Formation Pore Pressure	Max frac pressure with heaviest frac fluid

Production 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)

Production Casing Tension Design	
Load Case	Assumptions
Overpull	100kips
Runing in hole	2 ft/s
Service Loads	N/A



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.

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.

WCDSC Permian NM

Eddy County (NAD 83 NM Eastern)

Sec 31-T23S-R30E

Yukon Gold 31-19 Fed Com 211H

Wellbore #1

Plan: Permit Plan 3

Standard Planning Report - Geographic

02 March, 2020

Planning Report - Geographic

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Yukon Gold 31-19 Fed Com 211H
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3155.80ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3155.80ft
Site:	Sec 31-T23S-R30E	North Reference:	Grid
Well:	Yukon Gold 31-19 Fed Com 211H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 3		

Project	Eddy County (NAD 83 NM Eastern)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site		Sec 31-T23S-R30E			
Site Position:		Northing:	472,285.73 usft	Latitude:	32.297742
From:	Map	Easting:	666,068.04 usft	Longitude:	-103.929653
Position Uncertainty:	0.00 ft	Slot Radius:	13-3/16 "	Grid Convergence:	0.22 °

Well	Yukon Gold 31-19 Fed Com 211H					
Well Position	+N/-S	0.00 ft	Northing:	459,642.56 usft	Latitude:	32.262944
	+E/-W	0.00 ft	Easting:	670,284.68 usft	Longitude:	-103.916166
Position Uncertainty		0.50 ft	Wellhead Elevation:		Ground Level:	3,130.80 ft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2015	12/2/2019	6.85	60.01	47,674.23513871

Design	Permit Plan 3			
Audit Notes:				
Version:	Phase:	PROTOTYPE	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.00	0.00	0.00	354.74

Plan Survey Tool Program	Date	3/2/2020		
Depth From (ft)	Depth To (ft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	22,198.35 Permit Plan 3 (Wellbore #1)	MWD+HDGM	
			OWSG MWD + HDGM	

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2,000.00	0.00	0.00	2,000.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,352.61	13.53	242.64	3,340.08	-73.05	-141.13	1.00	1.00	0.00	242.64	
7,429.21	13.53	242.64	7,303.62	-511.30	-987.91	0.00	0.00	0.00	0.00	
8,330.95	0.00	0.00	8,197.00	-560.00	-1,082.00	1.50	-1.50	0.00	180.00	
8,680.99	0.00	0.00	8,547.04	-560.00	-1,082.00	0.00	0.00	0.00	0.00	
9,580.99	90.00	359.65	9,120.00	12.95	-1,085.49	10.00	10.00	0.00	359.65	PBHL - Yukon Gold 3
22,198.31	90.00	359.65	9,120.00	12,630.03	-1,162.35	0.00	0.00	0.00	0.00	PBHL3 - Yukon Gold :

Planning Report - Geographic

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Yukon Gold 31-19 Fed Com 211H
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3155.80ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3155.80ft
Site:	Sec 31-T23S-R30E	North Reference:	Grid
Well:	Yukon Gold 31-19 Fed Com 211H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 3		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
0.00	0.00	0.00	0.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
100.00	0.00	0.00	100.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
200.00	0.00	0.00	200.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
300.00	0.00	0.00	300.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
400.00	0.00	0.00	400.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
500.00	0.00	0.00	500.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
600.00	0.00	0.00	600.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
700.00	0.00	0.00	700.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
800.00	0.00	0.00	800.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
900.00	0.00	0.00	900.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,000.00	0.00	0.00	1,000.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,100.00	0.00	0.00	1,100.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,200.00	0.00	0.00	1,200.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,300.00	0.00	0.00	1,300.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,400.00	0.00	0.00	1,400.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,500.00	0.00	0.00	1,500.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,600.00	0.00	0.00	1,600.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,700.00	0.00	0.00	1,700.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,800.00	0.00	0.00	1,800.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
1,900.00	0.00	0.00	1,900.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
2,000.00	0.00	0.00	2,000.00	0.00	0.00	459,642.56	670,284.68	32.262944	-103.916166
2,100.00	1.00	242.64	2,099.99	-0.40	-0.77	459,642.16	670,283.91	32.262943	-103.916168
2,200.00	2.00	242.64	2,199.96	-1.60	-3.10	459,640.96	670,281.59	32.262939	-103.916176
2,300.00	3.00	242.64	2,299.86	-3.61	-6.97	459,638.95	670,277.71	32.262934	-103.916188
2,400.00	4.00	242.64	2,399.68	-6.42	-12.40	459,636.15	670,272.29	32.262926	-103.916206
2,500.00	5.00	242.64	2,499.37	-10.02	-19.36	459,632.54	670,265.32	32.262916	-103.916228
2,600.00	6.00	242.64	2,598.90	-14.43	-27.88	459,628.13	670,256.81	32.262904	-103.916256
2,700.00	7.00	242.64	2,698.26	-19.63	-37.93	459,622.93	670,246.76	32.262890	-103.916289
2,800.00	8.00	242.64	2,797.40	-25.63	-49.52	459,616.93	670,235.16	32.262874	-103.916326
2,900.00	9.00	242.64	2,896.30	-32.42	-62.65	459,610.14	670,222.04	32.262855	-103.916369
3,000.00	10.00	242.64	2,994.93	-40.01	-77.30	459,602.55	670,207.38	32.262834	-103.916416
3,100.00	11.00	242.64	3,093.26	-48.39	-93.49	459,594.17	670,191.20	32.262812	-103.916469
3,200.00	12.00	242.64	3,191.25	-57.55	-111.19	459,585.01	670,173.49	32.262787	-103.916526
3,300.00	13.00	242.64	3,288.87	-67.50	-130.42	459,575.06	670,154.27	32.262759	-103.916588
3,352.61	13.53	242.64	3,340.08	-73.05	-141.13	459,569.51	670,143.55	32.262744	-103.916623
3,400.00	13.53	242.64	3,386.16	-78.14	-150.98	459,564.42	670,133.71	32.262730	-103.916655
3,500.00	13.53	242.64	3,483.38	-88.89	-171.75	459,553.67	670,112.93	32.262701	-103.916722
3,600.00	13.53	242.64	3,580.61	-99.64	-192.52	459,542.92	670,092.16	32.262672	-103.916790
3,700.00	13.53	242.64	3,677.84	-110.39	-213.29	459,532.17	670,071.39	32.262642	-103.916857
3,800.00	13.53	242.64	3,775.06	-121.14	-234.07	459,521.42	670,050.62	32.262613	-103.916924
3,900.00	13.53	242.64	3,872.29	-131.89	-254.84	459,510.67	670,029.85	32.262584	-103.916992
4,000.00	13.53	242.64	3,969.52	-142.64	-275.61	459,499.92	670,009.08	32.262554	-103.917059
4,100.00	13.53	242.64	4,066.74	-153.39	-296.38	459,489.17	669,988.31	32.262525	-103.917126
4,200.00	13.53	242.64	4,163.97	-164.15	-317.15	459,478.42	669,967.53	32.262496	-103.917194
4,300.00	13.53	242.64	4,261.19	-174.90	-337.92	459,467.66	669,946.76	32.262466	-103.917261
4,400.00	13.53	242.64	4,358.42	-185.65	-358.69	459,456.91	669,925.99	32.262437	-103.917328
4,500.00	13.53	242.64	4,455.65	-196.40	-379.47	459,446.16	669,905.22	32.262408	-103.917396
4,600.00	13.53	242.64	4,552.87	-207.15	-400.24	459,435.41	669,884.45	32.262378	-103.917463
4,700.00	13.53	242.64	4,650.10	-217.90	-421.01	459,424.66	669,863.68	32.262349	-103.917530
4,800.00	13.53	242.64	4,747.33	-228.65	-441.78	459,413.91	669,842.90	32.262320	-103.917598
4,900.00	13.53	242.64	4,844.55	-239.40	-462.55	459,403.16	669,822.13	32.262290	-103.917665
5,000.00	13.53	242.64	4,941.78	-250.15	-483.32	459,392.41	669,801.36	32.262261	-103.917732
5,100.00	13.53	242.64	5,039.01	-260.90	-504.10	459,381.66	669,780.59	32.262232	-103.917800
5,200.00	13.53	242.64	5,136.23	-271.65	-524.87	459,370.91	669,759.82	32.262202	-103.917867
5,300.00	13.53	242.64	5,233.46	-282.40	-545.64	459,360.16	669,739.05	32.262173	-103.917934

Planning Report - Geographic

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Yukon Gold 31-19 Fed Com 211H
Company:	WCDSO Permian NM	TVD Reference:	RKB @ 3155.80ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3155.80ft
Site:	Sec 31-T23S-R30E	North Reference:	Grid
Well:	Yukon Gold 31-19 Fed Com 211H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 3		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
5,400.00	13.53	242.64	5,330.68	-293.15	-566.41	459,349.41	669,718.28	32.262144	-103.918002
5,500.00	13.53	242.64	5,427.91	-303.90	-587.18	459,338.66	669,697.50	32.262114	-103.918069
5,600.00	13.53	242.64	5,525.14	-314.65	-607.95	459,327.91	669,676.73	32.262085	-103.918136
5,700.00	13.53	242.64	5,622.36	-325.40	-628.73	459,317.16	669,655.96	32.262056	-103.918204
5,800.00	13.53	242.64	5,719.59	-336.15	-649.50	459,306.41	669,635.19	32.262026	-103.918271
5,900.00	13.53	242.64	5,816.82	-346.90	-670.27	459,295.66	669,614.42	32.261997	-103.918338
6,000.00	13.53	242.64	5,914.04	-357.65	-691.04	459,284.91	669,593.65	32.261968	-103.918406
6,100.00	13.53	242.64	6,011.27	-368.41	-711.81	459,274.16	669,572.87	32.261939	-103.918473
6,200.00	13.53	242.64	6,108.50	-379.16	-732.58	459,263.41	669,552.10	32.261909	-103.918540
6,300.00	13.53	242.64	6,205.72	-389.91	-753.35	459,252.65	669,531.33	32.261880	-103.918608
6,400.00	13.53	242.64	6,302.95	-400.66	-774.13	459,241.90	669,510.56	32.261851	-103.918675
6,500.00	13.53	242.64	6,400.17	-411.41	-794.90	459,231.15	669,489.79	32.261821	-103.918742
6,600.00	13.53	242.64	6,497.40	-422.16	-815.67	459,220.40	669,469.02	32.261792	-103.918810
6,700.00	13.53	242.64	6,594.63	-432.91	-836.44	459,209.65	669,448.25	32.261763	-103.918877
6,800.00	13.53	242.64	6,691.85	-443.66	-857.21	459,198.90	669,427.47	32.261733	-103.918944
6,900.00	13.53	242.64	6,789.08	-454.41	-877.98	459,188.15	669,406.70	32.261704	-103.919012
7,000.00	13.53	242.64	6,886.31	-465.16	-898.76	459,177.40	669,385.93	32.261675	-103.919079
7,100.00	13.53	242.64	6,983.53	-475.91	-919.53	459,166.65	669,365.16	32.261645	-103.919146
7,200.00	13.53	242.64	7,080.76	-486.66	-940.30	459,155.90	669,344.39	32.261616	-103.919214
7,300.00	13.53	242.64	7,177.99	-497.41	-961.07	459,145.15	669,323.62	32.261587	-103.919281
7,400.00	13.53	242.64	7,275.21	-508.16	-981.84	459,134.40	669,302.84	32.261557	-103.919348
7,429.21	13.53	242.64	7,303.62	-511.30	-987.91	459,131.26	669,296.78	32.261549	-103.919368
7,500.00	12.46	242.64	7,372.59	-518.62	-1,002.05	459,123.94	669,282.64	32.261529	-103.919414
7,600.00	10.96	242.64	7,470.50	-527.95	-1,020.08	459,114.61	669,264.61	32.261503	-103.919472
7,700.00	9.46	242.64	7,568.91	-536.10	-1,035.83	459,106.46	669,248.86	32.261481	-103.919523
7,800.00	7.96	242.64	7,667.76	-543.07	-1,049.28	459,099.50	669,235.41	32.261462	-103.919567
7,900.00	6.46	242.64	7,766.96	-548.84	-1,060.43	459,093.72	669,224.25	32.261446	-103.919603
8,000.00	4.96	242.64	7,866.46	-553.41	-1,069.28	459,089.15	669,215.41	32.261434	-103.919632
8,100.00	3.46	242.64	7,966.19	-556.79	-1,075.80	459,085.77	669,208.89	32.261425	-103.919653
8,200.00	1.96	242.64	8,066.07	-558.97	-1,080.01	459,083.59	669,204.68	32.261419	-103.919667
8,300.00	0.46	242.64	8,166.05	-559.94	-1,081.89	459,082.62	669,202.80	32.261416	-103.919673
8,330.95	0.00	0.00	8,197.00	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673
8,400.00	0.00	0.00	8,266.05	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673
8,500.00	0.00	0.00	8,366.05	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673
8,600.00	0.00	0.00	8,466.05	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673
8,680.99	0.00	0.00	8,547.04	-560.00	-1,082.00	459,082.56	669,202.69	32.261416	-103.919673
KOP @ 8681' MD, 2602' FNL, 2310' FEL									
8,700.00	1.90	359.65	8,566.05	-559.68	-1,082.00	459,082.88	669,202.69	32.261417	-103.919673
8,800.00	11.90	359.65	8,665.20	-547.68	-1,082.08	459,094.88	669,202.61	32.261450	-103.919673
8,900.00	21.90	359.65	8,760.75	-518.65	-1,082.25	459,123.91	669,202.44	32.261529	-103.919673
8,910.00	22.90	359.65	8,770.00	-514.84	-1,082.28	459,127.72	669,202.41	32.261540	-103.919673
FTP @ 8910' MD, 2557' FNL, 2310' FEL									
9,000.00	31.90	359.65	8,849.82	-473.46	-1,082.53	459,169.10	669,202.16	32.261654	-103.919674
9,100.00	41.90	359.65	8,929.69	-413.50	-1,082.89	459,229.06	669,201.79	32.261818	-103.919674
9,200.00	51.90	359.65	8,997.93	-340.58	-1,083.34	459,301.99	669,201.35	32.262019	-103.919675
9,300.00	61.90	359.65	9,052.47	-256.91	-1,083.85	459,385.65	669,200.84	32.262249	-103.919675
9,400.00	71.90	359.65	9,091.65	-165.05	-1,084.41	459,477.51	669,200.28	32.262501	-103.919676
9,500.00	81.90	359.65	9,114.28	-67.77	-1,085.00	459,574.79	669,199.69	32.262769	-103.919677
9,580.99	90.00	359.65	9,120.00	12.95	-1,085.49	459,655.51	669,199.20	32.262991	-103.919677
9,600.00	90.00	359.65	9,120.00	31.96	-1,085.61	459,674.52	669,199.08	32.263043	-103.919677
9,700.00	90.00	359.65	9,120.00	131.95	-1,086.22	459,774.51	669,198.47	32.263318	-103.919678
9,800.00	90.00	359.65	9,120.00	231.95	-1,086.82	459,874.51	669,197.86	32.263593	-103.919679
9,900.00	90.00	359.65	9,120.00	331.95	-1,087.43	459,974.51	669,197.25	32.263868	-103.919679
10,000.00	90.00	359.65	9,120.00	431.95	-1,088.04	460,074.51	669,196.64	32.264143	-103.919680

Planning Report - Geographic

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Yukon Gold 31-19 Fed Com 211H
Company:	WCDCS Permian NM	TVD Reference:	RKB @ 3155.80ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3155.80ft
Site:	Sec 31-T23S-R30E	North Reference:	Grid
Well:	Yukon Gold 31-19 Fed Com 211H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 3		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
10,100.00	90.00	359.65	9,120.00	531.95	-1,088.65	460,174.51	669,196.04	32.264417	-103.919681
10,200.00	90.00	359.65	9,120.00	631.94	-1,089.26	460,274.50	669,195.43	32.264692	-103.919682
10,300.00	90.00	359.65	9,120.00	731.94	-1,089.87	460,374.50	669,194.82	32.264967	-103.919682
10,400.00	90.00	359.65	9,120.00	831.94	-1,090.48	460,474.50	669,194.21	32.265242	-103.919683
10,500.00	90.00	359.65	9,120.00	931.94	-1,091.09	460,574.50	669,193.60	32.265517	-103.919684
10,600.00	90.00	359.65	9,120.00	1,031.94	-1,091.70	460,674.49	669,192.99	32.265792	-103.919684
10,700.00	90.00	359.65	9,120.00	1,131.93	-1,092.31	460,774.49	669,192.38	32.266067	-103.919685
10,800.00	90.00	359.65	9,120.00	1,231.93	-1,092.92	460,874.49	669,191.77	32.266342	-103.919686
10,900.00	90.00	359.65	9,120.00	1,331.93	-1,093.52	460,974.49	669,191.16	32.266616	-103.919687
11,000.00	90.00	359.65	9,120.00	1,431.93	-1,094.13	461,074.49	669,190.55	32.266891	-103.919687
11,100.00	90.00	359.65	9,120.00	1,531.93	-1,094.74	461,174.48	669,189.94	32.267166	-103.919688
11,200.00	90.00	359.65	9,120.00	1,631.93	-1,095.35	461,274.48	669,189.33	32.267441	-103.919689
11,300.00	90.00	359.65	9,120.00	1,731.92	-1,095.96	461,374.48	669,188.73	32.267716	-103.919690
11,400.00	90.00	359.65	9,120.00	1,831.92	-1,096.57	461,474.48	669,188.12	32.267991	-103.919690
11,500.00	90.00	359.65	9,120.00	1,931.92	-1,097.18	461,574.48	669,187.51	32.268266	-103.919691
11,600.00	90.00	359.65	9,120.00	2,031.92	-1,097.79	461,674.47	669,186.90	32.268541	-103.919692
11,610.00	90.00	359.65	9,120.00	2,041.92	-1,097.85	461,684.47	669,186.84	32.268568	-103.919692
Cross section @ 11610' MD, 0' FSL, 2310' FEL									
11,700.00	90.00	359.65	9,120.00	2,131.92	-1,098.40	461,774.47	669,186.29	32.268816	-103.919692
11,800.00	90.00	359.65	9,120.00	2,231.91	-1,099.01	461,874.47	669,185.68	32.269090	-103.919693
11,900.00	90.00	359.65	9,120.00	2,331.91	-1,099.62	461,974.47	669,185.07	32.269365	-103.919694
12,000.00	90.00	359.65	9,120.00	2,431.91	-1,100.23	462,074.47	669,184.46	32.269640	-103.919695
12,100.00	90.00	359.65	9,120.00	2,531.91	-1,100.83	462,174.46	669,183.85	32.269915	-103.919695
12,200.00	90.00	359.65	9,120.00	2,631.91	-1,101.44	462,274.46	669,183.24	32.270190	-103.919696
12,300.00	90.00	359.65	9,120.00	2,731.91	-1,102.05	462,374.46	669,182.63	32.270465	-103.919697
12,400.00	90.00	359.65	9,120.00	2,831.90	-1,102.66	462,474.46	669,182.03	32.270740	-103.919698
12,500.00	90.00	359.65	9,120.00	2,931.90	-1,103.27	462,574.46	669,181.42	32.271015	-103.919698
12,600.00	90.00	359.65	9,120.00	3,031.90	-1,103.88	462,674.45	669,180.81	32.271289	-103.919699
12,700.00	90.00	359.65	9,120.00	3,131.90	-1,104.49	462,774.45	669,180.20	32.271564	-103.919700
12,800.00	90.00	359.65	9,120.00	3,231.90	-1,105.10	462,874.45	669,179.59	32.271839	-103.919700
12,900.00	90.00	359.65	9,120.00	3,331.89	-1,105.71	462,974.45	669,178.98	32.272114	-103.919701
13,000.00	90.00	359.65	9,120.00	3,431.89	-1,106.32	463,074.45	669,178.37	32.272389	-103.919702
13,100.00	90.00	359.65	9,120.00	3,531.89	-1,106.93	463,174.44	669,177.76	32.272664	-103.919703
13,200.00	90.00	359.65	9,120.00	3,631.89	-1,107.54	463,274.44	669,177.15	32.272939	-103.919703
13,300.00	90.00	359.65	9,120.00	3,731.89	-1,108.14	463,374.44	669,176.54	32.273214	-103.919704
13,400.00	90.00	359.65	9,120.00	3,831.88	-1,108.75	463,474.44	669,175.93	32.273489	-103.919705
13,500.00	90.00	359.65	9,120.00	3,931.88	-1,109.36	463,574.44	669,175.32	32.273763	-103.919705
13,600.00	90.00	359.65	9,120.00	4,031.88	-1,109.97	463,674.43	669,174.72	32.274038	-103.919706
13,700.00	90.00	359.65	9,120.00	4,131.88	-1,110.58	463,774.43	669,174.11	32.274313	-103.919707
13,800.00	90.00	359.65	9,120.00	4,231.88	-1,111.19	463,874.43	669,173.50	32.274588	-103.919708
13,900.00	90.00	359.65	9,120.00	4,331.88	-1,111.80	463,974.43	669,172.89	32.274863	-103.919708
14,000.00	90.00	359.65	9,120.00	4,431.87	-1,112.41	464,074.43	669,172.28	32.275138	-103.919709
14,100.00	90.00	359.65	9,120.00	4,531.87	-1,113.02	464,174.42	669,171.67	32.275413	-103.919710
14,200.00	90.00	359.65	9,120.00	4,631.87	-1,113.63	464,274.42	669,171.06	32.275688	-103.919711
14,300.00	90.00	359.65	9,120.00	4,731.87	-1,114.24	464,374.42	669,170.45	32.275962	-103.919711
14,400.00	90.00	359.65	9,120.00	4,831.87	-1,114.84	464,474.42	669,169.84	32.276237	-103.919712
14,500.00	90.00	359.65	9,120.00	4,931.86	-1,115.45	464,574.41	669,169.23	32.276512	-103.919713
14,600.00	90.00	359.65	9,120.00	5,031.86	-1,116.06	464,674.41	669,168.62	32.276787	-103.919713
14,700.00	90.00	359.65	9,120.00	5,131.86	-1,116.67	464,774.41	669,168.01	32.277062	-103.919714
14,800.00	90.00	359.65	9,120.00	5,231.86	-1,117.28	464,874.41	669,167.41	32.277337	-103.919715
14,900.00	90.00	359.65	9,120.00	5,331.86	-1,117.89	464,974.41	669,166.80	32.277612	-103.919716
15,000.00	90.00	359.65	9,120.00	5,431.86	-1,118.50	465,074.40	669,166.19	32.277887	-103.919716
15,100.00	90.00	359.65	9,120.00	5,531.85	-1,119.11	465,174.40	669,165.58	32.278162	-103.919717
15,200.00	90.00	359.65	9,120.00	5,631.85	-1,119.72	465,274.40	669,164.97	32.278436	-103.919718

Planning Report - Geographic

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Yukon Gold 31-19 Fed Com 211H
Company:	WCDCS Permian NM	TVD Reference:	RKB @ 3155.80ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3155.80ft
Site:	Sec 31-T23S-R30E	North Reference:	Grid
Well:	Yukon Gold 31-19 Fed Com 211H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 3		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
15,300.00	90.00	359.65	9,120.00	5,731.85	-1,120.33	465,374.40	669,164.36	32.278711	-103.919719
15,400.00	90.00	359.65	9,120.00	5,831.85	-1,120.94	465,474.40	669,163.75	32.278986	-103.919719
15,500.00	90.00	359.65	9,120.00	5,931.85	-1,121.55	465,574.39	669,163.14	32.279261	-103.919720
15,595.00	90.00	359.65	9,120.00	6,026.84	-1,122.12	465,669.39	669,162.56	32.279522	-103.919721
Cross NM 093205 @ 15595' MD, 1320' FNL, 2310' FEL									
15,600.00	90.00	359.65	9,120.00	6,031.84	-1,122.15	465,674.39	669,162.53	32.279536	-103.919721
15,700.00	90.00	359.65	9,120.00	6,131.84	-1,122.76	465,774.39	669,161.92	32.279811	-103.919721
15,800.00	90.00	359.65	9,120.00	6,231.84	-1,123.37	465,874.39	669,161.31	32.280086	-103.919722
15,900.00	90.00	359.65	9,120.00	6,331.84	-1,123.98	465,974.39	669,160.71	32.280361	-103.919723
16,000.00	90.00	359.65	9,120.00	6,431.84	-1,124.59	466,074.38	669,160.10	32.280635	-103.919724
16,100.00	90.00	359.65	9,120.00	6,531.83	-1,125.20	466,174.38	669,159.49	32.280910	-103.919724
16,200.00	90.00	359.65	9,120.00	6,631.83	-1,125.81	466,274.38	669,158.88	32.281185	-103.919725
16,300.00	90.00	359.65	9,120.00	6,731.83	-1,126.42	466,374.38	669,158.27	32.281460	-103.919726
16,400.00	90.00	359.65	9,120.00	6,831.83	-1,127.03	466,474.38	669,157.66	32.281735	-103.919726
16,500.00	90.00	359.65	9,120.00	6,931.83	-1,127.64	466,574.37	669,157.05	32.282010	-103.919727
16,600.00	90.00	359.65	9,120.00	7,031.83	-1,128.25	466,674.37	669,156.44	32.282285	-103.919728
16,700.00	90.00	359.65	9,120.00	7,131.82	-1,128.86	466,774.37	669,155.83	32.282560	-103.919729
16,800.00	90.00	359.65	9,120.00	7,231.82	-1,129.46	466,874.37	669,155.22	32.282835	-103.919729
16,900.00	90.00	359.65	9,120.00	7,331.82	-1,130.07	466,974.37	669,154.61	32.283109	-103.919730
16,915.00	90.00	359.65	9,120.00	7,346.82	-1,130.16	466,989.37	669,154.52	32.283151	-103.919730
Cross section @ 16915' MD, 0' FSL, 2310' FEL									
17,000.00	90.00	359.65	9,120.00	7,431.82	-1,130.68	467,074.36	669,154.00	32.283384	-103.919731
17,100.00	90.00	359.65	9,120.00	7,531.82	-1,131.29	467,174.36	669,153.40	32.283659	-103.919732
17,200.00	90.00	359.65	9,120.00	7,631.81	-1,131.90	467,274.36	669,152.79	32.283934	-103.919732
17,300.00	90.00	359.65	9,120.00	7,731.81	-1,132.51	467,374.36	669,152.18	32.284209	-103.919733
17,400.00	90.00	359.65	9,120.00	7,831.81	-1,133.12	467,474.36	669,151.57	32.284484	-103.919734
17,500.00	90.00	359.65	9,120.00	7,931.81	-1,133.73	467,574.35	669,150.96	32.284759	-103.919734
17,600.00	90.00	359.65	9,120.00	8,031.81	-1,134.34	467,674.35	669,150.35	32.285034	-103.919735
17,700.00	90.00	359.65	9,120.00	8,131.81	-1,134.95	467,774.35	669,149.74	32.285308	-103.919736
17,800.00	90.00	359.65	9,120.00	8,231.80	-1,135.56	467,874.35	669,149.13	32.285583	-103.919737
17,900.00	90.00	359.65	9,120.00	8,331.80	-1,136.16	467,974.34	669,148.52	32.285858	-103.919737
18,000.00	90.00	359.65	9,120.00	8,431.80	-1,136.77	468,074.34	669,147.91	32.286133	-103.919738
18,100.00	90.00	359.65	9,120.00	8,531.80	-1,137.38	468,174.34	669,147.30	32.286408	-103.919739
18,200.00	90.00	359.65	9,120.00	8,631.80	-1,137.99	468,274.34	669,146.70	32.286683	-103.919739
18,300.00	90.00	359.65	9,120.00	8,731.79	-1,138.60	468,374.34	669,146.09	32.286958	-103.919740
18,400.00	90.00	359.65	9,120.00	8,831.79	-1,139.21	468,474.33	669,145.48	32.287233	-103.919741
18,500.00	90.00	359.65	9,120.00	8,931.79	-1,139.82	468,574.33	669,144.87	32.287507	-103.919742
18,600.00	90.00	359.65	9,120.00	9,031.79	-1,140.43	468,674.33	669,144.26	32.287782	-103.919742
18,700.00	90.00	359.65	9,120.00	9,131.79	-1,141.04	468,774.33	669,143.65	32.288057	-103.919743
18,800.00	90.00	359.65	9,120.00	9,231.78	-1,141.65	468,874.33	669,143.04	32.288332	-103.919744
18,900.00	90.00	359.65	9,120.00	9,331.78	-1,142.26	468,974.32	669,142.43	32.288607	-103.919745
19,000.00	90.00	359.65	9,120.00	9,431.78	-1,142.87	469,074.32	669,141.82	32.288882	-103.919745
19,100.00	90.00	359.65	9,120.00	9,531.78	-1,143.47	469,174.32	669,141.21	32.289157	-103.919746
19,200.00	90.00	359.65	9,120.00	9,631.78	-1,144.08	469,274.32	669,140.60	32.289432	-103.919747
19,300.00	90.00	359.65	9,120.00	9,731.78	-1,144.69	469,374.32	669,139.99	32.289707	-103.919747
19,400.00	90.00	359.65	9,120.00	9,831.77	-1,145.30	469,474.31	669,139.39	32.289981	-103.919748
19,500.00	90.00	359.65	9,120.00	9,931.77	-1,145.91	469,574.31	669,138.78	32.290256	-103.919749
19,600.00	90.00	359.65	9,120.00	10,031.77	-1,146.52	469,674.31	669,138.17	32.290531	-103.919750
19,700.00	90.00	359.65	9,120.00	10,131.77	-1,147.13	469,774.31	669,137.56	32.290806	-103.919750
19,800.00	90.00	359.65	9,120.00	10,231.77	-1,147.74	469,874.31	669,136.95	32.291081	-103.919751
19,900.00	90.00	359.65	9,120.00	10,331.76	-1,148.35	469,974.30	669,136.34	32.291356	-103.919752
20,000.00	90.00	359.65	9,120.00	10,431.76	-1,148.96	470,074.30	669,135.73	32.291631	-103.919753
20,100.00	90.00	359.65	9,120.00	10,531.76	-1,149.57	470,174.30	669,135.12	32.291906	-103.919753
20,200.00	90.00	359.65	9,120.00	10,631.76	-1,150.18	470,274.30	669,134.51	32.292180	-103.919754

Planning Report - Geographic

Database:	EDM r5000.141_Prod US	Local Co-ordinate Reference:	Well Yukon Gold 31-19 Fed Com 211H
Company:	WCDSC Permian NM	TVD Reference:	RKB @ 3155.80ft
Project:	Eddy County (NAD 83 NM Eastern)	MD Reference:	RKB @ 3155.80ft
Site:	Sec 31-T23S-R30E	North Reference:	Grid
Well:	Yukon Gold 31-19 Fed Com 211H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	Permit Plan 3		

Planned Survey									
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Map Northing (usft)	Map Easting (usft)	Latitude	Longitude
20,300.00	90.00	359.65	9,120.00	10,731.76	-1,150.78	470,374.30	669,133.90	32.292455	-103.919755
20,400.00	90.00	359.65	9,120.00	10,831.76	-1,151.39	470,474.29	669,133.29	32.292730	-103.919755
20,500.00	90.00	359.65	9,120.00	10,931.75	-1,152.00	470,574.29	669,132.68	32.293005	-103.919756
20,600.00	90.00	359.65	9,120.00	11,031.75	-1,152.61	470,674.29	669,132.08	32.293280	-103.919757
20,700.00	90.00	359.65	9,120.00	11,131.75	-1,153.22	470,774.29	669,131.47	32.293555	-103.919758
20,800.00	90.00	359.65	9,120.00	11,231.75	-1,153.83	470,874.29	669,130.86	32.293830	-103.919758
20,900.00	90.00	359.65	9,120.00	11,331.75	-1,154.44	470,974.28	669,130.25	32.294105	-103.919759
21,000.00	90.00	359.65	9,120.00	11,431.74	-1,155.05	471,074.28	669,129.64	32.294380	-103.919760
21,100.00	90.00	359.65	9,120.00	11,531.74	-1,155.66	471,174.28	669,129.03	32.294654	-103.919760
21,200.00	90.00	359.65	9,120.00	11,631.74	-1,156.27	471,274.28	669,128.42	32.294929	-103.919761
21,300.00	90.00	359.65	9,120.00	11,731.74	-1,156.88	471,374.28	669,127.81	32.295204	-103.919762
21,400.00	90.00	359.65	9,120.00	11,831.74	-1,157.48	471,474.27	669,127.20	32.295479	-103.919763
21,500.00	90.00	359.65	9,120.00	11,931.73	-1,158.09	471,574.27	669,126.59	32.295754	-103.919763
21,600.00	90.00	359.65	9,120.00	12,031.73	-1,158.70	471,674.27	669,125.98	32.296029	-103.919764
21,700.00	90.00	359.65	9,120.00	12,131.73	-1,159.31	471,774.27	669,125.38	32.296304	-103.919765
21,800.00	90.00	359.65	9,120.00	12,231.73	-1,159.92	471,874.26	669,124.77	32.296579	-103.919766
21,900.00	90.00	359.65	9,120.00	12,331.73	-1,160.53	471,974.26	669,124.16	32.296853	-103.919766
22,000.00	90.00	359.65	9,120.00	12,431.73	-1,161.14	472,074.26	669,123.55	32.297128	-103.919767
22,100.00	90.00	359.65	9,120.00	12,531.72	-1,161.75	472,174.26	669,122.94	32.297403	-103.919768
22,118.00	90.00	359.65	9,120.00	12,549.72	-1,161.86	472,192.26	669,122.83	32.297453	-103.919768
LTP @ 22118' MD, 100' FNL, 2310' FEL									
22,198.31	90.00	359.65	9,120.00	12,630.03	-1,162.35	472,272.57	669,122.34	32.297673	-103.919768
PBHL; 20' FNL, 2310' FEL									

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL3 - Yukon Gold 31- - hit/miss target - Shape	0.00	0.00	0.00	12,629.60	-1,167.08	472,272.13	669,117.60	32.297672	-103.919784
- plan misses target center by 9120.00ft at 22197.90ft MD (9120.00 TVD, 12629.62 N, -1162.35 E)									
- Point									
PBHL - Yukon Gold 31-1 - plan misses target center by 9120.00ft at 19235.89ft MD (9120.00 TVD, 9667.67 N, -1144.30 E)	0.00	0.00	0.00	9,667.67	-1,144.30	469,310.21	669,140.38	32.289530	-103.919747
- Point									

Plan Annotations					
Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates			
		+N/-S (ft)	+E/-W (ft)	Comment	
8,680.99	8,547.04	-560.00	-1,082.00	KOP @ 8681' MD, 2602' FNL, 2310' FEL	
8,910.00	8,770.00	-514.84	-1,082.28	FTP @ 8910' MD, 2557' FNL, 2310' FEL	
11,610.00	9,120.00	2,041.92	-1,097.85	Cross section @ 11610' MD, 0' FSL, 2310' FEL	
15,595.00	9,120.00	6,026.84	-1,122.12	Cross NM 093205 @ 15595' MD, 1320' FNL, 2310' FEL	
16,915.00	9,120.00	7,346.82	-1,130.16	Cross section @ 16915' MD, 0' FSL, 2310' FEL	
22,118.00	9,120.00	12,549.72	-1,161.86	LTP @ 22118' MD, 100' FNL, 2310' FEL	
22,198.31	9,120.00	12,630.03	-1,162.35	PBHL; 20' FNL, 2310' FEL	

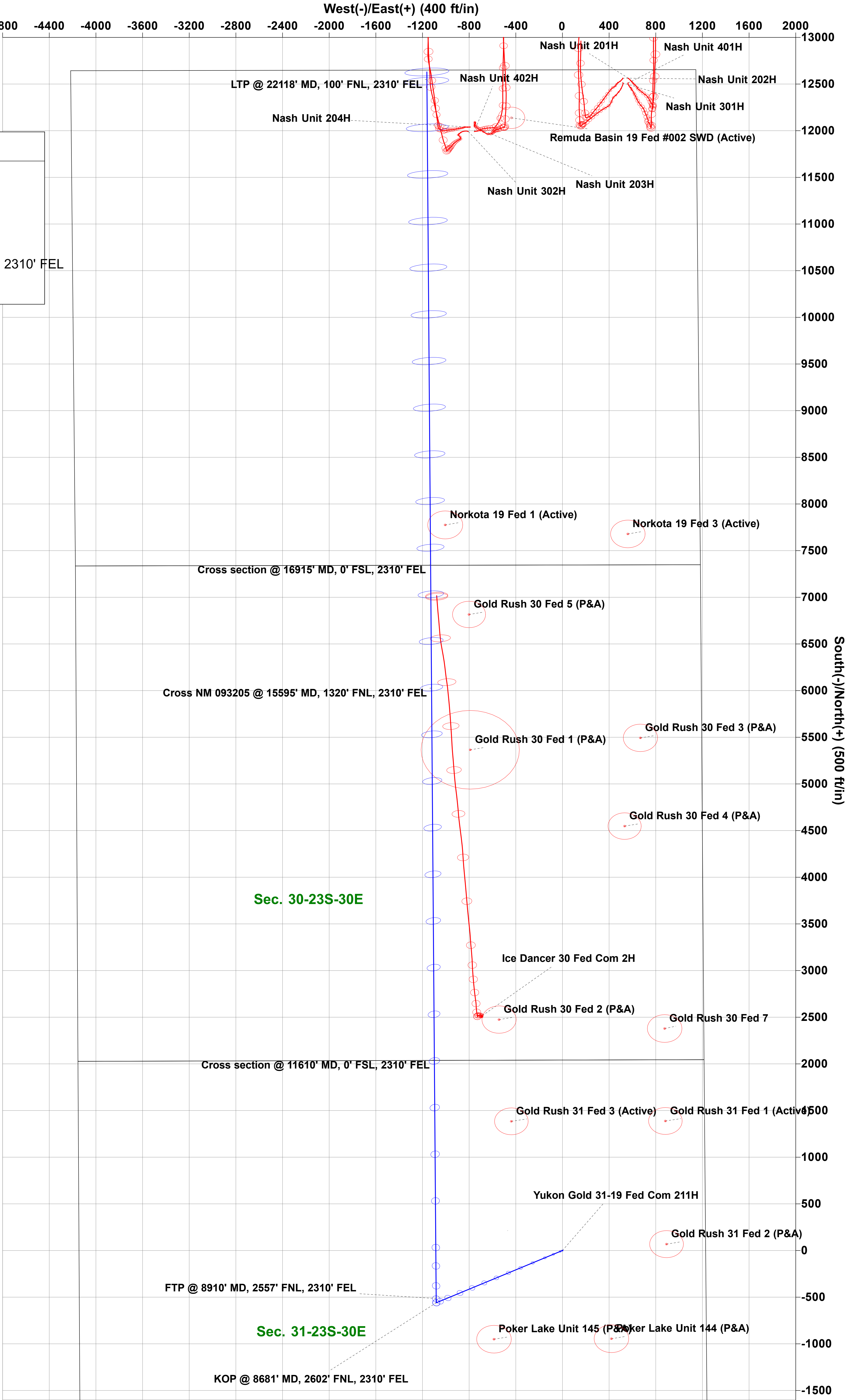
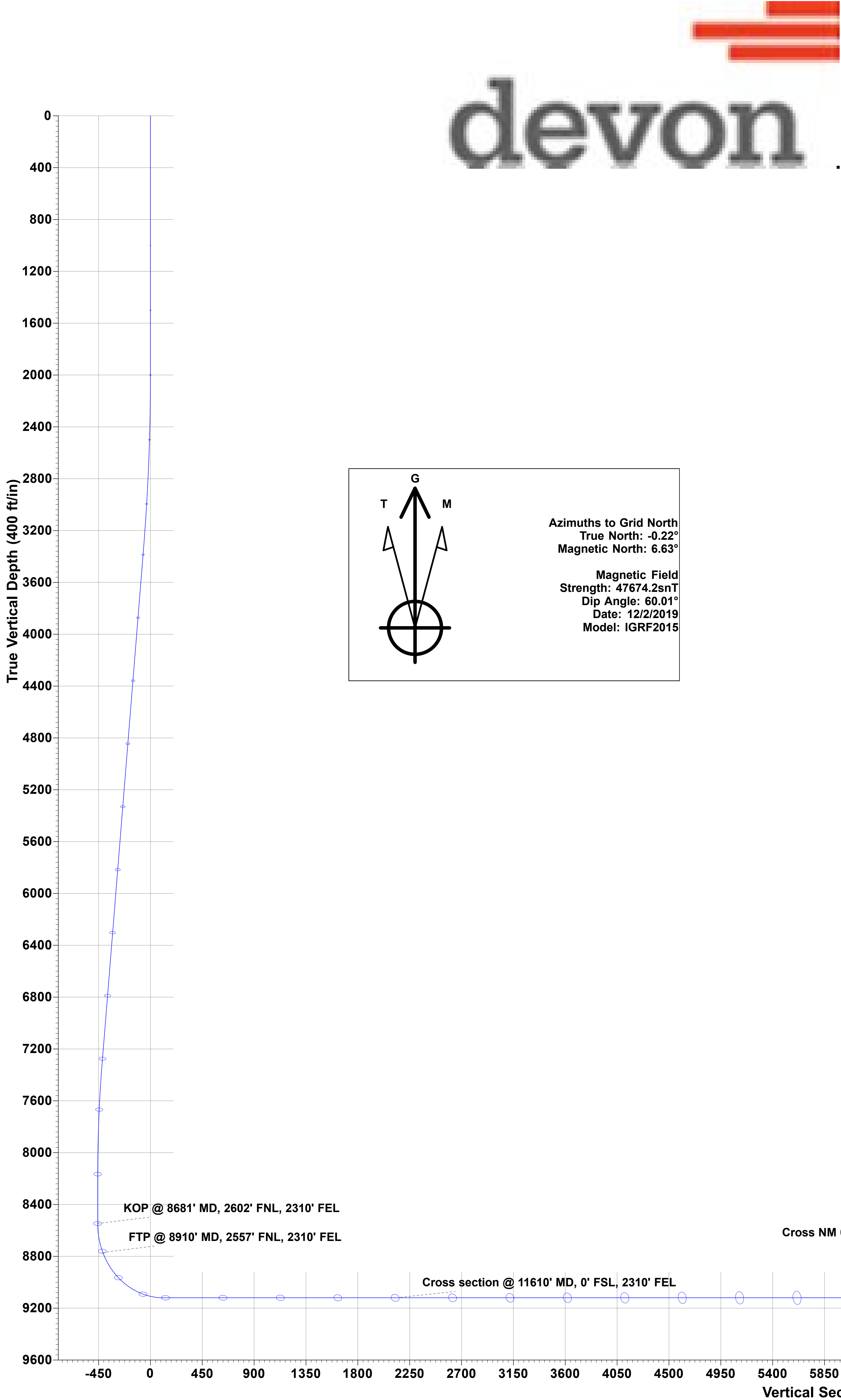
Devon Energy

WELL DETAILS: Yukon Gold 31-19 Fed Com 211H

RKB @ 3155.80ft
3130.80

Northing 459642.56 Easting 670284.68 Latitude 32.262944 Longitude -103.916165

SECTION DETAILS								Permit Plan 3
MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect	Annotation
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2000.00	0.00	0.00	2000.00	0.00	0.00	0.00	0.00	
3352.61	13.53	242.64	3340.08	-73.05	-141.13	1.00	-59.80	
7429.21	13.53	242.64	7303.62	-511.30	-987.91	0.00	-418.62	
58330.95	0.00	0.00	8197.00	-560.00	-1082.00	1.50	-458.49	
68680.99	0.00	0.00	8547.04	-560.00	-1082.00	0.00	-458.49	KOP @ 8681' MD, 2602' FNL, 2310' FEL
79580.99	90.00	359.65	9120.00	12.95	-1085.49	10.00	112.37	
822198.31	90.00	359.65	9120.00	12630.03	-1162.35	0.00	12683.40	PBHL; 20' FNL, 2310' FEL



PECOS DISTRICT

DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company LP
LEASE NO.:	NMNM092180
LOCATION:	Section 31, T.23 S., R.30 E., NMPM
COUNTY:	Eddy County, New Mexico

WELL NAME & NO.:	Yukon Gold 31-19 Fed Com 211H
SURFACE HOLE FOOTAGE:	2042'/N & 1228'/E
BOTTOM HOLE FOOTAGE:	20'/N & 2310'/E

WELL NAME & NO.:	Yukon Gold 31-19 Fed Com 212H
SURFACE HOLE FOOTAGE:	2042'/N & 1198'/E
BOTTOM HOLE FOOTAGE:	20'/N & 1320'/E

WELL NAME & NO.:	Yukon Gold 31-19 Fed Com 213H
SURFACE HOLE FOOTAGE:	2042'/N & 1168'/E
BOTTOM HOLE FOOTAGE:	20'/N & 330'/E

COA

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

A. HYDROGEN SULFIDE

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

B. CASING

1. The **13-3/8** inch surface casing shall be set at approximately **275 feet** (a minimum of **70 feet (Eddy County)** into the Rustler Anhydrite and above the salt) and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of **24 hours in the Potash Area** or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing shall be set at approximately **3435 feet** is:
 - Cement to surface. If cement does not circulate see B.1.a, c-d above.
Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to cave/karst or potash.
 - ❖ In Medium 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.
 - ❖ In Secretary Potash 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.

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

3. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - Cement should tie-back at least **500 feet** into previous casing string. Operator shall provide method of verification.
Cement excess is less than 25%, more cement might be required.

C. PRESSURE CONTROL

1. Variance approved to use flex line from BOP to choke manifold. Manufacturer's specification to be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no hard bends).'
2. Operator has proposed a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M)** psi.
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
 - c. Manufacturer representative shall install the test plug for the initial BOP test.
 - d. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
 - e. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.

D. SPECIAL REQUIREMENT (S)

Communitization Agreement

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

GENERAL REQUIREMENTS

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

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

☒ Eddy County

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

☒ Lea County

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

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

A. CASING

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

B. PRESSURE CONTROL

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

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

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

C. DRILLING MUD

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

D. WASTE MATERIAL AND FLUIDS

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

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



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

Hydrogen Sulfide (H₂S) Contingency Plan

For

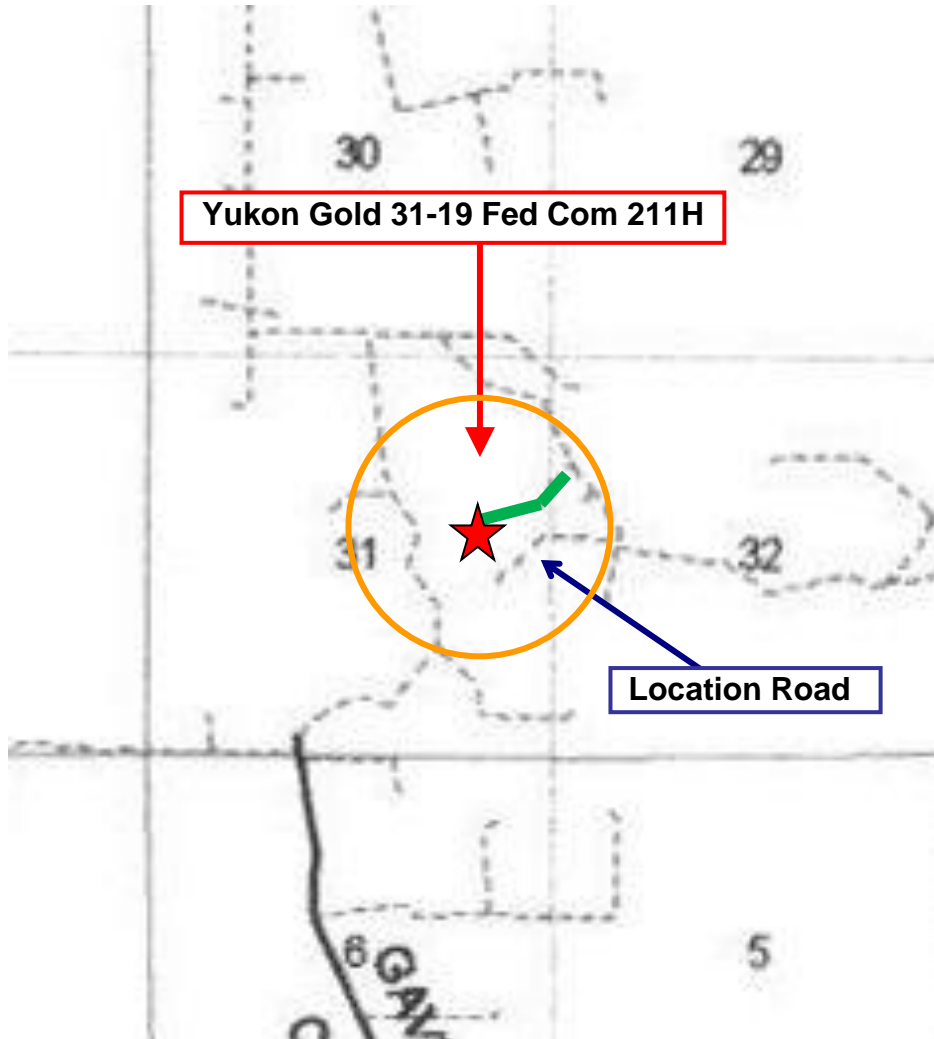
Yukon Gold 31-19 Fed Com 211H

**Sec-31 T-23S R-30E
2042 FNL & 1228' FEL
LAT. = 32.262944' N (NAD83)
LONG = 103.916165' W**

Eddy County NM

Yukon Gold 31-19 Fed Com 211H

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



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

Escape

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

Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the “buddy system” to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
 - Detection of H₂S, and
 - Measures for protection against the gas,
 - Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

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

Contacting Authorities

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

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE (H₂S) TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and Public Protection Plan.

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

II. HYDROGEN SULFIDE TRAINING

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H₂S.

1. Well Control Equipment

- A. Flare line
- B. Choke manifold – Remotely Operated
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer and rotating head.
- E. Mud/Gas Separator

2. Protective equipment for essential personnel:

30-minute SCBA units located at briefing areas, as indicated on well site diagram, with escape units available in the top doghouse. As it may be difficult to communicate audibly while wearing these units, hand signals shall be utilized.

3. H₂S detection and monitoring equipment:

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

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

Visual warning systems:

- A. Wind direction indicators as shown on well site diagram
- B. Caution/ Danger signs shall be posted on roads providing direct access to locations. Signs will be painted a high visibility yellow with black lettering of sufficient size to be reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

4. Mud program:

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

5. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H₂S trim.
- B. All elastomers used for packing and seals shall be H₂S trim.

6. Communication:

- A. Company personnel have/use cellular telephones in the field.
- B. Land line (telephone) communications at Office

7. Well testing:

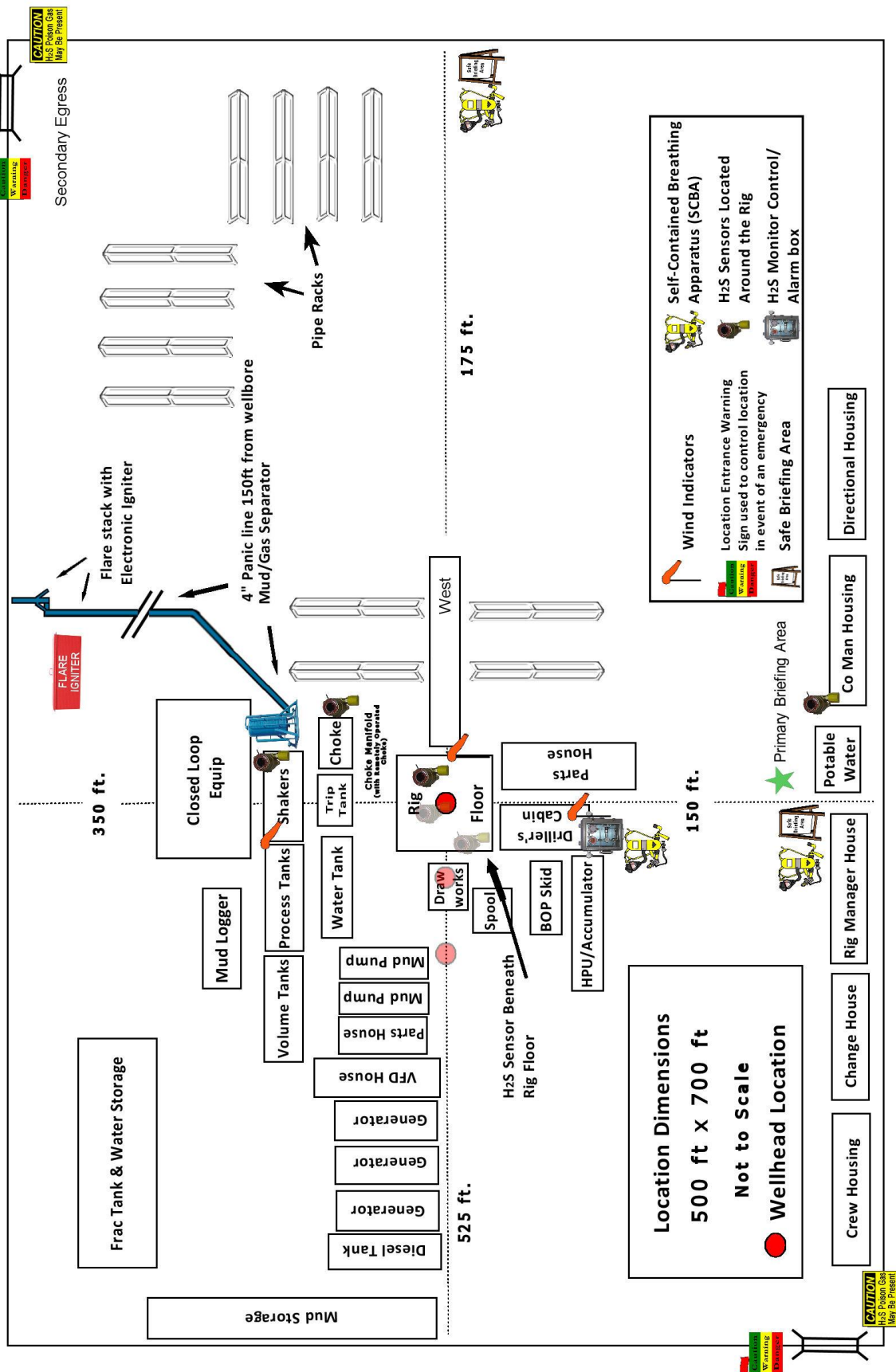
- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing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

<u>Devon Energy Corp. Company Call List</u>		
Drilling Supervisor – Basin – Mark Kramer		405-823-4796
EHS Professional – Laura Wright		405-439-8129
<u>Agency Call List</u>		
<u>Lea County (575)</u>	Hobbs	
	Lea County Communication Authority	393-3981
	State Police	392-5588
	City Police	397-9265
	Sheriff's Office	393-2515
	Ambulance	911
	Fire Department	397-9308
	LEPC (Local Emergency Planning Committee)	393-2870
	NMOCD	393-6161
	US Bureau of Land Management	393-3612
<u>Eddy County (575)</u>	Carlsbad	
	State Police	885-3137
	City Police	885-2111
	Sheriff's Office	887-7551
	Ambulance	911
	Fire Department	885-3125
	LEPC (Local Emergency Planning Committee)	887-3798
	US Bureau of Land Management	887-6544
	NM Emergency Response Commission (Santa Fe)	(505) 476-9600
	24 HR	(505) 827-9126
	National Emergency Response Center	(800) 424-8802
	National Pollution Control Center: Direct	(703) 872-6000
	For Oil Spills	(800) 280-7118
	Emergency Services	
	Wild Well Control	(281) 784-4700
	Cudd Pressure Control	(915) 699-0139 (915) 563-3356
	Halliburton	(575) 746-2757
	B. J. Services	(575) 746-3569
<u>Give GPS position:</u>	Native Air – Emergency Helicopter – Hobbs (NM and TX)	(800)642-7828
	Flight For Life - Lubbock, TX	(806) 743-9911
	Aerocare - Lubbock, TX	(806) 747-8923
	Med Flight Air Amb - Albuquerque, NM	(575) 842-4433
	Lifeguard Air Med Svc. Albuquerque, NM	(800) 222-1222
	Poison Control (24/7)	(575) 272-3115
	Oil & Gas Pipeline 24 Hour Service	(800) 364-4366
	NOAA – Website - www.nhc.noaa.gov	

Prepared in conjunction with
Dave Small



Devon Energy - Well Pad Rig Location Layout Safety Equipment Location





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.

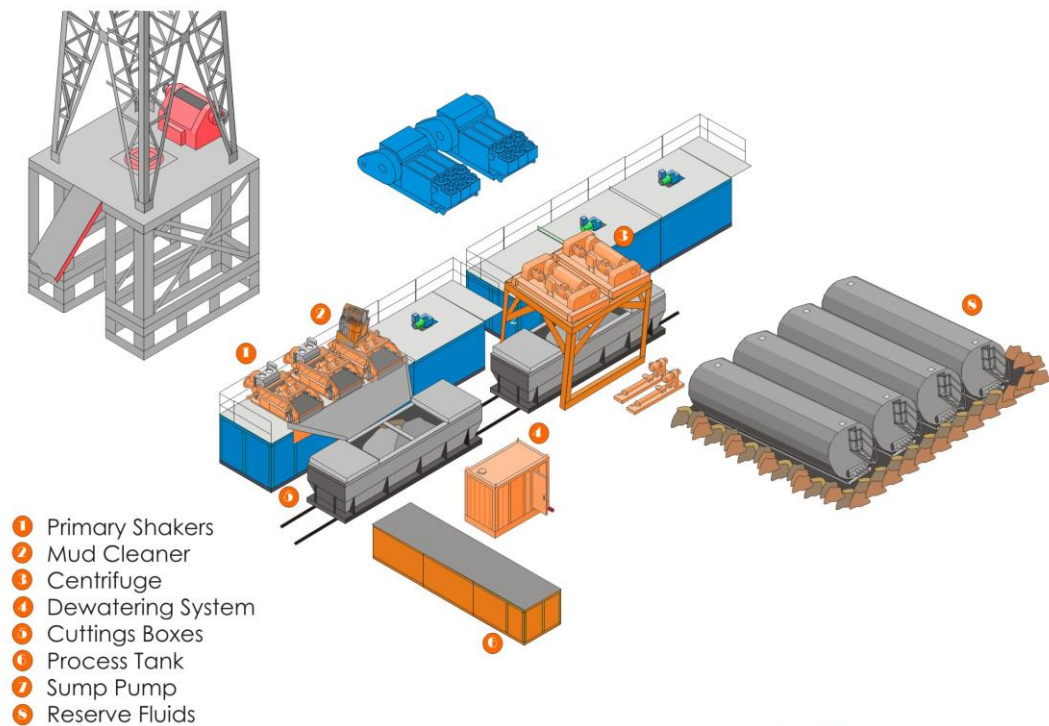
II. Operations and Maintenance Plan

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.

District I
1625 N. French Dr., Hobbs, NM
88240 District II
811 S. First St., Artesia, NM
88210 District III
1000 Rio Brazos Road, Aztec, NM
87410 District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

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

Submit
Original
to
Appropria
te District
Office

GAS CAPTURE PLAN

Date:

12/09/19

x Original

Devon & OGRID No.: Devon Energy Prod Co., LP (6137)

Amended - Reason for Amendment:_____

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

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

Well(s)/Production Facility – Name of facility

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

Well Name	API	Well Location (ULSTR)	Footages	Expected	Flare d/	Comments
Yukon Gold 31-19 Fed Com 211H		Sec. 31, T23S, R30E	2042 FNL, 1228 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 212H		Sec. 31, T23S, R30E	2042 FNL, 1198 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 213H		Sec. 31, T23S, R30E	2042 FNL, 1168 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 333H		Sec. 31, T23S, R30E	2192 FNL, 1168 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 623H		Sec. 31, T23S, R30E	2192 FNL, 1228 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 624H		Sec. 31, T23S, R30E	2192 FNL, 1138 FEL			Yukon Gold 31 CTB
Yukon Gold 31-19 Fed Com 712H		Sec. 31, T23S, R30E	2192 FNL, 1198 FEL			Yukon Gold 31 CTB

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if DCP system is in place. The gas produced from production facility is dedicated to DCP and will be connected to DCP low/high pressure gathering system located in Eddy County, New Mexico. It will require 10,560' of pipeline to connect the facility to low/high pressure gathering system. Devon provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Devon and DCP have periodic conference calls to discuss changes to the drilling and completion schedules. Gas from these wells will be processed at DCP Processing Plant located NENW in Sec., Twn. S, Rng. (**See below*), Eddy, County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

(*DCP Supersystem Plants – Artesia Sec. 7, 18S, 28E, Eunice Sec. 5, T21S, R36E, Linam Sec. 6, T19S, 37E, & Zia II Sec. 19, T19S, 32E)

Flowback Strategy

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

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

Alternatives to Reduce Flaring

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

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