

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*5. Lease Serial No.
NMNM036379

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.7. If Unit or CA/Agreement, Name and/or No.
891005247X

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
COTTON DRAW UNIT 125H

2. Name of Operator

Contact: ERIN L WORKMAN

DEVON ENERGY PRODUCTION CO EMail: ERIN.WORKMAN@DVN.COM

9. API Well No.
30-015-38608-00-X1

3a. Address

333 WEST SHERIDAN AVE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)

Ph: 405-552-7970

10. Field and Pool, or Exploratory
COTTON DRAW

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

Sec 35 T24S R31E NWNE 160FNL 1345FEL

11. County or Parish, and State

EDDY COUNTY, NM

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

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

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

Devon Energy Production Company, LP. respectfully requests to change from the 72122 Big Sink; Wolfcamp (Gas) to the 2nd Bone Spring.

Thank you!

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL****RECEIVED**

APR 02 2013

NMOC D ARTESIA

APPROVED

APR 1 2013

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

**Electronic Submission #201392 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad
Committed to AFMSS for processing by KURT SIMMONS on 03/25/2013 (13KMS5629SE)**

Name (Printed/Typed) ERIN L WORKMAN

Title REGULATORY COMPLIANCE ASSOC.

Signature (Electronic Submission)

Date 03/13/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ

Title PETROLEUM ENGINEER

Date 04/01/2013

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

Office Carlsbad

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

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

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 30-015-38608	² Pool Code 96641	³ Pool Name Paduca; Bone Spring (0)
⁴ Property Code 300635	⁵ Property Name COTTON DRAW UNIT	
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁶ Well Number 125H
		⁹ Elevation 3502.8

¹⁰ Surface Location

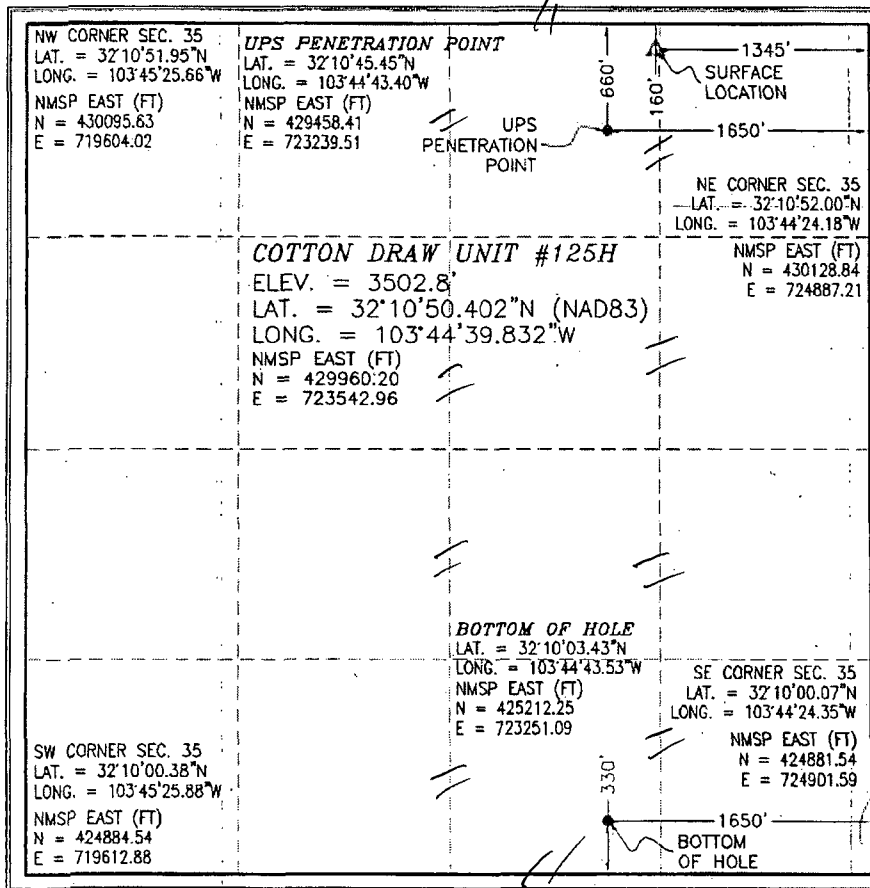
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	24 S	31 E		160	NORTH	1345	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	35	24 S	31 E		330	SOUTH	1650	EAST	EDDY

¹² Dedicated Acres E/2-320AC 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released 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 4-10-13
Date

Erin Workman, Regulatory Assoc.

Printed Name

Erin.workman@devn.com

E-mail Address

¹⁸ SURVEYOR CERTIFICATION

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

APRIL 9, 2013

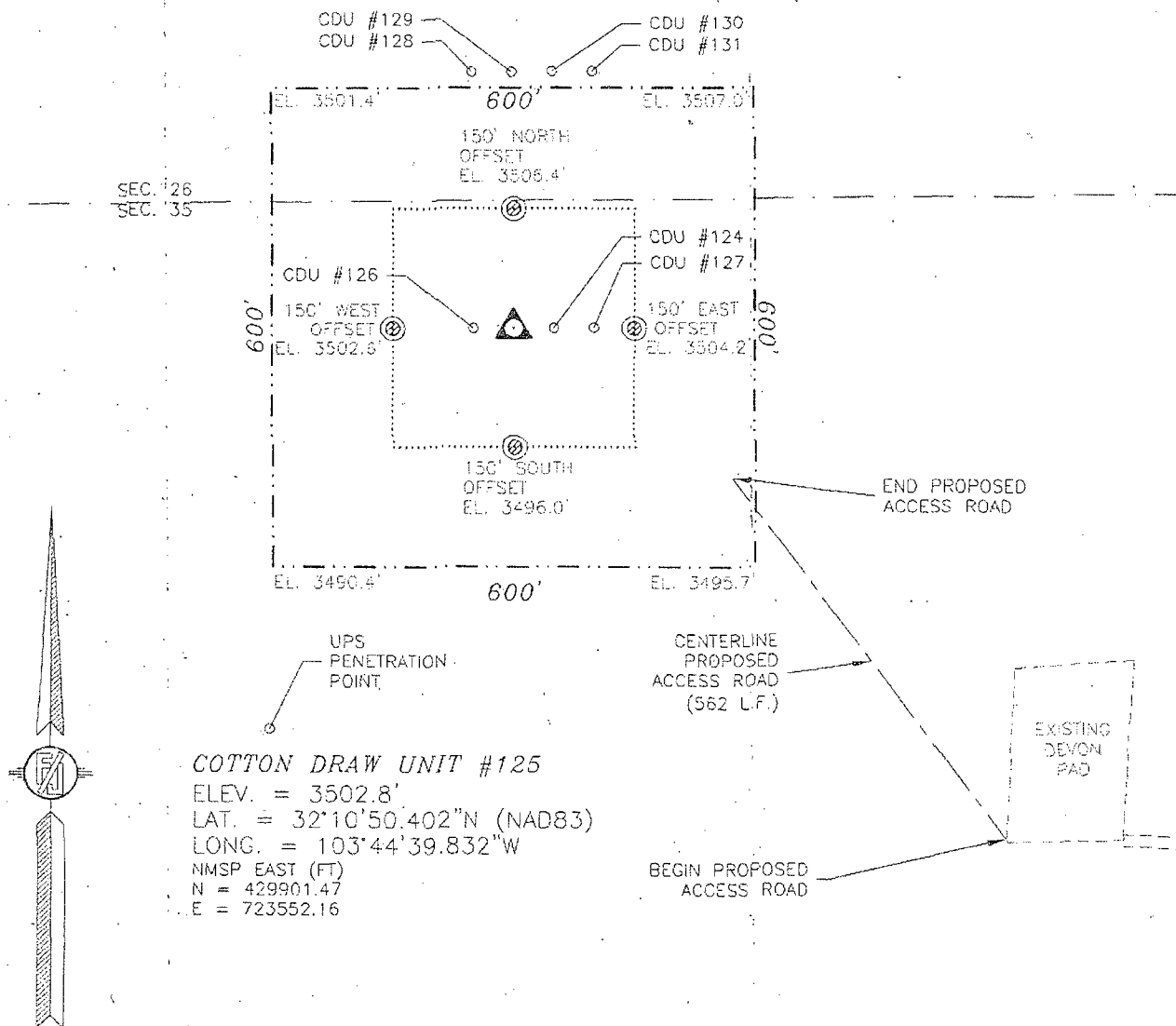
Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number: 641010N F. JARAMILLO, PLS 12797

SURVEY NO. 162A

SECTION 35, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO



COTTON DRAW UNIT #125
ELEV. = 3502.8'
LAT. = 32°10'50.402"N (NAD83)
LONG. = 103°44'39.832"W
NMSP EAST (FT)
N = 429901.47
E = 723552.16

0 20 100 200 400

SCALE 1" = 200'

DIRECTIONS TO LOCATION

FROM CR. # 788 (BUCK JACKSON) (CALICHE) AND CR. # 791 (BUCK THORN) (CALICHE) GO SOUTH ON CR. 791 3.1 MILES TURN LEFT AND GO EAST 1.9 MILES TURN LEFT AND GO NORTH 0.7 MILES TURN LEFT AND GO WEST 0.3 MILES TURN RIGHT AND GO NORTH 0.4 MILES TURN RIGHT AND GO EAST 0.7 MILES BEND LEFT AND GO NORTH 0.8 MILES TURN LEFT AND GO WEST 0.4 MILES TO THE EXISTING (DEVON) CDU#112 WELL AND AT SOUTHWEST CORNER OF PAD FOLLOW A PROPOSED ROAD SURVEY NORTHWEST 562' TO THE SOUTHEAST CORNER OF A PROPOSED PAD FOR THIS LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.
COTTON DRAW UNIT #125
LOCATED 160 FT. FROM THE NORTH LINE
AND 1345 FT. FROM THE EAST LINE OF
SECTION 35, TOWNSHIP 24 SOUTH,
RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 2, 2010

SURVEY NO. 162

MADRON SURVEYING, INC. 301 SOUTH CANAL (505) 897-5830 CARLSBAD, NEW MEXICO

Cotton Draw Unit 125H – APD DRILLING PLAN
JSL 03-12-2013

Casing Program

See COA

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Csg</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
17-1/2"	0 – 875	13-3/8"	0 – 875	48#	STC	H-40
12-1/4"	875 – 4,500	9-5/8"	0 – 4,500	40#	BTC	HCK-55
8-3/4"	4,500 – 9,700	5-1/2"	0 – 9,700	17#	LTC	HCP-110
8-3/4"	9,700 – 14,956	5-1/2"	5,600 – 14,956	17#	BTC	HCP-110

Note: only new casing will be utilized

MAXIMUM LATERAL TVD 10,409

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Design Factors:

<u>Casing Size</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
13-3/8", 48#, H-40, ST&C	1.69	3.81	7.67
9-5/8", 40#, HCK-55 BTC	1.81	1.69	21.94
5-1/2" 17# HCP-110 LTC	1.64	2.35	3.31
5-1/2" 17# HCP-110 BTC	1.53	2.19	2.15

Mud Program:

See COA

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>Fluid Loss</u>	<u>Type System</u>
0 – 875	8.4 – 9.0	30 – 34	N/C	FW
875 – 4,500	9.8 – 10.0	28 – 32	N/C	Brine
4,500 – 14,956	8.6 – 9.0	28 – 32	N/C-12	FW

* Pressure Control Equipment:

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

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

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

See COA Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Cementing Program (cement volumes based on 100 % excess Surface, 50% excess Intermediate and at least 25% excess Production)

13-3/8" Surface 875 ft

Lead: 300 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Poly-E-Flake + 4% bwoc Bentonite + 70.1% Fresh Water, 13.5 ppg

Yield: 1.75 cf/sk

TOC @ surface

500 ft Tail: 515 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Poly-E-Flake + 63.1% Fresh Water, 14.8 ppg

Yield: 1.35 cf/sk

9-5/8" Intermediate 4500 ft

Lead: 900 sacks (65:35) Class C Cement:Poz (Fly Ash): + 5% bwow Sodium Chloride + 0.125 lbs/sack Poly-E-Flake + 6% bwoc Bentonite + 70.9% Fresh Water, 12.9 ppg

Yield: 1.85 cf/sk

TOC @ surface

Tail: 360 sacks Class C Cement + 0.125 lbs/sack Poly-E-Flake + 63.5% Water, 14.8 ppg

Yield: 1.33 cf/sk

5-1/2" Production 14956 ft

3000 1" Lead: 380 sacks (50:50) Class H Cement:Poz (Fly Ash) + 10% bwoc Bentonite + 8 lb/sk Sodium Chloride + 0.125 lbs/sack Poly-E-Flake + 0.3% bwoc HR-601 + 0.3% bwoc Econolite + 77.2% Fresh Water, 11.8 ppg

Yield: 2.52 cf/sk

2300 2" Lead: 375 sacks (65:35) Class H Cement:Poz (Fly Ash) + 6% bwoc Bentonite + 0.125 lbs/sack Poly-E-Flake + 0.1% bwoc HR-601 + 74.1% Fresh Water, 12.5 ppg

Yield: 1.95 cf/sk

5700 ft. Tail: 1475 sacks (50:50) Class H Cement:Poz (Fly Ash) + 1 lb/sk Sodium Chloride + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bentonite + 58.8% Fresh Water, 14.5 ppg

Yield: 1.22 cf/sk

TOC for All Strings:

Surface:

0

Intermediate:

0

Production:

4000 ft

See COA

ACTUAL CEMENT VOLUMES WILL BE ADJUSTED BASED ON FLUID CALIPER AND CALIPER LOG DATA.

DEVON ENERGY

Project: Eddy County, NM (NAD-83)
Site: Cotton Draw Unit
Well: 125H
Wellbore: OH
Design: Plan #1



Azimuths to Grid North
True North: -0.31°
Magnetic North: 7.13°

Magnetic Field
Strength: 48396.5snT
Dip Angle: 60.07°
Date: 03/12/2013
Model: IGRF2010

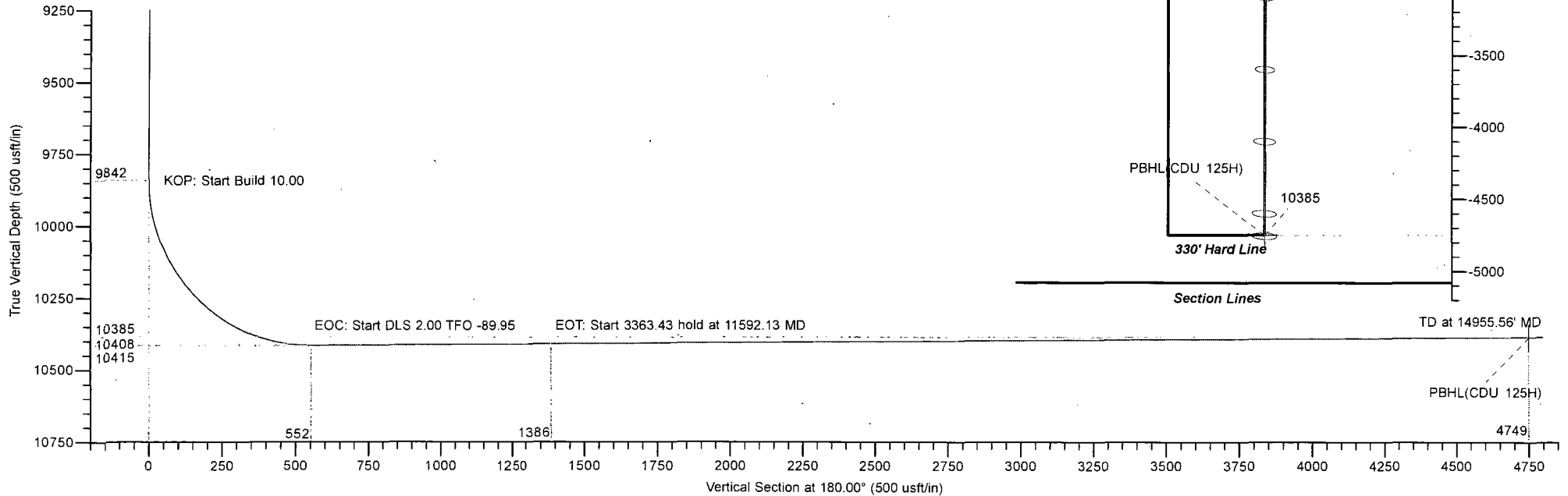


DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
SHL(CDU 125H)	0.00	0.00	0.00	429901.47	723552.16	32° 10' 49.821 N	103° 44' 39.729 W
PBHL(CDU 125H)	10385.00	-4749.13	-291.94	425152.34	723260.22	32° 10' 2.841 N	103° 44' 43.428 W

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	9842.06	0.00	0.00	9842.06	0.00	0.00	0.00	0.00	0.00	KOP: Start Build 10.00
3	10746.16	90.41	196.92	10415.00	-552.08	-167.94	10.00	196.92	552.08	EOC: Start DLS 2.00 TFO -89.95
4	11592.13	90.41	180.00	10408.92	-1385.79	-291.94	2.00	-89.95	1385.79	EOT: Start 3363.43 hold at 11592.13 MD
5	14955.56	90.41	180.00	10385.00	-4749.13	-291.94	0.00	0.00	4749.13	TD at 14955.56' MD



LEAM DRILLING SYSTEMS LLC
2010 East Davis, Conroe, Texas 77301
Phone: 936/756-7577, Fax 936/756-7595

Plan: Plan #1 (125H/OH)
Cotton Draw Unit
Created By: Tyler Carlson Date: 15:33, March 12 2013
Date: _____
Approved: _____ Date: _____

LEAM Drilling Systems LLC

Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 125H
Company:	DEVON ENERGY	TVD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Project:	Eddy County, NM (NAD-83)	MD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Site:	Cotton Draw Unit	North Reference:	Grid
Well:	125H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

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

Site:	Cotton Draw Unit		
Site Position:		Northing:	419,194.51 usft
From:	Map	Easting:	722,955.98 usft
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16"
		Latitude:	32° 9' 3.901 N
		Longitude:	103° 44' 47.345 W
		Grid Convergence:	0.31 °

Well:	125H		
Well Position	+N/-S	10,706.96 usft	Northing: 429,901.47 usft
	+E/-W	596.18 usft	Easting: 723,552.16 usft
Position Uncertainty		0.00 usft	Wellhead Elevation:
			Ground Level: 3,502.00 usft
			Latitude: 32° 10' 49.821 N
			Longitude: 103° 44' 39.729 W

Wellbore:	OH		
Magnetics	Model Name	Sample Date	Declination
			(°)
	IGRF2010	03/12/13	7.45
			Dip Angle
			(°)
			60.07
			Field Strength
			(nT)
			48,397

Design:	Plan #1		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0.00
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(usft)	(usft)	(usft)
	0.00	0.00	0.00
			Direction
			(°)
			180.00

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	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	
9,842.06	0.00	0.00	9,842.06	0.00	0.00	0.00	0.00	0.00	0.00	
10,746.16	90.41	196.92	10,415.00	-552.08	-167.94	10.00	10.00	0.00	196.92	
11,592.13	90.41	180.00	10,408.92	-1,385.79	-291.94	2.00	0.00	-2.00	-89.95	
14,955.56	90.41	180.00	10,385.00	-4,749.13	-291.94	0.00	0.00	0.00	0.00	PBHL(CDU 125H)

LEAM Drilling Systems LLC

Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 125H
Company:	DEVON ENERGY	TVD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Project:	Eddy County, NM (NAD-83)	MD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Site:	Cotton Draw Unit	North Reference:	Grid
Well:	125H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	0.00	0.00
700.00	0.00	0.00	700.00	0.00	0.00	0.00	0.00	0.00	0.00
800.00	0.00	0.00	800.00	0.00	0.00	0.00	0.00	0.00	0.00
900.00	0.00	0.00	900.00	0.00	0.00	0.00	0.00	0.00	0.00
1,000.00	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
1,100.00	0.00	0.00	1,100.00	0.00	0.00	0.00	0.00	0.00	0.00
1,200.00	0.00	0.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00
1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00
1,400.00	0.00	0.00	1,400.00	0.00	0.00	0.00	0.00	0.00	0.00
1,500.00	0.00	0.00	1,500.00	0.00	0.00	0.00	0.00	0.00	0.00
1,600.00	0.00	0.00	1,600.00	0.00	0.00	0.00	0.00	0.00	0.00
1,700.00	0.00	0.00	1,700.00	0.00	0.00	0.00	0.00	0.00	0.00
1,800.00	0.00	0.00	1,800.00	0.00	0.00	0.00	0.00	0.00	0.00
1,900.00	0.00	0.00	1,900.00	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
2,100.00	0.00	0.00	2,100.00	0.00	0.00	0.00	0.00	0.00	0.00
2,200.00	0.00	0.00	2,200.00	0.00	0.00	0.00	0.00	0.00	0.00
2,300.00	0.00	0.00	2,300.00	0.00	0.00	0.00	0.00	0.00	0.00
2,400.00	0.00	0.00	2,400.00	0.00	0.00	0.00	0.00	0.00	0.00
2,500.00	0.00	0.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00
2,600.00	0.00	0.00	2,600.00	0.00	0.00	0.00	0.00	0.00	0.00
2,700.00	0.00	0.00	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00
2,800.00	0.00	0.00	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00
2,900.00	0.00	0.00	2,900.00	0.00	0.00	0.00	0.00	0.00	0.00
3,000.00	0.00	0.00	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00
3,100.00	0.00	0.00	3,100.00	0.00	0.00	0.00	0.00	0.00	0.00
3,200.00	0.00	0.00	3,200.00	0.00	0.00	0.00	0.00	0.00	0.00
3,300.00	0.00	0.00	3,300.00	0.00	0.00	0.00	0.00	0.00	0.00
3,400.00	0.00	0.00	3,400.00	0.00	0.00	0.00	0.00	0.00	0.00
3,500.00	0.00	0.00	3,500.00	0.00	0.00	0.00	0.00	0.00	0.00
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
3,700.00	0.00	0.00	3,700.00	0.00	0.00	0.00	0.00	0.00	0.00
3,800.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	0.00
3,900.00	0.00	0.00	3,900.00	0.00	0.00	0.00	0.00	0.00	0.00
4,000.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00
4,100.00	0.00	0.00	4,100.00	0.00	0.00	0.00	0.00	0.00	0.00
4,200.00	0.00	0.00	4,200.00	0.00	0.00	0.00	0.00	0.00	0.00
4,300.00	0.00	0.00	4,300.00	0.00	0.00	0.00	0.00	0.00	0.00
4,400.00	0.00	0.00	4,400.00	0.00	0.00	0.00	0.00	0.00	0.00
4,500.00	0.00	0.00	4,500.00	0.00	0.00	0.00	0.00	0.00	0.00
4,600.00	0.00	0.00	4,600.00	0.00	0.00	0.00	0.00	0.00	0.00
4,700.00	0.00	0.00	4,700.00	0.00	0.00	0.00	0.00	0.00	0.00
4,800.00	0.00	0.00	4,800.00	0.00	0.00	0.00	0.00	0.00	0.00
4,900.00	0.00	0.00	4,900.00	0.00	0.00	0.00	0.00	0.00	0.00
5,000.00	0.00	0.00	5,000.00	0.00	0.00	0.00	0.00	0.00	0.00
5,100.00	0.00	0.00	5,100.00	0.00	0.00	0.00	0.00	0.00	0.00

LEAM Drilling Systems LLC

Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well 125H
Company:	DEVON ENERGY	TVD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Project:	Eddy County, NM (NAD-83)	MD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Site:	Cotton Draw Unit	North Reference:	Grid
Well:	125H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	N/S (usft)	E/W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
5,200.00	0.00	0.00	5,200.00	0.00	0.00	0.00	0.00	0.00	0.00
5,300.00	0.00	0.00	5,300.00	0.00	0.00	0.00	0.00	0.00	0.00
5,400.00	0.00	0.00	5,400.00	0.00	0.00	0.00	0.00	0.00	0.00
5,500.00	0.00	0.00	5,500.00	0.00	0.00	0.00	0.00	0.00	0.00
5,600.00	0.00	0.00	5,600.00	0.00	0.00	0.00	0.00	0.00	0.00
5,700.00	0.00	0.00	5,700.00	0.00	0.00	0.00	0.00	0.00	0.00
5,800.00	0.00	0.00	5,800.00	0.00	0.00	0.00	0.00	0.00	0.00
5,900.00	0.00	0.00	5,900.00	0.00	0.00	0.00	0.00	0.00	0.00
6,000.00	0.00	0.00	6,000.00	0.00	0.00	0.00	0.00	0.00	0.00
6,100.00	0.00	0.00	6,100.00	0.00	0.00	0.00	0.00	0.00	0.00
6,200.00	0.00	0.00	6,200.00	0.00	0.00	0.00	0.00	0.00	0.00
6,300.00	0.00	0.00	6,300.00	0.00	0.00	0.00	0.00	0.00	0.00
6,400.00	0.00	0.00	6,400.00	0.00	0.00	0.00	0.00	0.00	0.00
6,500.00	0.00	0.00	6,500.00	0.00	0.00	0.00	0.00	0.00	0.00
6,600.00	0.00	0.00	6,600.00	0.00	0.00	0.00	0.00	0.00	0.00
6,700.00	0.00	0.00	6,700.00	0.00	0.00	0.00	0.00	0.00	0.00
6,800.00	0.00	0.00	6,800.00	0.00	0.00	0.00	0.00	0.00	0.00
6,900.00	0.00	0.00	6,900.00	0.00	0.00	0.00	0.00	0.00	0.00
7,000.00	0.00	0.00	7,000.00	0.00	0.00	0.00	0.00	0.00	0.00
7,100.00	0.00	0.00	7,100.00	0.00	0.00	0.00	0.00	0.00	0.00
7,200.00	0.00	0.00	7,200.00	0.00	0.00	0.00	0.00	0.00	0.00
7,300.00	0.00	0.00	7,300.00	0.00	0.00	0.00	0.00	0.00	0.00
7,400.00	0.00	0.00	7,400.00	0.00	0.00	0.00	0.00	0.00	0.00
7,500.00	0.00	0.00	7,500.00	0.00	0.00	0.00	0.00	0.00	0.00
7,600.00	0.00	0.00	7,600.00	0.00	0.00	0.00	0.00	0.00	0.00
7,700.00	0.00	0.00	7,700.00	0.00	0.00	0.00	0.00	0.00	0.00
7,800.00	0.00	0.00	7,800.00	0.00	0.00	0.00	0.00	0.00	0.00
7,900.00	0.00	0.00	7,900.00	0.00	0.00	0.00	0.00	0.00	0.00
8,000.00	0.00	0.00	8,000.00	0.00	0.00	0.00	0.00	0.00	0.00
8,100.00	0.00	0.00	8,100.00	0.00	0.00	0.00	0.00	0.00	0.00
8,200.00	0.00	0.00	8,200.00	0.00	0.00	0.00	0.00	0.00	0.00
8,300.00	0.00	0.00	8,300.00	0.00	0.00	0.00	0.00	0.00	0.00
8,400.00	0.00	0.00	8,400.00	0.00	0.00	0.00	0.00	0.00	0.00
8,500.00	0.00	0.00	8,500.00	0.00	0.00	0.00	0.00	0.00	0.00
8,600.00	0.00	0.00	8,600.00	0.00	0.00	0.00	0.00	0.00	0.00
8,700.00	0.00	0.00	8,700.00	0.00	0.00	0.00	0.00	0.00	0.00
8,800.00	0.00	0.00	8,800.00	0.00	0.00	0.00	0.00	0.00	0.00
8,900.00	0.00	0.00	8,900.00	0.00	0.00	0.00	0.00	0.00	0.00
9,000.00	0.00	0.00	9,000.00	0.00	0.00	0.00	0.00	0.00	0.00
9,100.00	0.00	0.00	9,100.00	0.00	0.00	0.00	0.00	0.00	0.00
9,200.00	0.00	0.00	9,200.00	0.00	0.00	0.00	0.00	0.00	0.00
9,300.00	0.00	0.00	9,300.00	0.00	0.00	0.00	0.00	0.00	0.00
9,400.00	0.00	0.00	9,400.00	0.00	0.00	0.00	0.00	0.00	0.00
9,500.00	0.00	0.00	9,500.00	0.00	0.00	0.00	0.00	0.00	0.00
9,600.00	0.00	0.00	9,600.00	0.00	0.00	0.00	0.00	0.00	0.00
9,700.00	0.00	0.00	9,700.00	0.00	0.00	0.00	0.00	0.00	0.00
9,800.00	0.00	0.00	9,800.00	0.00	0.00	0.00	0.00	0.00	0.00
9,842.06	0.00	0.00	9,842.06	0.00	0.00	0.00	0.00	0.00	0.00
KOP: Start Build:10.00:									
9,850.00	0.79	196.92	9,850.00	-0.05	-0.02	0.05	10.00	10.00	0.00
9,900.00	5.79	196.92	9,899.90	-2.80	-0.85	2.80	10.00	10.00	0.00
9,950.00	10.79	196.92	9,949.36	-9.70	-2.95	9.70	10.00	10.00	0.00

LEAM Drilling Systems LLC

Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well: 125H
Company:	DEVON ENERGY	TVD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Project:	Eddy County, NM (NAD-83)	MD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Site:	Cotton Draw Unit	North Reference:	Grid
Well:	125H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,000.00	15.79	196.92	9,998.01	-20.69	-6.30	20.69	10.00	10.00	0.00
10,050.00	20.79	196.92	10,045.47	-35.71	-10.86	35.71	10.00	10.00	0.00
10,100.00	25.79	196.92	10,091.38	-54.62	-16.61	54.62	10.00	10.00	0.00
10,150.00	30.79	196.92	10,135.39	-77.28	-23.51	77.28	10.00	10.00	0.00
10,200.00	35.79	196.92	10,177.17	-103.53	-31.49	103.53	10.00	10.00	0.00
10,250.00	40.79	196.92	10,216.40	-133.17	-40.51	133.17	10.00	10.00	0.00
10,300.00	45.79	196.92	10,252.78	-165.96	-50.48	165.96	10.00	10.00	0.00
10,350.00	50.79	196.92	10,286.03	-201.66	-61.35	201.66	10.00	10.00	0.00
10,400.00	55.79	196.92	10,315.91	-240.00	-73.01	240.00	10.00	10.00	0.00
10,450.00	60.79	196.92	10,342.18	-280.68	-85.38	280.68	10.00	10.00	0.00
10,500.00	65.79	196.92	10,364.64	-323.40	-98.38	323.40	10.00	10.00	0.00
10,550.00	70.79	196.92	10,383.13	-367.83	-111.89	367.83	10.00	10.00	0.00
10,600.00	75.79	196.92	10,397.50	-413.63	-125.83	413.63	10.00	10.00	0.00
10,650.00	80.79	196.92	10,407.64	-460.46	-140.07	460.46	10.00	10.00	0.00
10,700.00	85.79	196.92	10,413.47	-507.95	-154.52	507.95	10.00	10.00	0.00
10,746.16	90.41	196.92	10,415.00	-552.08	-167.94	552.08	10.00	10.00	0.00
EOC: Start DLS 2.00 TFO -89.95									
10,800.00	90.41	195.84	10,414.62	-603.73	-183.13	603.73	2.00	0.00	-2.00
10,900.00	90.41	193.84	10,413.90	-700.39	-208.74	700.39	2.00	0.00	-2.00
11,000.00	90.41	191.84	10,413.18	-797.88	-230.97	797.88	2.00	0.00	-2.00
11,100.00	90.41	189.84	10,412.46	-896.08	-249.78	896.08	2.00	0.00	-2.00
11,200.00	90.41	187.84	10,411.74	-994.89	-265.15	994.89	2.00	0.00	-2.00
11,300.00	90.41	185.84	10,411.02	-1,094.17	-277.06	1,094.17	2.00	0.00	-2.00
11,400.00	90.41	183.84	10,410.30	-1,193.80	-285.50	1,193.80	2.00	0.00	-2.00
11,500.00	90.41	181.84	10,409.58	-1,293.67	-290.46	1,293.67	2.00	0.00	-2.00
11,592.13	90.41	180.00	10,408.92	-1,385.79	-291.94	1,385.79	2.00	0.00	-2.00
EOT: Start 3363.43 hold at 11592.13 MD									
11,600.00	90.41	180.00	10,408.87	-1,393.66	-291.94	1,393.66	0.00	0.00	0.00
11,700.00	90.41	180.00	10,408.16	-1,493.65	-291.94	1,493.65	0.00	0.00	0.00
11,800.00	90.41	180.00	10,407.45	-1,593.65	-291.94	1,593.65	0.00	0.00	0.00
11,900.00	90.41	180.00	10,406.73	-1,693.65	-291.94	1,693.65	0.00	0.00	0.00
12,000.00	90.41	180.00	10,406.02	-1,793.64	-291.94	1,793.64	0.00	0.00	0.00
12,100.00	90.41	180.00	10,405.31	-1,893.64	-291.94	1,893.64	0.00	0.00	0.00
12,200.00	90.41	180.00	10,404.60	-1,993.64	-291.94	1,993.64	0.00	0.00	0.00
12,300.00	90.41	180.00	10,403.89	-2,093.64	-291.94	2,093.64	0.00	0.00	0.00
12,400.00	90.41	180.00	10,403.18	-2,193.63	-291.94	2,193.63	0.00	0.00	0.00
12,500.00	90.41	180.00	10,402.47	-2,293.63	-291.94	2,293.63	0.00	0.00	0.00
12,600.00	90.41	180.00	10,401.75	-2,393.63	-291.94	2,393.63	0.00	0.00	0.00
12,700.00	90.41	180.00	10,401.04	-2,493.63	-291.94	2,493.63	0.00	0.00	0.00
12,800.00	90.41	180.00	10,400.33	-2,593.62	-291.94	2,593.62	0.00	0.00	0.00
12,900.00	90.41	180.00	10,399.62	-2,693.62	-291.94	2,693.62	0.00	0.00	0.00
13,000.00	90.41	180.00	10,398.91	-2,793.62	-291.94	2,793.62	0.00	0.00	0.00
13,100.00	90.41	180.00	10,398.20	-2,893.62	-291.94	2,893.62	0.00	0.00	0.00
13,200.00	90.41	180.00	10,397.49	-2,993.61	-291.94	2,993.61	0.00	0.00	0.00
13,300.00	90.41	180.00	10,396.78	-3,093.61	-291.94	3,093.61	0.00	0.00	0.00
13,400.00	90.41	180.00	10,396.06	-3,193.61	-291.94	3,193.61	0.00	0.00	0.00
13,500.00	90.41	180.00	10,395.35	-3,293.61	-291.94	3,293.61	0.00	0.00	0.00
13,600.00	90.41	180.00	10,394.64	-3,393.60	-291.94	3,393.60	0.00	0.00	0.00
13,700.00	90.41	180.00	10,393.93	-3,493.60	-291.94	3,493.60	0.00	0.00	0.00
13,800.00	90.41	180.00	10,393.22	-3,593.60	-291.94	3,593.60	0.00	0.00	0.00
13,900.00	90.41	180.00	10,392.51	-3,693.60	-291.94	3,693.60	0.00	0.00	0.00
14,000.00	90.41	180.00	10,391.80	-3,793.59	-291.94	3,793.59	0.00	0.00	0.00

LEAM Drilling Systems LLC

Planning Report

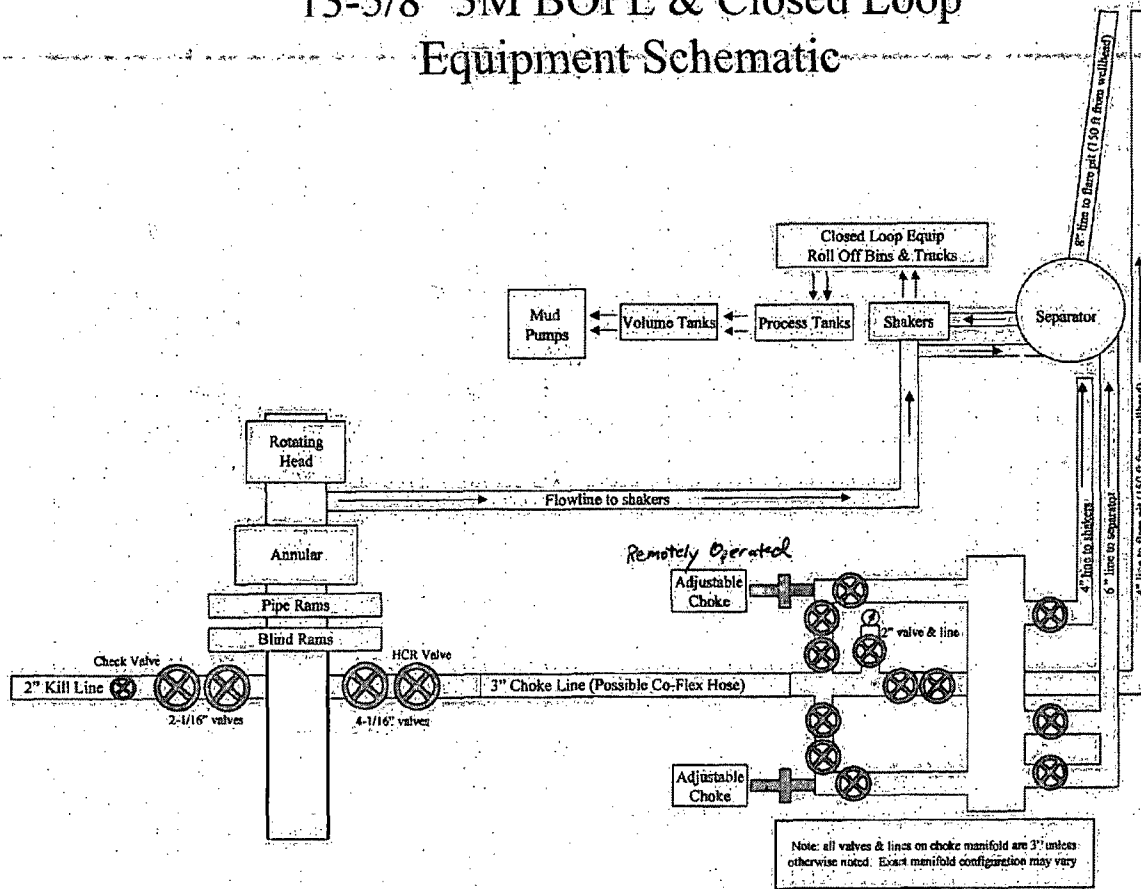
Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Well: 125H
Company:	DEVON ENERGY	TVD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Project:	Eddy County, NM (NAD-83)	MD Reference:	GE 2530' + KB 28' @ 3530.00usft (Permitting)
Site:	Cotton Draw Unit	North Reference:	Grid
Well:	125H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
14,100.00	90.41	180.00	10,391.09	-3,893.59	-291.94	3,893.59	0.00	0.00	0.00
14,200.00	90.41	180.00	10,390.37	-3,993.59	-291.94	3,993.59	0.00	0.00	0.00
14,300.00	90.41	180.00	10,389.66	-4,093.59	-291.94	4,093.59	0.00	0.00	0.00
14,400.00	90.41	180.00	10,388.95	-4,193.58	-291.94	4,193.58	0.00	0.00	0.00
14,500.00	90.41	180.00	10,388.24	-4,293.58	-291.94	4,293.58	0.00	0.00	0.00
14,600.00	90.41	180.00	10,387.53	-4,393.58	-291.94	4,393.58	0.00	0.00	0.00
14,700.00	90.41	180.00	10,386.82	-4,493.58	-291.94	4,493.58	0.00	0.00	0.00
14,800.00	90.41	180.00	10,386.11	-4,593.57	-291.94	4,593.57	0.00	0.00	0.00
14,900.00	90.41	180.00	10,385.40	-4,693.57	-291.94	4,693.57	0.00	0.00	0.00
14,955.56	90.41	180.00	10,385.00	-4,749.13	-291.94	4,749.13	0.00	0.00	0.00
TD at 14955.56' MD									

Design Targets									
Target Name	Dip Angle (°)	Dip Dir (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
- hit/miss target									
- Shape									
SHL(CDU 125H)	0.00	0.00	0.00	0.00	0.00	429,901.47	723,552.16	32° 10' 49.821 N	103° 44' 39.729 W
- plan hits target center									
- Point									
PBHL(CDU 125H)	0.00	0.00	10,385.00	-4,749.13	-291.94	425,152.34	723,260.22	32° 10' 2.841 N	103° 44' 43.428 W
- plan hits target center									
- Point									

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
9,842.06	9,842.06	0.00	0.00	KOP: Start Build 10.00
10,746.16	10,415.00	-552.08	-167.94	EOC: Start DLS 2.00 TFO -89.95
11,592.13	10,408.92	-1,385.79	-291.94	EOT: Start 3363.43 hold at 11592.13 MD
14,955.56	10,385.00	-4,749.13	-291.94	TD at 14955.56' MD

13-5/8" 3M BOPE & Closed Loop Equipment Schematic



CONDITIONS OF APPROVAL

Sundry dated 3/13/2013

OPERATOR'S NAME:	DEVON ENERGY PRODUCTION COMPANY, LP
WELL NAME & NO.:	COTTON DRAW UNIT # 125H (30-015-38608)
SURFACE HOLE FOOTAGE:	0160' FNL & 1345' FEL
BOTTOM HOLE FOOTAGE:	0330' FSL & 1650' FEL
LOCATION:	Section 35, T. 24 S., R. 31 E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

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

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

☒ **Eddy County**

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

1. **Due to recent H2S encounters in the salt formation, it is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide prior to drilling out the surface shoe. If Hydrogen Sulfide is encountered, please report measurements and formations to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) 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.**

P 1 of 5

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size. 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.).

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

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

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

Secretary's Potash

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

Possible lost circulation in the Delaware and Bone Spring.

1. The 13-3/8 inch surface casing shall be set at **approximately 800 feet (in a competent bed below the Magenta Dolomite, which is a Member of the Rustler, and if salt is encountered, set casing at least 25 feet above the salt)** and cemented to the surface. **Fresh water mud to be used to setting depth.**
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.**
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.

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2. The minimum required fill of cement behind the **9-5/8** inch intermediate casing, **which shall be set at approximately 4300' in the base Castile Anhydrite or within the Lamar limestone, is:**

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

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

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. **Additional cement shall be required as excess calculates to 23%**

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
2. Variance approved to use flex line from BOP to choke manifold. 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.** If the BLM inspector questions the straightness of the hose, a BLM engineer will be contacted and will review in the field or via picture supplied by inspector to determine if changes are required (operator shall expect delays if this occurs).
3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) psi.**
 - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent Service Company required.

4. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, **no tests** shall commence until the cement has had a minimum of 24 hours setup time.
 - b. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (18 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. 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.

E. DRILL STEM TEST

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

F. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, 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.

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