om 3160 - 3 August 2007)	SEC	RETAR	Y'S POTASH		FORM APPRO OMB No. 1004	S-13- 3 OVED		
	TEC		OCD Artesia		Expires July 31,	2010	14	
UNITED STA Department of ti Bureau of Land M	HE INTER		oco Artesia	,	5. Lease Serial No. NMLC069464-A		-109 2-14	
APPLICATION FOR PERMIT			EENTER-10	DOX	6. If Indian, Allotee or T	ribe Name		
a. Type of work: I DRILL RE	EENTER	1	LUCAIR		7. If Unit or CA Agreemen		No.	
Ib. Type of Well: Oil Well Gas Well Other		✓ Single	Zone 🗌 Multip	le Zone	8. Lease Name and Well I Arcturus 18 Federal 6H		<u>'355</u>	
2. Name of Operator Devon Energy Production Compar			-6137	7	9. API Well No. 30-0/5-	4201	5	
^{3a. Address} 333 W. Sheridan Oklahoma City, OK 73102	1	one No. <i>(inc</i> 235-3611	clude area code)		10. Field and Pool, or Explo Bone Spring; Hackbern	y NW 29	; 7020	
4. Location of Well (Report location clearly and in accordance w	with a <mark>m</mark> y State r	equirements.	*)		11. Sec., T. R. M. or Blk.an	d Survey or A	trea	
At surface 1820 FNL & 208 FEL H					Sec 18 T19S R31E			
At proposed prod. zone 1700 FNL & 340 FWL Lot 2	PP: 1700	FNL 645	FEL					
 Distance in miles and direction from nearest town or post offic ~25 miles NE of Carlsbad, NM. 	æ* _.				12. County or Parish Eddy	13. Sta NM	te	
5. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. N 744.	lo. of acres 12 ac	in lease	17. Spacir 157.43 a	ing Unit dedicated to this well ac			
8. Distance from proposed location* to nearest well, drilling, completed, See attached map applied for, on this lease, ft.	1	roposed De 5' TVD	pth 12,454'MD		BIA Bond No. on file 14; NMB-000801			
1. Elevations (Show whether DF, KDB, RT, GL, etc.) 3440.5' GL	22. A		e date work will star 12/12/13	t*	23. Estimated duration 45 days			
	24.	Attachm	ients					
he following, completed in accordance with the requirements of	Onshore Oil a	nd Gas Orc	ler No.1, must be at	tached to th	nis form:		<u> </u>	
 Well plat certified by a registered surveyor. A Drilling Plan. 			Item 20 above).		ons unless covered by an exis	ting bond on	file (see	
3. A Surface Use Plan (if the location is on National Forest S SUPO must be filed with the appropriate Forest Service Office			 Operator certific Such other site BLM. 		formation and/or plans as may	y be required	by the	
25. Signature	+	Name (Pr Judy A.	<i>inted/Typed)</i>		Dat 07	e 7/25/2013		
Title Contraction	7						<u> </u>	
Sr. Regulatory Specialist	•*							
Approved by (Signature) STATE DIREC	TOR		rinted/Typed)		, Pe	^{ке} В — З	2014	
Title STATE DIRECTOR		Office	NM S	TATE	OFFICE			
Application approval does not warrant or certify that the application approval does not warrant or certify that the application conduct operations thereon. Conditions of approval, if any, are attached.	nt holds legal	orequitabl			X	e the applican TWO YE		
Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make States any false, fictitious or fraudulent statements or representati	e it a crime fo ions as to any r	r any personatter with	on knowingly and in its jurisdiction.	willfully to	make to any department or ag	ency of the I	Jnited	
(Continued on page 2)			<u> </u>		Capitan Controlle	gi Waterri	Basin	
					REC	EIVE	D	
					FEB	1 4 2014	4	

SEE ATTACHED FOR CONDITIONS OF APPROVAL

(``

6 Y

с .

Approval Subject to General Requirements & Special Stipulations Attached

NMOCD ARTESIA

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or Devon Energy Production Company, L.P. am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this _24th__ day of __July 2013. Printed Name: Judy A. Barnett Signed Name: Juce (.) Position Title: Sr. Regulatory Specialist Address: 333 W. Sheridan, OKC OK 73102 Telephone: (405)-228-8699 Field Representative (if not above signatory): Address (if different from above): Telephone (if different from above):

District 1 1525 N. French Dr., Hobbs, NM (8240) Phone: (575) 393-5161 (Pax, (575) 393-0720) District II

841 S. First St. Artesta, NM 88240 Phone: (575) 748-1283 Fax: (575) 748-9720

District III 1000 Rio Brazos Road, Aztec, NM \$7410 Phone: (305) 334-6178 Fax: (505) 334-6170

District IV 1220 S. St. Francis Dr., Santa Fe, NM 37505

Phone: (205) 476-3460 Pax: (505) 476-3462

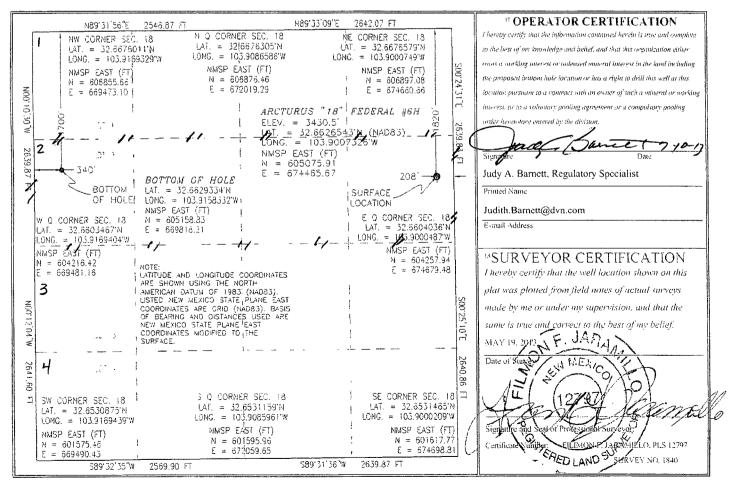
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

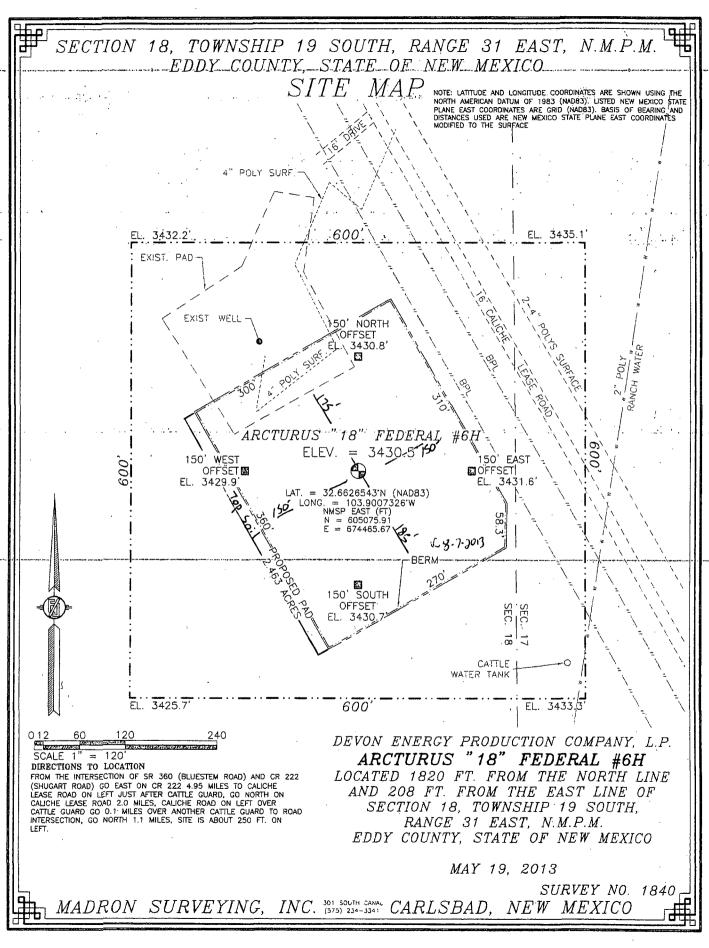
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

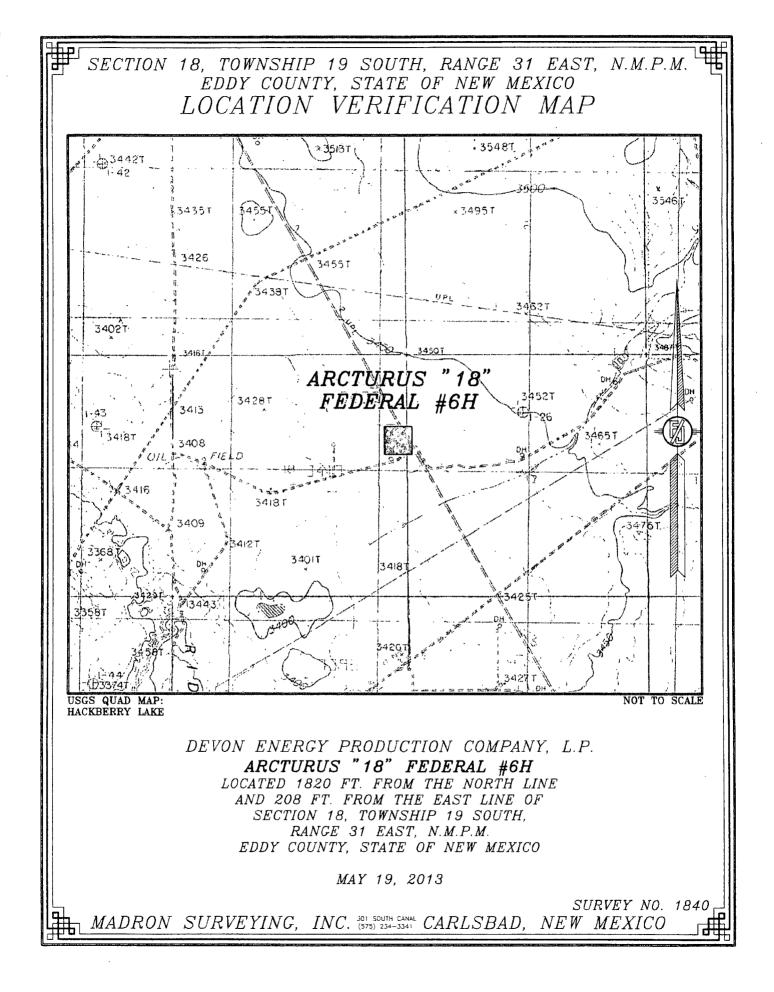
AMENDED REPORT

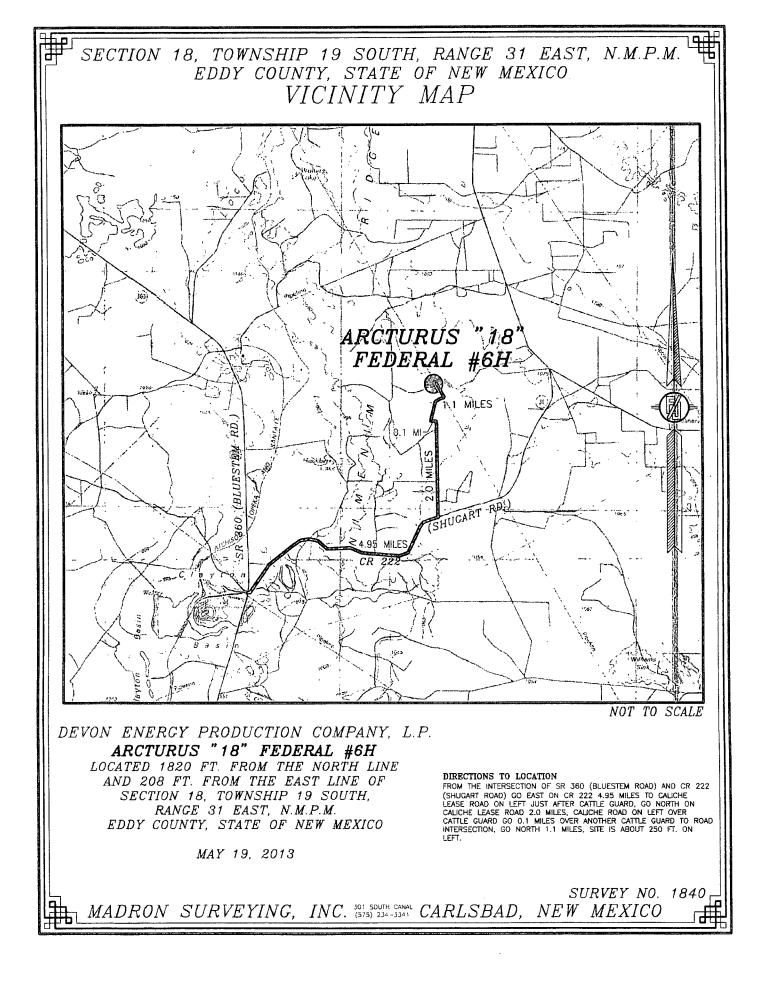
		W	ELL LC	DCATIO	N AND ACE	REAGE DEDIC	ATION PLA	<u>.T</u>					
30-019	PI Numper	2075	97	² Pool Code			³ Pool Na Hackberry; Bone						
Property (Code				Property	Name		~	Well Number				
_5833	5		ARCTURUS 18 FEDERAL 6H										
OGRID	No.				' Operator	Name			' Elevation				
6137			DEVON ENERGY PRODUCTION COMPANY, L.P. 3430.5										
					" Surface	Location							
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line '	Feet from the	East/West line	County				
H	18	19 S	31 E		1820	NORTH	208	EAST	EDDY				
			¹¹ Bc	ttom Ho	le Location I	f Different Fror	n Surface						
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
2	18	19 S	31 E		1700	NORTH	340	WEST	EDDY				
12 Dedicated Acre	s ¹⁴ Joint o	r Infill 🔤 🖓 C	onsolidation	Code 15 Or	rder No.			ź-3					
157.43								2-3 12454	<i>l</i>				

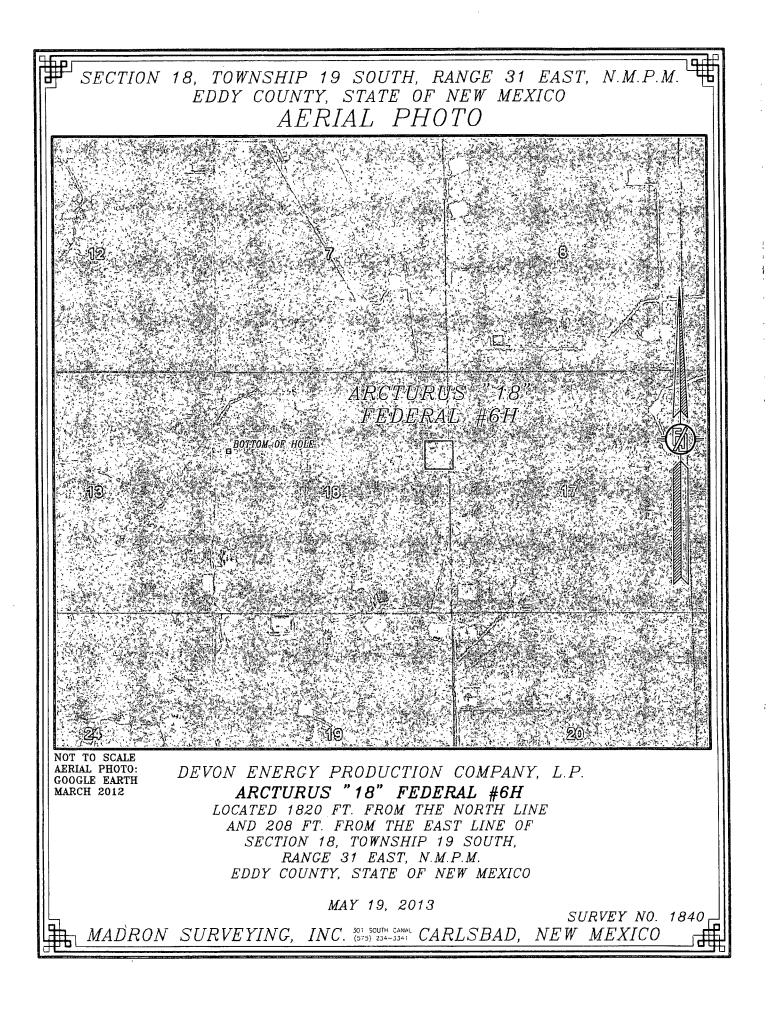
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



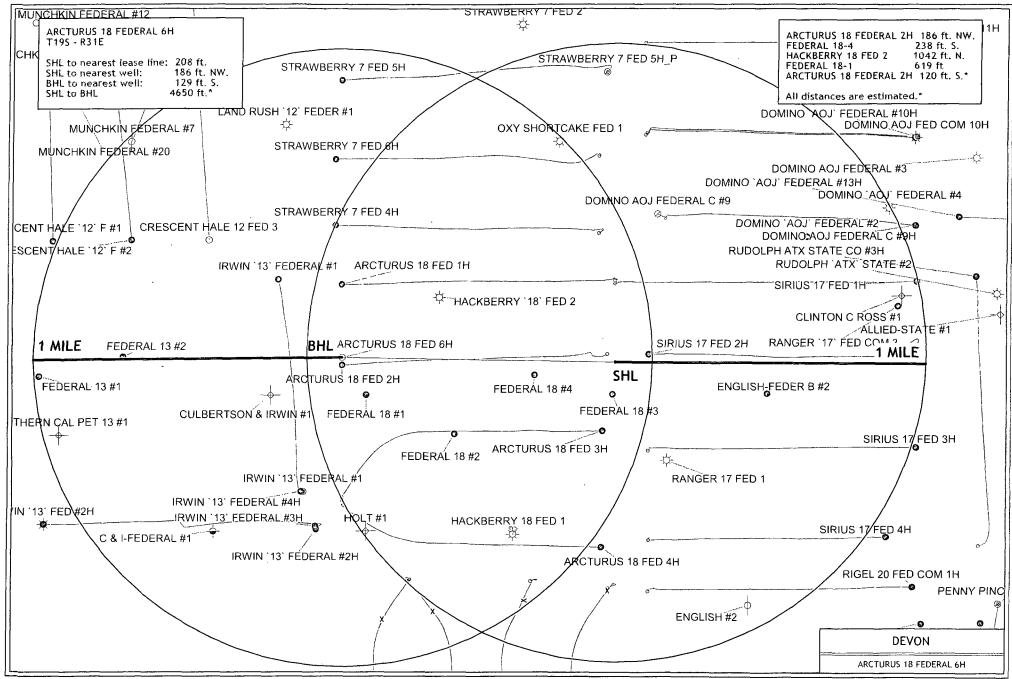








- **-**



PETRA 6/4/2013 2:40:15 PM

DRILLING PROGRAM

Devon Energy Production Company, LP Arcturus 18 Federal 6H

Surface Location: 1820' FNL & 208' FEL, Unit H, Sec 18 T19S R31E, Eddy, NM Bottom Hole Location: 1700' FNL & 340' FWL, Lot 2, Sec 18 T19S R31E, Eddy, NM

Geologic Name of Surface Formation

a. Quaternary

2.

1.

Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

a. Fresh Water95'b. Rustler Anhydrite475'c. Salt605'd. B/Salt1935'e. Yates2105'Oil1f. Seven Rivers2380'g. Capitan2475'h. San Andres3640'i. Delaware4845'j. Bone Spring6505'Total Depth12,454'	and hardway
---	-------------

See Coff-Casing Program: All casing is new and API approved.

Hole	Hole	OD Csg	Casing	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
<u>Size</u>	Interval	_1	Interval			
26"	0-550,45	, = °	0' – 550 ' Կ ን		BTC	J/K-55
17 1/2"	550 -232024		0'- <i>2330'34</i> (0'- 4650'- 47	א 6 8#	BTC	J/K-55
12 ¼"	2330-4650'4	w 95/8"	0' 4650'-40	oo' 40#	LTC	J-55
8 ³ / ₄ "	4650-7400'	5 1/2"	0'-7400'	17#	LTC	HCP110
8 ³ / ₄ "	7400-12454	5 1/2"	7400-12,454'	17#	BTC	HCP110

Design Parameter Factors:

Casing Size	<u>Collapse Design</u>	Burst Design	Tension Design
	<u>Factor</u>	Factor	Factor
20"	1.89	7.69	27.12
13 3/8"	1.58	2.79	7.20
9 5/8"	1.18	1.82	2.80
5 ½"LTC	2.48	3.07	2.10
5 ½" BTC	2.31	2.86	6.61

3. Cement Program:

.

String	Slurry	Amount and Type of Cement
Surface	Lead	650 sacks Class C Cement + 1% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite + 81.1% Fresh Water, 13.5 ppg, 1.73 cf/sk
Surface	Tail	300 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water, 14.8 ppg, 1.35 cf/sk (TOC: Surface)
13-3/8" Intermediate	Lead	1295 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.1% bwoc R-3 + 0.125 Ibs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4% Fresh Water, 12.8 ppg, 1.65 cf/sk (TOC: Surface)
- 	Tail	450 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.3% Fresh Water, 13.8 ppg, 1.38 cf/sk
		1 st STAGE
	Lead	715 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 89.6% Fresh Water, 12.6 ppg, 1.73 cf/sk
	Tail	300 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.3% Fresh Water, 13.8
o r /oll lata and lata		ppg, 1.38 cf/sk
9-5/8" Intermediate		2 nd STAGE (DV tool and ECP at 2,380 ft) See COA
	Lead	
9-5/8" Intermediate 5.91 COH	Lead Tail	2 nd STAGE (DV tool and ECP at 2,380 ft) See CoA 370 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.1% bwoc R-3 + 0.125 Ibs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4%
		2 nd STAGE (DV tool and ECP at 2,380 ft) See CoA 370 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.1% bwoc R-3 + 0.125 Ibs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4% Fresh Water, 12.8 ppg, 1.65 cf/sk (TOC: Surface) 150 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.3% Fresh Water, 13.8 ppg, 1.38 cf/sk 505 sacks (35:65) Poz (Fly Ash):Class H Cement + 3% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake
	Tail	2 nd STAGE (DV tool and ECP at 2,380 ft) See CoA 370 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.1% bwoc R-3 + 0.125 Ibs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4% Fresh Water, 12.8 ppg, 1.65 cf/sk (TOC: Surface) 150 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.3% Fresh Water, 13.8 ppg, 1.38 cf/sk 505 sacks (35:65) Poz (Fly Ash):Class H Cement + 3% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 3 lbs/sack LCM-1 + 6% bwoc Bentonite + 0.7% bwoc FL-52A + 102.5% Fresh Water, 12.5 ppg, 2.01 cf/sk
	Tail Lead	2 nd STAGE (DV tool and ECP at 2,380 ft) See CoA 370 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.1% bwoc R-3 + 0.125 Ibs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4% Fresh Water, 12.8 ppg, 1.65 cf/sk (TOC: Surface) 150 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.3% Fresh Water, 13.8 ppg, 1.38 cf/sk 505 sacks (35:65) Poz (Fly Ash):Class H Cement + 3% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 3 lbs/sack LCM-1 + 6% bwoc Bentonite + 0.7% bwoc FL-52A + 102.5% Fresh Water, 12.5 ppg, 2.01 cf/sk 1405 sacks (50:50) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.6% bwoc Sodium Metasilicate + 0.4% bwoc FL-52A + 57.3% Fresh Water, 14.2 ppg, 1.28
Ser cott	Tail Lead	2 nd STAGE (DV tool and ECP at 2,380 ft) See CoA 370 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.1% bwoc R-3 + 0.125 Ibs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4% Fresh Water, 12.8 ppg, 1.65 cf/sk (TOC: Surface) 150 sacks (60:40) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.3% Fresh Water, 13.8 ppg, 1.38 cf/sk 505 sacks (35:65) Poz (Fly Ash):Class H Cement + 3% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 3 lbs/sack LCM-1 + 6% bwoc Bentonite + 0.7% bwoc FL-52A + 102.5% Fresh Water, 12.5 ppg, 2.01 cf/sk 1405 sacks (50:50) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.6% bwoc Sodium Metasilicate + 0.4% bwoc FL-52A + 57.3% Fresh Water, 14.2 ppg, 1.28 cf/sk

.

String	тос							
20" Surface	Surface							
13-3/8" Intermediate	Surface							
9-5/8" Intermediate	Surface							
5-1/2" Production	2,400' (~75' above top of Capitan Reef)							

The above cement volumes are based on 25% excess. Actual cement volumes could be adjusted based on fluid caliper and caliper log data.

Pressure Control Equipment

The BOP system used to drill the 17-1/2" hole will consist of a 20" 2M Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order 2 as a 2M system prior to drilling out the casing shoe.

A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be tested per BLM Onshore Oil and Gas Order 2.

A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be tested per BLM Onshore Oil and Gas Order 2.

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 3,000 psi WP.

Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line); if an H&P rig drills this well. Otherwise no flex line is needed. The line will be kept as straight as possible with minimal turns.

	TTOPOSCu Midu Ch	culation by	stem		
	Depth 450/	<u>Mud Wt.</u>	<u>Visc</u>	Fluid Loss	Type System
SA	$\frac{\text{Depth}}{0^{\circ} - 5^{\pm 0}}, 450^{\circ}$	8.4-9.0	28-34	NC	FW
001	$\frac{1}{0^{\circ}-550^{\circ}}, \frac{1}{2400}, \frac{1}{520-2330^{\circ}}, \frac{1}{1000}, \frac{1}{1000},$	9.8-10	28-32	NC	Brine
(DA	520 - 2330, 400 2330, -4650, 4,00	8.4–9.0	28-32	NC	FW
		8.4-9.0	28-32	NC-12	FW

Proposed Mud Circulation System

Fer COA

The necessary mud products for weight addition and fluid loss control will be on location at all times. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume. If abnormal pressures are encountered, electronic/mechanical mud monitoring equipment will be installed.

4. Auxiliary Well Control and Monitoring Equipment:

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

5.

Logging, Coring, and Testing Program:

- a. Drill stem tests will be based on geological sample shows.
- b. If a drill stem test is anticipated; a procedure, equipment to be used and safety measures will be provided via sundry notice to the BLM.
- c. The open hole electrical logging program will be:
 - i. Total Depth to Intermediate Casing Dual Laterolog-Micro Laterolog with SP and Gamma Ray. Compensated Neutron Z Density log with Gamma Ray and Caliper.

Compensated Neutron with Gamma Ray

- ii. Total Depth to Surface
- iii. No coring program is planned
- iv. Additional testing will be initiated subsequent to setting the 5 ¹/₂" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

6. Potential Hazards:

a. No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 3416 psi and Estimated BHT 119°. No H2S is anticipated to be encountered.

7. Anticipated Starting Date and Duration of Operations:

a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

OT



Drilling Services

Proposal



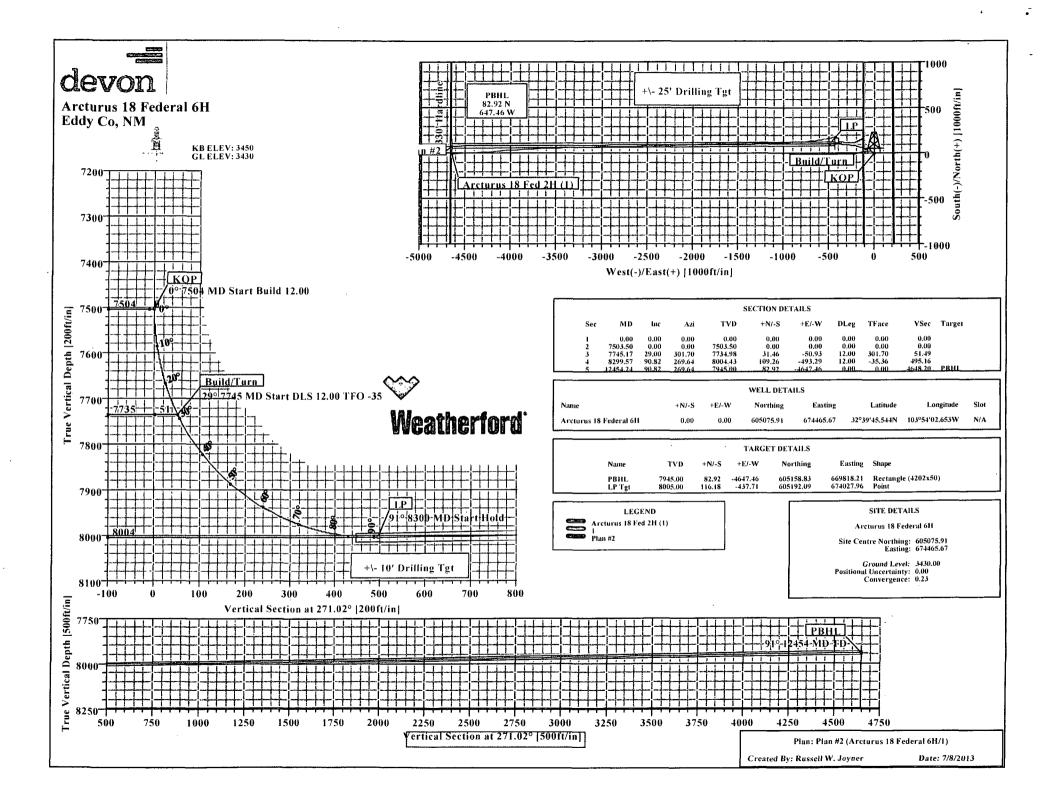


EDDY COUNTY, NM

WELL FILE: PLAN 2

JULY 8, 2013

Weatherford International, Ltd. P.O. Box 61028 Midland, TX 79711 USA +1.432.561.8892 Main +1.432.561.8895 Fax www.weatherford.com





Weatherford Wft Plan Report X Y's.



Weatherford

Company: Devon Energy Field: Eddy Co., NM (NAD 83) Site: Arcturus 18 Federal 6H Well: Arcturus 18 Federal 6H Wellpath: 1	ł	Co Ve Se	rtical (TVD) ction (VS) R rvey Calcula	E) Referent) Reference leference: ation Metho	Well (0.00N,0.0 od: Minimum Curva	18 Federal 6H)0E,271.02Azi	1
Plan: Plan #2 Principal: Yes			Date Comp Version: <u>T</u> ied-to:	osed:	6/26/2013 1 From Surface		
Site: Arcturus 18 Federal 6	бн						
Site Position: From: Map Position Uncertainty: 0.0 Ground Level: 3430.0	Easting: 674 0 ft	6075.91 ft 1465.67 ft	Latitude: Longitude: North Refe Grid Conv	erence:			
Well: Arcturus 18 Federal 6	бН		Slot Name	:			1
+E/-W 0.0	ð	5075.91 .ft 4465.67 ft	Latitude: Longitude	32 : 103			
Wellpath: 1 Current Datum: SITE Magnetic Data: 11/15/201 Field Strength: 4862 Vertical Section: Depth From (1 ft	3 28 nT	3450.00 ft S	Drilled Fro Tie-on Dep Above Sys Declinatio Mag Dip A +E/-W ft	oth: tem Datum n:	Surface 0.00 ft : Mean Sea Level 7.48 deg 60.48 deg Direction deg		
0.00	0.00)	0.00		271.02		·
Plan Section Information							
MD Incl Azim ft deg deg	TVD +N/-S ft ft	+E/-W ft	DLS deg/100f	Build t deg/100ft d	Turn TFO ieg/100ft deg	Target	
0.00 0.00 0.00 7503.50 0.00 0.00 7745.17 29.00 301.70 8299.57 90.82 269.64 12454.24 90.82 269.64	0.000.007503.500.007734.9831.468004.43109.267945.0082.92	0.00 0.00 -50.93 -493.29 -4647.46	0.00 0.00 12.00 12.00 0.00	0.00 0.00 12.00 11.15 0.00	0.00 0.00 0.00 0.00 0.00 301.70 -5.78 -35.36 0.00 0.00	PBHL	
Survey							
MD Incl Azím ft deg deg	TVD N/S ft ft	E/W ft	VS ft	DLS deg/100ft	MapN ft	MapE ft	Commen
7500.000.000.007503.500.000.007600.0011.58301.707700.0023.58301.707745.1729.00301.70	7500.000.007503.500.007599.345.117694.5020.957734.9831.46	0.00 0.00 -8.27 -33.92 -50.93	0.00 0.00 8.36 34.29 51.49	0.00 0.00 12.00 12.00 12.00	605075.91 605075.91 605081.02 605096.86 605107.37	674465.67 674465.67 674457.40 674431.75 674414.74	KOP Build/Tum
7800.0034.56294.997900.0045.33286.678000.0056.51281.038100.0067.88276.708200.0079.36273.03	7781.5945.037858.2067.297921.1785.537967.7698.967995.92106.99	-76.37 -136.36 -211.62 -298.87 -394.30	77.16 137.53 213.11 300.59 396.14	12.00 12.00 12.00 12.00 12.00	605120.94 605143.20 605161.44 605174.87 605182.90	674389.30 674329.31 674254.05 674166.80 674071.37	
8299.5790.82269.648300.0090.82269.648400.0090.82269.648500.0090.82269.648600.0090.82269.64	8004.43109.268004.43109.268003.00108.628001.57107.998000.14107.36	-493.30 -493.73 -593.71 -693.70 -793.69	495.17 495.60 595.56 695.52 795.48	12.00 0.00 0.00 0.00 0.00	605185.17 605185.17 605184.53 605183.90 605183.27	673972.37 673971.94 673871.96 673771.97 673671.98	LP
8700.0090.82269.648800.0090.82269.648900.0090.82269.649000.0090.82269.649100.0090.82269.64	7998.71106.727997.28106.097995.85105.457994.41104.827992.98104.19	-893.68 -993.67 -1093.65 -1193.64 -1293.63	895.44 995.40 1095.36 1195.32 1295.28	0.00 0.00 0.00 0.00 0.00	605182.63 605182.00 605181.36 605180.73 605180.10	673571.99 673472.00 673372.02 673272.03 673172.04	
9200.00 90.82 269.64 9300.00 90.82 269.64	7991.55103.557990.12102.92	-1393.62 -1493.60	1395.24 1495.20	0.00 0.00	605179.46 605178.83	673072.05 672972.07	



۱.,



e: Ar	ldy Co., N cturus 18	NM (NAD 83 3 Federal 6 3 Federal 6	Ĥ			Vert Sect	ical (TV ion (VS)	NE) R(D) Ref(Refer(erence: ence:	SITE 34	cturi 50.0 00N	,0.00E,271	.02Azi))		
irvey		· · · · · ·														
MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/\ f	w it	VS ft	DLS deg/1		MapN ft		MapE ft			Co	m
9400.00	90.82	269.64	7988.69	102.2	8 -15	93.59	1595.16	0	.00	605178.1	9	67287	2.08			
9500.00	90.82	269.64	7987.26	101.6			1695.12		.00	605177.5		67277				
9600.00	90.82	269.64	7985.83	101.0	2 -17	93.57	1795.08	0	.00	605176.9	13	67267	2.10			
9700.00	90.82	269.64	7984.40	100.3	8 -18	93.56	1895.04	0	.00	605176.2	9	67257	2.11			
9800.00	90.82	269.64	7982.97	99.7			1995.01		.00	605175.6		67247	2.13			
9900.00	90.82		7981.54	99.1			2094.97		.00	605175.0		67237				
10000.00	90.82	269.64	7980.11	98.4	8 -21	93.52	2194.93	0	.00	605174.3	39	67227	2.15			
10100.00	90.82	269.64	7978.68	97.8	5 -22	93.51	2294.89	0	.00	605173.7	' 6	67217	2.16			
10200.00	90.82	269.64	7977.25	97.2	1 -23	93.49	2394.85	0	.00	605173.1	2	67207	2.18			
10300.00	90.82		7975.82	96.5		93.48	2494.81		.00	605172.4		67197				
10400.00	90.82		7974.39	95.9	4 -25	93.47	2594.77	0	.00	605171.8		67187	2.20			
10500.00	90.82		7972.96	95.3			2694.73		.00	605171.2		6717				
10600.00	90.82	269.64	7971.53	94.6	8 -27	93.45	2794.69	0	.00	605170.5	59	6716	2.22			
10700.00	90.82	269.64	7970.10	94.0	4 -28	93.43	2894.65	0	.00	605169.9	95	6715	2.24			
10800.00	90.82		7968.66	93.4		93.42	2994.61		.00	605169.3		6714				
10900.00	90.82		7967.23	92.7		93.41	3094.57		.00	605168.6		6713				
11000.00	90.82		7965.80	92.1		93.40	3194.53		.00	605168.0		6712				
11100.00	90.82	269.64	7964.37	91.5	-32	293.38	3294.49	U	0.00	605167.4	42	6711	2.29			
11200.00	90.82		7962.94	90.8		93.37	3394.45		00.	605166.7		6710				
11300.00	90.82		7961.51	90.2		93.36	3494.41		0.00	605166.1		6709				
11400.00	90.82 90.82		7960.08	89.6		593.35	3594.37		0.00	605165.5		6708				
11500.00 11600.00	90.82 90.82		7958.65 7957.22	88.9 88.3		393.34 793.32	3694.33 3794.30).00).00	605164.8 605164.2		6706	72.33 72.35			
11700.00	90.82	269.64	7955.79	87.7	0 -38	393.31	3894.26	ſ).00	605163.6	81	6705	72.36			
11800.00	90.82		7954.36	87.0		993.30	3994.22).00	605162.9			72.37			
11900.00	90.82		7952.93	86.4		93.29	4094.18		0.00	605162.3			72.38			
12000.00	90.82		7951.50	85.8		93.27	4194.14		0.00	605161.			72.40			
12100.00	90.82	269.64	7950.07	85.1	7 -42	293.26	4294.10	C	0.00	605161.	08	6701	72.41			
12200.00	90.82	269.64	7948.64	84.5	53 -43	393.25	4394.06	(0.00	605160.4	44	6700	72.42			
12300.00	90.82	269.64	7947.21	83.9	90 -44	193.24	4494.02	(0.00	605159.	81	6699	72.43			
12400.00	90.82		7945.78	83.2		593.22	4593.98		0.00	605159.			72.45			
12454.24	90.82	269.64	7945.00	82.9	92 -46	647.46	4648.20	(0.00	605158.	83	6698	18.21	PBH	łL.	
argets																
								lap	Мар			atitude				
Name		Descriptio Dip.		VD 't	+N/-S ft	+E/-W		rthing ft	Eastin ft	g Deg	; M	in Sec	Deg	g Mi	n So	ec
PBHL -Recta	angle (42	202×50)	7945	5.00	82.92	-4647.46	605	158.83	669818.2	21 32	39	46.548 N	103	54	57.01	5
LP Tgt			8005	5.00	116.18	-437.71	605 ⁻	192.09	674027.9	96 32	39	46.711 N	103	54	7.768	8
asing Poin				~											<u> </u>	
MD	TVD	Diame	ter Hole	Size	Nan	ne										
mations MD	TVD	 For	nations		· · ·		ithology	,				Dip An			ootic	
MD	1.00	rori	nations			l	renonogy	,				υιρ Αθ	נוכ טון	זוע כ	CUIDI	18



10



Company: Devon Energy Field: Eddy Co., NM (NAD 83) Site: Arcturus 18 Federal 6H Well: Arcturus 18 Federal 6H Wellpath: 1	Date:7/8/2013Time:12:53:04Page:3Co-ordinate(NE)Reference:Well: Arcturus 18 Federal 6H, Grid NorthVertical (TVD)Reference:SITE 3450.0Section (VS)Reference:Well (0.00N,0.00E,271.02Azi)SurveyCalculationMethod:MinimumCurvatureDb:Sybase
Annotation MD TVD ft ft	
7503.50 7503.50 KOP 7745.17 7734.98 Build/Turn 8299.57 8004.43 LP 12454.24 7945.00 PBHL	



14

Weatherford Anticollision Report



Company: Field:		evon Energ ddy Co., NM				D	ate: 7/8	/2013	Time	: 12:35	:29	Page: 1
eference :	Site: A	rcturus 18 rcturus 18	Federal 6H	l				e(NE) Ref VD) Refei				eral 6H, Grid North
eference												Db: Sybase
	ion Metho 1ge:			rval: 10		n criteria		Erro Scan	rence: r Model: Method: r Surface:	ISCV Clos	: Plan #2 VSA Ellipse est Approach se	3D
lan:	Plan #2						Date C Versio	omposed:	6/2	6/2013		
Principal:	Yes						Tied-to		•	om Surfa	ace	
Summary							<u> </u>					
< Site		Offset Wel Well		Vellpath		ĺ	Reference MD ft	e Offset MD ft			Separation ce Factor	Warning
Arcturus 1	8 Fed 2H	Arcturus 18	3 Fed 2H 1	V0		8	225.00	8008.65	84.53	45.57	2.17	
Site:		18 Fed 2H						<u> </u>				
Well: Wellpath:		18 Fed 2H							Inter-Si	te Error	. 0.00	ft
Refe MD	rence TVD	MD		Ref		TFO-H	S North	Location East	Distance	Distan	Separation ce Factor	Warning
ft	ft	ft 12498.02	ft 	ft 0.00	ft	deg 319.24	ft 159.17	ft	ft 210,13	ft 125.47	2.01	
0.00 100.00	100.00	97.29	97.29	0.09	0.16	319.18	159.15	-137.47	210.30	210.05	2.81 847.73	
200.00 300.00	200.00 300.00	195.57 294.88	195.56 294.83	0.31 0.54			158.89 158.26		211.00 212.32		287.72 173.83	
400.00	400.00	394.21	394.03	0.76		316.98	156.45		214.01		125.22	
500.00 600.00	500.00 600.00	494.08 594.10	493.69 593.46	0.99 1.21			153.46 150.04		215.97 218.00		98.21 81.03	
700.00	700.00	693.61	692.70	1.44			146.47		220.25		69.22	
800.00 900.00	800.00 900.00	791.78 890.21	790.56 888.62	1.66 1.89		309.81 307.85	1 42 .80 139.08		223.17 226.88		60.79 54.51	
1000.00	1000.00	988.62	986.61	2.11	2.55	305.88	135.41	-187.22	231.34	226.68	49.71	
1100.00	1100.00	1086.42	1083.94	2.34			131.75		236.72		46.02	
1200.00 1300.00	1200.00 1300.00	1184.36 1282.53	1181.33 1278.91	2.56 2.79			128.19 124.93		243.12 250.41		43.15 40.88	
1400.00	1400.00	1380.80	1376.58	3.01	3.63	298.38	122.39	-226.58	258.41	251.79	39.07	
1500.00	1500.00 1600.00	1481.09 1580.74	1476.34 1575.52	3.24 3.46			120.61 119.57		266.65 274.80		37.52 36.18	
1600.00 1700.00	1700.00		1575.52 1675.14	3.40 3.69			119.57		274.80 282.91		35.00	
1800.00 1900.00	1800.00 1900.00	1780.99 1880.35	1774.97 1873.96	3.91 4.14		294.31 293.71	119.37 119.77		290.89 298.87		33.96 33.03	
2000.00	2000.00	1980.97	1974.23	4.36			120.29		306.77		32.18	
2100.00 2200.00	2100.00 2200.00	2080.59 2181.52	2073.51 2174.11	4.59 4.81			120.80 121.17		314.53 322.13		31.40 30.67	
2300:00 2400.00	2300.00 2400.00	2283.48 2387.07	2275.78 2379.16	5.03 5.26	6.05	291.72	121.57 121.99	-305.26	329.33 335.42	318.33	29.96 29.20	
2500.00	2500.00	2487.18	2479.09	5.48	6.59	291.08	122.44	-317.64	340.94	328.97	28.48	
2600.00	2600.00	2585.35	2577.09	5.71	6.85	290.80	122.85	-323.45	346.62	334.17	27.84	
2700.00 2800.00	2700.00 2800.00	2683.69 2785.44	2675.22 2776.76	5.93 6.16		290.55 290.33	123.66 124.61		352.95 359.33		27.29 26.78	
2900.00	2900.00	2888.45	2879.60	6.38			125.18		364.75		26.22	
3000.00	3000.00	2990.15	2981.18	6.61		289.91			369.59		25.67	
3100.00 3200.00	3100.00 3200.00	3090.76 3190.76	3081.69 3181.59	6.83 7.06		289.79 289.68	126.51 127.29		374.02 378.34		25.13 24.62	
		3291.60	3282.33	7.28			127.96		382.55		24.13	
3300.00 3400.00	3300.00 3400.00	3392.08	3382.74	7.51		289.45	128.64		386.57		23.66	4



٠.

Weatherford **Anticollision Report**



Date: 7/8/2013

Time: 12:35:29

Page:

2

•

Co-ordinate(NE) Reference: Well: Arcturus 18 Federal 6H, Grid North Vertical (TVD) Reference: SITE 3450.0

Db: Sybase

Company:Devon EnergyField:Eddy Co., NM (NAD 83)Reference Site:Arcturus 18 Federal 6HReference Well:Arcturus 18 Federal 6H Reference Wellpath: Site: Arcturus 18 Fed 2H Well: Arcturus 18 Fed 2H Wellpath: 1 V0

Well: Wellpath		18 Fed 2H				-			Inter-Site Error:	0.00	ft
Ref	erence	0	fset	Semi-I	Major Ax	is	Offset	Location	Ctr-Ctr Edge Se	eparation	· · · ·
MD ft	TVD ft	MD ft	TVD ft	Ref ft	Offset ft	TFO-H: deg	S North ft	East ft	Distance Distance ft ft	Factor	Warning
3600.00	3600.00	3592.13	3582.62	7.96		289.16	129.33		394.38 377.07	22.78	
3700.00	3700.00	3693.31	3683.72	8.18		289.01	129.58		398.14 380.34	22.37	
3800.00	3800.00	3794.40	3784.75	8.41		288.91	130.09		401.59 383.30	21.96	
3900.00	3900.00	3893.59	3883.89	8.63	10.28	288.80	130.43	-383.09	404.93 386.16	21.57	
4000.00	4000.00	3994.06	3984.29	8.86	10.54	288.69	130.78	-386.61	408.36 389.10	21.20	
4100.00	4100.00	4097.27	4087.46	9.08	10.81	288.60	131.16	-389.71	411.32 391.57	20.82	
4200.00	4200.00	4197.08	4187.23	9.31	11.07	288.54		-392.26	413.87 393.63	20.45	
4300.00	4300.00	4298.21	4288.33	9.53		288.50	132.08		416.36 395.63	20.09	
4400.00	4400.00	4400.15	4390.25	9.75	11.59	288.51	132.86	-396.78	418.50 397.30	19.74	
4500.00	4500.00	4503.68	4493.76	9.98		288.64	134.22		419.87 398.24	19.41	
4600.00	4600.00	4604.82	4594.88	10.20		288.88		-398.09	420.73 398.74	19.13	
4700.00	4700.00	4704.66	4694.70	10.43			138.42		421.48 399.14	18.87	
4800.00	4800.00	4802.45	4792.45	10.65		289.46		-398.39	422.57 399.87	18.62	
4900.00	4900.00	4903.26	4893.23	10.88	12.34	289.75	143.20	-398.84	423.79 400.71	18.36	
5000.00	5000.00	5002.01	4991.96	11.10			145.54		425.09 401.62	18.12	
5100.00	5100.00	5102.02	5091.94	11.33		290.30	147.98		426.46 402.61	17.88	
5200.00 5300.00	5200.00	5202.16	5192.04 5293.19	11.55		290.60		-400.52	427.91 403.66	17.64	
5400.00	5300.00 5400.00	5303.35 5404.47	5293.19 5394.27	11.78 12.00		290.95 291.32	153.40	-400.78 -400.77	429.16 404.52 430.21 405.21	17.42 17.21	
cc00.00	5500.00	5504 50	5404.00	40.00	40.00	004.00	450.04	400.00		40.00	
5500.00 5600.00	5500.00 5600.00	5504.50 5604.32	5494.26 5594.05	12.23		291.63		-400.68	431.06 405.68	16.99 16.77	
5700.00	5700.00	5704.32	5694.05	12.45 12.68		291.94 292.23		-400.69 -400.70	431.99 406.23 432.90 406.76	16.56	
5800.00	5800.00	5805.04	5794.72	12.00		292.49		-400.64	433.63 407.11	16.35	
5900.00	5900.00	5903.89	5893.56	13.13		292.64		-401.01	434.51 407.57	16.13	
6000.00	6000.00	6003.45	5993.11	13.35	14 18	292.71	168 14	-401.74	435.53 408.13	15.89	
6100.00	6100.00	6102.43	6092.09	13.58		292.75		-402.73	436.75 408.87	15.66	
6200.00	6200.00	6196.57	6186.21	13.80	14.68	292.74	169.54	-404.46	438.71 410.35	15.47	
6300.00	6300.00	6296.02	6285.62	14.03		292.69	170.27	-407.20	441.54 412.69	15.31	
6400.00	6400.00	6395.90	6385.46	14.25	15.21	292.68	171.27	-409.83	444.36 415.02	15.15	
6500.00	6500.00	6496.62	6486.14	14.47	15.47	292.70	172.50	-412.32	447.11 417.28	14.99	
6600.00	6600.00	6597.95	6587.44	14.70	15.74	292.73	173.74	-414.63	449.68 419.37	14.84	
6700.00	6700.00	6698.92	6688.39	14.92		292.81		-416.43	451.86 421.07	14.67	
6800.00	6800.00	6798.78	6788.22	15.15		292.89		-418.13	453.98 422.71	14.52	
6900.00	6900.00	6897.88	6887.29	15.37	16.50	292.96	177.95	-419.94	456.22 424.47	14.37	
7000.00	7000.00	6998.24	6987.62	15.60		293.03		-421.92	458.56 426.33	14.23	
7100.00	7100.00	7098.97	7088.32	15.82		293.11		-423.67	460.73 428.01	14.08	
7200.00	7200.00	7199.77	7189.11	16.05		293.19		-425.21	462.68 429.49	13.94	
7300.00 7400.00	7300.00 7400.00	7302.29 7401.28	7291.61 7390.58	16.27 16.50		293.31 293.46		-426.35 -427.12	464.27 430.61 465.68 431.57	13.79 13.65	
7500.00	7500.00			16 70			197.00	429.42			
7500.00	7500.00 7503.50	7500.99 7504.68	7490.27 7493.96	16.72 16.73		293.63 293.63		-428.12 -428.16	467.36 432.80 467.42 432.84	13.52 13.52	
7525.00	7524.99	7527.35	7516.62	16.78		351.96		-428.34	467.26 432.60	13.48	
7550.00	7549.93	7553.84	7543.10	16.83		351.95		-428.48	465.80 431.08	13.42	
7575.00	7574.73	7581.33	7570.59	16.88		351.89		-428.51	462.94 428.20	13.33	
7600.00	7599.34	7608.32	7597.58	16.94	18.16	351.79	189.11	-428.39	458.65 423.94	13.21	
7625.00	7623.69	7634.44	7623.69	16.99		351.63		-428.17	452.99 418.35	13.08	
7650.00	7647.71	7659.42	7648.67	17.05		351.42		-427.87	445.99 411.45	12.91	
7675.00	7671.34	7682.89	7672.14	17.10		351.16		-427.57	437.75 403.35	12.73	
7700.00	7694.50	7705.97	7695.21	17.16	18.25	350.83	190.38	-427.28	428.31 394.07	12.51	
7725.00	7717.14	7728.69	7717.93	17.22	18.27	350.42	190.67	-426.99	417.68 383.64	12.27	
7745.17	7734.98	7746.58	7735.81	17.27		350.02		-426.77	408.26 374.40	12.06	



,

١.,

Weatherford Anticollision Report



Company: Field: Reference Reference Reference	E Site: A Well: A	Devon Energ Eddy Co., NI Arcturus 18 Arcturus 18	Й (NAD 83) Federal 6⊦	ł		C		•	ference:	e: 12:35 Well: Arc SITE 345	turus 18 Fed	Page: 3 eral 6H, Grid North Db: Sybase
Site: Well: Wellpath	Arcturus Arcturus	18 Fed 2H 18 Fed 2H							/Inter-Si	te Error	: 0.00	ft
Ref MD ft	erence TVD ft	Of MD ft	fset TVD ft	Semi-I Ref ft	Major Az Offset ft	cis TFO-HS deg		Location East ft			Separation e Factor	Warning
7750.00 7775.00 7800.00	7739.20 7760.69 7781.59	7750.80 7772.13 7792.87	7740.03 7761.37 7782.10	17.29 17.35 17.43	18.30	350.71 354.09 357.22	190.95 191.20 191.42		405.90 393.06 379.24	359.48	12.00 11.70 11.38	
7825.00 7850.00 7875.00 7900.00	7801.85 7821.40 7840.20 7858.20	7812.73 7831.79 7850.15 7868.15	7801.96 7821.02 7839.38 7857.37	17.51 17.59 17.69 17.79	18.33 18.34 18.36 18.37	0.22 3.19 6.22 9.45	191.77 191.87 191.96	-425.98 -425.81 -425.69 -425.58	364.47 348.80 332.28 314.95	316.01 299.76 282.68	11.02 10.64 10.22 9.76	
7925.00 7950.00 7975.00 8000.00	7875.34 7891.58 7906.87 7921.17	7885.27 7901.44 7916.45 7930.52	7874.49 7890.67 7905.68 7919.74	17.91 18.04 18.18 18.34	18.38 18.39 18.40 18.41	12.98 16.96 21.51 26.80	192.20 192.25	-425.36 -425.27 -425.20	296.85 278.06 258.66 238.76	246.13 226.73 206.64	9.26 8.71 8.10 .7.43	
8025.00 8050.00 8075.00 8100.00	7934.45 7946.66 7957.77 7967.76	7943.60 7955.70 7966.76 7976.69	7932.82 7944.92 7955.98 7965.91	18.51 18.70 18.91 19.14	18:42 18.43 18.44 18.45	32.97 40.11 48.14 56.76	192.32 192.35	-425.15 -425.12 -425.09 -425.06	218.47 197.93 177.34 156.99	164.63 143.06	6.71 5.95 5.17 4.43	
8125.00 8150.00 8175.00 8200.00	7976.59 7984.24 7990.69 7995.92	7985.46 7993.06 7999.46	7974.69 7982.29 7988.69	19.39 19.65 19.93	18.45 18.46 18.46	65.41 73.44 80.26	192.38 192.39 192.40	-425.04 -425.02 -425.00	137.30 118.93 102.89	100.79 81.50 64.77	3.76 3.18 2.70	
8200.00 8225.00 8250.00 8275.00 8299.57	7999.92 7999.92 8002.68 8004.18 8004.43	8004.67 8008.65 8011.38 8012.84 8013.05	7993.90 7997.87 8000.60 8002.07 8002.28	20.23 20.55 20.88 21.22 21.56	18.46 18.47 18.47 18.47 18.47	85.55 89.12 90.93 90.96 89.21	192.42 192.42 192.42	-424.99 -424.98 -424.98 -424.97 -424.97	90.77 84.53 85.65 93.98 107.62	52.18 45.57 46.35 54.32 67.59	2.35 2.17 2.18 2.37 2.69	
8300.00 8400.00 8500.00 8600.00 8700.00	8004.43 8003.00 8001.57 8000.14 7998.71	8013.05 8011.40 8009.75 8008.08 8006.41	8002.27 8000.63 7998.97 7997.31 7995.63	21.57 23.20 25.03 27.01 29.12	18.47 18.47 18.47 18.47 18.47	89.20 88.07 86.92 85.77 84.62	192.42 192.42 192.41	-424.97 -424.98 -424.98 -424.98 -424.99	107.90 188.40 281.67 378.39 476.46	238.25	2.70 4.52 6.49 8.34 10.05	
8800.00 8900.00 9000.00 9100.00 9200.00	7997.28 7995.85 7994.41 7992.98 7991.55	8004.72 8003.02 8001.30 9406.32 9513.87	7993.94 7992.24 7990.52 8822.46 8822.24	31.34 33.63 35.99 38.40 40.85		83.46 82.30 81.14 179.01 179.13	192.41 192.41 118.54	-424.99 -424.99 -425.00 -1292.04 -1399.57	674.29 773.62	525.65 622.56 719.65 806.47 806.80	11.61 13.03 14.33 33.09 32.02	
9300.00 9400.00 9500.00 9600.00 9700.00	7990.12 7988.69 7987.26 7985.83 7984.40	9616.22 9707.27 9817.32 9923.65 10027.26	8821.66 8821.13 8820.66 8818.92 8816.96	43.34 45.86 48.40 50.97 53.56	35.19 37.77 40.33	179.28 179.39 179.47 179.58 179.70	111.23 109.30 107.00	-1501.88 -1592.90 -1702.93 -1809.22 -1912.79	834.49 835.49 835.25	806.72 806.65 806.62 805.32 803.77	30.97 29.97 28.94 27.91 26.91	
9800.00 9900.00 10000.00 10100.00 10200.00	7981.54 7980.11 7978.68	10129.85 10236.32 10338.39 10437.12 10529.89	8814.19 8811.35 8807.49 8804.02 8801.09	56.16 58.78 61.40 64.04 66.69	48.07 50.65 53.16	179.89 180.10 180.38 180.58 180.70	97.42 92.84 89.36	-2015.28 -2121.64 -2223.54 -2322.15 -2414.84	832.29 829.94 827.89	801.37 799.00 795.47 792.23 789.35	25.94 25.00 24.08 23.22 22.43	
10300.00 10400.00 10500.00 10600.00 10700.00	7975.82 7974.39 7972.96 7971.53	10641.87 10730.33 10832.51 10922.50 11017.51	8797.74 8794.66 8791.93 8789.78 8788.48	69.35 72.01 74.68 77.36 80.04	58.44 60.75 63.41 65.78	180.77 180.88 181.02 181.13 181.24	85.31 83.24 80.51 78.34	-2526.75 -2615.13 -2717.24 -2807.18 -2902.16	824.67 822.66 821.45 820.54	786.55 783.34 780.85 778.70 777.52	21.63 20.93 20.23 19.61 19.03	
10800.00 10900.00 11000.00	7968.66 7967.23	11126.45 11216.96 11307.50	8786.71 8785.23 8784.81	82.73 85.42 88.11	71.16 73.55	181.35 181.46 181.55	73.99 71.79	-3011.06 -3101.53 -3192.05	820.46 820.31	775.98 774.54 774.26	18.45 17.93 17.46	



۰.

Weatherford **Anticollision Report**



Devon Energy Eddy Co., NM (NAD 83) Arcturus 18 Federal 6H Company: Field: Reference Site: Reference Well: Arcturus 18 Federal 6H Reference Wellpath:

Site: Well: Arcturus 18 Fed 2H Arcturus 18 Fed 2H Date: 7/8/2013 Time: 12:35:29

Co-ordinate(NE) Reference: Well: Arcturus 18 Federal 6H, Grid North Vertical (TVD) Reference: SITE 3450.0

Page:

Db: Sybase

4

Ref	erence	0	ffset	Semi-M	Major Ax	is	Offset	Location	Ctr-Ctr	Edge	Separation	
MD ft	TVD ft	MD ft	TVD ft	Ref ft	Offset ft	TFO-HS deg	North ft	East ft	Distanc ft	e Distan ft	ce Factor	Warning
1100.00	7964.37	11417.59	8784.20	90.81	78.90	181.66	67.64	-3302.11	822.22	773.75	16.96	
1200.00	7962.94	11511.33	8783.54	93.51	81.40	181.80	65.05	3395.82	823.00	773.19	16.52	
1300.00	7961.51	11619.07	8782.74	96.22	84.27	182.06	60.54	-3503.46	823.83			
1400.00	7960.08	11730.41	8779.95	98.92	87.25	182.38	55.28	-3614.63	822.86	770.00	15.57	
1500.00	7958.65	11829.04	8777.50	101.63	89.89	182.64	50.96	-3713.13	821.97	767.62	15.12	
1600.00	7957.22	11927.22	8774.81	104.35	92.52	182.89	46.82	-3811.19	820.84	764.98	14.70	
1700.00	7955.79	12026.75	8772.65	107.06	95.17	183.22	41.56	-3910.56	820.34	762.90	14.28	
11800.00	7954.36	12140.24	8769.04	109.78	98.18	183.69	34.16	-4023.75	818.96	759.70	13.82	
1900.00	7952.93	12241.71	8764.53	112.50	100.90	184.18	26.78	-4124.85	816.40	755.31	13.36	
2000.00	7951.50	12337.99	8760.54	115.22	103.51	184.59	20.49	-4220.84	814.14	751.24	12.94	
12100.00	7950.07	12426.42	8757.72	117.94	105.89	184.92	15.30	-4309.07	812.81	748.18	12.58	
2200.00	7948.64	12513.69	8756.26	120.66	108.24	185.24	10.28	-4396.18	813.02	746.63	12.25	
12300.00	7947.21	12626.14	8754.72	123.38	111.28	185.64	3.81	-4508.44	813.61	745.17	11.89	
12400.00	7945.78	12726.01	8752.28	126.11	113.97	186.01	-1.94	-4608.10	813.12	742.70	11.55	
12454.24	7945.00	12768.00	8751.25	127.59	115.10	186.16	-4.35	-4650.02	812.95	741.57	11.39	

Weatherford

J.

٩.,

Weatherford Drilling Services

¢

GeoDec v5.03

Report Date: Job Number:	June 26,	2013		
Customer:	Devon			
Well Name:	Arcturus			
API Number:				
Rig Name:				
Location:	Eddy Co.	, NM		
Block:			<u>_</u>	
Engineer:	RWJ			
US State Plane 19)83		Geodetic Latitude / Longi	tude
System: New Mex	tico Eastern Zor	ie	System: Latitude / Longiti	ude
Projection: Transv	erse Mercator/(Gauss Kruger	Projection: Geodetic Latit	ude and Longitude
Datum: North Ame	erican Datum 1	983	Datum: North American [Datum 1983
Ellipsoid: GRS 198	30		Ellipsoid: GRS 1980	
North/South 6050	75.910 USFT		Latitude 32.6626543 DE	G
East/West 67446	5.670 USFT		Longitude -103.9007326	DEG
Grid Convergence	e: .23°			
Total Correction:	+7.36°			
Geodetic Location	WGS84	Elevatior	a= 0.0 Meters	
Latitude =	32.66265° N	32°	39 min 45.556 sec	
Longitude = 1	03.90073° W	103°	54 min 2.638 sec	
Magnetic Declinat	ion =	7.59°	[True North Offset]	
Local Gravity =		.9988 g	CheckSum =	6639
Local Field Streng	jth =	48611 nT	Magnetic Vector X =	23753 nT
Magnetic Dip =		60.47°	Magnetic Vector Y =	3166 nT
Magnetic Model =		bggm2013	Magnetic Vector Z =	42294 nT
Spud Date =	Nov	15, 2013	Magnetic Vector H =	23963 nT
			······································	· · · · · · · · · · · · · · · · · · ·

Signed:_____

Date:_____

٢

						eport X Y's					
Site: Arc	dy Co., N cturus 18	IY IM (NAD 33 Federal Federal	бн		C V S	ertical (TV ection (VS)		e: SITE 34 Well ((Arcturu 150.0 D.00M,0	s 18 Federal .00E,271.02A:	Page: 1 6H, Grid North ti) Db: Sybase
Plan: Pl	lan ∦2					Date Comp	osed:	6/26/201	3		
Principal: Ye	es					Version: Tied-to:		l From Sur	face		
Site: A	rcturus l	18 Federal	6H								
Site Position From: Mi Position Unce Ground Level	ap ertainty:	: 0.0 3430.0	Northi Eastir O ft O ft		6075.91 fr 1465.67 fr	Latitude: Longitude North Ref Grid Conv	e: 103 Merence:	54 2. G	544 N 653 W rid .23 deg	1	
Well: A	rcturus	18 Federal	68			Slot Name	::				
Well Position Position Unc	۲E	/-s 0.0 /-w 0.0 : 0.0	0 ft Eastir		5075.91 ft 1465.67 ft	Latitude: Longitude			544 N 653 W		
Wellpath: 1						Drilled E	/rom:	Surface			
Current Datu Magnetic Dat Field Streng Vertical Sec	.a: th:	11/15/201 4862	29 nT	Height : +N/-S ft 0.00		Tie-on De Above Sys Declinati Mag Dip F +E/-W ft 0.00	stem Datum: ion: Angle:	Mean Sea 7	.48 dec .48 dec		
Plan Section MD ft	Informa Incl deg	cion Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100f	Build ftdeg/100ftd	Turn eg/100ft	T FO deg	Target	
8299.57	0.00 0.00 29.00 90.82 90.82	0.00 0.00 301.70 269.64 269.64	0.00 7503.50 7734.98 3004.43 7945.00	0.00 0.00 31.46 109.26 82.92	0.00 0.00 -50.93 -493.29 -4647.46	0.00 12.00 12.00	0.00 0.00 12.00 11.15 0.00		0.00 0.00 01.70 35.36 0.00	PBHL	
MD Et	Incl deg	Azim deg	TVD Et	N/S ft	E/W ft	VS ft	DLS deg/100ft	MapN ft		MapE ft	Comment
	deg 0.00 0.00 11.58 23.58								91 02 86		KOP
Et 7500.00 7503.50 7600.00 7700.00	deg 0.00 11.58 23.58 29.00 34.56 45.33 56.51 67.88	deg 0.00 0.00 301.70 301.70	Et 7500.00 7503.50 7599.34 7694.50	ft 0.00 0.00 5.11 20.95	ft 0.00 0.00 -9.27 -33.92	ft 0.00 0.00 8.36 34.29	deg/100ft 0.00 0.00 12.00 12.00	£t 605075. 605075. 605081. 605096.	91 02 86 37 94 20 44 87	Et 674465.67 674465.67 674457.40 674431.75	KOP
ft 7500.00 7503.50 7600.00 7700.00 7745.17 7800.00 7900.00 8000.00 8000.00	deg 0.00 11.58 23.58 29.00 34.56 45.33 56.51 67.88 79.36 90.82 90.82 90.82 90.82 90.82	deg 0.00 0.00 301.70 301.70 301.70 294.99 286.67 281.03 276.70	Et 7500.00 7503.50 7599.34 7694.50 7734.98 7781.59 7858.20 7921.17 7967.76	ft 0.00 5.11 20.95 31.46 45.03 67.29 85.53 98.96	ft 0.00 -8.27 -33.92 -50.93 -76.37 -136.36 -211.62 -298.87	Ét 0.00 8.36 34.29 51.49 77.16 137.53 213.11 300.59	deg/100ft 0.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00	Et 605075. 605081. 605096. 605107. 605120. 605143. 605161. 605161.	91 02 86 37 94 20 44 87 90 17 17 53 90	Et 674465.67 674465.67 674457.40 674431.75 674414.74 674389.30 674329.31 6742254.05 674166.80	KOP Build/Turn
ft 7500.00 7503.50 7600.00 7700.00 7745.17 7800.00 8006.00 8100.00 8200.00 8299.57 8300.00 8400.00 8500.00	deg 0.00 11.58 23.58 29.00 34.56 45.33 56.51 67.88 79.36 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82 90.82	deg 0.00 301.70 301.70 301.70 294.99 286.67 281.03 276.70 273.03 269.64 269.64 269.64	Et 7500.00 7503.50 7599.34 7694.50 7734.98 7781.59 7858.20 7921.17 7967.76 7995.92 \$004.43 8003.00 8001.57	ft 0.00 0.00 5.11 20.95 31.46 45.03 67.29 85.53 98.96 106.99 109.26 109.26 109.26 109.26 108.62 107.99	ft 0.00 -8.27 -33.92 -50.93 -76.37 -136.36 -211.62 -298.87 -394.30 -493.70 -493.73 -593.71 -693.70	ft 0.00 8.36 34.29 51.49 77.16 137.53 213.11 300.59 396.14 495.17 495.60 595.56 695.52	deg/100ft 0.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 0.00 0.00 0.00	Et 605075. 605075. 605096. 605100. 605120. 605143. 605161. 605161. 605162. 605182. 605185. 605185. 605183.	91 02 86 37 94 20 44 87 90 17 53 90 27 63 00 36 77 3	Et 674465.67 67445.67 67445.67 674431.75 674414.74 674389.30 674329.31 674254.05 674166.80 674071.37 673972.37 673971.94 673871.95	KOP Build/Turn
ft 7500.00 7503.50 7600.00 7700.00 7745.17 7800.00 8000.00 8100.00 8200.00 8299.57 8300.00 8400.00 8500.00 8500.00 8500.00 8500.00	deg 0.00 11.58 23.58 29.00 34.56 45.33 56.51 67.88 79.36 90.82	deg 0.00 301.70 301.70 301.70 294.99 286.67 281.03 276.70 273.03 255.64 269.64 269.64 269.64 269.64 269.64 269.64 269.64	Et 7500.00 7503.50 7599.34 7694.50 7734.98 7781.59 7858.20 7921.17 7967.76 7995.92 8004.43 8003.00 8004.43 8003.00 8001.57 8000.14 7998.71 7995.85 7994.41	ft 0.00 0.00 5.11 20.95 31.46 45.03 67.29 85.53 98.96 106.99 109.26 109.26 109.26 109.26 109.26 107.36 106.72 106.09 105.45 104.82	ft 0.00 -8.27 -33.92 -50.93 -76.37 -136.36 -211.62 -298.87 -394.30 -493.30 -493.73 -593.71 -693.70 -793.69 -893.68 -993.67 -1093.64	<pre>ft 0.00 0.00 8.36 34.29 51.49 77.16 137.53 213.11 300.59 396.14 495.17 495.60 595.56 695.52 795.48 895.44 995.40 1095.36 1195.32</pre>	deg/100fc 0.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	<pre>ft 605075. 605075. 605096. 605107. 605120. 605143. 605143. 605143. 605182. 605183. 605183. 605183. 605183. 605183. 605182. 605183. 605182. 605183. 605183. 605182. 605183. 605182. 605183. 605183. 605182. 605183. </pre>	91 02 86 37 94 20 44 87 90 17 17 53 90 27 63 00 36 .73 .10 .46 .83 .19 .56	Et 674465.67 67445.67 67445.67 67441.75 674414.74 674389.30 674329.31 674254.05 674254.05 674156.80 674071.37 673972.37 673971.95 673771.97 673671.98 573571.99 673472.00 673372.02	KOP Build/Turn
ft 7500.00 7503.50 7600.00 7705.10 7900.00 8006.00 8100.00 8200.00 8299.57 8300.00 8400.00 8500.00 8600.00 8700.00 8500.00 9100.00 9100.00 9300.00 9300.00 9400.00	deg 0.00 11.58 23.58 29.00 34.56 45.33 56.51 67.88 79.36 90.82	deg 0.00 301.70 301.70 301.70 294.99 286.67 281.03 276.70 273.03 276.70 273.03 269.64 269.64 269.64 269.64 269.64 269.64 269.64 269.64 269.64 269.64	Et 7500.00 7503.50 7599.34 7694.50 7734.98 7781.59 7858.20 7921.17 7967.76 7995.92 8004.43 8004.43 8003.00 8001.57 8000.14 7998.71 7998.71 7998.71 7995.85 7994.41 7992.98 7991.55 7990.12 7988.69 7987.26	ft 0.00 0.00 5.11 20.95 31.46 45.03 67.29 85.53 98.96 106.99 109.26 109.26 109.26 109.26 108.62 107.39 107.36 106.72 106.72 106.72 106.09 105.45 104.82 104.19 103.55 102.92 102.28 101.65	ft 0.00 -8.27 -33.92 -50.93 -76.37 -136.36 -211.62 -298.37 -394.30 -493.73 -593.71 -693.70 -793.69 -893.63 -1093.65 -1193.64 -1293.63 -1393.62 -1493.60 -1593.58	<pre>ft 0.00 0.00 8.36 34.29 51.49 77.16 137.53 213.11 300.59 396.14 495.17 495.60 595.56 695.52 795.48 895.44 995.40 1095.36 1195.32 1295.28 1395.24 1495.20 1595.16 1695.12</pre>	deg/100fc 0.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 12.00 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000 0.000	ft 605075. 605075. 605075. 605120. 605120. 605143. 605143. 605182. 605183. 605183. 605183. 605183. 605183. 605183. 605183. 605183. 605183. 605183. 605183. 605183. 605183. 605184. 605183. 605183. 605184. 605183. 605184. 605183. 605184. 605185. 605180. 605180. 605179. 605178. 605178. 605177.	91 02 86 37 94 20 44 87 90 17 17 53 90 27 63 .00 .36 .73 .10 .46 .83 .19 .56 .93 .29 .662 .39	Et 674465.67 67445.67 67445.67 67445.67 674414.74 674389.30 674329.31 674254.05 67416.80 674071.37 673972.37 673971.94 673871.96 673771.97 673671.98 673571.99 673472.00 673372.02 673272.03 673172.04 673072.05 672972.05 672972.09	KOP Build/Turn

Weatherford Wft Plan Report X Y's.

file:///C:/Users/barnej2/AppData/Local/Temp/8/UTK4JTIF.htm

.

>

١.,

•

10600.00	90.82	269.64	7971.53	94.68	-2793.45	2794.69	0.00	605170.59	671672.22	
10700.00	90.82	269.64	7970.10	94.04	-2893.43	2894.65	0.00	605169.95	671572.24	
10800.00	90.82	269.64	7968.66	93.41	-2993.42	2994.61	0.00	605169.32	671472.25	
10900.00	90.82	269.64	7967.23	92.77	-3093.41	3094.57	0.00	605168.68	671372.26	
11000.00	90.82	269.64	7965.80	92.14	-3193.40	3194.53	0.00	605168.05	671272.27	
11100.00	90.82	269.64	7964.37 .	91.51	-3293.38	3294.49	0.00	605167.42	671172.29	
11200.00	90.82	269.64	7962.94	90.87	-3393.37	3394.45	0.00	605166.78	671072.30	
11300.00	90.82	269.64	7961.51	90.24	-3493.36	3494.41	0.00	605166.15	670972.31	
11400.00	90.82	269.64	7950.08	89.60	-3593.35	3594.37	0.00	605165.51	670872.32	
11500.00	90.82	269.64	7958.65	88.97	-3693.34	3694.33	0.00	605164.88	670772.33	
11600.00	90.82	269.54	7957.22	88.34	-3793.32	3794.30	0.00	605164.25	670672.35	
11700.00	90.82	269.64	7955.79	87.70	-3893.31	3894.26	0.00	605163.61	670572.36	
11800.00	90.82	269.64	7954.36	87.07	-3993.30	3994.22	0.00	605162.98	670472.37	
11900.00	90.82	269.64	7952.93	86.43	-4093.29	4094.18	0.00	605162.34	67037 2.3 8	
12000.00	90.82	269.64	7951.50	85.80	-4193.27	4194.14	0.00	605161.71	670272.40	
12100.00	90.82	269.64	7950.07	85.17	-4293.26	4294.10	0.00	605161.08	670172.41	
12200.00	90.32	269.64	7948.64	84.53	-4393.25	4394.06	0.00	605160.44	670072.42	
12300.00	90.82	269.64	7947.21	83.90	-4493.24	4494.02	0.00	605159.81	669972.43	
12400.00	90.82	269.64	7945.78	83.26	-4593.22	4593.98	0.00	605159.17	669872.45	
12454.24	90.82	259.64	7945.00	82.92	-4647.46	4548.20	0.00	605158.83	669818.21	PBHL

Targets

1

۰.

.

Name PBHL	Descripti Dip.	.on Dir.	TVD Et 7945.00	+N/-S Ec 82.92	÷E/-₩ ft -4547,46	Map Northing ft 605158.83	Map Easting ft 669818.21	< Latitude Deg Min Sec 32 39 45.548 N	< Longitude Deg Min Sec 103 54 57.015 W	
-Rectangle	(4202×50)			* - * * *		500105105				
LP Tgt			8005.00	116.18	-437.71	605192.09	674027.96	32 39 46.711 N	103 54 7.768 W	
Genter Deter										

Casing Points MD TVD Diameter Hole Size Name

Formations

MD	TVD	Formations	Lichology	Dip Angle Dip Direction

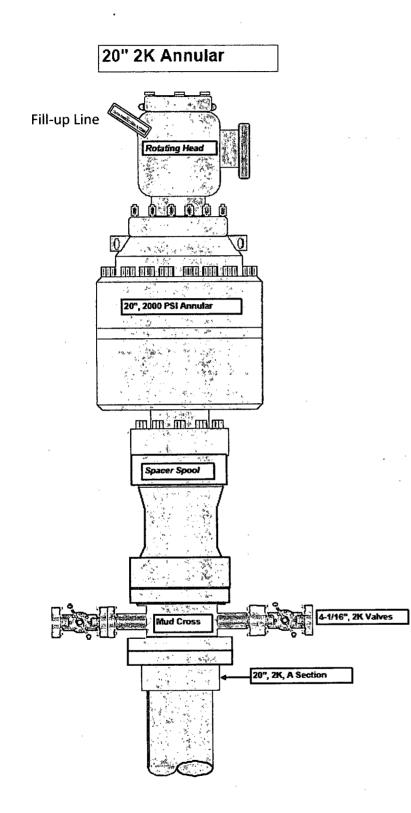
Weatherford Wft Plan Report X Y's.

Well:	Devon Energ Eddy Co., N Arccurus 18 Arccurus 18	M (NAD 83) Federal 6H	Date: 7/8/2013 Time: 12:53:54 Page Co-ordinate(NE) Reference: Well: Arcturus 18 Federal 6H, Vertical (TVD) Reference: SITE 3450.0 Section (VS) Reference: Well (0.00N,0.00E,271.02Azi)	Grid North
Weilpach:	L		Survey Calculation Method: Minimum Curvature Db:	Sybase
Annotatio MD ft	n TVD , Et			
7503.50 7745.17 8299.57 12454.24	7503.50 7734.98 8004.43 7945.00	KOP Build/Turn LP PBHL		

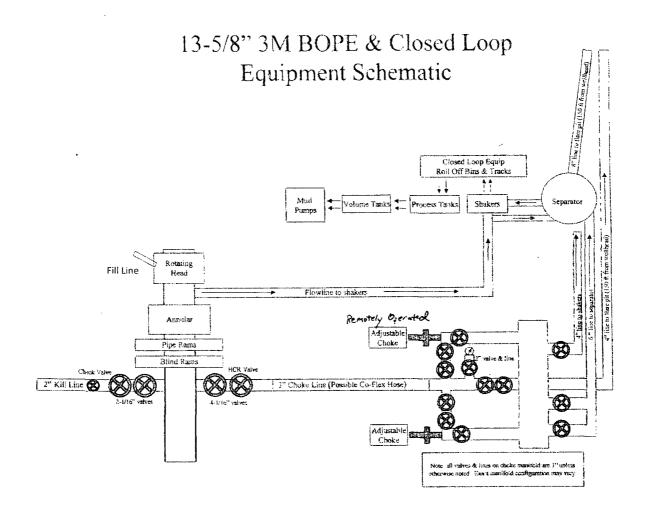
NOTES REGARDING BLOWOUT PREVENTERS Devon Energy Production Company, LP Arcturus 18 Federal 6H Surface Location: 1820' FNL & 208' FEL, Unit H, Sec 18 T19S R31E, Eddy, NM

Bottom Hole Location: 1700' FNL & 340' FWL, Lot 2, Sec 18 T19S R31E, Eddy, NM

- 1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
- 2. Wear ring will be properly installed in head.
- 3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.
- 4. All fittings will be flanged.
- 5. A full bore safety valve tested to a minimum 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
- 6. All choke lines will be anchored to prevent movement.
- 7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
- 8. Will maintain a kelly cock attached to the kelly.
- 9. Hand wheels and wrenches will be properly installed and tested for safe operation.
- 10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
- 11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.



*The same choke manifold will be used with all BOP's





Fluid Technology

ContiTech Beattie Corp. Website: <u>www.contitechbeattie.com</u>

Monday, June 14, 2010

RE: Drilling & Production Hoses Lifting & Safety Equipment

To Helmerich & Payne,

A Continental ContiTech hose assembly can perform as intended and suitable for the application regardless of whether the hose is secured or unsecured in its configuration. As a manufacturer of High Pressure Hose Assemblies for use in Drilling & Production, we do offer the corresponding lifting and safety equipment, this has the added benefit of easing the lifting and handling of each hose assembly whilst affording hose longevity by ensuring correct handling methods and procedures as well as securing the hose in the unlikely event of a failure; but in no way does the lifting and safety equipment affect the performance of the hoses providing the hoses have been handled and installed correctly. It is good practice to use lifting & safety equipment but not mandatory.

Should you have any questions or require any additional information/clarifications then please do not hesitate to contact us.

Contilech Beattie is part of the Continental AG Corporation and can offer the full support resources associated with a global organization.

Best regards,

Robin Hodgson Sales Manager ContiTech Beattie Corp

ContiTech Beattie Corp, 11535 Brittmoore Park Drive, Houston, TX 77041 Phone: +1 (832) 327-0141 Fax: +1 (832) 327-0148 www.contitechbeattle.com



Onlinental &

10 kpsi 15 kpsi

60

Hydrostatic Test Certificate

1

Certificate Number: 4520	PBC No:	10321	Customer Name & Address
	[HELMERICH & PAYNE INT'L DRILLING CO
Customer Purchase Order No:	RIG 300		1437 SOUTH BOULDER
			TULSA, OK 74119
Project:			
lest Centre Address	Accept	ed by ContiTech Beattle Inspection	Accepted by Client Inspection
ContiTech Beattie Corp.		Josh Sims	
11535 Brittmoore Park Drive	Signed:	1 The	
Houston, TX 77041			
USA	Date:	10/27/10	

We certify that the goods detailed hereon have been inspected by our Quality Management System, and to the best of our knowledge are found to conform to relevant industrial standards within the requirements of the purchase order as issued to ContiTech Beattie Corporation.

These goods were made in the United States of America.

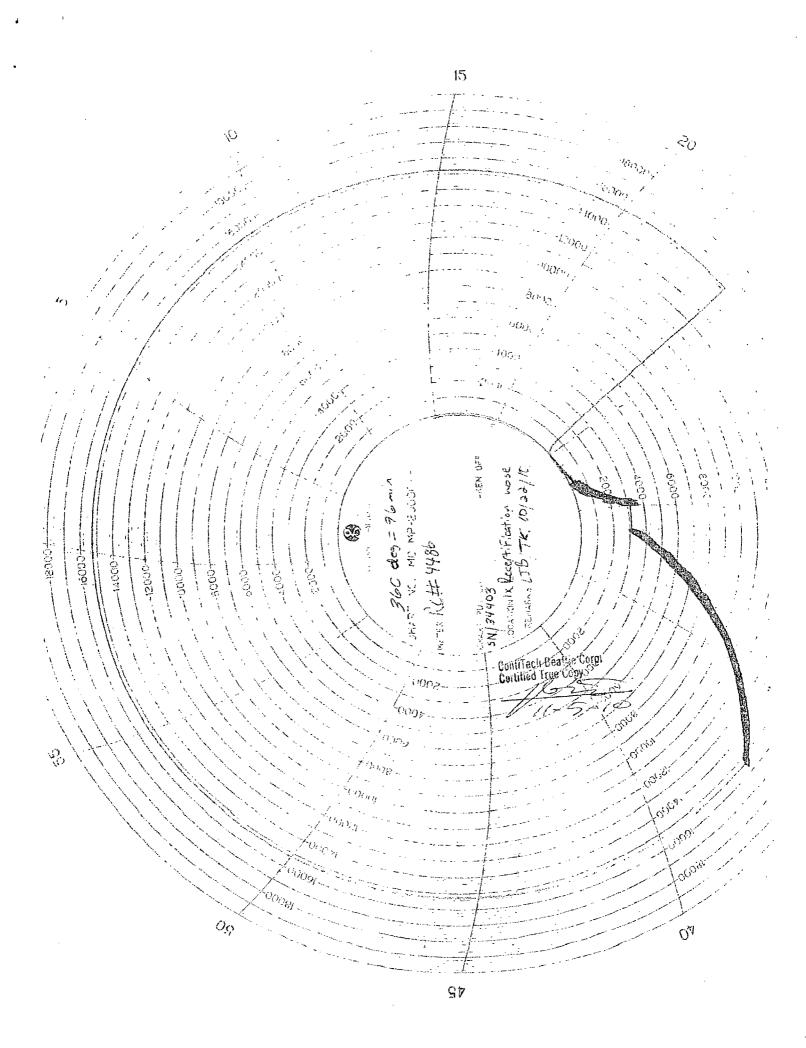
mese goods were made in the officer of America.
item : Part No. As Built, Work (Test Time) Description : Description : Part No. Press, Press, Press, (minutes)

49106

1

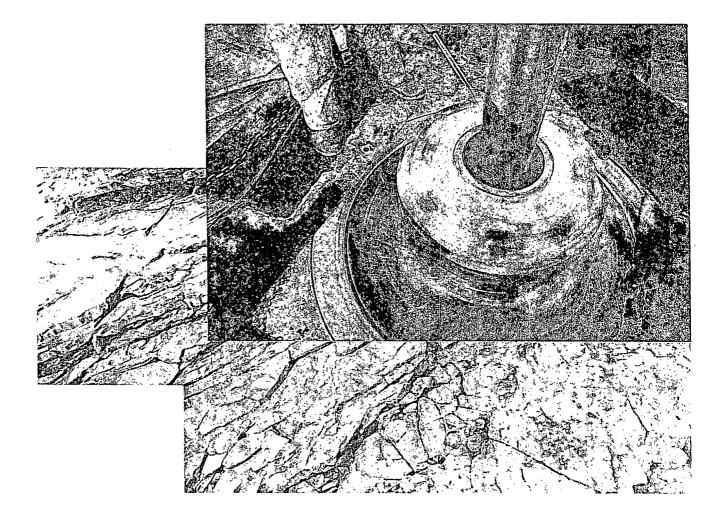
3" ID 10K Choke & Kill Hose x 35ft OAL End A: 4.1/13" 10Kpsi API Spec 6A Type 6BX Flange End B: 4.1/16" 10Kpsi API Spec 6A Type 6BX Flange Working Pressure: 10,600psi Test Pressure: 15,000psi Serial#: 49106

HT4520 H&P 10321





Commitment Runs Deep



. .

Design Plan Operation and Maintenance Plan Closure Plan

SENM - Closed Loop Systems June 2008

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.

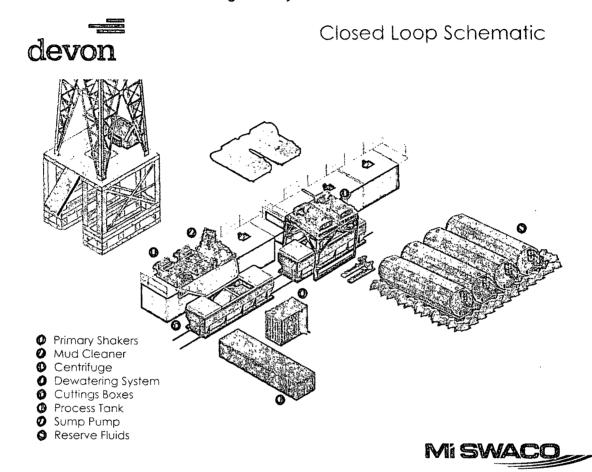
Signs will be posted on the fence surrounding the closed-loop system unless the closed-loop system is located on a site where there is an existing well, that is operated by Devon.

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.

2

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.



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 dependent 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.

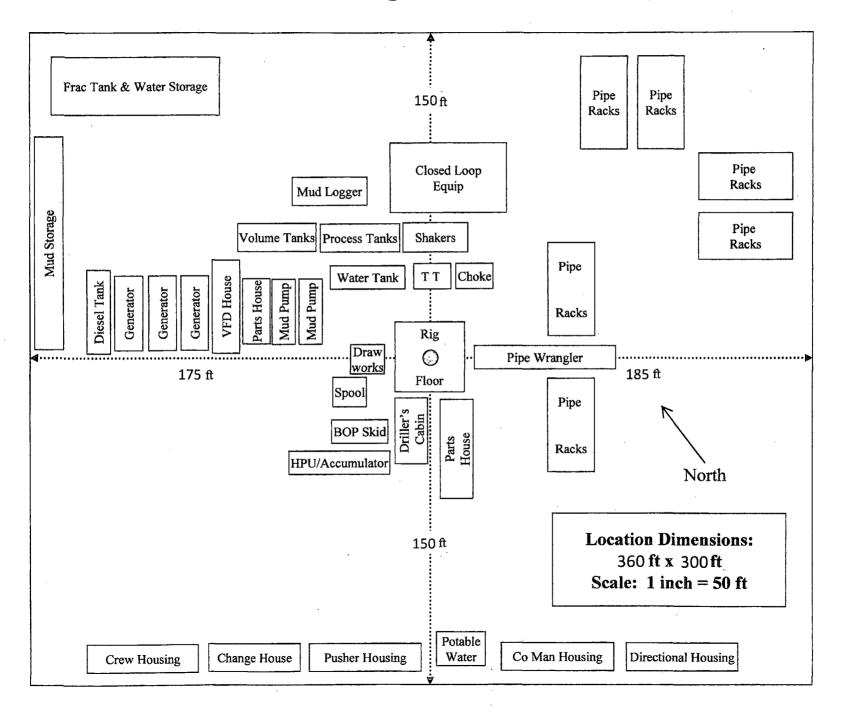
These operations are monitored by Mi Swaco service technicians. Daily logs are maintained to ensure optimal equipment operation and maintenance. Screen and chemical use is logged to maintain inventory control. Fluid properties are monitored and recorded and drilling mud volumes are accounted for in the 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.

H&P Flex Rig Location Layout





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

Hydrogen Sulfide (H₂S) Contingency Plan

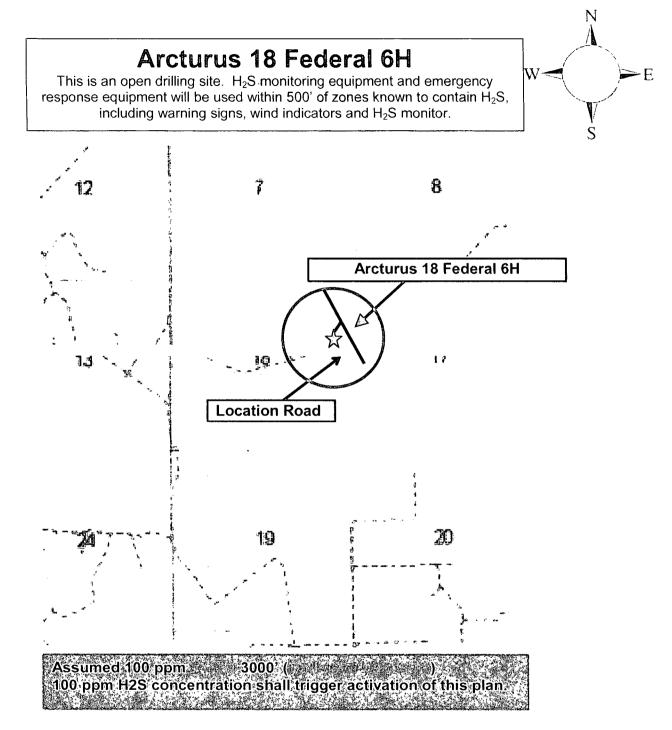
For

Arcturus 18 Federal 6H

Sec-18, T-19S R-31E 1820' FNL & 208' FEL, LAT. = 32.6626543'N (NAD83) LONG = 103.9007326'W

Eddy County NM

Devon Energy Corp. Cont Plan. Page 1



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, West then Northwest on lease road. Crews should then block 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. <u>There are no homes or buildings in or near the ROE</u>.

Assumed 100 ppm ROE = 3000'

100 ppm H_2S 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
 - \circ 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 (SO_2). 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

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

Characteristics of H₂S and SO₂

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 (H_2S)
- 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:

- The effects of H₂S metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
- 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 H_2S zone (within 3 days or 500 feet) and weekly H_2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H_2S Drilling Operations Plan and the Public Protection Plan.

II. HYDROGEN SULFIDE TRAINING

Note: All H_2S 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 reasonable expected to contain H_2S .

1. Well Control Equipment

- A. Flare line
- B. Choke manifold ((w/remotely operated choke))
- 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:

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

3. H₂S detection and monitoring equipment:

A. Portable H_2S monitors positioned on location for best coverage and response. These unites have warning lights and audible sirens when H_2S levels of 20 PPM are reached. These units are usually capable of detecting SO₂, which is a byproduct of burning H_2S .

4. 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.

5. Mud program:

A. 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.

6. 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 H_2S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephones and 2-way radio
- B. Land line (telephone) communications at Office

8. 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.

Devon Energy Corp. Company Call List

Artesia (575)	Cellular	Office	Home
Foreman – Robert Bell			
Asst. Foreman –Tommy P			
Don Mayberry			
Montral Walker	390-5182		. (936) 414-6246
Engineer – Marcos Ortiz	(405) 317-0666	(405) 552-8152	.(405) 381-4350

Agency Call List

្នា

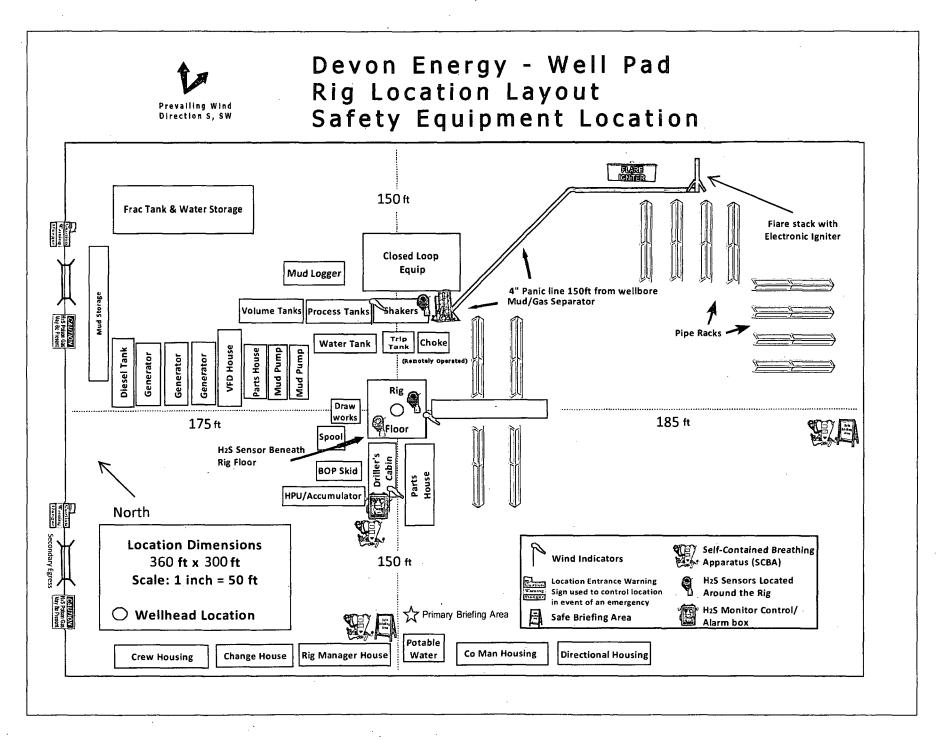
.

<u>Lea</u> <u>County</u> (575)	Hobbs Lea County Communication Authority	392-5588 397-9265 933-2515 911 397-9308 393-2870 393-6161
<u>Eddy</u> <u>County</u> (575)	Carlsbad State Police City Police Sheriff's Office Ambulance Fire Department. LEPC (Local Emergency Planning Committee). US Bureau of Land Management NM Emergency Response Commission (Santa Fe) 24 HR National Emergency Response Center (Washington, DC)	885-2111 911 885-2111 885-2111 887-3798 887-6544 (505) 476-9600 .(505) 827-9126
	Emergency Services Boots & Coots IWC	or (915) 563-3356 57
Give GPS position:	Native Air – Emergency Helicopter – Hobbs Flight For Life - Lubbock, TX Aerocare - Lubbock, TX Med Flight Air Amb - Albuquerque, NM	(806) 743-9911 .(806) 747-8923 .(575) 842-4433

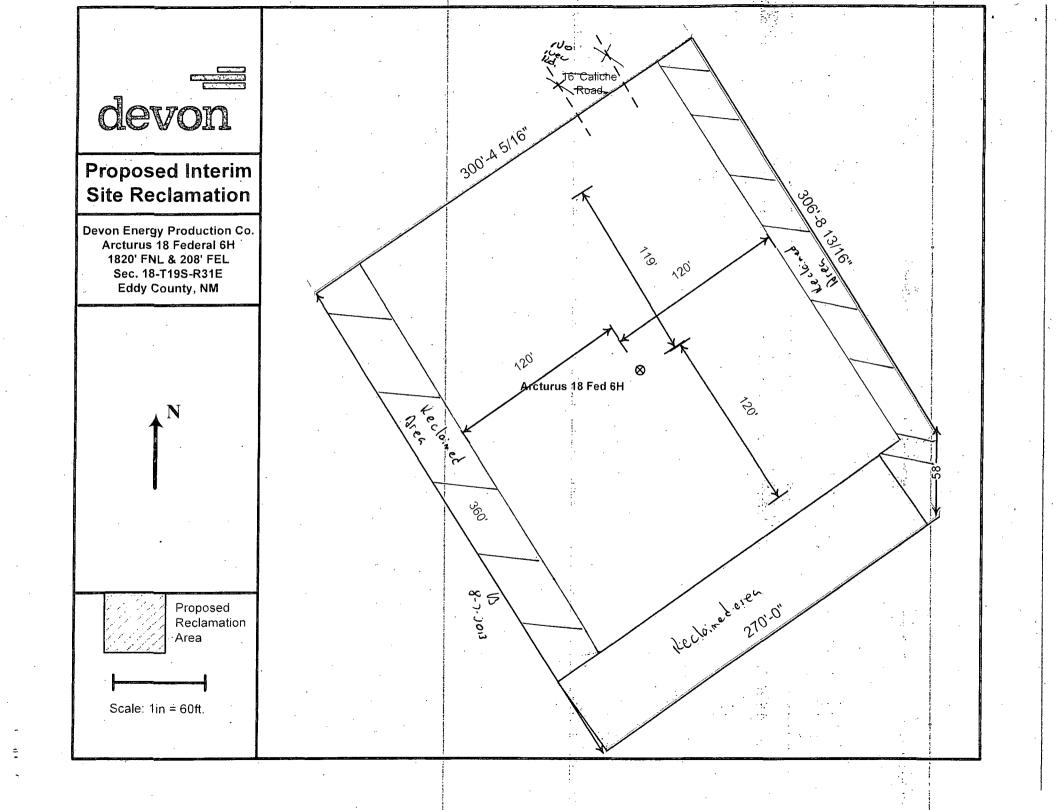
Prepared in conjunction with

Dave Small





Devon Energy Corp. Cont Plan. Page 8



SURFACE USE PLAN Devon Energy Production Company, LP Arcturus 18 Federal 6H

Surface Location: 1820' FNL & 208' FEL, Unit H, Sec 18 T19S R31E, Eddy, NM Bottom Hole Location: 1700' FNL & 340' FWL, Lot 2, Sec 18 T19S R31E, Eddy, NM

Existing Roads:

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Madron Sureyors.
- b. All roads into the location are depicted on Site Map. Existing roads will be maintained and kept the same or better condition than before operations began.

c. Directions to Location: From the intersection of SR 360 (Bluestem Rd) and CR 222 (Shugart Rd) go east CR 222, 4.95 miles to caliche lease road on left after cattle guard, go north on caliche lease road 2.0 miles, caliche road on left over cattle guard go 0.1 miles over another cattle guard to road intersection, go north 1.1 miles, site is about 250'on left.

2. New or Reconstructed Access Roads:

- a. The "Vicinity Map" shows the existing County road. No new access road will be constructed.
- b. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

One Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat.

4. Location of Existing and/or Proposed Production Facilities:

- a. In the event the well is found productive, the Arcturus 18 Fed 1H tank battery Sec 18 T19S R31E will be utilized and the necessary production equipment will be installed at the well site. If necessary, the well will be operated by means of an electric prime mover. If power poles are needed, a plat and a sundry notice will be filed with your office.
- b. All flow lines will adhere to API standards.
- c. If the well is productive, rehabilitation plans are as follows:
 - i. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing roads shown on the "Vicinity Map". On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

6. Construction Materials:

Obtaining caliche: One primary way of obtaining caliche to build locations and roads will be by "turning over" the location. This means caliche will be obtained from the actual well site. Actual amounts will vary for each pad. The procedure below has been approved by BLM personnel:

- a. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
- b. Subsoil is removed and stockpiled within the surveyed well pad.
- c. When caliche is found, material will be stock piled within the pad site to build the location and road.
- d. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
- e. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced.
- f. Neither caliche, nor subsoil will be stock piled outside of the well pad. Topsoil will be stockpiled along the edge of the pad as depicted in the Well Site Layout or survey plat.

In the event that no caliche is found onsite, caliche will be hauled in from a BLM approved caliche pit or other established mineral pit. A BLM mineral material permit will be acquired prior to obtaining any mineral material from BLM pits or land,

7. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.
- f. Disposal of fluids to be transported by the following companies:
 - i. American Production Service Inc, Odessa TX
 - ii. Gandy Corporation, Lovington NM
 - iii. I & W Inc, Loco Hill NM
 - iv. Jims Water Service of Co Inc, Denver CO
- 8. Ancillary Facilities: No campsite or other facilities will be constructed as a result of this we

9. Well Site Layout

- a. The "Site Map" shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicated proposed location of sump pits and living facilities.
- c. Mud pits in the active circulating system will be steel pits.
- d. A closed loop system will be utilized.
- e. If a pit or closed loop system is utilized, Devon will provide a copy of the Design Plan to the BLM.

10. Plans for Surface Reclamation

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.

d. All disturbed areas not needed for active support of production operations will undergo interim reclamation. The portions of the cleared well site not needed for operational and safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Topsoil will be respread over areas not needed for all-weather operations.

11. Surface Ownership

- a. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
- b. The proposed road routes and the surface location will be restored as directed by the BLM.

12. Other Information:

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sage bush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 2 miles of location.
- d. A Cultural Resources Examination will be completed by the Permian Basin Cultural Resource Fund in lieu of being required to conduct a Class III Survey for cultural resources associated with their project within the BLM office in Carlsbad, New Mexico.

13. Bond Coverage:

Bond Coverage is Nationwide Bond # is CO-1104; NMB-001801

Operators Representative:

The Devon Energy Production Company, L.P. representatives responsible for ensuring compliance of the surface use plan are listed below.

Justin Lazzari - Operations Engineer Advisor
Devon Energy Production Company, L.P.Jerry Mathews - Superintendent
Devon Energy Production Company, L.P.333 W. SheridanDevon Energy Production Company, L.P.
Post Office Box 250Oklahoma City, OK 73102-8260Artesia, NM 88211-0250(405) 228-8466 (Office)(575) 748-0161 (Office)(405) 464-9261 (Cellular)(575) 748-5234 (Cellular)

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Devon Energy Production Company, LP.
LEASE NO.:	NMLC-069464A
WELL NAME & NO.:	Arcturus 18 Federal 6H
SURFACE HOLE FOOTAGE:	1820' FNL & 0208' FEL
BOTTOM HOLE FOOTAGE	1700' FNL & 0340' FWL
LOCATION:	Section 18, T. 19 S., R 31 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

General Provisions

2

Permit Expiration

Archaeology, Paleontology, and Historical Sites **Noxious Weeds** Special Requirements Lesser Prairie-Chicken Timing Stipulations Ground-level Abandoned Well Marker Hackberry Lake OHV Area **Construction** Notification Topsoil Closed Loop System Federal Mineral Material Pits Well Pads Roads **Road Section Diagram** 🔀 Drilling **Cement Requirements** H2S Requirements Secretary's Potash Capitan Reef Logging Requirements Waste Material and Fluids **Production (Post Drilling)** Well Structures & Facilities **Pipelines Electric Lines Interim Reclamation**

Final Abandonment & Reclamation

I. GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

II. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD. (Filing of a Sundry Notice is required for this 60 day extension.)

III. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

IV. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

V. SPECIAL REQUIREMENT(S)

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well. For more installation details, contact the Carlsbad Field Office at 575-234-5972.

<u>Hackberry Lake Off-Highway Vehicle Area:</u> Pipelines shall be buried a minimum of <u>24</u> inches under all roads, "two-tracks," and trails. Burial of the pipe will continue for 20 feet on each side of each crossing. Power poles and associated ground structures (poles, guy wires) will not be placed within 20 feet of recreation trails. Guy wires must be equipped with a sleeve, tape or other industry approved apparatus that is highly visible during the day and reflective at night. Appropriate safety signage will be in place during all phases of the project. Upon completion of construction, the road shall be returned to pre-construction condition with no bumps or dips. All vehicle and equipment operators will observe speed limits and practice responsible defensive driving habits.

VI. CONSTRUCTION

A. NOTIFICATION

The BLM shall administer compliance and monitor construction of the access road and well pad. Notify the Carlsbad Field Office at (575) 234-5909 at least 3 working days prior to commencing construction of the access road and/or well pad.

When construction operations are being conducted on this well, the operator shall have the approved APD and Conditions of Approval (COA) on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL

The operator shall strip the top portion of the soil (root zone) from the entire well pad area and stockpile the topsoil along the edge of the well pad as depicted in the APD. The root zone is typically six (6) inches in depth. All the stockpiled topsoil will be redistributed over the interim reclamation areas. Topsoil shall not be used for berming the pad or facilities. For final reclamation, the topsoil shall be spread over the entire pad area for seeding preparation.

Other subsoil (below six inches) stockpiles must be completely segregated from the topsoil stockpile. Large rocks or subsoil clods (not evident in the surrounding terrain) must be buried within the approved area for interim and final reclamation.

C. CLOSED LOOP SYSTEM

Tanks are required for drilling operations: No Pits.

The operator shall properly dispose of drilling contents at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT

Payment shall be made to the BLM prior to removal of any federal mineral materials. Call the Carlsbad Field Office at (575) 234-5972.

E. WELL PAD SURFACING

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational needs.

F. EXCLOSURE FENCING (CELLARS & PITS)

Exclosure Fencing

The operator will install and maintain exclosure fencing for all open well cellars to prevent access to public, livestock, and large forms of wildlife before and after drilling operations until the pit is free of fluids and the operator initiates backfilling. (For examples of exclosure fencing design, refer to BLM's Oil and Gas Gold Book, Exclosure Fence Illustrations, Figure 1, Page 18.)

G. ON LEASE ACCESS ROADS

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of

surface disturbance, when constructing the access road, shall not exceed twenty-five (25) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the new access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Ditching

Ditching shall be required on both sides of the road.

Turnouts

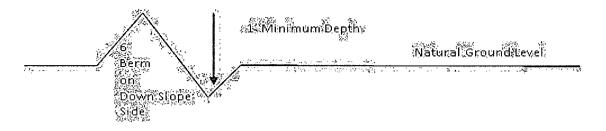
Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall conform to Figure 1; cross section and plans for typical road construction.

Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill outsloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.

Cross Section of a Typical Lead-off Ditch



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

400 foot road with 4% road slope: 400' + 100' = 200' lead-off ditch interval 4%

Culvert Installations

Appropriately sized culverts shall be installed at deep waterway channel flow crossings through the road.

Cattleguards

An appropriately sized cattleguard sufficient to carry out the project shall be installed and maintained at fence/road crossings.

Any existing cattleguards on the access road route shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattleguards that are in place and are utilized during lease operations.

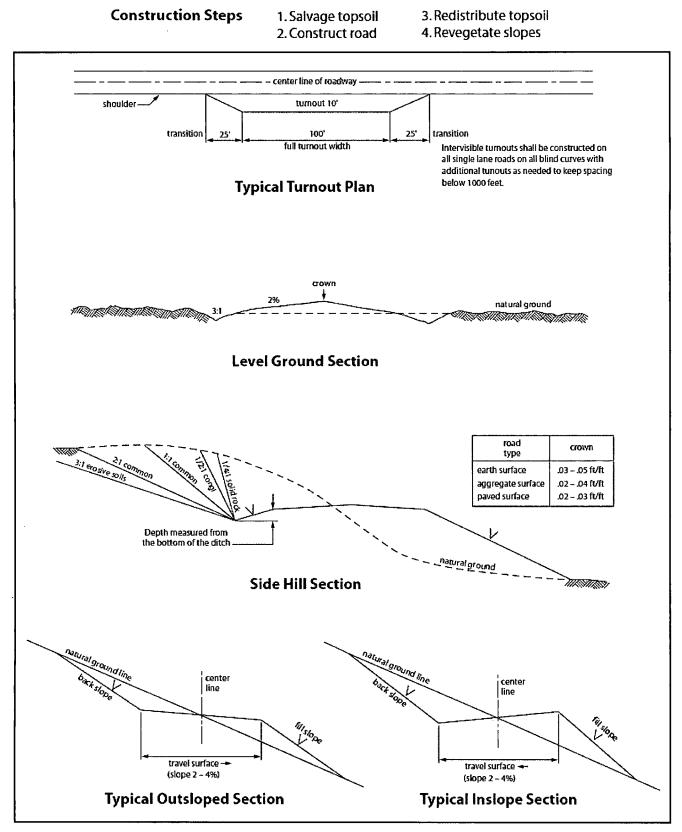
Fence Requirement

Where entry is granted across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

The operator shall notify the private surface landowner or the grazing allotment holder prior to crossing any fences.

Public Access

Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.





VII. DRILLING

A. DRILLING OPERATIONS 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

- 1. 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.
- 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.

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. IF OPERATOR DOES NOT HAVE THE WELL SPECIFIC CEMENT DETAILS ONSITE PRIOR TO PUMPING THE CEMENT FOR EACH CASING STRING, THE WOC WILL BE 30 HOURS. 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.

Capitan Reef Secretary's Potash Possibility of water flows in the Artesia Group and Salado. Possibility of lost circulation in the Artesia Group, Delaware, and Capitan Reef.

- 1. The 20 inch surface casing shall be set at approximately 450 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt) and cemented to the surface. If salt is encountered, set casing at least 25 feet above the salt.
 - 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.
- 2. The minimum required fill of cement behind the 13-3/8 inch 1st intermediate casing, which shall be set at approximately 2400 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 Potash.

3. The minimum required fill of cement behind the **9-5/8** inch 2nd intermediate casing, which shall be set at approximately **4000** feet, is:

Operator has proposed DV tool at 50' below the previous casing shoe. Operator is to submit sundry if DV tool depth varies by more than 100' from approved depth.

- a. First stage to DV tool:
- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.
- b. Second stage above DV tool:
- 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 Capitan Reef and Potash. Excess calculates to 0% -Additional cement may be required.

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

4. The minimum required fill of cement behind the 5-1/2 inch production casing is:

Operator has proposed DV tool at depth of 5000'. Operator is to submit sundry if DV tool depth varies by more than 100' from approved depth.

- a. First stage to DV tool:
- Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve approved top of cement on the next stage.
- b. Second stage above DV tool:
- Cement should tie-back at least 50 feet above the Capitan Reef. Operator shall provide method of verification. Excess calculates to 19% Additional cement may be required.

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. These documents shall be posted in the company man's trailer and on the rig floor. 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 **2000 (2M)** 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.
- Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 13-3/8 1st intermediate casing shoe shall be 3000 (3M) psi.
- 5. 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 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.
- d. The results of the test shall be reported to the appropriate BLM office.
- e. 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.
- f. 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. DRILL STEM TEST

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

E. 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.

JAM 120413

VIII. PRODUCTION (POST DRILLING)

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Exclosure Netting (Open-top Tanks)

Immediately following active drilling or completion operations, the operator will take actions necessary to prevent wildlife and livestock access, including avian wildlife, to all open-topped tanks that contain or have the potential to contain salinity sufficient to cause harm to wildlife or livestock, hydrocarbons, or Resource Conservation and Recovery Act of 1976-exempt hazardous substances. At a minimum, the operator will net, screen, or cover open-topped tanks to exclude wildlife and livestock and prevent mortality. If the operator uses netting, the operator will cover and secure the open portion of the tank to prevent wildlife entry. The operator will net, screen, or cover the tanks from the location or the tanks no longer contain substances that could be harmful to wildlife or livestock. Use a maximum netting mesh size of 1 ½ inches. The netting must not be in contact with fluids and must not have holes or gaps.

Chemical and Fuel Secondary Containment and Exclosure Screening

The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. At a minimum, the operator will install effective wildlife and livestock exclosure systems such as fencing, netting, expanded metal mesh, lids, and grate covers. Use a maximum netting mesh size of 1 ½ inches.

Open-Vent Exhaust Stack Exclosures

The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. (*Recommended exclosure structures on open-vent exhaust stacks are in the shape of a cone.*) Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

Containment Structures

Proposed production facilities such as storage tanks and other vessels will have a secondary containment structure that is constructed to hold the capacity of 1.5 times the

largest tank, plus freeboard to account for precipitation, unless more stringent protective requirements are deemed necessary.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, <u>Shale Green</u> from the BLM Standard Environmental Color Chart (CC-001: June 2008).

B. PIPELINES (No pipeline applied for in APD)

C. ELECTRIC LINES (No pipeline applied for in APD)

IX. INTERIM RECLAMATION

During the life of the development, all disturbed areas not needed for active support of production operations should undergo interim reclamation in order to minimize the environmental impacts of development on other resources and uses.

Within six (6) months of well completion, operators should work with BLM surface management specialists (Jim Amos: 575-234-5909) to devise the best strategies to reduce the size of the location. Interim reclamation should allow for remedial well operations, as well as safe and efficient removal of oil and gas.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche that is free of contaminants may be used for road repairs, fire walls or for building other roads and locations. In order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

All disturbed areas after they have been satisfactorily prepared need to be reseeded with the seed mixture provided below.

Upon completion of interim reclamation, the operator shall submit a Sundry Notices and Reports on Wells, Subsequent Report of Reclamation (Form 3160-5).

X. FINAL ABANDONMENT & RECLAMATION

At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land are restored.

Earthwork for final reclamation must be completed within six (6) months of well plugging. All pads, pits, facility locations and roads must be reclaimed to a satisfactory revegetated, safe, and stable condition, unless an agreement is made with the landowner or BLM to keep the road and/or pad intact.

After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided below. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Operators shall contact a BLM surface protection specialist prior to surface abandonment operations for site specific objectives (Jim Amos: 575-234-5909).

Ground-level Abandoned Well Marker to avoid raptor perching: Upon the plugging and subsequent abandonment of the well, the well marker will be installed at ground level on a plate containing the pertinent information for the plugged well.

Seed Mixture 1, for Loamy Sites

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (small/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed* per acre:

<u>Species</u>	<u>lb/acre</u>
Plains lovegrass (Eragrostis intermedia)	0.5
Sand dropseed (Sporobolus cryptandrus)	1.0
Sideoats grama (Bouteloua curtipendula)	5.0
Plains bristlegrass (Setaria macrostachya)	2.0

*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed