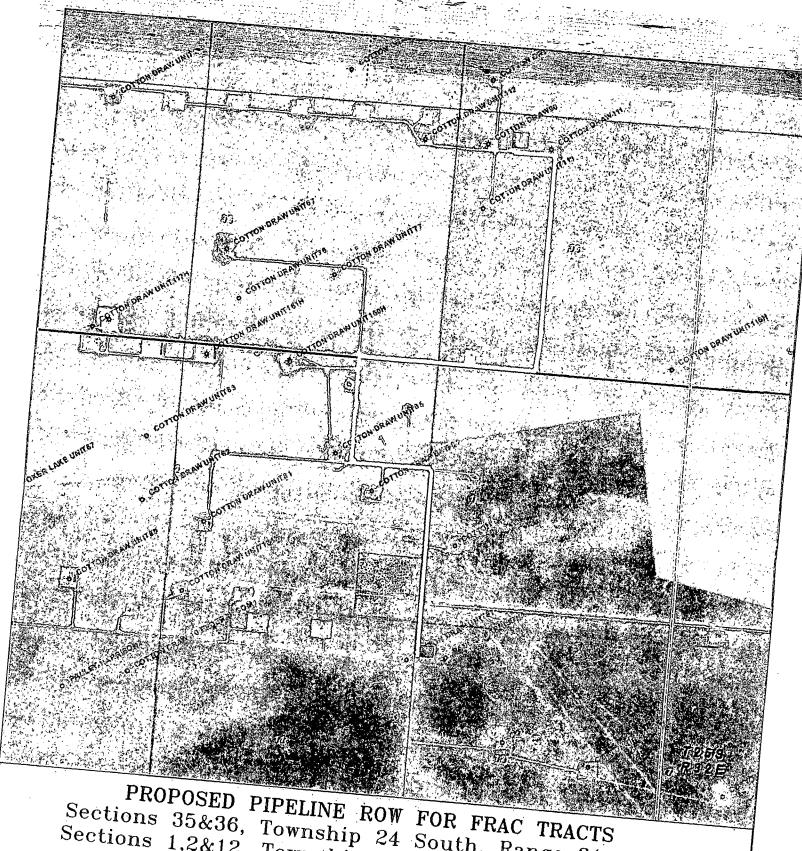
(August-2007)

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM-APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

5. Lease Serial No.

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals. SUBMIT IN TRIPLICATE - Other instructions on reverse side. 1. Type of Well Oil Well Gas Well Other: UNKNOWN OTH 2. Name of Operator Contact: SCOTT SANKEY DEVON ENERGY PRODUCTION CO.E-Mail: msankey@gmail.com						NMNM0503			
						6. If Indian, Allottee or Tribe Name			
						7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. COTTON DRAW UNIT 174			
						3a. Address ATTN: JOE LARA P.O. BOX 2 ARTESIA, NM 88211	3b. Phone No Ph: 512-77	. (include area co 9-3991	de)
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description,)			11. County or Parish, and State				
Sec 12 T25S R31E Mer NMP	MA COUNTY COUNTY, NM.								
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE	NATURE O	F NOTICE, RE	PORT, OR O	THER DA	ATA		
TYPE OF SUBMISSION			TYPE	OF ACTION					
Notice of Intent	☐ Acidize	_ Dee	pen .	☐ Producti	on (Start/Resun	1e) 🔲	Water Shut-Off		
_	☐ Alter Casing	☐ Frac	ture Treat	☐ Reclama	☐ Reclamation		Well Integrity		
☐ Subsequent Report	☐ Casing Repair	□ New	Construction	Recomp	lete	⊠	Other		
. Final Abandonment Notice	☐ Change Plans		and Abandon	☐ Tempora	rily Abandon				
•	☐ Convert to Injection	Plug	Back	☐ Water D	isposal				
To lay 2 surface 4" fresh water T24S-R31E at the Cotton Dra T25S-R31E at the Cotton Dra	r poly lines from a point low W North Frac Pond to a po	oint located ir	the NW/4NW	//4 of Section 1	2, s.	HOBBS	OCD		
The spacing for said lines is 3 acres.	0 feet wide by 16,594.80	feet (1,005.75	ī rods), contai			MAY 1	a 2014		
The lines are expected to carr	y 31,680 barrels of water	per day at 10	0 PSI.	RECE	VED	I YAM	9 2011		
See attached plat #29759.				MAY 2 2	2014	REC	CEIVED		
0K-TN 4/29	/14			NMOCD A	RTESIA	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
14. I hereby certify that the foregoing is	strue and correct. Electronic Submission #. For DEVON ENE	242289 verifie RGY PRODU(d by the BLM V CTION CO., se	Vell Information nt to the Hobbs	System &		5/22/19		
Name (Printed/Typed) SCOTT S	ANKEY	,	Title AUTI	HORIZED AGE	NT	(w.A.Vribr	9CD		
Signature (Electronic S	Submission))	Date 04/15	5/2014					
	THIS SPACE FO	R FEDERA	L OR STAT	E OFFICE US	SE .				
Approved By	Cerly		FOR FIE	LD MANAGER			Date 5/12/14		
onditions of approval, if any, are attache crtify that the applicant holds legal or eq thich would entitle the applicant to cond	uitable title to those rights in the	not warrant or e subject lease	CARLS Office	BAD FIELD OF	FICE				
itle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any pe to any matter w	rson knowingly a	and willfully to ma	ke to any departm	ent or ageno	y of the United		



Sections 35&36, Township 24 South, Range 31 East, Sections 1,2&12, Township 25 South, Range 31 East, N.M.P.M., Eddy County, New Mexico.

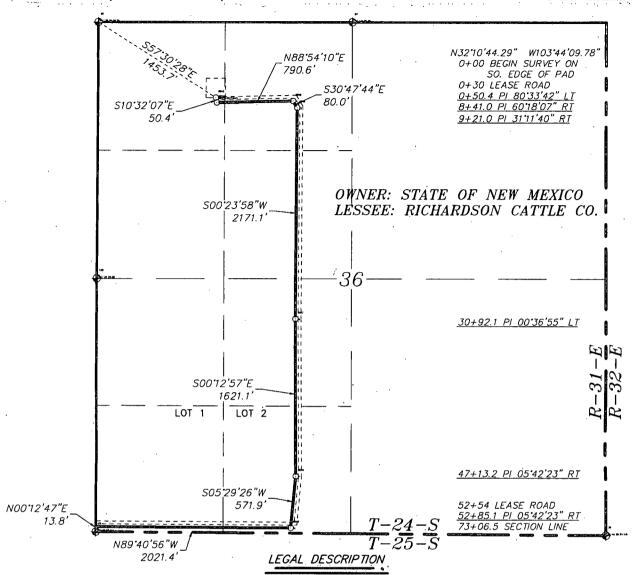


P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 - Office (575) 392-2206 - Fax basinsurveys.com

_	110'		
	1000' 2000' 3000' 40	000'	T
.	SCALE: 1" = 2000'	#	
'	W.O. Number: KJG - 29759	\dashv	١.
	Survey Date: 11-16-2013	4	-
	YELLOW TINT - USA LAND BLUE TINT - STATE LAND NATURAL COLOR	\dashv	7
_#	NATURAL COLOR - FEE LAND		4



SECTION 36, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

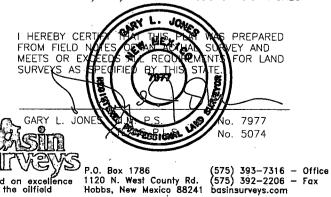


A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 36, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES S.57'30'28"E., 1453.7 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 36; THENCE S.10'32'07"E., 50.4 FEET; THENCE N.88'54'10"E., 790.6 FEET; THENCE S.30'47'44"E., 80.0 FEET; THENCE S.00'23'58"W., 2171.1 FEET; THENCE S.00'12'57"E., 1621.1 FEET; THENCE S.05'29'26"W., 571.9 FEET; THENCE N.89'40'56"W., 2021.4 FEET TO A POINT ON THE WEST SECTION LINE WHICH LIES N.00'12'47"E., 13.8 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 36. SAID STRIP OF LAND BEING 7306.5 FEET OR 442.82 RODS IN LENGTH AND CONTAINING 5.03 ACRES, MORE OR LESS, AND BEING ALLOCATED BY FORTIES AS FOLLOWS.

1000

NW/4NW/4 = 8.08 RODS OR 0.09 ACRES NE/4NW/4 = 74.18 RODS OR 0.84 ACRES SE/4NW/4 = 80.01 RODS OR 0.91 ACRES NE/4SW/4 = 79.37 RODS OR 0.90 ACRES SE/4SW/4 = 121.03 RODS OR 1.38 ACRES SW/4SW/4 = 80.15 RODS OR 0.91 ACRES



devon ==

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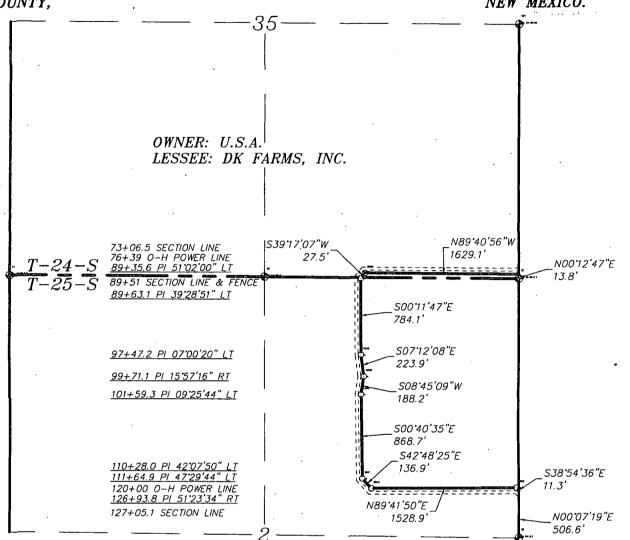
2000 FEET

REF: PROPOSED PIPELINE ROW FOR FRAC TRACTS

A PIPELINE CROSSING STATE LAND IN
SECTION 36, TOWNSHIP 24 SOUTH, RANGE 31 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 29759 | Drawn By: **K. GOAD** | Date: 11-21-2013 | Survey Date: 11-16-2013 | Sheet 1 of 4 Sheets

SECTION 35, TOWNSHIP 24 SOUTH, RANGE 31 EAST, N.M.P.M., SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY.

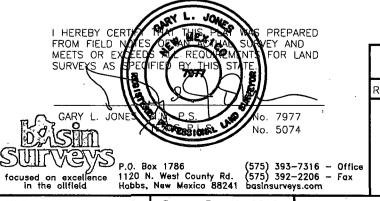


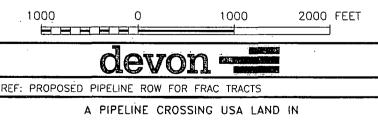
LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 35, TOWNSHIP 24 SOUTH, RANGE 31 EAST, AND SECTION 2, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

SEC. 35(RICHARDSON) = 1644.5 FEET OR 0.31 MILES OR 99.66 RODS OR 1.13 ACRES SEC. 2(DK FARMS) = 3754.1 FEET OR 0.71 MILES OR 227.53 RODS OR 2.59 ACRES

TOTAL = 5398.6 FEET OR 1.02 MILES OR 327.19 RODS OR 3.72 ACRES





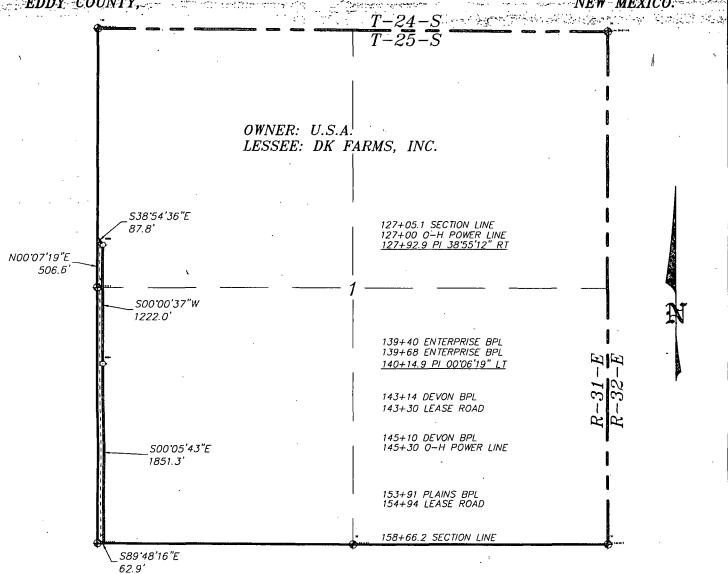
SECTION 35, TOWNSHIP 24 SOUTH, RANGE 31 EAST,

SECTION 33, TOWNSHIP 24 SOUTH, RANGE 31 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 29759 | Drawn By: K. GOAD | Date: 11-21-2013 | Survey Date: 11-16-2013 | Sheet 2 of 4 Sheets

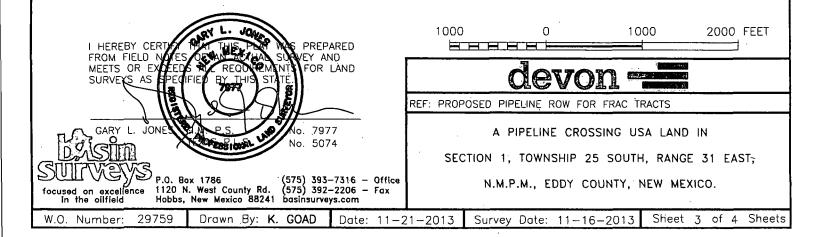


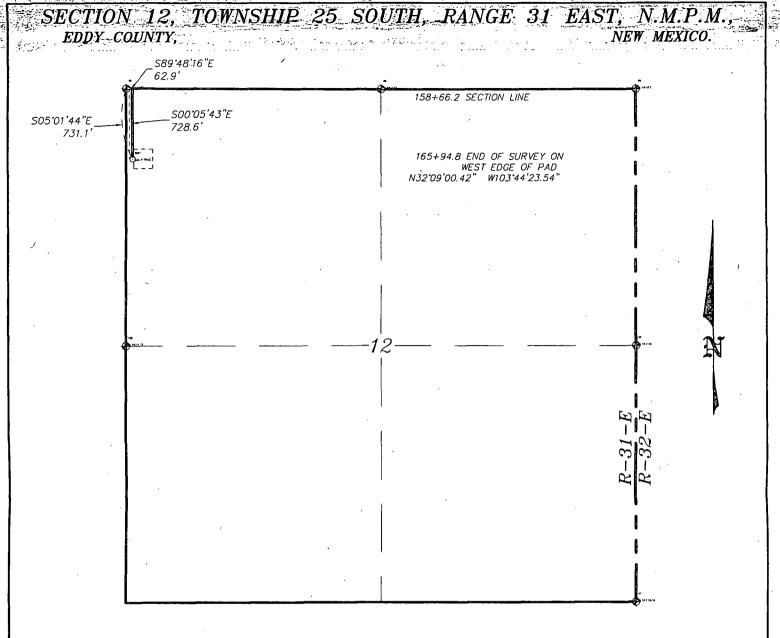


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 1, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

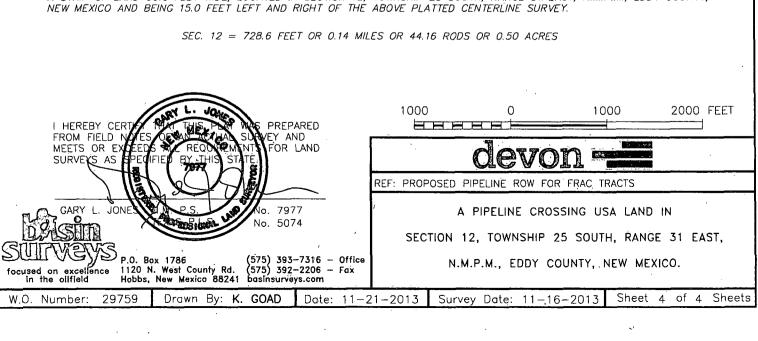
SEC. 1 = 3161.1 FEET OR 0.60 MILES OR 191.58 RODS OR 2.18 ACRES

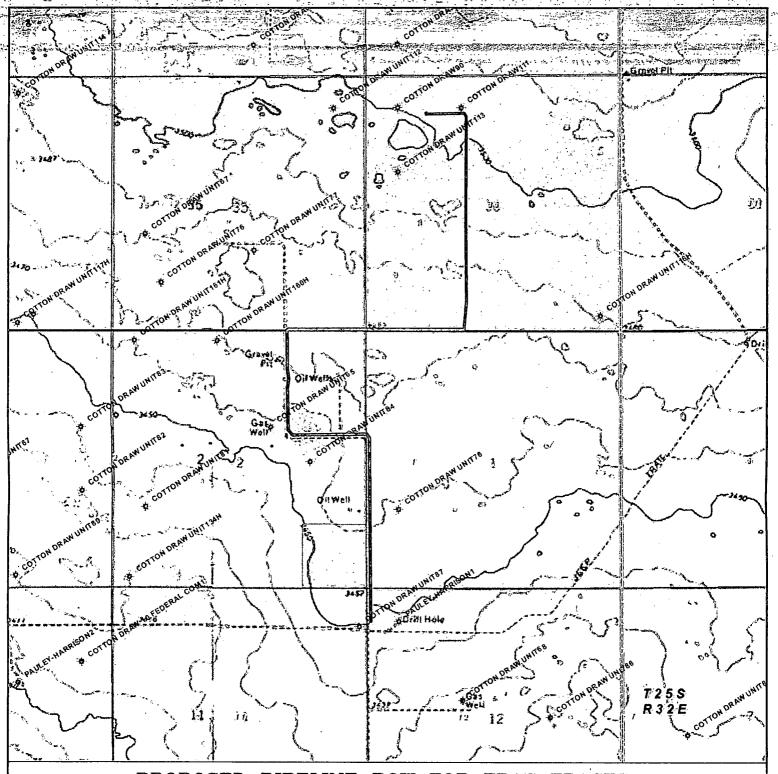




LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 12, TOWNSHIP 25 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.



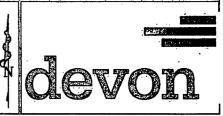


PROPOSED PIPELINE ROW FOR FRAC TRACTS
Sections 35&36, Township 24 South, Range 31 East,
Sections 1,2&12, Township 25 South, Range 31 East,
N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (575) 393-7316 — Office (575) 392-2206 — Fax basinsurveys.com

)	0' 1000' 2000' 3000' 4000'	Γ					
ŀ	SCALE: 1" = 2000'						
,	W.O. Number: KJG — 29759						
l	Survey Date: 11—16—2013	۱					
	YELLOW TINT — USA LAND BLUE TINT — STATE LAND NATURAL COLOR — FEE LAND						



Revisions to Operator-Submitted EC Data for Sundry Notice #228998

Operator Submitted

BLM Revised (AFMSS)

Sundry Type:

Agreement:

Operator:

Lease:

· comment

DISTURB NOI

NMNM0503

COTTON DRAW UNIT

DEVON ENERGY PRODUCTION CO. ATTN: JOE LARA P.O. BOX 250 ARTESIA, NM 88211 Ph: 575-748-0163

Admin Contact:

SCOTT SANKEY AUTHORIZED AGENT E-Mail: msankey@gmail.com

Ph: 512-799-3991

Tech Contact:

SCOTT SANKEY AUTHORIZED AGENT E-Mail: msankey@gmail.com

Ph: 512-799-3991

Location: State: County:

EDDY COUNTY

Field/Pool:

UNDESIGNATED

Well/Facility:

COTTON DRAW UNIT 174

Sec 12 T25S R31E Mer NMP 280FNL 1295FWL

DISTURB NOI

NMNM0503

891006783X (NMNM70928X)

gen and the second seco

A Program Ober Berger

DEVON ENERGY PRODUCTION CO LP 333 WEST SHERIDAN AVE OKLAHOMA CITY, OK 73102 Ph: 405 235 3611

SCOTT SANKEY AUTHORIZED AGENT E-Mail: msankey@gmail.com

Ph: 512-799-3991

SCOTT SANKEY AUTHORIZED AGENT E-Mail: msankey@gmail.com

Ph: 512-799-3991

NM EDDY

PADUCA

COTTON DRAW UNIT 174H Sec 12 T25S R31E NWNW 0280FNL 1295FWL 32.151310 N Lat, 103.735920 W Lon

BLM LEASE NUMBER: NMNM503

COMPANY NAME: Devon Energy Production Co.

ASSOCIATED WELL NAME: Cotton Draw Unit #174 Freshwater Pipelines

MAY 1 9 2014

RECEIVED

STANDARD STIPULATIONS FOR SURFACE INSTALLED PIPELINES

A copy of the application (Sundry Notice) and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

- 1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
- 2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
- 3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to activity of the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
- 4. The holder shall be liable for damage or injury to the United States to the extent provided by 43 CFR Sec. 2883.1-4. The holder shall be held to a standard of strict liability for damage or injury to the United States resulting from pipe rupture, fire, or spills caused or substantially aggravated by any of the following within the right-of-way or permit area:
 - a. Activities of the holder including, but not limited to construction, operation, maintenance,



and termination of the facility.

- b. Activities of other parties including, but not limited to:
 - (1) Land clearing.
 - (2) Earth-disturbing and earth-moving work.
 - (3) Blasting.
 - (4) Vandalism and sabotage.
- c. Acts of God.

The maximum limitation for such strict liability damages shall not exceed one million dollars (\$1,000,000) for any one event, and any liability in excess of such amount shall be determined by the ordinary rules of negligence of the jurisdiction in which the damage or injury occurred.

This section shall not impose strict liability for damage or injury resulting primarily from an act of war or from the negligent acts or omissions of the United States.

- 5. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil, salt water, or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil, salt water, or other pollutant, wherever found, shall be the responsibility of the holder, regardless of fault. Upon failure of the holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including, where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve the holder of any responsibility as provided herein.
- 6. All construction and maintenance activity will be confined to the authorized right-of-way width of 20 feet. The pipeline route follows an existing road. The surface pipeline must be installed no farther than 10 feet from the edge of the road. All construction and maintenance activity will be confined to existing roads or right-of-ways.
- 7. No blading or clearing of any vegetation will be allowed unless approved in writing by the Authorized Officer.
- 8. The holder shall install the pipeline on the surface in such a manner that will minimize suspension of the pipeline across low areas in the terrain. In hummocky of duney areas, the pipeline will be "snaked" around hummocks and dunes rather then suspended across these features.
- 9. The pipeline shall be buried with 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. The condition of the road, upon completion of construction, shall be returned to at least its former state with no bumps or dips remaining in the road surface.
- 10. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state.

Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

- 11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
- 12. Excluding the pipe, all above-ground structures not subject to safety requirement shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be a color which simulates "Standard Environmental Colors" **Shale Green**, Munsell Soil Color No. 5Y 4/2; designated by the Rocky Mountain Five State Interagency Committee.
- 13. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. Signs will be maintained in a legible condition for the life of the pipeline.
- 14. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway.
- 15. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the authorized officer. Holder 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 will be made by the authorized officer to determine appropriate cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the authorized officer after consulting with the holder.
- 16. 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, powerline 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.
- 17. Surface pipelines must be less than or equal to 4 inches and a working pressure below 125 psi.
- 18. Special Stipulations:

LPC: Conditions of Approval

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 1 through June 15 annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration other than 3-D operations, and 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 ft. from the source of the noise.

Upon abandonment, a low profile abandoned well marker will be installed to prevent raptor perching.

The proponent of the proposed action is a Participating Cooperator in the Candidate Conservation Agreement (CCA) for the lesser prairie-chicken (*Tympanuchus pallidicinctus*) and dunes sagebrush lizard (*Sceloporus arenicolus*).

The goal of the Bureau of Land Management (BLM), U.S. Fish and Wildlife Service (USFWS), Center of Excellence for Hazardous Materials Management (CEHMM) and the Participating Cooperator is to reduce and/or eliminate threats to the LPC and/ or SDL. By agreeing to conduct the conservation measures described by the CCA, and contribute funding or providing in-kind services for conservation.

The Certificate of Participation (CP) associate with the CCA is voluntary between CEHMM, BLM, USFWS and the Participating Cooperator. Through the CP, the Participating Cooperator voluntarily commits to implement or fund specific conservation actions that will reduce and/or eliminate threats to the SDL and /or the LPC. Funds contributed as part of the CP will be used to implement conservation measures and associated activities. The funds will be directed to the highest priority projects to restore or reclaim habitat at the sole discretion of BLM and USFWS.

The following Conservation Measures are to be accomplished in addition to those described in the CCA and Pecos District Special Status Species Resource Management Plan Amendment (RMPA):

- 1. To the extent determined by the BLM representative at the Plan of Development stage, all infrastructures supporting the development of a well (including roads, power lines, and pipelines) will be constructed within the same corridor.
- 2. On enrolled parcels that contain inactive wells, roads and/or facilities that are not reclaimed to current standards, the Participating Cooperator shall remediate and reclaim their facilities within three years of executing this CP, unless the Cooperator can demonstrate they will put the facilities back to beneficial use for the enrolled

parcel(s). If an extension is requested by the Cooperator, they shall submit a detailed plan (including dates) and receive BLM approval prior to the three year deadline. All remediation and reclamation shall be performed in accordance with BLM requirements and be approved in advance by the Authorized Officer.

- 3. Utilize alternative techniques to minimize new surface disturbance when required and as determined by the BLM representative at the Plan of Development stage.
- 4. Install fence markings along fences owned, controlled, or constructed by the Participating Cooperator that cross through occupied habitat within two miles of an active LPC lek.
- 5. Bury new powerlines that are within two (2) miles of LPC lek sites active at least once within the past 5 years (measured from the lek). The avoidance distance is subject to change based on new information received from peer reviewed science.
- 6. Bury new powerlines that are within one (1) mile of historic LPC lek sites where at least one LPC has been observed within the past three years (measured from the historic lek). The avoidance distance is subject to change based on new information received from peer reviewed science.
- 7. Management recommendations may be developed based on new information received from peer reviewed science to mitigate impacts from H2S and/or the accumulation of sulfates in the soil related to production of gas containing H2S on the SDL and LPC. Such management recommendations will be applied by the Participating Cooperator as Conservation Measures under this CI/CP in suitable and occupied SDL/LPC habitat where peer-reviewed science has shown that H2S levels threaten the LPC/SDL.