Form 3160-5 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELLS

OCD-ARTESIA

FORM APROVED OMB NO. 1004-0135 EXPIRES NOVEMBER 30, 2000

5. Lease Serial No.

Do not use this form for proposals to drill or to re-enter an				SL: NM54856 BHL: NM103873 6. If Indian, Allottee or Tribe Name		
abandoned well. Use Form 3160-3 (APD) for such proposals SUBMIT IN TRIPLICATE				o. ii iiidian, Allottee	or tribe Name	
				7. Unit or CA Agreement Name and No.		
1a. Type of Well 🔽 Oil Well 🔲 Ga	s Well Other	V 0 6 2008		8 Well Name and N	No.	
2 Name of Operator	OCI	D-ARTESIA		Shakespeare 20 Federal Com 1H		
DEVON ENERGY PRODUCT	TION COMPANY, LP			9. API Well No	27/	
Address and Telephone No.			_	30 015		
20 North Broadway, Oklaho		405-552-819	<u> </u>	10. Field and Pool,		
Location of Well (Report location clearly and in accordance with Federal requirements)* SL: 400 FSL & 100 FEL, SE/SE Section 20, T16S R28E Unit P			Wolfcamp 12. County or Parish 13 State			
BHL: 400 FSL & 330 FV	VL, SW/SW Section 20, T16S F	R28E Unit M		Eddy NM		
	APPROPRIATE BOX(s) TO IND			, OR OTHER DATA		
TYPE OS SUBMISSION		1YP	E OF ACTION			
✓ Notice of Intent	Acidize	Deepen		n (Start/Resume)	☐ Water Shut-Off	
Subsequent Report	☐ Alter Casıng ☐ Casıng Repaır	Fracture Treat New Construction	Reclamat Recomple		☐ Well Integrity ☐ Other	
Final Abandonment Notice	Change Plans	Plug and Abandon	Tempora	ily Abandon	oute	
13 Describe Proposed or Completed Operations (C	Convert to Injection	Plug Back	Water Dis	`		
been determined that three strings of o	asing will be required.					
		SEE CO	E ATTA NDITIO	CHED FOR NS OF API	PROVAL	
Signed (This space for Federal or State Office us	Name Title	Norvella Ada Sr. Staff Engineering		Date Date	75/30/2008 70VED	
Conditions of approval, if any:				JUN	4 2003	
Title 16 0 3 C Section 1001, makes it a crime for any	berson knowingly and willially to make any	department or agency of the onli	au States any laise	L	ements of representations to any matter wi	
its jurisdiction		nstruction on Reverse S			W. INGRAM JM ENGINEER	

Shakespeare 20 Federal Com 1H SL: 400 FSL & 100 FEL, SE/SE Section 20, T16S R28E Unit P

BHL: 400 FSL & 330 FWL, SW/SW Section 20, T16S R28E Unit M

Eddy County, NM

Casing Program:

Hole Size	Hole Interval (MD)	OD Csg	Casing Interval	Weight	Collar	<u>Grade</u>
17.5	0-520	13.375	0-520	48	STC	H-40
12 1/4	520-1900	9.625	0-1900	36	BTC	J-55
8.5	1900-6450	7	0-6450	26	BTC	P-110

Design Parameter Factors:

Casing Size	Collapse Design <u>Factor</u>	Burst Design Factor	Tension Design Factor
13.325	3.08	3.93	13.9
9.625	2.06	3.11	9.19
7	4.92	10.7	7.2

Mud Program

Depth(md)	Mud Wt.	<u>Visc</u>	Fluid Loss	Type System
0-520	8.5 -8.9	32-34	N/C	FW
500-1900	10	28	N/C	BRINE
1900-10827	8.5-8.9	29-34	N/C-12cc	CUT BRINE

BOP DESIGN: Annular – 5K

Blind Ram - 5K Pipe Ram – 5K Pipe Ram – 5K

TOC for All Strings:

Surface: Surf Intermediate: Surf Intermediate: 1500'

Cement Program:

a. Surface

Cement to surface with Lead with 250 sx 35:65 Premium Plus C Cement + 5% NaCl + 0.125 lbs/sx Celloflake + 4% Bentonite + 5% MPA-5 + 0.8% Sodium Metasilicate + 101.1% Fresh Water. Yield 1.96 cf/sx. 12.80 ppg. Tail with 200 sacks Premium Plus C Cement + 2% CaCl₂ + 0.125 lbs/sx Celloflake + 56.3% Fresh Water. Yield: 1.35 cf/sx; 14.80 ppg. Displacement: 75.4 bbls Mud @ 8.5 ppg.

b. 1st Intermediate

Cement to surface with Lead: 380 sx 35:65 Poz: Premium Plus C Cement + 5% NaCl + 0.125 lbs/sx Celloflake + 4% Bentonite + 3 #/sx LCM-1 + 5% MPA-5 + 98.2% Fresh Water. Yield: 1.97 cf/sx, 12.80 ppg. Tail with 250 sx Premium Plus C Cement + 2% CaCl₂ + 56.4% Fresh Water. Yield: 1.34 cf/sx , 14.80 ppg. Displacement: 143.8 bbls Mud @ 10.0 ppg.

c. 2nd Intermediate

Cement with Lead: 495 sacks 35:65 Poz Premium Plus C Cement + 3% NaCl + 0.125 lbs/sx Celloflake + 6% Bentonite + 0.4% FL-52A + 105.4% Fresh Water. Yield 2.00 cf/sx 12.50 ppg. Tail with 200 sacks 60:40 Poz Premium Plus C Cement + 1% NaCl + 0.125 lbs/sx Celloflake + 0.75% BA-10A + 0.2% FL-52A + 4% MPA-5 + 63.1 Fresh Water. Yield 1.34 cf/sx, 13.80 ppg. Displacement: 243.7 bbls Water @ 8.34 ppg.

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: | Devon Energy Production

LEASE NO.: | NM-103873

WELL NAME & NO.: | 1H-Shakespeare 20 Federal Com

SURFACE HOLE FOOTAGE: 400° FSL & 330° FEL BOTTOM HOLE FOOTAGE 400° FSL & 330° FWL

LOCATION: Section 20, T. 16 S., R 28 E., NMPM

COUNTY: Eddy County, New Mexico

I DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

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

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests
 - Chaves and Roosevelt Counties, T16S Eddy County
 Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
 (575) 627-0205 and (575) 361-2822.
- 1. Although there are no measured amounts of Hydrogen Sulfide reported, it is always a potential hazard. If Hydrogen Sulfide is encountered, please 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.
- 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 are located, this does not include the dog house or stairway area.

CASING В.

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

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

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string.

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

High cave/karst.

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Possible lost circulation in the Grayburg and San-Andres formations. Possible high pressure gas bursts in the Wolfcamp. COUNTY VALUE OF THE COUNTY OF

- 1. The 13-3/8 inch surface casing shall be set at approximately 520 feet and cemented to the surface. Onshore Order II requires casing to be set across a competent bed, which may be difficult to find in the Seven Rivers.
 - 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 a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.

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- b. Wait on cement (WOC) time 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. (This is to include the lead cement).
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial action will be done prior to drilling out that string.
- 2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:
 - Cement to surface. If cement does not circulate see B.1.a-d above.

If 75% or greater lost circulation occurs while drilling the intermediate casing hole, the cement on the 7" casing must come to surface.

- 3. The minimum required fill of cement behind the 7 inch second intermediate casing is:
 - Cement should tie-back at least 200 feet into previous casing string. Operator shall provide method of verification.
- 4. The minimum required fill of cement behind the 4-1/2 inch production casing is:
 - ⊠ Cement not required operator using Peak System Iso-pack liner.

Seal on Peak Systems Iso-Pack liner is to be tested per Onshore Oil and Gas Order 2.III.B.1.b. Report test results for liner on subsequent report.

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

Reflection by the Authority

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. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The tests shall be done by an independent service company.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. 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.
 - d. 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.
 - e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.

f. A variance to test the surface casing and BOP/BOPE to the reduced pressure of **1000** psi with the rig pumps is approved.

D. DRILLING MUD

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

E. DRÍLL STEM TEST

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

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