

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

5

5 Lease Serial No

NMNM-99039

6 If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE -- Other instructions on page 2**

1 Type of Well

☐ Oil Well

☒ Gas Well

☐ Other

SEP - 5 2008

2 Name of Operator  
Devon Energy Production Co , LP

OCD-ARTESIA

9 API Well No

30-015-35071

3a Address  
20 North Broadway  
OKC, OK 73102

3b Phone No (include area code)  
(405)-552-7802

10 Field and Pool or Exploratory Area  
Lusk, Morrow (Gas), West

4 Location of Well (Footage, Sec , T , R , M , or Survey Description)  
NWNE 810' FNL & 1905' FEL  
Sec 14-T19S-R31E

11 Country or Parish, State

Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD Changes & BOP Variance
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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

Devon Energy Production Company, LP respectfully submits the following changes to the initial permit approved and extended until 08/01/09 Casing Program (see attached for revised cementing program & design parameter factors)

Hole Size	Interval	OD Csg	Weight	Collar	Grade
17 1/2"	0' - 665'	13 3/8"	48#	ST&C	H-40
12 1/4"	0' - 4100'	9 5/8"	40#	BT&C	J-55
12 1/4"	4100' - 4525'	9 5/8"	40#	BT&C	HCK-55
8 3/4"	0' - 12725'	5 1/2"	17#	LT&C	HCP-110

**Proposed Mud Circulation System**

Depth	Mud Wt	Visc	Fluid Loss	Type System
0' - 665'	8.9-9.4	32-34	NC	Fresh Water
665' - 4,525'	9.8-10.2	28-30	NC	Brine Water
4525' - 8,500'	8.4-8.5	28	NC	Fresh Water
8500' - 10,000'	9.3-9.8	28	NC	Cut Brine
10,000' - 12,725'	9.2 - 10.2	36-48	8-10cc	Brine Water

**BOP Variance**

Devon Energy Production Co , LP respectfully request permission to test the BOPE to 1000 psi when NU on the surface casing

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**ACCEPTED FOR RECORD**

SEP 5 - 2008

Gerry Guye, Deputy Field Inspector  
NMOCD-District II ARTESIA

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)  
Stephanie A Ysasaga

Title Sr Staff Engineering Technician

Signature

Date 08/28/2008

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Office

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

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

(Instructions on page 2)

**APPROVED**

**AUG 28 2008**

Date

**WESLEY W INGRAM  
PETROLEUM ENGINEER**

Well name:	<b>Coyote 14 Fed 1</b>
Operator:	<b>Devon Energy Corporation</b>
String type:	Production
AFE No:	127804
Location:	14-T19S-R31E

#### Design parameters:

##### Collapse

Mud weight: 10.200 ppg  
Design is based on evacuated pipe.

#### Minimum design factors:

##### Collapse:

Design factor 1.125

##### Burst:

Design factor 1.00

#### Environment:

H2S considered? No  
Surface temperature 75 °F  
Bottom hole temperature 183 °F  
Temperature gradient 0.85 °F/100ft  
Minimum section length: 600 ft

##### Burst

Max anticipated surface pressure: 6,742 psi  
Internal gradient: 0.000 psi/ft  
Calculated BHP 6,743 psi

No backup mud specified.

##### Tension:

8 Round STC: 1 80 (J)  
8 Round LTC: 1 80 (J)  
Buttress: 1 60 (J)  
Premium: 1.50 (J)  
Body yield: 1.60 (B)

Non-directional string.

Tension is based on air weight  
Neutral point: 10,757 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	12725	5.5	17.00	HCP-110	LT&C	12725	12725	4 767	213352
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	6743	8580	1.27	6743	10640	1.58	216.3	445	2.06 J

Prepared by Don Jennings  
Devon Energy

Date: August 20, 2008  
Oklahoma City, Oklahoma

#### Remarks:

Collapse is based on a vertical depth of 12725 ft, a mud weight of 10.2 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser*

Well name	<b>Coyote 14 Fed 1</b>
Operator	<b>Devon Energy Corporation</b>
String type:	Intermediate
AFE No :	127804
Location:	14-T19S-R31E

#### Design parameters:

##### Collapse

Mud weight: 10.000 ppg  
Design is based on evacuated pipe.

#### Minimum design factors:

##### Collapse:

Design factor 1.100

##### Burst:

Design factor 1.20

#### Environment:

H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 113 °F  
Temperature gradient: 0.85 °F/100ft  
Minimum section length: 400 ft

##### Burst

Max anticipated surface pressure: 1,491 psi  
Internal gradient: 0.372 psi/ft  
Calculated BHP: 3,173 psi  
  
Annular backup: 8.30 ppg

##### Tension:

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.60 (B)

Non-directional string.

Tension is based on air weight.  
Neutral point: 3,852 ft

Estimated cost: 116,730 (\$)

##### Re subsequent strings:

Next setting depth: 12,725 ft  
Next mud weight: 10.300 ppg  
Next setting BHP: 6,809 psi  
Fracture mud wt: 13.500 ppg  
Fracture depth: 4,525 ft  
Injection pressure: 3,173 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
2	4100	9.625	40.00	J-55	Buttress	4100	4100	8.75	102493
1	425	9.625	40.00	HCK-55	Buttress	4525	4525	8.75	14237

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
2	2130	2551	1.20	1491	3950	2.65	181	630	3.48 B
1	2351	4230	1.80	1248	3950	3.17	17	630	37.06 B

Prepared by: Don Jennings  
Devon Energy

Date: August 22, 2008  
Oklahoma City, Oklahoma

#### Remarks:

Collapse is based on a vertical depth of 4525 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*

Well name.

**Coyote 14 Fed 1**Operator: **Devon Energy Corporation**String type **Surface**AFE No **127804**Location **14-T19S-R31E****Design parameters:****Collapse**Mud weight: 9 500 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.25

**Environment:**H2S considered? No  
Surface temperature: 75 °F  
Bottom hole temperature: 81 °F  
Temperature gradient: 0.85 °F/100ft  
Minimum section length: 500 ft  
Minimum Drift: 2.250 in**Burst**Max anticipated surface pressure: 333 psi  
Internal gradient: 0.200 psi/ft  
Calculated BHP 466 psi

No backup mud specified.

**Tension:**8 Round STC 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield. 1.60 (B)Tension is based on air weight.  
Neutral point: 573 ft

Non-directional string

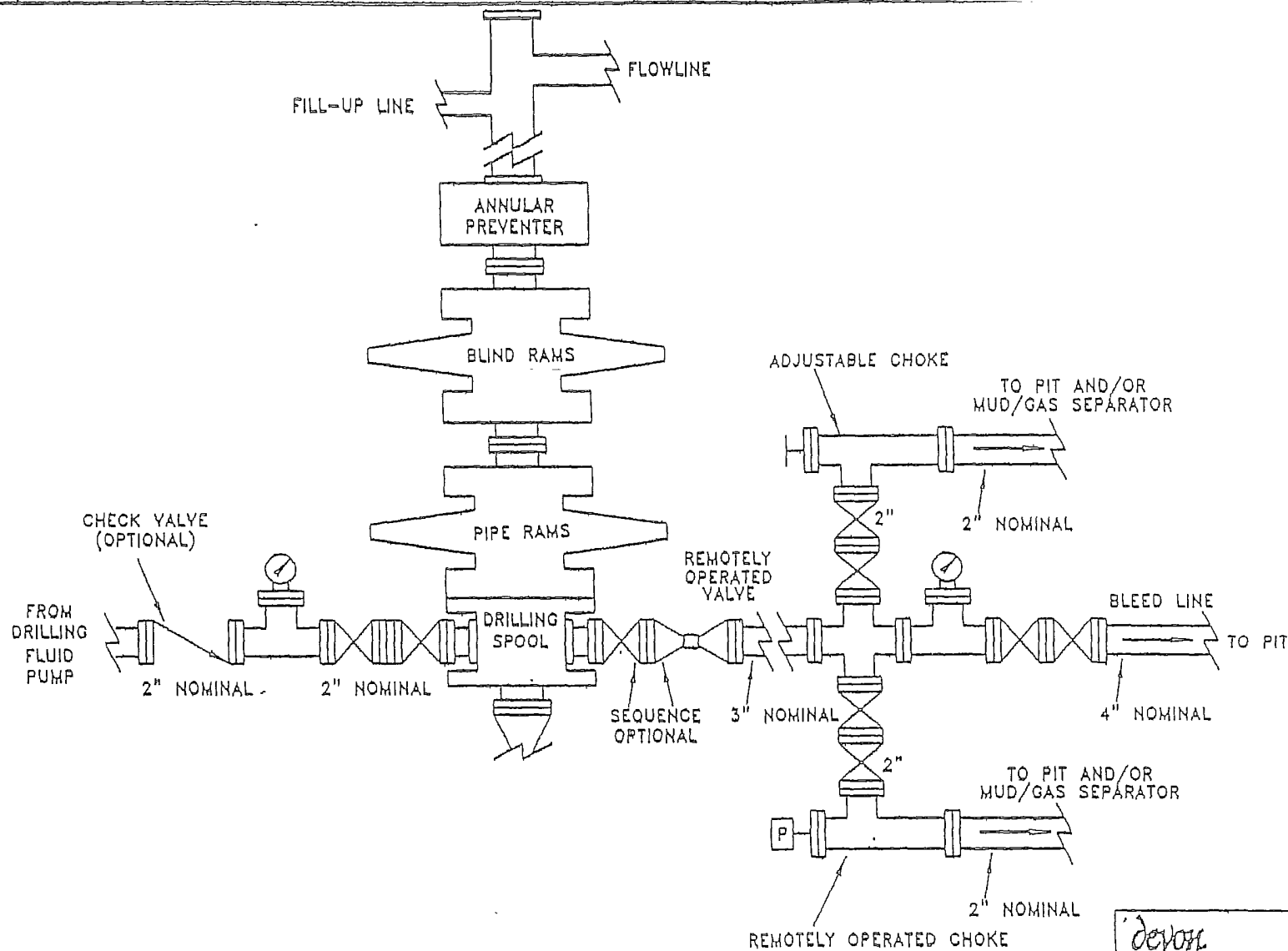
**Re subsequent strings:**Next setting depth: 4,525 ft  
Next mud weight: 10 000 ppg  
Next setting BHP: 2,351 psi  
Fracture mud wt: 13.500 ppg  
Fracture depth: 665 ft  
Injection pressure 466 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	665	13.375	48.00	H-40	ST&C	665	665	12.59	20992
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	328	740	2.25	466	1730	3.71	31.9	322	10.09 J

Prepared by Don Jennings  
Devon EnergyDate: August 20, 2008  
Oklahoma City, Oklahoma**Remarks:**Collapse is based on a vertical depth of 665 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes.  
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

*Engineering responsibility for use of this design will be that of the purchaser.*



*devon*

EXHIBIT 1

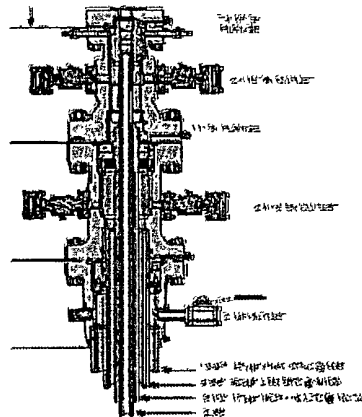
PROPOSED 10-M BOPE  
AND CHOKE ARRANGEMENT

si\... \nm\plots  
5mbopa.dwg

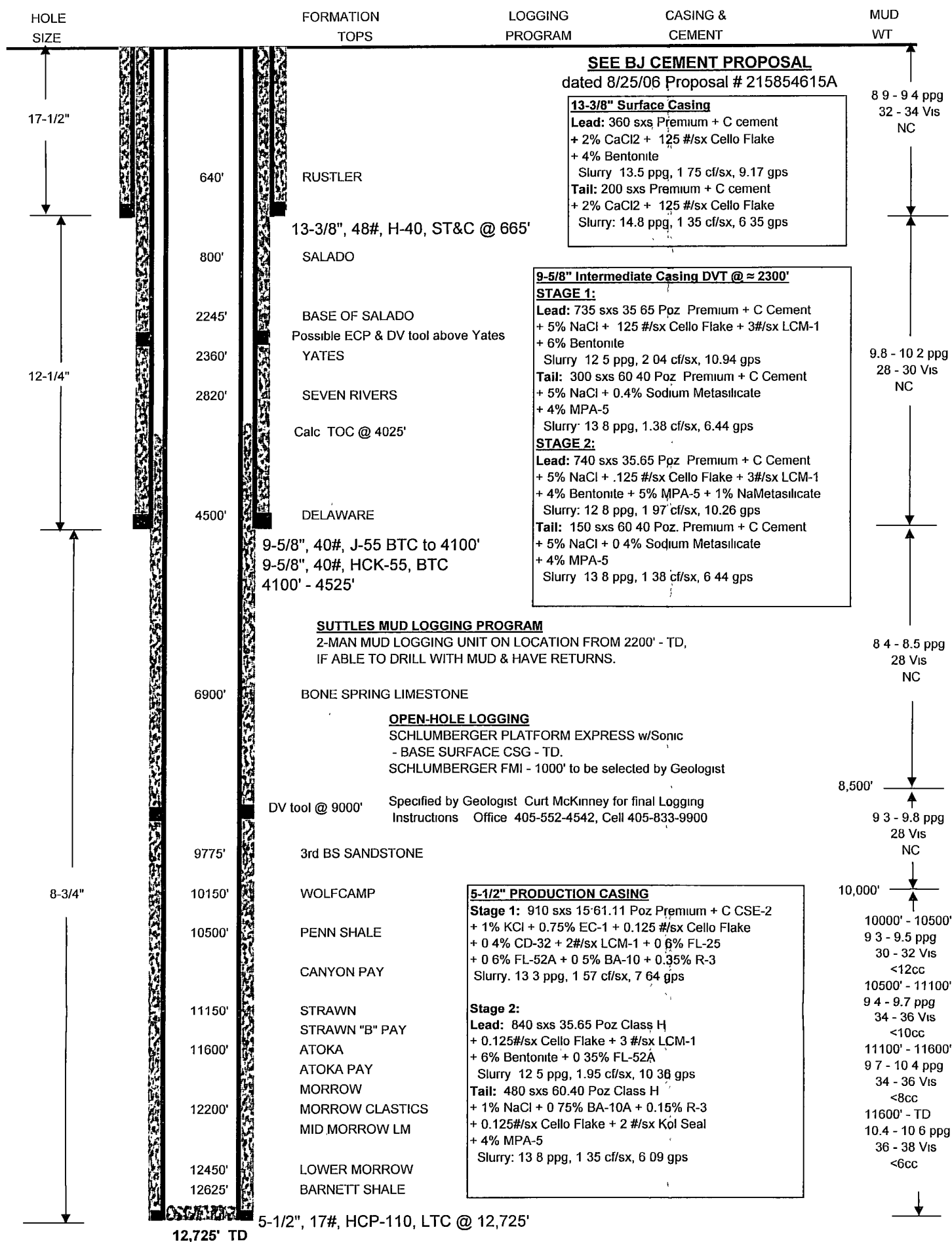
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WELL:	COYOTE 14 FED 1	BOP:	10000#
FIELD:	HACKBERRY UNASSIGNED		
CATEGORY:	DEVELOPMENT WELL - (GAS)		
SHL:	810' FNL & 1905' FEL	Sec. 14-T19S-R31E	
BHL:	810' FNL & 1905' FEL		
COUNTY:	EDDY	STATE:	NEW MEXICO
ELEVATION:	3557' GL	API NO.:	30-015-35071
	3580' KB		
RIG:	23' KB GREY WOLF #33		



FMC 13-3/8" x 9-5/8" x 5-1/2"



**Ysasaga, Stephanie**

**From:** Ysasaga, Stephanie  
**Sent:** Wednesday, August 27, 2008 4 22 PM  
**To:** 'Wesley\_Ingram@blm.gov'  
**Subject:** Coyote 14 Fed 1 NOI - APD Changes & BOP Variance  
**Attachments:** Coyote 14 Fed 1\_NOIAPDChgsBOP PDF

Wesley,

I am sure you are swamped, I'm not sure if you are the only person handling sundry notices for APD changes & BOP variances. Attached are the changes for the Coyote 14 Federal 1. The APD was approved almost 2 years ago, so we are changing from 8 5/8" casing to 9 5/8". Revised mud program, cementing report and design parameter factors are included.

Original + 5 copies will be in the mail Fed-Ex tomorrow coming to your attention. Thanks ☺

***Stephanie A. Ysasaga***

Sr. Staff Engineering Technician  
(405)-552-7802 Phone (405)-721-7689 Cell  
(405)-552-8113 Fax  
Corporate Tower 03 056  
[Stephanie.Ysasaga@dnv.com](mailto:Stephanie.Ysasaga@dnv.com)

8/27/2008

## PECOS DISTRICT CONDITIONS OF APPROVAL

<b>OPERATOR'S NAME:</b>	<b>Devon Energy Production Co., LP</b>
<b>LEASE NO.:</b>	<b>NMNM-99039</b>
<b>WELL NAME &amp; NO.:</b>	<b>Coyote 14 Fed 1</b>
<b>SURFACE HOLE FOOTAGE:</b>	<b>0810' FNL &amp; 1905' FEL</b>
<b>LOCATION:</b>	<b>Section 14, T. 19 S., R 31 E., NMPM</b>
<b>COUNTY:</b>	<b>Eddy County, New Mexico</b>

### I. DRILLING

#### A. DRILLING OPERATIONS REQUIREMENTS

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

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

☒ **Eddy County**

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

1. A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan should be activated 500 feet prior to drilling into the **Delaware** formation. **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.



## **B. CASING**

**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.**

**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 for all casing strings. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. See individual casing strings for details regarding lead cement slurry requirements.**

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

1. The 13-3/8 inch surface casing shall be set **at approximately 665 feet (a minimum of 25 feet into the Rustler Anhydrite and above the salt)** and cemented to the surface.
  - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  - 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 9-5/8 inch intermediate casing is:
  - a. First stage to DV tool, cement shall:
    - ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.

b. Second stage above DV tool, cement shall:

- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.

**Formation below the 9-5/8" shoe to be tested according to Onshore Order 2.III.B.1.i. Test to be done as a mud equivalency test using the mud weight necessary for the pore pressure of the formation below the shoe (not the mud weight required to prevent dissolving the salt formation) and the mud weight for the bottom of the hole.**

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

a. First stage to DV tool, cement shall:

- ☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office, before proceeding with second stage cement job.

b. Second stage above DV tool, cement shall:

- ☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

4. 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. 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 (**entire system**) 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. DRILL STEM TEST**

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

**WWI 082808**