

30-025-40583

HOBBS OCD

MAY 23 2012

RECEIVED

SURFACE USE PLAN
Devon Energy Production Company, LP
Cotton Draw 32 State Fed Com 1H

Surface Location: 2310' FSL & 660' FEL, Unit I, Sec 32 T24S R32E, Lea, NM
Bottom Hole Location: 330' FSL & 660' FEL, Unit P, Sec 5 T25S R32E, Lea, NM

1. 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 Surveying.
- b. All roads into the location are depicted on Exhibit 3.
- c. Directions to Location: From State Hwy 128 and and pave CR #1 Orla, go south 2.4 miles to proposed road survey and follow flags on north side of (E-W) fence west 1.0 miles then south on (N-S) Fence 0.5 miles then west to NE corner of proposed pad for location.

2. New or Reconstructed Access Roads:

- a. The well site layout, Form C-102 shows the existing County road. Approximately 8624' of new access road will be constructed as follows.
- b. The maximum width of the road will be 14'. It will be crowned and made of 6" rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 1%.
- d. 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 necessary production equipment will be installed at the well site. See production Facilities Layout Diagram.
- b. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road. If said power poles are needed, a plat and a sundry notice will be filed with your office.
- c. All flow lines will adhere to API standards.
- d. 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 and proposed roads shown in the C-102. 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:

The caliche utilized for the drilling pad and proposed access road will be from minerals that are located onsite or will be used onsite. If minerals are not available onsite, then an established mineral pit will be used to build the location and stem road.

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 well.

9. Well Site Layout

- a. Exhibit D 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 comply with the NMOCD requirements 19.15.17 and submit form C-144 to the appropriate NMOCD District Office. A copy to be provided to the BLM.

- f. Standard practice is topsoil will be pushed to the high side of location to prevent water from running across location to control erosion. If a cut out is done and there are two or three high sides, we will use those there.

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

Operators Representative:

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

Jim Cromer - Operations Engineer Advisor
Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, OK 73102-8260
(405) 228-4464 (office)
(405) 694-7718 (Cellular)

Don Mayberry - Superintendent
Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, NM 88211-0250
(575) 748-3371 (office)
(575) 746-4945 (home)

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 6th day of March, 2012.

Printed Name: Judy A. Barnett

Signed Name: 

Position Title: Regulatory Specialist

Address: 20 North Broadway, OKC OK 73102

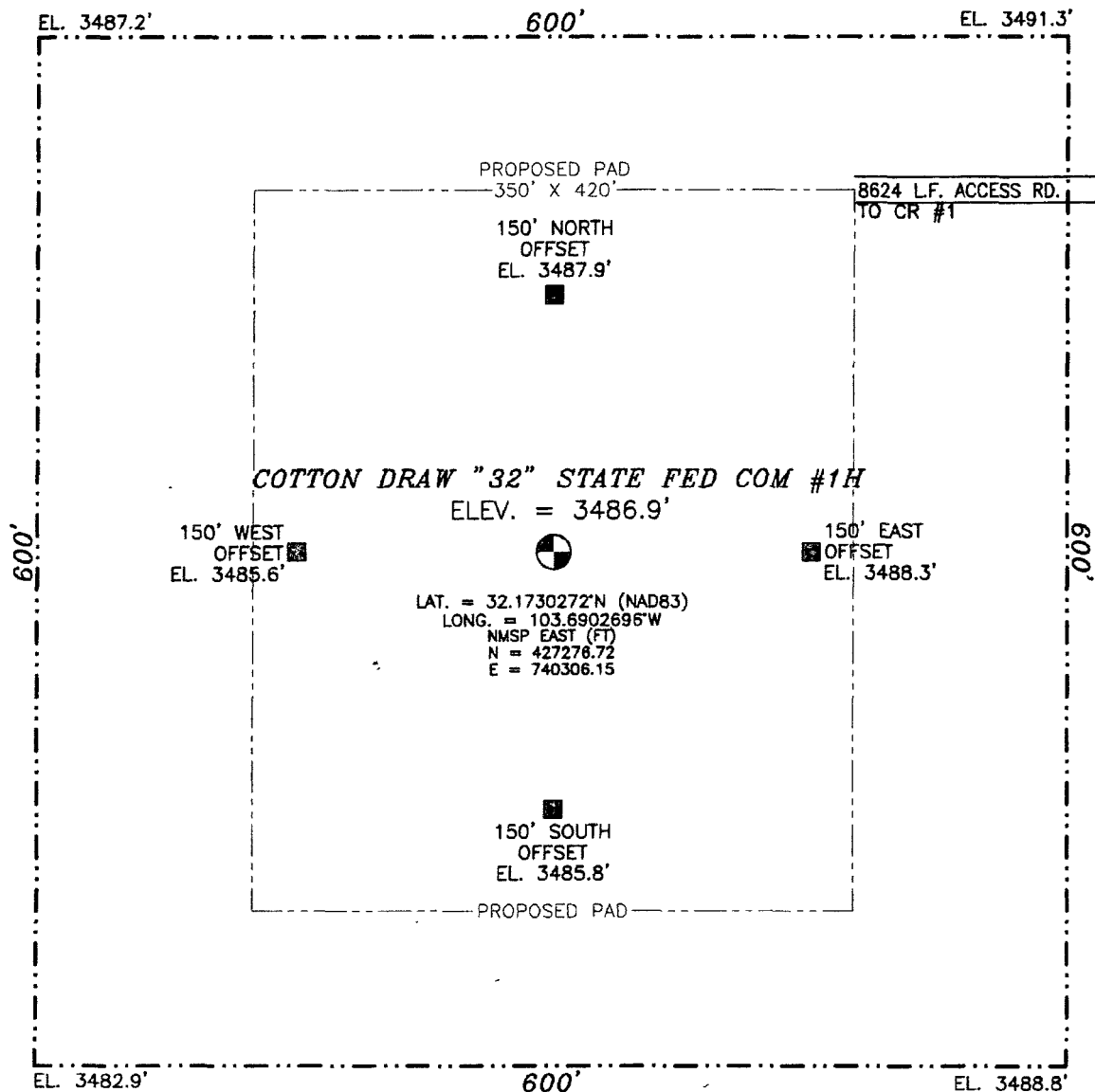
Telephone: (405)-228-8699

Field Representative (if not above signatory):

Address (if different from above):

Telephone (if different from above):

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO



010 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM STATE HWY. 128 AND PAVED CR. #1 (ORLA RD.), GO SOUTH
ON CR. #1 2.4 MILES TO A PROPOSED ROAD SURVEY AND FOLLOW
FLAGS (ON NORTH SIDE OF E-W FENCE) WEST 1.0 MILES THEN
SOUTH (ON WEST SIDE OF N-S FENCE) 0.5 MILES THEN WEST 463'
TO THE NE. CORNER OF PROPOSED PAD FOR THIS LOCATION

DEVON ENERGY PRODUCTION COMPANY, L.P.

COTTON DRAW "32"

STATE FED COM #1H

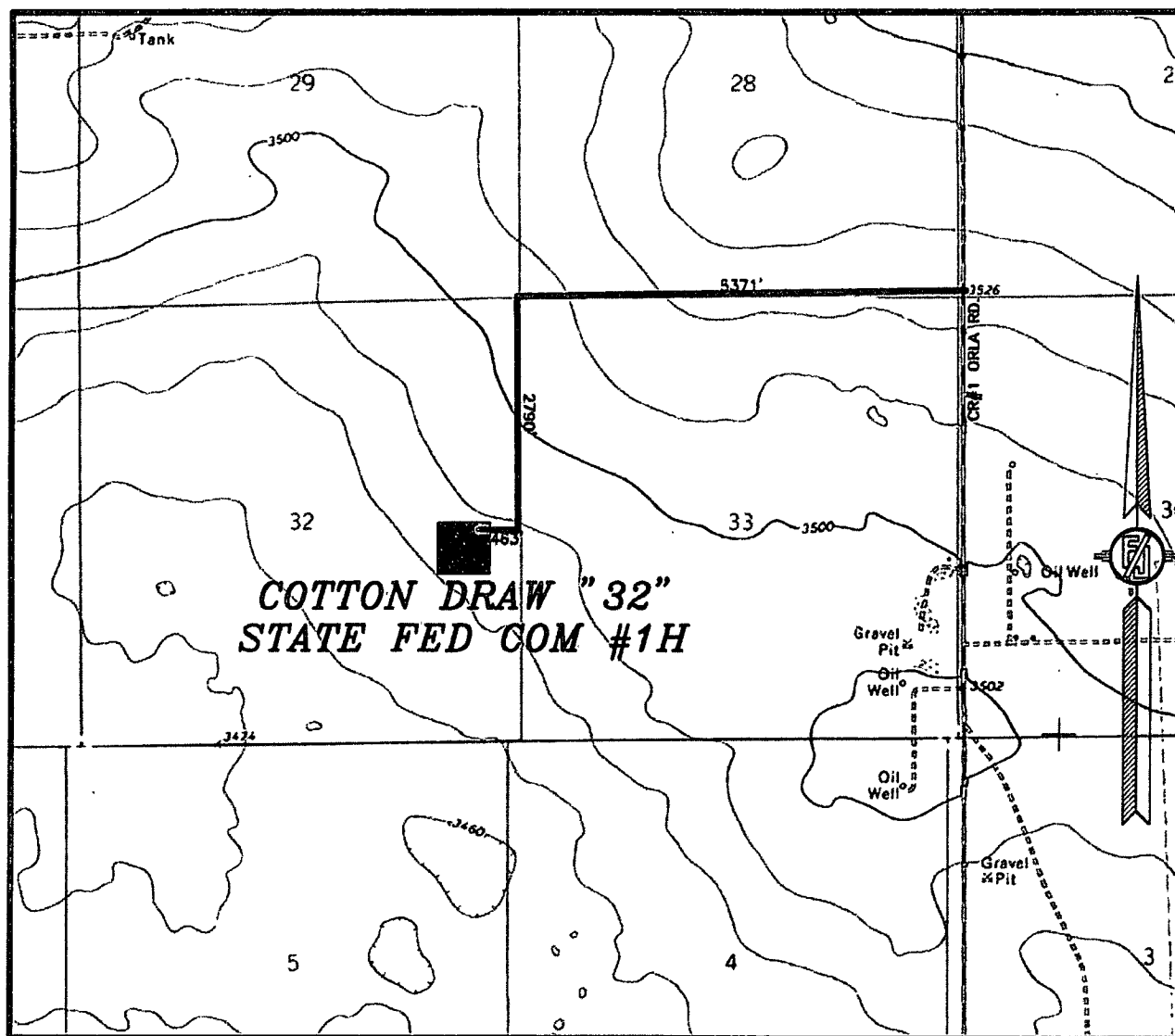
LOCATED 2310 FT. FROM THE SOUTH LINE
AND 660 FT. FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 24 SOUTH,
RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

FEBRUARY 14, 2012

SURVEY NO. 788A

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
PADUCA BREAKS NW

NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.
COTTON DRAW "32" STATE FED COM #1H
LOCATED 2310 FT. FROM THE SOUTH LINE
AND 660 FT. FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 24 SOUTH,
RANGE 32 EAST, N.M.P.M.
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FEBRUARY 14, 2012

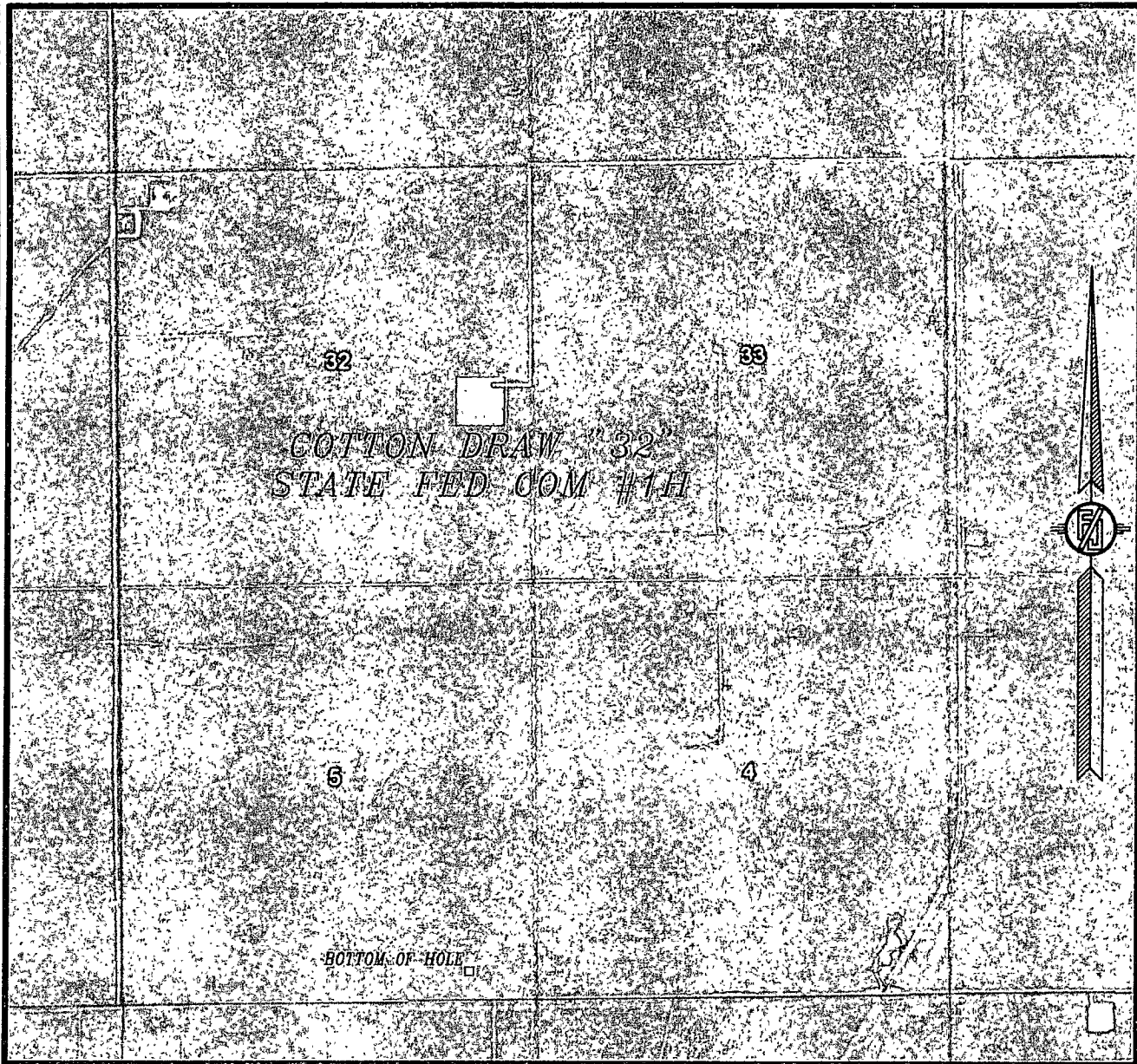
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(575) 234-3341

A topographic map of the Cotton Draw area. The map features contour lines with elevations ranging from 1030 to 1100 feet. A prominent road, labeled 120, runs diagonally from the upper left towards the center. Another road, labeled 100, runs horizontally across the upper right. A dashed line labeled 'JEEP TRAIL' is visible in the lower right quadrant. A black dot is placed on the map, with the text 'COTTON DRAW "32" STATE FED COM #1H' printed directly above it. To the right of the map, there is a vertical scale bar and a circular compass rose indicating North (N) and East (E). The map also shows various other features such as 'POWELL OIL FIELD', 'Landing Strip', and 'PADUCA OIL FIELD'.

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(575) 234-3341

SECTION 32, TOWNSHIP 24 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MAY 2011

DEVON ENERGY PRODUCTION COMPANY, L.P.
COTTON DRAW "32" STATE FED COM #1H
LOCATED 2310 FT. FROM THE SOUTH LINE
AND 660 FT. FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 24 SOUTH,
RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

SURVEY NO. 788A

FEBRUARY 14, 2012

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341

Estimated distances to nearest wells:

Cotton Draw Unit 72 5536 ft ESE
Cotton Draw Unit 73 5343 ft E
Spencer 5 Fed 1 4011 ft W
Cotton Draw 8 Fed 1H 658 ft S

29

28

27

ALLEN 8 FED 1

EXXON A FED 1 WRIGHT FED 2

EXXON A FED WD-2

EXXON A FED 4

REDHEAD 31 FED 1H

COTTON DRAW 32 ST 1H

COTTON DRAW 32 ST FED COM 1H
DEVON ENERGY

31

32

33

34

COTTON DRAW 32 ST FED COM 1H

SL

Estimated distance to
nearest wellbore 5536 ft ESE

COTTON DRAW UT 71

COTTON DRAW UT 60

COTTON DRAW UT 70

COTTON DRAW UT 74

COTTON DRAW UT 72

COTTON DRAW UT 73

24S 32E

25S 32E

6

5

4

3

COTTON DRAW UT FED 4

devon

Devon Energy

PB_AS

1-Mile Radius Map

Cotton Draw 32 St Fed Com 1H

0 2,342
FEET

POSTED WELL DATA

Well Label

WELL SYMBOLS

- Location Only
- LOC PROPOSAL
- Oil Well
- ☼ Gas Well
- Dry Hole
- PILOT HOLE
- Plugged & Abandoned Oil Well
- Injection Well
- Dry Hole, With Show of Oil

SPENCER 5 FED 1

BHL

Estimated distance to
nearest wellbore 658 ft S

COTTON DRAW 8 FED 1H

RAY 9 FED 1

COTTON DRAW UT 63

EF RAY-FED B 3

COTTON DRAW UT 33

EF RAY-FED NCT-2 2

COTTON DRAW UT 66

COTTON DRAW UT 67

16

COTTON DRAW UT 68

RAY EF-FED B 8

COTTON DRAW UT 52

COTTON DRAW UT 24

COTTON DRAW UT 41

COTTON DRAW UT 19

EF RAY-FED B 1

EMILY FLINT RAY-FED 2

COTTON DRAW UT 6

COTTON DRAW UT 34

COTTON DRAW UT 21

PADUCA DELAWARE-16 ST-1

PADUCA DELAWARE 16 ST 3

PADUCA DELAWARE 16 ST 8

COTTON DRAW UT 92

PADUCA DELAWARE 16 ST 5

COTTON DRAW UT 10

COTTON DRAW UT 75

COTTON DRAW UT 5

PADUCA DELAWARE 16 ST 2

COTTON DRAW UT 3

COTTON DRAW UT 2

PADUCA DELAWARE 16 ST 4

COTTON DRAW UT 13

COTTON DRAW UT 12

COTTON DRAW UT 15

BRADLEY EL-ST-4

CONTINENTAL-ST 1

GE JORDAN NCT-1 10