

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

HOBBS OCD

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010**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.

JUN 19 2012

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Devon Energy Production Company, L.P.3a. Address
333 W Sherdan Avenue, Oklahoma City, OK 73102-82603b. Phone No. (include area code)
405-235-36114. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL NESW, 1650 FSL & 1980 FWL SEC 17 T22S R34E, K
BHL SESW, 330 FSL & 1980 FWL SEC 20 T22S R34E, N5. Lease Serial No.
NMNM 92781

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.
NMNM 94480X8. Well Name and No.
Gaucho Unit 79. API Well No.
30-025-3444010. Field and Pool or Exploratory Area
OJO CHISO11. Country or Parish, State
Lea County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Sidetrack
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recompletable 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 recompletable 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 L. P. respectfully requests approval to sidetrack and drill into the Lower Brushy Canyon A Sandstone, by the following drilling procedure:

Hole size	Hole Interval	OD Csg	Casing Interval	Weight	Collar	Grade
8-3/4"	5,122 - 7,700'	5-1/2"	0 - 7,700'	17#	LTC	HCP-110
8-3/4"	7,700 - 14,840'	5-1/2"	7,700 - 14,840'	17#	BTC	HCP-110

The approval of this sundry is contingent upon the successful plug back procedure approved on the previous sundry dated 04/04/2012.

Mud Program:

Depth	Mud Wt.	Visc.	Fluid Loss	Type System
5,122 - 14,840'	8.6 - 9.0	28 - 32	N/C -12	FW

Casing Design Factors:

Casing Size	Collapse Design Factor	Burst Design Factor	Tension Design Factor
5-1/2", 17#, HCP-110 LTC	2.38	2.95	1.76
5-1/2", 17#, HCP-110 BTC	2.16	2.67	3.66

(Please see attached procedure, Directional Survey, BOP Design, cementing and wellbore schematics, Proposed Interim Site Reclamation Exhibits A & B & C-102)

Cementing program: Cement volumes are designed using a minimum of 20% excess cement.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

DAVID H. COOK

Title REGULATORY SPECIALIST

Signature

Date 05/24/2012



THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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

Office

PETROLEUM ENGINEER

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)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

JUN 20 2012

GAUCHO UNIT 7 (Re-entry) – APD DRILLING PLAN
KKS 5-16-12

Casing Program and re-entry drilling program

Note the Gaucho unit 7 is a re-entry well, the existing 7" casing will be pulled from ~8,050' to surface. The existing surface casing set at 827', 1st intermediate casing string set at 2,290's and the 2nd intermediate casing string set at 5,172' will remain in place. Drilling plan is to drill the cement plug set at ~5,122' to a KOP of 7,913' build and land curve, drill lateral, run and cement 5-1/2 production casing.

Casing plan:

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Csg</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
8-3/4"	5,122 – 7,700	5-1/2"	0 – 7,700	17#	LTC	HCP-110
8-3/4"	7,700 – 14,840	5-1/2"	7,700 – 14,840	17#	BTC	HCP-110

MAX TVD 8,485 FT

Note: only new casing will be utilized.

Design Factors:

<u>Casing Size</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
5-1/2" 17# P-110HC LTC	2.38	2.95	1.76
5-1/2" 17# P-110HC BTC	2.16	2.67	3.66

Mud Program:

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>Fluid Loss</u>	<u>Type System</u>
5,122 – 14,840	8.6 – 9.0	28 – 32	N/C-12	FW

Pressure Control Equipment:

The BOP system used to drill the production hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the intermediate casing shoe.

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.

Cementing Program (cement volumes based on at least 25% excess)

5-1/2" Production

1st Lead Slurry (yield 2.3 cf/sk, 11.80 ppg):	275 sacks (50:50) Poz (Fly Ash):Class H Cement + 0.5% bwoc FL-52 + 0.3% bwoc ASA-301 + 10% bwoc Bentonite + 0.1% bwoc R-21 + 130.7% Fresh Water
Lead Slurry (yield 2.0 cf/sk, 12.50 ppg):	630 sacks (35:65) Poz (Fly Ash):Class H Cement + 3% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.7% bwoc FL-52 + 6% bwoc Bentonite + 105.4% Fresh Water
Tail Slurry (yield 1.28 cf/sk 14.20 ppg):	1600 sacks (50:50) Poz (Fly Ash):Class H Cement + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.5% bwoc FL-52 + 0.45% bwoc Sodium Metasilicate + 57.2% Fresh Water

TOC for All Strings:

Surface:	NA
Intermediate:	NA
Production:	4,652'

ACTUAL CEMENT VOLUMES WILL BE ADJUSTED BASED ON FLUID CALIPER AND CALIPER LOG DATA.

devon

Devon Energy

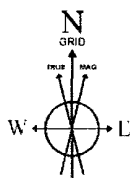
Location Lea County, NM
Field (Gaucho) Sec 17, T22S, R34E
Facility Gaucho Unit No 7H

Slot: No 7H SHL
Well: No 7H
Wellbore: No.7H PWB

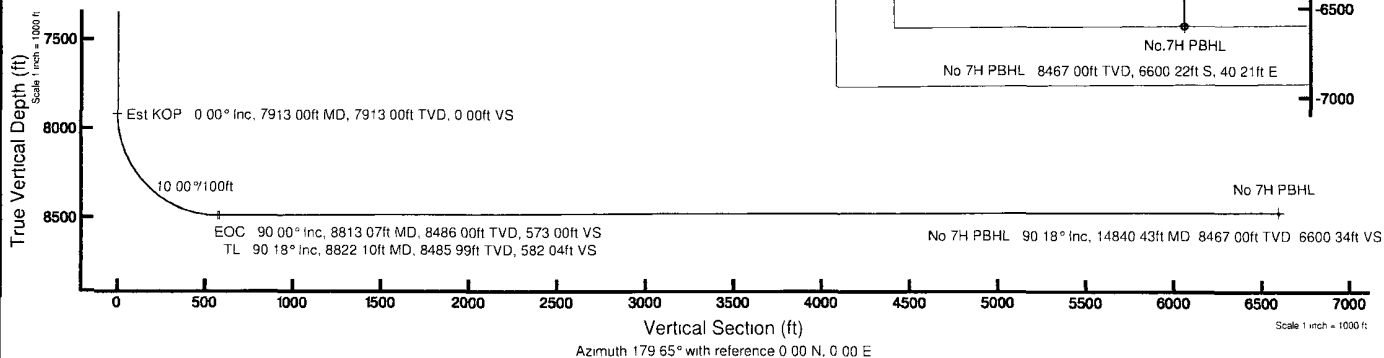
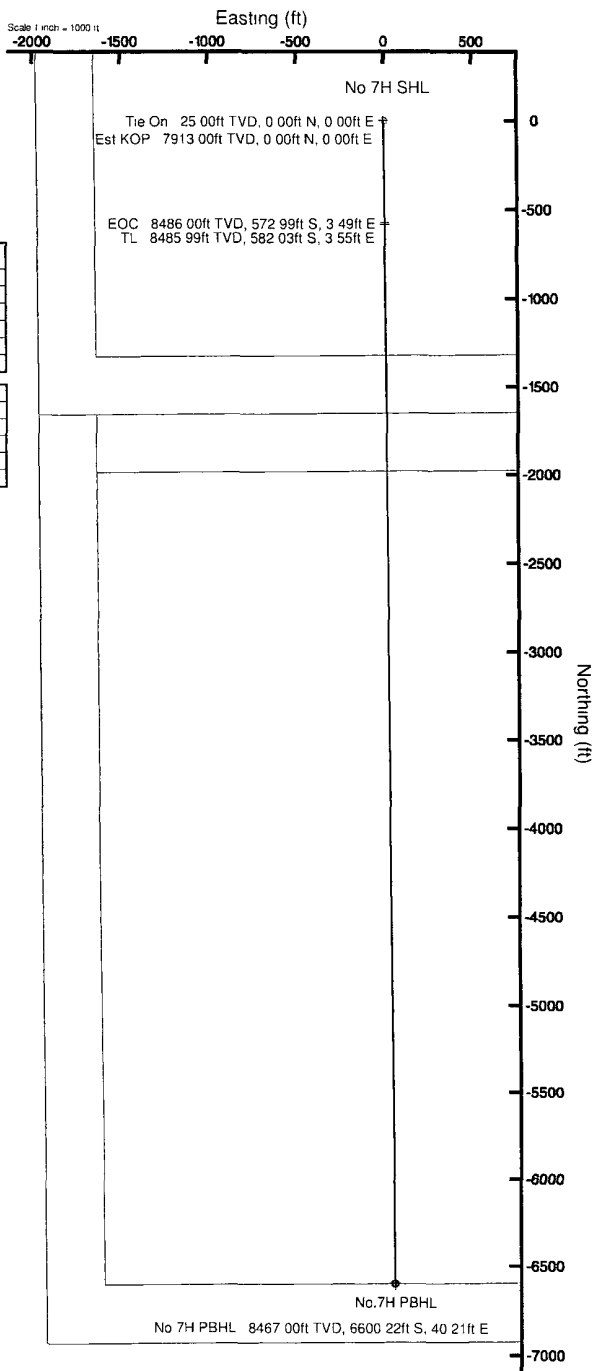


Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (7/100ft)	VS (ft)
Tie On	25.00	0.000	179.651	25.00	0.00	0.00	0.00	0.00
End of Tangent	7913.00	0.000	179.651	7913.00	0.00	0.00	0.00	0.00
EOC	8813.07	90.000	179.651	8486.00	-572.99	3.49	10.00	573.00
TL	8822.10	90.181	179.651	8485.99	-582.03	3.55	2.00	582.04
No 7H PBHL	14840.43	90.181	179.651	8467.00	-6600.22	40.21	0.00	6600.34

Plot reference wellpath is Rev A.0	Grid System NAD83 / TM New Mexico SP, Eastern Zone (3001), US feet
True vertical depths are referenced to Rig on No 7H SHL (KB)	North Reference Grid north
Measured depths are referenced to Rig on No 7H SHL (KB)	Scale True distance
Rig on No 7H SHL (KB) to Mean Sea Level: 3513.1 feet	Depths are in feet
Mean Sea Level to Mud line (At Slot No 7H SHL): -3488.1 feet	Created by: gentbry on 5/2/2012
Coordinates are in feet referenced to Slot	



BGGM (1945.0 to 2013.0) Dip: 60.30° Field: 48641.2 nT
Magnetic North is 7.53 degrees East of True North (at 5/2/2012)
Grid North is 0.45 degrees East of True North
To correct azimuth from True to Grid subtract 0.45 degrees
To correct azimuth from Magnetic to Grid add 7.08 degrees
For example: if the Magnetic North Azimuth = 90 degs, then the Grid North Azimuth = 90 + 7.08 = 97.08





Planned Wellpath Report

Rev-A.0

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REFERENCE WELLPATH IDENTIFICATION

Operator	Devon Energy	Slot	No.7H SHL
Area	Lea County, NM	Well	No.7H
Field	(Gaucho) Sec 17, T22S, R34E	Wellbore	No.7H PWB
Facility	Gaucho Unit No.7H		

REPORT SETUP INFORMATION

Projection System	NAD83 / TM New Mexico SP, Eastern Zone (3001), US feet	Software System	WellArchitect® 3.0.0
North Reference	Grid	User	Gentbry
Scale	0.999986	Report Generated	5/2/2012 at 2:02:00 PM
Convergence at slot	0.45° East	Database/Source file	WA Midland/No.7H_PWB.xml

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North[ft]	East[ft]	Easting[US ft]	Northing[US ft]	Latitude	Longitude
Slot Location	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W
Facility Reference Pt			800357.93	506259.73	32°23'20.341"N	103°29'39.128"W
Field Reference Pt			800357.93	506259.73	32°23'20.341"N	103°29'39.128"W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on No.7H SHL (KB) to Facility Vertical Datum	25.00ft
Horizontal Reference Pt	Slot	Rig on No.7H SHL (KB) to Mean Sea Level	3513.10ft
Vertical Reference Pt	Rig on No.7H SHL (KB)	Rig on No.7H SHL (KB) to Mud Line at Slot (No.7H SHL)	25.00ft
MD Reference Pt	Rig on No.7H SHL (KB)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	179.65°



Planned Wellpath Report

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Area	Lea County, NM	Well	No.7H
Field	(Gaucho) Sec 17, T22S, R34E	Wellbore	No.7H PWB
Facility	Gaucho Unit No.7H		

WELLPATH DATA (154 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
0.00†	0.000	179.651	0.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
25.00	0.000	179.651	25.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	Tie On
125.00†	0.000	179.651	125.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
225.00†	0.000	179.651	225.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
325.00†	0.000	179.651	325.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
425.00†	0.000	179.651	425.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
525.00†	0.000	179.651	525.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
625.00†	0.000	179.651	625.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
725.00†	0.000	179.651	725.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
825.00†	0.000	179.651	825.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
925.00†	0.000	179.651	925.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1025.00†	0.000	179.651	1025.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1125.00†	0.000	179.651	1125.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1225.00†	0.000	179.651	1225.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1325.00†	0.000	179.651	1325.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1425.00†	0.000	179.651	1425.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1525.00†	0.000	179.651	1525.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1625.00†	0.000	179.651	1625.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1725.00†	0.000	179.651	1725.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1825.00†	0.000	179.651	1825.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
1925.00†	0.000	179.651	1925.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2025.00†	0.000	179.651	2025.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2125.00†	0.000	179.651	2125.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2225.00†	0.000	179.651	2225.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2325.00†	0.000	179.651	2325.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2425.00†	0.000	179.651	2425.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2525.00†	0.000	179.651	2525.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2625.00†	0.000	179.651	2625.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2725.00†	0.000	179.651	2725.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2825.00†	0.000	179.651	2825.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
2925.00†	0.000	179.651	2925.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3025.00†	0.000	179.651	3025.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3125.00†	0.000	179.651	3125.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3225.00†	0.000	179.651	3225.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3325.00†	0.000	179.651	3325.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3425.00†	0.000	179.651	3425.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3525.00†	0.000	179.651	3525.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3625.00†	0.000	179.651	3625.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3725.00†	0.000	179.651	3725.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3825.00†	0.000	179.651	3825.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
3925.00†	0.000	179.651	3925.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4025.00†	0.000	179.651	4025.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4125.00†	0.000	179.651	4125.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4225.00†	0.000	179.651	4225.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4325.00†	0.000	179.651	4325.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	



Planned Wellpath Report

Rev-A.0
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REFERENCE WELLPATH IDENTIFICATION

Operator	Devon Energy	Slot	No.7H SHL
Area	Lea County, NM	Well	No.7H
Field	(Gaucho) Sec 17, T22S, R34E	Wellbore	No.7H PWB
Facility	Gaucho Unit No.7H		

WELLPATH DATA (154 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
4425.00†	0.000	179.651	4425.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4525.00†	0.000	179.651	4525.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4625.00†	0.000	179.651	4625.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4725.00†	0.000	179.651	4725.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4825.00†	0.000	179.651	4825.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
4925.00†	0.000	179.651	4925.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5025.00†	0.000	179.651	5025.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5125.00†	0.000	179.651	5125.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5225.00†	0.000	179.651	5225.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5325.00†	0.000	179.651	5325.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5425.00†	0.000	179.651	5425.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5525.00†	0.000	179.651	5525.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5625.00†	0.000	179.651	5625.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5725.00†	0.000	179.651	5725.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5825.00†	0.000	179.651	5825.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
5925.00†	0.000	179.651	5925.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6025.00†	0.000	179.651	6025.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6125.00†	0.000	179.651	6125.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6225.00†	0.000	179.651	6225.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6325.00†	0.000	179.651	6325.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6425.00†	0.000	179.651	6425.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6525.00†	0.000	179.651	6525.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6625.00†	0.000	179.651	6625.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6725.00†	0.000	179.651	6725.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6825.00†	0.000	179.651	6825.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
6925.00†	0.000	179.651	6925.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7025.00†	0.000	179.651	7025.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7125.00†	0.000	179.651	7125.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7225.00†	0.000	179.651	7225.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7325.00†	0.000	179.651	7325.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7425.00†	0.000	179.651	7425.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7525.00†	0.000	179.651	7525.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7625.00†	0.000	179.651	7625.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7725.00†	0.000	179.651	7725.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7825.00†	0.000	179.651	7825.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	
7913.00	0.000	179.651	7913.00	0.00	0.00	0.00	800357.93	506259.73	32°23'20.341"N	103°29'39.128"W	0.00	End of Tangent
7925.00†	1.200	179.651	7925.00	0.13	-0.13	0.00	800357.93	506259.60	32°23'20.339"N	103°29'39.128"W	10.00	
8025.00†	11.199	179.651	8024.29	10.91	-10.91	0.07	800358.00	506248.82	32°23'20.233"N	103°29'39.128"W	10.00	
8125.00†	21.198	179.651	8120.20	38.77	-38.77	0.24	800358.17	506220.96	32°23'19.957"N	103°29'39.129"W	10.00	
8225.00†	31.198	179.651	8209.81	82.86	-82.86	0.50	800358.43	506176.87	32°23'19.521"N	103°29'39.130"W	10.00	
8325.00†	41.197	179.651	8290.41	141.85	-141.84	0.86	800358.79	506117.89	32°23'18.937"N	103°29'39.131"W	10.00	
8425.00†	51.196	179.651	8359.54	213.93	-213.92	1.30	800359.23	506045.81	32°23'18.224"N	103°29'39.132"W	10.00	
8525.00†	61.195	179.651	8415.10	296.92	-296.91	1.81	800359.74	505962.82	32°23'17.403"N	103°29'39.134"W	10.00	
8625.00†	71.195	179.651	8455.41	388.29	-388.28	2.37	800360.30	505871.45	32°23'16.499"N	103°29'39.136"W	10.00	
8725.00†	81.194	179.651	8479.25	485.28	-485.27	2.96	800360.89	505774.47	32°23'15.539"N	103°29'39.138"W	10.00	



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REFERENCE WELLPATH IDENTIFICATION

Operator	Devon Energy	Slot	No.7H SHL
Area	Lea County, NM	Well	No.7H
Field	(Gaucho) Sec 17, T22S, R34E	Wellbore	No.7H PWB
Facility	Gaucho Unit No.7H		

WELLPATH DATA (154 stations) † = interpolated/extrapolated station

MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
8813.07	90.000	179.651	8486.00	573.00	-572.99	3.49	800361.42	505686.75	32°23'14.671"N	103°29'39.140"W	10.00	EOC
8822.10	90.181	179.651	8485.99	582.04	-582.03	3.55	800361.48	505677.71	32°23'14.581"N	103°29'39.140"W	2.00	TL
8825.00†	90.181	179.651	8485.98	584.93	-584.92	3.56	800361.49	505674.82	32°23'14.553"N	103°29'39.140"W	0.00	
8925.00†	90.181	179.651	8485.66	684.93	-684.92	4.17	800362.10	505574.82	32°23'13.563"N	103°29'39.142"W	0.00	
9025.00†	90.181	179.651	8485.35	784.93	-784.92	4.78	800362.71	505474.82	32°23'12.574"N	103°29'39.144"W	0.00	
9125.00†	90.181	179.651	8485.03	884.93	-884.92	5.39	800363.32	505374.83	32°23'11.584"N	103°29'39.146"W	0.00	
9225.00†	90.181	179.651	8484.71	984.93	-984.91	6.00	800363.93	505274.83	32°23'10.595"N	103°29'39.148"W	0.00	
9325.00†	90.181	179.651	8484.40	1084.93	-1084.91	6.61	800364.54	505174.84	32°23'09.605"N	103°29'39.150"W	0.00	
9425.00†	90.181	179.651	8484.08	1184.93	-1184.91	7.22	800365.15	505074.84	32°23'08.616"N	103°29'39.152"W	0.00	
9525.00†	90.181	179.651	8483.77	1284.93	-1284.91	7.83	800365.76	504974.84	32°23'07.626"N	103°29'39.154"W	0.00	
9625.00†	90.181	179.651	8483.45	1384.93	-1384.90	8.44	800366.37	504874.85	32°23'06.637"N	103°29'39.156"W	0.00	
9725.00†	90.181	179.651	8483.14	1484.93	-1484.90	9.05	800366.98	504774.85	32°23'05.647"N	103°29'39.158"W	0.00	
9825.00†	90.181	179.651	8482.82	1584.93	-1584.90	9.66	800367.59	504674.86	32°23'04.658"N	103°29'39.161"W	0.00	
9925.00†	90.181	179.651	8482.51	1684.93	-1684.90	10.26	800368.19	504574.86	32°23'03.668"N	103°29'39.163"W	0.00	
10025.00†	90.181	179.651	8482.19	1784.93	-1784.89	10.87	800368.80	504474.86	32°23'02.679"N	103°29'39.165"W	0.00	
10125.00†	90.181	179.651	8481.88	1884.93	-1884.89	11.48	800369.41	504374.87	32°23'01.689"N	103°29'39.167"W	0.00	
10225.00†	90.181	179.651	8481.56	1984.93	-1984.89	12.09	800370.02	504274.87	32°23'00.700"N	103°29'39.169"W	0.00	
10325.00†	90.181	179.651	8481.24	2084.93	-2084.89	12.70	800370.63	504174.88	32°22'59.711"N	103°29'39.171"W	0.00	
10425.00†	90.181	179.651	8480.93	2184.93	-2184.89	13.31	800371.24	504074.88	32°22'58.721"N	103°29'39.173"W	0.00	
10525.00†	90.181	179.651	8480.61	2284.93	-2284.88	13.92	800371.85	503974.88	32°22'57.732"N	103°29'39.175"W	0.00	
10625.00†	90.181	179.651	8480.30	2384.92	-2384.88	14.53	800372.46	503874.89	32°22'56.742"N	103°29'39.177"W	0.00	
10725.00†	90.181	179.651	8479.98	2484.92	-2484.88	15.14	800373.07	503774.89	32°22'55.753"N	103°29'39.179"W	0.00	
10825.00†	90.181	179.651	8479.67	2584.92	-2584.88	15.75	800373.68	503674.90	32°22'54.763"N	103°29'39.181"W	0.00	
10925.00†	90.181	179.651	8479.35	2684.92	-2684.87	16.36	800374.29	503574.90	32°22'53.774"N	103°29'39.183"W	0.00	
11025.00†	90.181	179.651	8479.04	2784.92	-2784.87	16.97	800374.90	503474.90	32°22'52.784"N	103°29'39.185"W	0.00	
11125.00†	90.181	179.651	8478.72	2884.92	-2884.87	17.58	800375.50	503374.91	32°22'51.795"N	103°29'39.187"W	0.00	
11225.00†	90.181	179.651	8478.41	2984.92	-2984.87	18.18	800376.11	503274.91	32°22'50.805"N	103°29'39.189"W	0.00	
11325.00†	90.181	179.651	8478.09	3084.92	-3084.86	18.79	800376.72	503174.92	32°22'49.816"N	103°29'39.191"W	0.00	
11425.00†	90.181	179.651	8477.77	3184.92	-3184.86	19.40	800377.33	503074.92	32°22'48.826"N	103°29'39.193"W	0.00	
11525.00†	90.181	179.651	8477.46	3284.92	-3284.86	20.01	800377.94	502974.92	32°22'47.837"N	103°29'39.195"W	0.00	
11625.00†	90.181	179.651	8477.14	3384.92	-3384.86	20.62	800378.55	502874.93	32°22'46.847"N	103°29'39.197"W	0.00	
11725.00†	90.181	179.651	8476.83	3484.92	-3484.85	21.23	800379.16	502774.93	32°22'45.858"N	103°29'39.199"W	0.00	
11825.00†	90.181	179.651	8476.51	3584.92	-3584.85	21.84	800379.77	502674.94	32°22'44.868"N	103°29'39.201"W	0.00	
11925.00†	90.181	179.651	8476.20	3684.92	-3684.85	22.45	800380.38	502574.94	32°22'43.879"N	103°29'39.203"W	0.00	
12025.00†	90.181	179.651	8475.88	3784.92	-3784.85	23.06	800380.99	502474.94	32°22'42.889"N	103°29'39.205"W	0.00	
12125.00†	90.181	179.651	8475.57	3884.92	-3884.85	23.67	800381.60	502374.95	32°22'41.900"N	103°29'39.207"W	0.00	
12225.00†	90.181	179.651	8475.25	3984.92	-3984.84	24.28	800382.21	502274.95	32°22'40.910"N	103°29'39.210"W	0.00	
12325.00†	90.181	179.651	8474.94	4084.92	-4084.84	24.89	800382.82	502174.96	32°22'39.921"N	103°29'39.212"W	0.00	
12425.00†	90.181	179.651	8474.62	4184.92	-4184.84	25.50	800383.42	502074.96	32°22'38.931"N	103°29'39.214"W	0.00	
12525.00†	90.181	179.651	8474.30	4284.92	-4284.84	26.10	800384.03	501974.96	32°22'37.942"N	103°29'39.216"W	0.00	
12625.00†	90.181	179.651	8473.99	4384.91	-4384.83	26.71	800384.64	501874.97	32°22'36.952"N	103°29'39.218"W	0.00	
12725.00†	90.181	179.651	8473.67	4484.91	-4484.83	27.32	800385.25	501774.97	32°22'35.963"N	103°29'39.220"W	0.00	
12825.00†	90.181	179.651	8473.36	4584.91	-4584.83	27.93	800385.86	501674.97	32°22'34.973"N	103°29'39.222"W	0.00	
12925.00†	90.181	179.651	8473.04	4684.91	-4684.83	28.54	800386.47	501574.98	32°22'33.984"N	103°29'39.224"W	0.00	
13025.00†	90.181	179.651	8472.73	4784.91	-4784.82	29.15	800387.08	501474.98	32°22'32.994"N	103°29'39.226"W	0.00	



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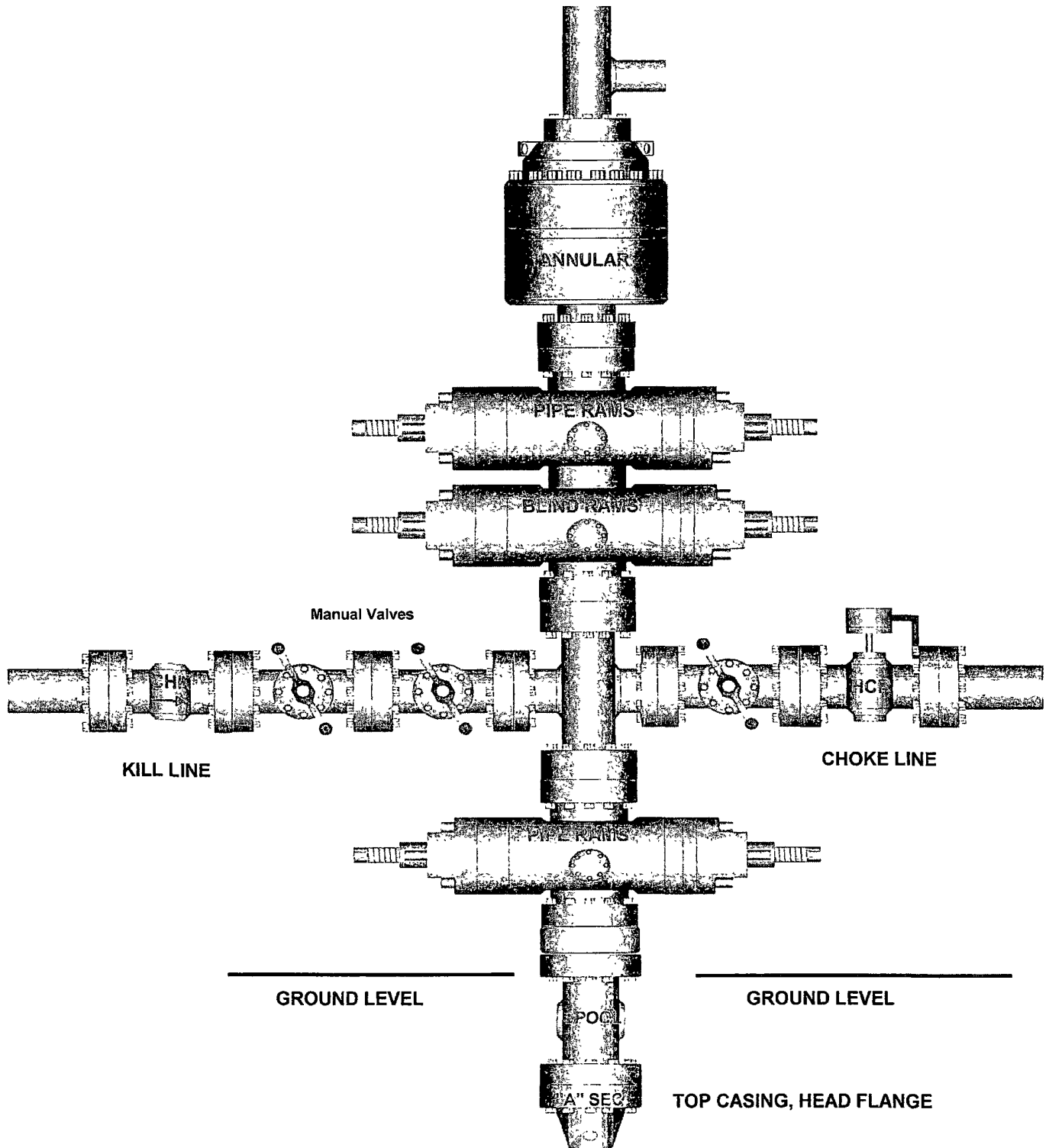
REFERENCE WELLPATH IDENTIFICATION			
Operator	Devon Energy	Slot	No.7H SHL
Area	Lea County, NM	Well	No.7H
Field	(Gaucho) Sec 17, T22S, R34E	Wellbore	No.7H PWB
Facility	Gaucho Unit No.7H		

WELLPATH DATA (154 stations) † = interpolated/extrapolated station												
MD [ft]	Inclination [°]	Azimuth [°]	TVD [ft]	Vert Sect [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	DLS [°/100ft]	Comments
13125.00†	90.181	179.651	8472.41	4884.91	-4884.82	29.76	800387.69	501374.99	32°22'32.005"N	103°29'39.228"W	0.00	
13225.00†	90.181	179.651	8472.10	4984.91	-4984.82	30.37	800388.30	501274.99	32°22'31.015"N	103°29'39.230"W	0.00	
13325.00†	90.181	179.651	8471.78	5084.91	-5084.82	30.98	800388.91	501174.99	32°22'30.026"N	103°29'39.232"W	0.00	
13425.00†	90.181	179.651	8471.47	5184.91	-5184.81	31.59	800389.52	501075.00	32°22'29.037"N	103°29'39.234"W	0.00	
13525.00†	90.181	179.651	8471.15	5284.91	-5284.81	32.20	800390.13	500975.00	32°22'28.047"N	103°29'39.236"W	0.00	
13625.00†	90.181	179.651	8470.83	5384.91	-5384.81	32.81	800390.74	500875.01	32°22'27.058"N	103°29'39.238"W	0.00	
13725.00†	90.181	179.651	8470.52	5484.91	-5484.81	33.42	800391.34	500775.01	32°22'26.068"N	103°29'39.240"W	0.00	
13825.00†	90.181	179.651	8470.20	5584.91	-5584.81	34.02	800391.95	500675.01	32°22'25.079"N	103°29'39.242"W	0.00	
13925.00†	90.181	179.651	8469.89	5684.91	-5684.80	34.63	800392.56	500575.02	32°22'24.089"N	103°29'39.244"W	0.00	
14025.00†	90.181	179.651	8469.57	5784.91	-5784.80	35.24	800393.17	500475.02	32°22'23.100"N	103°29'39.246"W	0.00	
14125.00†	90.181	179.651	8469.26	5884.91	-5884.80	35.85	800393.78	500375.03	32°22'22.110"N	103°29'39.248"W	0.00	
14225.00†	90.181	179.651	8468.94	5984.91	-5984.80	36.46	800394.39	500275.03	32°22'21.121"N	103°29'39.250"W	0.00	
14325.00†	90.181	179.651	8468.63	6084.91	-6084.79	37.07	800395.00	500175.03	32°22'20.131"N	103°29'39.252"W	0.00	
14425.00†	90.181	179.651	8468.31	6184.91	-6184.79	37.68	800395.61	500075.04	32°22'19.142"N	103°29'39.254"W	0.00	
14525.00†	90.181	179.651	8468.00	6284.91	-6284.79	38.29	800396.22	499975.04	32°22'18.152"N	103°29'39.256"W	0.00	
14625.00†	90.181	179.651	8467.68	6384.90	-6384.79	38.90	800396.83	499875.05	32°22'17.163"N	103°29'39.258"W	0.00	
14725.00†	90.181	179.651	8467.36	6484.90	-6484.78	39.51	800397.44	499775.05	32°22'16.173"N	103°29'39.261"W	0.00	
14825.00†	90.181	179.651	8467.05	6584.90	-6584.78	40.12	800398.05	499675.05	32°22'15.184"N	103°29'39.263"W	0.00	
14840.43	90.181	179.651	8467.00	6600.34	-6600.22	40.21	800398.14	499659.62	32°22'15.031"N	103°29'39.263"W	0.00	No 7H PBHL

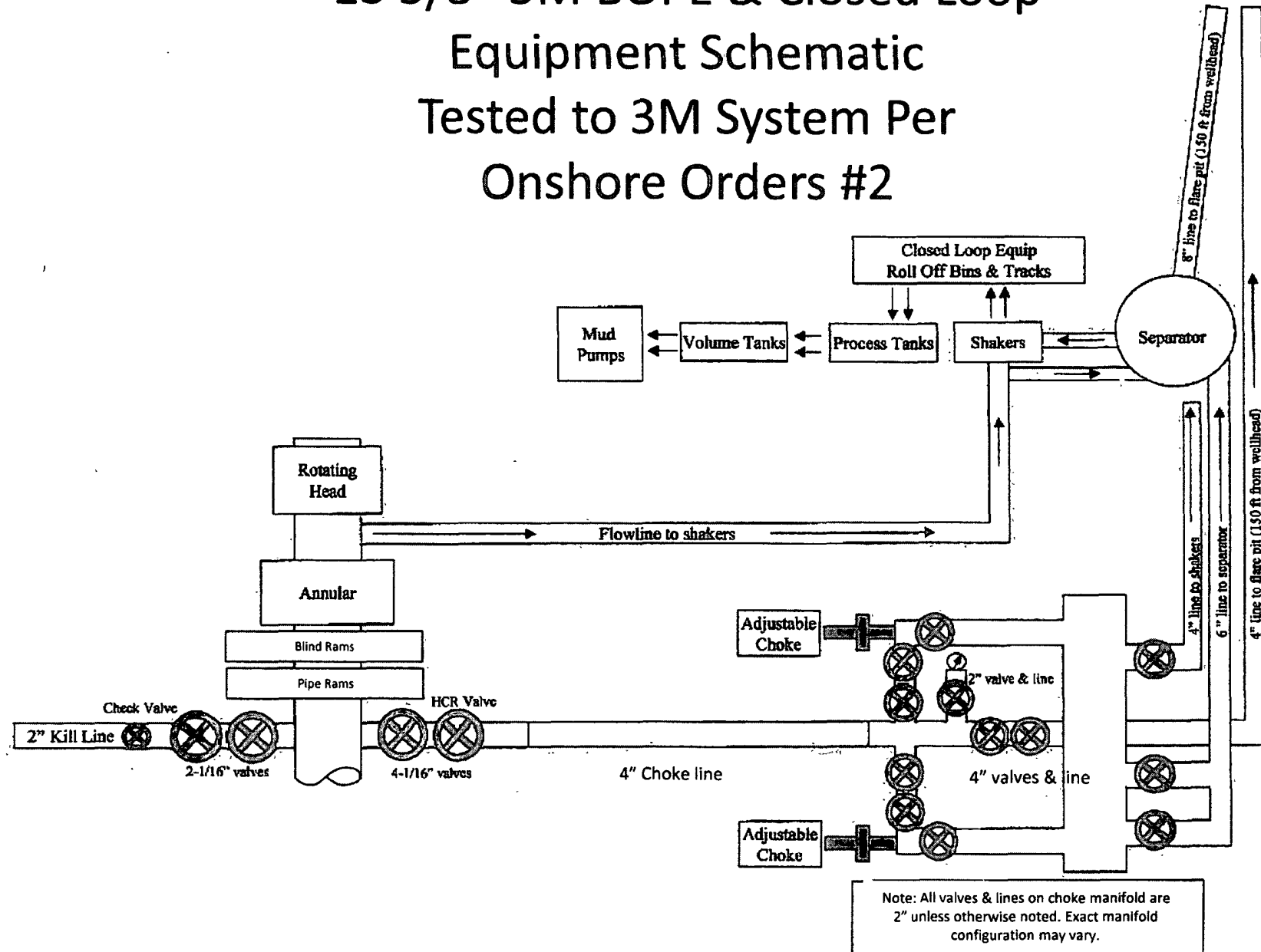
TARGETS									
Name	MD [ft]	TVD [ft]	North [ft]	East [ft]	Grid East [US ft]	Grid North [US ft]	Latitude	Longitude	Shape
1) No.7H PBHL	14840.43	8467.00	-6600.22	40.21	800398.14	499659.62	32°22'15.031"N	103°29'39.263"W	point

SURVEY PROGRAM - Ref Wellbore: No.7H PWB Ref Wellpath: Rev-A.0				
Start MD [ft]	End MD [ft]	Positional Uncertainty Model	Log Name/Comment	Wellbore
25.00	14840.43	NavTrak (Standard)		No.7H PWB

13-5/8" x 3,000 psi BOP Stack

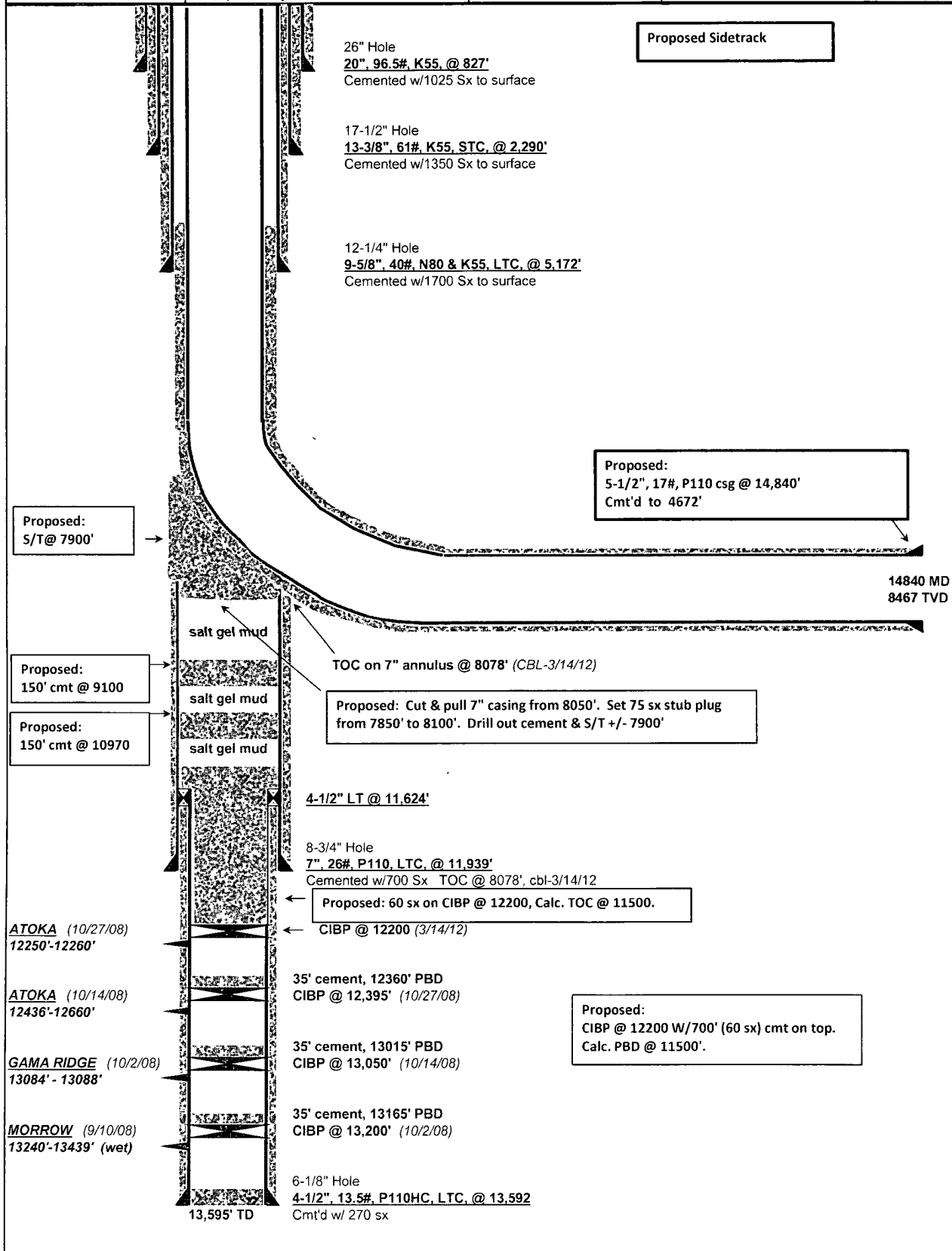


13 5/8" 5M BOPE & Closed Loop Equipment Schematic Tested to 3M System Per Onshore Orders #2



DEVON ENERGY PRODUCTION COMPANY LP

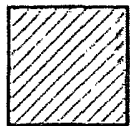
Well Name: GAUCHO UNIT #7		Field OJO CHISO	
Location 1650' FSL & 1980' FWL; Sec 17-T22S-R34E		County LEA	State NM
Elevation: 3509' KB; 3487' GL; 22' KB to GL		Spud Date: 7/5/98	Compl Date:
API#: 30-025-34440	Prepared by: Ronnie Slack	Date 5/3/12	Rev:





Proposed Interim Site Reclamation

Devon Energy Production Co.
Gaucho Unit #7
1,650' FSL & 1,980' FWL
Sec. 7-T22S-R34E
Lea County, NM

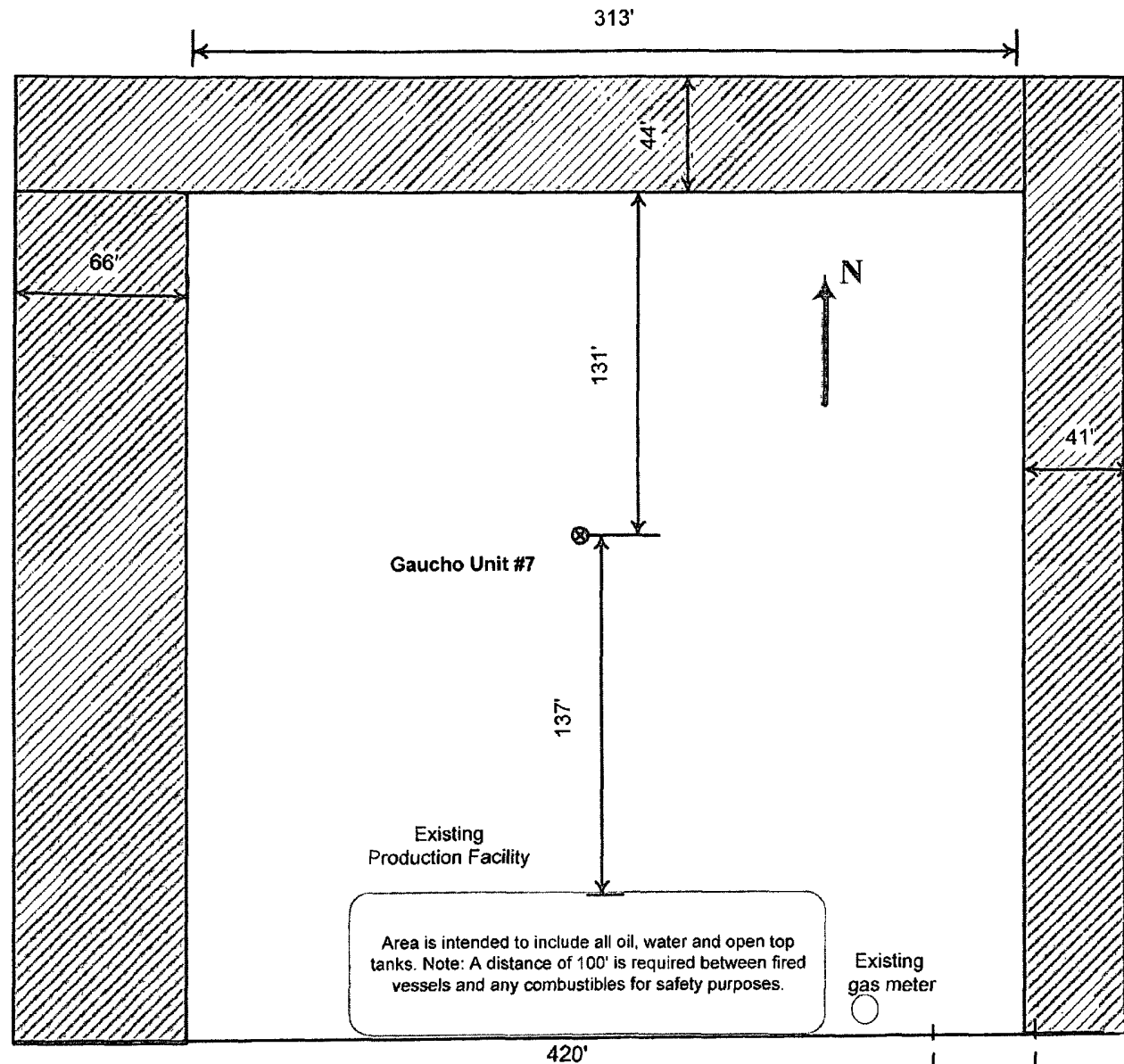


Proposed
Expansion
Area



Scale: 1 in = 60ft.

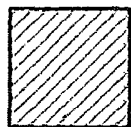
364'





Proposed Interim Site Reclamation

Devon Energy Production Co.
Gaucho Unit #7
1,650' FSL & 1,980' FWL
Sec. 7-T22S-R34E
Lea County, NM

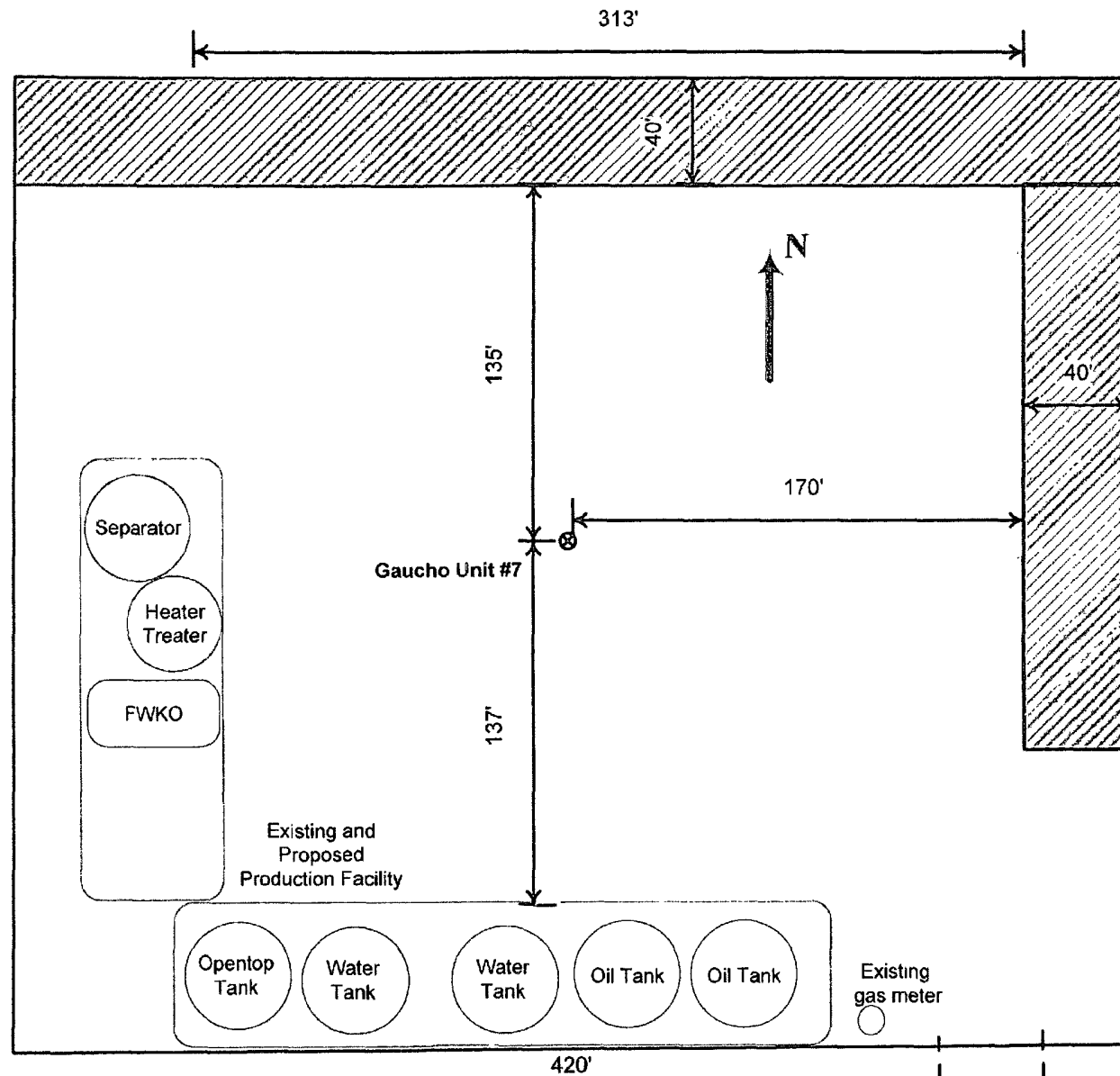


Proposed
Reclamation
Area



Scale: 1in = 60ft.

364'



Access
Road

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Atec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 15, 2009
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34440	² Pool Code 97740	³ Pool Name DELAWARE
⁴ Property Code 30863	⁵ Property Name GAUCHO UNIT	⁶ Well Number 7H
⁷ OGRID No. 6137	⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	⁹ Elevation 3488.1

¹⁰ Surface Location

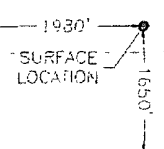
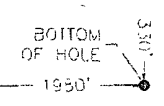
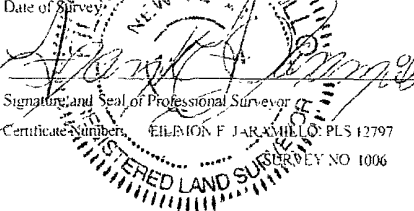
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	17	22 S	34 E		1650	SOUTH	1980	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

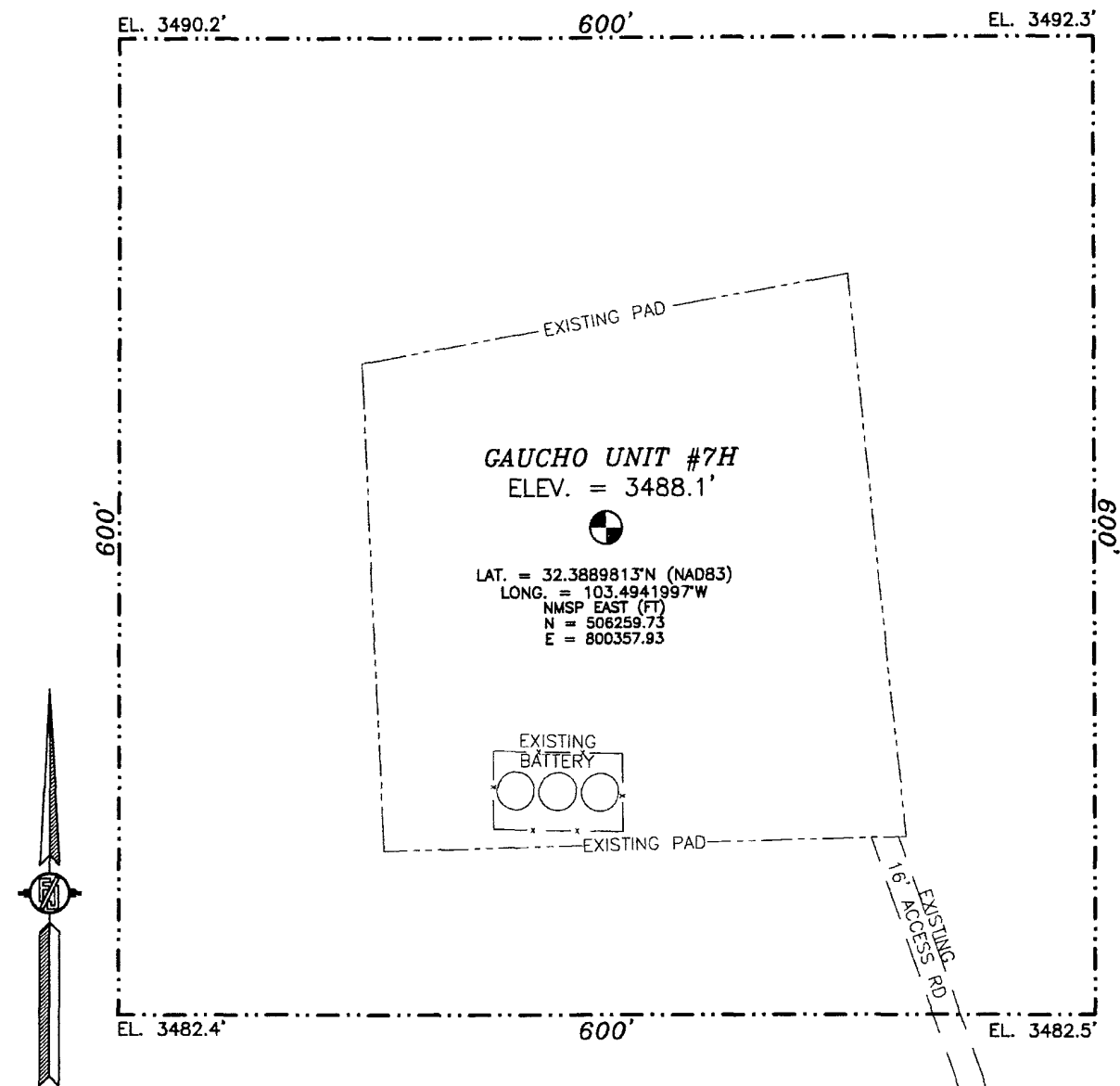
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	20	22 S	34 E		330	SOUTH	1980	WEST	LEA

¹² Dedicated Acres 240	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

NW CORNER SEC. 17 LAT = 32.3969717°N LONG = 103.5005936°W NMSP EAST (FT) N = 509879.49 E = 798355.59	N Q CORNER SEC. 17 LAT = 32.3989674°N LONG = 103.4920522°W NMSP EAST (FT) N = 509308.58 E = 800992.18	NE CORNER SEC. 17 LAT = 32.3989575°N LONG = 103.4835194°W NMSP EAST (FT) N = 509915.80 E = 203626.52	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or released mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  4/30/2012	
W Q CORNER SEC. 17 LAT = 32.3917093°N LONG = 103.5006093°W NMSP EAST (FT) N = 507236.29 E = 798371.32	SEC. 17  GAUCHO UNIT #7H ELEV. = 3488.1 LAT. = 32.3839813°N (NAD83) LONG. = 103.4941997°W NMSP EAST (FT) N = 506259.73 E = 800357.95		E Q CORNER SEC. 17 LAT. = 32.3917128°N LONG. = 103.4835282°W NMSP EAST (FT) N = 507279.57 E = 503644.75	Signature _____ Date _____ Printed Name _____ DAVID H. COOK REGULATORY SPECIALIST
SECTION CORNER LAT = 32.3844573°N LONG = 103.5006223°W NMSP EAST (FT) N = 504596.21 E = 798387.85	N Q CORNER SEC. 20 LAT = 32.3844466°N LONG = 103.4920936°W NMSP EAST (FT) N = 504614.77 E = 801021.15	SECTION CORNER LAT. = 32.3844433°N LONG. = 103.4835441°W NMSP EAST (FT) N = 504634.53 E = 203660.37	¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> APRIL 25, 2012	
W Q CORNER SEC. 20 LAT = 32.3771965°N LONG = 103.5006384°W NMSP EAST (FT) N = 501456.05 E = 798403.43	SEC. 20 BOTTOM OF HOLE LAT = 32.3708429°N LONG = 103.4923571°W NMSP EAST (FT) N = 499659.62 E = 800396.11  330' 1980' COMPUTED		E Q CORNER SEC. 20 LAT. = 32.3771852°N LONG = 103.4835248°W NMSP EAST (FT) N = 501993.40 E = 503678.52	Date of Survey _____  Signature and Seal of Professional Surveyor _____ Certificate Number _____ EUSEBIO F. JARAMILLO, PLS 12797 REGISTERED LAND SURVEYOR NO. 1006

SECTION 17, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO



010 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM MILE POST 19 ON STATE ROAD 176 GO 0.2 MILES EAST TURN
RIGHT ON CALICHE ROAD GO SOUTHWEST ON CALICHE ROAD 6.0
MILES TO ROAD INTERSECTION CONTINUE SOUTHWEST 0.9 MILES TO
ROAD INTERSECTION TURN LEFT ON CALICHE ROAD (SOUTH) GO 0.4
MILES ROAD TURN RIGHT SOUTHWEST GO 1.8 MILES TO ROAD
INTERSECTION TURN RIGHT GO 0.1 MILES TO WELL SITE

DEVON ENERGY PRODUCTION COMPANY, L.P.
GAUCHO UNIT #7H

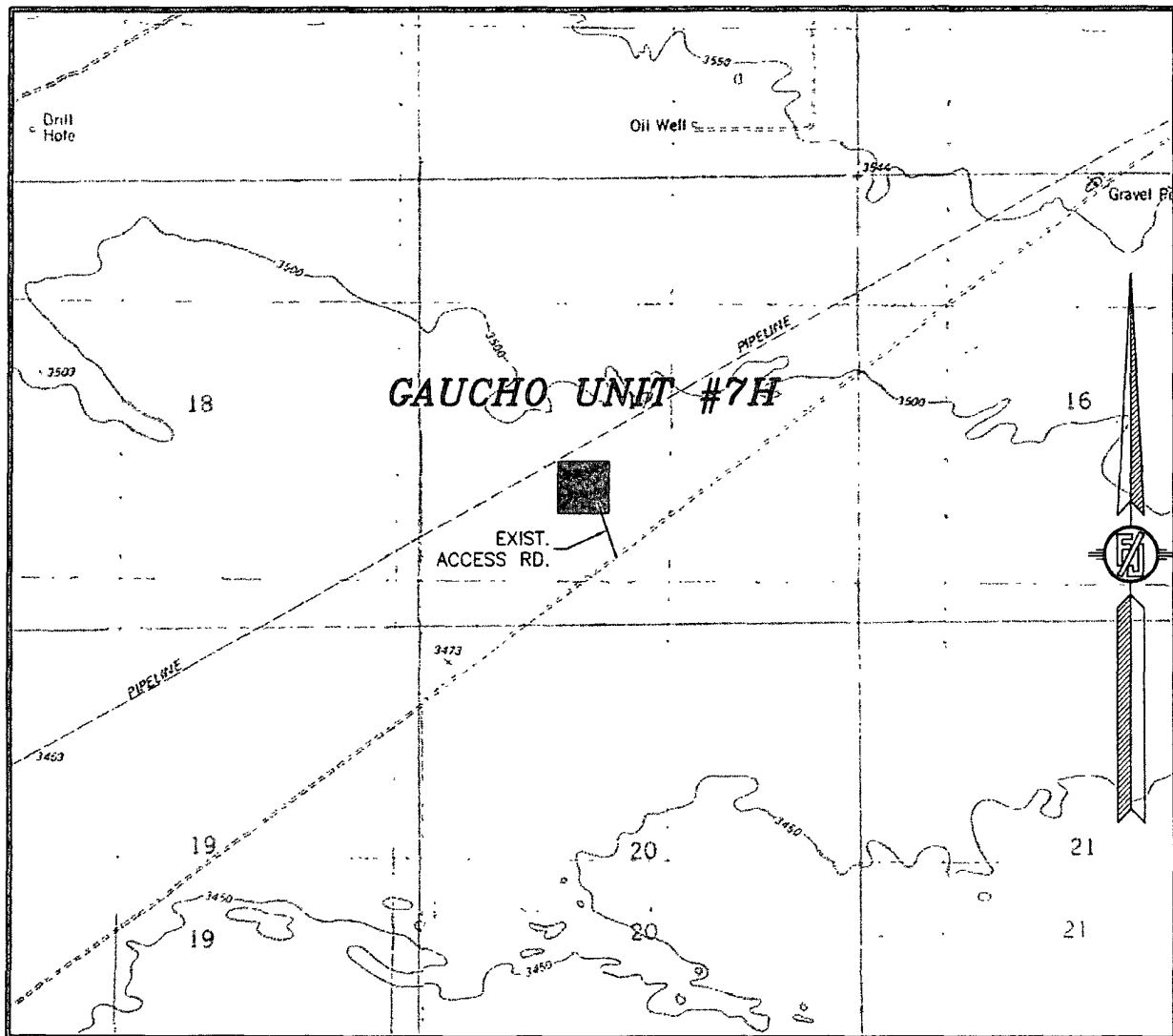
LOCATED 1650 FT. FROM THE SOUTH LINE
AND 1980 FT. FROM THE WEST LINE OF
SECTION 17, TOWNSHIP 22 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

APRIL 25, 2012

SURVEY NO. 1006

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

SECTION 17, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
SAN SIMON RANCH

NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.
GAUCHO UNIT #7H

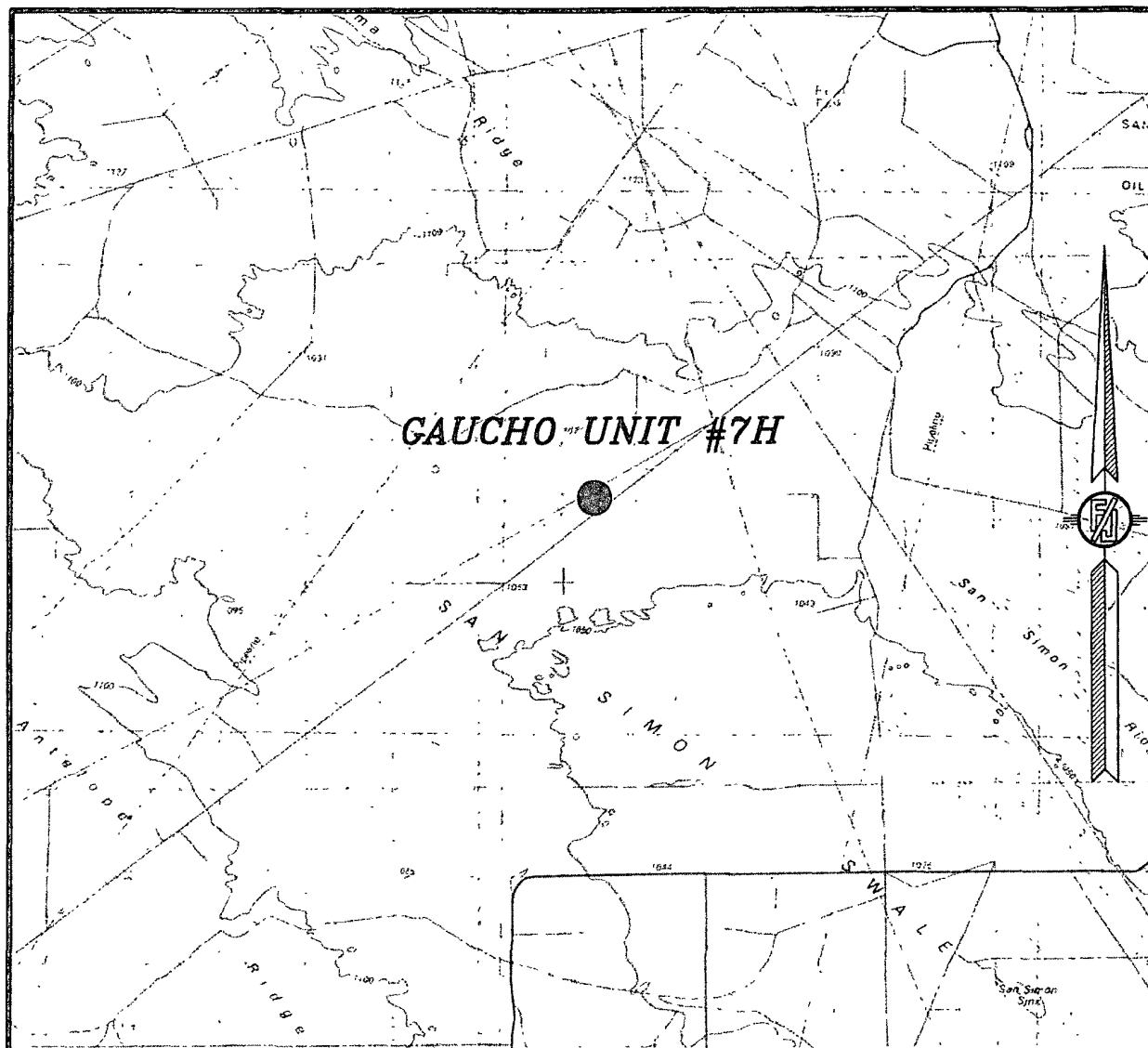
LOCATED 1650 FT. FROM THE SOUTH LINE
AND 1980 FT. FROM THE WEST LINE OF
SECTION 17, TOWNSHIP 22 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

APRIL 25, 2012

SURVEY NO. 1006

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

SECTION 17, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
VICINITY MAP



NOT TO SCALE

DEVON ENERGY PRODUCTION COMPANY, L.P.
GAUCHO UNIT #7H

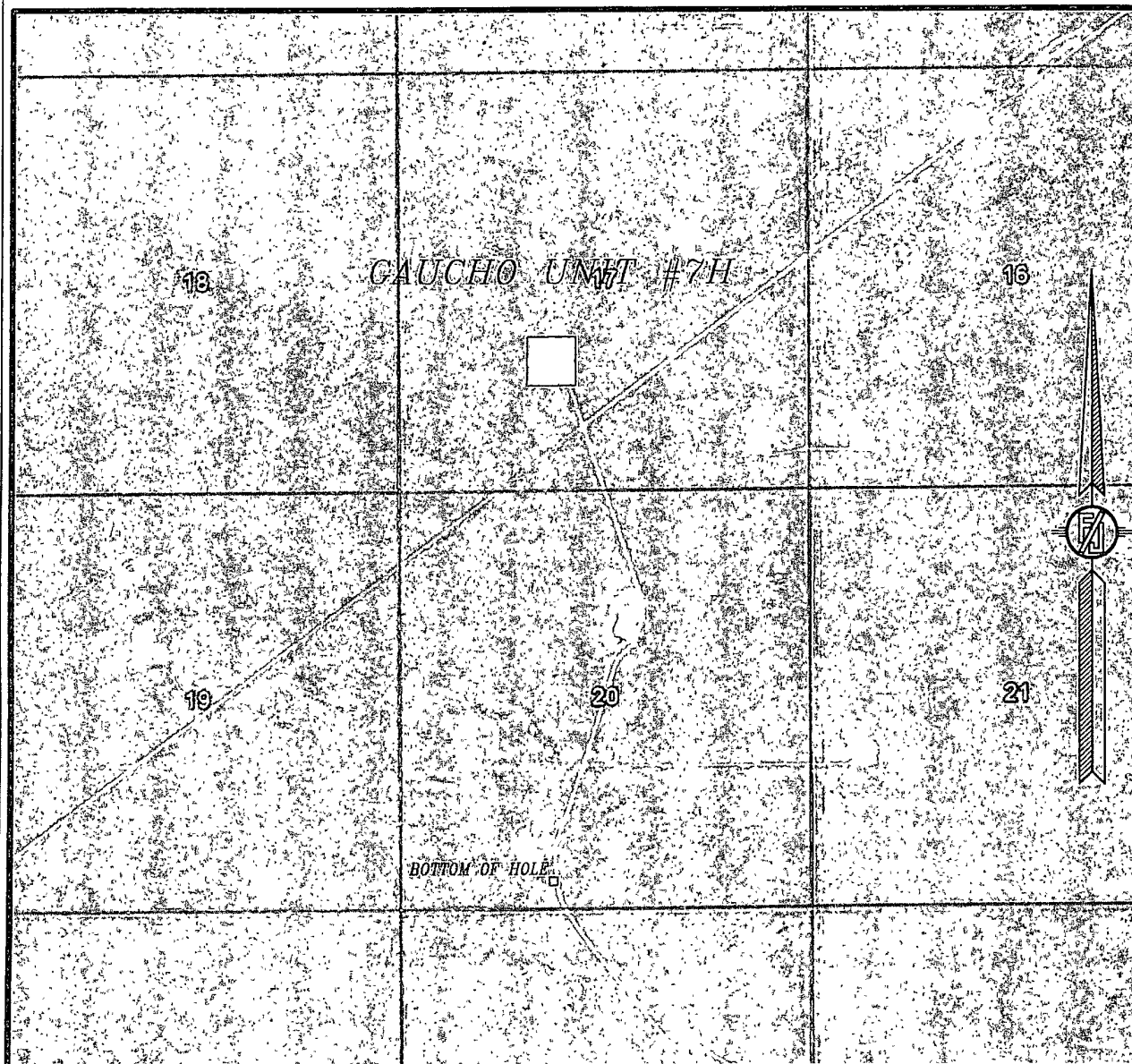
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SECTION 17, TOWNSHIP 22 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

APRIL 25, 2012

SURVEY NO. 1006

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

SECTION 17, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MARCH 2012

DEVON ENERGY PRODUCTION COMPANY, L.P.
GAUCHO UNIT #7H

LOCATED 1650 FT. FROM THE SOUTH LINE
AND 1980 FT. FROM THE WEST LINE OF
SECTION 17, TOWNSHIP 22 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

APRIL 25, 2012

SURVEY NO. 1006

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

CONDITIONS OF APPROVAL

The approval of this sundry is contingent upon the successful plug back procedure approved on the previous sundry dated 04/04/2012.

OPERATOR'S NAME:	DEVON ENERGY
API NO.:	30-025-34440
WELL NAME & NO.:	GAUCHO Unit #7
SURFACE HOLE FOOTAGE:	1650' FSL & 1980' FWL Section 17
BOTTOM HOLE FOOTAGE:	330' FSL & 1980' FWL Section 20
LOCATION:	Section 17, T.22 S., R.34 E., NMPM
COUNTY:	Lea 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

☒ **Lea County**

Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240,
(575) 393-3612

1. **Although Hydrogen Sulfide has not been reported in this section, it is always a potential hazard. If Hydrogen Sulfide is encountered, please report measured amounts 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 Rustler top and top and bottom of Salt and Capitan Reef are to be recorded on the Completion Report. Once well is completed, operator shall submit a sundry to change the name of well to Gaucho Unit #7H. Operator shall submit a commercial well determinations after well has been producing approximately 6 to 8 months.**

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.).

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

**Possible lost circulation in the Capitan Reef and Delaware formations.
Possible water flows in the Salado, Castile and Delaware formations.**

Existing Casing

1. The **20** inch surface casing set at 827 feet cement circulated to surface.
2. The **13-3/8** inch intermediate casing set at 2290 feet cement circulated to surface.
3. The **9-5/8** inch intermediate casing set at 5172 feet cement circulated to surface.

New Casing

4. The minimum required fill of cement behind the **5-1/2** inch production casing is:
 - ☒ Cement should tie-back at least **50 feet above the Capitan Reef** (Top of Capitan Reef estimated at 4193'). Operator shall provide method of verification. **Additional cement may be required to get cement top above the Capitan Reef**
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. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **3000 (3M) 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.
3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. In a water basin, 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. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - 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 results of the test shall be reported to the appropriate BLM office.
 - d. 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.**
 - e. 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.

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.

EGF 061512