

HOBBS OCD

SEP 24 2012

SURFACE USE PLAN

Devon Energy Production Company, LP

RECEIVED

NE Salado Draw (Deep) Federal 1

Surface Location: 1980' FNL & 660' FWL, E, Sec 6 T26S R34E, Lea, NM

Bottom hole Location: 1980' FNL & 660' FWL, E, Sec 6 T26S R34E, 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 Basin Surveys.
- b. All roads into the location are depicted on Exhibit 3.
- c. Directions to Location: From intersection of SR 128 & CR 1 (Orla Rd), go south on Orla Road 13.65 miles, turn left (East) on CR 2 (Battle Axe Road), go 11.8 miles to stop sign. Turn right & go 0.3 miles past Dinwiddie Road, turn left on CR 2 and go 1.9 miles; just before cattle guard, turn right on caliche road, go south 0.15 miles, turn left 0.2 miles to caliche road on south, go approx. 1600 feet to site.

2. New or Reconstructed Access Roads:

- a. The well site layout, Form C-102 shows the existing County road. No new access road will be needed.
- b. 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. The proposed facilities to support this SWD well include one skim oil tank, one fiberglass gun barrel, four fiberglass water tanks and horizontal injection pump. See proposed Interim Site Reclamation 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. 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.

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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:

If necessary, the caliche utilized for pad and access road rehabilitation 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 rig equipment and flowback tanks .
- 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.

10. Plans for Surface Reclamation:

- a. After concluding the re-entry operations, the location and road will be rehabilitated as recommended by the BLM.
- b. 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 was completed in this area in 1984. Per Martin Stein, Carlsbad Field Office, Bureau of Land Management, April 18, 2012, no further cultural survey is required.

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.

Jimmy Turnini - Operations Engineer Advisor
Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, OK 73102-8260
(405) 228-4479 (office)
(405) 637-5411 (Cellular)

Jerry Mathews – Production Superintendent
Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, NM 88211-0250
(575) 748-0161 (office)
(575) 748-5234 (cell)

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 18th day of May, 2012.

Printed Name: David H. Cook (will change according which Tech signs)

Signed Name: 

Position Title: Regulatory Specialist

Address: 333 W. Sheridan Ave., OKC OK 73102

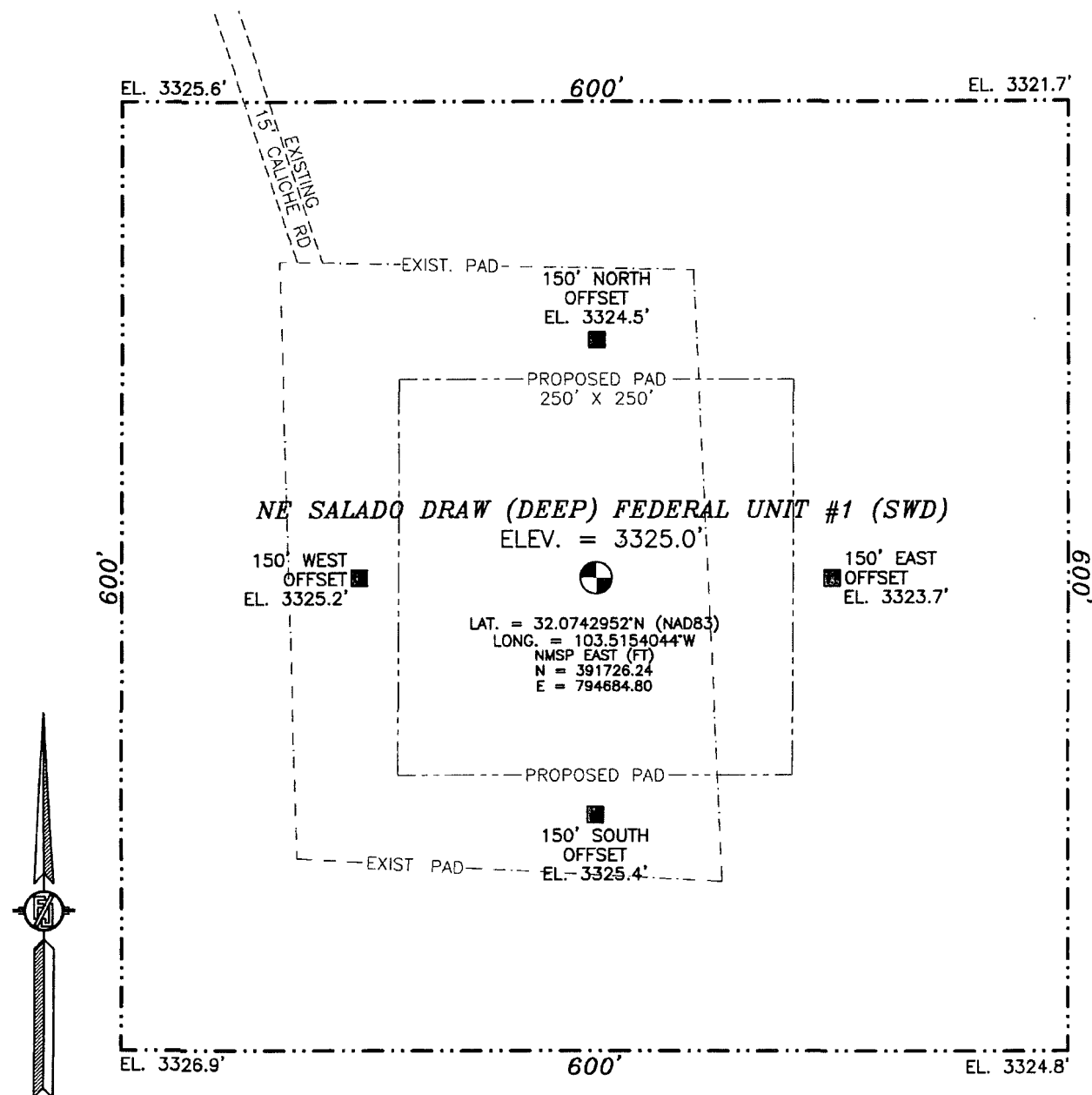
Telephone: (405)-552-7848

Field Representative (if not above signatory):

Address (if different from above):

Telephone (if different from above):

SECTION 6, TOWNSHIP 26 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 INTERSECTION OF SR 128 & CR 1 (ORLA RD.) GO SOUTH ON ORLA RD. 13.65 MI. TURN LEFT (EAST) ON (BATTLE AXE RD.) CR. 2 GO 11.8 MI. TO STOP SIGN TURN RIGHT GO 0.3 MI PAST DINWIDDIE RD TURN LEFT ON CR 2 GO 1.9 MI. JUST BEFORE CATTLE GUARD TURN RIGHT ON CALICHE RD GO SOUTH 0.15 MI. TURN LEFT 0.2 MI TO CALICHE RD ON SOUTH GO ABOUT 1600 FT TO SITE

DEVON ENERGY PRODUCTION COMPANY, L.P.
**NE SALADO DRAW (DEEP)
FEDERAL UNIT #1 (SWD)**

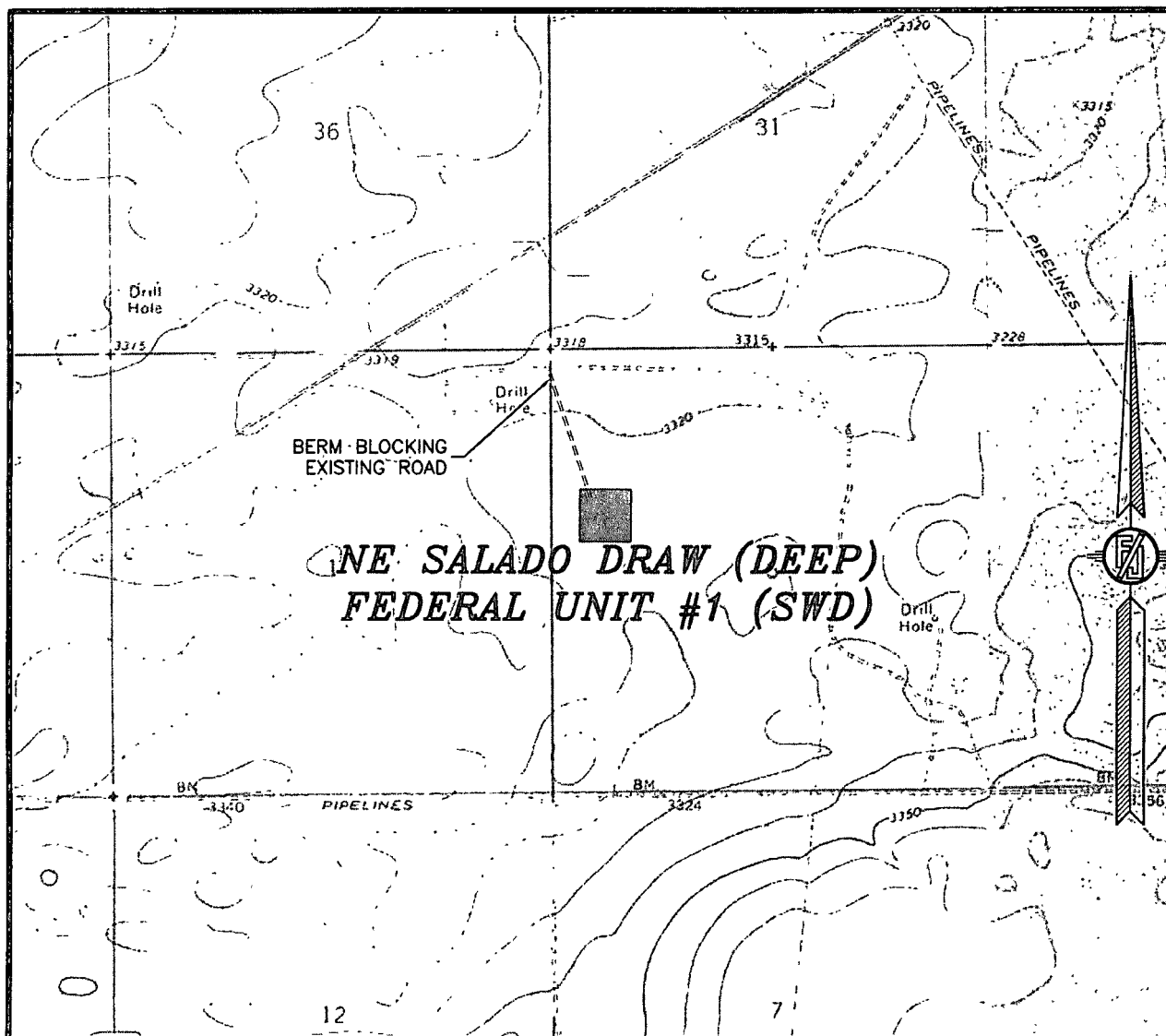
LOCATED 1980 FT. FROM THE NORTH LINE
AND 660 FT. FROM THE WEST LINE OF
SECTION 6, TOWNSHIP 26 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

APRIL 3, 2012

SURVEY NO. 956

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

SECTION 6, TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
PADUCA BREAKS EAST

NOT TO SCALE

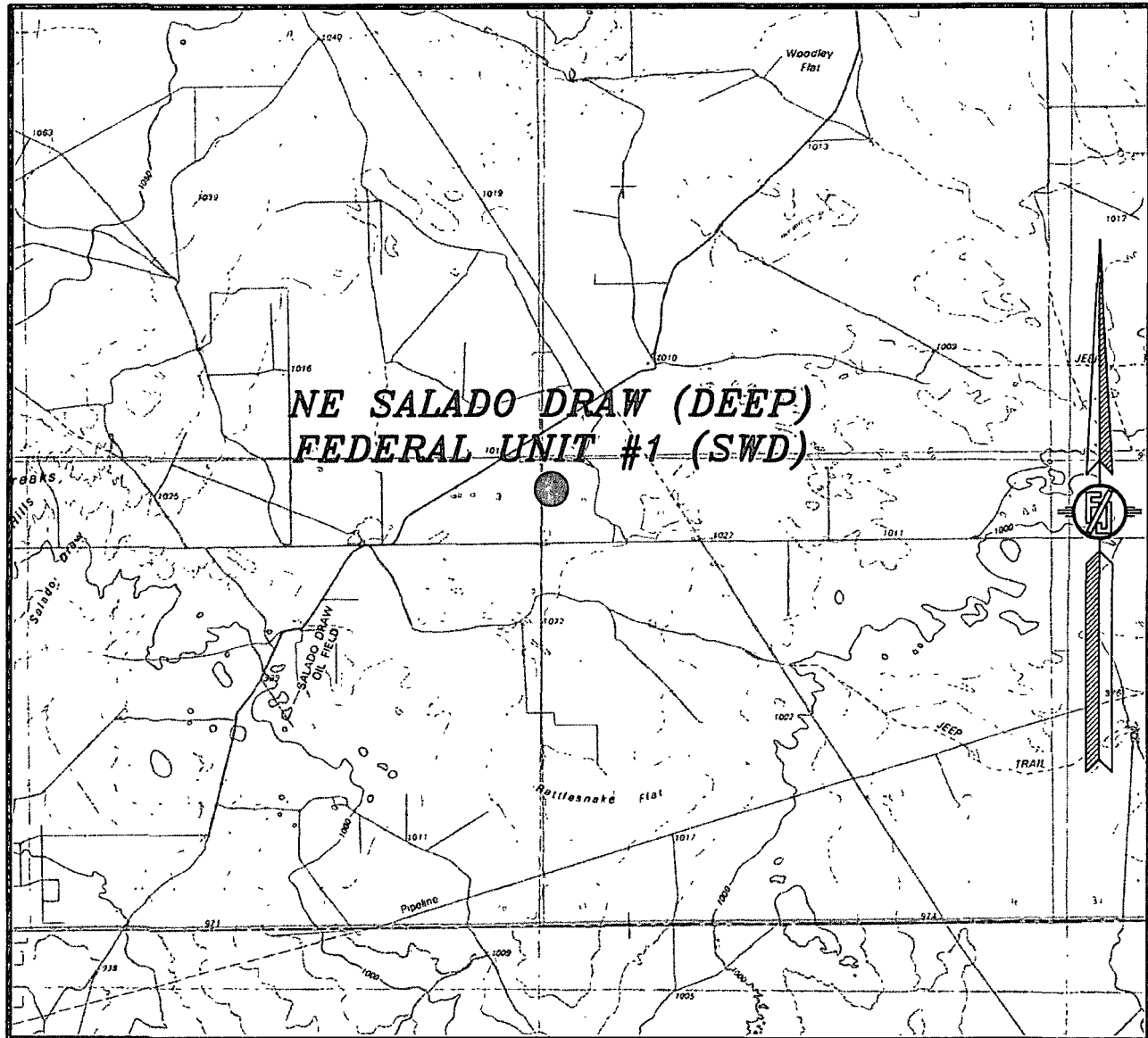
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LEA COUNTY, STATE OF NEW MEXICO
VICINITY MAP



NOT TO SCALE

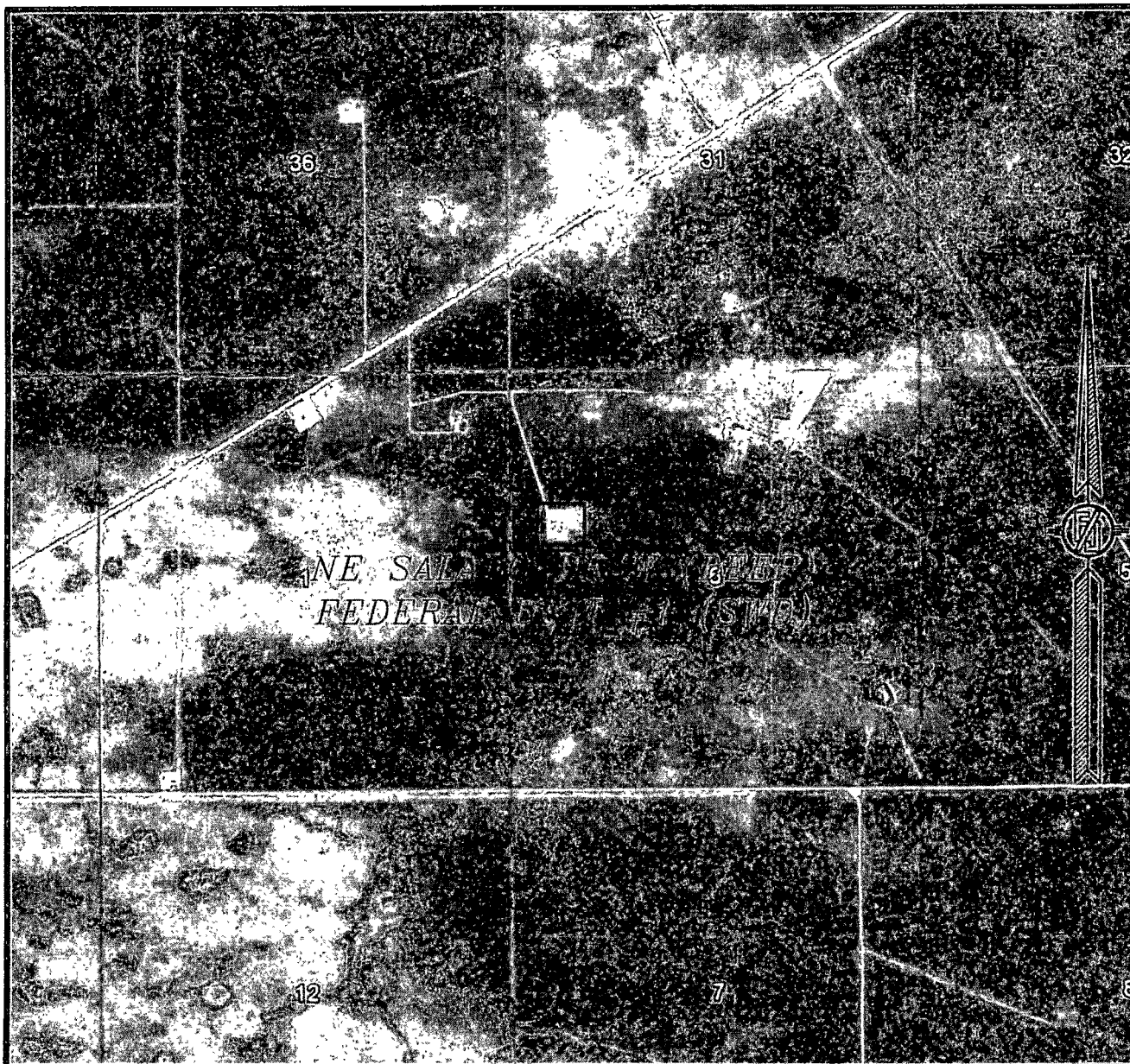
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SECTION 6, TOWNSHIP 26 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MAY 2011

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