ATS-14-652

Form 3160-3
(March 2012)

CONFIDENTIAL

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☑ DRILL ☐ REENTER	5. Lease Serial No. BL: NMNM104685, SL: NMNM025779A
1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone	6. If Indian, Allotee or Tribe Name
2. Name of Operator Devon Energy Production Co., L.P. (6137) Linda Good	7. If Unit or CA Agreement, Name and No.
3a. Address 333 W. Sheridan Ave. Oklahoma City, OK 73102	8. Lease Name and Well No. Taylor Draw 7 Fed Com 2H (313577)
3b. Phone No. (include area code) 405-552-6558 HOBBS OCD	9. API Well No. 30-025-42030
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface SESE, 665' FSL & 375' FEL, P AUG 08 2014 At proposed prod. zone SWSW, 825' FSL & 340' FWL, LOT 4	10. Field and Pool, or Exploratory Lusk; Bone Spring 41490
14. Distance in miles and direction from nearest town or post office* Approximately 17 miles Southeast of Loco Hills, New Mexico RECEIVED	11. Sec., T. R. M. or Blk. and Survey or Area 7-19S-32E
	12. County or Parish Lea / 13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) See attached map	16. No. of acres in lease SL: 40 Acres BL: 443.400 Acres / 17. Spacing Unit dedicated to this well 160.81 Acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See attached map	19. Proposed Depth 13605' MD / 9250' TVD / 20. BLM/BIA Bond No. on file CO1104/NMB-000801
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3612.1' GL	22. Approximate date work will start* 06/13/2014 / 23. Estimated duration 45 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature Linda Good	Name (Printed/Typed) Linda Good	Date 03/25/2014
Title Regulatory Compliance Specialist		
Approved by (Signature) Steve Caffey	Name (Printed/Typed)	Date AUG - 5 2014
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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.

E-PERMITTING - - New Well KA
Comp_____ P&A_____ TA_____
CSNG_____ Loc CHG_____
ReComp_____ Add New Pool_____
Cancl Well_____ Create Pool_____

(Continued on page 2)

Capitan Controlled Water Basin

KA 08/08/14

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Approval Subject to General Requirements & Special Stipulations Attached

AUG 08 2014

REVISED DRILLING PROGRAM 4/16/2014

Devon Energy Production Company, L.P.
Taylor Draw 7 Fed Com 2H

1. **Geologic Name of Surface Formation: Quaternary**

2. **Estimated Tops of Geological Markers & Depths of Anticipated FW, Oil, or Gas:**

	140	Fresh Water
Rustler	875	Barren
Salado	955	Barren
Tansil Dolomite	2520	Barren
Yates	2645	Barren
Seven Rivers	2860	Barren
Capitan	2880	Barren
Queen	3620	Barren
Delaware	5370	Oil
Bone Spring	6970	Oil
1st Bone Spring Ss	8285	Oil
2nd Bone Spring Lime	8595	Oil
2nd Bone Spring Ss	9030	Oil
Total Depth	**9250' TVD**	**13605' MD**

3. **Pressure Control Equipment:**

A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be tested per BLM Onshore Oil and Gas Order 2.

A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be tested per BLM Onshore Oil and Gas Order 2.

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.

See COA

Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line); **if an H&P rig drills this well. Otherwise no flex line is needed**. The line will be kept as straight as possible with minimal turns.

Auxiliary Well Control and Monitoring Equipment:

a. A Kelly cock will be in the drill string at all times.
b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.

4. Casing Program:

Hole Size	Hole Interval	Casing OD	Casing Interval	Weight (lb/ft)	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17-1/2"	0 - ~~900'~~ 930'	13-3/8"	0 - ~~900'~~	48	STC	H-40	1.83	4.11	7.45
12-1/4"	~~900~~-4525'	9-5/8"	0-4525'	40	BTC	HCK-55	1.80	1.68	3.48
8-3/4"	4525-13605'	5-1/2"	0-13605'	17	BTC	P-110	1.71	2.44	3.45

Casing Notes:

- All casing is new and API approved

Maximum Lateral TVD: ~~9300'~~ directional plan has 9250'

5. Proposed mud Circulations System:

See COA

Depth	Mud Weight	Viscosity	Fluid Loss	Type System
0-~~900'~~ 930'	8.4-9.0	30-34	N/C	FW
~~900~~-4525'	10.0-10.2	28-32	N/C	Brine
4525-~~14651'~~ 13605	8.6-9.0	28-32	N/C	FW

The necessary mud products for weight addition and fluid loss control will be on location at all times. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume. If abnormal pressures are encountered, electronic/mechanical mud monitoring equipment will be installed.

6. Cementing Table:

String	Number of sx	Weight lbs/gal	Water Volume g/sx	Yield cf/sx	Stage; Lead/Tail	Slurry Description
13-3/8" Surface	260	13.5	9.14	1.73	Lead	Class C + 1% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite + 81.1% Fresh Water
See COA	300	14.8	6.35	1.35	Tail	Class C + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water
9-5/8" Intermediate Single Stage	1100	12.8	8.2	1.65	Lead	(60:40) Poz (Fly Ash):Class C + 5% bwow Sodium Chloride + 0.1% bwoc R-3 + 0.125 lbs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4% Fresh Water
	400	13.8	6.42	1.38	Tail	(60:40) Poz (Fly Ash):Class C + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.3% Fresh Water
9-5/8" Intermediate 2- Stage Option	870	12.8	8.2	1.65	1st Lead	(60:40) Poz (Fly Ash):Class C + 5% bwow Sodium Chloride + 0.1% bwoc R-3 + 0.125 lbs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4% Fresh Water
See COA	400	13.8	6.41	1.38	1st Tail	(60:40) Poz (Fly Ash):Class C + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.1% bwoc Sodium Metasilicate + 0.5%bwoc BA-10A + 4% bwoc MPA-5 + 65.2% Fresh Water
	DV Tool @ ~~950ft~~ See COA					
	139	12.8	8.2	1.65	2nd Lead	(60:40) Poz (Fly Ash):Class C + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 3 lbs/sack LCM-1 + 0.25% bwoc FL-52 + 1% bwoc Sodium Metasilicate + 83.4% Fresh Water
	100	13.8	6.42	1.38	2nd Tail	(60:40) Poz (Fly Ash):Class C + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc Sodium Metasilicate + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.3% Fresh Water
5-1/2" Production Casing Single Stage	405	11.8	13.16	2.3	Lead 1	(50:50) Poz (Fly Ash):Class H + 0.5% bwoc FL-52 + 0.3% bwoc ASA-301 + 10% bwoc Bentonite + 0.35% bwoc R-21 + 130.7% Fresh Water
	360	12.5	11.01	2.01	Lead 2	(35:65) Poz (Fly Ash):Class H + 3% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.7% bwoc FL-52 + 0.3% bwoc ASA-301 + 6% bwoc Bentonite + 105.5% Fresh Water
See COA	1400	14.2	5.77	1.28	Tail	(50:50) Poz (Fly Ash):Class H + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.4% bwoc FL-52 + 0.5% bwoc Sodium Metasilicate + 57.3% Fresh Water
5-1/2" Production Casing 2-Stage Option	590	12.5	11.01	2.01	Lead	(35:65) Poz (Fly Ash):Class H + 3% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125 lbs/sack Cello Flake + 0.7% bwoc FL-52 + 0.3% bwoc ASA-301 + 6% bwoc Bentonite + 105.5% Fresh Water
	1400	14.2	5.77	1.28	Tail	(50:50) Poz (Fly Ash):Class H + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 0.4% bwoc FL-52 + 0.5% bwoc Sodium Metasilicate + 57.3% Fresh Water
	DV Tool @ 4575ft					
	335	13.8	6.4	1.37	Cmt Slurry	(60:40) Poz (Fly Ash):Class C + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 65.1% Fresh Water

TOC for all Strings:

13-3/8" Surface	0ft
9-5/8" Intermediate Single Stage	0ft
9-5/8" Intermediate 2-Stage Option	0ft
5-1/2" Production Single Stage	2830ft (50' above Capitan Reef)
5-1/2" Production 2-Stage Option	Stage #1 = 4575ft (DV Tool) Stage #2 = 2830ft (50' above Capitan Reef)

Notes:

- Cement volumes Surface 75%, Intermediate 75%, Production based on at least 25% excess
- Actual cement volumes will be adjusted based on fluid caliper and caliper log data
- If lost circulation is encountered while drilling the production and/or the intermediate wellbores, a DV tool will be installed a minimum of 50' below the previous casing shoe and a minimum of 200' above the current shoe. If the DV tool has to be moved, the cement volumes will be adjusted proportionately. Both single and double stage proposals are listed in the cement table.

See COA

7. **Logging, Coring, and Testing Program:**

a. Drill stem tests will be based on geological sample shows.
b. If a drill stem test is anticipated, a procedure, equipment to be used, and safety measures will be provided via sundry notice to the BLM.
c. Resistivity and porosity logs are planned below the intermediate casing point. Logs run will be named in the Completion Report and submitted to the BLM.
d. No coring program is planned
e. Additional Testing will be initiated subsequent to setting the 5-1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows, and drill stem tests.

8. X **Potential Hazards:**

a. No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area, and none is anticipated to be encountered. If H2s is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation being used to drill this well. Estimated BHP: 4005 psi, and estimated BHT: 129 degrees.
b. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13-3/8" casing shoe until the 5-1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13-3/8" shoe until total depth is reached.

9. ~~8.~~ **Anticipated Starting Date and Duration of Operations:**

a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

5D Plan Report

Devon Energy

Field Name: *Lea Co, NM Nad 83 NM*
Site Name: *Taylor Draw 7 Fed Com 2H*
Well Name: *Taylor Draw 7 Fed Com 2H*
Plan: *P2:V1*

17 March 2014

Taylor Draw 7 Fed Com 2H

Field Name
Lea Co, NM Nad 83 NM

Map Units : US ft **Company Name :** Devon Energy
Vertical Reference Datum (VRD) : Mean Sea Level
Projected Coordinate System : NAD83 / New Mexico East (ftUS)
Comment :

Site Name
Taylor Draw 7 Fed Com 2H

Units : US ft **North Reference** : Grid **Convergence Angle :** 0.29
Position **Northing :** 607734.75 US ft **Latitude :** 32° 40' 10.44"
Easting : 705998.53 US ft **Longitude :** -103° 47' 53.61"
Elevation above Mean Sea Level:3618.00 US ft
Comment :

Slot Name
Taylor Draw 7 Fed Com 2H

Position (Offsets relative to Site Centre)
+N / -S : 0.00 US ft **Northing :**607734.75 US ft **Latitude :** 32°40'10.44"
+E / -W : 0.00 US ft **Easting :**705998.53 US ft **Longitude :** -103°47'53.61"
Slot TVD Reference : Ground Elevation
Elevation above Mean Sea Level : 3618.00 US ft
Comment :

Well Name
Taylor Draw 7 Fed Com 2H

Type : Main well **UWI :** **Plan :** P2:V1
Rig Height *Drill Floor* : 20.00 US ft **Comment :**
Relative to Mean Sea Level: 3638.00 US ft
Closure Distance : 4601.5 US ft **Closure Azimuth :** 271.882°
Vertical Section (Position of Origin Relative to Slot)
+N / -S : 0.00 US ft **+E / -W :** 0.00 US ft **Az :**271.88°
Magnetic Parameters
Model : BGGM **Field Strength :** 48583.8nT **Dec :** 7.50° **Dip :** 60.48° **Date :** 05/Apr/2014

Target Set

Name : Taylor Draw 7 Fed Com 2H **Number of Targets :** 2

Comment :

Target Name:
LP 2H

Position (Relative to Slot centre)
+N / -S : 18.81US ft **Northing :** 607753.56 US ft **Latitude :** 32°40'10.66"
+E / -W : -572.65 US ft **Easting :** 705425.88US ft **Longitude :** -103°48'0.31"

Shape:
Cuboid

TVD (Drill Floor) : 9250.00 US ft
Orientation **Azimuth :** 271.88° **Inclination :** 0.00°
Dimensions **Length :** 2800.00 US ft **Breadth :** 50.00 US ft **Height :** 20.00 US ft

5D Plan Report

Target Name:	Position (Relative to Slot centre)		
PBHL 2H	**+N / -S :** 151.10US ft	**Northing :** 607885.85 US ft	**Latitude :** 32°40'12.16"
	+E / -W : -4599.02 US ft	**Easting :** 701399.51US ft	**Longitude :** -103°48'47.41"
Shape:	**TVD (Drill Floor) :** 9250.00 US ft		
Cuboid	**Orientation** **Azimuth :** 271.88°	**Inclination :** 0.00°	
	Dimensions **Length :** 8056.00 US ft	**Breadth :** 50.00 US ft	**Height :** 20.00 US ft

Well path created using minimum curvature

Salient Points (Relative to Slot centre, TVD relative to Drill Floor)

MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N. Offset (US ft)	E. Offset (US ft)	DLS (°/100 US ft)	VS (US ft)	B. Rate (°/100 US ft)	T. Rate (°/100 US ft)	T. Face (°)	Comment
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8677.04	0.00	0.00	8677.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	KOP
9577.04	90.00	271.88	9250.00	18.81	-572.65	10.00	572.96	10.00	0.00	271.88	LP
13605.59	90.00	271.88	9250.00	151.10	-4599.02	0.00	4601.50	0.00	0.00	0.00	PBHL

Interpolated Points (Relative to Slot centre, TVD relative to Drill Floor)

MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N. Offset (US ft)	E. Offset (US ft)	VS (US ft)	DLS (°/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
8600.00	0.00	0.00	8600.00	0.00	0.00	0.00	0.00	607734.75	705998.53	
8677.04	0.00	0.00	8677.04	0.00	0.00	0.00	0.00	607734.75	705998.53	KOP
8700.00	2.30	271.88	8699.99	0.02	-0.46	0.46	10.00	607734.77	705998.07	
8800.00	12.30	271.88	8799.06	0.43	-13.14	13.14	10.00	607735.18	705985.39	
8900.00	22.30	271.88	8894.41	1.41	-42.81	42.84	10.00	607736.16	705955.72	
9000.00	32.30	271.88	8983.17	2.91	-88.59	88.64	10.00	607737.66	705909.94	
9100.00	42.30	271.88	9062.62	4.90	-149.07	149.15	10.00	607739.65	705849.46	
9200.00	52.30	271.88	9130.35	7.31	-222.43	222.55	10.00	607742.06	705776.10	
9300.00	62.30	271.88	9184.31	10.07	-306.42	306.59	10.00	607744.82	705692.11	
9400.00	72.30	271.88	9222.86	13.09	-398.50	398.72	10.00	607747.84	705600.03	
9500.00	82.30	271.88	9244.83	16.29	-495.88	496.15	10.00	607751.04	705502.65	
9577.04	90.00	271.88	9250.00	18.81	-572.65	572.96	10.00	607753.56	705425.88	LP
9600.00	90.00	271.88	9250.00	19.57	-595.59	595.92	0.00	607754.32	705402.94	
9700.00	90.00	271.88	9250.00	22.85	-695.54	695.92	0.00	607757.60	705302.99	
9800.00	90.00	271.88	9250.00	26.14	-795.49	795.91	0.00	607760.89	705203.04	
9900.00	90.00	271.88	9250.00	29.42	-895.43	895.91	0.00	607764.17	705103.10	
10000.00	90.00	271.88	9250.00	32.70	-995.38	995.91	0.00	607767.45	705003.15	
10100.00	90.00	271.88	9250.00	35.99	-1095.32	1095.91	0.00	607770.74	704903.21	
10200.00	90.00	271.88	9250.00	39.27	-1195.27	1195.91	0.00	607774.02	704803.26	
10300.00	90.00	271.88	9250.00	42.55	-1295.21	1295.91	0.00	607777.30	704703.32	
10400.00	90.00	271.88	9250.00	45.84	-1395.16	1395.91	0.00	607780.59	704603.37	
10500.00	90.00	271.88	9250.00	49.12	-1495.11	1495.91	0.00	607783.87	704503.42	
10600.00	90.00	271.88	9250.00	52.41	-1595.05	1595.91	0.00	607787.16	704403.48	
10700.00	90.00	271.88	9250.00	55.69	-1695.00	1695.91	0.00	607790.44	704303.53	
10800.00	90.00	271.88	9250.00	58.97	-1794.94	1795.91	0.00	607793.72	704203.59	
10900.00	90.00	271.88	9250.00	62.26	-1894.89	1895.91	0.00	607797.01	704103.64	
11000.00	90.00	271.88	9250.00	65.54	-1994.84	1995.91	0.00	607800.29	704003.69	
11100.00	90.00	271.88	9250.00	68.82	-2094.78	2095.91	0.00	607803.57	703903.75	
11199.99	90.00	271.88	9250.00	72.11	-2194.73	2195.91	0.00	607806.86	703803.80	
11299.99	90.00	271.88	9250.00	75.39	-2294.67	2295.91	0.00	607810.14	703703.86	
11399.99	90.00	271.88	9250.00	78.67	-2394.62	2395.91	0.00	607813.42	703603.91	
11499.99	90.00	271.88	9250.00	81.96	-2494.57	2495.91	0.00	607816.71	703503.96	
11599.99	90.00	271.88	9250.00	85.24	-2594.51	2595.91	0.00	607819.99	703404.02	
11699.99	90.00	271.88	9250.00	88.53	-2694.46	2695.91	0.00	607823.28	703304.07	
11799.99	90.00	271.88	9250.00	91.81	-2794.40	2795.91	0.00	607826.56	703204.13	
11899.99	90.00	271.88	9250.00	95.09	-2894.35	2895.91	0.00	607829.84	703104.18	

5D Plan Report

Interpolated Points (Relative to Slot centre, TVD relative to Drill Floor)

MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	VS (US ft)	DLS (°/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
11999.99	90.00	271.88	9250.00	98.38	-2994.29	2995.91	0.00	607833.13	703004.24	
12099.99	90.00	271.88	9250.00	101.66	-3094.24	3095.91	0.00	607836.41	702904.29	
12199.99	90.00	271.88	9250.00	104.94	-3194.19	3195.91	0.00	607839.69	702804.34	
12299.99	90.00	271.88	9250.00	108.23	-3294.13	3295.91	0.00	607842.98	702704.40	
12399.99	90.00	271.88	9250.00	111.51	-3394.08	3395.91	0.00	607846.26	702604.45	
12499.99	90.00	271.88	9250.00	114.80	-3494.02	3495.91	0.00	607849.55	702504.51	
12599.99	90.00	271.88	9250.00	118.08	-3593.97	3595.91	0.00	607852.83	702404.56	
12699.99	90.00	271.88	9250.00	121.36	-3693.92	3695.91	0.00	607856.11	702304.61	
12799.99	90.00	271.88	9250.00	124.65	-3793.86	3795.91	0.00	607859.40	702204.67	
12899.99	90.00	271.88	9250.00	127.93	-3893.81	3895.91	0.00	607862.68	702104.72	
12999.99	90.00	271.88	9250.00	131.21	-3993.75	3995.91	0.00	607865.96	702004.78	
13099.99	90.00	271.88	9250.00	134.50	-4093.70	4095.91	0.00	607869.25	701904.83	
13199.99	90.00	271.88	9250.00	137.78	-4193.65	4195.91	0.00	607872.53	701804.88	
13299.99	90.00	271.88	9250.00	141.07	-4293.59	4295.91	0.00	607875.82	701704.94	
13399.99	90.00	271.88	9250.00	144.35	-4393.54	4395.91	0.00	607879.10	701604.99	
13499.99	90.00	271.88	9250.00	147.63	-4493.48	4495.91	0.00	607882.38	701505.05	
13599.99	90.00	271.88	9250.00	150.92	-4593.43	4595.91	0.00	607885.67	701405.10	
13605.59	90.00	271.88	9250.00	151.10	-4599.02	4601.50	0.00	607885.85	701399.51	PBHL

Weatherford Drilling Services

GeoDec v5.03

Report Date:	March 17, 2014
Job Number:	
Customer:	Devon Energy
Well Name:	Taylor Draw 7 Fed Com 2H
API Number:	
Rig Name:	
Location:	Lea County, NM
Block:	
Engineer:	RWJ

US State Plane 1983	Geodetic Latitude / Longitude
System: New Mexico Eastern Zone	System: Latitude / Longitude
Projection: Transverse Mercator/Gauss Kruger	Projection: Geodetic Latitude and Longitude
Datum: North American Datum 1983	Datum: North American Datum 1983
Ellipsoid: GRS 1980	Ellipsoid: GRS 1980
North/South 607734.750 USFT	Latitude 32.6695674 DEG
East/West 705998.530 USFT	Longitude -103.7982264 DEG
Grid Convergence: .29°	
Total Correction: +7.21°	

Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude =	32.66957° N	32° 40 min 10.443 sec
Longitude =	103.79823° W	103° 47 min 53.615 sec

Magnetic Declination =	7.50°	[True North Offset]	
Local Gravity =	.9988 g	CheckSum =	6626
Local Field Strength =	48582 nT	Magnetic Vector X =	23735 nT
Magnetic Dip =	60.48°	Magnetic Vector Y =	3125 nT
Magnetic Model =	bggm2013	Magnetic Vector Z =	42275 nT
Spud Date =	Apr 05, 2014	Magnetic Vector H =	23939 nT

Signed:_____ Date:_____

Weatherford Drilling Services

GeoDec v5.03

Report Date:	March 17, 2014
Job Number:	
Customer:	Devon Energy
Well Name:	Taylor Draw 7 Fed Com 2H
API Number:	
Rig Name:	
Location:	Lea County, NM
Block:	
Engineer:	RWJ

US State Plane 1983	Geodetic Latitude / Longitude
System: New Mexico Eastern Zone	System: Latitude / Longitude
Projection: Transverse Mercator/Gauss Kruger	Projection: Geodetic Latitude and Longitude
Datum: North American Datum 1983	Datum: North American Datum 1983
Ellipsoid: GRS 1980	Ellipsoid: GRS 1980
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Geodetic Location WGS84	Elevation =	0.0 Meters
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Magnetic Model =	bggm2013	Magnetic Vector Z =	42275 nT
Spud Date =	Apr 05, 2014	Magnetic Vector H =	23939 nT

Signed:_____ Date:_____

Taylor Draw 7 Fed Com 2H

Field: Lea Co, NM Nad 83 NM

Map Units:	US ft
Vertical Reference Datum (VRD):	Mean Sea Level
Projected Coordinate System:	NAD83 / New Mexico East (ftUS)

Site: Taylor Draw 7 Fed Com 2H

Company Name:	Devon Energy			
Units:	US ft			
TVD Reference:				
Position:				
	Northing:	607734.75US ft	**Latitude:**	32° 40' 10.44"
	Easting:	705998.53US ft	**Longitude:**	-103° 47' 53.61"
North Reference:	Grid	**Convergence Angle:** 0.29		
Elevation above Mean Sea Level :	3618.00US ft			
Comment :				

Slot: Taylor Draw 7 Fed Com 2H

Position (Relative to Site centre)				
+N/-S: 0.00US ft	**Northing:**	607734.75US ft	**Latitude:**	32°40'10.44"
+E/-W: 0.00US ft	**Easting:**	705998.53US ft	**Longitude:**	-103°47'53.61"
Elevation above Mean Sea Level :	3618.00US ft			
Comment :				

Well: Taylor Draw 7 Fed Com 2H

Type:	Main well	**Rig Height (Drill Floor):**	20.00US ft
File Number:			
Plan Folder:	P2	**Plan:**	P2:V1
Closure Distance:	4601.5US ft	**Closure Azimuth:**	271.882°
Comment:			

Vertical Section:

Position of Origin (Relative to	**+N/-S:** 0.00US ft	**+E/-W:** 0.00US ft
Vertical Section Azimuth:	271.88°	

Magnetic Parameters:

Model: BGGM	**Field Strength:** 48583.8 nT	**Declination:** 7.50°	**Dip:** 60.48°	**Date:** 05/Apr/2014

Target Set: Taylor Draw 7 Fed Com 2H

Number of Targets: 2

Target: LP 2H

Position: (Relative to Slot centre)			
+N/-S: 18.81	Northing: 607753.56	Latitude: 32°40'10.66"	
+E/-W: -572.65	Easting: 705425.88	Longitude: -103°48'0.31"	
TVD (Drill Floor) :	9250.00 US ft		
Shape: Cuboid			
Orientation	Inclination: 0.00°	Azimuth: 271.88°	
Dimensions	Length: 2800.00	Breadth: 50.00	Height: 20.00

Target: PBHL 2H

Position: (Relative to Slot centre)			
+N/-S: 151.10	Northing: 607885.85	Latitude: 32°40'12.16"	
+E/-W: -4599.02	Easting: 701399.51	Longitude: -103°48'47.41"	
TVD (Drill Floor) :	9250.00 US ft		
Shape: Cuboid			
Orientation	Inclination: 0.00°	Azimuth: 271.88°	
Dimensions	Length: 8056.00	Breadth: 50.00	Height: 20.00

Casing Points: (Relative to Slot Centre, TVD Relative to Drill Floor)

MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	Northing (US ft)	Easting (US ft)	Name

Wellpath created using minimum curvature

Salient Points: (Relative to Slot Centre, TVD Relative to Drill Floor)

MD	Inc	Az	TVD	N.Offset	E.Offset	DLS	VS	B.Rate	T.Rate	T.Face

(US ft)	(°)	(°)	(US ft)	(US ft)	(US ft)	(°/100 US ft)	(US ft)	(°/100 US ft)	(°/100 US ft)	(°)
0	0	0	0	0	0	0	0	0	0	0
8677.04	0	0	8677.04	0	0	0	0	0	0	0
9577.04	90	271.88	9250	18.81	572.65	10	572.96	10	0	271.88
13605.59	90	271.88	9250	151.1	4599.02	0	4601.5	0	0	0

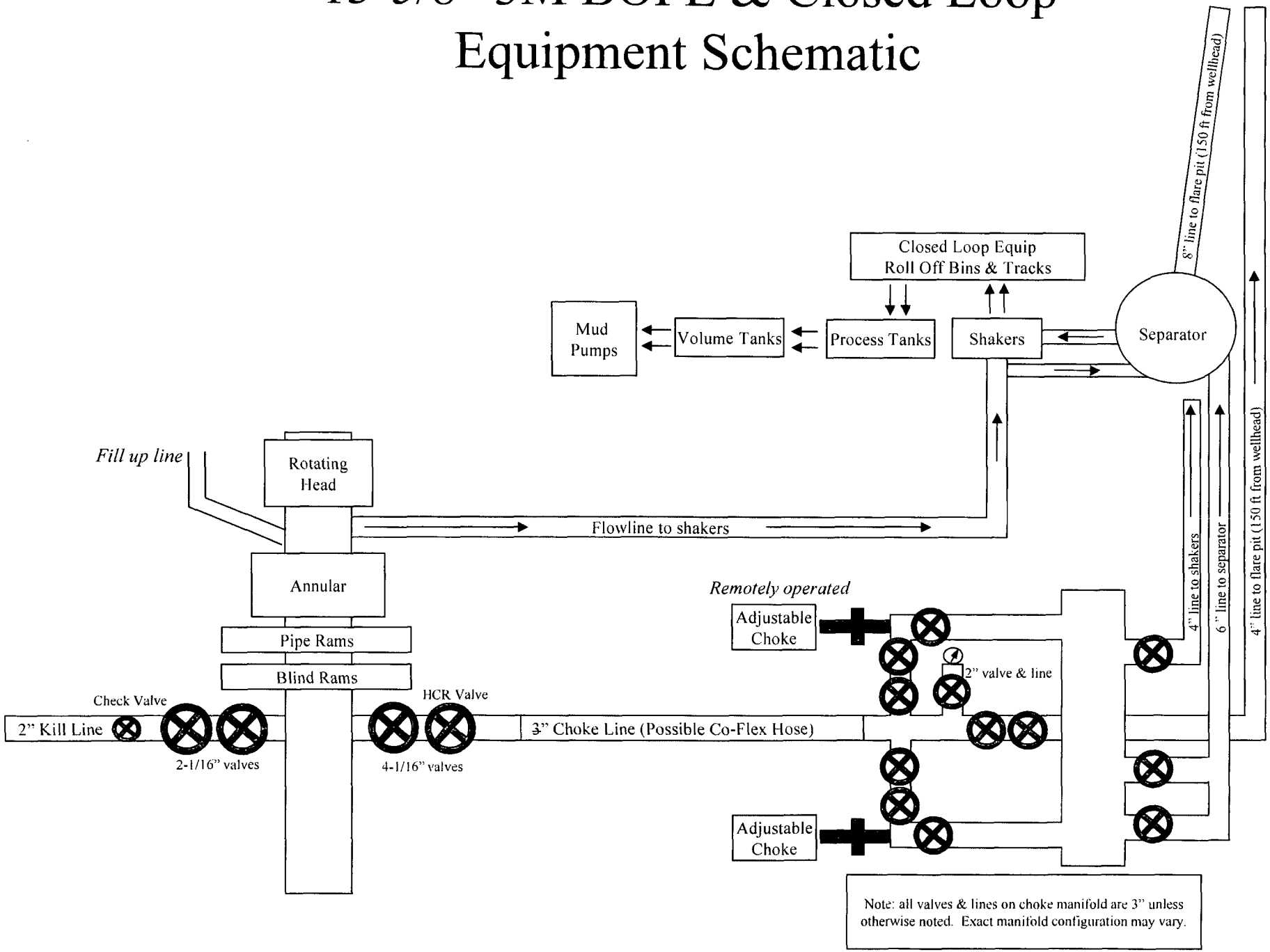
Interpolated Points: (Relative to Slot Centre, TVD Relative to Drill Floor)

MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	VS (US ft)	DLS (°/100 US ft)	Northing (US ft)	Easting (US ft)	Comment
8600	0	0	8600	0	0	0	0	607734.75	705998.53	
8677.04	0	0	8677.04	0	0	0	0	607734.75	705998.53	KOP
8700	2.3	271.88	8699.99	0.02	0.46	0.46	10	607734.77	705998.07	
8800	12.3	271.88	8799.06	0.43	13.14	13.14	10	607735.18	705985.39	
8900	22.3	271.88	8894.41	1.41	42.81	42.84	10	607736.16	705955.72	
9000	32.3	271.88	8983.17	2.91	88.59	88.64	10	607737.66	705909.94	
9100	42.3	271.88	9062.62	4.9	149.07	149.15	10	607739.65	705849.46	
9200	52.3	271.88	9130.35	7.31	222.43	222.55	10	607742.06	705776.1	
9300	62.3	271.88	9184.31	10.07	306.42	306.59	10	607744.82	705692.11	
9400	72.3	271.88	9222.86	13.09	398.5	398.72	10	607747.84	705600.03	
9500	82.3	271.88	9244.83	16.29	495.88	496.15	10	607751.04	705502.65	
9577.04	90	271.88	9250	18.81	572.65	572.96	10	607753.56	705425.88	LP
9600	90	271.88	9250	19.57	595.59	595.92	0	607754.32	705402.94	
9700	90	271.88	9250	22.85	695.54	695.92	0	607757.6	705302.99	
9800	90	271.88	9250	26.14	795.49	795.91	0	607760.89	705203.04	
9900	90	271.88	9250	29.42	895.43	895.91	0	607764.17	705103.1	
10000	90	271.88	9250	32.7	995.38	995.91	0	607767.45	705003.15	
10100	90	271.88	9250	35.99	1095.32	1095.91	0	607770.74	704903.21	
10200	90	271.88	9250	39.27	1195.27	1195.91	0	607774.02	704803.26	
10300	90	271.88	9250	42.55	1295.21	1295.91	0	607777.3	704703.32	
10400	90	271.88	9250	45.84	1395.16	1395.91	0	607780.59	704603.37	
10500	90	271.88	9250	49.12	1495.11	1495.91	0	607783.87	704503.42	
10600	90	271.88	9250	52.41	1595.05	1595.91	0	607787.16	704403.48	
10700	90	271.88	9250	55.69	1695	1695.91	0	607790.44	704303.53	
10800	90	271.88	9250	58.97	1794.94	1795.91	0	607793.72	704203.59	
10900	90	271.88	9250	62.26	1894.89	1895.91	0	607797.01	704103.64	
11000	90	271.88	9250	65.54	1994.84	1995.91	0	607800.29	704003.69	
11100	90	271.88	9250	68.82	2094.78	2095.91	0	607803.57	703903.75	
11199.99	90	271.88	9250	72.11	2194.73	2195.91	0	607806.86	703803.8	
11299.99	90	271.88	9250	75.39	2294.67	2295.91	0	607810.14	703703.86	
11399.99	90	271.88	9250	78.67	2394.62	2395.91	0	607813.42	703603.91	
11499.99	90	271.88	9250	81.96	2494.57	2495.91	0	607816.71	703503.96	
11599.99	90	271.88	9250	85.24	2594.51	2595.91	0	607819.99	703404.02	
11699.99	90	271.88	9250	88.53	2694.46	2695.91	0	607823.28	703304.07	
11799.99	90	271.88	9250	91.81	2794.4	2795.91	0	607826.56	703204.13	
11899.99	90	271.88	9250	95.09	2894.35	2895.91	0	607829.84	703104.18	
11999.99	90	271.88	9250	98.38	2994.29	2995.91	0	607833.13	703004.24	
12099.99	90	271.88	9250	101.66	3094.24	3095.91	0	607836.41	702904.29	
12199.99	90	271.88	9250	104.94	3194.19	3195.91	0	607839.69	702804.34	
12299.99	90	271.88	9250	108.23	3294.13	3295.91	0	607842.98	702704.4	
12399.99	90	271.88	9250	111.51	3394.08	3395.91	0	607846.26	702604.45	
12499.99	90	271.88	9250	114.8	3494.02	3495.91	0	607849.55	702504.51	
12599.99	90	271.88	9250	118.08	3593.97	3595.91	0	607852.83	702404.56	
12699.99	90	271.88	9250	121.36	3693.92	3695.91	0	607856.11	702304.61	
12799.99	90	271.88	9250	124.65	3793.86	3795.91	0	607859.4	702204.67	
12899.99	90	271.88	9250	127.93	3893.81	3895.91	0	607862.68	702104.72	
12999.99	90	271.88	9250	131.21	3993.75	3995.91	0	607865.96	702004.78	
13099.99	90	271.88	9250	134.5	4093.7	4095.91	0	607869.25	701904.83	
13199.99	90	271.88	9250	137.78	4193.65	4195.91	0	607872.53	701804.88	
13299.99	90	271.88	9250	141.07	4293.59	4295.91	0	607875.82	701704.94	
13399.99	90	271.88	9250	144.35	4393.54	4395.91	0	607879.1	701604.99	
13499.99	90	271.88	9250	147.63	4493.48	4495.91	0	607882.38	701505.05	
13599.99	90	271.88	9250	150.92	4593.43	4595.91	0	607885.67	701405.1	
13605.59	90	271.88	9250	151.1	4599.02	4601.5	0	607885.85	701399.51	PBHL

Formation Points: (Relative to Slot Centre, TVD Relative to Drill Floor)

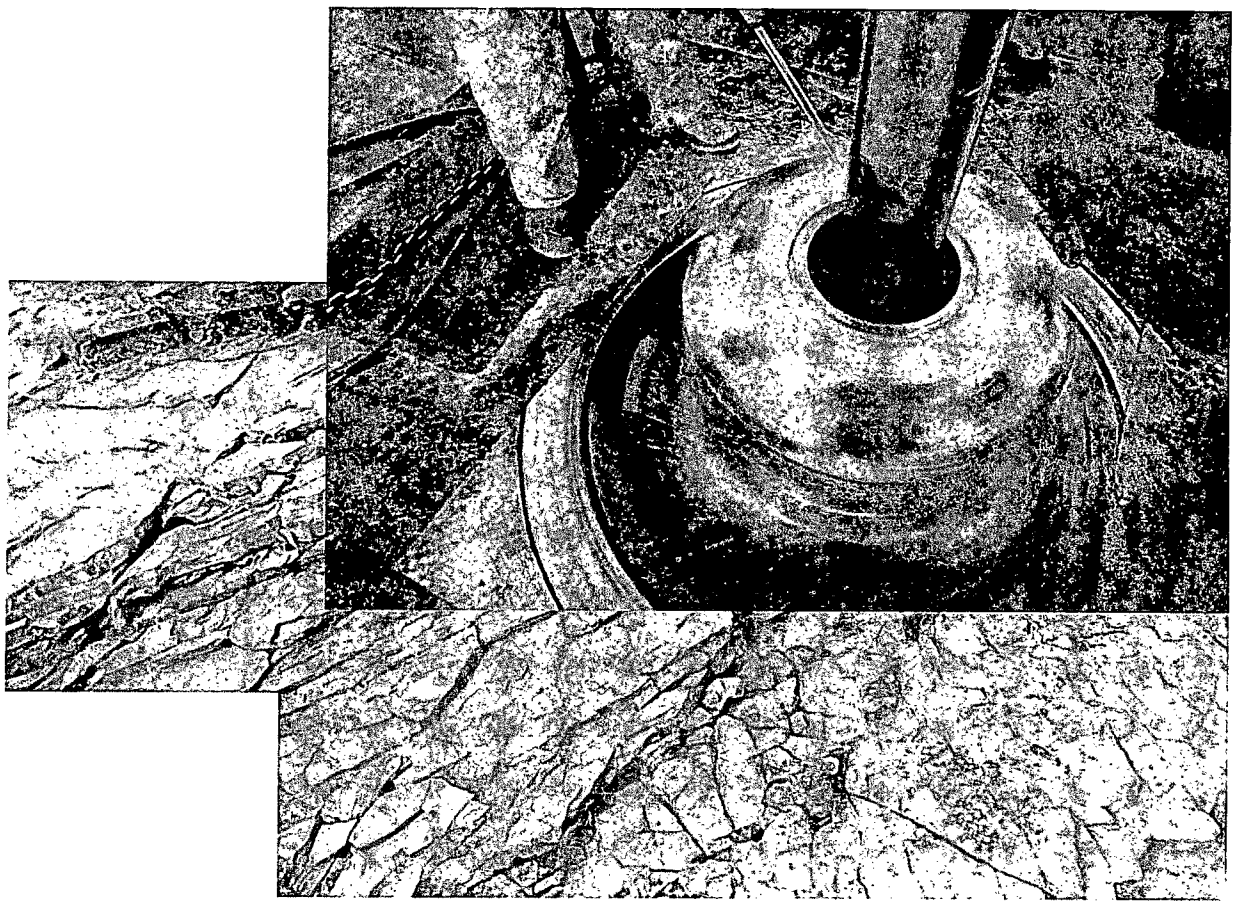
MD (US ft)	Inc (°)	Az (°)	TVD (US ft)	N.Offset (US ft)	E.Offset (US ft)	Northing (US ft)	Easting (US ft)	Name	Comment

13-5/8" 3M BOPE & Closed Loop Equipment Schematic



devon

Commitment Runs Deep



Design Plan
Operation and Maintenance Plan
Closure Plan

SENM - Closed Loop Systems
June 2010

I. Design Plan

Devon uses MI SWACO closed loop system (CLS). The MI SWACO CLS is designed to maintain drill solids at or below 5%. The equipment is arranged to progressively remove solids from the largest to the smallest size. Drilling fluids can thus be reused and savings is realized on mud and disposal costs. Dewatering may be required with the centrifuges to insure removal of ultra fine solids.

The drilling location is constructed to allow storm water to flow to a central sump normally the cellar. This insures no contamination leaves the drilling pad in the event of a spill. Storm water is reused in the mud system or stored in a reserve fluid tank farm until it can be reused. All lubricants, oils, or chemicals are removed immediately from the ground to prevent the contamination of storm water. An oil trap is normally installed on the sump if an oil spill occurs during a storm.

A tank farm is utilized to store drilling fluids including fresh water and brine fluids. The tank farm is constructed on a 20 ml plastic lined, bermed pad to prevent the contamination of the drilling site during a spill. Fluids from other sites may be stored in these tanks for processing by the solids control equipment and reused in the mud system. At the end of the well the fluids are transported from the tank farm to an adjoining well or to the next well for the rig.

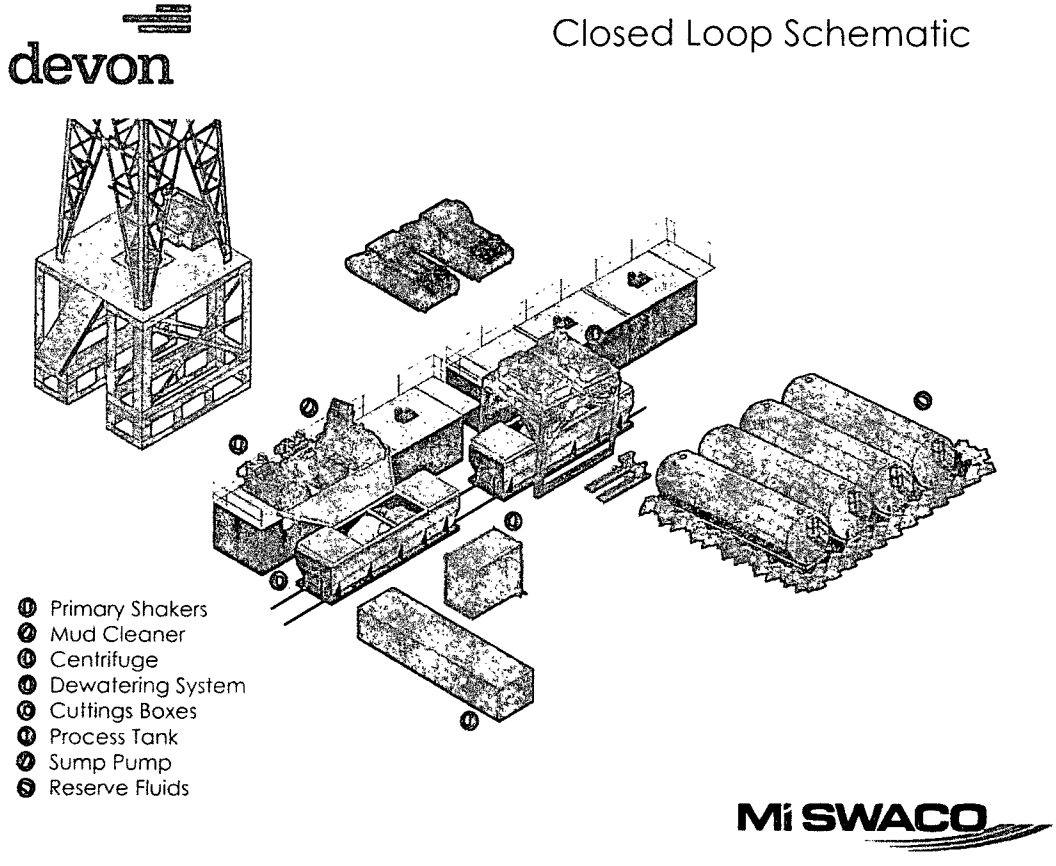
Prior to installing a closed-loop system on site, the topsoil, if present, will be stripped and stockpiled for use as the final cover or fill at the time of closure.

Signs will be posted on the fence surrounding the closed-loop system unless the closed-loop system is located on a site where there is an existing well, that is operated by Devon.

II. Operations and Maintenance Plan

Primary Shakers: The primary shakers make the first removal of drill solids from the drilling mud as it leaves the well bore. The shakers are sized to handle maximum drilling rate at optimal screen size. The shakers normally remove solids down to 74 microns.

Mud Cleaner: The Mud Cleaner cleans the fluid after it leaves the shakers. A set of hydrocyclones are sized to handle 1.25 to 1.5 times the maximum circulating rate. This ensures all the fluid is being processed to an average cut point of 25 microns. The wet discharged is dewatered on a shaker equipped with ultra fine mesh screens and generally cut at 40 microns.



Centrifuges: The centrifuges can be one or two in number depending on the well geometry or depth of well. The centrifuges are sized to maintain low gravity solids at 5% or below. They may or may not need a dewatering system to enhance the removal rates. The centrifuges can make a cut point of 8-10 microns depending on bowl speed, feed rate, solids loading and other factors.

The centrifuge system is designed to work on the active system and be flexible to process incoming fluids from other locations. This set-up is also dependant on well factors.

Dewatering System: The dewatering system is a chemical mixing and dosing system designed to enhance the solids removal of the centrifuge. Not commonly used in shallow wells. It may contain pH adjustment, coagulant mixing and dosing, and polymer mixing and dosing. Chemical flocculation binds ultra fine solids into a mass that is within the centrifuge operating design. The

dewatering system improves the centrifuge cut point to infinity or allows for the return of clear water or brine fluid. This ability allows for the ultimate control of low gravity solids.

Cuttings Boxes: Cuttings boxes are utilized to capture drill solids that are discarded from the solids control equipment. These boxes are set upon a rail system that allows for the removal and replacement of a full box of cuttings with an empty one. They are equipped with a cover that insures no product is spilled into the environment during the transportation phase.

Process Tank: (Optional) The process tank allows for the holding and process of fluids that are being transferred into the mud system. Additionally, during times of lost circulation the process tank may hold active fluids that are removed for additional treatment. It can further be used as a mixing tank during well control conditions.

Sump and Sump Pump: The sump is used to collect storm water and the pump is used to transfer this fluid to the active system or to the tank for to hold in reserve. It can also be used to collect fluids that may escape during spills. The location contains drainage ditches that allow the location fluids to drain to the sump.

Reserve Fluids (Tank Farm): A series of frac tanks are used to replace the reserve pit. These are steel tanks that are equipped with a manifold system and a transfer pump. These tanks can contain any number of fluids used during the drilling process. These can include fresh water, cut brine, and saturated salt fluid. The fluid can be from the active well or reclaimed fluid from other locations. A 20 ml liner and berm system is employed to ensure the fluids do not migrate to the environment during a spill.

If a leak develops, the appropriate division district office will be notified within 48 hours of the discovery and the leak will be addressed. Spill prevention is accomplished by maintaining pump packing, hoses, and pipe fittings to insure no leaks are occurring. During an upset condition the source of the spill is isolated and repaired as soon as it is discovered. Free liquid is removed by a diaphragm pump and returned to the mud system. Loose topsoil may be used to stabilize the spill and the contaminated soil is excavated and placed in the cuttings boxes. After the well is finished and the rig has moved, the entire location is scrapped and testing will be performed to determine if a release has occurred.

All trash is kept in a wire mesh enclosure and removed to an approved landfill when full. All spent motor oils are kept in separate containers and they are removed and sent to an approved recycling center. Any spilled lubricants, pipe

dope, or regulated chemicals are removed from soil and sent to landfills approved for these products.

These operations are monitored by Mi Swaco service technicians. Daily logs are maintained to ensure optimal equipment operation and maintenance. Screen and chemical use is logged to maintain inventory control. Fluid properties are monitored and recorded and drilling mud volumes are accounted for in the mud storage farm. This data is kept for end of well review to insure performance goals are met. Lessons learned are logged and used to help with continuous improvement.

A MI SWACO field supervisor manages from 3-5 wells. They are responsible for training personnel, supervising installations, and inspecting sites for compliance of MI SWACO safety and operational policy.

III. Closure Plan

A maximum 340' X 340' caliche pad is built per well. All of the trucks and steel tanks fit on this pad. All fluid cuttings go to the steel tanks to be hauled by various trucking companies to an agency approved disposal.

NOTES REGARDING BLOWOUT PREVENTERS

Devon Energy Production Company, L.P.
Taylor Draw 7 Fed Com 2H

1. Drilling Nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.

2. Wear ring will be properly installed in head.

3. Blowout preventer and all associated filings will be in operable condition to withstand a minimum of 3000 psi working pressure.

4. All fittings will be flanged.

5. A fill bore safety valve tested to a minimum of 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.

6. All choke lines will be anchored to prevent movement.

7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.

8. Will maintain a kelly cock attached to the kelly.

9. Hand wheels and wrenches will be properly installed and tested for safe operation.

10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.

11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

Continental CONTITECH

Fluid Technology

Quality Document

QUALITY CONTROL INSPECTION AND TEST CERTIFICATE

CERT. N°: 1713

PURCHASER:	ContiTech Beattie Co.	P.O. N°:	002808
CONTITECH ORDER N°:	426127	HOSE TYPE: 3" ID	Choke and Kill Hose
HOSE SERIAL N°:	53622	NOMINAL / ACTUAL LENGTH:	10,67 m

W.P.	68,96	MPa	10000	psi	T.P. 103,4	MPa	15000	psi	Duration: 60	min.

Pressure test with water at ambient temperature

See attachment. (1 page)

↑ 10 mm = 10 Min.

→ 10 mm = 25 MPa

COUPLINGS Type	Serial N°	Quality	Heat N°
3" coupling with	5503 2029	AISI 4130	N1590P
4 1/16" Flange end		AISI 4130	27566

INFOCHIP INSTALLED

API Spec 16 C
Temperature rate:"B"

All metal parts are flawless

Hose conform to NACE MR 01-75

WE CERTIFY THAT THE ABOVE HOSE HAS BEEN MANUFACTURED IN ACCORDANCE WITH THE TERMS OF THE ORDER INSPECTED AND PRESSURE TESTED AS ABOVE WITH SATISFACTORY RESULT.

STATEMENT OF CONFORMITY: We hereby certify that the above items/equipment supplied by us are in conformity with the terms, conditions and specifications of the above Purchaser Order and that these items/equipment were fabricated inspected and tested in accordance with the referenced standards, codes and specifications and meet the relevant acceptance criteria and design requirements.

COUNTRY OF ORIGIN HUNGARY/EU

Date:	Inspector	Quality Control
25. August. 2008		ContiTech Rubber Industrial Kft. Quality Control Dept.

ContiTech Rubber Industrial Kft.
Budapesti út 10., Szeged H 6728
P.O.Box 152 Szeged H-6701
Hungary

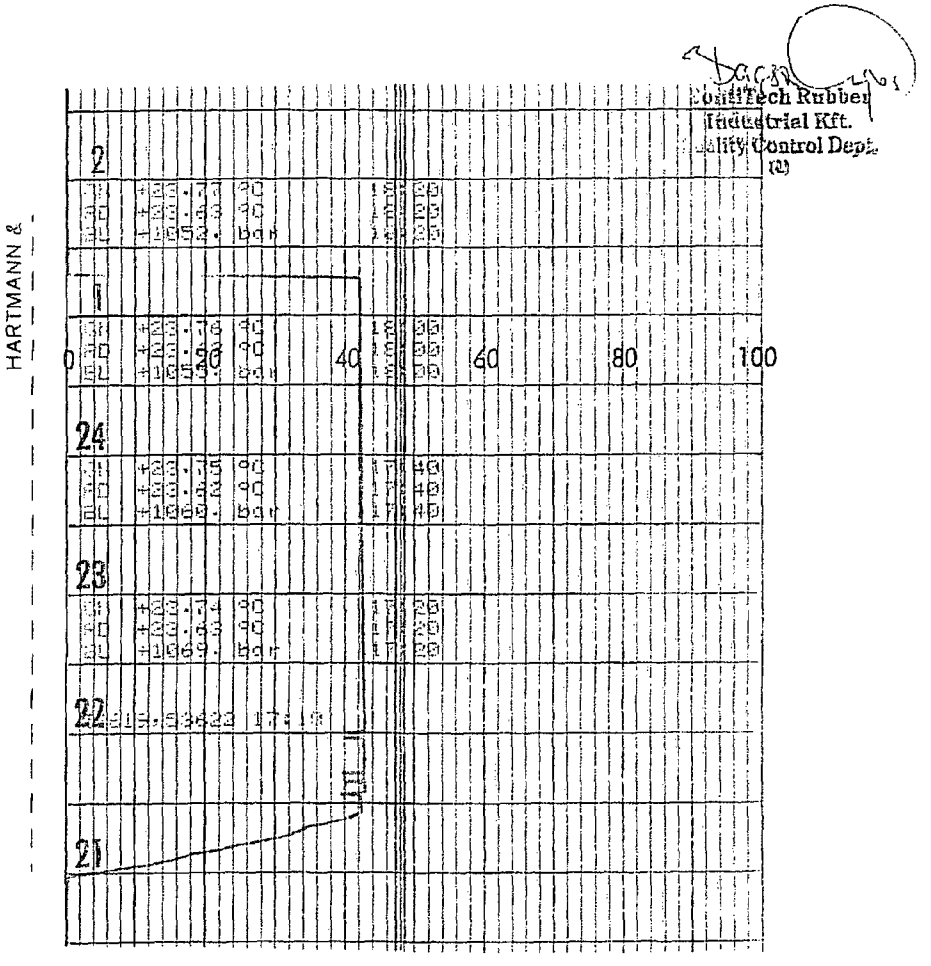
Phone: +36 62 566 737
Fax: +36 62 566 738
e-mail: info@fluid.contitech.hu
Internet: www.contitech-rubber.hu

The Court of Csongrád County as Registry Court
Registry Court No: HU 06-09-002502
EU VAT No: HU11087209

Bank data
Commerzbank Zrt.
Szeged
14220108-26830003-00000000

ATTACHMENT OF QUALITY CONTROL INSPECTION AND TEST CERTIFICATE *No 1711,1713*

Page: 1/1



ContiTech Rubber
Industrial Kft.
Quality Control Dept.

Continental CONTITECH

Fluid Technology

ContiTech Beattie Corp.
Website: www.contitechbeattie.com

Monday, June 14, 2010

RE: Drilling & Production Hoses
Lifting & Safety Equipment

To Helmerich & Payne,

A Continental ContiTech hose assembly can perform as intended and suitable for the application regardless of whether the hose is secured or unsecured in its configuration. As a manufacturer of High Pressure Hose Assemblies for use in Drilling & Production, we do offer the corresponding lifting and safety equipment, this has the added benefit of easing the lifting and handling of each hose assembly whilst affording hose longevity by ensuring correct handling methods and procedures as well as securing the hose in the unlikely event of a failure; but in no way does the lifting and safety equipment affect the performance of the hoses providing the hoses have been handled and installed correctly it is good practice to use lifting & safety equipment but not mandatory

Should you have any questions or require any additional information/clarifications then please do not hesitate to contact us.

ContiTech Beattie is part of the Continental AG Corporation and can offer the full support resources associated with a global organization.

Best regards,

Robin Hodgson
Sales Manager
ContiTech Beattie Corp

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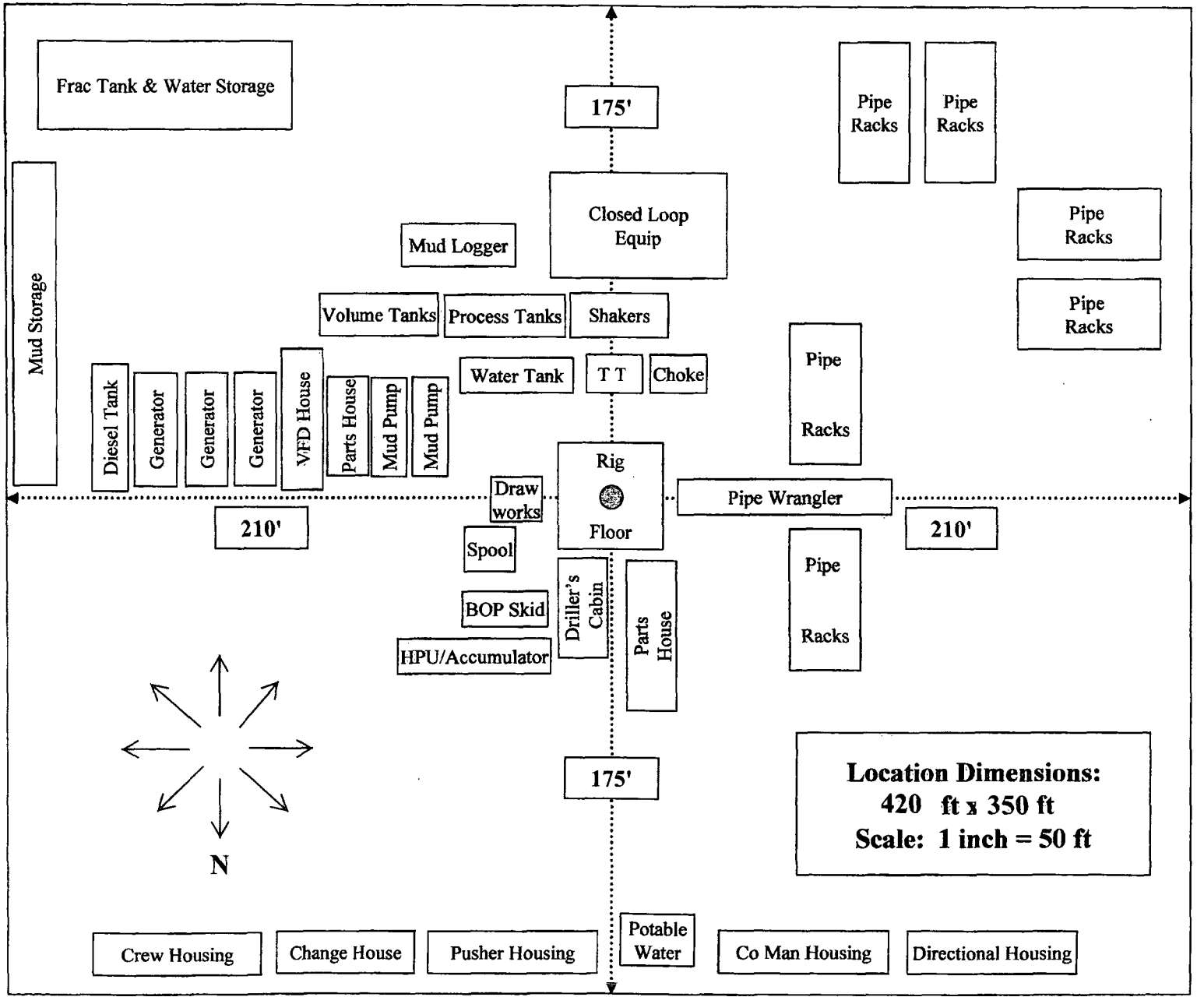
H&P Flex Rig Location Layout



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 25th day of March, 2014.
Printed Name: Linda Good
Signed Name: Linda Good
Position Title: Regulatory Compliance Specialist
Address: 333 W. Sheridan, OKC OK 73102
Telephone: (405)-552-6558

HOBBS OCD

AUG 08 2014

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