

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs HOBBS OCD

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

NOV 10 2014

14-0050

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

5. Lease Serial No.  
SH: NMNM092781 BH:NMNM066272  
6. If Indian, Allottee or Tribe Name

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

1. Type of Well

Oil Well  Gas Well  Other

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.  
Gaucho Unit 16H & 17H

2. Name of Operator  
Devon Energy Production Company, L.P.

9. API Well No.  
16H: 3002541853 17H: 3002541854

3a. Address  
6488 Seven Rivers Highway  
Artesia, NM 88210

3b. Phone No. (include area code)  
575-748-1810

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
16H: Section 19, T22S R34E, 200 FSL, 670 FEL, Unit P  
17H: Section 19, T22S R34E, 200 FSL, 720 FEL, Unit P

11. County or Parish, State  
Lea County, New Mexico

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

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

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete 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 recompletion 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 would like permission to bury 2, 4" flowlines from the Gaucho Unit 16H & 17H located in the SE/4SE/4 of Section 19, T22S R34E to connect to the Gaucho Central Tank Battery located in the SW/4SW/4 of Section 20, T22S R34E.

The spacing for the said lines is 30 ft wide by 3555.04 ft (215.46 rods) containing 2.449 acres.

Each line will carry 1,000 BOPD, 800 BWPD, and 1.5 MMCFD at 125 PSI

Please see attached plat

*Surface OK - see Attached COAs. J 10/21/14*

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

Title Field Landman

Signature

Date

*9/2/2014*

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

Approved by

FIELD MANAGER

*James A. Oates Jr*

Title

Date

*10-29-14*

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.

Office CARLSBAD FIELD OFFICE

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.

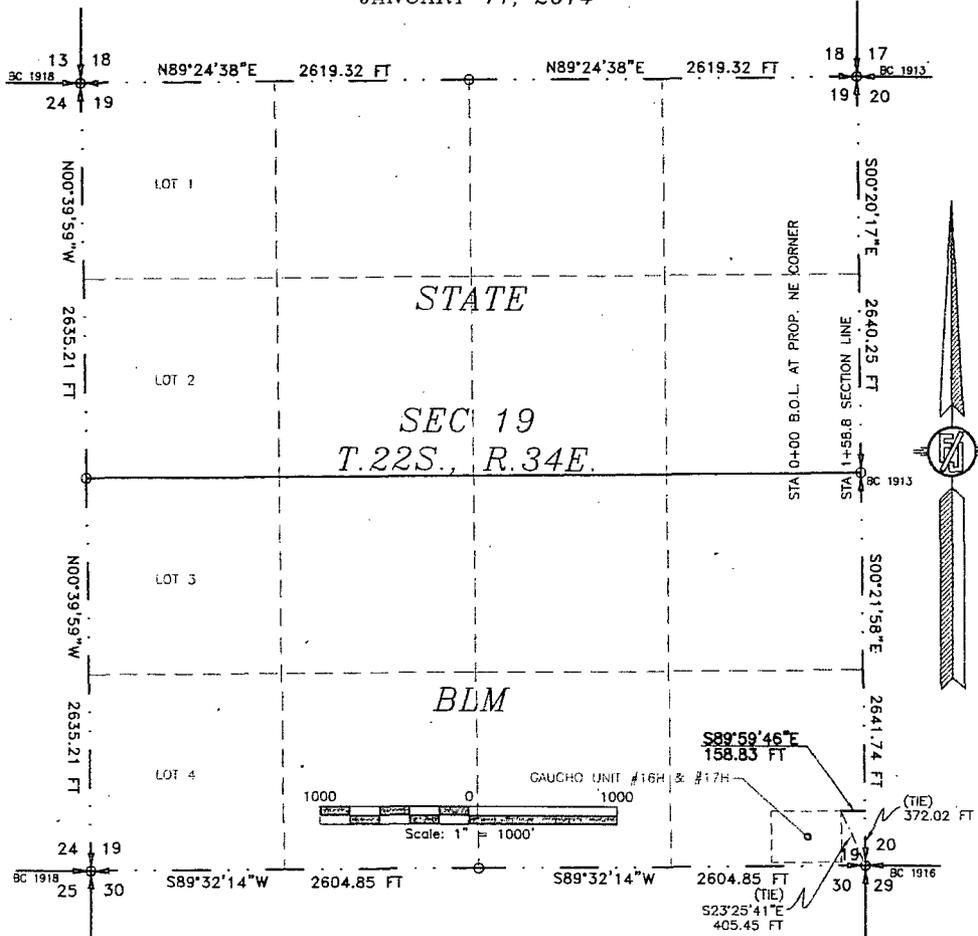
(Instructions on page 2)

*MSS/OCD 11/10/2014*

NOV 10 2014

2-4" POLY FLEX SURFACE FLOW LINES FROM THE GAUCHO UNIT #16H & #17H WELLS TO THE GAUCHO UNIT CENTRAL BATTERY

DEVON ENERGY PRODUCTION COMPANY, L.P.  
 CENTERLINE SURVEY OF A PIPELINE CROSSING  
 SECTION 19, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.  
 LEA COUNTY, STATE OF NEW MEXICO  
 JANUARY 11, 2014



DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 19, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 SE/4 OF SAID SECTION 19, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE SOUTHEAST CORNER OF SAID SECTION 19, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S23°25'41"E, A DISTANCE OF 405.45 FEET;  
 THENCE S89°59'46"E A DISTANCE OF 158.83 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE SOUTHEAST CORNER OF SAID SECTION 19, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S00°21'58"E, A DISTANCE OF 372.02 FEET;

SAID STRIP OF LAND BEING 158.83 FEET OR 9.63 RODS IN LENGTH, CONTAINING 0.109 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 SE/4 158.83 L.F. 9.63 RODS 0.109 ACRES

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS 15 DAY OF JANUARY 2014

MADRON SURVEYING, INC.  
 301 SOUTH CANAL  
 CARLSBAD, NEW MEXICO 88220  
 Phone (575) 234-3341

GENERAL NOTES

- 1.) THE INTENT OF THIS ROUTE SURVEY IS TO ACQUIRE AN EASEMENT.
- 2.) BASIS OF BEARING IS NMSP EAST MODIFIED TO SURFACE COORDINATES.

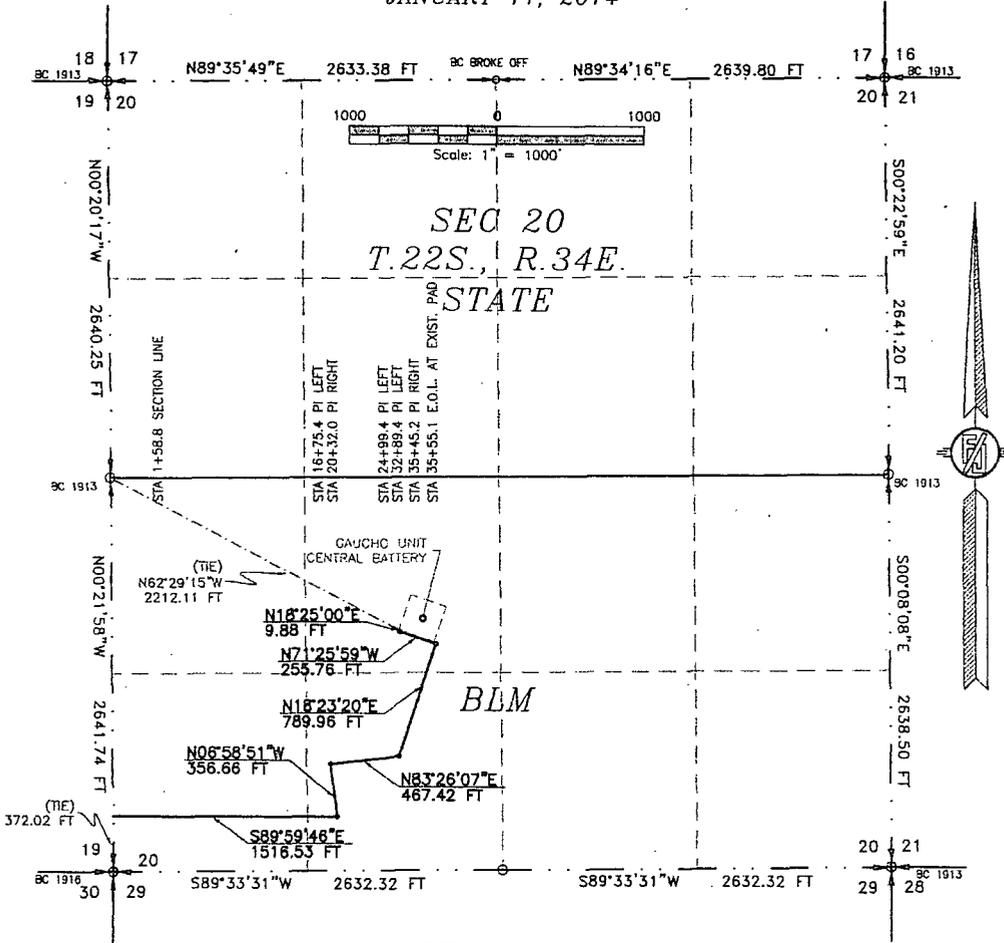
SHEET: 1-4

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

SURVEY NO. 2582

2-4" POLY FLEX SURFACE FLOW LINES FROM THE GAUCHO UNIT #16H & #17H WELLS TO THE GAUCHO UNIT CENTRAL BATTERY

DEVON ENERGY PRODUCTION COMPANY, L.P.  
 CENTERLINE SURVEY OF A PIPELINE CROSSING  
 SECTION 20, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.  
 LEA COUNTY, STATE OF NEW MEXICO  
 JANUARY 11, 2014



DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING BUREAU OF LAND MANAGEMENT LAND IN SECTION 20, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SW/4 SW/4 OF SAID SECTION 20, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M., WHENCE THE SOUTHWEST CORNER OF SAID SECTION 20, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS S00°21'58"E, A DISTANCE OF 372.02 FEET;  
 THENCE S89°59'46"E A DISTANCE OF 1516.53 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;  
 THENCE N06°58'51"W A DISTANCE OF 356.66 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;  
 THENCE N83°26'07"E A DISTANCE OF 467.42 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;  
 THENCE N18°23'20"E A DISTANCE OF 789.96 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;  
 THENCE N71°25'59"W A DISTANCE OF 255.76 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED;  
 THENCE N18°25'00"E A DISTANCE OF 9.88 FEET TO THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE WEST QUARTER CORNER OF SAID SECTION 20, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N62°29'15"W, A DISTANCE OF 2212.11 FEET;

SAID STRIP OF LAND BEING 3396.21 FEET OR 205.83 RODS IN LENGTH, CONTAINING 2.340 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

|           |              |            |             |
|-----------|--------------|------------|-------------|
| SW/4 SW/4 | 1316.25 L.F. | 79.77 RODS | 0.907 ACRES |
| SE/4 SW/4 | 1611.55 L.F. | 97.67 RODS | 1.110 ACRES |
| NE/4 SW/4 | 468.41 L.F.  | 28.39 RODS | 0.323 ACRES |

SURVEYOR CERTIFICATE

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS \_\_\_\_\_ DAY OF JANUARY 2014

FILIMON F. JARAMILLO, P.E.S. 12797

MADRON SURVEYING, INC  
 301 SOUTH CANAL  
 CARLSBAD, NEW MEXICO 88220  
 Phone (575) 234-3341

GENERAL NOTES

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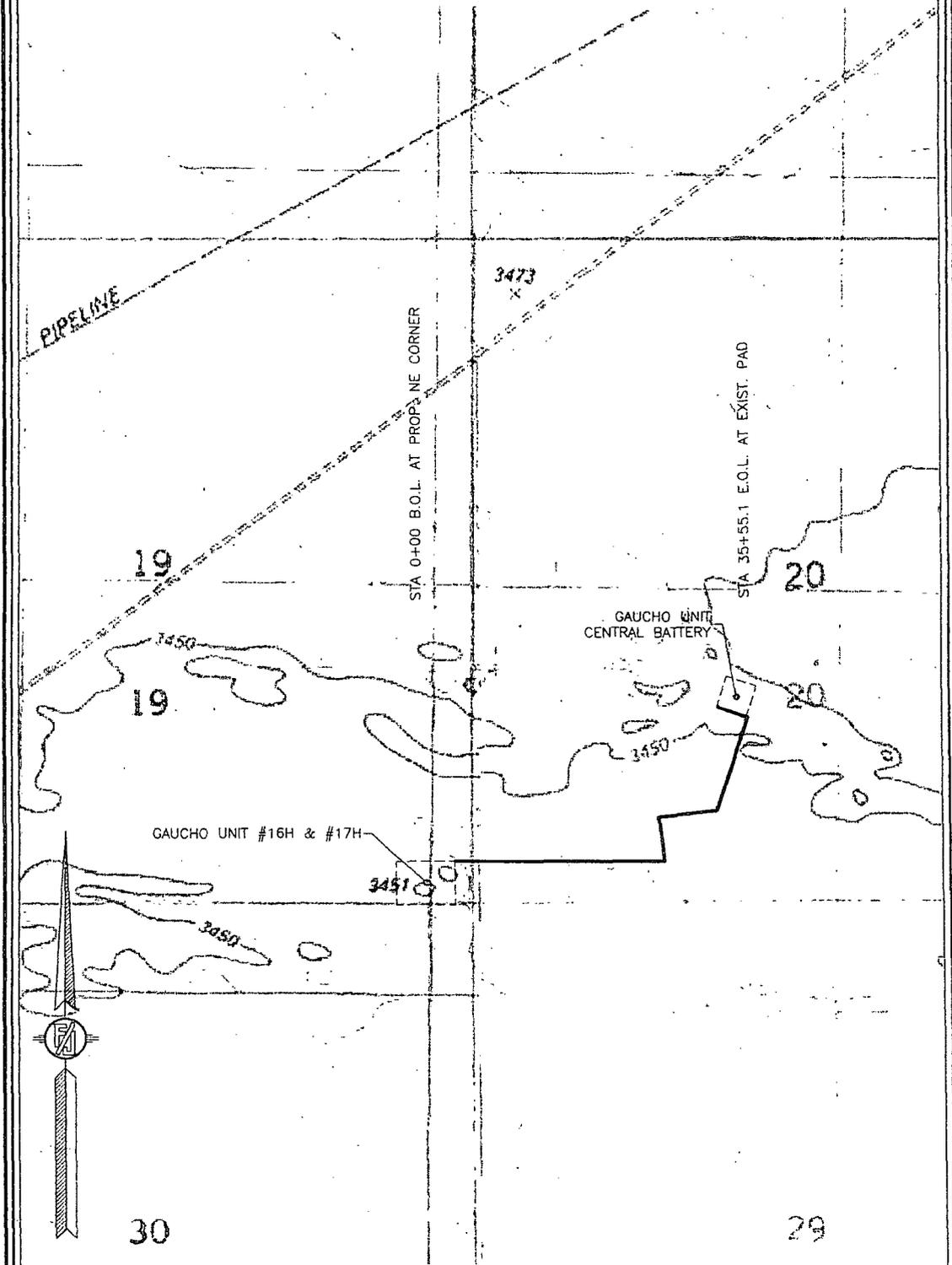
SHEET: 2-4

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

SURVEY NO. 2582

2-4" POLY FLEX SURFACE FLOW LINES FROM THE GAUCHO UNIT #16H & #17H WELLS TO THE GAUCHO UNIT CENTRAL BATTERY

DEVON ENERGY PRODUCTION COMPANY, L.P.  
CENTERLINE SURVEY OF A PIPELINE CROSSING  
SECTION 19, 20, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.  
LEA COUNTY, STATE OF NEW MEXICO  
JANUARY 11, 2014



SHEET: 3-4

MADRON SURVEYING, INC.

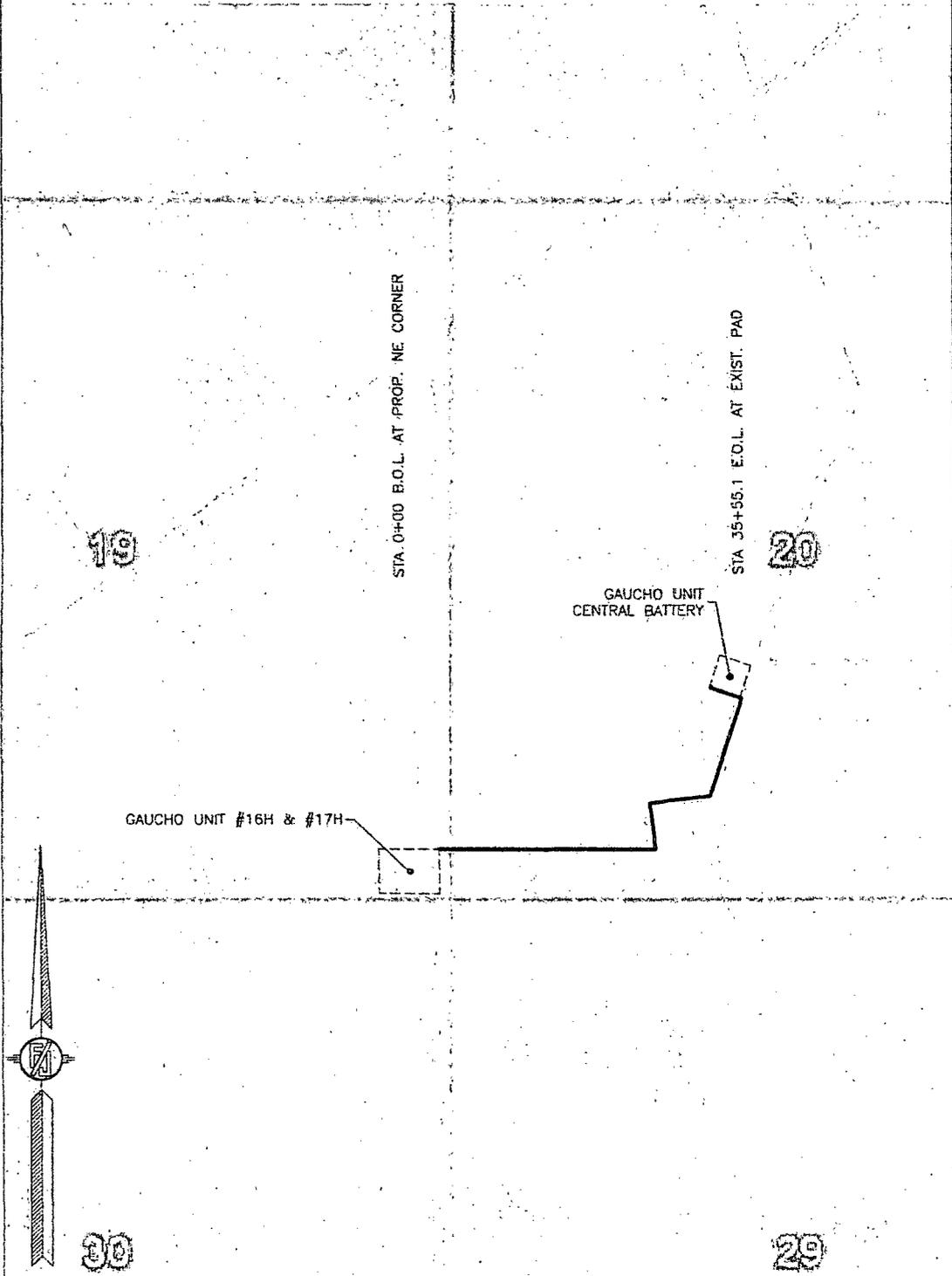
301 SOUTH CANAL  
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CARLSBAD, NEW MEXICO

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DEVON ENERGY PRODUCTION COMPANY, L.P.  
CENTERLINE SURVEY OF A PIPELINE CROSSING  
SECTION 19, 20, TOWNSHIP 22 SOUTH, RANGE 34 EAST, N.M.P.M.  
LEA COUNTY, STATE OF NEW MEXICO  
JANUARY 11, 2014



**BLM LEASE NUMBER:** NMNM092781

**COMPANY NAME:** Devon Energy Production Company

**ASSOCIATED WELL NAME:** Gaucho Unit 16H & 17H

### BURIED PIPELINE STIPULATIONS

A copy of the application (Grant, APD, or Sundry Notice) and attachments, including conditions of approval, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 *et seq.* (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, *et seq.* or the Resource Conservation and Recovery Act, 42 U.S.C.6901, *et seq.*) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. If, during any phase of the construction, operation, maintenance, or termination of the pipeline, any oil or other pollutant should be discharged from the pipeline system, impacting Federal lands, the control and total removal, disposal, and cleaning up of such oil or other pollutant, wherever found, shall be the responsibility of holder, regardless of fault. Upon failure of holder to control, dispose of, or clean up such discharge on or affecting Federal lands, or to repair all damages resulting therefrom, on the Federal lands, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. All construction and maintenance activity will be confined to the authorized right-of-way.
6. The pipeline will be buried with a minimum cover of 36 inches between the top of the pipe and ground level.
7. The maximum allowable disturbance for construction in this right-of-way will be 30 feet:
  - Blading of vegetation within the right-of-way will be allowed: maximum width of blading operations will not exceed 20 feet. The trench is included in this area. (*Blading is defined as the complete removal of brush and ground vegetation.*)
  - Clearing of brush species within the right-of-way will be allowed: maximum width of clearing operations will not exceed 30 feet. The trench and bladed area are included in this area. (*Clearing is defined as the removal of brush while leaving ground vegetation (grasses, weeds, etc.) intact. Clearing is best accomplished by holding the blade 4 to 6 inches above the ground surface.*)
  - The remaining area of the right-of-way (if any) shall only be disturbed by compressing the vegetation. (*Compressing can be caused by vehicle tires, placement of equipment, etc.*)
8. The holder shall stockpile an adequate amount of topsoil where blading is allowed. The topsoil to be stripped is approximately 6 inches in depth. The topsoil will be segregated from other spoil piles from trench construction. The topsoil will be evenly distributed over the bladed area for the preparation of seeding.
9. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting of the fence. No permanent gates will be allowed unless approved by the Authorized Officer.
10. Vegetation, soil, and rocks left as a result of construction or maintenance activity will be randomly scattered on this right-of-way and will not be left in rows, piles, or berms, unless otherwise approved by the Authorized Officer. The entire right-of-way shall be recontoured to match the surrounding landscape. The backfilled soil shall be compacted and a 6 inch berm will be left over the ditch line to allow for settling back to grade.
11. In those areas where erosion control structures are required to stabilize soil conditions, the holder will install such structures as are suitable for the specific soil conditions being encountered and which are in accordance with sound resource management practices.
12. The holder will reseed all disturbed areas. Seeding will be done according to the attached seeding requirements, using the following seed mix.

- |                                                        |                                                  |
|--------------------------------------------------------|--------------------------------------------------|
| <input type="checkbox"/> seed mixture 1                | <input type="checkbox"/> seed mixture 3          |
| <input type="checkbox"/> seed mixture 2                | <input type="checkbox"/> seed mixture 4          |
| <input checked="" type="checkbox"/> seed mixture 2/LPC | <input type="checkbox"/> Aplomado Falcon Mixture |

13. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "Standard Environmental Colors" – **Shale Green**, Munsell Soil Color No. 5Y 4/2.

14. The pipeline will be identified by signs at the point of origin and completion of the right-of-way and at all road crossings. At a minimum, signs will state the holder's name, BLM serial number, and the product being transported. All signs and information thereon will be posted in a permanent, conspicuous manner, and will be maintained in a legible condition for the life of the pipeline.

15. The holder shall not use the pipeline route as a road for purposes other than routine maintenance as determined necessary by the Authorized Officer in consultation with the holder before maintenance begins. The holder will take whatever steps are necessary to ensure that the pipeline route is not used as a roadway. As determined necessary during the life of the pipeline, the Authorized Officer may ask the holder to construct temporary deterrence structures.

16. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

17. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes associated roads, pipeline corridor and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

18. Escape Ramps - The operator will construct and maintain pipeline/utility trenches that are not otherwise fenced, screened, or netted to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in the trenches according to the following criteria:

- a. Any trench left open for eight (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, the contractor/operator shall inspect the trench for wildlife, remove all trapped wildlife, and release them at least 100 yards from the trench.
- b. For trenches left open for eight (8) hours or more, earthen escape ramps (built at no more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench.

19. Special Stipulations:

**Lesser Prairie-Chicken**

Oil and gas activities will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, geophysical exploration

other than 3-D operations, and pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 ft. from the source of the noise.

This authorization is subject to your Certificate of Participation and/or Certificate of Inclusion under the New Mexico Candidate Conservation Agreement. Because it involves surface disturbing activities covered under your Certificate, your Habitat Conservation Fund Account with the Center of Excellence for Hazardous Materials Management (CEHMM) will be debited according to Exhibit B Part 2 of the Certificate of Participation.

**Seed Mixture for LPC Sand/Shinnery Sites**

The holder shall seed all disturbed areas with the seed mixture listed below. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)\* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Seed will be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture will be evenly and uniformly planted over the disturbed area (smaller/heavier seeds have a tendency to drop the bottom of the drill and are planted first). The holder shall take appropriate measures to ensure this does not occur. Where drilling is not possible, seed will be broadcast and the area shall be raked or chained to cover the seed. When broadcasting the seed, the pounds per acre are to be doubled. The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Species to be planted in pounds of pure live seed\* per acre:

| <u>Species</u>      | <u>lb/acre</u> |
|---------------------|----------------|
| Plains Bristlegrass | 5lbs/A         |
| Sand Bluestem       | 5lbs/A         |
| Little Bluestem     | 3lbs/A         |
| Big Bluestem        | 6lbs/A         |
| Plains Coreopsis    | 2lbs/A         |
| Sand Dropseed       | 1lbs/A         |

\*Pounds of pure live seed:

Pounds of seed x percent purity x percent germination = pounds pure live seed