

HOBBS OCD

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

AUG 03 2017

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

5a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC061873B
5b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY LP (6137)		7. If Unit or CA Agreement, Name and No. COTTON DRAW / NMMN70928X
3a. Address 333 West Sheridan Avenue Oklahoma City OK		8. Lease Name and Well No. (300635) COTTON DRAW UNIT 507H
3b. Phone No. (include area code) (405)552-6571		9. API Well No. 30-025-47914
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SESW / 545 FSL / 2038 FWL / LAT 32.1245718 / LONG -103.7164494 At proposed prod. zone NENW / 290 FNL / 2310 FWL / LAT 32.1512813 / LONG -103.7155163		10. Field and Pool, or Exploratory (97899) WC-025 G-08 5253206M-BS
11. Sec., T. R. M. or Blk. and Survey or Area SEC 18 / T25S / R32E / NMP		12. County or Parish GUADALUPE
13. State NM		14. Distance in miles and direction from nearest town or post office*
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 290 feet	16. No. of acres in lease 1759.31	17. Spacing Unit dedicated to this well 320
18. Distance from proposed location* to nearest well, drilling, completed, 330 feet applied for, on this lease, ft.	19. Proposed Depth 10417 feet / 19956 feet	20. BLM/BIA Bond No. on file FED: CO1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3408 feet	22. Approximate date work will start* 08/08/2017	23. Estimated duration 35 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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature (Electronic Submission)	Name (Printed/Typed) Linda Good / Ph: (405)552-6558	Date 04/17/2017
Title Regulatory Compliance Professional		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Mustafa Haque / Ph: (575)234-5910	Date 08/01/2017
Title Petroleum Engineer		
Office CARLSBAD		

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.

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.

(Continued on page 2)

*(Instructions on page 2)

APPROVED WITH CONDITIONS

Kz
08/03/17

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

- 1. SHL: SESW / 545 FSL / 2038 FWL / TWSP: 25S / RANGE: 32E / SECTION: 18 / LAT: 32.1245718 / LONG: -103.7164494 (TVD: 0 feet, MD: 0 feet)
- PPP: SESW / 660 FSL / 2250 FWL / TWSP: 25S / RANGE: 32E / SECTION: 7 / LAT: 32.1245718 / LONG: -103.7164494 (TVD: 10419 feet, MD: 15615 feet)
- PPP: NESW / 1980 FNL / 2104 FWL / TWSP: 25S / RANGE: 32E / SECTION: 18 / LAT: 32.1245718 / LONG: -103.7164494 (TVD: 10452 feet, MD: 13034 feet)
- PPP: SESW / 954 FSL / 2047 FWL / TWSP: 25S / RANGE: 32E / SECTION: 18 / LAT: 32.1245718 / LONG: -103.7164494 (TVD: 10452 feet, MD: 10624 feet)
- BHL: NENW / 290 FNL / 2310 FWL / TWSP: 25S / RANGE: 32E / SECTION: 7 / LAT: 32.1512813 / LONG: -103.7155163 (TVD: 10417 feet, MD: 19956 feet)

BLM Point of Contact

Name: Deborah McKinney
Title: Legal Instruments Examiner
Phone: 5752345931
Email: dmckinne@blm.gov

CONFIDENTIAL

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

CONFIDENTIAL

APD ID: 10400013036

Submission Date: 04/17/2017

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Well Type: OIL WELL

Well Work Type: Drill

Application

Operator letter of designation:

Well plat:

CDU_507H_C_102_Plats_signed_04-06-2017.pdf

HOBBS OCD

AUG 03 2017

RECEIVED

Drilling Plan

Blowout Prevention

Diagram:

Choke Diagram Attachment :

CDU_507H_3M_BOPE_CK_04-06-2017.pdf

BOP Diagram Attachment :

CDU_507H_3M_BOPE_CK_04-06-2017.pdf

Diagram:

Choke Diagram Attachment :

CDU_507H_3M_BOPE_CK_04-06-2017.pdf

BOP Diagram Attachment :

CDU_507H_3M_BOPE_CK_04-06-2017.pdf

Casing Attachments

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Taperd String Spec:

Casing Design Assumptions and Worksheet(s):

CDU_507H_SurfCsg_Ass_04-06-2017.pdf

Casing ID: 2 **String Type:** INTERMEDIATE

Inspection Document:

Spec Document:

Taperd String Spec:

Casing Design Assumptions and Worksheet(s):

CDU_507H_Int_Csg_Ass_04-06-2017.pdf

Casing ID: 3 **String Type:** PRODUCTION

Inspection Document:

Spec Document:

Taperd String Spec:

Casing Design Assumptions and Worksheet(s):

CDU_507H_ProdCasing_Ass_04-06-2017.pdf

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Contingency Plans geohazards attachment:

Hydrogen sulfide drilling operations plan:

CDU_507H_H2S_Plan_04-05-2017.pdf

Proposed horizontal/directional/multi-lateral plan submission:

CDU_507H_Dir_Plan_04-06-2017.pdf

Other Facets:

CDU_507H_MB_Verb_3M_04-05-2017.pdf

CDU_507H_MB_Wellhd_04-05-2017.pdf

CDU_507H_Clsd_Loop_04-05-2017.pdf

CDU_507H_Cont_Prod_Strg_04-06-2017.pdf

CDU_507H_Drilling_Plan_04-06-2017.pdf

CDU_507H_Gas_Capture_Plan_06-20-2017.pdf

Other Variances:

CDU_507H_Co_flex_04-05-2017.pdf

Surface Use Plan of Operations

Existing Road Map:

CDU_507H_Ex_Access_Rd_04-06-2017.pdf

New Road Map:

CDU_507H_Access_Rd_04-06-2017.pdf

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Attach Well map:

CDU_507H_1Mile_Map_04-05-2017.pdf

Water source and transportation map:

CDU_507H_Wtr_Xfr_Map_04-05-2017.pdf

Construction Materials source location attachment:

CDU_507H_Caliche_Pit_04-06-2017.pdf

Methods for Handling Waste

Waste type: DRILLING

Safe containment attachment:

Waste type: COMPLETIONS/STIMULATION

Safe containment attachment:

Waste type: FLOWBACK

Safe containment attachment:

Waste type: PRODUCED WATER

Safe containment attachment:

Well Site Layout Diagram:

CDU_507H_Rig_Layout_04-05-2017.pdf

Recontouring attachment:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

CDU_507H_Reclamation_04-06-2017.pdf

Other SUPO Attachment:

CDU_507H_CDU_18_18_Flowline_Cor_04-06-2017.PDF

CDU_507H_Electric_1_04-11-2017.pdf

CDU_507H_Electric_2_04-11-2017.pdf

CDU_507H_Flowline_Plat_04-17-2017.pdf

Produced Water Disposal

Bonds



APD ID: 10400013036	Submission Date: 04/17/2017	Highlight All Changes
Operator Name: DEVON ENERGY PRODUCTION COMPANY LP	Federal/Indian APD: FED	HOBBS OCD AUG 03 2017 RECEIVED
Well Name: COTTON DRAW UNIT	Well Number: 507H	
Well Type: OIL WELL	Well Work Type: Drill	

Application

Section 1 - General

APD ID: 10400013036	Tie to previous NOS?	Submission Date: 04/17/2017
BLM Office: CARLSBAD	User: Linda Good	Title: Regulatory Compliance Professional
Federal/Indian APD: FED	Is the first lease penetrated for production Federal or Indian? FED	
Lease number: NMLC061873B	Lease Acres: 1759.31	
Surface access agreement in place?	Allotted?	Reservation:
Agreement in place? YES	Federal or Indian agreement: FEDERAL	
Agreement number: NMNM70928X		
Agreement name: COTTON DRAW		
Keep application confidential? YES		
Permitting Agent? NO	APD Operator: DEVON ENERGY PRODUCTION COMPANY LP	
Operator letter of designation:		
Keep application confidential? YES		

Operator Info

Operator Organization Name: DEVON ENERGY PRODUCTION COMPANY LP

Operator Address: 333 West Sheridan Avenue
Zip: 73102

Operator PO Box:

Operator City: Oklahoma City **State:** OK

Operator Phone: (405)552-6571

Operator Internet Address: aletha.dewbre@dvn.com

Section 2 - Well Information

Well in Master Development Plan? NEW	Mater Development Plan name: Cotton Draw 1 MDP
Well in Master SUPO? NO	Master SUPO name:
Well in Master Drilling Plan? NO	Master Drilling Plan name:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Well Name: COTTON DRAW UNIT

Well Number: 507H

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: PADUCA

Pool Name: BONE SPRING

Is the proposed well in an area containing other mineral resources? NATURAL GAS,OIL

Describe other minerals:

Is the proposed well in a Helium production area? N

Use Existing Well Pad? NO

New surface disturbance?

Type of Well Pad: MULTIPLE WELL

Multiple Well Pad Name:

Number:

Well Class: HORIZONTAL

COTTON DRAW UNIT

506H/507H/508H/509H

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: INFILL

Describe sub-type:

Distance to town:

Distance to nearest well: 330 FT

Distance to lease line: 290 FT

Reservoir well spacing assigned acres Measurement: 320 Acres

Well plat: CDU_507H_C_102_Plats_signed_04-06-2017.pdf

Well work start Date: 08/08/2017

Duration: 35 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number: 5173

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	545	FSL	2038	FWL	25S	32E	18	Aliquot SESW	32.12457 18	- 103.7164 494	GUA DAL UPE	NEW MEXI CO	NEW MEXI CO	F	NMLC0 61873B	340 8	0	0
KOP Leg #1	545	FSL	2038	FWL	25S	32E	18	Aliquot SESW	32.12457 18	- 103.7164 494	GUA DAL UPE	NEW MEXI CO	NEW MEXI CO	F	NMLC0 61873B	- 650 0	990 8	990 8
PPP Leg #1	954	FSL	2047	FWL	25S	32E	18	Aliquot SESW	32.12457 18	- 103.7164 494	GUA DAL UPE	NEW MEXI CO	NEW MEXI CO	F	NMLC0 61873B	- 704 4	106 24	104 52

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
PPP Leg #1	1980	FNL	2104	FWL	25S	32E	18	Aliquot NESW	32.1245718	-103.7164494	GUADALUPE	NEW MEXICO	NEW MEXICO	F	NMLC061873A	-7044	13034	10452
PPP Leg #1	660	FSL	2250	FWL	25S	32E	7	Aliquot SESW	32.1245718	-103.7164494	GUADALUPE	NEW MEXICO	NEW MEXICO	F	NMLC061873	-7011	15615	10419
EXIT Leg #1	290	FNL	2310	FWL	25S	32E	7	Aliquot NENW	32.1512813	-103.7155163	LEA	NEW MEXICO	NEW MEXICO	F	NMLC061863A	-7009	19956	10417
BHL Leg #1	290	FNL	2310	FWL	25S	32E	7	Aliquot NENW	32.1512813	-103.7155163	LEA	NEW MEXICO	NEW MEXICO	F	NMLC061863A	-7009	19956	10417

Drilling Plan

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
17691	UNKNOWN	3408	0	0	ALLUVIUM	NONE	No
17746	RUSTLER	2732	676	676	LIMESTONE	NONE	No
18574	SALADO	2404	1004	1004	SALT	NONE	No
17722	BASE OF SALT	-846	4254	4254	SALT	NONE	No
15315	DELAWARE	-1074	4482	4482	SANDSTONE	NATURAL GAS,OIL	No
17688	BONE SPRING	-4964	8372	8372	LIMESTONE	NATURAL GAS,OIL	No
17737	BONE SPRING 2ND	-6653	10061	10061	SANDSTONE	NATURAL GAS,OIL	Yes

Section 2 - Blowout Prevention

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Pressure Rating (PSI): 3M

Rating Depth: 10481

Equipment: BOP/BOPE will be installed per Onshore Oil & Gas Order #2 requirements prior to drilling below 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed on the wellhead system. BOP/BOPE will be tested by an independent service company per Onshore Oil & Gas Order #2 requirements and MASP (Maximum Anticipated Surface Pressure) calculations. If the system is upgraded, all the components installed will be functional and tested.

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP stack to the choke manifold. See attached for specs for hydrostatic test chart.

Testing Procedure: A multibowl wellhead may be used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

Choke Diagram Attachment:

CDU_507H_3M_BOPE_CK_04-06-2017.pdf

BOP Diagram Attachment:

CDU_507H_3M_BOPE_CK_04-06-2017.pdf

Pressure Rating (PSI): 3M

Rating Depth: 4350

Equipment: BOP/BOPE will be installed per Onshore Oil & Gas Order #2 requirements prior to drilling below 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed on the wellhead system. BOP/BOPE will be tested by an independent service company per Onshore Oil & Gas Order #2 requirements and MASP (Maximum Anticipated Surface Pressure) calculations. If the system is upgraded, all the components installed will be functional and tested.

Requesting Variance? YES

Variance request: A variance is requested for the use of a flexible choke line from the BOP stack to the choke manifold. See attached for specs for hydrostatic test chart.

Testing Procedure: A multibowl wellhead may be used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.

Choke Diagram Attachment:

CDU_507H_3M_BOPE_CK_04-06-2017.pdf

BOP Diagram Attachment:

CDU_507H_3M_BOPE_CK_04-06-2017.pdf

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	17.5	13.375	NEW	API	N	0	788	0	788			788	H-40	48	STC	1.74	2.45	BUOY	4.13	BUOY	4.13
2	INTERMEDIATE	12.25	9.625	NEW	API	N	0	4350	0	4350			4350	J-55	40	LTC	1.19	1.42	BUOY	3.98	BUOY	3.98
3	PRODUCTION	8.75	5.5	NEW	API	N	0	19956	0	10417			19956	P-110	17	BUTT	2.17	2.7	BUOY	3.21	BUOY	3.21

Casing Attachments

Casing ID: 1 **String Type:** SURFACE

Inspection Document:

Spec Document:

Taperd String Spec:

Casing Design Assumptions and Worksheet(s):

CDU_507H_SurfCsg_Ass_04-06-2017.pdf

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Casing Attachments

Casing ID: 2 String Type: INTERMEDIATE

Inspection Document:

Spec Document:

Taperd String Spec:

Casing Design Assumptions and Worksheet(s):

CDU_507H_Int_Csg_Ass_04-06-2017.pdf

Casing ID: 3 String Type: PRODUCTION

Inspection Document:

Spec Document:

Taperd String Spec:

Casing Design Assumptions and Worksheet(s):

CDU_507H_ProdCasing_Ass_04-06-2017.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	788	613	1.34	14.8	821	50	C	1% Calcium Chloride
INTERMEDIATE	Lead		0	3350	737	1.85	12.9	1363	30	C	Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
INTERMEDIATE	Tail		3350	4350	306	1.33	14.8	407	30	C	0.125 lbs/sks Poly-R-Flake

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
PRODUCTION	Lead		4150	1060 0	623	3.27	9	2037	25	TUNED	N/A
PRODUCTION	Tail		1060 0	1995 6	2462	1.2	14.5	2954	25	H	Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

Describe the mud monitoring system utilized: PVT/Pason/Visual Monitoring

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
4350	1995 6	OTHER : CUT BRINE	8.5	9.3				12			
788	4350	OTHER : SATURATED BRINE	10	11				2			
0	788	OTHER : FRESH WATER GEL	8.5	9				2			

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

Will run GR/CNL from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.

List of open and cased hole logs run in the well:

MWD, MUDLOG

Coring operation description for the well:

N/A

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 4658

Anticipated Surface Pressure: 2358.56

Anticipated Bottom Hole Temperature(F): 164

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

CDU_507H_H2S_Plan_04-05-2017.pdf

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

CDU_507H_Dir_Plan_04-06-2017.pdf

Other proposed operations facets description:

A Multi-Bowl Wellhead may be used; Closed-Loop System; Contingency Production String; Drilling Plan

Other proposed operations facets attachment:

CDU_507H_MB_Verb_3M_04-05-2017.pdf

CDU_507H_MB_Wellhd_04-05-2017.pdf

CDU_507H_Clsd_Loop_04-05-2017.pdf

CDU_507H_Cont_Prod_Strg_04-06-2017.pdf

CDU_507H_Drilling_Plan_04-06-2017.pdf

CDU_507H_Gas_Capture_Plan_06-20-2017.pdf

Other Variance attachment:

CDU_507H_Co_flex_04-05-2017.pdf

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

CDU_507H_Ex_Access_Rd_04-06-2017.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? YES

Existing Road Improvement Description: IMPROVE ROAD TO ACCOMMODATE DRILLING AND COMPLETION OPERATIONS.

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

CDU_507H_Access_Rd_04-06-2017.pdf

New road type: COLLECTOR,RESOURCE

Length: 3689

Feet

Width (ft.): 30

Max slope (%): 6

Max grade (%): 4

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 30

New road access erosion control: WATER DRAINAGE DITCH

New road access plan or profile prepared? NO

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: GRAVEL

Access topsoil source: ONSITE

Access surfacing type description:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Access onsite topsoil source depth: 6

Offsite topsoil source description:

Onsite topsoil removal process: SEE ATTACHED INTERIM RECLAMATION DIAGRAM

Access other construction information:

Access miscellaneous information:

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: N/A

Road Drainage Control Structures (DCS) description: N/A

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

CDU_507H_1Mile_Map_04-05-2017.pdf

Existing Wells description:

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? DEFER

Estimated Production Facilities description: All flowlines will be buried going to the Cotton Draw Unit 18-18 CTB 1.

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: STIMULATION

Water source type: RECYCLED

Describe type:

Source latitude:

Source longitude:

Source datum:

Water source permit type: OTHER

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Source land ownership: FEDERAL

Water source transport method: PIPELINE,TRUCKING

Source transportation land ownership: FEDERAL

Water source volume (barrels): 170000

Source volume (acre-feet): 21.911827

Source volume (gal): 7140000

Water source and transportation map:

CDU_507H_Wtr_Xfr_Map_04-05-2017.pdf

Water source comments: The attached Water Transfer Map is a proposal only and the final route and documentation will be provided by a Devon contractor prior to installation. When available Devon will always follow existing disturbance.

New water well? NO

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: Dirt fill and caliche will be used to construct well pad.

Construction Materials source location attachment:

CDU_507H_Caliche_Pit_04-06-2017.pdf

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: WATER BASED CUTTINGS

Amount of waste: 1810 barrels

Waste disposal frequency : Daily

Safe containment description: N/A

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL FACILITY

Disposal type description:

Disposal location description: ALL CUTTINGS WILL BE DISPOSED OF AT R360, SUNDANCE OR EQUIVALENT.

Waste type: COMPLETIONS/STIMULATION

Waste content description: FLOW BACK WATER DURING COMPLETION OPERATIONS

Amount of waste: 3000 barrels

Waste disposal frequency : One Time Only

Safe containment description: N/A

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL FACILITY

Disposal type description:

Disposal location description: VARIOUS DISPOSAL LOCATIONS IN LEA AND EDDY COUNTIES.

Waste type: FLOWBACK

Waste content description: Produced water during flow back operations. This amount is a daily average during flow back (BWPD).

Amount of waste: 1500 barrels

Waste disposal frequency : Daily

Safe containment description: N/A

Safe containmant attachment:

Waste disposal type: ON-LEASE INJECTION **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: One of three company owned SWD facilities in the area: CDU 181, CDU 89, CDU 84.

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Waste type: PRODUCED WATER

Waste content description: Produced water during production operations. This amount is a daily average during the first year of production (BWPD).

Amount of waste: 1000 barrels

Waste disposal frequency : Daily

Safe containment description: N/A

Safe containmant attachment:

Waste disposal type: ON-LEASE INJECTION **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: One of three company owned SWD facilities in the area: CDU 181, CDU 89, CDU 84.

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.) **Reserve pit width (ft.)**

Reserve pit depth (ft.) **Reserve pit volume (cu. yd.)**

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.) **Cuttings area width (ft.)**

Cuttings area depth (ft.) **Cuttings area volume (cu. yd.)**

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

CDU_507H_Rig_Layout_04-05-2017.pdf

Comments:

Section 10 - Plans for Surface Reclamation

Type of disturbance: NEW

Recontouring attachment:

CDU_507H_Reclamation_04-06-2017.pdf

Drainage/Erosion control construction: All areas disturbed shall be reclaimed as early and as nearly as practicable to their original condition or their final land use and shall be maintained to control dust and minimize erosion to the extent practicable.

Drainage/Erosion control reclamation: Topsoils and subsoils shall be replaced to their original relative positions and contoured so as to achieve erosion control, long-term stability and preservation of surface water flow patterns. The disturbed area then shall be reseeded in the first favorable growing season.

Wellpad long term disturbance (acres): 1.731

Wellpad short term disturbance (acres): 3.384

Access road long term disturbance (acres): 2.541

Access road short term disturbance (acres): 2.541

Pipeline long term disturbance (acres): 6.7546787

Pipeline short term disturbance (acres): 6.7546787

Other long term disturbance (acres): 0

Other short term disturbance (acres): 0

Total long term disturbance: 11.026679

Total short term disturbance: 12.679679

Reconstruction method: Operator will use Best Management Practices "BMP" to mechanically recontour to obtain the desired outcome.

Topsoil redistribution: Topsoils shall be replaced to their original relative positions and contoured so as to achieve erosion control, long-term stability and preservation of surface water flow patterns.

Soil treatment: Topsoils shall be replaced to their original relative positions and contoured so as to achieve erosion control, long-term stability and preservation of surface water flow patterns.

Existing Vegetation at the well pad:

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road:

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline:

Existing Vegetation Community at the pipeline attachment:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Existing Vegetation Community at other disturbances:

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? NO

Seed harvest description:

Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed name:

Source name:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Seed source:

Source address:

Proposed seeding season:

Seed Summary

Seed Type	Pounds/Acre
-----------	-------------

Total pounds/Acre:

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Mark

Last Name: Smith

Phone: (575)746-5559

Email: mark.smith@dvn.com

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Existing invasive species treatment attachment:

Weed treatment plan description: Maintain weeds on an as need basis.

Weed treatment plan attachment:

Monitoring plan description: Monitor as needed

Monitoring plan attachment:

Success standards: N/A

Pit closure description: N/A

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: NEW ACCESS ROAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Disturbance type: EXISTING ACCESS ROAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

ROW Type(s):

ROW Applications

SUPO Additional Information: CDU Flowline corridor CDU 507H_Flowline Plat CDU 507H Electric Plats

Use a previously conducted onsite? YES

Previous Onsite information: August 2016; CDU 18-18; WELL PAD 2

Other SUPO Attachment

CDU_507H_CDU_18_18_Flowline_Cor_04-06-2017.PDF

CDU_507H_Electric_1_04-11-2017.pdf

CDU_507H_Electric_2_04-11-2017.pdf

CDU_507H_Flowline_Plat_04-17-2017.pdf

PWD

Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount:

Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number:

Injection well name:

Assigned injection well API number?

Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:

Bond Info

Bond Information

Federal/Indian APD: FED

BLM Bond number: CO1104

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: COTTON DRAW UNIT

Well Number: 507H

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

Operator Certification

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently 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 the company I represent, 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.

NAME: Linda Good

Signed on: 04/17/2017

Title: Regulatory Compliance Professional

Street Address: 333 West Sheridan Avenue

City: Oklahoma City

State: OK

Zip: 73102

Phone: (405)552-6558

Email address: Linda.Good@dvn.com

Field Representative

Representative Name: Ray Vaz

Street Address: 6488 Seven Rivers Hwy

City: Artesia

State: NM

Zip: 88210

Phone: (575)748-1871

Email address: ray.vaz@dvn.com

Payment Info

Payment

APD Fee Payment Method: PAY.GOV

pay.gov Tracking ID: 261TIJTT