

**HOBBS OFFICE**  
NOV 06 2017

**RECEIVED**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

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

5a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM61360
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. GAUCHO / NMNM94480X
3a. Address 333 West Sheridan Avenue Oklahoma City OK		8. Lease Name and Well No. (30863) GAUCHO UNIT 81H
3b. Phone No. (include area code) (405)552-6571		9. API Well No. 30-025-44179
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface NWNW / 270 FNL / 512 FWL / LAT 32.3837091 / LONG -103.4989655 At proposed prod. zone NWNW / 330 FNL / 380 FWL / LAT 32.3980642 / LONG -103.4993646		10. Field and Pool, or Exploratory (97922) WC-025 G-06 S223421L; BONE SPRING
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area SEC 20 / T22S / R34E / NMP
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 270 feet		12. County or Parish LEA
16. No. of acres in lease 960		13. State NM
17. Spacing Unit dedicated to this well 200		
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 225 feet		19. Proposed Depth 11461 feet / 16342 feet
20. BLM/BIA Bond No. on file FED: CO1104		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3472 feet		22. Approximate date work will start* 04/01/2018
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.   | 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) Rebecca Deal / Ph: (405)228-8429	Date 01/03/2017
Title Regulatory Compliance Professional		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) Cody Layton / Ph: (575)234-5959	Date 10/31/2017
Title Supervisor Multiple Resources		
Office HOBBS		

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  
11/08/17

B Double sided  
B.C

## 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: NWNW / 270 FNL / 512 FWL / TWSP: 22S / RANGE: 34E / SECTION: 20 / LAT: 32.3837091 / LONG: -103.4989655 ( TVD: 0 feet, MD: 0 feet )  
PPP: SWSW / 330 FSL / 380 FWL / TWSP: 22S / RANGE: 34E / SECTION: 17 / LAT: 32.3851423 / LONG: -103.4993646 ( TVD: 11411 feet, MD: 11682 feet )  
BHL: NWNW / 330 FNL / 380 FWL / TWSP: 22S / RANGE: 34E / SECTION: 17 / LAT: 32.3980642 / LONG: -103.4993646 ( TVD: -11461 feet, MD: 16342 feet )

### BLM Point of Contact

Name: Cody Layton

Title: Supervisor Multiple Resources

Phone: 5752345959

Email: clayton@blm.gov

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### **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.

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U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

## Operator Certification Data Report

11/01/2017

### 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:** Rebecca Deal

**Signed on:** 01/03/2017

**Title:** Regulatory Compliance Professional

**Street Address:** 333 West Sheridan Avenue

**City:** Oklahoma City

**State:** OK

**Zip:** 73102

**Phone:** (405)228-8429

**Email address:** Rebecca.Deal@dvn.com

### Field Representative

**Representative Name:** James Crittenden

**Street Address:** 6488 Seven Rivers Hwy

**City:** Artesia

**State:** NM

**Zip:** 88210

**Phone:** (575)748-1854

**Email address:** james.crittenden@dvn.com



<b>APD ID:</b> 10400005902	<b>Submission Date:</b> 01/03/2017	Highlighted data reflects the most recent changes <a href="#">Show Final Text</a>
<b>Operator Name:</b> DEVON ENERGY PRODUCTION COMPANY LP		
<b>Well Name:</b> GAUCHO UNIT	<b>Well Number:</b> 81H	
<b>Well Type:</b> OIL WELL	<b>Well Work Type:</b> Drill	

**Section 1 - General**

<b>APD ID:</b> 10400005902	<b>Tie to previous NOS?</b>	<b>Submission Date:</b> 01/03/2017
<b>BLM Office:</b> HOBBS	<b>User:</b> Rebecca Deal	<b>Title:</b> Regulatory Compliance Professional
<b>Federal/Indian APD:</b> FED	<b>Is the first lease penetrated for production Federal or Indian?</b> FED	
<b>Lease number:</b> NMNM61360	<b>Lease Acres:</b> 960	
<b>Surface access agreement in place?</b>	<b>Allotted?</b>	<b>Reservation:</b>
<b>Agreement in place?</b> YES	<b>Federal or Indian agreement:</b> FEDERAL	
<b>Agreement number:</b> NMNM94480X		
<b>Agreement name:</b> GAUCHO		
<b>Keep application confidential?</b> YES		
<b>Permitting Agent?</b> NO	<b>APD Operator:</b> DEVON ENERGY PRODUCTION COMPANY LP	
<b>Operator letter of designation:</b>		

**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**

<b>Well in Master Development Plan?</b> NEW	<b>Mater Development Plan name:</b> Gaucho 1 MDP	
<b>Well in Master SUPO?</b> NO	<b>Master SUPO name:</b>	
<b>Well in Master Drilling Plan?</b> NO	<b>Master Drilling Plan name:</b>	
<b>Well Name:</b> GAUCHO UNIT	<b>Well Number:</b> 81H	<b>Well API Number:</b>
<b>Field/Pool or Exploratory?</b> Field and Pool	<b>Field Name:</b> WC-025 G-06 S223421L; BONE SPRING	<b>Pool Name:</b> BONE SPRING

**Operator Name:** DEVON ENERGY PRODUCTION COMPANY LP

**Well Name:** GAUCHO UNIT

**Well Number:** 81H

**Is the proposed well in an area containing other mineral resources? USEABLE WATER**

**Describe other minerals:**

**Is the proposed well in a Helium production area? N Use Existing Well Pad? YES New surface disturbance?**

**Type of Well Pad:** MULTIPLE WELL

**Multiple Well Pad Name:**

**Number:** 14H, 15H, 81H & 82H

**Well Class:** HORIZONTAL

GAUCHO UNIT

**Number of Legs:**

**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:** 225 FT

**Distance to lease line:** 270 FT

**Reservoir well spacing assigned acres Measurement:** 200 Acres

**Well plat:** GAUCHO\_UNIT\_81H\_C-102 Signed\_01-23-2017.pdf

**Well work start Date:** 04/01/2018

**Duration:** 45 DAYS

### Section 3 - Well Location Table

**Survey Type:** RECTANGULAR

**Describe Survey Type:**

**Datum:** NAD83

**Vertical Datum:** NAVD88

**Survey number:** 3677C

	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	270	FNL	512	FWL	22S	34E	20	Aliquot NWN W	32.38370 91	- 103.4989 655	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 61360	347 2	0	0
KOP Leg #1	180	FNL	380	FWL	22S	34E	20	Aliquot NWN W	32.38370 91	- 103.4989 655	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 61360	- 746 1	109 37	109 33
PPP Leg #1	330	FSL	380	FWL	22S	34E	17	Aliquot SWS W	32.38514 23	- 103.4993 646	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 92781	- 793 9	116 82	114 11

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: GAUCHO UNIT

Well Number: 81H

	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
EXIT Leg #1	330	FNL	380	FWL	22S	34E	17	Aliquot NWN W	32.39806 42	- 103.4993 646	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 92781	- 798 9	163 42	114 61
BHL Leg #1	330	FNL	380	FWL	22S	34E	17	Aliquot NWN W	32.39806 42	- 103.4993 646	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 92781	- 798 9	163 42	114 61

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**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

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:

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:**

**Assigned injection well API number?**

**Injection well new surface disturbance (acres):**

**Minerals protection information:**

**Mineral protection attachment:**

**Underground Injection Control (UIC) Permit?**

**UIC Permit attachment:**

**Injection well name:**

**Injection well API number:**

### **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:**



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

## Bond Info Data Report

11/01/2017

### 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:**

**Reclamation bond amount:**

**Reclamation bond rider amount:**

**Additional reclamation bond information attachment:**