Form 3160-3
(June 2015)

Carlsbad Field Office
OCD Hobbs
HOBBS OCD

FORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

SEP 06 2018

RECEIVED

1a. Type of work: ☑ DRILL ☐ REENTER	5. Lease Serial No. NMNM097151
1b. Type of Well: ☑ Oil Well ☐ Gas Well ☐ Other	6. If Indian, Allotee or Tribe Name
1c. Type of Completion: ☐ Hydraulic Fracturing ☑ Single Zone ☐ Multiple Zone	7. If Unit or CA Agreement, Name and No
2. Name of Operator: DEVON ENERGY PRODUCTION COMPANY LP (6137)	8. Lease Name and Well No.: FLAGLER 8 FED 12H (322149)
3a. Address: 333 West Sheridan Avenue Oklahoma City OK 73102	3b. Phone No. (include area code): (405)552-6571
4. Location of Well (Report location clearly and in accordance with any State requirements.*) At surface: SWSE / 180 FSL / 1710 FEL / LAT 32.1383485 / LONG -103.5912743 At proposed prod. zone: NWNE / 330 FNL / 1660 FEL / LAT 32.1514605 / LONG -103.591098	9. API Well No. 30-025-45162
	10. Field and Pool, or Exploratory: DRAPER MILL / BONE SPRING (96392)
	11. Sec., T. R. M. or Blk. and Survey or Area: SEC 8 / T25S / R33E / NMP
14. Distance in miles and direction from nearest town or post office*	12. County or Parish / 13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 180 feet	16. No of acres in lease: 520 / 17. Spacing Unit dedicated to this well: 160
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 1838 feet	19. Proposed Depth: 12300 feet / 16824 feet / 20. BLM/BIA Bond No. in file: FED: CO1104
21. Elevations (Show whether DF, KDB, RT, GL, etc.): 3437 feet	22. Approximate date work will start*: 03/15/2019 / 23. Estimated duration: 45 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

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 requested by the BLM.

25. Signature: (Electronic Submission)	Name (Printed/Typed): Rebecca Deal / Ph: (405)228-8429	Date: 03/28/2018
Title: Regulatory Compliance Professional		
Approved by (Signature): (Electronic Submission)	Name (Printed/Typed): Cody Layton / Ph: (575)234-5959	Date: 08/23/2018
Title: Assistant Field Manager Lands & Minerals	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.

OCD Rec 09/06/18

APPROVED WITH CONDITIONS

KZ 09/07/18

(Continued on page 2)

*(Instructions on page 2)

Approval Date: 08/23/2018

Double Sided

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 I: 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 wen, 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 directionany 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.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

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 wen 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 win 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 conects this information to anow 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 Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

(Continued on page 3)

Additional Operator Remarks

Location of Well

1. SHL: SWSE / 180 FSL / 1710 FEL / TWSP: 25S / RANGE: 33E / SECTION: 8 / LAT: 32.1383485 / LONG: -103.5912743 (TVD: 0 feet, MD: 0 feet)
   PPP: SWSE / 330 FSL / 1660 FEL / TWSP: 25S / RANGE: 33E / SECTION: 8 / LAT: 32.138761 / LONG: -103.591269 (TVD: 12144 feet, MD: 12194 feet)
   BHL: NWNE / 330 FNL / 1660 FEL / TWSP: 25S / RANGE: 33E / SECTION: 8 / LAT: 32.1514605 / LONG: -103.591098 (TVD: 12300 feet, MD: 16824 feet)

BLM Point of Contact

Name: Priscilla Perez
Title: Legal Instruments Examiner
Phone: 5752345934
Email: pperez@blm.gov

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.

Cementing Program (Alternate Casing Design)

Casing	# Sks	Wt. lb/ gal	H_2O gal/sk	Yld ft3/ sack	Slurry Description
17.5" Surf.	901	14.8	1.33	6.32	Lead: Class C Cement + 0.125 lbs/sack Poly-F-Flake
12.25" Inter.	511	10.3	3.65	22.06	Lead: (50:50) Poz (Silica) 3 lbm/sk Kol-Seal, .125 lbm/sk Poly-E-Flake
	306	14.8	1.33	6.32	Tail: Class C Cement + 0.125 lbs/sack Poly-F-Flake
8.75" Prod.	457	9	3.27	13.5	Lead: Tuned Light Cement

If a DV tool is used, depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
13-3/8" Surface	0'	50%
9-5/8" Intermediate	0'	30%
5-1/2" Production Casing	4800'	25%

4. Pressure Control Equipment (Primary Casing Design)

N	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
9-7/8"	13-5/8"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram	X	
			Double Ram	X	
			Other*		

6-3/4"	13-5/8"	~~5M~~ 10M	Annular	X	~~50% of rated working~~ ~~pressure~~ 5000 psi
			Blind Ram	X	~~5M~~ 10M
			Pipe Ram	X	
			Double Ram	X	
			Other *		
			Annular		
			Blind Ram		
			Pipe Ram		
			Double Ram		
			Other *		

*Specify if additional ram is utilized.

Pressure Control Equipment (Alternate Casing Design)

N	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12.25" Int	13-5/8"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram	X	
			Double Ram	X	
			Other*		
8.75" Production	13-5/8"	~~5M~~ 10M	Annular	X	~~50% of rated working~~ ~~pressure~~ 5000 psi
			Blind Ram	X	~~5M~~ 10M
			Pipe Ram	X	
			Double Ram	X	
			Other *		
			Annular		
			Blind Ram		

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a

higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Y	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.
	Y — Are anchors required by manufacturer?
Y	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. Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be ~~5000 (5M) psi.~~ 10,000 (10M) psi • Wellhead will be installed by wellhead representatives. • If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal. • Wellhead representative will install the test plug for the initial BOP test. • Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to ~~3M,~~ 10M as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time. • If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted. • Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating. • Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2. After running the 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi

	low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore 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 ~~5,000~~ 10,000 psi WP. Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron. Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns.

5. Mud Program (Primary Casing Design)

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	1150'	FW Gel	8.6-8.8	28-34	N/C
1150'	10,610'	OBM/Cut Brine	9-10	34-65	N/C - 6
10,610'	16,824'	Oil Based Mud	9-11	45-65	N/C - 6

Mud Program (Alternate Casing Design)

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	1150'	FW Gel	8.6-8.8	28-34	N/C
1150'	5,000'	Brine	9-10	28-34	N/C
5,000'	16,824'	Cut Brine	8.5-10	28-34	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing.

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.

Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be ~~5000 (5M)~~ 10,000 (10M) psi.

- Wellhead will be installed by wellhead representatives.
- If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- Wellhead representative will install the test plug for the initial BOP test.
- Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to ~~5M~~ 15M, as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.
- If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
- Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
- Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.

After running the 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2.

After running the 7-5/8' intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 10M will be installed on the wellhead.

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 10,000 psi WP.

Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron.

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.

Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be ~~5000 (5M)~~ 10,000 (10M) psi.

- Wellhead will be installed by wellhead representatives.
- If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- Wellhead representative will install the test plug for the initial BOP test.
- Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to ~~5M~~ 10M as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.
- If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
- Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
- Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.

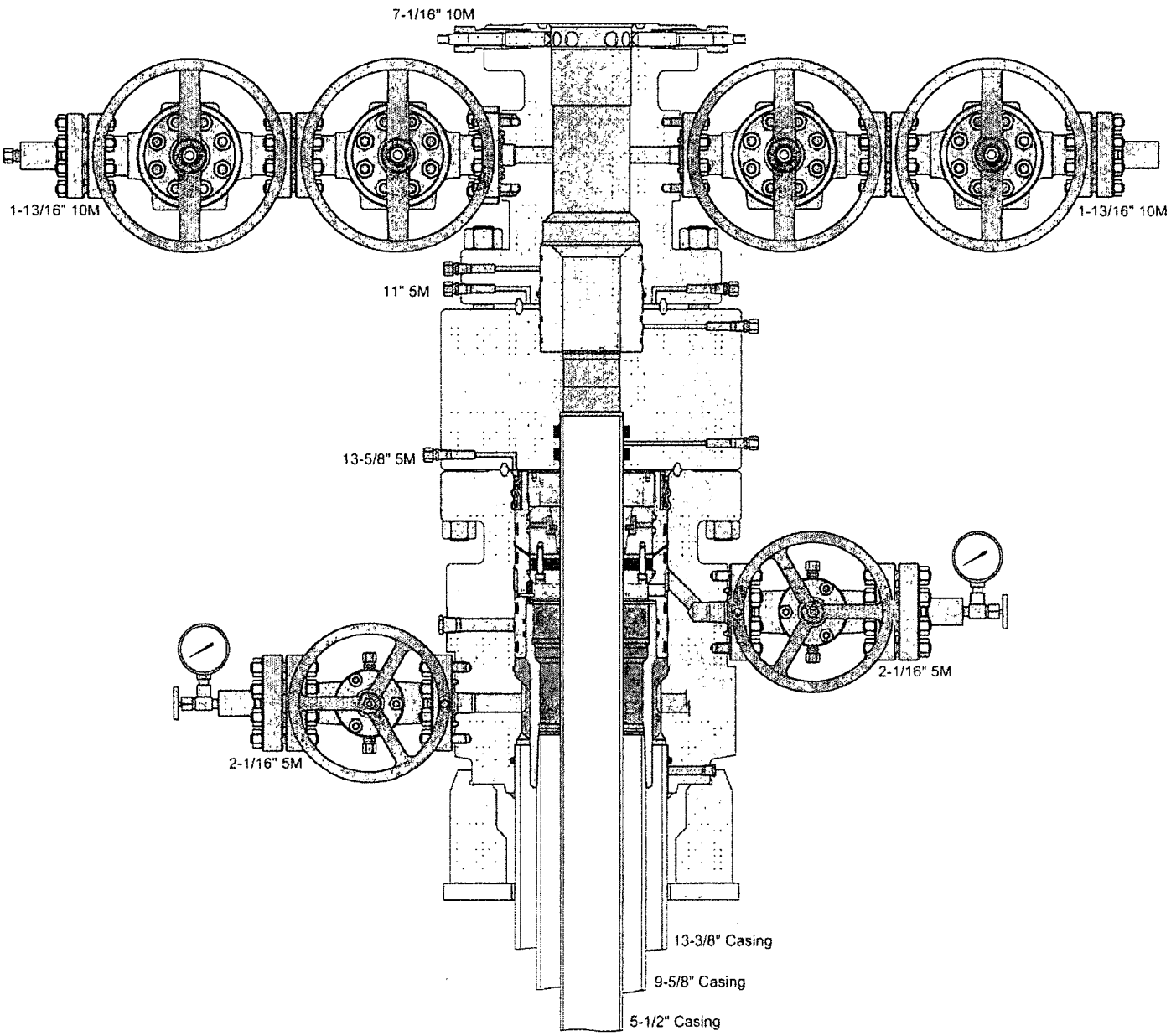
After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2.

After running the 9-5/8' intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of ~~5M~~ 10M will already be installed on the wellhead.

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 ~~5,000~~ 10,000 psi WP.

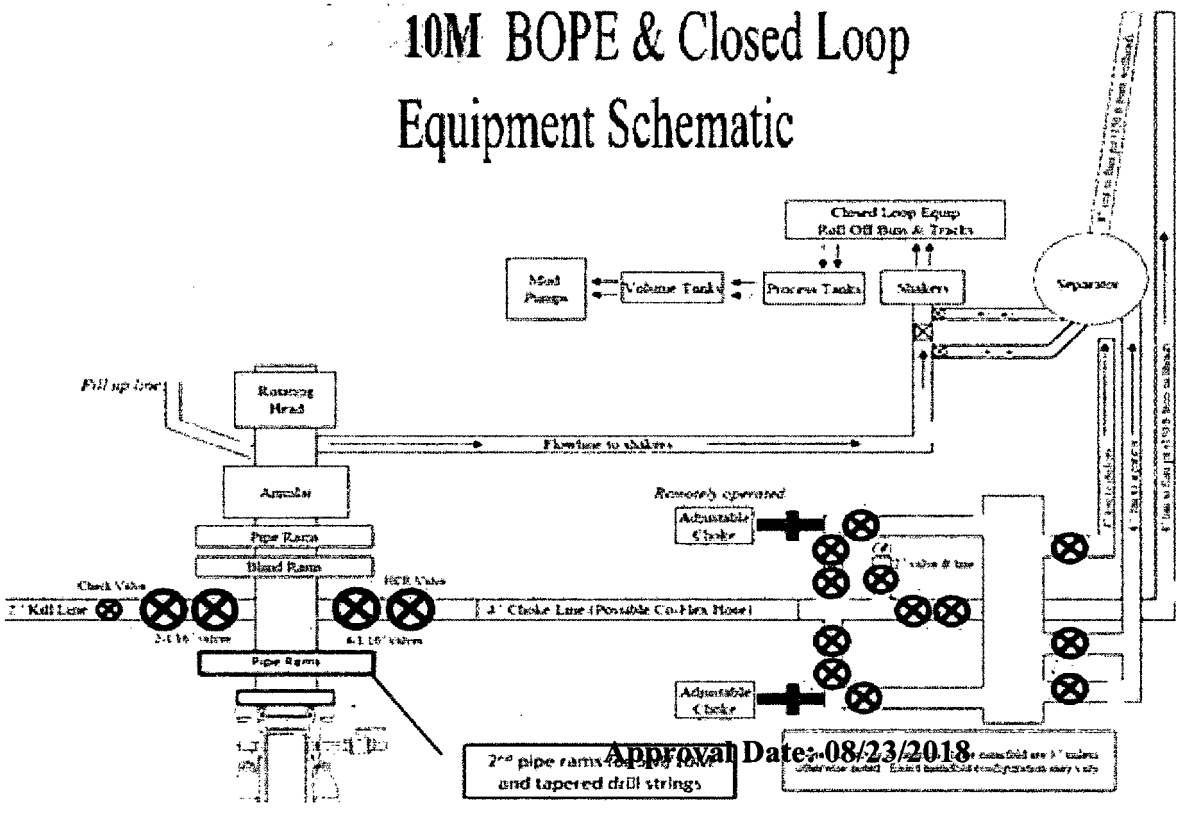
Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron.

Approval Date: 08/23/2018



Approval Date: 08/23/2018

10M BOPE & Closed Loop Equipment Schematic



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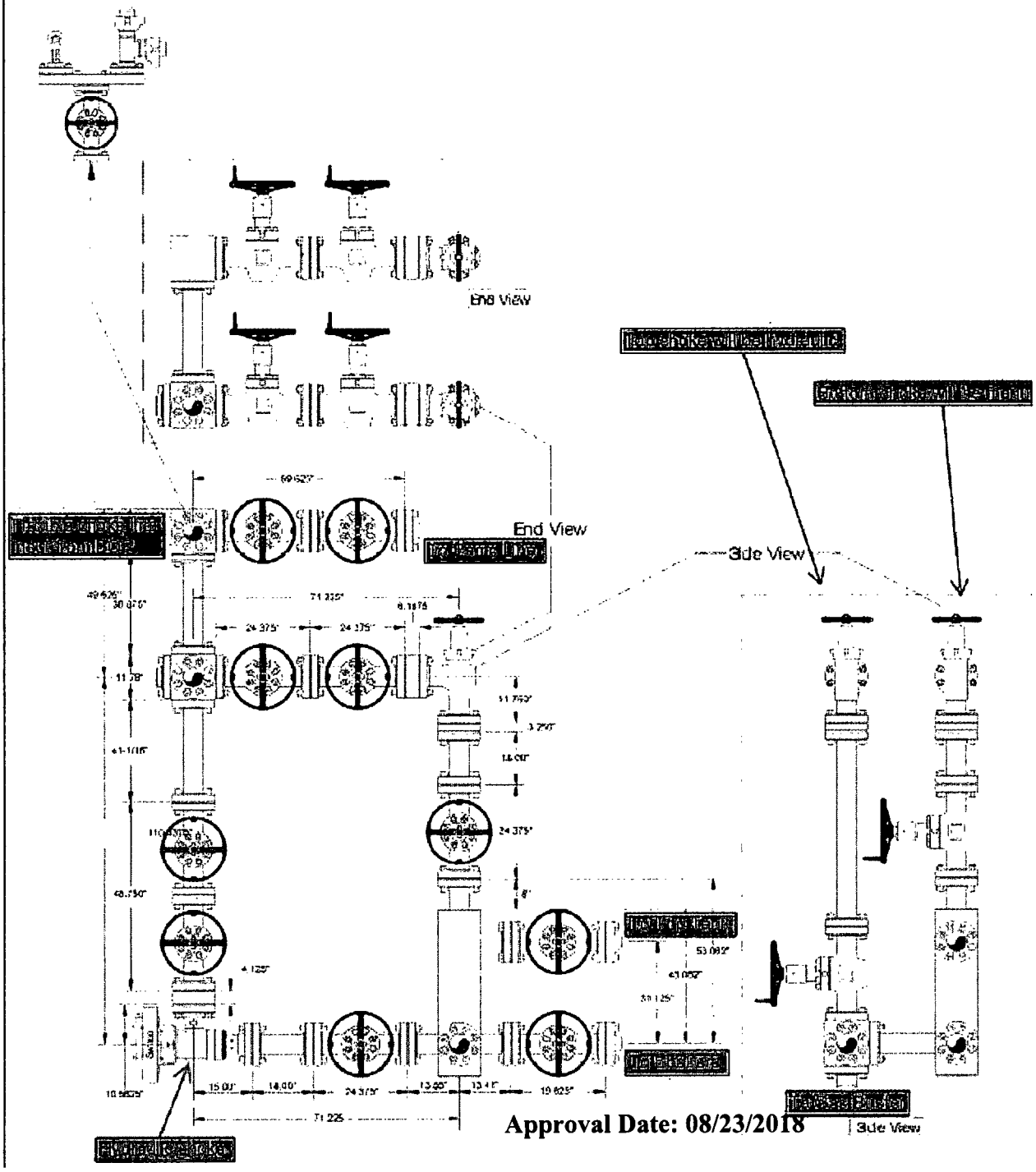

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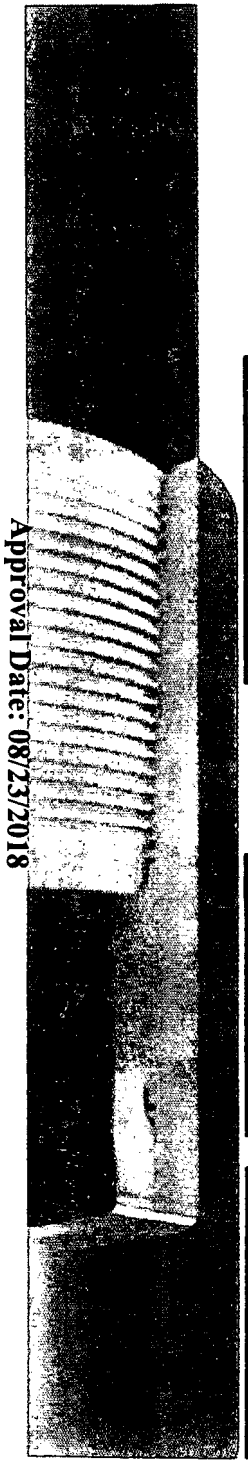


Approval Date: 08/23/2018

VAM TOP HT
Connection Data Sheet

OD	Weight	Wall Th.	Grade	API Drift	Connection
5 1/2 in.	20.00 lb/ft	0.361 in.	P110 EC	4.653 in.	VAM® TOP HT

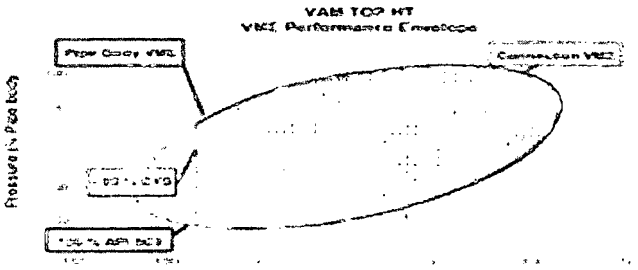
PIPE PROPERTIES	
Nominal OD	5.500 in.
Nominal ID	4.778 in
Nominal Cross Section Area	5.828 sqin.
Grade Type	High Yield
Min. Yield Strength	125 ksi
Max. Yield Strength	140 ksi
Min. Ultimate Tensile Strength	135 ksi

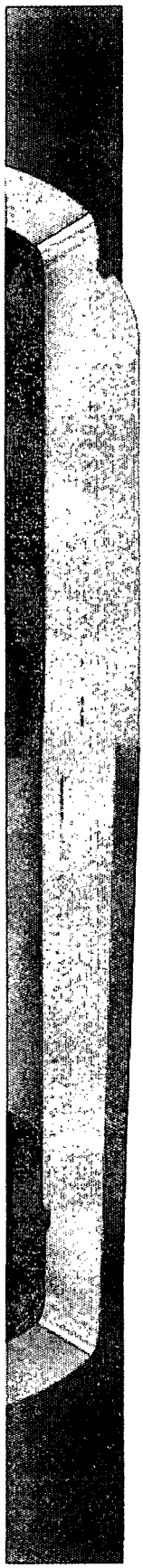
CONNECTION PROPERTIES	
Connection Type	Premium T&C
Connection OD (nom)	6.071 in
Connection ID (nom)	4.715 in.
Make-up Loss	4.382 in.
Coupling Length	10.748 in.
Critical Cross Section	5.828 sqin.
Tension Efficiency	100 % of pipe
Compression Efficiency	80 % of pipe
Internal Pressure Efficiency	100 % of pipe
External Pressure Efficiency	100 % of pipe

CONNECTION PERFORMANCES	
Tensile Yield Strength	729 klb
Compression Resistance	583 klb
Internal Yield Pressure	14360 psi
External Pressure Resistance	12090 psi
Max. Bending with Sealability (CAL IV)	20 °/100 ft
Max. Load on Coupling Face	388 klb

FIELD TORQUE VALUES	
Min. Make-up torque	10850 ft.lb
Opti. Make-up torque	11950 ft.lb
Max. Make-up torque	13050 ft lb
Field Liner Max	15900 ft lb

VAM® TOP HT (High Torque) is a T&C connection based on the main features of the VAM® TOP connection.
This connection provides reinforced torque capability for liners and where High Torque is anticipated due to string rotation during running operations (torque rotating liner while running, rotating casing when cementing). It has been tested as per ISO13679 CAL IV requirements.
VAM® TOP HT is interchangeable with VAM® TOP product line with the exception of 4 1/2" size.





Issued on: 18 Jul. 2016

VAM® SG Connection Data Sheet

OD	Weight	Wall Th.	Grade	API Drift	Connection
5 1/2 in.	20.00 lb/ft	0.361 in.	P110 EC	4.653 in.	VAM® SG

PIPE PROPERTIES

Nominal OD	5.500 in.
Nominal ID	4.778 in.
Nominal Cross Section Area	5.828 sqin.
Grade Type	High Yield
Min. Yield Strength	125 ksi
Max. Yield Strength	140 ksi
Min. Ultimate Tensile Strength	135 ksi

CONNECTION PROPERTIES

Connection Type	Premium integral semi-flush
Connection OD (nom)	5.697 in.
Connection ID (nom)	4.711 in.
Make-up Loss	6.336 in.
Tension Efficiency	87 % of pipe
Compression Efficiency	61 % of pipe
Internal Pressure Efficiency	100 % of pipe
External Pressure Efficiency	70 % of pipe

CONNECTION PERFORMANCES

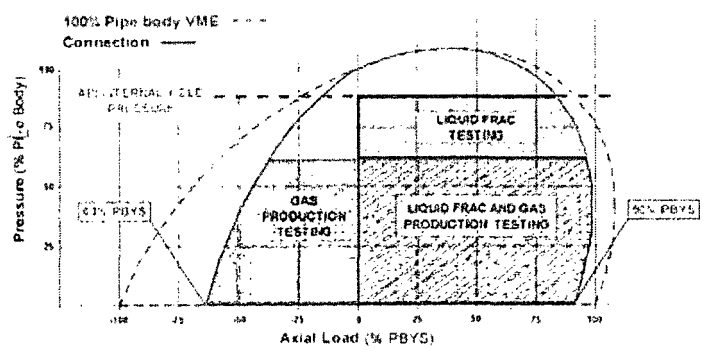
Tensile Yield Strength	634 klb
Compression Resistance	446 klb
Internal Yield Pressure	14360 psi
External Pressure Resistance	8463 psi
Max. Bending with Sealability	40 °/100 ft

FIELD TORQUE VALUES

Min. Make-up torque	8100 ft.lb
Opti. Make-up torque	9800 ft.lb
Max. Make-up torque	11500 ft.lb
Maximum Torque with Sealability	12500 ft.lb

The single solution for Shale Play needs

VAM® SG brings VAM® premium sealing performance to a semi-flush connection with extremely high Tension performance and increase Torque capacity, validated to the specific Shale drilling requirements, while remaining highly competitive in North American Shale play economics.



Do you need help on this product? - Remember no one knows VAM® like VAM

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mexico@vamfieldservice.com
brazil@vamfieldservice.com
uk@vamfieldservice.com
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nigeria@vamfieldservice.com
angola@vamfieldservice.com
china@vamfieldservice.com
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singapore@vamfieldservice.com
australia@vamfieldservice.com

Over 140 VAM® Specialists available worldwide 24/7 for Rig Site Assistance

VAM USA

Approval Date: 08/23/2018

Devon Energy Annular Preventer Summary

1. Component and Preventer Compatibility Table

The table below, which covers the drilling and casing of the 10M MASP portion of the well, outlines the tubulars and the compatible preventers in use. This table, combined with the mud program, documents that two barriers to flow can be maintained at all times, independent of the rating of the annular preventer.

6-3/4" Production hole section, 10M requirement

Component	OD	Preventer	RWP
Drillpipe	4.5"	Fixed lower 4.5" Upper 4.5-7" VBR	10M
HWDP	4.5"	Fixed lower 4.5" Upper 4.5-7" VBR	10M
Drill collars and MWD tools	4.75"	Upper 4.5-7" VBR	10M
Mud Motor	4.75"	Upper 4.5-7" VBR	10M
Production casing	5.5"	Upper 4.5-7" VBR	10M
ALL	0-13-5/8"	Annular	5M
Open-hole	-	Blind Rams	10M

VBR = Variable Bore Ram. Compatible range listed in chart.

2. Well Control Procedures

Well control procedures are specific to the rig equipment and the operation at the time the kick occurs. Below are the minimal high-level tasks prescribed to assure a proper shut-in while drilling, tripping, running casing, pipe out of the hole (open hole), and moving the BHA through the BOPs. The pressure at which control is swapped from the annular to another compatible ram is variable, but the operator will document in the submission their operating pressure limit. The operator may chose an operating pressure less than or equal to RWP, but in no case will it exceed the RWP of the annular preventer.

General Procedure While Drilling

1. Sound alarm (alert crew)
2. Space out drill string
3. Shut down pumps (stop pumps and rotary)
4. Shut-in Well (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
    a. SIDPP and SICP
    b. Pit gain
    c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to the upper pipe ram.

Devon Energy Annular Preventer Summary

General Procedure While Tripping

1. Sound alarm (alert crew)
2. Stab full opening safety valve and close
3. Space out drill string
4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
    a. SIDPP and SICP
    b. Pit gain
    c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to the upper pipe ram.

General Procedure While Running Casing

1. Sound alarm (alert crew)
2. Stab crossover and full opening safety valve and close
3. Space out string
4. Shut-in (uppermost applicable BOP, typically annular preventer first. HCR and choke will already be in the closed position.)
5. Confirm shut-in
6. Notify toolpusher/company representative
7. Read and record the following:
    a. SIDPP and SICP
    b. Pit gain
    c. Time
8. Regroup and identify forward plan
9. If pressure has built or is anticipated during the kill to reach the RWP of the annular preventer, confirm spacing and swap to compatible pipe ram.

General Procedure With No Pipe In Hole (Open Hole)

1. Sound alarm (alert crew)
2. Shut-in with blind rams or BSR. (HCR and choke will already be in the closed position.)
3. Confirm shut-in
4. Notify toolpusher/company representative
5. Read and record the following:
    a. SICP
    b. Pit gain
    c. Time
6. Regroup and identify forward plan

Devon Energy Annular Preventer Summary

General Procedures While Pulling BHA thru Stack

1. PRIOR to pulling last joint of drillpipe thru the stack.
    a. Perform flowcheck, if flowing:
    b. Sound alarm (alert crew)
    c. Stab full opening safety valve and close
    d. Space out drill string with tool joint just beneath the upper pipe ram.
    e. Shut-in using upper pipe ram. (HCR and choke will already be in the closed position.)
    f. Confirm shut-in
    g. Notify toolpusher/company representative
    h. Read and record the following:
        i. SIDPP and SICP
        ii. Pit gain
        iii. Time
    i. Regroup and identify forward plan

2. With BHA in the stack and compatible ram preventer and pipe combo immediately available.
    a. Sound alarm (alert crew)
    b. Stab crossover and full opening safety valve and close
    c. Space out drill string with upset just beneath the compatible pipe ram.
    d. Shut-in using compatible pipe ram. (HCR and choke will already be in the closed position.)
    e. Confirm shut-in
    f. Notify toolpusher/company representative
    g. Read and record the following:
        i. SIDPP and SICP
        ii. Pit gain
        iii. Time
    h. Regroup and identify forward plan

3. With BHA in the stack and NO compatible ram preventer and pipe combo immediately available.
    a. Sound alarm (alert crew)
    b. If possible to pick up high enough, pull string clear of the stack and follow "Open Hole" scenario.
    c. If impossible to pick up high enough to pull the string clear of the stack:
    d. Stab crossover, make up one joint/stand of drillpipe, and full opening safety valve and close
    e. Space out drill string with tooljoint just beneath the upper pipe ram.
    f. Shut-in using upper pipe ram. (HCR and choke will already be in the closed position.)
    g. Confirm shut-in
    h. Notify toolpusher/company representative
    i. Read and record the following:
        i. SIDPP and SICP
        ii. Pit gain
        iii. Time
    j. Regroup and identify forward plan

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

Operator Certification Data Report

08/23/2018

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:** 03/28/2018

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: Travis Phibbs

Street Address: 6488 Seven Rivers Hwy

City: Artesia **State:** NM **Zip:** 88210

Phone: (575)748-9929

Email address: travis.phibbs@dvn.com

AFMSS

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

Application Data Report
08/23/2018

APD ID: 10400028917 **Submission Date:** 03/28/2018

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - General

APD ID: 10400028917 **Tie to previous NOS?** **Submission Date:** 03/28/2018

BLM Office: CARLSBAD **User:** Rebecca Deal **Title:** Regulatory Compliance Professional

Federal/Indian APD: FED **Is the first lease penetrated for production Federal or Indian?** FED

Lease number: NMNM097151 **Lease Acres:** 520

Surface access agreement in place? **Allotted?** **Reservation:**

Agreement in place? NO **Federal or Indian agreement:**

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO **APD Operator:** DEVON ENERGY PRODUCTION COMPANY LP

Operator letter of designation:

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:

Section 2 - Well Information

Well in Master Development Plan? NO **Mater Development Plan name:**

Well in Master SUPO? NO **Master SUPO name:**

Well in Master Drilling Plan? NO **Master Drilling Plan name:**

Well Name: FLAGLER 8 FED **Well Number:** 12H **Well API Number:**

Field/Pool or Exploratory? Field and Pool **Field Name:** DRAPER MILL **Pool Name:** BONE SPRING

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

Operator Name: DEVON ENERG . JDUCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

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:** FLAGLER 8 **Number:** 4

Well Class: HORIZONTAL **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:** 1838 FT **Distance to lease line:** 180 FT

Reservoir well spacing assigned acres Measurement: 160 Acres

Well plat: Flagler_8_Fed_12H_C_102_Signed_20180328073852.pdf

Well work start Date: 03/15/2019 **Duration:** 45 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83 **Vertical Datum:** NAVD88

Survey number:

	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	180	FSL	1710	FEL	25S	33E	8	Aliquot SWSE	32.1383485	-103.5912743	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 097151	3437	0	0
KOP Leg #1	180	FSL	1660	FEL	25S	33E	8	Aliquot SWSE	32.1383489	-103.591275	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 097151	-8290	11727	11727
PPP Leg #1	330	FSL	1660	FEL	25S	33E	8	Aliquot SWSE	32.1387611	-103.591269	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 097151	-8707	12194	12144

Operator Name: DEVON ENERG , JDUCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

	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	1660	FEL	25S	33E	8	Aliquot NWNE	32.1514605	-103.591098	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 097151	-8863	16824	12300
BHL Leg #1	330	FNL	1660	FEL	25S	33E	8	Aliquot NWNE	32.1514605	-103.591098	LEA	NEW MEXICO	NEW MEXICO	F	NMNM 097151	-8863	16824	12300

APD ID: 10400028917 **Submission Date:** 03/28/2018

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

Well Type: OIL WELL **Well Work Type:** Drill

Highlighted data reflects the most recent changes

Show Final Text

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	---	3437	0	0	OTHER : Surface	NONE	No
2	RUSTLER	2322	1145	1145	SANDSTONE	NONE	No
3	TOP SALT	1959	1508	1508	SALT	NONE	No
4	BASE OF SALT	-1533	5000	5000	LIMESTONE	NONE	No
5	BELL CANYON	-1533	5000	5000	SANDSTONE	NATURAL GAS,OIL	No
6	CHERRY CANYON	-2573	6040	6040	SANDSTONE	NATURAL GAS,OIL	No
7	BRUSHY CANYON	-4223	7690	7690	SANDSTONE	NATURAL GAS,OIL	No
8	BONE SPRING	-5643	9110	9110	SHALE	NATURAL GAS,OIL	No
9	BONE SPRING 1ST	-6549	10016	10016	SANDSTONE	NATURAL GAS,OIL	No
10	BONE SPRING 2ND	-7143	10610	10610	SANDSTONE	NATURAL GAS,OIL	No
11	BONE SPRING 3RD	-8306	11773	11773	SANDSTONE	NATURAL GAS,OIL	Yes
12	WOLFCAMP	-8814	12281	12281	SHALE	NATURAL GAS,OIL	No

Section 2 - Blowout Prevention

Pressure Rating (PSI): 5M **Rating Depth:** 10610

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 5M 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.

Operator Name: DEVON ENERGY P. ,UCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

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:

Flagler_8_Fed_12H_5M_BOPE__CK_20180328080200.pdf

BOP Diagram Attachment:

Flagler_8_Fed_12H_5M_BOPE__CK_20180328080227.pdf

Pressure Rating (PSI): 5M **Rating Depth:** 12300

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 5M 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

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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:

Flagler_8_Fed_12H_5M_BOPE__CK_20180328080250.pdf

BOP Diagram Attachment:

Flagler_8_Fed_12H_5M_BOPE__CK_20180328080320.pdf

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	14.75	10.75	NEW	API	N	0	1150	0	1150			1150	J-55	40.5	STC	1.125	1.25	BUOY	1.6	BUOY	1.6
2	INTERMEDIATE	9.875	7.625	NEW	API	N	0	10610	0	10610			10610	P-110	29.7	OTHER - BTC	1.125	1.25	BUOY	1.6	BUOY	1.6
3	PRODUCTION	6.75	5.5	NEW	API	N	0	16824	0	12300			16824	P-110	20	OTHER - VAM SG	1.125	1.25	BUOY	1.6	BUOY	1.6

Operator Name: DEVON ENERGY P. .UCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

Casing Attachments

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Flagler_8_Fed_12H_Surf_Csg_Ass_20180328080403.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Flagler_8_Fed_12H_Int_Csg_Ass_20180328080528.pdf

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

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

Flagler_8_Fed_12H_Prod_Csg_Ass_20180328080624.pdf

Section 4 - Cement

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1150	715	1.34	14.8	960	50	CLASS C	1% Calcium Chloride
INTERMEDIATE	Lead		0	9610	811	3.27	9	2652	30	TUNED	TUNED LIGHT
INTERMEDIATE	Tail		9610	10610	153	1.6	13.2	215	30	CLASS H	Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
PRODUCTION	Lead		10410	16824	372	1.33	14.8	495	25	CLASS H	0.125 lbs/sack Poly-E-Flake

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
0	1150	SPUD MUD	8.33	9				2			

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

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
1150	10610	WATER-BASED MUD	9	10				2			
10610	16824	OIL-BASED MUD	9	11				12			

Section 6 - Test, Logging, Coring

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

Will run GRMWD from TD to from KOP. Cement bond logs will be run in vertical to determine top of cement. 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:

CALIPER,CBL,DS,GR,MUDLOG

Coring operation description for the well:

N/A

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 7035 **Anticipated Surface Pressure:** 4329

Anticipated Bottom Hole Temperature(F): 160

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

Describe:

Contingency Plans geoharzards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? YES

Hydrogen sulfide drilling operations plan:

Flagler_8_Federal_12H_H2S_Plan_20180328080948.pdf

Operator Name: DEVON ENERGY PRODUCTION COMPANY LP

Well Name: FLAGLER 8 FED **Well Number:** 12H

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Flagler_8_Fed_12H_Dir_Svy_20180328081004.pdf

Flagler_8_Fed_12H_Plot_Plan_20180328081016.pdf

Other proposed operations facets description:

MULTI-BOWL VERBIAGE
MULTI-BOWL WELLHEAD
CLOSED LOOP DESIGN PLAN
DRILLING PLAN
AC REPORT
CO-FLEX HOSE
SPUDDER RIG REQUEST

Other proposed operations facets attachment:

Flagler_8_Fed_12H_Clsd_Loop_20180328081058.pdf

Flagler_8_Fed_12H_Drilling_Document_20180328081058.pdf

Flagler_8_Fed_12H_MB_Verb_5M_20180328081059.pdf

Flagler_8_Fed_12H_MB_Wellhd_5M_WC_20180328081059.pdf

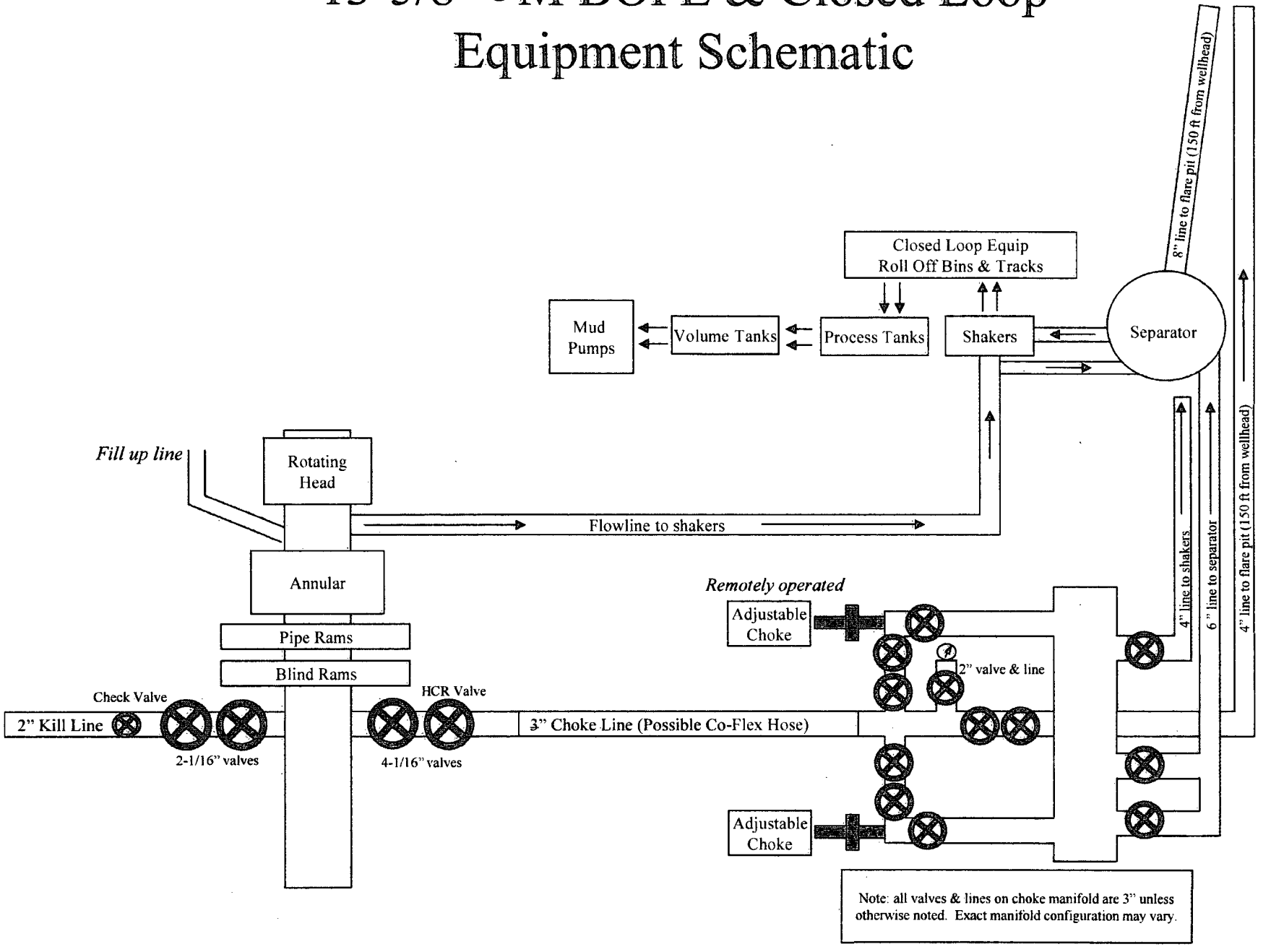
Flagler_8_Fed_12H_Spudder_Rig_Info_20180328081107.pdf

Flagler_8_Fed_12H_AC_Report_20180328081125.pdf

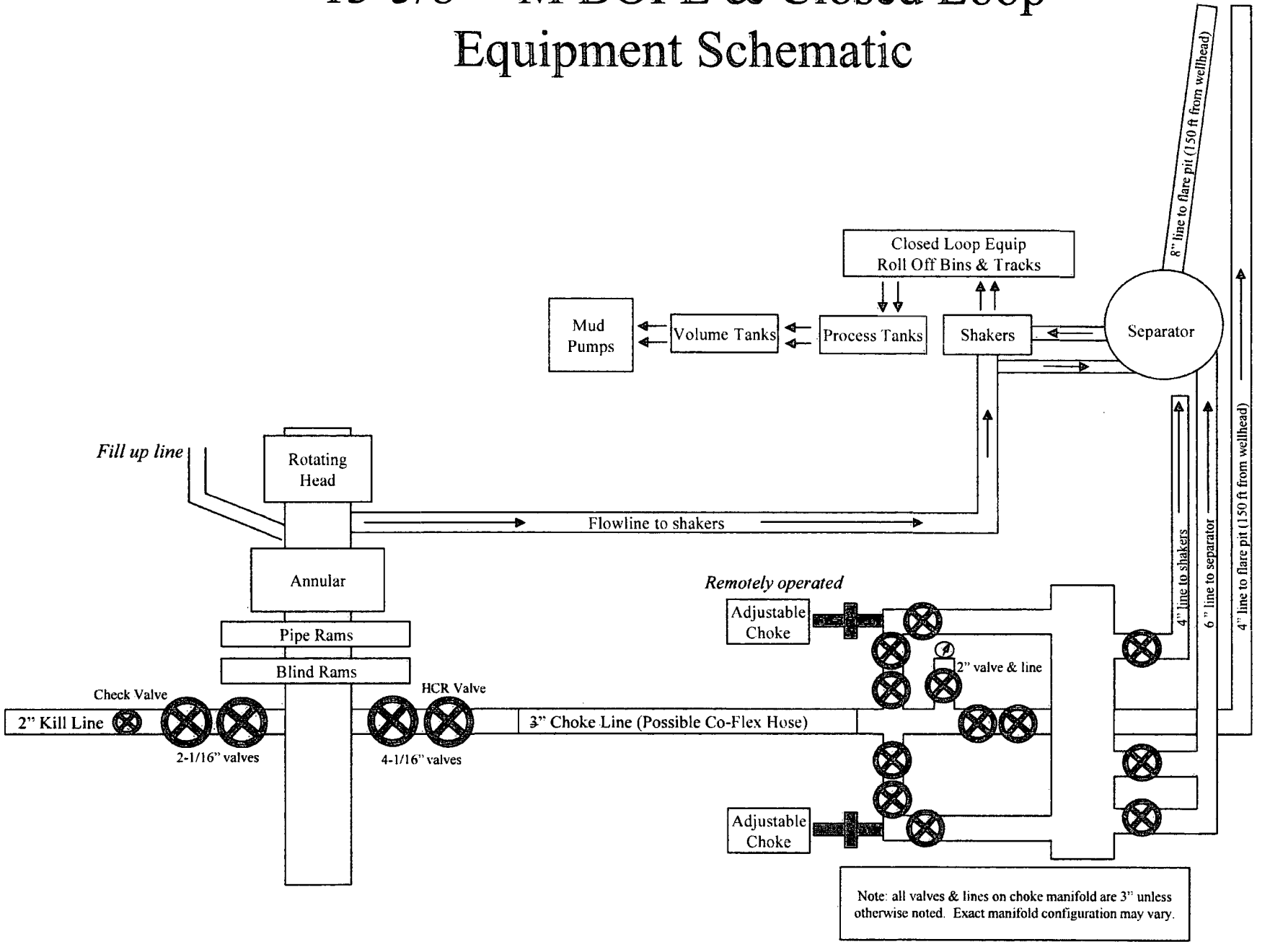
Other Variance attachment:

Flagler_8_Fed_12H_Co_flex_20180328081119.pdf

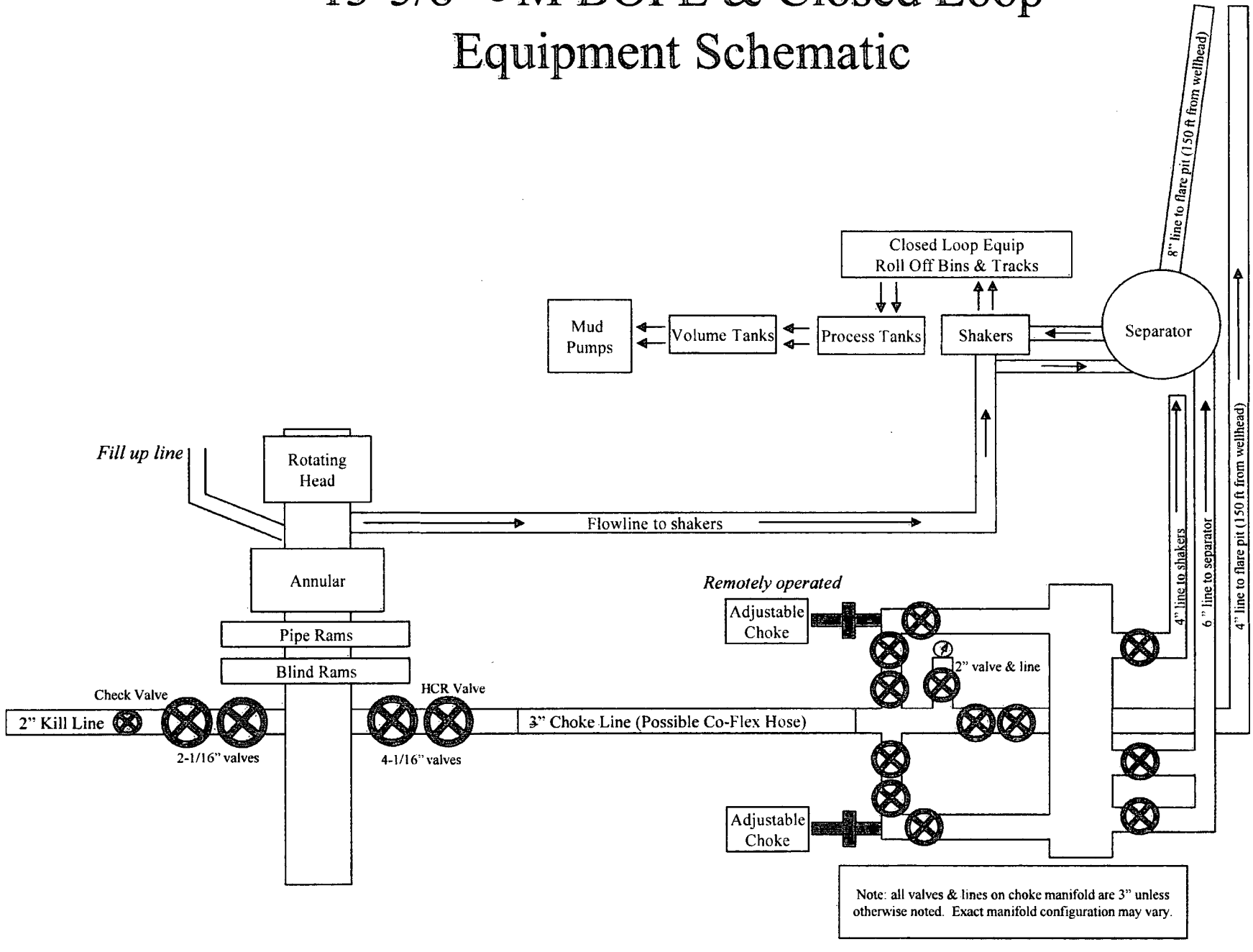
13-5/8" 5M BOPE & Closed Loop Equipment Schematic



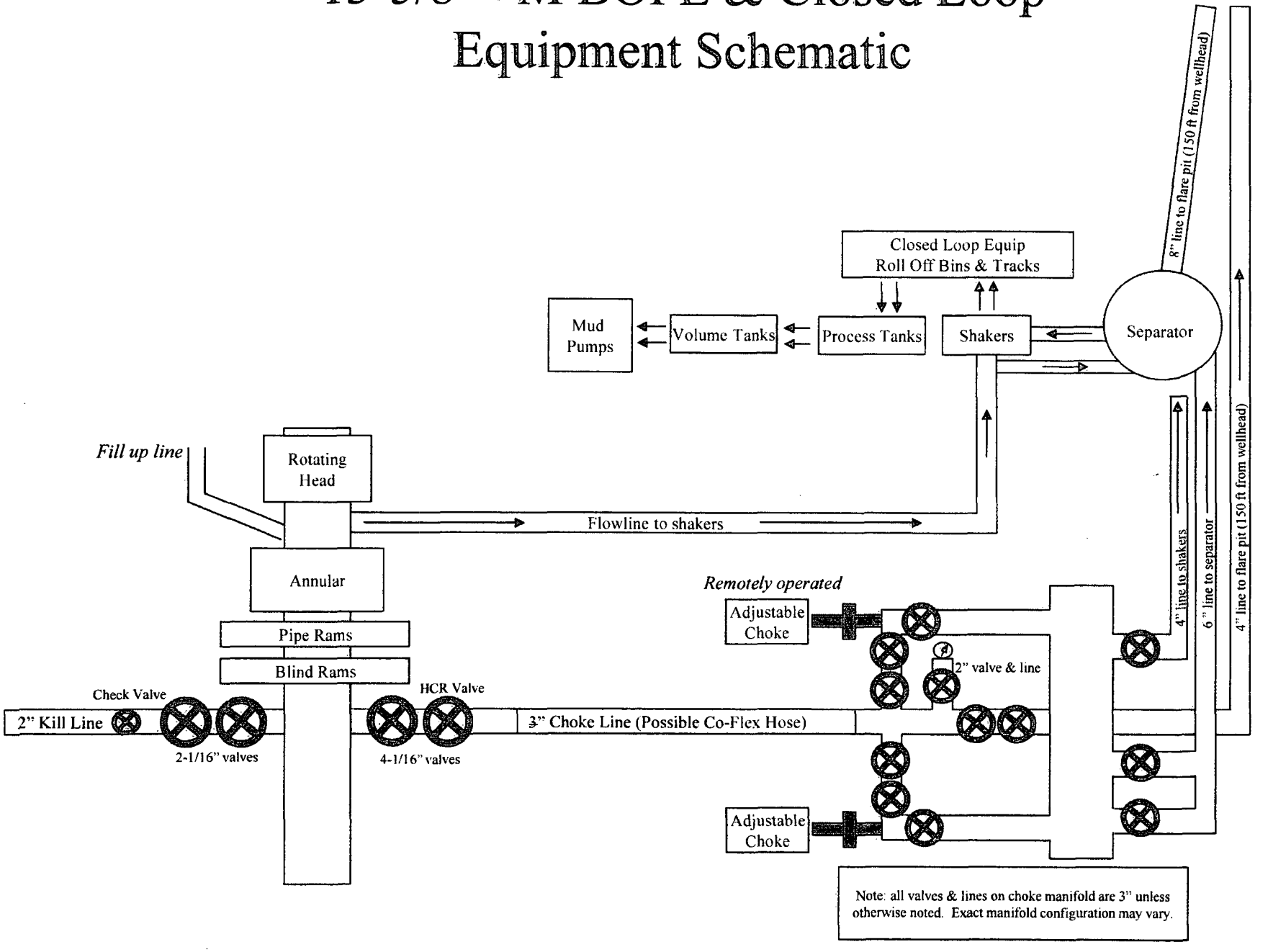
13-5/8" 5M BOPE & Closed Loop Equipment Schematic



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



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



Casing Assumptions and Load Cases

Intermediate

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Intermediate Casing Burst Design		
Load Case	**External Pressure**	**Internal Pressure**
Pressure Test	Formation Pore Pressure	Max mud weight of next hole-section plus Test psi
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole section
Fracture @ Shoe	Formation Pore Pressure	Dry gas

Intermediate Casing Collapse Design		
Load Case	**External Pressure**	**Internal Pressure**
Full Evacuation	Water gradient in cement, mud above TOC	None
Cementing	Wet cement weight	Water (8.33ppg)

Intermediate Casing Tension Design	
Load Case	**Assumptions**
Overpull	100kips
Runing in hole	2 ft/s
Service Loads	N/A

Casing Assumptions and Load Cases

Production

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Production Casing Burst Design		
Load Case	**External Pressure**	**Internal Pressure**
Pressure Test	Formation Pore Pressure	Fluid in hole (water or produced water) + test psi
Tubing Leak	Formation Pore Pressure	Packer @ KOP, leak below surface 8.6 ppg packer fluid
Stimulation	Formation Pore Pressure	Max frac pressure with heaviest frac fluid

Production Casing Collapse Design		
Load Case	**External Pressure**	**Internal Pressure**
Full Evacuation	Water gradient in cement, mud above TOC.	None
Cementing	Wet cement weight	Water (8.33ppg)

Production Casing Tension Design	
Load Case	**Assumptions**
Overpull	100kips
Runing in hole	2 ft/s
Service Loads	N/A

Casing Assumptions and Load Cases

Surface

All casing design assumptions were ran in Stress Check to determine safety factor which meet or exceed both Devon Energy and BLM minimum requirements. All casing strings will be filled while running in hole in order to not exceed collapse rating of the pipe.

Surface Casing Burst Design		
Load Case	**External Pressure**	**Internal Pressure**
Pressure Test	Formation Pore Pressure	Max mud weight of next hole-section plus Test psi
Drill Ahead	Formation Pore Pressure	Max mud weight of next hole section
Displace to Gas	Formation Pore Pressure	Dry gas from next casing point

Surface Casing Collapse Design		
Load Case	**External Pressure**	**Internal Pressure**
Full Evacuation	Water gradient in cement, mud above TOC	None
Cementing	Wet cement weight	Water (8.33ppg)

Surface Casing Tension Design	
Load Case	**Assumptions**
Overpull	100kips
Runing in hole	3 ft/s
Service Loads	N/A

Devon Energy, Flagler 8 Fed 12H

1. Geologic Formations

TVD of target	12,300'	Pilot hole depth	N/A
MD at TD:	16,824'	Deepest expected fresh water:	1145'

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
RUSTLER	1145		
TOP SALT	1508		
BASE OF SALT	5000		
BELL CANYON	5000		
CHERRY CANYON	6040		
BRUSHY CANYON	7690		
BONE SPRING	9110		
BONE SPRING 1ST	10016		
BONE SPRING 2ND	10610		
BONE SPRING 3RD	11773		

*H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program (Primary Design)

Hole Size	Casing Interval From	Casing Interval To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
14.75"	0	1,150'	10.75"	40.5	J-55	STC	1.125	1.25	1.6
9.875"	0	10,610'	7.625"	29.7	P110	BTC	1.125	1.25	1.6
6.75"	0	10,110'	5.5"	20	P110	VamTop HT	1.125	1.25	1.6
6.75"	10,110'	16,824'	5.5"	20	P110	Vam SG	1.125	1.25	1.6

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.

A variance is requested to wave the centralizer requirement for the 7-5/8" flush casing in the 8-3/4" hole and the 5-1/2" SF/Flush casing in the 6-3/4" hole.

Casing Program (Alternate Design)

Hole Size	Casing Interval From	Casing Interval To	Csg. Size	Weight (lbs)	Grade	Conn.	SF Collapse	SF Burst	SF Tension
17.5"	0	1,150'	13.375"	48	H40	STC	1.125	1	1.6
12.25"	0	5,000'	9.625"	40	J55	LTC	1.125	1	1.6
8.75"	0	16,824'	5.5"	17	P110	BTC	1.125	1	1.6

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N

If yes, are the first 2 strings cemented to surface and 3rd string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program (Primary Casing Design)

Casing	# Sks	Wt. lb/ gal	H_2O gal/sk	Yld ft3/ sack	Slurry Description
10-3/4" Surface	715	14.8	6.34	1.34	Tail: Class C Cement + 1% Calcium Chloride
7-5/8" Int	811	9	13.5	3.27	Lead: Tuned Light® Cement
	153	13.2	5.31	1.6	Tail: (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
7-5/8" Intermediate Squeeze	1048	14.8	6.32	1.33	Class C Cement + 0.125 lbs/sack Poly-E-Flake
	417	9	13.5	3.27	Tuned Light® Cement
	153	13.2	5.31	1.6	Tail: (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
5-1/2" Production	372	13.2	6.32	1.33	Class H Cement + 0.125 lbs/sack Poly-E-Flake

If a DV tool is used, depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
10-3/4" Surface	0'	50%
7-5/8" Intermediate	0'	30%
5-1/2" Production Casing	10,410'	25%

Cementing Program (Alternate Casing Design)

Casing	# Sks	Wt. lb/ gal	H_2O gal/sk	Yld ft3/ sack	Slurry Description
17.5" Surf.	901	14.8	1.33	6.32	Lead: Class C Cement + 0.125 lbs/sack Poly-F-Flake
12.25" Inter.	511	10.3	3.65	22.06	Lead: (50:50) Poz (Silica) 3 lbm/sk Kol-Seal, .125 lbm/sk Poly-E-Flake
	306	14.8	1.33	6.32	Tail: Class C Cement + 0.125 lbs/sack Poly-F-Flake
8.75" Prod.	457	9	3.27	13.5	Lead: Tuned Light Cement

If a DV tool is used, depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
13-3/8" Surface	0'	50%
9-5/8" Intermediate	0'	30%
5-1/2" Production Casing	4800'	25%

4. Pressure Control Equipment (Primary Casing Design)

N	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
9-7/8"	13-5/8"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram	X	
			Double Ram	X	
			Other*		

6-3/4"	13-5/8"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram	X	
			Double Ram	X	
			Other *		
			Annular		
			Blind Ram		
			Pipe Ram		
			Double Ram		
			Other *		

*Specify if additional ram is utilized.

Pressure Control Equipment (Alternate Casing Design)

N	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	**Size?**	**Min. Required WP**	**Type**	**✓**	**Tested to:**
12.25" Int	13-5/8"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram	X	
			Double Ram	X	
			Other*		
8.75" Production	13-5/8"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram	X	
			Double Ram	X	
			Other *		
			Annular		
			Blind Ram		

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a

higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

<table>
<tr><td>Y</td><td>Formation integrity test will be performed per Onshore Order #2.
On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.</td></tr>
<tr><td rowspan="2">Y</td><td>A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.</td></tr>
<tr><td>Y | Are anchors required by manufacturer?</td></tr>
<tr><td>Y</td><td>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.

Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 5000 (5M) psi.
• Wellhead will be installed by wellhead representatives.
• If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
• Wellhead representative will install the test plug for the initial BOP test.
• Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to 3M, as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.
• If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
• Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
• Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.

After running the 10-3/4" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi</td></tr>
</table>

	low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore 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 5,000 psi WP. Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron. Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns.

5. Mud Program (Primary Casing Design)

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	1150'	FW Gel	8.6-8.8	28-34	N/C
1150'	10,610'	OBM/Cut Brine	9-10	34-65	N/C - 6
10,610'	16,824'	Oil Based Mud	9-11	45-65	N/C - 6

Mud Program (Alternate Casing Design)

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	1150'	FW Gel	8.6-8.8	28-34	N/C
1150'	5,000'	Brine	9-10	28-34	N/C
5,000'	16,824'	Cut Brine	8.5-10	28-34	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring

6. Logging and Testing Procedures

Logging, Coring and Testing.

x	Will run GR/CNL fromTD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain
	Coring? If yes, explain

Additional logs planned		**Interval**
	Resistivity	Int. shoe to KOP
	Density	Int. shoe to KOP
X	CBL	Production casing
X	Mud log	Intermediate shoe to TD
	PEX	

7. Drilling Conditions

Condition	**Specify what type and where?**
BH Pressure at deepest TVD	7121 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
N	H2S is present
Y	H2S Plan attached

8. Other facets of operation

Is this a walking operation? Yes

1. In the event the spudder rig is unable to drill the surface holes the drilling rig will batch drill the surface holes and run/cement surface casing; walking the rig to next wells on the pad.
2. The drilling rig will then batch drill the intermediate sections with either OBM or cut brine and run/cement intermediate casing; the wellbore will be isolated with a blind flange and pressure gauge installed for monitoring the well before walking to the next well.
3. The drilling rig will then batch drill the production hole sections on the wells with OBM, run/cement production casing, and install TA caps or tubing heads for completions.

NOTE: During batch operations the drilling rig will be moved from well to well however, it will not be removed from the pad until all wells have production casing run/cemented.

Will be pre-setting casing? Yes

1. Spudder rig will move in and drill surface hole.
    a. Rig will utilize fresh water based mud to drill 14 ¾" surface hole to TD. Solids control will be handled entirely on a closed loop basis.
2. After drilling the surface hole section, the spudder rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
3. The wellhead will be installed and tested once the 10-3/4" surface casing is cut off and the WOC time has been reached.
4. A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
5. Spudder rig operations is expected to take 4-5 days per well on a multi well pad.
6. The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
7. Drilling operations will be performed with the drilling rig. At that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
    a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.

Attachments

_x_ Directional Plan

___ Other, describe

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.

Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 5000 (5M) psi.

- Wellhead will be installed by wellhead representatives.
- If the welding is performed by a third party, the wellhead representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.
- Wellhead representative will install the test plug for the initial BOP test.
- Wellhead company will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to 5M, as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.
- If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.
- Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.
- Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.

After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 5M will be installed on the wellhead system and will undergo a 250 psi low pressure test followed by a 5,000 psi high pressure test. The 5,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2.

After running the 9-5/8' intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 5M will already be installed on the wellhead.

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 5,000 psi WP.

Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead, or Cameron.

Devon Energy
APD VARIANCE DATA

OPERATOR NAME: Devon Energy

1. SUMMARY OF Variance:

Devon Energy respectfully requests approval for the following additions to the drilling plan:

1. Potential utilization of a spudder rig to pre-set surface casing.

2. Description of Operations

1. A spudder rig contractor may move in their rig to drill the surface hole section and pre-set surface casing on this well.
    a. After drilling the surface hole section, the rig will run casing and cement following all of the applicable rules and regulations (OnShore Order 2, all COAs and NMOCD regulations).
    b. Rig will utilize fresh water based mud to drill surface hole to TD.
2. The wellhead will be installed and tested once the surface casing is cut off and the WOC time has been reached.
3. A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with needle valves installed on two wingvalves.
    a. A means for intervention will be maintained while the drilling rig is not over the well.
4. The BLM will be contacted and notified 24 hours prior to commencing spudder rig operations.
5. Drilling operation will be performed with the big rig. At that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
    a. The BLM will be contacted / notified 24 hours before the big rig moves back on to the pad with the pre-set surface casing.
6. Devon Energy will have supervision on the rig to ensure compliance with all BLM and NMOCD regulations and to oversee operations.
7. Once the rig is removed, Devon Energy will secure the wellhead area by placing a guard rail around the cellar area.