Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

HOBBS OCD
SEP 23 2019
RECEIVED

5. Lease Serial No.
NMNM98826

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
ALLEY CAT 17-20 FED COM 526H

2. Name of Operator
DEVON ENERGY PRODUCTION COMPAN

Contact: JENNIFER HARMS
Email: jennifer.harms@dvn.com

9. API Well No.
30-025-46252-00-X1

3a. Address
333 WEST SHERIDAN AVENUE
OKLAHOMA CITY, OK 73102

3b. Phone No. (include area code)
Ph: 405-552-6560

10. Field and Pool or Exploratory Area
SAND DUNES

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 8 T23S R32E SESE 302FSL 1206FEL
32.312653 N Lat, 103.692070 W Lon

11. County or Parish, State
LEA COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Change to Original A PD
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Devon Energy Production Co., L.P. (Devon) respectfully requests to deepen the intermediate casing point to 8650 due to depletion from 7200-8100' and the change from class C/H to class A cement. Please see attached revised drill plan.

Carlsbad Field
OCD Hobbs

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #476203 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION COMPAN, sent to the Hobbs
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/01/2019 (19PP2718SE)

Name *(Printed/Typed)* JENNIFER HARMS — Title REGULATORY COMPLIANCE ANALYST

Signature (Electronic Submission) — Date 08/01/2019

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By LONG VO — Title PETROLEUM ENGINEER — Date 09/09/2019

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Hobbs

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

PECOS DISTRICT
DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	**Devon Energy Production Company LP**
LEASE NO.:	**NMNM062223**
WELL NAME & NO.:	Alley Cat 17-20 Fed Com 526H
SURFACE HOLE FOOTAGE:	302'/S & 1206'/E
BOTTOM HOLE FOOTAGE	20'/S & 400'/E
LOCATION:	Section 8, T.23 S., R.32 E., NMPM
COUNTY:	Lea County, New Mexico

COA

H2S	◉ Yes	○ No	
Potash	◉ None	○ Secretary	○ R-111-P
Cave/Karst Potential	◉ Low	○ Medium	○ High
Variance	○ None	◉ Flex Hose	○ Other
Wellhead	○ Conventional	○ Multibowl	◉ Both
Other	☐ 4 String Area	☐ Capitan Reef	☐ WIPP
Other	☑ Fluid Filled	☐ Cement Squeeze	☐ Pilot Hole
Special Requirements	☐ Water Disposal	☑ COM	☐ Unit

All Previous COAs Still Apply

A. CASING

The Operator is approved to change from class C/H to class A cement.

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

1. The minimum required fill of cement behind the **9-5/8** inch intermediate casing shall be set at approximately **8650 feet** is:

Option 1 (Single Stage):

- Cement to surface. If cement does not circulate see B.1.a, c-d above. **Cement excess is less than 25%, more cement will be required. (-40%)**

Option 2:

Operator has proposed a DV tool, the depth may be adjusted as long as the cement is changed proportionally. The DV tool may be cancelled if cement circulates to surface on the first stage.

a. First stage to DV tool: Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.

b. Second stage above DV tool:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.
  Cement excess is less than 25%, more cement will be required. (-40)

2. The minimum required fill of cement behind the **5-1/2** inch production casing is:

- Cement should tie-back at least **200 feet** into previous casing string. Operator shall provide method of verification.

GENERAL REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

a. Spudding well (minimum of 24 hours)
b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
c. BOPE tests (minimum of 4 hours)

☒ Chaves and Roosevelt Counties
Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 627-0272.
After office hours call (575)

☒ Eddy County
Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (575) 361-2822

☒ Lea County
Call the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (575) 393-3612

1. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

   a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
   b. When the operator proposes to set surface casing with Spudder Rig
      - Notify the BLM when moving in and removing the Spudder Rig.
      - Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
      - BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.

2. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

3. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

A. CASING

1. Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

2. Wait on cement (WOC) for Potash Areas: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi for all cement blends, 2) until cement has been in place at least 24 hours. WOC time will be recorded in the driller's log.

3. Wait on cement (WOC) for Water Basin: After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller's log. See individual casing strings for details regarding lead cement slurry requirements.

4. Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

5. No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

6. 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. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.

7. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

8. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

Devon Energy – Alley Cat 17-20 Fed Com 526H

1. Geologic Formations

TVD of target	9455	Pilot hole depth	N/A
MD at TD:	20072	Deepest expected fresh water:	

Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Rustler	1048		
Salado	1423		
Base of Salt	4643		
Delaware	4673		
L Brushy Canyon	8293		
Bone Spring	8648		
Leonard 'A'	8748		
Leonard 'B'	9283		
Landing Point	9455		
EOL	9355		

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

2. Casing Program

see COA

Hole Size	Casing Interval		Csg. Size	Weight (PPF)	Grade	Conn.
	From	To				
17.5"	0	~~1073~~ MD	13.375"	48	H-40	STC
12.25"	0	8650	9.625"	40	J-55	BTC
8.75"	0	TD	5.5"	17	P-110	BTC
BLM Minimum Safety Factor				Collapse: 1.125	Burst: 1.00	Tension: 1.6 Dry 1.8 Wet

→ Fluid Fill

- All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h Must have table for contingency casing
- Rustler top will be validated via drilling parameters (i.e. reduction in ROP) and surface casing setting depth revised accordingly if needed.
- Variance is requested for collapse rating on intermediate casing. Operator will keep pipe full while running casing. No losses are expected in subsequent hole section.
- Int casing shoe will be selected based on drilling data, gamma, and flows experienced while drilling. Setting depth with be revised accordingly if needed.
- A variance is requested to wave the centralizer requirement for the intermediate and production casing strings if drilling conditions dictate

Devon Energy – Alley Cat 17-20 Fed Com 526H

	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 (3-String Primary Design)

Casing	# Sks	TOC	Wt. (lb/gal)	H_20 (gal/sk)	Yld (ft3/sack)	Slurry Description
Surface	1022	Surf	13.2	6.33	1.33	Lead: Class A Cement + additives
Int	730	Surf	9	20.6	1.94	Lead: Class A Cement + additives
	196	500' above shoe	13.2	6.42	1.33	Tail: Class A + additives
Production	365	500' tieback	9	20.6	1.94	Lead: Class A + additives
	2117	KOP	13.2	5.31	1.6	Tail: Class A + additives

Does not have enough cement to surface. (-40% excess

If a DV tool is ran the depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. Slurry weights will be adjusted based on estimated fracture gradient of the formation. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. If cement is not returned to surface during the primary cement job on the surface casing string, a planned top job will be conducted immediately after completion of the primary job.

Casing String	% Excess
Surface	100%
Intermediate	50%
Production	10%

4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
Int 1	13-5/8"	5M	Annular	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram		
			Double Ram	X	
			Other*		
Production	13-5/8"	5M	Annular(5M)	X	50% of rated working pressure
			Blind Ram	X	5M
			Pipe Ram		
			Double Ram	X	
			Other *		
			Annular		
			Blind Ram		
			Pipe Ram		
			Double Ram		
			Other *		

5. Mud Program

6. Depth		Type	Weight (ppg)	Vis	Water Loss
From	To				
0	1073	FW	8.5 – 9.0	28-34	N/C
1073	4773	Brine	10 – 10.5	28-34	N/C
4773	TD	WBM	8.5 – 9.0	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 from TD 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	
	Density	
X	CBL	Production casing
X	Mud log	KOP to TD

7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	4425 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? Potentially

1. If operator elects, 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 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? Potentially

1. Spudder rig will move in and drill surface hole.
    a. Rig will utilize fresh water based mud to drill 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 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

Class A standard Cement

SPINNAKER

Project # 072919-1 3:50 PM 8/13/2019

JOB INFORMATION

Company:	Devon	Job Type:	Surface	Results By:	
Well:		Test Type:	PILOT	Engineer:	
Well #:		Slurry Type:	PRIMARY	Other Contact:	

WELL INFORMATION

Schedule:	Casing/Liner	BHST:	94	Initial Pressure:	500
MD:		BHCT:	84	Final Pressure:	1000
TVD:		Time to BHCT:	30		

SLURRY INFORMATION

Sack Weight:	94.00
Density:	14.80
Yield:	1.33
Water:	6.33

Gram Basis:	681.39
Yield:	629
Water:	382.53

Notes:

Composition:			Grams
94.00	#/sk	Class A Standard Cement	681.39
Water	382.53	Bulk Total:	681.39

TEST PARAMETERS AND RESULTS

Thickening Time

Parameters:
Machine: CE # 7322
Initial Bc: 25 @ 75 °F
50 Bc: 2:26
70 Bc: 2:59
100 Bc:

UCA Compressive Strengths

Parameters:

50 psi	2:40hrs
500 psi	5:56hrs
24 hr	2171psi
48 hr	2890psi
72 hr	3158psi

Free Water:

Parameters:
Angle: 45
Water %: 0.5%
Streaking:
Settling %:

Rheologies

Parameters: *HD*

Temp (degF)	RPM	300	200	100	60	30	20	10	6	3
80		127	88	65	45	30	22	12	8	7

Fluid Loss:

Parameters:
Filtrate:
Time:
ml/30min:

3:50 PM 8/13/2019

JOB INFORMATION					
Company:	**Devon**	Job Type:	**Surface**	Results By:	
Well:		Test Type:	**PILOT**	Engineer:	
Well #:		Slurry Type:	**PRIMARY**	Other Contact:	
WELL INFORMATION					
Schedule:	**Casing/Liner**	BHST:	**94**	Initial Pressure:	**500**
MD:		BHCT:	**84**	Final Pressure:	**1000**
TVD:		Time to BHCT:	**30**		

CHART