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Devon Energy Corporation 20 North Broadway Oklahoma City, Oklahoma 73102-8260

Hydrogen Sulfide (H₂S) Contingency Plan

For

KSI Federal 22 # 1H

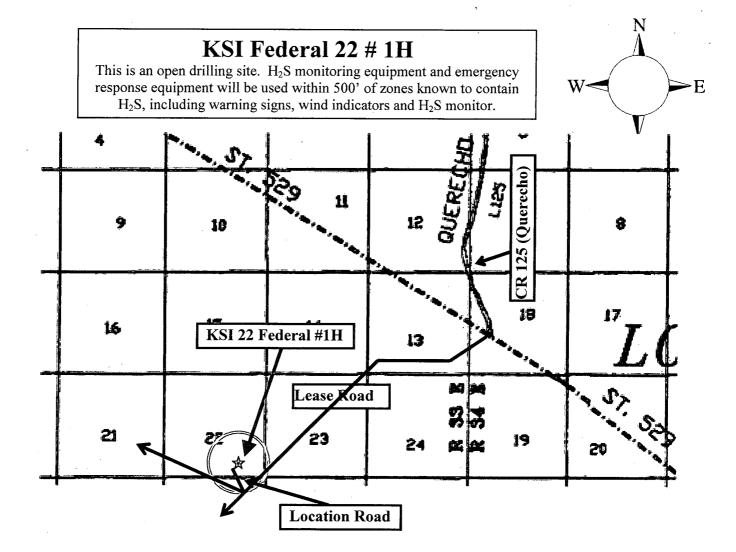
LAT. = 32°43'36.374"N (NAD83) LONG = 103°38.55.841"W 330'FSL & 1980' FEL, Sec-22, T-18S R-33E

Lea County NM

Bureau of Land Management RECEIVED

NOV 2 2 2010

Carlsbad Field Office Carlsbad N.M.



Assumed 100 ppm ROE = 3000' (Radius of Exposure)
100 ppm H2S concentration shall trigger activation of this plan.

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated Southeast on lease road for 1/4 mile. Crews should then block entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. Evacuation should continue if necessary on lease road northeast 1.8 miles, turn right and go east 1.0 mile, then turn northeast and go .45 mi to NM 529. There are no homes or buildings in or near the ROE.

Assumed 100 ppm ROE = 3000'
100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
 - Detection of H₂S, and
 - Measures for protection against the gas,
 - o Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Devon Energy Corp. Company Call List

Artesia (575)	Cellular	<u>Office</u>	Home
Foreman – Robert Bell Asst. Foreman – Tommy Pol			
Don Mayberry	748-5235	748-0164	746-4945
Montral Walker	390-5182	748-0193	936-414-6246
Engineer – Marcos Ortiz	(405) 317-0666	(405) 552-8152.	(405) 381-4350

Agency Call List

<u>Lea</u>	Hobbs	
County	State Police	392-5588
<u>(575)</u>	City Police	397-9265
	Sheriff's Office	393-2515
	Ambulance	911
	Fire Department	397-9308
	LEPC (Local Emergency Planning Committee)	393-2870
	NMOCD	
	US Bureau of Land Management	
Eddy	Carlsbad	
County	State Police	885-3137
<u>(575)</u>	City Police	
	Sheriff's Office	
	Ambulance	
	Fire Department	
	LEPC (Local Emergency Planning Committee)	
	US Bureau of Land Management	
	New Mexico Emergency Response Commission (Santa Fe).	
	24 HR	
	National Emergency Response Center (Washington, DC)	(800) 424-8802
	Emergency Services	
	Boots & Coots IWC1-800-256-96	588 or (281) 931-8884
	Cudd Pressure Control(915) 699-01	39 or (915) 563-3356
	Halliburton(575) 746-27	
	B. J. Services	
Give	Flight For Life - Lubbock, TX	(806) 743-9911
GPS	Aerocare - Lubbock, TX	
position:	Med Flight Air Amb - Albuquerque, NM	
-	T'C1A' NA 1C	

Lifeguard Air Med Svc. Albuquerque, NM(575) 272-3115

Prepared in conjunction with Dyke Browning



SURFACE USE PLAN

Devon Energy Production Company, LP

KSI 22 Federal 1H

Surface Location: 330' FSL & 1980' FEL, Unit O, Sec 22 T18S R33E, Lea, NM Bottom hole Location: 330' FNL & 1980' FEL, Unit B Sec 22 T18S R33E, Lea, NM

1. Existing Roads:

- a. The well site and elevation plat for the proposed well are reflected on the well site layout; Form C-102. The well was staked by Madron Surveying, Inc.
- b. All roads into the location are depicted on the surveyor plats.
- c. Directions to Location: From State Hwy 529 and CR # 125 (Querecho) and caliche lease road, go south on caliche road 0.45 miles, turn right on caliche road and go west 1.0 miles, bend left and go southwest 1.8 miles, turn right on caliche road and go northwest 0.25 miles and location in on the right (northeast) approximately 500'.
- d. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.
- e. If existing road is shared with other operators, Devon will share in its cost to maintain the road as required by the BLM.

2. New or Reconstructed Access Roads:

- a. The well site layout, Form C-102 shows approximately 293' of new access road will be constructed as follows:
- b. The maximum width of the road will be 14'. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- c. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location. The average grade will be approximately 2%.
- d. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells:

1 Mile Radius Plat shows all existing and proposed wells within a one-mile radius of the proposed location. See attached plat.

4. Location of Existing and/or Proposed Production Facilities:

- a. In the event the well is found productive, a tank battery will be utilized and the necessary production equipment will be installed at the well site. The tank battery would be located on the well site.
- b. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road.
- c. All flowlines will adhere to API standards.
- d. If the well is productive, rehabilitation plans are as follows:
 - i. A closed loop system will be utilized.
 - ii. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

5. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in the C-102. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

6. Construction Materials:

The caliche utilized for the drilling pad and proposed access road will be from minerals that are located onsite or will be used onsite. If minerals are not available onsite, then an established mineral pit will be used to build the location and stem road.

7. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed of in a closed loop system.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system. Water produced during completion will be put into a closed loop system. Oil and condensate produced will be put into a storage tank and sold.
- f. Disposal of fluids to be transported by the following companies:
 - i. American Production Service Inc, Odessa TX
 - ii. Gandy Corporation, Lovington NM
 - iii. I & W Inc, Loco Hill NM
 - iv. Jims Water Service of Co Inc, Denver CO
- **8.** Ancillary Facilities: No campsite or other facilities will be constructed as a result of this well.

9. Well Site Layout

- a. The rig layout diagram shows the proposed well site layout with dimensions of the pad layout.
- b. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- c. A closed loop system will be utilized.
- d. If a pit or closed loop system will be utilized, Devon will comply with the NMOCD requirements 19.15.17 and submit form C-144 CLEZ to the appropriate NMOCD District Office. An unapproved copy is provided within the APD.
- e. Topsoil Stockpiling:
 - i. Standard practice is topsoil will be pushed to the high side of location to prevent water from running across location to control erosion. If a cut out is done and there are two or three high sides, we will use those there.

10. Plans for Surface Reclamation Include Both Final & Interim:

- a. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and used for other drilling locations, repair existing roads, repair existing locations, etc. The road will be reclaimed as directed by the BLM. The original top soil will again be returned to the pad and contoured, as close as possible, to the original topography. We will use a closed loop system.
- b. The location and road will be rehabilitated as recommended by the BLM.
- c. If the well is deemed commercially productive, caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.
- d. All disturbed areas not needed for active support of production operations will undergo interim reclamation. The portions of the cleared well site not needed for operational and safety purposes will be recontoured to a final or intermediate contour that blends with the surrounding topography as much as possible. Topsoil will be respread over areas not needed for all-weather operations.

11. Surface Ownership

- a. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is multiple use with the primary uses of the region for the grazing of livestock and the production of oil and gas.
- b. The proposed road routes and the surface location will be restored as directed by the BLM.

12. Other Information:

- a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sagebush, yucca and miscellaneous weeds. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
- b. There is no permanent or live water in the general proximity of the location.
- c. There are no dwellings within 1 miles of location.
- d. A Cultural Resources Examination will be completed by Southern New Mexico Archaeological Services, Inc. and forwarded to the BLM office in Carlsbad, New Mexico.

13. Bond Coverage:

Bond Coverage is Nationwide; Bond # is CO-1104

Operators Representative:

The Devon Energy Production Company, L.P. representatives responsible for ensuring compliance of the surface use plan are listed below.

Ron Hays Operations Engineer

Devon Energy Production Company, L.P. 20 North Broadway, Suite 1500 Oklahoma City, OK 73102-8260

(405) 552-8150 (office) (405) 464-4214 (cell)

Don Mayberry Superintendent

Devon Energy Production Company, L.P. Post Office Box 250 Artesia, NM 88211-0250

(505) 748-0164 (office) (505) 748-5235 (cell)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road proposed herein; that I am familiar with the conditions that presently 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 Devon Energy Production Company, L.P. 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.

I hereby also certify that I, or Devon Energy Production Company, L.P. have made a good faith effort to provide the surface owner with a copy of the Surface Use Plan of Operations and any Conditions of Approval that are attached to the APD.

Executed this 15th day of October, 2010.

Printed Name: Spence Laird

Signed Name:
Position Title: Regulatory Analyst

Address: 20 North Broadway, OKC OK 73102

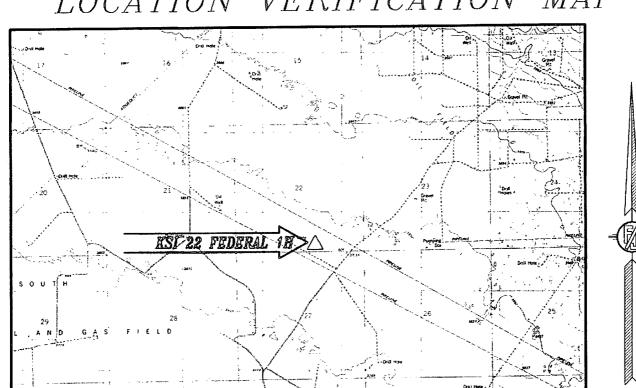
Telephone: (405)-228-8973

Field Representative (if not above signatory): Don Mayberry (see above)

Address (if different from above): Telephone (if different from above):

E-mail (optional):

SECTION 22, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO LOCATION VERIFICATION MAP



CONTOUR INTERVAL: LAGUNA GATUNA

DIRECTIONS TO LOCATION

FROM STATE HWY. 529 AND CR. #125
(QUERECHO) AND CALICHE LEASE ROAD, GO
SOUTH ON CALICHE ROAD 0.45 MILES, TURN
RIGHT ON CALICHE ROAD AND GO WEST 1.0
MILES, BEND LEFT AND GO SOUTHWEST 1.8
MILES, TURN RIGHT ON CALICHE ROAD AND GO
NORTHWEST 0.25 MILES AND LOCATION IN ON
THE RIGHT (NORTHEAST) APROX. 500'

SEC22	_ TWP	18-S	RGE.	33-E
SURVEY_	N.M.P.M.			
COUNTY_	LEA	ST	ATE_NE	W MEXICO
DESCRIPTA	ION33	o' FSL	<u>& 1980</u>	FEL
ELEVATION	/	38	36.0'	
OPERATOR	DEVON ENE	RGY PRO	DUCTION	COMPANY, LP
LEASE	KSI			

DEVON ENERCY PRODUCTION COMPANY, L.P.

KSI 22 FEDERAL 1H

LOCATED 330 FT. FROM THE SOUTH LINE

AND 1980 FT. FROM THE EAST LINE OF

SECTION 22, TOWNSHIP 18 SOUTH,

RANGE 33 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

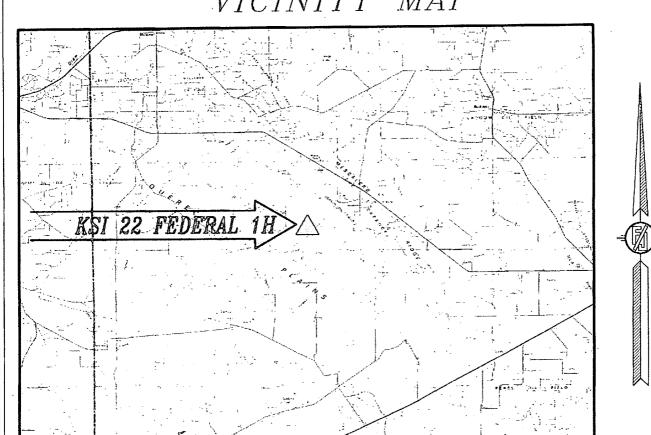
NOT TO SCALE

JULY 2, 2010

SURVEY NO. 143
MADRON SURVEYING, INC. SOI SOIDH CANAL CARLSBAD, NEW MEXICO

SECTION 22, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

VICINITY MAP



DIRECTIONS TO LOCATION

NOT TO SCALE

FROM STATE HWY. 529 AND CR. #125
(QUERECHO) AND CALICHE LEASE ROAD, GO
SOUTH ON CALICHE ROAD 0.45 MILES, TURN
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MILES, BEND LEFT AND GO SOUTHWEST 1.8
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SEC22	TWP	18-S RG	E. <u>33-E</u>
SURVEY_	N.M.P.M.		
COUNTY_	LEA	STATE.	NEW MEXICO
DESCRIPT	TION330	D' FSL & 19	80' FEL
ELEVATIO	N	3836.0'	
OPERATO!	OEVON ENE	RGY PRODUCTION	ON COMPANY, LP
IFASE	KSI		

DEVON ENERGY PRODUCTION COMPANY, L.P.

KSI 22 FEDERAL 1H

LOCATED 330 FT. FROM THE SOUTH LINE

AND 1980 FT. FROM THE EAST LINE OF

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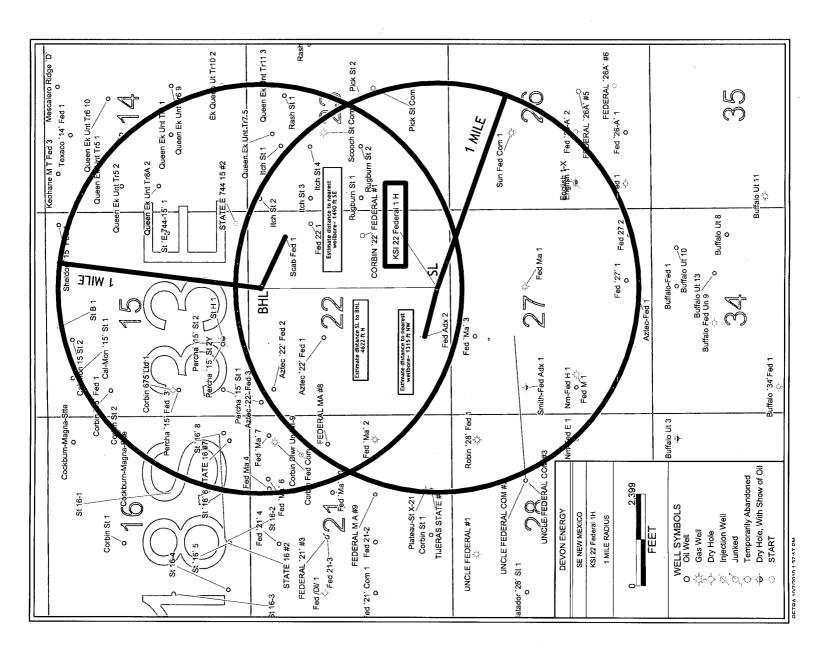
RANGE 33 EAST, N.M.P.M.

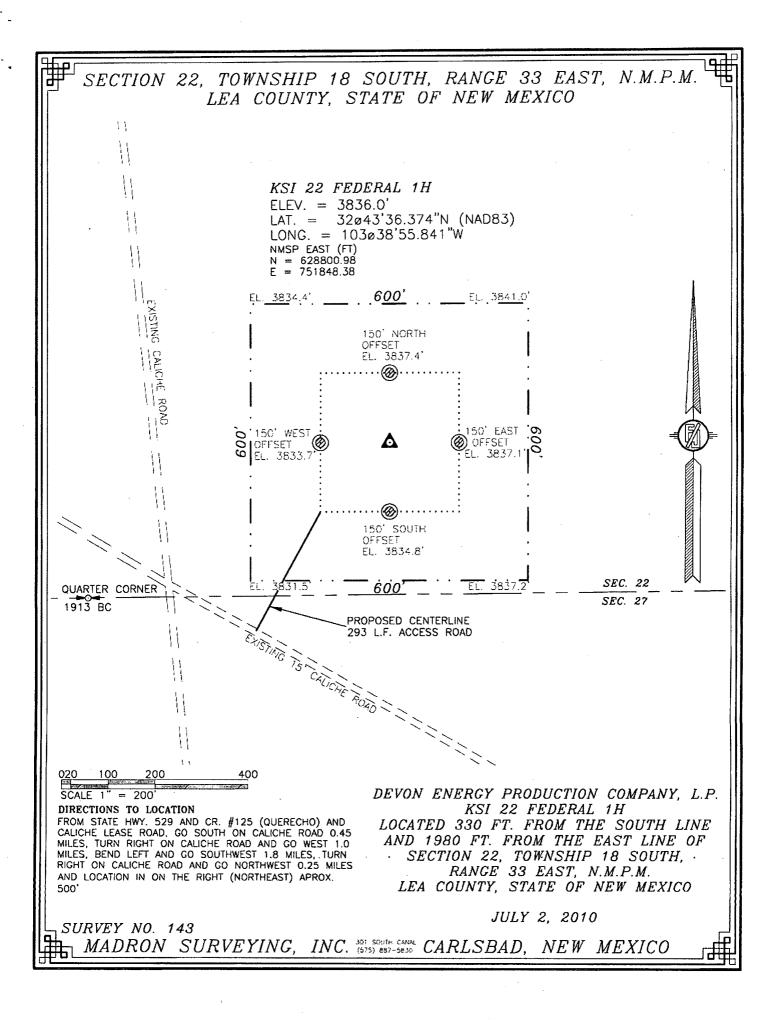
LEA COUNTY, STATE OF NEW MEXICO

JULY 2, 2010

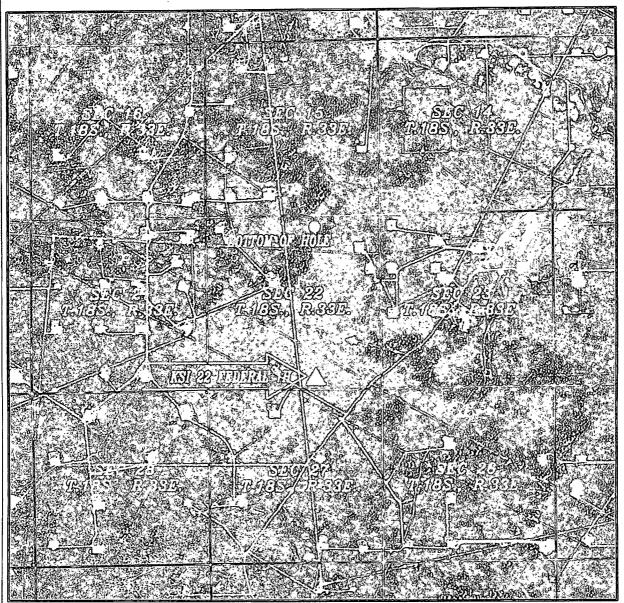
SURVEY NO. 143

MADRON SURVEYING, INC. 331 SOUTH CANAL CARLSBAD, NEW MEXICO





SECTION 22, TOWNSHIP 18 SOUTH, RANGE 33 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO AERIAL PHOTO



NOT TO SCALE AERIAL PHOTO: GOOGLE EARTH USDA - AUG, 2009

DEVON ENERGY PRODUCTION COMPANY, L.P.

KSI 22 FEDERAL 1H

LOCATED 330 FT. FROM THE SOUTH LINE

AND 1980 FT. FROM THE EAST LINE OF

SECTION 22, TOWNSHIP 18 SOUTH,

RANGE 33 EAST, N.M.P.M.

LEA COUNTY, STATE OF NEW MEXICO

JULY 2, 2010

SURVEY NO. 143

MADRON SURVEYING, INC. 501 SOUTH CANAL CARLSBAD, NEW MEXICO