~			CD Hobbs		13		11-46
Form 3160 - 3 (February 2005)			ECEIVE	D	OMB N	APPROVE D. 1004-013 March 31,	37
	UNITED STATE DEPARTMENT OF THE BUREAU OF LAND MAN	INTERIOR.	EB 23 2011 DBBSOCD		5. Lease Serial No. 5HL-NMNM-9419	·····	HL-NM12517
APPLIC	ATION FOR PERMIT TO				6. If Indian, Allotee	or Tribe	Name
la. Type of work: 🚺 DR		ER			7. If Unit or CA Agre	eement, N	ame and No.
lb. Type of Well: 🚺 Oil	Well Gas Well Other	<b>√</b> Sin	gle Zone Multip	ole Zone	8. Lease Name and West Shinner		<b>く3850</b> 1/ eral Com 生き
	n Energy Production Co., LP	<u> </u>	0137		9. API Well No.		
3a. Address 20 North Broa OKC, OK 731			(include ayea code) 36-3511		10. Field and Pool, or —Querecho Pl	7/	
At surface S	ncation clearly and in accordance with a ENE 1980' FNL & 330' FEL Un	nit H	ents.*)	·	11. Sec., T. R. M. or E Sec 15 T185 F		irvey or Area
14. Distance in miles and directi	WNW 1980' FNL & 330' FWL	Unit E			12. County or Parish		13. State
15. Distance from proposed* location to nearest	southeast of Maljamar, NM. 330'	16. No. of a	cres in lease	17. Spacin	Lea ng Unit dedicated to this	well	NM
property or lease line, ft: (Also to nearest drig. unit li 18. Distance from proposed loca		1041.	.180 ac	160 a	eres BIA Bond No. on file		
to nearest well, drilling, com applied for, on this lease, ft.	pleted, See attached map		57' MD 13602'		CO-1104		
21. Elevations (Show whether 3805' GL	DF, KDB, RT, GL, etc.)	22. Approxir	nate date work will sta 05/01/2011	rt*	23. Estimated duration 45 days	on	
		24. Attac			· · ·		. <u></u> .
<ol> <li>Well plat certified by a regist</li> <li>A Drilling Plan.</li> <li>A Surface Use Plan (if the</li> </ol>	ordance with the requirements of Onsh ered surveyor. location is on National Forest Systen appropriate Forest Service Office).		<ul> <li>4. Bond to cover the state of the s</li></ul>	he operatio	ns torm: ons unless covered by an cormation and/or plans a	0	,
25. Signature	e hip		(Printed/Typed) Spence Laird		· ·	Date 10	/06/2010
Regulatory An	•	Name	(Printed/Typed)			Date	FEB 1 8 2011
/s	James Stovall	Office					
FIELD M	ANAGER varrant or certify that the applicant ho		CARLSB		bjectlease which would	CE .	e applicant to
Conditions of approval, if any, a	are attached. Title 43 U.S.C. Section 1212, make it a idulent statements or representations a	crime for any pe	erson knowingly and w		PPROVAL FC nake to any department		
STARS ANY TAISE, NEUROUS OF ITAL	inducent statements of representations a	s to any maner w	multing purisarchon.				

SEE ATTACHED FOR CONDITIONS OF APPROVAL

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Capitan Controlled Water Basin

**APPROVAL SUBJECT TO GENERAL REQUIREMENTS** AND SPECIAL STIPULATIONS ATTACHED

<u>District I</u> 1625 N. French Dr <u>District II</u> 1301 W. Grand Av <u>District III</u> 1000 Rio Brazos Ru <u>District IV</u> 1220 S. St. Francis	đ., Aztec, Ni	NFEB 23	2011 OCD	12	erals & Na ONSERV 220 South Santa Fe	New Mexico atural Resources Depa ATION DIVISIO St. Francis Dr. NM 87505 ACREAGE DEDIO		Revised Submit one Dis	copy to strict Of	r 15,2009 appropriate
30-0	API Numbe			<sup>2</sup> Pool Code 5350	2	Young	' Pool N		NG	North
<sup>+</sup> Property (		0000			<sup>\$</sup> Proj	perty Name RY "15" FED. COlv	1		6	Well Number 3H
<sup>7</sup> OGRID 6137			DEV	ON ENEI	•	rator Name DUCTION COMPA	NY, L.P.			<sup>9</sup> Elevation 3805.3
L					<sup>10</sup> Surfa	ace Location				
LiL or lot no.	Section	Township	Range	Lot Idn	Feet from t	the North/South line	Feet from the	East/We	est line	County
н	15	18 S	32 E		1980	NORTH	330	EA	ST	LEA
L	<b>.</b>	•	"Bo	ttom Ho	le Locatio	on If Different From	m Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from t		Feet from the	East/W	est line	County
Е	15	18 S	32 E		1980	NORTH	330	WE	ST	LEA
<sup>12</sup> Dedicated Acres 160	s <sup>13</sup> Joint o	or Infill <sup>14</sup> C	onsolidation	Code <sup>15</sup> Oi	rder No.					

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



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### DRILLING PROGRAM

### Devon Energy Production Company, LP West Shinnery 15 Federal Com 3H

Surface Location: 1980' FNL & 330' FEL, Unit H, Sec 15 T18S R32E, Lea, NM Bottom hole Location: 400' FNL & 990' FWL, Unit D, Sec 15 T18S R32E, Lea, NM

### 1. Geologic Name of Surface Formation

a. Permian

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

a.	Base Salado	2760'	Water
b.	Yates	2810'	Oil
c.	Queen	3910'	Oil
d.	Greysburg	4390'	Oil
e.	Delaware	4880'	Oil
f.	Bone Spring	6760'	Oil
g.	1 <sup>st</sup> Bone Spring SD	8300'	Oil
h.	2 <sup>nd</sup> Bone Spring SD	8980'	Oil
i.	2 <sup>nd</sup> Bone Spring Lower SD	9077'	Oil
j.	2 <sup>nd</sup> Bone Spring Lime (Target)	9200'	Oil
k.	Pilot Hole TD	9400'	Oil

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at  $1350^{\circ}$  and circulating cement back to surface. The fresh water sands will be protected by setting 9 5/8" casing at 4900' and circulating cement to surface. The Bone Spring intervals will be isolated by setting 5 ½" casing to total depth and circulating cement above the base of the 9 5/8" casing. All casing is new and API approved.

3. Cas	ing Program:	Seelo	A·				
<u>Hole Siz</u>	<u>e Hole</u>	<u>OD (</u>	Csg	Casing	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
	Interva	<u>l</u> /	]	[nterval ]	. 5		
17 1/2"	, 0'- <del>13(</del>	0- 1265 133	/8"	0'-1350'1265	54 <b>A</b> #	STC	J-55
12 1/4"	1265-13500-4	900' 9 5/	/8" () da	<del>350</del> '-4900'	40#	BTC	N-80
8 <sup>3</sup> /4"	4900' - 9	400'	-	(Pilot H	ole)		
8 <sup>3</sup> /4"	0' -860	0' 5 <sup>1</sup> /	2"	0-8600'	17#	LTC	P-110
8 <sup>3</sup> / <sub>4</sub> "	8600'- <del>-13</del>	$000^2$ , 5 <sup>1</sup> /	2" 86	500'- <del>13000'</del>	17#	BTC	P-110
	13	602		13602'			
Desig	n Parameter F	'actors:					
	Casing Size	Collapse De	<u>sign Factor</u>	Burst Design	Factor	<b>Tension Desi</b>	i <u>gn Factor</u>
-	13 3/8"	1.7	79	4.32		6.9	9
	9 5/8"	1.2	23	2.30		5.0	9
	5 1/2"	1.2	23	1.74		2.0	1

### 4. Cement Program:

**Cementing Program for the Pilot Hole**: 520 sacks Class H, 18 ppg with a .9 cuft yield.

### All Cement Volumes exceed 25% excess

13 3/8" Surface:	Lead: 915 sacks (40:60) Poz (Fly Ash):Premium Plus C Cement + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite + 5% bwow Sodium Chloride + 0.8% bwoc Sodium Metasilicate + 5% bwoc MPA-5 + 101.1% Fresh Water Yield: 1.83 cf/sack. TOC @ surface.
	<b>Tail</b> : 300 sacks Premium Plus C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water <b>Yield:</b> 1.35 cf/sack.
9 5/8" Intermediate:	Lead: 1405 sacks (40:60) Poz (Fly Ash):Premium Plus C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 6% bwoc Bentonite + 107.8% Fresh Water Yield: 1.73 cf/sack. TOC @ surface.
	<b>Tail</b> : 300 sacks (40:60) C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.4% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 64.7% Water <b>Yield</b> : 1.35 cf/sack.
5 1/2" Production	<u>1 St Stage</u>
	Lead: 655 sacks 35:65 Poz Class C + 0.2% bwoc Sodium Metasilicate + 1.4% bwoc FL-62 + 0.4% Yield: 2.00 cf/sack.
	Tail: 1135 sacks 50:50 Poz Class C Yield:1.28 cf/sack
DV	rooL at ~6000'
	2nd Stage
• • •	Lead: 190 sacks Poz Class C Cement + 0.125 lbs/sack Cello Flake + 3 6% bwoc Bentonite + 0.4% bwoc FL-52A + 99.3% Fresh Water Yield: 2.89 cf/sk

Tail: 150 sacks (60:40) Poz Class C Cement + 1% bwow Sodium Chloride + 0.15% bwoc + 63.2% Fresh Water Yield: 1.35 cf/sk

### TOC for All Strings:

Surface:	0'
Intermediate:	0'
Production	2800

The above cement volumes could be revised pending the caliper measurement from the open hole logs. Actual cement volumes will be adjusted based on fluid caliper and caliper log data.

### 5. Pressure Control Equipment:

BOP DESIGN: The 13 3/8" casing will have a 3,000# (Hydril) annular preventer which will be tested to 2000#. The blow out prevention system for the 9 5/8" casing will consist of a bag type (Hydril) preventer, a double ram preventer stack, and a rotating head. Both the Hydril and ram stack will be hydraulically operated. The 9 5/8" BOP system will be rated at 5,000psi. Prior to drilling out the 9 5/8" intermediate shoe, the ram stack will be nippled up with 4.5" pipe rams installed. The Hydril will be tested to 1000psi (high) and 250psi (low). Tests on the 5000psi BOP will be conducted per the BLM Drilling Operations Order #2. All testing will be performed by independent testers, not the rig pumps.

The ram system 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 hydril, other BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 5000 psi WP.

### 6. Proposed Mud Circulation System

	, Mud Wt.	Visc	Fluid Loss	<b>Type System</b>
,0'- <del>1350</del> " 1265	8.4-9.0	32-34	NC	Fresh Water
1265 1350°-4900'	10.0	28-30	NC	Brine
4900'- <del>13000"</del> ,	8.6-9.2	28	NC-12	Fresh Water/Brine
13602				

The necessary mud products for weight addition and fluid loss control will be on location at all times.

### 7. Auxiliary Well Control and Monitoring Equipment:

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

### 8. Logging, Coring, and Testing Program: See LOA

- a. Drill stem tests will be based on geological sample shows.
- b. If a drill stem test is anticipated; a procedure, equipment to be used and safety measures will be provided via sundry notice to the BLM.
- c. The open hole electrical logging program will be:
  - i. Total Depth to Intermediate Casing Dual Laterolog-Micro Laterolog with SP and Gamma Ray. Compensated Neutron Z Density log with Gamma Ray and Caliper.

Compensated Neutron with Gamma Ray

- ii. Total Depth to Surface
- iii. No coring program is planned
- iv. Additional testing will be initiated subsequent to setting the 5 <sup>1</sup>/<sub>2</sub>" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

### 9. Potential Hazards:

a. No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area; therefore, no H2S is anticipated to be encountered. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 3900 psi and Estimated BHT 170°.

### 10. Anticipated Starting Date and Duration of Operations:

a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.



# devon

## **Devon Energy**

Lea Co., New Mexico (Nad 83) West Shinnery 15 Fed #3H West Shinnery 15 Fed #3H

Lateral #1

### RECEIVED

FEB 2 3 2011 HOBBSOCD

Plan: Design #1

# **Standard Survey Report**

06 October, 2010

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**CUDD Drilling & Measurement Services** 



### Survey Report



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The Succession of the			• •					ite West Shinne	ny 15 Eed #3H	
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te:	West Shinnery	15 Fed #3H	1		MD Referer		1	-	Oft (Original Well	Liev)
ell:	West Shinnery	15 Fed #3H	4		North Refe			Grid Gining Constant		
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### **CUDD Drilling & Measurement Services**



#### Survey Report



UEV			المراجع المراجع المراجع المراجع
Company:	Devon Energy	Local Co-ordinate Reference:	Site West Shinnery 15 Fed #3H
Project:	Lea Co., New Mexico (Nad 83)	TVD Reference:	WELL @ 3825.00ft (Original Well Elev)
Site:	West Shinnery 15 Fed #3H	MD Reference:	WELL @ 3825.00ft (Original Well Elev)
Well:	West Shinnery 15 Fed #3H	North Reference:	Grid
Wellbore:	Lateral #1	Survey Calculation Method:	Minimum Curvature
Design:	Design #1	Database:	EDM 2003.21 Single User Db

Azimuth (°) 0 0.00	Vertical Depth (ft)	+N/-S (ft)	+E/-W	Vertical Section	Dogleg	Build	Turn
0.00		<b>1</b> -7	(ft)	(ft)	Rate (°/100ft)	Rate (°/100ft)	Rate (°/100ft)
0.00	6,760.00	0.00	0.00	0.00	0.00	0.00	0.00
0 0.00	8,300.00	0.00	0.00	0.00	0.00	0.00	0.00
0 0.00	8,654.95	0.00	0.00	0.00	0.00	0.00	0.00
5 269.84	8,978.26	-0.29	-99.93	99.93	10.00	10.00	0.00
8 269.84	9,073.82	-0.52	-182.03	182.03	10.00	10.00	0.00
0 269.84	9,227.82	-1.67	-582.95	582.96	10.00	10.00	0.00
69.84* 0 269.84	9,157.35	-13.24	-4,620.32	4,620.34	0.00	0.00	0.00
69	9.84*	9.84*	9.84*	.84*	9.84*	9.84*	9.84* 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.

Design Targets								n (en annan Milanin av Pilli A Wildow Alero Alero adorragi	ەەمەر مەلەمەت بىدەمولومارى، مەلەرلىق
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL - TD (WS15F#3H) - plan hits target cen - Point		0.00	9,157.35	-13.24	-4,620.32	636,799.70	717,074.98	32° 44' 57.464 N	103° 45' 42.203 W

Measured Vertical Depth Depth	Depth			Dip	. (0)		
(ft)	(ft)	Name	Lithology	(°)	(°)		
2,760.00	2,760.00	Base Salt		-1.00	270.00		
2,810.00	2,810.00	Yates SS		-1.00	270.00		
3,910.00	3,910.00	Queen SS		-1.00	270.00		
4,390.00	4,390.00	Greyburg		-1.00	270.00		
4,880.00	4,880.00	Delaware		-1.00	270.00		
6,760.00	6,760.00	Bone Spring		-1.00	270.00		
8,300.00	8,300.00	1st BS Sd		-1.00	270.00		
8,998.47	8,980.00	2nd BS Sd		-1.00	270.00		
9,124.71	9.077.00	2nd BS Lwr Sd		-1.00	270.00		

Plan	Annotations	nan an	den vir ander ennersen en den en der den der der der einen der	and the second			44° 14° 14° 14° 14° 14° 14° 14° 14° 14°	
	Measured	Vertical	Local Coor	dinates	· · · · ·		· · ·	
1.11	Depth	Depth	+N/-S	+E/-W	• \$			
	(ft)	(ft)	(ft)	(ft)	Comment	, 8		
	8,654.95 8,654.95 9,564.95 9,227.82		0.00	0.00	0 KOP - Build 10*/100'			
			-1.67	-582.95	EOC - Hold I:91.0* (	@ A:269.84*		

Checked By:
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Approved By:

Date:

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COMPASS 2003.21 Build 46 10/06/10 2:38:16PM Page 3 · · · <del>·</del> · -----------. \_ . . ... • --\_ : = 1. 1. 1

# Conventional Rig Location Layout







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### Attachment to Exhibit #1 NOTES REGARDING BLOWOUT PREVENTERS Devon Energy Production Company, LP West Shinnery 15 Federal Com 3H

Surface Location: 1980' FNL & 330' FEL, Unit H, Sec 15 T18S R32E, Lea, NM Bottom hole Location: 400' FNL & 990' FWL, Unit D, Sec 15 T18S R32E, Lea, NM

- 1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
- 2. Wear ring will be properly installed in head.
- 3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 5000 psi working pressure.
- 4. All fittings will be flanged.
- 5. A full bore safety valve tested to a minimum 5000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
- 6. All choke lines will be anchored to prevent movement.

- 7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
- 8. Will maintain a kelly cock attached to the kelly.
- 9. Hand wheels and wrenches will be properly installed and tested for safe operation.
- 10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
- 11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

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# 11" x 5,000 psi BOP Stack



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Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

Per BLM: The Operator is to supply an accurate choke manifold schematic and not the general example from Onshore Order #2