

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Oil Cons.
N.M. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form approved
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a TYPE OF WORK: ☒ DRILL ☐ REENTER

b. TYPE OF WELL: ☒ OIL WELL ☐ GAS WELL ☐ Other ☐ SINGLE ZONE ☐ MULTIPLE ZONE

2. NAME OF OPERATOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

3a. ADDRESS AND TELEPHONE NO.

20 NORTH BROADWAY, SUITE 1500, OKC, OK 73102

3b. TELEPHONE (Include area code).

(405) 235-3611

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1980 FNL & 1980 FEL

At top proposed prod. zone 1980 FNL & 1980 FEL

R-111-POTASH

14.DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

21 MILES EAST OF LOVING

RECEIVED

15.DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT. 660'

(Also to nearest drl. unit line if any)

18.DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT. NA

21.ELEVATIONS (Show whether DF, RT, GR, etc.)

3490'

16.NO. OF ACRES IN LEASE

800.00

JAN 25 2004

19.PROPOSED DEPTH

8600

OCD-ARTESIA

22. APPROX. DATE WORK WILL START*

10/1/03

17.Spacing Unit dedicated to this well

40

20.BLM/BIA Bond No. on file

CO1104

23. Estimated duration

45 DAYS

5.LEASE DESIGNATION AND SERIAL NO.

NMNM533177A

NM0533177A

6.IF INDIAN, ALLOTTEE OR TRIBE NAME

7.UNIT AGREEMENT NAME

8.FARM OR LEASE NAME, WELL NO.

TODD 14 G FEDERAL #7

9.API WELL NO.

30-015-33213

10.FIELD AND POOL, OR WILDCAT

INGLE WELLS DELAWARE

11.SEC.,T.,R.,M.,OR BLOCK AND SURVEY OR AREA

UNIT G, SEC 14 T23S R31E

12. COUNTY OR PARISH

EDDY

13. STATE

NM

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

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 shall 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 required by the authorized officer.

CARLSBAD CONTROLLED WATER BASIN

Drilling Program

Surface Use and Operating Plan

Exhibit #1 = Blowout Prevention Equipment

Exhibit #2 = Location and Elevation Plat

Exhibit #3 = Road Map and Topo Map

Exhibit #4 = Wells Within 1 Mile Radius

Exhibit #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design


H₂S Operating Plan

Archeological clearance report

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described above

Bond Coverage: Nationwide
BLM Bond #: CO-1104

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

25. Signature 	Name (Printed/Typed) KAREN COTTOM	Date 7/21/03
Title OPERATIONS TECHNICIAN		
Approved by (signature) /s/ Jesse J. Juen	Name (Printed/Typed) /s/ Jesse J. Juen	Date 22 JAN 2004
Title STATE DIRECTOR		
Office NM STATE OFFICE		

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.

APPROVAL FOR 1 YEAR

Section 1001, makes 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 representations as to any matter within its jurisdiction

(reverse)

DRILLING PROGRAM

Attached to Form 3160-3

Devon Energy Production Company, LP

TODD 14 G FEDERAL 7

(G) 1980' FNL & 1980' FEL, Section 14, T-23-S, R-31-E

Eddy County, New Mexico

1. Geologic Name of Surface Formation

Alluvium

2. Estimated Tops of Important Geologic Markers

Rustler	800'
Top of Salt	1,100'
Base of Salt	3,900'
Bell Canyon	4,400'
Cherry Canyon	5,600'
Brushy Canyon	7,000'
Bone Spring Lime	8,300'
Total Depth	8600'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas

The estimated depths at which water, oil and gas will be encountered are as follows.

Upper Permian Sands	above 800'	fresh water
Delaware (Bell Canyon)	4,400'	oil
Delaware (Cherry Canyon)	6,000'	oil
Delaware (Brushy Canyon)	7,000'	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 850' and circulating cement back to surface. The Potash and Salt intervals will be protected by setting 8 5/8" casing at 4350' and circulating cement to surface. The Delaware intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 8 5/8" casing.

TODD 14 G FEDERAL #7**DRILLING PLAN**

PAGE 2

4. Casing Program

<u>INTERVALS</u>	<u>LENGTH</u>	<u>CASING</u>	
<u>Surface</u> 0 – 850'	850'	13 3/8" 48# H-40 STC	WITNESS
<u>Intermediate</u> 0 – 4350'	4350'	8 5/8" 32# J-55 STC	
<u>Production</u> 0 – 8600'	8600'	5 1/2", 15.5 & 17# J-55 LTC	

Cementing Program

<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CEMENT</u>	<u>TOC</u>	<u>WOC HRS</u>
<u>Surface</u> 17 1/2"	850'	Lead: 500 sx Poz 35:65 Class C, w/6%gel + 2% CaCl + 1/4 lb/sx Cellophane flakes Tail: 200 sx Class C w/2% CaCl + 1/4lb/sx Cellophane Flakes	Surf.	24
<u>Intermediate</u> 11"	4350'	Lead: 800 sx Poz 35:65 Class C 6% gel, 15 % salt + 1/4 lb/sx Cellophane flakes Tail: 200 sx Class C w/2% CaCl + 1/4lb/sx Cellophane Flakes	Surf.	24
<u>Production</u> 7 7/8"	8600'	Lead: 325 sx Silica Lite Class H + 3% salt 0.6% Fl additive + 1/4 lb/sx Cellophane flakes Tail: 400 sx Class H + 4% gel + 5% salt, 1/4lb sx cellophane flakes	4000'	24

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach 450'+ above the 8 5/8" casing seat @ 4350'.

TODD 14 G FEDERAL #7

DRILLING PLAN

PAGE 3

5. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (2000 psi WP) preventer and a bag-type (Hydril) preventer (2000 psi WP). Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and 5 1/2" drill pipe rams on bottom. Both BOP's will be installed on the 13 3/8" surface casing and utilized continuously until total depth is reached. As per BLM Drilling Operations Order #2, prior to drilling out the 8 5/8" casing shoe, the BOP's and Hydril will be function tested.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drillers log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a kelly cock, floor safety valve, choke lines and choke manifold having 3000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System

The well will be drilled to total depth brine with starch mud systems. Depths of systems are as follows.

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (1/sec)</u>	<u>Water Loss (cc)</u>
0' – 850'	Fresh Water	8.8	34-36	No control
850' – 4350'	Brine Water	10.0	28	No control
4350' – TD	Fresh Water	8.8	32-36	10-20

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 (Compliance Package) will be in operations when drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented.

TODD 14 G FEDERAL #7

DRILLING PLAN

PAGE 4

8. Logging, Testing and Coring Program

- A. Drill stem tests may be run on potential pay interval.
- B. The open hole electrical logging program will be as follows.
 - 1) TD to intermediate casing; Induction/ Gamma Ray/ Neutron/ Density Log.
 - 2) TD to surface: Neutron with Gamma Ray.
- C. No coring program is planned.
- D. Additional testing will be initiated subsequent to setting the 5 1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Abnormal Pressures, Temperatures and Potential Hazards

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 130 degrees and maximum bottom hole pressure is 2900 psi. No Hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations

Road and location preparation will not be undertaken until approval has been received from the BLM. If approved, this well will be drilled as part of a development project. The anticipated spud date for the project is in October 2003. The drilling operation should require approximately 45 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether permanent production facilities will be constructed.

SURFACE USE AND OPERATING PLAN

Attached to Form 3160-3

TODD 14 G FEDERAL #7

(G) 1980' FNL & 1980' FEL, Section 14, T-23-S, R-31-E

Eddy County, New Mexico

1. Existing Roads

- A. The well site and elevation plat for the proposed **TODD 14 G FEDERAL #7** are reflected on Exhibit #2. This well was staked by Basin Surveys in Hobbs, NM.
- B. All roads into the location are depicted in Exhibit #3. New construction from the existing lease road will be used to access the location. New construction will conform to the specifications outlined in Item #2 below.
- C. Directions to location: from the junction of State Hwy 128 and Co Rd 798 (Red Road), go North on 798 for 3.6 miles to a lease road left; thence West on lease road for 0.4 mile to proposed lease road right. Go .1 mile to location.

2. Proposed Access Road

Exhibit #3 shows the existing lease road. Access to this location will require the construction of about 500' of proposed access road. All new construction will adhere to the following.

- A. The maximum width of the road will be 15'. 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.
- B. 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 1%.
- C. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

TODD 14 G FEDERAL #7
SURFACE USE AND OPERATING PLAN
PAGE 2

3. Location of Existing Wells

Exhibit #4 shows all existing wells within a one-mile radius of the proposed Todd 14 G Federal #7

4. Location of Existing and/or Proposed Facilities

A. In the event the well is found productive, a tank battery would be constructed and the necessary production equipment will be installed at the well site.

1) 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. *W/ Prior Sundry Notice Approval TSO*

2) The tank battery, all connections and all lines will adhere to API standards.

B. If the well is productive, rehabilitation plans are as follows.

1) The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).

2) The original topsoil from the well site will be returned to the location. The drill site will then be contoured to the original natural state.

5. Location and Type of Water Supply

The Todd 14 G Federal #7 will be drilled using a combination of brine and fresh water mud systems (outlined in Drilling Program). The water will be obtained from commercial sources and will be transported over the existing and proposed roads. No water well will be drilled on the location.

TODD 14 G FEDERAL #7
SURFACE USE AND OPERATING PLAN
PAGE 3

6. Source of Construction Materials

All caliche utilized for the drilling pad and proposed access road will be obtained from an existing BLM approved pit. All roads will be constructed of 6" rolled and compacted caliche.

7. Methods of Handling Water Disposal

- A. Drill cuttings will be disposed into the reserve pit.
- B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain excess drilling fluid or fluid from the well during drilling, cementing and completion operations. The reserve pit will be an earthen pit roughly 125' x 125' x 6', or smaller, in size.
- C. The reserve pit will be fenced on three sides throughout drilling operations and will be totally isolated upon removal of the rotary rig. The pit will be lined using a 5-7 mil plastic to minimize loss of drilling fluids and saturation of the ground with brine water used during drilling.
- D. Water produced from the well during completion operations will be disposed into a steel tank or reserve pit, if volumes prove excessive. After placing the well on production through the production facilities, all water will be collected in tanks. Produced oil will be separated into steel stock tanks until sold.
- E. A portable chemical toilet will be available on the location for human waste during the drilling operations.
- F. Garbage, trash and waste paper produced during drilling operations will be collected in a contained trailer and disposed at an approved landfill. All waste material will be contained to prevent scattering by the wind. All water, fluids, salt or other chemicals will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be generated by this operation.
- G. All waste material will be removed within 30 days after the well is either completed or abandoned. The reserve pit will be completely fenced until it has dried. At the point the reserve pit is found sufficiently dry, it will be backfilled and reclaimed as per BLM specifications. Only the portion of the drilling pad used by the production equipment (pumping unit and tank battery) will remain in use. If the well is deemed non-commercial only a dry hole marker will remain.

TODD 14 G FEDERAL #7
SURFACE USE AND OPERATING PLAN
PAGE 4

8. Ancillary Facilities

No permanent campsite or other facilities will be constructed as a result of this well.

9. Well Site Layout

- A. The drilling pad is shown on Exhibit #5. The pad, pits and general location of the rig equipment are displayed. Top soil will be stored adjacent to the pad until reclamation efforts are undertaken. Only modest cuts will be necessary to build the pad which will be covered with 6" of compacted caliche.
- B. No permanent living facilities are planned, but temporary trailers for the tool pusher, drilling foreman and mud logger may be on location throughout drilling operations.
- C. The reserve pit will be lined using plastic sheeting of 5-7 mil thickness.

10. Plans for Restoration of Surface

- A. The original top soil will be returned to the pad and contoured, as close as possible, to the original topography.
- B. The pit lining will be buried or hauled away in order to return the location and road to their pristine nature. All pits will be filled and location leveled, weather permitting, within 120 days after abandonment.
- C. The location and road will be rehabilitated as recommended by the BLM.
- D. The reserve pit will be fenced on three sides throughout drilling operations. After the rotary rig is removed, the reserve pit will be fenced on the fourth side to preclude endangering wildlife. The fencing will be in place until the pit is reclaimed.

TODD 14 G FEDERAL #7
SURFACE USE AND OPERATING PLAN
PAGE 5

- E. If the well is deemed commercially productive, the reserve pit will be restored as described in 10 (A) within 120 days subsequent to the completion date. The original top soil will be returned to the area of the drilling pad not necessary to operate the well. These unused areas of the drilling pad will be contoured, as close as possible, to match the original topography.

11. Surface Ownership

The well site is owned by the Bureau of Land Management.

Road routes have been approved by the BLM.

The surface location will be restored as directed by the BLM.

12. Other Information

- A. The area surrounding the well site is grassland. The top soil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sagebrush, yucca and miscellaneous weeds.
- B. There is no permanent water in the immediate area.
- C. Land use is for oil and gas production, grazing and hunting.
- 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.

TODD 14 G FEDERAL #7
SURFACE USE AND OPERATING PLAN
PAGE 6

13. Lessee's and Operator's Representative

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

James Blount
Operations Engineer Advisor

Don Mayberry
Superintendent

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

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

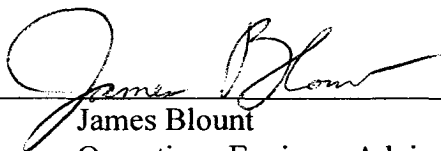
(405) 228-4301 (office)
(405) 348-0102 (home)

(505) 748-3371 (office)
(505) 746-4945 (home)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Devon Energy Production Company, L.P. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Signed: _____


James Blount

Operations Engineer Advisor

Date: July 22, 2003

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
TODD 14 G FEDERAL #7
(G) 1980' FNL & 1980' FEL, Section 14, T-23-S, R-31-E
Eddy County, New Mexico

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 3000 psi working pressure.
4. All fittings will be flanged.
5. A full bore safety valve tested to a minimum 3000 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.

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name: **Devon Energy Production Company, LP**
Street or Box: **20 North Broadway, Suite 1500**
City, State: **Oklahoma City, Oklahoma**
Zip Code: **73102-8260**

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No.: **NM-533177A**
Legal Description of Land: **40 acres 14 T23S-R31E**
Formation(s): **Ingel Wells Delaware**
Bond Coverage: **Nationwide**
BLM Bond File No.: **CO1104**

Authorized Signature:


James Blount

Title: **Oper. Engineering Advisor**

Date: **7/22/03**

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 33745	Pool Name Ingle Wells Delaware
Property Code	Property Name TODD "14" G	Well Number 7
OGRID No. 20305	Operator Name DEVON SFS OPERATING, INC.	Elevation 3490'

Surface Location

UL or lot No. G	Section 14	Township 23 S	Range 31 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line EAST	County EDDY
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	----------------

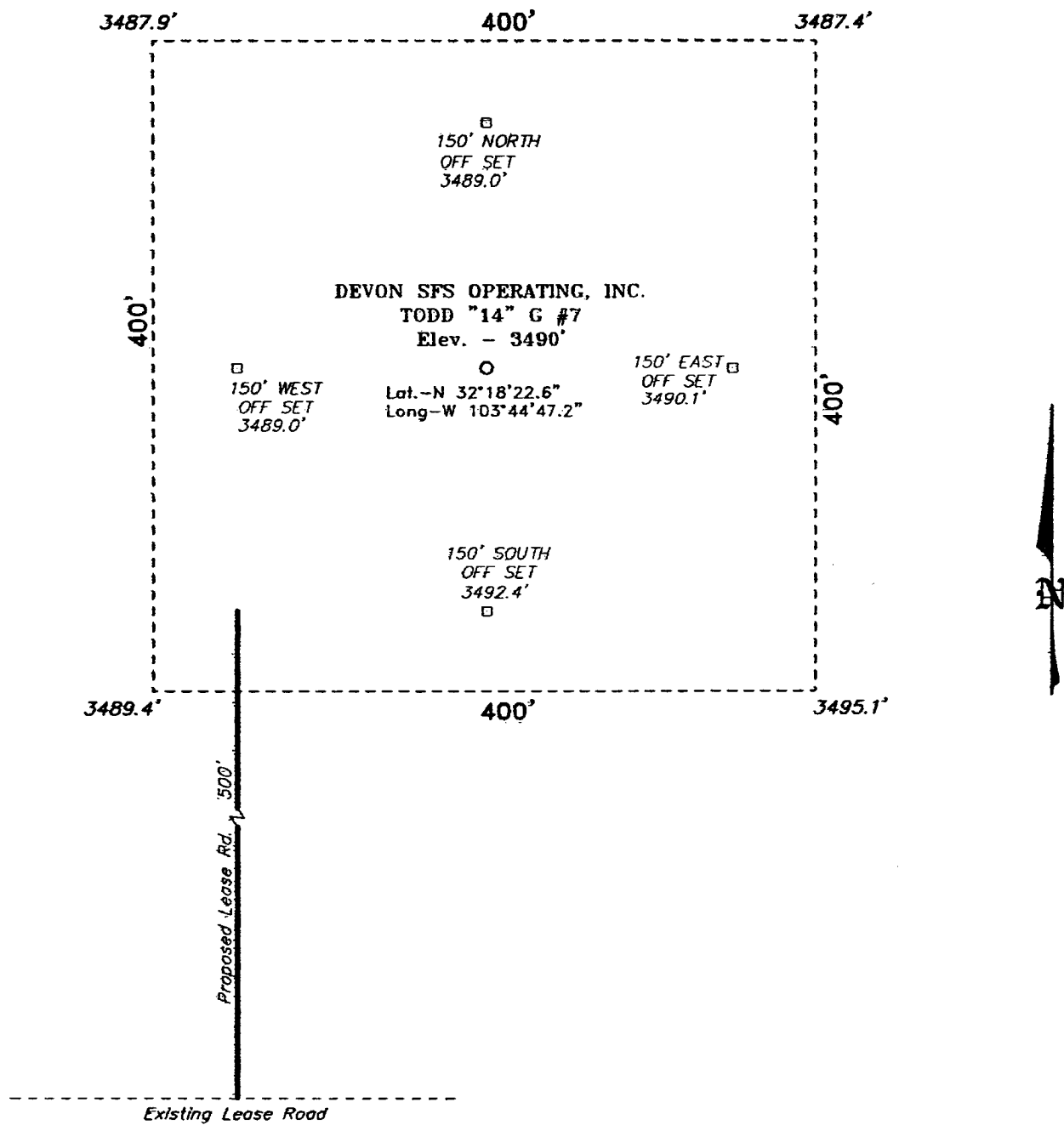
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order 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

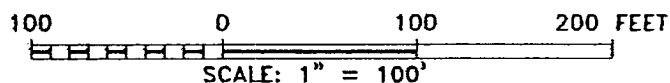
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p></p> <p>Signature</p> <p>James Blount</p> <p>Printed Name</p> <p>Sr Engineering Advisor</p> <p>Title</p> <p>July 22, 2002</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 28, 2002</p> <p>Date</p> <p></p> <p>Signature & Seal of Professional Surveyor</p> <p>7977</p> <p>W.O. No. 2588</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>

**SECTION 14, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF STATE HWY 128 AND CO. RD. 798 (RED ROAD), GO NORTH ON 798 FOR 3.5 MILES TO A LEASE ROAD LEFT; THENCE WEST ON LEASE ROAD FOR 0.4 MILE TO PROPOSED LEASE ROAD RIGHT.



DEVON SFS OPERATING, INC.

REF; TODD "14" G No. 7 / Well Pad Topo

THE TODD "14" G No. 7 LOCATED 1980' FROM
THE NORTH LINE AND 1980' FROM THE EAST LINE OF
SECTION 14, TOWNSHIP 23 SOUTH, RANGE 31 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 2588

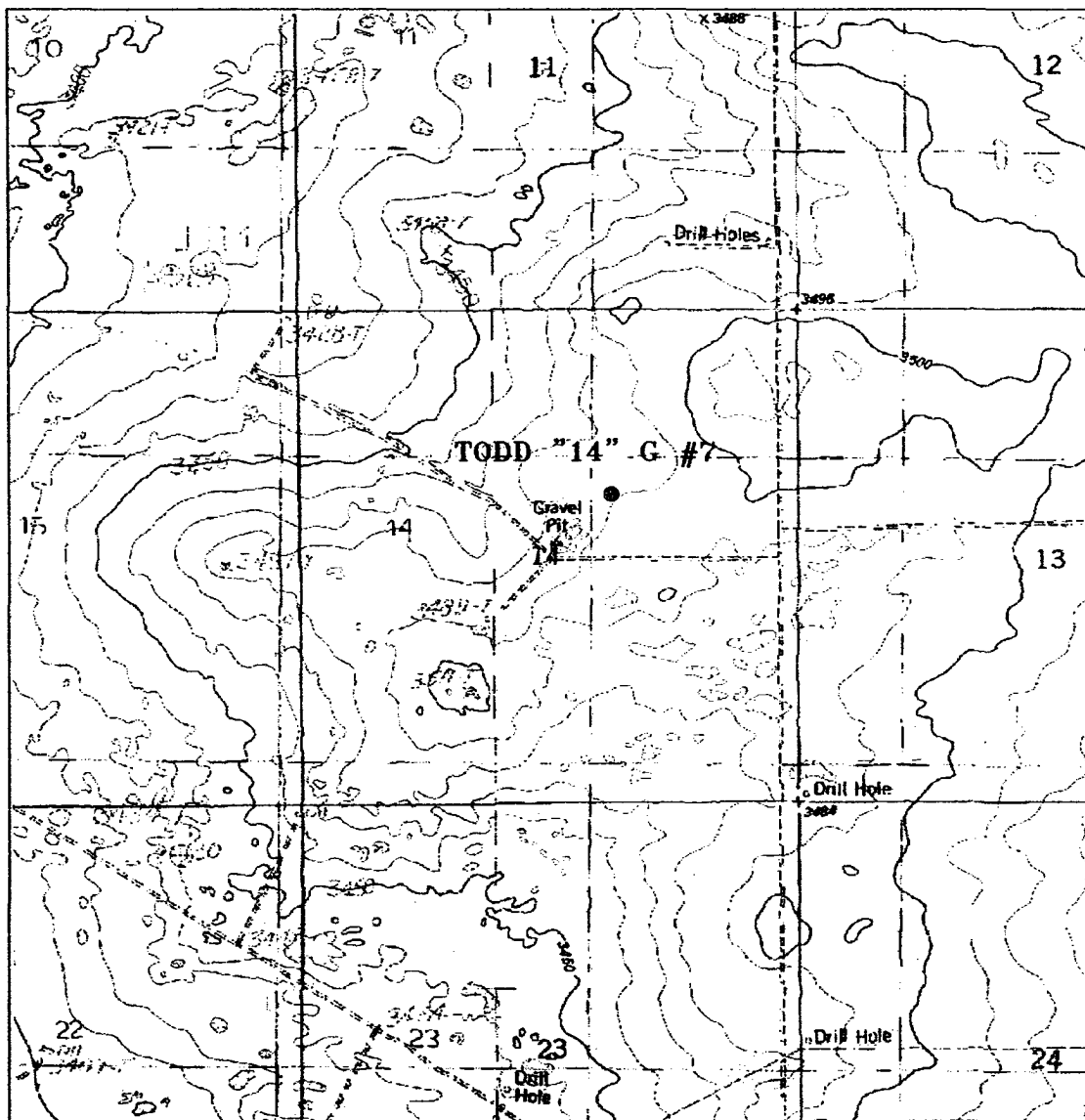
Drawn By: K. GOAD

Date: 07-01-2002

Disk: KJC CD#4 - 2588A.DWG

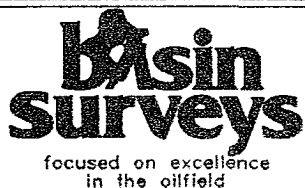
Survey Date: 06-28-2002

Sheet 1 of 1 Sheets



TODD "14" G #7

Located at 1980' FNL and 1980' FEL
 Section 14, Township 23 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

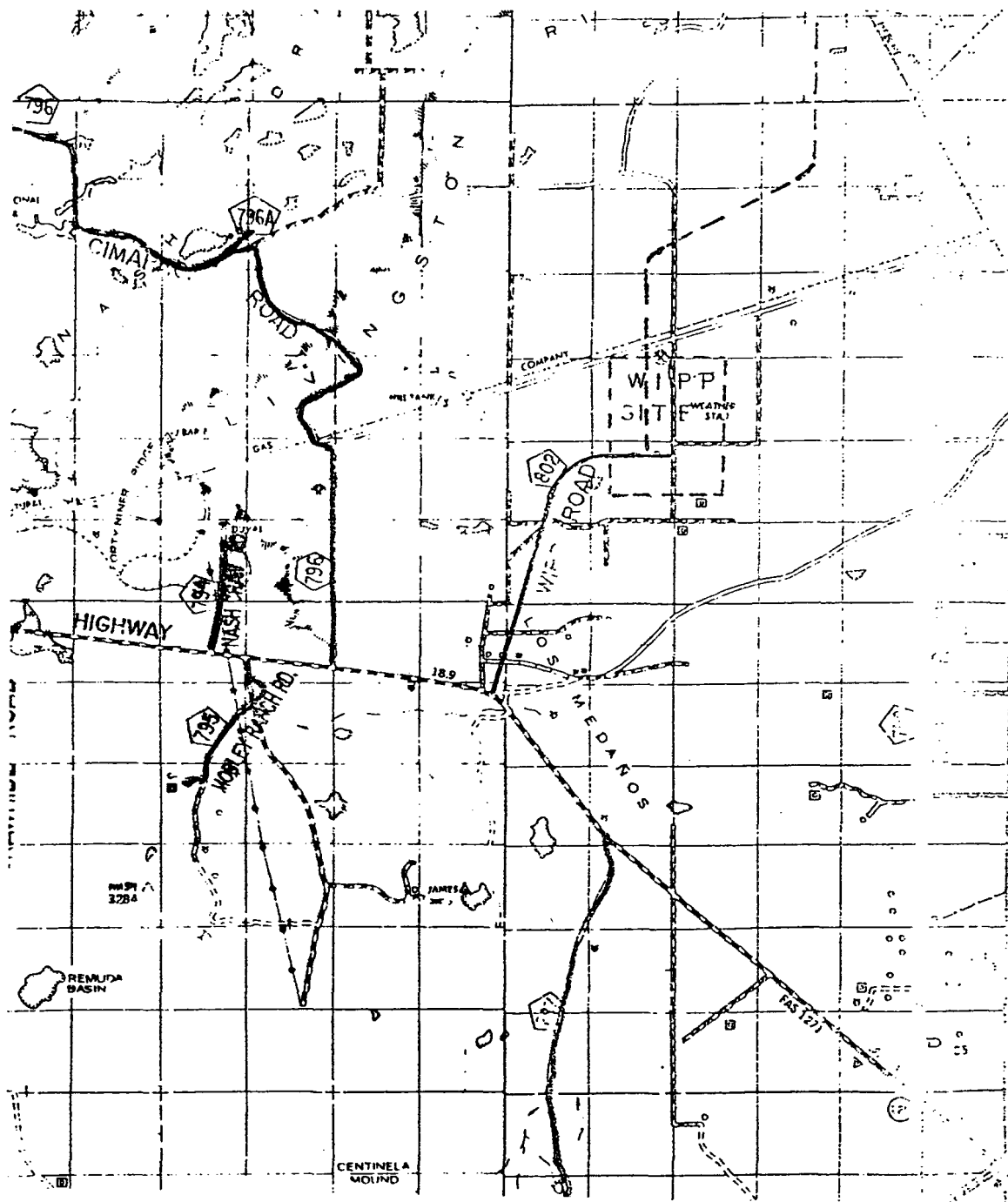
W.O. Number: 2588AA - KJG CD#4

Survey Date: 06-28-2002

Scale: 1" = 2000'

Date: 07-01-2002

DEVON
SFS OPERATING,
INC.



TODD "14" G #7
 Located at 1980' FNL and 1980' FEL
 Section 14, Township 23 South, Range 31 East,
 N.M.P.M., Eddy County, New Mexico.

basin
surveys
 focused on excellence
 in the oilfield

P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: 2588AA - KJG CD#4

Survey Date: 06-28-2002

Scale: 1" = 2 MILES

Date: 07-01-2002

DEVON
 SFS OPERATING,
 INC.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

EXHIBIT # 1

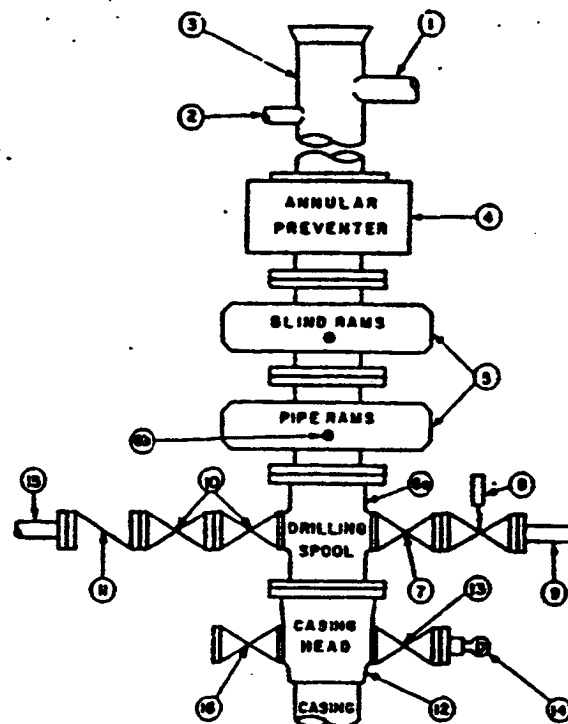
STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL

16	Flanged valve	1-13/16"	
----	---------------	----------	--

CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

1. Bradenhead or casinghead and side valves.
2. Wear bushing, if required.

GENERAL NOTES:

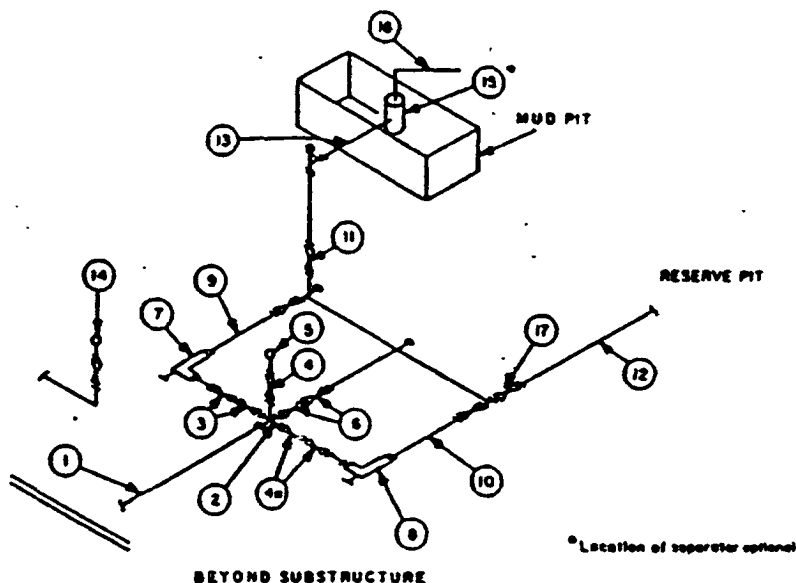
1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.

7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

MINIMUM CHOKE MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

EXHIBIT # 1

3 MWP - 5 MWP - 10 MWP



MINIMUM REQUIREMENTS										
No		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

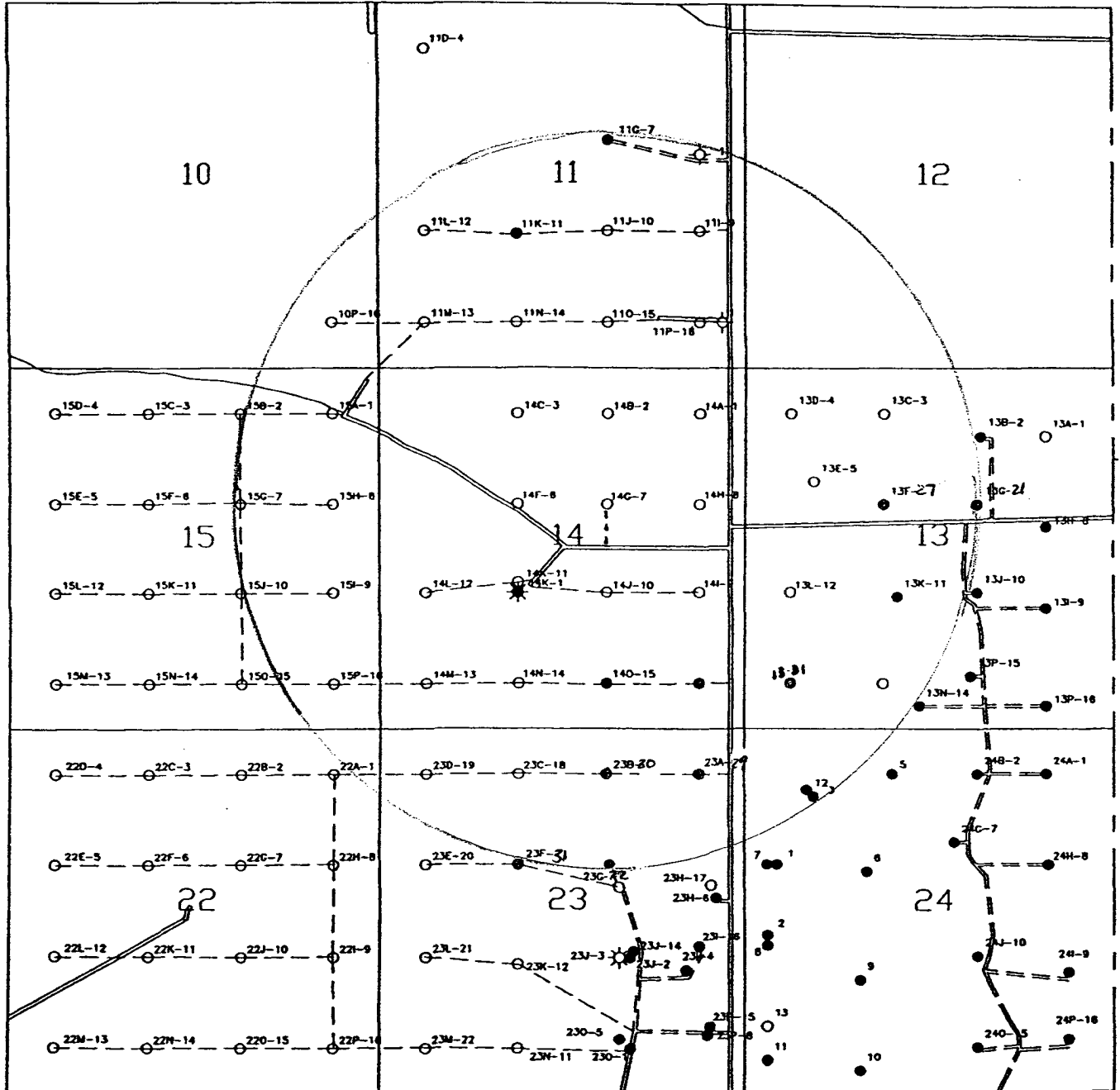
(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

R 31 E



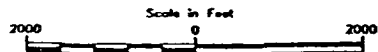
T
23
S

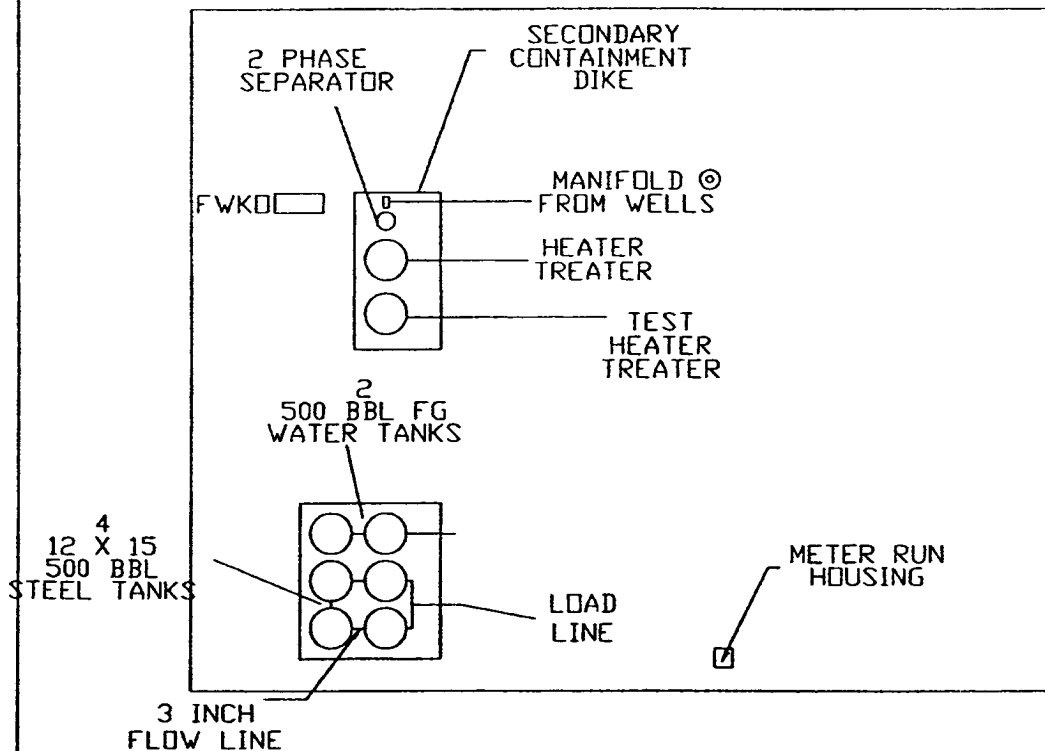


devon

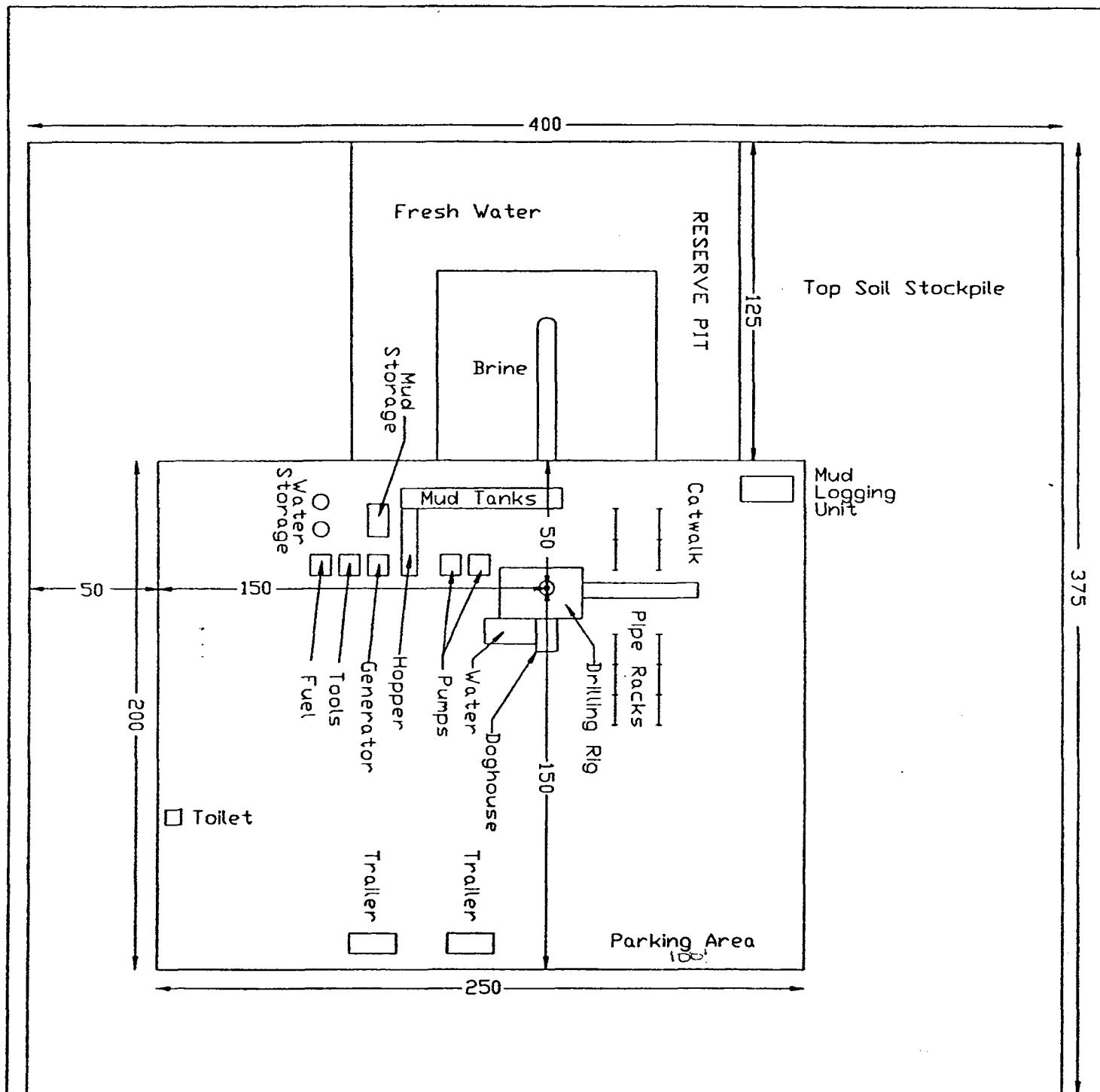
INGLE WELLS FIELD
EDDY COUNTY, NEW MEXICO


Todd 14 G Federal 7
EXHIBIT 3





<i>devon</i>	
INGLE WELLS FIELD	
EDDY COUNTY, NEW MEXICO	
PRODUCTION FACILITIES LAYOUT AT TODD-14K FED-7 FOR	
EXHIBIT 5	
Scale in Feet 25 0 25 50 75 100 8/98	





devon

INGLES WELLS FIELD
EDDY COUNTY, NEW MEXICO

DRILLING RIG LAYOUT AND ELEVATIONS

EXHIBIT 6

Scale in Feet
 25 0 25 50 75 100

6/98

DEVON ENERGY CORPORATION

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

A. Hydrogen Sulfide Training

All rig crews and company personnel will receive training from a qualified instructor in the following areas prior to penetrating any hydrogen sulfide bearing formations during drilling operations:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of the H₂S safety equipment and of personal protective equipment to be utilized at the location such as H₂S detection monitors, alarms and warning systems, and breathing equipment. Briefing areas and evacuation procedures will also be discussed and established.
3. Proper rescue techniques and procedures will be discussed and established.

In addition to the above, supervisory personnel will be trained in the prevention of oil and gas well blowouts in accordance with Minerals Management Service Standards Subpart - 0 - 250 - 212.

Prior to penetrating any known H₂S bearing formation, H₂S training will be required at the rig sight for all rig crews and company personnel that have not previously received such training. This instruction will be provided by a qualified instructor with each individual being required to pass a 20 question test regarding H₂S safety procedures. All contract personnel employed on an unscheduled basis will be required to have received appropriate H₂S training.

This Hydrogen Sulfide Drilling And Operations Plan shall be available at the wellsite during drilling operations.

B. H₂S Safety Equipment And Systems

All H₂S safety equipment and systems will be installed, tested, and operational when drilling operations reach a depth approximately 500' above any known or probable H₂S bearing formation. The safety systems to be utilized during drilling operations are as follows:

1. Well Control Equipment

- (a) Double ram BOP with a properly sized closing unit and pipe rams to accommodate all pipe sizes in use.
- (b) A choke manifold with a minimum of one remote choke.

2. H2S Detection And Monitoring Equipment

- (a) Three (3) H2S detection monitors will be placed in service at the location. One monitor will be placed near the bell nipple on the rig floor; one will be placed at the rig substructure; and, one will be at the working mud pits or shale shaker. This monitoring system will have warning lights and audible alarms that will alert personnel when H2S levels reach 10 ppm.
- (b) One (1) Sensidyne Pump with the appropriate detection tubes will also be available to perform spot checks for H2S concentrations in any remote or isolated areas.

3. Protective Equipment For Essential Personnel

Protective equipment will consist of the following:

- (a) Four (4) - five minute escape packs located at strategic points around the rig.
- (b) Two (2) - thirty minute rescue packs to be located at the designated briefing areas.

4. Visual Warning System

Visual warning system will consist of the following:

- (a) Two wind direction indicators.
- (b) One condition / warning sign which will be posted on the road providing direct access to the location. The sign will contain lettering of sufficient size to be readable at a reasonable distance from the immediate location. The sign will inform the public that a hydrogen sulfide gas environment could be encountered at the location.

5. Mud Program

The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight and safe drilling practices (for example, keeping the hole filled during trips) will minimize hazards when drilling in H₂S bearing formations.

6. Metallurgy

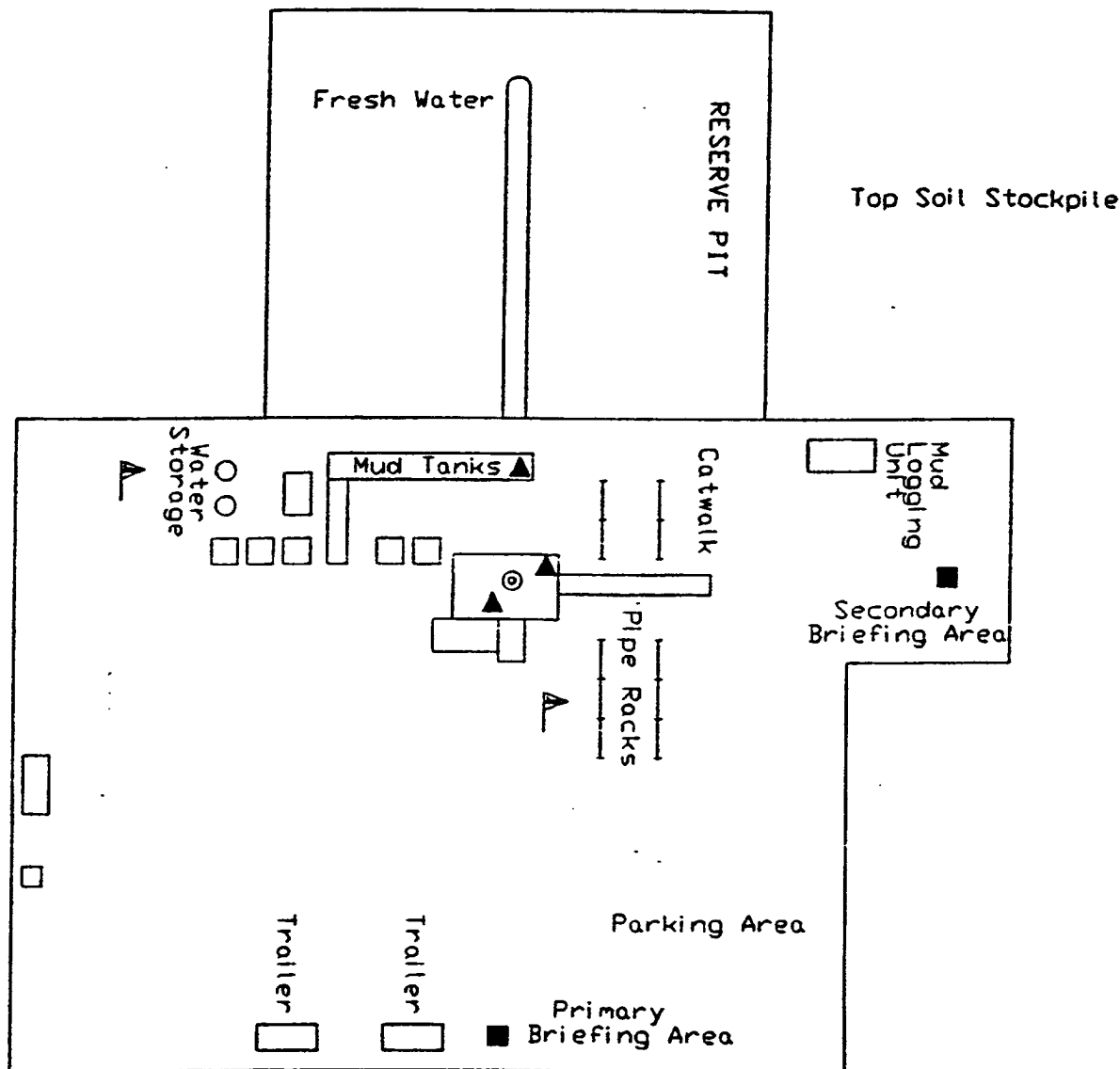
All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines and valves shall be suitable for H₂S service.

7. Communication

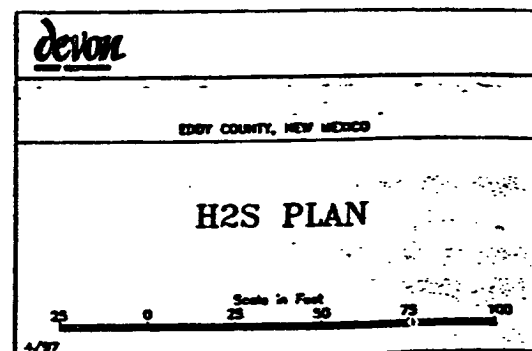
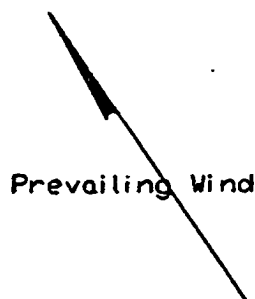
Cellular telephone communication will be available in company vehicles.

C. Diagram of Drilling Location

Attached is a diagram representing a typical location layout as well as the location of H₂S monitors, briefing areas and wind direction indicators.



- ▲ H2S MONITORS WITH ALARMS AT THE BELL NIPPLE, SUBSTRUCTURE, AND SHALE SHAKER
- ▲ WIND DIRECTION INDICATORS
- SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT



File: C:\N\H2S-PLAN



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

July 22, 2003

United States Department of the Interior
Bureau of Land Management
620 East Greene Street
Carlsbad, New Mexico 88220
Attn: Leslie A. Theiss

RECEIVED
2003 JUL 28 AM 6 57
BUREAU OF LAND MGMT.
CARLSBAD FIELD OFFICE

Re: Application for Permit to Drill
Todd 14G Federal #7
1980' FNL & 1980' FEL
Section 14-T23S-R31E
Eddy County, New Mexico

Dear Ms. Theiss:

Enclosed you will find Devon Energy Production Company, L.P.'s ("Devon") Application for Permit to Drill ("APD") the referenced Delaware development well. As you know, this APD is located on Federal Lease NM-0533177 which has been the subject of numerous meetings and telephone conversations with regard to Devon's attempt to develop its oil and gas interests under the N/2 of Section 14. In each of the previous meetings, Bureau of Land Management ("BLM") personnel have elected not to make any further decisions regarding the issuance of APD's in the N/2 of Section 14 until a decision has been issued by the Administrative Law Judge ("ALJ") appointed by the Interior Board of Land Appeals ("IBLA") in case IBLA 92-612, etal. Devon, and presumably BLM, is in receipt of the IBLA's long awaited decision dated July 7, 2003. Therefore, it is appropriate that Devon submit the enclosed APD at this time for BLM's approval. The enclosed application should be approved by BLM for the following reasons:

1. Lease NM-0533177 dated April 1, 1964, covers the N/2 of Section 14 as well as other lands. Because some of the lands (excluding the N/2 Section 14) were included within the then existing Oil/Potash Area, the attendant potash stipulations were attached to the lease. That portion of NM-0533177 located in the N/2 of Section 14 was not included in the Oil/Potash area as recognized by the Secretary of the Interior until issuance of the 1975 Secretarial Order dated November 5, 1975.
2. The N/2 of Section 14 is completely surrounded by acreage that is the subject matter of the Settlement Agreement between BLM and Devon which provides that Devon may fully develop such acreage without potash impediments.

3. The N/2 of Section 14 and all surrounding acreage is unleased for potash and has been unleased for many years.
4. The closest potash mining operations are approximately seven miles to the West.
5. The N/2 of Section 14 lies on the edge of the area currently designated by BLM as containing sufficient ore to be deemed a potash "enclave".

Clearly, one of the ALJ's decisions under the aforementioned IBLA order was that BLM's long-standing enclave policy and the criteria used by BLM to approve or deny APD's in the Oil/Potash area are not in accord with the governing Secretarial Order of 1986. In other words, all of the lands within the currently established enclave are not known to contain potash ore in sufficient thickness and quality to be mineable under existing technology and economics. It is Devon's opinion that the area covered by the enclosed APD, as well as the remainder of the N/2 of Section 14 for which permits have not previously been approved, should be approved for oil and gas drilling in accordance with the ALJ's decision.

Devon looks forward to your approval of the enclosed APD at your earliest convenience so that orderly oil and gas development may proceed.

If there are any questions or if additional information is required, feel free to call me at 1-800-583-3866, extension 4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.



Ken Gray
Senior Land Advisor

Kg/
Enclosure