

OCD-ARTESIA

Form 3160-3
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 20075. Lease Serial No.
NMNM-81953

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
North Pure Gold 4 Federal 29. API Well No.
30-015-3475610. Field and Pool, or Exploratory
Medians ; Delaware11. Sec., T. R. M. or Blk. and Survey or Area
Lot D Sec 9, T23S R31E12. County or Parish
Eddy County13. State
NM1a. Type of work: ☒ DRILL☐ REENTER

R-111-POTASH

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other☒ Single Zone☐ Multiple Zone

2. Name of Operator

Devon Energy Production Company, LP

3a. Address 20 North Broadway
Oklahoma City, Oklahoma City 73102-82603b. Phone No. (include area code)
405-552-7802

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface Lot D 1140' FNL & 840' FWL

At proposed prod. zone Lot E 1650' FNL & 600' FWL

14. Distance in miles and direction from nearest town or post office*
Approximately 40 miles east of Carlsbad, NM15. Distance from proposed*
location to nearest
property or lease line, ft.
(Also to nearest drig. unit line, if any)16. No. of acres in lease
1716.94

17. Spacing Unit dedicated to this well

120

18. Distance from proposed location*
to nearest well, drilling, completed,
applied for, on this lease, ft.19. Proposed Depth
MD 12556' TVD 7935'

20. BLM/BIA Bond No. on file

MAR 09 2006

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3348'22. Approximate date work will start*
01/30/200623. Estimated duration
45 days

24. Attachments

Carlsbad Controlled Water Basin

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.

25. Signature

Name (Printed/Typed)

Stephanie A. Ysasaga

Date

01/10/2006

Title

Sr. Staff Engineering Technician

Approved by (Signature)

Name (Printed/Typed)

DAVID E. SINCLAIR

Date

MAR 07 2006

Title

ACTING 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

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)

DECLARED WATER BASIN
CEMENT BEHIND THE 13 3/4"
CASING MUST BE CIRCULATED

WITNESS

R-111-P
CEMENT BEHIND THE 9 5/8"
CASING MUST BE CIRCULATED

WITNESS

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHEDIf earthen pits are used in
association with the drilling of this
well, an OCD pit permit must be
obtained prior to pit construction.

NSL-3348-ACBHL(CSD)

Additional Operator Remarks:

Devon Energy Production Company, LP proposes to drill a Delaware well to 12,556' for commercial quantities of oil and gas. If the well is deemed noncommercial, the wellbore will be plugged and abandoned per Federal regulations. Devon Energy Production Co., LP plans to drill the well per the attached Drilling and Surface Use Plan.

Directions To Location:

From the intersection of State Road 128 and County Road 787 (Twinwell Road) go southeast on 128 0.1 miles to lease road, then north 1.4 miles, then northeast 0.5 miles, then northwest to the North Pure Gold 9 Federal 5 location.

Access Road:

Existing lease road depicted. Archeological survey's will be requested for the existing well pad and existing access road.

H2S:

No H2S is anticipated to be encountered.

DISTRICT I
1825 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 40297	Pool Name Los Medanos, Delaware
Property Code	Property Name NORTH PURE GOLD "4" FEDERAL	Well Number 2
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION CO., L.P.	Elevation 3348'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	9	23-S	31-E		1140	NORTH	840	WEST	EDDY

Bottom Hole Location If Different From Surface

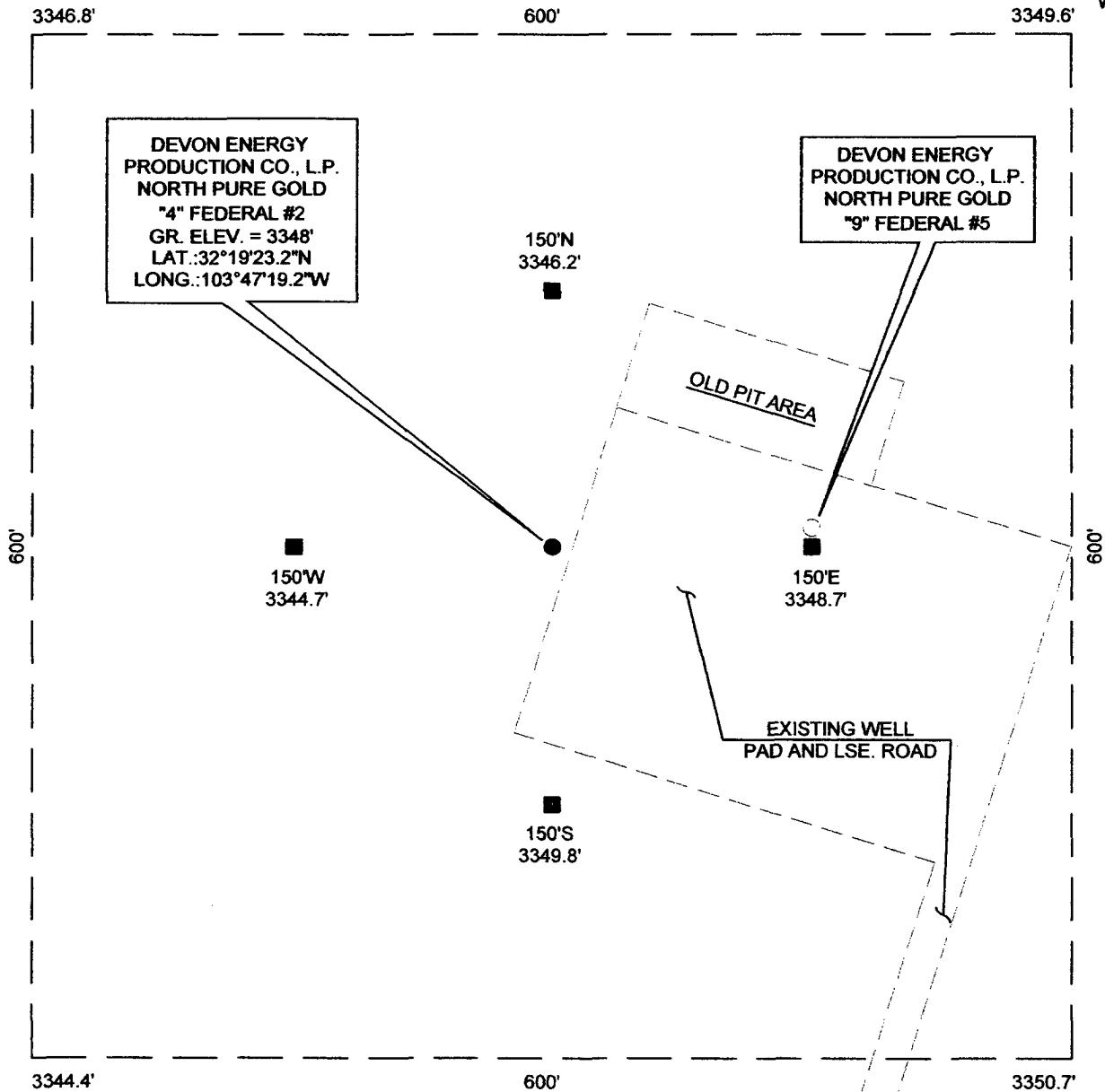
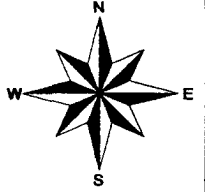
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	4	23-S	31-E		1650	NORTH	600	WEST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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>Signature Stephanie A. Ysasaga</p> <p>Printed Name Sr. Staff Engineering Tech</p> <p>Title 1/05/06</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>DECEMBER 1, 2005</p> <p>Date Surveyed Signature & Seal Professional Surveyor</p> <p>W.O. No. 6022</p> <p>Certificate No. 7977</p> <p>BASIN SURVEYS</p>

SECTION 9, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO



SCALE: 1" = 200'

DIRECTIONS TO LOCATION:

FROM THE INTERSECTION OF STATE ROAD 128 AND COUNTY ROAD 787 (TWINWELL ROAD) GO SOUTHEAST ON 128 0.1 MILES TO LEASE ROAD, THEN NORTH 1.4 MILES, THEN NORTHEAST 0.5 MILES, THEN NORTHWEST TO THE NORTH PURE GOLD "9" FED. #5 LOCATION.

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

W.O. Number: 6022 Drawn By: S.STANFIELD

Date: 12-05-2005 Disk: C:\DRAWINGS\DEVON\DEV6022-1

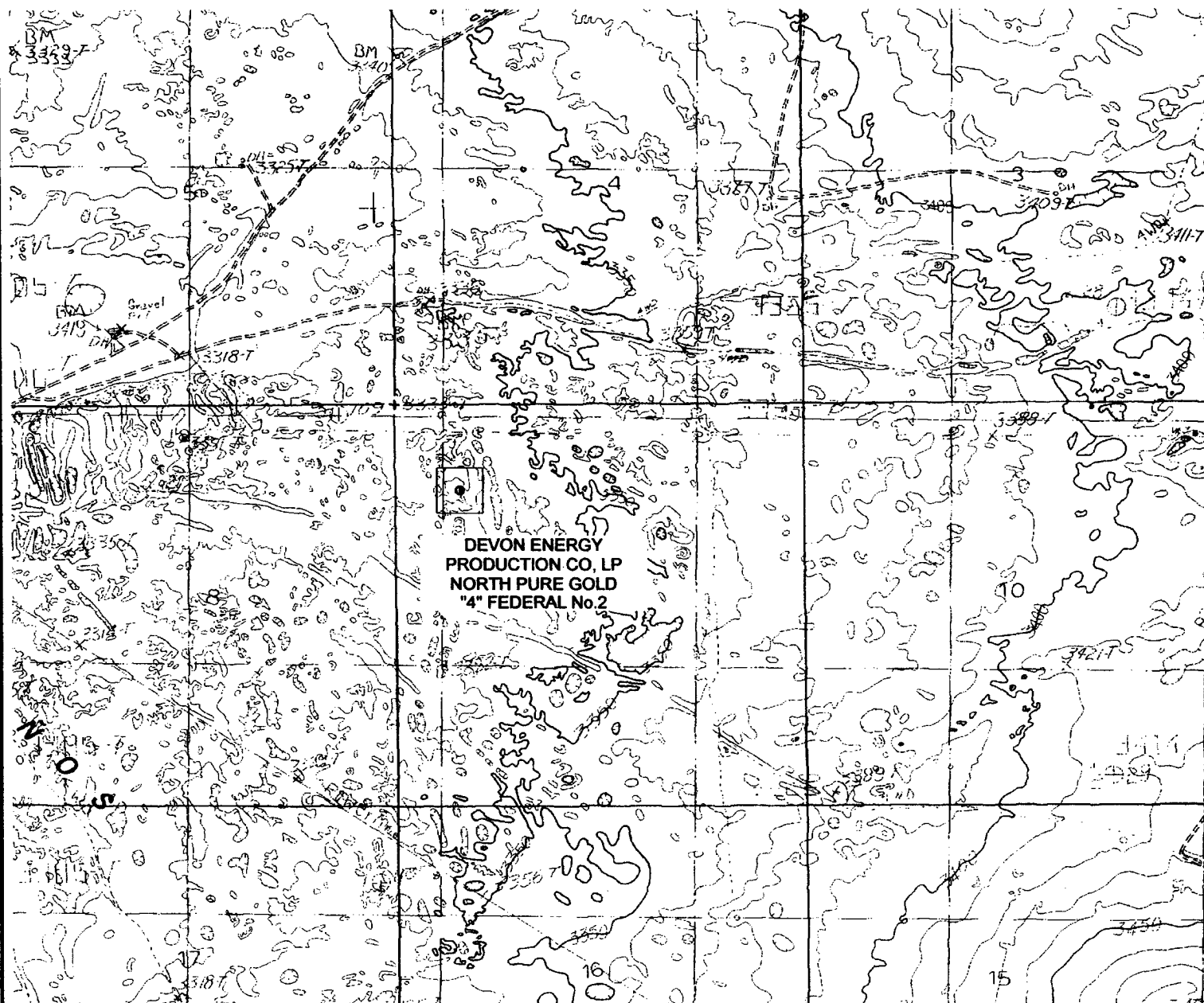
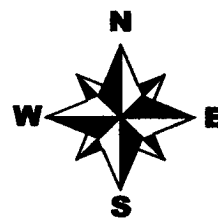
DEVON ENERGY PRODUCTION COMPANY, L.P.

NORTH PURE GOLD "4" FEDERAL No.2 WELL PAD DETAIL

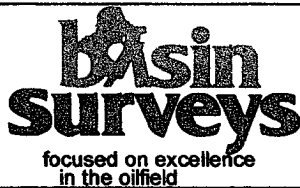
NORTH PURE GOLD "4" FEDERAL No.2
LOCATED 1140' F.N.L. & 840' F.W.L. SECTION 9,
TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

Survey Date: 12-01-2005

Sheet 1 of 1 Sheets



DEVON ENERGY PRODUCTION COMPANY, LP
NORTH PURE GOLD "4" FEDERAL No.2
SECTION 9, TOWNSHIP 23 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO



P.O. Box 1786
1120 West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-2206 - Fax
basinsurveys.com

W.O. Number: C:\DRAWINGS\DEVON\
DEV6022-2

Survey Date: DECEMBER 1, 2005

SCALE: 1"=2000'

Date: DECEMBER 5, 2005

DEVON ENERGY
PRODUCTION CO., LP

DRILLING PROGRAM

Devon Energy Production Company, LP

North Pure Gold 4 Federal 2

Surface Location: 1140' FNL & 840' FWL, Unit D, Sec 9 T23S R31E, Eddy, NM

Bottom hole Location: 1650' FNL & 600' FWL, Unit E, Sec 4 T23S R31E, Eddy, NM

1. Geologic Name of Surface Formation

- a. Permian

2. Estimated tops of geological markers:

a. Rustler	340'	
b. Salado	630'	
c. Delaware	3810'	
d. Bone Spring	7635'	
e. Wolfcamp	10925'	
f. Strawn	12465'	
g. Total Depth	12556'	(7935' TVD)

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

a. Upper Permian Sands		Fresh Water
b. Delaware	3810'	Oil/Gas
c. Bone Spring	7635'	Oil/Gas
d. Wolfcamp	10925'	Oil/Gas
e. Strawn	12465'	Gas

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 430' and circulating cement back to surface. Fresh water will be protected by setting 9 5/8" casing at 3980' and circulating cement to surface. The 7" casing will be set through the Delaware to 8,220' circulating cement to surface. The 4 1/2" liner will be set and cemented through the Delaware to 8,220'.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD Csg</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
17 1/2"	0' - 430'	13 3/8"	48#	ST&C	H-40
12 1/4"	0' - 3980'	9 5/8"	40#	ST&C	J-55
8 3/4"	0' - 8220'	7"	23# & 26#	LT&C	J-55
6 1/8"	Horizontal Section	4 1/2"	11.60#	BT&C	N-80

5. Cement Program:

- a. 13 3/8" Surface Cement to surface with 350 sx 35:65 Poz Class C + 6% Bentonite + 2% CaCl₂ + 0.25 lbs/sack Cello flake & tail w/250 sx Class C + 2% CaCl₂. Circulate cement to surface.

- | | | | |
|----|--------|--------------|--|
| b. | 9 5/8" | Intermediate | Cement to surface with 977 sx 35:65 Poz Class C + 6% Bentonite + 5% Sodium Chloride + .25 lbs/sk Cello flake. Tail with 200 sx 60:40 Poz Class C + 4% MPA = 1 + 5% Sodium Chloride + 4% Sodium Metasilicate + 0.25 lbs/sx Cello flakes. Circulate cement to surface. |
| c. | 7" | Production | Cement 1 st stage with 225 sx 35:65 Poz Class C + 6% Bentonite + 3% Sodium Chloride + 0.3 % FL-52 + 3 lbs/sk LCM-1 + .25 lbs/sx Celloflake + .25% R-3. Tail with 510 sx 60:40 Poz Class C + 4% MPA-1 + 2% Sodium Chloride + 1% BA-10 + .75% EC-1+2 lbs/sk Kol Seal + .25 lbs/sk Cello Flake. 2 nd stage lead with 203 sx 35:65 Poz Class C + 6% Bentonite + 5% Sodium Chloride + .25 lbs/sk Cello Flake, tail with 200 sx 60:40 Poz Class C + 4% MPA-1 + 5% Sodium Chloride + .4% Sodium Metasilicate + .25 lbs/sk Cello Flake. Circulate cement to surface. |
| d. | 4 1/2" | Liner | Cement with 378 sx 60:40 Poz: Class H + 1% NaCl + 1% BA-10 + .75% EC-1 + 4% MPA-1 + 0.15% Diacel LWL. |

The above cement volumes could be revised pending the caliper measurement from the open hole logs.

6. Pressure Control Equipment:

The blowout preventor equipment (BOP) shown in exhibit #B (A) will consist of a (5M system) double ram type (5000 psi WP) preventor and a bag-type (Hydril) preventor (5000 psi WP) and rotating head. Both units will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 4 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. All BOP's and associated equipment will be tested to 1200 psi with the rig pump before drilling out the 13 3/8" casing shoe (70% of 48#, H-40 casing). Prior to drilling out the 9 5/8" casing shoe, the BOP's and Hydril will be tested as per BLM Drilling Operations Order #2.

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 equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 5000 psi rating.

7. Proposed Mud Circulation System

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc</u>	<u>Fluid Loss</u>	<u>Type System</u>
0' – 430'	8.8	40-45	NC	Fresh Water
430' – 3980'	10.0	30	NC	Brine Water
3980' – 8220'	8.5-9.0	30-32	50-60	Fresh Water/Gel /Starch
8220' – TD	8.5-8.8	31-34	15	Fresh Water/Polymer

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

8. Testing, Logging, and Coring Program:

- a. Drill stem tests will be based on geological sample shows.
- b. The open hole electrical logging program will be:
 - i. Total Depth to Intermediate Casing Dual Laterol-Micro Laterolog with SP and Gamma Ray. Compensated Neutron – Z Density log with Gamma Ray and Caliper.
 - ii. Total Depth to Surface Compensated Neutron with Gamma Ray
 - iii. No coring program is planned.
 - iv. Additional testing will be initiated subsequent to setting the 7" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Auxilliary 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 operations after drilling out the 13 3/8" casing shoe until the 9 5/8" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

10. Potential Hazards:

- a. No abnormal pressures or temperatures are expected. There is no known presence of H₂S in this area. 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 ~~7500~~ ³⁵⁰⁰ psi and Estimated BHT ~~250~~ ¹²⁰°.

11. 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.

SURFACE USE PLAN

Devon Energy Production Company, LP

North Pure Gold 4 Federal 2

Surface Location: 1140' FNL & 840' FWL, Unit D, Sec 9 T23S R31E, Eddy, NM

Bottom hole Location: 1650' FNL & 600' FWL, Unit E, Sec 4 T23S R31E, Eddy, NM

1. Existing Roads:

- a. The well site and elevation plat for the proposed well are reflected on Exhibit 2. The well was staked by Basin Surveys.
- b. All roads into the location are depicted on Exhibit 3.
- c. Directions to Location: From the intersection of state road 128 and County Road 787 (Twinwell Road) go southeast on 128 0.1 miles to lease road, thence north 1.4 miles, then northeast 0.5 miles, then northwest to the North Pure Gold 9 Fed 5 location.

2. Access Road

- a. Exhibit #3 shows the existing lease road and well pad.
- b. 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.
- 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 1%.
- d. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Proposed Facilities

- a. In the event the well is found productive, a tank battery would be constructed.
- b. The tank battery, all connections and all lines will adhere to API standards.
- c. If the well is productive, rehabilitation plans are as follows:
 - i. The reserve pit will be closed pursuant to NM OCD rules and guidelines.
 - 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.

4. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed of in the reserve pits.
- 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. Wastewater from living quarters will be drained into hole with a minimum of 10'. These holes will be covered during drilling and will be back filled when the well is completed. 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 allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for further drying. If the drilling fluids do not evaporate in a reasonable

time they will be hauled off by transports to a state approved disposal site. Later pits will be broken out to speed dry. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in a storage tank and sold.

5. Well Site Layout

- a. Exhibit D Shows the proposed well site layout.
- b. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- c. Mud pits in the active circulating system will be steel pits & the reserve pit will be lined with a 12 mil synthetic woven liner.
- d. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. After the 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. If the well is a producer, the reserve pit fence and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

6. 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, sagebrush, yucca and miscellaneous weeds.
- b. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is of limited use except for the grazing of livestock and the production of oil and gas.
- c. An Archaeological survey will be forwarded to the Bureau of Land Management.
- d. There are no dwellings within 2 miles of location.

Operators 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) 834-9207 (Cellular)

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

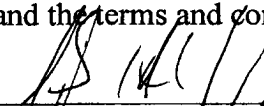
Certification

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: _____

Date: January 10th, 2006


Stephanie A. Ysasaga

Sr Staff Engineering Technician

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
North Pure Gold 4 Federal 2

Surface Location: 1140' FNL & 840' FWL, Unit D, Sec 9 T23S R31E, Eddy, NM
Bottom hole Location: 1650' FNL & 600' FWL, Unit E, Sec 4 T23S R31E, Eddy, 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.

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.:

Legal Description of Land: **320 acres SL: 9-T23S-R31E 1140 FNL'
& 840' FWL BHL: 4-T23S-R31E 1650'
FNL & 600' FWL**

Formation(s):

Quahada Ridge; Delaware

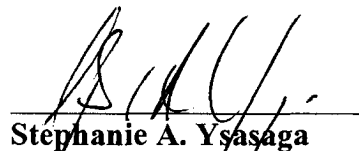
Bond Coverage:

Nationwide

BLM Bond File No.:

CO-1104

Authorized Signature:


Stephanie A. Ysasaga

Title:

Sr. Staff Engineering Technician

Date:

1/10/06

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

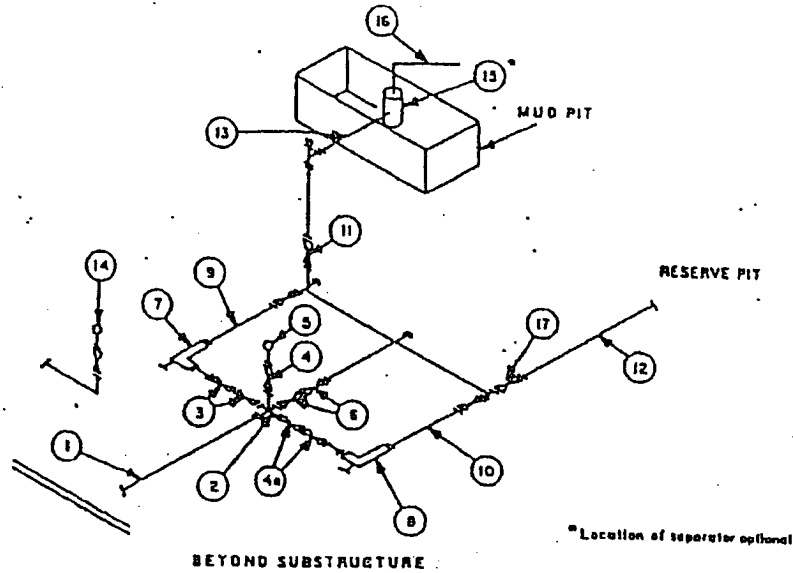
1. All Company and Contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - a. Characteristics of H₂S
 - b. Physical effects and hazards
 - c. Proper use of safety equipment and life support systems.
 - d. Principle and operation of H₂S detectors, warning system and briefing areas
 - e. Evacuation procedures, routes and first aid.
 - f. Proper use of 30-minute pressure demand air pack.
2. H₂S Detection and Alarm System
 - a. H₂S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
 - a. Windsock at mud pit area should be high enough to be visible
 - b. Windsock at briefing area should be high enough to be visible
 - c. There should be a windsock at entrance to location
4. Condition Flags and Signs
 - a. Warning Sign on access road to location
 - b. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H₂S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well Control Equipment
 - a. See Exhibit "E" & "E-1"
6. Communication
 - a. While working under masks chalkboards will be used for communication.
 - b. Hand signals will be used where chalk board is inappropriate
 - c. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
7. Drill stem Testing
 - a. Exhausts will be watered
 - b. Flare line will be equipped with an electric igniter or a propane pilot light in case gas reaches the surface.
 - c. If the location is near to a dwelling a closed DST will be performed.
8. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.

If H₂S is encountered, mud system will be altered if necessary to maintain control or formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

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

3 MWP - 5 MWP - 10 MWP

EXHIBIT # 1



MINIMUM REQUIREMENTS									
No.		3,000 MWP			5,000 MWP			10,000 MWP	
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL
1	Line from drilling spool		3"	3,000		3"	5,000		3"
2	Cross 3"x3"x3"x2"			3,000			5,000		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	Line		2"	3,000		2"	5,000		3"
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"
13	Lines		3"	1,000		3"	1,000		3"
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"
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 chokes required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
2. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
3. All lines shall be securely anchored.
4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
5. 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.
6. 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.
7. Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

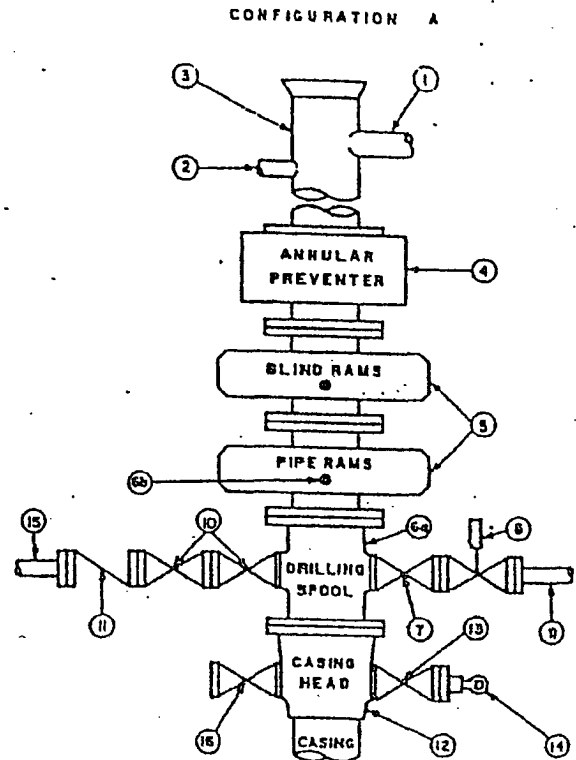
EXHIBIT # 1

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"	
----	---------------	----------	--



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 sever-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 chokes. 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.

DEVON ENERGY
North Pure Gold 4 Fed 2H

slot #1

Eddy County New Mexico

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : Plan 4
Our ref : prop4849
License :

Date printed : 2-Nov-2005
Date created : 27-Oct-2005
Last revised : 27-Oct-2005

Field is centred on n32 40 29.200,w103 55 30.8
Structure is centred on 668566.000,481656.000,999.00000,N

Slot location is n32 19 22.831,w103 47 15.521
Slot Grid coordinates are N 481656.000, E 668566.000
Slot local coordinates are 0.00 N 0.00 E

Projection type: mercator - New Mexico East (3001), Spheroid: Clarke - 1866

Reference North is Grid North

DEVON ENERGY
North Pure Gold 4 Fed 2H, slot #1
, Eddy County New Mexico

PROPOSAL LISTING Page 1
Your ref : Plan 4
Last revised : 27-Oct-2005

Measured Depth	Inclin Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect	G R I D Easting	C O O R D S Northing
0.00	0.00	336.00	0.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
500.00	0.00	336.00	500.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
1000.00	0.00	336.00	1000.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
1500.00	0.00	336.00	1500.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
2000.00	0.00	336.00	2000.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
2500.00	0.00	336.00	2500.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
3000.00	0.00	336.00	3000.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
3500.00	0.00	336.00	3500.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
4000.00	0.00	336.00	4000.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
4500.00	0.00	336.00	4500.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
5000.00	0.00	336.00	5000.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
5500.00	0.00	336.00	5500.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
6000.00	0.00	336.00	6000.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
6500.00	0.00	336.00	6500.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
7000.00	0.00	336.00	7000.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
7458.00	0.00	336.00	7458.00	0.00N	0.00E	0.00	0.00	668566.00	481656.00
7558.00	12.01	336.00	7557.27	9.54N	4.25W	12.01	9.83	668561.75	481665.54
7658.00	24.02	336.00	7652.19	37.75N	16.81W	12.01	38.91	668549.19	481693.75
7758.00	36.04	336.00	7738.61	83.38N	37.12W	12.01	85.94	668528.88	481739.38
7858.00	48.05	336.00	7812.74	144.44N	64.31W	12.01	148.89	668501.69	481800.44
7958.00	60.06	336.00	7871.34	218.27N	97.18W	12.01	224.98	668468.82	481874.27
8058.00	72.07	336.00	7911.83	301.61N	134.28W	12.01	310.89	668431.72	481957.61
8158.00	84.08	336.00	7932.46	390.83N	174.01W	12.01	402.85	668391.99	482046.83
8207.27	90.00	336.00	7935.00	435.76N	194.01W	12.01	449.16	668371.99	482091.76
8284.00	90.00	336.00	7935.00	505.86N	225.22W	0.00	521.42	668340.78	482161.86
8300.00	90.00	336.59	7935.00	520.51N	231.65W	3.68	536.51	668334.35	482176.51
8400.00	90.00	340.26	7935.00	613.49N	268.42W	3.68	632.00	668297.58	482269.49
8500.00	90.00	343.94	7935.00	708.63N	299.15W	3.68	729.19	668266.85	482364.63
8600.00	90.00	347.61	7935.00	805.55N	323.71W	3.68	827.69	668242.29	482461.55
8700.00	90.00	351.29	7935.00	903.84N	342.02W	3.68	927.08	668223.98	482559.84
8800.00	90.00	354.96	7935.00	1003.11N	353.98W	3.68	1026.97	668212.02	482659.11
8900.00	90.00	358.64	7935.00	1102.93N	359.56W	3.68	1126.93	668206.44	482758.93
8937.07	90.00	0.00	7935.00	1140.00N	360.00W	3.68	1163.93	668206.00	482796.00
9000.00	90.00	0.00	7935.00	1202.93N	360.00W	0.00	1226.68	668206.00	482858.93
9100.00	90.00	0.00	7935.00	1302.93N	360.00W	0.00	1326.39	668206.00	482958.93
9200.00	90.00	0.00	7935.00	1402.93N	359.99W	0.00	1426.10	668206.01	483058.93
9300.00	90.00	0.00	7935.00	1502.93N	359.99W	0.00	1525.82	668206.01	483158.93
9400.00	90.00	0.00	7935.00	1602.93N	359.99W	0.00	1625.53	668206.01	483258.93
9500.00	90.00	0.00	7935.00	1702.93N	359.98W	0.00	1725.25	668206.02	483358.93
9600.00	90.00	0.00	7935.00	1802.93N	359.98W	0.00	1824.96	668206.02	483458.93
9700.00	90.00	0.00	7935.00	1902.93N	359.98W	0.00	1924.68	668206.02	483558.93
9800.00	90.00	0.00	7935.00	2002.93N	359.98W	0.00	2024.39	668206.02	483658.93
9900.00	90.00	0.00	7935.00	2102.93N	359.98W	0.00	2124.11	668206.02	483758.93
10000.00	90.00	0.00	7935.00	2202.93N	359.98W	0.00	2223.82	668206.02	483858.93
10100.00	90.00	0.00	7935.00	2302.93N	359.97W	0.00	2323.53	668206.03	483958.93
10200.00	90.00	0.00	7935.00	2402.93N	359.97W	0.00	2423.25	668206.03	484058.93
10300.00	90.00	0.00	7935.00	2502.93N	359.97W	0.00	2522.96	668206.03	484158.93
10400.00	90.00	0.00	7935.00	2602.93N	359.97W	0.00	2622.68	668206.03	484258.93
10500.00	90.00	0.00	7935.00	2702.93N	359.97W	0.00	2722.39	668206.03	484358.93
10600.00	90.00	0.00	7935.00	2802.93N	359.97W	0.00	2822.11	668206.03	484458.93

All data in feet unless otherwise stated. Calculation uses minimum curvature method.
Coordinates from structure and TVD from rotary table.
Bottom hole distance is 4772.60 on azimuth 355.67 degrees from wellhead.
Vertical section is from N 0.00 E 0.00 on azimuth 355.67 degrees.
Grid is mercator - New Mexico East (3001).
Grid coordinates in FEET and computed using the Clarke - 1866 spheroid
Presented by Baker Hughes INTEQ

DEVON ENERGY
North Pure Gold 4 Fed 2H, slot #1
, Eddy County New Mexico

PROPOSAL LISTING Page 2
Your ref : Plan 4
Last revised : 27-Oct-2005

Measured Depth	Inclin Degrees	Azimuth Degrees	True Vert Depth	R E C T A N G U L A R C O O R D I N A T E S		Dogleg Deg/100ft	Vert Sect	G R I D Easting	C O O R D S Northing
10700.00	90.00	0.00	7935.00	2902.93N	359.97W	0.00	2921.82	668206.03	484558.93
10800.00	90.00	360.00	7935.00	3002.93N	359.97W	0.00	3021.54	668206.03	484658.93
10900.00	90.00	360.00	7935.00	3102.93N	359.97W	0.00	3121.25	668206.03	484758.93
11000.00	90.00	360.00	7935.00	3202.93N	359.97W	0.00	3220.97	668206.03	484858.93
11100.00	90.00	360.00	7935.00	3302.93N	359.97W	0.00	3320.68	668206.03	484958.93
11200.00	90.00	360.00	7935.00	3402.93N	359.97W	0.00	3420.39	668206.03	485058.93
11300.00	90.00	360.00	7935.00	3502.93N	359.97W	0.00	3520.11	668206.03	485158.93
11400.00	90.00	360.00	7935.00	3602.93N	359.97W	0.00	3619.82	668206.03	485258.93
11500.00	90.00	360.00	7935.00	3702.93N	359.98W	0.00	3719.54	668206.02	485358.93
11600.00	90.00	360.00	7935.00	3802.93N	359.98W	0.00	3819.25	668206.02	485458.93
11700.00	90.00	360.00	7935.00	3902.93N	359.98W	0.00	3918.97	668206.02	485558.93
11800.00	90.00	360.00	7935.00	4002.93N	359.98W	0.00	4018.68	668206.02	485658.93
11900.00	90.00	360.00	7935.00	4102.93N	359.98W	0.00	4118.40	668206.02	485758.93
12000.00	90.00	360.00	7935.00	4202.93N	359.98W	0.00	4218.11	668206.02	485858.93
12100.00	90.00	360.00	7935.00	4302.93N	359.99W	0.00	4317.83	668206.01	485958.93
12200.00	90.00	360.00	7935.00	4402.93N	359.99W	0.00	4417.54	668206.01	486058.93
12300.00	90.00	360.00	7935.00	4502.93N	359.99W	0.00	4517.26	668206.01	486158.93
12400.00	90.00	360.00	7935.00	4602.93N	360.00W	0.00	4616.97	668206.00	486258.93
12500.00	90.00	360.00	7935.00	4702.93N	360.00W	0.00	4716.69	668206.00	486358.93
12556.07	90.00	360.00	7935.00	4759.00N	360.00W	0.00	4772.60	668206.00	486415.00

All data in feet unless otherwise stated. Calculation uses minimum curvature method.
Coordinates from structure and TVD from rotary table.
Bottom hole distance is 4772.60 on azimuth 355.67 degrees from wellhead.
Vertical section is from N 0.00 E 0.00 on azimuth 355.67 degrees.
Grid is mercator - New Mexico East (3001).
Grid coordinates in FEET and computed using the Clarke - 1866 spheroid
Presented by Baker Hughes INTEQ

DEVON ENERGY
 North Pure Gold 4 Fed 2H,slot #1
 ,Eddy County New Mexico

PROPOSAL LISTING Page 3
 Your ref : Plan 4
 Last revised : 27-Oct-2005

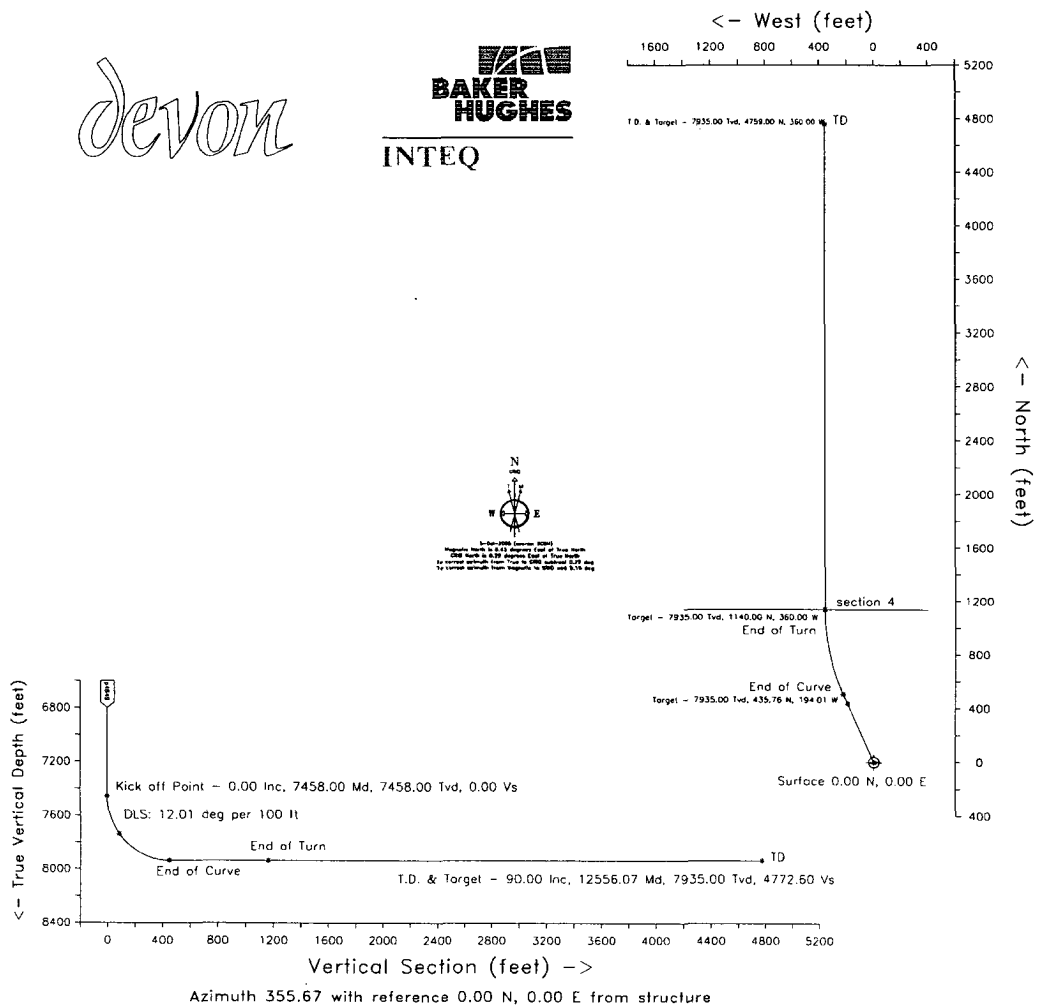
				Comments in wellpath
				=====
MD	TVD	Rectangular Coords.		Comment

8207.27	7935.00	435.76N	194.01W	End of Curve
8937.07	7935.00	1140.00N	360.00W	End of Turn
12556.07	7935.00	4759.00N	360.00W	TD

Targets associated with this wellpath				
=====				
Target name	Geographic Location	T.V.D.	Rectangular Coordinates	Revised

End of Curve		7935.00	435.76N 194.01W	27-Oct-2005
End of Turn		7935.00	1140.00N 360.00W	27-Oct-2005
TD		7935.00	4759.00N 360.00W	27-Oct-2005

DEVON ENERGY					Created by adriann Date plotted : 27-Oct-2005 Plot Reference is Plan 4. Coordinates are in feet reference structure. True Vertical Depths are reference structure. --- Baker Hughes INTEQ ---					
Structure : North Pure Gold 4 Fed 2H			Slot : slot #1							
Field :			Location : Eddy County New Mexico							
----- WELL PROFILE DATA -----										
----- Point -----	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100		
Tie on	0.00	0.00	336.00	0.00	0.00	0.00	0.00	0.00		
KOP	7458.00	0.00	336.00	7458.00	0.00	0.00	0.00	0.00		
Target End of Curve	8207.27	90.00	336.00	7935.00	435.76	-194.01	449.16	12.01		
KOP	8284.00	90.00	336.00	7935.00	505.86	-225.22	521.42	0.00		
Target End of Turn	8937.07	90.00	0.00	7935.00	1140.00	-360.00	1163.93	3.68		
T.D. & Target TD	12556.07	90.00	360.00	7935.00	4759.00	-360.00	4772.60	0.00		



CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Devon Energy Production Company Well No. 2 - North Pure Gold 4 Fed.
Location: SHL: 1140' FNL & 840' FWL Sec. 2, BHL: 1650' FNL & 600' FWL Sec. 4, T. 23S. R. 31E.
Lease: NM-81953

.....

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at (505) 234-5972 in sufficient time for a representative to witness:
 - A. Spudding
 - B. Cementing casing: 13-3/8 inch 9-5/8 inch 7 inch 4-1/2 inch
2. 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.
3. Include the API No. assigned to well by NMOCD on the subsequent report of setting the first casing string.
4. A Hydrogen Sulfide Contingency Plan should be activated prior to drilling in the Delaware formation. A copy of the plan shall be posted at the drilling site.
5. Gamma-Ray/Neutron logs shall be run from the base of the Salado formation to the surface; cable speed not to exceed 30 feet per minute.

II. CASING:

1. 13-3/8 inch surface casing should be set at approximately 430 feet, below usable water and circulate cement to the surface. If cement does not circulate to the surface the Carlsbad BLM office shall be notified at (505) 234-5972 and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.
2. Minimum required fill of cement behind the 9-5/8 inch salt protection casing is sufficient to circulate to the surface.
3. Minimum required fill of cement behind the 7 inch production casing is sufficient to tie circulate to the surface.
4. Minimum required fill of cement behind the 4-1/2 inch production liner is sufficient to tie back to the top of the liner.
5. Whenever a casing string is cemented in the R-111-P Potash Area, cement shall be allowed to stand a minimum of twelve (12) hours under pressure and a total of twenty-four (24) hours before drilling the plug or initiating tests.

III. PRESSURE CONTROL:

1. Before drilling below the 13-3/8 inch surface casing, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve.
2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 2000 psi.
3. The BOPE shall be installed before drilling below the 9-5/8 inch salt protection casing and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.
 - A. The results of the test will be reported to the BLM Carlsbad Resource Area office at 620 East Greene Street, Carlsbad, New Mexico 88220-6292.
 - B. Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
 - C. Testing must be done in a safe workman like manner. Hard line connections shall be required.
 - D. A variance to test the BOPE to a reduced pressure of 1200 psi using the rig pumps before drilling below the 13-3/8 inch surface casing string is approved.