

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

SUBMIT IN TRIPPLICATE*
(For instructions, see reverse side)

Form approved.

K-40

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

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

2. NAME OF OPERATOR
DEVON ENERGY PRODUCTION COMPANY, L.P.

3. ADDRESS AND TELEPHONE NO.
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 Robert Elliott
Ops Engr Advisor

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* 405-228-8609
At surface 1650' FSL & 1980' FEL, Unit J, Section 35-T21S-R24E, Eddy Cnty, NM
At top proposed prod. zone 660' FSL & 1980' FEL, Unit O, Section 35-T21S-R24E, Eddy Cnty, NM

LEASE DESIGNATION AND SERIAL NO.
SHL & BHL: NM-NM53218

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
N/A

8. FARM OR LEASE NAME, WELL NO.
RIGHTHAND CANYON "35" FEDERAL #3

9. API WELL NO.
30-015- 33217

10. FIELD AND POOL, OR WILDCAT
Indian Basin (Upper Penn) Assoc.

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SHL: Unit J, Section 35-T21S-R24E
BHL: Unit O, Section 35-T21S-R24E

12. COUNTY OR PARISH
Eddy County

13. STATE
New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
15 miles west of Carlsbad, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
660'

16. NO. OF ACRES IN LEASE
1134.47

17. NO. OF ACRES ASSIGNED TO THIS WELL
329.90

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
TVD 8,600'

19. PROPOSED DEPTH
TVD 8,600'

20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GL 3907'

RECEIVED

NOV 14 2003

OCD-ARTESIA
CARLSBAD CONTROLLED WATER BASIN

22. APPROX. DATE WORK WILL START*
December, 2003

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor 20"		40'	Redi-mix to surface
12 1/4"	J-55 9 5/8"	36#	1,600'	600 sx; TOC surface
8 3/4"	J-55 and HCL-80 7"	23#	8,600'	1500 sx; TOC surface

WITNESS

We plan to circulate cement to surface on the 9 5/8" casing string. The cement top will be brought to approximately 6,000' on the 7" casing string.

Devon Energy proposes to drill a Penn gas well to TVD 8,600'± for commercial quantities. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

Drilling Program

Surface Use and Operating Plan

Exhibits #1 = Blowout Prevention Equipment

Exhibit #2 = Location and Elevation Plat

Exhibits #3 = Road Map and Topo Map

Exhibit #4 = Wells Within 1 Mile Radius

Exhibits #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design

Exhibit #8 = H₂S Operating Plan

Cultural Resources Management Report

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

Legal Description:

SHL & BHL= NM-NM53218: Section 34-T21S-R24E & Section 35-T21S-R24E, Eddy Cnty, NM; for Righthand Canyon "35" Federal #3: E/2 of Section 35 (specifically NE/4 and Lots 1,2,5, and 6)

Bond Coverage: Nationwide

BLM Bond #: CO-1104

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

SIGNED

Candace R. Graham

TITLE

Candace R. Graham

Engineering Technician

DATE August 14, 2003

*(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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:

/s/ Joe G. Lara

APPROVED BY

TITLE

ACTING FIELD MANAGER

DATE

12 NOV 2003

See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. 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 statements or representations as to any matter within its jurisdiction

DRILLING PROGRAM - Attachment to Form 3160-3

Devon Energy Production Company, L.P.

Righthand Canyon "35" Federal #3

SHL= 1650' FSL & 1980' FEL, Unit J; BHL= 660' FSL & 1980' FEL, Unit O

Section 35-T21S-R24E, Eddy County, New Mexico

All depths assumed TVD unless otherwise qualified

1. Geologic Name of Surface Formation Quaternary Aeolian deposits

2. Estimated Tops of Important Geologic Markers

San Andres	1,137'
Glorieta/Yeso	2,793'
Bone Spring	3,095'
Third Bone Spring	6,791'
Wolfcamp	7,186'
Cisco-Canyon	7,761'
Top of dolomite	7,784'
Base of dolomite	8,262'
ETD	8,600'

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.

Water: San Andres

Oil/EGas: Wolfcamp, Cisco, Canyon

No other formations are expected to yield oil, gas or fresh water in measurable volumes. Any surface fresh water sands will be protected by setting 9 5/8" casing at $\pm 1,600'$ and circulating cement back to surface.

The oil and gas intervals will be isolated by setting 7" casing to $\pm 8,600'$ TD and bringing the cement top to approximately 6,000' (or 500' above the Wolfcamp).

4. Casing Program

<u>Hole Size</u>	<u>Interval</u>	<u>Casing OD</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>
25"	0' - $\pm 40'$	20"		Conductor	
12 1/4"	0' - $\pm 1600'$	9 5/8"	36#	J-55	8rd ST&C
8 3/4"	0' - to TD	7"	23#	L-80/J-55/HCL-80	8rd LT&C

Cementing Program

20" Conductor Casing: Cement to surface -- Redi-mix.

9 5/8" Surface Casing: Cement to surface -- 400 sx 35/65 Poz (Fly Ash)/Class C + 200 sx Class C

7" Production Casing: Cement to surface -- 200 sx 15/61/11 Super Mod C + 600 sx 60/40 Poz/Class C
DV tools at $\pm 4,000'$ and $\pm 7,625'$ + 700 sx 60/40 Poz/Class C

The cement volumes for the 7" casing will be revised pending the caliper measurement from open hole logs.

5. Minimum Specifications for Pressure Control

The blowout preventor equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (3000 psi WP) preventor and a bag-type (Hydril) preventor (3000 psi WP). 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 9 5/8" surface casing and utilized continuously until total depth is reached. As per BLM Drilling Operations Order #2, prior to drilling out the 9 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 as follows.

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (1/sec)</u>	<u>Water Loss (cc)</u>
0' - 1600'	Air or Fresh water mud	8.5 - 8.7	29 - 34	No control
1600' - TD	Fresh water mud or Dris-pac sytem	8.4 - 9.0	29 - 40	10 - 15

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 operation from drilling out 9 5/8" casing shoe until 7" casing is cemented.

8. Logging, Testing and Coring Program

- A. No drill stem tests are planned at this time.
- B. No coring program is planned at this time.
- C. The open hole electrical logging program will be as follows.
 - a) Platform Express HALS from TD to base of the surface casing at 1,600', NGT from TD to $\pm 6,750'$ (top of Third Bone Spring), and GR-Neutron through casing to surface.
 - b) FMI from TD to $\pm 7,761'$ (top of Cisco-Canyon). Devon geologist may revise this interval after seeing Platform Express log.
- C. Any additional testing will be initiated subsequent to setting the 7" production casing. Specific intervals will be targeted based on log evaluation and geological sample shows.
- D. Mud logger may be placed on hole at the discretion of Devon engineers.

9. Abnormal Pressures, Temperatures and Potential Hazards

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 144 degrees and maximum bottom hole pressure is 4021 psig. Hydrogen sulfide gas may be encountered in this area. A hydrogen sulfide operations plan will be implemented prior to penetrating the Penn formation (see attached Exhibit 8 "Hydrogen Sulfide Operations Plan"). Lost circulation intervals have been encountered in the Cisco-Canyon zones in adjacent wells.

10. Anticipated Starting Date and Duration of Operations

A Cultural Resources examination has been completed by Southern New Mexical Archaeological Services, Inc. as report #SNMAS-03NM-1138 and was submitted to the BLM in Carlsbad, New Mexico. This BLM office has performed the onsite inspection for the proposed pad site of this location. 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 anticipated to be December, 2003. The drilling operation should require approximately 35 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.

11. Other Facets of Operations

After running casing a cement bond/gamma ray/collar log will be run.
The Upper Penn pay will be perforated and stimulated.
The well will be swab tested and potentialied as an oil well.

SURFACE USE AND OPERATING PLAN - Attachment to Form 3160-3

Devon Energy Production Company, L.P.

Righthand Canyon "35" Federal #3

SHL= 1650' FSL & 1980' FEL, Unit J; BHL= 660' FSL & 1980' FEL, Unit O

Section 35-T21S-R24E, Eddy County, New Mexico

1. Existing Roads

- A. The well site and elevation plat for the proposed Righthand Canyon "35" Federal #3 are reflected on Exhibit #2. This well was staked by Basin Surveys (Hobbs, New Mexico). The GL elevation is 3907'.
- B. Roads into the location are depicted in Exhibit #3. Approximately 1500' of new construction from the lease road will be needed to access the Righthand Canyon "35" Federal #3 at the proposed location.
- C. Directions: From Carlsbad, New Mexico, head north on US Hwy 285 for 12 miles. Turn left on NM Hwy 137 and proceed 6 miles to mile marker 48 1/2. Turn left through cattle guard. Proceed 2.3 miles. Turn left on lease road 1500' to the Righthand Canyon "35" Federal #3 proposed location.

2. Proposed Access Road

Exhibit #3 shows the existing and proposed roads. 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.

3. Location of Existing Wells

Exhibit #4 shows all existing wells within a one-mile radius of the proposed Righthand Canyon "35" Federal #3.

4. Location of Existing and/or Proposed Facilities

- A. In the event the well is found productive, the necessary production equipment will be built on the proposed well pad. ~~The flow lines and power lines will be laid along the existing road (State ROW #28527) and tied into existing pipelines to the IBCTB in Section 8 (NMOCD Comm. order #CTB-400). Produced water will go to Jones Canyon 4-6 SWD (order #SWD-756) or Old Ranch Knoll 8-4 SWD (order #SWD-585) or Old Ranch Canyon 7-5 SWD (order #SWD-736). Refer to Exhibit #5.~~

- B. The well will be operated by means of an electric submersible pump. The tank battery, all connections and all lines will adhere to API standards.
- C. If the well is productive, rehabilitation plans are as follows.
 - a) The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).
 - b) Caliche from unused portions of the drill pad will be removed. 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 Righthand Canyon "35" Federal #3 will be drilled using a combination of air, fresh water, brine and starch mud systems (outlined in the Drilling Program). The water will be obtained from commercial

Unit
B. Hunt
11/10/03
Three, 4"
Steel Lines
(oil, water, gas)

Lines will run to the #1 well & tie into the existing line system

sources and will be transported over the existing and proposed roads. No water well will be drilled on the location.

6. Source of Construction Materials

Any 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.

8. Ancillary Facilities

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

9. Well Site Layout

- A. The drill pad is shown on Exhibit #6. Approximate dimensions of 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. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. The reserve pit area will be

broken out and leveled after drying to a condition where these efforts are feasible. 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.
 - 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. Caliche from areas of the pad site not required for operations will be reclaimed. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.
11. Surface Ownership
The well site is owned by the Bureau of Land Management.
Road routes have been approved and the surface location will be restored as directed by the BLM.
12. Other Information
- A. The well site is located on a hill that separates Walt and Little Walt Canyons. The soil is shallow, calcareous, grayish-brown, loose to slightly compact, stony silty loam overlying limestone bedrock; slopes consist primarily of limestone rock and small pockets of colluvium and alluvium. Regionally drainage is eastward into an intermittent drainage within Little Walt Canyon. There is no permanent water in the area.
The vegetation is moderate and is typical of a Chihuahuan Desert Scrubland.
The area is used for livestock grazing and wildlife habitat.
 - B. A Cultural Resources examination was completed by Southern New Mexico Archaeological Services, Inc. as report #SNMAS-03NM-1138 and sent to the BLM office in Carlsbad.
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 as follows.

Robert Elliott, Operations Engineer Advisor
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260
405-228-8609 (office)
405-323-4616 (cell phone)
405-275-0490 (home)

Cecil Thurmond, Superintendent
Post Office Box 250
Artesia, NM 88211-0250
505-748-3371 (office)
505-748-7180 (cell phone)
505-887-1479 (home)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite 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: Candace R. Graham
Candace R. Graham, Engineering Tech.

Date: August 14, 2003

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTORS
Devon Energy Production Company, L.P.

Righthand Canyon "35" Federal #3

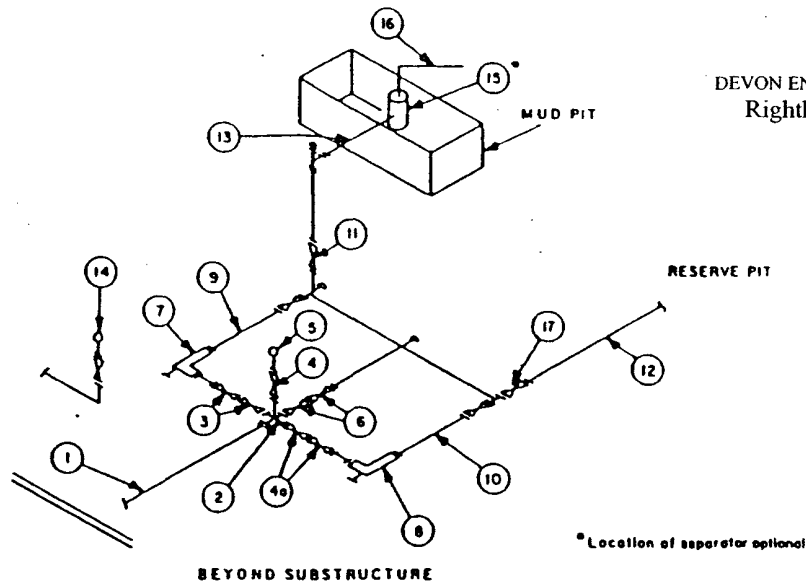
SHL= 1650' FSL & 1980' FEL, Unit J; BHL= 660' FSL & 1980' FEL, Unit O
Section 35-T21S-R24E, Eddy County, New Mexico

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 preventor 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 preventor 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.

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

3 MWP - 5 MWP - 10 MWP

EXHIBIT # 1



DEVON ENERGY PRODUCTION COMPANY, L.P.
Righthand Canyon "35" Federal #3
Section 35-T21S-R24E
Eddy Cnty, NM

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 <="" td="" type="checkbox/>(2)</td><td>3-1/8"/> <td></td> <td>3,000</td> <td>3-1/8"</td> <td></td> <td>5,000</td> <td>3-1/8"</td> <td></td> <td>10,000</td>		3,000	3-1/8"		5,000	3-1/8"		10,000	
4	Valve Gate <input type="checkbox"/> Plug <input <="" td="" type="checkbox/>(2)</td><td>1-13/16"/> <td></td> <td>3,000</td> <td>1-13/16"</td> <td></td> <td>5,000</td> <td>1-13/16"</td> <td></td> <td>10,000</td>		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 <="" td="" type="checkbox/>(2)</td><td>3-1/8"/> <td></td> <td>3,000</td> <td>3-1/8"</td> <td></td> <td>5,000</td> <td>3-1/8"</td> <td></td> <td>10,000</td>		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 <="" td="" type="checkbox/>(2)</td><td>3-1/8"/> <td></td> <td>3,000</td> <td>3-1/8"</td> <td></td> <td>5,000</td> <td>3-1/8"</td> <td></td> <td>10,000</td>		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 <="" td="" type="checkbox/>(2)</td><td>3-1/8"/> <td></td> <td>3,000</td> <td>3-1/8"</td> <td></td> <td>5,000</td> <td>3-1/8"</td> <td></td> <td>10,000</td>		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.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

EXHIBIT # 1

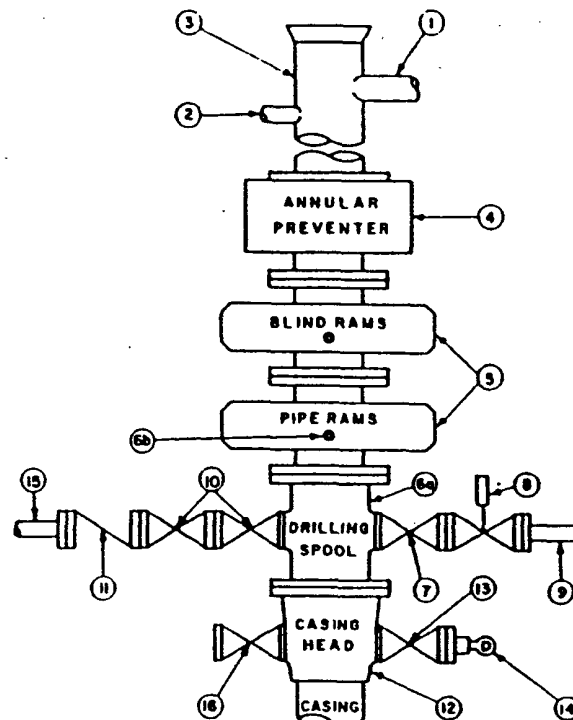
STACK REQUIREMENTS

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"	
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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.

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	Pool Name
	33685	Indian Basin (Upper Penn) Assoc
Property Code	Property Name	Well Number
	RIGHTHAND CANYON "35" FED. COM	3
OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION CO., L.P.	3907'

Surface Location

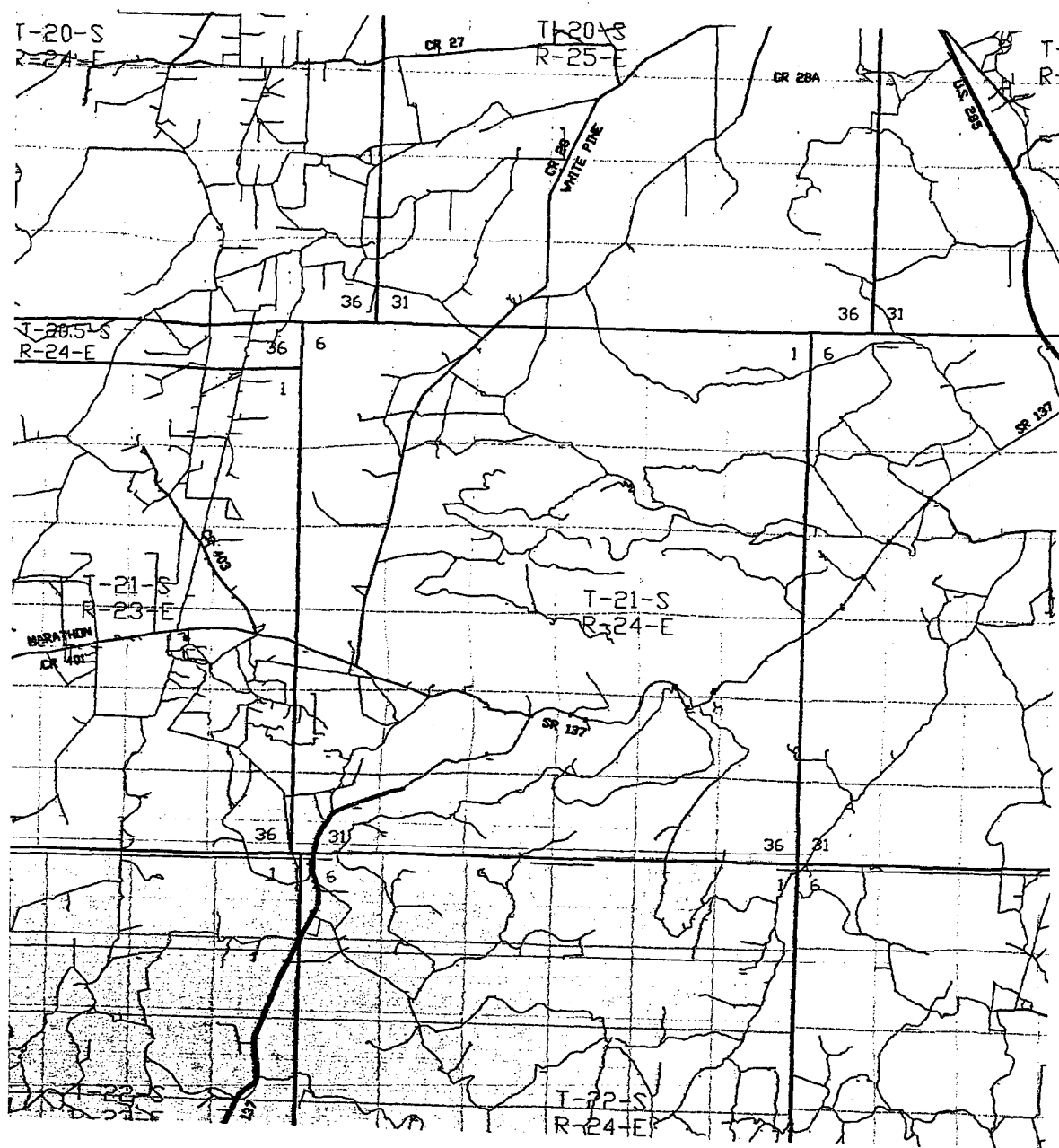
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	21 S	24 E		1650	SOUTH	1980	EAST	EDDY

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
O	35	21 S	24 E		660	SOUTH	1980	EAST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
329.90									

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Candace R. Graham</i> Signature Candace R. Graham Printed Name Engineering Tech. Title August 14, 2003 Date	
	SURVEYOR CERTIFICATION 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. 	
	Date Surveyed Signature & Seal of Professional Surveyor 7977 W.O. No. 3296 Certificate No. Gary L. Jones 7977	
	Basin Surveys	



RIGHTHAND CANYON "35" FED. COM #3
1650' FSL AND 1980' FEL
Section 35, Township 21 South, Range 24 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: 3296AA - KJG CD#4

Survey Date: 05-19-2003

Scale: 1" = 2 MILES

Date: 05-20-2003

DEVON ENERGY
PROD. CO., L.P.

Date: 05-20-2003

DEVON ENERGY
PROD. CO., L.P.

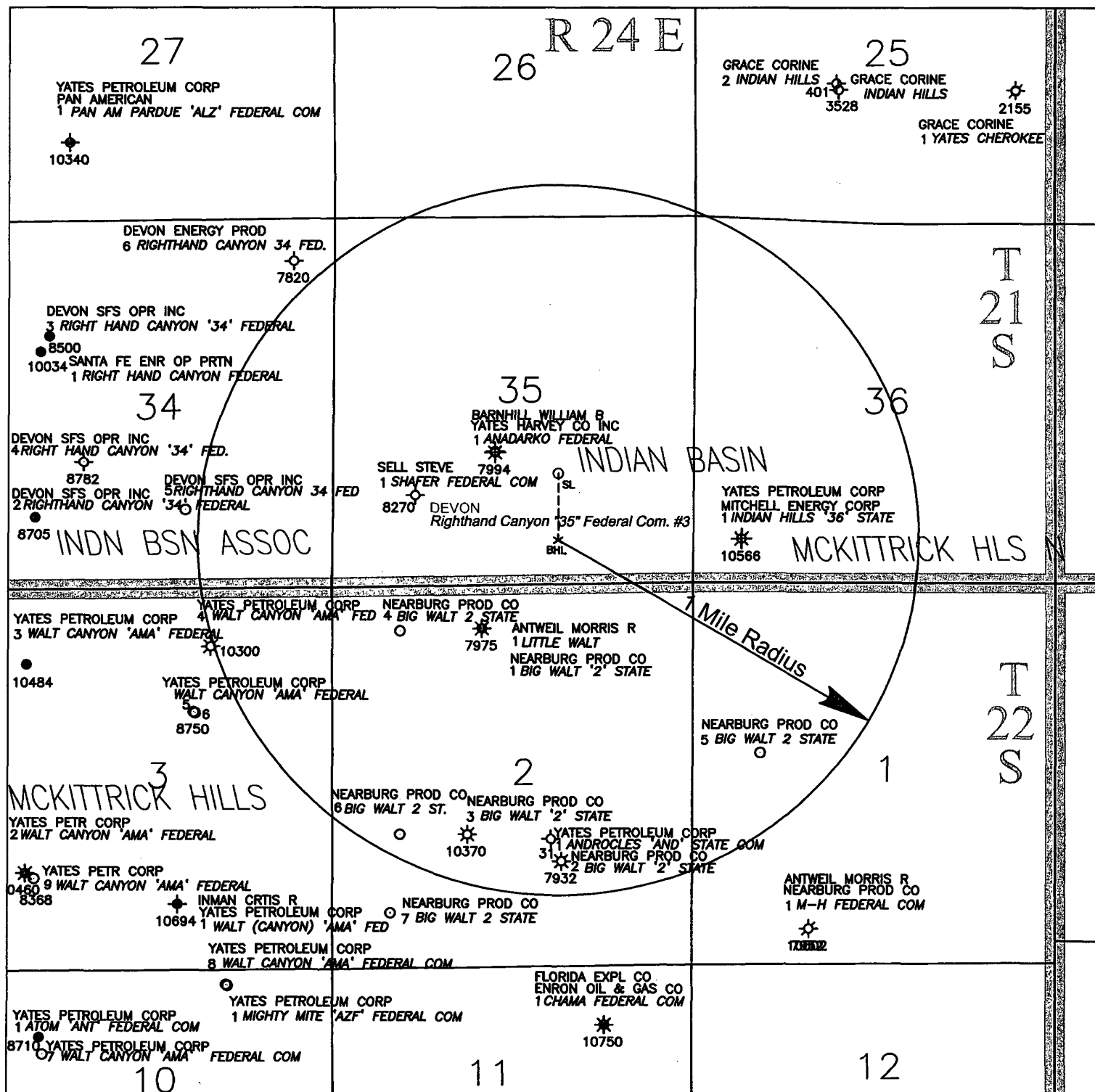


EXHIBIT 4

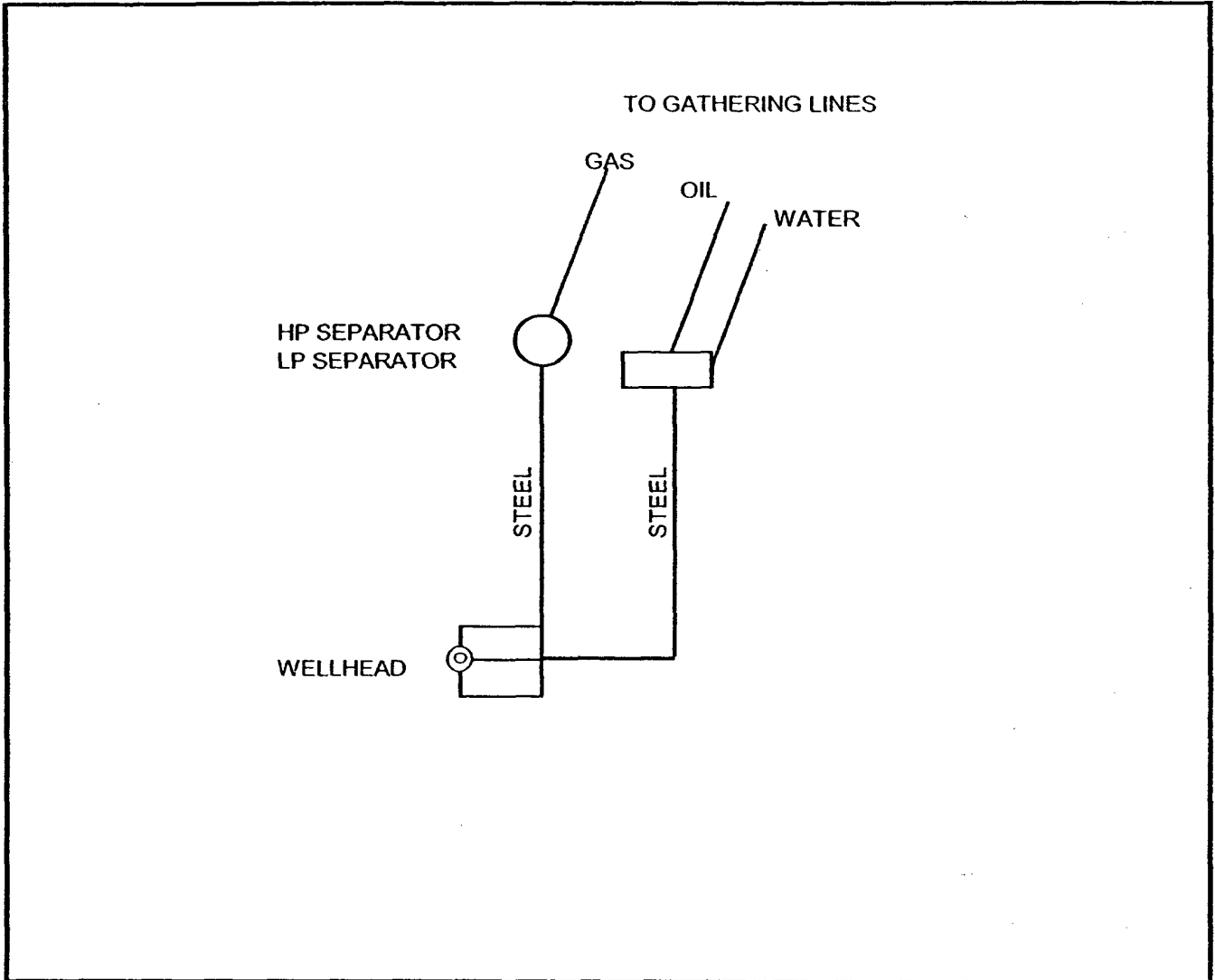
Indian Basin (Upper Penn) Field
Eddy County, New Mexico

Righthand Canyon "35" Federal Com. #2
Sec 35, T21S R24E
SHL: 1650' FSL & 1980' FEL
BHL: 660' FSL & 1980' FEL

Scale: 1" = 2000' Date: 6-07-03

Righthand-Canyon-35-Fed-Com-3.dwg

EXHIBIT 5



PRDUCTION FACILITIES SCHEMATIC
DEVON ENERGY PRODUCTION COMPANY, L.P.
Righthand Canyon "35" Federal #3
Section 35-T21S-R24E
Eddy Cnty, NM

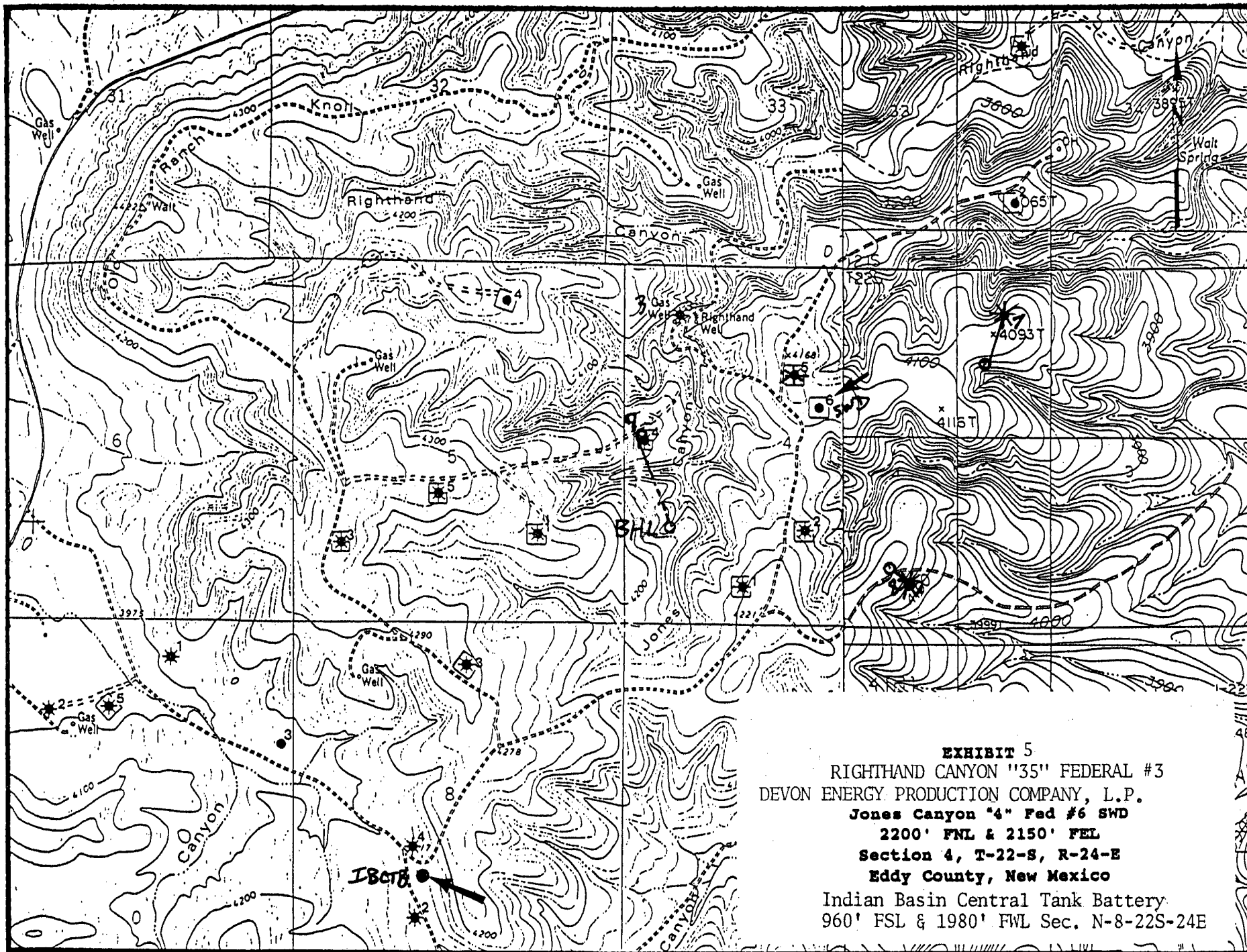
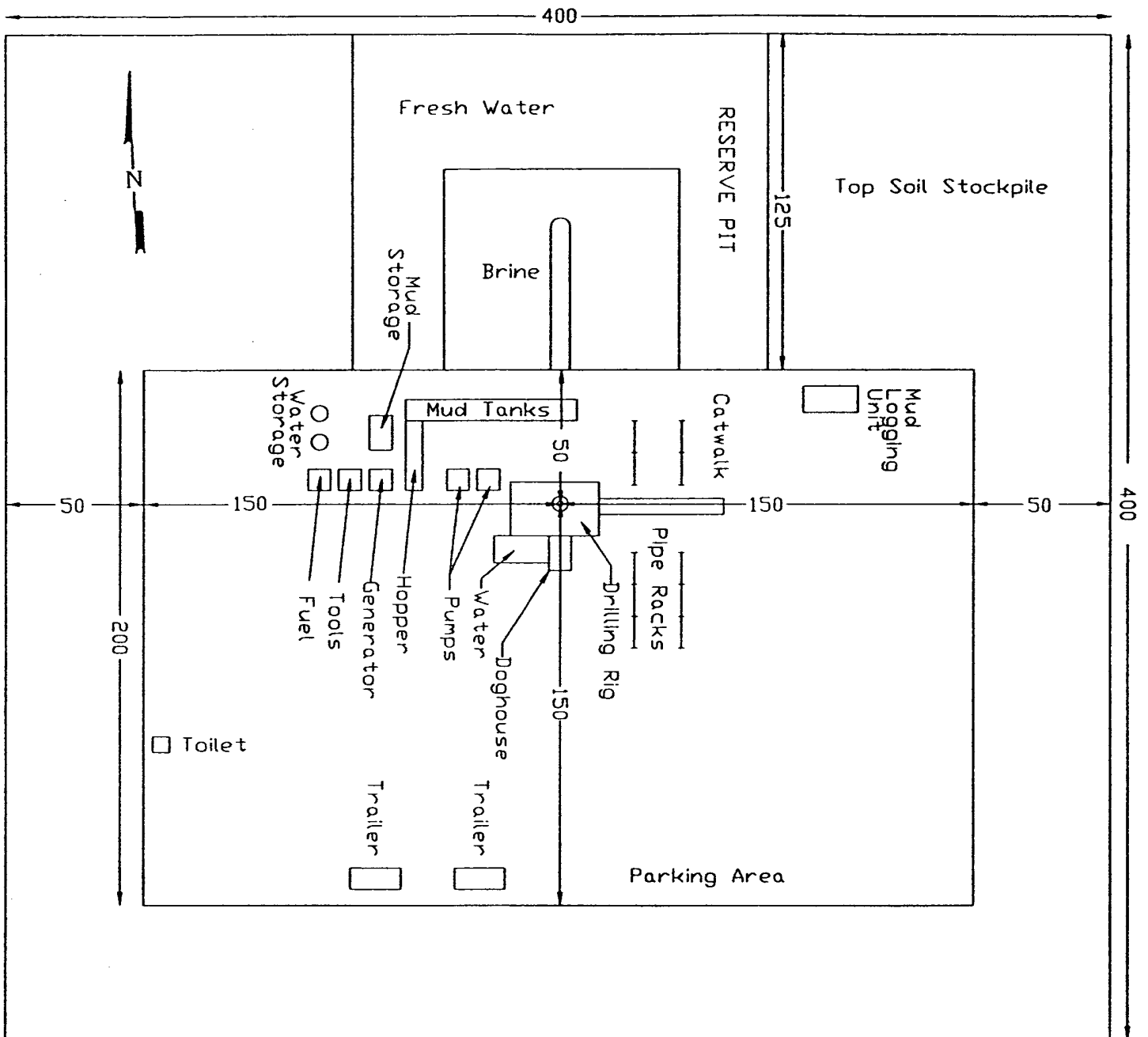


EXHIBIT 5
RIGHTHAND CANYON "35" FEDERAL #3
DEVON ENERGY PRODUCTION COMPANY, L.P.
Jones Canyon "4" Fed #6 SWD
2200' FNL & 2150' FEL
Section 4, T-22-S, R-24-E
Eddy County, New Mexico
Indian Basin Central Tank Battery
960' FSL & 1980' FWL Sec. N-8-22S-24E



devon

INDIAN BASIN AREA

EDDY COUNTY, NEW MEXICO

DRILLING RIG LAYOUT AND ELEVATIONS

RIGHTHAND CANYON "35" FEDERAL 3

EXHIBIT 6

8/98

Well name:	Righthand Canyon 35 Fed Com #3
Operator:	Devon Energy Production Company L.P.
String type:	Surface
Location:	Section 35-T21S-R24E

Design parameters:**Collapse**

Mud weight: 8.500 ppg
Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 88 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft
Minimum Drift: 8.750 in

Burst

Max anticipated surface pressure: 914 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 914 psi

Annular backup: 8.50 ppg

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.60 (B)

Tension is based on air weight.
Neutral point: 1,399 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 8,600 ft
Next mud weight: 9.000 ppg
Next setting BHP: 4,021 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 1,600 ft
Injection pressure 914 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
1	1600	9.625	36.00	J-55	ST&C	1600	1600	8.796	13908

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	706	2020	2.86	914	3520	3.85	57.6	394	6.84 J

Prepared by: D. C. Jennings
Devon Energy

Phone: (405) 228-8636
FAX: (405) 552-4621

Date: June 25, 2003
Oklahoma City, Oklahoma

Remarks:

Collapse is based on a vertical depth of 1600 ft, a mud weight of 8.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	Righthand Canyon 35 Fed Com #3
Operator:	Devon Energy Production Company L.P.
String type:	Production
Location:	Section 35-T21S-R24E

Design parameters:**Collapse**

Mud weight: 9.000 ppg
Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 144 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft

Burst

Max anticipated surface pressure: 4,021 psi
Internal gradient: 0.000 psi/ft
Calculated BHP: 4,021 psi

Annular backup: 9.00 ppg

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.60 (B)

Directional Info - Build & Hold

Kick-off point 5000 ft
Departure at shoe: 990 ft
Maximum dogleg: 2 °/100ft
Inclination at shoe: 17.39 °

Tension is based on air weight.
Neutral point: 7,526 ft

Estimated cost: 64,825 (\$)

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost (\$)
3	1000	7	23.00	HCL-80	LT&C	1000	1000	6.25	9709
2	4500	7	23.00	J-55	LT&C	5497	5500	6.25	23611
1	3245	7	23.00	HCL-80	LT&C	8600	8745	6.25	31504

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
3	468	4890	10.46	4021	6340	1.58	197.8	485	2.45 J
2	2570	2970	1.16	3553	4360	1.23	174.8	313	1.79 J
1	4021	5650	1.41	1451	6340	4.37	71.4	485	6.80 J

Prepared by: D. C. Jennings
Devon Energy

Phone: (405) 228-8636
FAX: (405) 552-4621

Date: June 25, 2003
Oklahoma City, Oklahoma

Remarks:

Collapse is based on a vertical depth of 8600 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Collapse strength is (biaxially) derated for doglegs in directional wells by multiplying the tensile stress by the cross section area to calculate a

Engineering responsibility for use of this design will be that of the purchaser.

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:

EXHIBIT 8
Righthand Canyon "35" Federal #3
Section 35-T21S-R24E
Eddy Cnty, NM

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

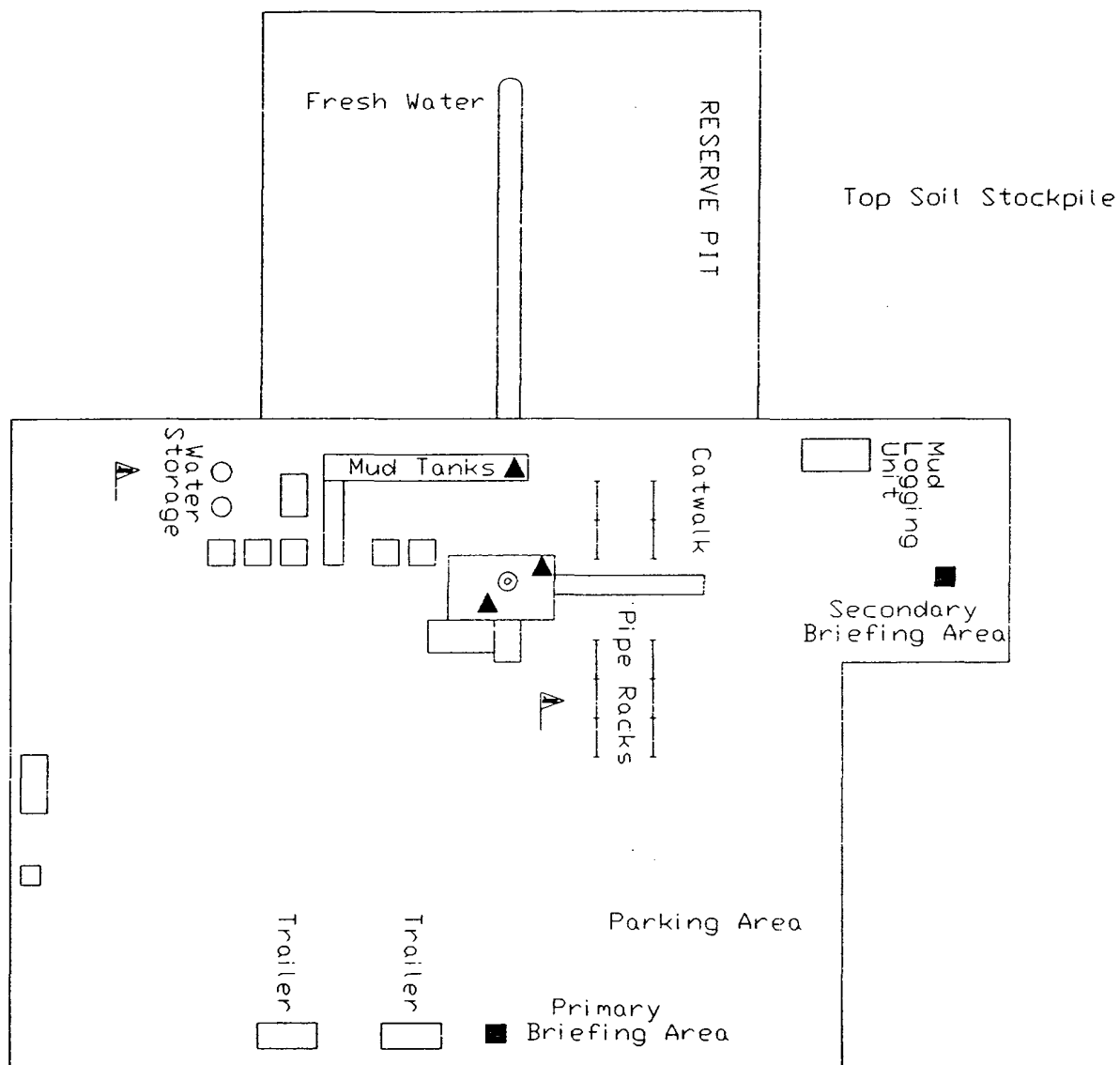
All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines and valves shall be suitable for H₂S service.

7. Communication

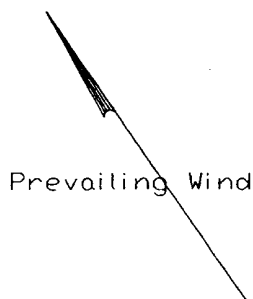
Cellular telephone communication will be available in company vehicles.

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
- A WIND DIRECTION INDICATORS
- SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT



File: G:\NM\H2S-PLAN

EDDY COUNTY, NEW MEXICO	
RIGHTHAND CANYON "35" FEDERAL 3	
H2S PLAN	
Scale in Feet 25 0 25 50 75 100	
4/97	



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado State Office
2850 Youngfield Street
Lakewood, Colorado 80215-7076

IN REPLY REFER TO:

3106
COC15976 et al.

November 22, 2000

NOTICE

Devon Energy Production Company, L. P. :
20 N. Broadway, Suite 1500 :
Oklahoma City, OK 73102 :

Oil and Gas Leases

Bond #: CO-1104
Nationwide Oil & Gas
\$200,000

Merger Recognized

Acceptable evidence has been received in this office concerning the merger of Devon Energy Corporation (NV) and PennzEnergy Exploration and Production Company, LLC with and into Devon Energy Production Company, L.P., with Devon Energy Production Company, L.P. as the surviving entity.

For our purposes, the merger is recognized effective January 20, 2000 the date the Secretary of State of Colorado certified the merger.

The oil and gas lease files identified on the exhibit, supplied by your office, have been noted as to the merger. We have not abstracted the lease files to determine if the entity affected by the merger holds an interest in the leases identified nor have we attempted to identify leases where the entity is the operator on the ground maintaining no vested record title or operating interests. Minerals Management Service and all applicable Bureau of Land Management State Offices of this merger by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you have any questions regarding this correspondence, you may contact me at (303) 239-3768, or FAX (303) 239-3799.

Martha L. Maxwell
Martha L. Maxwell, Land Law Examiner
Fluid Minerals Adjudication

Enclosure
Lease Exhibit

DEVON ENERGY PRODUCTION COMPANY, L.P.
Righthand Canyon "35" Federal #3
Section 35-T21S-R24E
Eddy Cnty, NM

BLM Rel. 8-20 10/25/02

1. (For BLM Use) BLM Report No.		2. (For BLM Use) Reviewers Initials/Date _____ Accepted () Rejected ()		3. NMCRIS Number: 83900	
4. Type of Report:		Negative(Yes)		Positive ()	
5. Title of Report: A Class III Cultural Resource Survey of the Right Hand Canyon "35" Federal Com. Number 3 Proposed Well Location and Access Roads Section 35, T.21S, R.24E, Eddy County, New Mexico Author(s): Richard W. Walter					
6. Fieldwork Date(s): 10-June-2003			7. Report Date: 18-June-2003		
8. Consultant Name/Address: Southern New Mexico Archaeological Services, Inc. Address: Post Office Box 1, Bent, New Mexico 88314 Direct Charge: Joe Ben Sanders Field Personnel Name(s): Allen S. Rorex Phone Number: (505) 671-4797					
9. Cultural Resource Permit Number: 145-2920-03-L			10. Consultant Report Number: SNMAS-03NM-1138		
11. Customer Name: Devon Energy Production, Company, L.P. Responsible Individual: Candi Grraham Address: Post Office Box 108838 Oklahoma City, Oklahoma 73101-8838 Phone Number: 405 552-4520			12. Customer Project Number:		
13. Land Status	BLM	State	Private	Other	Total
a. Area Surveyed (acres)	13.5		1.03		14.53
b. Area of Effect (acres)	4.7		0.21		4.91
14. Linear		Length: 2,000 ft		Width: 150 ft	
15. Location (Map[s] Attached) a. State: New Mexico b. County: Eddy c. BLM Office: Carlsbad Field Office d. Nearest City or Town: Carlsbad e. Legal Description: Well Pad: T.21S, R.24E, Sec(s): 35, S ½, NW ¼, SE ¼ f. Well Pad Footages: 1650 ft FSL and 1980 ft FEL g. USGS 7.5' Map Name(s), Date (S), and Code(s): Azotea Peak, NM, 1985, 32104-D4					

16. Project Data:

a. Records Search: **Date(s) of BLM field Review:** 10-June-2003
 Name of Reviewer(s): Allen S. Rorex
 Date of ARMS Data Review: 05-June-2003
 Name of Reviewer(s): Doralene Sanders

Findings (see Field Office requirements to determine area to be reviewed during records search):

The field maps at the Carlsbad BLM Office indicate that site LA 137,778 is within a 0.25 mile-radius of the project area. Sites LA 43,447, LA 45,865, LA 49,461, LA 49,462, LA 108,063, LA 108,463, LA 108,642, LA 108,644, LA 112,621, LA 112,624, LA 112,625, LA 112,627, LA 112,629, LA 112,635, and LA 112,638 are within a one mile-radius of the project area. In addition, eight site boundaries are shown with no affiliated Laboratory of New Mexico site number. It is assumed that the locality of these sites are known, but have yet, been formally recorded. At any case, these eight sites are well outside of the project area.

b. Description of Undertaking: A Class III cultural resource survey was requested by the Devon Energy Corporation for the proposed Right Hand Canyon "35" Federal Com Number 3. The proposed well location is staked in Section 35, T.21S, R.24E, Eddy County, New Mexico. The impact area of the proposed well pad is 400 ft by 400 ft. A 600 ft by 600 ft area was surveyed for the proposed well location. In addition, two access road right-of-ways were surveyed by the request of Devon Energy Corporation. The first access road is 600 ft long. The first access road begins at an existing lease road and trends east/southeast approximately 500 ft to the southwestern corner of the 600 ft by 600 ft survey area. The remaining 100 ft of the access road was surveyed within the 600 ft by 600 ft well pad survey. The impact area of the proposed access road is 150 ft by 30 ft. The survey area for the proposed access road is 500 ft by 150 ft. Another proposed access road is approximately 1,500 ft long. This access road begins at an existing lease road and trends west/southwest to southwest approximately 1,500 ft to the northeast corner of the existing Right Hand Canyon "35" Federal Com. Numbers 1 and 2. The last 300 ft of this access road and the existing Right Hand Canyon "35" Federal Com. Numbers 1 and 2 are on private lands. The impact area for the proposed access road is 1,500 ft by 30 ft. An area of 1,500 ft X 150 ft was surveyed for the proposed access road.

c. Environmental Setting (NCRS soil designation: vegetative community; elevation; etc.): The well pad and associated access roads are located within the Azotea Mesa area. The proposed well pad and associated access road are on the summit of a hill that separates Walt and Little Walt Canyons. The access road that is associated with the existing Right Hand Canyon "35" Federal Com. Numbers 1 and 2 is located on an eastern-facing hill slope. Drainage within the project area is to the east, and flows into an intermittent drainage, within Little Walt Canyon. Slope varies from 5° to 20°. Elevation ranges from 3,585 ft to 3,850 ft above msl. Sediment within the project area is dominated by shallow, calcareous, grayish-brown, loose to slightly compact, stony silty loam to loam that overlies limestone bedrock. Hill slopes are almost barren of sediment and consist primarily of limestone rock with small pockets of colluvium and alluvium. The vegetative community is typical of a Chihuahuan Desert Scrubland and consists of Lechuguilla, coldenia, Ocotillo, Soap tree Yucca, Tree Cholla, Purple Pricklypear, Acacia, Honey Mesquite, Smoothleaf Sotol, Broom Snakeweed, One-seed Juniper, and various species of grasses. The area is used for livestock grazing, petroleum exploitation/exploration, and wildlife habitat.

d. Field Methods (transect intervals; crew size; time in field, etc.): The cultural resource survey was conducted by walking 12 parallel transects across the well pad and transects at 15 m intervals parallel to, and 75 ft on either side of the center line of the proposed access road right-of-ways. Time spent in the field was 6 hours.

e. Artifacts Collected? No

17. Cultural Resource Findings: No cultural resources were encountered.

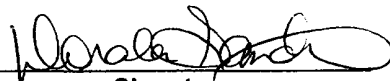
a. Location/Identification of Each Resource: N/A

b. Evaluation of Significance of Each Resource: N/A

18. Management Summary (Recommendations): During the current survey, no cultural resources were encountered. **Archaeological clearance is recommended** for the construction of the proposed Right Hand Canyon "35" Federal Com. Number 3 well location and associated access roads, **with no stipulations.**

19.
I certify the information provided above is correct and accurate and meets all applicable BLM Standards.

Responsible Archaeologists



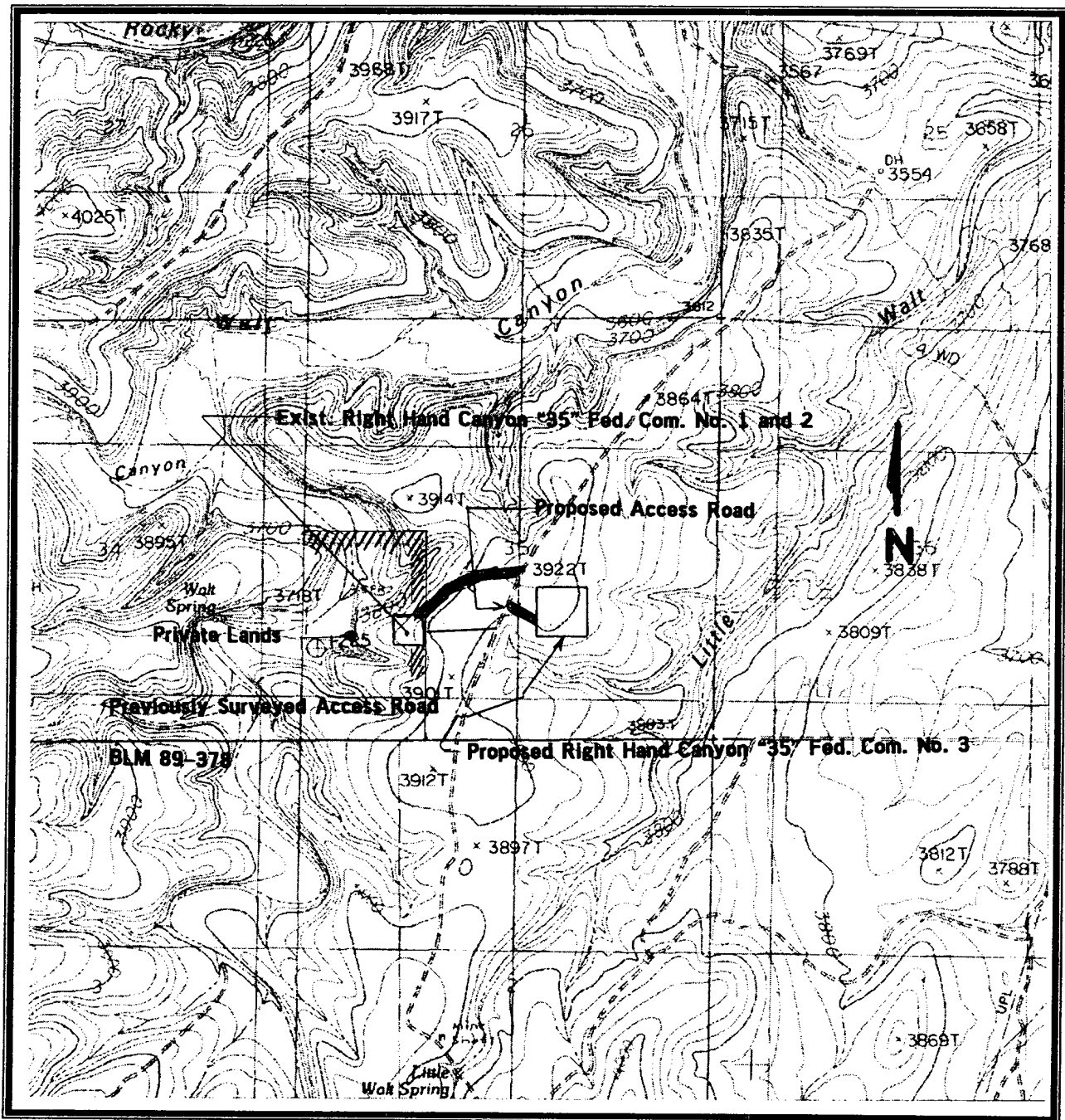
Signature

For, Allen S. Rorex
Field Supervisor

18 June 2003

Date

THE ABOVE COMPLETES A NEGATIVE REPORT. IF ELIGIBLE OR POTENTIALLY ELIGIBLE PROPERTIES ARE INVOLVED,
THE ABOVE WILL BE THE TITLE PAGE AND ABSTRACT FOR A COMPLETE REPORT.



**Figure 1. Survey Area for the Devon Energy Production Company, L.P.'s
Right Hand Canyon "35" Federal Com. Number 3
Proposed Well Location and Access Roads
Section 35, T.21S, R. 24E
USGS Azotea Peak, NM, (1985) topographic map
Eddy County, New Mexico**

Southern New Mexico Archaeological Services, Inc.