Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
DEVON-SFS OPERATING, INC. (MR. WALLY FRANK 405-552-4595)

3. ADDRESS AND TELEPHONE NO.
20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OKLAHOMA 73102-8260

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: SURFACE: 1128' FWL & 1716' FNL SEC. 34 T21S-R24E UNIT "E"
At proposed prod. zone: BOTTOM HOLE LOCATION 660' FNL & 660' FWL SEC.34 21S-R24E UNIT "D"

5. LEASE DESIGNATION AND SERIAL NO.: NM-53218
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: ---
7. UNIT AGREEMENT NAME: ---
8. FARM OR LEASE NAME, WELL NO.: RIGHT HAND CANYON "34" FEDERAL # 3
9. API WELL NO.: 30-015-32146
10. FIELD AND POOL, OR WILDCAT: INDIAN BASIN UPPER-PENN.
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 34 T21S-R24E
12. COUNTY OR PARISH: EDDY CO. 13. STATE: NEW MEXICO

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 25 miles Northwest of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): SL 1128' BHL 660'
16. NO. OF ACRES IN LEASE: 1120
17. NO. OF ACRES ASSIGNED TO THIS WELL: 320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: SL 350' BHL 1150'
19. PROPOSED DEPTH: 8812'
20. ROTARY OR CABLE TOOLS: ROTARY
21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3751' GR.
22. APPROX. DATE WORK WILL START*: NOVEMBER 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

Carlsbad Controlled Water Basin

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Redi-mix.
17½"	J-55 13 3.8"	54.5	1700'	1400 Sx. Circulate cement.
12¼"	HCL-80 9 5/8"	43.4 & 40	8812'	1000' Sx. Top Cement est. 6000'
	HCK-55			

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.

2. Drill 17½" hole to 1700'. Run and set 1700' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 1100 Sx. of Class "C" Light + additives, tail in with 300 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.

3. Drill 12¼" hole to 8812'. Run and set 8812' of 9 5/8" casing as follows: 1312' of 9 5/8" 43.5# HCL-80 LT&C, 7500' of 9 5/8" 40# HCK-55 LT&C. Cement with 600 Sx. of Light cement + additives, tail in with 400 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement estimated to be 6000'. Or at least 500' above uppermost perforation.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

RECEIVED
OCD - ARTESIA

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 preventer program, if any.

24.
SIGNED Joel T. Jones TITLE Agent DATE 09/17/01

(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:

APPROVED BY /s/ LESLIE A. THEISS TITLE FIELD MANAGER DATE DEC 17 2001

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	33685	INDIAN BASIN - UPPER PENN

Property Code	Property Name	Well Number
	DEVON-SFS OPERATING, INC.	3

OGRID No.	Operator Name	Elevation
20305	DEVON ENERGY PRODUCTION COMPANY, L.P.	3751'

Surface Location

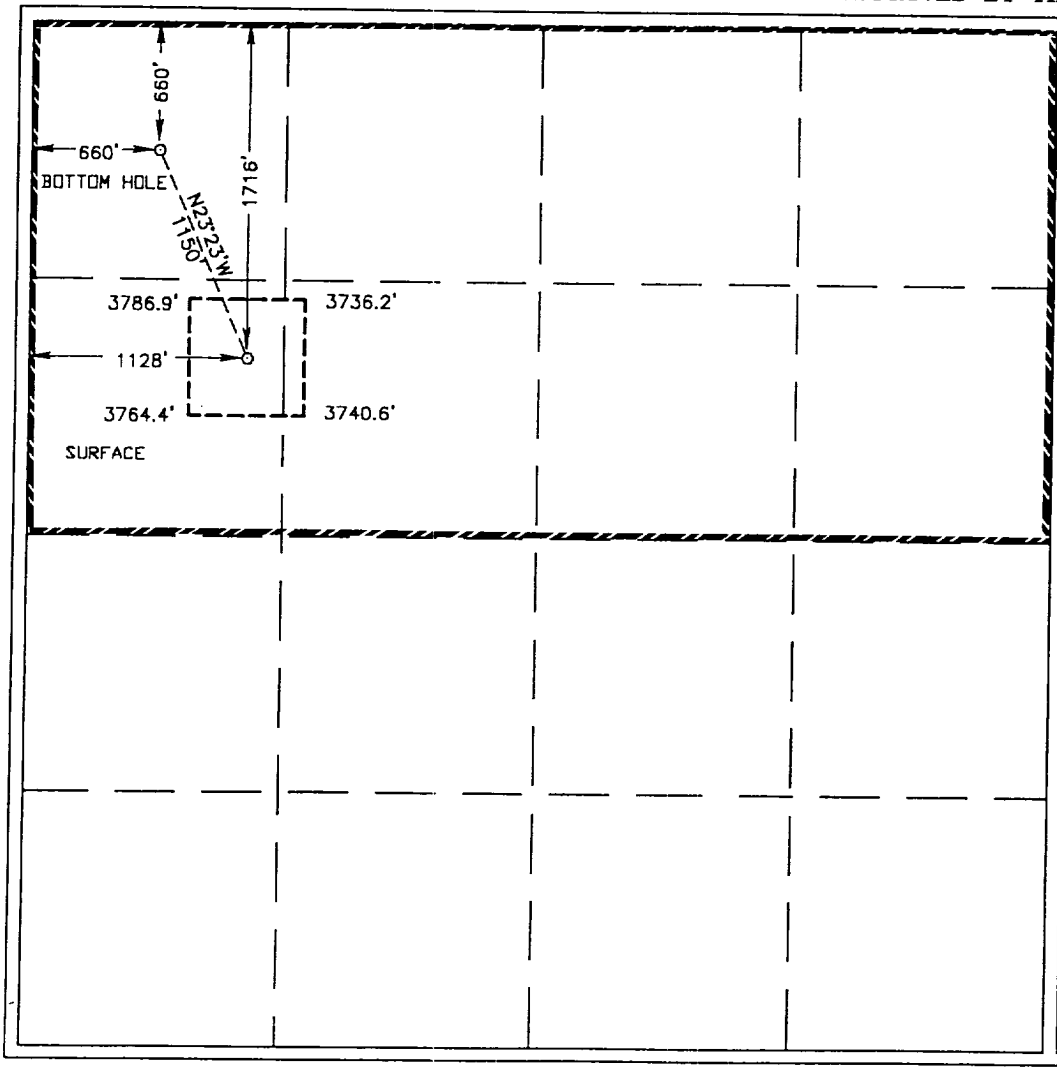
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	34	21-S	24-E		1716	NORTH	1128	WEST	EDDY

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
D	34	21-S	24-E		660	NORTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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.

Joe T. Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

09/17/01
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 supervison, and that the same is true and correct to the best of my belief.

AUGUST 20, 2001
Date Surveyed AWB

Signature & Seal of Professional Surveyor

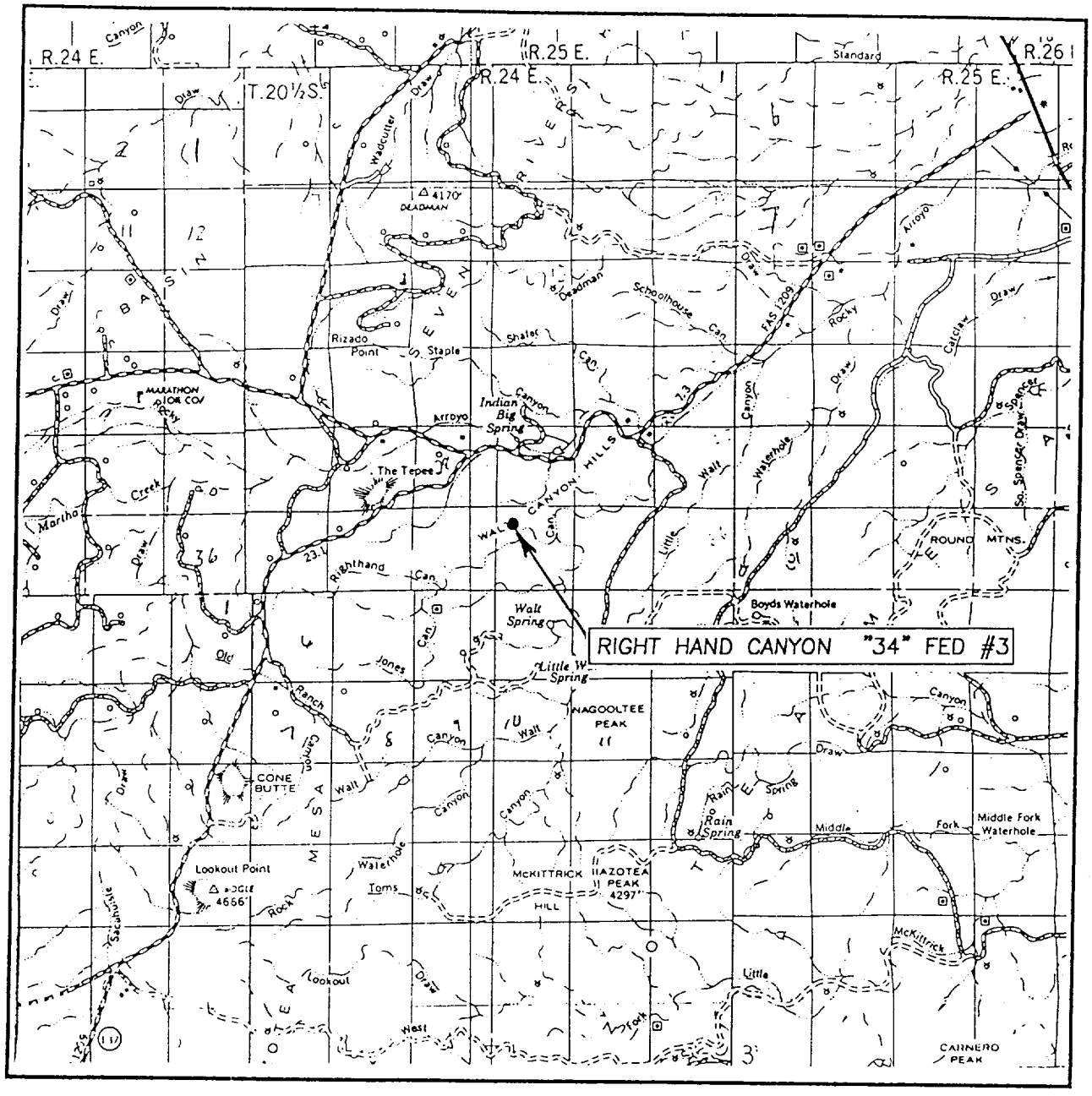
8/23/01

01.11.0956

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

EXHIBIT "A"

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 34 TWP. 21-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1716 FNL & 1128' FWL

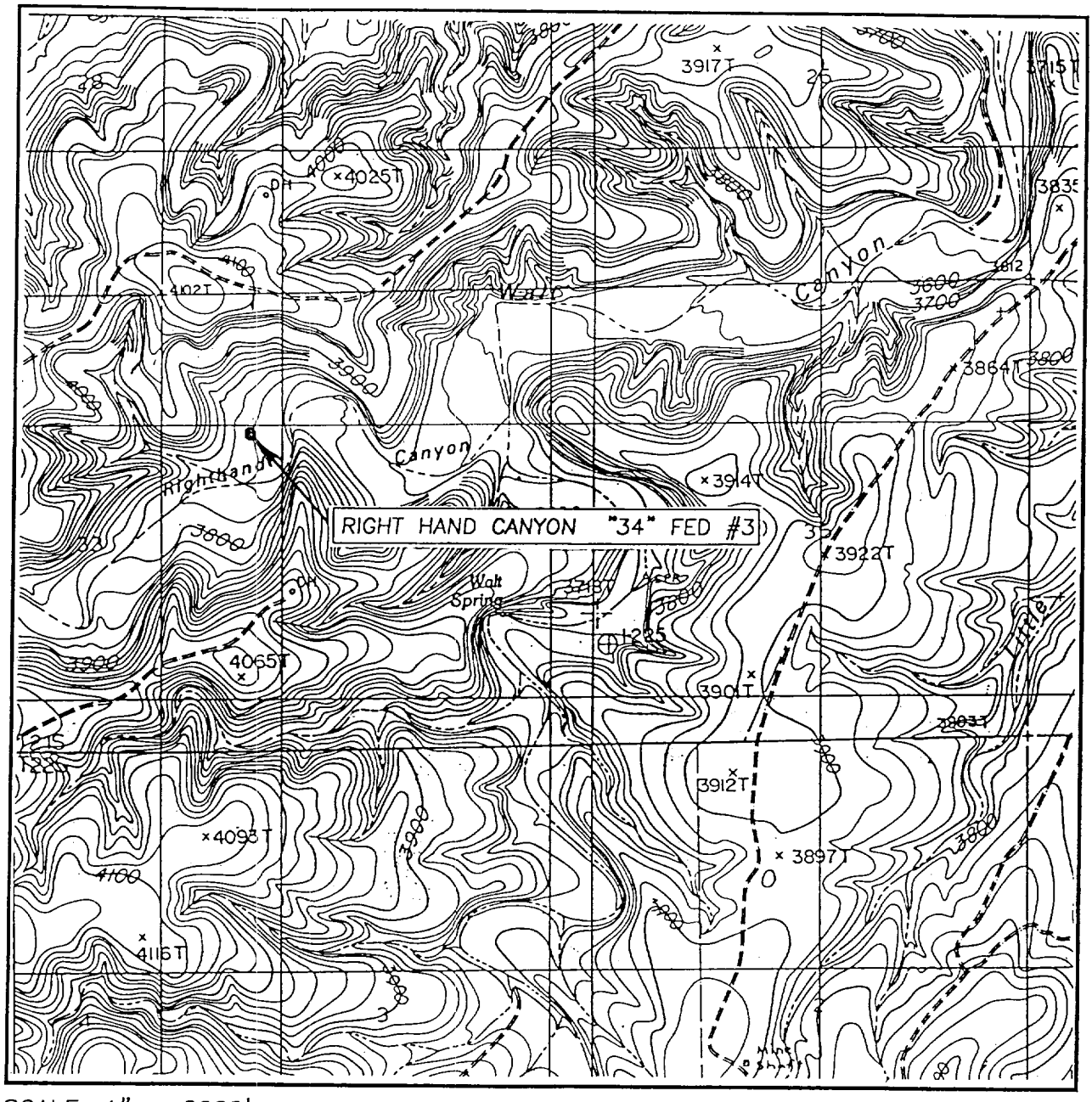
ELEVATION 3751'

OPERATOR DEVON-SFS OPERATING, INC.

LEASE RIGHT HAND CANYON "34" FED

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'
AZOTEA PEAK, N.M.

SEC. 34 TWP. 21-S RGE. 24-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1716 FNL & 1128' FWL

ELEVATION 3751'

OPERATOR DEVON-SFS OPERATING, INC.

LEASE RIGHT HAND CANYON "34" FED

U.S.G.S. TOPOGRAPHIC MAP
AZOTEA PEAK, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

Well name:	**Right Hand Canyon 34 "D" #3**
Operator:	**Devon SFS Operating, Inc.**
String type:	Surface
Location:	660' FNL & 660' FWL, Sec. 34, T21S, R24E

Design parameters:

Collapse

Mud weight:	8.500 ppg
Design is based on evacuated pipe.	
Surface pressure:	250 psi

Burst

Max anticipated surface pressure:	971 psi
Internal gradient:	0.000 psi/ft
Calculated BHP	971 psi
Annular backup:	8.50 ppg

Minimum design factors:

Collapse:

Design factor	1.125

Burst:

Design factor	1.00

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: 1,486 ft

Environment:

H2S considered?	No
Surface temperature:	90 °F
Bottom hole temperature:	104 °F
Temperature gradient:	0.80 °F/100ft
Minimum section length:	1,000 ft
Minimum Drift:	2.250 in

Non-directional string.

Re subsequent strings:

Next setting depth:	8,600 ft
Next mud weight:	8.800 ppg
Next setting BHP:	3,931 psi
Fracture mud wt:	11.000 ppg
Fracture depth:	1,700 ft
Injection pressure	971 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	1700	13.375	54.50	J-55	ST&C	1700	1700	12.49	21092

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	1001	1130	1.13	971	2730	2.81	92.6	514	5.55 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: September 2,2001
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 1700 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.

Well name:	**Right Hand Canyon 34 "D" #3**
Operator:	**Devon SFS Operating, Inc.**
String type:	Production
Location:	660' FNL & 660' FWL, Sec. 34, T21S, R24E

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 3,753 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 3,753 psi
Annular backup: 8.50 ppg

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

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: 7,729 ft

Estimated cost: 114,210 ($)

Environment:
H2S considered? Yes
Surface temperature: 90 °F
Bottom hole temperature: 159 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft

Directional Info - Build & Hold
Kick-off point 5000 ft
Departure at shoe: 1171 ft
Maximum dogleg: 1.5 °/100ft
Inclination at shoe: 22.38 °

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 ($)
2	7500	9.625	40.00	HCK-55	LT&C	7386	7500	8.75	92268
1	1312	9.625	43.50	HCL-80	LT&C	8600	8812	8.625	21942

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
2	3223	4125	1.28	3753	3950	1.05	348.2	630	1.81 B
1	3753	5600	1.49	491	6330	12.89	52.8	936	17.74 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: September 2,2001
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 8600 ft, a mud weight of 8.4 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

APPLICATION TO DRILL

DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UINT "D" SECTION 34
T21S-E24E EDDY CO. NM

In response to questions asked under Section II of Bulletin NTL-6 the following information on the above well is provided for your consideration.

1. Location: Surface location: Unit "E" 1128' FWL & 1716' FNL SEC. 34 T21S-R24E
Bottom hole location: Unit "D" 660' FWL & 660' FNL SEC. 34 T21S-R24E

2. Elevation above Sea Level: 3751' GR.

3. Geologic name of surface formation: Quaternery Aeolian Deposits.

4. Drilling tools and associated equipment: Conventional rotary drilling rig using drilling mud as a circulating medium for solids removal from hole.

5. Proposed drilling depth: 8812'

6. Estimated tops of geological markers:

San Andres	553'	Wolfcamp	7350'
Glorietta	2670'	Cisco	7900'
Bone Spring	3550'	Canyon	8300'

7. Possible mineral bearing formations:

San Andres	Water	Cisco	Gas
Wolfcamp	Gas	Canyon	Gas
	Gas		

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
17½"	0-1700'	13 3/8"	54.5#	8-R	ST&C	J-55
12¼"	0-8812"	9 5/8"	43.5 40.0	8-R	LT&C	HCL-80 HCK-55

DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UINT "D" SECTION 34
T21S-E24E EDDY CO. NM

9. CEMENTING & CASING SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Set 1700' of 13 3/8" 54.5# J-55 ST&C casing. Cement with 1400 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
9 5/8"	Production	Set 8812' of 9 5/8" run as follows: 1312' of 9 5/8" 43.5# HCL-80 LT&C, 7500' of 9 5/8" 40.0# HCK-55 LT&C. Cement with 600 Sx. of Light cement + additives, tail in with 400 Sx. of Class "H" Premium Plus cement + additives, top of cement 600' above upper most perf.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 1500 Series 5000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nippled up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 5000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-1700'	8.4-8.7	29-34	NC	Fresh water spud mud system use paper to control seepage.
1700-7300'	8.4-8.7	29-38	NC	Fresh water system use paper to control seepage & high viscosity sweeps to clean hole.
7300-8812'	8.4-8.7	32-38	10-15 cc or less	Fresh water Dris-pac system control pH with soda ash use high viscosity sweeps to clean hole.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's , open hole logs, and casing viscosity and/or water loss may have to be adjusted to meet these needs.

12. LOGGING, CORING, AND TESTING PROGRAM:

A. Open hole logs: Dual Induction, MSFL, LDT, Compensated Neutron, Gamma Ray, Caliper from TD to 1700'.

B. No DST's or cores are planned at this time.

C. Mud logger may be placed on hole at the Operators discretion.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. There is no known presence of H^2S in this area. If H^2S 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 3500 PSI, and Estimated BHT 140°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date is November 2001 when rig will be available. Move in operation and drilling is expected to take approximately 36 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flowlines in order to place this well on production.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole Gamma Ray, Neutron Collar logs will be run from TD back to all possible productive zones. The Cisco-Canyon formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialed as a gas well.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H_2S safety instructor to the following:

   A. Characteristics of H_2S
   B. Physical effects and hazzards
   C. Proper use of safety equipment and life support systems.
   D. Principle and operation of H_2S detectors, warning system and briefing areas.
   E. Evacuation procedure, routes and first aid.
   F. Proper use of 30 minute pressure demand air pack.

2. H_2S Detection and Alarm Systems

   A. H_2S 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 mudpit 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, H_2S present in dangerous concentration. Only emergency personnel admitted to location.

5. Well control equipment

   A. See exhibit "E"

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 telephoned will be available at most drilling foreman's trailer or living quarters.

7. Drillstem Testing

   A. Exhausts will be watered.
   B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
   C. If location is near any dwelling a closed D.S.T. will be performed.

8. Drilling contractor supervisor will be required to be familiar with the effects H_2S has on tubular goods and other mechanical equipment.

9. If H_2S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas seperator will be brought into service along with H_2S scavengers if necessary.

DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UNIT "D" SECTION 34
T21S-R24E EDDY CO. NM

1. EXISTING AND PROPOSED ROADS: Area maps: Exhibit "B" is a reproduction of a County General Hi-way map showing access roads to the location. Exhibit "C" is a reproduction of a USGS Topographic map showing existing roads in close proximity to the location and the proposed access roads. All existing roads will be maintained in a condition equal to or better than their current conditions. All new roads will be constructed to BLM specifications.

   A. Exhibit "A" shows the location of the proposed well site as staked.

   B. From Carlsbad New Mexico go North on U.S. Hi-way 285 12 miles to the junction with State Hi-way 137 (Queens Hi-way), turn Left on to Hi-way 137 go 6.5 miles turn Left and follow lease road 2.8 miles to location.

   C. Lay necessary flowlines or gas sales lines along road R-O-W's in order to produce this well.

2. PLANNED ACCESS ROADS: No new roads will be required.

   A. The access road will be crowned and ditched to a 12' wide traveled surface with a 40' Right-Of-Way.

   B. Gradient on all roads will be less than 5% if possible.

   C. Turn-outs will be constructed where necessary.

   D. If needed roads will be surfaced to the BLM requirements with material obtained from a local source.

   E. Center line of new road will be flagged.

   F. The new road will be constructed to utilize low water crossings where drainage currently exists, and culverts will be installed where necessary.

3. EXHIBIT "A-1" SHOWS THE BELOW LISTED TYPE WELLS WITHIN A 1 MILE RADIUS:

A. Water wells	–	None known
B. Disposal wells	–	One in unit "G" Sec. 4 T22S-R24E.
C. Drilling wells	–	None known
D. Producing wells	–	As shown on Exhibit "A-1"
E. Abandoned wells	–	As show on Exhibit "A-1"

4. If this well is completed as a producer, flowlines will be tied into existing pipeline that runs in close proximity to the location. See Exhibit "F". Shown on Exhibit "F" is a 100' corridor in which pipelines or powerlines may be run in order to produce this lease.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

6. SOURCE OF CONSTRUCTION MATERIAL:

If possible construction will be obtained from the excavation of drill site, if additional material is needed it will be purchased from a local source and transported over the access route as shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

A. Drill cuttings will be disposed of in the reserve pit.

B. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and disposed of in a approved sanitary land fill.

C. Salts remaining after completion of well will be picked up by supplier including broken sacks.

D. Sewage from living quarters will drain into holes with a minium depth of 10'. These holes will be covered during drilling and will be back filled upon completion. A Ports-John will be provided for the rig crews. This equipment will be properly maintained during the drilling operations and removed upon completion of the well.

E. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for breaking out. In the event that drilling fluids do not evaporate in a reasonable time they will be hauled off by transports and be disposed of at a state approved disposal facility. Later pits will be broken out to speed drying. Water produced during testing will be put in reserve pits. Any oil or condensate produced will be stored in test tanks until sold and hauled from the site.

8. ANCILLARY FACILITIES:

A. No camps or airstrips to be constructed.

9. 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 is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.

D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.

E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.

11. OTHER INFORMATION:

A. Topography consists of deep canyons and high hills consting of limestone soil in the bottom of the canyons is sandy, which supports lechuguilla, acacis, little leaf sumac, yucca, sotol, prickly pear, cholla, creosote, and algerita.

B. The surface and minerals are owned by the U.S. 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 conducted of the well pad location and the results will be filed with The Bureau of Land Management in the Carlsbad Field office.

D. There are no dwellings within 2 miles of location.

12. OPERATOR'S REPRESENTIVE:

BEFORE CONSTRUCTION:

TIERRA EXPLORATION, INC.
P.O. BOX 2188
HOBBS, NEW MEXICO 88241
JOE T. JANICA
Ph. OFFICE 505-391-8503

DURING AND AFTER CONSTRUCTION:

DEVON-SFS OPERATING, INC.
20 NORTH BROADWAY, SUITE 1500
OKLAHOMA CITY, OKLAHOMA 73102-8260
MR WALLY FRANK Ph. 405-552-4595

DEVON-SFS OPERATING, INC.
MR. DON MAYBERRY SUPERINTENDENT
P.O. BOX 250 ARTESIA, NEW MEXICO 88211-0250
OFFICE Ph. 505-748-3371
HOME Ph. 505-746-4945

13. CERTIFICATION: I certify that I or persons under my direct supervision have inspected the proposed dirll site and the access route, that I am familiar with the conditions which currently exist and that the statements made in this plan are to the best of my knowledge, are true and correct, and that the work associated with the operations proposed herein will be performed by DEVON-SFS OPERATING, INC., it's contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME : Joe T Janica

DATE : 09/17/01

TITLE : Agent

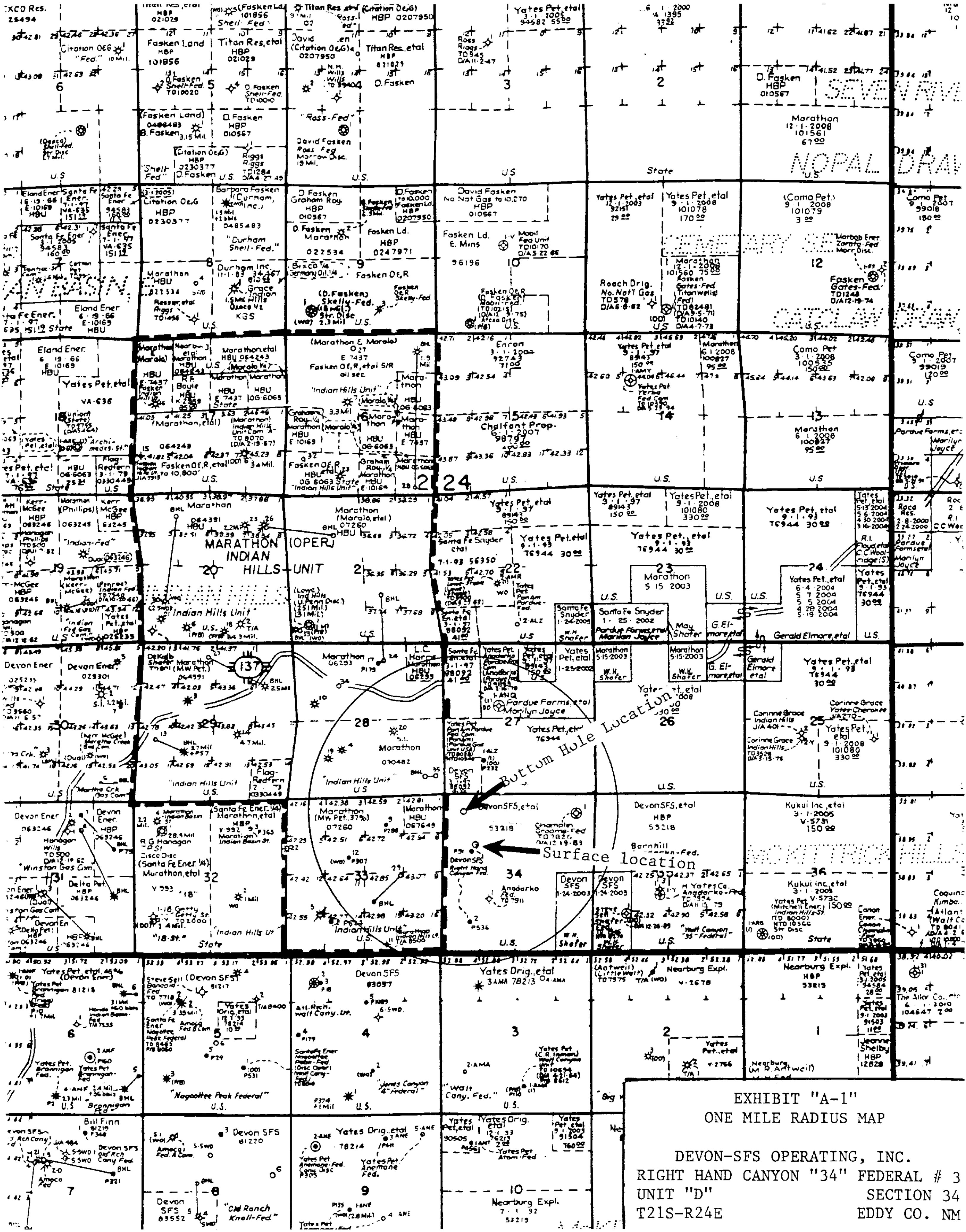


EXHIBIT "A-1"
ONE MILE RADIUS MAP

DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UNIT "D" SECTION 34
T21S-R24E EDDY CO. NM

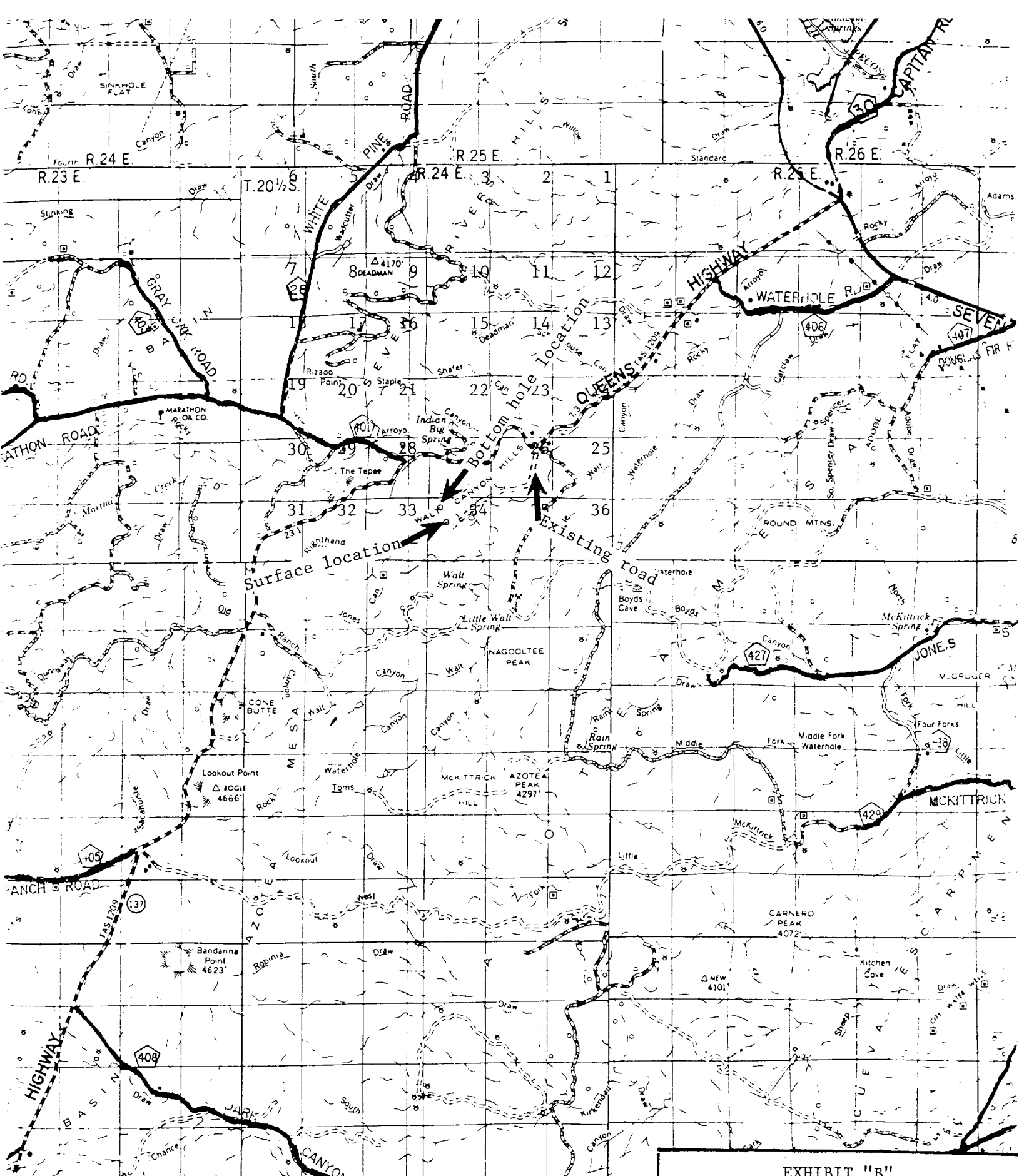


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UNIT "D" SECTION 34
T21S-R24E EDDY CO. NM

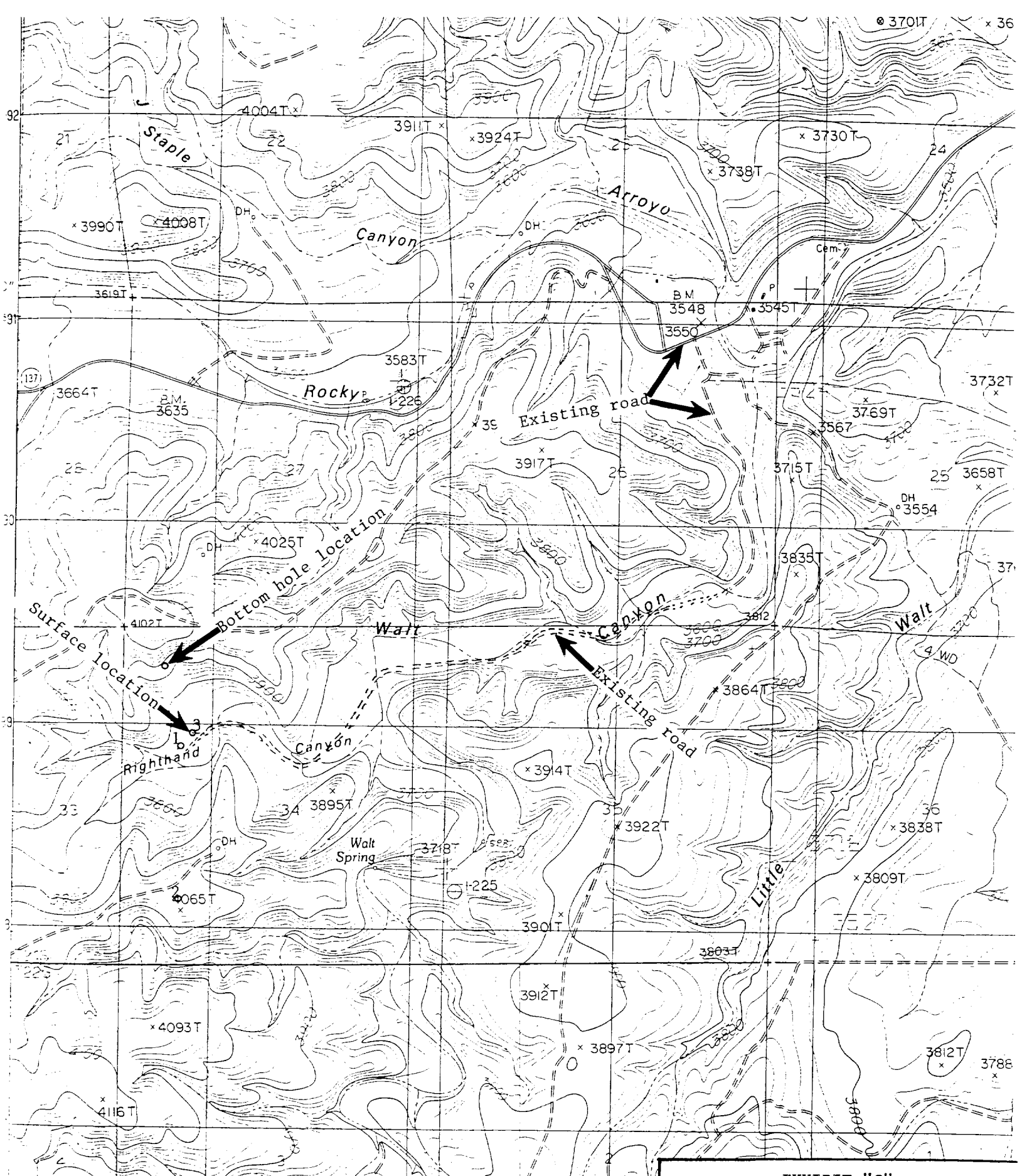
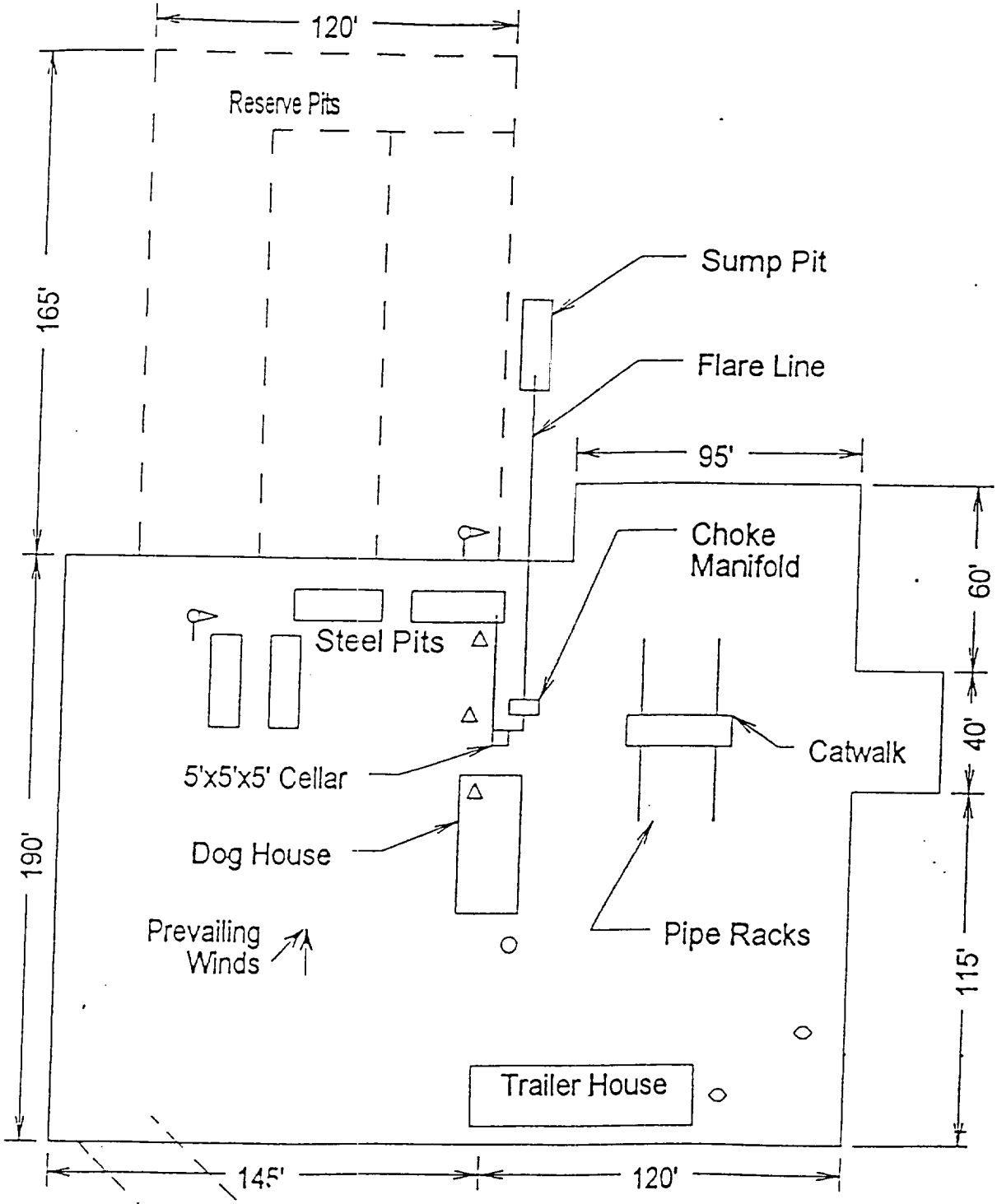


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

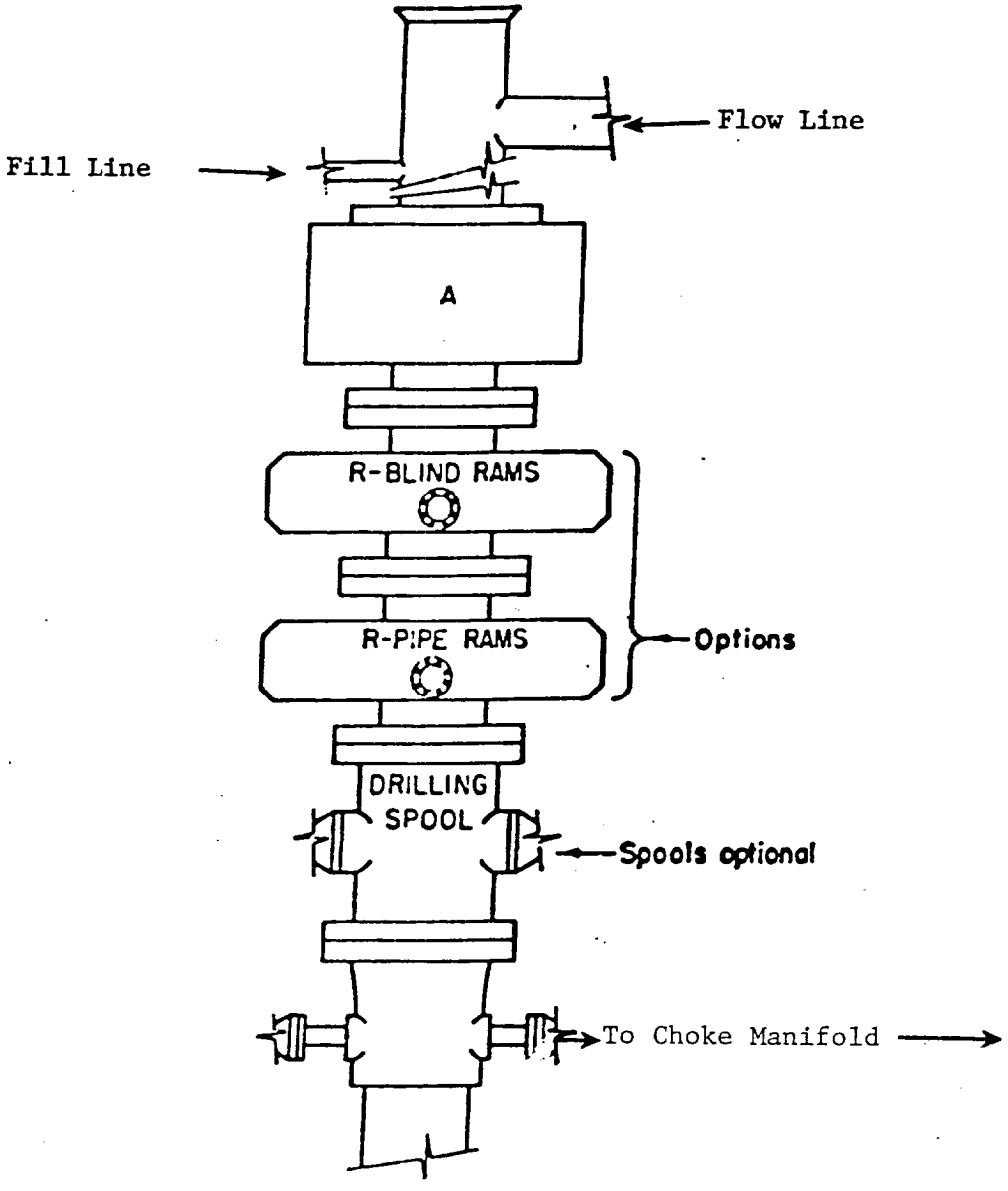
DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UNIT "D" SECTION 34
T21S-R24E EDDY CO., NM



- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- ○ Briefing Areas
- ○ Remote BOP Closing Unit
- □ Sign and Condition Flags

EXHIBIT "D"
RIG LAYOUT PLAT

DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UNIT "D" SECTION 34
T21S-R24E EDDY CO. NM



ARRANGEMENT SRRA

1500 Series

5000# Working Pressure

EXHIBIT "E"
SKETCH OF B.O.P. TO BE USED ON

DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UNIT "D" SECTION 34
T21S-R24E EDDY CO. NM

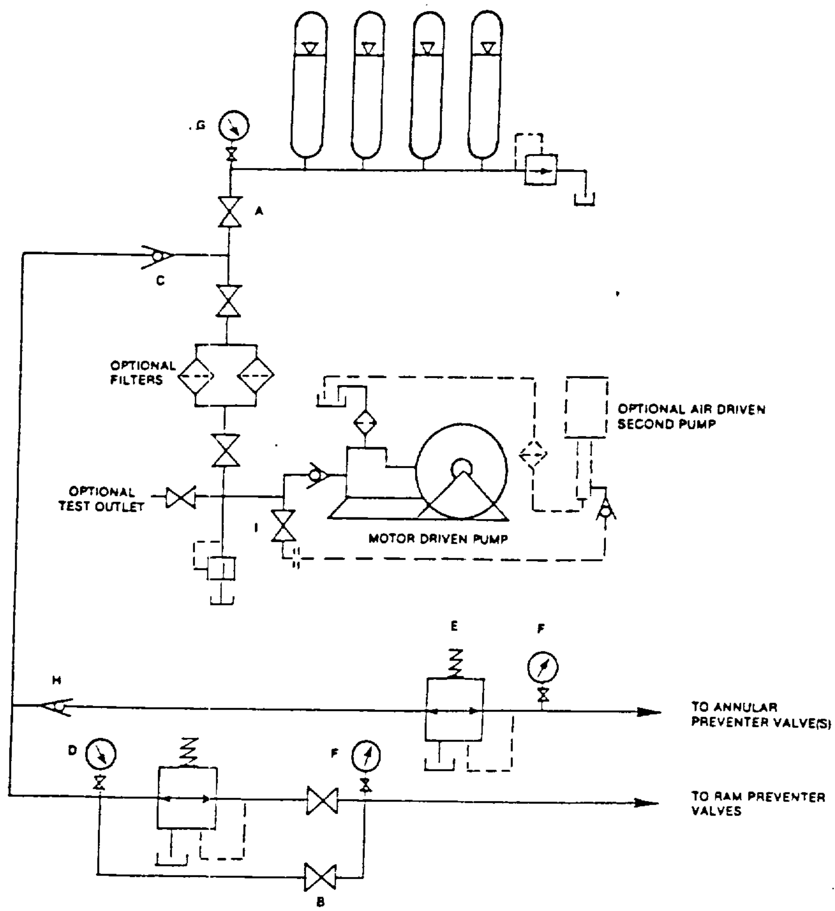


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

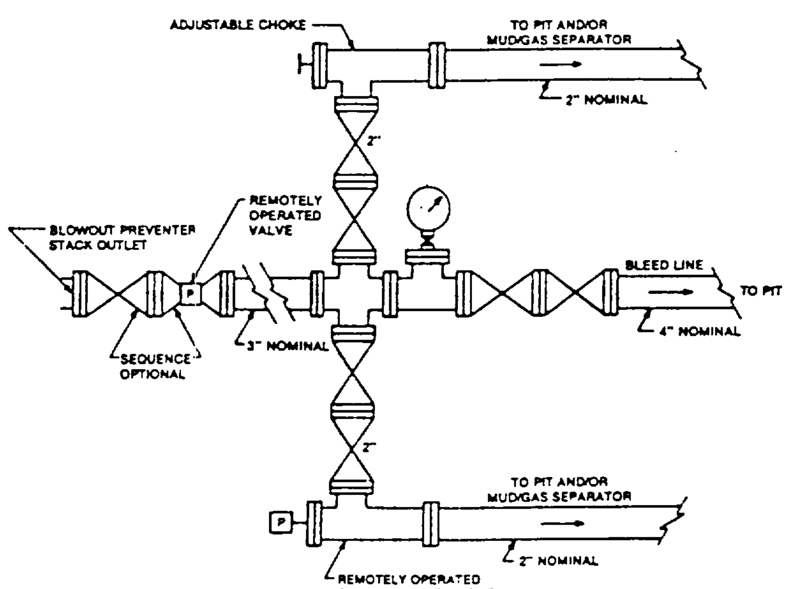


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UINT

DEVON-SFS OPERATING, INC.
RIGHT HAND CANYON "34" FEDERAL # 3
UNIT "D" SECTION 34
T21S-R24E EDDY CO. NM

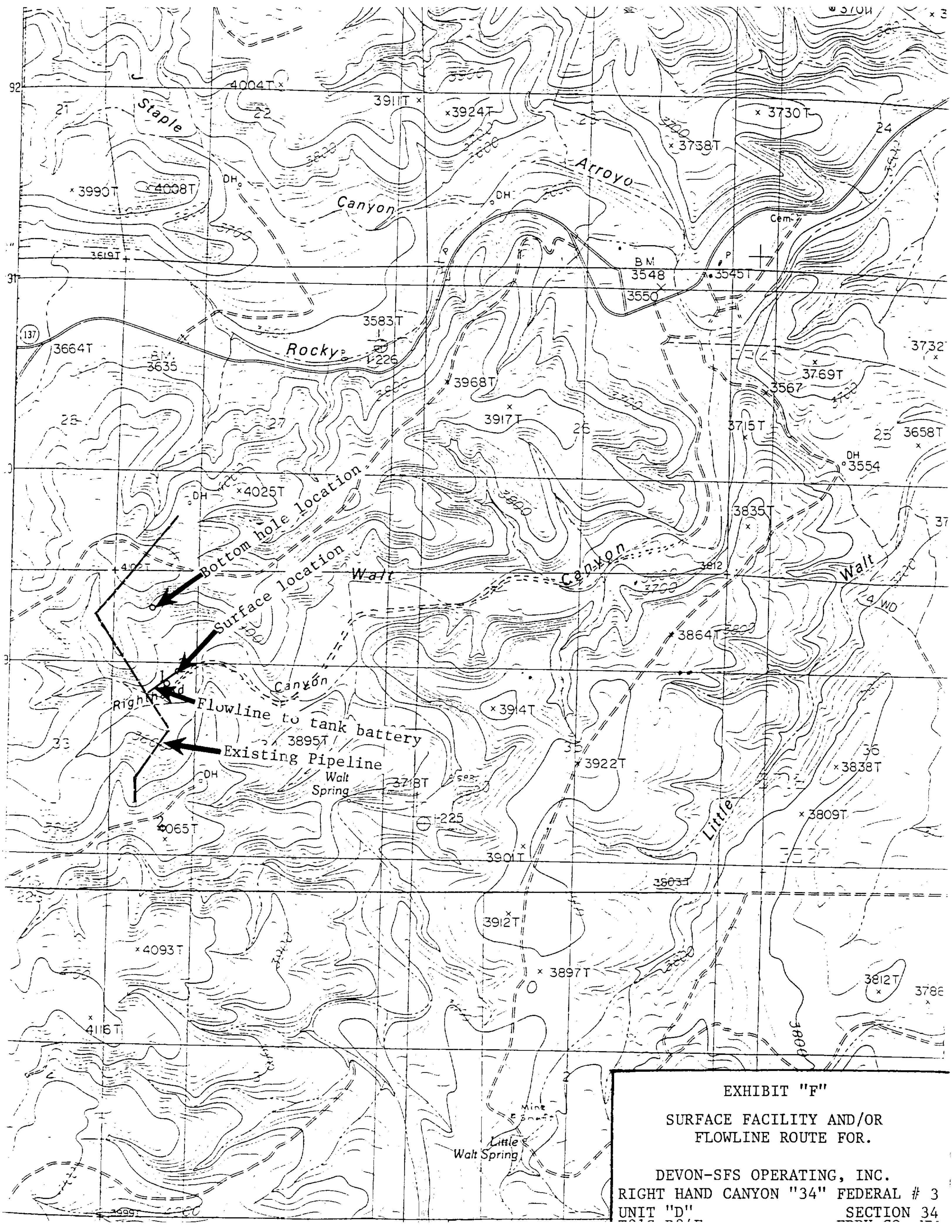

Staple
Arroyo
Rocky
Canyon
Walt
Canyon
Right Hand
Canyon
Little
Walt
Walt Spring
Little Walt Spring
Bottom hole location
Surface location
Flowline to tank battery
Existing Pipeline
4004T
3911T
3924T
3730T
3738T
3990T
4008T
3548
3545T
3550
3583T
3664T
3635
3732
3769T
3567
3968T
3917T
3715T
3658T
3554
4025T
3835T
3812
3864T
3914T
3895T
3922T
3838T
3718T
3809T
4065T
3901T
3803T
3912T
4093T
3897T
3812T
4116T

EXHIBIT "F"

SURFACE FACILITY AND/OR FLOWLINE ROUTE FOR.

DEVON-SFS OPERATING, INC.

RIGHT HAND CANYON "34" FEDERAL # 3

UNIT "D" SECTION 34