Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. SUBMIT TRIPLICATE* (Other instructions on reverse side)

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

RECEIVED
FEB ARTESIA

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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

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

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

3. ADDRESS AND TELEPHONE NO.
20 NORTH BROADWAY, SUITE 1500
OKLAHOMA CITY, OKLAHOMA 73102-8260
405-552-4595 WALLY FRANK

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 1980' FSL & 660' FEL SEC. 26 T22S-R22E EDDY CO. NM
UNIT "I"
At proposed prod. zone SAME

5. LEASE DESIGNATION AND SERIAL NO.
NM-100585

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
27791

8. FARM OR LEASE NAME, WELL NO.
WAGON WHEEL "26" FED. # 2

9. API WELL NO.
30-015-32213

10. FIELD AND POOL, OR WILDCAT
ROCKY ARROYO-MORROW, SE

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 26 T22S-R22E

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) 660'

16. NO. OF ACRES IN LEASE 640

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. 1320'

19. PROPOSED DEPTH 10,800'

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4352' 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"	H-40 13 3/8"	48	620'	600 Sx. circulate to surface.
12¼"	J-55 9 5/8"	36	2050'	1000 Sx. " " "
8½"	L-80 7"	29 & 23	10,800'	19500 Sx. " " "

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17½" hole to 620'. Run and set 620' of 13 3/8" H-40 48# ST&C casing. Cement with 600 Sx. of Class "C" cement + ¼# Flocele/Sx. + 2% CaCl, circulate cement to surface.
3. Drill 12¼" hole to 2050'. Run and set 2050' of 9 5/8" J-55 36# ST&C casing. Cement with 1000 Sx. of Class "C" cement + 2% CaCl + ¼# Flocele/Sx., circulate cement to surface.
4. Drill 8½" hole to 10,800'. Run and set 10,800' of 7" casing as follows: 7800' of 7" 29# L-80 LT&C, 700' of 7" 23# L-80 LT&C, 2300' of 7" 29# LT&C casing. CEment in two stages DV Tool at 9000'±. Cement 1st stage with 350 Sx. of Class "H" Modified Super "H" + .4% CFR-3, ¼# Flocele/Sx. + 5# Gilsonite/Sx. + .5% Halad-344 + 3#Salt/Sx. Cement 2nd Stage with 1300 Sx. of Class "C" Light + 1# Flocele/Sx. + 5# Gilsonite/Sx. + 12% Salt, tail in With 300 Sx. of Modified Super "H" + ¼% CFRZ, + ½% Halad-344 + 5# Gilsonite/Sx. + 3# Salt/ Sx. Circulate cement to surface.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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 Janica TITLE Agent DATE 09/20/01

(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. THESS TITLE FIELD MANAGER DATE FEB 19 2002

*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

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
	84160	ROCKY ARROYO-MORROW

Property Code	Property Name	Well Number
	WAGON WHEEL 26	2

OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	4352'

Surface Location

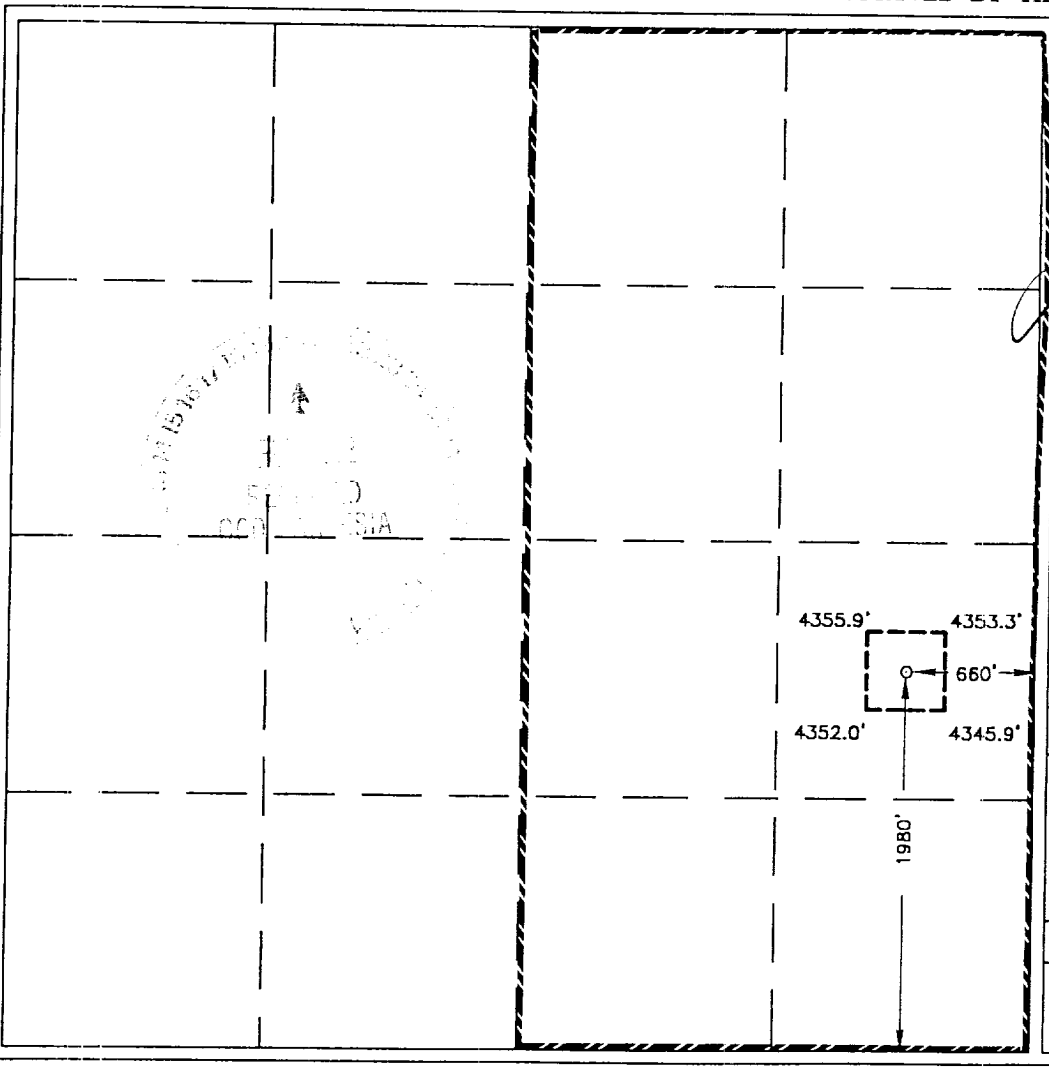
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	26	22-S	22-E		1980	SOUTH	660	EAST	EDDY

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

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

09/20/01
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.

SEPTEMBER 06, 2001
Date Surveyed AWB

Signature & Seal of Professional Surveyor

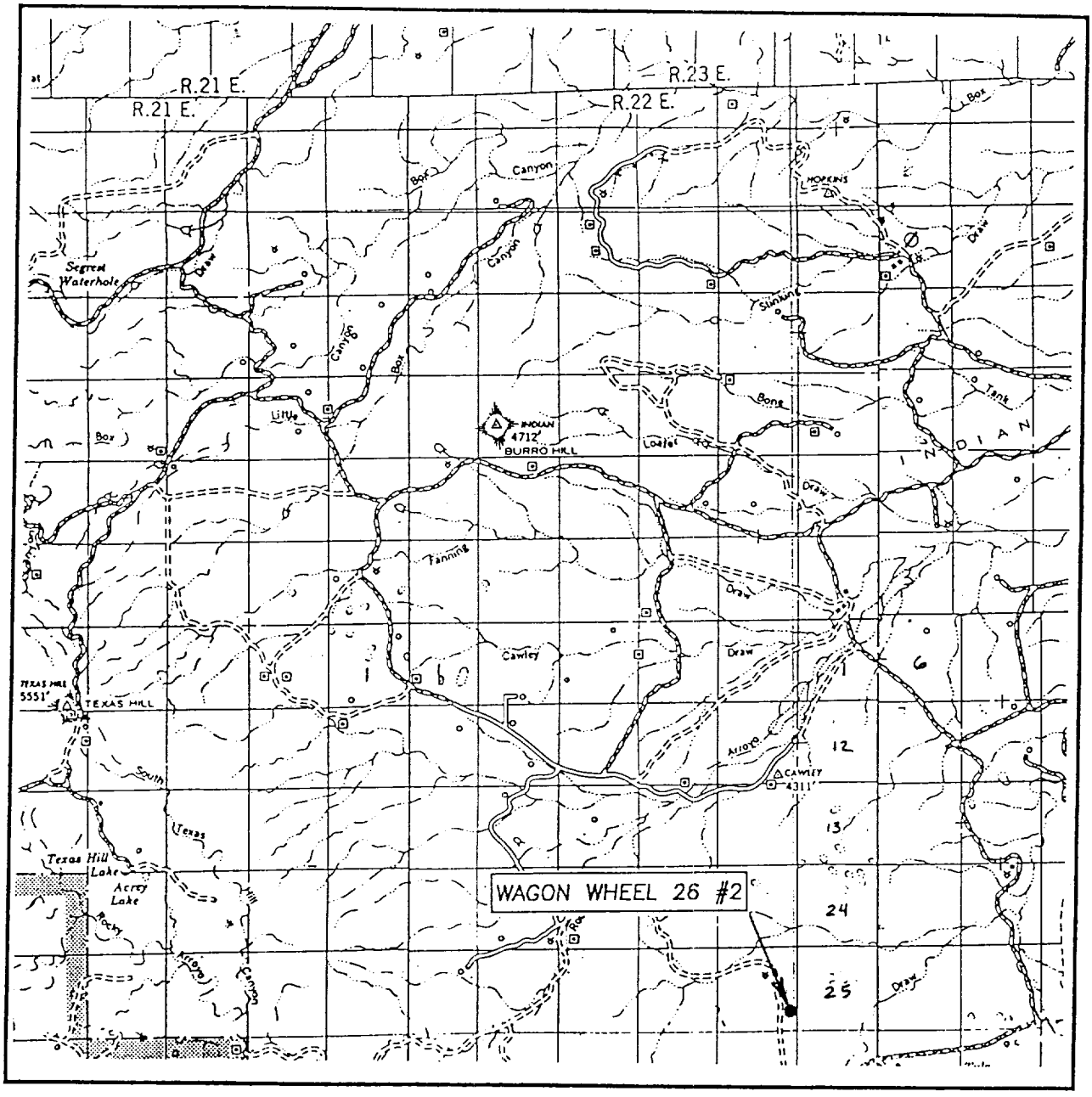
Ronald J. Eidson 9/11/01

01.11.1004

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

EXHIBIT "A"

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 26 TWP. 22-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FSL & 660' FEL

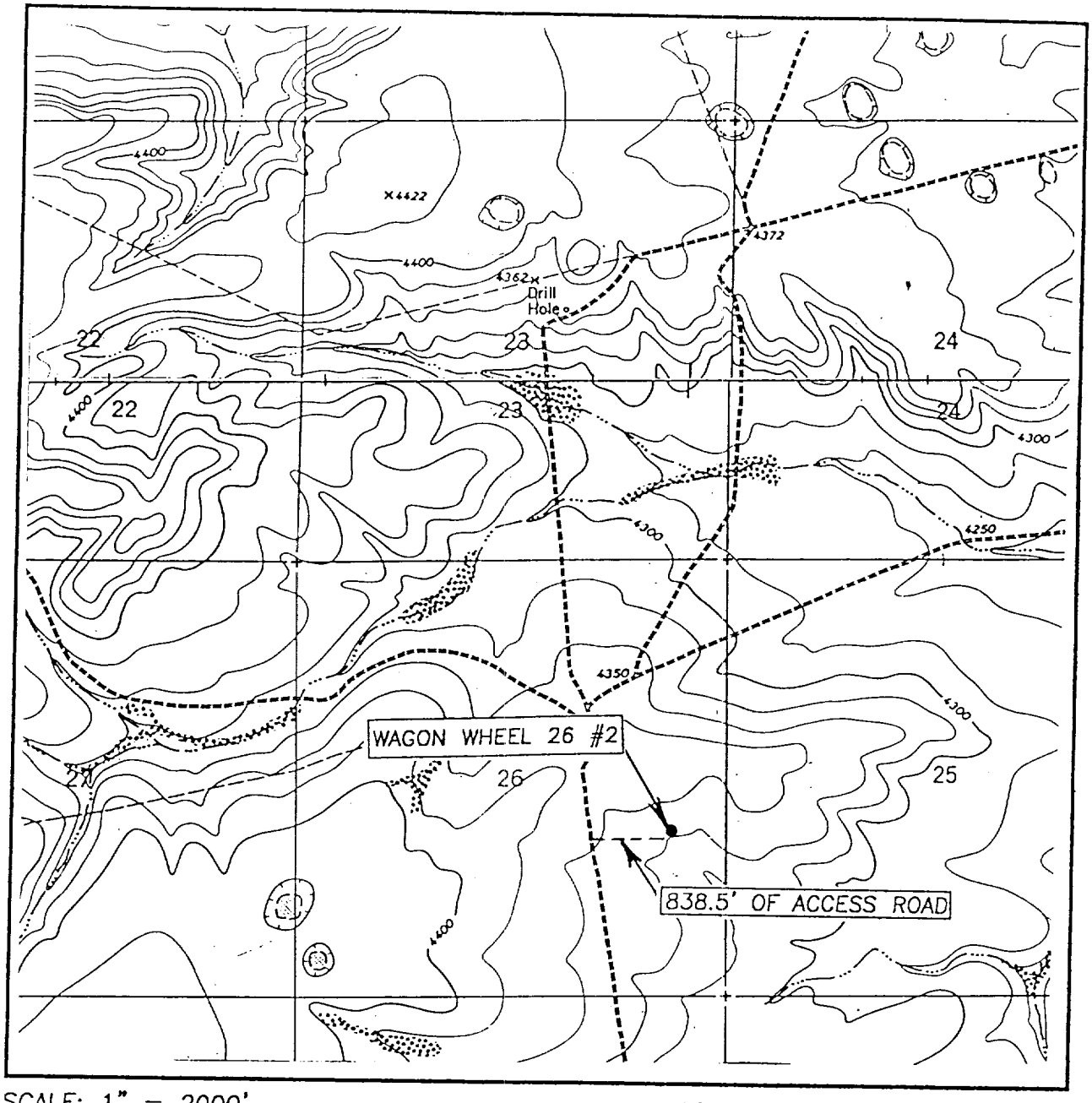
ELEVATION 4352'

OPERATOR DEVON ENERGY PRODUCTION CO., L.P.

LEASE WAGON WHEEL 26

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'
RED BLUFF DRAW, N.M.
CRAWLEY DRAW, N.M.

SEC. 26 TWP. 22-S RGE. 22-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FSL & 660' FEL

ELEVATION 4352'

OPERATOR DEVON ENERGY PRODUCTION CO., L.P.

LEASE WAGON WHEEL 26

U.S.G.S. TOPOGRAPHIC MAP
RED BLUFF DRAW, CRAWLEY DRAW, N.M.

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

Well name:	**Wagon Wheel**
Operator:	**Devon Energy Production Company L.P.**
String type:	Surface
Location:	T22S, R22E, Eddy County, NM

Design parameters:

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

Burst
Max anticipated surface pressure: 354 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 354 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: 543 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 80 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 620 ft
Minimum Drift: 2.250 in

Non-directional string.

Re subsequent strings:
Next setting depth: 2,050 ft
Next mud weight: 8.500 ppg
Next setting BHP: 905 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 620 ft
Injection pressure 354 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	620	13.375	48.00	H-40	ST&C	620	620	12.59	7689

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	274	740	2.70	354	1730	4.88	29.8	322	10.82 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 620 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:	**Wagon Wheel**
Operator:	**Devon Energy Production Company L.P.**
String type:	Intermediate
Location:	T22S, R22E, Eddy County, NM

Design parameters:

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

Burst
Max anticipated surface pressure: 1,171 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 1,171 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: 1,792 ft

Environment:

H2S considered?	No
Surface temperature:	75 °F
Bottom hole temperature:	91 °F
Temperature gradient:	0.80 °F/100ft
Minimum section length:	620 ft
Minimum Drift:	8.750 in

Non-directional string.

Re subsequent strings:

Next setting depth:	10,800 ft
Next mud weight:	10.000 ppg
Next setting BHP:	5,610 psi
Fracture mud wt:	11.000 ppg
Fracture depth:	2,050 ft
Injection pressure	1,171 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	2050	9.625	36.00	J-55	LT&C	2050	2050	8.796	16764

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	905	2020	2.23	1171	3520	3.00	73.8	453	6.14 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 2050 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:	**Wagon Wheel**
Operator:	**Devon Energy Production Company L.P.**
String type:	Production
Location:	T22S, R22E, Eddy County, NM

Design parameters:

Collapse
- Mud weight: 7.200 ppg
- Design is based on evacuated pipe.
- Surface pressure: 1,572 psi

Burst
- Max anticipated surface pressure: 4,039 psi
- Internal gradient: 0.000 psi/ft
- Calculated BHP 4,039 psi
- Annular backup: 10.00 ppg
- Packer fluid details:
- Fluid density: 8.500 ppg
- Packer depth: 9,500 ft

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: 9,710 ft

Estimated cost: 179,992 ($)

Environment:
- H2S considered? Yes
- Surface temperature: 75 °F
- Bottom hole temperature: 161 °F
- Temperature gradient: 0.80 °F/100ft
- Minimum section length: 620 ft

Non-directional string.

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	500	7	29.00	L-80	LT&C	500	500	6.059	5432
2	7500	7	26.00	L-80	LT&C	8000	8000	6.151	144144
1	2800	7	29.00	L-80	LT&C	10800	10800	6.059	30416

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	1759	5705	3.24	4039	8160	2.02	290.7	587	2.02 J
2	4564	5176	1.13	4000	7240	1.81	276.2	511	1.85 J
1	5611	7020	1.25	3416	8160	2.39	81.2	587	7.23 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 10800 ft, a mud weight of 7.2 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.

APPLICATION TO DRILL

DEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26" FEDERAL # 2
UNIT "I" SECTION 26
T22S-R22E 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: UNIT "I" 1980' FSL & 660' FEL SEC. 26 T22S-R22E EDDY CO. NM

2. Elevation above Sea Level: 4352' 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: 10,800'

6. Estimated tops of geological markers:

San Andres	450'	Strawn	8045'
Bone Spring	3260'	Atoka	8500'
Wolfcamp	5800'	Morrow Lime	9600'
Cisco	7450'	Morrow Sand	10,190'

7. Possible mineral bearing formations:

San Andres	Water	Strawn	Gas
Wolfcamp	Oil	Atoka	Gas
Cisco	Gas	Morrow	Gas

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
17½"	0-620	13 3/8"	48	8-R	ST&C	H-40
12¼"	0-2050'	9 5/8"	36	8-R	LT&C	J-55
8½"	0-10,800'	7"	29 & 23	8-R	LT&C	L-80

9. CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20 " conductor pipe and cement to surface with Redi-mix.
13 3/8"	Surface	Set 620' of 13 3/8" 48# H-40 ST&C casing. Cement with 600 Sx. of Class "C" cement+ 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
9 5/8"	Intermediate	Set 2050' of 9 5/8" 36# J-55 LT&C casing. Cement with 1000 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. Circulate cement to surface.
7"	Production	Set 10,800' of 7" 29 & 23# L-80 LT&C casing, run as follows: 7800' of 7" 29# L-80 LT&C, 700' of 7" 23# L-80 LT&C, 2300' of 29# L-80 LT&C. Cement in two stages DV tool at 9000'±. 1st stage cement with 350 Sx. of Cla "H" Premium Super + additives, 2nd stage cement with 1300 Sx. of Class "C" Light + additives,ttail in with 300 Sx. of Modified Super Class "H" + additives circula cement to surface.

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
40-620'	8.5-8.7	29-45	NC	Fresh water spud mud add Paper to control seepage.
620-2050'	8.5-8.7	28-34	NC	Fresh water use paper to control seepage and high viscosity sweeps to clean hole.
2050-7300'	9.0-9.2	28-38	NC	Cut brine Polymer system and use high viscosity sweeps to clean hole
7300-10,800	9.0-10.0	36-40	15 cc's or less	Same as above increase water loss control to log and run casing.

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:

1. Oepn hole logs: Dual Laterolog, CNL, LDT, SNP, Caliper, Gamma Ray from TD back to 2050'.Run Gamma Ray, Neutron from 2050' to surface.
2. Place mud logger on hole at the request of Geologist.
3. DST's will be run if deemed necessary.
4. Cores may be take at the request of Geologist.

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 4800 PSI, and Estimated BHT 170°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved APD. The anticipated spud date is November 2001, depending on rig avialibility. Move in operation and drilling is expected to take approximately 40 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities, and place 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 MORROW 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.

SURFACE USE PLAN

LEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26" FEDERAL # 2
UNIT "I" SECTION 26
T22S-R22E 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 the junction of U.S. Hi-way 62-180 and U.S. Hi-way 285 go North for 12.4 miles to (Queen's Hi-way (137) follow 137 17.7 miles to CO Road 405 turn Right on 405 go west 5.7 miles bear Right go North 1.7 miles turn East go 850' to location.

C. There are no dwellings within one mile of location.

2. PLANNED ACCESS ROADS: Approximately 850' of new road will be constructed.

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 - One approximately 1400' West Northwest of location.

B. Disposal wells - None known

C. Drilling wells - None known

D. Producing wells - As shown on EXHIBIT "A-1"

E. Abandoned wells - As shown on EXHIBIT "A-1"

4. Exhibit "F" shows a generic sketch of surface facilities that will be constructed on the location 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 a low relief flood plain soil is a slity sand with limestone gravel. Vegetation consists of yucca, prickly pear, cholla, sumac tar bush, acacia, little leaf sumac, and native grasses.

B. The surface and minerals are owned by the U.S. Government and is administered by The Bureau of Land Management. The surface is used for livestock grazing and the production of oil and gas.

C. An archaeological survey will be conducted on the effected area and a report will be filed with the BLM field office in Carlsbad, New Mexico.

D. There are no dwellings located in the near vicinity of the location.

12. OPERATOR'S REPRESENTIVE:

BEFORE CONSTRUCTION:

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

DURING & AFTER CONSTRUCTION:

DEVON ENERGY PRODUCTION COMPANYL.P.
20 NORTH BROADWAY SUITE 1500
OKLAHOMA CITY, OKLAHOMA 73102-8260
WALLY FRANK OFFICE Ph. 405-552-4595

DON MAYBERRY
P.O. BOX 250
ARTESIA, NEW MEXICO 88211-0250
Ph. OFFICE 505-748-3371 HOME 505-746-4945

13. CERTIFICATION: I certify that I or persons under my direct supervision have inspected the proposed dirll site and 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 ENERGY PRODUCING COMPANY L.P., 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 : 09/20/01

TITLE : Agent

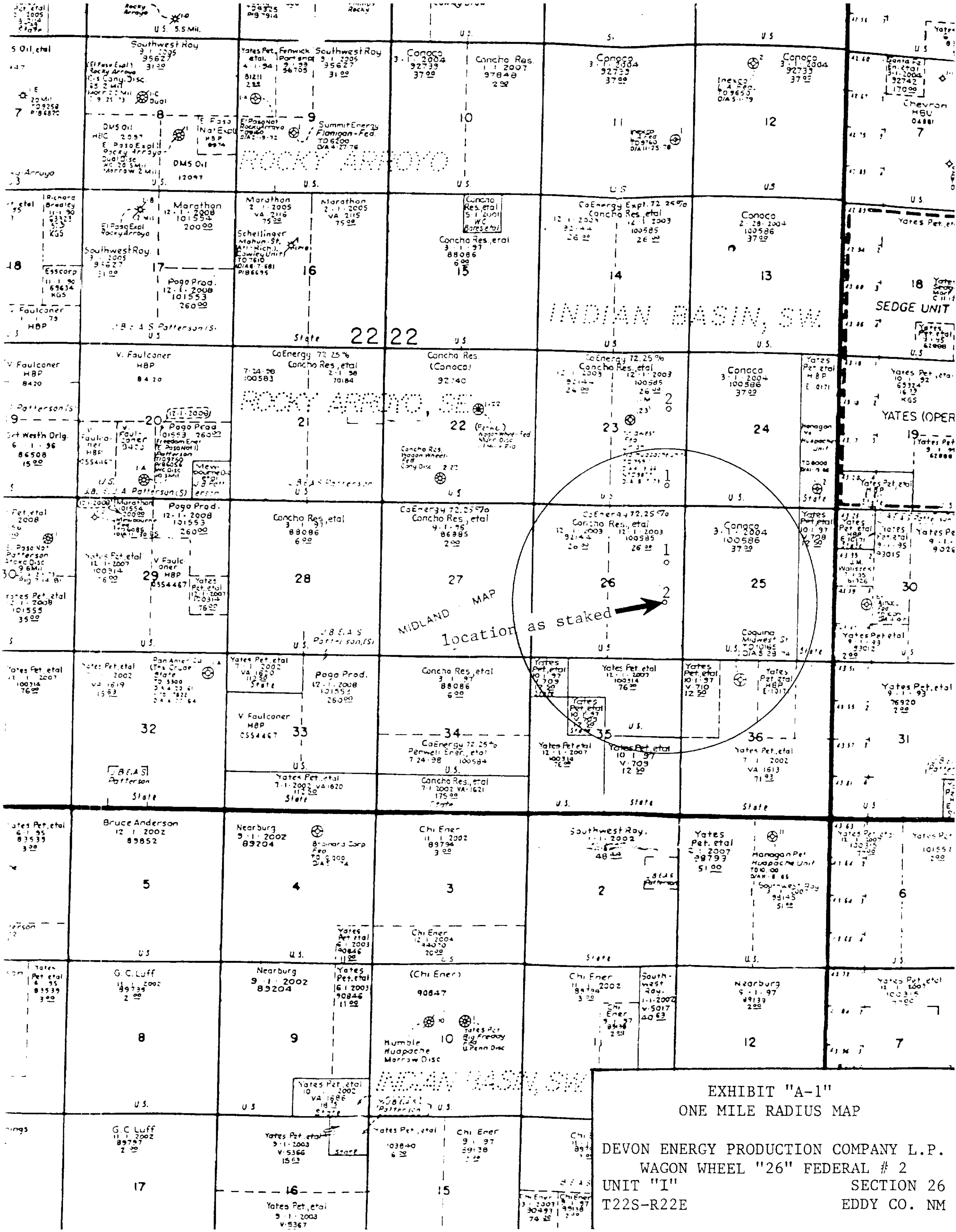


EXHIBIT "A-1"
ONE MILE RADIUS MAP

DEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26" FEDERAL # 2
UNIT "I" SECTION 26
T22S-R22E EDDY CO. NM

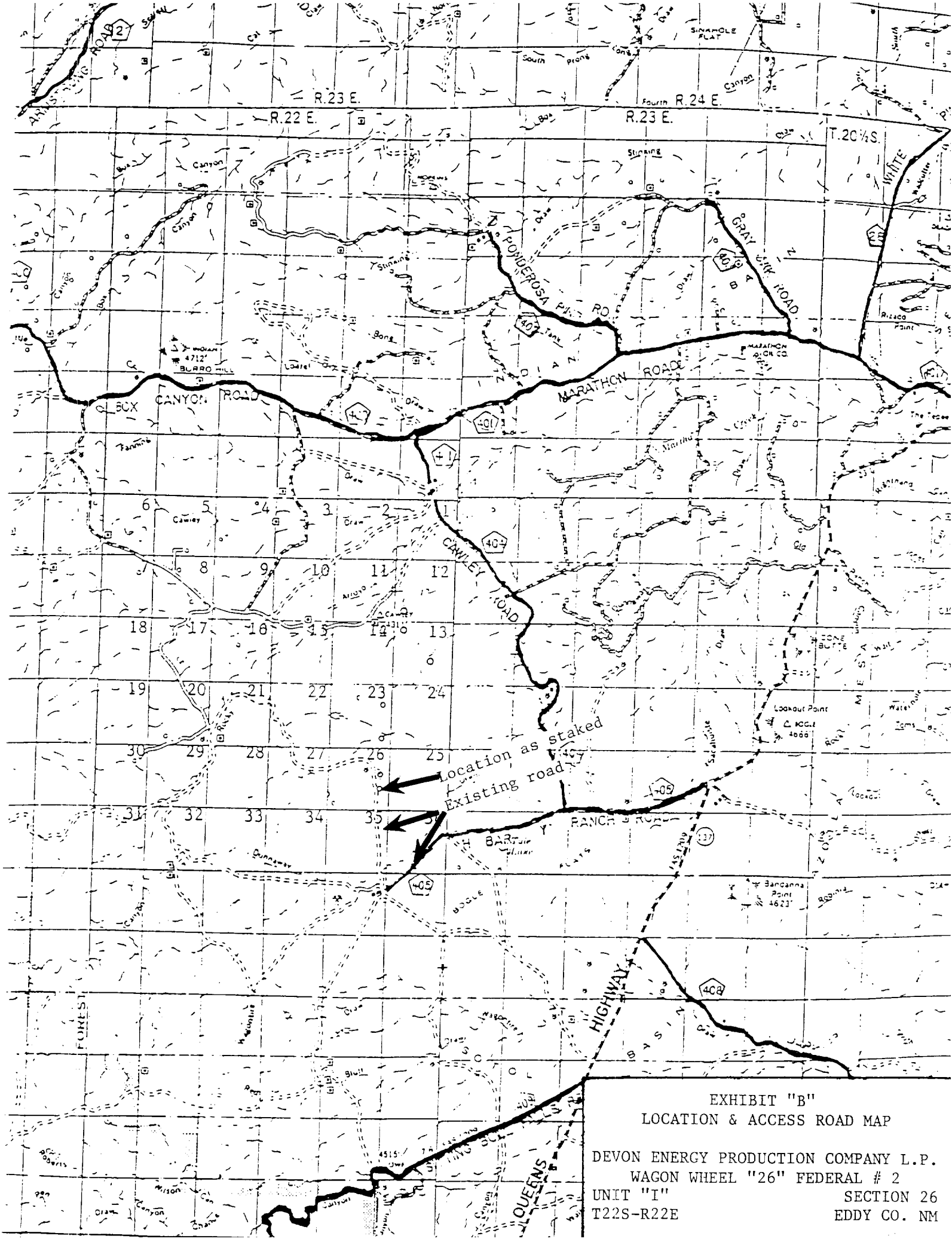


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

DEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26" FEDERAL # 2
UNIT "I" SECTION 26
T22S-R22E EDDY CO. NM

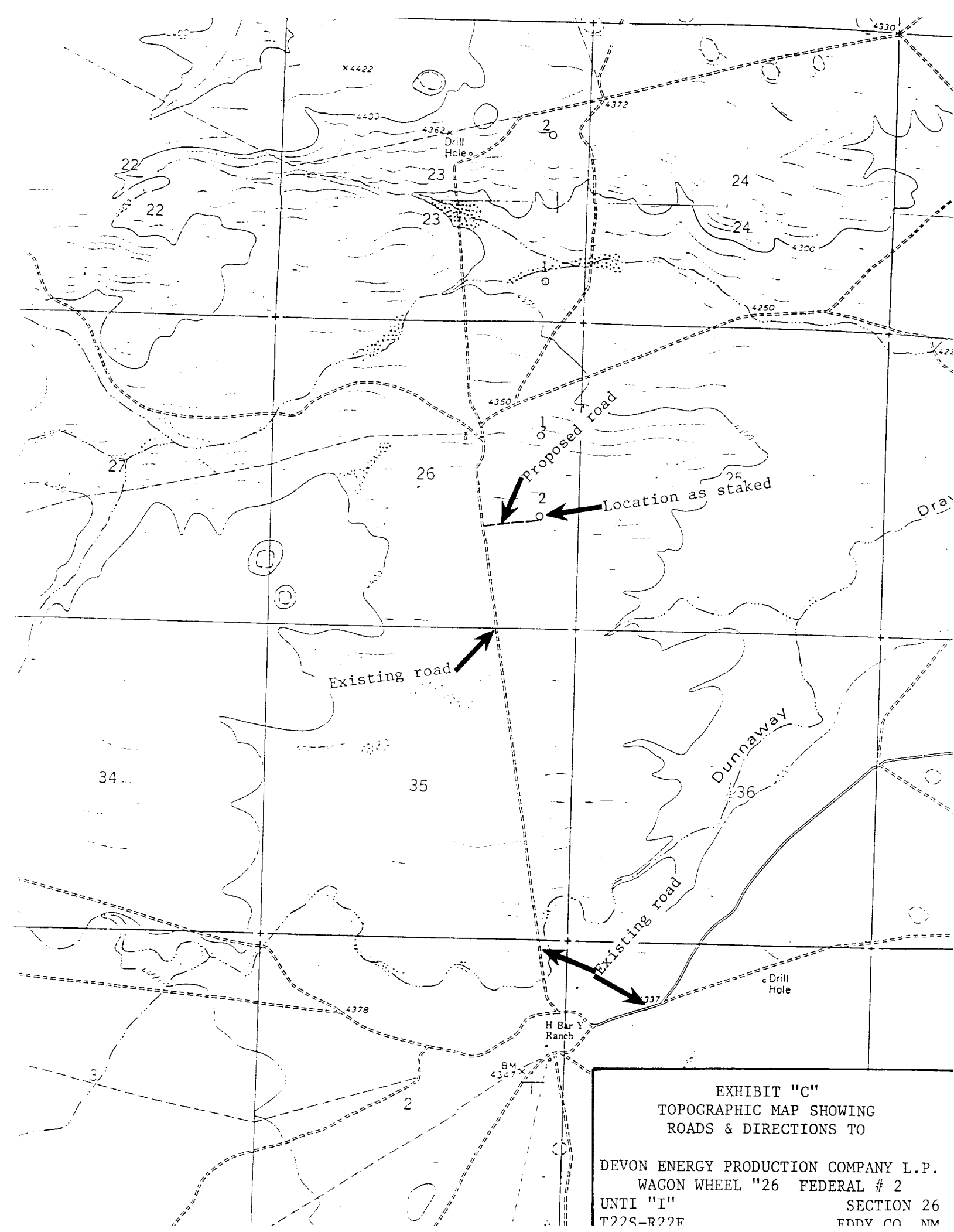
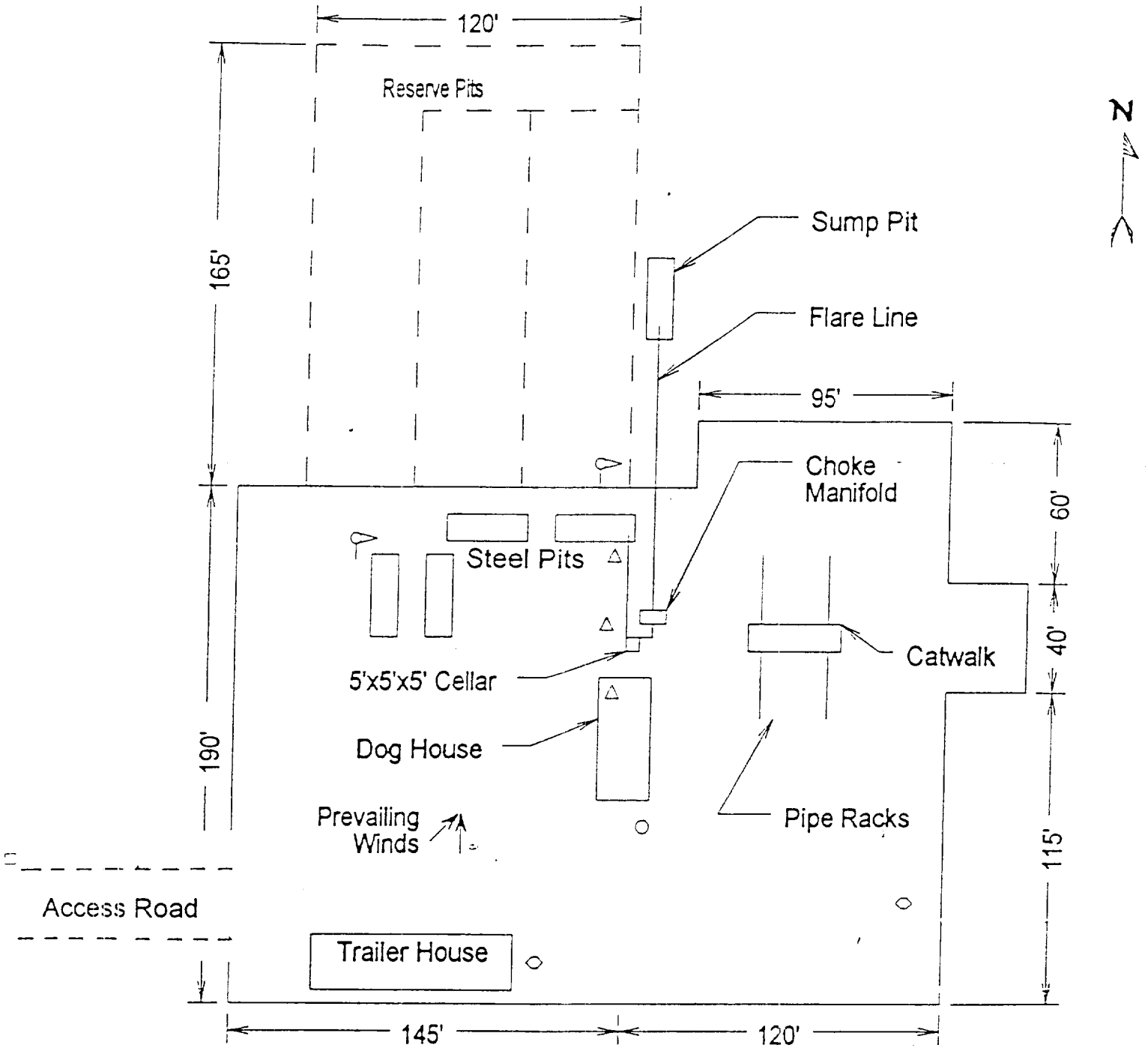


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

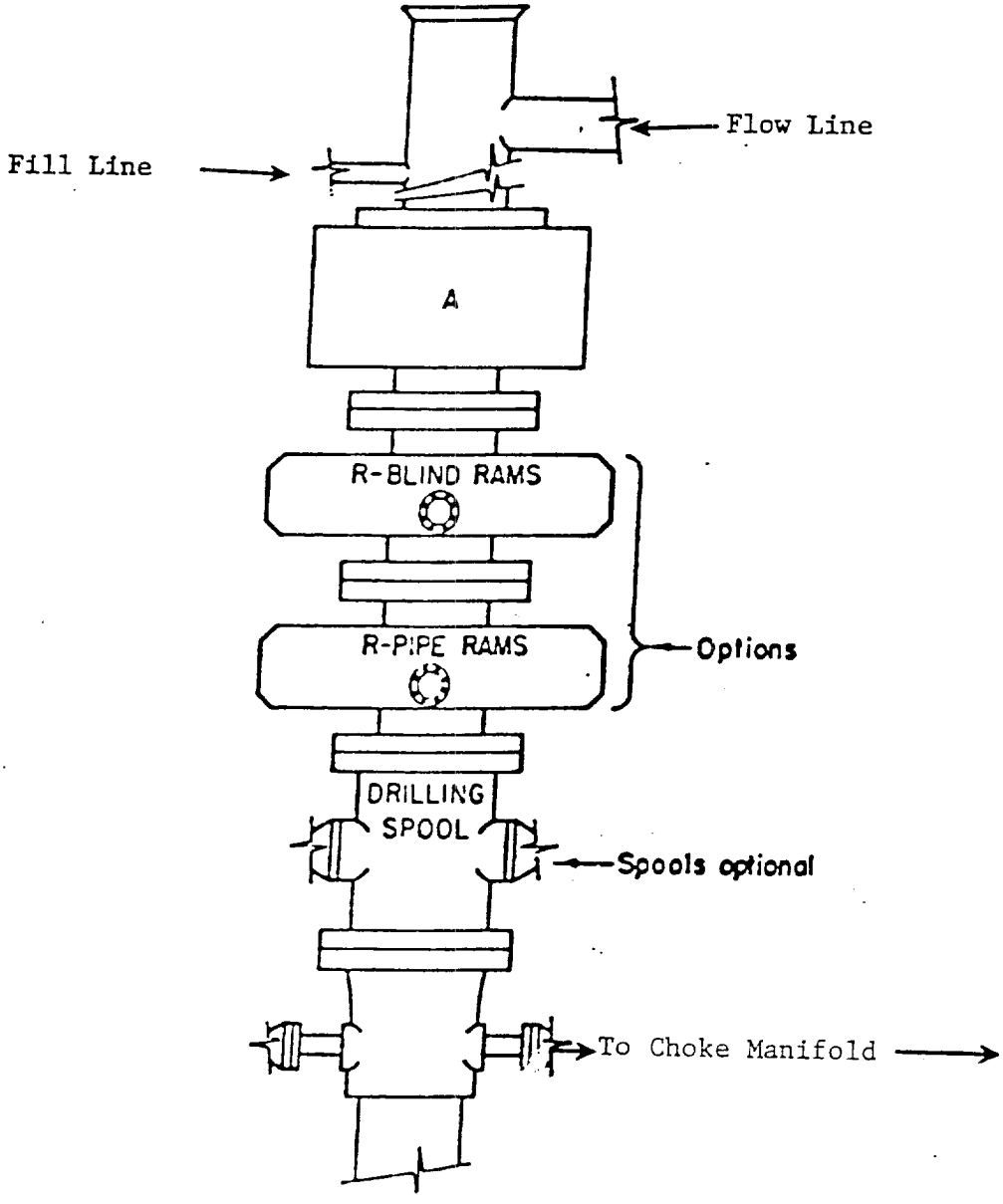
DEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26 FEDERAL # 2
UNTI "I" SECTION 26
T22S-R22E EDDY CO. NM



- 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 LAY OUT PLAT

DEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26" FEDERAL # 2
UNIT "I" SECTION 26
T22S-R22E EDDY CO. NM



ARRANGEMENT SRRA

1500 Series

5000# Working Pressure

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

DEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26 FEDERAL # 2
UNIT "I" SECTION 26
T22S-R22E EDDY CO. NM

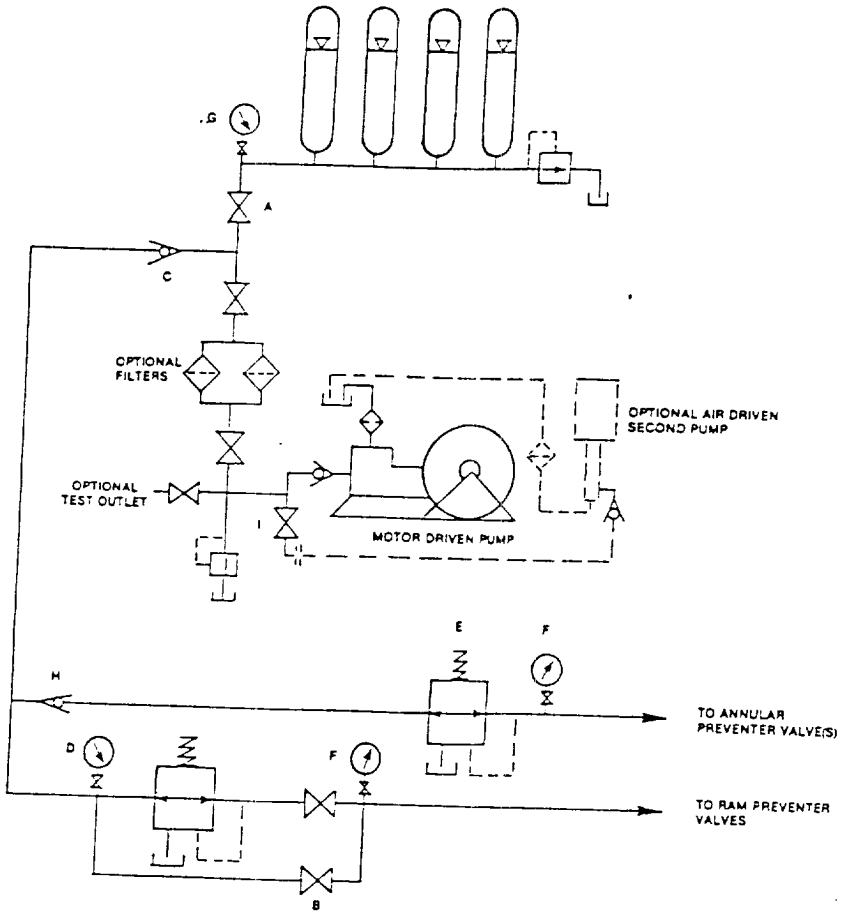


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

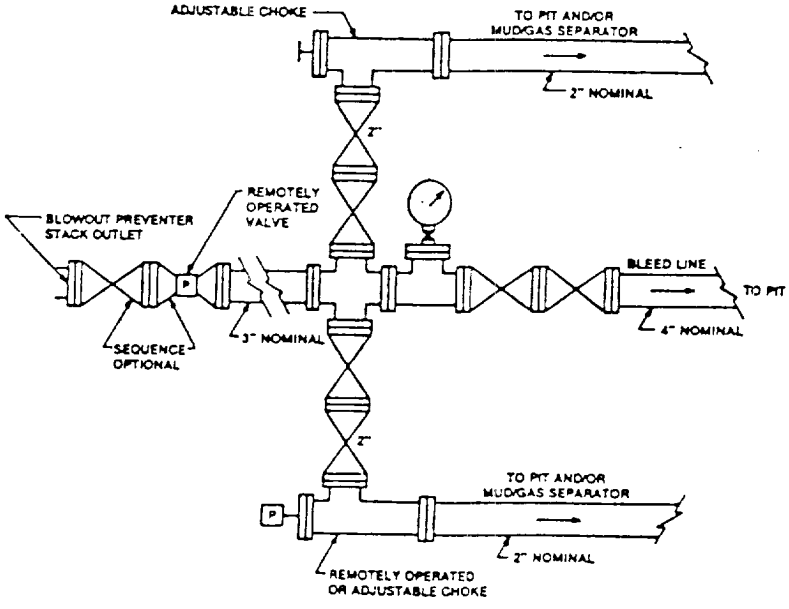


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

DEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26" FEDERAL # 2
UNIT "I" SECTION 26
T22S-R22E EDDY CO. NM

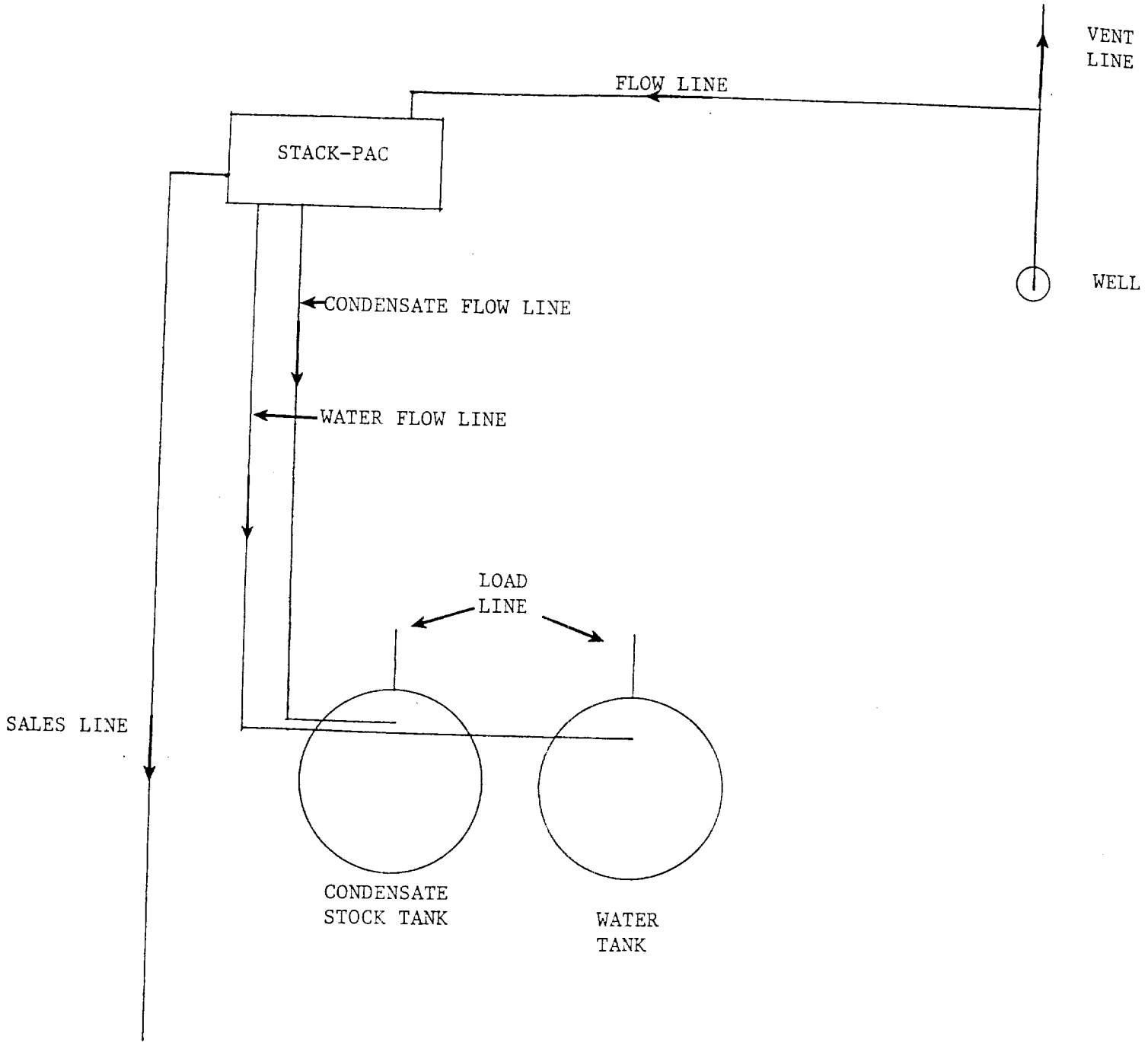


EXHIBIT "F"
SCHEMATIC OF SURFACE FACILITY
AFTER WELL COMPLETION

DEVON ENERGY PRODUCTION COMPANY L.P.
WAGON WHEEL "26" FEDERAL # 2
UNIT "I" SECTION 26
T22S-R22E EDDY CO. NM