Form 3160-3
(July 1992)

N.M. OIL CONS. DIVISION
1301 W. GRAND AVENUE
ARTESIA, NM 88210

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
2002
OCD - ARTESIA

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: ~~NM-064528~~ NM-064528A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: ---

7. UNIT AGREEMENT NAME: ---

8. FARM OR LEASE NAME, WELL NO.: FILAREE "18" "A" FED. # 2

9. API WELL NO.: 30-015-32233

10. FIELD AND POOL, OR WILDCAT: HAPPY VALLEY-MORROW

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 18 T22S-R26E

12. COUNTY OR PARISH: EDDY CO.

13. STATE: NM

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

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER CO2 SINGLE ZONE [XX] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: ~~SES OPERATING INC~~ ~~DEVON ENERGY PRODUCTION COMPANY L.P.~~ per SN (WALLY FRANK) (BLM)

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 170' FEL & 950' FNL SEC. 18 T22S-R26E EDDY CO. NM
At proposed prod. zone: 660' FNL & 660' FEL SEC. 18 T22S-R26E EDDY CO. NM
SUBJECT TO LIKE APPROVAL BY STATE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 5 miles West 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: 160

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.: NA

19. PROPOSED DEPTH: 11,710'

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3672' GR.

22. APPROX. DATE WORK WILL START*: WHEN APPROVED

23. Cliffhead Controlled Water Basin

PROPOSED CASING AND CEMENTING PROGRAM

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	600'	650 Sx. circulate to surface
12¼"	J-55 9 5/8"	36	~~2200'~~ 1700'	1400 Sx. circulate cement to sur.
8 3/4"	L-80 5½"	20 & 17	11,710'	2350 Sx. estimate top cement 2000

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 600'. Run and set 600' of 13 3/8" 48# H-40 ST&C casing. Cement with 650 Sx. of Class "C" cement + 25 CaCl + ¼# Flocele/Sx. circulate cement to surface.
3. Drill 12¼" hole to 2200'. Run and set 2200' of 9 5/8" 36# J-55 ST&C casing. Cement with 1400 Sx. Lead with 200 Sx. of Thixotrophic Class "C" + 10% Cal-seal+ 2% CaCl, 950 Sx. of Class "C" Halco Light + ¼# Flocele/Sx, + 1# Gilsonite/Sx. + 6% Gel + 12% Salt, tail in with 250 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 8 3/4" hole to 11,710'. Run and set 11,710' of 5½" casing as follows: 1710' of 5½" 20# L-80 LT&C, 9500' of 5½" 17# 1-80 LT&C, 500' of 5½" 20# L-80 LT&C casing. Cement in 2 stages, DV tool at 5300'±. Cement 1st stage with 1100 Sx. of Super Modified Class "H" + .4% CFR-3, + 5# Gilsonite/Sx. + .5% Halad 344 + 3# Salt/Sx. 2nd stage cement with 1050 Sx. of Class "C" Halco Light + ¼# Flocele/Sx. + 1# Gilsonite/Sx. + 6% Gel, tail in with 200 Sx. of Class "C" cement + 2% CaCl. Estimate top of cement 2000' from surface.

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 Ramos TITLE Agent DATE 10/15/01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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/ JOE G. LARA ACTING TITLE FIELD MANAGER DATE MAR 05 2002

*See Instructions On Reverse Side APPROVAL FOR 1 YEAR

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM-CARLSBAD

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
SHL & BHL: NM-LC064528-A

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other Proposed gas well

8. Well Name and No.
Filaree "18A" Federal #2

2. Name of Operator
Devon-SFS Operating, Inc.

9. API Well No.
30-015-

3a. Address
20 N. Broadway, Suite 1500, OKC, OK 73102-8260

3b. Phone No. *(include area code)*
(405)552-4595 Wally Frank

10. Field and Pool, or Exploratory Area
Happy Valley (Morrow)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
SHL: 950' FNL & 170' FEL, Unit A, Sec. 18-T22S-R26E
BHL: 660' FNL & 660' FEL, Unit A, Sec. 18-T22S-R26E

11. County or Parish, State
Eddy Cnty
New Mexico

2001 DEC 6 AM 12 57
RECEIVED
BUREAU OF LAND MANAGEMENT
CARLSBAD, NEW MEXICO

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/ Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other correcting operator name
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

The Application for Permit to Drill was filed with the wrong operator name.
At this time Devon Energy is submitting this sundry to show the correct operator name of Devon-SFS Operating, Inc.

ACCEPTED FOR RECORD
NOV 30 2001
LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Candace R. Graham (405) 552-4520

Title
Engineering Tech.

Signature Candace R. Graham

Date
11/09/2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
/S/ JOE G. LARA

Title
FIELD MANAGER

Date
MAR 08 2002

Conditions of approval, if any, are attached. Approval of this notice 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.

Office
CARLSBAD FIELD OFFICE

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.

(Instructions on reverse)

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
	78060	HAPPY VALLEY - MORROW

Property Code	Property Name	Well Number
	FILAREE "18" FEDERAL	2

OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3672'

Surface Location

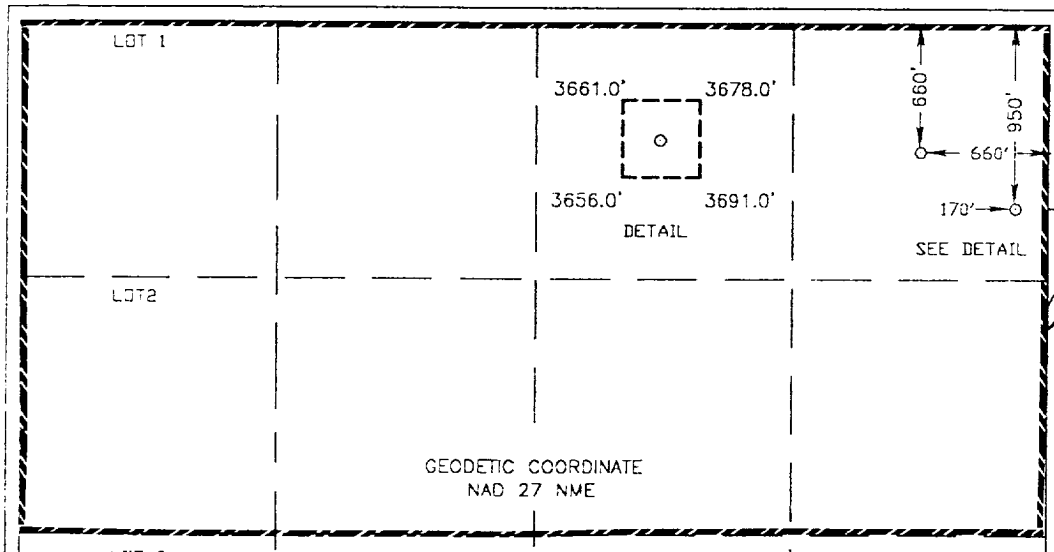
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	22-S	26-E		950	NORTH	170	EAST	EDDY

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
A	18	22-S	26-E		660	NORTH	660	EAST	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.

Signature

Joe T. Janica
Printed Name

Agent
Title

10/15/01
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 19, 2001
Date Surveyed AWB

Signature & Seal of Professional Surveyor

NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR

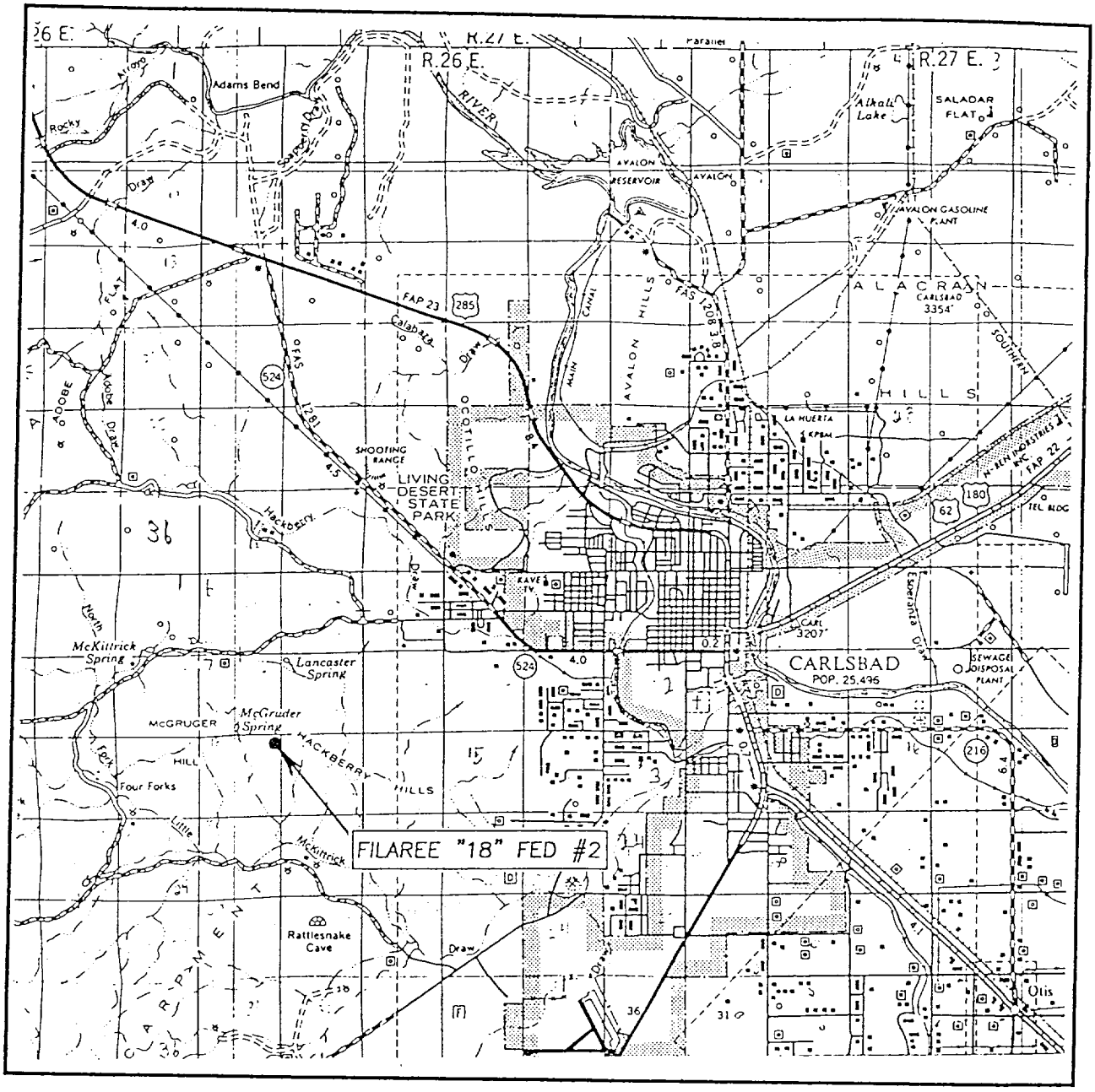
9/24/01

01.11.1050

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

EXHIBIT "A"

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 18 TWP. 22-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 950 FNL & 170' FEL

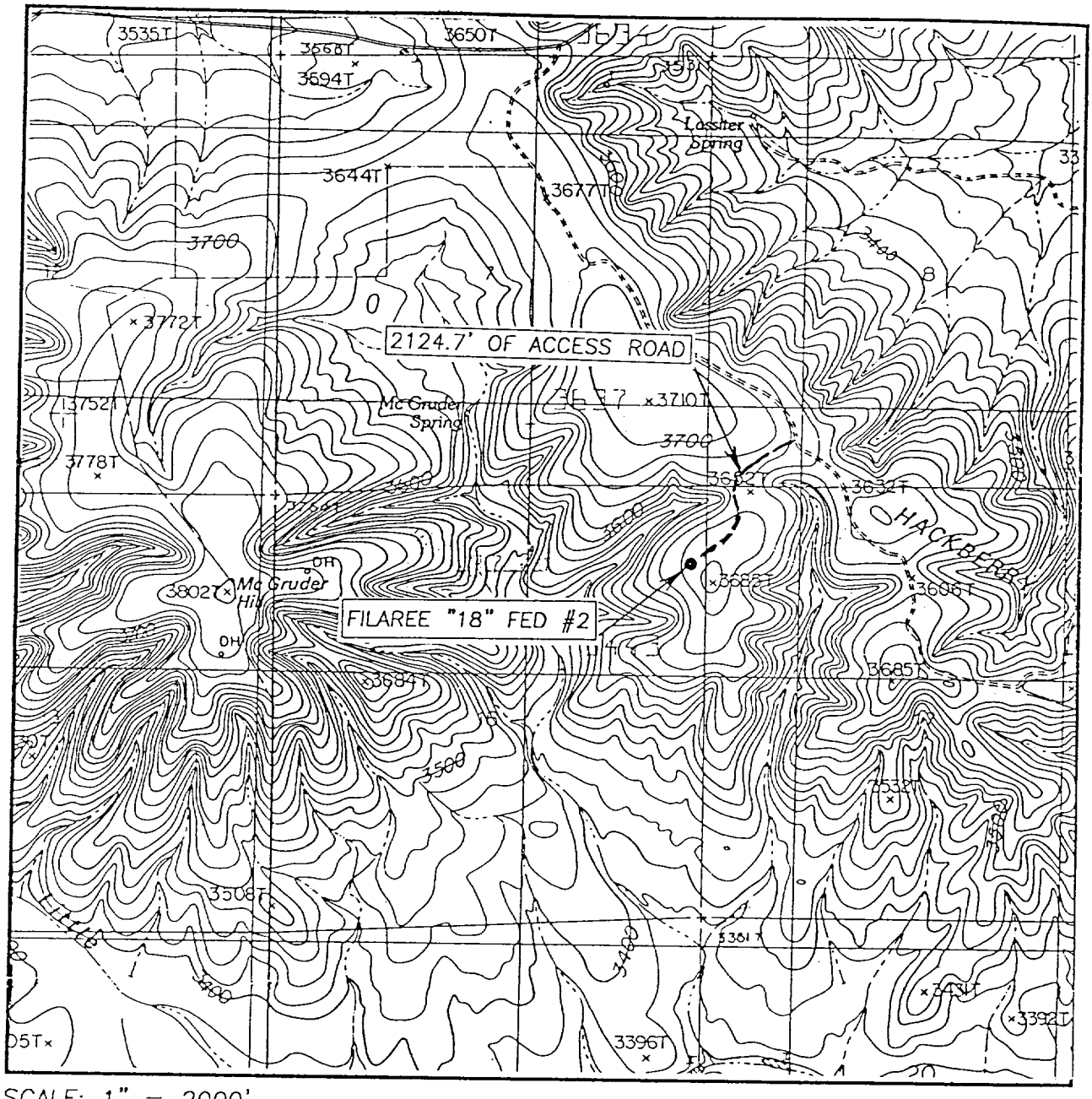
ELEVATION 3672'

OPERATOR DEVON ENERGY PRODUCTION CO., L.P.

LEASE FILAREE "18" FEDERAL

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'
CARSLBAD WEST, N.M.

SEC. 18 TWP. 22-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 950'FNL & 170' FEL

ELEVATION 3672'

OPERATOR DEVON ENERGY PRODUCTION CO., L.P.

LEASE FILAREE "18" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
CARSLBAD WEST, N.M.

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

D N ENERGY PRODUCTION COMPANY L.
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18
T22S-R26E 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: 170' FEL & 950' FNL SEC. 18 T22S-R26E EDDY CO. NM
Bottom hole: 660' FEL & 660' FNL SEC. 18 T22S-R26E EDDY CO. NM

2. Elevation above Sea Level: 3672' 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: 11,710'

6. Estimated tops of geological markers:

Delaware	Strawn
Bone Spring	Atoka
Wolfcamp	Morrow
Cisco	Morrow Clastics

7. Possible mineral bearing formations:

Bone Spring	Oil	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"	0-600'	13 3/8"	48	8-R	ST&C	H-40
12¼"	0-~~2200~~ 1700'	9 5/8"	36	8-R	ST&C	J-55
8 3/4"	0-11,710'	5½"	20 & 17	8-R	LT&C	L-80

D N ENERGY PRODUCTION COMPANY L
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18
T22S-R26E EDDY CO. NM

9. CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
13 3/8"	Surface	Set 600' of 13 3/8" 48# H-40 ST&C casing. Cement with 650 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. circulate.
9 5/8"	Intermediate	Set 2200' of 9 5/8" 36# J-55 ST&C casing. Cement with 1400 Sx. of Class "C" cement + 2% CaCl, + ¼# Flocele/Sx. circulate.
5½"	Production	Set 11,710' of 5½" 17 & 20# L-80 LT&C casing. Cement in 2 stage 1st stage cement with 1100 Sx. of Super Modified Class "H" + .4% CFR-3, 5# Gilsonite/Sx, .5% Halad 344, 3# Salt/Sx., 2nd stage cement with 1050 Sx. of Class "C" Halco Light + ¼# Flocele/Sx, 1# Gilsonite/Sx., 6% Gel, tail in with 200 Sx. of Class "C" cement + 2% CaCl, estimate top of cement 2000'.

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 nipped 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
40-600'	8.4-8.6	29-32	NC	Fresh water spud mud, use paper to control seepage.
600-~~4800~~ 1700'	8.4-8.6	29-35	NC	Fresh water use paper to control seepage and high viscosity sweeps to clen hole.
~~4800~~ 1700'-10,400'	8.8-9.5	29-38	NC	Cut Brine use high viscosity sweeps to clean hole.
10,400-11,710'	9.8-10.2	26-38	10 cc or less	Cut brine Biopolymer/PAC system to control water loss. 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-Laterolog, Micro SFL, LDT, Gamma Ray, Caliper from TD to 2200'. Gamma Ray Neutron from 2200' to surface.

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

C. Mud logger will be put on hole at the Geologist's 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 5600 PSI, and Estimated BHT 180°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operation and drilling is expected to take 50 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 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.

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 reproductic 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 junction of U.S. 62-180 and U.S. 285 in Carlsbad New Mexico turn South on to Canal Street go 3 blocks turn West on Lea Street go 2.8 miles to Happy Valley Road bear Northwest go .5 miles turn Left (West) on to Jones Road go 3.4 miles turn Left (South) go 1.2 miles bear Right go .4 miles to location.

   C. Lay pipeline along road from well to existing pipeline as shown on Exhibit"C"

2. PLANNED ACCESS ROADS: Approximately 2100' 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 - None known

   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. SURFACE FACILITIES: Exibit "F" shows a type of surface facilities that may be constructed on the location in the event that this well be completed as a producer. Exhibit "C" shows where pipelines and/or powerlines may be constructed if needed.

5. LOCATION AND TYPE OF WATER SUPPLY: Water from water wells may be used if available if not then water will be purchased from a commercial source and trucked over acces roads or piped in through flexible lines laid on top of ground till well is complet

6. SOURCE OF CONSTRUCTION MATERIAL: If available construction material will be taken from the drill site or it may be obtained from a local source and transported over access roads shown on Exhibit "C".

7. METHODS OF HANDLING WASTE MATERIAL:

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

B. All trash, junk and other waste material will be contained in trash cages or bins in order to prevent scattering. When the drilling and completion is completed all contents will be removed and deposited in an approved sanitary landfill.

C. Salts and any dry mud material remaining after drilling of well will be picked up by the supplier, this includes all broken sacks not completely empty.

D. Sewage from trailer houses that are on location will be drained into holes drilled for that purpose, at a minimum of 10' 00". These holes will be covered during drilling and will be backfilled upon completion of well. A Porta-John will be provided for drilling rig crews and service company crews that will be on location at various times. These facilities will be properly maintained during drilling operations and will be removed when operations are completed.

E. Drilling fluids that remain after drilling will be allowed to remain in the reserve pits to allow evaporation until the pits are dry enough for pits to be broken out to further drying. If the drilling fluids do not evaporate in a reasonable length of time they may be taken by transport to an approved disposal site. Then the pits will be broken out to speed drying so the pits may be filled and restored to original ground condition. Water used and that is produced during completion of well be put in reserve pits or tanks and disposed of at an approved site. Oil that is produced during testing and completing of well be stored in tanks and sold.

8. ANCILLARY FACILITIES: No camps of air strips will be constructed on this location.

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.

SURFACE USE PLAN

DEVON ENERGY PRODUCTION COMPANY L.P.
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18
T22S-R26E EDDY CO. NM

11. OTHER INFORMATION:

A. Topography consists of deep canyons and high hills consting of limestone ridges. Vegetation consists of , little leaf sumac, yucca, prickly pear, cholla, and cresote.

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 COMPANY L.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 PRODUCTION 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 : 10/15/01
TITLE : Agent

Well name: Filaree 18 "A" Federal #2
Operator: Devon Energy Production Company L.P.
String type: Surface

Location: Section 18, T22S, R26E, Eddy Co., NM

Design parameters:

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

Burst
Max anticipated surface pressure: 343 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 343 psi
Annular backup: 8.40 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: 526 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 80 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 600 ft
Minimum Drift: 2.250 in

Non-directional string.

Re subsequent strings:
Next setting depth: 2,200 ft
Next mud weight: 8.500 ppg
Next setting BHP: 971 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 600 ft
Injection pressure 343 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	600	13.375	48.00	H-40	ST&C	600	600	12.59	7441

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	262	740	2.83	343	1730	5.05	28.8	322	11.18 J

Prepared by: W.M. Frank, Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: September 13,2001
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 600 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.

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

Well name:	**Filaree 18 "A" Federal #2**
Operator:	**Devon Energy Production Company L.P.**
String type:	Intermediate
Location:	Section 18, T22S, R26E, Eddy Co., NM

Design parameters:

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

Burst
Max anticipated surface pressure: 1,257 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 1,257 psi
Annular backup: 8.40 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: 1,927 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 93 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 600 ft
Minimum Drift: 8.750 in

Non-directional string.

Re subsequent strings:
Next setting depth: 11,400 ft
Next mud weight: 10.000 ppg
Next setting BHP: 5,922 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 2,200 ft
Injection pressure 1,257 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	2200	9.625	36.00	J-55	LT&C	2200	2200	8.796	17990

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	960	2020	2.10	1257	3520	2.80	79.2	453	5.72 J

Prepared by: W.M. Frank, Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: September 13,2001
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 2200 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.

Well name:	**Filaree 18 "A" Federal #2**
Operator:	**Devon Energy Production Company L.P.**
String type:	Production
Location:	Section 18, T22S, R26E, Eddy Co., NM

Design parameters:

Collapse
Mud weight: 6.800 ppg
Design is based on evacuated pipe.

Surface pressure: 1,900 psi

Burst
Max anticipated surface pressure: 4,115 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 4,115 psi

Annular backup: 10.00 ppg

Packer fluid details:
Fluid density: 8.500 ppg
Packer depth: 10,900 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 buoyed weight.
Neutral point: 10,652 ft

Estimated cost: 76,652 ($)

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 168 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 600 ft

Directional Info - Build & Drop
Kick-off point 5800 ft
Departure at shoe: 569 ft
Maximum dogleg: 1.5 °/100ft
Inclination at shoe: 0 °

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	5.5	20.00	L-80	LT&C	500	500	4.653	3729
2	9500	5.5	17.00	L-80	LT&C	9943	10000	4.767	60192
1	1707	5.5	20.00	L-80	LT&C	11650	11707	4.653	12731

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	2077	7611	3.67	4115	9190	2.23	183.6	416	2.27 J
2	5412	6248	1.15	4076	7740	1.90	173.6	338	1.95 J
1	6015	8830	1.47	3341	9190	2.75	13	416	31.89 J

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

Remarks:
Collapse is based on a vertical depth of 11650 ft, a mud weight of 6.8 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

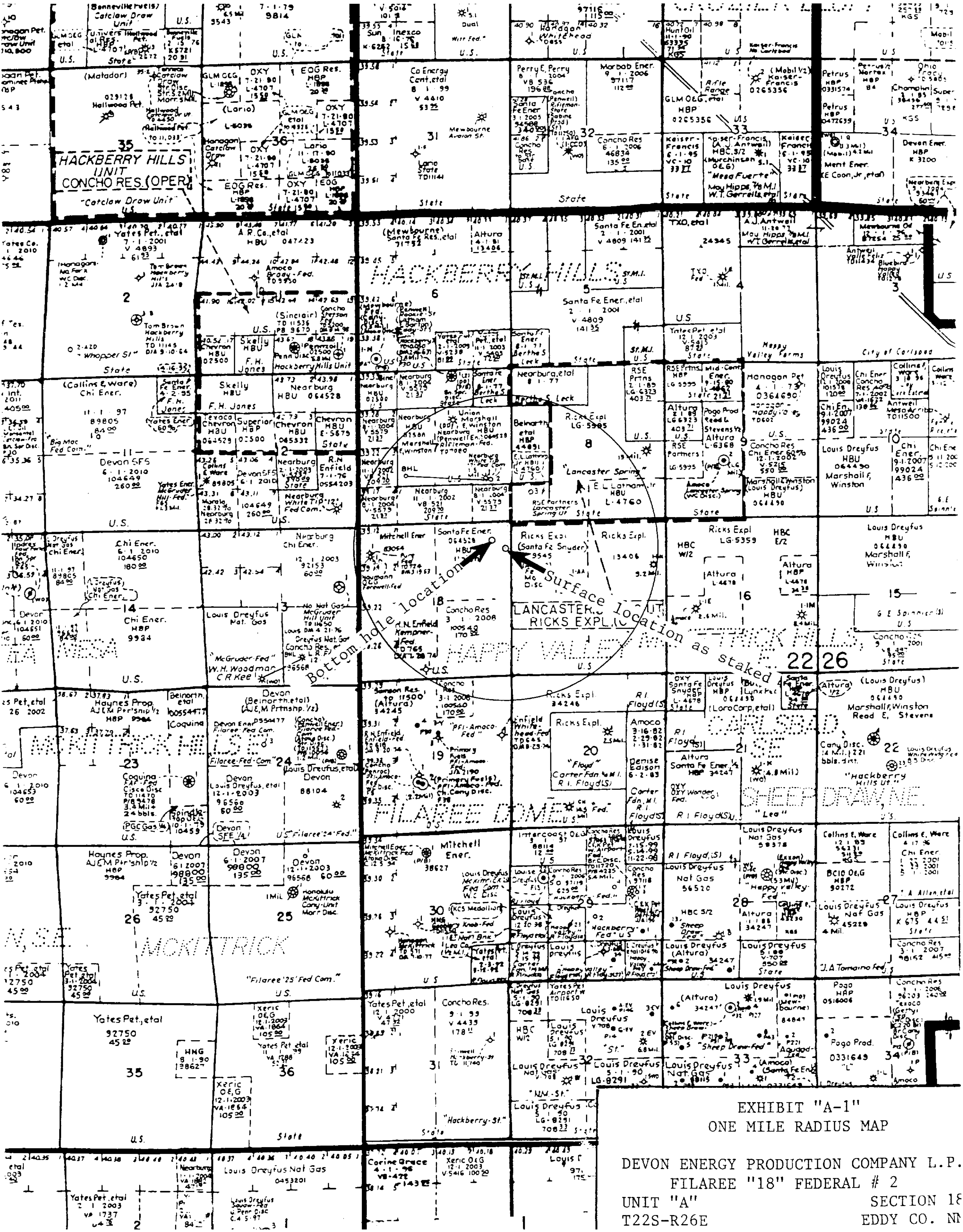


EXHIBIT "A-1"
ONE MILE RADIUS MAP

DEVON ENERGY PRODUCTION COMPANY L.P.
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18
T22S-R26E EDDY CO. N

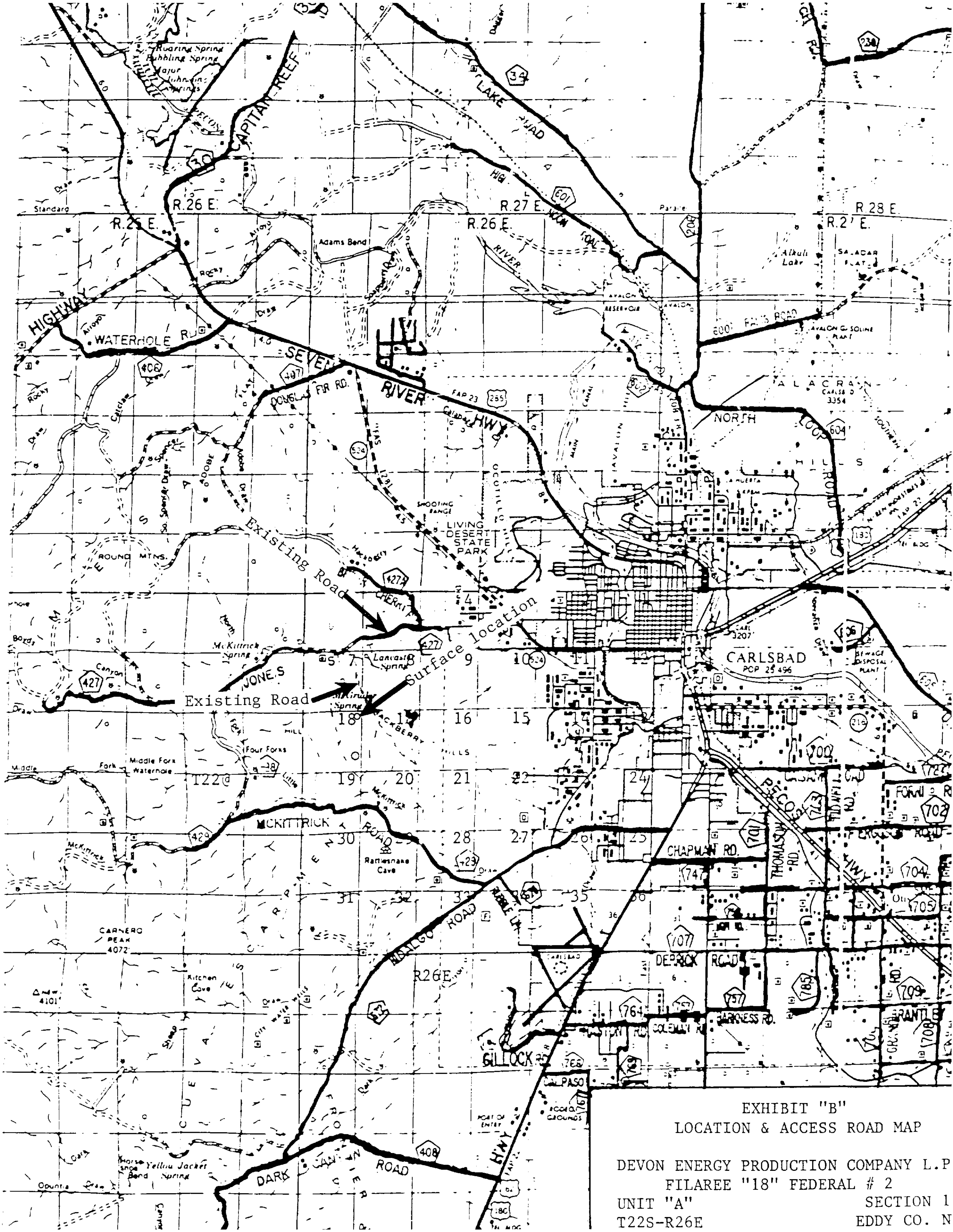


EXHIBIT "B"

LOCATION & ACCESS ROAD MAP

DEVON ENERGY PRODUCTION COMPANY L.P

FILAREE "18" FEDERAL # 2

UNIT "A" SECTION 1

T22S-R26E EDDY CO. N

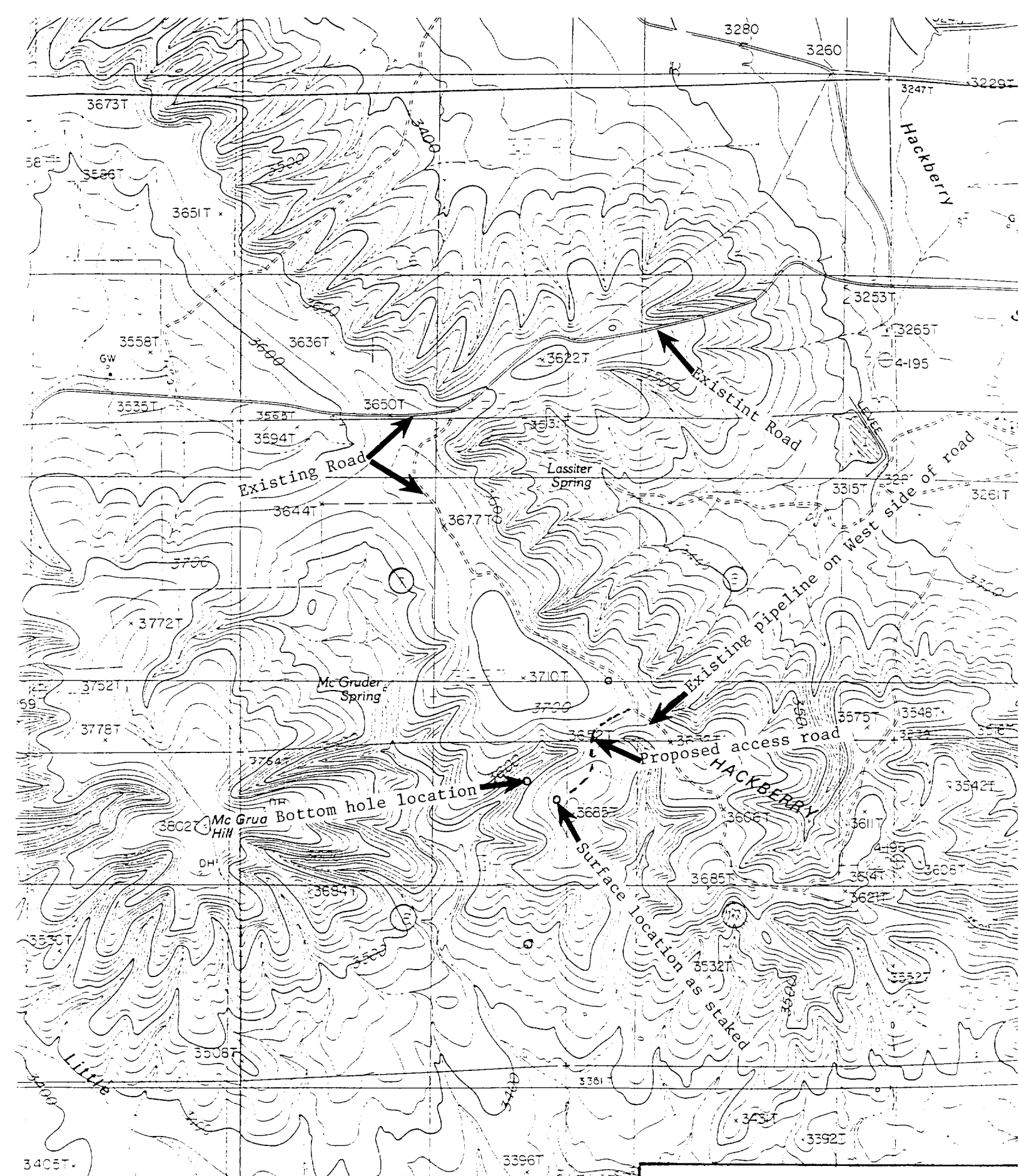
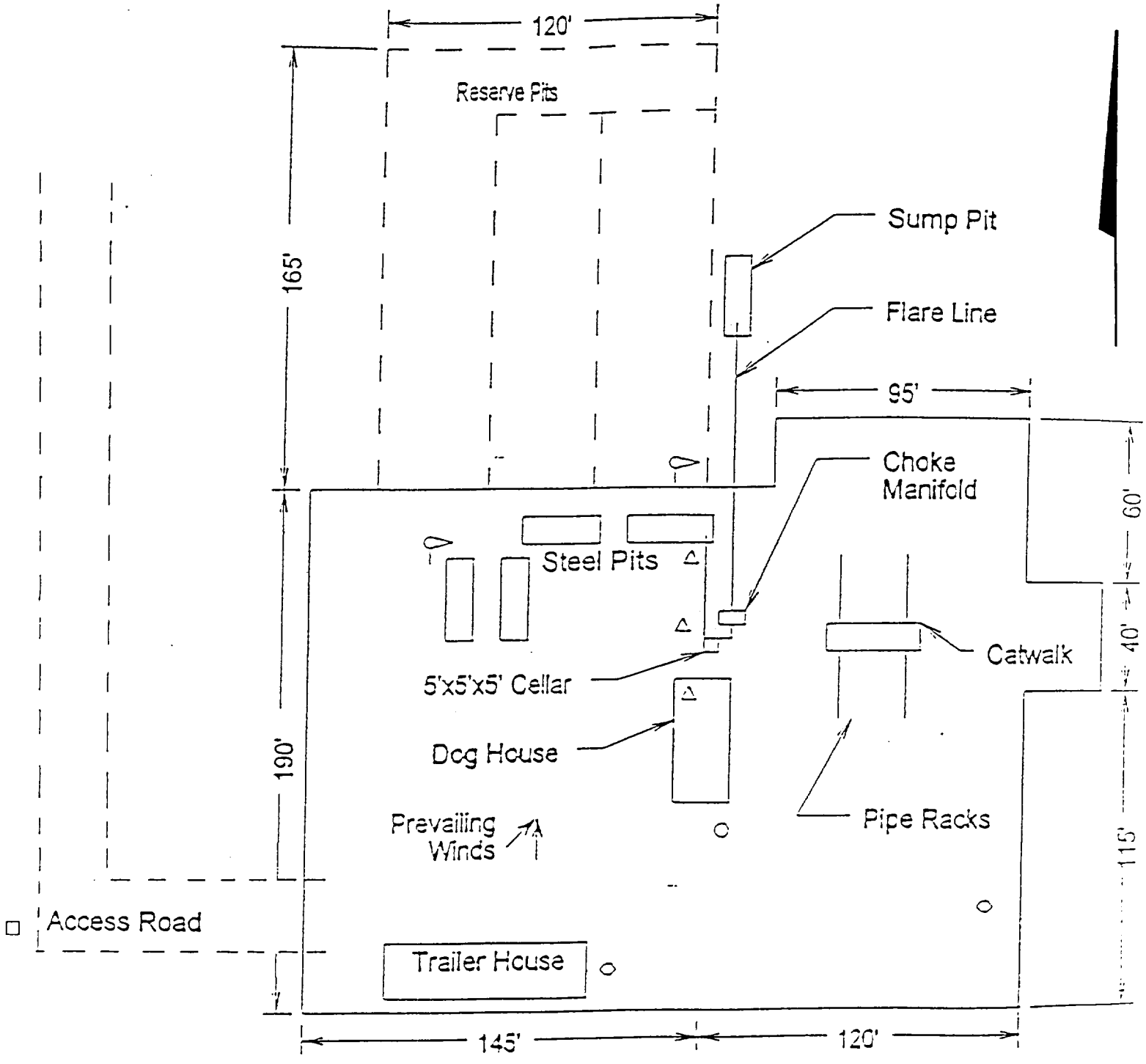


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

DEVON ENERGY PRODUCTION COMPANY L.P.
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18

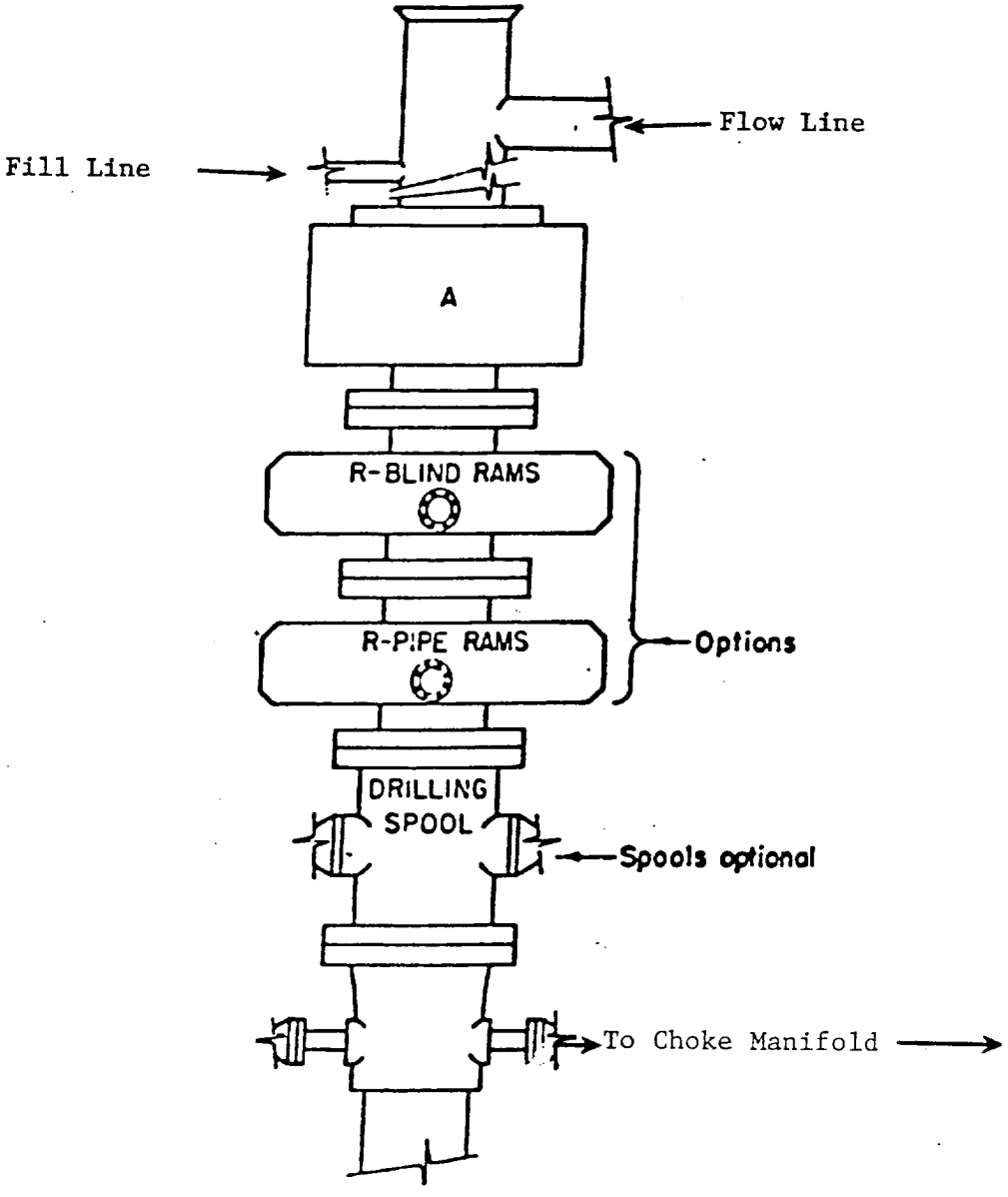
E



- 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.
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18
T22S-R26E EDDY CO. NM



ARRANGEMENT SRRA

1500 Series

5000# Working Pressure

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

DEVON ENERGY PRODUCTION COMAPNY L.P.
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18
T22S-R26E EDDY CO. NM

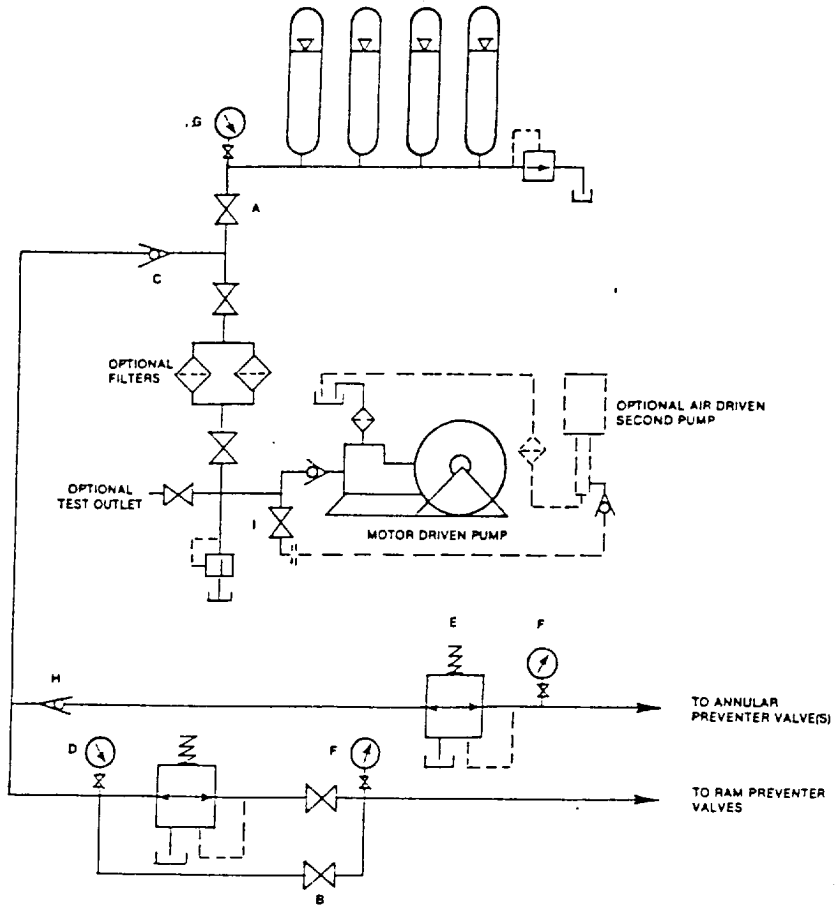


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

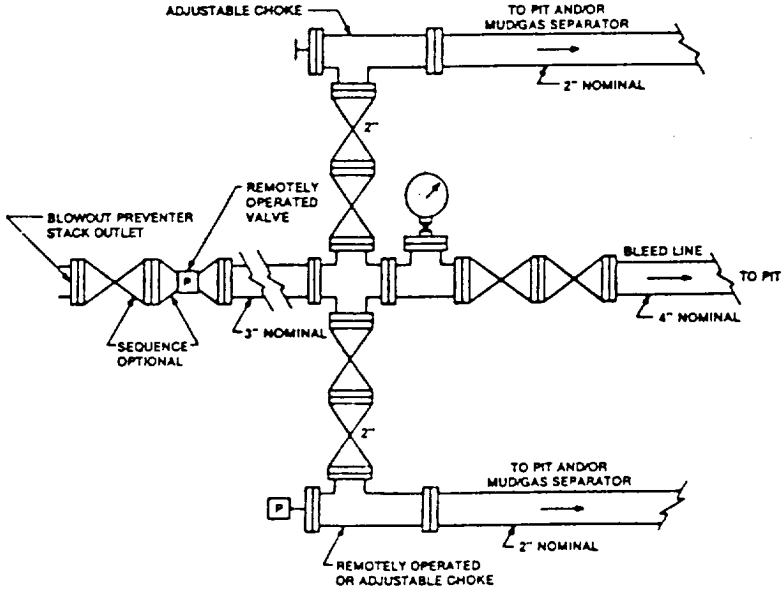


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

DEVON ENERGY PRODUCTION COMPANY L.P.
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18
T22S-R26E EDDY CO. NM

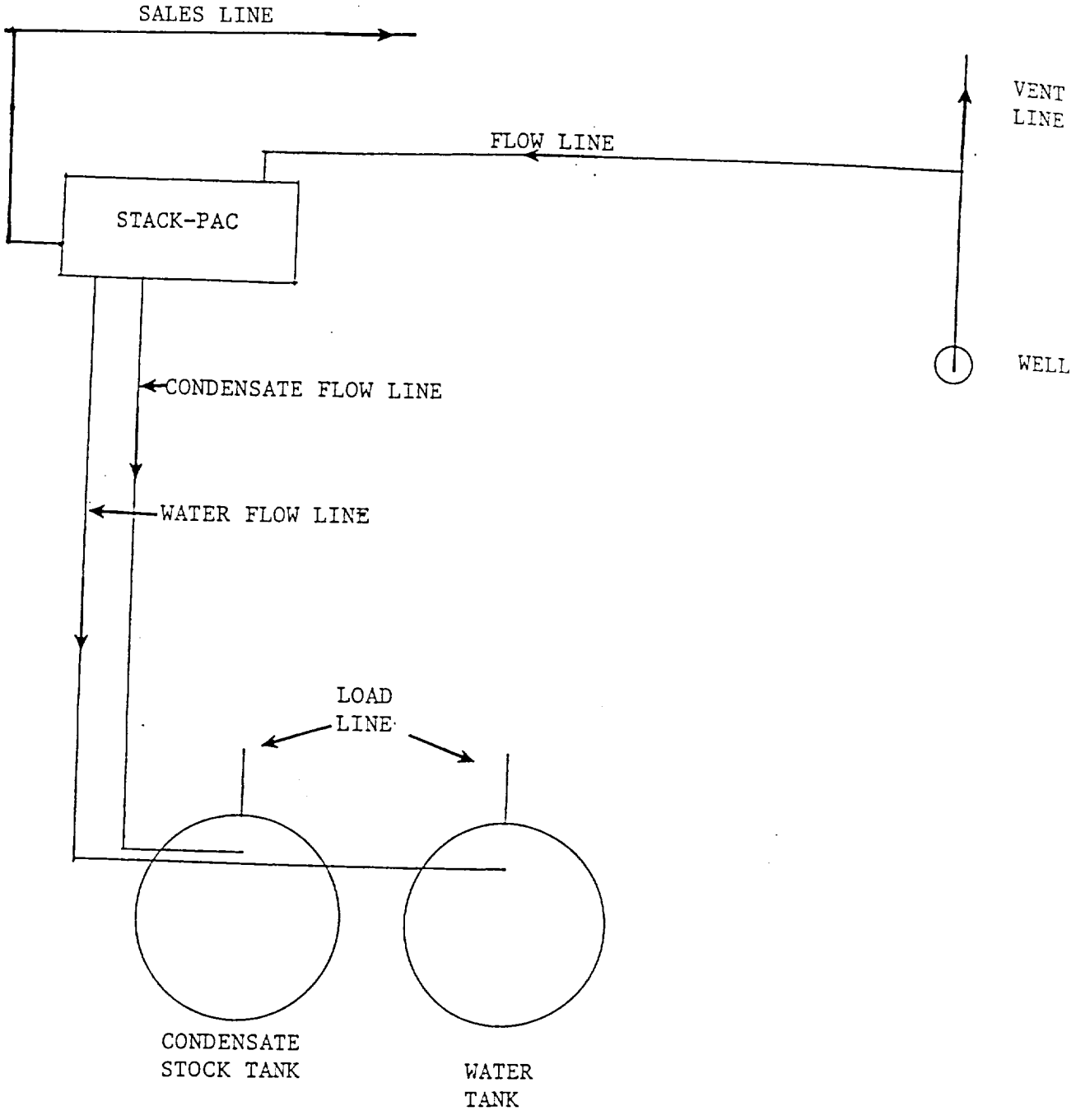


EXHIBIT "F"
SCHEMATIC OF OF SURFACE FACILITY
IF WELL IS COMPLETED

DEVON ENERGY PRODUCTION COMPANY L.P.
FILAREE "18" FEDERAL # 2
UNIT "A" SECTION 18

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

submitted as attachment to the Bureau of Land Management
form 3160-5 Sundry Notice of OPERATOR CHANGE

Operator Name: **Devon-SFS Operating, Inc.**
Street or Box: **20 North Broadway, Suite 1500**
City, State: **Oklahoma City, OK**
Zip Code: **73102-8260**

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

Well Name and No.: **Filaree "18A" Fed #2**
SHL - 950' FNL & 170' FEL
BHL - 660' FNL & 660' FEL
Section A – 18-T22S-R26E
Eddy County, New Mexico

Lease No.: **NM-LC064528-A**
Legal Description of Land: **Section 18: NE/4**
Total 160 acres

Formation(s): **No limitations**

Bond Coverage: **Nationwide Oil & Gas**
$200,000

BLM Bond File No.: **UT-1195**

Authorized Signature:

Bradley A. Foster
Devon-SFS Operating, Inc.
Title: **Operations Manager**

Date: **February 21, 2002**