

APPLICATION TO DRILL

DEVON -SFS OPERATING, INC.
 OLD RANCH CANYON "7" FEDERAL # 6
 UNIT "H" SECTION 7
 T22S-R24E EDDY CO. NM

9. CEMENTING & SETTING DEPTH:

| | | |
|--------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20" | Conductor | Set 40' of 20" conductor pipe and cement to surface with Redi-mix. |
| 9 5/8" | Surface | Set 1800' of 9 5/8" 32.30# H-40 ST&C casing. Cement with 1000 Sx. of Halco-light + additives, tail in with 450 Sx. of Class "C" cement + 2% CaCl + 1/4# Flo-cele/Sx. Circulate cement to surface. |
| 7" | Production | Set 8537' of 7" casing as follows: 2737' of 7" 23# HCL-80 ST&C, 4600' of 7" 23# J-55 LT&C, 1200' of 7" 23# L-80 LT&C. Cement with 550 Sx. of Light weight cement + additives, tail in with 500 Sx. of Premium Plus Class "H" + additives. Estimate top of cement 6000'. |

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 900 Series 3000 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 9 5/8" 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" 3000 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 |
|------------|---------|-------|---------------|------------------------------------------------------------------------------------------------|
| 40-1800' | 8.4-8.6 | 29-36 | NC | Fresh water spud mud system, use paper to control seepage. |
| 1800-7500' | 8.4-8.7 | 29-38 | NC | Fresh water mud system use paper to control seepage and high viscosity sweeps to clean hole. |
| 7500-8537' | 8.4-8.7 | 34-38 | 10 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.