Form 3160-3 (July 1992)	DEPARTMEN	TED STATES TOF THE IN LAND MANAGE	TERIOR		FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995 5. LEASE DEBIGNATION AND BEBIAL NO. NM -070522 - 7		
APP	LICATION FOR F	ERMIT TO DE	RILL OR DEEPEN	 	6. IF INDIAN, ALLOTTER OR TRIBE NAME		
1a. TIPE OF WORK       b. TIPE OF WELL       OIL       WELL	RILL XX		7. UNIT AGREEMENT NAME 				
2. NAME OF OPERATOR	A A A A A A A A A A A A A A A A A A A	1309-	SINGLE MULT ZONE ZONE		8. FARM OR LEASE NAME WELL OF FEDERAL		
DEVON-SFS OPI	erating, inc. • 20 North Broadw OKLAHOMA CITY,	AY SUITE 150	(())-5/-		9. AN WELL NO. 30 -015- 32544 10. FIELD AND POOL, OR WILDCAT		
<ul> <li>At surface</li> <li>SURFACE: 2025' FEL &amp; 1075' FSL SEC. 25 T21S-R23E EDDY CO. NM</li> <li>At proposed prod. zone</li> <li>2055' FEL &amp; 660' FSL SEC. 25 T21S-R23E EDDY CO. NM</li> </ul>							
	AND DIRECTION FROM NEAR y 30 miles North	west of Carls			12. COUNTY OF PARISH 13. STATE EDDY CO. NEW MEXICO		
LOCATION TO NEARE PROPERTY OR LEASE	ST	75'	640		ACRES ABSIGNED HIB WELL 320		
13. DISTANCE FROM FRO TO NEAREST WELL. OR APPLIED FOR, ON T	DRILLING, COMPLETED. 15	00'	TVD 8600' MD. 8633'		ROTARY OR CABLE TOULS		
	bether DF, RT, GR, etc.)	3801' GR	Konwoll Controlled &	Vator Bes	22. APPROX. DATE WORK WILL START* WHEN APPROVED		
23.		PROPOSED CASING	AND CEMENTING PROGRA	А.М.	· · · · · · · · · · · · · · · · · · ·		
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF CEMENT		
25'' 12 <sup>1</sup> z''	<u>Conductor 20"</u> H-40 9 5/8"	NA 36	40'	Cement 530 Sx	to surface with Redi-mix. . circulate to surface		
8 3/4"	HCL-80,L-80 7"	23	8633'	320 Sx	. estimate top of cement6450'		
					to surface with Redi-mix. ST&C casing. Cement with		

2. Drill 12% note to 1400. Kun and set 1400 of 9 5/6 50% in 40 5160 cushig. Comment with 330 Sx. of 35/65 Class "C" POZ cement + 2% CaCl, + ½# Celoflakes/Sx. + 3# Kol Seal/Sx. + 6% Bentonite, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + ½# Celoflakes/Sx. Circulate cement to surface.

3. Drill 8 3/4" hole to 8633' MD. Run and set 8633' of 7" casing as follows: 1133' of 7" 23# HCL-80 LT&C, 7500' of 7" 23# L-80 LT&C casing. Cement with 320 Sx. of 15/61/11 Class "C" + 5# LCM/Sx. + 2% KCl, + 1% EC-1 + .6% FL-25, + .6% FL-52, + .3% CD-32, + .3% Sodium Metasilicate + ½# Celoflakes/Sx. Estimate top of cement 6450'

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND		APPROVAL BY STATE
IN ABOVE STANDARD STIPLET TONE If proposal is to deepen, give of the directionally of an applicant data on subsurface locations and measured and true very direction of the dire	tata on present productive zone and proposed new p rtical depths. Give blowout preventer program, if any.	productive zone. If proposal is to drill or
SIGNED LOCAL ANGE TITLE_	Agent	DATE 10/16/02
(This space for Federal or State office use)	APPROVAL DATE	123456789 3 A 90
Application approval does not warrant or certify that the applicant holds legal or equitable CONDITIONS OF APPROVAL, IF ANY:	,	a profived
APPROVED BY /S/ JOE G. LARA	ELD MANAGER	NOV 2 VO2002 OCD - ARIES
*See Instruction	s On Reverse Side ADDDC	WALFOR XALFAR

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 2712076

State	of	New	Mexico

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

DISTRICT II

Energy, Minerals and Natural Resources Department

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

## OIL CONSERVATION DIVISION

Fee Lease - 3 Copies P.O. Box 2088 P.O. Drawer DD, Artemia, NM 88211-0719 Santa Fe, New Mexico 87504-2088 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 WELL LOCATION AND ACREAGE DEDICATION PLAT □ AMENDED REPORT DISTRICT IV P.O. HOX 2088, SANTA FE, N.M. 87504-2088 Pool Name Pool Code API Number INDIAN BASIN UPPER PENN (ASSOC) 33685 Well Number Property Name Property Code INDIAN BASIN"25" FEDERAL F-2 Elevation **Operator** Name OGRID No. DEVON SFS OPERATING, INC. 3801' 20305 Surface Location East/West line County North/South line Feet from the Feet from the Lot Idn Range Township Section UL or lot No. FDDY FAST 2025 1075 SOUTH 23-E 25 21-S 0 Bottom Hole Location If Different From Surface East/West line County North/South line Feet from the Feet from the Lot Idn Section Township Range UL or lot No. EAST FDDY 2055' SOUTH 660 25 21-S 23-E Ο Order No. Consolidation Code Dedicated Acres Joint or Infill 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 your knowledge and belief. Signature Joe T. Janica Printed Name GEODETIC COORDINATES NAD 1927 NME Agent Title Y= 525763.7 10/16/02 X=432111.8 Date LAT. 32"26"42.88"N LONG. 104'33'12.24"W 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 03, 2002 F-1 Date Surveyed J. E/O AWB 3810.2 7 3793.6 Professional Superor 2025 3795.8' **J** 3795.7 02/02 2055 1.06 12:5 09-1 o Certificate No. . Rendin P-EIDSON 3239 560. 12641 Man HOFEST

VICINITY MAP



SEC. 25 TWP. 21-S RGE. 23-E SURVEY N.M.P.M. COUNTY EDDY DESCRIPTION 1075' FSL & 2025' FEL ELEVATION 3801' OPERATOR DEVON SFS OPERATING, INC. LEASE INDIAN BASIN F 25

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'



CONTOUR INTERVAL: 20' MARTHA CREEK, N.M.

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

Well name:			Indian Basi	n "F" 25-2		
Operator:	<b>Devon-S</b> Productio	F <b>S Operating, In</b> n	С.			
Location:	Section 2	5, T21S, R23E		·		
Design parar Collapse Mud weight: Design is ba	:	8.500 ppg acuated pipe.	Minimum design <u>Collapse:</u> Design factor	n factors: 1.125	<b>Environment:</b> H2S considered? Surface temperature: Bottom hole temperatu Temperature gradient: Minimum section lengt	0.80 °F/*
			<u>Burst:</u> Design factor	1.00		
Burst Max anticipa		e 3,797 psi				
pressure Internal grad Calculated I	dient:	3,797 psi 0.000 psi/ft 3,797 psi	<u>Tension:</u> 8 Round STC: 8 Round LTC:	1.80 (J) 1.80 (J)	Directional Info - Build Kick-off point Departure at shoe:	4000 ft 416 ft
Annular bac	ckup:	8.50 ppg	Buttress:	1.60 (J) 1.50 (J)	Maximum dogleg: Inclination at shoe:	1.5 °/10 0 °

Premium:

Body yield:

- Build & Drop 4000 ft 416 ft ioe: 1.5 °/100ft eg: 0 ° Inclination at shoe:

0.80 °F/100ft

Tension is based on air weight. Neutral point: 7,534 ft

1.50 (J)

1.60 (B)

78,270 (\$) Estimated cost:

Run Seq 2 1	Segment Length (ft) 7500 1133	<b>Size</b> (in) 7 7	Nominal Weight (Ibs/ft) 23.00 23.00	Grade L-80 HCL-80	End Finish LT&C LT&C	True Vert Depth (ft) 7467 8600	Measured Depth (ft) 7500 8633	Drift Diameter (in) 6.25 6.25	Est. Cost (\$) 67271 11000
Run Seq 2 1	Collapse Load (psi) 3297 3797	Collapse Strength (psi) 3777 5650	Collapse Design Factor 1.15 1.49	Burst Load (psi) 3797 500	Burst Strength (psi) 6340 6340	Burst Design Factor 1.67 12.67	<b>Tension</b> Load (kips) 197.8 26.1	Tension Strength (kips) 435 485	<b>Tension</b> Design Factor 2.20 J 18.61 J

W.M. Frank Prepared by: Devon Energy

Phone: (405) 552-4595 FAX: (405) 552-4621

Date: October 1,2002 Oklahoma City, Oklahoma

Collapse is based on a vertical depth of 8600 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.

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

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

Indian	Basin	"F"	25-2
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Well name: Operator: String type:	Devon-SFS Operating, Inc. Surface
Location:	Section 25, T21S, R23E

Collaps Mud	n paramete <u>se</u> weight: gn is based		8.500 ppg ted pipe.	<b>Minimum</b> <u>Collapse:</u> Design fac		<b>ctors:</b> 1.125	Temperatur	ered? perature: temperature	0.80 °F/100ft
<u>Burst</u>				<u>Burst:</u> Design fac	tor	1.00			
p Inter Calo	anticipated s ressure: nal gradient: ulated BHP ular backup:		800 psi 0.000 psi/ft 800 psi 8.50 ppg	<u>Tension:</u> 8 Round S 8 Round L Buttress: Premium:		1.80 (J) 1.80 (J) 1.60 (J) 1.50 (J)	Non-directic	nal string.	
				Body yield	:	1.60 (B)		uent strings:	
				Tension is Neutral po	based on ai int:	r weight. 1,224 ft	Next mu Next set Fracture Fracture	ting depth: d weight: ting BHP: mud wt: depth: pressure	8,600 ft 8.500 ppg 3,797 psi 11.000 ppg 1,400 ft 800 psi
Run	Segment		Nominal		End	True Vert	Measured	Drift	Est.
Seq	Length (ft)	Size (in)	Weight (Ibs/ft)	Grade	Finish	Depth (ft)	Depth (ft)	Diameter (in)	Cost (\$)
1	1400	9.625	36.00	H-40	ST&C	1400	1400	8.765	12576
Run	Collapse	Collapse	Collapse	Burst	Burst	Burst	Tension	Tension	Tension

Strength

(psi)

2560

Design

Factor

3.20

Load

(kips)

50.4

Prepared W.M. Frank by: Devon Energy

Load

(psi)

618

Strength

(psi)

1720

Design

Factor

2.78

Load

(psi)

800

Phone: (405) 552-4595 FAX: (405) 552-4621

Date: October 1,2002 Oklahoma City, Oklahoma

Strength

(kips)

294

Design

Factor

5.83 J

Remarks:

Seq

1

Collapse is based on a vertical depth of 1400 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.

#### APPLICATION TO DRILL

DEVON-SFS OPERATING, INC. INDIAN BASIN "25" FEDERAL # F-2 UNIT "O" SECTION 25 T21S-R23E EDDY CO. NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

- 1. Location: SURFACE LOCATION: 2025' FEL & 1075' FSL SEC. 25 T21S-R23E EDDY CO. NM BOTTOM HOLE LOCATION: 2055' FEL & 660' FSL SEC. 25 T21S-R23E EDDY CO. NM
- 2. Elevation above sea level: 3801' GR.
- 3. Geologic name of surface formation: Quaternery Aeolian Deposits.
- 4. <u>Drilling tools and associated equipment:</u> Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
- 5. Proposed drilling depth: 8633'
- 6. Estimated tops of geological markers:

San Andres	520'	Wolfcamp	7300'
Glorietta	2650'	Cisco	7850 <b>'</b>
Bone Spring	3500'	Canyon	8300'
Possible mineral be	aring formation:		
San Andres	Water	Cisco	Gas

Sen Midres	HILLEI	01000	045
Wolfcamp	Gas	Canyon	Gas

#### 8. CASING PROGRAM:

7. .

-

Hole Size	Interval	OD Casing	Weight	Thread	Collar	Grade
25"	0-40'	20''	NA	NA	NA	Conductor
124"	0-1400'	9 5/9"	36	8-R	ST&C	H-40
8 3/4"	0-8633'	7''	23	8-R	LT&C	HCL-80 & L-80

#### APPLICATION TO DRILL

DEVON-SFS OPERATING, INC. INDIAN BASIN "25" FEDERAL # F-2 UNIT "O" SECTION 25 T21S-R23E EDDY CO. NM

#### 9. CASING CEMENTING & SETTING DEPT

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
9 5/8"	Surface	Set 1400' of 9 5/8" $36\#$ H-40 ST&C casing. Cement with 330 Sx. of 35/65 Class "C" POZ Cement + 2% CaCl, + $\frac{1}{4}\#$ Celo- flakes/Sx. + $3\#$ /Sx. of Kol Seal, + 6% bentonite, tail in with 200 Sx. of Class "C" cement + 2% CaCl, + $\frac{1}{4}\#$ Celo- flakes/Sx. circulate cement to surface.
7"	Production	Set 8633' of 7" casing as follows" 1133' of 7" 23# HCL-80, LT&C, 7500' of 7" 23# L-80 LT&C casing. CEment with 320 Sx. of 15/61/11 Class "C" POZ cement + 5#/Sx. of LCM-1, + 2% CaCl, + 1% EC-1, + .6% FL-25, + .6% FL-52, + .3% CD-32, + .3% Sodium Metasilicate, + ½# Celoflakes/Sx. Estimate top of cement 6450' From surface.

- 10. <u>PRESSURE CONTROL EQUIPMENT:</u> 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 nippled 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
40-1400'	8.5-8.7	29-34	NC	Fresh water mud system add paper to control seepage.
1400-7300'	8.5-8.7	29-40	NC -	Fresh water add paper to control seepage and use High viscosity sweeps to clean hole.
7300-8633'	8.5-8.7	32-40	l0 cc or less	Fresh water Dris-Pac mud system, add soda ash to control seepage, 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.

#### APPLICATION TO DRILL

DEVON-SFS OPERATING, INC. INDIAN BASIN "25" FEDERAL # F-2 UNIT "O" SECTION 25 T21S-R23E EDDY CO. NM

#### 12. LOGGING, CORING, AND TESTING PROGRAM:

- A. Open hole logs: Dual Induction, MSFL, CNL, LDT, Gamma Ray, Caliper from TD to 1400'. Run Gamma Ray, Neutron from 1400' to surface.
- B. Amud logger may be rigged up on hole at the discretion of the operator.
- C. No cores or DST's are planned at this time.

#### 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 <u>4250</u> PSI, and Estimated BHT <u>185°</u>.

#### 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 <u>36</u> days. If production casing is run then an additional <u>30</u> 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 Canyon formation will be perforated and stimulated in order to establish production. The well will be swab tested and potentialed as an associated oil well.

#### HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

- All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazzards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S 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<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S 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<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
- 5. Well control equipment
  - A. See exhibit "E" & "E-1"
- 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 the location is near to a dwelling a closed DST will be performed.

- 8. Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
- 9. If H<sub>2</sub>S 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<sub>2</sub>S scavengers if necessary.

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#### SURFACE USE PLAN

DEVON-SFS OPERATING, INC. INDIAN BASIN "25" FEDERAL # F-2 UNIT "O" SECTION 25 T21S-R23E EDDY CO. NM

- 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 take U.S. Hi-way 285 North 12 miles to junction with State Hi-way 137, turn Left go to Marathon Road (CR-401) bear Left go 3.1 miles turn Right and follow lease road 2 miles to double pole powerline and turn Right follow road .15 miles bear Left go .3 miles bear Right go 500' to location.

C. Exhibit "F" shows route of flowline to sales line connection.

- 2. PLANNED ACCESS ROADS: Approximately 2500' 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"

#### SURFACE USE PLAN

DEVON-SFS OPERATING, INC. INDIAN BASIN "25" FEDERAL # F-2 UNIT "O" SECTION 25 T21S-R23E EDDY CO. NM

4. If on completion this well is a producer the operator will lay pipelines and construct powerlines along existing road R-O-W's or other existing R-O-W's. Possible routes of pipelines, flowlines and powerlines are shown on Exhibit "F".

# 5. LOCATION AND TYPE OF WATER SUPPLY:

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

# 6. SOURCE OF CONSTRUCTION MATERIAL:

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

# 7. METHODS OF HANDLING WAS \_\_\_\_\_MATERIAL:

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

- B. All trash, junk and other waste material will be contained in trash cages or trash 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 the supplier, including broken sacks.
- D. Waste water from living quaters will be drained into holes with a minium of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-John will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- E. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for furthed drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approve disposal site. Later pips will be broken out to speed drying. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in storage tanks and sold.

### 8. ANCILLARY FACILITIES:

A. No camps or air strips will be constructed on location.

DEVON-SFS OPERATING, INC. INDIAN BASIN "25" FEDERAL # F-2 UNIT "O" SECTION 25 T21S-R23E EDDY CO. NM

- 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-SFS OPERATING, INC. INDIAN BASIN "25" FEDERAL # F-2 UNIT "O" SECTION 25 T21S-R23E EDDY CO. NM

#### 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 HOBES, NEW MEXICO 88241 JOE T. JANICA Ph. OFFICE 505-391-8503

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#### 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. <u>CERTIFICATION:</u> 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-SFS OPERATING, INC. 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 an 10/16/02 DATE TITLE Agent

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ARRANGEMENT SRRA

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> EXHIBIT "E" SKETCH OF B.O.P. TO BE USED ON DEVON-SFS OPERATING, INC. INDIAN BASIN "25" FEDERAL # F-2 UNIT "O" SECTION 25 T21S-R23E EDDY CO. NM





