

SURFACE USE AND OPERATING PLAN - Attachment to Form 3160-3

Devon Energy Production Company, L.P.
OLD RANCH KNOLL "8" FEDERAL COM. #9
810' FSL & 350' FEL, Unit P, Section 8-T22S-R24E
Eddy County, New Mexico

1. Existing Roads

- A. The well site and elevation plat for the proposed Old Ranch Knoll "8" Federal Com. #9 are reflected on Exhibit #2. This well was staked by John West Surveying in Hobbs, New Mexico.
- B. All roads into the location are depicted in Exhibit #3. New construction, which will conform to the specifications outlined in Item #2 below, will be used to access the location.
- C. Directions to location: From Carlsbad go approx 12 miles to the junction of US Hwy 285 and State Hwy 137. Turn west on State Hwy 137 and travel southwest to mile marker 42. Then turn left onto the existing lease road. Travel approx 2 miles in a southerly direction then turn east. Travel on existing lease road approx 1.6 miles and turn left to access this location.

2. Proposed Access Road

Exhibit #3 shows the existing lease road and the approximate 680' of new construction of access road. All new construction will adhere to the following.

- A. The maximum width of the road will be 15'.
- B. It will be crowned and made of 6" of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- C. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location.
- D. The average grade will be approximately 1%.
- E. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. Location of Existing Wells

Exhibit #4 shows all existing wells within a one-mile radius of the proposed Old Ranch Knoll "8" Federal Com. #9.

4. Location of Existing and/or Proposed Facilities

- A. In the event this well is found productive, the necessary production equipment will be installed on the drilling pad and any flow lines and power lines will be laid using the existing ROW #NM-93095 to the lease's common tank battery in Section 8 (IBCTB as per Comm. Order #400). Produced water will then go to the well #4 SWD as per NMOCD order #SWD-585. Refer to Exhibit #5. The well will be operated by means of an electric submersible pump.
- B. If the well is productive, rehabilitation plans are as follows.
 - a) The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).
 - b) Caliche from unused portions of the drill pad will be removed. The original topsoil from the well site will be returned to the location. The drill site will then be contoured to the original natural state.

5. Location and Type of Water Supply

The Old Ranch Knoll "8" Federal Com. #9 will be drilled using a combination of air, fresh water, brine and starch mud systems (outlined in the Drilling Program). The water will be obtained from commercial sources and will be transported over the existing and proposed roads. No water well will be drilled on the location.