Form 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

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

C15F

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: NM-53218

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

7. UNIT AGREEMENT NAME: 31960 ~~25146~~

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

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

8. FARM OR LEASE NAME, WELL NO.: RIGHTHAND CANYON "34" FED # 5

2. NAME OF OPERATOR: DEVON ~~SFS OPERATING, INC.~~ Energy Prod Co LP 6137 (WALLY FRANK) 405-552-4595

9. API WELL NO.: 30-015-32588

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

10. FIELD AND POOL, OR WILDCAT: INDIAN BASIN UPPER PENN ASSOC.

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: Surface. 1175' FSL & 2156' FEL SEC. 34 T21S-R24E EDDY CO. NM
At proposed prod. zone: 660' FSL & 1980' FEL SEC. 34 T21S-R24E

wtD

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 34 T21S-R24E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 25 miles Northwest of Carlsbad New Mexico

12. COUNTY OR PARISH: EDDY CO. 13. STATE: NEW MEXICO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1175'

16. NO. OF ACRES IN LEASE: 1120

17. NO. OF ACRES ASSIGNED TO THIS WELL: 240

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 2000'

19. PROPOSED DEPTH: 8600' TVD 8661 MD

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3920'

SUBJECT TO LIKE APPROVAL BY STATE

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

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor 20"	NA	40'	Cement to surface with Redi-mix.
12¼"	H-40 9 5/8"	36	1600'	600 Sx. circulate cement to surface
8 3/4"	Hcl-80,1-80 7"	23	8661'	320 Sx. estimate TOC 6400'

WITNESS

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 12¼" hole to 1600'. Run and set 1600' of 9 5/8" 36# H-40 ST&C casing. Cement with 400 Sx. of 35/65 Class "C" POZ + additives, tail in with 200 Sx Class "C" cement + 2% CaCl, + ¼# Celoflakes/Sx. Circulate cement to surface.
3. Drill 8 3/4" hole to 8661 MD. Run and set 8661' of 7" 23# casing as follows: 1161' 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 + 5#/Sx LCM-1, + 2% bwow KCL + 1% bwoc EC-1 + .6% bwoc FL-25, + .6% bwoc FL-52, + .3% bwoc CD-32. + .3% bwoc Sodium Metasilicate + ¼# Celo Flakes/Sx. Estimate top of cement 6400'.

Restricted Controlled Water Basin

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 Joe T Janica TITLE Agent DATE 10/17/02

RECEIVED JAN 2003 OCD - ARTESIA

(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:

APPROVAL FOR 1 YEAR

APPROVED BY /S/ JOE G. LARA TITLE Acting FIELD MANAGER DATE JAN 15 2003

*See Instructions On Reverse Side

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	33658	Indian Basin (Upper Penn) Assoc.

Property Code	Property Name	Well Number
16773	RIGHTHAND CANYON "34" FEDERAL	5

OGRID No.	Operator Name	Elevation
20305	DEVON-SFS OPERATING, INC.	3920'

Surface Location

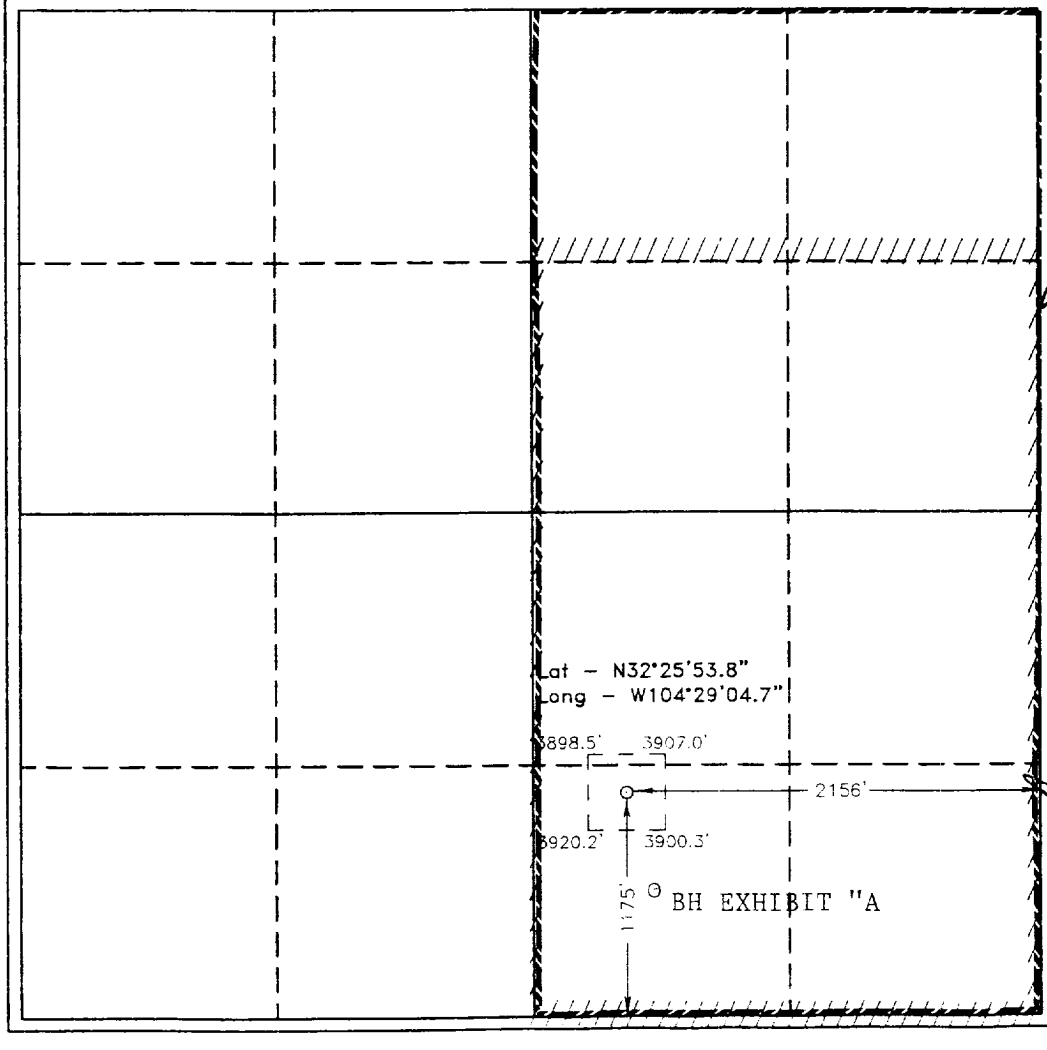
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	34	21 S	24 E		1175	SOUTH	2156	EAST	EDDY

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
O	34	21 S	24 E		660	south	1980	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

10/17/02
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.

JUNE 6, 2002
Date Surveyed

Signature & Seal of Professional Surveyor

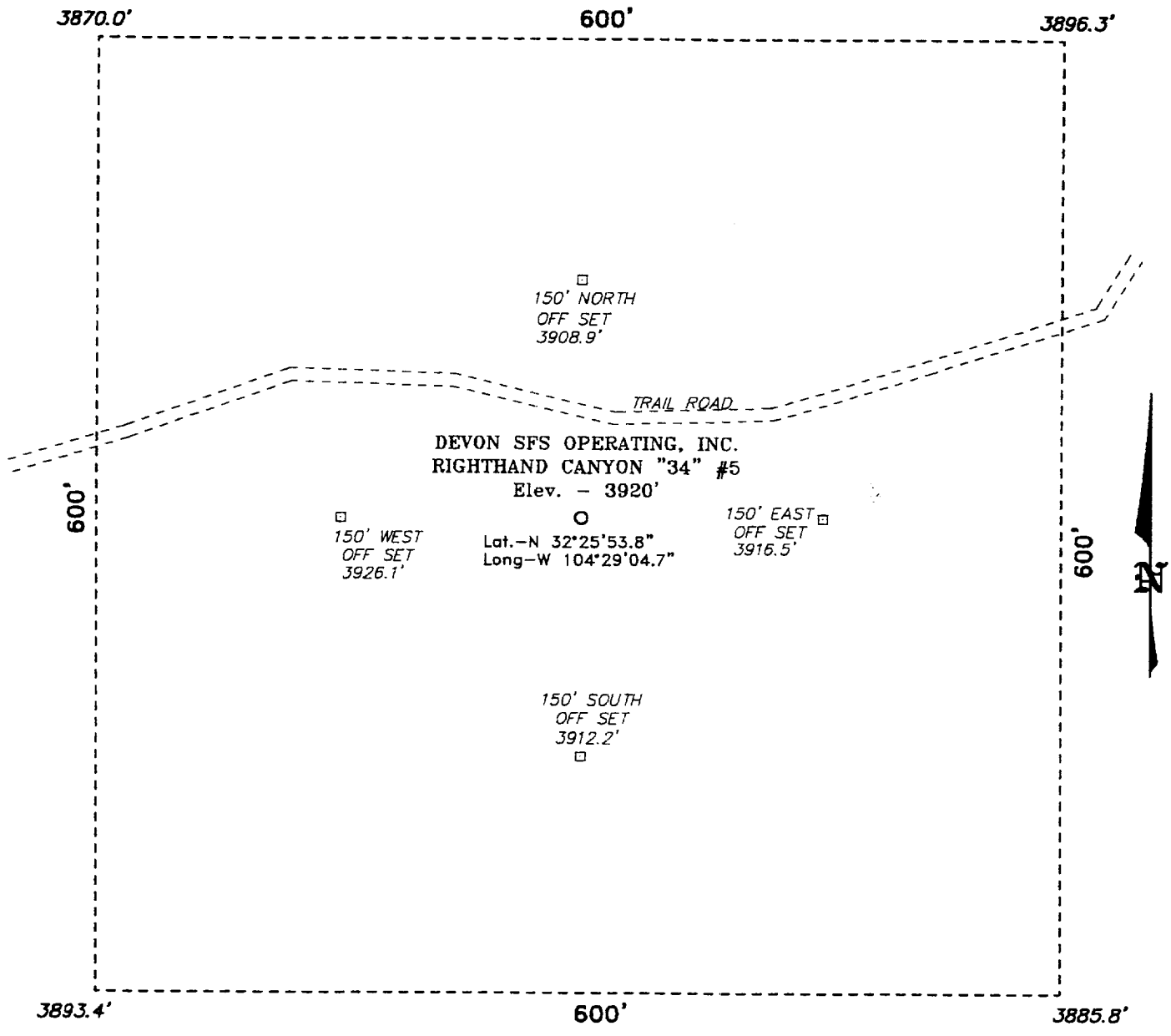
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 2547

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 34, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M.,
EDDY COUNTY, **NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF STATE HWY 137 (QUEENS HWY) AND CO. RD. 401 (MARATHON RD.), GO SOUTHWEST ON 137 FOR 4.1 MILES TO A LEASE ROAD LEFT; THENCE TAKE LEASE ROAD SOUTHEAST FOR 1.6 MILE AND NORTH 0.4 MILE TO A "Y"; THENCE TAKE RIGHT FORK AND GO 1.0 MILE TO A "Y"; THENCE TAKE LEFT FORK FOR 0.7 MILE TO A "Y"; THENCE TAKE RIGHT FORK FOR 1.1 MILE TO THE SOUTHEAST CORNER OF PAD OF RIGHTHAND CANYON "34" #2 AND TAKE TRAIL ROAD TO PROPOSED LOCATION.

100 0 100 200 FEET

SCALE: 1" = 100'

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

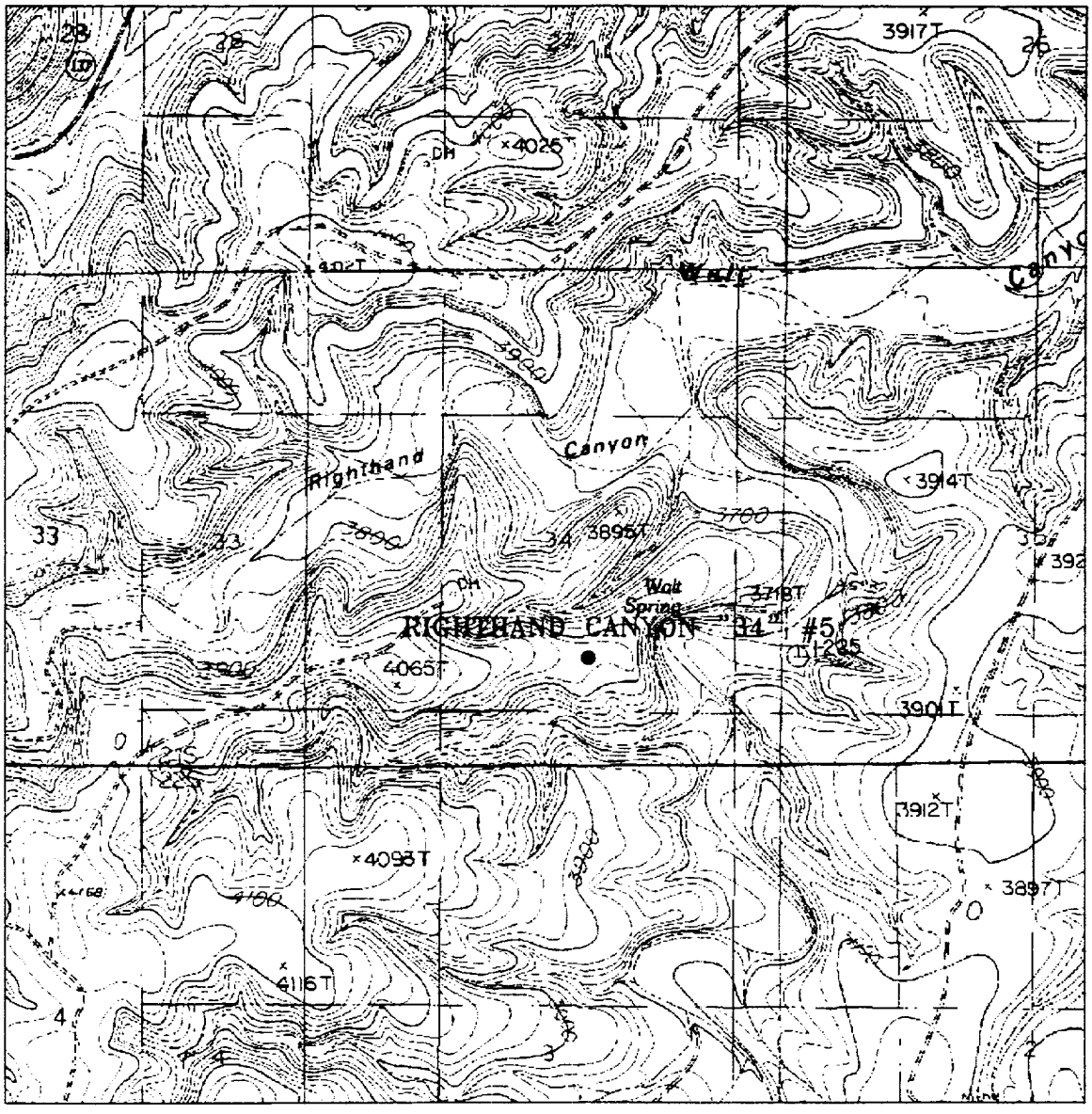
W.O. Number: 2792	Drawn By: K. GOAD
Date: 10-15-2002	Disk: KJG CD#4 - 2792A.DWG

DEVON SFS OPERATING, INC.

REF: RIGHTHAND CANYON "34" No. 5 / Well Pad Topo

THE RIGHTHAND CANYON "34" No. 5 LOCATED 1175' FROM THE SOUTH LINE AND 2156' FROM THE EAST LINE OF SECTION 34, TOWNSHIP 21 SOUTH, RANGE 24 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 10-14-2002 | Sheet 1 of 1 Sheets

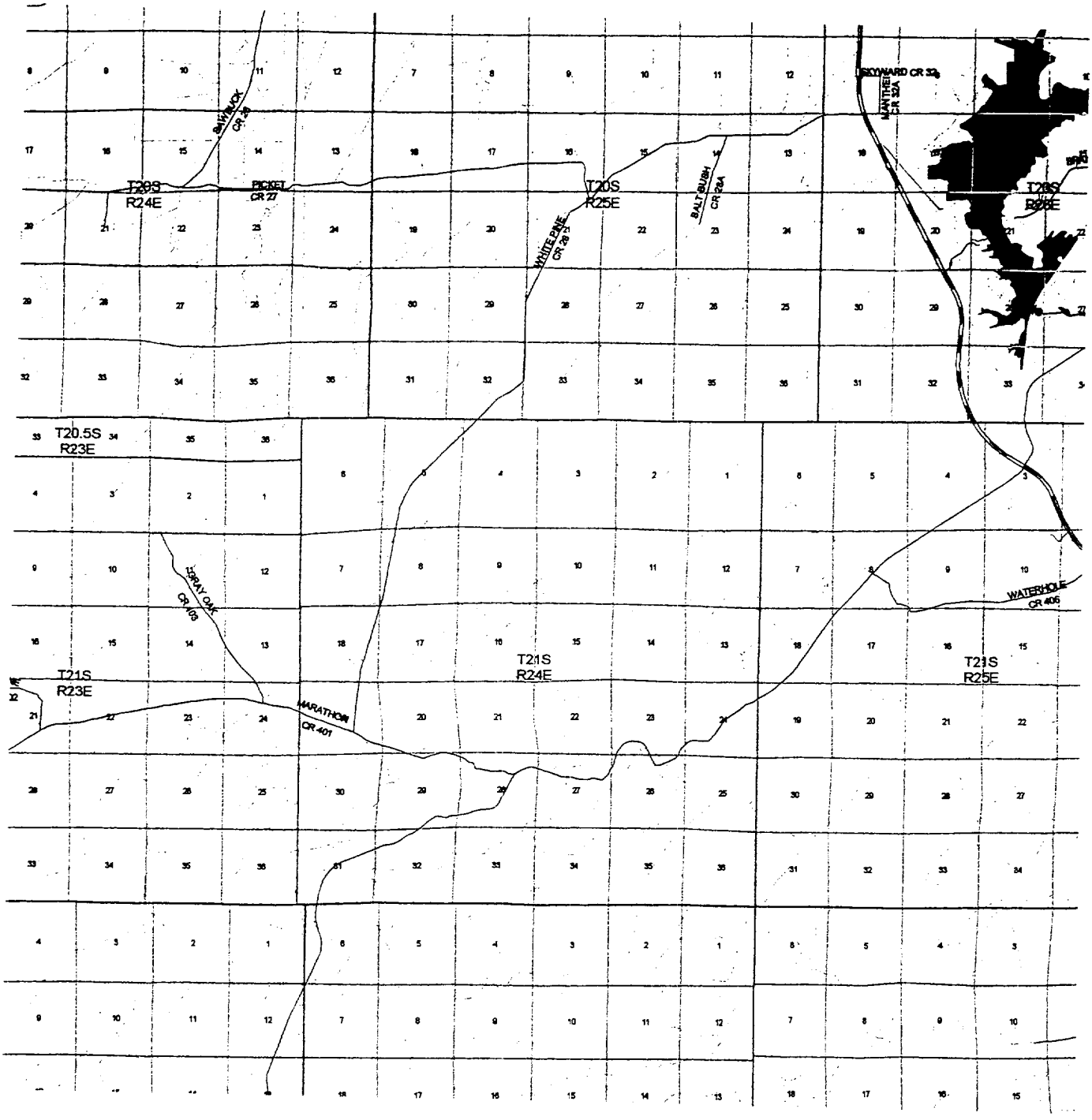


RIGHTHAND CANYON "34" #5
Located at 1175' FSL and 2156' FEL
Section 34, Township 21 South, Range 24 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence in the oilfield
P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 2547AA - KG CD#4
Survey Date: 06-06-2002
Scale: 1" = 2000'
Date: 06-07-2002

DEVON
SFS OPERATING, INC.



RIGHTHAND CANYON "34" #5
Located at 1175' FSL and 2156' FEL
Section 34, Township 21 South, Range 24 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
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P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number:	2547AA - KJG CD#4
Survey Date:	06-06-2002
Scale:	1" = 2 MILES
Date:	06-07-2002

DEVON
SFS OPERATING, INC.

Well name:	**Righthand Canyon 34-5**
Operator:	**Devon-SFS Operating, Inc.**
String type:	Production
Location:	Section 34, T21S, R24E

Design parameters:

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

Burst
Max anticipated surface pressure: 3,797 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 3,797 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: 7,562 ft

Estimated cost: 78,542 ($)

Environment:
H2S considered? Yes
Surface temperature: 75 °F
Bottom hole temperature: 144 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 1,000 ft

Directional Info - Build & Drop
Kick-off point 4000 ft
Departure at shoe: 544 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 ($)
2	7500	7	23.00	L-80	LT&C	7439	7500	6.25	67271
1	1161	7	23.00	HCL-80	LT&C	8600	8661	6.25	11272

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
2	3285	3776	1.15	3797	6340	1.67	197.8	435	2.20 J
1	3797	5650	1.49	513	6340	12.37	26.7	485	18.16 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: October 1,2002
Oklahoma City, Oklahoma

Remarks:
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

Well name:	**Righthand Canyon 34-5**
Operator:	**Devon-SFS Operating, Inc.**
String type:	Surface
Location:	Section 34, T21S, R24E

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 914 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 914 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: 1,399 ft

Environment:

H2S considered?	No
Surface temperature:	75 °F
Bottom hole temperature:	88 °F
Temperature gradient:	0.80 °F/100ft
Minimum section length:	1,000 ft
Minimum Drift:	8.750 in

Non-directional string.

Re subsequent strings:

Next setting depth:	8,600 ft
Next mud weight:	8.500 ppg
Next setting BHP:	3,797 psi
Fracture mud wt:	11.000 ppg
Fracture depth:	1,600 ft
Injection pressure	914 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	1600	9.625	36.00	H-40	ST&C	1600	1600	8.765	14372

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	706	1720	2.43	914	2560	2.80	57.6	294	5.10 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621

Date: October 1,2002
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 1600 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.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E 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: 1175' FSL & 2156' FEL SEC. 34 T21S-R24E EDDY CO. NM
Bottom H. 660' FSL & 1980' FEL SEC. 34 T21S-R24E EDDY CO. NM

2. Elevation above Sea Level: 3920' 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: 8600' TVD 8661 MD.

6. Estimated tops of geological markers:

San Andres	550'	Wolfcamp	7350'
Glorietta	2670'	Cisco	7900'
Bone Spring	3550'	Canyon	8300'

7. Possible mineral bearing formations:

San Andres	Water	Cisco	Gas
Wolfcqmp	Gas	Canyon	Gas

8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40'	20"	NA	NA	NA	Conductor
12¼"	0-1600'	9 5/8"	36	8-R	ST&C	H-40
8 3/4"	0-8661'	7"	23	8-R	LT&C	HLC-80 & L-80

APPLICATION TO DRILL

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM

9. CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor and cement to surface with Redi-mix.
9 5/8"	Surface	Set 1600' of 9 5/8" 36# H-40 ST&C casing. Cement with 400 Sx of 35/65 Class "C" POZ cement + 2% bwoc CaCl, + ¼# Celo Flakes /Sx. + 3#/Sx Kol Seal + 6% bwoc bentonite.
7"	Production	Set 8661' of 7" 23" casing as follows: 1161' of 7" 23# HCL-80 LT&C, 7500' of 7" 23# L-80 LT&C casing. Cement with 320 Sx. of (15/61/11) POZ Class "C" cement + 53/Sx. LCM-1, + 2% bwow KCl + 1% bwoc EC-1 + .6% bwoc FL-25 + .6% bwoc FL-53 + .3% bwoc CD-32 + .3% bwoc Sodium Metasilicate + ¼# Celo Flake/Sx.

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 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" 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
40-1600'	8.5-8.7	29-34	NC	Fresh water Spur Mud add paper to control seepage
1600-7300'	8.5-8.7	29-38	NC	Fresh water mud system add paper to control seepage & High viscosity sweeps to clean hole.
7300-8661'	8.5-8.7	32-40	10-15 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.

APPLICATION TO DRILL

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM

12. LOGGING, CORING, AND TESTING PROGRAM:

A. Open hole logs: Dual Induction, MSFL, LDT, COMPENSATED NEUTRON Gamma Ray, Caliper from TD to 1600'. Run Gamma Ray, Neutron from 1600' to surface.

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

C. Mud Logger may be placed on hole at the Operators 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 4250 PSI, and Estimated BHT 185°.

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 35 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 Penn. 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

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" & "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.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

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

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM

1. EXISTING ROADS: Area roads, Exhibit "B" is a reproduction of a County General Hiway Map. Exhibit "C" is a reproduction of a USGS Topographic Map, showing exixting roads and proposed roads. All existing roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.

   A. Exhibit "A" shows the proposed well site location as staked.

   B. From Carlsbad New Mexico take U.S. Hi-way 285 north for 12 miles to junction with State Hi-way 137 Turn Left and go to (Marathon Road CR-401) bear left and go 4.1 miles to lease road and turn Left take lease road Southeast 1.6 miles bear Left go North go .4 miles to "Y" bear Right go 1 mile to "Y" bear Left go .7 miles to "Y" bear Right go 1.1 miles to Righthand Canyon "34" Federal # 2 then follow proposed road to location.

   C. Exhibit "F" shows possible route of flowline.

2. PLANNED ACCESS ROADS: Approximately 3000' of new road will be constructed.

   A. The access road will be crowned and ditched to a 12' wide travel surface with a 40' Right-of-Way.

   B. Gradient on all roads will be less than 5%.

   C. Turnouts will be constructed as required or as directed by the BLM.

   D. If needed roads will be surfaced with a minimum of 4" of caliche. This material will be obtained from a local source.

   E. Center line for the new access road has been staked and flagged. Earthwork will be done as required by field and topographic conditions.

   F. Colverts in the access road will be used where necessary. The road will be constructed to utilize low water crossings for drainage as dictated by the topography.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS SHOWN ON EXHIBIT "A-1".

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"
F. Injection wells	-	None known.

SURFACE USE PLAN

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM

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 access roads or piped in through flexible lines laid on top of ground till well is completed.

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-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E 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
HOBBS, NEW MEXICO 88241
JOE T. JANICA
Ph. OFFICE 505-391-8503

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. 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-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 : Joe T Janica

DATE : 10/17/02

TITLE : Agent

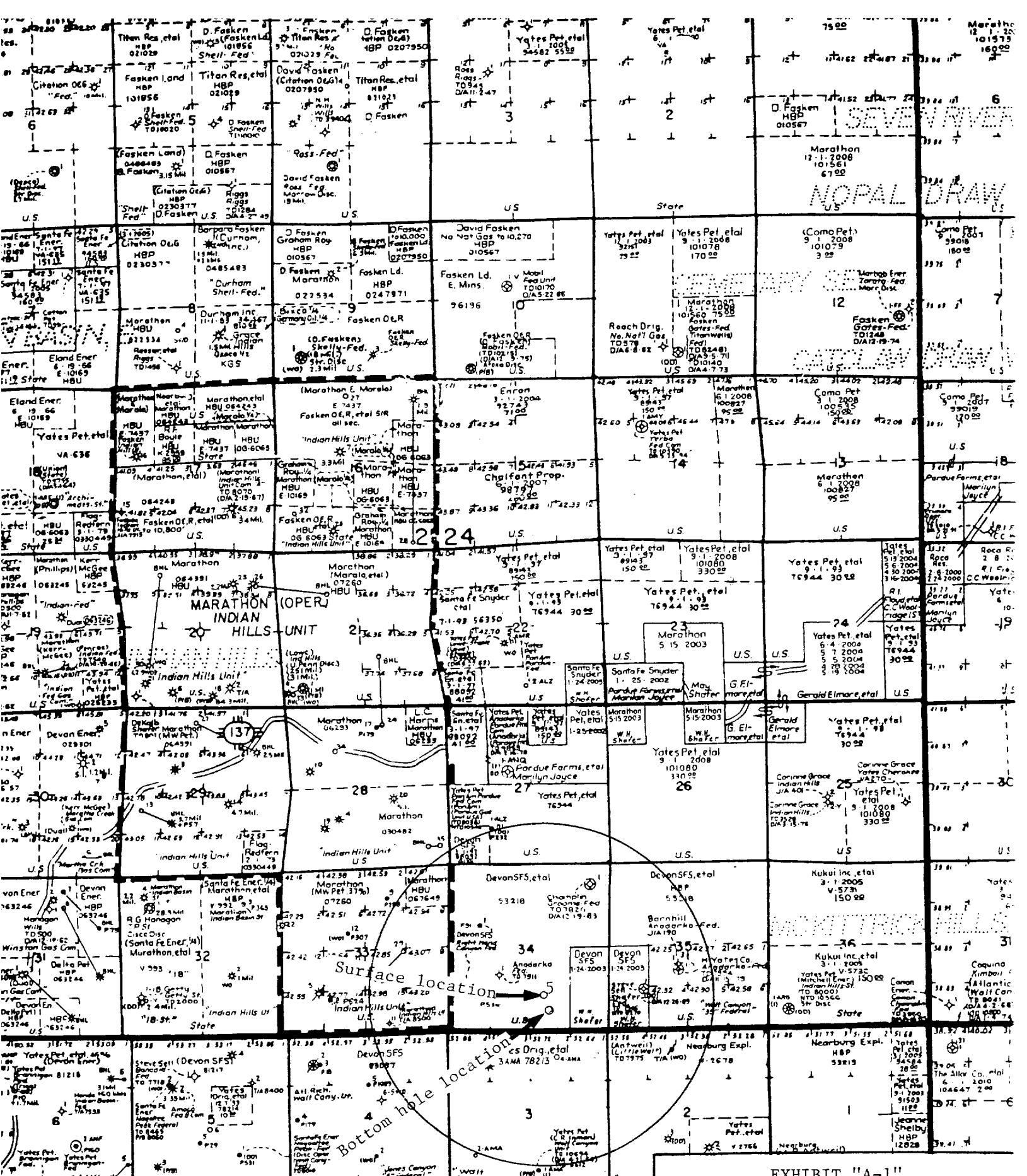


EXHIBIT "A-1"
ONE MILE RADIUS MAP

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM

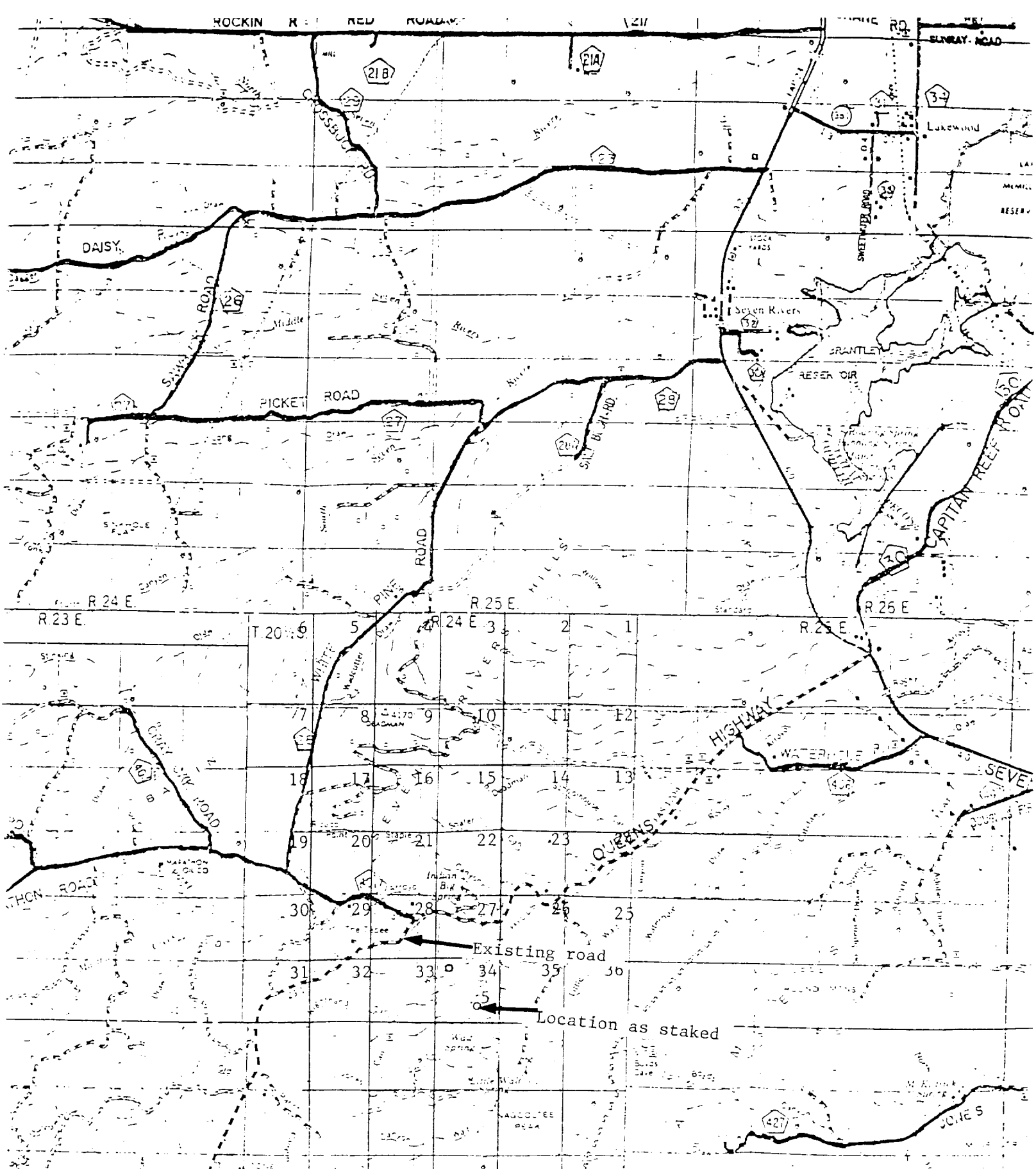


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM

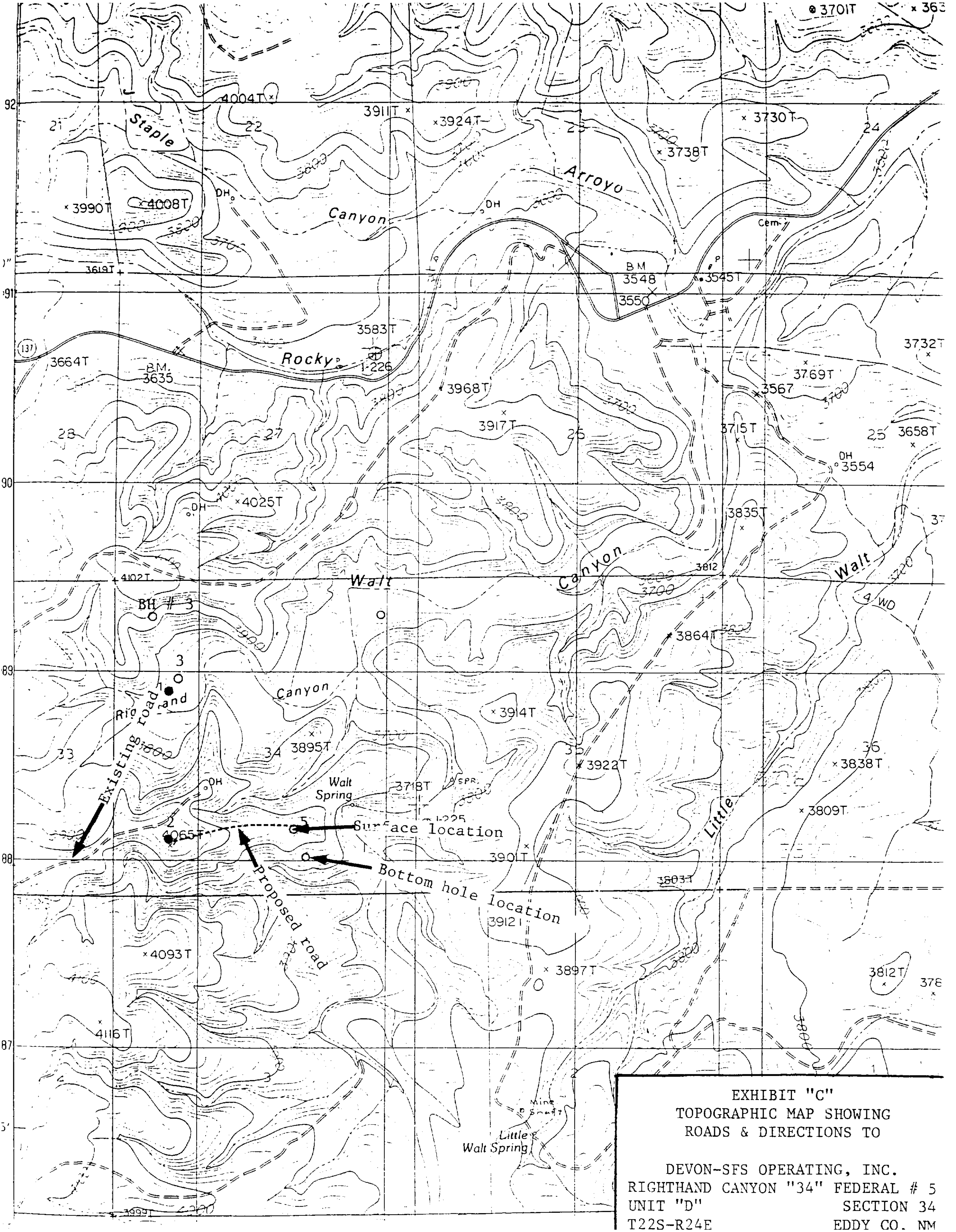
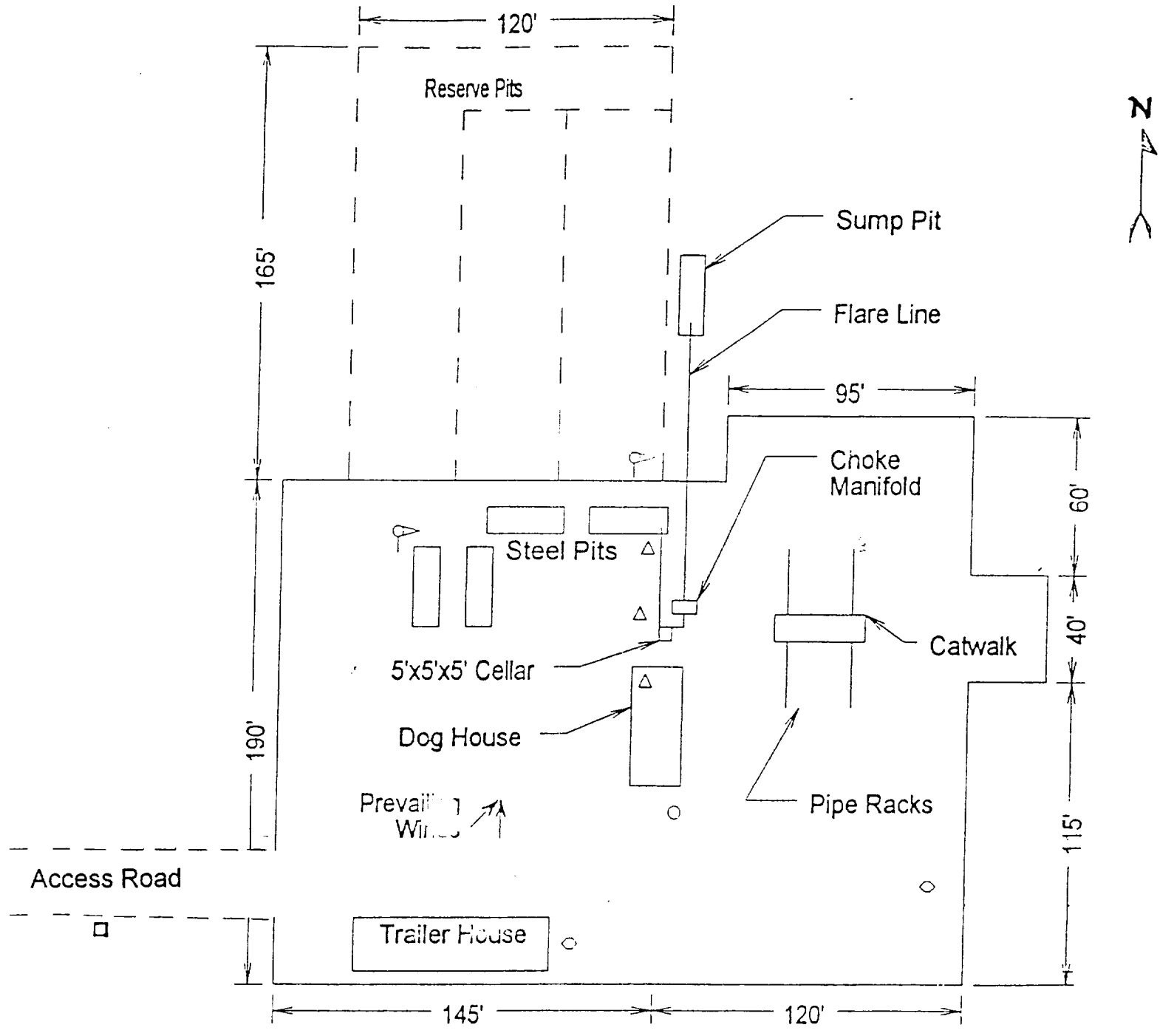


EXHIBIT "C"
TOPOGRAPHIC MAP SHOWING
ROADS & DIRECTIONS TO

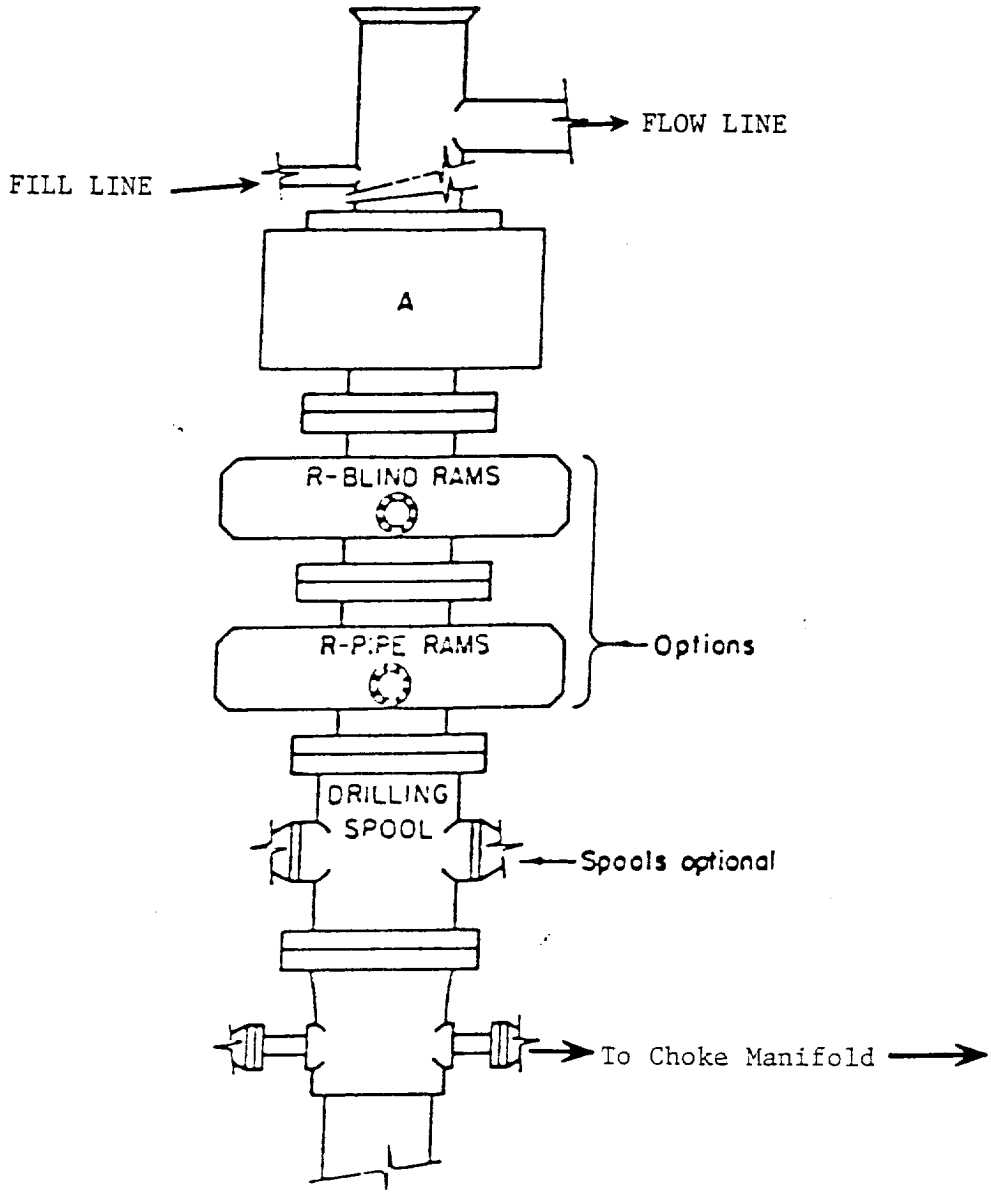
DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM



- 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-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM

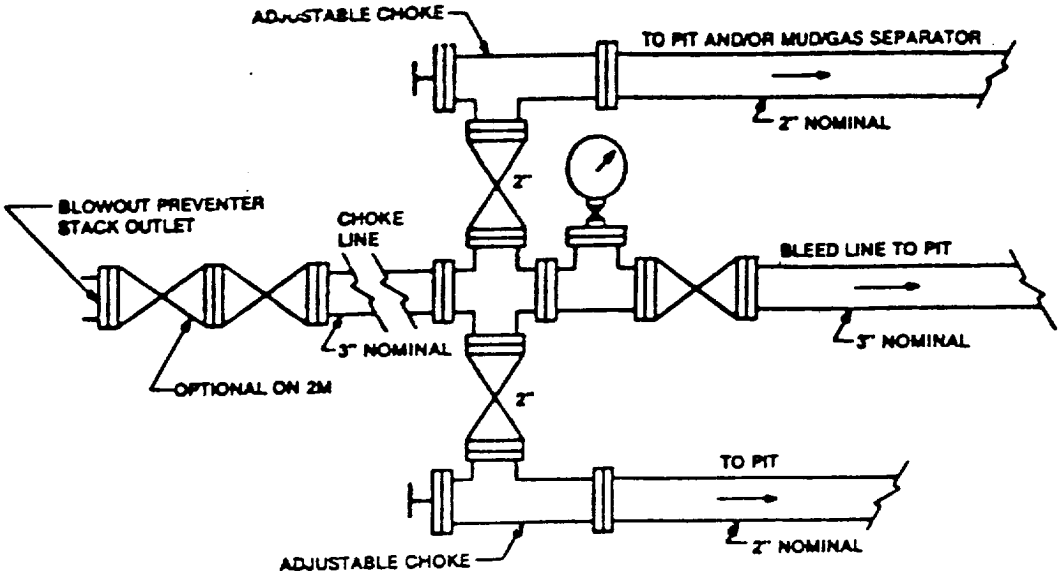


ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

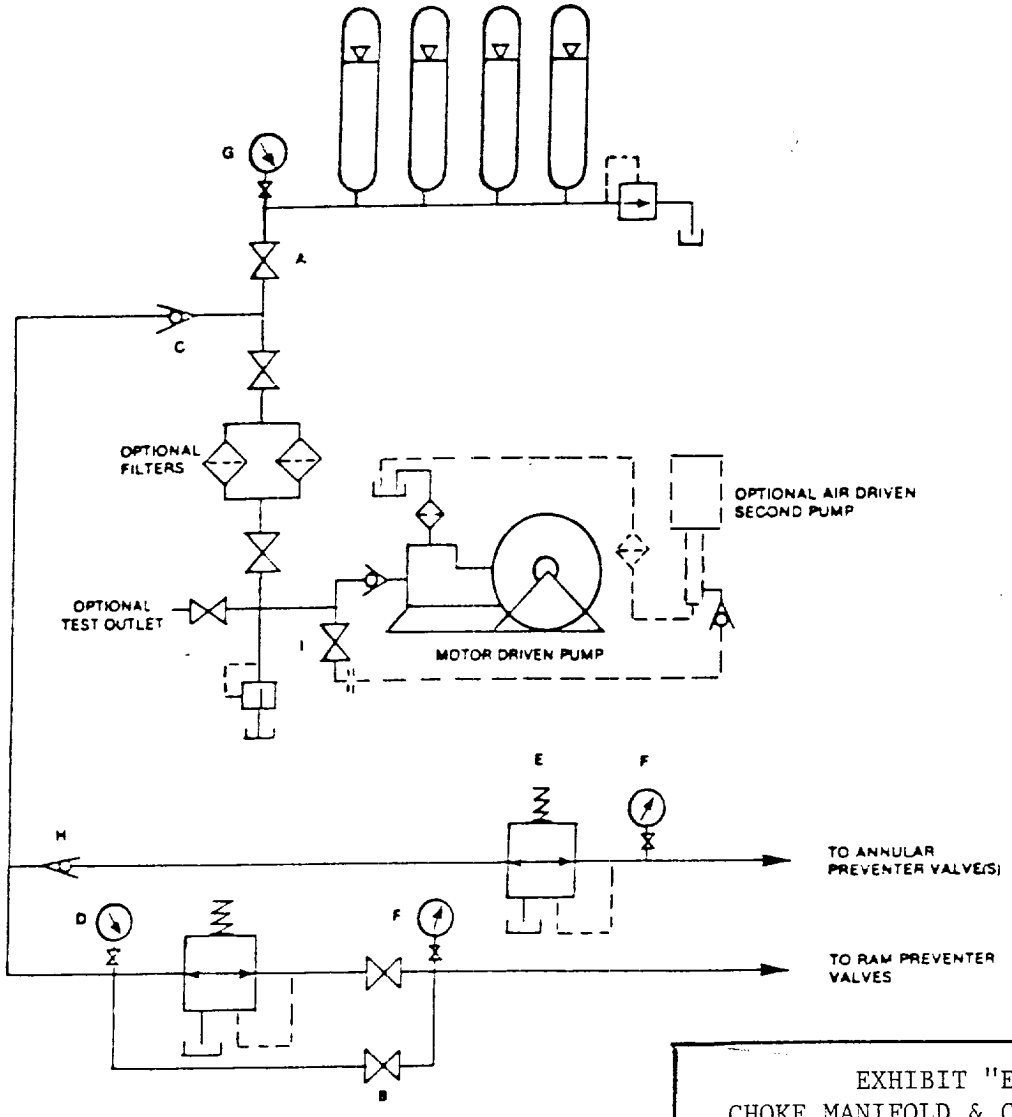


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM

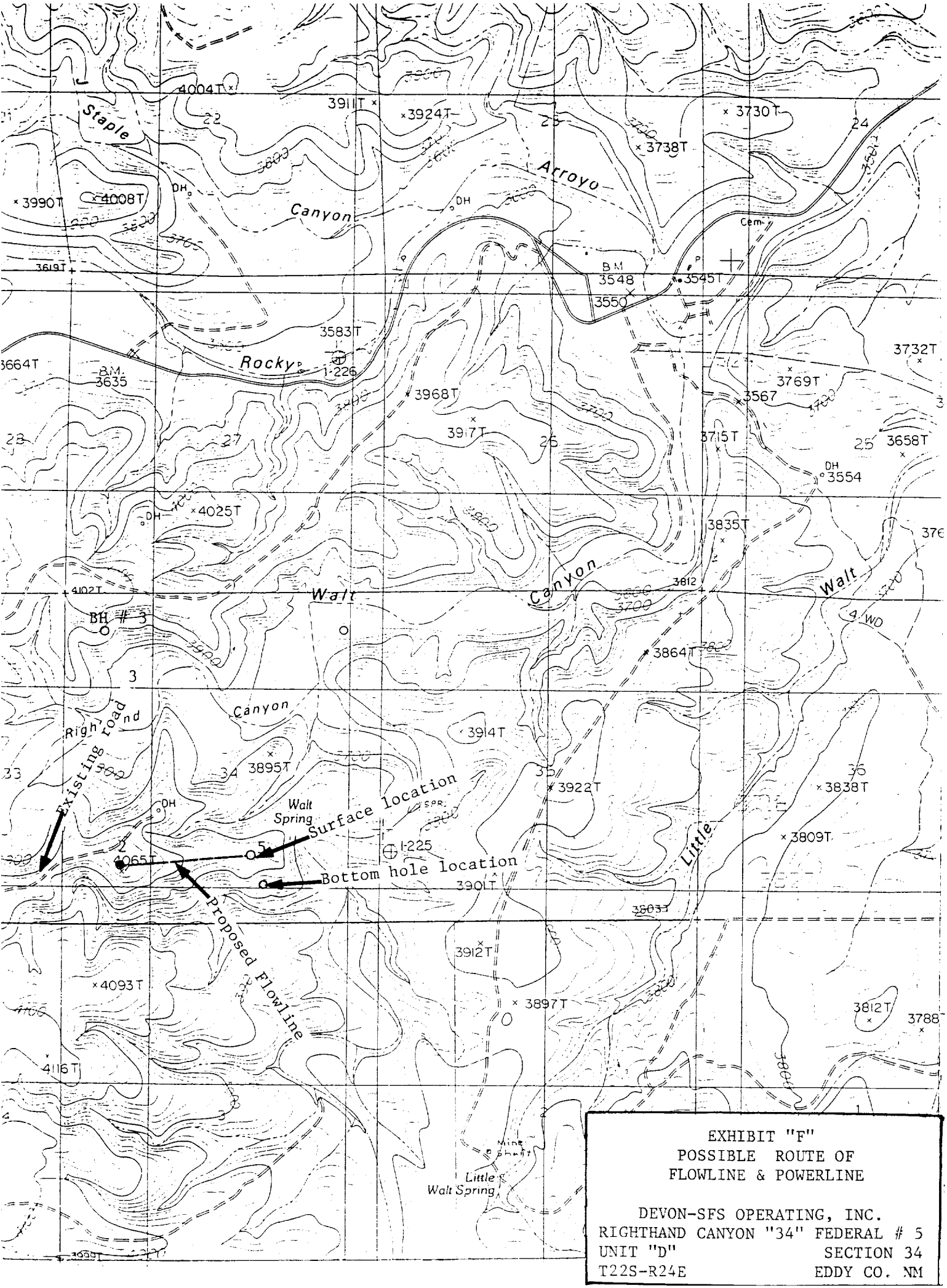


EXHIBIT "F"
POSSIBLE ROUTE OF
FLOWLINE & POWERLINE

DEVON-SFS OPERATING, INC.
RIGHTHAND CANYON "34" FEDERAL # 5
UNIT "D" SECTION 34
T22S-R24E EDDY CO. NM