MAR 1 2 1993

d/5F

3160(067)
NM-0405444

CERTIFIED--RETURN RECEIPT REQUESTED
P 864 875 227

Devon Energy Corporation (Nevada)
Attention: Charles W. Horsman
20 North Broadway
Suite 1500
Oklahoma City, OK 73102

RE: Todd "23 O" Federal Well No. 5
NMNM-0405444
795' FSL & 1800' FEL, Sec. 23, T23S, R31E
Eddy County, New Mexico

Dear Mr. Horsman:

I am pleased to approve your Application for Permit to Drill (APD) at the present location. Your copy of the APD, with attached stipulations, is enclosed.

The APD at the original location, 660 feet FSL and 2050 feet FEL, was denied for potash considerations. The APD was moved by Sundry Notice to the above referenced location. The new location is such that oil and gas production should not impact potash reserves.

If you need any additional information, please contact Tony Herrell at the Carlsbad Resource Area (505) 887-6544.

Sincerely,

/s/ Monte G. Jordan

for Larry L. Woodard
State Director

1 Enclosure:
1 - Application for Permit to Drill (APD)

bcc:
NM (910, L. Woodard)
NM (920, R. Smith)
NM (067, T. Herrell) ✓
NM (060, A. Lopez)
NM (060, L. Cone)

Form 3160-3
(December 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
DEC 21 11 27 AM '92
CARL
AREA

PERMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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

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

2. NAME OF OPERATOR: Devon Energy Corporation (Nevada)

3. ADDRESS AND TELEPHONE NO.: 20 N. Broadway - Suite 1500, Oklahoma City, OK 73102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1800' ~~2050~~' FEL & ~~660~~' FSL
At proposed prod. zone: 795' Same

5. LEASE DESIGNATION AND SERIAL NO.: NMNM 0405444

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A

7. UNIT AGREEMENT NAME: N/A

8. FARM OR LEASE NAME, WELL NO.: Todd "23" Federal #5

9. API WELL NO.:

10. FIELD AND POOL, OR WILDCAT: Undesignated Delaware

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: UNIT C Sec. 23-T23S-R31E

12. COUNTY OR PARISH: Eddy

13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 35 miles West - Northwest of Jal, N.M.

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: 1320

17. NO. OF ACRES ASSIGNED TO THIS WELL: 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.: 400

19. PROPOSED DEPTH: 8350

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3456.2 G.L.

22. APPROX. DATE WORK WILL START*: 6-1-92

23. PROPOSED CASING AND CEMENTING PROGRAM Secretary's Potash / R-111-P Potash

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	13 3/8 K-55	54.5	850 CIRCULATE	450 sx Lite & 200 sx 'C' + 2% cc
11	8 5/8 K-55	32	4400 CIRCULATE	1800 sx Lite & 200 sx 'C' + 2% cc
7 7/8	5 1/2 K-55	15.5 & 17	8350	1st stage - 600 sx Silicalite 2nd stage - 500 sx Lite & 100 sx Silicalite

DV Tool @ 5500'

Devon Energy proposes to drill to approximately 8350' to test the Delaware for commercial quantities of oil. If the Delaware is found non-commercial, the wellbore will be plugged and abandoned as per federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED, and to applicable provisions of OCD's R111-P.

POS 201 4-93

Drilling Program

Surface use and operating plan
Exhibit #1 and #1-A - Blowout prevention equipment.
Exhibit #2 - Location and elevation plat.
Exhibit #3 - Planned access roads.
Exhibit #4 - Wells within one mile radius.
Exhibit #5 - Production facilities plat.
Exhibit #6 - Rotary rig layout.
Evidence of bond coverage.

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 Charles W. Horsman TITLE Charles W. Horsman, District Engineer DATE 5-4-92

(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:

APPROVED BY _____ TITLE _____ DATE 3-25-93

*See Instructions On Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

DRILL ☒ DEEPEN ☐

☒ OIL WELL ☐ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE

Energy Exploration (Nevada)

1200, Oklahoma City, OK 73102

Wildcat

Sec. 22-T22S-R

NSL

Wildcat Wash at Surface

660' FSL & 660' FEL

660'

1120

460

3450.2 G.L.

PROPOSED CASING AND CEMENTING PROGRAM

	3.5-55	34.3	
	2-55	32	
	2-55	13.3	

To Test @ 1500

Energy proposes to drill to approximate [illegible] quantities of oil. If the Dakota is found non-commercial [illegible] and the Entrad as the final objective. Attempts to obtain [illegible] cuttings are scheduled to the following schedule and assessments.

Drilling Program

- Drill to 1500 - Install BOP equipment.
- Location and excavation plat.
- Planned access route.
- Mesa within one mile radius.

Exhibits on file [illegible]

Exhibits on history [illegible]

Exhibits of [illegible]

Operator [illegible]

Charles W. Bottrell
District Engineer

TITLE

The Information On Reverse Side

District Office
State Lease - 4 copies
Fee Lease - 3 copies

Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
DEVON ENERGY	Todd "230" Federal	5

Unit Letter	Section	Township	Range	County
O	23	23 SOUTH	31 EAST NMPM	EDDY

Actual Footage Location of Well: 795 feet from the SOUTH line and 1800 feet from the EAST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3459.2'	Delaware	Ingle Wells Delaware	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

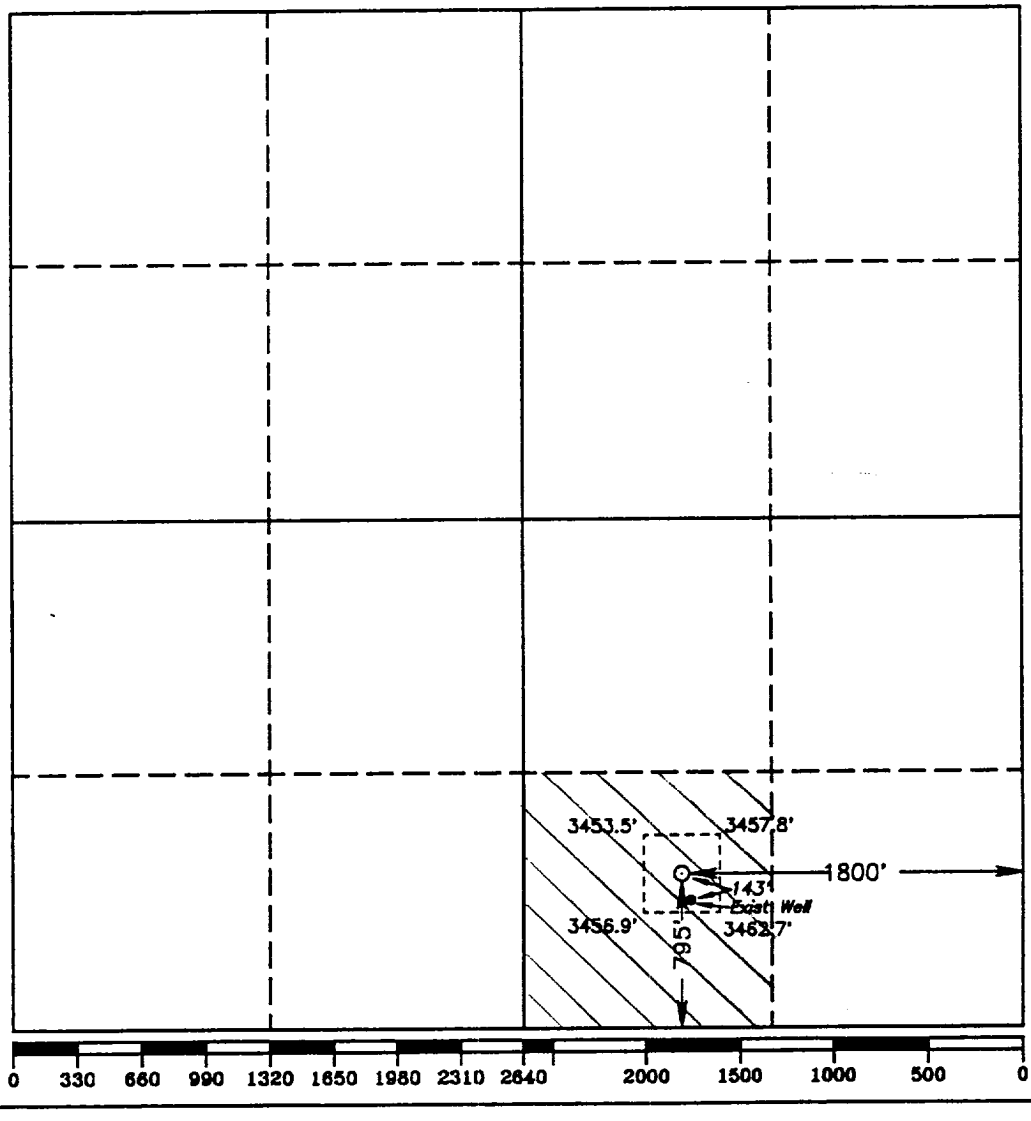
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, 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

Printed Name
Charles W. Horsman

Position
District Engineer

Company Devon Energy Corporation (Nevada)

Date
12-17-92

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 knowledge and belief.

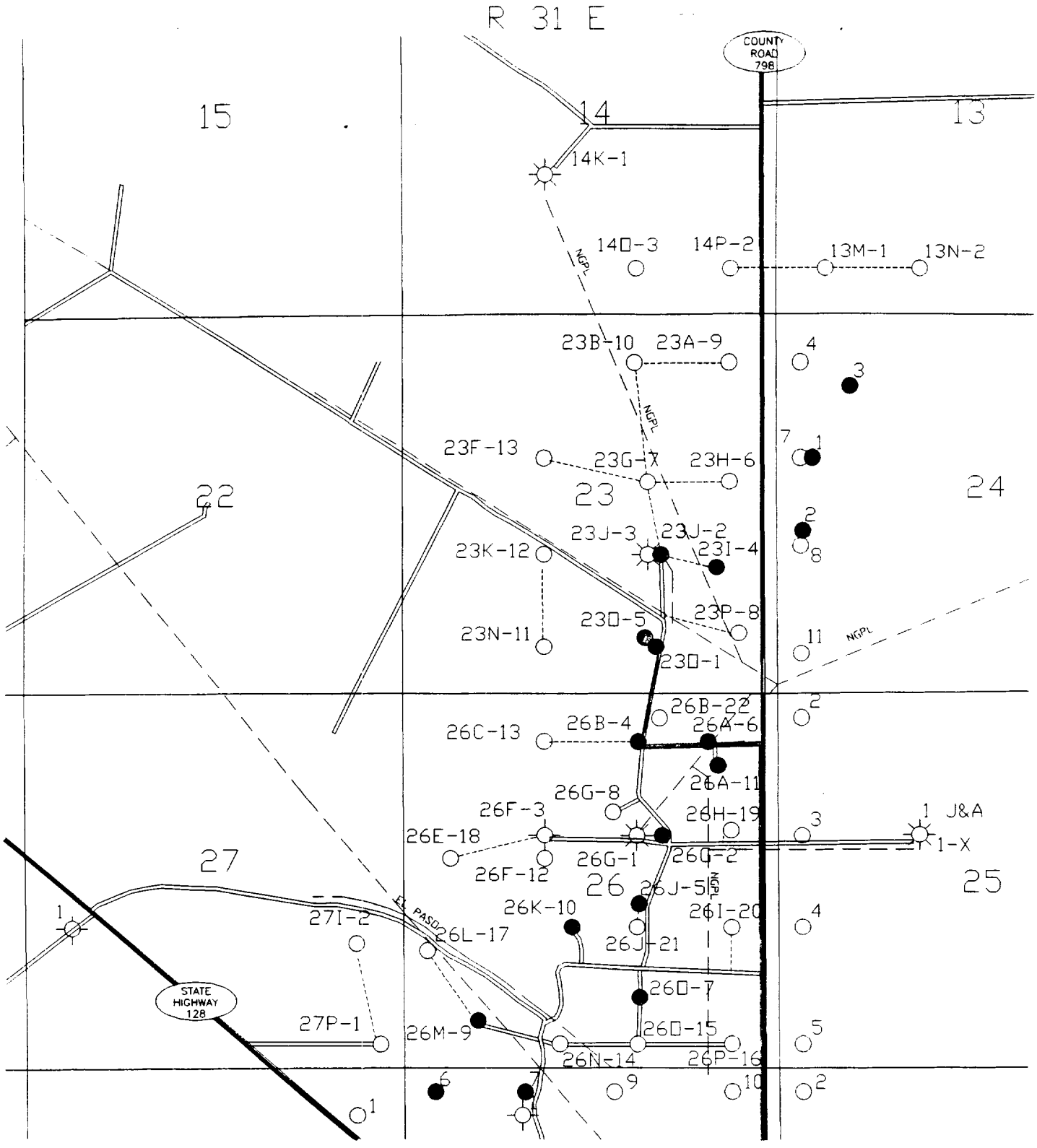
Date Surveyed
NOVEMBER 30, 1992

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

Certificate No. JOHN W. WEST 676
RONALD J. EIDSON 3239
GARY L. JONES 7977

92-11-1837



PIPELINE

EXISTING ROAD

PROPOSED ROAD

N

REV. 12/92
FILE: NM01542L 6/92

devon
ENERGY CORPORATION

SAND DUNES FIELD

EDDY COUNTY, NEW MEXICO

TODD "23O" FEDERAL #5

EXHIBIT 3

Scale in Feet

2000 0 2000

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
New Mexico State Office
1474 Rodeo Rd.
P.O. Box 27115
Santa Fe, New Mexico 87502-7115

TAKE PRIDE IN AMERICA

IN REPLY REFER TO:

3160(067)
NM-0405444

CERTIFIED--RETURN RECEIPT REQUESTED
P 696 486 619

SEP - 1 1992

Devon Energy Corporation
Attention: Chuck Horsman
1500 Mid-America Tower
20 North Broadway
Oklahoma City, Ok 73102-8250

RE: Todd "23" Federal Well No. 5
NM-0405444
660' FSL & 2050' FEL, Sec. 23, T23S, R31E
Eddy County, New Mexico

Dear Mr. Horsman:

On May 7, 1992, this office received an Application for Permit to Drill (APD) for the above referenced well location. This location falls within the designated Secretary's Potash Area as defined in 1986 Order.

Considerable time has been spent evaluating the physical characteristics of the ore body and the feasibility of economically mining potash in the subject area. A mineralogical evaluation of the various ore zones in the area leads us to conclude that the well site is located within a "Potash Enclave". Therefore, the drilling of this well may result in undue waste of potash.

In accordance with the 1986 Secretary's Order, the APD can not be approved at the present location. Therefore, your APD is returned unapproved. However, a well could possibly be obtained by drilling directionally from an existing producing well located on the same lease, the Todd "23" Federal Well No. 1.

This decision was given serious consideration by the Bureau of Land Management (BLM), regrettably it may have an adverse impact to your company. Therefore, and in accordance with 43 CFR 3165.4, you may appeal this decision to the Interior Board of Land Appeals according to the procedures outlined on the enclosed Form 1842-1. Please contact Tony Herrell at (505) 887-6544 if you have any further questions.

Sincerely,

Larry L. Woodard
State Director

2 Enclosures:
1 - Form 1842-1
2 - APD's (5 copies)

SURFACE USE AND OPERATING PLAN

Attachment to Form 3160-3
Devon Energy Corporation
Todd "23" Federal #5
1800' ~~2050'~~ FEL & ~~660'~~ FSL 795'
Section 23-T23S-R31E
Eddy County, New Mexico

1. Existing Roads:

   A. The well site and elevation plat for the proposed Todd "23" Federal #5 is reflected on Exhibit #2. It was staked by John West Engineering Company, Hobbs, New Mexico.

   B. All roads into the location are depicted in Exhibit #3. The existing lease road in section 23 to the Todd "23" Federal #1 well will be used to access the location. No upgrades to roads other than the access into location from the Todd "23" Federal #1 wellsite will be necessary.

   C. Directions to location: Travel west-northwest from Jal, N.M. approximately 35 miles on state highway #128 to county road #798, just into Eddy county from Lea county. Turn north (right) on county road #798 and travel approximately 2.0 miles to the Todd "23" Federal #1 entry road. Turn west (left) on the lease road and go 0.375 miles then turn north to the #1 wellsite and continue roughly 200' west into location.

2. Proposed Access Road:

   Exhibit #3 shows the 200' of new access road to be constructed. It will be constructed as follows:

   A. The maximum width of the road will be fifteen (15) feet.

   B. It will be crowned and made of 6 inches 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%.

SURFACE USE AND OPERATING PLAN

Attachment to Form 3160-3
Devon Energy Corporation
Todd "23" Federal #5
2000' FNL & 300' FEL
Section 23, T22S-R31E
Eddy County, New Mexico

1. Existing Roads:

A. The well site and elevation plat for the proposed Todd "23" Federal #5 is reflected on Exhibit #2. It was staked by John West Engineering Company, Hobbs, New Mexico.

B. All roads into the location are depicted in Exhibit #1. The existing lease road in section 11 to the Federal #1 well will be used to access the location. [illegible] roads to roads other than the access [illegible] the Todd "23" Federal #1 wellsite will [illegible].

C. Directions to location: Travel west-northwest [illegible] N.M. approximately 35 miles on State Highway [illegible] county road #798, just into Eddy county from [illegible]. Turn north (right) on county road [illegible] approximately 2.0 miles to the Todd "23" Federal [illegible] road. Turn west (left) on the lease road and [illegible] miles then turn north to the #1 wellsite and [illegible] roughly 200' west into location.

2. Planned Access Road:

Exhibit #2 shows the 200' of new access road to be constructed. It will be constructed as follows:

A. The maximum width of the road will be fifteen [illegible] feet.

B. It will be crowned and made of 6 inches of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent immediate erosion.

C. Surface material will be native caliche. This material will be obtained from a BLM approved pit located in proximity to the location.

D. The average grade will be approximately 1%.

E. No cattleguards, grates or fence cuts will be required.

F. No turnouts are planned.

G. The proposed access road as seen on exhibit #3 has been center line flagged by John West Engineering Company, Hobbs, New Mexico.

3. Location of Existing Wells:

Exhibit #4 shows all existing wells within a one-mile radius of the proposed Todd "23" Federal #5. There are eight producing Delaware oil wells, three inactive Delaware oil wells, one producing Atoka gas well, one producing Morrow gas well, one producing Morrow/Atoka gas well and one Delaware injection well. A list of the wells is depicted on exhibit #4 attachment.

4. Location of Existing and/or Proposed Facilities:

A. Devon Energy Corporation operates three production facilities on this lease in section 23. They are as follows:

Heater Treater & Tank Battery (Delaware)
Wells #1 & #2

Heater Treater & Tank Battery (Delaware)
Wells #4

High Pressure Separator - T-Pak (Atoka/Morrow)
Well #3

B. In the event the well is found productive, the probable production equipment will be as follows:

a. Production facilities as outlined on exhibit #5 will be positioned on the drilling pad or, pending working interest approval, on one of the existing lease production sites in section 23. The area of the new production site, if necessary, will be roughly 200' x 250'.

b. The tank battery, all connections and all lines will adhere to API standards.

c. The well will be operated by means of a gas driven prime mover. No electrical power will be required.

[illegible]

[illegible] Page 11
[illegible] FEDERATION TRAM
[illegible]

[illegible] the [illegible] upgrade, prices or lease dues will be [illegible].

[illegible] no increase are planned.

[illegible] proposed access road be seen on exhibit #[illegible] [illegible] flagged by John West Engineering [illegible], New Mexico.

[illegible] of Injecting Wells:

[illegible] #4 above all existing wells within a [illegible] [illegible] proposed lodd "23" Federal #[illegible] [illegible] Delaware oil wells. These injecting [illegible] [illegible] Arkom one .all. [illegible] [illegible] producing Morrow/Atoka [illegible] [illegible] existing well. A [illegible] of the wells [illegible] [illegible]

[illegible] of Pipeline and/or Improved Facilities

A. Seven Energy Corporation [illegible] [illegible] facilities on this lease [illegible] [illegible] [illegible] Iowa:

[illegible] Treater & Tank Battery [illegible]
Wells #1 & #4

[illegible] Treater & Tank Battery (Delaware)
Wells #4

High Pressure Separator - [illegible] Morrow
Well #3

In the event the well is found productive, the [illegible] production equipment will be as follows:

a. Production facilities as outlined on exhibit [illegible] will be positioned on the drilling pad or, [illegible] working interest approval, on one of the [illegible] lease production sites in section 23. The site of the new production site, if necessary, will be [illegible] approx 200' x 150'.

b. The tank battery, all connections and all [illegible] will adhere to API standards.

c. The well will be operated by means of a gas [illegible] prime mover. No electrical power will be required.

d. Any caliche required to build the firewall around the battery will be obtained from a BLM approved caliche pit.

D. 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 wellsite will returned to the location. The drill site will then be contoured to the original natural state. Reseeding will be to BLM specifications.

5. Location and Type of Water Supply:

The Todd "23" Federal #5 will be drilled using a combination of brine and fresh water mud systems (outlined in drilling program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in exhibit #3. Additionally, produced lease salt water from lease gathering tanks may be utilized. No water well will be drilled on the location.

6. Source of Construction Materials:

All caliche utilized for the drilling pad and proposed access road will be obtained from a existing BLM approved pit. All roads will be constructed of 6" rolled and compacted caliche.

7. Methods of Handling Water Disposal:

A. Drill cuttings will be disposed into the reserve pit.

B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain excess drilling fluid or fluid from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit roughly 125' x 125' x 6' in size.

[illegible]

[illegible] TO THE [illegible] PROPOSED PLAN

[illegible]

c. Any variance required to build the firewall around the reserve pit will be obtained from a BLM approved drilling plan.

[illegible] the well is productive, reasonable steps are to be followed:

a. The reserve pit will be back-filled after [illegible] to ensure if the pit are dry (within 180 days after completion, weather permitting).

b. Solids from unused portions of the drill site will be removed. The original topsoil from the well site will be returned to the location. The drill site will then be reconfigured to the original natural [illegible]. Reseeding will be to BLM specifications.

[illegible] and Type of Water Supply.

[illegible] Fresh water mud will be drilled using a conventional [illegible] and fresh water mud [illegible] machines in drilling [illegible]. The water will be obtained from a commercial [illegible] in the area and hauled in [illegible] by standard [illegible] vehicles. Water [illegible] will be [illegible] [illegible].

[illegible] Disposal Materials.

[illegible] will be [illegible] for the drilling [illegible] and proposed [illegible] will be obtained from a [illegible] BLM approved pit. [illegible] will be constructed of [illegible] and compacted [illegible].

[illegible] of Handling Water Produced.

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

B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain excess drilling fluid or fluid from the well during drilling, cementing, and completion operations. The reserve pit will be in another pit roughly 125' x 125' x 8' in size.

C. The reserve pit will be fenced on three sides throughout drilling operations and will be totally isolated upon removal of the rotary rig. The pit will be lined using a 5-7 mil plastic to minimize loss of drilling fluids and saturation of the ground with brine water used to drill from 850' to 4400'.

D. Water produced from the well during completion operations will be disposed into a steel tank or reserve pit, if volumes prove excessive. After placing the well on production through the production facilities, all water will be collected in tanks and injected into the Todd "26" Federal #3 disposal well. Produced oil will be separated into steel stock tanks until sold.

E. A portable chemical toilet will be available on the location for human waste during the drilling operations.

F. Garbage, trash and waste paper produced during drilling operations will be collected in a contained trailer and disposed at an approved landfill. All waste material will be contained to prevent scattering by the wind. All water, fluids, salt or other chemicals will be disposed in the reserve pit. No toxic waste or hazardous chemicals will be generated by this operation.

G. All waste material will be removed within 30 days after the well is either completed or abandoned. The reserve pit will be completely fenced until it has dried. At the point the reserve pit is found sufficiently dry, it will be backfilled and reclaimed as outlined by BLM specifications. Only the portion of the drilling pad used by the production equipment (pumping unit) will remain in use. If the well is deemed non-commercial, only a dry hole marker will remain.

8. <u>Ancillary Facilities</u>:

No campsite or other facilities will be constructed as a result of this well.

9. Well Site Layout:

A. The drill pad is shown on exhibit #6. Approximate dimensions of the pad, pits and general location of the rig equipment is displayed. Top soil will be stored adjacent to the pad until reclamation efforts are undertaken. Only modest cuts will be necessary to build the pad which will be covered with 6" of compacted caliche.

B. No permanent living facilities are planned, but temporary trailers for the toolpusher, drilling foreman and mud logger may be on location throughout drilling operations.

C. The reserve pit will be lined using plastic sheeting of 5-7 mil thickness.

10. Plans for Restoration of Surface:

A. After concluding the drilling and/or completion operations, if the well is found non-commercial, the caliche will be removed from the pad and road and transported to the original caliche pit or utilized for other drilling locations. The reserve pit area will be broken out and leveled after drying to a condition where these efforts are feasible. The original top soil will again be returned to the pad and road and contoured, as close as possible, to the original topography.

B. The pit lining will be buried or hauled away in order to return the location and road to their pristine nature. All pits will be filled and location leveled, weather permitting, within 120 days after abandonment.

C. The location and road will be rehabilitated and reseeded during the growing season as recommended by the BLM.

D. The reserve pit will be fenced on three sides throughout drilling operations. After the rotary rig is removed, the reserve pit will be fenced on the fourth side to preclude endangering wildlife. The fencing will be in place until the pit is reclaimed.

9. [illegible]:

[illegible] pad is shown on exhibit 15. Approximate [illegible] the pad, plus the new general location of the [illegible] to be displayed. The rail will be moved [illegible] to the sand until mechanization efforts are [illegible]. Only modest cuts will be necessary to build the pad which will be covered with 6" of compacted [illegible].

[illegible] permanent living facilities are planned, but temporary [illegible] for the groundmen, drilling foreman and mud [illegible] may be on location throughout drilling operations.

[illegible] reserve pit will be lined using plastic material [illegible] chemicals.

[illegible] Abandonment of Wellsite:

[illegible] concluding the drilling and testing [illegible], if the well is found non-commercial, [illegible] will be removed from the pad and the pad [illegible] restored to the original [illegible] or [illegible] drilling location. The reserve pit also [illegible] and buried after [illegible] a [illegible] efforts are feasible. The [illegible] top soil will [illegible] to be returned to the pad [illegible] and contoured [illegible] as possible, to the original topography.

8. [illegible] fencing will be buried or hauled away in order [illegible] the location and road to their original [illegible]. All pits will be filled and [illegible] leveled. Weather [illegible], within 120 days after abandonment.

[illegible] The location and road will be rehabilitated and reseeded during the growing season as recommended by the BLM.

[illegible] The reserve pit will be fenced on three sides throughout drilling operations. After the rotary rig is removed, the reserve pit will be fenced on the fourth side to preclude endangering wildlife. The fencing will be in place until the pit is reclaimed.

E. If the well is deemed commercially productive, the reserve pit will be restored as described in 10 (A) within 120 days subsequent to the completion date. Caliche from areas of the pad site not required for operations will be reclaimed and utilized in building the firewall at the tank battery site, if required. If any additional caliche is needed at the new battery, it will be obtained from the nearest BLM approved cliche pit. The original top soil will be returned to the area of the drill pad not necessary to operate the well. These unused areas of the drill pad will be contoured, as close as possible, to match the original topography.

11. Surface Ownership:

The lease and wellsite are located on Federal surface.

12. Other Information:

A. The area surrounding the well site is grassland. The top soil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, sagebrush, yucca and miscellaneous weeds.

B. There is no permanent or live water in the general proximity of the location.

C. A Cultural Resources Examination has been completed by Pecos Archeological Consultants and forwarded to the Carlsbad, New Mexico BLM office. The report references no cultural areas on either the access road or drilling pad.

13. Lessees's and Operator's Representative:

The Devon Energy Corporation representative responsible for assuring compliance of the surface use plan is:

Chuck Horsman
District Engineer

Devon Energy Corporation
1500 Mid-America Tower
20 North Broadway
Oklahoma City, Oklahoma
73102-8250

Phone:
(405) 235-3611 (Office)
(405) 348-5964 (Home)

Roy Henson
Production Foreman

Devon Energy Corporation
P. O. Box 372
Monahans, Texas
79756-9977

(915) 943-3952 (Office)
(915) 943-4759 (Home)

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access road; that I an familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Devon Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: 5/4/92 Signed: Charles W. Horsman

Charles W. Horsman

District Engineer

[illegible] #3
[illegible] THE MMC OPERATING PLAN
PAGE 7

12 Lessee's and Operator's Representative:

The Devon Energy Corporation representative responsible for the [illegible] compliance of the surface use plan is:

Charles Horsman	Roy Hudson
District Engineer	Production Foreman
Devon Energy Corporation	Devon Energy Corporation
1500 Mid-America Tower	P. O. Box 172
20 North Broadway	Hemphens Texas
Oklahoma City, Oklahoma	78758-5577
73102-8260	
Phone:	
(405) 235-3611 (Office)	(512) 342-[illegible]
(405) 348-5364 (Home)	(512) 343-4753

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Devon Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: [illegible] Signed: [signature]

Charles W. Horsman

District Engineer

DRILLING PROGRAM

Attached to Form 3160-3
Devon Energy Corporation
Todd "23" Federal #5
2050' FEL & 660' FSL
Section 23-T23S-R31E
Eddy County, New Mexico

1. Geologic Name of Surface Formation:

   Permian

2. Estimated Tops of Important Geologic Markers:

Rustler	785'
Top of Salt	1080'
Base of Salt	4180'
Bell Canyon	4410'
Cherry Canyon	5329'
Brushy Canyon	6973'
First Bone Spring Lime	8220'
Total Depth	8350'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands		Fresh Water
Delaware	4410'	Oil
Delaware (Cherry Canyon)	6010'	Oil
Delaware (Brushy Canyon)	8025'	Oil

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13-3/8" casing at 850' and circulating cement back to surface. Potash and Salt will be protected by setting 8-5/8" casing at 4400' and circulating cement to surface. The Delaware intervals will be isolated by setting 5-1/2" casing to total depth and circulating cement above the base of the 8-5/8" casing.