Form 3160-3 (December 1990)		► THE INTERIC DMANAGEMENT	Control of the second s	ARTESIA,	BD 40070044. NM 88210-283 atton and serial 1	olhr.
AF	PLICATION FOR PERM		EEPEN	•	OTTEE OR TRIBE NA	ME
1. TYPE OF WORK:		DEEPEN		N/A 7.UNIT AGREEM	ENT NAME	
L TYPE OF WELL:		127 SINGLE	NULTING 1977 10-	N/A	1399	8
2 NAME OF OPERAT	OR Other		29 18 27 10 10 70 70		SE NAME, WELL NÓ.	
	DEVON ENERGY CORPO	RATION (NEVADA)	R Q P	Todd "13G" 1 9.API WELL NO.	rederal #21	
3. ADDRESS AND TE	LEPHONE NO. 20 N. BROADWAY, SUITE	1500. OKC. OK 73102 Ø	405) 235-361 T	N 30-015-	315/4	
4. LOCATION OF WE	I (Percent location clearly and in ac	cordance with any State requir	ements)*	N	DOL, OR WILDCAT Cherry Canyon)	
At surface 1980'	FNL & 1980' FEL, Unit G, Secti	on 13-T23S-R31E, Eddy Col	\$ N	11.SEC.,T.,R.,M.,	OR BLOCK AND SURV	EY OR AREA
At top proposed prod.	zone (Same)	`	To the	Unit G Section 13-T2	38-R31E	
CONTRACT OF MILES AN	D DIRECTION FROM NEAREST TOWN OF	POST OFFICE*	1E0E62010	12. COUNTY OR		13. STATE
35 miles WNW of Jal, 1				Eddy		New Mexico
ISDISTANCE FROM PROPO		16.NO. OF ACRES IN LEASE			17.NO. OF ACRES ASS	IGNED
LOCATION TO NEARES	Т	1440.00		I	TO THIS WELL 40.00	
(Also to nearest drig. unit lin 18.DISTANCE FROM PROP	ne if any)	19.PROPOSED D	D III D		20.ROTARY OR CABL	E TOOLS*
TO NEAREST WELL, DE OR APPLIED FOR, ON T	ULLING, COMPLETED,	6400'			Rotary	
21.ELEVATIONS (Shew when			OCD spud & time to witness		C DATE WORK WILL	START*
GL 3513'		cement	ing of ALL CASING STRING	iS 11	rter, 1999	
23. SECRETAR	TS POTASM	HELLED CALMERAND	CEPTER NO. AND ADD	11:10 14:203	WATER BA	SAN
23. SECONE I PH	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPT	H	QUANTITY OF	
17 1/2"	13 3/8" H-40	48#	850'		1: 000 sx	Class C
11"	8 5/8" J-55	32#	4300'	Ste	#1: 250 sx Class	
7 7/8"	5 1/2" J-55	15.5#	DV Tool +/- 5500'		#2: 500 sx Poz H	
commercial, the we following exhibits a Drilling Program Surface Use and Op Exhibits #1 = Blowd Exhibit #2 = Locatic Exhibits #3 = Road Exhibits #4 = Wells ¹ Exhibits #5 = Produ Exhibits #6 = Rotary Exhibit #6 = Rotary Exhibit #7 = Casing Archaeological Clear	erating Plan but Prevention Equipment on and Elevation Plat Map and Topo Map Within I Mile Radius ction Facilities Plat Rig Layout Design rance Report CENERAL CONTRACTOR	The and is per rederal regulations The and is portilized SUBJECT TO Bon BLN REQUIREMENTS AN	undersigned accepts all applic restrictions concerning operati ions thereof, as described belo is #: NM-NM0404441 al Description: N/2, SW/4, Sec d Coverage: Nationwide A Bond #: CO-1104	able terms, conditions conducted on w to 13-T23S-R31E,	ions, stipulations the leased land or Eddy Cnty, NM	
IN ABOVE SPACE D proposal is to drill or 24.	SFECIAL S ESCRIBE PROPERED BROGH deepen directionally, give pertinen	M: If proposal is to deepen, gi t data on subsurface locations		zone and propose al depths. Give b	d new productive lowout preventer j	zone. 11 program, if any.
SIGNED C	endace R. Lisha	Can <u> <u> TITLE Eng</u></u>	idace R. Graham	DATE Janua	ry 22, 1999	<u> </u>
	deral or State office use)		مى يەرىخى مەرىخى مەرىخى مەرىخى بەر ىيە بەر			
				-		
PERMIT NO			APPRUVAL DATI	L	e applicant to conduc	t operations
thereon.	es not warrant or certify that the applic	ant holds legal or equitable title to) mose rights in the subject lease w	NGU WYBIU COULC LA		
CONDITIONS OF A	PPROVAL, IF ANY:	Λ	·		1	- () ()
APPROVED BY	Richard A who	TLEY TITLE (755	oc STATE US	✓ DATE	1.2-5	
		See instructions (On Reverse Side		APPHOVEL	FUHIYEAH
Title 18 U.S.C. Section statements or represent	1 1001, makes it a crime for any persulations as to any matter within its juri	on knowingly and willfully to n sdiction	nake to any department or agenc	ry of the United Sta	tes any false, fictitie	ous or traudulent

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DRILLING PROGRAM

Attached to Form 3160-3 Devon Energy Corporation (Nevada) TODD "13G" FEDERAL #21 1980' FNL & 1980' FEL Section 13-T23S-R31E, Unit G Eddy County, New Mexico

1. Geologic Name of Surface Formation

Permian

2. Estimated Tops of Important Geologic Markers

Rustler	800'
Top of Salt	1100'
Base of Salt	3960'
Bell Canyon	4440'
Cherry Canyon	5680'
Total Depth	6400'

3. Estimated Depths of Possible Fresh Water-, Oil-, or Gas-Bearing Formations

Upper Permian Sands<800' fresh water</th>Delaware (Cherry Canyon)6020' 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. The Potash and salt intervals will be protected by setting 8 5/8" casing at 4300' and circulating cement to surface. The Delaware intervals will be isolated by setting 5 1/2" casing to total depth and bringing the cement top to approximately 100' above the base of the 8 5/8" casing.

4. Casing Program

Hole Size	Interval	Casing OD	<u>Weight</u>	<u>Grade</u>	Type
30"	0-40'	20"		Conductor	0.30" wall
17 1/2"	0-850'	13 3/8"	48#	H-40	ST&C, new R-3
11"	0-4300'	8 5/8"	32#	J-55	ST&C, new R-3
7 7/8"	0'-TD (6400'±)	5 1/2"	15.5#	J-55	LT&C, new R-3

Cementing Program

20" Conductor Casing	Cement with Redi-mix to surface.
13 3/8" Surface Casing	Cement to surface using 450 sx Poz (35% Poz, 65% Class C, 6% gel) with 2% CaCl ₂ and 1/4 lb/sx Cellophane flakes + 200 sx Class C with 2% CaCl ₂ and 1/4 lb/sx Cellophane flakes
8 5/8" Intermediate Casing	Cement to surface using 1600 sx Poz (35% Poz, 65% Class C, 6% gel, 15% salt) with 1/4 lb/sx Cellophane flakes + 200 sx Class C with 2% CaCl ₂ , 1/4 lb/sx Cellophane flakes
5 1/2" Production Casing with DV tool at ±5500'	Cement 1st stage with 250 sx Silica Lite (Class H) with 3% salt, 0.6% FL additive, 1/4 lb/sx Cellophane flakes Cement 2nd stage with 500 sx Poz (35% Poz, 65% Class H, 6% gel) with 1/4 lb/sx Cellophane flakes

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach 100' above the base of the 85/8'' casing.

5. <u>Minimum Specifications for Pressure Control</u>

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The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (3000 psi WP) preventer and a bag-type (Hydril) preventer (3000 psi WP). Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and 4 1/2" drill pipe rams on bottom. Both BOP's will be installed on the 13 3/8" surface casing and utilized continuously until total depth is reached. All BOP's and associated equipment will be tested to 1200 psi before drilling out the 13 3/8" casing shoe (70% of 48# H-40 casing). Prior to drilling

TODD "13G" FEDERAL #21 Drilling Program Page 3

out the 8 5/8" casing shoe, the BOP's and Hydril will be function tested as per BLM drilling Operations Order #2.

Pipe rams will be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily driller's log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a kelly cock, floor safety valve, choke lines and choke manifold having 3000-psi WP rating.

6. Types and Characteristics of the Proposed Mud System

The well will be drilled to total depth using brine, cut brine and polymer mud systems. Depths of systems are as follows.

Depth	Type	Weight (ppg)	Viscosity (1/sec)	Water Loss (cc/30 mins)
<u>0-850'</u>	Fresh water	8.8	34-36	No control
850-4300'	Brine water	10.0	28	No control
4300'-TD	Cut brine polymer	8.8	32-36	10-20

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment

- A. A kelly cock will be in the drill string at all times.
- B. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- C. Hydrogen Sulfide detection equipment (Compliance Package) will be in operation when drilling out the 13 3/8" casing shoe and will remain so until the 8 5/8" casing is cemented. Breathing equipment will be on location upon drilling out the 13 3/8" shoe until total depth is reached.

TODD "13G" FEDERAL #21 Drilling Program Page 4

8. Logging, Testing and Coring Program

- A. Drill stem tests will be based on geological sample shows.
- B. The open hole electrical logging program will be as follows.

TD to intermediate casing: gamma ray, caliper, induction, neutron & density.

TD to surface: gamma ray & neutron.

- C. Sidewall coring will be based on geological sample shows.
- D. Additional testing will be initiated subsequent to setting the 5 1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Abnormal Pressures, Temperatures and Potential Hazards

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 115 degrees and maximum bottom hole pressure is 1300 psig. No hydrogen sulfide gas has been reported or is known to exist at these depths in this area. No major lost circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations

A Cultural Resources Examination was performed by Pecos Archeological Consultants and submitted to BLM office in Carlsbad in 1993 as report #93236.

Road and location preparation will not be undertaken until approval has been received from the BLM. If approved, the anticipated spud date for the well is in the first quarter of 1999. The drilling operation should require approximately 12 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether permanent production facilities will be constructed.

SURFACE USE AND OPERATING PLAN

Attachment to Form 3160-3 Devon Energy Corporation (Nevada) TODD "13G" FEDERAL #21 1980' FNL & 1980' FEL Section 13-T23S-R31E, Unit G Eddy County, New Mexico

1. Existing Roads

- A. The well site and elevation plat for the proposed TODD "13G" FEDERAL #21 are reflected on Exhibit #2. This well was staked by Basin Surveys in Hobbs, NM.
- B. All roads into the location are depicted in Exhibit #3. County Road #798 will be used to access the location. No upgrades to roads are planned other than the access into location.
- C. Directions to location: Travel west-northwest from Jal, NM approximately 35 miles on State Hwy 128 to County Road 798, just into Eddy County from Lea County. Turn north (right) on County Road 798 and travel 3.75 miles. Then turn east (right) onto the lease road and go approximately 0.8 mile. Then turn north (left), go approximately 0.05 mile, turn west (left) to the TODD "13G" FEDERAL #21 proposed location.

2. Proposed Access Road

Exhibit #3 shows the approximate 200' of new access road to be constructed from the existing lease road into location. 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%.
- E. No cattle guards, grates or fence cuts will be required.
- F. No turnouts are planned.

3. Location of Existing Wells

Exhibit #4 shows all existing wells within a one-mile radius of the proposed TODD "13G" FEDERAL #21.

4. Location of Existing and/or Proposed Facilities

- A. Devon Energy Corporation (Nevada) will operate Cherry Canyon production facilities on this lease in SE NW of Section 13.
- B. In the event the well is found productive, the production equipment will be as follows.
 - a. Exhibit #5 shows the battery facility to be utilized by the TODD "13G" FEDERAL #21.
 - b. The tank battery, all connections and all lines will adhere to API standards.
 - c. The well will be operated by means of an electric motor.
- C. 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 top soil 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 TODD "13G" FEDERAL #21 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 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 an existing BLM approved pit or from prevailing deposits found under the location. 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', or smaller, 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 4300'.
- 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. 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 into 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 per BLM specifications. Only the portion of the drilling pad used by the production equipment (pumping unit and tank battery) will remain in use. If the well is deemed non-commercial, only a dry hole marker will remain.

8. Ancillary Facilities

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 are 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 tool pusher, 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. If after concluding the drilling and/or completion operations, if the well is found noncommercial, the caliche will be removed from the pad and transported to the original caliche pit or used for other drilling locations. The road will be reclaimed as directed by the BLM. After drying to a condition where these efforts are feasible, the reserve pit area will be broken out and leveled. The original top soil will again be returned to the pad 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 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.

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. 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 well site is owned by the Bureau of Land Management.

Road routes have been approved and the surface location will be restored as directed by the BLM.

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 mesquite, sand sage, Christmas cholla, desert seepweed, spiny-leaf zinnia, broom snakeweed, Warnock groundsel, mat bluet, gland-leaf dalea, Hall's panic, mesa dropseed, plains brittle grass, hairy grama and poverty threeawn.
- B. There is no permanent or live water in the general proximity of the location.
- C. A Cultural Resources Examination was completed by Pecos Archaeological Consultants and submitted to BLM office in Carlsbad in 1993 as report #93236.

13. Lessee's and Operator's Representative

The Devon Energy Corporation (Nevada) representatives responsible for ensuring compliance of the surface use plan are as follows.

Daryl Lowder
Superintendent
DEVON ENERGY CORPORATION
P. O. Box 250
Artesia, NM 88211-0250
(505) 748-3371 (office)
(505) 746-9280 (home)

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road; that I am 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 (Nevada) and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

andace Signed:

Candace R. Graham Engineering Tech.

Vaham Date: 01-22-1999

BOPE SCHEMATIC

EXHIBIT#

1



(or Positive)

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

STACK REQUIREMENTS

Na.			Mın. 1.D.	Min. Nominal
1	Flowline			
2	Fill up kne			2*
3	Drilling nipple			
4	Annular preventer			
5	Two single or one dual to operated rams	hydraulically		
64	Drilling spool with 2" mi 3" min choke line outlet	S		<u></u>
6b	2" min. kill line and 3" r outlets in ram. (Alternat	nin, choke line e to 6a above.)		
7	Valve	Gale 🗆 Plug 🗆	3-1/8"	
8	Gate valve-power ope	rated	3-1/6"	
9	Line to choke manifold			3"
10	Valves	Gate C Plug C	2-1/16*	
11	Check valve		2-1/16*	
12	Casing head			l
13	Valve	Gate D Plug D	1-13/16*	
14	Pressure gauge with n	edie valve		
15	Kill line to rig mud pum	p manifold		2*

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	E	LIND RAMS		
		DRILLING		
(1)		CASING HEAD CASING		

CONFIGURATION

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	OPTIONAL		
16 Flanged valve		1-13/16*	

CONTRACTOR'S OPTION TO FURNISH:

- 1.All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi. minimum.
- 2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- 3.BOP controls, to be located near drillers position.
- 4.Kelly equipped with Kelly cock.
- 5.Inside blowout prevventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
- 6.Kelly saver-sub equipped with rubber casing protector at all times.
- 7.Plug type blowout preventer tester.
- 8.Extra set pipe rams to fit drill pipe in use
- on location at all times. S.Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

- 1.Bradenhead or casinghead and side vaives.
- 2.Wear bushing, il required.

GENERAL NOTES:

- 1.Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
- 2.All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (auitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through cho"s. Valves must be full opening and suitable for high pressure mud service.
- 3. Controls to be of standard design and each marited, showing opening and closing position.
- 4. Chokes will be positioned so as not to hamper or delay changing of choke beens. Replaceable parts for adjustable choke, other been sizes, retainers, and choke wrenches to be conveniently iocated for immediate use.
- 5.All valves to be equipped with handwheels or handles ready for immediate 1150.
- 6. Choke lines must be suitably anchored.

- 7.Handwheels and extensions to be connected and ready for use.
- 8.Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
- 9.All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
- 10. Casinghead connections shall not be used except in case of emergency.
- 11.Do not use kill line for routine fill-up operations.

EXHIBIT # 1

MINIMUM CHOKE MANIFOLD 3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP

EXHIBIT #

1



_			MINI	AUM REQU	REMENTS	5				
_	3,000 MWP 5,000 MWP								10,000 MWP	
40.		1.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	1.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3*	5,000		3.	10.000
2	Cross 3"x3"x3"x2"			3.000			5,000			
•	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate C Plug C[2]	3-1/8-		3,000	3-1/8-		5,000	3-1/8*		10,000
4	Vaive Gate C Plug C(2)	1-13/16*		3,000	1-13/16*		5,000	1-13/16*		10,000
43	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8*		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Gate C Valves Plug (2)	3-1/8*		3.000	3-1/8*		5,000	3-1/8*		10,000
7	Adjustable Choke(3)	2*		3,000	2*		5.000	2*		10.000
8	Adjustable Choke	1*		3.000	1*		5,000	2*		10,000
9	Line		3-	3,000		3-	5,000		3-	10,000
10	Line		2*	3,000		2*	5,000	I	3-	10.000
11	Valves Gate [] Plug [](2)	3-1/8*		3,000	3-1/8*		5,000	3-1/8-		10,000
12	Lines		3-	1,000		3.	1,000		3*	2.000
13	Lines -		3*	1,000		3-	1,000	· ·	3	2.000
14	Remote reading compound standpipe pressure gauge			3,000			5,000	•		10,000
15	Gas Separator		2'x5'			2'x5'			2'15'	
16	Line		4*	1,000		4*	1,000		4*	2,000
17	Valves Gate C Plug C(2)	3-1/8*		3,000	3-1/8*		5,000	3-1/8*		10,000

(1) Only one required in Class 3M.

(2) Gets valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- 1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- 2. All flanges shall be API 68 or 68X and ring gaskets shall be API RX or 8X. Use only 8X for 10 MWP.
- 3. All lines shall be securely anchored.
- 4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- 5. Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- 6. Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using buil plugged tees.
- 7. Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

Attachment to Exhibit 1 NOTES REGARDING BLOWOUT PREVENTERS Devon Energy Corporation (Nevada) TODD "13G" FEDERAL #21 1980' FNL & 1980' FEL Section 13-T23S-R31E, Unit G Eddy County, New Mexico

- 1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
- 2. Wear ring will be properly installed in head.
- 3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.
- 4. All fittings will be flanged.
- 5. A full bore safety valve tested to a minimum 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
- 6. All choke lines will be anchored to prevent movement.
- 7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
- 8. Will maintain a kelly cock attached to the kelly.
- 9. Hand wheels and wrenches will be properly installed and tested for safe operation.
- 10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
- 11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

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

DISTRICT II P.O. Drawer DD, Artesia, NM 68210

DISTRICT III 1000 Rio Brazos Rd., Astec, NM 87410 State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Instruction on back Submit to Appropriate District Office State Lense - 4 Copies Fee Lense - 3 Copies

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EXF T#

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name API Number SAND DUNES (CHERRY CANYON) **Property** Name Well Number **Property** Code TODD "13G" FEDERAL 21 Elevation **Operator** Name OGRID No. DEVON ENERGY CORPORATION (NEVADA) 3513 6137 Surface Location East/West line Lot Idn Feet from the North/South line Feet from the County Section Township Range UL or lot No. 1980 1980 EAST EDDY NORTH 23 S 31 E G 13 Bottom Hole Location If Different From Surface East/West line County Lot Idn Feet from the North/South line Feet from the Township Range UL or lot No. Section Consolidation Code Order No. Dedicated Acres Joint or Infill 40 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 stained herein is true and complete to the st of my knowledge and belief. 980 ndaco Signature Candace R. Graham Printed Name 3513.4 3510 4 Engineering Tech. Title 1980'-1999 January 22. Date 3516.8 3511.1 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 supervisen and that the same is true and correct to the best of my belief. October_ 13, 1998 atting said JONES 7977 A COSSIONNO lones BASIN SURVEYS













E IBIT# 7

OI	erator	: Devon 1	MERGY C	ORP	Well	Name:	TODD	FEDERI	L
Pz	oject :	D:			Loca	tion:	EDDY CO	unty, net	MEXI
Design Parameters: Design Factors: Nud weight (9.00 ppg) : 0.468 psi/ft Collapse : 1.125 Shut in surface pressure : 383 psi Burst : 1.00 Internal gradient (burst) : 0.100 psi/ft 8 Round : 1.80 (J) Annular gradient (burst) : 0.000 psi/ft Buttress : 1.60 (J) Tensile load is determined using buoyed weight Body Yield : 1.50 (B) Service rating is "Sweet" Overpull : 0 lbs.								3	
	Length (feet)		Weight (lb/ft)		e Joi		Depth (feet)	Drift (in.)	Cost
1	850	13-3/8	48.00	H-4	0 ST&	с	850	12.559	
	Load (psi)	Collapse Strgth (psi)	S.F.	Burst Load (psi)	Min Int Strgth (psi)		Load	Tension d Strgth s) (kips)	1
1	397	740	1.864	468	1730	3.70	35.3	L9 322	9.15 J

Prepared by : PEPPER, Oklahoma City, OK Date : 10-02-1995

SURFACE FIFE

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Minimum segment length for the 850 foot well is 800 feet.

Surface string:

Next string will set at 4,300 ft. with 10.00 ppg mud (pore pressure of 2,234 psi.) The frac gradient of 0.550 at the casing seat results in an injection pressure of 468 psi. Effective SEP (for burst) is 468 psi.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evecuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under skiel tension was calculated based on the Mestcott, Dunlop and Kenler curve. Engineering responsibility for use of this design will be that of the purchaser. Costs for this design are based on a 1990 pricing model. (Version 1.02)

DEVON ENERGY

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Remarks

L'HBIT# 7

DEVON ENERGY

0	perator	: Devon 1	MERGY C	ORP	Well	Name :	TODD	FEDERA	L.
P	roject :	ID:			Loca	tion:	EDDY COU	NIY, NEW	MEXI
Design Parameters:Design Factors:Nud weight (10.00 ppg) : 0.519 psi/ftCollapse: 1.125Shut in surface pressure : 1935 psiBurst: 1.00Internal gradient (burst) : 0.100 psi/ft8 Round: 1.80 (J)Annular gradient (burst) : 0.000 psi/ftButtress: 1.60 (J)Tensile load is determined using buoyed weightBody Yield: 1.50 (B)Service rating is "Sweet"Overpull: 0 lbs.									
	Length (feet)	Size (in.)	Weight (1b/ft)		Joi	nt	Depth (feet)	Drift (in.)	Cost
1	4,300	8-5/8"	32.00	J-55	STE	C	4,300	7.875	
	Load (psi)	Collapse Strgth (psi)	S.F.	Load St	in Int rgth (psi)		Load (kips)	-	S.F.
1	2234	2530	1.132	2365	3930	1.66	116.56	372	3.19 J

Prepared by : PEPPER, Oklahoma City, OK Date : 10-02-1995

Remarks

INTERNEDIATE STRING

. :

Nimimum segment length for the 4,300 foot well is 800 feet. Surface/Intermediate string:

Next string will set at 6,400 ft. with 9.00 ppg mid (pore pressure of 2,992 psi.) The frac gradient of 0.550 at the casing seat results in an injection pressure of 2,365 psi. Effective BMP (for burst) is 2,365 psi.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - Collapse (with evacuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collepse strength under skiel tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser. Costs for this design are based on a 1990 pricing model. (Version 1.0G)

Operator: DEVON ENERGY CORP Well Name: TODD FEDERAL									
Pr	oject :	D:			Loca	tion:)	NDY COU	NTY, NEW	MEXI
Design Parameters:Design Factors:Nud weight (9.00 ppg) : 0.468 psi/ftCollepse: 1.125Shut in surface pressure : 2352 psiBurst: 1.00Internal gradient (burst) : 0.100 psi/ft8 hound: 1.40 (J)Annular gradient (burst) : 0.000 psi/ftButtress: 1.60 (J)Tensile load is determined using buoyed weightBody. Yield: 1.50 (B)Service rating is "Sweet"Overpull: 0 lbs.									
	Length (feet)		Weight (lb/ft)		Joir		Depth (feet)	Drift (in.)	Cost
1	6,400	5-1/2"	15.50	J-55	LTec	2	6,400	4.825	
	Load (psi)	Collapse Strgth (psi)	S.F.		Min Int Strgth (psi)		Load (kips)	-	S.F.
1	2992	4040	1.350	2992	4810	1.61	85.55	217	2.54 J

DEVON ENERGY

PEPPER, Oklahoma City, OK Prepared by : 10-02-1995

Date Remarks

LONG STRING

Minimum segment length for the 6,400 foot well is 800 feet.

The mud gradient and bottom hole pressures (for burst) are 0.468 psi/ft and

2,992 psi, respectively.

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NOTE : The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - Collegee (with evecuated casing), 1.0 - Decet, 1.8 - 8 Hound Tension, 1.6 - Ductrees Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Keeler curve. Engineering responsibility for use of this design will be that of the purchaser. Costs for this design are based on a 1990 pricing model. (Version 1.0G)

DEVON ENERGY CORPORATION

1500 Mid-America Tower 20 North Broadway Okiahoma City, Okiahoma 73102-8260 405/235-3611 TWX 910-831-327

May 5, 1989

State of New Mexico Oil & Ges Conservation Commission State Capitol Building Santa Fe, NM 87504

> Re: Blanket Plugging Bond State of New Mexico No. 56-0130-11003-87

Gentlemen:

Devon Energy Corporation formerly Devon Corporation has changed its name to Devon Energy Corporation (Nevada). In this regard, enclosed is a Rider for the referenced bond to include both company names. Please amend your records.

Very truly yours,

illene

Charlene Newkirk Lease Records Supervisor

encls

cc: Carolyn Wilson McEldowney McWilliams

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PIDER

To be attached to and become a part of Bond No. 56-0130-11003-87-1 issued by the United States Fidelity and Guaranty Company, on behalf of Devon Energy Corporation as Principal, and in favor of State of New Mexico as Obligee, in the penalty of Fifty thousand and no/100 - ----Dollars (\$ 50,000.00) for Blanket plugging bond

It is hereby understood and agreed that effective on the February 10, 1989 the Principal in this bond shall be Devon Energy Corporation (Nevada)

However, the liability of the Surety in the argregate to the Obline for any and all defaults of the Principal, whether occuring before or after or partly before and partly after this rider become effective, shall in no event exceed the penalty stated in the bond.

Signed, Sealed, and Dated this 3rd day of March 1989.

Devon Energy Corporation (Nevada) By: STATES FIDELITY AND GUARANTY COMPANY By :

Marcia C. Brejda

Attorney-in-fact

** Please Note **

Please accept the attached archaeological clearance

report for the

TODD "13G" FEDERAL #21

1980' FNL & 1980' FEL Section 13-T23S-R31E, Unit G Eddy County, New Mexico

as archeological clearance was obtained for this proposed well site in 1993 as the Todd "13G" Federal #7.

PECOS ARCHEOLOGICAL CONSULTANTS P.O. BOX 1771 CARLSBAD, NM 88221



Archeological Inventory Report for Devon Energy Corporation's East Shugart Unit No.s 45, 46, 47, 48, 49, Todd "13C" # 3, Todd "13D" # 4, Todd "13E" # 5, Todd "13F" # 6, Todd "13G" #7, Todd "13J" # 10, Todd "13K" # 11, Todd "13N" # 14, Todd "27L" # 12 Drill Locations and Attendant Access Roads and Section 26 Tank Battery Expansion Situated on Public Lands in Eddy County, N.M. Report No. 93236

Archeological Inventory Report for Devon Energy Corporation's

East Shugart Unit No.s 45, 46, 47, 48, 49, Todd "13C" # 3, Todd "13D" # 4, Todd "13E" # 5, Todd "13F" # 6, Todd "13G" #7, Todd "13J" # 10, Todd "13K" # 11, Todd "13N" # 14, Todd "27L" # 12 Drill Locations and Attendant Access Roads and Section 26 Tank Battery Expansion Situated on Public Lands in Eddy County, N.M. Report No. 93236

> prepared by James E. Hunt

submitted by Pecos Archeological Consultants P.O. Box 1771, Carlsbad, N.M., 88221 December 16, 1993 BLM Cultural Use Permit No. 6-2920-91-L State Blanket Survey Permit No. 92-024

ABSTRACT

On December 1, 8, 1993, Pecos Archeological Consultants (BLM Cultural Use Permit No. 6-2920-91-L, State Blanket Survey Permit No. 92-024) undertook an archeological inventory for a tank battery expansion, 14 drill locations and access roads scheduled to be impacted by Devon Energy Corporation. This project will be situated on public lands in Eddy County, New Mexico. These lands occur in sections 34, 35, T185, sections 13, 26, 27, T235, R31E, NMPM, Eddy County, N.M. A total of 71.43 acres of federal surface ownership were investigated during this project, which was conducted in 16 man-hours by James E. Hunt and Robert J. Martin. No cultural resources were recorded during this project. Due to the limited nature of the cultural remains within the impact zone, Pecos Archeological Consultants recommending clearance for this project, as planned. .

INTRODUCTION

On November 30, 1993, Pecos Archeological Consultants was requested by Ms. Debby O'Donnell, Devon Energy Corporation, to perform the archeological survey for a tank battery, 14 drill locations and access roads scheduled to be constructed on public land in Eddy County, New Mexico. This land is administered by the Bureau of Land Management and federal law stipulates that an intensive archeological inventory be performed to identify what cultural resources might be affected by such activity prior to granting clearance to the project. Therefore, Pecos Archeological Consultants undertook this survey on December 1 and 8, 1993. Fieldwork for this project was performed by James E. Hunt and Robert J. Martin. The following is a report of the field activities and findings resulting from the survey.

SURVEY METHODOLGY

Pecos Archeological Consultants conducted this survey by physically examining the entire 400 X 400 ft impact zone which will result from the planned construction. Pedestrian inspection along parallel transects was accomplished across the staked drill location. These transects were spaced 15 meters apart: however, established transects were departed from to examine nearby areas of high site probability. All prominent deflations and denuded areas were given special attention. Additionally, all attendant easements (if any) were surveyed in two parallel transects spaced 15 meters apart. This project was conducted on one sunny day. Surface visiblity in the region, which, due to floral cover, ranged between 15-35% of the ground under dry soil conditions, made this the most practical methodology for effectively sampling the impact zone which will result from this project as planned.

ENVIRONMENT

The project area will be located east of Carlsbad, N.M., on the Querecho Plains. This undulating landform is characterized by stabilized sand dunes which range from 1-2 meters in height. These dunes are interspersed with deflation basins which have been formed by aeolian action. Local soils in the region consist of loamy sands which belong to the Kermit-Berino association. These soils are drained internally. Elevation in the project area is between 3300 ft and 3800 ft above sea level.

These plains are part of an environmental zone called the Lower Sonoran Life Zone. The most common plant varieties in the region are shin oak (<u>Quercus havardii</u>), mesquite (<u>Prosopis juliflora</u>), plains yucca (<u>Yucca glauca</u>), broom snakeweed (<u>Gutierrezia sarothrae</u>) and various grasses. Some of the common faunal types in area are mule deer (<u>Odocoileus heminonus</u>), pronghorn antelope (<u>Antilocapra</u> <u>americana</u>), jackrabbit (<u>Lepus</u> sp.), cottontail rabbit (<u>Silvilagus</u> sp.), coyote (<u>Canis latrans</u>), as well as other small mammals, birds and reptiles. Bison (<u>Bison bison</u>) also ranged in the region prior to their near-extinction in the nineteenth century.

LOCATIONAL DATA

Devon Energy Corporation's drill location, designated the East Shugart Unit # 45, will measure 400 ft X 400 ft, or 3.6 acres. It will be situated 2250 ft from the south line and 580 ft from the west line, in the NW1/4 SW1/4, section 35, T18S, R31E, NMPM, Eddy Co., N.M.

The access road which wil be constructed to this location will measure 100 ft X 200 ft or 0.45 acre. It will be situated in the: NW1/4 SW1/4, section 35, T18S, R31E, NMPM, Eddy Co., N.M.

The East Shugart Unit # 46 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 330 ft from the south line and 1650 ft from the east line, in the: SW1/4 SE1/4, section 34, T18S, R31E, NMPM, Eddy Co., N.M.

The access road to this location will measure 100 ft X 200 ft or 0.45 acre. It will be situated in the: SW1/4 SE1/4, section 34, T18S, R31E, NMPM, Eddy Co., N.M.

The East Shugart Unit # 47 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 1650 ft from the north line and 1650 ft from the west line, in the: SE1/4 NW1/4, section 35, T18S, R31E, NMPM, Eddy Co., N.M.

The access road that will be constructed to this location will measure 100 ft X 700 ft or 1.6 acres. It will be located in the: SE1/4 NW1/4, section 35, T18S, R31E, NMPM, Eddy Co., N.M. SW1/4 NW1/4, section 35, T18S, R31E, NMPM, Eddy Co., N.M. The East Shugart Unit # 48 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 330 ft from the north line and 1750 from the west line, in the: NE1/4 NW1/4, section 35, T18S, R31E, NMPM, Eddy Co., N.M.

The access road to this location will measure 100 ft X 300 ft or 0.68 acre. It will be situated in the: NE1/4 NW1/4, section 35, T185, R31E, NMPM, Eddy Co., N.M.

The East Shugart Unit # 49 will measure 400 ft X 400 ft or 3.6 acres. It will be located 990 ft from the north line and 1650 ft from the east line, in the: NW1/4 NE1/4, section 35, T18S, R31E, NMPM, Eddy Co., N.M.

The Todd "13C" Federal No. 3 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 660 ft from the north line and 1980 ft from the west line, in the: NE1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The access road to this location will measure 100 ft X 900 ft or 2.06 acres. It will be situated in the: NE1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M. SE1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The Todd "13D" Federal No. 4 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 660 ft from the north line and 660 ft from the west line, in the: NW1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

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The access road to this location will measure 100 ft X 900 ft or 2.06 acres. It will be situated in the:

NW1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M. NE1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The Todd "13E" Federal No. 5 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 1650 ft from the north line and 990 ft from the west line, in the: SW1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The access road to this well will measure 100 ft X 500 ft or 1.14 acres. It will be situated in the: SW1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The Todd "13F" Federal No. 6 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 1980 ft from the north line and 1980 ft from the west line, in the: SE1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The access road which will be constructed to this location will measure 100 ft X 200 ft, or 0.45 acre. It will be situated in the: SE1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The Todd "13G" Federal No. 7 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 1980 ft from the north line and 1980 ft from the east line, in the:

SW1/4 NE1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The access road to this location will measure 100 ft X 200 ft or 0.45 acres. It will be situated in the:

SW1/4 NW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The Todd "13J" Federal No. 10 will measure 400 ft X 400 ft or 3.6 acres. It will be located 1980 ft from the south line and 1980 ft from the east line, in the: NW1/4 SE1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The access road to this location will measure 100 ft X 400 ft or 0.91 acre. It will be situated in the: NW1/4 SE1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The Todd "13K" Federal No. 11 will measure 400 ft X 400 ft, or 3.6 acres. It will be situated 1920 ft from the south line and 2180 ft from the west line, in the: NE1/4 SW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The access road to this well will measure 100 ft X 400 ft or 0.91 acre. It will be situated in the: NE1/4 SW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M. NW1/4 SE1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The Todd "13N" Federal No. 14 will measure 400 ft X 400 ft or 3.6 acres. It will be situated 1220 ft from the south line and 2450 ft from the west line, in the: SE1/4 SW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M. The access road to this well will measure 100 ft X 1600 ft or 3.67 acres. It will be situated in the:

SE1/4 SW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M. NE1/4 SW1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M. NW1/4 SE1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M. SW1/4 NE1/4, section 13, T23S, R31E, NMPM, Eddy Co., N.M.

The Todd "27L" Federal No. 12 Will measure 400 ft X 400 ft or 3.6 acres. It will be situated 1980 ft from the south line and 510 ft from the west line, in the: NW1/4 SW1/4, section 27, T23S, R31E, NMPM, Eddy Co., N.M.

The access road to this well will measure 100 ft X 400 ft or 0.91 acre. it will be situated in the: NW1/4 SW1/4, section 27, T23S, R31E, NMPM, Eddy Co., N.M.

The section 26 Tank Battery will measure 355 ft X 550 ft or 5.19 acres. It will be situated in the: SW1/4 NE1/4, section 26, T23S, R31E, NMPM, Eddy Co., N.M.

Map Reference: USGS Los Medanos Quadrangle, 7.5 Minute Series, 1984. USGS Bootleg Ridge Quadrangle, 7.5 Minute Series, 1984. USGS Greenwood Lake Quadrangle, 7.5 Minute Series, 1985.







ARCHEOLOGICAL RESOURCES

On December 1, 1993, Pecos Archeological Consultants performed a literature search to determine if any archeological sites had already been recorded in the vicinity of the project area. Current BLM files and the National Register of Historic Places were consulted in this endeavor. Three previously-recorded sites were found to occur in the project area. These are:

Field Site No. PAC/Ed-298

LA 60927

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NM-06-4950

None of these sites were encountered during this survey

Observed Archeological Manifestations:

No cultural resources were recorded during this cultural inventory.

RECOMMENDATIONS

Due to the limited nature of cultural resources in the project area, Pecos Archeological Consultants is recommending clearance for this project, as planned. This recommendation is based on a <u>surface</u> inspection of the proposed impact zone; should additional, subsurface remains be present in the project area, they would not be detected without extensive test excavation. Of course, final clearance for this project must be granted by the appropriate government agency.