C15T

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

RECEIVED
OCD - ARTESIA

Form C-101 BLM
Revised March 17, 1999 Pgm

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[1] Operator Name and Address		[2] OGRID Number
Devon Energy Production Company, L.P. **20 North Broadway, Suite 1500** **Oklahoma City, Oklahoma 73102-8260**	Walter M. Frank Senior Operations Engineer (405) 552-4595	**6137** [3] API Number 30 – 015 – 31717

[3] Property Code	[5] Property Name	[6] Well No.
27979	**ESPERANZA "3N" FEE**	**1**

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	**3**	**22S**	**27E**		**660'**	**SOUTH**	**1980'**	**WEST**	**EDDY**

[8] Proposed 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

[9] Proposed Pool 1	[10] Proposed Pool 2
~~[illegible]~~ (MORROW)	

Carlsbad; Morrow, South

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	**G**	**R**	**P**	**GL 3139'**
[16] Multiple	[17] Proposed Depth	[18] Formation	[19] Contractor	[20] Spud Date
No	**11,900'**	**MORROW**	**Unknown at this time**	**June, 2001**

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	**13 3/8"**	**48# H-40**	**400'**	**800**	**surface**
12 1/4"	**8 5/8"**	**32# J-55 & HCK-55**	**5500'**	**2200**	**surface**
7 7/8"	**5 1/2"**	**17# L-80 & J-55**	**11,900'**	**1000**	**6500'**

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Devon plans to drill this well to a total depth of 11,900 feet and complete it as a Morrow gas well.
If it is deemed non-commercial then it will be plugged and abandoned in accordance with the rules and regulations established by the New Mexico OCD.
Blowout prevention equipment will be installed while drilling the intermediate and production holes.
Attached are C102 plat, maps, BOP equipment and casing design sheets, ~~and~~ proof of bond, and H2S plan.
CG

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: Candace R. Graham

Printed name: **Candace R. Graham**

Title: **Engineering Tech.**

Date: **April 10, 2001**

Phone: **(405) 235-3611, X4520**

OIL CONSERVATION DIVISION

Approved by: **ORIGINAL SIGNED BY TIM W. GUM**
DISTRICT II SUPERVISOR

Title:

Approval Date: APR 23 2001 Expiration Date: APR 23 2002

Conditions of Approval:

Attached ☐

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

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

State of New Mexico
Energy, Minerals, and Natural Resources Department

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

Form C-102
Revised 02-10-94

Instructions on back

Submit to the Appropriate District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name
		AVALON (MORROW)

4 Property Code	5 Property Name	6 Well Number
	ESPERANZA "3N" FEE	1

7 OGRID No.	8 Operator Name	9 Elevation
6137	DEVON ENERGY PRODUCTION CO., L.P.	3139'

10 SURFACE LOCATION

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
N	3	22 SOUTH	27 EAST, N.M.P.M.		660'	SOUTH	1980'	WEST	EDDY

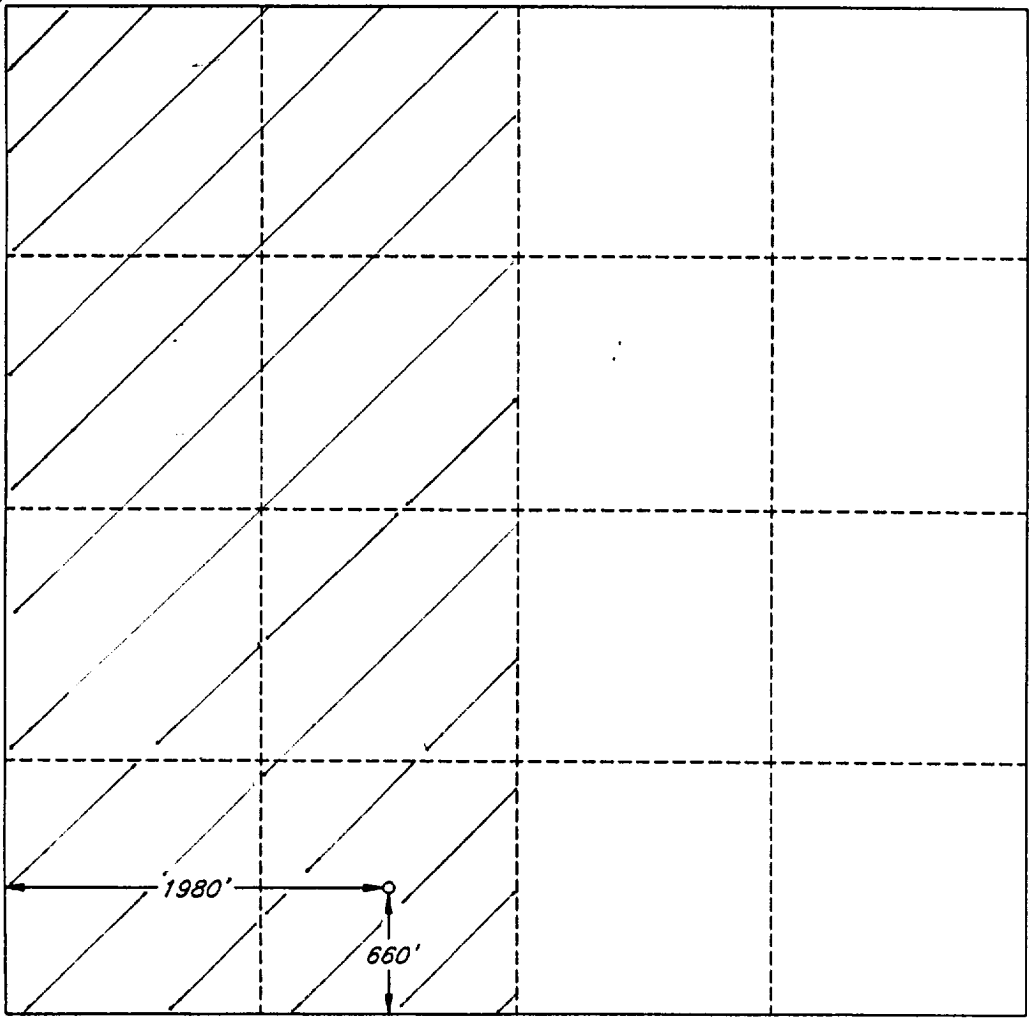
11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Candace R. Graham

Printed Name: Candace R. Graham

Title: Engineering Tech.

Date: April 10, 2001

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 supervision, and that the same is true and correct to the best of my belief.

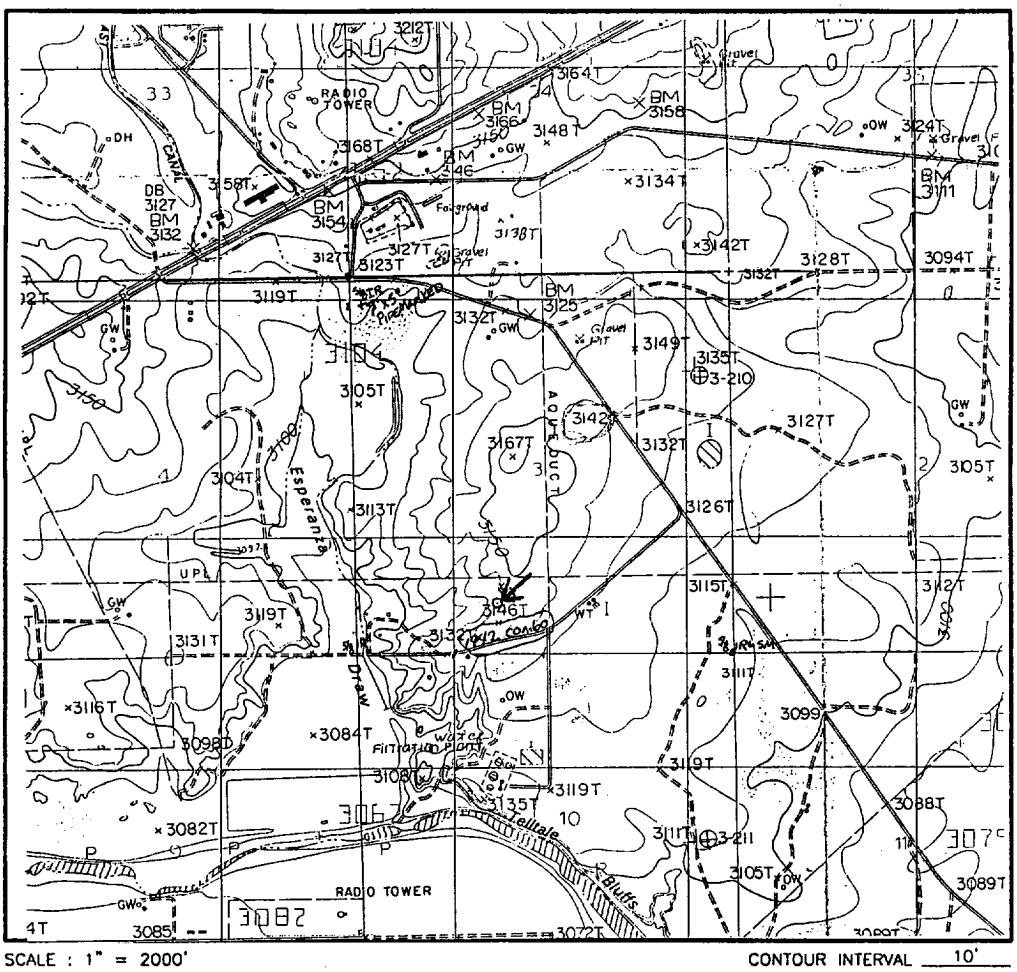
Date of Survey: MARCH 20, 2001

Signature and Seal of Professional Surveyor

Certificate No. V. L. BEZNER R.P.S. #7920

JOB #75253 / 49 NW / V.H.B.

LOCATION & ELEVATION VERIFICATION MAP



SCALE : 1" = 2000'

CONTOUR INTERVAL 10'

SECTION 3 TWP 22-S RGE 27-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 660' FSL & 1980' FWL

ELEVATION 3139'

OPERATOR **DEVON ENERGY PRODUCTION CO., L.P.**

LEASE ESPERANZA "3N" FEE #1

U.S.G.S. TOPOGRAPHIC MAP

CARLSBAD EAST, NEW MEXICO

LAT. N

LONG. W

N

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

TOPOGRAPHIC LAND SURVEYORS

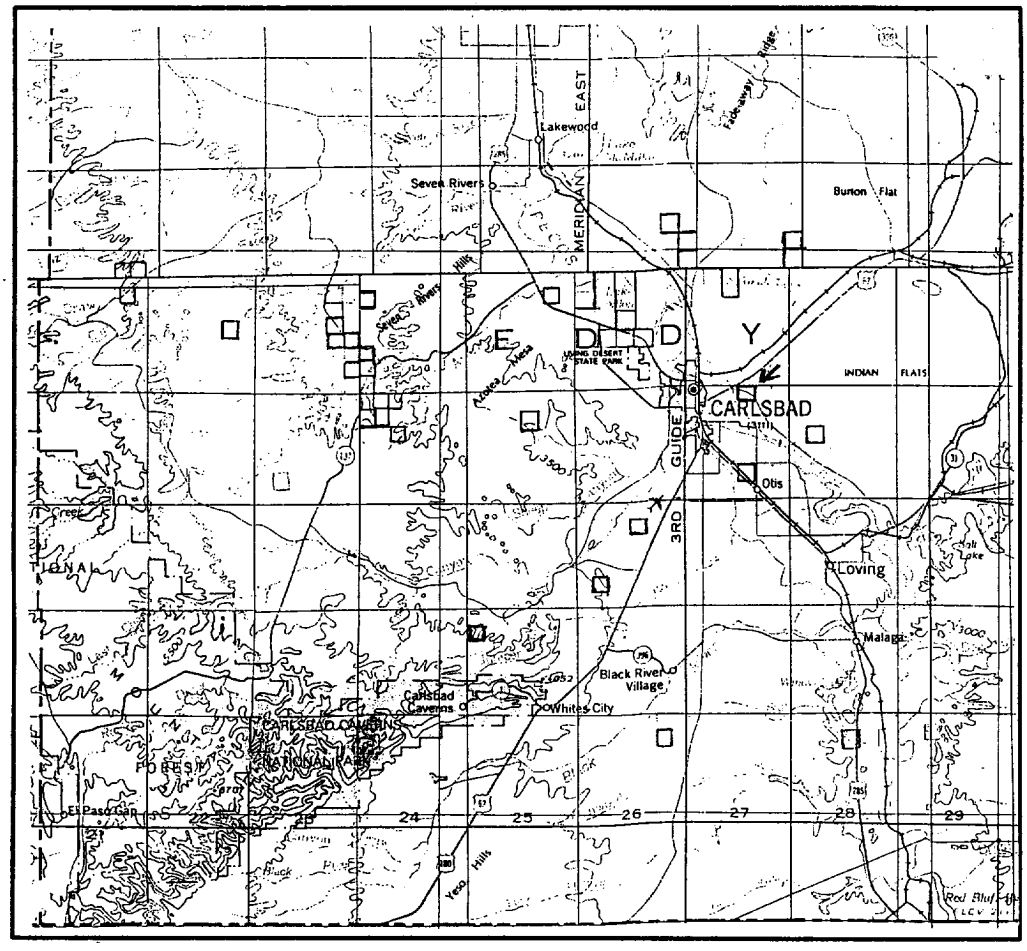
Surveying & Mapping for the Oil & Gas Industry

1307 N. HOBART
PAMPA, TX. 79065
(800) 658-6382

6709 N. CLASSEN BLVD.
OKLAHOMA CITY, OK. 73116
(800) 654-3219

2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

VICINITY MAP



SECTION 3 TWP 22-S RGE 27-E

SURVEY NEW MEXICO PRINCIPAL MERIDIAN

COUNTY EDDY STATE NM

DESCRIPTION 660' FSL & 1980' FWL

OPERATOR **DEVON ENERGY PRODUCTION CO., L.P.**

LEASE ESPERANZA "3N" FEE #1

DISTANCE & DIRECTION FROM JCT. OF 62/180 & S.H. 239 IN CARLSBAD, GO NORTHEAST ON 62/180 ±2.1 MILES, THENCE EAST & SOUTHEAST ON PAVED COUNTY ROAD ±1.7 MILES, THENCE SOUTHWEST ON PAVED ROAD ±0.6 MILE TO A POINT ±600' SOUTH OF THE LOCATION.

This location has been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

Review this plat and notify us immediately of any possible discrepancy.

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry

1307 N. HOBART
PAMPA, TX. 79065
(800) 658-6382

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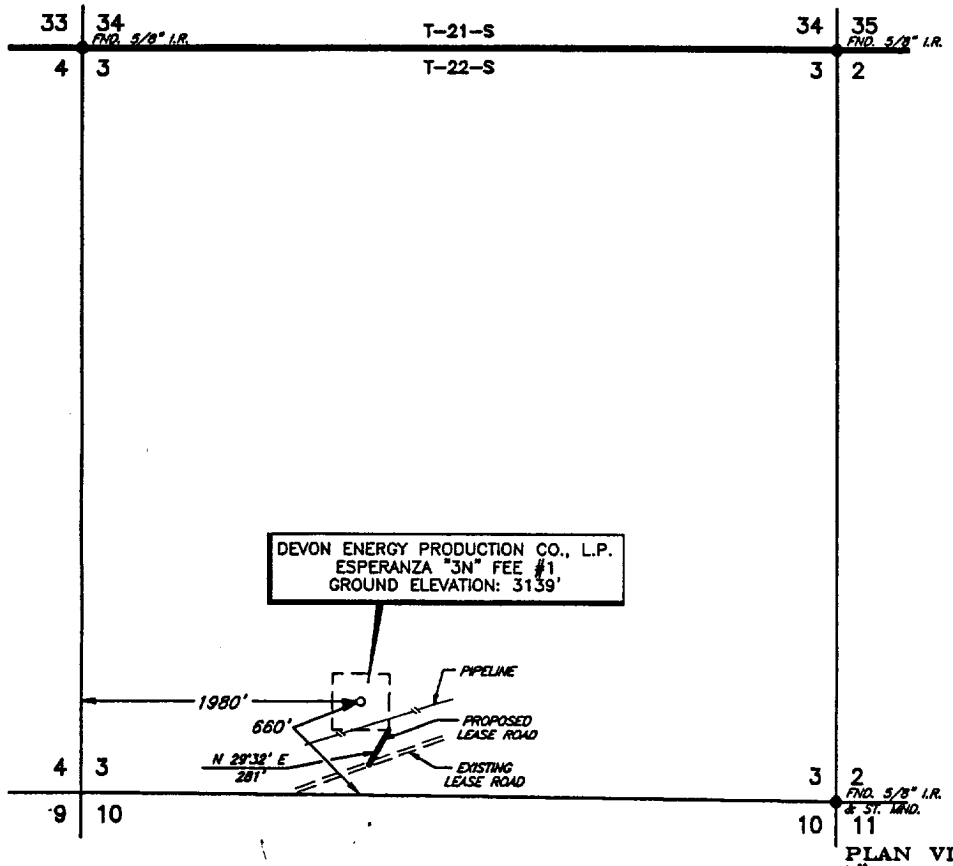
2903 N. BIG SPRING
MIDLAND, TX. 79705
(800) 767-1653

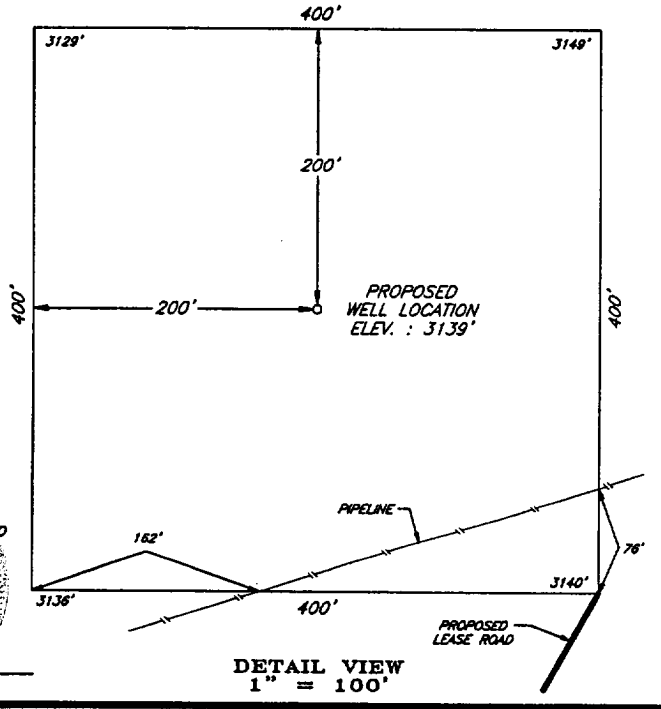
PLAT SHOWING PROPOSED
WELL LOCATION AND LEASE ROAD IN
SECTION 3, T-22-S, R-27-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



PLAN VIEW
1" = 1000'

1" = 1000'

DATE OF FIELD WORK: MARCH 20, 2001



DETAIL VIEW
1" = 100'

I, V. L. BEZNER, A PROFESSIONAL SURVEYOR IN THE STATE OF NEW MEXICO AND AUTHORIZED AGENT OF TOPOGRAPHIC LAND SURVEYORS, HEREBY CERTIFY THIS PLAT TO BE A TRUE REPRESENTATION OF A SURVEY PERFORMED IN THE FIELD UNDER MY SUPERVISION, THAT I AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF AND THAT THIS PLAT AND FIELD SURVEY UPON WHICH IT IS BASED MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO. (RULE 500.6 EASEMENT SURVEYING)

BEZNER NO. 7920 SURVEYOR

V. L. BEZNER, P.S. NO. 7920

NO.	REVISION	DATE	BY

SURVEYED BY:	C.M.
DRAWN BY:	V.H.B.
APPROVED BY:	V.L.B.

DEVON ENERGY PRODUCTION CO., L.P.

SURVEYING AND MAPPING BY
TOPOGRAPHIC LAND SURVEYORS
MIDLAND, TEXAS

SCALE:	AS SHOWN
DATE:	MARCH 20, 2001
JOB NO.:	75253-F
QUAD NO.:	49 NW
SHEET :	1 OF 1

MINIMUM BLOWOUT PREVENTER REQUIRE 'S

3,000 psi Working Pressure

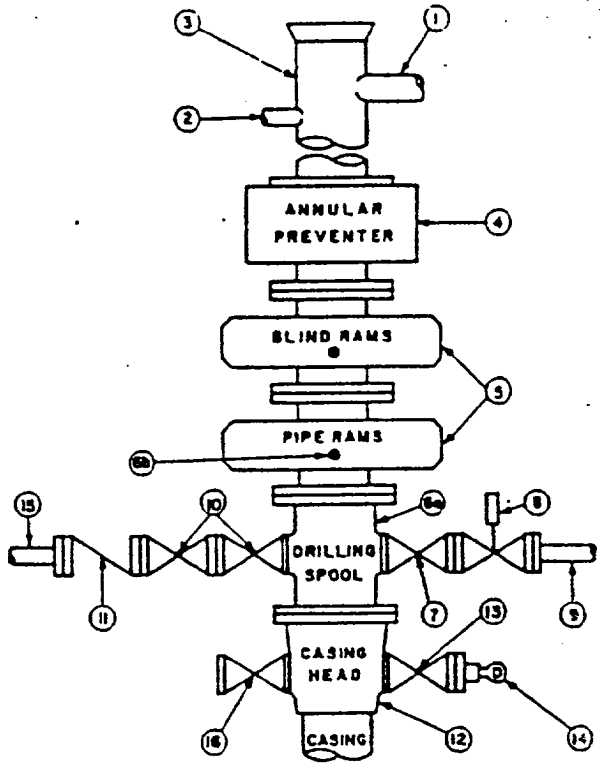
3 MWP

STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
	—— or ——		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate ☐ Plug ☐	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate ☐ Plug ☐	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate ☐ Plug ☐	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL			
16	Flanged valve	1-13/16"	

CONFIGURATION A



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.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

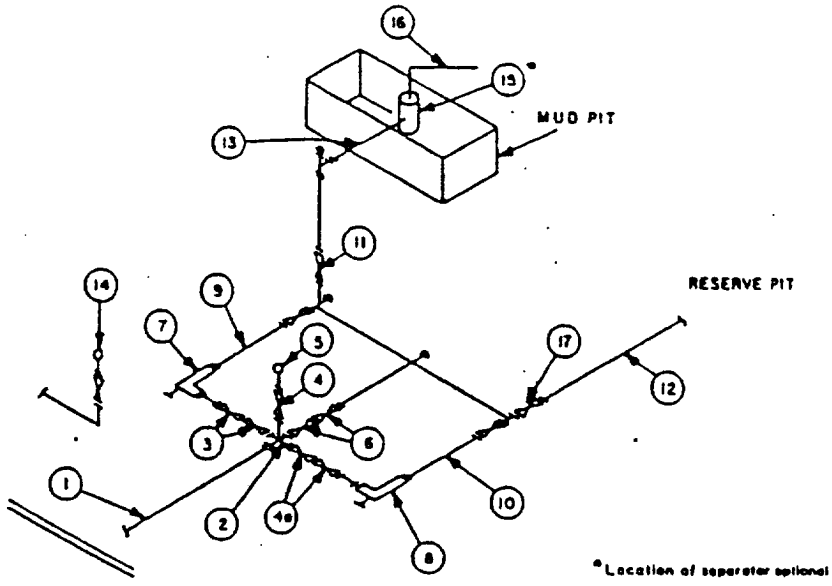
1. Bradenhead or casinghead and side valves.
2. Wear bushing, if required.

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 (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
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.

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

3 MWP - 5 MWP - 10 MWP



BEYOND SUBSTRUCTURE

MINIMUM REQUIREMENTS										
		3,000 MWP			5,000 MWP			10,000 MWP		
No.		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.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 ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate ☐ Plug ☐(2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	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	Valves Gate ☐ 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		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'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

(2) Gate 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 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX 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 bull plugged tees.
7. Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

Well name:	**Esperanza 3 "N" Fee #1**
Operator:	**Devon Energy Production Company, L.P.**
String type:	Surface
Location:	Section 3, T22S, R27E, Eddy County, NM

Design parameters:

Collapse
Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 229 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 229 psi
Annular backup: 8.60 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: 349 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 78 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 400 ft
Minimum Drift: 2.250 in

Non-directional string.

Re subsequent strings:
Next setting depth: 5,500 ft
Next mud weight: 8.800 ppg
Next setting BHP: 2,514 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 400 ft
Injection pressure 229 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	400	13.375	48.00	H-40	ST&C	400	400	12.59	4958

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	179	740	4.14	229	1730	7.57	19.2	322	16.78 J

Prepared by: W.M. Frank, Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: April 8,2001
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 400 ft, a mud weight of 8.6 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.

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

Well name:	**Esperanza 3 "N" Fee #1**
Operator:	**Devon Energy Production Company, L.P.**
String type:	Intermediate
Location:	Section 3, T22S, R27E, Eddy County, NM

Design parameters:

Collapse

Mud weight: 9.600 ppg

Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 3,143 psi

Internal gradient: 0.000 psi/ft

Calculated BHP 3,143 psi

Annular backup: 9.60 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: 4,716 ft

Estimated cost: 45,313 ($)

Environment:

H2S considered?	No
Surface temperature:	75 °F
Bottom hole temperature:	119 °F
Temperature gradient:	0.80 °F/100ft
Minimum section length:	400 ft
Minimum Drift:	7.875 in

Non-directional string.

Re subsequent strings:

Next setting depth:	11,900 ft
Next mud weight:	9.600 ppg
Next setting BHP:	5,935 psi
Fracture mud wt:	11.000 ppg
Fracture depth:	5,500 ft
Injection pressure	3,143 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 ($)
2	4000	8.625	32.00	J-55	ST&C	4000	4000	7.875	31918
1	1500	8.625	32.00	HCK-55	ST&C	5500	5500	7.875	13395

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	1995	2456	1.23	3143	3930	1.25	176	372	2.11 J
1	2743	4130	1.51	1148	3930	3.42	48	497	10.35 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: April 8,2001
Oklahoma City, Oklahoma

Remarks:

Collapse is based on a vertical depth of 5500 ft, a mud weight of 9.6 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.

Well name:	**Esperanza 3 "N" Fee #1**
Operator:	**Devon Energy Production Company, L.P.**
String type:	Production
Location:	Section 3, T22S, R27E, Eddy County, NM

Design parameters:

Collapse

Mud weight: 6.500 ppg
Design is based on evacuated pipe.

Surface pressure: 1,200 psi

Burst

Max anticipated surface pressure: 4,018 psi
Internal gradient: 0.000 psi/ft
Calculated BHP 4,018 psi

Annular backup: 9.60 ppg

Packer fluid details:
Fluid density: 8.600 ppg
Packer depth: 11,400 ft

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: 10,727 ft

Estimated cost: 67,179 ($)

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 170 °F
Temperature gradient: 0.80 °F/100ft
Minimum section length: 400 ft

Non-directional string.

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 ($)
4	900	5.5	17.00	L-80	Buttress	900	900	4.767	6100
3	3100	5.5	17.00	L-80	LT&C	4000	4000	4.767	19642
2	3500	5.5	17.00	J-55	LT&C	7500	7500	4.767	13560
1	4400	5.5	17.00	L-80	LT&C	11900	11900	4.767	27877

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
4	1504	4831	3.21	4018	7740	1.93	202.3	397	1.96 B
3	2551	5392	2.11	3971	7740	1.95	187	338	1.81 J
2	3732	4385	1.17	3810	5320	1.40	134.3	247	1.84 J
1	5218	6290	1.21	3629	7740	2.13	74.8	338	4.52 J

Prepared by: W.M. Frank
Devon Energy
Phone: (405) 552-4595
FAX: (405) 552-4621
Date: April 8,2001
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 11900 ft, a mud weight of 6.5 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.

DEVON ENERGY CORPORATION

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

A. Hydrogen Sulfide Training

All rig crews and company personnel will receive training from a qualified instructor in the following areas prior to penetrating any hydrogen sulfide bearing formations during drilling operations:

1. The hazards and characteristics of hydrogen sulfide (H2S).

2. The proper use and maintenance of the H2S safety equipment and of personal protective equipment to be utilized at the location such as H2S detection monitors, alarms and warning systems, and breathing equipment. Briefing areas and evacuation procedures will also be discussed and established.

3. Proper rescue techniques and procedures will be discussed and established.

In addition to the above, supervisory personnel will be trained in the prevention of oil and gas well blowouts in accordance with Minerals Management Service Standards Subpart - 0 - 250 - 212.

Prior to penetrating any known H2S bearing formation, H2S training will be required at the rig sight for all rig crews and company personnel that have not previously received such training. This instruction will be provided by a qualified instructor with each individual being required to pass a 20 question test regarding H2S safety procedures. All contract personnel employed on an unscheduled basis will be required to have received appropriate H2S training.

This Hydrogen Sulfide Drilling And Operations Plan shall be available at the wellsite during drilling operations.

B. H2S Safety Equipment And Systems

All H2S safety equipment and systems will be installed, tested, and operational when drilling operations reach a depth approximately 500' above any known or probable H2S bearing formation. The safety systems to be utilized during drilling operations are as follows:

1. Well Control Equipment

(a) Double ram BOP with a properly sized closing unit and pipe rams to accommodate all pipe sizes in use.

(b) A choke manifold with a minimum of one remote choke.

2. H2S Detection And Monitoring Equipment

(a) Three (3) H2S detection monitors will be placed in service at the location. One monitor will be placed near the bell nipple on the rig floor; one will be placed at the rig substructure; and, one will be at the working mud pits or shale shaker. This monitoring system will have warning lights and audible alarms that will alert personnel when H2S levels reach 10 ppm.

(b) One (1) Sensidyne Pump with the appropriate detection tubes will also be available to perform spot checks for H2S concentrations in any remote or isolated areas.

3. Protective Equipment For Essential Personnel

Protective equipment will consist of the following:

(a) Four (4) - five minute escape packs located at strategic points around the rig.

(b) Two (2) - thirty minute rescue packs to be located at the designated briefing areas.

4. Visual Warning System

Visual warning system will consist of the following:

(a) Two wind direction indicators.

(b) One condition / warning sign which will be posted on the road providing direct access to the location. The sign will contain lettering of sufficient size to be readable at a reasonable distance from the immediate location. The sign will inform the public that a hydrogen sulfide gas environment could be encountered at the location.

5. Mud Program

   The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight and safe drilling practices (for example, keeping the hole filled during trips) will minimize hazards when drilling in H2S bearing formations.

6. Metallurgy

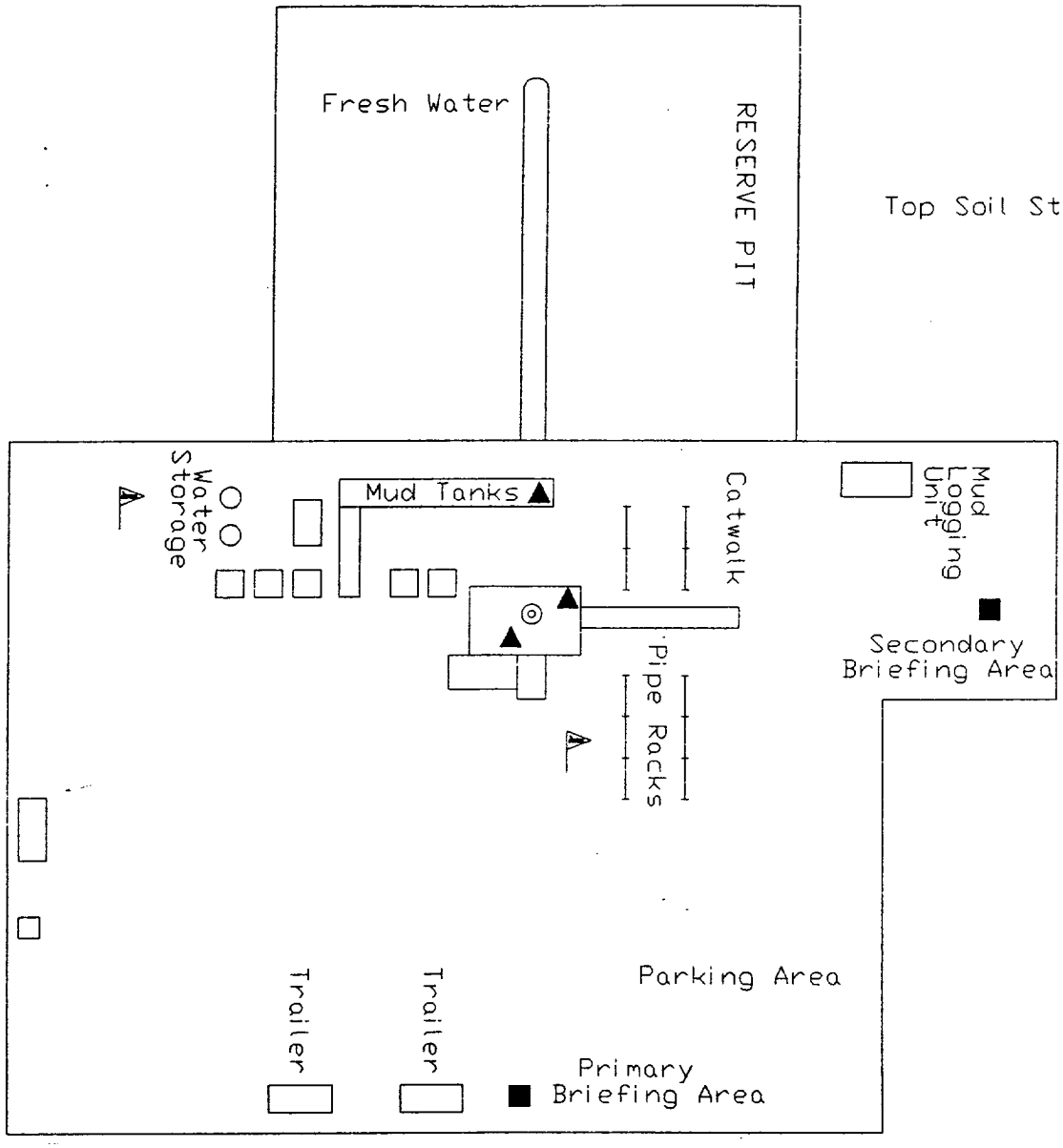
   All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines and valves shall be suitable for H2S service.

7. Communication

   Cellular telephone communication will be available in company vehicles.

C. Diagram of Drilling Location

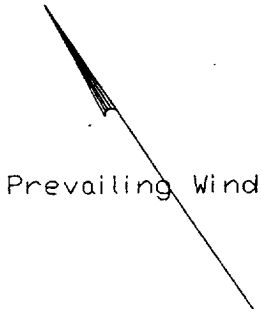
Attached is a diagram representing a typical location layout as well as the location of H2S monitors, briefing areas and wind direction indicators.



▲ H2S MONITORS WITH ALARMS AT THE BELL NIPPLE, SUBSTRUCTURE, AND SHALE SHAKER

WIND DIRECTION INDICATORS

■ SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT



File: Q:\\NM\H2S-PLAN

devon

EDDY COUNTY, NEW MEXICO

H2S PLAN

Scale in Feet

25 0 25 50 75 100

4/97

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

June 14, 2000

Ms. Julianne Barry
Senior Lease Analyst
Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

Re: $50,000 Blanket Plugging Bond
Devon Energy Corporation (Nevada), Principal – OGRID 6137
Aetna Casualty & Surety Company, Surety
Bond No. 30 S 100753026-11

Dear Ms. Barry:

The New Mexico Oil Conservation Division hereby acknowledges receipt and approves the rider to the above-captioned blanket plugging bond changing the name of principal to:

Devon Energy Production Company, L.P.

Sincerely,

LYN S. HEBERT
Attorney
Oil Conservation Division

RECEIVED
JUN 19 2000
LAND DEPARTMENT

LSH/dp

cc: Oil Conservation Division – Hobbs, Artesia, Aztec

Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183

ASSUMPTION RIDER

Bond No.30S100753026-11

It is hereby agreed by and between the undersigned principal(s) and surety in consideration for the additional premium or other payment made for this rider, if any, and the termination of liability by the State of New Mexico on Bond No. 8073-91-22 carrying PennzEnergy Exploration and Production, L.L.C. as Principal(s), and Federal Insurance Company as surety, that the coverage of this bond is extended to cover any and all liabilities that may be outstanding on Bond No. 8073-91-22. This includes, but is not limited to, the obligation properly to plug and abandon all wells existing on leases to which Bond No. 8073-91-22 applies, whether such leases are still valid or have expired, terminated, been relinquished or otherwise terminated, and to pay any unpaid rentals or royalties heretofore accruing; provided, however, that this rider shall not act to increase the potential or cumulative liability of the surety above the fact amount of the bond to which this rider attaches.

Executed this 1st day of March, 2000.

Witness and Address
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Devon Energy Production Company, L.P.
By: Devon Energy Management Company, L.L.C.,
By: General Partner

Principal R. D. Clark, Vice-President

Travelers Casualty and Surety Company of America

Witness and Address
125 Park Ave., Oklahoma City, OK 73102

Patsy A. Payne, Attorney-in-Fact

Proof of the current authority of the representative of the Surety to execute this rider should accompany this rider when filed (e.g., an authenticated power of attorney showing the power to be in affect on the date executed).