UNITED ST ZES

SUBMIT IN

Form approved. CISP Form 3160-3 (See other instructions on (December 1. ') DEPARTMENT OF THE INTERIOR reverse side) BUREAU OF LAND MANAGEMENT 5.LEASE DESIGNATION AND SERIAL NO. NM-NM0404441 APPLICATION FOR PERMIT TO DRILL OR DEEPEN 6.IF INDIAN, ALLOTTEE OR TRIBE NAME DEEPEN DRILL M la TYPE OF WORK: 7.UNIT AGREEMENT NAME b. TYPE OF WELL: 8.FARM OR LEASE NAME, WELL NO WELL X Todd "140" Federal #15 NAME OF OPERATOR **DEVON ENERGY CORPORATION (NEVADA)** 9.API WELL NO. 3. ADDRESS AND TELEPHONE NO. 30-015-20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 235-3611 10.FIELD AND POOL, OR WILDCA 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* Ingle Wells (Delaware) 660' FSL & 1980' FEL, Unit O, Section 14-T23S-R31E, Eddy Cnty, NM 11.SEC.,T.,R.,M.,OR BLOCK AND SURVEY OR AREA At surface At top proposed prod. zone (SAME) Section 14-T23S-R31E 12. COUNTY OR PARISH 13. STATE 14.DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE New Mexico Eddy 35 miles WNW of Jal, New Mexico 17 NO. OF ACRES ASSIGNED 16.NO. OF ACRES IN LEASE 15.DISTANCE FROM PROPOSED TO THIS WELL LOCATION TO NEAREST 660 PROPERTY OR LEASE LINE, FT. 20.ROTARY OR CABLE TOOLS* (Also to nearest drig, unit line if any)
18 DISTANCE FROM PROPOSED LOCATION 19.PROPOSED DEPTH TO NEAREST WELL, DRILLING, COMPLETED, Rotary 8800 OR APPLIED FOR, ON THIS LEASE, FT. 1866 22. APPROX. DATE WORK WILL START* 21.ELEVATIONS (Show whether DF, RT, GR, etc.) 1/2 third quarter, 1998 PROPOSED CASING AND CEMENTING PROGRAM QUANTITY OF CEMENT SETTING DEPTH WEIGHT PER FOOT GRADE, SIZE OF CASING SIZE OF HOLE 500 sx 35/65 Poz + 200 sx Class "C" 850 48# 13 3/8" H-40 17 1/2" 1600 sx 35/65 Poz + 200 sx Class"C" 4350 32# J-55 8 5/8" 1st Stage 525 sx Silica Lite Class"H" 8800 15.5# & 17# 5 1/2" J-55 7.7/8 2nd Stage 225 sx 35/65 Poz + DV Tool +/- 5500' 400 sx Class "H" Devon Energy proposes to drill to approximately 8800' to test the Delaware for commercial quantities of oil. If the Delaware is deemed 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. Drilling Program, Surface Use and Operating Plan The undersigned accepts all applicable terms, conditions, stipulations Exhibits #1 = Blowout Prevention Equipment and restrictions concerning operations conducted on the leased land or Exhibit #2 = Location and Elevation Plat portions thereof, as described below. Exhibits #3 = Road Map and Topo Map Lease #: NM-NM0404441 Exhibit #4 = Wells Within 1 Mile Radius Legal Description: Section 14-T23S-R31E Exhibits #5 = Production Facilities Plat Exhibit #6 = Rotary Rig Layout Bond Coverage: Nationwide Exhibit #7 = Casing Design BLM Bond #: CO-1104 H₂S Operating Plan gradina (M. Kabati Archaeological Survey 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. Candace R. Graham DATE June 15, 1998 TITLE Engineering Technician *(This space for Federal or State office use) 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 CONDITIONS OF APPROVAL, IF ANY: APPROVED BY TITLE

DRILLING PROGRAM

Attached to Form 3160-3 Devon Energy Corporation (Nevada) TODD "140" FEDERAL #15 660' FSL & 1980' FEL Section 14-T23S-R31E, Unit O 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	3900'
Bell Canyon	4400'
Cherry Canyon	5600'
Brushy Canyon	7000'
Bone Spring Lime	8300'
Total Depth	8800'

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

above 800'	fresh water
4400'	oil
6000'	oil
8000'	oil
	4400' 6000'

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 4350' 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.

before drilling out the 13 3/8" casing shoe (70% of 48# H-40 casing). Prior to drilling 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 drillers 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)
0-850'	Fresh water	8.8	34-36	No control
850-4350°	Brine water	10.0	28	No control
4350'-TD	Fresh water 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 until the 5 1/2" casing is cemented.

8. Logging, Testing and Coring Program

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

TD to intermediate casing: Induction / Gamma Ray / Neutron / Density Log.

TD to surface: Neutron with Gamma Ray.

- C. Rotary sidewall cores are planned.
- 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 approximately 130 degrees and maximum bottom hole pressure is approximately 2900 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 will be completed by Don Clifton Archaeological Consultant, and submitted to the BLM. 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 will be in the third quarter, 1998. The drilling operation should require approximately 21 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 "140" FEDERAL #15 660' FSL & 1980' FEL Section 14-T23S-R31E, Unit O Eddy County, New Mexico

1. Existing Roads

- A. The well site and elevation plat for the proposed TODD "140" FEDERAL #15 are reflected on Exhibit #2. This well was staked by Topographic Land Surveyors of Midland, Texas.
- B. All roads into the location are depicted in Exhibit #3. New construction from the County road will be used to access the location. New construction will conform to the specifications outlined in item 2 below.
- C. Directions to location: Travel west-northwest from Jal, NM 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 3.2 miles. Then, turn left (west) onto existing lease road. Go approximately 0.25 mile to proposed TODD "140" FEDERAL #15 location.

2. Proposed Access Road

Access to this location will require the construction of approximately 1320' of new access road from the County road. All new road construction would adhere to the following specifications:

- 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%.

TODD "140" FEDERAL #15 Surface Use and Operating Plan Page 2

- 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 "140" FEDERAL #15.

4. <u>Location of Existing and/or Proposed Facilities</u>

- A. In the event the well is found productive, a tank battery would be constructed.
 - 1. Exhibit #5 shows the battery facility to be utilized by the TODD "140" FEDERAL #15.
 - 2. The tank battery, all connections and all lines will adhere to API standards.
 - 3. The well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road.
- B. If the well is productive, rehabilitation plans are as follows.
 - 1. The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).
 - 2. Caliche from unused portions of the drill pad will be removed. The original topsoil from the well site will be returned to the location. The drill site will then be contoured to the original natural state.

5. Location and Type of Water Supply

The TODD "140" FEDERAL #15 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 4350'.
- 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. After concluding the drilling and/or completion operations, if the well is found non-commercial, 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. 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 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 native prairie grass, sagebrush, vucca and miscellaneous weeds.
- B. There is no permanent or live water in the general proximity of the location.
- C. A Cultural Resources Examination will be completed by Don Clifton Archaeological Consultant, and forwarded to the BLM office in Carlsbad, New Mexico.

TODD "140" FEDERAL #15
Surface Use and Operating Plan
Page 6

13. Lessee's and Operator's Representative

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

Walter Frank District Engineer Daryl Lowder Superintendent

DEVON ENERGY CORPORATION 20 North Broadway, Suite 1500 Oklahoma City, OK 73102 DEVON ENERGY CORPORATION Post Office Box 250 Artesia, NM 88211-0250

(405) 552-4595 (office) (405) 364-3504 (home)

(505) 748-3371 (office) (505) 677-2103 (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.

Signed.

Walter M. Frank

District Engineer

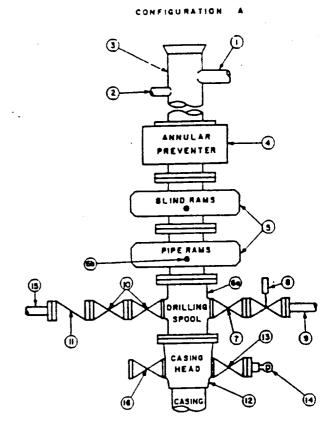
Data.

3,000 psi Working Pressure

3 MWP

STACK REQUIREMENTS

No.	ltem		Min. I.D.	Min, Nominal
1	Flowline			
2	Fill up line			2.
3	Orilling nipple			
4	Annular preventer			
5	Two single or one dual hy operated rams	draulically		
6a	Drilling spool with 2" min. 3" min choke line outlets	kill line and		
6b	2" min. kill line and 3" mi outlets in ram. (Alternate			
7	Valve	Gate □ Plug □	3-1/8"	
	Gate valve—power opera	ted	3-1/8"	
9	Line to choke manifold			3.
10	Vaives	Gate C Plug C	2-1/16"	
11	Check valve		2-1/16"	
12	Casing head			
13	Valve	Gate □ Plug □	1-13/16*	
14	Pressure gauge with nee	die valve		
15	Kill line to rig mud pump			2*



		OPTIONAL	
16	Flanged valve	1-13/16*	
	1.0.1910		

CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
- 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 lester.
- 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:

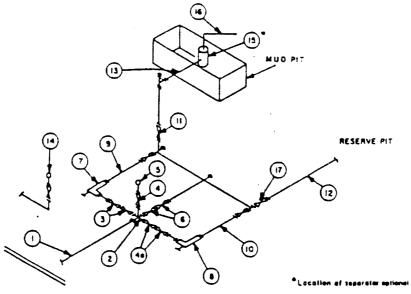
- Bradenhead or casinghead and side valves.
- 2. Wear bushing, if required.

GENERAL NOTES:

- 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 (sultable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through chore. Valves must be full opening and suitable for high pressure mud service.
- 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.

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

3 MWP - 5 MWP - 10 MWP



BEY	OND	SUBSI	RUC	TURE

			MINII	MUM REQL	JIREMENT!	5					
			3,000 MWP			5.000 MWP			10,000 MWP		
No		1.0	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	
1	Line from drilling spoot		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	
42	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	Vaives 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	5.		5.000	2-		10,000	
8	Adjustable Choke	1*		3,000	1.		5,000	5.		10,000	
9	Line		3*	3,000		3-	5,000		3-	10,000	
10	Line		2*	3,000		5.	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 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 shalf 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.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an atternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- 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.

Exhibit #1A NOTES REGARDING BLOWOUT PREVENTERS

Devon Energy Corporation (Nevada)
TODD "140" FEDERAL #15
660' FSL & 1980' FEL
Section 14-T23S-R31E, Unit O
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.

4. <u>Casing Program</u>

Hole Size	Interval	Casing OD	Weight	Grade	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"	0-4350'	8 5/8"	32#	J-55	ST&C, new R-3
7 7/8"	0'-TD (8800'±)	5 1/2"	15.5# & 17#	J-55	LT&C, new R-3

Cementing Program

20" Conductor Casing	Cement with Ready-mix to surface.
13 3/8" Surface Casing	Cement to surface using 50°C 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	Cement 1st stage with 525 sx Silica Lite (Class H) with 3% salt, 0.6% FL additive, 1/4 lb/sx Cellophane flakes
with DV tool at ±5500'	Cement 2nd stage with 225 sx Poz (35% Poz, 65% Class H, 6% gel) with 1/4 lb/sx Cellophane flakes + 400 sx Class H with 4% gel, 5% salt, 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 450° above the $85/8^{\circ}$ casing seat at 4350° .

5. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (2000 psi WP) preventer and a bag-type (Hydril) preventer (2000 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

JOB # 58450 / 47 SW / JSJ

DISTRICT 1 P. O. Box 1980 Hobbs, NM 88241-1980

State of New Mexico Energy, Minerals, and Natural Resources Department Form C-102 Revised 02-10-94

Instructions on back

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

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

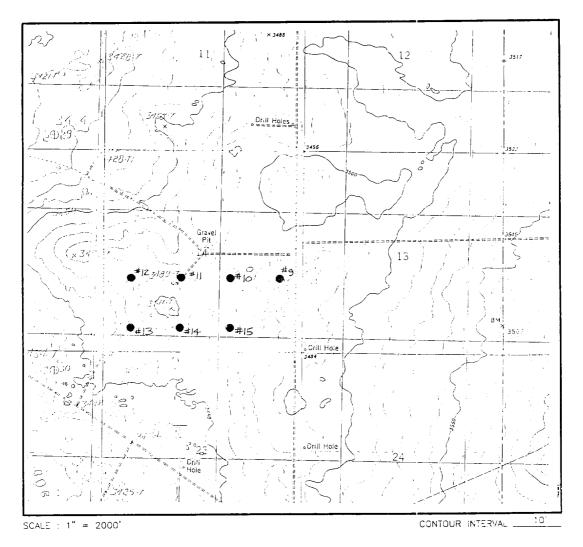
DISTRICT III 1000 Rio Brazos Rd. Aztec, NM 87410

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

AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	···		² Pool Cod	e	3 Poc	l Na	me						
				33745			Ing	gle Well:	s (I	Delaware)			
* Property Cod	de	⁵ Property N	ame								6 We	ll Number	
					TOI	D :	14 🛛 📑	FEDERAL				15	
OGRID No.		8 Operator N	ame								9 E16	vation	
	6137			DEVON	ENER	GY	CORPO	RATION	(NE	EVADA)		3472	,
ļ									(
				" SUF	RFACE	LO	CATION						
UL or lot r.o.	Section	Township	Ra	nge	Lot Ida	Fee	from the	North/South	line	Feet from	he East/	West line	County
0	14	23 SOUTH	31 EAST	, N.M.P.M.			660'	SOUTH		1980'	E	AST	EDDY
										122102		1	
		" BOTTO	M HOL	E LOCATI	ON IF	וע	IFFERE	YT FROM	St	JRFACE			
UL or lot r.o.	Section	Township	Ra	nge	Lot Ida	Feet	from the	North/South	line	Feet from t	he East/	West line	County
								1					
12 Dedicated A	cres 13 Je	oint or Infill	14 Consolida	tion Code	15 Order	No.		·					
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 SECTION
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 31-E

 SURVEY
 NEW MEXICO PRINCIPAL MERIDIAN

 COUNTY
 EDDY
 STATE
 NM

OPERATOR DEVON ENERGY CORP.

U.S.G.S. TOPCGRAPHIC MAP

LOS MEDANOS & BOOTLEG RIDGE

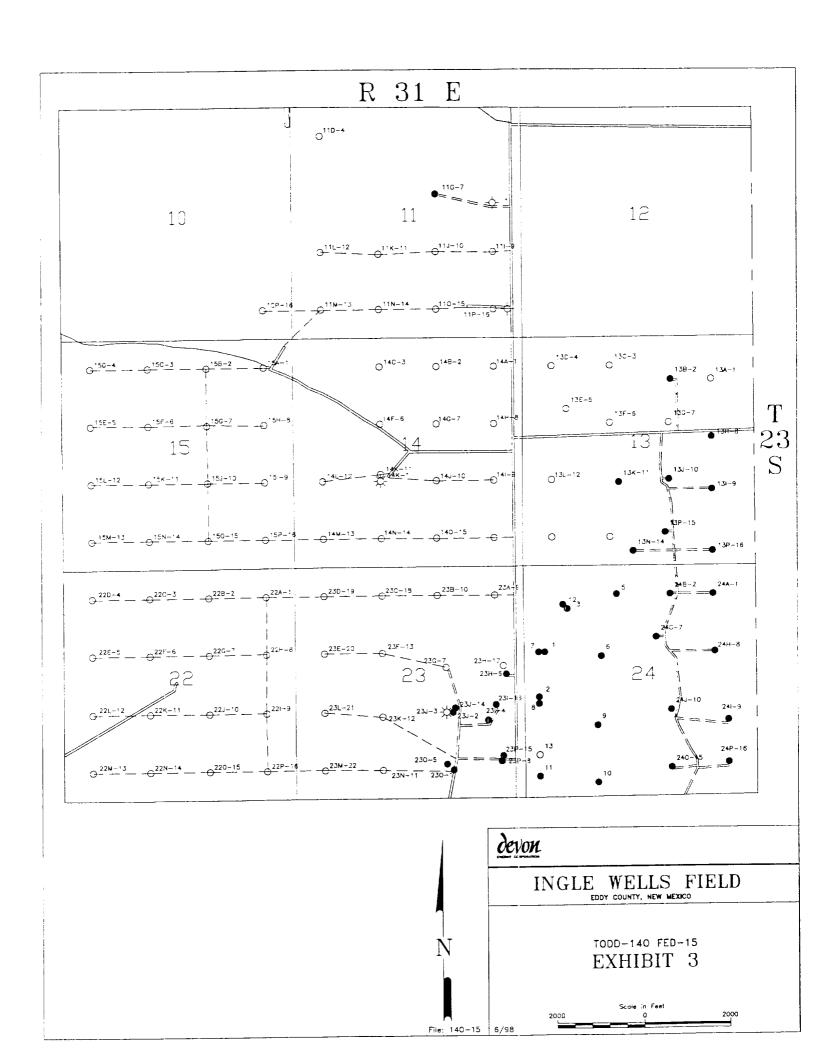
NAME	LOCATION	ELEVATION '	LAT.	LONG.
TODD 14 1 #9	1980' FSL & 660' FEL	3479'	N 32'18'09.0"	W 103'44'30.1"
TODD 14 J #10	1980' FSL & 1980' FEL	3491'	N 32'18'09.0"	W 103'44'45.5"
TODD 14 K #11	2086' FSL & 2086' FWL	3493'	N 32'18'10.1"	W 103'44 59.6"
TODD 14 L #12	1980' FSL & 660' FWL	3488'	N 32'18'09.1"	W 103'45'16.2"
TOOD 14 M #13	560' FSL & 660' FWL	3485	N 32'17'56.0"	W 103'45 16.2"
TOOD 14 N #14	660' FSL & 1980' FWL	3493'	N 32'17'56.0"	W 103'45'00.8"
TCDD 14 0 #15	660' FSL & 1980' FEL	3472'	N 32'17'56.0"	W 103'44'45.5"
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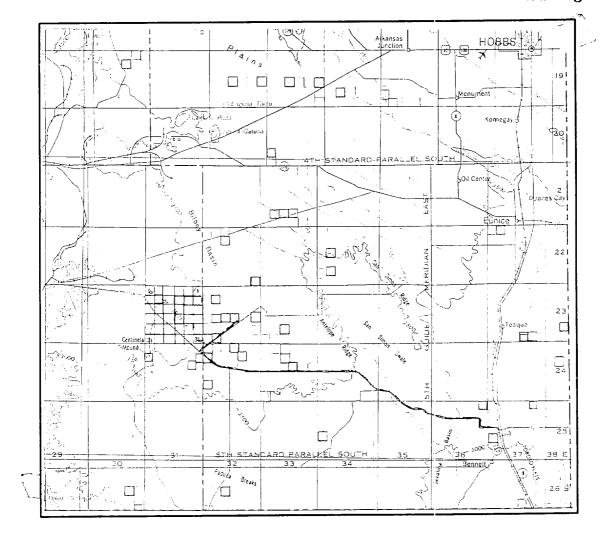
These locations have been very carefully staked on the ground according to the best official survey records, maps, and other data available to us.

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

TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry





SECTION 10.	11, 13, 14, 15, 2	22, & 23 TWP 23-S RGE 31-	Ε
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OPERATOR _	DEVON	ENERGY	CORF	ORATIC	N	
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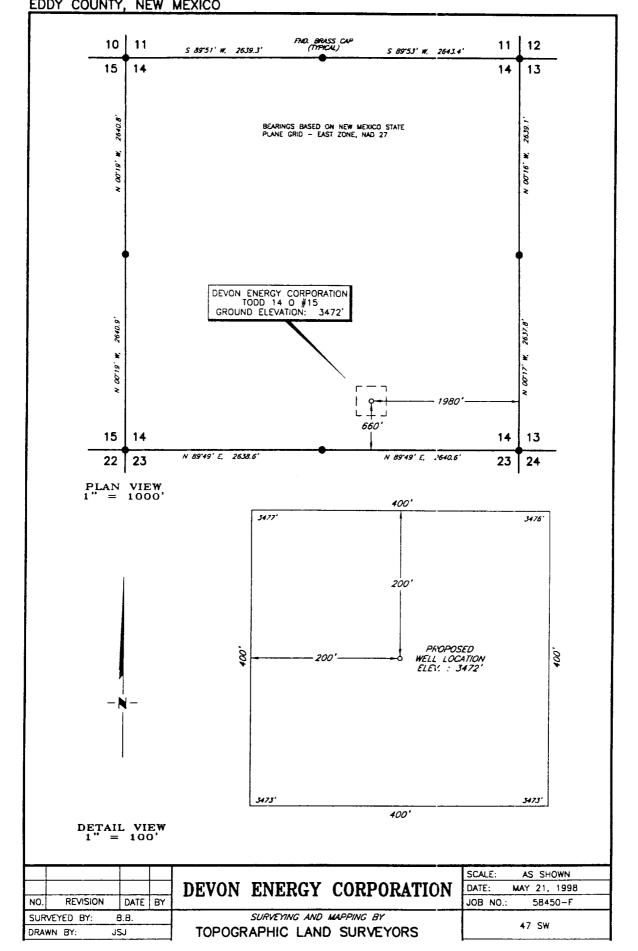


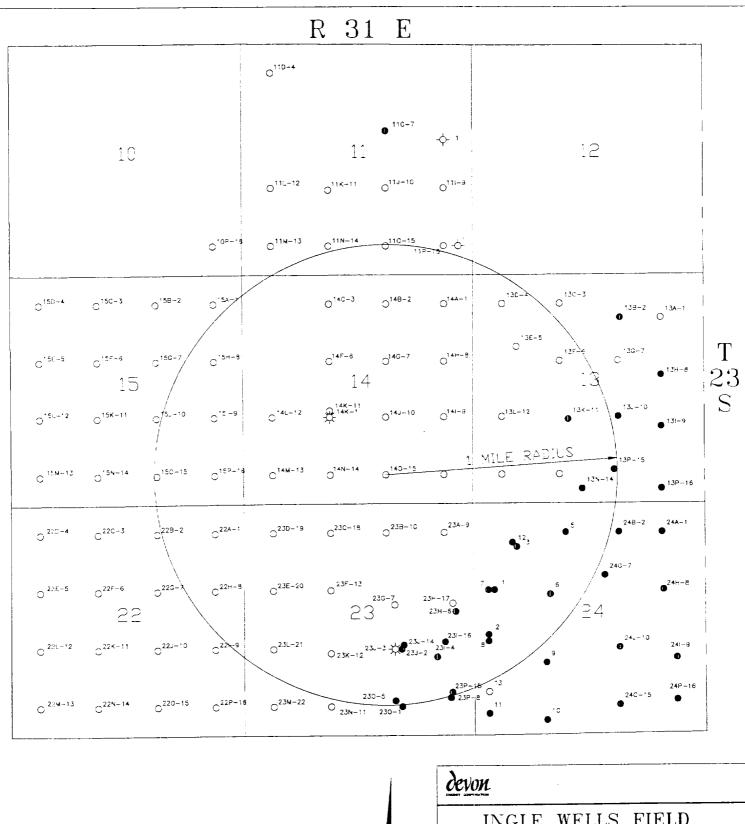
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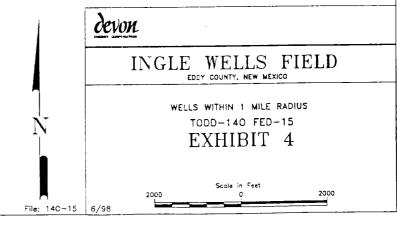
Review this plot and notify us immediately of any possible discrepancy.

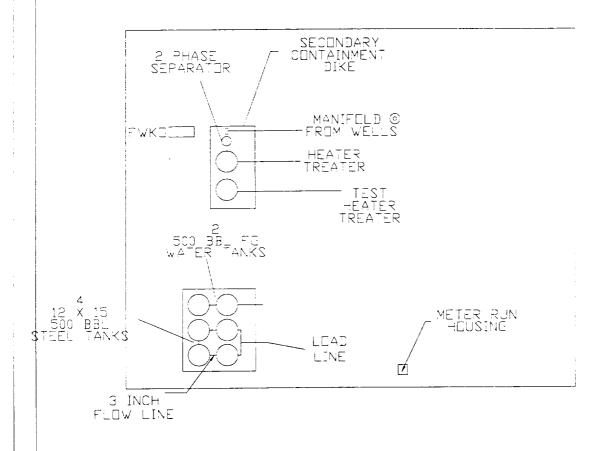
TOPOGRAPHIC LAND SURVEYORS

Surveying & Mapping for the Oil & Gas Industry



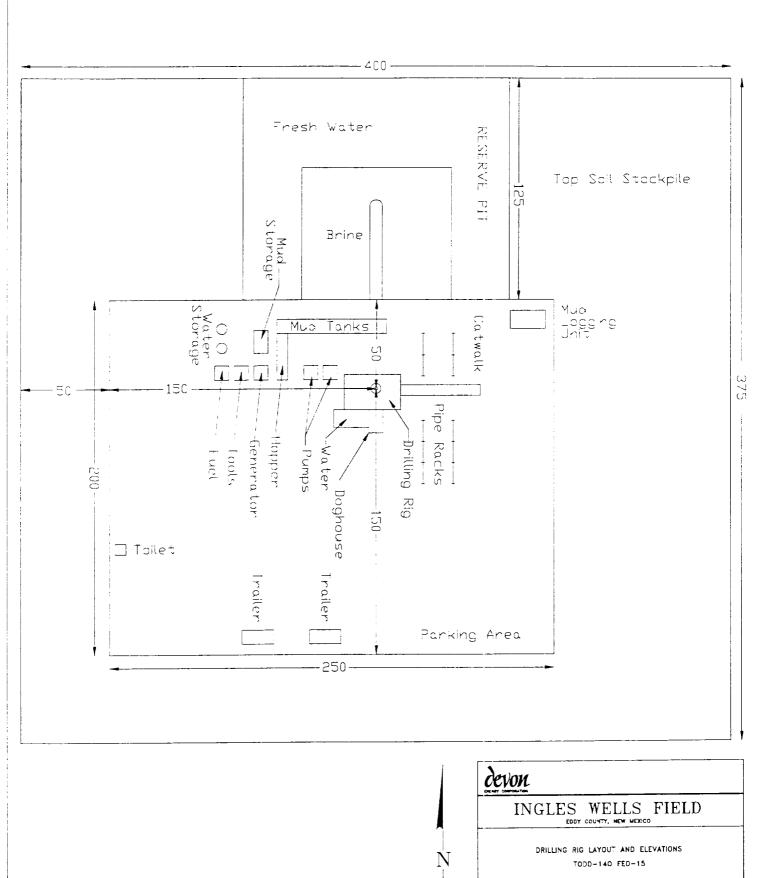


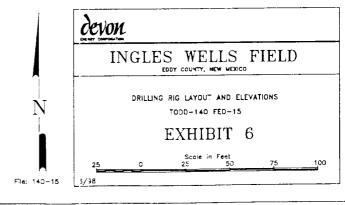






INGLE WELLS FIELD EDDY COUNTY, NEW MEXICO PRODUCTION FACILITIES AYOUT AT TODD—14K FED—1 FOR TODD—140 FED—15 EXHIBIT 5 25 0 25 50 75 100 6/98





DEVON ENERGY

Operator: DEVON ENERGY CORP | Well Name: TODD FEDERAL AREA

Project ID: | Location: T235-R31E

Design Factors: Design Parameters: Must weight (9.00 ppg) : 0.468 psi/ft Cal Lapse : 1.125 Shut in surface pressure : 765 **96** i : 1.00 Burgi Internal gradient (burst) : 0.100 psi/ft & Round : 1.30 (4) Annular gradient (burst) : 0.000 psi/ft Buttress : 1.60 (J) Tensile load is determined using air weight Body Yield : 1.50 (8) Service rating is "Sweet" Overpull. Ø Lbs.

	Length (feet)	Size (in.)	Weight (lb/ft)		e Joi	nt	Depth (feet)	Drift (in.)	Cost
1	850	13-3/8	48.00	日-4	o ste	c	850	12.559	
	Load (psi)	Collapse Strgth (psi)	S.F.	Burst Load (psi)	Min Int Stryth (psi)	Yield S.F.			S.F.
1	397	740	1.864	850	1730	2.04	40.1	30 322	7.89 J

Prepared by : CHUCK HORSMAN, Oklahoma City, OK

Date : 00

06-04-1993

Remarks

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

Dietaca eraina

Next string will set at 4,400 ft. with 10.00 ppg mud (pore pressure of 2,286 psi.) The frac gradient of 1.000 at the casing seat results in an injection pressure of 850 psi. Effective BMP (for burst) is 850 psi.

DEVON ENERGY

Operator: DEVON ENERGY CORP | Well Name: TODD FEDERAL AREA

Project ID: | Location: T235-R31E

Design Factors: Design Parameters: Must weight (9.80 ppg) : 0.509 : 1.125 Collegee State in surface pressure : 3487 ps i Burst : 1.00 Internal gradient (burst) : 0.100 psi/ft 8 tourd : 1.30 Annular gradient (burst) : 0.000 pmi/ft : 9.89 (4) . Buttress Tensile load is decermined using air weight Body Yield : 1.50 (8) Service rating is "Sweat" Overput! 0 Lbs.

	Length (feet)	Size (in.)	Weight (lb/ft		e Joi	nt	Depth (feet)	Drift (in.)	Cost .
1	4,400	8-5/8*	32.00	J-5	5 ST&	c	4,400	7.875	
	Load (psi)	Collapse Stryth (psi)	S.F.	Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.		Tension Stryth (kips)	S.F.
1	2240	2530	1.129	3527	3930	1.11	140.80	372	2.64 J

Prepared by : CHUCK HORSMAN, Oklahoma City, OK

Date : 06-04-1993

Remarks

Minimum segment length for the 4,400 foot well is 800 feet.

Surface/Intermediate string:

Hext string will set at 8,400 ft. with 9.00 ppg mud (pore pressure of 3,927 psi.) The frac gradient of 1.000 at the casing seat results in an injection pressure of 4,400 psi. Effective SMP (for burst) is 3,527 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, 1.5 - 8 Found Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Mestcott, Dunlap and Kamler 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 1.06)

DEVON ENERGY

Operator: DEVON ENERGY CORP | Well Name: TODD FEDERAL AREA

Project ID: | Location: T235-R31E

Design Factors: Design Parameters: Mad weight (9.00 ppg) : 0.468 pai/ft Collapse : 1.125 Shut in gurinos pressure : 3216 pei Burne : 1.00 Internal gradient (burst) : 0.100 psi/ft # Bound : 1.80 (27) Annular gradient (burst) : 0.000 pai/ft ់ ៖ ១.១១ 🕼 Tensile load is determined using air weight : 1.50 (B) Body Yield Service rating is "Sweet" Overpul. o lbs.

*** MARKING *** Design factor for joint strength exceeded in design!

	Length (feet)	Size (in.)	Weight (lb/ft		e Joi	nt	Depth (feet)	Drift (in.)	Cost
1 2 3	1,200 6,200 1,350	•	17.00 15.50 17.00	J-55 J-55 J-55	LIE	3	•	4.767 4.825 4.767	
	Load (psi)	Collapse Strgth (psi)	S.F.	Burst Load (psi)	Min Int Strgth (psi)	Yield S.F.	Load (kips)	Tension Stryth (kips)	S.F.
1 2 3	561 3460 4091	3897 3927 4 910	6.947 1.135 1.200	3336 3956 4091	5320 4810 5320	1.59 1.22 1.30	139.45 119.05 22.95	217	1.77 J 1.82 J 10.76 J

Prepared by : TOM PEPPER, Oklahoma City, OK

Date : 07-10-1995

Remarks

Minimum segment length for the 8,750 foot well is 500 feet.

The mad gradient and bottom hole pressures (for burst) arm 0.468 pmi/fz and

4,091 pei, respectively.

NCTE: 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 everywheld casing), 1.8 - Burst, 1.8 - 8 Hound Tension, 1.5 - Buttress Tension, and 1.5 - Body Tield. Collapse strength under axial tension was calculated based on the Masterett, 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 1.05)

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.

Hydrogen Sulfide Drilling Operations Plan

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

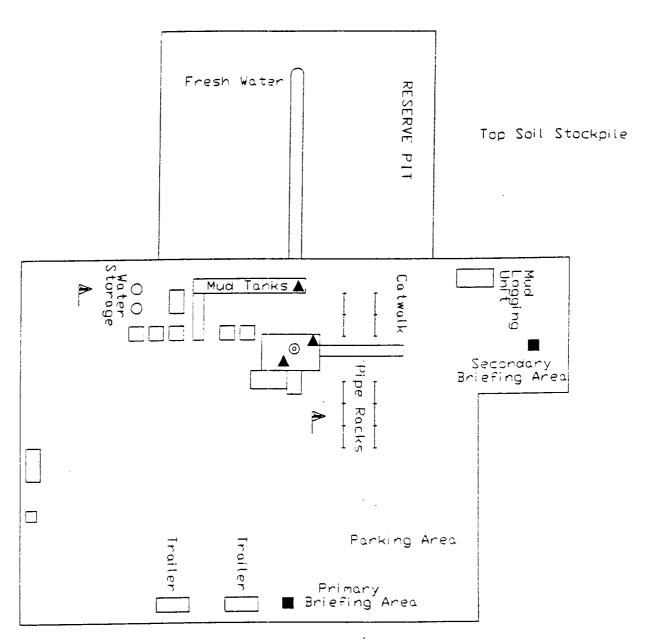
All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines and valves shall be suitable for H2S service.

7. Communication

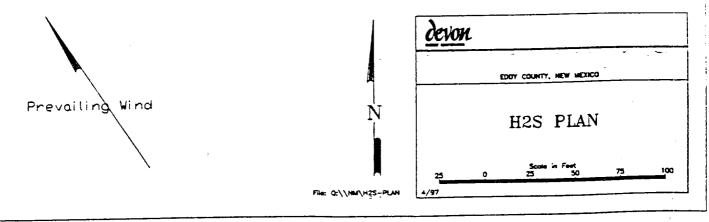
Cellular telephone communication will be available in company vehicles.

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.



- +2S MONITORS WITH ALARMS AT THE BELL NIPPLE, SUBSTRUCTURE, AND SHALE SHAKER
 WIND DIRECTION INDICATORS
- SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT



DEVON ENERGY CORPORATION

1500 Mid-America Tower 20 North Broadway Oklahoma City, Oklahoma 73102-8260

405/235-3611 TWX 910-831-327

May 5, 1989

State of New Mexico Oil & Gas 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,

Charlene Newkirk

Lease Records Supervisor

encls

cc: Carolyn Wilson

McEldowney McWilliams

RIDER

To be attached to and become	e a part of Bond No. 56-0130-11003-87-1
issued by the United States Fidel	ity and Guaranty Company, on
behalf of Devon Energy Corp	oration
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 a	Agreed that effective on the
February 10, 1989	the Principal in this
bond shall be Devon Energy Corporat	ion (Nevada)

However, the liability of the Surety in the appreciate to the Oblinee 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 benalty stated in the bond.

Signed, Sealed, and Dated this 3rdday of March 1989.

ATTEST:	_4			ender L
act dens	DVITED STATES		RVIN C. LUNDE, JR Vice President A*ID GUARANTY	
	Ву:		A++0==0= d=	
	Marcia C. Brej	da	Attorney-ir	1-lact

TITLE PAGE/ABSTRACT/NEGATIVE SITE REPORT

ROSWELL DISTRICT

1. BLM Report No.	2. (ACCEPT	TED) (REJECTED)	3.NMCRIS No. 60928
4. Title of Report (Project T An Archaeological Survey New Mexico.		Vell Locations, Eddy County,	5. Project Date(s) 05/18/98-0522/98 6. Report Date 05/23/98
7. Consultant Name & Addre Direct Charge: Don Clifton Name: Don Clifton, Archae Address: P. O. Box 30, Pep, Authors Name: Don Clifton Field personel names: Don Clhone (505) 675-2360	eological Consulta N.M. 88126	na t	8. Permit No. 83-2920-96-K 9. Consultant Report No. 249
10. Sponsor Name and Addr Indiv. Responsible: Wally I Name: Devon Energy Corp Address: 20 N Broadway, S Phone (405) 552-4595	rank poration	oma City, Ok 73102	11. For BLM's Use
12. ACREAGE: Total No. acres surveyed: 92 SURFACE DWNERSHIP: Federal: 92.		State: Pri	vate:
13. Location: (Maps attached a. State New Mexico b. County Eddy c. BLM District: Roswell d. Nearest City or town: Ce. Area: T23S R 31E Se f. Well Pad Footages: Fodd 13L#12=1980'fsl/660'f Fodd 14J#10=1980'fsl/1980'Fodd 14L#12=1980'fsl/1980'Fodd 14N#13=660'fsl/1980'Fodd 14O#15=660'fsl/1980'Fodd 22A#1=660'fnl/660'fFodd 22B#2=660'fnl/1980'Fodd 22F#6=1980'fnl/1980'Fodd 22F#6=1980'Fnl/1980'Fnl/1980'Fodd 22F#6=1980'Fnl/1980'F	Carlsbad c. 13, 14, 22, 23 'fwl, Sec. 13 el, Sec. 14 0'fel, Sec. 14 'fwl, Sec. 14 'fwl, Sec. 14 'fwl, Sec. 14 'fel, Sec. 14 el, Sec. 22 fel, Sec. 22 fwl, Sec. 22 'fwl, Sec. 22	Todd 22H#8=1980'fnl/66 Todd 22J#9= 1980'fsl/660 Todd 22J#10= 1980'fsl/1 Todd 22K#11= 1980'fsl/1 Todd 22N#14= 660'fsl/1 Todd 22O#15= 660'fsl/1 Todd 23C#18= 660'fnl/1 Todd 23D#19= 660'fnl/6 Todd 23E#20= 1980'fnl/6 Todd 23L#21= 1980'fsl/6 Todd 23M#22= 660'fsl/6	9'fel, Sec. 22 980'fel, Sec. 22 1980'fwl, Sec. 22 980'fwl, Sec. 22 980'fel, Sec. 22 50'fel, Sec. 22 980'fwl, Sec. 23 660'fwl, Sec. 23 660'fwl, Sec. 23

g. Area Surveyed: Block: Impact 400' x 400' x 400'

Surveyed 400' x 400'

for each well location

Linear: Impact x Surveyed x

Map Sources: Los Medanos, N.M. 1985 32103 C-7 Bootleg Ridge, N.M. 1984 32103 C-6

14. a. Records Search:

Location: BLM and ARMS

Date: May 18, 1998

List by LA# all sites within .25 miles of the project:

(Those sites within 500' are to be shown on project map)

LA7183

- b. Description of Undertaking: Devon Energy Corporation proposes to develop 25 well locations. Access roads and other facilities will be staked in the future.
- c. Environmental Setting (NRCS soil designation, vegetativ comunity; etc.) The project is located on an undulating plain. Soils are sandy with few blowouts present. Vegetation is a grasslands with shinoak, mesquite, yucca, and mixed grasses.
 - d. Field Methods

Transect intervals: 15m

Crew Size: two

Time in field: Three days

Collections: None

15. Cultural Resource Findings:

a. Identification and description: Seven isolated occurrences were found and recorded.

IO#1- Three golfball-sized pieces of burned caliche in a 12m x 6m blowout at UTM Zone 13, 616540E, 3572880N on Todd 22J#10 well location.

IO#2- Three fist-sized pieces of burned caliche in a 14m x 12m blowout at UTM Zone 13, 616520E, 3572860N, on Todd 22J#10 well location.

IO#3- Lateral portion red chert flake, no use, no cortex; 5 fist-sized fragments of a sandstone burned bifacial basin metate; 4 pieces golfball-sized burned caliche; in 16m x 11m blowout at UTM Zone 13, 616560E, 3572840 adjacent to the east side of Todd 22J#10 well location.

IO#4- Complete grey coarse grey chert flake, no use, 50% cortex, 4.1cm at UTM Zone 13, 616280E, 3574020N on Todd 14M#13 well location.

IO#5- One marble-sized pieces of burned caliche at UTM Zone 13, 617260E, 3573700N on Todd 23D#19 well location.

IO#6- Two pieces of golfball-sized burned caliche in small blowout at UTM Zone 13, 617260E, 3572460N on Todd 23M#22 well location.

IO#7- One marble-sized piece of burned caliche at UTM Zone 13, 618780E, 3574480N on Todd 13L#12 well location.

16. Management Summary (Recommendations):

No Historic Properties were discovered during the archaeological survey.

I certify that the information provided above are correct and accurate and meets all appreciable BLM standards.

Responsible Archaeologist: Signature

Date May 23, 1958