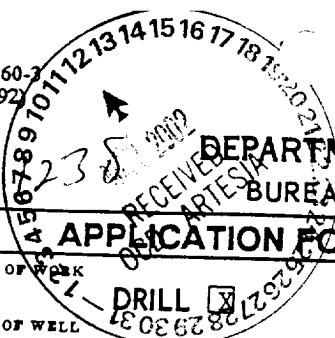


Form 3160-1  
(July 1992)



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN "TRIPLICATE"  
(Other instructions on  
reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

b. TYPE OF WELL

OIL  
WELL ☐

GAS  
WELL ☒

OTHER

DEEPEN ☐

SINGLE  
ZONE ☒

MULTIPLE  
ZONE ☐

2. NAME OF OPERATOR

DEVON ENERGY PRODUCTION COMPANY, L.P. WALLY FRANK

3. ADDRESS AND TELEPHONE NO.

20 NORTH BROADWAY, SUITE 1500  
OKLAHOMA CITY, OKLAHOMA 73102-8260

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 760' FSL & 1980' FWL SEC. 33 T23S-R26E EDDY CO. NM

UNIT "N"  
At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

Approximately 10 miles Southwest of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

760'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

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

NA

19. PROPOSED DEPTH

12,100'

20. ROTARY OR CABLE TOOLS  
ROTARY

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

3395' GR.

22. APPROX. DATE WORK WILL START\*

NOVEMBER 2001

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor	NA	40'	Cement to surface with Redi-mix
17 1/2"	H-40 13 3/8"	48	450' 575'	450 Sx. Circulate to surface
12 1/4"	J-55 9 5/8"	36	2000'	750 Sx. " " "
8 3/4"	L-80 5 1/2"	20 & 17	12,100'	2000 Sx. Est. top C. 4500'

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 450'. Run and set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 450 Sx. of Class "C" cement + 2% CaCl + 1/4# Flocele/Sx. circulate to surface.
3. Drill 12 1/4" hole to 2000'. Run and set 2000' of 9 5/8" 36# J-55 ST&C casing. Cement with 750 Sx. of Class "C" cement + 2% CaCl, + 1/4# Flocele/Sx. circulate to surface.
4. Drill 8 3/4" hole to 12,100'. Run and set 5 1/2" casing as follows: 4400' of 5 1/2" 20# L-80 LT&C, 5700' of 5 1/2" 17# L-80 LT&C, 2000' of 5 1/2" 20# L-80 LT&C. Cement in two stages. Cement 1st stage with 1000 Sx. of Class "H" Premium Plus cement + additives, cement 2nd stage with 1000 Sx. of Class "H" Premium Plus + additives. Estimate top of cement 4500'.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present production 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 prevention program, if any.

SIGNED

TITLE Agent

DATE 09/17/01

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

/S/ JOE G. LARA

ACTING  
FIELD MANAGER

TITLE

DATE

MAR 08 2002

\*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

RECEIVED  
2011 SEP 18 AM 10:03

121 JOE G. TANA

DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1984  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer 80, Artesia, NM 88211-0719

DISTRICT III  
1000 El Estero Rd., Artec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, N.M. 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	73960	CARLSBAD SOUTH - MORROW (PRO)
Property Code	Property Name	Well Number
	F.H. "33" "N" FEDERAL COM.	1
GRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION COMPANY L.P.	3395'

Surface Location

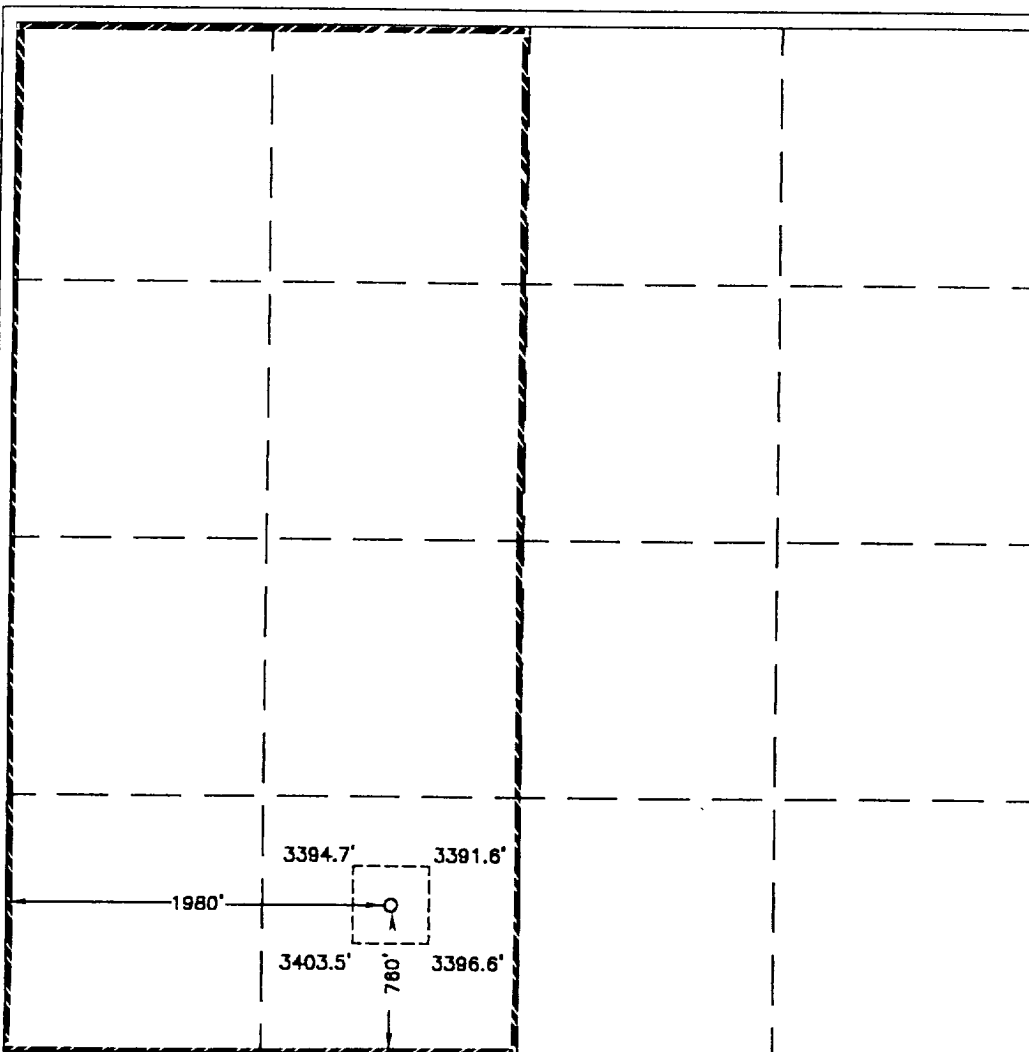
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	33	23-S	26-E		760	SOUTH	1980	WEST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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



OPERATOR CERTIFICATION

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

*Joe T. Janica*  
Signature

Joe T. Janica

Printed Name

Agent

Title

09/17/01

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown  
on this plat was plotted from field notes of  
actual surveys made by me or under my  
supervision, and that the same is true and  
correct to the best of my belief.

JUNE 27, 2001

Date Surveyed

AWB

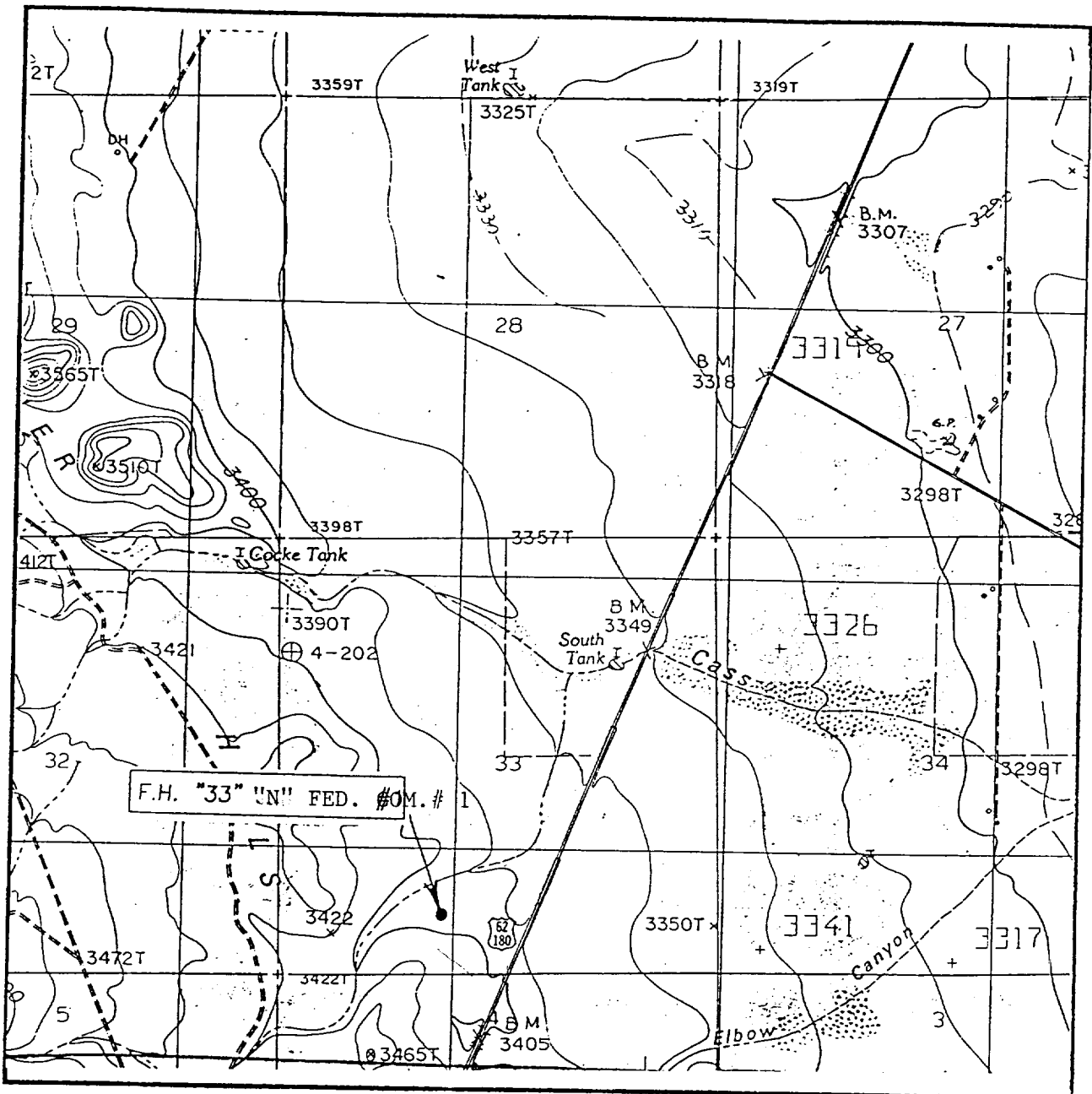
*G. EIDSON*  
Signature & Seal of  
Professional Surveyor

*Gary J. Eidson*  
01-11-0790

Certificate No. RONALD J. EIDSON 3239  
GARY EIDSON 12841

EXHIBIT "A"

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'

KITCHEN COVE, N.M.

SEC. 33 TWP. 23-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 760' FSL & 1980' FWL

ELEVATION 3395'

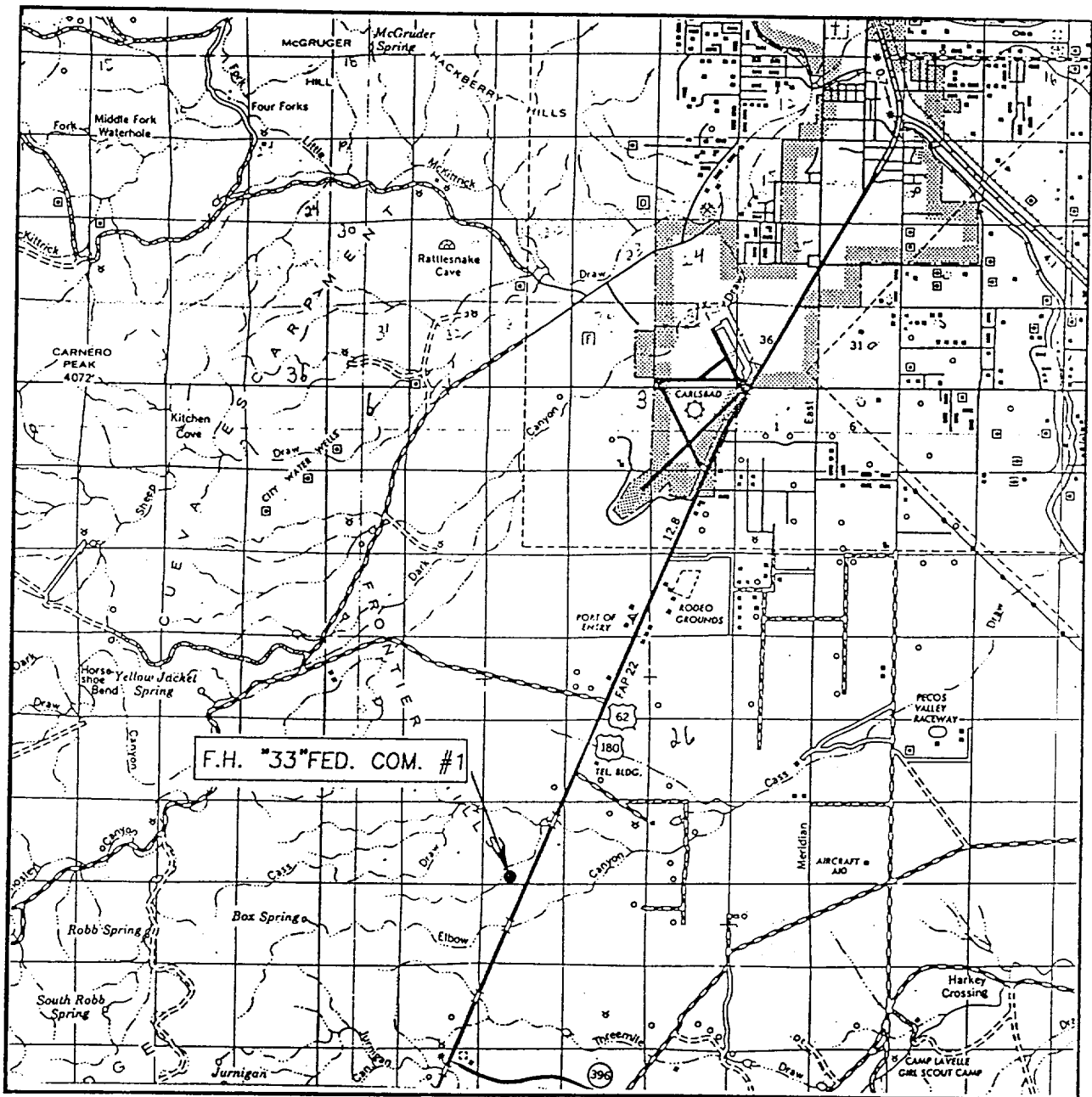
OPERATOR DEVON ENERGY PRODUCTION CO. L.P.

LEASE F.H. "33" "N" FEDERAL COM. # 1

U.S.G.S. TOPOGRAPHIC MAP  
KITCHEN COVE, N.M.

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 33 TWP. 23-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 760' FSL & 1980' FWL

ELEVATION 3395'

OPERATOR DEVON ENERGY PRODUCTION CO. L.P.

LEASE F.H. #33 "N" FEDERAL COM. # 1

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

Well name: **FH 33 "N" Fed. Com. #1**  
 Operator: **Devon Energy Production Company L.P.**  
 String type: **Surface**  
 Location: **Sec. 33, T23S, R26E, Eddy Co. NM**

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Design is based on evacuated pipe.

Surface pressure: 200 psi

**Burst**

Max anticipated surface pressure: 257 psi  
 Internal gradient: 0.000 psi/ft  
 Calculated BHP: 257 psi  
 Annular backup: 8.40 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: 395 ft

**Environment:**

H2S considered? No  
 Surface temperature: 80 °F  
 Bottom hole temperature: 84 °F  
 Temperature gradient: 0.80 °F/100ft  
 Minimum section length: 450 ft  
 Minimum Drift: 2.250 in

Non-directional string.

**Re subsequent strings:**

Next setting depth: 2,000 ft  
 Next mud weight: 8.400 ppg  
 Next setting BHP: 873 psi  
 Fracture mud wt: 11.000 ppg  
 Fracture depth: 450 ft  
 Injection pressure: 257 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	450	13.375	48.00	H-40	ST&C	450	450	12.59	5581

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	396	740	1.87	257	1730	6.73	21.6	322	14.91 J

Prepared by: W.M. Frank  
 by: Devon Energy

Phone: (405) 552-4595  
 FAX: (405) 552-4621

Date: September 2, 2001  
 Oklahoma City, Oklahoma

**Remarks:**

Collapse is based on a vertical depth of 450 ft, a mud weight of 8.4 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:	<b>FH 33 "N" Fed. Com. #1</b>
Operator:	<b>Devon Energy Production Company L.P.</b>
String type:	<b>Intermediate</b>
Location:	<b>Sec. 33, T23S, R26E, Eddy Co. NM</b>

**Design parameters:**
**Collapse**

Mud weight: 8.400 ppg  
Design is based on evacuated pipe.

Surface pressure: 400 psi

**Burst**

Max anticipated surface pressure: 1,143 psi  
Internal gradient: 0.000 psi/ft  
Calculated BHP: 1,143 psi  
  
Annular backup: 8.40 ppg

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.60 (B)

Tension is based on air weight.  
Neutral point: 1,751 ft

**Environment:**

H2S considered? No  
Surface temperature: 80 °F  
Bottom hole temperature: 96 °F  
Temperature gradient: 0.80 °F/100ft  
Minimum section length: 450 ft  
Minimum Drift: 8.750 in

Non-directional string.

**Re subsequent strings:**

Next setting depth: 12,100 ft  
Next mud weight: 10.500 ppg  
Next setting BHP: 6,600 psi  
Fracture mud wt: 11.000 ppg  
Fracture depth: 2,000 ft  
Injection pressure 1,143 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 (\$)
1	2000	9.625	36.00	J-55	ST&C	2000	2000	8.796	17384

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	1273	2020	1.59	1143	3520	3.08	72	394	5.47 J

Prepared W.M. Frank  
by: Devon Energy

Phone: (405) 552-4595  
FAX: (405) 552-4621

Date: September 2, 2001  
Oklahoma City, Oklahoma

**Remarks:**

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 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:	<b>FH 33 "N" Fed. Com. #1</b>
Operator:	<b>Devon Energy Production Company L.P.</b>
String type:	<b>Production</b>
Location:	<b>Sec. 33, T23S, R26E, Eddy Co. NM</b>

**Design parameters:**
**Collapse**

Mud weight: 6.400 ppg  
Design is based on evacuated pipe.

**Minimum design factors:**
**Collapse:**

Design factor 1.125

**Environment:**

H2S considered? No  
Surface temperature: 80 °F  
Bottom hole temperature: 177 °F  
Temperature gradient: 0.80 °F/100ft  
Minimum section length: 450 ft

**Burst:**

Design factor 1.00

**Burst**

Surface pressure: 2,550 psi

Max anticipated surface pressure: 4,023 psi  
Internal gradient: 0.000 psi/ft  
Calculated BHP 4,023 psi

Annular backup: 10.40 ppg

**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)

Non-directional string.

Packer fluid details:  
Fluid density: 8.500 ppg  
Packer depth: 11,500 ft

Tension is based on air weight.  
Neutral point: 11,010 ft

Estimated cost: 83,845 (\$)

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 (\$)
3	2000	5.5	20.00	L-80	LT&C	2000	2000	4.653	14916
2	5700	5.5	17.00	L-80	LT&C	7700	7700	4.767	36115
1	4400	5.5	20.00	L-80	LT&C	12100	12100	4.653	32814

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
3	3215	7247	2.25	4023	9190	2.28	224.9	416	1.85 J
2	5110	5784	1.13	3825	7740	2.02	184.9	338	1.83 J
1	6573	8830	1.34	3263	9190	2.82	88	416	4.73 J

Prepared by: W.M. Frank  
Devon Energy

Phone: (405) 552-4595  
FAX: (405) 552-4621

Date: September 2, 2001  
Oklahoma City, Oklahoma

**Remarks:**

Collapse is based on a vertical depth of 12100 ft, a mud weight of 6.4 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.*



## APPLICATION TO DRILL

ON ENERGY PRODUCTION COMPANY L...  
 F.H. "33" "N" FEDERAL COM. # 1  
 UNIT "N" SECTION 33  
 T23S-R26E EDDY CO. NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1. Location: 1980' FWL & 760' FSL SEC 33 T23S-R26E EDDY CO. NM  
UNIT "N"
2. Elevation above sea level: 3395' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
5. Proposed drilling depth: 12,100'
6. Estimated tops of geological markers:

Delaware Sand	1850'	Strawn	10,174
Bone Spring	5145'	Atoka	10,650'
Wolfcamp	8695'	Morrow	11,100'
7. Possible mineral bearing formation:

Bone Spring	Oil	Atoka	Gas
Wolfcamp	Gas	Morrow	Gas
Strawn	Gas		
8. Casing program:

Hole size	Interval	OD of casing	Weight	Thread	Collar	Grade
25"	0-40	20"	NA	NA	NA	Conductor
17½"	0-450'	13 3/8"	48	8-R	ST&C	H-40
12¼"	0-2000'	9 5/8"	36	8-R	ST&C	J-55
8 3/4"	0-12,100'	5½"	20 & 17	8-R	LT&C	L-80

# APPLICATION TO DRILL

LUNON ENERGY PRODUCTION COMPANY L.P.  
 F.H. "33" "N" FEDERAL COM. # 1  
 UNIT "N" SECTION 33  
 T23S-R26E EDDY CO. NM

## 9. CEMENTING & SETTING DEPTH:

20"	Conductor	Set 40' of 20" conductor pipe and cement to surface with Redi-mix
13 3/8"	Surface	Set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 450 Sx. of Class "C" cement + 2% CaCl + 1/4# Flocele/Sx. circulate cement to surface.
9 5/8"	Intermediate	Set 2000' of 9 5/8" 36# J-55 ST&C casing. Cement with 750 Sx. of Class "C" cement + 2% CaCL + 1/4# Flocele/Sx. Circulate cement to surface.
5 1/2"	Production	Set 12,100' of 5 1/2" casing as follows" 4400' of 5 1/2" 20# L-80 LT&C, 5700' of 5 1/2" 17# L-80 LT&C, 2000' of 5 1/2" 20# L-80 LT&C. Cement in two stages with 2000 Sx. of Class "H" Premium Plus cement + additives estimate top of cement 4500'.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E" shows a 1500 Series 5000 PSI working pressure B.O.P. consisting of an annular bag type preventor, middle blind rams and bottom pipe rams. The B.O.P. will be nipped up on the 13 3/8" casing and tested to API specifications. The B.O.P. will be operated at least once in each 24 hour period and the blind rams will be operated when drill pipe is out of hole on trips. Full opening stabbing valve and upper kelly cock will be utilized. Exhibit "E-1" shows a hydraulically operated closing unit and a 2" 5000 PSI choke manifold with dual adjustable chokes. No abnormal pressures or temperatures are expected.

## 11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD WT.	VISC.	FLUID LOSS	TYPE MUD SYSTEM
40-450'	8.4-8.7	29-32	NC	Fresh water add paper to control seepage.
450-2000'	10.0-10.2	29-36	NC	Brine water add paper to control seepage and Soda Ash to control pH.
2000-10,000	10.2-10.4	29-38	NC	Same as above using high viscosity sweeps to clean hole.
10,000-12,100'	10.2-10.4	32-38	10 cc or Less	Brine water system using Dris-Pac system to control water loss and high viscosity sweeps to clean hole.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, or unexpected kicks. In order to run DST's, open hole logs, and casing viscosity and/or water loss may have to be adjusted to meet these needs.

APPLICATION TO DRILL  
ON ENERGY PRODUCTION COMPANY L .  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T23S-R26E EDDY CO. NM

12. Testing, Logging and Coring Program:

- A. Open hole logs: Dual Laterolog, SNP, LDT, BHC, Gamma Ray Caliper from TD back to 2000'
- B. Run cased hole log Gamma Ray, Neutron from 2000' to surface.
- C. Mud logger may be placed on hole at the dictate of Geologist.
- D. Cores & DST's may be taken as shows and drilling breaks deemed important.

13. Potential Hazards:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H<sub>2</sub>S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 6000 PSI, estimated BHT 190° .

14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 40 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. Other Facets of Operations:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Morrow pay will be perforated and stimulated. The well will be swab tested and potentialized as a gas well.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H<sub>2</sub>S safety instructor to the following:
  - A. Characteristics of H<sub>2</sub>S
  - B. Physical effects and hazards
  - C. Proper use of safety equipment and life support systems.
  - D. Principle and operation of H<sub>2</sub>S detectors, warning system and briefing areas.
  - E. Evacuation procedure, routes and first aid.
  - F. Proper use of 30 minute pressure demand air pack.
2. H<sub>2</sub>S Detection and Alarm Systems
  - A. H<sub>2</sub>S detectors and audio alarm system to be located at bell nipple, end of bloopie line (mud pit) and on derrick floor or doghouse.
3. Windsock and/or wind streamers
  - A. Windsock at mudpit area should be high enough to be visible.
  - B. Windsock at briefing area should be high enough to be visible.
  - C. There should be a windsock at entrance to location.
4. Condition Flags and Signs
  - A. Warning sign on access road to location.
  - B. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H<sub>2</sub>S present in dangerous concentration. Only emergency personnel admitted to location.
5. Well control equipment
  - A. See exhibit "E" & "E-1"
6. Communication
  - A. While working under masks chalkboards will be used for communication.
  - B. Hand signals will be used where chalk board is inappropriate.
  - C. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephoned will be available at most drilling foreman's trailer or living quarters.
7. Drillstem Testing
  - A. Exhausts will be watered.
  - B. Flare line will be equipped with an electric ignitor or a propane pilot light in case gas reaches the surface.
  - C. If the location is near to a dwelling a closed DST will be performed.

## HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

8. Drilling contractor supervisor will be required to be familiar with the effects H<sub>2</sub>S has on tubular goods and other mechanical equipment.
9. If H<sub>2</sub>S is encountered, mud system will be altered if necessary to maintain control of formation. A mud gas separator will be brought into service along with H<sub>2</sub>S scavengers if necessary.

ON ENERGY PRODUCTION COMPANY  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T23S-R26E EDDY CO. NM

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

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

B. From Carlsbad New Mexico take U.S. Hi-way 180 Southwest past the airport from the airport go 6.3± miles. Turn right on to a lease road go 1000'± and location is on the East side of road.

C. Lay gas sales line along road R-O-W to meter run.

2. PLANNED ACCESS ROADS: None required.

A. The access road will be crowned and ditched to a 12'00" wide travel surface with a 40' right-of-way.

B. Gradient on all roads will be less than 5.00%.

C. Turn outs will be constructed where necessary.

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

E. Centerline for the new access road has been flagged. Earthwork will be as required by field conditions.

F. Culverts in the access road will not be used. The road will be constructed to utilize low water crossings for drainage as required by the Topography.

3. LOCATION OF EXISTING WELLS IN A ONE-MILE RADIUS EXHIBIT "A-1"

A. Water wells	-	None known
B. Disposal wells	-	None known
C. Drilling wells	-	None Known
D. Producing wells	-	As shown on Exhibit "A-1"
E. Abandoned wells	-	As shown on Exhibit "A-1"

## SURFACE USE PLAN

IVON ENERGY PRODUCTION COMPANY P.  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T23S-R26E EDDY CO. NM

4. If this well is completed as a gas well Exhibit "F" shows a similar surface production facility that will be constructed on the location in order to produce this well.

### 5. LOCATION AND TYPE OF WATER SUPPLY

Water will be purchased locally from a commercial source and trucked over the access roads or piped in flexible lines laid on top of the ground.

### 6. SOURCE OF CONSTRUCTION MATERIALS

If needed, construction materials will be obtained from the drill site's excavations or from a local source. These materials will be transported over the access route as shown on Exhibit "C".

### 7. METHODS FOR HANDLING WASTE DISPOSAL

- A.
  1. Drill cuttings will be disposed of in the reserve pit.
  2. All trash, junk and other waste material will be contained in trash cages or bins to prevent scattering. When the job is completed all contents will be removed and deposited in an approved sanitary landfill.
  3. Salts remaining after completion of the well will be picked up by the supplier, including broken sacks.
  4. Sewage from trailer houses will drain into holes with minimum depth of 10'00". These holes will be covered during drilling and backfilled upon completion. A "porta John" will be provided for the rig crews. This will be properly maintained during the drilling operations and removed upon completion of the well.

- B. Remaining drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry enough for backfilling. In the event drilling fluids will not evaporate in a reasonable period of time they will be transported by tank truck to a state approved disposal site. Pits will then be broken out to speed drying.

Water produced during testing of the well will be disposed of in the reserve pit. Oil produced during testing of the well will be stored in test tanks until sold and hauled from the site.

### 8. ANCILLARY FACILITIES

No camps or airstrips will be constructed.

9. WELL SITE LAYOUT

- A. Exhibit "D" shows the proposed well site layout.
- B. This exhibit indicated proposed location of reserve and sump pits and living facilities.
- C. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface condition encountered during pit construction indicate that lining is needed for lateral containment of fluids.
- D. If needed, the reserve pit is to be lined with polyethelene. The pit liner will be 6 mils thick. Pit liner will extend a minimum 2'00" over the reserve pits dikes where the liner will be anchored down.
- E. The reserve pit will be fenced on three sides with four strands of barbed wire during drilling and completion phases. The fourth side will be fenced after all drilling operations have ceased. If the well is a producer, the reserve pit fence will be torn down. The reserve pit and those areas of the location not essential to production facilities will be reclaimed and seeded per BLM requirements.

10. PLANS FOR RESTORATION OF SURFACE

Rehabilitation of the location and reserve pit will start in a timely manner after all drilling operations cease. The type of reclamation will depend on whether the well is a producer or a dry hole.

However, in either event, the reserve pit will be allowed to dry properly, and fluid removed and disposed of in accordance with Article 7.B as previously noted. The pit area will then be leveled and contoured to conform to the original and surrounding area. Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be modified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped and contoured, topsoil from the spoil pile will be placed over the disturbed area to the extent possible. Revegetation procedures will comply with BLM standards.

If the well is a dry hole, the pad and road area will be contoured to match the existing terrain. Topsoil will be spread to the extent possible. Revegetation will comply with BLM standards.

Should the well be a producer, the previously noted procedures will apply to those areas which are not required for production facilities.



SURFACE USE PLAN

DEVON ENERGY PRODUCTION COMPANY L.P.  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T21S-R26E EDDY CO. NM

11. OTHER INFORMATION:

- A. Topography consists of a low relief flood plain soil is a slity sand with limestone gravel. Vegetation consists of yucca, prickly pear, cholla, sumac tar bush, acacia, little leaf sumac, and native grasses.
- B. The surface and minerals are owned by the U.S. Government and is administered by The Bureau of Land Management. The surface is used for livestock grazing and the production of oil and gas.
- C. An archaeological survey will be conducted on the effected area and a report will be filed with the BLM field office in Carlsbad, New Mexico.
- D. There are no dwellings located in the near vicinity of the location.

12. OPERATOR'S REPRESENTATIVE:

BEFORE CONSTRUCTION:

TIERRA EXPLORATION, INC.  
P.O. BOX 2188  
HOBBS, NEW MEXICO 88241  
JOE T. JANICA  
OFFICE Ph. 505-391-8503

DURING & AFTER CONSTRUCTION:

DEVON ENERGY PRODUCTION COMPANY L.P.  
20 NORTH BROADWAY SUITE 1500  
OKLAHOMA CITY, OKLAHOMA 73102-8260  
WALLY FRANK OFFICE Ph. 405-552-4595  
DON MAYBERRY  
P.O. BOX 250  
ARTESIA, NEW MEXICO 88211-0250  
Ph. OFFICE 505-748-3371 HOME 505-746-4945

13. CERTIFICATION: I certify that I or persons under my direct supervision have inspected the proposed dirll site and access route, that I am familiar with the conditions which currently exist and that the statements made in this plan are to the best of my knowledge, are true and correct, and that the work associated with the operations proposed herein will be performed by DEVON ENERGY PRODUCING COMPANY L.P., it's contractors/subcontractors and is in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provision of U.S.C. 1001 for the filing of a false statement.

NAME : Joe T Janica  
DATE : 09/17/01  
TITLE : Agent

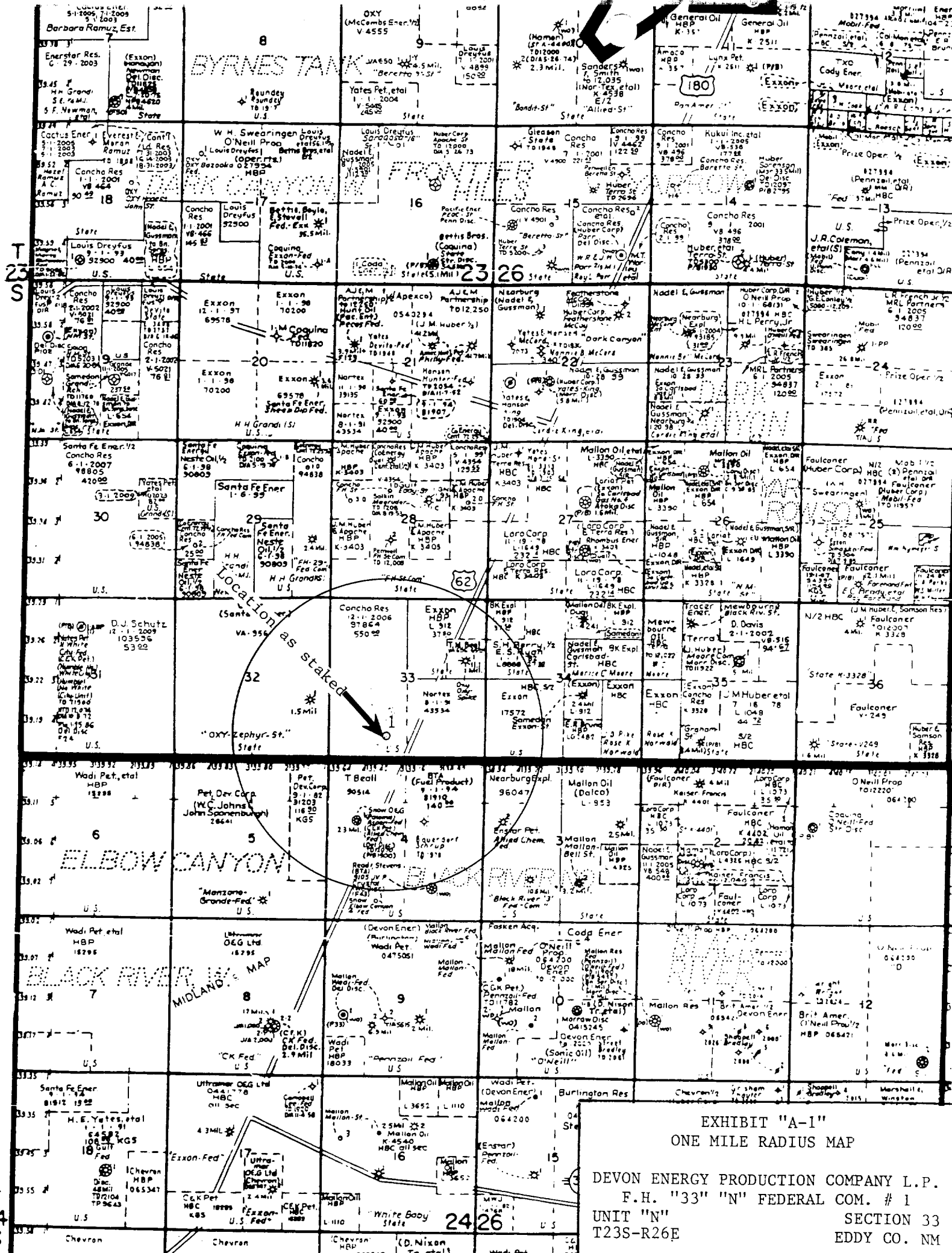


EXHIBIT "A-1"  
ONE MILE RADIUS MAP

DEVON ENERGY PRODUCTION COMPANY L.P.  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N"  
T23S-R26E  
SECTION 33  
EDDY CO. NM

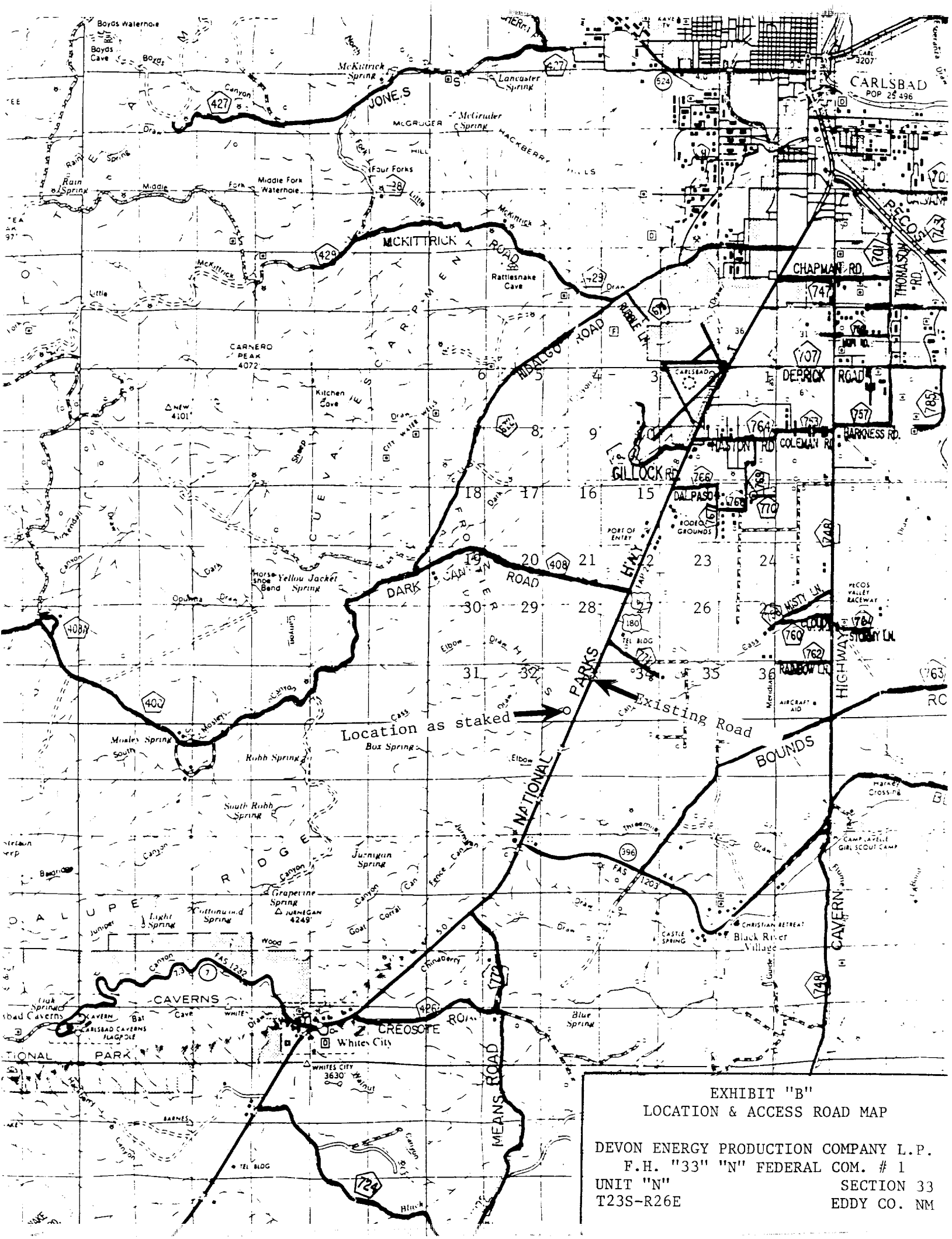
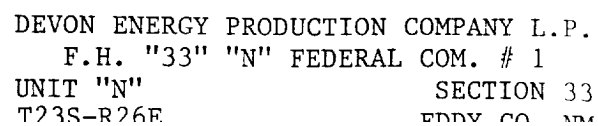
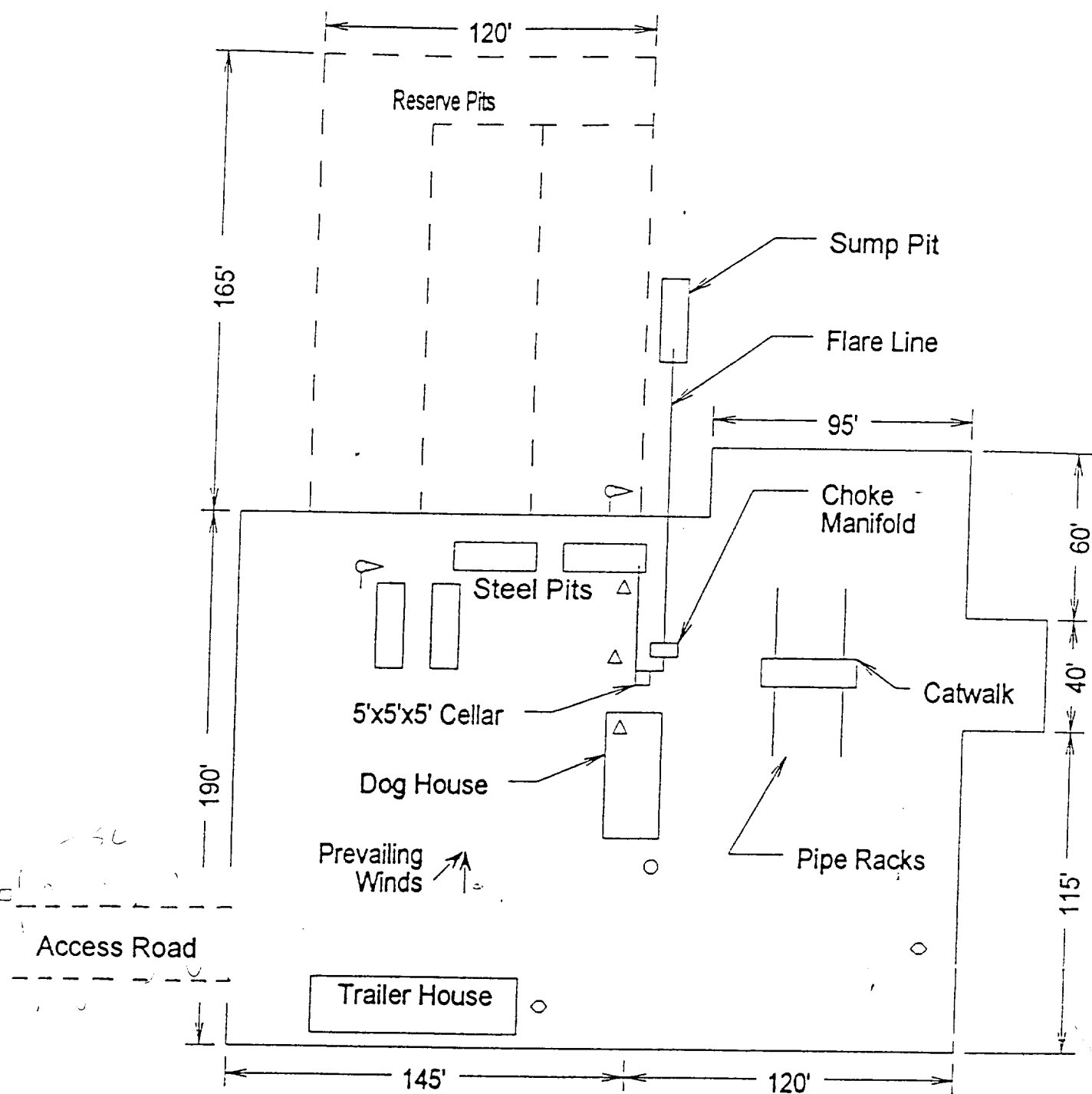


EXHIBIT "B"  
LOCATION & ACCESS ROAD MAP

DEVON ENERGY PRODUCTION COMPANY L.P.  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T23S-R26E EDDY CO. NM

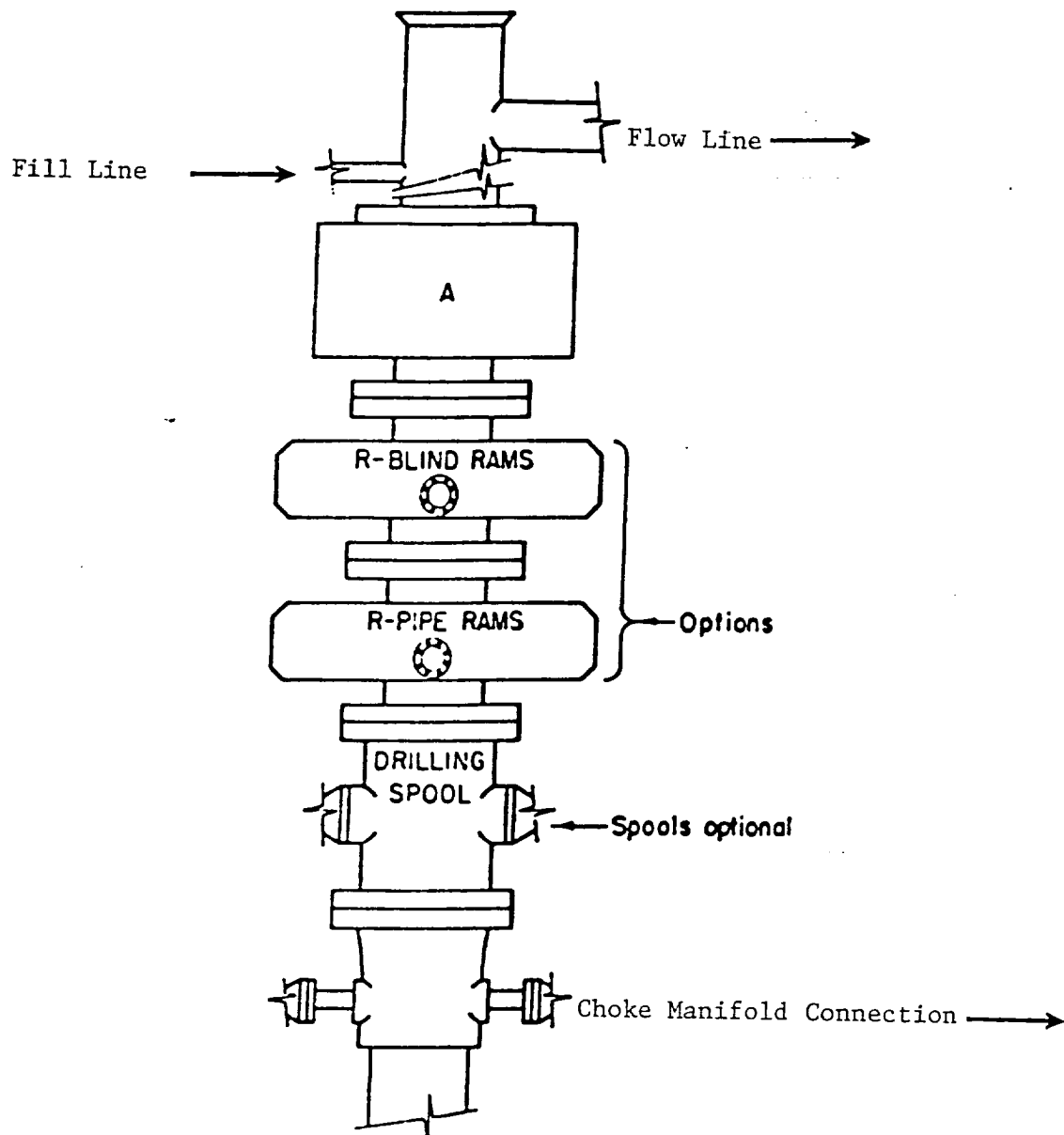




- Wind Direction Indicators (wind sock or streamers)
- △ H2S Monitors (alarms at bell nipple and shale shaker)
- Briefing Areas
- Remote BOP Closing Unit
- Sign and Condition Flags

EXHIBIT "D"  
RIG LAYOUT PLAT

DEVON ENERGY PRODUCTION COMPANY L.P.  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T23S-R26E EDDY CO. NM



# **ARRANGEMENT SRRA**

1500 Series  
5000 PSI WP

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

DEVON ENERGY PRODUCTION COMPANY L.P.  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T23S-R26E EDDY CO. NM

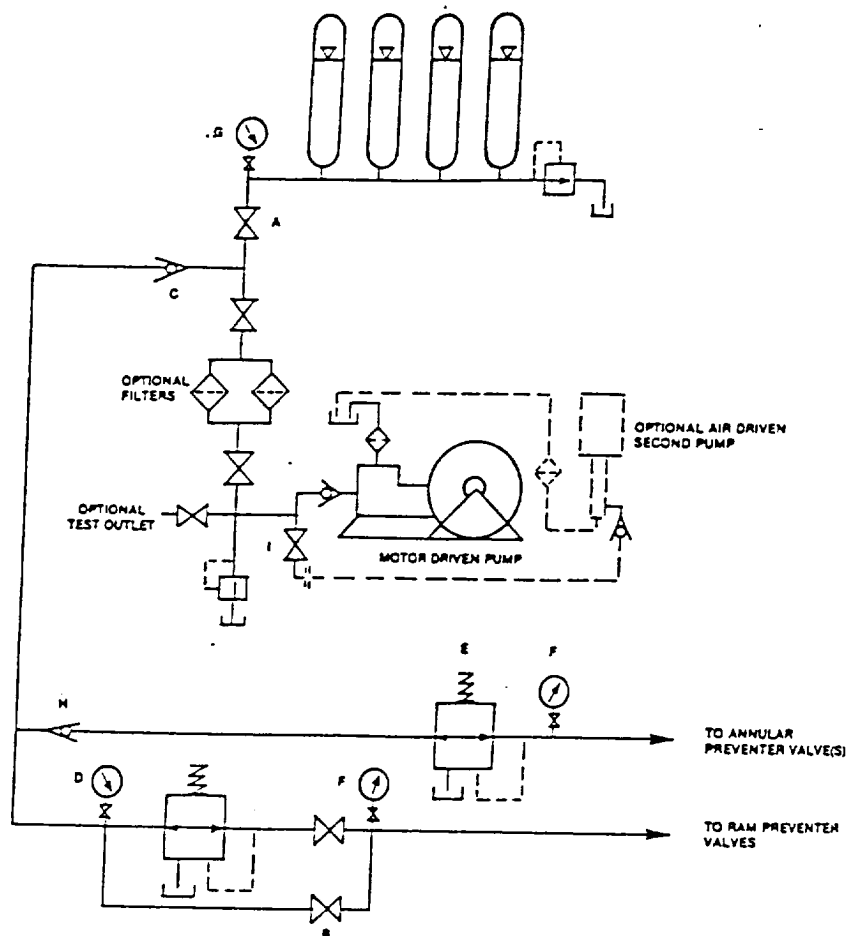


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

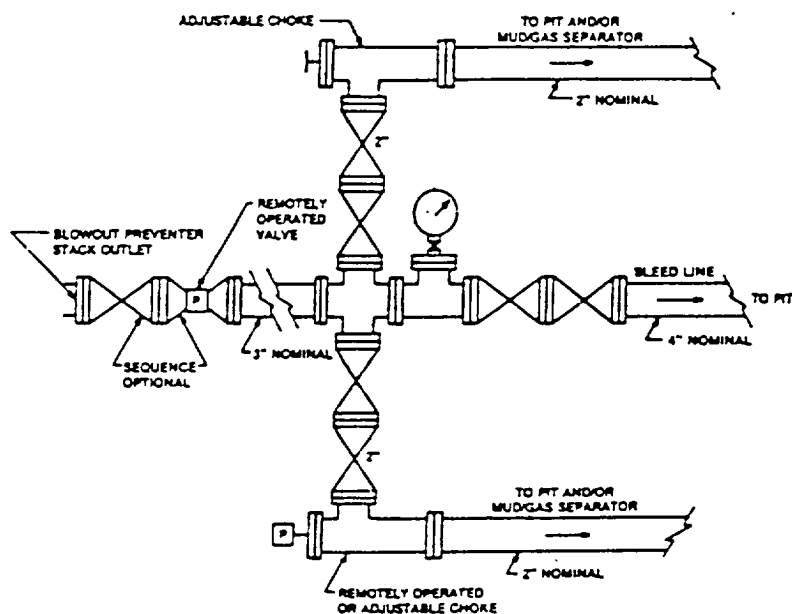


FIGURE K4-2. Typical choke manifold assembly for 3M rated working pressure service — surface installation.

EXHIBIT "E-1"  
CHOKE MANIFOLD & CLOSING UNIT

DEVON ENERGY PRODUCTION COMPANY L.P.  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T23S-R26E EDDY CO. NM

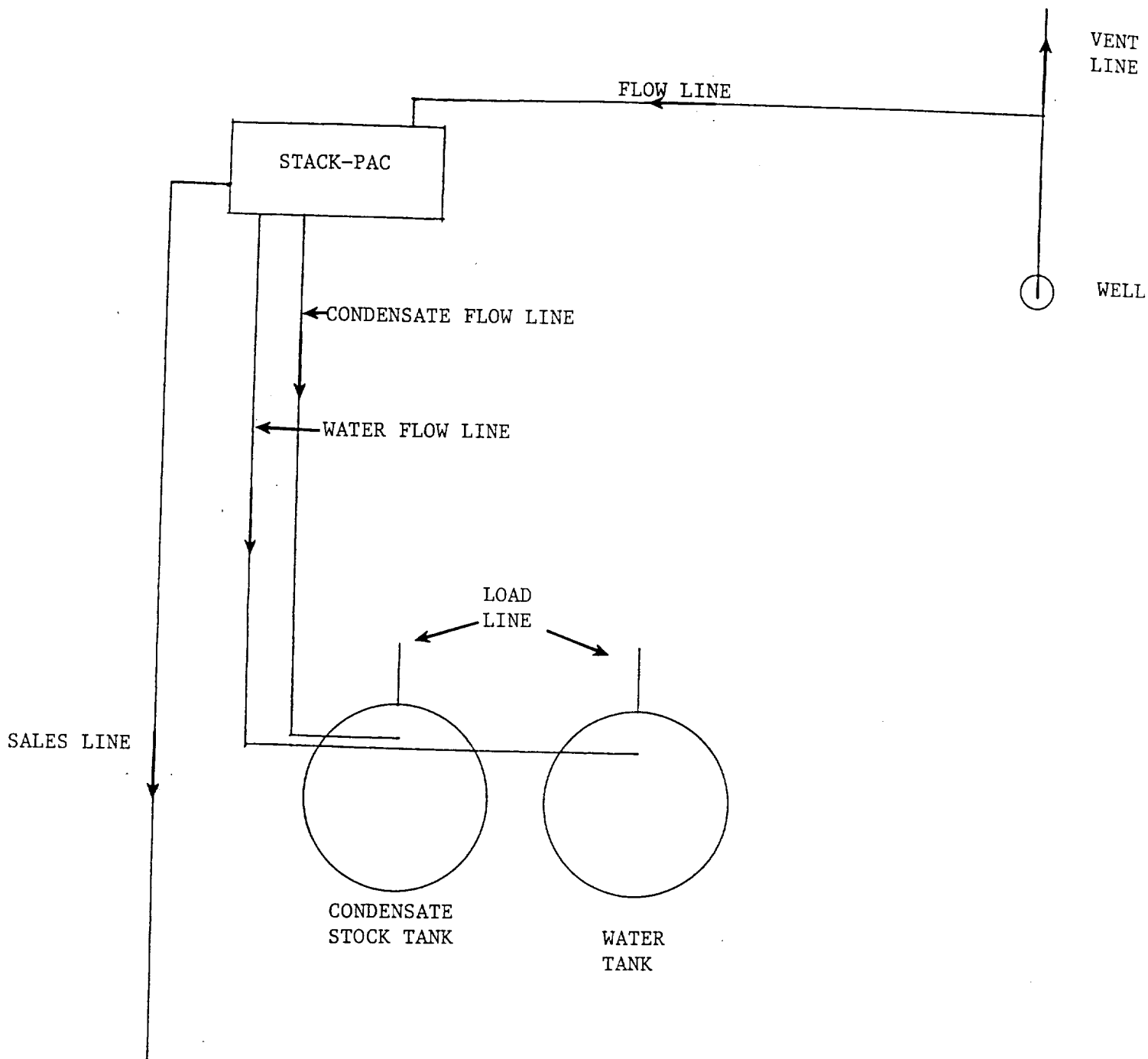


EXHIBIT "F"  
SURFACE FACILITY

DEVON ENERGY PRODUCTION COMPANY L.P.  
F.H. "33" "N" FEDERAL COM. # 1  
UNIT "N" SECTION 33  
T23S-R26E EDDY CO. NM



# **STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS**

submitted as attachment to the Bureau of Land Management  
form 3160-5 Sundry Notice of OPERATOR CHANGE

Operator Name: **Devon Energy Production Company, L.P.**  
Street or Box: **20 North Broadway, Suite 1500**  
City, State: **Oklahoma City, OK**  
Zip Code: **73102-8260**

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Well Name and No.: **F.H. 33 "N" Fed Com #1**  
**760' FSL & 1980' FWL**  
**Section N – 33-T23S-R26E**  
**Eddy County, New Mexico**

Lease No.: **NMMN-97864**  
Legal Description of Land: **Section 33: W/2**  
**Total 320 acres**

Formation(s): **No limitations**

Bond Coverage: **\$200,000**

BLM Bond File No.: **CO-1104**

Authorized Signature: \_\_\_\_\_

  
**Bradley A. Foster**  
**Devon Energy Production Company, L.P.**  
Title: **Operations Manager**

Date: **February 21, 2002**