Form 3160-3 (December 1990)

CONDITIONS OF APPROVAL, IF ANY:

## UNIT' STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN
(See other instruction

Form approved.

CISE

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 DRILL DEEPEN la TYPE OF WORK: Ø N/A 7.UNIT AGREEMENT NAME b. TYPE OF WELL: N/A WELL WELL 🛛 NAME OF OPERATOR Barclay "11N" Federal #14 **DEVON ENERGY CORPORATION (NEVADA)** 3. ADDRESS AND TELEPHONE NO. 30-015-20 N. BROADWAY, SUTTE 1500, OKC, OK 73102 (405) 235-3611 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\* Ingle Wells (Delaware) At surface 660' FSL & 1980' FWL, Unit N, Section 11-T23S-R31E, Eddy Cnty, NM 11.SEC.,T.,R.,M.,OR BLOCK AND SURVEY OR AREA At top proposed prod. zone (SAME) Section 11-T23S-R31E 14.DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH 13. STATE 35 miles WNW of Jal, New Mexico Eddy New Mexico 15.DISTANCE FROM PROPOSED 16.NO. OF ACRES IN LEASE 17.NO. OF ACRES ASSIGNED LOCATION TO NEAREST TO THIS WELL PROPERTY OR LEASE LINE, FT. 660' (Also to nearest drig unit line if any)
18.DISTANCE FROM PROPOSED LOCATION\* 19.PROPOSED DEPTH 20.ROTARY OR CABLE TOOLS\* TO NEAREST WELL, DRILLING, COMPLETED, 8800 OR APPLIED FOR, ON THIS LEASE, FT. Rotary 21.ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START\* GL 3453' fourth quarter, 1998 PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER FOOT QUANTITY OF CEMENT 17 1/2" 13 3/8" H-40 48£ 850 500 sx 35/65 Poz + 200 sx Class "C" 32# 11' 8 5/8" J-55 4350 1600 sx 35/65 Poz + 200 sx Class"C" 7 7/8 5 1/2" 15.5# & 17# 8800 1st Stage 525 sx Silica Lite Class"H" DV Tool +/- 5500' 2nd Stage 225 sx 35/65 Poz + 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 Exhibits #1 = Blowout Prevention Equipment The undersigned accepts all applicable terms, conditions, stipulations Exhibit #2 = Location and Elevation Plat and restrictions concerning operations conducted on the leased land or Exhibits #3 = Road Map and Topo Map portions thereof, as described below. Exhibit #4 = Wells Within 1 Mile Radius Lease #: NM-NM0404441 Exhibits #5 = Production Facilities Plat Legal Description: Section 11-T23S-R31E Exhibit #6 = Rotary Rig Layout Exhibit #7 = Casing Design Bond Coverage: Nationwide H<sub>2</sub>S Operating Plan, Archaeological Survey BLM Bond #: CO-1104 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 TITLE Engineering Technician DATE June 12, 1998 \*(This space for Federal or State office use) APPROVAL DATE PERMIT NO.

Acting STATE DIRECTOR DATE

See Instructions On Reverse SideAPPROVAL SUBJECT TO

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

<u>DISTRICT I</u> P. O. Box 1980 Hobbs, NM 88241-1980

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

2 Form C-102 Revised 02-10-94

Instructions on back

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

**EXHIBIT**#

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

<u>DISTRICT III</u> 1000 Rio Brazos Rd. Aztec, NM 87410

# OIL CONSERVATION DIVISION P. 0. Box 2088 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DI	STR	ICT	IV
Ρ.	0.	Box	2088

Santa Fe, NM 87507-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		<sup>2</sup> Pool Code 33745	3 Poo	Name	Wells (Dela	aware)	- <del> </del>	
* Property Code	5 Property Na		BARC	LAY 11 N	<del></del>		• Well Number	•
'OGRID No. 6137	* Operator Na			ENERGY CURPURATION (NEVADA)		* Elevation 3453	•	
		1º SU	RFACE	LOCATION			-	
UL or lot no. Section N 11	1	Range 31 EAST, N.M.P.M.	1	Feet from the 660'	North/South line SOUTH	Feet from the 1980'	East/West line WEST	County EDDY
	"BOTTO	M HOLE LOCAT	ION IF	DIFFERE	NT FROM SU	JRFACE	· · · · ·	
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 J	oint or Infill	14 Consolidation Code	15 Order	No.	<u> </u>	<b>.</b>	<u> </u>	
NO AI		CLL BE ASSIGNED T OR A NON-STAND						
1980		560'				I hereby cert contained here to the best of Signature Printed Name Candace R Title Engineeri Date  SURVEYO I hereby co location sho plotted from surveys many supervi	R CERTIFICATION OF THE PROPERTY AND THE PROPERTY OF THE PROPER	ian  ATION  he well lat was f actual under pat the

#### 3,000 psi Working Pressure

#### 3 MWP

#### STACK REQUIREMENTS

No.	Item		Min. I.D.	Min. Nominal
1	Flowline		i	
2	Fill up line		l	2"
3	Onling nipple			
4	Annular preventer			
5	Two single or one dual hyd operated rams			
6a	Oriting spool with 2" min. 3" msn choke line outlets			
<b>6</b> b	2" min. kill line and 3" mir outlets in ram. (Alternate to	n, choke line o 6a above.)		
7	Valve	Gate  Plug	3-1/8*	
8	Gate valve—power operat	ed	3-1/8"	
9	Line to choke manifold			3-
10	Valves	Gate C Plug C	2-1/16"	
11	Check valve		2-1/16"	
12	Casing head			
13	Valve	Gate: 🖸 Plugi 🚨	1-13/16*	
14	Pressure gauge with need	lle valve		
15	Kill line to rig mud pump r			2"

•
1 14
<b>②</b> → <b>□</b>
٠ حقر
ANNULAR PREVENTER
BLIND RAMS
PIPE RAMS
ORILLING
CASING MEAO
(a) CASING (2) (d)

CONFIGURATION A

OPTIONAL				
16	Flanged valve	1-13	/16"	

#### 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 rubbin 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:

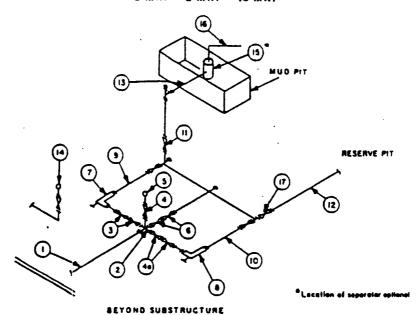
- Bradenhead or casinghead and side valves.
- 2. Wear bushing, if required.

#### 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 been 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.
- Valves adjacent to drilling 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



		MINI	MUM REQU	HREMENT!	S			·	
	3,000 MWP			5,000 MWP			10,000 MWP		
	I.D.	NOMINAL	RATING	1.D.	NOMINAL	RATING	1.D.	NOMINAL	RATING
Line from drilling spool		3-	3,000		3.	5,000		3*	10,000
Cross 3"x3"x3"x2"			3,000			5,000			
Cross 3"x3"x3"x3"									10,000
Valves(1) Gate □ Plug □(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/6*		10,000
Valve Gate □ Plug □(Z)	1-13/16*		3,000	1-13/16"		5.000	1-13/16*		10,000
Valves(1)	2-1/16"		3,000	2-1/16*		5,000	3-1/8"	1	10,000
Pressure Gauge			3,000			5,000			10,000
Valves Gate □ Plug □(2)	3-1/8"		3,000	3-1/6"		5,000	3-1/8"		10,000
Adjustable Choke(3)	5.		3,000	2-		5,000	2-		10,000
Adjustable Choke	1-		3,000	1-		5,000	2-		10,000
Line		3.	3,000		3-	5,000		3-	10,000
Line		5.	3,000		2.	5,000		3-	10,000
Valves Gate □ Plug □(2)	3-1/8"		3,000	3-1/8*		5,000	3-1/8"		10,000
Lines		3-	1,000		3-	1,000		3"	2,000
Lines		3.	1,000		3.	1,000		3"	2,000
Remote reading compound standpipe pressure gauge			3,000			5,000	•		10,000
Gas Separator		2'15'			2'x5'			2'x5'	
Line		4"	1,000		4"	1,000		4"	2,000
	Cross 3"x3"x3"x2" Cross 3"x3"x3"x3"  Valves(1) Gate   Plug   (2)  Valve Gate   Plug   (2)  Valves(1)  Pressure Gauge  Valves Gate   Plug   (2)  Adjustable Choke(3)  Adjustable Choke  Line  Line  Valves Gate   Plug   (2)  Lines  Lines  Remote reading compound stendpipe pressure gauge  Gas Separator	Line from drilling spool  Cross 3"x3"x3"x2"  Cross 3"x3"x3"x3"  Valves(1) Gate  Plug  (2)	3,000 MWP   I.D.   NOMINAL	3,000 MWP	3,000 MWP   1.D.   NOMINAL   RATING   1.D.	I.D.   NOMINAL   RATING   I.D.   NOMINAL	3,000 MWP   1.D.   NOMINAL   RATING   1.D.   NOMINAL   RATING	3,000 MWP   5,000 MWP     1.D.   NOMINAL   RATING   1.D.   NOMINAL   RATING   1.D.     3.000   3-1/8"   5,000     3-1/8"   5,000   3-1/8"     3.000   3-1/8"   5,000   3-1/8"     3.000   3-1/8"   5,000   2"     4.   Adjustable Chake(3)   2"   3,000   3"   5,000     4.   Adjustable Chake(3)   2"   3,000   3"   5,000     5.000   2"   5,000     5.000   2"     5.000   3-1/8"   5,000     5.000   3-1/8"   5,000     5.000   3-1/8"   5,000     5.000   3-1/8"   5,000     5.000   3-1/8"   5,000     5.000   3-1/8"   3,000   3"   3,000     6.   Adjustable Chake(3)   3"   3,000     5.   Adjustable Chake(3)   3"   3,000   3"   3,000     5.   Adjustable Chake(3)   3"   3,000   3"   3,000     6.   Adjustable Chake(3)   3"   3,000   3"   3"   3,000     7.   Adjustable Chake(3)   3"   3,000   3"   3"   3,000     8.   Adjustable Chake(3)   3"   3,000   3"   3"   3,000     9.   Adjustable Chake(3)   3"   3,000   3"   3"   3,000	3,000 MWP   10,000 MWP   10,0

Plug (2) (1) Only one required in Class 3M.

Gete 🗆

Valves

- (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.

3-1/8"

#### **EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS**

3,000

3-1/8"

5,000

3-1/8"

10,000

25,000

- 1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- 2. All flanges shell be API 68 or 68X 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 sutomatic 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 chake 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)
BARCLAY "11N" FEDERAL #14
660' FSL & 1980' FWL
Section 11-T23S-R31E, Unit N

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.

#### **DRILLING PROGRAM**

Attached to Form 3160-3
Devon Energy Corporation (Nevada)
BARCLAY "11N" FEDERAL #14
660' FSL & 1980' FWL
Section 11-T23S-R31E, Unit N
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

Upper Permian Sands	above 800'	fresh water
Delaware (Bell Canyon)	4400'	oil
Delaware (Cherry Canyon)	6000'	oil
Delaware (Brushy Canyon)	8000'	oil

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at 850' and circulating cement back to surface. The Potash and Salt intervals will be protected by setting 8 5/8" casing at 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.

#### 4. <u>Casing Program</u>

Hole Size	<u>Interval</u>	Casing OD	<u>Weight</u>	<u>Grade</u>	<u>Type</u>
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 500 sx Poz (35% Poz, 65% Class C, 6% gel) with 2% CaCl <sub>2</sub> and 1/4 lb/sx Cellophane flakes + 200 sx Class C with 2% CaCl <sub>2</sub> 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 <sub>2</sub> , 1/4 lb/sx Cellophane flakes
5 1/2" Production Casing with DV tool at ±5500'	Cement 1st stage with 525 sx Silica Lite (Class H) with 3% salt, 0.6% FL additive, 1/4 lb/sx Cellophane flakes Cement 2nd stage with 225 sx Poz (35% Poz, 65% Class H, 6% gel) with 1/4 lb/sx Cellophane flakes + 400 sks Class H with 4% gel, 5% salt, and 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  $450'\pm$  above the 85/8" 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

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.

<u>Depth</u>	<u>Type</u>	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 polyme	r 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 from drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented.

#### 8. <u>Logging, Testing and Coring Program</u>

- 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 fourth 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)
BARCLAY "11N" FEDERAL #14
660' FSL & 1980' FWL
Section 11-T23S-R31E, Unit N
Eddy County, New Mexico

#### 1. Existing Roads

- A. The well site and elevation plat for the proposed BARCLAY "11N" FEDERAL #14 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 4.2 miles. Then, turn west (left) onto existing lease road. Go approximately 0.50 mile to the proposed location of BARCLAY "11N" FEDERAL #14.

#### 2. Proposed Access Road

Access to this location will require the construction of approximately 2180' of new access road from the County road. All new construction will 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 six (6) inches of rolled and compacted caliche. Water will be deflected, as necessary, to avoid accumulation and prevent surface erosion.
- C. Surface material will be native caliche. This material will be obtained from a BLM approved pit nearest in proximity to the location.
- D. The average grade will be approximately 1%.

- E. No cattle guards, grates or fence cuts will be required.
- F. No turnouts are planned.

#### 3. Location of Existing Wells

Exhibit #4 shows all existing wells within a one-mile radius of the proposed BARCLAY "11N" FEDERAL #14.

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

- A. In the event the well is found productive, a tank battery will be built on the Barclay "110" Federal #15 location.
  - 1. Exhibit #5 shows the battery facility to be utilized by the BARCLAY "11N" FEDERAL #14. This facility may be upgraded to include one or two additional 500 barrel tanks.
  - 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. Power poles will be set along the access road right-of-way.
- 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.

BARCLAY "11N FEDERAL #14 Surface Use and Operating Plan Page 3

#### 5. <u>Location and Type of Water Supply</u>

The BARCLAY "11N" FEDERAL #14 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, yucca 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 a copy forwarded to the BLM office in Carlsbad, New Mexico.

#### BARCLAY "11N FEDERAL #14 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 Daryl Lowder
District Engineer Superintendent

DEVON ENERGY CORPORATION
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260
DEVON ENERGY CORPORATION
P. O. Box 250
Artesia, NM 88211-0250

 (405) 552-4595 (office)
 (505) 748-3371 (office)

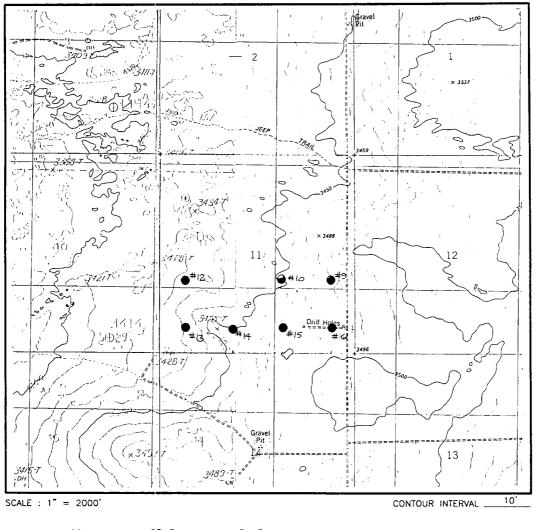
 (405) 364-3504 (home)
 (505) 677-2103 (home)

#### 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

Date:



SECTION \_\_\_\_\_ 11 \_\_\_ TWP \_\_\_\_ 23-S \_\_\_ RGE \_\_\_ 31-E\_\_

NEW MEXICO PRINCIPAL MERIDIAN SURVEY \_

COUNTY\_ EDDY \_\_ STATE \_\_\_\_NM

OPERATOR DEVON ENERGY CORPORATION (NEVADA)

U.S.G.S. TOPOGRAPHIC MAP

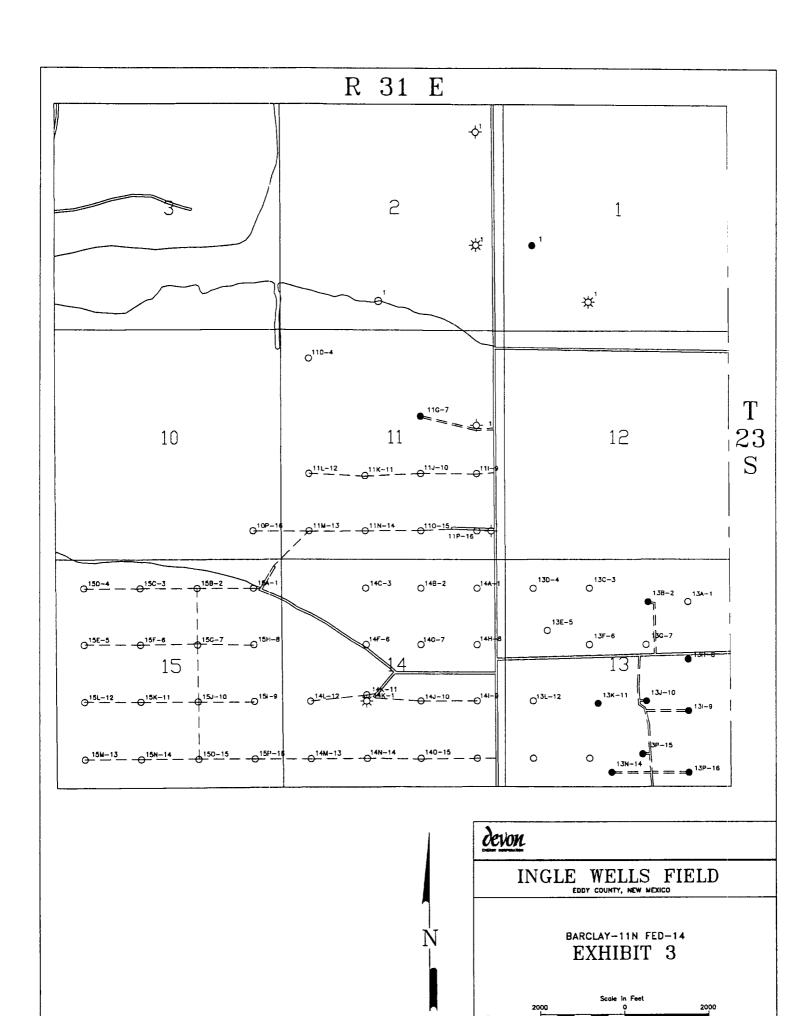
LOS MEDANOS & BOOTLEG RIDGE

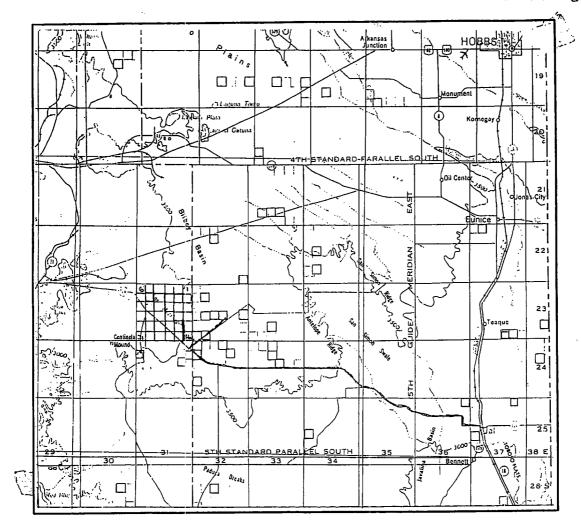
NAME	LOCATION	ELEVATION	LAT.	LONG.
BARCLAY 11 I #9	1980' FSL & 660' FEL	3470'	N 32'19'01.2"	W 103'44'30.0"
BARCLAY 11 J #10	1980' FSL & 1980' FEL	3452'	N 32'19'01.3"	W 103'44'45.4"
BARCLAY 11 L #12	1980' FSL & 660' FWL	3423'	N 32'19'01.4"	W 103'45'16.2"
BARCLAY 11 M #13	660' FSL & 660' FWL	3431	N 32'18'48.3"	W 103'45'16.2"
BARCLAY 11 N #14	660' FSL & 1980' FWL	3453'	N 32'18'48.3"	W 103'45'00.8"
BARCLAY 11 0 #15	660'_FSL & 1980' FEL	3474'	N 32'18'48.2"	W 103'44'45.4"
BARCLAY 11 P #16	660' FSL & 660' FEL	3485'	N 32'18'48.2"	W 103'44'30.1"
			L	

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, 1 <u>5,</u>	22, & 23	TWP 3	<u>23-S</u>	RGE 31-E
SURVEY	NEW	MEXICO	PRINCIP	AL MER	IDIAN	
COUNTY		EDDY		STATE -	NM	

OPERATOR DEVON ENERGY CORPORATION
LEASE TODD & BARCLAY
DISTANCE & DIRECTION FROM THE JCT. OF S.H. 128 &
CO. RD. 798, 34.0 MILES WEST OF JAL, GO NORTH 2.1
MILES ON CO. RD. 798 TO THE SOUTHEAST CORNER OF
SECTION 23.

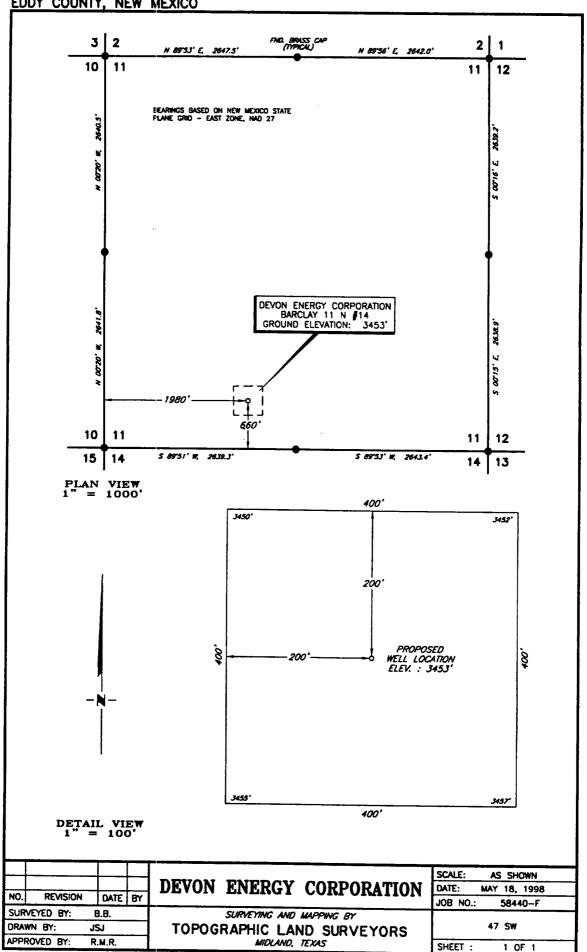


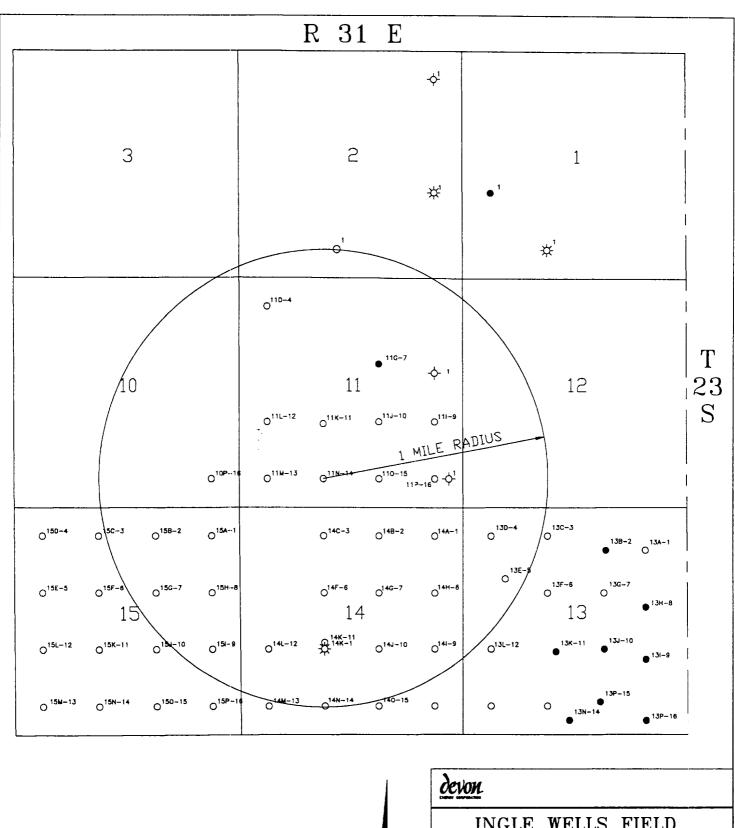
This location has been very carefully staked on the ground according to the best afficial survey records, maps, and other data available to us.

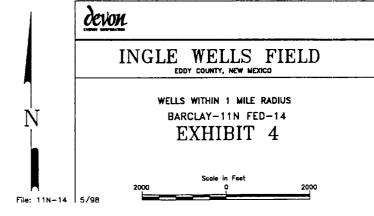
Review this plot and notify us immediately of any possible discrepancy.

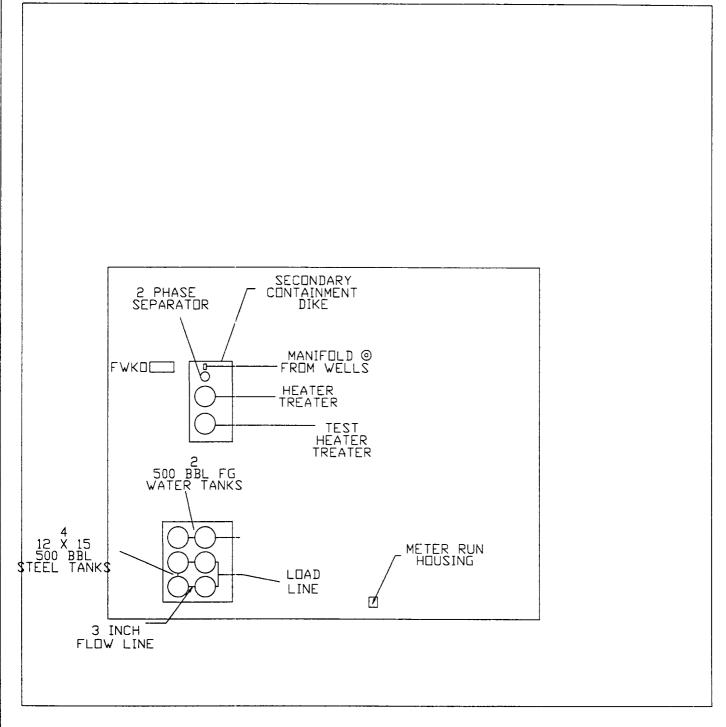
#### TOPOGRAPHIC LAND SURVEYORS

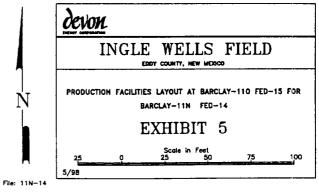
Surveying & Mapping for the Oil & Gas Industry

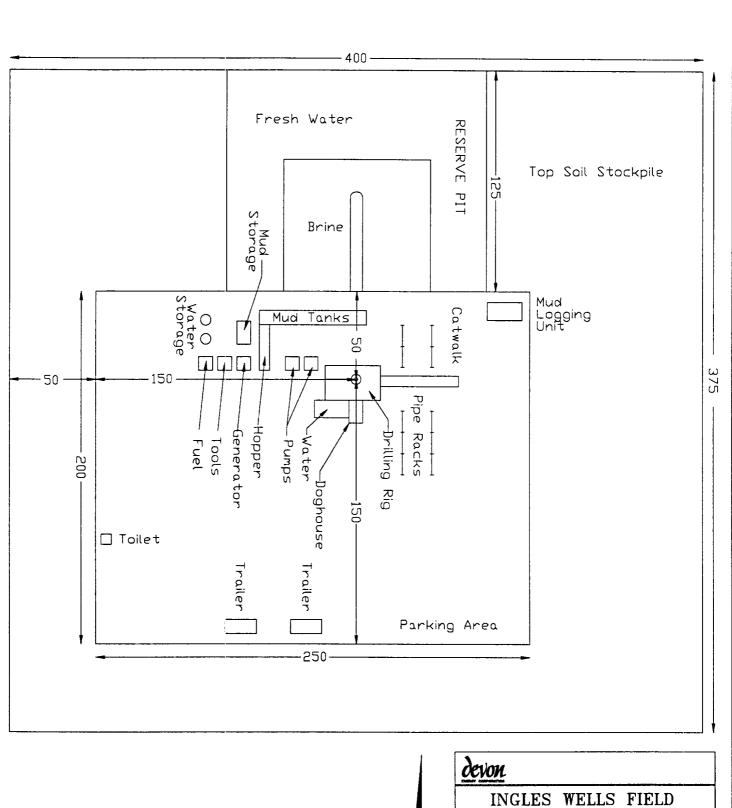


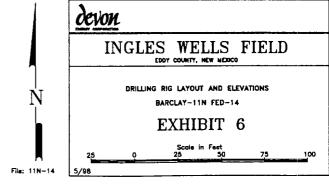












#### DEVON ENERGY

Operator: DEVON ENERGY CORP	Well Name: BARCLAY FEDERAL AREA
Project ID:	Location: T23S-R31E

Design Parameters:	Design Factors:				
Must weight ( 9.00 ppg) : 0.468 psi/ft	Collapse	:	1.12	5	
Shut in surface pressure : 765 psi	Burst	:	1.00		
Internal gradient (burs!) : 0.100 pai/ft	8 Round	:	1.80		(4)
Annular gradient (burst) : 0.000 psi/ft	. Buttress		1.60		
Tensile load is determined using air weight	Body Yield	:	1.50		<b>(B)</b>
Service rating is "Sweet"	Overpull .				

	Length (feet)	Size (in.)	Weight (lb/ft)	Grade	e Joi	nt	Depth (feet)	Drift (in.)	Cost .
1	850	13-3/8	48.00	H-40	) ST&C	3	850	12.559	
	Load (psi)	Collapse Stryth (psi)			Min Int Strgth (psi)	Yield S.F.	Load (kips		S.F.
1	397	740	1.864	850	1730	2.04	40.8	30 322	7.89 J

Prepared by : CHUCK HORSMAN, Oklahoma City, OK

Date : 06-04-1993

Remarks

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

Surface string:

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

#### DEVON ENERGY

Operator: DEVON ENERGY CORP	Well Name: BARCLAY FEDERAL AREA
Project ID:	Location: T235-R31E

Design Parameters:	Design Factors:			
Mud weight ( 9.80 ppg) : 0.509 psi/ft	Col Lapse	: 1.	125	
Shot in surface pressure : 3487 psi	Burst	: 1.		
Internal gradient (burst) : 0.100 psi/ft	8 Round	: 1.	30	(1)
Annular gradient (burst) : 0.000 psi/ft	. Suttress	: 9.4		
Tensile load is determined using air weight	Body Yield	: 1.5		
Service rating is "Sweet"	Overputt	:		lbs.

	Length (feet)	Size (in.)	Weight (lb/ft)		Joir	ıt	Depth (feet)	Drift (in.)	Cost .
1	4,400	8-5/8*	32.00	J-55	ST&C		4,400	7.875	
	Load (psi)	Collapse Stryth (psi)	S.F.	Load St	in Int Igth (psi)	Yield S.F.		Tension Strgth (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:

Next string will set at 8,400 ft. with 9.00 ppg mud (pore pressure of 3,927 psi.) The frec gradient of 1.000 at the casing seat results in an injection pressure of 4,400 psi. Effective BMP (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 evecuated casing), 1.0 - Burst, 1.8 - 8 Round Tension, 1.6 - Buttress Tension, and 1.5 - Body Yield. Collapse strength under axial tension was calculated based on the Westcott, 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 EMERGY CORP | Well Name: BARCLAY FEDERAL AREA
Project ID: | Location: T23S-R31E

Design Parameters: Design Factors: Ned weight ( 9.00 ppg) : 0.468 psi/ft Callapse : 1.125 Shut in garface pressure : 3214 psi Burst : 1.00 Internal gradient (burst) : 0.100 psi/ft # Round : 1.80 W Annular gradient (burst) : 0.000 pai/ft Dattress : 9.89 Tensile load is determined using air weight Body Yield : 1.50 **(B)** Service rating is 'Sweet' Overpull 0 lbs. eee marking eee Design factor for joint strength exceeded in design!

	Length (feet)	Size (in.)	Weight (lb/ft		Joi	at	Depth (feet)	Drift (in.)	Cost
1 2 3	1,200 6,200 1,350	5-1/2" 5-1/2" 5-1/2"	17.00 15.50 17.00	J-55 J-55 J-55	LT&C	2		4.767 4.825 4.767	
	Load (psi)	Collapse Stryth (psi)	S.F.		Min Int Strgth (psi)	Yield S.F.	Load (kips)	Tension Strgth (kips)	S.F.
1 2 3	561 3460 4091	3897 3927 <b>4</b> 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 PEPFER, 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) are 0.468 pmi/ft and

4,091 psi, respectively.

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

### **DEVON ENERGY 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

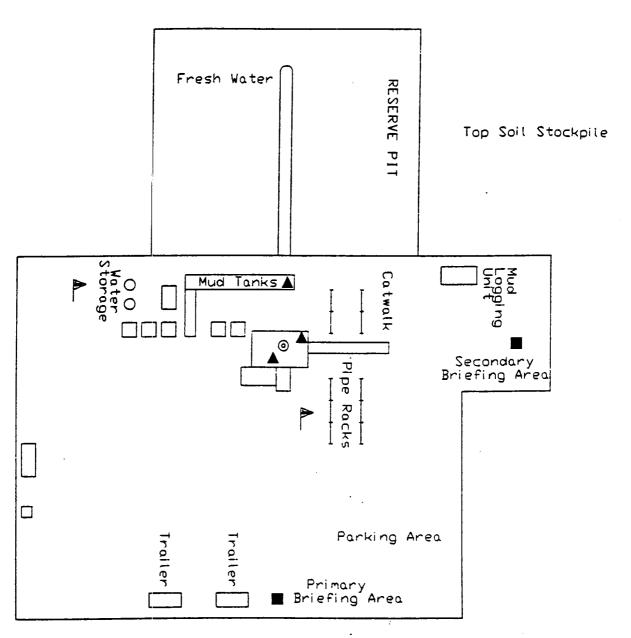
All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines and valves shall be suitable for H2S service.

#### 7. Communication

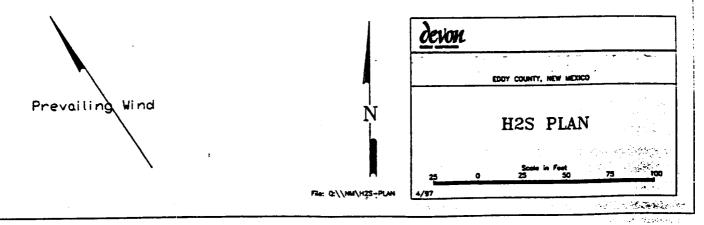
Cellular telephone communication will be available in company vehicles.

#### 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.



- 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



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-
issued by the United States Fide	
behalf of Devon Energy Cor	poration
as Principal, and in favor of	State of New Mexico
as Obligee, in the penalty of	Fifty thousand and no/100
Dollars (\$ 50,000.00)	for Blanket plugging bond
It is hereby understood and	agreed that effective on the
February 10, 1989	the Principal in this
bond shall be Devon Energy Corpora	tion (Nevada)

However, the liability of the Surety in the apprepare 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 penalty stated in the bond.

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

ATTEST:		Devon Energy Corporation (Nevada)	_
alt-des	UTITED STATES	By: Wice President  FIDELITY A'TO GUARANTY COMPANY	•
•	Ву:		
<b>*</b> ₩	Marcia C. Brejo	da Attorney-in-fact	

## TITLE PAGE/ABSTRACT/NEGATIVE SITE REPORT

### ROSWELL DISTRICT

1. BLM Report No. 2. (ACC	CEPTED) (REJECTED)	3.NMCRIS No. 60928
4. Title of Report (Project Title) An Archaeological Survey of 20 Propos New Mexico	5. Project Date(s) 05/18/98 - 05/22/9 6. Report Date 05/23/98	
7. Consultant Name & Address: Direct Charge: Don Clifton Name: Don Clifton, Archaeological Con Address: P. O. Box 30, Pep, N.M. 88126	sultant	8. Permit No. 83-2920-96-K
Authors Name: Don Clifton Field personel names: Don Clifton Phone (505) 675-2360		9. Consultant Report No.
10. Sponsor Name and Address: Indiv. Responsible: Wally Frank		248 
Name: Devon Energy Corporation Address: 20 N Broadway, Suite 1500, Ok Phone (405) 552-4595	dahoma City, Ok 73102	73 2 2
12. ACREAGE:  Total No. acres surveyed: 74 acres SURFACE		
OWNERSHIP: Federal: 74 acres	State:	Private:
a. State New Mexico b. County Eddy c. BLM District: Roswell d. Nearest City or town: e. Area: T23S R 31E Sec. 10, 11, 15 f. Well Pad Footages: Fodd 10P#16=660'fsl/660'fel, Sec.10 Barclay 11I#9=1980'fsl/660'fel, Sec.11 Barclay 11J#10=1980'fsl/1980'fel, Sec. 11 Barclay 11J#10=1980'fsl/1980'fel, Sec. 13 Barclay 11M#13= 660'fsl/660'fwl, Sec. 13 Barclay 11N#14=660'fsl/1980'fel, Sec. 11 Barclay 11P#16= 660'fsl/660'fel, Sec. 15	Todd 15C#3=660'fnl/1980'f Todd 15F#6=1980'fnl/1980' 1 Todd 15G#7=1980'fnl/1980' 1 Todd 15H#8=1980'fnl/660'f 1 Todd 15J#9=1980'fsl/660'fe 1 Todd 15J#10=1980'fsl/1980 Todd 15K#11= 1980'fsl/1980 Todd 15N#14= 660'fsl/1980 Todd 15O#15= 660'fsl/660'f	Pfwl, Sec. 15 Pfel, Sec. 15 Pfwl, Sec. 15 Pfwl, Sec. 15 Pfel, Sec. 15

Linear: Impact x
Surveyed x

