N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
FEB 0 2 2006
OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM-~~106576~~ / 106676

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER 30420

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☑ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
Gunsight 4 Fed Com 1

2. Name of Operator
Devon Energy Production Company, LP 6137

9. API Well No.
30-015-34587

3a. Address **20 North Broadway, Oklahoma City, Oklahoma City 73102-8260**

3b. Phone No. *(include area code)*
405-552-7802

10. Field and Pool, or Exploratory
Happy Valley; Morrow

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)* 78060
At surface **1220' FNL & 660' FWL**
At proposed prod. zone **1980' FNL & 660' FWL**

11. Sec., T. R. M. or Blk. and Survey or Area
Lot D Sec 4 T22S R26E

SUBJECT TO LIKE APPROVAL BY STATE

14. Distance in miles and direction from nearest town or post office*
Approximately 2.5 miles west of Carlsbad.

12. County or Parish
Eddy County

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
	240	**320**
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file
	TVD 11,300' MD 11,357'	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
3218 ' GL	**12/15/2005**	**45 days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature	Name *(Printed/Typed)*	Date
	Stephanie A. Ysasaga	**11/16/2005**

Title: **Senior Engineering Technician**

Approved by *(Signature)*	Name *(Printed/Typed)*	Date
/s/ Joe G. Lara	/s/ Joe G. Lara	JAN 3 1 2006

Title: ACTING FIELD MANAGER

Office: CARLSBAD FIELD OFFICE

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, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Carlsbad Controlled Water Basin

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

WITNESS 8 20" CEMENT SOB

If earthen pits are used is association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

Additional Operator Remarks:

Devon Energy Production Company, LP proposes to drill a Happy Valley; Morrow well to 11,300' for commercial quantities of oil and gas. If the well is deemed noncommercial, the wellbore will be plugged and abandoned per Federal regulations. Devon Energy Production Co., LP plans to drill the well per the currently attached Drilling and Surface Use Plan.

Directions:

From the intersection of County Road 427 and 427A, go north on County Road 427A 0.5 miles to the beginning of the road, follow survey Lathe East to well location. Approximately 2.5 miles west of Carlsbad.

Access Road:

Approximately 1,380' of access road will be required. Archeological survey's will be requested for the pad and access road.

H2S:

No H2S is expected to be encountered.

DISTRICT I
. French Dr., Hobbs, NM 88240

DISTRICT II
11 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87504-2088

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	78060	Happy Valley; Morrow

Property Code	Property Name	Well Number
	GUNSIGHT 4 FED COM	1

OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION CO., L.P.	3218

Surface Location

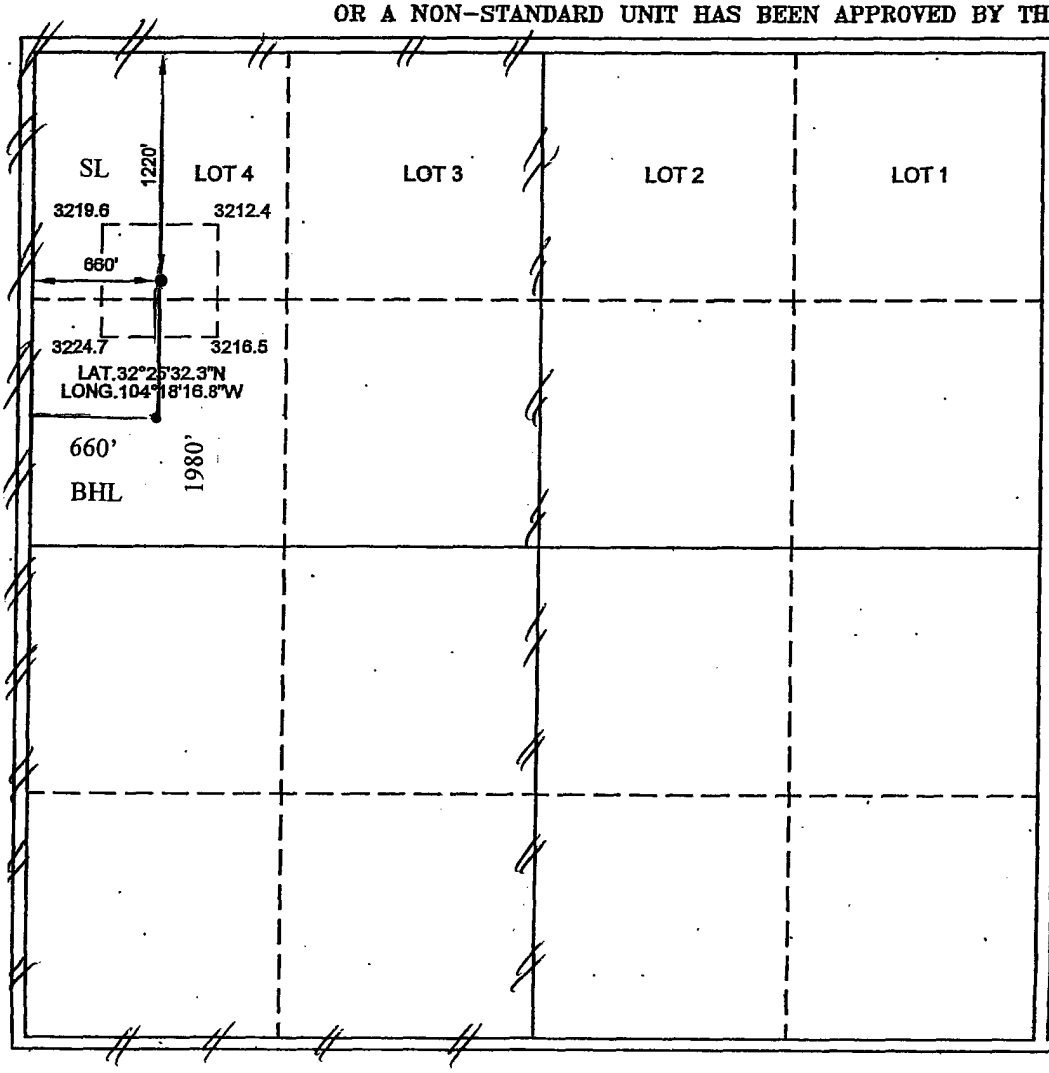
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	4	22-S	26-E		1220	NORTH	660	WEST	EDDY

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
D	4	22-S	26-E		1980	NORTH	660	WEST	EDDY

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 the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Stephanie A. Ysasaga
Printed Name

Senior Engineering Technician
Title

10/11/05
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 supervison, and that the same is true and correct to the best of my belief.

AUGUST 8, 2005
Date Surveyed

Signature & Seal of Professional Surveyor

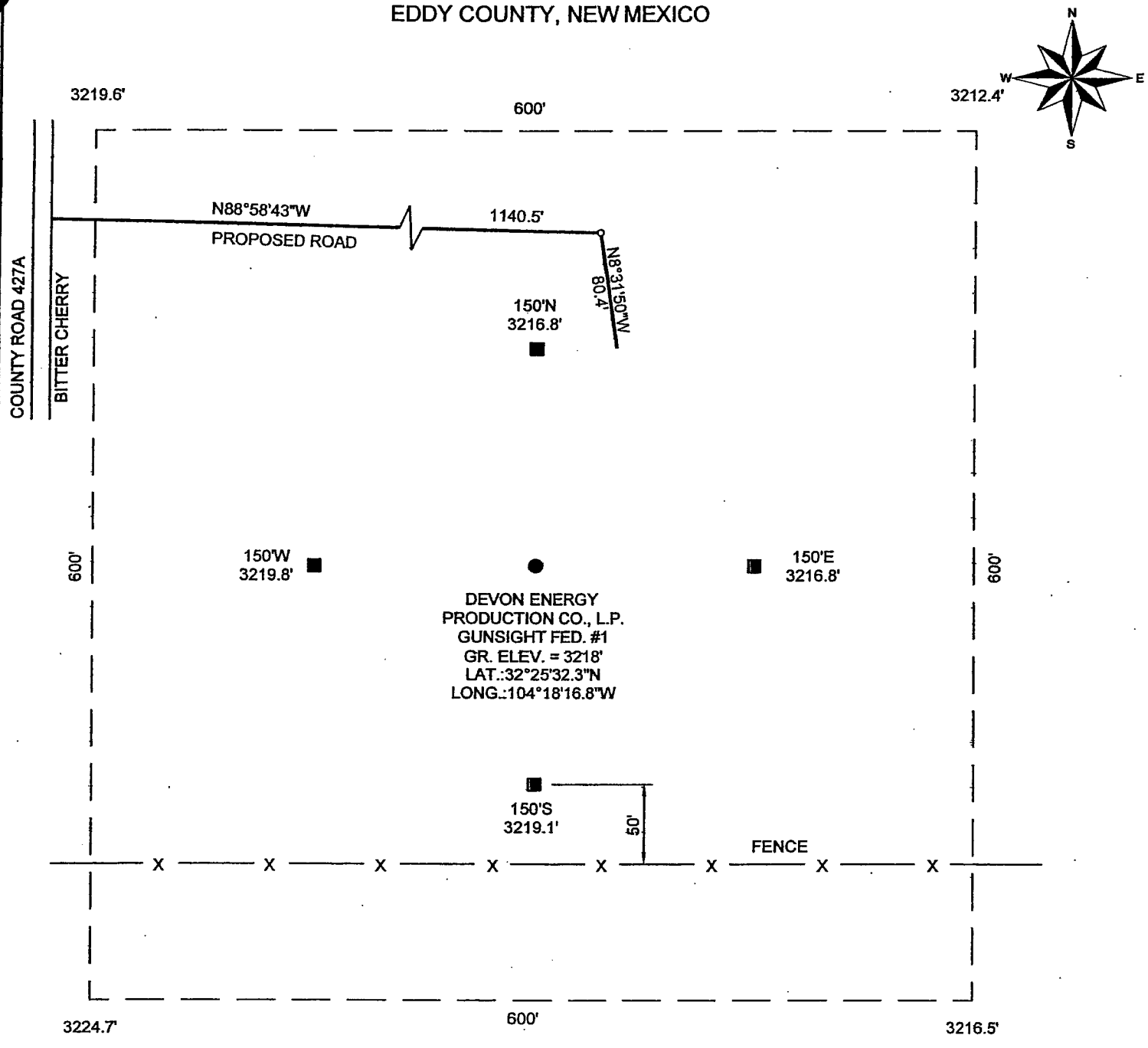
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR

W.O. No. 5694

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 4, TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO



100 0 100 200FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:
FROM THE INTERSECTION OF COUNTY ROAD 427 AND 427A, GO NORTH ON COUNTY ROAD 427A 0.5 MILES TO THE BEGINNING OF THE ROAD, FOLLOW SURVEY LATHE EAST TO WELL LOCATION.

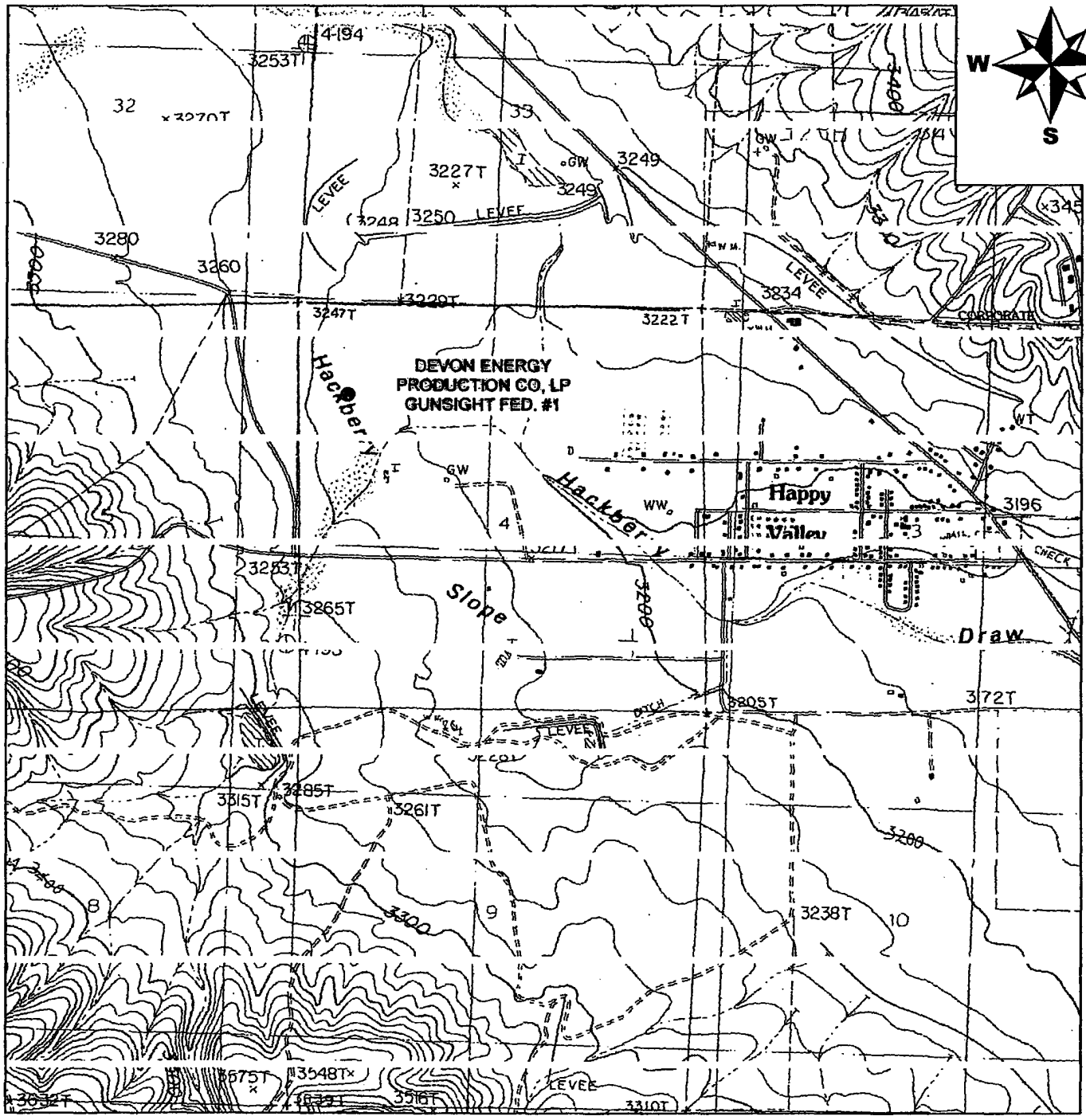
DEVON ENERGY PRODUCTION COMPANY, L.P.

GUNSIGHT FEDERAL No.1 LOCATION

THE GUNSIGHT FEDERAL No.1
LOCATED 1220' F.N.L. & 660' F.W.L. SECTION 4,
TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

BASIN SURVEYS P.O. BOX 1786 -HOBBS, NEW MEXICO

W.O. Number: 5694	Drawn By: S.STANFIELD		
Date: 08-10-2005	Disk:C:\DRAWINGS\DEVON\DEV5694-1	Survey Date: 08-08-2005	Sheet 1 of 1 Sheets



DEVON ENERGY PRODUCTION COMPANY, LP
GUNSIGHT FEDERAL NO. 1
SECTION 4, TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

basin surveys
focused on excellence in the oilfield
P.O. Box 1786
1120 West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-2206 - Fax
basinsurveys.com

W.O. Number:	C:\DRAWINGS\DEVON\ DEV5694-2
Survey Date:	AUGUST 8, 2005
SCALE:	1"=2000'
Date:	AUGUST 10, 2005

DEVON ENERGY PRODUCTION CO., LP

DRILLING PROGRAM

Devon Energy Production Company, LP
Gunsight 4 Fed Com 1
Surface Location: 1220' FNL & 660' FWL, Unit D, Sec 4 T22S R26E, Eddy, NM
Bottom hole Location: 1980' FNL & 660' FWL, Unit D, Sec 4 T22S R26E, Eddy, NM

1. Geologic Name of Surface Formation

a. Permian Undifferentiated

2. Estimated tops of geological markers:

a.	Yates	555'
b.	Capitan	910'
c.	Delaware Sand	2275'
d.	Bone Spring Lime	4550'
e.	1st Bone Spring Sand	5850'
f.	2nd Bone Spring Sand	6425'
g.	3rd Bone Spring Sand	7925'
h.	Wolfcamp Lime	8350'
i.	Canyon Lime	9510'
j.	Strawn Lime	9750'
k.	Atoka	10150'
l.	Upper Morrow Clastics	10750'
m.	Middle Morrow Lime	10870'
n.	Lower Morrow Shale Mrker	11100'
o.	Barnett Shale	11220'
p.	Total Depth	11300'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas

a.	Yates	555'	Fresh Water
b.	Capitan	910'	Fresh Water
c.	Delaware Sd	2275'	Oil
d.	Bone Spring Lm	4450'	Oil
e.	1st Bone Spring Lm	5850'	Oil
f.	2nd Bone Spring Sd	6425'	Oil
g.	3rd Bone Spring Sd	7925'	Oil
h.	Wolfcamp Lm	8350'	Gas
i.	Canyon Lm	9510'	Gas
j.	Strawn Lm	9750'	Gas
k.	Atoka	10150'	Gas
l.	Upper Morrow Clastics	10750'	Gas
m.	Middle Morrow Lm	10870'	Gas
n.	Lower Morrow Mrker	11100'	Gas

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 20" casing at 600' and circulating cement back to surface. Freshwater will be protected by setting 9 5/8" casing at 2900' and circulating cement to surface. The Morrow intervals will be isolated by setting 5 ½" casing to total depth and circulating cement above the base of the 8 5/8" casing.

4. **Casing Program:**

Hole Size	Interval	OD Csg	Weight	Collar	Grade
26"	0' –600'	20"	94#	BT&C	J-55
12 1/4"	600'-2900'	9 5/8"	36#	LT&C	J-55
8 3/4"	2900–11300	5 ½"	17#	LT&C	HCP110

5. **Cement Program:**

a. 20" Surface — Cement to surface with 810 sx 35:65:6 Poz C,2% CaCl,6%Bentonite,1/4pps Celloflake,12.8ppg followed by 300 sx "C",2%CaCl,1/4pps Celloflake,14.8 ppg.

b. 9 5/8" Intermediate — Cement to surface with 200 sx 35:65 Poz "C",5% NaCl,1/4pps Celloflake,10 pps LCM-1,6%Bentonite,12.7ppg, followed by 800 sx 35:65 Poz "C",5% NaCl,1/4 pps Celloflake,6% Bentonite, 12.7ppg, followed by 300 sx 60:40 Poz"C",5%NaCl,4%MPA-1,0.5% Sodium Metasilicate, 13.8 ppg.

c. 5 ½" Production — Cement 1st Stage with First Stage: 792 sx 15:61:11 Poz"C":CSE-2,3%Kcl,0.75%EC-1,1/4pps Celloflake,0.4%CD-32,5pps LCM-1,0.6%Fl-25,0.6%FL-52A,0.1%Sodium Metasilicate,13.3ppg DV Tool@8000'-Second Stage: 1528sx 60:40 Poz H, 2% NaCl,0.75%BA-10,0.15% R-3, 1/4pps Celloflake,2pps Kol Seal,4% MPA-1,13.8ppg TOC-2400'(500' into intermediate casing)

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach approximately 500' above the 12 1/4" casing shoe.

6. **Pressure Control Equipment:**

The blowout preventor equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (5000 psi WP) preventor and a bag-type (Hydril) preventor (5000 psi WP) and rotating head. Both units will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 4 ½" drill pipe rams on bottom. The drilling head will be installed on the 20" surface casing and utilized continuously until total depth is reached. All BOP's and associated equipment will be tested to **1200 psi with the rig pump before drilling out the 20" casing shoe (70% of 32#, J-55 casing).** Prior to drilling out the 9 5/8" casing shoe, the BOP's and Hydril will be 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 5000 psi WP rating.

7. Proposed Mud Circulation System

Depth	Mud Wt.	Visc	Fluid Loss	Type System
0' – 600'	8.4	29	NC	Fresh Water
600' – 2900'	8.4	29	NC	Fresh Water
2900' – 7800'	8.4–8.5	29	NC	Fresh Water
7800'- 9500'	9	30	NC	Cut Brine
9500-11300'	9.2-10.2	32-40	12-8	Brine/Polymer

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

8. 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 will be in operation after drilling out the 20" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 20" shoe until total depth is reached.

9. Logging, Coring, and Testing Program:

a. Drill stem tests will be based on geological sample shows.
b. The open hole electrical logging program will be:
   i. Total Depth to Intermediate Casing — Dual Laterolog-Micro Laterolog with SP and Gamma Ray. Compensated Neutron – Z Density log with Gamma Ray and Caliper.
   ii. Total Depth to Surface — Compensated Neutron with Gamma Ray
   iii. No coring program is planned
   iv. Additional testing will be initiated subsequent to setting the 5 ½" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

10. Potential Hazards:

a. No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6 No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 4000 psi and Estimated BHT 175°.

11. Anticipated Starting Date and Duration of Operations:

a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

SURFACE USE PLAN
Devon Energy Production Company, LP
Gunsight 4 Fed Com 1
Surface Location: 1220' FNL & 660' FWL, Unit D, Sec 4 T22S R26E, Eddy, NM
Bottom hole Location: 1980' FNL & 660' FWL, Unit D, Sec 4 T22S R26E, Eddy, NM

1. **Existing Roads:**
   a. The well site and elevation plat for the proposed well are reflected on Exhibit 2. The well was staked by Basin Surveys.
   b. All roads into the location are depicted on Exhibit 3.
   c. Directions to Location: From the intersection of County Road 427 and 427A, go north on County Road 427A 0.5 miles to the beginning of the road, follow survey Lathe East to well location. Approximately 2.5 miles west of Carlsbad.

2. **Access Road**
   a. Exhibit #3 shows the existing lease road. Approximately 1,380' of new access road will be constructed as follows:
   b. The maximum width of the road will be 15'. It will be crowned and made of 6" 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. The average grade will be approximately 1%.
   d. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

3. **Proposed Facilities**
   a. In the event the well is found productive, the Gunsight 4 Fed Com 1 tank battery would be utilized and the necessary production equipment will be installed at the well site.
   b. If necessary, the well will be operated by means of an electric prime mover. Electric power poles will be set along side of the access road.
   c. All flow lines will adhere to API standards.
   d. If the well is productive, rehabilitation plans are as follows:
      i. The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).
      ii. The original topsoil from the well site will be returned to the location. The drill site will then be contoured as close as possible to the original state.

4. **Methods of Handling Waste Material:**
   a. Drill cuttings will be disposed of in the reserve pits.
   b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
   c. The supplier, including broken sacks, will pick up salts remaining after completion of well.
   d. Wastewater from living quarters will be drained into hole with a minimum of 10'. These holes will be covered during drilling and will be back filled when the well is completed. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.

e. Remaining drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry enough to be broken out for further drying. If the drilling fluids do not evaporate in a reasonable time they will be hauled off by transports to a state approved disposal site. Later pits will be broken out to speed dry. Water produced during completion will be put in reserve pits. Oil and condensate produced will be put in a storage tank and sold.

5. Well Site Layout

a. Exhibit D Shows the proposed well site layout.
b. This exhibit indicated proposed location of reserve and dump 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 conditions 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 polyethylene. 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.

6. Other Information:

a. The area surrounding the well site is grassland. The topsoil is very sandy in nature. The vegetation is moderately sparse with native prairie grass, some mesquite bushes and shinnery oak. No wildlife was observed but it is likely that deer, rabbits, coyotes, and rodents traverse the area.
b. The surface is owned by the US Government and is administered by the Bureau of Land Management. The surface is of limited use except for the grazing of livestock and the production of oil and gas.
c. A Cultural Resources Examination will be completed by Southern New Mexico Archaeological Services, Inc. and forwarded to the BLM office in Carlsbad, New Mexico.
d. There are no dwellings within 2 miles of location.

Operators Representative:

The Devon Energy Production Company, L.P. representatives responsible for ensuring compliance of the surface use plan are listed below.

Wyatt Abbitt
Operations Engineer Advisor

Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8260

(405) 228-4301 (office)
(405) 834-9207 (Cellular)

Don Mayberry
Superintendent

Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, NM 88211-0250

(505) 748-3371 (office)
(505) 746-4945 (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 Production Company, L.P. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Signed: _____ Date: November 16th, 2005

Stephanie A. Ysasaga
Senior Engineering Technician

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
Gunsight 4 Fed Com 1
Surface Location: 1220' FNL & 660' FWL, Unit D, Sec 4 T22S R26E, Eddy, NM
Bottom hole Location: 1980' FNL & 660' FWL, Unit D, Sec 4 T22S R26E, Eddy, NM

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 5000 psi working pressure.

4. All fittings will be flanged.

5. A full bore safety valve tested to a minimum 5000 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.

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287

Statement Accepting Responsibility for Operations

Operator Name:	**Devon Energy Production Company, LP**
Street or Box:	**20 North Broadway, Suite 1500**
City, State:	**Oklahoma City, Oklahoma**
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.

Lease No.:	**NM-106676**
Legal Description of Land:	**320 acres 24-T22S-R26E** **Lot 4 1220' FNL & 660' FWL**
Formation(s):	**Happy Valley; Morrow**
Bond Coverage:	**Nationwide**
BLM Bond File No.:	**CO-1104**
Authorized Signature:	**Stephanie A. Ysasaga**
Title:	**Senior Engineering Technician**
Date:	**11/16/05**

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

1. All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following:
   a. Characteristics of H2S
   b. Physical effects and hazards
   c. Proper use of safety equipment and life support systems.
   d. Principle and operation of H2S detectors, warning system and briefing areas
   e. Evacuation procedures, routes and first aid.
   f. Proper use of 30-minute pressure demand air pack.

2. H2S Detection and Alarm System
   a. H2S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.

3. Windsock and/or wind streamers
   a. Windsock at mud pit 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, H2S 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 telephones will be available at most drilling foreman's trailer or living quarters.

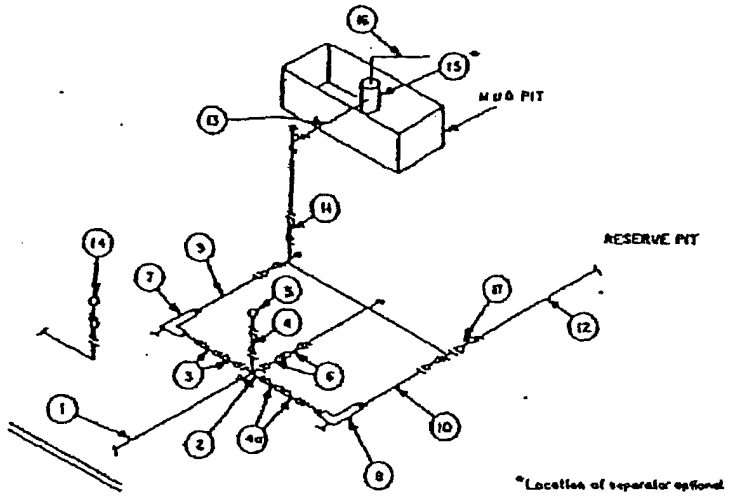
7. Drill stem Testing
   a. Exhausts will be watered
   b. Flare line will be equipped with an electric igniter or a propane pilot light in case gas reaches the surface.
   c. If the location is near to a dwelling a closed DST will be performed.

8. Drilling contractor supervisor will be required to be familiar with the effects H2S has on tubular goods and other mechanical equipment.
   If H2S is encountered, mud system will be altered if necessary to maintain control or formation. A mud gas separator will be brought into service along with H2S scavengers if necessary.

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

3 MWP - 5 MWP - 10 MWP

Exhibit E



BEYOND SUBSTRUCTURE

MINIMUM REQUIREMENTS										
		3,000 MWP			5,000 MWP			10,000 MWP		
No.		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate ☐ Plug ☐(2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

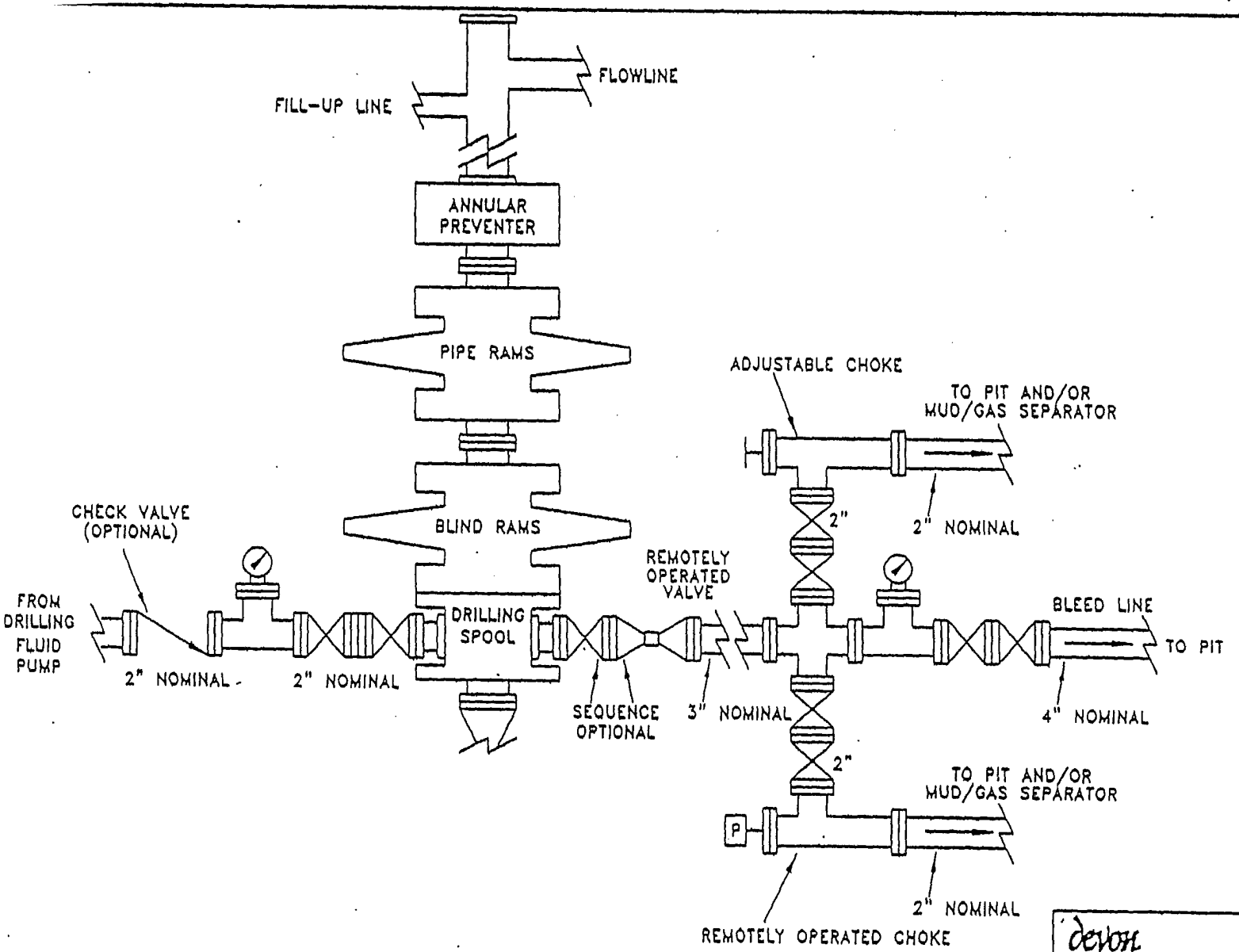
(1) Only one required in Class 3M.

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

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

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

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



devon

EXHIBIT 1

PROPOSED 5-M BOPE AND CHOKE ARRANGEMENT

si\..\nm\plots
5mbope.dwg

sc

DEVON ENERGY
Gunsight Federal 4-1

slot #1

Eddy County New Mexico

P R O P O S A L L I S T I N G

by
Baker Hughes INTEQ

Your ref : Plan2
Our ref : prop4871
License :

Date printed : 10-Nov-2005
Date created : 10-Nov-2005
Last revised : 10-Nov-2005

Field is centred on n32 40 29.200,w103 55 30.8
Structure is centred on n32 40 29.200,w103 55 30.800,-105

Slot location is n32 40 29.200,w103 55 30.800
Slot Grid coordinates are N 3615798.947, E 600774.857
Slot local coordinates are 0.00 N 0.00 E

Projection type: mercator - UTM, Spheroid: Hayford

Reference North is Grid North

DEVON ENERGY
Gunsight Federal 4-1,slot #1
,Eddy County New Mexico

PROPOSAL LISTING Page 1
Your ref : Plan2
Last revised : 10-Nov-2005

Measured Depth	Inclin Degrees	Azimuth Degrees	True Vert Depth	RECTANGULAR COORDINATES		Dogleg Deg/100ft	Vert Sect	GRID COORDS Easting	Northing
0.00	0.00	178.05	0.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
500.00	0.00	178.05	500.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
1000.00	0.00	178.05	1000.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
1500.00	0.00	178.05	1500.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
2000.00	0.00	178.05	2000.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
2500.00	0.00	178.05	2500.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
3000.00	0.00	178.05	3000.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
3500.00	0.00	178.05	3500.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
4000.00	0.00	178.05	4000.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
4500.00	0.00	178.05	4500.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
5000.00	0.00	178.05	5000.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
5500.00	0.00	178.05	5500.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
5750.00	0.00	178.05	5750.00	0.00N	0.00E	0.00	0.00	600774.86	3615798.95
5850.00	2.51	178.05	5849.97	2.19S	0.07E	2.51	2.19	600774.88	3615798.28
5950.00	5.02	178.05	5949.74	8.75S	0.30E	2.51	8.75	600774.95	3615796.28
6050.00	7.53	178.05	6049.14	19.67S	0.67E	2.51	19.68	600775.06	3615792.95
6115.00	9.16	178.05	6113.45	29.10S	0.99E	2.51	29.11	600775.16	3615790.08
6500.00	9.16	178.05	6493.54	90.35S	3.08E	0.00	90.40	600775.79	3615771.41
7000.00	9.16	178.05	6987.16	169.90S	5.78E	0.00	170.00	600776.62	3615747.16
7500.00	9.16	178.05	7480.79	249.45S	8.49E	0.00	249.60	600777.45	3615722.91
8000.00	9.16	178.05	7974.41	329.00S	11.20E	0.00	329.19	600778.27	3615698.67
8500.00	9.16	178.05	8468.03	408.55S	13.91E	0.00	408.79	600779.10	3615674.42
9000.00	9.16	178.05	8961.66	488.10S	16.62E	0.00	488.38	600779.92	3615650.17
9500.00	9.16	178.05	9455.28	567.65S	19.33E	0.00	567.98	600780.75	3615625.93
10000.00	9.16	178.05	9948.90	647.20S	22.04E	0.00	647.58	600781.57	3615601.68
10300.00	9.16	178.05	10245.08	694.93S	23.66E	0.00	695.33	600782.07	3615587.13
10307.50	9.02	178.05	10252.48	696.11S	23.70E	1.80	696.52	600782.08	3615586.77
10407.50	7.22	178.05	10351.48	710.23S	24.18E	1.80	710.65	600782.23	3615582.47
10507.50	5.41	178.05	10450.87	721.23S	24.56E	1.80	721.65	600782.34	3615579.12
10607.50	3.61	178.05	10550.55	729.09S	24.82E	1.80	729.52	600782.42	3615576.72
10707.50	1.80	178.05	10650.44	733.81S	24.98E	1.80	734.24	600782.47	3615575.28
10807.50	0.00	178.05	10750.42	735.39S	25.04E	1.80	735.81	600782.49	3615574.80
10900.00	0.00	6.85	10842.92	735.39S	25.04E	0.00	735.81	600782.49	3615574.80
11000.00	0.00	6.85	10942.92	735.39S	25.04E	0.00	735.81	600782.49	3615574.80
11100.00	0.00	6.85	11042.92	735.38S	25.04E	0.00	735.81	600782.49	3615574.80
11200.00	0.00	6.85	11142.92	735.38S	25.04E	0.00	735.81	600782.49	3615574.80
11300.00	0.00	6.85	11242.92	735.37S	25.04E	0.00	735.80	600782.49	3615574.81
11357.08	0.00	6.85	11300.00	735.37S	25.04E	0.00	735.80	600782.49	3615574.81

All data in feet unless otherwise stated. Calculation uses minimum curvature method.
Coordinates from structure and TVD from rotary table.
Bottom hole distance is 735.80 on azimuth 178.05 degrees from wellhead.
Vertical section is from N 0.00 E 0.00 on azimuth 178.05 degrees.
Grid is mercator - UTM.
Grid coordinates in METERS and computed using the Hayford spheroid
Presented by Baker Hughes INTEQ

Comments in wellpath

MD	TVD	Rectangular Coords.	Comment
11357.08	11300.00	735.37S 25.04E	BHL

Targets associated with this wellpath

Target name	Geographic Location	T.V.D.	Rectangular Coordinates	Revised
BHL		11300.00	735.37S 25.04E	8-Nov-2005

DEVON ENERGY

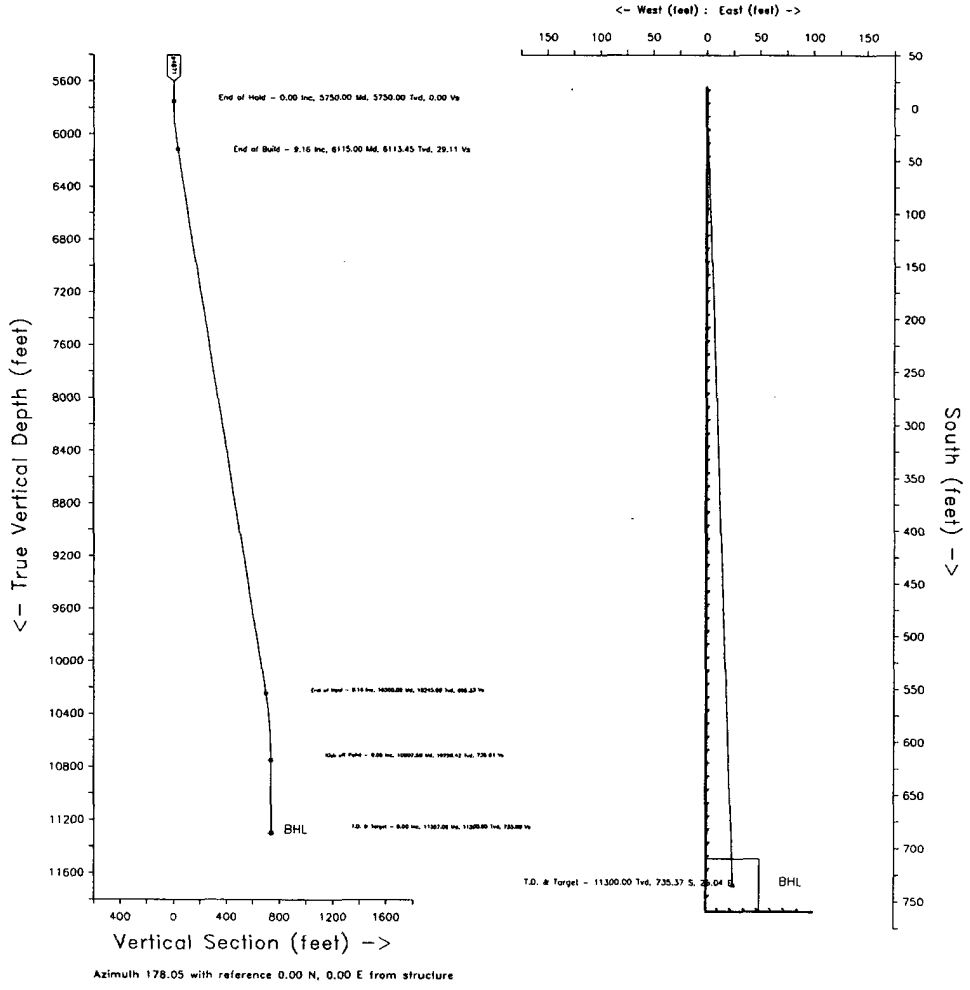
Structure : Gunsight Federal 4-1 Slot : slot #1

Field : Location : Eddy County New Mexico

Created By OGomez
Date plotted : 10-Nov-2005
Plot Reference is Plan2.
Coordinates are in feet reference structure.
True Vertical Depths are reference structure.
--- Baker Hughes INTEQ ---

WELL PROFILE DATA

Point	MD	Inc	Dir	TVD	North	East	V. Sect	Deg/100
Tie on	0.00	0.00	178.05	0.00	0.00	0.00	0.00	0.00
End of Hold	5750.00	0.00	178.05	5750.00	0.00	0.00	0.00	0.00
End of Build	6115.00	9.16	178.05	6113.45	-29.10	0.99	29.11	2.51
End of Hold	10300.00	9.16	178.05	10245.08	-694.93	23.66	695.33	0.00
KOP	10807.50	0.00	178.05	10750.42	-735.39	25.04	735.81	1.80
T.D. & Target BHL	11357.08	0.00	6.85	11300.00	-735.37	25.04	735.80	0.00



Azimuth 178.05 with reference 0.00 N, 0.00 E from structure

devon

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Hydrogen Sulfide (H_2S) Contingency Plan

For

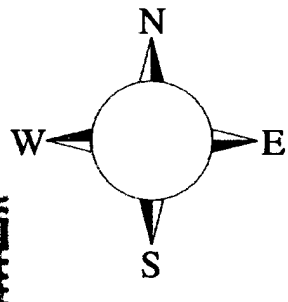
Gunsight Federal Well #1

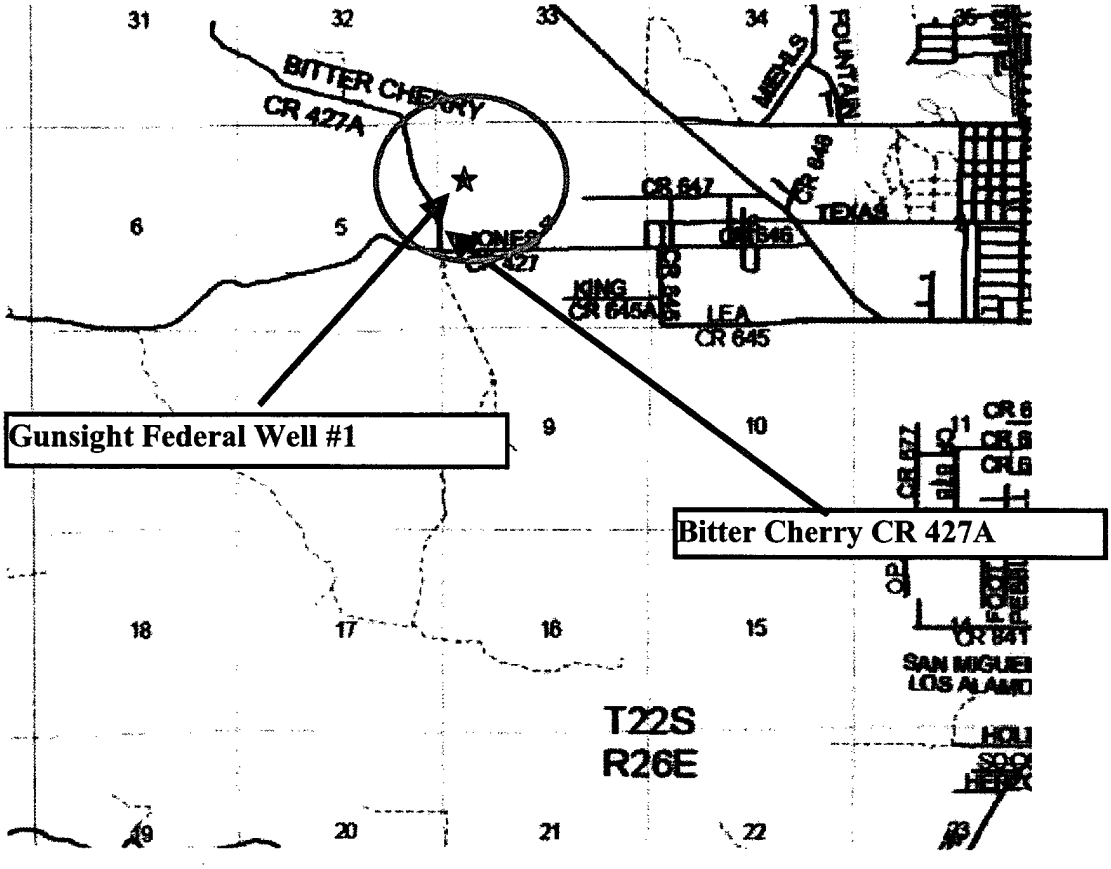
1220'FNL & 660' FWL,
Sec-4, T-22S R-26E

Eddy County NM

Gunsight Federal Well # 1

This is an open drilling site. H_2S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H_2S, including warning signs, wind indicators and H_2S monitor.





Assumed 100 ppm ROE = 3000' Radius of Exposure
100 ppm H_2S concentration shall require activation of this plan.

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated West on lease road to Bitter Cherry – CR 427AA. Crews should then block entrance to the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE There is one home approximately ¾ of a mile south of the location. Although this home is not within the assumed ROE, all reasonable precautions and notifications/warnings shall be made in the case of an emergency/hazardous release of gas.

Emergency Procedures

In the case of a release of gas containing H_2S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H_2S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H_2S monitors and air packs in order to control the release. Use the "buddy system' to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H_2S and SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentr-ation
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Devon Energy Corp. Company Call List

Artesia (505)	Cellular	Office	Home
Foreman – BJ Cathey	390-5893	748-0176	887-6026
Asst. Frmn – Bobby Jones	748-7447	748-0176	746-3194
Cecil Thurmond	748-7180	748-0171	887-1479
Mike Myers	(505) 513-0782	(505) 748-0187	(505) 395-3020
Engineer – Wyatt Abbitt	(405) 245-3471	(405) 552-8137	(405) 340-3879

Agency Call List

Eddy County (505)

Artesia

State Police	746-2703
City Police	746-2703
Sheriff's Office	746-9888
Ambulance	911
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	746-2122
NMOCD	748-1283

Carlsbad

State Police	885-3137
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee)	887-3798
US Bureau of Land Management	887-6544
New Mexico Emergency Response Commission (Santa Fe)	(505)476-9600
24 HR	(505) 827-9126
National Emergency Response Center (Washington, DC)	(800) 424-8802

Emergency Services

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control	(915) 699-0139 or (915) 563-3356
Halliburton	(505) 746-2757
B. J. Services	(505) 746-3569

Give GPS position:

Flight For Life - Lubbock, TX	(806) 743-9911
Aerocare - Lubbock, TX	(806) 747-8923
Med Flight Air Amb - Albuquerque, NM	(505) 842-4433
Lifeguard Air Med Svc. Albuquerque, NM	(505) 272-3115

Prepared in conjunction with
Wade Rohloff of;

Compliance Services
PO Box 2736 Hobbs NM 88240 (505) 631-9561

BLM Rel. 8-20 10/25/02

1. (For BLM Use) BLM Report No.	2. (For BLM Use) Reviewers Initials/Date_____ Accepted ( ) Rejected ( )	3. NMCRIS Number: 94534

4. Type of Report: Negative( ) Positive (X)

5. Title of Report:

A Class III Cultural Resource Inventory Report for the
Gunsight Federal Number 1 Proposed Well Location and Access Road,
And Site LA 149,529
Sections 4 and 5, T.22S, R.26E
Eddy County, New Mexico

Author(s): Doralene Sanders

6. Fieldwork Date(s): August 29, 2005 **7. Report Date:** September 8, 2005

8. Consultant Name/Address: Southern New Mexico Archaeological Services, Inc.
Address: Post Office Box 1, Bent, New Mexico 88314
Direct Charge: Joe Ben Sanders
Field Personnel Name(s): Allen S. Rorex
Phone Number: (505) 671-4797

9. Cultural Resource Permit Number: 145-2920-04-O

10. Consultant Report Number: SNMAS-05NM-1879

11. Customer Name: Devon Energy Production CO., L.P.
Responsible Individual: Stephanie Ysasaga
Address: Post Office Box 250
Artesia, NM 88210
Phone Number: (405) 552-7802

12. Customer Project Number:

13. Land Status	BLM	State	Private	Other	Total
a. Area Surveyed (acres)	6.89	1.61	–	–	8.50
b. Area of Effect (acres)	2.56	.50	–	–	3.06

14. Linear **Length:** 1,000 ft **Width:** 100 ft

15. Location (Map[s] Attached)

a. State: New Mexico

b. County: Eddy

c. BLM Office: Carlsbad Field Office

d. Nearest City or Town: Carlsbad, NM

e. Legal Description: T.22S, R.26E, Sections 4 and 5
Well Pad ¼s: Section 4, NW¼ NW¼ NW¼
Access Road ¼s: Section 4, SW¼ NW¼ NW¼
Section 5, SE¼ NE¼ NE¼, SW¼ NE¼ NE¼

f. Well Pad Footages: 1,220 ft FNL and 660 ft FWL

g. USGS 7.5' Map Name(s), Date(s), and Code(s): Carlsbad West, NM (Provisional Edition 1985), 32104-D3

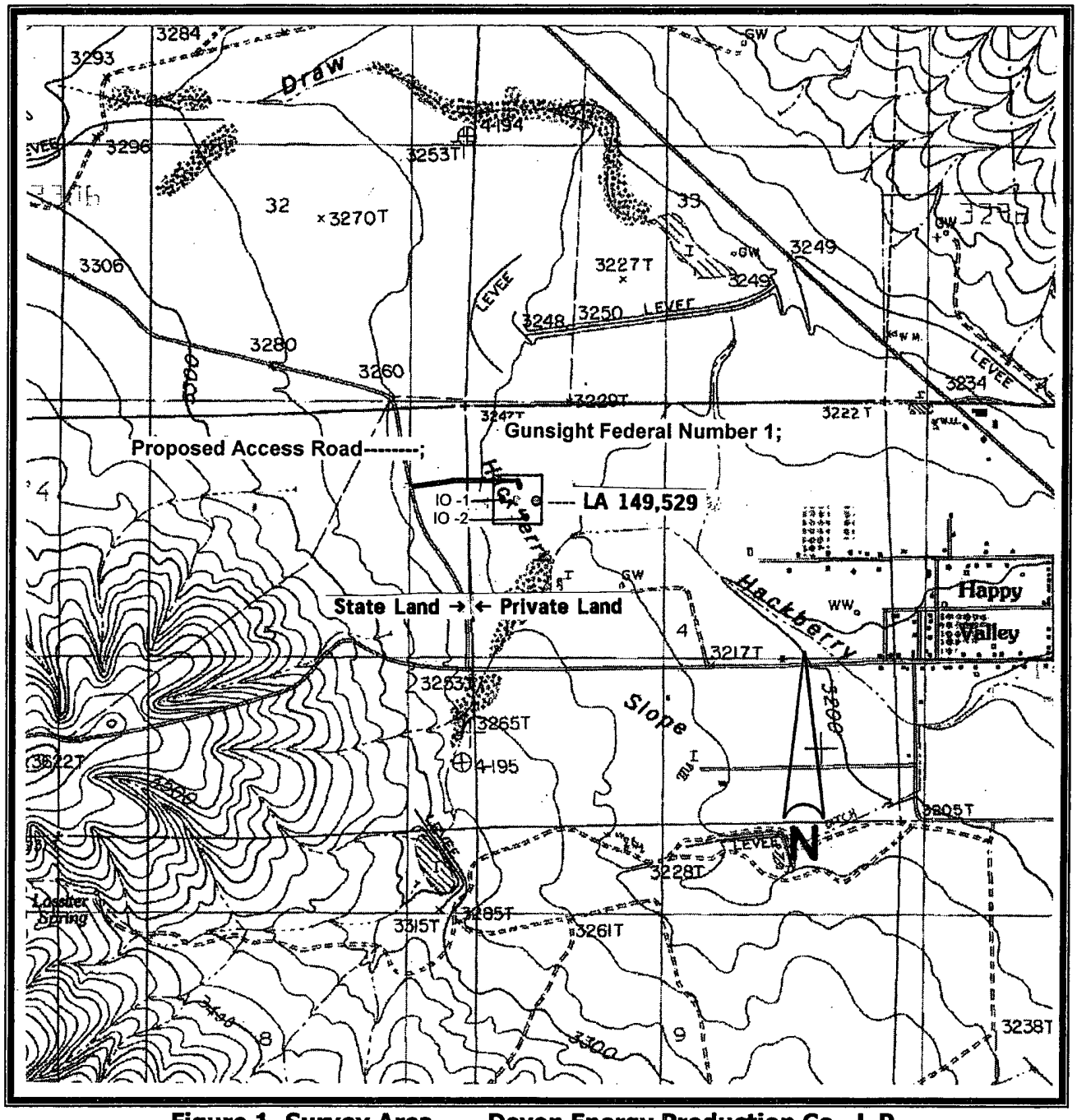
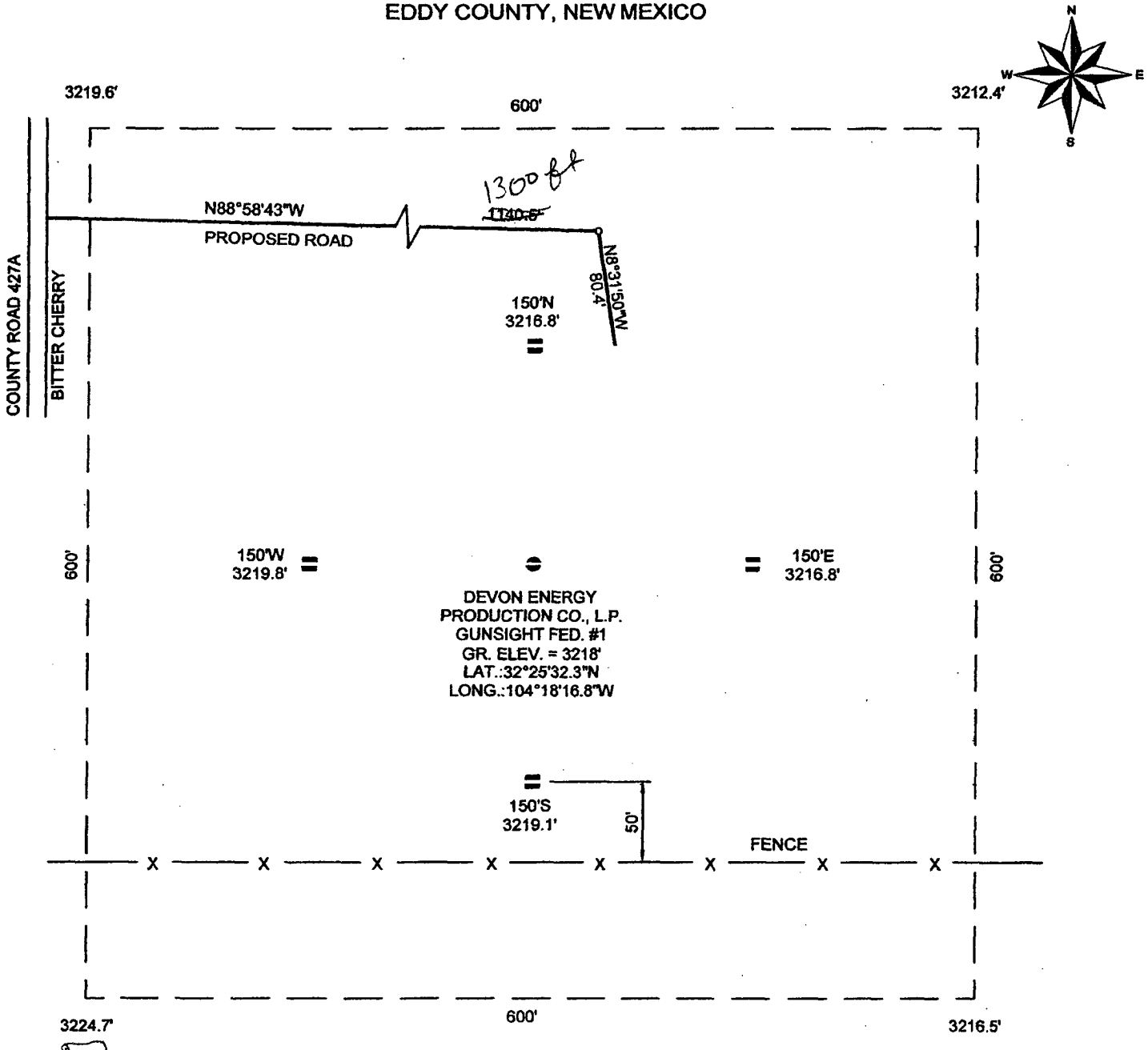


Figure 1. Survey Area Devon Energy Production Co., L.P.
Gunsight Federal Number 1 Proposed Well Location and Access Road, and Site LA 149,529
Sections 4 and 5, T.22S, R.26E
USGS Carlsbad West, NM (Provisional Edition 1985) 7.5' topo map
Eddy County, New Mexico
Scale 1:24,000

SECTION 4, TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.

EDDY COUNTY, NEW MEXICO



ORIGINAL

SNMAS-05NM-1879

100 0 100 200FEET

SCALE: 1" = 100'

DIRECTIONS TO LOCATION:
FROM THE INTERSECTION OF COUNTY ROAD 427 AND 427A, GO NORTH ON COUNTY ROAD 427A 0.5 MILES TO THE BEGINNING OF THE ROAD, FOLLOW SURVEY LATHE EAST TO WELL LOCATION.

DEVON ENERGY PRODUCTION COMPANY, L.P.

GUNSIGHT FEDERAL No.1 LOCATION

THE GUNSIGHT FEDERAL No.1
LOCATED 1220' F.N.L. & 660' F.W.L. SECTION 4,
TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.
EDDY COUNTY, NEW MEXICO

BASIN SURVEYS P.O. BOX 1786 -HOBBS, NEW MEXICO

W.O. Number: 5694	Drawn By: S.STANFIELD		
Date: 08-10-2005	Disk:C:\DRAWINGS\DEVON\DEV5694-1	Survey Date: 08-08-2005	Sheet 1 of 1 Sheets

CONDITIONS OF APPROVAL - DRILLING

Operator's Name: DEVON ENERGY PRODUCTION COMPANY, LP
Well Name & No. 1 – GUNSIGHT 4 FEDERAL COM
Location: 1220' FNL & 660' FWL – SEC 4 – T22S – R26E – EDDY COUNTY SHL
Lease: NM-106676
Location: 1980' FNL & 660' FWL Sec 4, T 22S, R 26E BHL

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 20 inch 9-5/8 inch 5-1/2 inch

C. BOP tests

2. **There is no known presence of H2S in Sec 4 – T22S – R26E.** If H2S is encountered the operator will comply with the provisions of Onshore Order No. 6. An H2S Drilling Plan has been included in the APD.

3 Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

6. A Communitization Agreement covering the acreage dedicated to this well must be filed for approval with the BLM. The effective date of the agreement shall be prior to any sales.

II. CASING:

1. The 20 inch surface casing shall be set at **600 feet**, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is **circulate cement to the surface. Note: The 9-5/8 inch intermediate casing will have to be set @ 2275 feet due to the top of the Delaware Formation @ approximately 2290 feet.**

3. The minimum required fill of cement behind the 5-1/2 inch production casing is **cement shall ~~extend upward a minimum of 500 feet above the uppermost hydrocarbon bearing interval.~~**
tie back into 9 5/8" csg. by 500'. (SL)

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the **20** inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling the surface and intermediate casing shall be **2000** psi. Minimum working pressure of the blowout preventer and related equipment (BOPE) required for drilling below the **9-5/8** inch casing shall be **5000** psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.
- A variance to test the **BOP and associated equipment** to the reduced pressure of **1200** psi with the rig pumps before drilling out of the **20** inch casing is approved.
- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.
- BOPE must be tested prior to drilling into the **Wolfcamp** Formation by an independent service company.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** Formation, and shall be used until production casing is run and cemented. Monitoring equipment shall consist of the following:

1. Recording pit level indicator to indicate volume gains and losses.
2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
3. Flow-sensor on the flow line to warn of abnormal mud returns from the well.

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

February 3, 2006

Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, OK 73102-8260
Attn: Stephanie Ysasaga-Senior Engineering Technician

RE: Devon Energy Production Company, L.P.: Application to drill the Gunsight '4' Federal Com. # 1, located in Unit D of Section 4, Township 22 South Range 26 East, Eddy County New Mexico, NMPM API : 30-015-34587

Dear Stephanie,
In regards to the above noted well, the New Mexico Oil Conservation Division (NMOCD) asks that mud samples be caught every 100' during the drilling of the intermediate hole section from @ 600-2295' in order to determine the chloride levels of the drilling mud. Data from these tests need to be submitted to the District II office here in Artesia. Please note that if may not be possible at times to obtain samples due to possible loss circulation problems that commonly occur in drilling the Capitan Reef section. This is a request from all operators that drill through the Capitan Reef in NMOCD's District II. Please call me if you or other members with Devon have any questions regarding this matter.

Respectfully yours,

Bryan. G. Arrant
PES