Form 3160-3
(December 1990)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ Other ___ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2 NAME OF OPERATOR
DEVON ENERGY PRODUCTION COMPANY, L.P.

3. ADDRESS AND TELEPHONE NO.
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 235-3611

4. LOCATION OF WELL (*Report location clearly and in accordance with any State requirements)**
At surface **1050' FNL & 1870' FWL, Unit C, Section 25-T22S-R25E, Eddy Cnty, NM**

At top proposed prod. zone (same)

5.LEASE DESIGNATION AND SERIAL NO.
NM-NM~~96568~~ 88660

6.IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7.UNIT AGREEMENT NAME
N/A

8.FARM OR LEASE NAME, WELL NO.
FILAREE "25C" FEDERAL COM. #1

9.API WELL NO.
30-015- 32975

10.FIELD AND POOL, OR WILDCAT
Happy Valley (Morrow)

11.SEC.,T.,R.,M.,OR BLOCK AND SURVEY OR AREA
Unit C
Section 25, T22S, R25E

14.DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 5 miles west of Carlsbad, New Mexico

12. COUNTY OR PARISH: **Eddy County** | 13. STATE: **NM**

15.DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line if any)	16.NO. OF ACRES IN LEASE	17.NO. OF ACRES ASSIGNED TO THIS WELL
1050'	560.00	320.00
18.DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19.PROPOSED DEPTH**	**20.ROTARY OR CABLE TOOLS***
	11,500'	Rotary

21.ELEVATIONS (Show whether DF, RT, GR, etc.)
GL 3471'

22. APPROX. DATE WORK WILL START*
August, 2003

AUG 2003
RECEIVED
OCD - ARTESIA

CARLSBAD CONTROLLED WATER BASIN

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING		WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF CEMENT
17 1/2"	H-40	13 3/8"	48.0	500'	WITNESS	650 sx (est TOC @ surface)
12 1/4"	J-55	9 5/8"	36.0	2,400'	WITNESS	1400 sx (est TOC @ surface)
8 3/4"	HCP-110	5 1/2"	17.0	11,500'		2350 sx (est TOC @ surface)

Devon Energy proposes to drill to total depth 11,500'± for commercial quantities of gas. If the well is deemed noncommercial, the well bore will be plugged and abandoned 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
Exhibit #2 = Location and Elevation Plat
Exhibits #3 = Road Map and Topo Map
Exhibit #4 = Wells Within 1 Mile Radius
Exhibits #5 = Production Facilities Plat
Exhibit #6 = Rotary Rig Layout
Exhibit #7 = Casing Design
Exhibit #8 = H_2S Operating Plan
Archeological clearance report (to follow)

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or: portions thereof, as described below:
Lease #: NM-NM96568
Legal Description: Section 25-T22S-R25E

Bond Coverage: Nationwide
BLM Bond #: CO-1104

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

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.

SIGNED _____ Gerald T. Pepper TITLE Ops Engr Advisor DATE June 18, 2003

*(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Joe G. Lara TITLE ACTING FIELD MANAGER DATE 31 JUL 2003

See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001, makes 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

DRILLING PROGRAM

Attached to Form 3160-3
Devon Energy Production Company, L.P.
FILAREE "25C" FEDERAL COM. #1
1050' FNL & 1870' FWL, Unit C, Section 25-T22S-R25E
Eddy County, New Mexico

1. Geologic Name of Surface Formation

Quaternary deposits

2. Estimated Tops of Important Geologic Markers

Delaware	2,400'
Bone Spring	4,760'
1st Bone Spring Sand	5,740'
2nd Bone Spring Sand	6,180'
3rd Bone Spring Sand	8,000'
Wolfcamp	8,400'
Canyon	9,500'
Strawn	9,815'
Atoka	10,050'
Upper Morrow	10,630'
Middle Morrow	10,770'
Lower Morrow	11,180'
Barnett Shale	11,310'
TD	±11,500'

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

The estimated depths at which water, oil and gas will be encountered are as follows.

Water:	Random fresh water from surface to approximately 350'
Oil:	Bone Spring, Wolfcamp
Gas:	Cisco, Strawn, Atoka, Morrow

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 500' and circulating cement back to surface. The intermediate intervals will be protected by setting 9 5/8" casing at 2,400' and circulating cement to surface. The production intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement to surface.

4. Casing Program

Hole Size	Interval	Casing OD	Weight, ppf	Grade	Type
17 1/2"	0-500'	13 3/8"	48	H-40	ST&C
12 1/4"	0–2,400'	9 5/8"	36	J-55	ST&C
8 3/4"	0–11,500'±	5 1/2"	17	HCP-110	LT&C

Cementing Program

13 3/8" Surface Casing	Cement to surface - with approximately 650 sx Class C
9 5/8" Intermediate Casing	Cement to surface - with approximately 200 sx Thixotropic C + 950 sx Class C Lite + 200 sx Class C with 2% CaCl2
5 1/2" Production Casing	Cement to surface - with approximately 1100 sx Super H + 1050 sx Class C Lite + 200 sx Class C neat

The cement volumes for the 5 1/2" casing will be revised pending the caliper measurement from the open hole logs.

5. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a (5M system) double ram type (5000 psi WP) preventer and a bag-type (Hydril) preventer (5000 psi WP). Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and drill pipe rams on bottom. Both BOP's will be installed on the 9 5/8" surface casing and utilized continuously until total depth is reached. As per BLM Drilling Operations Order #2, prior to drilling out the casing shoe, the BOP's and Hydril will be function tested.

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.

6. Types and Characteristics of the Proposed Circulating Mud System

The well will be drilled to total depth with fresh water/brine/starch mud systems. Depths of systems are as follows.

Depth	Type	Weight (ppg)	Viscosity (1/sec)	Water Loss (cc)
0' – 500'	Fresh water/paper	8.5-9.5	29 - 34	No control
500' – 2400'	Fresh wtr/paper/lime	8.5 – 10.5	29 - 34	No control
2400' – 9000'	Cut Brine/paper/ lime/gel	10 – 10.6	29 – 34	No control
9000' – TD	Brine/Dris-pac/ soda ash/starch	10 – 10.8	32 – 38	10 or less

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 9 5/8" casing shoe until the 5 1/2" casing is cemented.

8. Logging, Testing and Coring Program

A. No cores or drill stem tests are planned at this time.

B. The open hole electrical logging program will be as follows.

Schlumberger Platform Express Azimuthal Laterlog/MCFL/NGT and Three Detector Litho-Density Compensated Neutron/NGT logs from TD to base of surface casing.

A formation pressure testing tool and a formation imaging tool may be run.

C. 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 170 degrees and maximum bottom hole pressure is 5500 psig. Hydrogen sulfide gas may be encountered in this area. See attached "Hydrogen Sulfide Operations Plan". Lost circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations

The Carlsbad, New Mexico, BLM office has performed the onsite inspection for the proposed pad site of this location.

A cultural resources examination will be submitted to the BLM in Carlsbad.

Road and location preparation will not be undertaken until approval has been received from the BLM. If approved, this well will be drilled as part of a development project. The anticipated spud date for the project is August, 2003. The drilling operation should require approximately 40-45 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.

11. Other Facets of Operations

After running casing a cement bond/gamma ray/collar log will be run.

The Morrow pay will be perforated and stimulated. The well will be swab tested and potentialed as a gas well.

SURFACE USE AND OPERATING PLAN

Attachment to Form 3160-3
Devon Energy Production Company, L.P.
FILAREE "25C" FEDERAL COM. #1
1050' FNL & 1870' FWL, Unit C, Section 25-T22S-R25E
Eddy County, New Mexico

1. Existing Roads

The well site and elevation plat for the proposed Filaree "25C" Federal Com. #1 are reflected on Exhibit #2. This well was staked by John West Surveying in Hobbs, New Mexico.

A. All roads into the location are depicted in Exhibit #3. Access to this location will require the construction of approximately 200' of new road from existing lease road. All new construction will conform to the specifications outlined in Item #2 below.

B. Directions to location: From Carlsbad, New Mexico, take US Hwy 62-180 west to junction with Hidalgo Road (County Road 672). Turn right and follow Hidalgo Road for approximately 3.5 miles to McKittrick Road (County Road 429). Then follow McKittrick Road for approximately 4.5 miles and turn left onto lease road. Follow lease road to the proposed Filaree "25C" Federal Com. #1 location.

2. Proposed Access Road

Exhibit #3 shows the proposed lease road. Access to this location will be from an existing lease road. All new construction will adhere to the following.

A. The maximum width of the road will be 15'.

B. 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.

D. The average grade will be less than 5%.

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 Filaree "25C" Federal Com. #1.

4. Location of Existing and/or Proposed Facilities

A. In the event the well is found productive, a tank battery would be constructed.

1. Exhibit #5 shows the battery facility to be utilized by the Filaree "25C" Federal Com. #1.

2. The tank battery, all connections and all lines will adhere to API standards.

3. The well may be operated by means of an electric prime mover. Electric power poles will be set along side of the access road.

B. If the well is productive, rehabilitation plans are as follows.

The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).

5. Location and Type of Water Supply

The Filaree "25C" Federal Com. #1 will be drilled using a combination of brine and fresh water mud systems (outlined in Drilling Program). The water will be obtained from commercial sources and will be transported over the existing and proposed roads. 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. All roads will be constructed of at least 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 during drilling.

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 permanent 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 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, if any, will 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. All pits will be filled and location leveled, weather permitting, within 120 days after abandonment.

C. 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.

D. 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. 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 project is located on in an area of rolling limestone hills used for ranching and raising cattle. Drainage is to the east toward the Pecos River via Little McKittrick Draw.
Regionally the slopes average 1-3% and the calcareous land area consists of aridisols ranging from loamy sand to clay.
Vegetation consists of mesquite, creosote, algerita, acacia, cholla, snakeweed, yucca cactus, and various grasses.

B. There is no permanent water in the immediate area.

C. Upon completion a cultural resources examination will forwarded to the BLM office in Carlsbad, New Mexico, by Southern New Mexico Archeological Resources, Inc., in Bent.

13. Lessee's and Operator's Representative

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

Tom Pepper
Operations Engineering Advisor
Devon Energy Production Company, L.P.
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260
(405) 552-4513 (office)
(405) 203-2242 (cell)

Don Mayberry
Superintendent
Devon Energy Production Company, L.P.
Post Office Box 250
Artesia, New Mexico 88211-0250
(505) 748-3371 (office)
(505) 746-4945 (home)

Certification

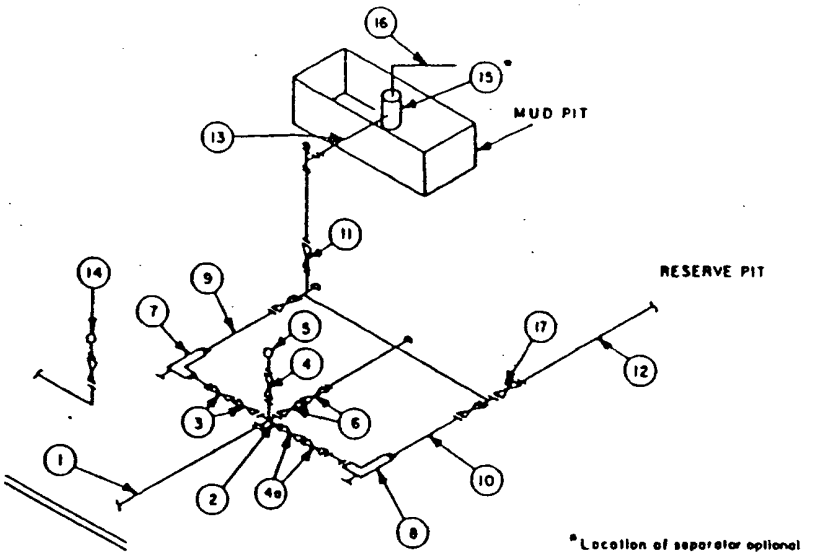
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access road; that I am familiar with the conditions that presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated 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: June 16, 2003
Gerald T. (Tom) Pepper
Operations Engineering Advisor

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

3 MWP - 5 MWP - 10 MWP

EXHIBIT # 1



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

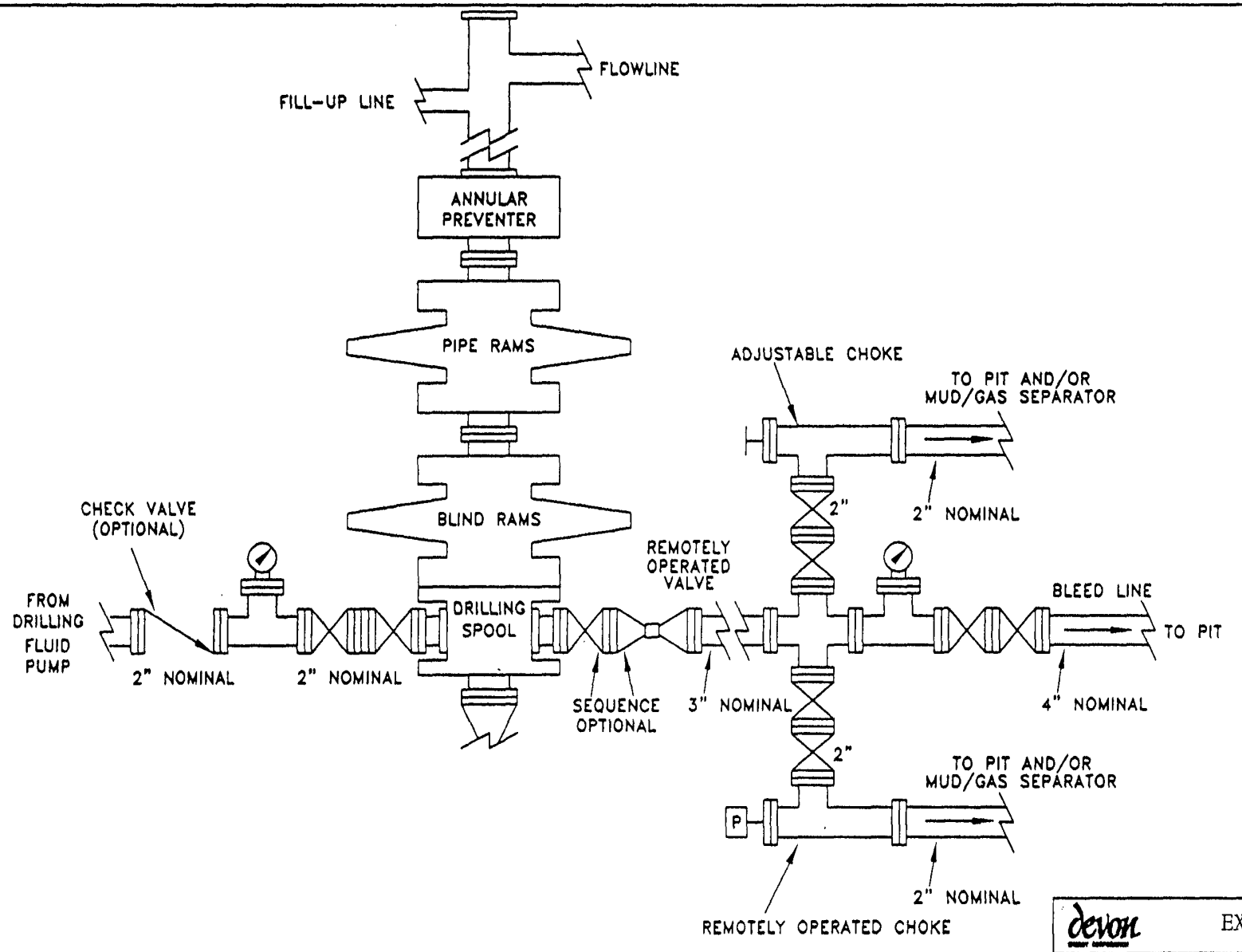
(1) Only one required in Class 3M.

(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

AREA NAME

COUNTY, STATE

SCHEMATIC

PROPOSED 5-M BOPE AND CHOKE ARRANGEMENT

s:\..\nm\plats
5mbope.dwg

SC

10/00

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, L.P.
FILAREE "25C" FEDERAL COM. #1
1050' FNL & 1870' FWL, Unit C, Section 25-T22S-R25E
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 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.

EXHIBIT 2

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

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
		Happy Valley (Morrow)

Property Code	Property Name	Well Number
	FILAREE "25" C FEDERAL COM.	1

OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3471'

Surface Location

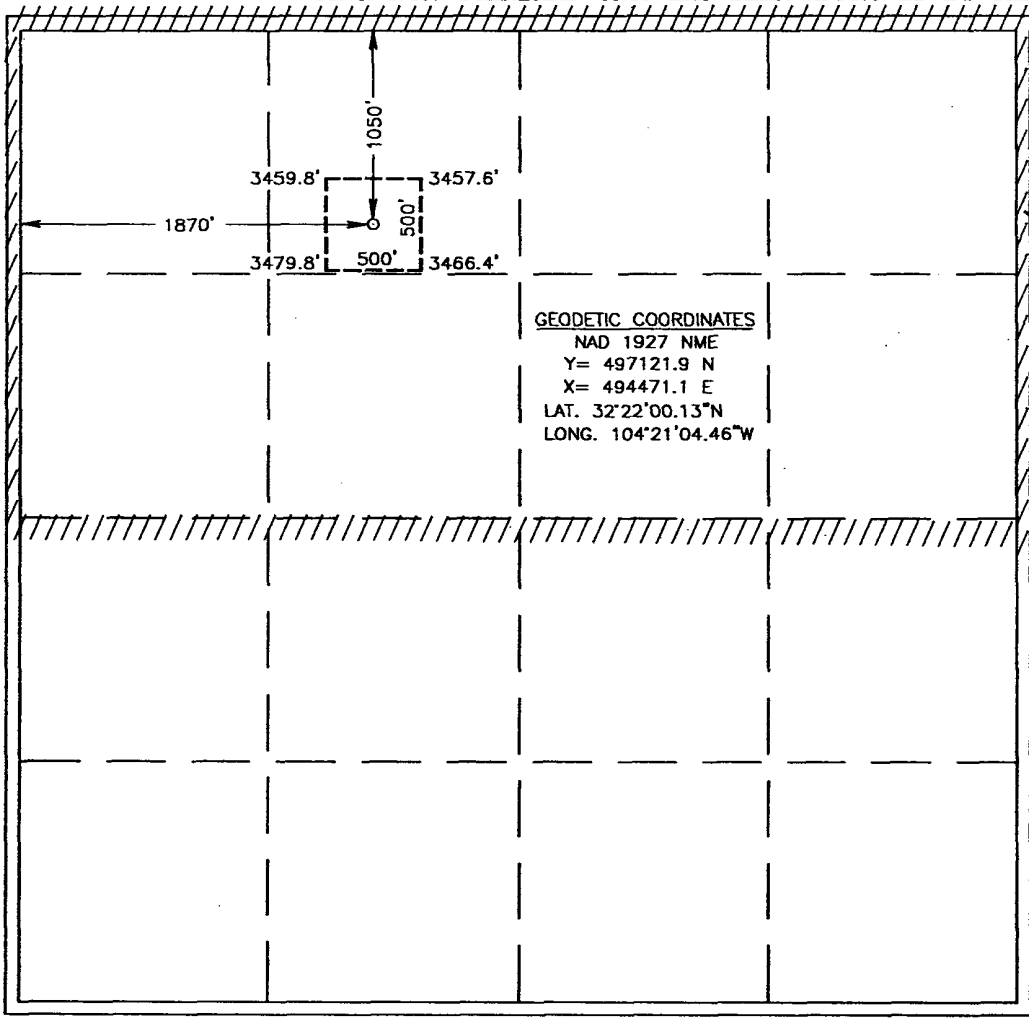
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	22-S	25-E		1050'	NORTH	1870'	WEST	EDDY

Bottom Hole Location If Different From Surface

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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



GEODETIC COORDINATES
NAD 1927 NME
Y= 497121.9 N
X= 494471.1 E
LAT. 32°22'00.13"N
LONG. 104°21'04.46"W

OPERATOR CERTIFICATION

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

Signature

Gerald T. (Tom) Pepper
Printed Name

Operations Engr. Advisor
Title

June 18, 2003
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.

June 05, 2003
Date Surveyed AWB

Signature & Seal of Professional Surveyor

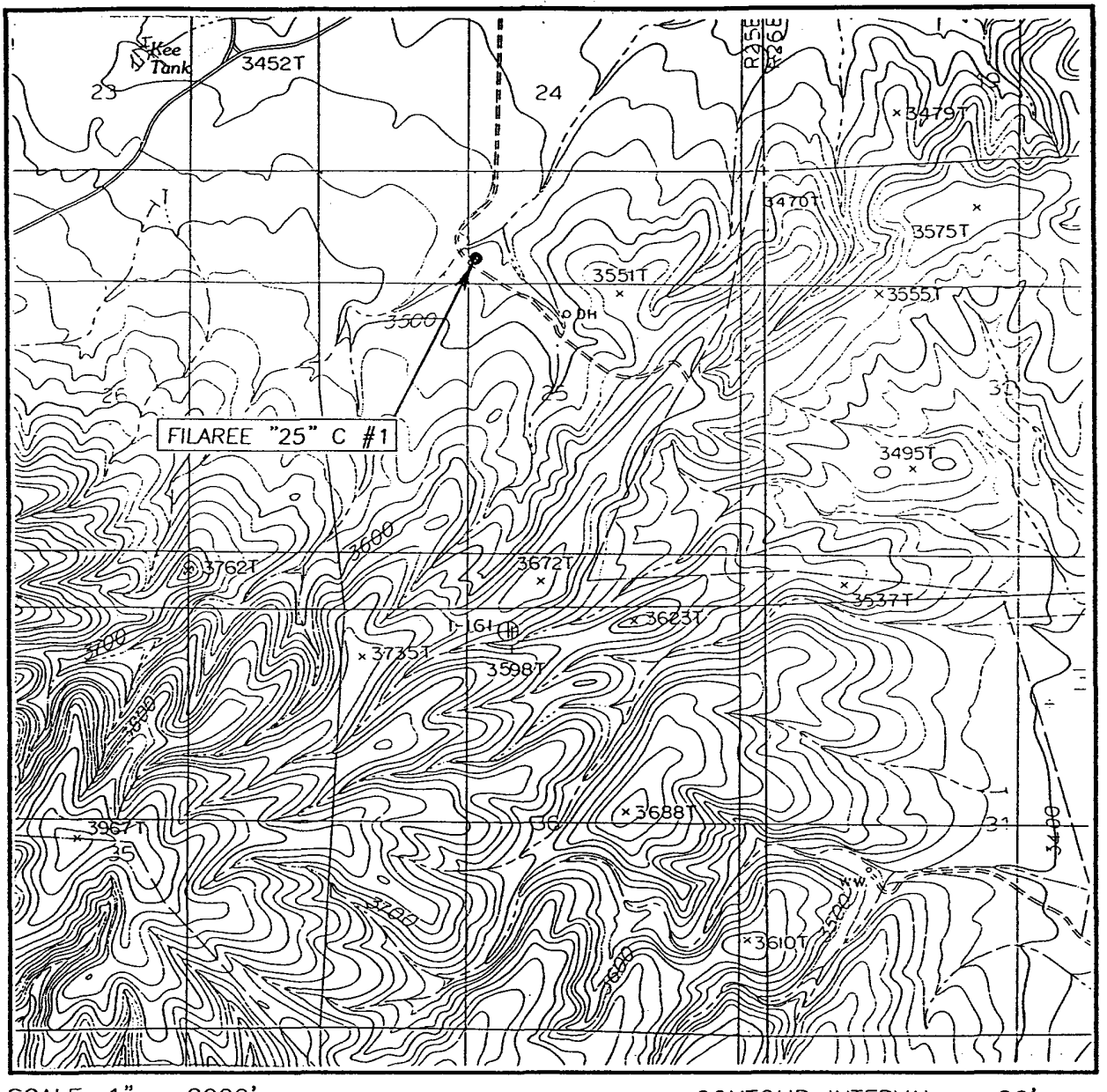
Gary L. Eidson 6/11/03

03.11.0571

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

EXHIBIT 2

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 20'
KITCHEN COVE, N.M.
SUP: 10'

SEC. 25 TWP. 22-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1050' FNL & 1870' FWL

ELEVATION 3471'

OPERATOR DEVON ENERGY PROD, CO. L.P.

LEASE FILAREE "25" C

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

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

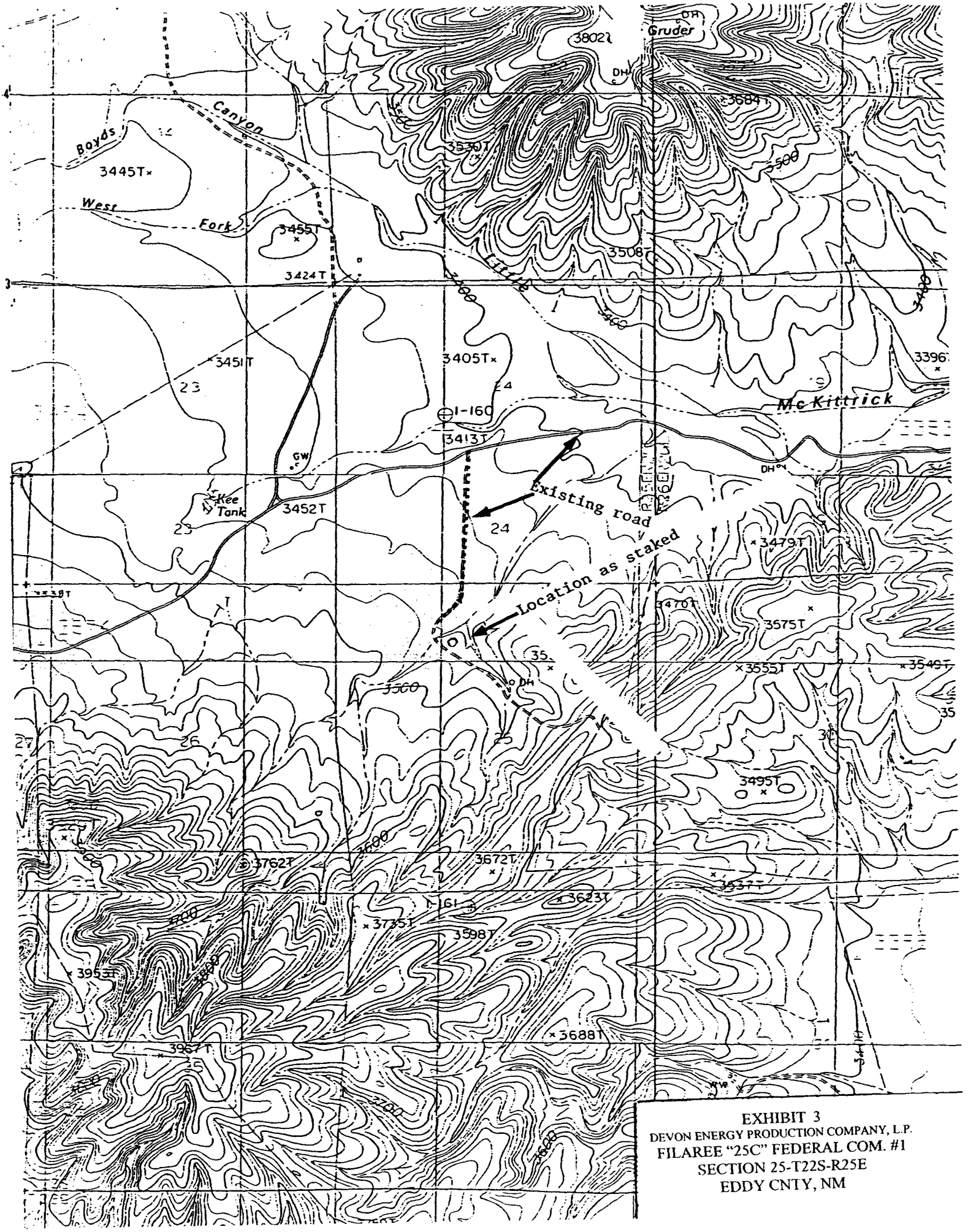
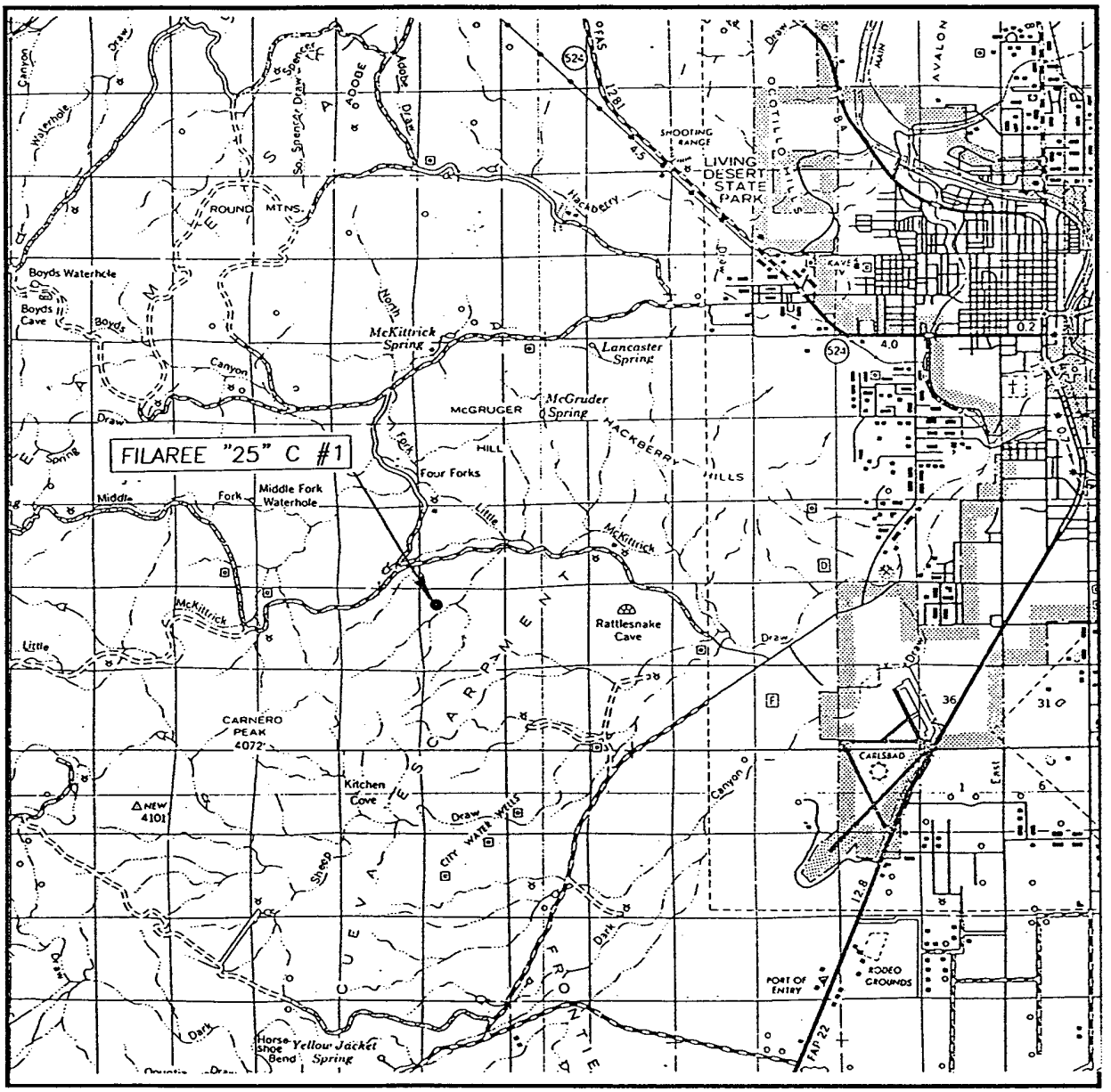


EXHIBIT 3
DEVON ENERGY PRODUCTION COMPANY, L.P.
FILAREE "25C" FEDERAL COM. #1
SECTION 25-T22S-R25E
EDDY CNTY, NM

EXHIBIT 3

VICINITY MAP



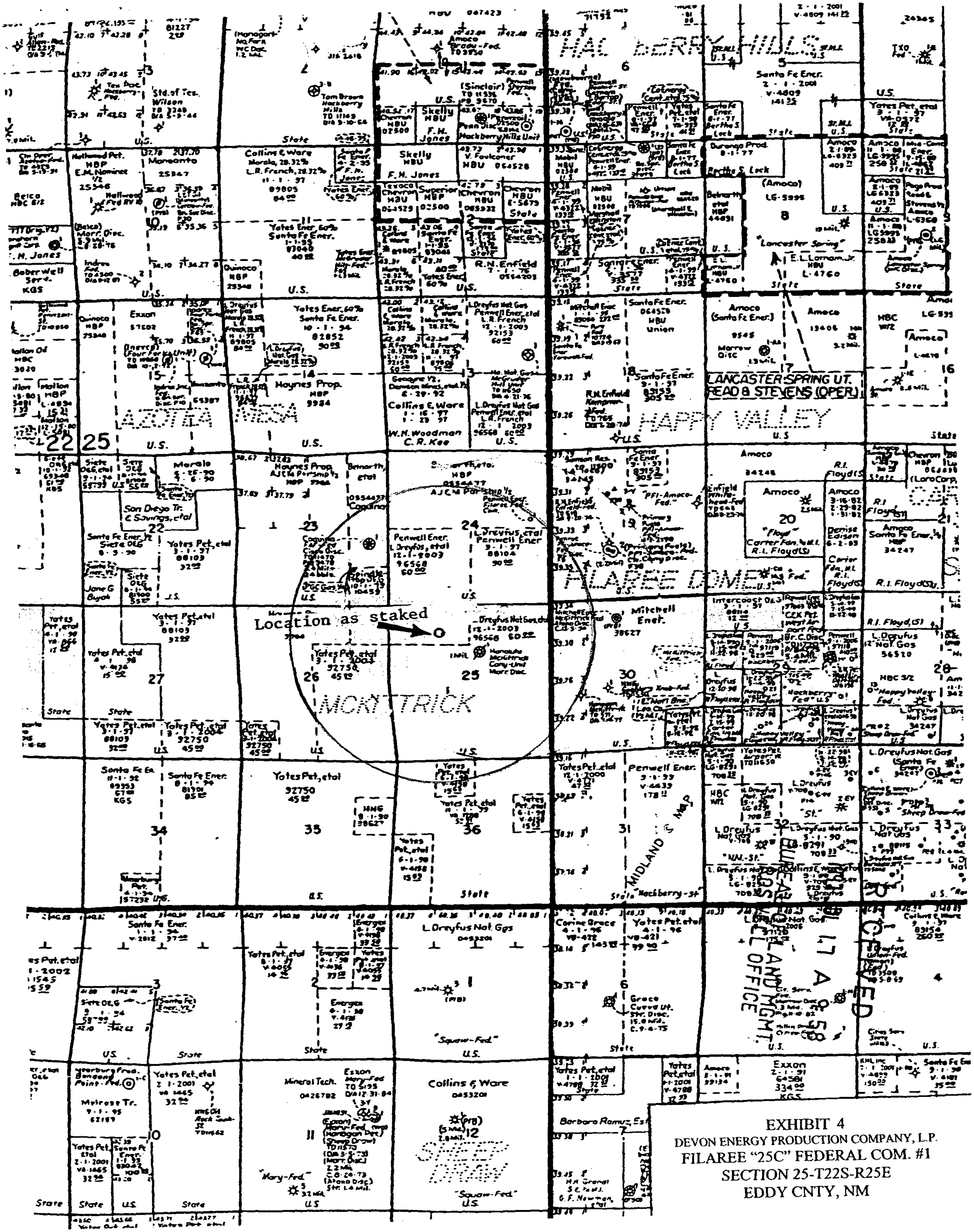


EXHIBIT 4
DEVON ENERGY PRODUCTION COMPANY, L.P.
FILAREE "25C" FEDERAL COM. #1
SECTION 25-T22S-R25E
EDDY CNTY, NM

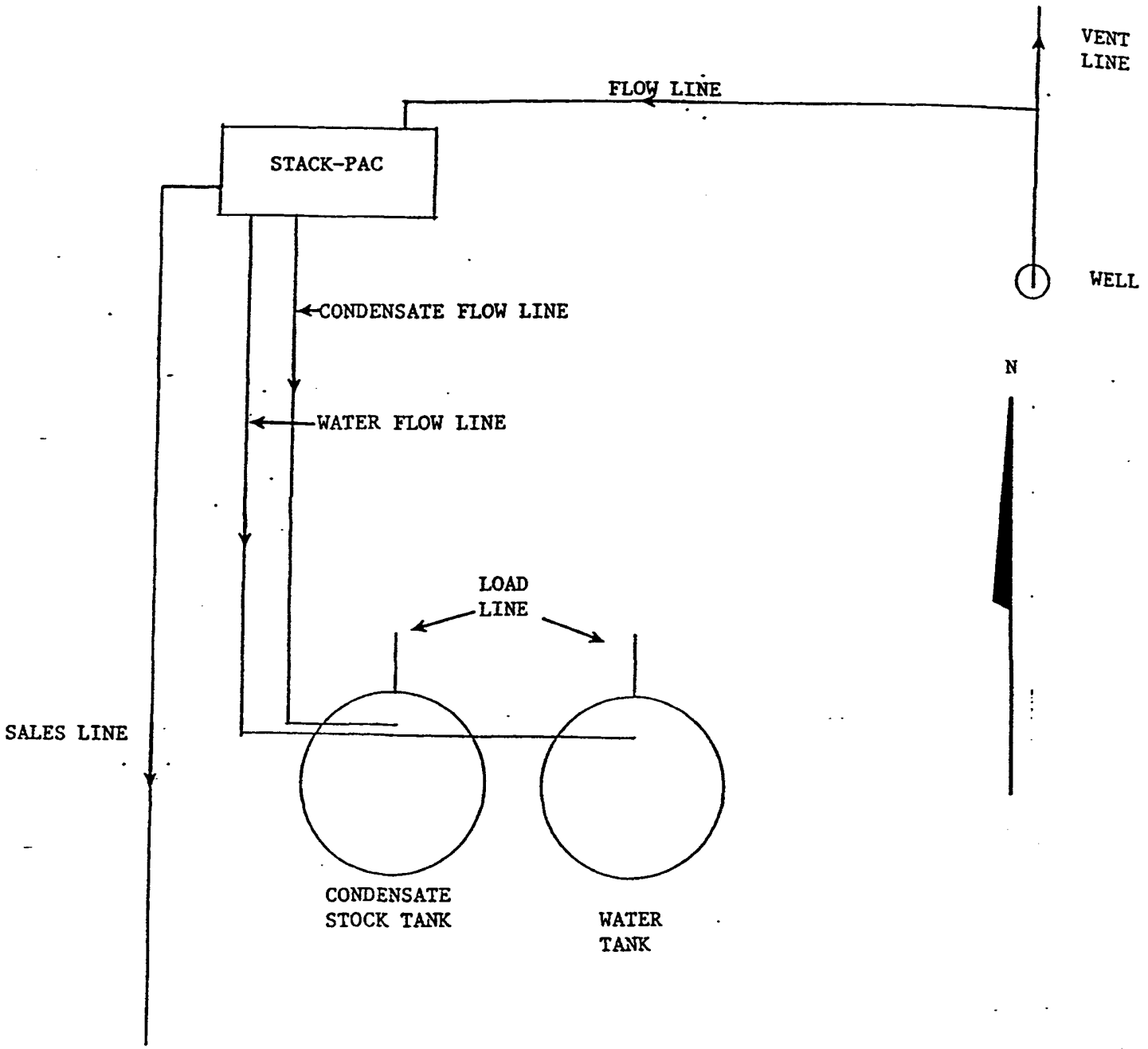
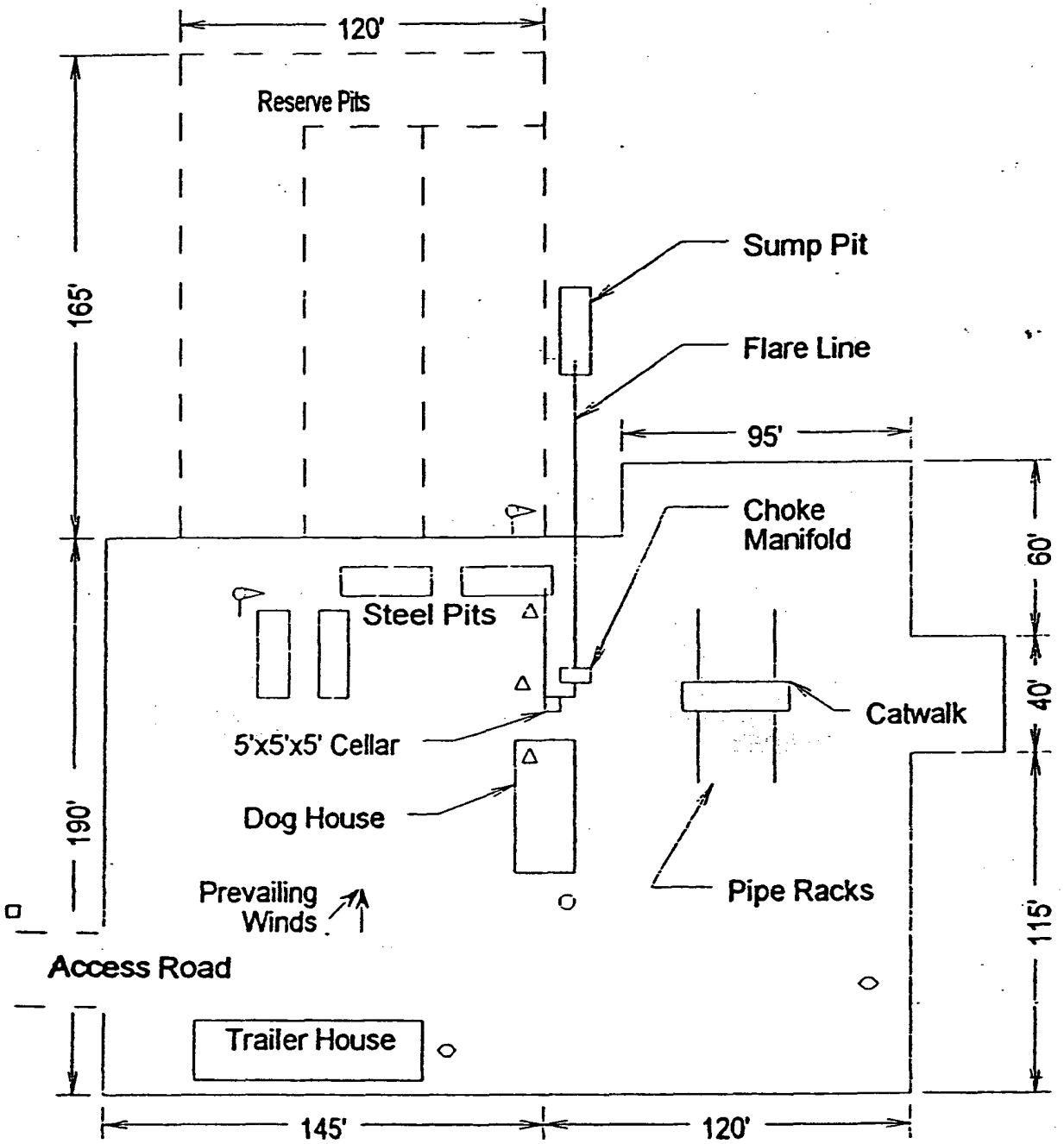


EXHIBIT 5
DEVON ENERGY PRODUCTION COMPANY, L.P.
FILAREE "25C" FEDERAL COM. #1
SECTION 25-T22S-R25E
EDDY CNTY, NM



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

EXHIBIT 6
DEVON ENERGY PRODUCTION COMPANY, L.P.
FILAREE "25C" FEDERAL COM. #1
SECTION 25-T22S-R25E
EDDY CNTY, NM

Well name:	**Filaree 25C Fed Com 1**
Operator:	**Devon Energy**
String type:	Surface
Location:	Section 25 - T22S - R25E

Design parameters:

Collapse
Mud weight: 9.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 226 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 286 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

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

Tension is based on air weight.
Neutral point: 430 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 82 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 500 ft

Non-directional string.

Re subsequent strings:
Next setting depth: 2,400 ft
Next mud weight: 8.500 ppg
Next setting BHP: 1,060 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 500 ft
Injection pressure 286 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	500	13.375	48.00	H-40	ST&C	500	500	12.59	6201

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	247	740	3.00	286	1730	6.05	24	322	13.42 J

Prepared by: D. C. Jennings
Devon Energy

Date: June 16,2003
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 500 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	**Filaree 25C Fed Com 1**
Operator:	**Devon Energy**
String type:	Intermediate
Location:	Section 25 - T22S - R25E

Design parameters:

Collapse
Mud weight: 8.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 1,083 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,371 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

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

Tension is based on air weight.
Neutral point: 2,098 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 109 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 2,400 ft
Minimum Drift: 8.750 in

Non-directional string.

Re subsequent strings:
Next setting depth: 11,500 ft
Next mud weight: 10.200 ppg
Next setting BHP: 6,094 psi
Fracture mud wt: 11.000 ppg
Fracture depth: 2,400 ft
Injection pressure 1,371 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	2400	9.625	36.00	J-55	ST&C	2400	2400	8.796	20861

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	1060	2020	1.91	1371	3520	2.57	86.4	394	4.56 J

Prepared by: D. C. Jennings, Devon Energy

Date: June 16,2003
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 2400 ft, a mud weight of 8.5 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	**Filaree 25C Fed Com 1**
Operator:	**Devon Energy**
String type:	Production
Location:	Section 25 - T22S - R25E

Design parameters:

Collapse
Mud weight: 10.200 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 4,713 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 6,093 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

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

Tension is based on buoyed weight.
Neutral point: 9,721 ft

Environment:
H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 236 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ($)
1	11500	5.5	17.00	HCP-110	LT&C	11500	11500	4.767	75748

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (kips)	Tension Strength (kips)	Tension Design Factor
1	6093	8580	1.41	6093	10640	1.75	165.3	445	2.69 J

Prepared by: D. C. Jennings
Devon Energy

Date: June 16,2003
Oklahoma City, Oklahoma

Remarks:
Collapse is based on a vertical depth of 11500 ft, a mud weight of 10.2 ppg The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

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:

EXHIBIT 8
DEVON ENERGY PRODUCTION COMPANY, L.P.
FILAREE "25C" FEDERAL COM. #1
SECTION 25-T22S-R25E
EDDY CNTY, NM

1. Well Control Equipment

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

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

2. H2S Detection And Monitoring Equipment

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

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

3. Protective Equipment For Essential Personnel

Protective equipment will consist of the following:

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

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

4. Visual Warning System

Visual warning system will consist of the following:

(a) Two wind direction indicators.

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

5. Mud Program

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

6. Metallurgy

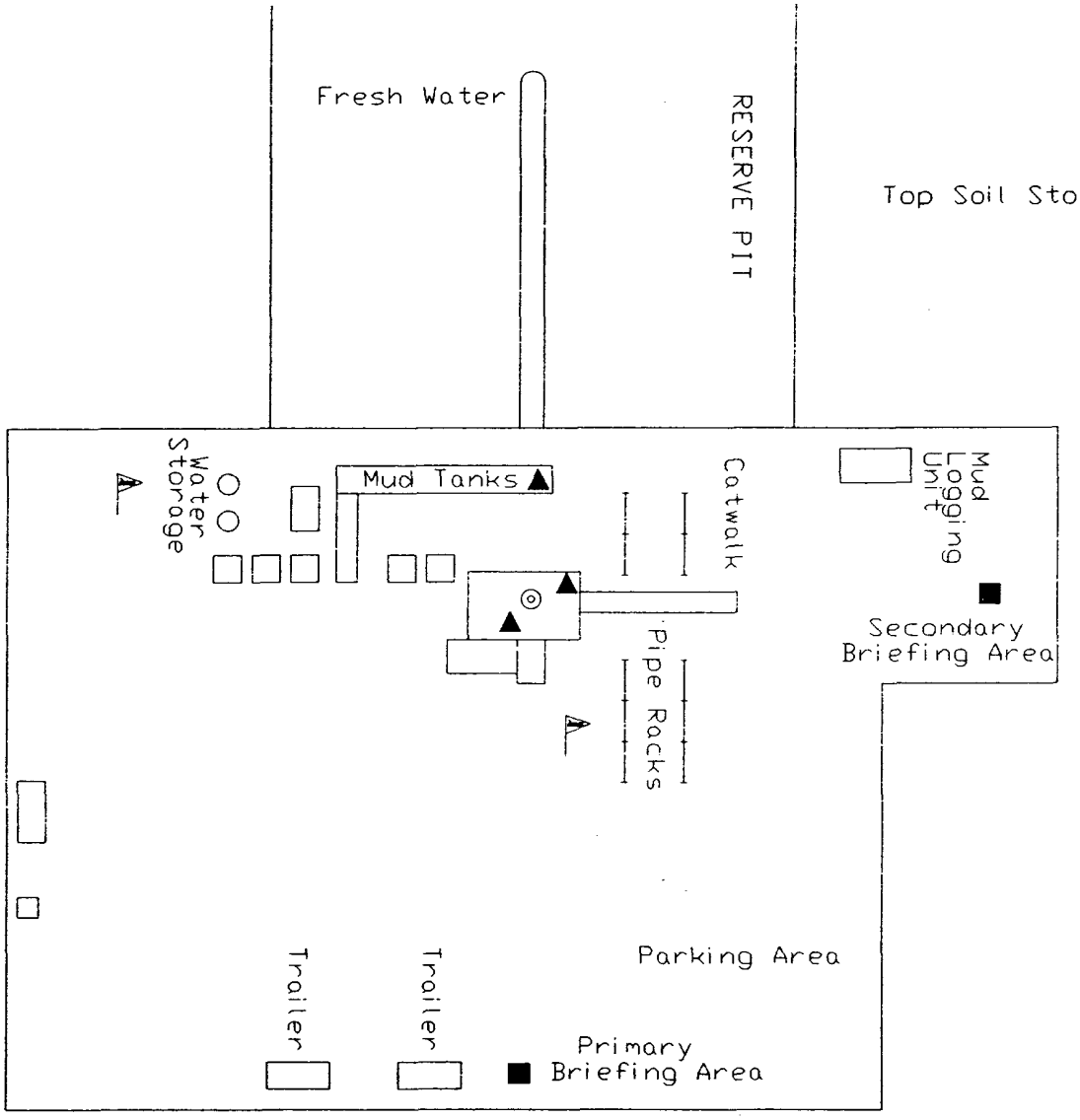
   All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines and valves shall be suitable for H2S service.

7. Communication

   Cellular telephone communication will be available in company vehicles.

C. Diagram of Drilling Location

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



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

WIND DIRECTION INDICATORS

■ SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT

File: O:\\NM\H2S-PLAN

devon

EDDY COUNTY, NEW MEXICO

H2S PLAN

Scale in Feet

25 0 25 50 75 100

4/97

Arrant, Bryan

From: Cottom, Karen [Karen.Cottom@dvn.com]
Sent: Friday, August 29, 2003 11:51 AM
To: Bryan Arrant (E-mail)
Subject: RE: Eagle 35 federal 15

Oil Conservation Division
1301 W. Grand Ave
Artesia, NM 88210-1729

RE: Eagle 35 Federal 15

Dear Mr. Arrant,

No Hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area.

Karen Cottom
Engineering Technician
Western Division
(405)228-7512