

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*

(See offer instr.  
reverse side)Form approved. *dsf*

## 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 SFS OPERATING, INC.

*90305*

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 (L) 1980' FSL &amp; 660 FWL

*30-005-63371*

At top proposed prod. zone

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

16 miles SE of Hagerman, New Mexico

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

660'

(Also to nearest drg. unit line if any)

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

1680

19. PROPOSED DEPTH

9500'

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

3574' GR

5. LEASE DESIGNATION AND SERIAL NO.

NM-103263

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Stock Tank "15" Fed Com #1

*27868*

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

Wildcat *Morrow*

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 15, T-15-S, R-28-E

12. COUNTY OR PARISH

Chaves

13. STATE

New Mexico

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS\*

Rotary

22. APPROX. DATE WORK WILL START\*

May 2001

## 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	500'	450 sx to circulate
12 1/4"	J-55 8 5/8"	32	2000'	550 sx to circulate
7 7/8"	L-80, J-55, L-80 5 1/2"	17#, 15.5#, 17#	9500'	600 sx for TOC @7000'

We propose to drill to a depth sufficient to test the Morrow formation for gas. If productive, 4 1/2" casing will be cementing to TD. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs as per Onshore oil and gas order No. 1 are outlined in the following 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

Exhibit #5 = Rotary Rig Layout

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

Lease #: NM-103263

Bond Coverage: Nation Wide BLM Bond #UT-1195

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

*E. L. Buttross, Jr.*

TITLE

E.L. Buttross, Jr.

District Engineer

DATE

*March 2, 2001*

\*(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:

Acting

Assistant Field Manager,

APPROVED BY \_\_\_\_\_

TITLE

Lands And Minerals

DATE \_\_\_\_\_

See Instructions On Reverse Side

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

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

2

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

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

## OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name STOCK TANK "15" FEDERAL	Well Number 1
UGRID No. 20305	Operator Name DEVON SFS OPERATING, INC.	Elevation 3574'

#### Surface Location

UL or lot No. L	Section 15	Township 15 S	Range 28 E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 660	East/West line WEST	County CHAVES
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#### 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 320	Joint or Infill	Consolidation Code	Order No.						

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

<p>Lat - N33°00'51.4\" Lon - W104°07'34.2\"</p> <p>3571.6' 3577.6' 660' 3572.7' 3577.3' 1980'</p>	<h4>OPERATOR CERTIFICATION</h4> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>E. L. Buttross, Jr.</u> Signature E. L. Buttross, Jr. Printed Name Oper. Engineering Advisor Title February 28, 2001 Date</p> <h4>SURVEYOR CERTIFICATION</h4> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>December 6, 2000 Date Surveyed Signature of Gary L. Jones Professional Surveyor NEW MEXICO 1977 W.O. No. 0662A Certificate No. Gary L. Jones 7977 PROFESSIONAL LAND SURVEYOR BASIN SURVEYS</p>
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# MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

EXHIBIT # 1

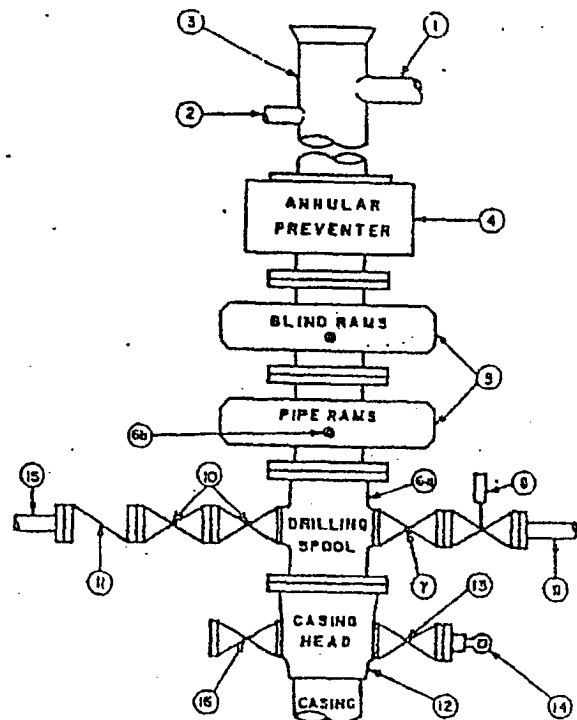
## STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

## OPTIONAL

16	Flanged valve	1-13/16"	
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CONFIGURATION A



## CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. 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 preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer 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:

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

## GENERAL NOTES:

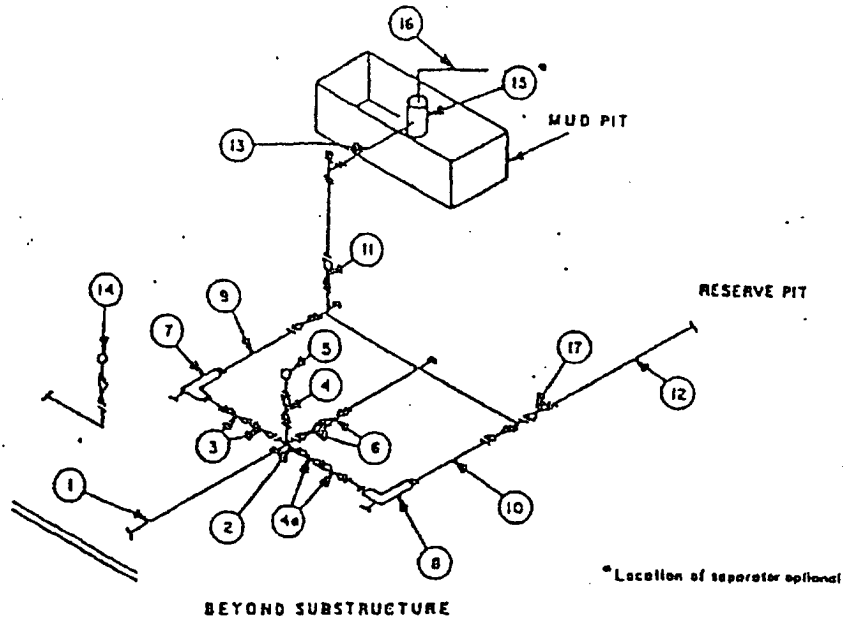
1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through chokes. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.

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

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

3 MWP - 5 MWP - 10 MWP

EXHIBIT # 1



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		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 <input type="checkbox"/> Plug <input <="" td="" type="checkbox/&gt;(2)&lt;/td&gt;&lt;td&gt;3-1/8"/> <td></td> <td>3,000</td> <td>3-1/8"</td> <td></td> <td>5,000</td> <td>3-1/8"</td> <td></td> <td>10,000</td>		3,000	3-1/8"		5,000	3-1/8"		10,000	
4	Valve Gate <input type="checkbox"/> Plug <input <="" td="" type="checkbox/&gt;(2)&lt;/td&gt;&lt;td&gt;1-13/16"/> <td></td> <td>3,000</td> <td>1-13/16"</td> <td></td> <td>5,000</td> <td>1-13/16"</td> <td></td> <td>10,000</td>		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 <input type="checkbox"/> Plug <input <="" td="" type="checkbox/&gt;(2)&lt;/td&gt;&lt;td&gt;3-1/8"/> <td></td> <td>3,000</td> <td>3-1/8"</td> <td></td> <td>5,000</td> <td>3-1/8"</td> <td></td> <td>10,000</td>		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 <input type="checkbox"/> Plug <input <="" td="" type="checkbox/&gt;(2)&lt;/td&gt;&lt;td&gt;3-1/8"/> <td></td> <td>3,000</td> <td>3-1/8"</td> <td></td> <td>5,000</td> <td>3-1/8"</td> <td></td> <td>10,000</td>		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 <input type="checkbox"/> Plug <input <="" td="" type="checkbox/&gt;(2)&lt;/td&gt;&lt;td&gt;3-1/8"/> <td></td> <td>3,000</td> <td>3-1/8"</td> <td></td> <td>5,000</td> <td>3-1/8"</td> <td></td> <td>10,000</td>		3,000	3-1/8"		5,000	3-1/8"		10,000	

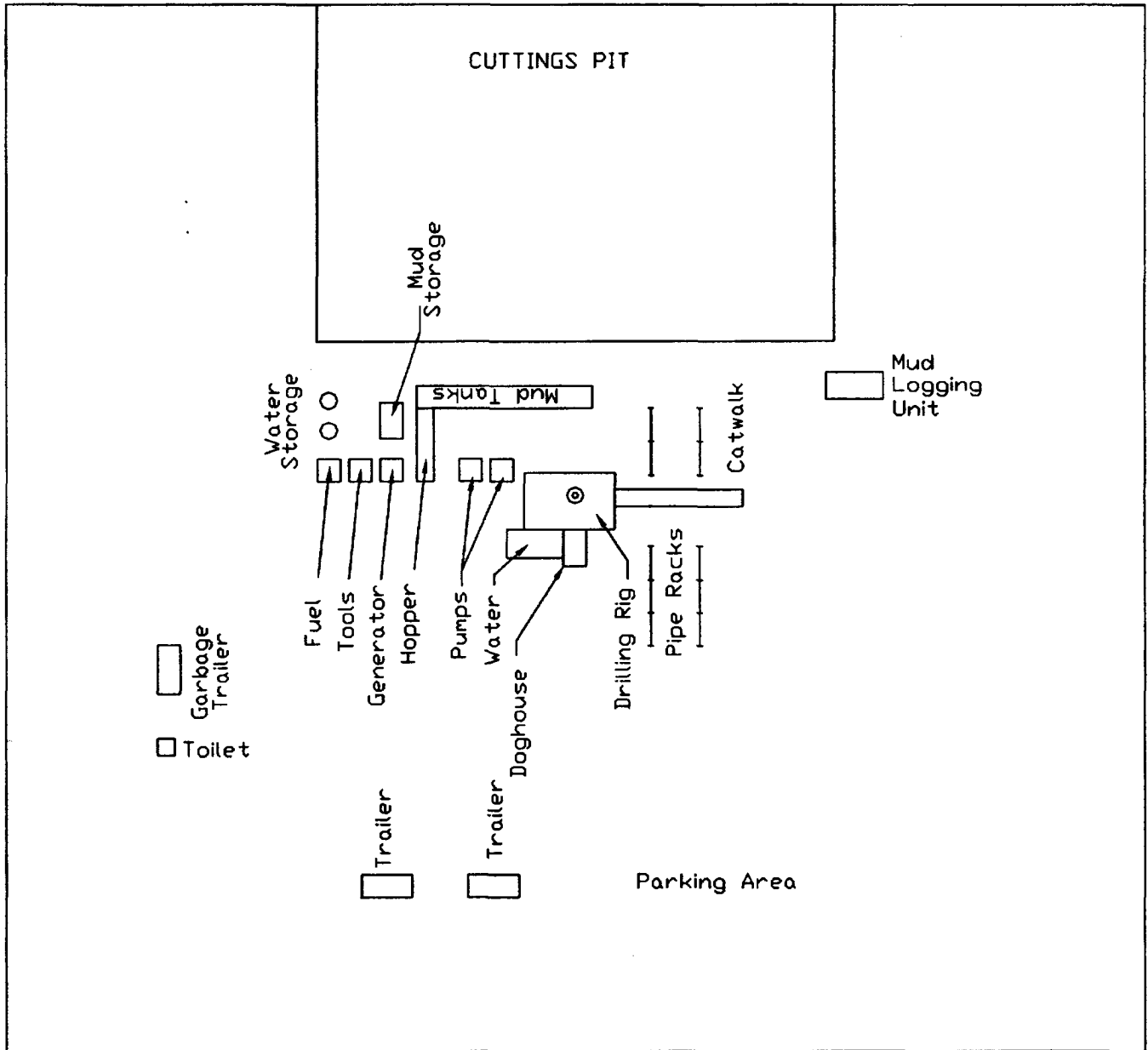
(1) Only one required in Class 3M.

(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.



<b>devon</b> OIL OPERATIONS INC.
<b>STOCK TANK "15 FEDERAL</b> CHAVES COUNTY, NEW MEXICO
<b>Drilling Pad</b> <b>EXHIBIT 5</b>



STOCK TANK "15 FEDERAL

Attachment to Exhibit #1  
NOTES REGARDING BLOWOUT PREVENTERS  
Devon SFS Operating, Inc.  
**STOCK TANK 15 FEDERAL COM #1**  
**(L) 1980' FSL & 660' FWL, Section 15-T-15-S, R-28-E**  
**Chaves 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.

## **SURFACE USE AND OPERATING PLAN**

Attached to Form 3160-3

### **STOCK TANK 15 FEDERAL COM #1**

(L) 1980' FSL & 660' FWL, Section 15-T-15-S, R-28-E

Chaves County, New Mexico

#### 1. Existing Roads

- A. The well site and elevation plat for the proposed **STOCK TANK 15 FEDERAL COM #1** are reflected on Exhibit #2. This well was staked by Basin Surveys in Hobbs, NM.
- B. All roads into the location are depicted in Exhibit #3. New construction from the existing lease road will be used to access the location. New construction will conform to the specifications outlined in Item #2 below.
- C. Directions to location: From Jct. Hwy 82 & Co. Road 214, go nw 11.2 Miles, Thence NE 3.2 miles on Caliche Road; Thence 0.8 miles East past Yates ATI #4 well to a 2-track road; Thence South 0.2 mile; Thence 0.5 mile East to proposed lease road

#### 2. Proposed Access Road

Exhibit #3 shows the existing lease road. Access to this location will require the construction of about 1178' of proposed access road. All new construction will adhere to the following.

- A. 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.
- B. 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%.
- C. No cattle guards, grates or fence cuts will be required. No turnouts are planned.

**STOCK TANK 15 FEDERAL COM #1**  
**DRILLING PLAN**  
**PAGE 4**

8. Logging, Testing and Coring Program

- A. Drill stem tests may be run on potential pay interval.
- B. The open hole electrical logging program will be as follows.
  - 1) DLL/MSFL/GR from total depth to base of intermediate casing.
  - 2) CNL/LDT/GR from total depth to base of intermediate casing with CNL/GR to surface.
- C. No coring program is 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 140 degrees and maximum bottom hole pressure is 4200 psi. No Hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations

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 in May 2001. The drilling operation should require approximately 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.



**STOCK TANK 15 FEDERAL COM #1**  
**DRILLING PLAN**  
**PAGE 3**

5. Minimum Specifications for Pressure Control

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (3000 psi WP) preventer and a bag-type (Hydril) preventer (3000 psi WP). Both units will be hydraulically operated and the ram type preventer will be equipped with blind rams on top and 5 1/2" drill pipe rams on bottom. Both BOP's will be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. As per BLM Drilling Operations Order #2, prior to drilling out the 8 5/8" 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 3000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System

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

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (1/sec)</u>	<u>Water Loss (cc)</u>
0' – 2000'	Fresh Water	8.5	40	No control
2000' – 5200'	Fresh Water	8.5	40	No control
5200' – 8800'	Cut Brine	9.0	35-40	No control
8800' – TD	CutBrine/Starch	9.2 – 9.8	38-40	6 - 10

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.

**STOCK TANK 15 FEDERAL COM #1**  
**DRILLING PLAN**  
**PAGE 2**

**4. Casing Program**

<u>INTERVALS</u>	<u>LENGTH</u>	<u>CASING</u>	<u>BURST</u> PSI (DF)	<u>COLLAPSE</u> PSI (DF)	<u>TENSION</u> LBS (DF)	<u>TORQUE</u> FT-LBS (DF)
<u>Surface</u> 0 - 500'	500'	13 3/8" 48# H-40 STC	1730	740 (2.96)	322M (13.4)	3220
<u>Intermediate</u> 0 - 2000'	2000'	8 5/8" 32# J-55 STC	3930 (1.85)	2530 (2.53)	372M (5.81)	4020
<u>Production</u> 0 - 1000'	1000'	5 1/2" 17# L-80 LTC	7740 (1.71)	5673 (12)	338M (2.54)	3410
1000' - 6900'	5900'	5 1/2" 15.5# J-55 LTC	4810 (1.18)	3926 (1.2)	217M (1.87)	2390
6900' - 9500'	2600'	5 1/2" 17# L-80 LTC	7740 (6.06)	6290 (1.39)	338M (13.72)	3410

**Cementing Program**

<u>HOLE SIZE</u>	<u>DEPTH</u>	<u>CEMENT</u>	<u>YIELD</u> CF/SX	<u>% EXCESS</u>	<u>TOC</u>	<u>WOC</u> HRS
<u>Surface</u> 17 1/2"	500'	<b>Lead:</b> 250 sxs lite + 2% CACL2 +1/4#/sx celloflk (12.7#/gal) <b>Tail:</b> 200 sxs Cl "C" + 2% CaCl2 + 1/4#/sx celloflk (14.8#/gal)	1.88  1.35	100	Surf.	18
<u>Intermediate</u> 12 1/4"	2000'	<b>Lead:</b> 350 sxs lite + 5% +1/4#/sx celloflk (12.7#/gal) <b>Tail:</b> 200 sxs Cl "C" + 2% CaCl2 + 1/4#/sx celloflk (14.8#/gal)				
<u>Production</u> 7 7/8"	9500'	<b>Lead:</b> 650 sx Class H w/3% KCl + 1% FL-25 + .1% sodium metasilicate + 5#/sx gilsonite + 1/4#/sx celloflake + .003 gal/sx FP-13L	1.6  1.2	30	7000'	24

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

## DRILLING PROGRAM

Attached to Form 3160-3

Devon SFS Operating, Inc.

**STOCK TANK 15 FEDERAL COM #1**

(L) 1980' FSL & 660' FWL, Section 15-T-15-S, R-28-E

Chaves County, New Mexico

1. Geologic Name of Surface Formation

Alluvium

2. Estimated Tops of Important Geologic Markers

Queen	1,200'
Glorieta	3,300'
Tubb	4,600'
Abo	5,400'
Wolfcamp	6,600'
Atoka	8,900'
Morrow	9,000'
Mississippian	9,200'
TD	±9,500'

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: None expected in area  
Gas: Morrow @ 9000' – 9,200'

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 8 5/8" casing at 2000' and circulating cement back to surface. The oil and gas intervals will be isolated by setting 5 1/2" casing at TD and bringing cement top to approximately 7000'.

**STOCK TANK 15 FEDERAL COM #1**  
**SURFACE USE AND OPERATING PLAN**  
**PAGE 6**

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 listed below.

E.L. Buttross, Jr.  
Operations Engineering Advisor

Don Mayberry  
Superintendent

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

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

(405) 552-4509 (office)  
(405) 478-0754 (home)

(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: E. L. Buttross, Jr. Date: February 28, 2001  
E.L. Buttross, Jr.  
Operations Engineering Advisor

**STOCK TANK 15 FEDERAL COM #1**  
**SURFACE USE AND OPERATING PLAN**  
**PAGE 5**

- 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 drilling pad not necessary to operate the well. These unused areas of the drilling 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 by the BLM.

The surface location will be restored as directed by the BLM.

**12. Other Information**

- A. The project area is located in shallow clayey sandy soils, overlying massive gypsum. The vegetation in the area consists of grasses, Mormon tea bush, lush thick mesquite and gypcoldenia on a gently sloping plain.
- B. There is no permanent water in the immediate area.
- C. Land use is for oil and gas production, grazing and hunting.
- D. A Cultural Resources Examination will be completed by Southern New Mexico Archaeological Services, Inc. and forwarded to the BLM office in Carlsbad, New Mexico.

**STOCK TANK 15 FEDERAL COM #1**  
**SURFACE USE AND OPERATING PLAN**  
**PAGE 4**

8. Ancillary Facilities

No permanent campsite or other facilities will be constructed as a result of this well.

9. Well Site Layout

- A. The drilling pad is shown on Exhibit #6. 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 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.

**STOCK TANK 15 FEDERAL COM #1**  
**SURFACE USE AND OPERATING PLAN**  
**PAGE 3**

**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 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.

**STOCK TANK 15 FEDERAL COM #1**  
**SURFACE USE AND OPERATING PLAN**  
**PAGE 2**

3. Location of Existing Wells

Exhibit #4 shows all existing wells within a one-mile radius of the proposed STOCK TANK 15 FEDERAL COM #1.

4. Location of Existing and/or Proposed Facilities

A. In the event the well is found productive, the necessary production equipment will be installed at the well site.

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

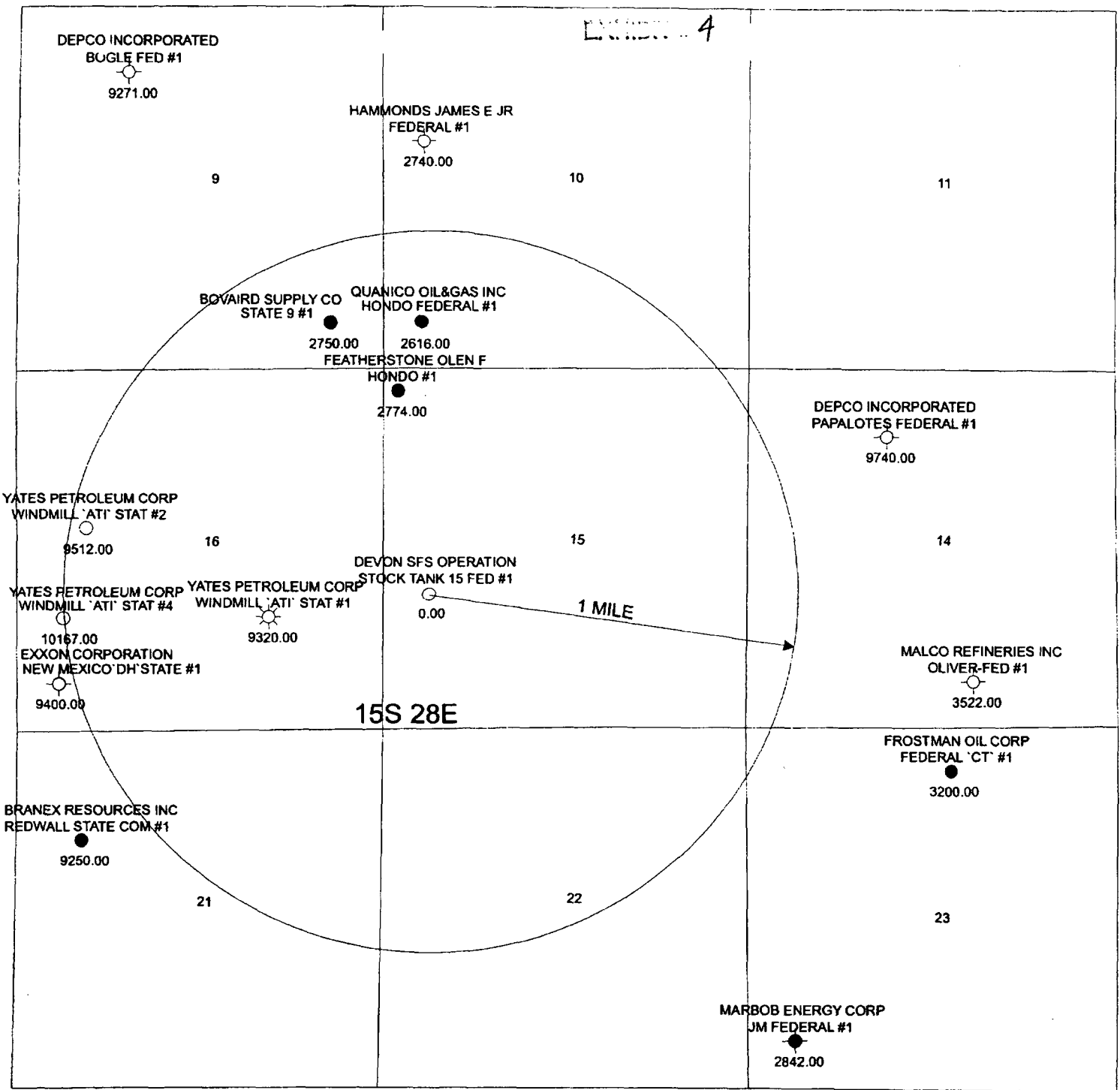
- 1) The reserve pit will be back-filled after the contents of the pit are dry (within 120 days after completion, weather permitting).
- 2) Caliche from unused portions of the drilling pad will be removed. The original topsoil from the well site will be returned to the location. The drill site will then be contoured to the original natural state.


5. Location and Type of Water Supply

The STOCK TANK 15 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.



EXHIBIT 4

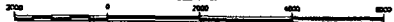




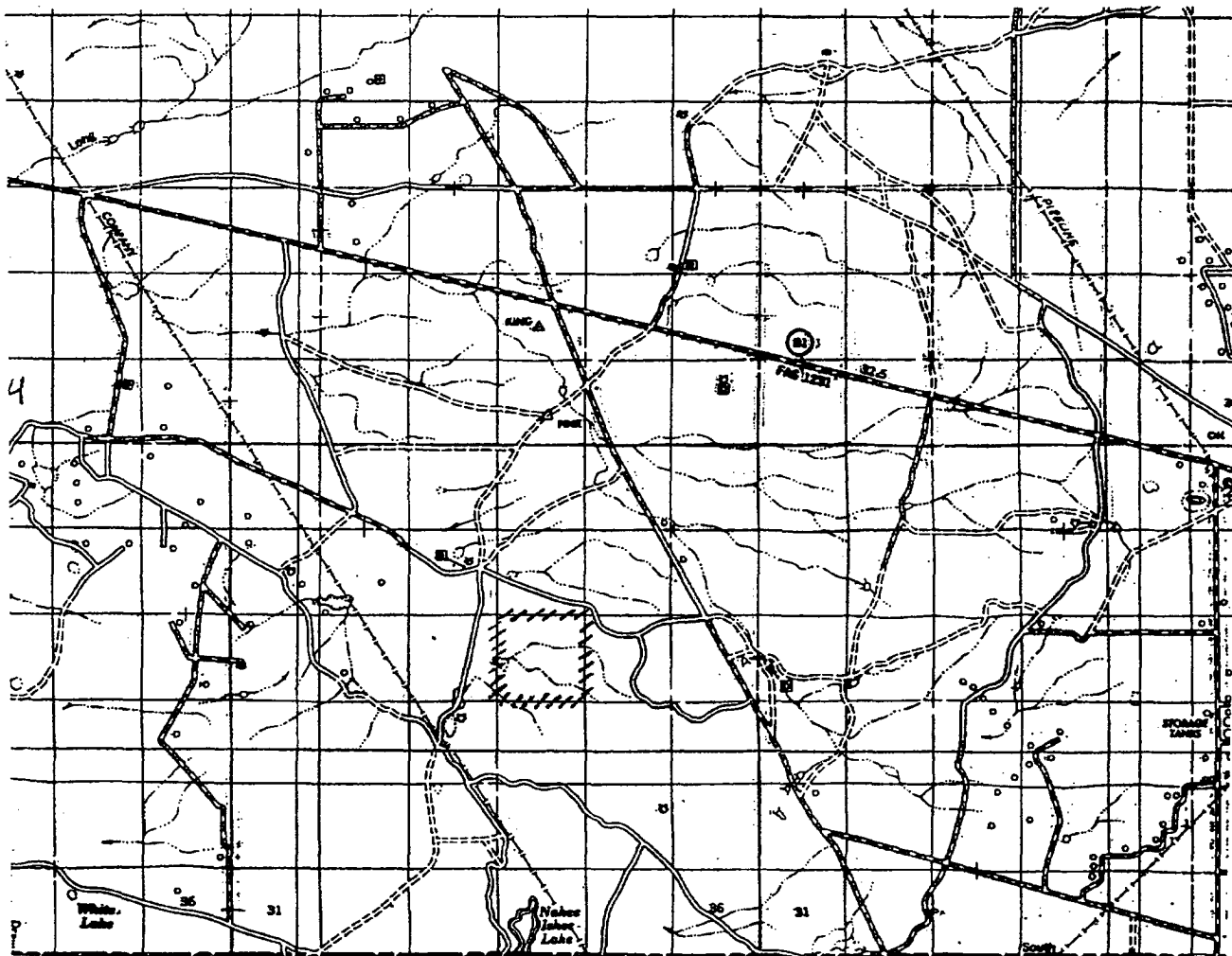
**STOCK TANK "15 FEDERAL"**  
CHAVES COUNTY, NEW MEXICO

**WELLS WITH N 1 MILE RADIUS**  
**EXHIBIT 4**

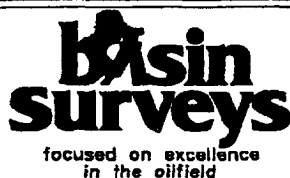
Scale in Feet



December 1994



STOCK TANK "15" FED. #1  
 Located at 1980' FSL and 660' FWL  
 Section 15, Township 15 South, Range 28 East,  
 N.M.P.M., Chaves County, New Mexico.



P.O. Box 1786  
 1120 N. West County Rd.  
 Hobbs, New Mexico 88241  
 (505) 393-7316 - Office  
 (505) 392-3074 - Fax  
 basinsurveys.com

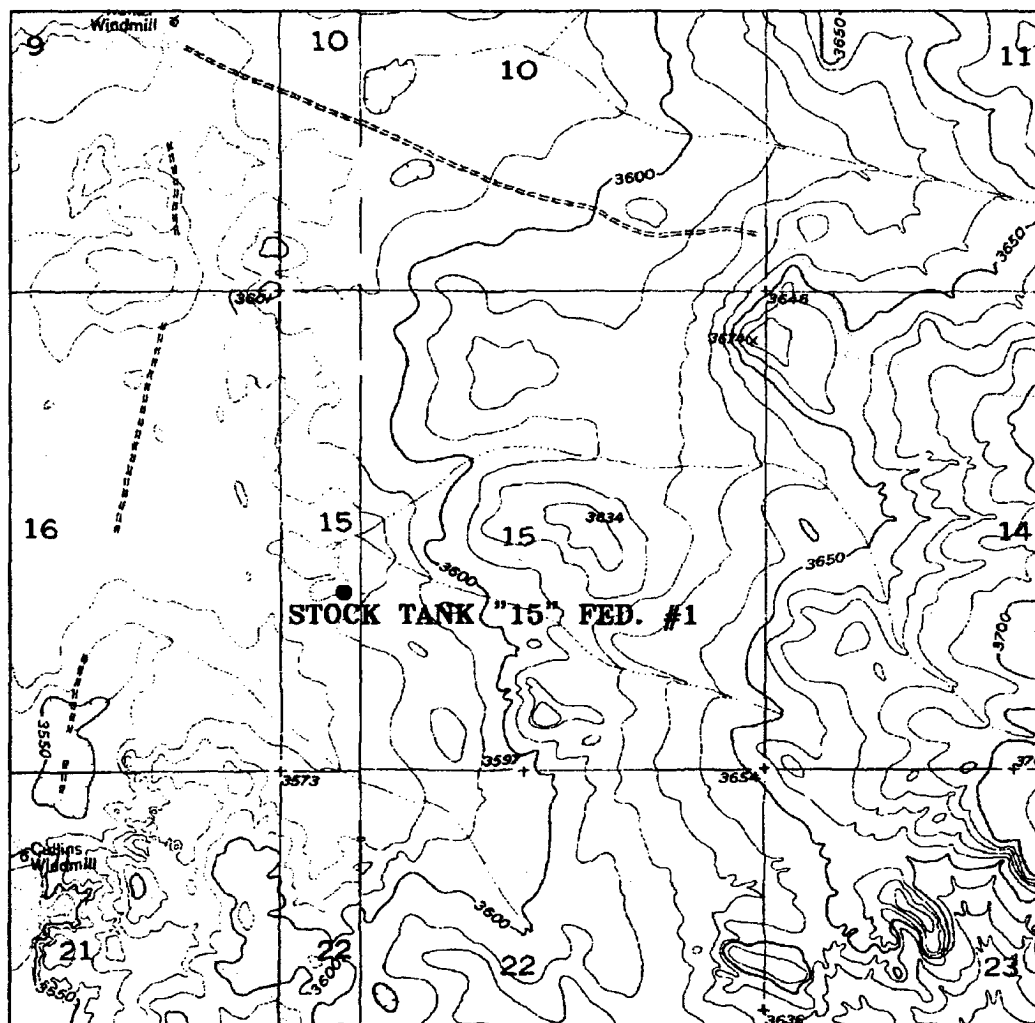
W.O. Number: 0667AA - KJG #122

Survey Date: 12-06-2000

Scale: 1" = 2 miles

Date: 12-11-2000

DEVON  
 SFS OPERATING,  
 INC.



**STOCK TANK "15" FED. #1**  
 Located at 1980' FSL and 660' FWL  
 Section 15, Township 15 South, Range 28 East,  
 N.M.P.M., Chaves County, New Mexico.

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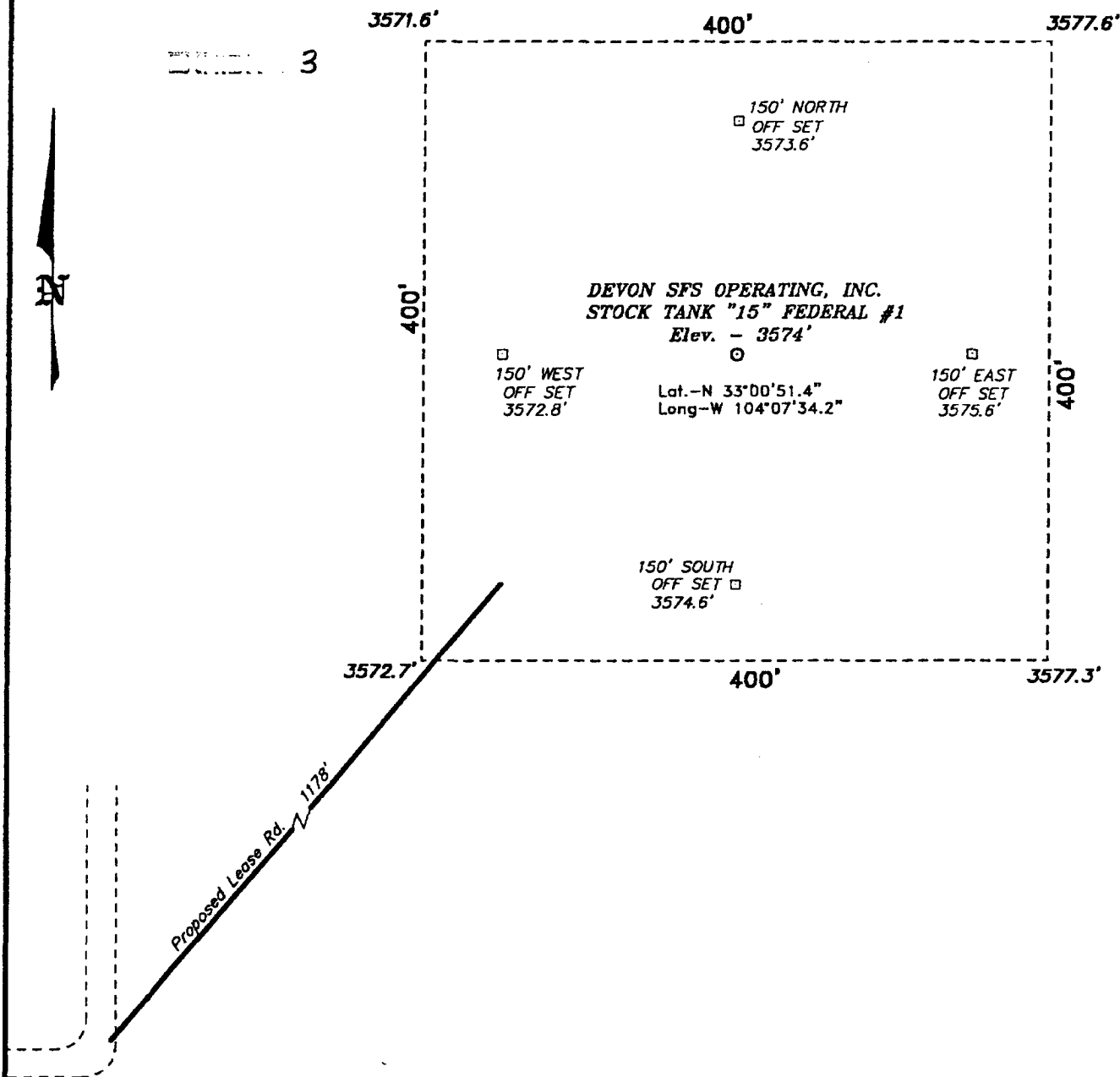
Survey Date: 12-06-2000

Scale: 1" = 2000'

Date: 12-11-2000

**DEVON**  
**SFS OPERATING,**  
**INC.**

SECTION 15, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M.,  
CHAVES COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF US HWY 82 & CO. RD. 214, GO NW 11.2 MILES, THENCE 1.6 MILES NE THROUGH FENCE; THENCE NE 3.2 MILES ON CALICHE ROAD; THENCE 0.8 MILES EAST PAST YATES ATI #4 WELL TO A 2-TRACK ROAD; THENCE SOUTH 0.2 MILE; THENCE 0.5 MILE EAST TO PROPOSED LEASE ROAD.



**DEVON SFS OPERATING, INC.**

REF: Stock Tank "15" Fed. Com. No. 1 / Well Pad Topo

THE STOCK TANK "15" FED. No. 1 LOCATED 1980' FROM THE SOUTH LINE AND 660' FROM THE WEST LINE OF SECTION 15, TOWNSHIP 15 SOUTH, RANGE 28 EAST, N.M.P.M., CHAVES COUNTY, NEW MEXICO.

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

W.O. Number: 0667

Drawn By: K. GOAD

Date: 12-11-2000 Disk: KJG #122 - 0667A.DWG

Survey Date: 12-06-2000 Sheet 1 of 1 Sheets