LDB
6/14/06

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

Form 3160-3
(April 2004)

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

R-111-POTASH

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NM-66425

6. If Indian, Allotee or Tribe Name

1a. Type of work: ☑ DRILL ☐ REENTER

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.
Laguna Salado 22 Federal 3 35499

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

9. API Well No.
30-015-35073

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
Laguna Salado - Bone Spring

4. Location of Well (Report location clearly and in accordance with any State requirements.*)
At surface SWSW Lot M 130' FSL & 760' FWL
At proposed prod. zone NWNW Lot D 330' FNL & 660' FWL

Subject to Like Approval By State

11. Sec., T. R. M. or Blk. and Survey or Area
Lot M Sec 22, T23S R29E

14. Distance in miles and direction from nearest town or post office*
Approximately 7 miles east of Loving, NM

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. Spacing Unit dedicated to this well
	640	160
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 6,700' MD 11,358'	
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
2968'	06/15/2006	45 days

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

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	05/30/2006

Title
Sr. Staff Engineering Technician

Approved by (Signature)	Name (Printed/Typed)	Date
Jesse J. Juen	Jesse J. Juen	AUG - 2 2006

Title
Acting STATE DIRECTOR

Office
NM STATE 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)

R-111-P Potash
CEMENT BEHIND THE 9 5/8"
CASING MUST BE CIRCULATED
WITNESS

DECLARED WATER BASIN
CEMENT BEHIND THE 13 3/8"
CASING MUST BE CIRCULATED
WITNESS

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

DISTRICT I
1625 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

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
	96721	Laguna Salado ; Bone Spring

Property Code	Property Name	Well Number
	LAGUNA SALADO "22" FEDERAL	3

OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION COMPANY LP	2968'

Surface Location

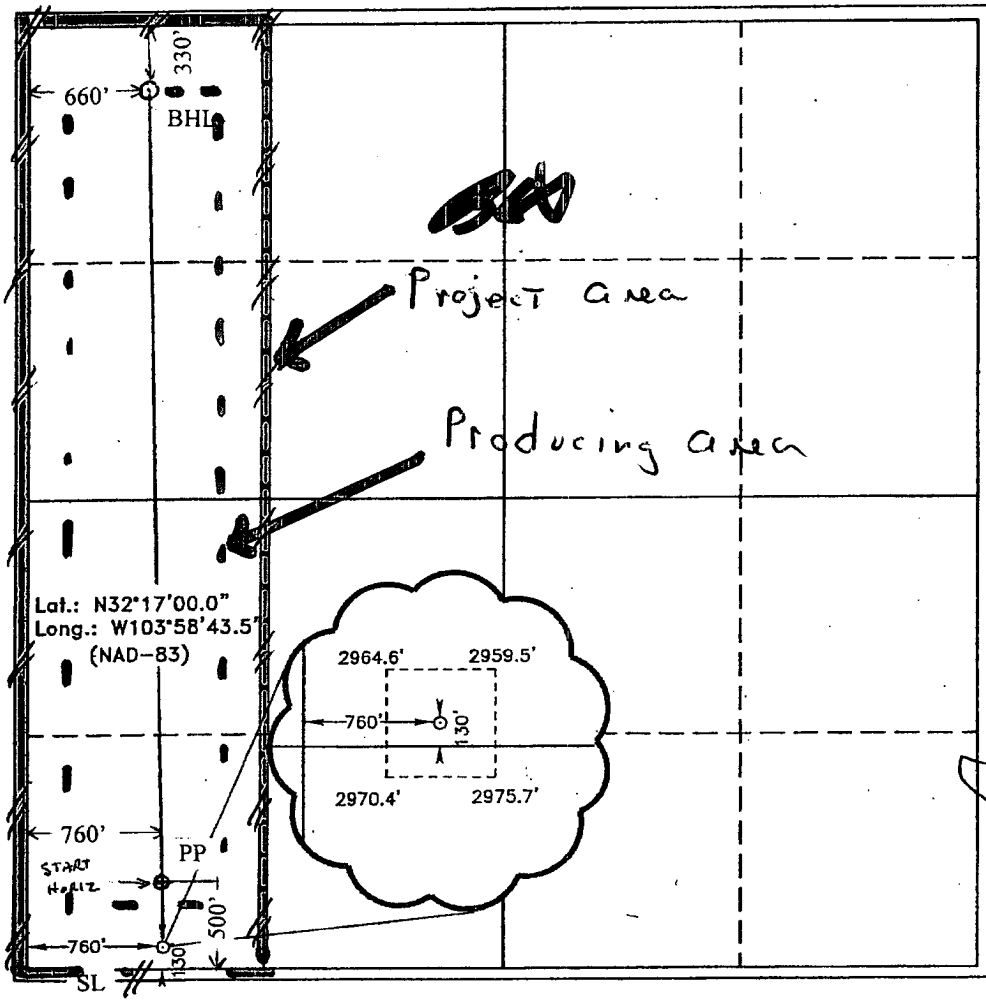
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	22	23 S	29 E		130	SOUTH	760	WEST	EDDY

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	22	23 S	29 E		330	NORTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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.

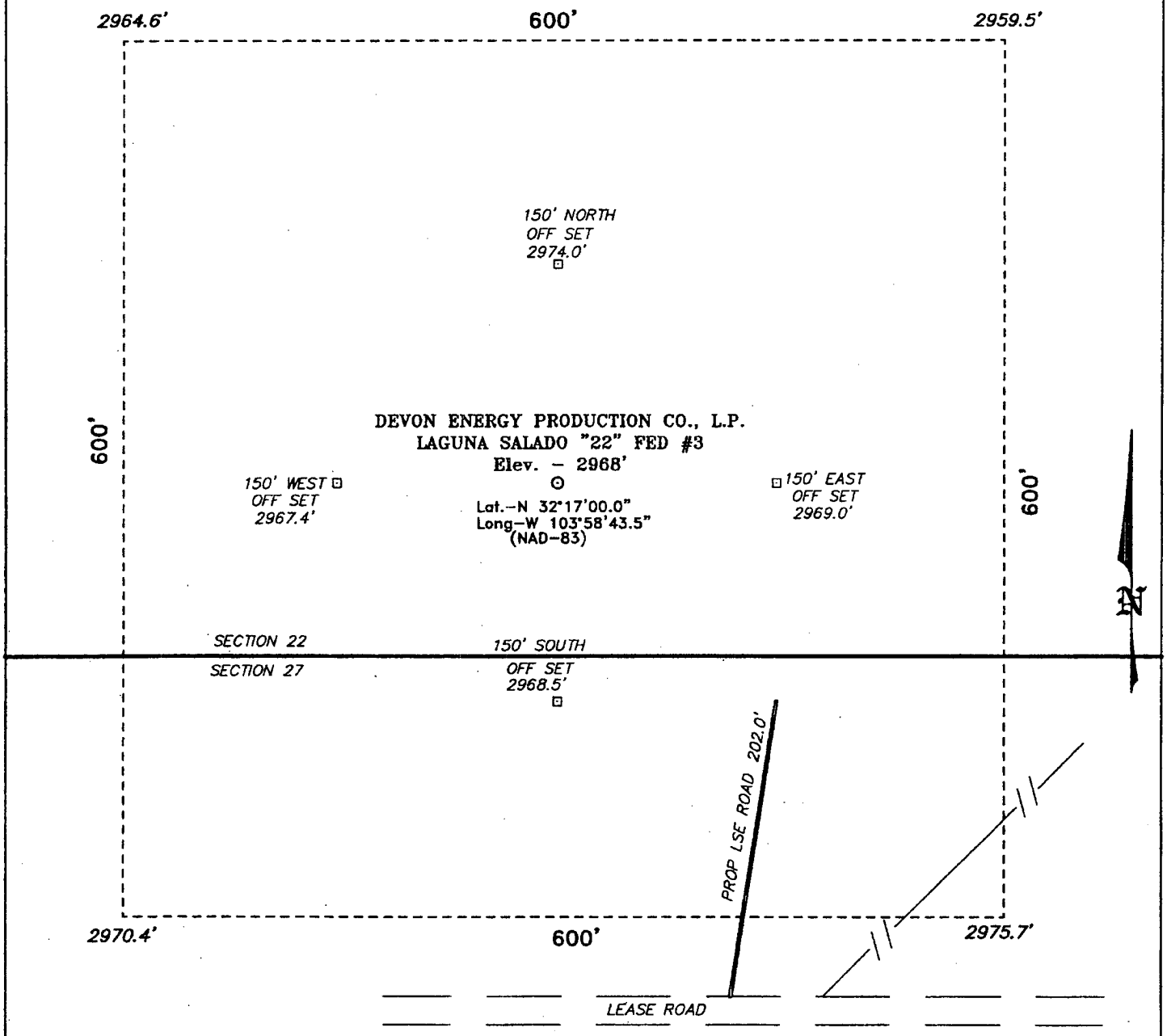
Signature
Stephanie A. Ysasaga
Printed Name
Sr. Staff Engineering Tech
Title
05/17/06
Date

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.

MAY 11, 2006
Date Surveyed
Signature & Seal of Professional Surveyor
GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL LAND SURVEYOR
W.O No. 6059
Certificate No. Gary L. Jones 7977
BASIN SURVEYS

SECTION 22, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF STATE HWY 128 AND CO. RD. 793 (RAWHIDE), GO SOUTH ON CO. RD. 793 FOR 3.5 MILE TO LEASE ROAD; THENCE WEST 3.1 MILE TO PROPOSED LEASE ROAD.

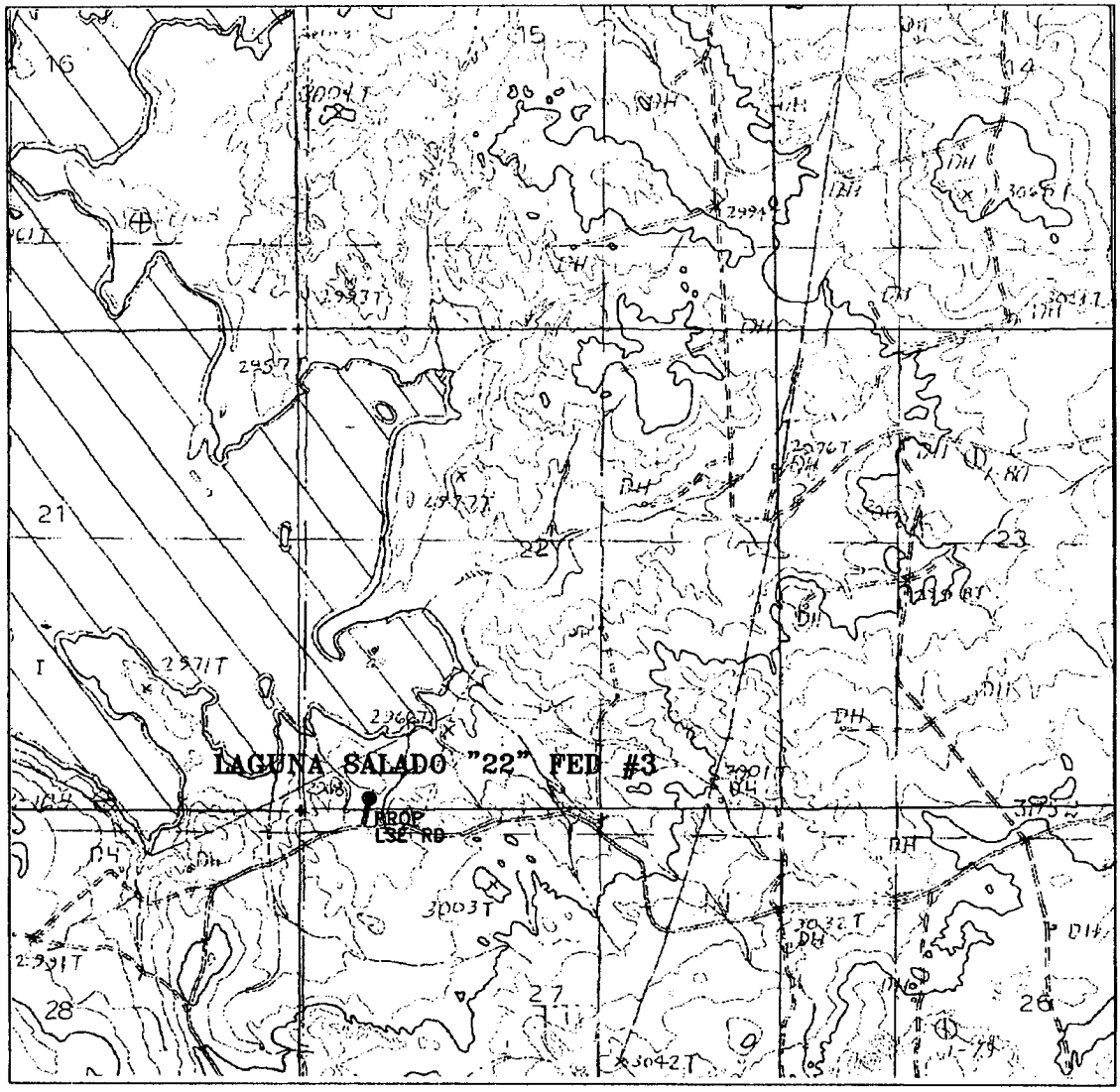
DEVON ENERGY PROD. CO., L.P.

REF: LAGUNA SALADO "22" FED #3

THE LAGUNA SALADO "22" FED #3 LOCATED 130' FROM THE SOUTH LINE AND 760' FROM THE WEST LINE OF SECTION 22, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 6559	Drawn By: J. SMALL		
Date: 05-10-2006	Disk: JMS 6559W	Survey Date: 05-10-2006	Sheet 1 of 1 Sheets

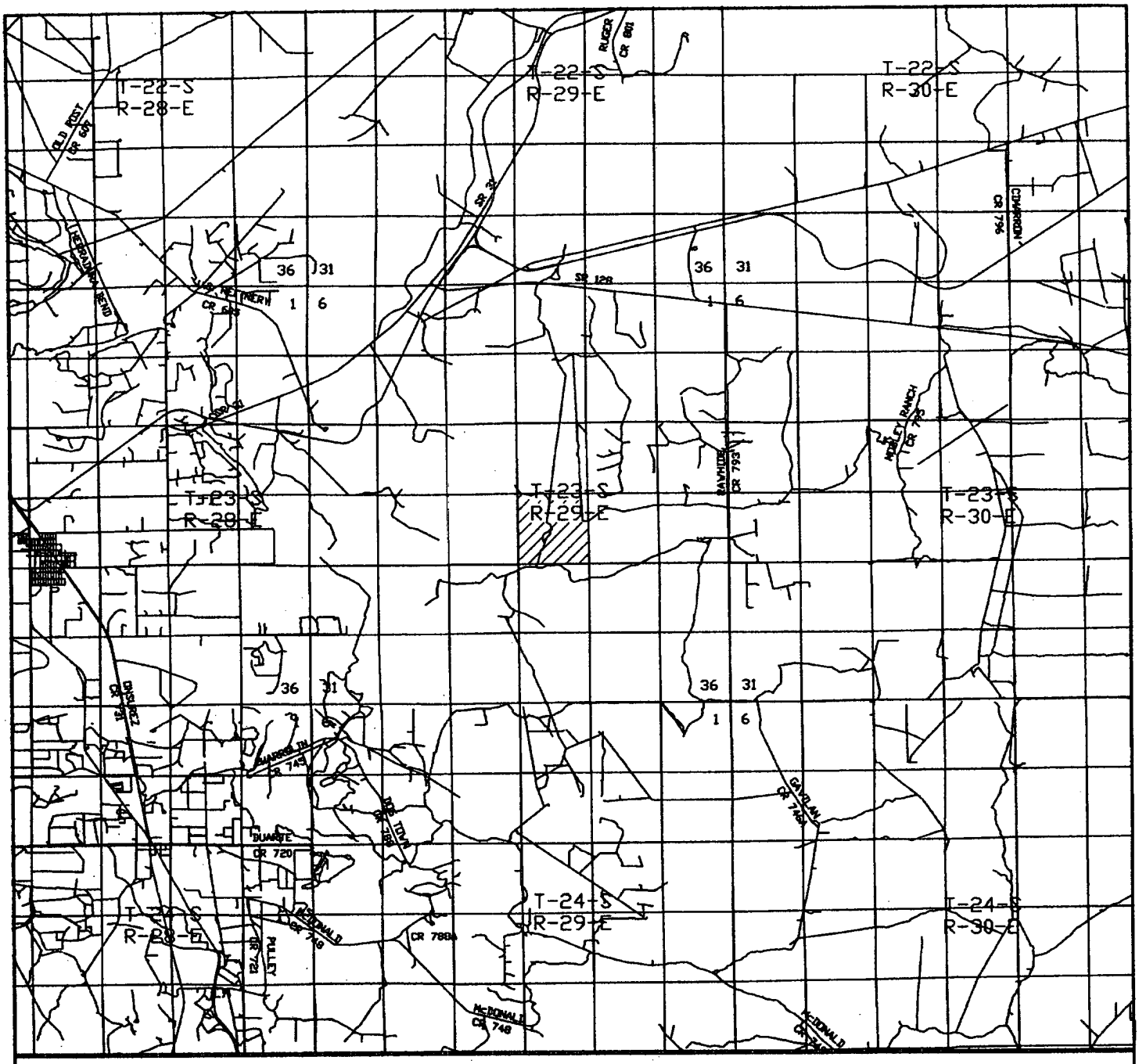


LAGUNA SALADO "22" FEDERAL #3
Located at 130' FSL AND 760' FWL
Section 22, Township 23 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.

basin surveys
focused on excellence in the oilfield
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:	6559T - JMS
Survey Date:	05-10-2006
Scale:	1" = 2000'
Date:	05-11-2006

DEVON ENERGY PROD. CO., L.P.



LAGUNA SALADO "22" FEDERAL #3
Located at 130' FSL AND 760' FWL
Section 22, Township 23 South, Range 29 East,
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W.O. Number:	6559T - JMS
Survey Date:	05-10-2006
Scale:	1" = 2000'
Date:	05-11-2006

DEVON ENERGY PROD. CO., L.P.

Additional Operator Remarks:

Devon Energy Production Company, LP proposes to drill a Laguna Salado Field well to 6,700' 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 attached Drilling and Surface Use Plan.

Directions To Location:

From the junction of State Hwy 128 and Co Rd 793 (Rawhide), go south on Co. Rd. 793 for 3.5 mile to lease road; thence west 3.1 mile to proposed lease road.

Access Road:

Approximately 202' of access road will be required. Archeological survey's will be requested for the pad and access road.

H2S:

No H2S is anticipated to be encountered.

DRILLING PROGRAM

Devon Energy Production Company, LP
Laguna Salado 22 Federal 3
Surface Location: 130' FSL & 760' FWL, Unit M, Sec 22 T23S R29E, Eddy, NM
Bottom hole Location: 330' FNL & 660' FWL, Unit D, Sec 22 T23S R29E, Eddy, NM

1. **Geologic Name of Surface Formation**

   a. Alluvium

2. **Estimated tops of geological markers:**

a. Rustler	190'
b. Salado	315'
c. Base Salt	2775'
d. Delaware	3000'
e. Bone Spring	6725'
f. Total Depth	6700'

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

a. Upper Permian Sands	Fresh Water
b. Delaware	Oil

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at 250' and circulating cement back to surface. Potash and salt will be protected by setting 9 5/8" casing at 2975' and circulating cement to surface. The Delaware intervals will be isolated by setting 7" casing to 6918' and circulating cement to surface.

4. **Casing Program:**

Hole Size	Interval	OD Csg	Weight	Collar	Grade
30"	0' – 40'	20"		Conductor	
17 ½"	0'-250'	13 3/8"	48#	H-40	ST&C
12 ¼"	0'-2975'	9 5/8"	40#	J-55	LT&C
8 ¾"	0-6918'	7"	23# & 26#	J-55	LT&C
6 ¼"	6520'-11358'	4 ½"	11.6#	N-80	Buttress

5. **Cement Program:**

a. 20"	Conductor	Cement with ready-mix to surface.
b. 13 3/8"	Surface	Cement to surface with 285 sx Class C + ¼ #/ sx Cellophane flakes + 2% CaCl2.
c. 9 5/8"	Intermediate	Cement to surface with lead: 727 sx Poz C (35:65) + 6% Gel + 5%

			Salt + ¼ # sx Cellophane flakes; tail with 300 sx Class C + 2%CaCl2.
d.	7"	Production	Cement with lead: 343 sx Class C + 3% salt + ¼# sx Cellophane flakes + 6% Bentonite. Tail w/600 sx Poz C (60:40) + 1% salt + ¼# sx Cellophane flakes.
e.	4 ½"	Liner	Cement with 551 sx (60:40) Poz H + 1% salt.

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach surface.

6. **Pressure Control Equipment:**
The blowout preventor equipment (BOP) shown in exhibit #1 will consist of a (5M system) double ram type (5000 psi WP) preventor with bag-type (Hydril) preventor (5000 psi). 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. Both BOP's will be installed on the 13 3/8" surface casing and utilized continuously until total depth is reached. **All BOP's and associated equipment will be tested to 1200 psi with the rig pump before drilling out the 13 3/8" casing shoe (70% of 48#, H-40 casing).** Prior to drilling out of the 9 5/8" casing shoe, the BOP's and Hydril will be tested as per BLM Drilling Operations Order #2.

7. **Proposed Mud Circulation System**

Depth	Mud Wt.	Visc	Fluid Loss	Type System
0' – 250'	8.4-9.0	27-35	NC	Fresh Water
250' – 2975'	9.8-10.2	28-30	NC	Brine Water
2975'– TD	8.4-8.6	28-40	10-20	Fresh Water

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

8. **Auxilary 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 on the rig floor at all times.
   c. Hydrogen Sulfide detection equipment will be in operations after drilling out the 13 3/8" casing shoe until the 9 5/8" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" 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 Laterol-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 7" 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 2500 psi and Estimated BHT 110°.

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
Laguna Salado 22 Federal 3
Surface Location: 130' FSL & 760' FWL, Unit M, Sec 22 T23S R29E, Eddy, NM
Bottom hole Location: 330' FNL & 660' FWL, Unit D, Sec 22 T23S R29E, 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 junction of State Hwy 128 and Co Rd 793 (Rawhide), go south on Co. Rd. 793 for 3.5 mile to lease road; thence west 3.1 mile to proposed lease road.

2. **Access Road**
   a. Exhibit #3 shows the existing lease road. Approximately 202' 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, a battery tank would be constructed.
   b. 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. The tank battery, all connections and all lines will adhere to API standards.
   d. If the well is productive, rehabilitation plans are as follows:
      i. The reserve pit will be closed pursuant to NM OCD rules and guidelines.
      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 sump pits and living facilities.
c. Mud pits in the active circulating system will be steel pits & the reserve pit is proposed to be unlined unless subsurface 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 12 mil 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. or Southeastern New Mexico Archeological Services 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.

James Blount
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: May 30th, 2006

Stephanie A. Ysasaga
Sr. Staff Engineering Technician

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
Laguna Salado 22 Federal 3
Surface Location: 130' FSL & 760' FWL, Unit M, Sec 22 T23S R29E, Eddy, NM
Bottom hole Location: 330' FNL & 660' FWL, Unit D, Sec 22 T23S R29E, 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-66425**
Legal Description of Land:	**SWSW 160 acres Sec 22-T23S-R29E** **Lot M 130' FSL & 760' FWL**
Formation(s):	**Laguna Salado**
Bond Coverage:	**Nationwide**
BLM Bond File No.:	**CO-1104**
Authorized Signature:	**Stephanie A. Ysasaga**
Title:	**Sr. Staff Engineering Technician**
Date:	**05/30/06**

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

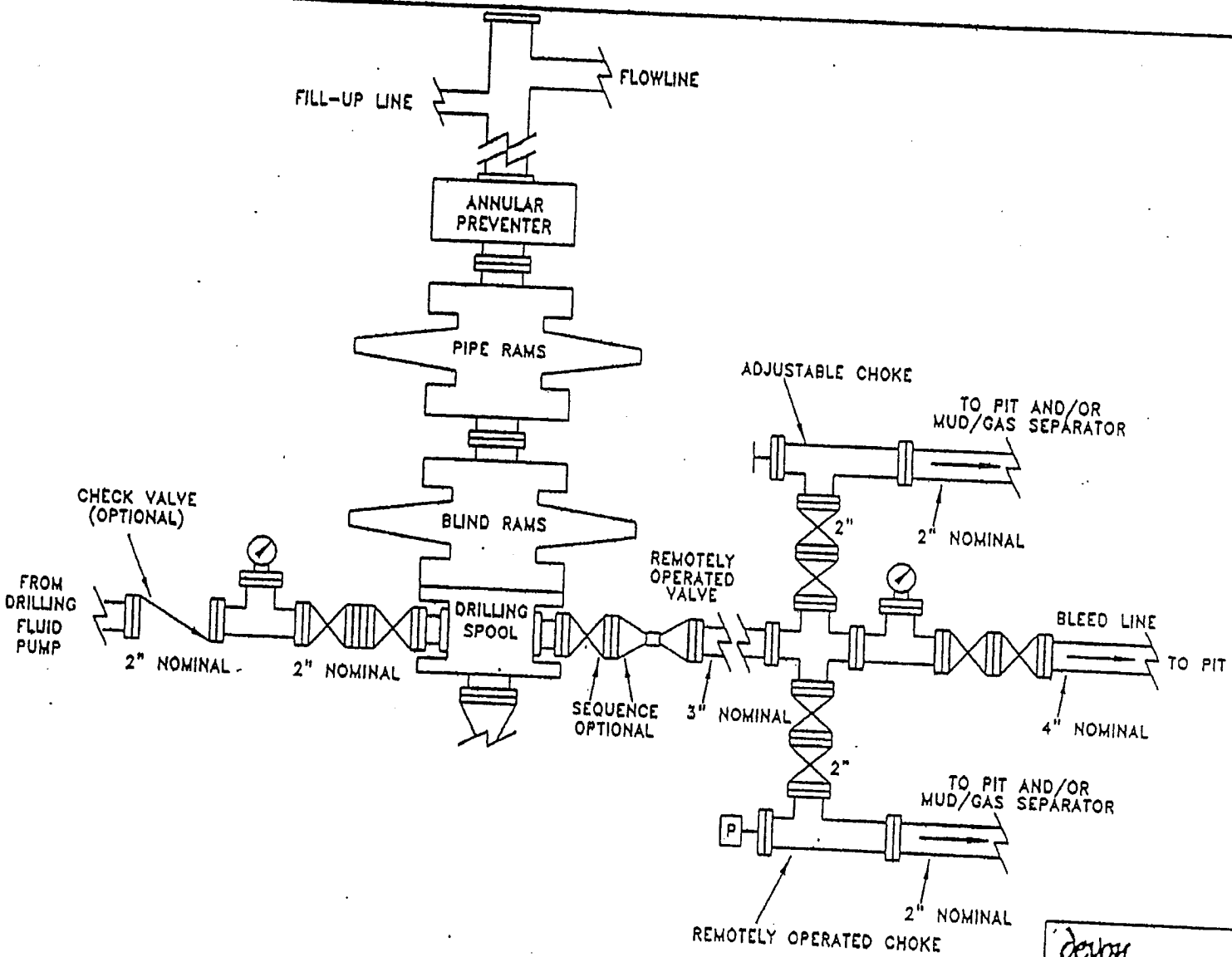
4. Condition Flags and Signs
   a. Warning Sign on access road to location
   b. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H2S present in dangerous concentration. Only emergency personnel 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.



devon

EXHIBIT 1

PROPOSED 5-M BOPE AND CHOKE ARRANGEMENT

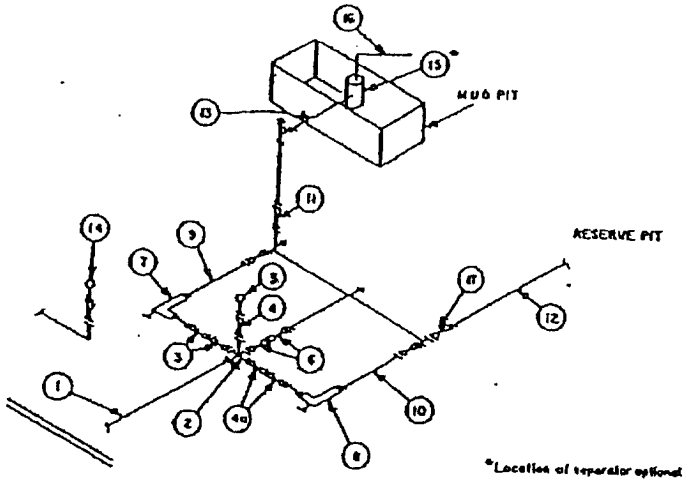
s:\..\nm\plots
5mbope.dwg

sc

Exhibit E

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

3 MWP - 5 MWP - 10 MWP



No.		MINIMUM REQUIREMENTS								
		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 ☐ 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"		2,000	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.

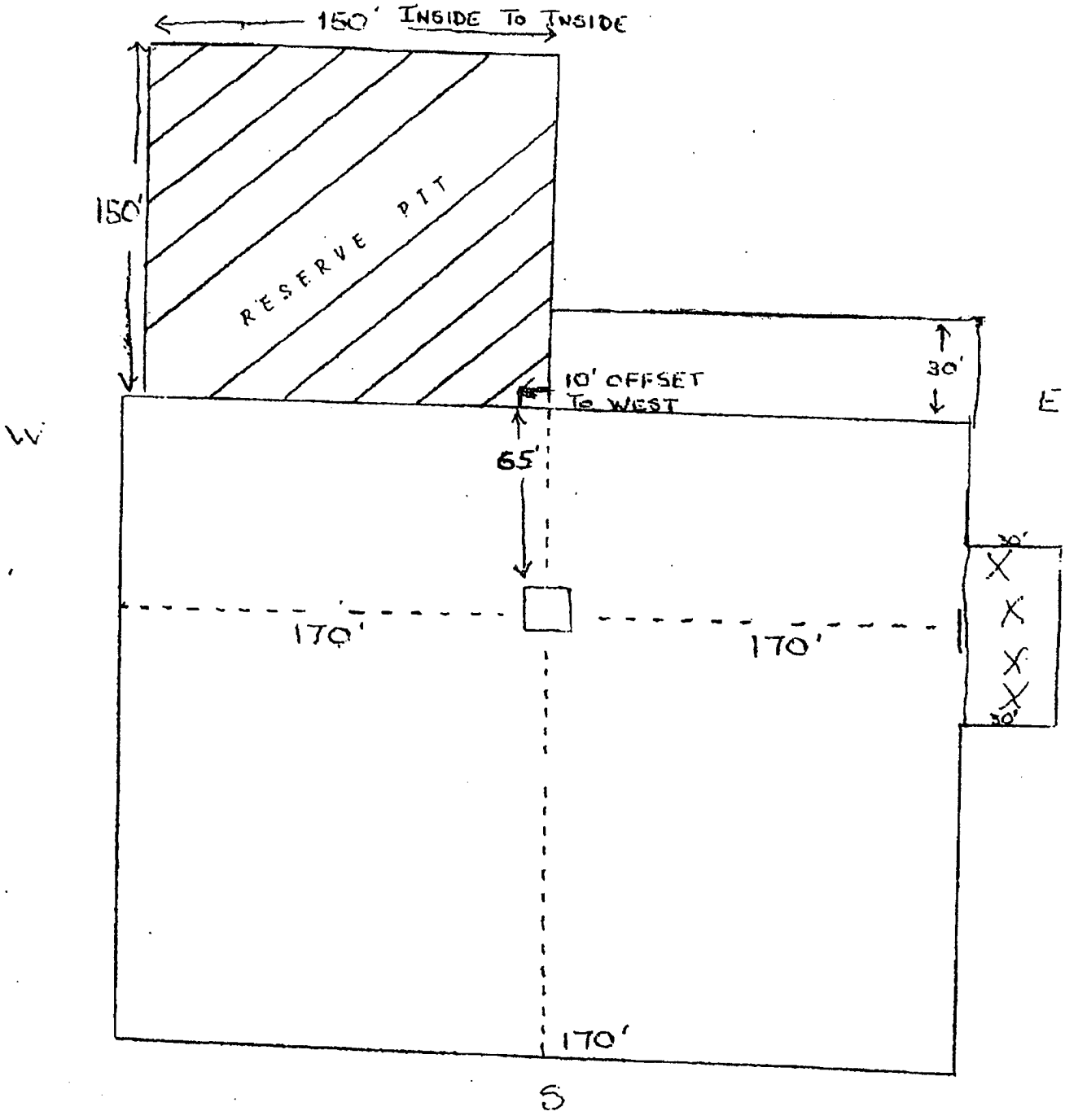
EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

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.

McVAY DRILLING COMPANY
Post Office Box 924
Hobbs, New Mexico 88241
(505) 397-3311
(505) 393-3744

N

McVay 17



BAKER HUGHES

INTEQ

2105 market Street Midland, TX 79703 Ph. (432)694-9517 Fax. (432)694-5648

Directional/Horizontal Plan Report

Devon Energy

Laguna Salado 22-3

Eddy County, NM

Plan #1

Prepared By Oscar Gomez
Thursday, May 18, 2006

DEVON ENERGY
Laguna Salado 22-3,slot #1
,Eddy County New Mexico

PROPOSAL LISTING Page 1
Your ref : Plan1
Last revised : 18-May-2006

Measured Depth	Inclin. Degrees	Azimuth Degrees	True Vert Depth	RECTANGULAR COORDINATES		Dogleg Deg/100ft	Vert Sect	
0.00	0.00	358.80	0.00	0.00 N	0.00 E	0.00	0.00	
500.00	0.00	358.80	500.00	0.00 N	0.00 W	0.00	0.00	
1000.00	0.00	358.80	1000.00	0.00 N	0.00 W	0.00	0.00	
1500.00	0.00	358.80	1500.00	0.00 N	0.00 W	0.00	0.00	
2000.00	0.00	358.80	2000.00	0.00 N	0.00 W	0.00	0.00	
2500.00	0.00	358.80	2500.00	0.00 N	0.00 W	0.00	0.00	
3000.00	0.00	358.80	3000.00	0.00 N	0.00 W	0.00	0.00	
3500.00	0.00	358.80	3500.00	0.00 N	0.00 W	0.00	0.00	
4000.00	0.00	358.80	4000.00	0.00 N	0.00 W	0.00	0.00	
4500.00	0.00	358.80	4500.00	0.00 N	0.00 W	0.00	0.00	
5000.00	0.00	358.80	5000.00	0.00 N	0.00 W	0.00	0.00	
5500.00	0.00	358.80	5500.00	0.00 N	0.00 W	0.00	0.00	
6000.00	0.00	358.80	6000.00	0.00 N	0.00 W	0.00	0.00	
6320.00	0.00	358.80	6320.00	0.00 N	0.00 W	0.00	0.00	KOP
6400.00	12.06	358.81	6399.41	8.39 N	0.17 W	15.07	8.39	
6500.00	27.13	358.81	6493.35	41.81 N	0.87 W	15.07	41.82	
6600.00	42.20	358.81	6575.37	98.51 N	2.04 W	15.07	98.53	
6700.00	57.27	358.81	6639.82	174.58 N	3.62 W	15.07	174.61	
6800.00	72.34	358.81	6682.27	264.78 N	5.49 W	15.07	264.84	
6900.00	87.41	358.81	6699.81	362.92 N	7.53 W	15.07	362.99	
6917.23	90.00	358.81	6700.20	380.14 N	7.89 W	15.07	380.22	EOC
7000.00	90.00	358.81	6700.19	462.89 N	9.60 W	0.00	462.99	
7500.00	90.00	358.81	6700.17	962.78 N	19.97 W	0.00	962.99	
8000.00	90.00	358.81	6700.15	1462.67 N	30.35 W	0.00	1462.99	
8500.00	90.00	358.81	6700.13	1962.57 N	40.72 W	0.00	1962.99	
9000.00	90.00	358.81	6700.10	2462.46 N	51.09 W	0.00	2462.99	
9500.00	90.00	358.81	6700.08	2962.35 N	61.46 W	0.00	2962.99	
10000.00	90.00	358.81	6700.06	3462.24 N	71.83 W	0.00	3462.99	
10500.00	90.00	358.81	6700.04	3962.14 N	82.20 W	0.00	3962.99	
11000.00	90.00	358.81	6700.02	4462.03 N	92.57 W	0.00	4462.99	
11358.05	90.00	358.81	6700.00	4820.00 N	100.00 W	0.00	4821.04	TD

All data is in feet unless otherwise stated.
Coordinates from structure and TVD from rotary table.
Bottom hole distance is 4821.04 on azimuth 358.81 degrees from wellhead.
Vertical section is from N 0.00 E 0.00 on azimuth 358.81 degrees.
Calculation uses the minimum curvature method.
Presented by Baker Hughes INTEQ

Comments in wellpath

MD	TVD	Rectangular Coords.	Comment
6320.00	6320.00	0.00 N 0.00 W	KOP
6917.23	6700.20	380.14 N 7.89 W	EOC
11358.05	6700.00	4820.00 N 100.00 W	TD

Targets associated with this wellpath

Target name	Geographic Location	T.V.D.	Rectangular Coordinates		Revised
TD		6700.00	4820.00N	100.00W	18-May-2006

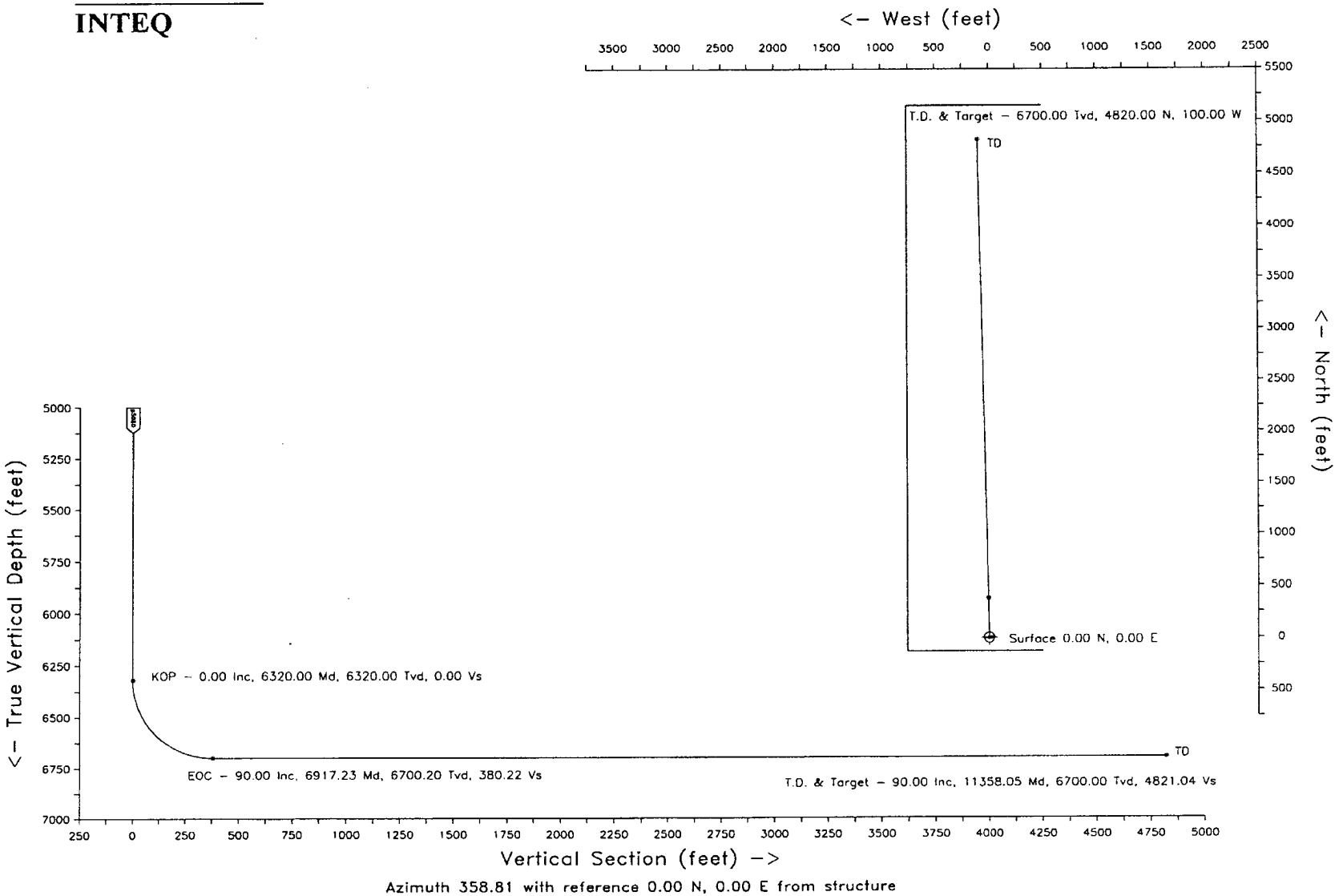
BAKER HUGHES

INTEQ

DEVON ENERGY

Structure : Laguna Salado 22-3 Slot : slot #1

Field : Location : Eddy County New Mexico



Directional Well Planner
Ramp-Shaped Well

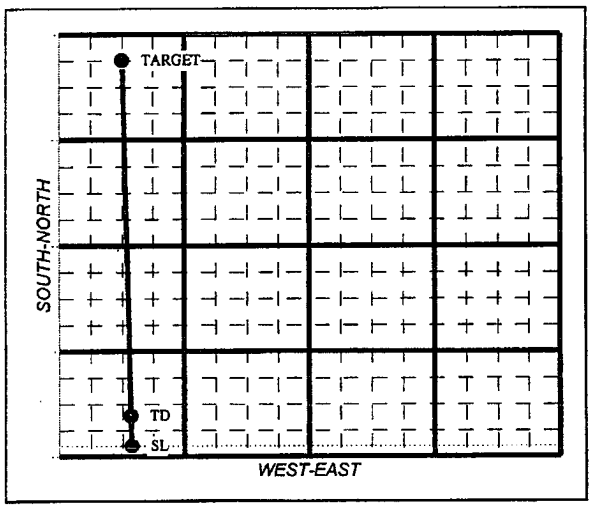
FILE: Laguna Salado 22-3 dir proposal.XLS

devon
Laguna Salado 22-3
Laguna Salado (Del)
Sec 22, T23S, R29E

devon

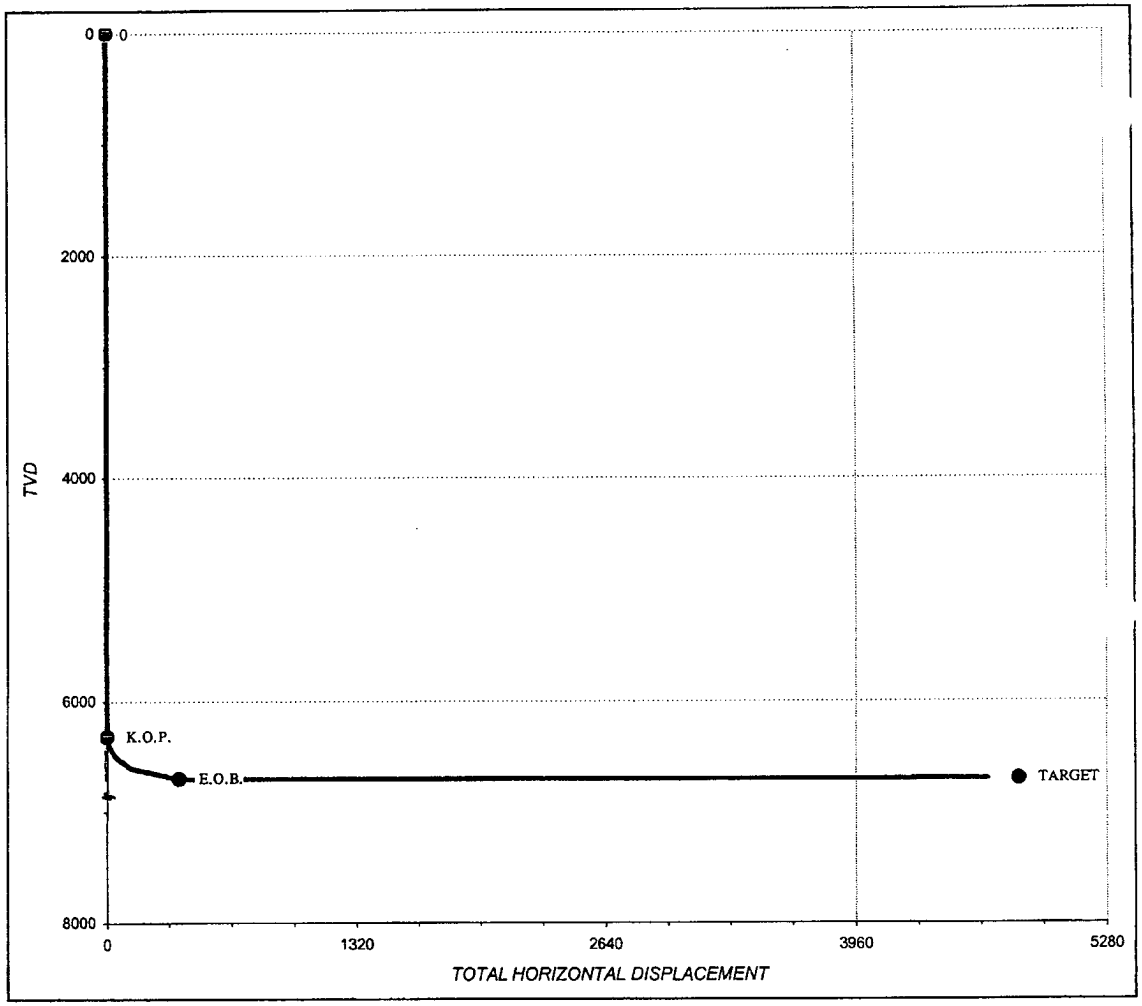
Blount

1/25/2006



Design Data	MD	TVD	Total Disp.		
Kick Off Point	6,318	6,318	0	Azimuth:	N 1.19° W
End of Build	6,918	6,700	382	Build Rate (Deg/100'):	15.00°
TD	6,918	6,700	382	Ramp Angle (Deg):	90.00°

Locations & Targets	MD	TVD	Distance		Distance		Block No.
Surface	0	0					
Target	6,918	6,700					
BHL	6,918	6,700					
ZONE OF INTEREST	#NUM!	6,700					



Directional Well Planner
Ramp Well

FILE: Laguna Salado 22-3 dir proposal.XLS

WELL WITH BUILD AND HOLD AND NO AZIMUTH CHANGE

DATE: 1/25/2006
NAME: Blount
COMMENTS: [illegible]

WELL NAME: Laguna Salado 22-3
FIELD NAME Laguna Salado (Del)
LOCATION Sec 22, T23S, R29E

NOTE: For the calls from lease line section to work correctly, the section to the right (bordered in green) must be filled out for the area of interest.

INPUT DATA

X SURFACE LOCATION	0
Y SURFACE LOCATION	0
BUILD RATE (Deg./100')	15.00°
RAMP ANGLE (Deg.frac)	90.00°
TARGET NAME	
TVD OF TARGET	6,700
X TARGET	-100
Y TARGET	4,820
TVD @ TOTAL DEPTH	6,700

	NAME OF ZOI(IF ANY)
TVD ZONE OF INTEREST	6,700
TVD ZONE OF INTEREST	
TVD ZONE OF INTEREST	
TVD ZONE OF INTEREST	
TVD ZONE OF INTEREST	
TVD ZONE OF INTEREST	

DIRECTIONAL OUTPUT DATA

BUILD RATE	15.00°
RAMP ANGLE	90.00°
Rc	382
MD BUILD	600
TVD BUILD	382
DISTANCE OUT @ EOB	382
KICK-OFF POINT	6318
TVD @ END OF BUILD	6700
MD @ END OF BUILD	6918

(Optional - Calculates angle between 2 targets)

TARGET #2 NAME	
TVD OF TARGET #2	
X TARGET #2	
Y TARGET #2	
CALCULATED RAMP ANGLE (from target #1 & target #2)	

TARGET OUTPUT DATA	TVD (feet)	MD (feet)	HOLE ANGLE (deg.frac.)	AZIMUTH N/S	AZIMUTH (deg.frac.)	AZIMUTH E/W	HORIZONTAL DISPLACEMENT (from surface location) TOTAL	E or W	N or S	COORDINATES X	Y
SURFACE LOCATION	0	0	0.00	N	1.19	W	0	0	0	0	0
TARGET	6700	6918	#NUM!	N	1.19	W	4821	100	4820	-100	4,820
KICK OFF POINT	6318	6318	0.00	N	1.19	W	0	0	0	0	0
ZONE OF INTEREST	6700	#NUM!	#NUM!	N	1.19	W	382	8	382	-8	382
TOTAL DEPTH	6700	6918	#NUM!	N	1.19	W	382	8	382	-8	382

CALLS FROM LEASE LINES

Feet	FEL or FWL	OF BLOCK	Feet	FNL or FSL	OF BLOCK	TARGET NAME
						SURFACE LOCATION
						TARGET
						KICK OFF POINT
						ZONE OF INTEREST
						TOTAL DEPTH