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OCD Hobbs

ATS-10 - 787

Form 3160-3
(February 2005)

FEB 27 2011
HOBBSOCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

| | | |
|---|---|---|
| 1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER | | 5. Lease Serial No. NMNM-94191 |
| 1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone | | 6. If Indian, Allottee or Tribe Name |
| 2. Name of Operator Devon Energy Production Co., LP | | 7. If Unit or CA Agreement, Name and No. |
| 3a. Address 20 North Broadway OKC, OK 73102 | 3b. Phone No. (include area code) (405)-552-7802 | 8. Lease Name and Well No. Shinnery 14 Federal 10H <30880> |
| 4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SENE 2110' FNL & 330' FEL Unit H At proposed prod. zone NWNW 1980' FNL & 330' FWL Unit E | | 9. API Well No. 30-025-40072 10. Field and Pool, or Exploratory Querecho Plains Upper Bone Spring <52600> |
| 11. Sec., T. R. M. or Blk. and Survey of Area Sec 14-T18S-R32E | | 12. County or Parish Lea |
| 13. State NM | | 14. Distance in miles and direction from nearest town or post office* Approximately 12 miles southeast of Maljamar, NM |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330' | 16. No. of acres in lease 104.180 ac | 17. Spacing Unit dedicated to this well 160 acres |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. See attached map | 19. Proposed Depth TVD 9,318' MD 13,657' PH 9460' | 20. BLM/BIA Bond No. on file CO-1104 |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3825' GL | 22. Approximate date work will start* | 23. Estimated duration 45 days |

24. Attachments

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

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

| | | |
|-----------------------------------|---|---------------------------|
| 25. Signature Spence Laird | Name (Printed/Typed) Spence Laird | Date 08/27/2010 |
|-----------------------------------|---|---------------------------|

| | | |
|------------------------------------|--|----------------------------|
| Title Regulatory Analyst | Name (Printed/Typed) James Stovall | Date FEB 22 2011 |
|------------------------------------|--|----------------------------|

| | |
|-------------------------------|--|
| Title FIELD MANAGER | Office CARLSBAD FIELD OFFICE |
|-------------------------------|--|

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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)

K2 03/02/2011

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Capitan Controlled Water Basin

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FEB 27 2011

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 15, 2009

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|--|--|--|
| ¹ API Number 30-025-40072 | ² Pool Code 50600 | ³ Pool Name BONE SPRING |
| ⁴ Property Code 30880 | ⁵ Property Name SHINNERY "14" FED. | |
| ⁷ OGRID No. 6137 | ⁸ Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P. | ⁶ Well Number 10H |
| | | ⁹ Elevation 3825.1 |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| H | 14 | 18 S | 32 E | | 2110 | NORTH | 330 | EAST | LEA |

¹¹ 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 |
|---------------|-----------|-------------|-------------|---------|---------------|------------------|---------------|----------------|------------|
| E | 14 | 18 S | 32 E | | 1980 | NORTH | 330 | WEST | LEA |

| | | | |
|---|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 160 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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>NW CORNER SEC. 14 LAT. = 32°45'17.00"N LONG. = 103°44'44.38"W NMSP EAST (FT) N = 638793.70 E = 722011.20</p> | | <p>NE CORNER SEC. 14 LAT. = 32°45'17.03"N LONG. = 103°43'42.39"W NMSP EAST (FT) N = 638827.03 E = 727306.28</p> | | <p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Spence Laird</i> Date: 8/31/10</p> <p>Printed Name: SPENCE LAIRD</p> |
| <p>BOTTOM OF HOLE LAT. = 32°44'57.41"N LONG. = 103°44'40.48"W NMSP EAST (FT) N = 636815.79 E = 722355.37</p> | | <p>SURFACE LOCATION LAT. = 32°44'56.156"N (NAD83) LONG. = 103°43'46.243"W NMSP EAST (FT) N = 636714.95 E = 726989.02</p> | | |
| <p>SW CORNER SEC. 14 LAT. = 32°44'24.78"N LONG. = 103°44'44.29"W NMSP EAST (FT) N = 633515.93 E = 722048.97</p> | | <p>SE CORNER SEC. 14 LAT. = 32°44'24.77"N LONG. = 103°43'42.36"W NMSP EAST (FT) N = 633543.80 E = 727338.72</p> | | <p>¹⁸ 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 supervision, and that the same is true and correct to the best of my belief.</p> <p>JULY 29, 2010</p> <p>Date of Survey: JULY 29, 2010</p> <p>Signature and Seal of Professional Surveyor: <i>[Signature]</i></p> <p>Certificate Number: PL 12797</p> <p>SURVEY NO. 171</p> |

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HOBBSUCD**DRILLING PROGRAM**

Devon Energy Production Company, LP

Shinnery 14 Federal 10H

Surface Location: 2110' FNL & 330' FEL, Unit H, Sec 25 T18S R31E, Lea, NM

Bottom hole Location: 1980' FNL & 330' FWL, Unit E, Sec 25 T18S R31E, Lea, NM

1. Geologic Name of Surface Formation

a. Permian

2. Estimated Tops of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

| | | |
|---|---------------------|------|
| a. Rustler | 1195' | FW |
| b. Salado | 2065' | Salt |
| c. Base Salt | 2800' | Salt |
| d. Yates | 2850' | Oil |
| e. Queen | 3950' | Oil |
| f. Greyburg | 4430' | Oil |
| g. Delaware | 4920' | Oil |
| h. Bone Springs | 6800' | Oil |
| i. 1 st Bone Spring SD | 8340' | Oil |
| j. 2 nd Bone Spring SD | 9020' | Oil |
| k. 2 nd Bone Spring Lower SD | 9117' | Oil |
| l. 2 nd Bone Spring SD (pay tgt) | 9278' | Oil |
| m. Total Depth of Pilot Hole | 9400' | |
| n. Depth of entry point of pay tgt | 9165' | |
| o. Total Depth of producing well | TVD 9318' MD 13657' | |

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 1350' and circulating cement back to surface. The fresh water sands will be protected by setting 9 5/8" casing at 5000' and circulating cement to surface. The Bone Spring intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 9 5/8" casing. All casing is new and API approved.

3. Casing Program:

| <u>Hole Size</u> | <u>Hole Interval</u> | <u>OD Csg</u> | <u>Casing Interval</u> | <u>Weight</u> 5 | <u>Collar</u> | <u>Grade</u> |
|------------------|------------------------------------|---------------|------------------------------------|--------------------|---------------|--------------|
| 17 1/2" | 0'-1350' | 13 3/8" | 0'-1350' | 54.4# | STC | J-55 |
| 12 1/4" | 1350'-5000' | 9 5/8" | 1350'-5000' | 40# | BTC | N-80 |
| 8 3/4" | 5000'-9400' (PH) | 9 5/8" | | | | |
| 8 3/4" | 0'-8600' | 5 1/2" | 0-8600' | 17# | LTC | P-110 |
| 8 3/4" | 8600'- 13700' 13657' | 5 1/2" | 8600'- 13700' 13657' | 17# | BTC | P-110 |

Design Parameter Factors:

| <u>Casing Size</u> | <u>Collapse Design Factor</u> | <u>Burst Design Factor</u> | <u>Tension Design Factor</u> |
|--------------------|-------------------------------|----------------------------|------------------------------|
| 13 3/8" | 1.79 | 4.32 | 6.99 |
| 9 5/8" | 1.23 | 2.30 | 5.09 |
| 5 1/2" | 1.33 | 1.74 | 2.01 |

4. Cement Program:

Cementing Program for the Pilot Hole: 520 sacks Class H, 18 ppg with a .9 cuft yield.

Cementing Program:

13 3/8" Surface **Lead:** 915 sacks (40:60) Poz (Fly Ash):Premium Plus C Cement + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite + 5% bwow Sodium Chloride + 0.8% bwoc Sodium Metasilicate + 5% bwoc MPA-5 + 101.1% Fresh Water
Yield: 1.83 cf/sack. TOC @ surface.

Tail: 300 sacks Premium Plus C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water
Yield: 1.35 cf/sack.

9 5/8" Intermediate **Lead:** 1405 sacks (40:60) Poz (Fly Ash):Premium Plus C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 6% bwoc Bentonite + 107.8% Fresh Water
Yield: 1.73 cf/sack. TOC @ surface.

Tail: 300 sacks (40:60) C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.4% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 64.7% Water
Yield: 1.35 cf/sack.

5 1/2" Production **1st Stage**

Lead: 655 sacks 35:65 Poz Class C + 0.2% bwoc Sodium Metasilicate + 1.4% bwoc FL-62 + 0.4%
Yield: 2.00 cf/sack.

Tail: 1135 sacks 50:50 Poz Class C
Yield: 1.28 cf/sack

DV TOOL at ~6000'

2nd Stage

Lead: 400 sacks Poz Class C Cement + 0.125 lbs/sack Cello Flake + 3
6% bwoc Bentonite + 0.4% bwoc FL-52A + 99.3% Fresh Water
Yield: 2.89 cf/sk

Tail: 150 sacks (60:40) Poz Class C Cement + 1% bwow Sodium Chloride + 0.15% bwoc
+ 63.2% Fresh Water
Yield: 1.35 cf/sk

TOC for All Strings:

| | |
|---------------|-------|
| Surface: | 0' |
| Intermediate: | 0' |
| Production | 2800' |

The above cement volumes could be revised pending the caliper measurement from the open hole logs. Actual cement volumes will be adjusted based on fluid caliper and caliper log data.

5. **Pressure Control Equipment:**

BOP DESIGN: The 13 3/8" casing will have a 3,000# (Hydril) annular preventer which will be tested to 2000#. The blow out prevention system for the 9 5/8" casing will consist of a bag type (Hydril) preventer, a double ram preventer stack, and a rotating head. Both the Hydril and ram stack will be hydraulically operated. The 9 5/8" BOP system will be rated at 5,000psi. Prior to drilling out the 9 5/8" intermediate shoe, the ram stack will be nipped up with 4.5" pipe rams installed. **The Hydril will be tested to 1000psi (high) and 250psi (low). Tests on the 5000psi BOP will be conducted per the BLM Drilling Operations Order #2. All testing will be performed by independent testers, not the rig pumps.**

The ram system will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and hydril, other BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 5000 psi WP

6. **Proposed Mud Circulation System**

| <u>Depth</u> | <u>Mud Wt.</u> | <u>Visc</u> | <u>Fluid Loss</u> | <u>Type System</u> |
|-------------------------------------|----------------|-------------|-------------------|--------------------|
| 0' - 1350' | 8.4-9.0 | 32-34 | NC | Fresh Water |
| 1350' - 5000' | 10.0 | 28-30 | NC | Brine |
| 5000' - 13000' 13657' | 8.6-9.2 | 28 | NC-12 | Fresh Water/Brine |

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 Kelly cock will be in the drill string at all times.
- A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.

- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

8. Logging, Coring, and Testing Program: *See COA*

- a. Drill stem tests will be based on geological sample shows.
- b. If a drill stem test is anticipated; a procedure, equipment to be used and safety measures will be provided via sundry notice to the BLM.
- c. The open hole electrical logging program will be:

| | |
|----------------------------|--|
| i. Total Depth to Casing | Neutron – Density w/ Spectral Gamma Ray (Pilot Hole) |
| ii. Total Depth to Casing | Laterolog (Pilot Hole) |
| iii. Total Depth to Casing | Long Space Sonic (Pilot Hole) |
| iv. Casing to Surface | Gamma Ray/Neutron (Pilot Hole) |
| v. Kickoff to Total Depth | Gamma Ray while drilling |

9. Potential Hazards:

- a. No abnormal pressures or temperatures are expected. There is no known presence of H₂S in this area; therefore, no H₂S is anticipated to be encountered. 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 3900 psi and Estimated BHT 170°.

10. 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.

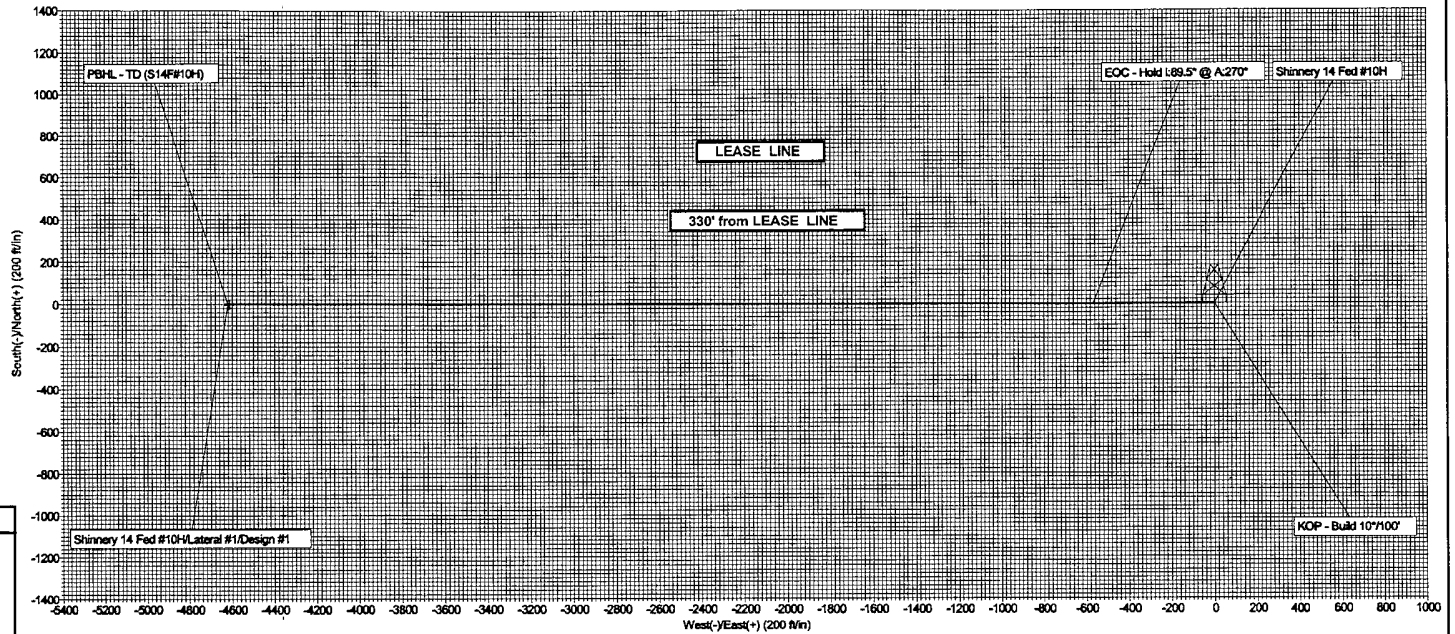
devon

Project: Lea Co., New Mexico (Nad 83)
Site: Shinnery 14 Fed #10H
Well: Shinnery 14 Fed #10H
Wellbore: Lateral #1
Design: Design #1

CUD
DRILLING & MEASUREMENT
SERVICES

Plan: Design #1 (Shinnery 14 Fed #10H/Lateral #1)

Created By: Mike Starkey Date: 11/42, August 20 2010
Checked: _____ Date: _____
Reviewed: _____ Date: _____
Approved: _____ Date: _____



SECTION DETAILS

| Sec | MD | Inc | Asd | TVD | +N-S | +E-W | DLog | TFace | VSec | Target |
|-----|----------|-------|--------|---------|------|----------|-------|--------|---------|----------------------|
| 1 | 0.00 | 0.00 | 0.00 | 8710.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 2 | 8710.02 | 0.00 | 0.00 | 8710.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| 3 | 9605.02 | 89.50 | 270.00 | 9282.96 | 0.00 | -567.96 | 10.00 | 270.00 | 567.96 | |
| 4 | 13657.22 | 89.50 | 270.00 | 9318.32 | 0.00 | -4620.00 | 0.00 | 0.00 | 4620.00 | PBHL - TD (S14F#10H) |

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

| Name | TVD | +N-S | +E-W | Northing | Easting | Latitude | Longitude | Shape |
|----------------------|---------|------|----------|-----------|-----------|------------------|-------------------|-------|
| PBHL - TD (S14F#10H) | 9318.32 | 0.00 | -4620.00 | 635671.51 | 722727.24 | 32° 44' 45.997 N | 103° 44' 36.094 W | Point |

ANNOTATIONS

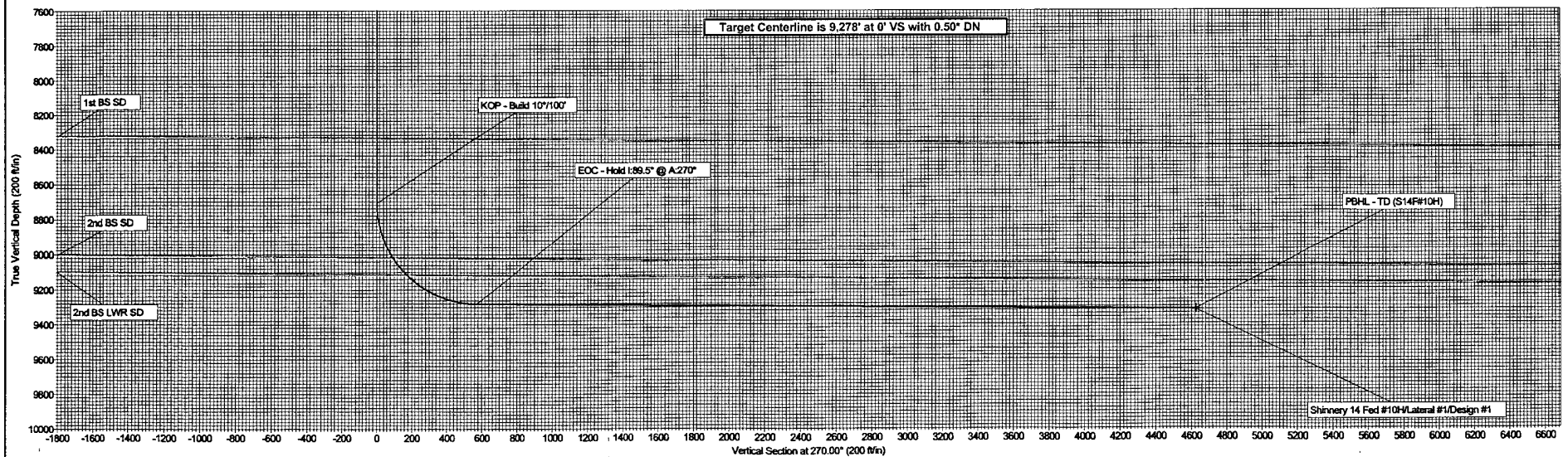
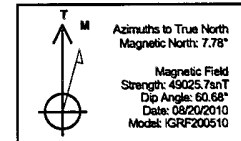
| TVD | MD | Annotation |
|---------|---------|---------------------------|
| 8710.02 | 8710.02 | KOP - Build 10°/100' |
| 9282.96 | 9605.02 | EOC - Hold 189.5° @ A270° |

PROJECT DETAILS: Lea Co., New Mexico (Nad 83)

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level

WELL DETAILS: Shinnery 14 Fed #10H

| Ground Level: | | | | | | | |
|---------------------------------------|------|-----------|-----------|------------------|-------------------|------|--|
| 3815.00 | | | | | | | |
| WELL @ 3832.00ft (Original Well Elev) | | | | | | | |
| +N-S | +E-W | Northing | Easting | Latitude | Longitude | Slot | |
| 0.00 | 0.00 | 635668.20 | 727347.16 | 32° 44' 46.000 N | 103° 43' 42.000 W | | |





Devon Energy

Lea Co., New Mexico (Nad 83)

Shinnery 14 Fed #10H

Shinnery 14 Fed #10H

Lateral #1

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Plan: Design #1

Standard Survey Report

20 August, 2010





CUDD Drilling & Measurement Services

Survey Report



| | | | |
|-----------|------------------------------|------------------------------|---------------------------------------|
| Company: | Devon Energy | Local Co-ordinate Reference: | Site Shinnery 14 Fed #10H |
| Project: | Lea Co., New Mexico (Nad 83) | TVD Reference: | WELL @ 3832.00ft (Original Well Elev) |
| Site: | Shinnery 14 Fed #10H | MD Reference: | WELL @ 3832.00ft (Original Well Elev) |
| Well: | Shinnery 14 Fed #10H | North Reference: | True |
| Wellbore: | Lateral #1 | Survey Calculation Method: | Minimum Curvature |
| Design: | Design #1 | Database: | EDM 2003.21 Single User Db |

| | | | |
|-------------|------------------------------|---------------|----------------|
| Project | Lea Co., New Mexico (Nad 83) | | |
| Map System: | US State Plane 1983 | System Datum: | Mean Sea Level |
| Geo Datum: | North American Datum 1983 | | |
| Map Zone: | New Mexico Eastern Zone | | |

| | | | |
|-----------------------|--|-------------------|-------------------|
| Site | Shinnery 14 Fed #10H, Sec 14, T-18S, R-32E | | |
| Site Position: | | Northing: | 635,698.20 ft |
| From: | Lat/Long | Easting: | 727,347.16 ft |
| Position Uncertainty: | 0.00 ft | Slot Radius: | " |
| | | Latitude: | 32° 44' 46.000 N |
| | | Longitude: | 103° 43' 42.000 W |
| | | Grid Convergence: | 0.33 ° |

| | | | |
|----------------------|----------------------|---------------------|-------------------------|
| Well | Shinnery 14 Fed #10H | | |
| Well Position | +N-S | 0.00 ft | Northing: 635,698.20 ft |
| | +E-W | 0.00 ft | Easting: 727,347.16 ft |
| Position Uncertainty | 0.00 ft | Wellhead Elevation: | 3,832.00 ft |
| | | Ground Level: | 3,816.00 ft |
| | | Latitude: | 32° 44' 46.000 N |
| | | Longitude: | 103° 43' 42.000 W |

| | | | |
|-----------|------------|-------------|---------------------|
| Wellbore | Lateral #1 | | |
| Magnetics | Model Name | Sample Date | Declination (°) |
| | IGRF200510 | 08/20/10 | 7.78 |
| | | | Dip Angle (°) |
| | | | 60.68 |
| | | | Field Strength (nT) |
| | | | 49,026 |

| | | | |
|-------------------|-----------------------|-----------|--------------------|
| Design | Design #1 | | |
| Audit Notes: | | | |
| Version: | Phase: | PLAN | Tie On Depth: 0.00 |
| Vertical Section: | Depth From (TVD) (ft) | +N-S (ft) | +E-W (ft) |
| | 0.00 | 0.00 | 0.00 |
| | | | Direction (°) |
| | | | 270.00 |

| | | | |
|---------------------|---------------|------------------------|----------------------------------|
| Survey Tool Program | Date 08/20/10 | | |
| From (ft) | To (ft) | Survey (Wellbore) | Tool Name |
| 0.00 | 8,600.00 | Design #1 (Lateral #1) | NS-GYRO-MS |
| 8,600.00 | 13,657.22 | Design #1 (Lateral #1) | CUDD MWD |
| | | | Description |
| | | | North sensing gyrocompassing m/s |
| | | | MWD - Standard CUDD MWD |

| | | | | | | | | | |
|----------------------|-----------------|-------------|---------------------|-----------|-----------|-----------------------|-----------------------|----------------------|---------------------|
| Planned Survey | | | | | | | | | |
| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N-S (ft) | +E-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4,920.00 | 0.00 | 0.00 | 4,920.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Delaware | | | | | | | | | |
| 6,800.00 | 0.00 | 0.00 | 6,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Bone Spring | | | | | | | | | |
| 8,340.00 | 0.00 | 0.00 | 8,340.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 1st BS SD | | | | | | | | | |
| 8,710.02 | 0.00 | 0.00 | 8,710.02 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| KOP - Build 10°/100' | | | | | | | | | |
| 9,038.50 | 32.85 | 270.00 | 9,020.80 | 0.00 | -91.61 | 91.61 | 10.00 | 10.00 | 0.00 |
| 2nd BS SD | | | | | | | | | |



CUDD Drilling & Measurement Services

Survey Report



| | | | |
|-----------|------------------------------|------------------------------|---------------------------------------|
| Company: | Devon Energy | Local Co-ordinate Reference: | Site Shinnery 14 Fed #10H |
| Project: | Lea Co., New Mexico (Nad 83) | TVD Reference: | WELL @ 3832.00ft (Original Well Elev) |
| Site: | Shinnery 14 Fed #10H | MD Reference: | WELL @ 3832.00ft (Original Well Elev) |
| Well: | Shinnery 14 Fed #10H | North Reference: | True |
| Wellbore: | Lateral #1 | Survey Calculation Method: | Minimum Curvature |
| Design: | Design #1 | Database: | EDM 2003.21 Single User Db |

Planned Survey

| Measured Depth (ft) | Inclination (°) | Azimuth (°) | Vertical Depth (ft) | +N/-S (ft) | +E/-W (ft) | Vertical Section (ft) | Dogleg Rate (°/100ft) | Build Rate (°/100ft) | Turn Rate (°/100ft) |
|-----------------------------|-----------------|-------------|---------------------|------------|------------|-----------------------|-----------------------|----------------------|---------------------|
| 9,164.75 | 45.47 | 270.00 | 9,118.49 | 0.00 | -171.17 | 171.17 | 10.00 | 10.00 | 0.00 |
| 2nd BS LWR SD | | | | | | | | | |
| 9,605.02 | 89.50 | 270.00 | 9,282.96 | 0.00 | -567.96 | 567.96 | 10.00 | 10.00 | 0.00 |
| EOC - Hold I:89.5° @ A:270* | | | | | | | | | |
| 13,657.22 | 89.50 | 270.00 | 9,318.32 | 0.00 | -4,620.00 | 4,620.00 | 0.00 | 0.00 | 0.00 |
| PBHL - TD (S14F#10H) | | | | | | | | | |

Design Targets

Target Name

| - hit/miss target | Dip Angle (°) | Dip Dir. (°) | TVD (ft) | +N/-S (ft) | +E/-W (ft) | Northing (ft) | Easting (ft) | Latitude | Longitude |
|---------------------------|---------------|--------------|----------|------------|------------|---------------|--------------|------------------|-------------------|
| - Shape | | | | | | | | | |
| PBHL - TD (S14F#10H) | 0.00 | 0.00 | 9,318.32 | 0.00 | -4,620.00 | 635,671.81 | 722,727.24 | 32° 44' 45.997 N | 103° 44' 36.094 W |
| - plan hits target center | | | | | | | | | |
| - Point | | | | | | | | | |

Formations

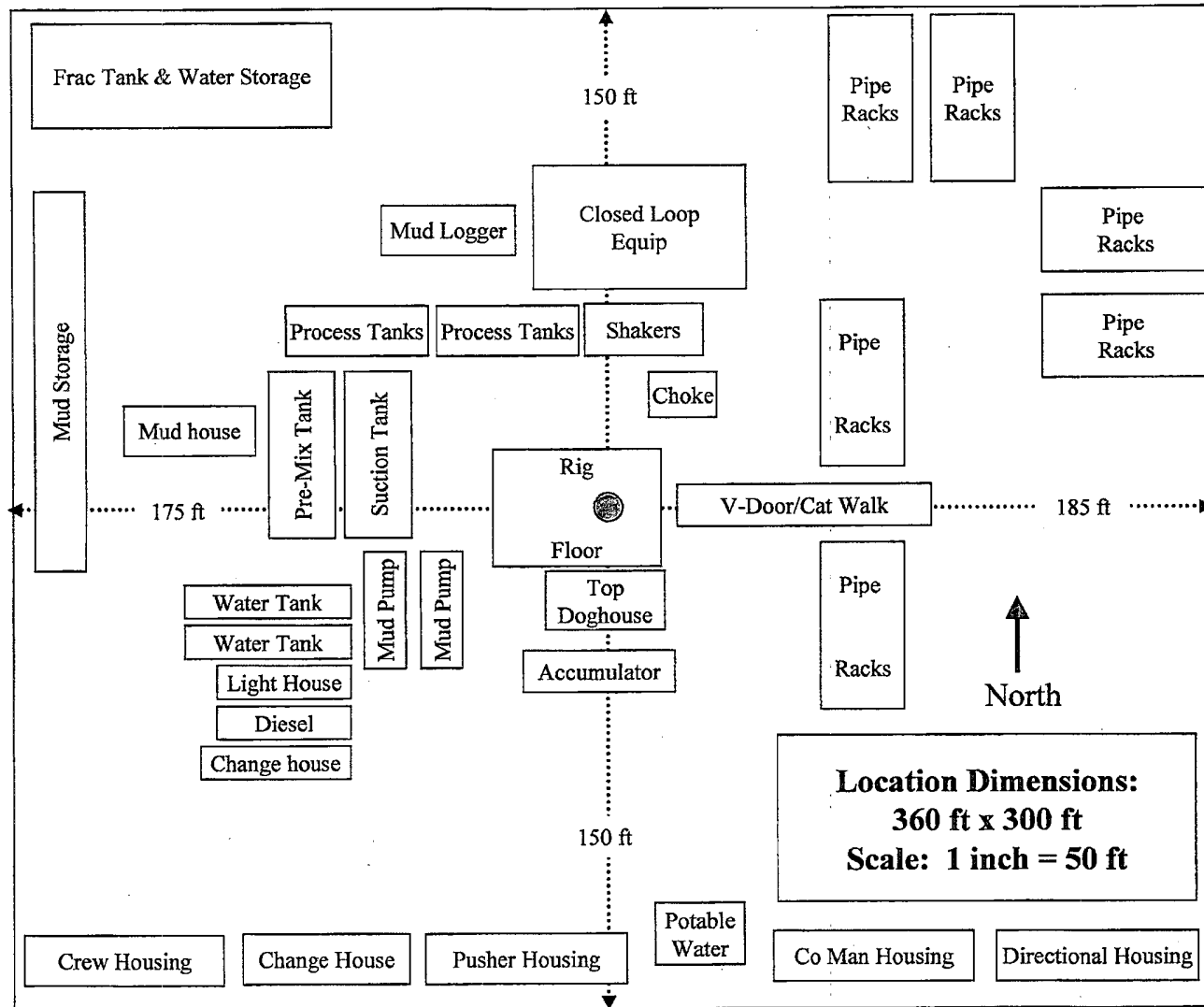
| Measured Depth (ft) | Vertical Depth (ft) | Name | Lithology | Dip (°) | Dip Direction (°) |
|---------------------|---------------------|---------------|-----------|---------|-------------------|
| 4,920.00 | 4,920.00 | Delaware | | -0.50 | 90.00 |
| 6,800.00 | 6,800.00 | Bone Spring | | -0.50 | 90.00 |
| 8,340.00 | 8,340.00 | 1st BS SD | | -0.50 | 90.00 |
| 9,038.50 | 9,020.00 | 2nd BS SD | | -0.50 | 90.00 |
| 9,164.75 | 9,117.00 | 2nd BS LWR SD | | -0.50 | 90.00 |

Plan Annotations

| Measured Depth (ft) | Vertical Depth (ft) | Local Coordinates | | Comment |
|---------------------|---------------------|-------------------|------------|-----------------------------|
| | | +N/-S (ft) | +E/-W (ft) | |
| 8,710.02 | 8,710.02 | 0.00 | 0.00 | KOP - Build 10°/100' |
| 9,605.02 | 9,282.96 | 0.00 | -567.96 | EOC - Hold I:89.5° @ A:270* |

Checked By: _____ Approved By: _____ Date: _____

Conventional Rig Location Layout



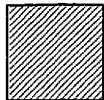


Proposed Interim Site Reclamation

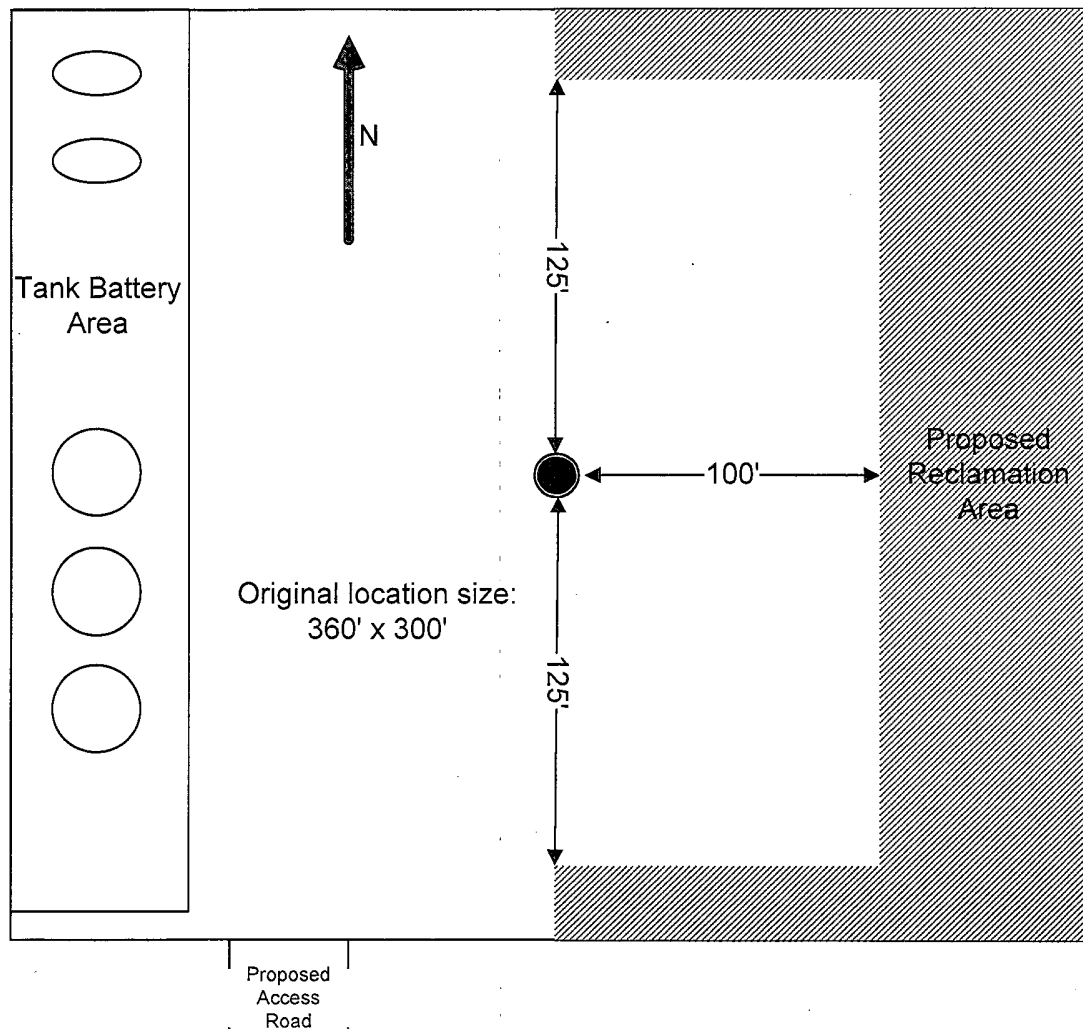
Devon Energy Production Co.

Shinnery 14 Federal 10H
2,110' FNL & 330' FEL
Sec. 14 - T18S - R32E
Lea County, NM

Proposed
Reclamation Area



1" : 60'



Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP

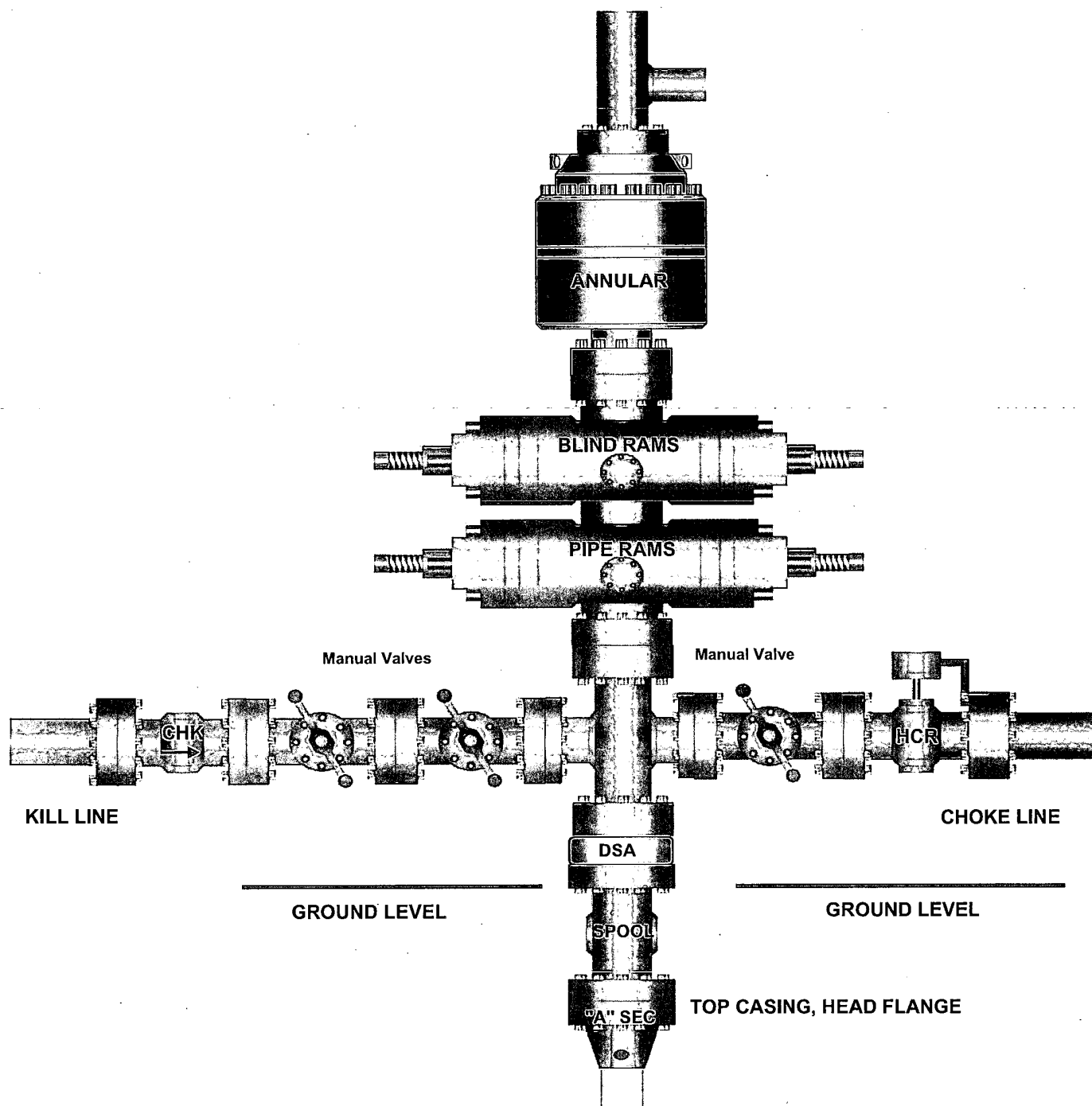
Shinnery 14 Federal 10H

Surface Location: 2110' FNL & 330' FEL, Unit H, Sec 25 T18S R31E, Lea, NM

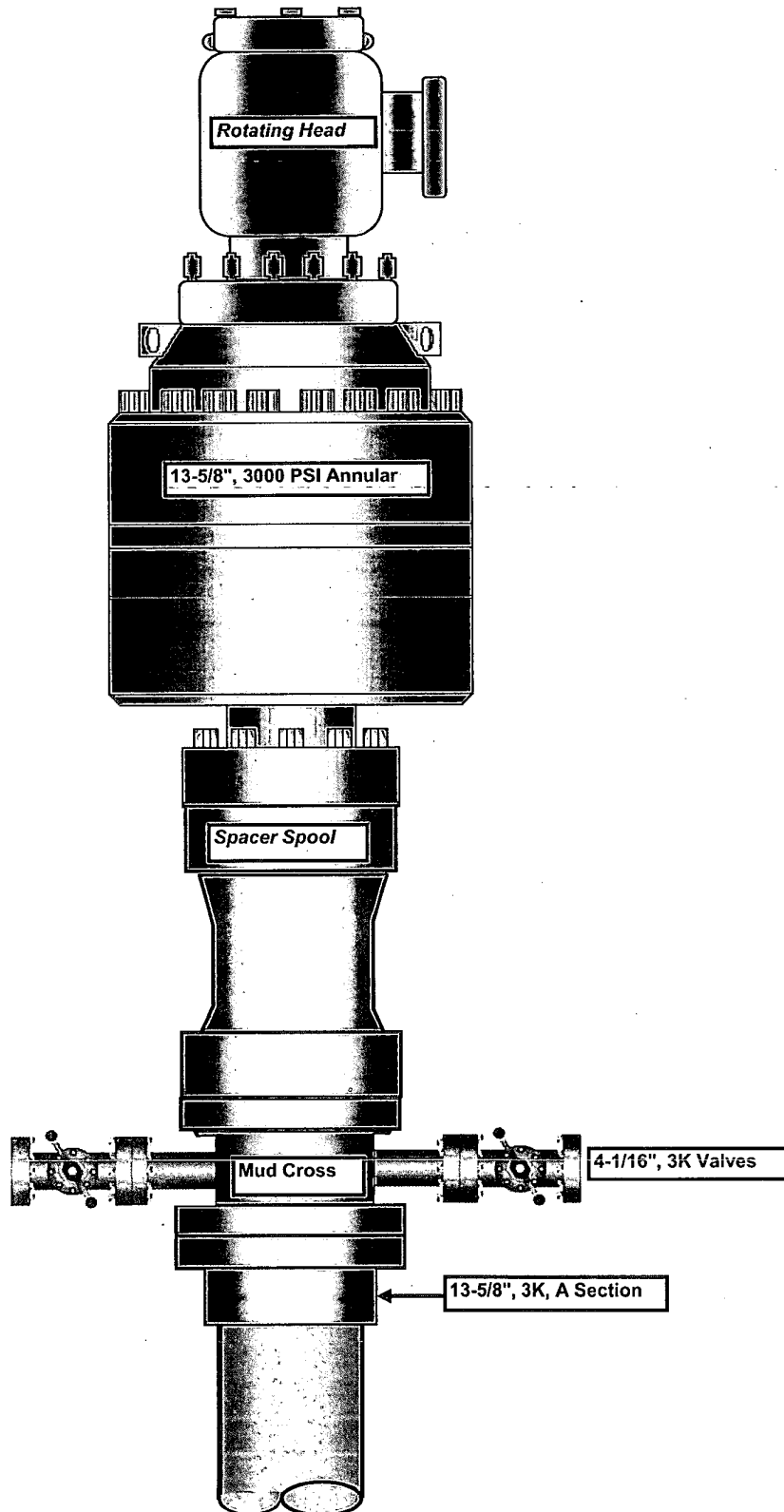
Bottom hole Location: 1980' FNL & 330' FWL, Unit E, Sec 25 T18S R31E, Lea, NM

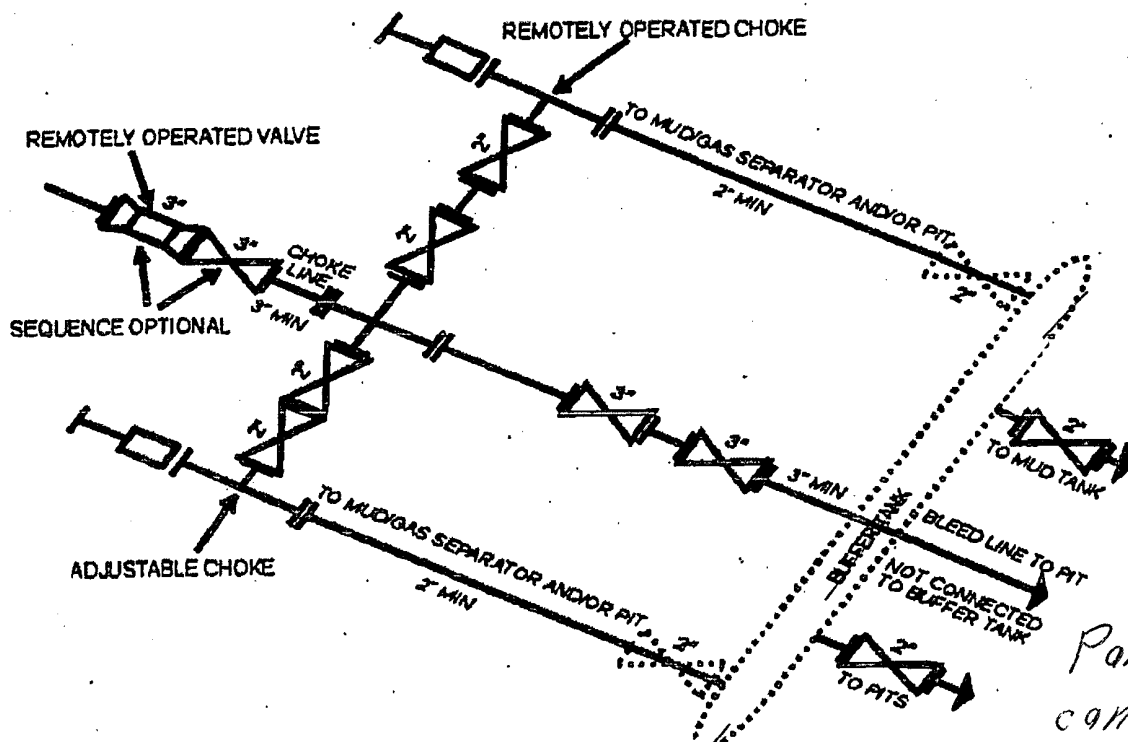
1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
2. Wear ring will be properly installed in head.
3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 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.

13-5/8" x 5,000 psi BOP Stack



13-5/8" 3K Annular





*Panic line
cannot route
to mud tank
near rig.*

5M CHOKE MANIFOLD EQUIPMENT - CONF'GURATION OF CHOKES MAY VARY

Although not required for any of the choke manifold systems, buffer tanks are sometimes installed downstream of the choke assemblies for the purpose of manifolding the bleed lines together. When buffer tanks are employed, valves shall be installed upstream to isolate a failure or malfunction without interrupting flow control. Though not shown on 2M, 3M, 10M, OR 15M drawings, it would also be applicable to those situations.

[54 FR 39528, Sept. 27, 1989]

*Per BLM: Operator is to supply an accurate
choke manifold schematic and
not the general example from
Onshore Order #2*