

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Oil Cons.
N.M. DIV-Dist. 2
1901 W. Grand Avenue
Artesia, NM 88210

Form approved
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. TYPE OF WORK: ☒ DRILL ☐ REENTER

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

2. NAME OF OPERATOR

DEVON ENERGY PRODUCTION COMPANY, L.P.

3a. ADDRESS AND TELEPHONE NO.

20 NORTH BROADWAY, SUITE 1500, OKC, OK 73102

3b. TELEPHONE (Include area code).

(405) 235-3611

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 660' FSL & 660 FWL, SWSW

At top proposed prod. zone 660' FSL & 660 FWL, SWSW

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

Approximately 17 miles Southeast of Loving 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. 1320'

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

2990' GR

16. NO. OF ACRES IN LEASE

160.00

19. PROPOSED DEPTH

7100'

22. APPROX. DATE WORK WILL START*

Aug 15, 2003

5. LEASE DESIGNATION AND SERIAL NO.

NMNM-98822

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Tesuque 35 Federal #1

9. API WELL NO.

30-015-32948

10. FIELD AND POOL, OR WILDCAT

Brushy Draw Delaware, North

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

Sec 35, T25S R29E,

12. COUNTY OR PARISH

Eddy Co

13. STATE

NM

17. Spacing Unit dedicated to this well

40

20. BLM/BLA Bond No. on file

CO-1104

23. Estimated duration

45 days

24. Attachments

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

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

Devon Energy proposes to drill a Devonian well to TD 11,700'± for commercial quantities of gas. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

Drilling Program

Surface Use and Operating Plan

Exhibit #1 = Blowout Prevention Equipment

Exhibit #2 = Location and Elevation Plat

Exhibit #3 = Road Map and Topo Map

Exhibit #4 = Wells Within 1 Mile Radius

Exhibit #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design

H₂S Operating Plan

Archeological clearance report

CARLSBAD CONTROLLED WATER BASIN

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

Bond Coverage: Nationwide
BLM Bond #: CO-1104

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

25. Signature <i>Karen Cottom</i>	Name (Printed/Typed) Karen Cottom	Date 7/2/03
Title Operations Technician		12 AUG 2003
Approved by (signature) <i>/s/ Joe G. Lara</i>	Name (Printed/Typed) <i>/s/ Joe G. Lara</i>	Date
Title ACTING FIELD MANAGER		Office CARLSBAD FIELD OFFICE

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

Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

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

DRILLING PROGRAM

Attached to Form 3160-3
Devon Energy Production Company, LP
TESUQUE 35 FEDERAL #1
(M) 660' FSL & 660' FWL, Section 35 T25S, R29E
Eddy, County, New Mexico

1. Geologic Name of Surface Formation

Quaternary Aeolian Deposits

2. Estimated Tops of Important Geologic Markers

Salt	800'
Lamar	3130'
Bell Canyon	3170'
Cherry Canyon	4200'
Delaware	5650'

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.

Cherry Canyon	Oil	5200'
Brushy Canyon	Oil	5900'

4. Casing Program

Hole Size	Interval	OD Csg	Weight	Collar	Grade
17 1/2"	0 - 40'	14"	NA	NA	Conductor
12 1/4"	0 - 580' 685'	8 5/8"	24#	ST&C	J55
7 7/8"	0' - 7100'	5 1/2"	15.5#	LT&C	J55

Tesuque 35 Federal #1**DRILLING PLAN**

PAGE 2

5. CASING CEMENTING & SETTING DEPTH:

14"	Conductor	Run 40' of 14" conductor pipe and cement to surface with Redi-mix. WOC 12hrs
8 5/8"	Surface	Run 8 5/8", 24# , J55, ST&C set @580'. Cement with 300 sx of Class C lite cement + additives, tail w/200sx class C +2% Cacl + 1/4# Flocele/sx., circulate to surface
5 1/2"	Production	Run 5 1/2", 15.5# J55, LT&C set @7100'. Cement 1 st Stage lead w/500 sx Class C, 2 nd Stage Lead w/1050 sx Class C & tail w/250 sx Class C, estimate top of cement 500'.

WITNESS**WITNESS**

6. **PRESSURE CONTROL EQUIPMENT:** Exhibit "E". A 2000 PSI working pressure BOP consisting of a double ram type preventor or a bag type annular preventor. BOP unit will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nipped up on 8 5/8" casing and will be operated at least once each 24 hr. period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, PVT, full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

7. Types and Characteristics of the Proposed Mud System

DEPTH	MUD. WT.	MUD VISC.	FLUID LOSS	TYPE MUD
40' - 580' 685'	8.4-8.7	29-36	NC	Fresh water spud mud use paper for seepage.
580' 685' - 7100'	10.2 - 10.4	29 38	NC	Brine water add paper to control seepage and high viscosity sweeps to clean hole.

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirement will be kept at wellsite at all times. In order to run casing and log well viscosity may have to be raised and water loss may have to be lowered.

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

8. Auxiliary Well Control and Monitoring Equipment

A. A kelly cock will be in the drill string at all times.

Tesuque 35 Federal #1
DRILLING PLAN
PAGE 3

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

9. 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) TD to surface casing; Induction/ Gamma Ray/ Neutron/ Density Log.
 - 2) TD to surface: Neutron with Gamma Ray.
- 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.

10. Abnormal Pressures, Temperatures and Potential Hazards

No abnormal pressures or temperatures are expected. Hydrogen Sulfide is not expected. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3500 psi, est BHT 135°

12. 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 Aug 15, 2003. The drilling operation should require approximately 20 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.

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
Tesuque 35 Federal #1
(M) 660' FSL & 660' FWL, Section 35 T25S, R29E
Eddy, County, New Mexico

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
2. Wear ring will be properly installed in head.
3. Blowout preventer and all associated fittings will be in operable condition to withstand a minimum 2000 psi working pressure.
4. All fittings will be flanged.
5. A full bore safety valve tested to a minimum 2000 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.

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

State of New Mexico
Energy, Minerals and Natural Resources Department

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0718

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 8085	Pool Name BRUSHY DRAW DELAWARE NORTH
Property Code	Property Name TESUQUE "35" FEDERAL	Well Number 1
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	Elevation 2990'

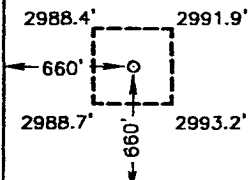
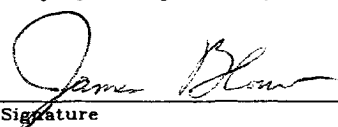
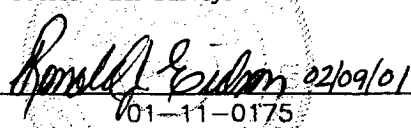
Surface Location

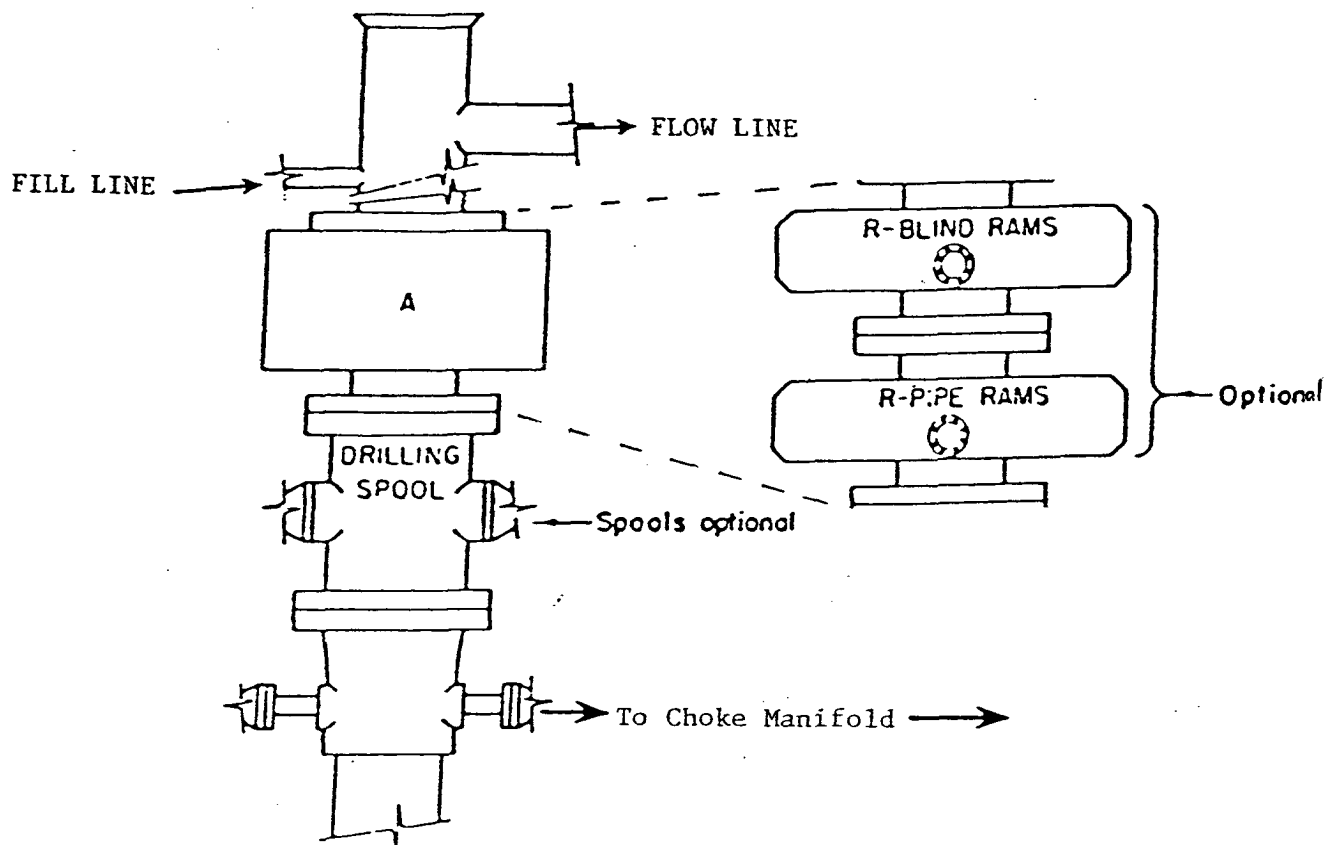
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	35	25-S	29-E		660	SOUTH	660	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	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

					OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature James Blount Printed Name Operations Engineering Advisor Title June 30, 2003 Date	
						SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. FEBRUARY 06, 2001 Date Surveyed AWB Signature & Seal of Professional Surveyor  01-11-0175
						Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641



ARRANGEMENT SRRA

2000 PSI WP

EXHIBIT "E"
 SKETCH OF B.O.P. TO BE USED ON
 DEVON ENERGY PRODUCTION CO. LP
 TESUQUE "35" FEDERAL # 1
 UNIT "M" SECTION 35
 T25S-R29E EDDY CO. NM

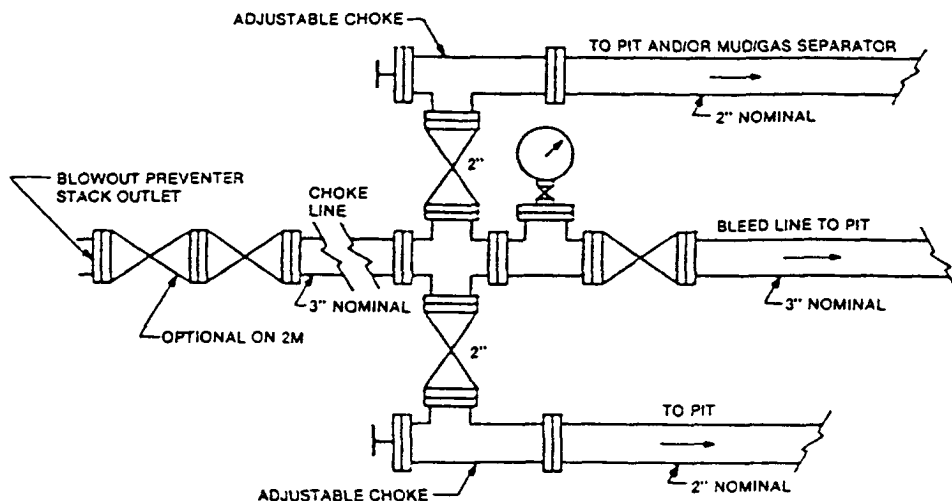


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

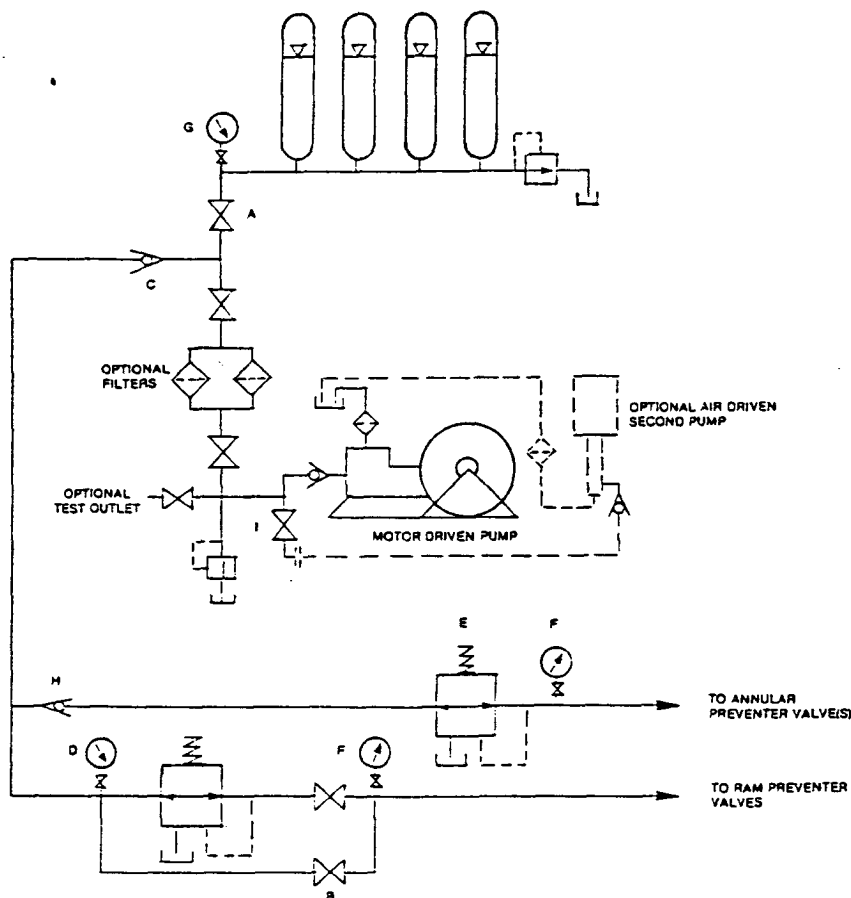
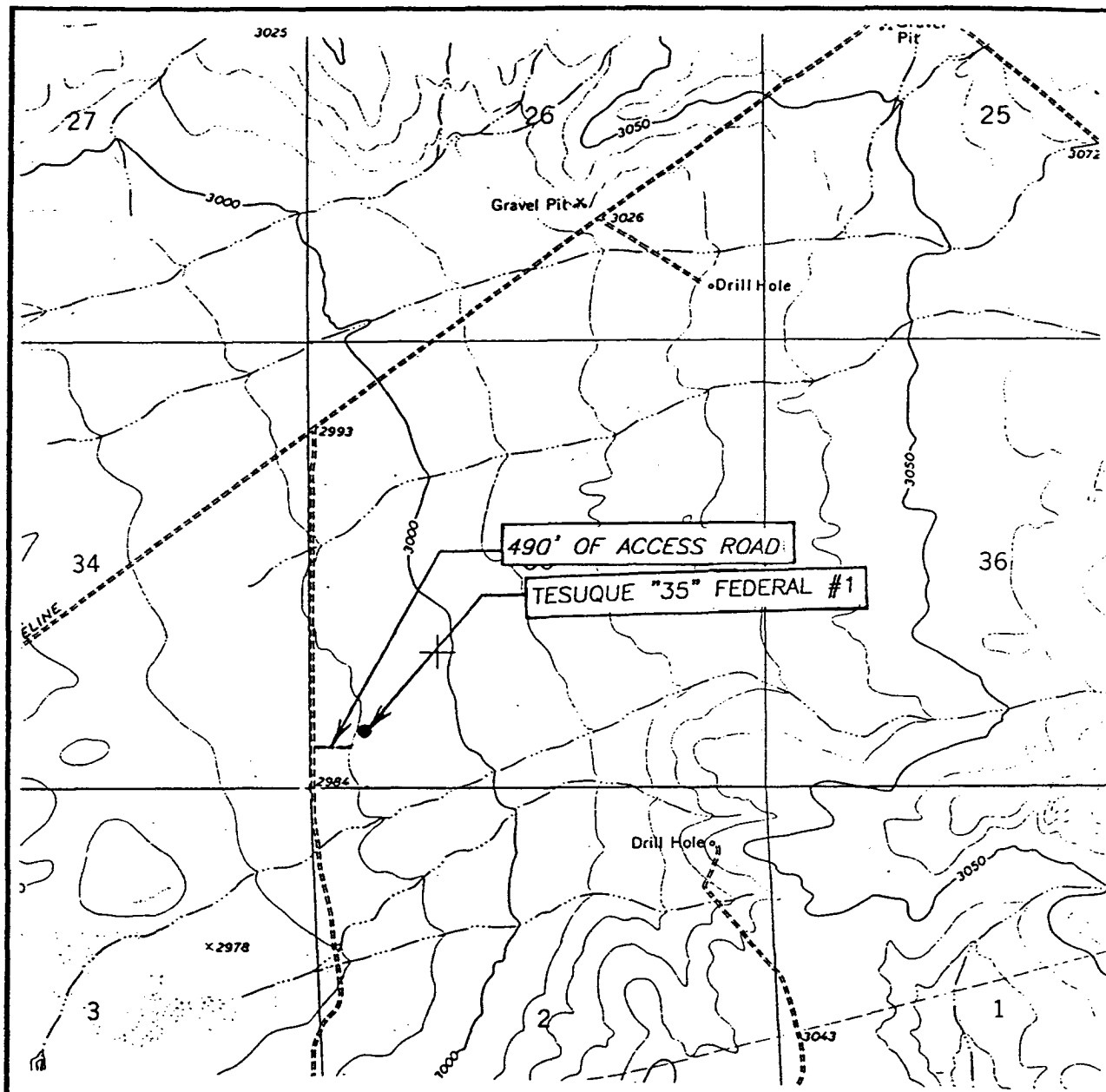


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

DEVON ENERGY PRODUCTION CO. LP
TESUQUE "35" FEDERAL # 1
UNIT "M" SECTION 35
T25S-R29E EDDY CO. NM

LOCATION VERIFICATION ON MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
ROSS RANCH, N.M.

SEC. 35 TWP. 25-S RGE. 29-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 660' FSL & 660' FWL

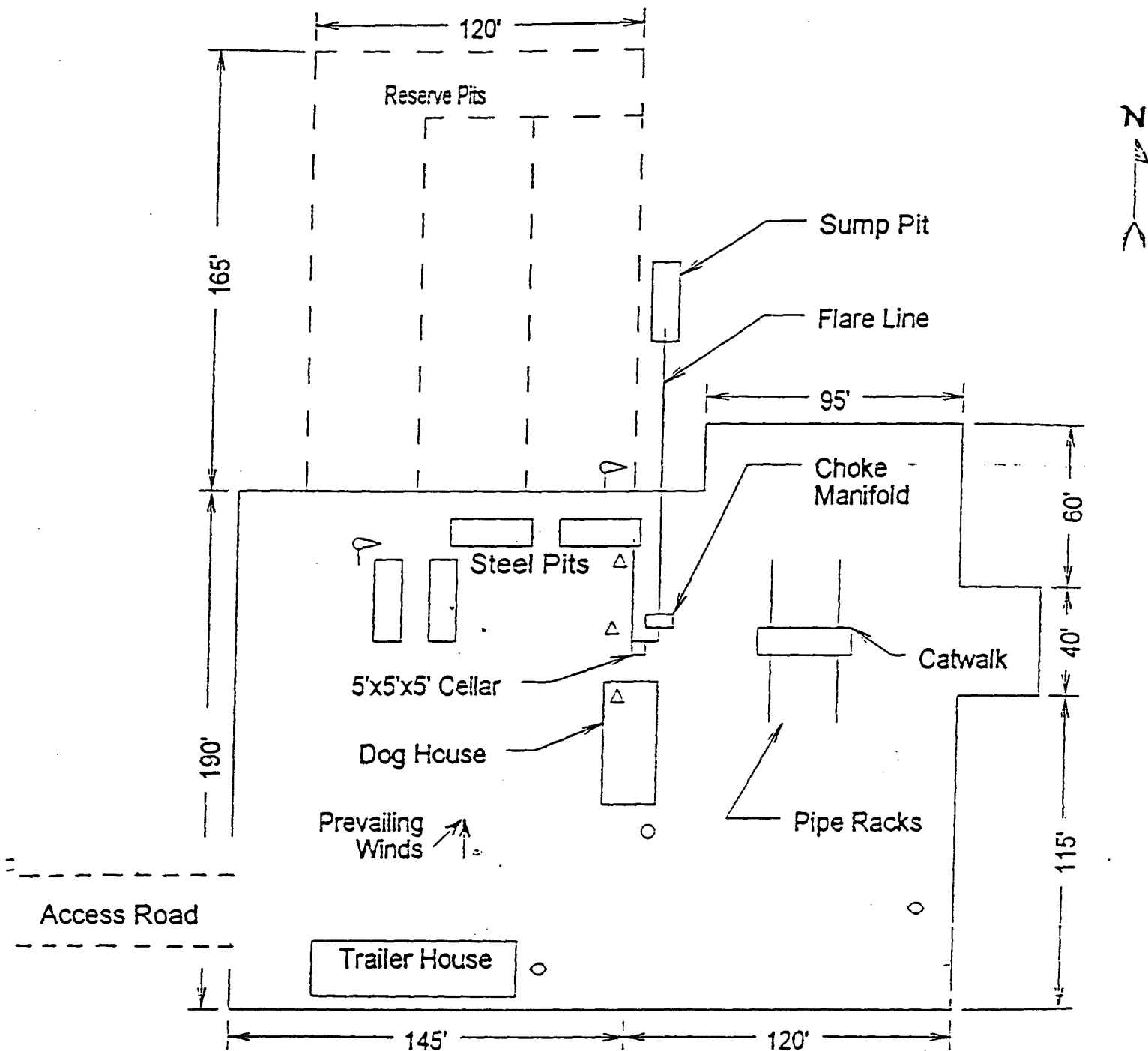
ELEVATION 2990'

OPERATOR DEVON ENERGY PRODUCTION CO. LP

LEASE TESUQUE "35" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
ROSS RANCH, N.M.

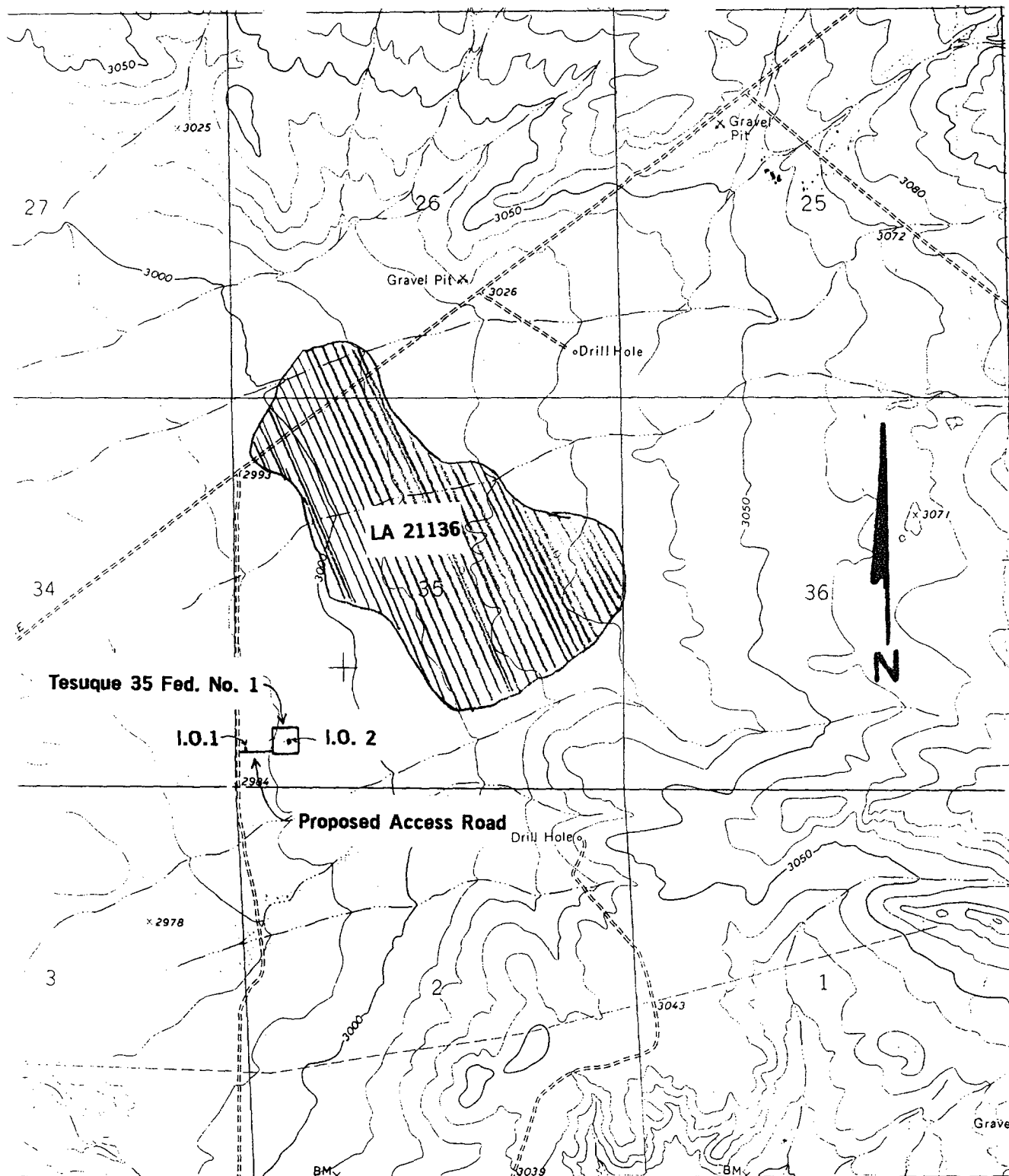
JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117



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

EXHIBIT "D"
RIG LAY OUT PLAT

DEVON ENERGY PRODUCTION CO. LP
TESUQUE "35" FEDERAL # 1
UNIT "M" SECTION 35
T25S-R29E EDDY CO. NM



**Figure 1. Survey Area Concho Resources, Inc.
 The Tesuque "35" Federal Number 1
 Proposed Well Location and Access Road
 Section 35, T.25S., R. 29E USGS Ross Ranch 1968 7.5' topo maps
 Eddy County, New Mexico
 Scale 1:24,000**

Southern New Mexico Archaeological Services, Inc.