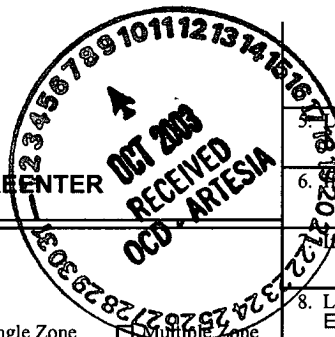


UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000



APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 81MNM0557370
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. Indian, Allottee or Tribe Name
2. Name of Operator DEVON ENERGY PRODUCTION CO L P		7. Unit or CA Agreement, Name and No.
Contact: KAREN COTTOM E-Mail: karen.cottom@dvn.com		8. Lease Name and Well No. Eagle 35 E Federal #10
3a. Address 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405.228.7512 Fx: 405.552.4621	9. API Well No. 30-015-33035
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWNW 2310FNL 215FWL At proposed prod. zone SWNW 2310FNL 215FWL		10. Field and Pool, or Exploratory RED LAKE; GLORIETA-YESO
14. Distance in miles and direction from nearest town or post office* APPROX 5 MILES SOUTHEAST OF ARTESIA NM		11. Sec., T., R., M., or Blk. and Survey or Area Sec 35 T17S R27E Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease 720.00	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 4000 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3573 GL	22. Approximate date work will start 05/30/2003	17. Spacing Unit dedicated to this well 40.00
		20. BLM/BIA Bond No. on file
		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.  | 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 shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) KAREN COTTOM	Date 05/12/2003
Title ENGINEERING TECHNICIAN		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) LESLIE A THEISS	Date 06/11/2003
Title FIELD MANAGER		
Office Carlsbad		

Application approval does not warrant or certify 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.

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.

Additional Operator Remarks (see next page)

NSL - 4929

Electronic Submission #21665 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad  
Committed to AFMSS for processing by Armando Lopez on 05/12/2003 (03AL0280AE)

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

**Additional Operator Remarks:**

Devon Energy proposes to drill a San Andres, Glorieta-Yeso well to TD 4,000' for commercial quantities of oil and gas. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations. Devon Energy Production Company, LP will drill the well per the Master Drilling and Surface Use Program submitted for the Red Lake Field.

Approximately 742' of new road will be constructed, per the Master Drilling and Surface Use program, to access the location from the existing county road per the

Directions: From the junction of Co. Rd. 204 and Co. Rd. 258, go south on Co. Rd. 204 from approx 0.25 mile to Co. Rd. 225; thence southwesterly on Co. Rd. 225 for approx 1.25 mile to a lease road; thence northwesterly on lease road for approx 0.6 mile to a point on the proposed well pad.

**DISTRICT IV**  
**2040 South Pacheco, Santa Fe, NM 87505**

**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
		51120	RED LAKE GLORIETA YESO
Property Code	Property Name		Well Number
	EAGLE 35E FEDERAL		10
OGRID No.	Operator Name		Elevation
6137	DEVON ENERGY PRODUCTION CO., L.P.		3573'

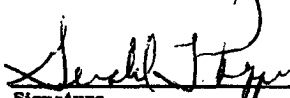
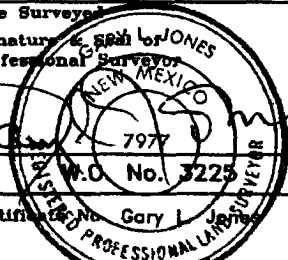
### Surface Location

UL or lot No.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
E	35	17 S	27 E		2310	NORTH	215	WEST	EDDY

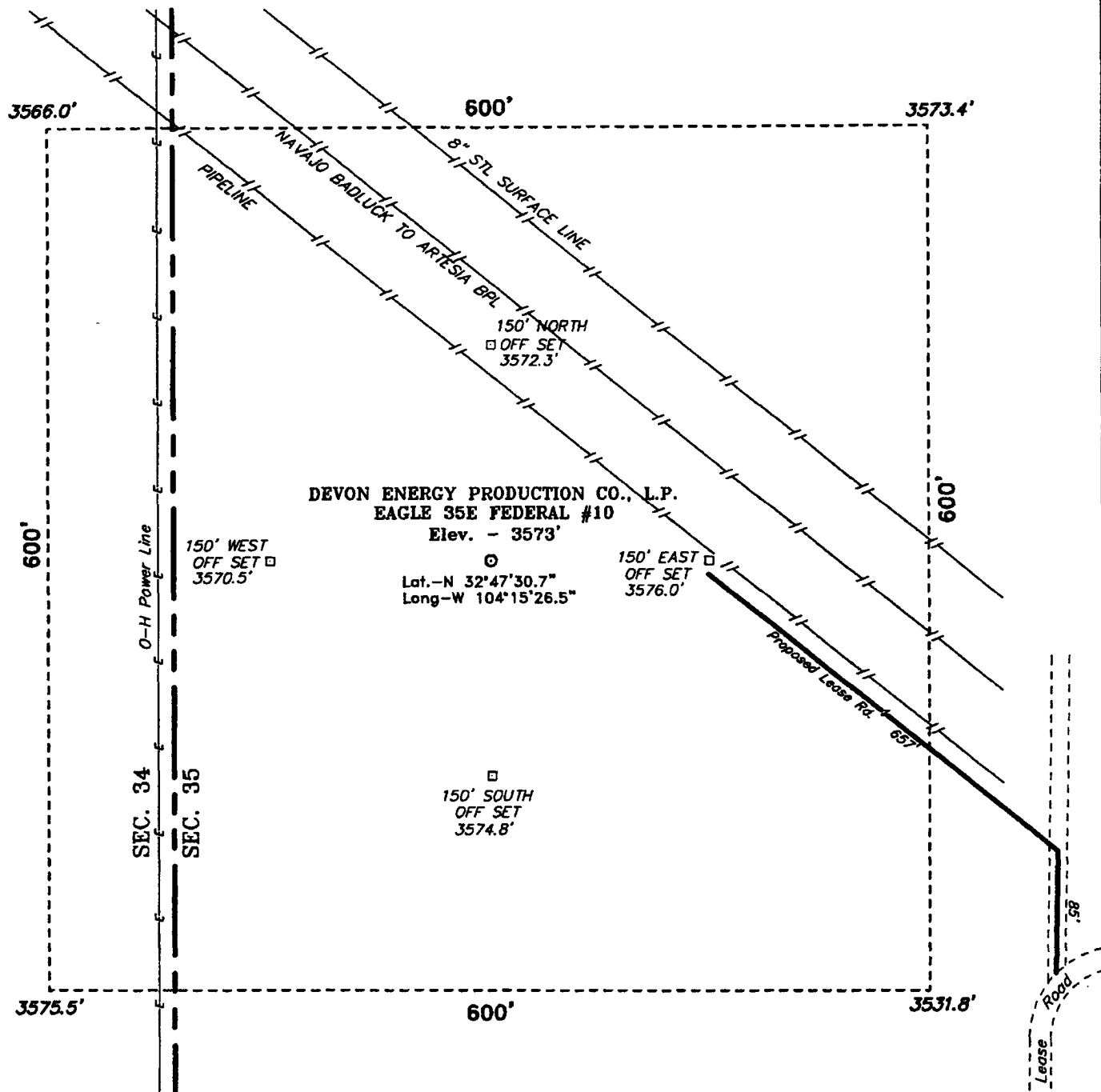
### Bottom Hole Location If Different From Surface

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

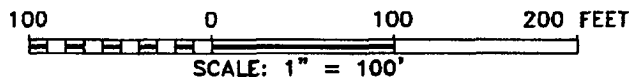
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>2310'</p> <p>3566.0'      3573.4'</p> <p>215'</p> <p>3575.5'      3581.8'</p> </div> <div style="width: 50%; text-align: center;"> <p>Lat - N32°47'30.7"</p> <p>Long - W104°15'26.5"</p> </div> </div>	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: center;"></p> <p>Signature</p> <p><u>Gerald T. (Tom) Penner</u></p> <p>Printed Name</p> <p><u>Operations Engineering Ad</u></p> <p>Title</p> <p><u>May 6, 2003</u></p> <p>Date</p> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p> <p style="text-align: center;"><b>APRIL 21, 2003</b></p> <p>Date Surveyed</p> <p>Signature &amp; Seal of <u>GARY L. JONES</u></p> <p>Professional Surveyor</p> <div style="text-align: center;">  </div> <p>Certificate No. <u>Gary L. Jones</u> 7977</p> </div>
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**SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



**Directions to Location:**

FROM THE JUNCTION OF CO. RD. 204 AND CO. RD. 258, GO SOUTH ON CO. RD. 204 FOR APPROX. 0.25 MILE TO CO. RD. 225; THENCE SOUTHWESTERLY ON CO. RD. 225 FOR APPROX. 1.25 MILE TO A LEASE ROAD; THENCE NORTHWESTERLY ON LEASE ROAD FOR APPROX. 0.6 MILE TO A POINT ON THE PROPOSED WELL PAD.



**DEVON ENERGY PROD. CO., L.P.**

REF: EAGLE 35E FED. No. 10 / Well Pad Topo

THE EAGLE 35E FED. No. 10 LOCATED 2310' FROM  
THE NORTH LINE AND 215' FROM THE WEST LINE OF  
SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 3225 Drawn By: K. GOAD

Date: 04-22-2003 Disk: KJG CD#4 - 3225A.DWG

Survey Date: 04-21-2003

Sheet 1 of 1 Sheets

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: **DEVON ENERGY PRODUCTION CO L P**  
Well Name & No. **10 – EAGLE 35 FEDERAL**  
Location: **2310' FNL & 215' FWL – SEC 35 – T17S – R27E – EDDY COUNTY**  
Lease: **NMNM-0557370**  
.....

...

### **I. DRILLING OPERATIONS REQUIREMENTS:**

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 234-5909 or (505) 361-2822 (After hours) - for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: 8-5/8 inch 5-1/2 inch

C. BOP tests

2. A Hydrogen Sulfide (H<sub>2</sub>S) Drilling Plan should be activated prior to drilling into the Grayburg Formation. Acopy of the plan shall be posted at the drilling site.

3 Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing ( size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

### **II. CASING:**

1. The 8-5/8 inch surface casing shall be set at 300 feet, below usable water and cement circulated to the surface. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 5-1/2 inch production casing is circulate cement to the surface.

### **III. PRESSURE CONTROL:**

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the 8-5/8 inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) is 2000 psi.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.

- The results of the test shall be reported to the appropriate BLM office.

- **The requested variance to test the BOPE to the reduced pressure of 1000 psi, using the rig pumps is approved.**

- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling

mud for testing is not permitted since it can mask small leaks.

- Testing must be done in a safe workman-like manner. Hard line connections shall be required.



## NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

Joanna Prukop  
Cabinet Secretary

August 1, 2003

Lori Wrotenberg

Director

Oil Conservation Division

**Devon Energy Production Company, L.P.**

c/o James Bruce

P. O. Box 1056

Santa Fe, New Mexico 87501

*Administrative Order NSL-4929*

Dear Mr. Bruce:

Reference is made to the following: (i) your original application on behalf of the operator, Devon Energy Production Company, L.P. ("Devon"), submitted to the New Mexico Oil Conservation Division ("Division") on July 7, 2003 (*administrative application reference No. PMES0-318937881*); (ii) the Division's initial response by letter dated July 17, 2003 from Mr. Michael E. Stogner, Engineer/Hearing Officer in Santa Fe denying this application; (iii) your amended application resubmitted to the Division on July 22, 2003; (iv) Mr. Stogner's three e-mails to you on July 22 and 23, 2003 for supplemental data to support Devon's request; (v) your letter of July 31, 2003 with the necessary information to complete this amended application; and (vi) the Division's records in Santa Fe: all concerning Devon's request to drill its Eagle "35-E" Federal Well No. 10 as an initial well within a standard 40-acre oil spacing and proration unit in the Undesignated Northeast Red Lake-Glorieta-Yeso Pool (96836) comprising the SW/4 NW/4 (Unit E) of Section 35, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, at an unorthodox oil well location 2310 feet from the North line and 215 feet from the West line of Section 35.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is the Division's understanding that Devon's plan of development for the Glorieta/Yeso in this general area is with two wells per 40-acre unit staggered in the southwest and northeastern portions of each unit so as to minimize possible drainage or interference between wells. An Application for Permit to Drill ("APD") a second well in the SW/4 NW/4 (Unit E) of Section 35 was recently filed with the U. S. Bureau of Land Management.

It is further understood that the S/2 NE/4 and N/2 SE/4 of Section 34 and the SW/4 NW/4 of Section 35, both in Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico, is included within a single federal lease (U. S. Government lease No. NM-0557370) with common mineral interests (working, royalty, and overriding royalty) in which Devon is the leasehold operator; therefore, there are no adversely affected interests to the proposed 40-acre oil spacing and proration unit within the Glorieta/Yeso interval.

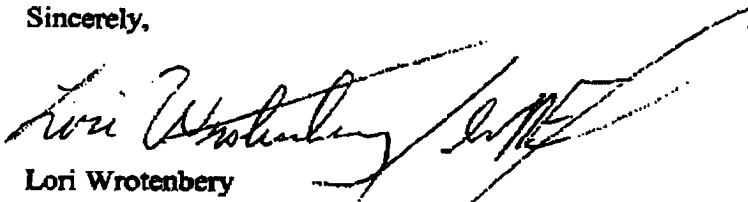
**Devon Energy Production Company, L.P.**  
**August 1, 2003**  
**Page 2**

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**Division Administrative Order NSL-4929**

By the authority granted me under the provision of Division Rule 104.F (2), as revised, the above-described unorthodox oil well location for Devon's proposed Eagle "35-E" Federal Well No. 10 within the Undesignated Northeast Red Lake-Glorieta-Yeso Pool is hereby approved.

Sincerely,

A handwritten signature in dark ink, appearing to read "Lori Wrotenbery", is written over a horizontal line. The signature is fluid and cursive.

Lori Wrotenbery  
Director

LW/mes

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad