

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. NMNM88134
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 SFS OPERATING INC		7. If Unit or CA Agreement, Name and No. 30686
3a. Address 20 NORTH BROADWAY SUITE 500 OKLAHOMA CITY, OK 73102		8. Lease Name and Well No. H. B. 11 FEDERAL 5
3b. Phone No. (include area code) Ph: 405.228.7514 Fx: 405.552.4681		9. API Well No. 30-015-32741
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NENW 330FNL 1750FWL At proposed prod. zone NENW 330FNL 1750FWL		10. Field and Pool, or Exploratory UNKNOWN Unders. Pierre Crossing; Bone Spring East
14. Distance in miles and direction from nearest town or post office* 6 MILES EAST OF MALAGA, NEW MEXICO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 11 T24S R29E Mer NMP
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 560.00	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8500 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3064 GL	22. Approximate date work will start 03/01/2003	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 11/22/2002
Title ENGINEERING TECHNICIAN		
Approved by (Signature) /s/ LESLIE A. THEISS	Name (Printed/Typed) /s/ LESLIE A. THEISS	Date APR 08 2003
Title Field Manager	Office Carlsbad Field Office	

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.

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.

Additional Operator Remarks (see next page)

Electronic Submission #16256 verified by the BLM Well Information System
For DEVON SFS OPERATING INC, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 11/22/2002 (03AL0046AE)

Approval Subject to
General Requirements and
Special Stipulations
Attached

Carlsbad Controlled
Water Basin

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED **

DRILLING PROGRAM

Attached to Form 3160-3
Devon Energy Production Company, LP
H. B. 11 FEDERAL #5
(C) 330' FNL & 1750' FWL, Section 11 T24S, R29E
Eddy, County, New Mexico

1. Geologic Name of Surface Formation

Quaternary Aeolian Deposits

2. Estimated Tops of Important Geologic Markers

Lamar	3050'
Bell Canyon	3100'
Brushy Canyon	5500'
Bone Spring	6800'
First Bone Spring	7100'

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

Bell Canyon	Oil
Brushy Canyon	Oil
First Bone Spring	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 350' and circulating cement back to surface. The Potash and salt will be protected by setting 8 5/8" casing at 3100' and circulating cement to surface. The 5 1/2" production casing to be run at TD will be cemented back 500' into the 8 5/8" casing TOC @ 5600' in order to cover all productive zones in the Delaware.

H. B. 11 Federal #5
DRILLING PLAN
PAGE 2

4. Casing Program

Hole Size	Interval	OD Csg	Weight	Collar	Grade
17 1/2"	0-350'	13 3/8"	48	ST&C	H-40
12 1/4"	0-3100'	8 5/8"	32#	ST&C	J-55
7 7/8"	0'- 8500'	5 1/2"	17#	LT&C	J-55

5. CASING CEMENTING & SETTING DEPTH:

13 3/8"	Surface	Set 350' of 13 3/8", 48#, H-40, ST&C casing. Cement with 250 sx Class C neat + 2% CaCl ₂ , Circulate cement to surface.
8 5/8"	Intermediate	Set 3100' of 8 5/8", 32#, J-55 ST&C casing. Cement with 500 sx Class C + additives, Circulate cement to surface
5 1/2"	Production	Set 8500' of 5 1/2", 17#, J-55 LT&C casing. Cement with 600 sx Class H + additives. Estimated to of cement @ 5600'

6. Minimum Specifications for Pressure Control:

Exhibit "E". A Blow-out Preventer (no less than 900 series 3000 psi working pressure) consisting of double ram type preventer with bag type preventer. Units will be hydraulically operated. Exhibit "E-1" Choke Manifold and Closing Unit. Blind rams on top, pipe rams on bottom to correspond with size of drill pipe in use. BOP will be nipped up on 13 3/8" casing and remain on well until casing is run and cemented. BOP will be tested as well as choke manifold. BOP will be worked at least once each day while drilling & blind ram will be worked on trips when no drill pipe is in hole. Full opening stabbing valve and upper kelly cock will be utilized. Anticipated BHP 3000 psi and 125° BHT.

H. B. 11 Federal #5
DRILLING PLAN
PAGE 3

7. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of fresh water, brine water, and starch mud system. The applicable depths and properties of this system are as follows:

DEPTH	MUD. WT.	MUD VISC.	FLUID LOSS	TYPE MUD
0' - 350'	8.4 - 8.8	29-36	NC	Fresh water
350' - 3100'	10.5 - 11.0	29-32	NC	Brine water
3100' - 7500'	9.3 - 10	29-34	NC	Cut Brine
7500' - 8500'	9.3 - 10	34 - 38	10 cc's or less	Cut Brine use, Drispac starch & soda ash.

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.
- B. 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 operations after drilling out the 13 3/8" casing shoe until the 8 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, Testing and Coring Program:

- A. CNL-FDC, gamma ray, caliper from TD to base of intermediate casing.
- B. AIT-Dual Laterolog - Micro SFL from TD to base of intermediate casing.
- C. Gamma Ray, Neutron, Caliper to surface
- D. Mud logger on from 2800' to TD (Two man unit)
- E. Side wall cores may be taken between 3100' to 6700' in Delaware where shows occur.

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 I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
	11520	CEDAR CANYON: BONE SPRINGS
Property Code	Property Name	Well Number
	HB-11	5
OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION COMPANY, L.P.	3064'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	11	24-S	29-E		330'	NORTH	1750'	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		Joint or Infill		Consolidation Code		Order No.			
40									

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>GEODETIC COORDINATES WGS 84 Y=450722.2 X=657344.6 LAT. 32°14'18.79"N LONG. 103°57'29.26"W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>James Blount</i> Signature</p> <p>James Blount Printed Name</p> <p>Operations Engineer Advisor Title</p> <p>November 20, 2002 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 08, 2002</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald G. Edson</i> Professional Surveyor</p> <p>02-11-08296</p> <p>Certified No. RONALD G. EDSON 3239 GARY EDSON 12641</p>

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTERS
Devon Energy Production Company, LP
H. B. 11 Federal #5
(C) 330' FNL & 1750' FWL, Section 11, T-24-S, R-29-E
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 3000 psi working pressure.
4. All fittings will be flanged.
5. A full bore safety valve tested to a minimum 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
6. All choke lines will be anchored to prevent movement.
7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
8. Will maintain a kelly cock attached to the kelly.
9. Hand wheels and wrenches will be properly installed and tested for safe operation.
10. Hydraulic floor control for blowout preventer will be located as near in proximity to driller's controls as possible.
11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

EXHIBIT # 1

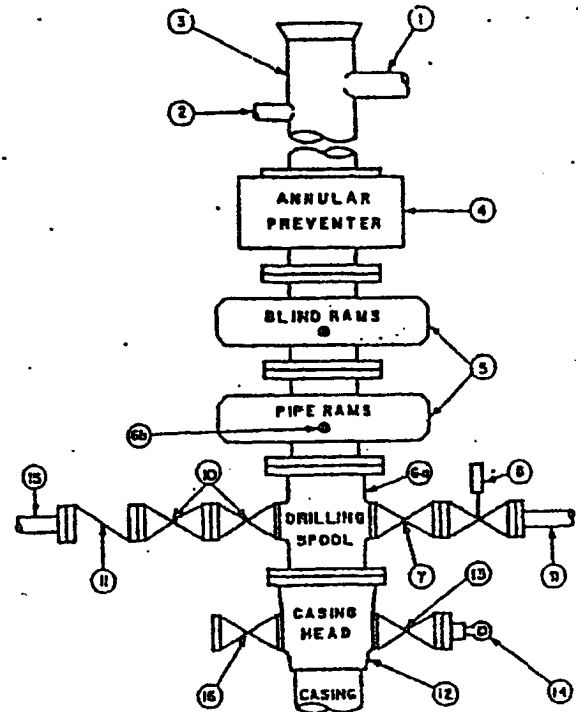
STACK REQUIREMENTS

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

OPTIONAL

16	Flanged valve	1-13/16"	
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CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

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

GENERAL NOTES:

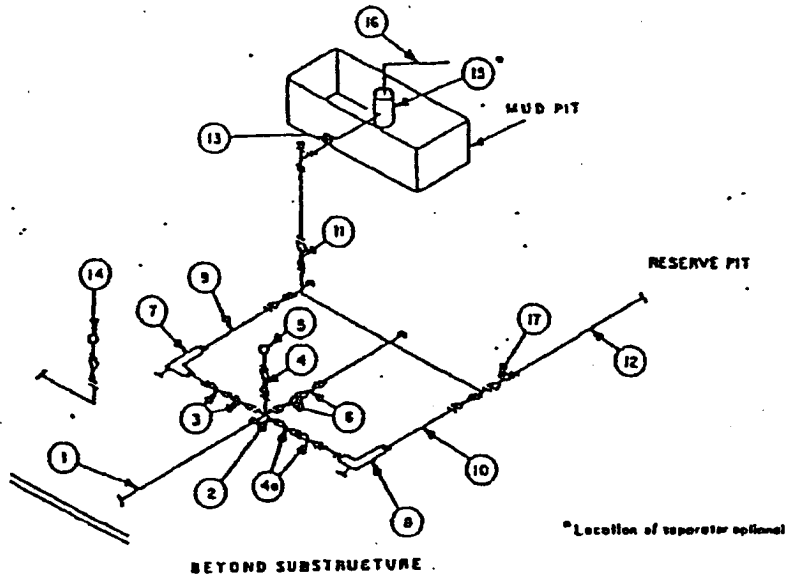
1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working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

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

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

3 MWP - 5 MWP - 10 MWP

EXHIBIT # 1



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			10,000
	Cross 3"x3"x3"x3"									
3	Valves(1) Gate <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/> (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 <input type="checkbox"/> Plug <input type="checkbox"/> (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/> (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 <input type="checkbox"/> Plug <input type="checkbox"/> (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

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- 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.
- 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.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.