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DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN FEB 24 1994

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Devon Energy Corporation (Nevada) ✓

3. ADDRESS AND TELEPHONE NO.
 20 North Broadway Suite 1500 Oklahoma City, OK 73102 (405) 552-4511

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 1650' FNL & 1550' FWL NONORTHODOX LOCATION:
 Subject to Like Approval By State *W.F.*
 At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 15 1/2 miles southeast of Loco Hills, NM.

16. NO. OF ACRES IN LEASE 560

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1550'

19. PROPOSED DEPTH 4500'

20. ROTARY OR CABLE TOOLS rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3637.6' **Capitan Controlled Water Basin**

22. APPROX. DATE WORK WILL START* February 28, 1994

5. LEASE DESIGNATION AND SERIAL NO.
 NM 10190

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 NA

7. UNIT AGREEMENT NAME
 Shugart

8. FARMOR LEASE NAME WELL NO.
 East Shugart Unit #47

9. AP WELL NO.
 30-015-27871

10. FIELD AND POOL, OR WILDCAT
 Shugart, Y-7R-Q-6B

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 35-T18S-R31E

12. COUNTY OR PARISH 13. STATE
 Eddy NM

PROPOSED CASING AND CEMENTING PROGRAM *

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	14"		40' <i>Circulate</i>	Cmt with readi-mix to surface
12 1/4"	8 5/8", J-55	24 ppf	950' <i>Circulate</i>	280 sx LITE + 200 sx Class "C"
7 7/8"	5 1/2", J-55	15.5 ppf	4500'	550 sx LITE + 500 sx Class "C"

* We plan to circulate cement to surface on all casing strings.
 Devon Energy proposes to drill to 4500' (+) to test the Queen sand formation for commercial quantities oil oil. If the Queen sand is deemed non-commercial, the wellbore 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
- Exhibits #1/#1-A = Blowout Prevention Equipment
- Exhibit #2 = Location & Elevation Plat
- Exhibit #3 = Planned Access Roads
- Exhibit #4 = Wells Within One Mile Radius
- Exhibit #5 = Production Facilities Plat
- Exhibit #6 = Rotary Rig Layout

- Exhibit #7 = Casing Design Program
- Evidence of Bond Coverage
- H₂S Operating Plan

Approval Subject to
 General Requirements and
 Special Stipulations
 Attached

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zones and proposed new productive zones. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

23. SIGNER: *Randy Jackson* TITLE: **District Engineer** DATE: **December 28, 1993**

PERMIT NO. _____ APPROVAL DATE _____

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:

APPROVED BY: (ORIG. SGD.) **RICHARD L. MANUS** TITLE: **AREA MANAGER** DATE: **FEB 22 1994**

*See Instructions On Reverse Side