Form 3160-3 SUBSCIT Y RIPLICATE (December 1990) (Other instructions on reverse side) Budget Bureau No. 1004 MM OIL CONS. COMMISSION UNITED STATES Expires: December 31, 1991 DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. Artesia, NM 8821Q BUREAU OF LAND MANAGEMENT NMNM 0405444-A
6. IF INDIAN, ALLOTTER OR TRIBE HAMB APPLICATION FOR PERMIT TO DRILL OR DEEPEN 1a. TYPE OF WORK N/A DRILL X DEEPEN [7. UNIT AGRESMENT NAME b. TYPE OF WELL N/A WELL X SINGLE SONE MULTIPLE S. FARM OR LEASE HAME, WELL NO. 2. HAMB OF OPERAT Todd "26" Federal Devon Energy Corporation (Nevada) #20 20 North Broadway Suite 1500 Oklahoma City, OK 10. PIRLD AND POOL, OR WILDCAT 73102-8260 4. LOCATION OF WELL (Report location clearly and in accordance with any State require RECEIVED Undesignated Delaware 1980' FSL & 660' FEL 11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA At proposed prod. some NOV 1 2 1992 same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE® Section I-26-T23S-R31E 12. COUNTY OR PARISH 35 miles west-northwest of Jal, NM APTEGA 15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPRETY OF LEASE LINE, FT.
(Also to nearest drig, unit line, if any) Eddy NM 16. NO. OF ACRES IN LEADE 17. NO. OF ACRES ASSIGNED TO THIS WELL 660' 18. DISTANCE FROM PROPOSED LOCATIONS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1240 40 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS 1320' 8350' 21. ELEVATIONS (Show whether DF, RT, GR, etc.) rotary 22. APPROX. DATE WORK WILL START 3461.3' 23. November 15, 1992 PROPOSED CASING AND CEMENTING PROGRAM DECRETORY'S POTOSH R-111-P Potast SIZE OF HOLE GRADE, SIZE OF CASING WEIGHT PER POOT SETTING DEPTH QUANTITY OF CRMENT 17% 13 3/8" 54# B50'-CIRCULATE 460 sx LITE + 200 sx Class C 11" 8 5/8" 32# 4400'-CIRCULATE 1600 sx LITE + 200 sx Class C 7 7/8" 53/11 15.5# & 17.0# 8350 (Lieback) 1st Stage: 600 sx Silica LITE 2nd Stage: 500 sx LITE + 100 sx Stage Collar at ±5500' Silica LITE Devon Energy proposes to drill to approximately 8350' to test the Delaware for commercial quantities of oil. If the Delaware is deemed non-commercial, the wellbore will be plugged and abandoned as per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments. 11-26-92 Drilling Program number + API Surface Use and Operating Plan Exhibit #7 = Casing Program Exhibit #1 and #1-A = Blowout Prevention Equipment Evidence of Bond Coverage Exhibit #2 = Location and Elevation Plat Exhibit #3 = Planned Access Roads APPROVAL SUBJECT TO Exhibit #4 = Wells Within One Mile Radius GENERAL REQUIREMENTS AND Exhibit #5 = Production Facilities Plat SPECIAL STIPULATIONS Exhibit #6 = Rotary Rig Layout IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. Charles W. Horsman SIGNED _ District Engineer 9/22/92 DATE (This space for Federal or State office use) 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 the CONDITIONS OF APPROVAL, IF ANY:

TITLE