

APD Form

#7A
STRAIGHT HOLE
OJL - FEE
TDPO

Page 1 of 3

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 1519

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case Nos. 13368/13369/13372 Exhibit No. 5
Submitted by:
Devon Energy Production Company, L.P.
Hearing Date: December 2, 2004

APPLICATION FOR PERMIT TO DRILL

| | | |
|---|--------------------------------|----------------------|
| Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N. Broadway Oklahoma City, OK 73102 | | OGRID Number 6137 |
| | | API Number |
| Property Code | Property Name APACHE 24 FEE | Well No. 007A |

Surface Location

| UL or Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| E | 24 | 22S | 30E | | 1460 | N | 1150 | W | Eddy |

Proposed Pools

WILDCAT;DEVONIAN (GAS) 96061

| | | | | |
|-----------------------|-------------------------|-----------------------|-----------------------|--------------------------------|
| Work Type New Well | Well Type Gas | Cable/Rotary | Lease Type Private | Ground Level Elevation 3355 |
| Multiple N | Proposed Depth 15500 | Formation Devonian | Contractor | Spud Date 11/15/2004 |

Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|--------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 20 | 16 | 65.4 | 625 | 700 | 0 |
| Intl | 14.75 | 10.75 | 40.5 | 3800 | 2000 | 0 |
| Prod | 9.5 | 7.625 | 33.7 | 12050 | 2000 | 0 |
| Liner1 | 6.5 | 5.5 | 17 | 15500 | 350 | |

Casing/Cement Program: Additional Comments

16 - Cmt lead w/450 sx Class C & tail w/ 250 sx Class C, circ to surf, 10 3/4 - cmt lead w/ 1700 sx Class C & tail w/ 300 sx Class C, circ to surface, 7 5/8- cmt lead w/ 800 sx Cl C, tail w/ 400 sx Cl C, lead w/600 sx Cl C & tail w/200 sx thru DV tool at 4000, 5 1/2 liner cmt w/ 350 sx Cl C. Hydrogen Sulfide gas may be present in the Devonian. H2S Contingency plan will be on location. 0-625 mud wt 8.4 - 8.8 vis 29-36 NC filtrate fresh water 625-3800 mud wt 8.5-10.0 vis 29-32 NC filtrate Brine 3800-12050 mud wt 9.0 - 12.5 vis 34-38 10 cc, mud up at 10,000 12050-15,500 mud wt 8.4, vis

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 10000 | 10000 | |
| Annular | 5000 | 5000 | |

| | |
|--|---------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | |
| Electronically Signed By: Linda Guthrie | |
| Title: Regulatory Specialist | |
| Date: 09/16/2004 | Phone: 405-228-8209 |

| OIL CONSERVATION DIVISION | |
|--|------------------|
| Electronically Approved By: | |
| Title: | |
| Approval Date: | Expiration Date: |
| Conditions of Approval: No Conditions | |

DISTRICT I
1825 N. French Dr., Hobbs, NM 58340

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

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 |
| Property Code | Property Name APACHE "24" FEE | |
| OCRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION CO., L.P. | |
| | | Well Number 7A |
| | | Elevation 3355' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 24 | 22 S | 30 E | | 1460 | NORTH | 1150 | 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. |
|-----------------|-----------------|--------------------|-----------|
| 320 | | | |

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>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Linda Guthrie</i> Signature</p> <p>Linda Guthrie Printed Name</p> <p>Regulatory Specialist Title</p> <p>09/16/04 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>AUGUST 11, 2004 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature of Professional Surveyor</p> <p> Professional Surveyor</p> <p>Certification No. 7977</p> |

Guthrie, Linda

From: OCD Online System Administrator [ocdonline@state.nm.us]
Sent: Monday, September 20, 2004 11:49 AM
To: Guthrie, Linda
Subject: OCD Permit Rejection

OCD has REJECTED the following permit:

Permit Type: APD
ULSTR: E-24-22S-30E
Well Name: APACHE 24 FEE #007A

Please view the comments for this permit at OCD Online:
<http://www.emnrd.state.nm.us/ocdPermitting/ViewAPD.aspx?PermitID=1519&Version=OCD>

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August 30, 2004

IMC Potash Carlsbad Inc.
P. O. Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071
505.887.2871

Linda Guthrie
Devon Energy Production Company, L.P.
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

Dear Ms. Guthrie:

IMC Potash Carlsbad Inc. objects to the location of Devon Energy's Application to Drill the Apache 24 Fee #7, 1460' FNL, 1150' FWL, Unit E, Section 24, Township 22 South, Range 30 East, NMPM. This location is in an area clearly designated as measured ore by the BLM, and is in IMC's LMR containing valuable potash ore. IMC's 5 year mine plan shows we expect to mine within approximately ¼ mile of this location in 2007. Although this Unit E is privately held, there is no point within this tract that is outside the ¼ mile buffer required by R-111-A and any well within the tract would constitute a hazard to the mining of federally owned potash reserves currently under lease to IMC.

Drilling the well applied for by Devon definitely constitutes a hazard to proposed mining in this area. It will expose the men and women working underground to greatly increased hazards and therefore should not be allowed.

IMC Potash Carlsbad Inc. hereby objects to the drilling of a well at this location.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Morehouse", written over a horizontal line.

Dan Morehouse
Mine Engineering Superintendent

cc: Don Purvis Charlie High
 Joe Lara Craig Cranston
 Joe Mraz

View Comments

Page 1 of 1

Permit Comments**Operator: ,****Well: #**

| User Name | Comment | Comment Date |
|-----------|---|--------------|
| GUTHRL | Pit will be constructed under general plan, depth to ground water is 100 feet or more, Not in a wellhead protection area, distance to surface water is less than 200 ft, pit will be lined with 12 mil synthetic woven liner. | 9/16/2004 |
| GUTHRL | I am submitting a letter from IMC Potash under separate cover. | 9/16/2004 |
| BARRANT | APD rejected due to letter of objection from IMC Potash letter dated 8/30/2004, Dan Morehouse Mine Engineer Superintendent. | 9/20/2004 |