

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM0533177A
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 ENERGY PRODUCTION CO L P Contact: KAREN COTTOM E-Mail: karen.cottom@dvn.com		7. If Unit or CA Agreement, Name and No. 32332
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	8. Lease Name and Well No. TODD 14 B FEDERAL 3
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface NWNE 660FNL 1886FEL At proposed prod. zone NWNE 660FNL 1886FEL		9. API Well No. 30-015-32777
14. Distance in miles and direction from nearest town or post office* 35 MILES WEST-NORTHWEST OF JAL, NM		10. Field and Pool, or Exploratory INGLE WELLS-DELAWARE
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660		11. Sec., T., R., M., or Blk. and Survey or Area Sec 14 T23S R31E Mer NMP
16. No. of Acres in Lease 800.00		12. County or Parish EDDY
17. Spacing Unit dedicated to this well 40.00		13. State NM
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3488 GL		23. Estimated duration 45
22. Approximate date work will start 03/01/2003		
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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
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 02/13/2003
Title ENGINEERING TECHNICIAN		
Approved by (Signature) /s/ GARY L. JOHNSON	Name (Printed/Typed) /s/ GARY L. JOHNSON	Date APR 28 2003
Title STATE DIRECTOR		Office NM STATE 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 #18505 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad  
Committed to AFMSS for processing by Linda Askwig on 02/13/2003 (03LA0320AE)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

\*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\* REVISED \*\*

**Additional Operator Remarks:**

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.

## DRILLING PROGRAM

Attached to Form 3160-3  
Devon Energy Production Company, LP  
**TODD 14 B FEDERAL #3**  
(B) 660' FNL & 1886' FEL, Section 14 T23S, R31E  
Eddy, County, New Mexico

1. Geologic Name of Surface Formation

Permian

2. Estimated Tops of Important Geologic Markers

Rustler	800'
Top of Salt	1100'
Base of Salt	3900'
Bell Canyon	4435'
Cherry Canyon	5610'
Brushy Canyon	6970'
Bone Spring Lime	8265'
Total Depth	8350'

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

Upper Permian Sands	Fresh Water
Delaware	4435' Oil
Delaware(Cherry Canyon)	6010' Oil
Delaware (Brushy Canyon)	8025' 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 850' and circulating cement back to surface. Potash and salt will be protected by setting 8 5/8" casing at 4400' and circulating cement to surface. The Delaware intervals will be isolated by setting 5 1/2" casing to total depth and circulating cement above the base of the 8 5/8" casing.

**Todd 14B Federal #3**  
**DRILLING PLAN**  
**PAGE 2**

**4. Casing Program**

Hole Size	Interval	OD Csg	Weight	Collar	Grade
30"	0-40'	20"	Conductor	0.30" wall	
17 1/2"	0-850'	13 3/8"	48#	ST&C	H-40
11"	0-4400'	8 5/8"	32#	ST&C	J-55
7 7/8"	0'- TD	5 1/2"	15.5 & 17#	LT&C	R-3

**5. CASING CEMENTING & SETTING DEPTH:**

20"	Conductor Casing:	Cemented with ready-mix to surface.
13 3/8"	Surface	Cemented to surface using 450 sx POZ "C" (35:65) + 6% Gel + 1/4# sk cellophane flakes followed by 200 sx Class "C" + 2% CC.
8 5/8"	Intermediate	Cement to surface with 1600 sx Poz Class "C" (35:65) + 6% Gel + 15% Salt + 1/4 lb/sk cellophane flakes followed by 200 sx Class "C" + 2% CC + 1/4 lb/sk cellophane flakes.
5 1/2"	Production	Cemented with 400 sx Poz C (35:65) + 3% Salt + 0.6% fluid loss additive + 1/4 lb/sk cellophane flakes followed by 500 sx 60:40 Class "C" + 4% gel.

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach 450' (±) above the 8 5/8" casing seat at 4400'.

**6. Minimum Specifications for Pressure Control:**

The blow-out preventor equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (3000 psi WP) preventor and a bag-type (Hydril) preventor (3000 psi WP). Both units will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 4 1/2" drill pipe rams on bottom. Both BOP's will be installed on the 13 3/8" surface casing and utilized continuously until total depth is reached. All BOP's and associated equipment will be tested to 1200 psi before drilling out the 13 3/8" casing shoe (70% of 48#, H-40 casing). Prior to drilling out the 8 5/8"

**Todd 14B Federal #3****DRILLING PLAN****PAGE 3**

casing shoe, the BOP's and Hydril will be tested as per BLM Drilling Operations Order #2.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily drillers log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 3000 psi WP rating.

7. Types and Characteristics of the Proposed Mud System:

The well will be drilled to total depth using brine, cut brine and polymer mud systems. Depths of systems are as follows:

DEPTH	MUD. WT.	MUD VISC.	FLUID LOSS	TYPE MUD
0' – 850'	8.8	34-36	NC	Fresh water
850' – 4400'	10	28	NC	Brine water
4400' – TD'	8.8	32-36	10-20	Fresh Water Polymer

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 and breathing equipment will be in operations after drilling out the 8 5/8" casing shoe until total depth is reached.

9. Logging, Testing and Coring Program:

- A. Drill stem tests will be based on geological sample shows.
- B. The open hole electrical logging program will be:
  - a. TD to Intermediate Casing      Dual Laterolog-Micro Laterolog with SP and Gamma ray. Compensated Neutron – Z-Density Log with Gamma Ray and Caliper.
  - b. TD to Surface      Compensated Neutron with Gamma Ray.
  - c. No coring program is planned.
  - d. Additional testing will be initiated subsequent to setting the 5 1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

**10     Abnormal Pressures, Temperatures and Potential Hazards:**

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 125 degrees and maximum bottom hole pressure is 2900 psi. No Hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation intervals have been encountered in adjacent wells.

**11.   Anticipated Starting Date and Duration of Operations**

Road and location preparation will not be undertaken until approval has been received from the BLM. The anticipated spud date for the project is in March 2003. The drilling operation should require approximately 45 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether permanent production facilities will be constructed.

**Attachment to Exhibit #1**  
**NOTES REGARDING BLOWOUT PREVENTERS**  
**Devon SFS Operating, Inc.**  
**Todd 14B Federal #3**  
**(B) 660' FNL & 1886' FEL, Section 14, T-23-S, R-31-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.

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., Artec, NM 87410

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

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

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 33745	Pool Name INGLE WELLS DELAWARE
Property Code	Property Name TODD 14 B	Well Number 3
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY, L.P.	Elevation 3488'

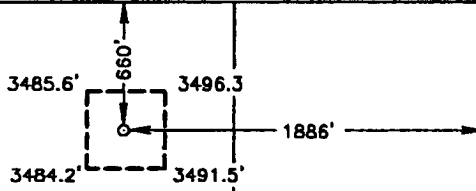
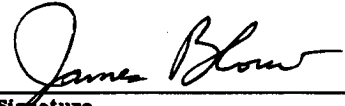
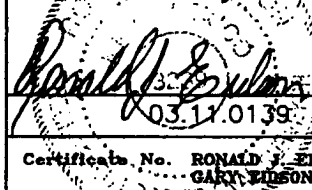
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	14	23-S	31-E		660'	NORTH	1886'	EAST	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

			<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature James Blount Printed Name Operations Engineer Advisor Title February 7, 2003 Date
	<b>GEOGRAPHIC COORDINATES</b> NAD 1927 NME X = 476913.8 Y = 681565.4 LAT. 32°18'35.22"N LONG. 103°44'44.33"W		<b>SURVEYOR CERTIFICATION</b>  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.  JANUARY 30, 2003 Date Surveyed AWB Signature & Seal of Professional Surveyor  Certificate No. RONALD J. EDSON 3239 GARY EDSON 12841



## MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWPP

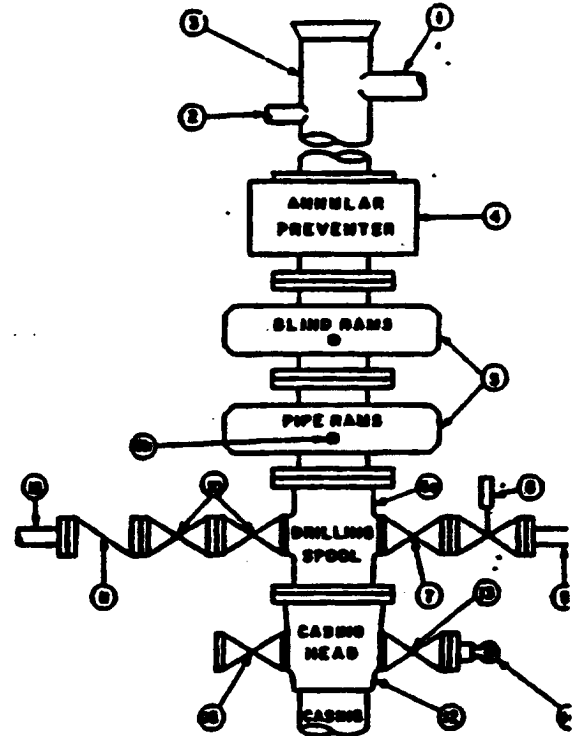
## STACK REQUIREMENTS

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 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 Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve 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 (50 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.

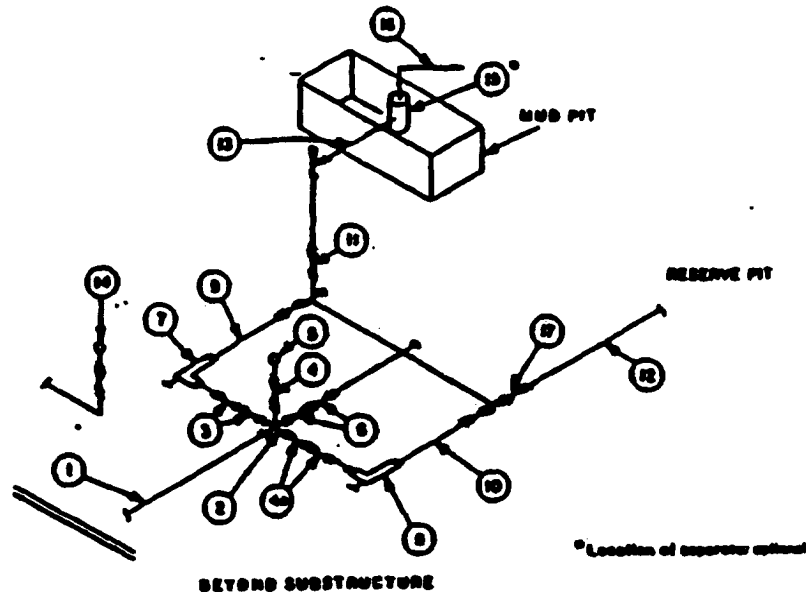
## GENERAL NOTES:

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 bars. Replaceable parts for adjustable chokes, other beam sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handline 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 in 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



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		LD	NOMINAL	RATING	LD	NOMINAL	RATING	LD	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x3"			3,000			5,000			10,000
3	Valves (1) Gate (2) Plug (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate (2) Plug (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	2-1/16"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate (2) Plug (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke (2)	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 (2) Plug (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 (2) Plug (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

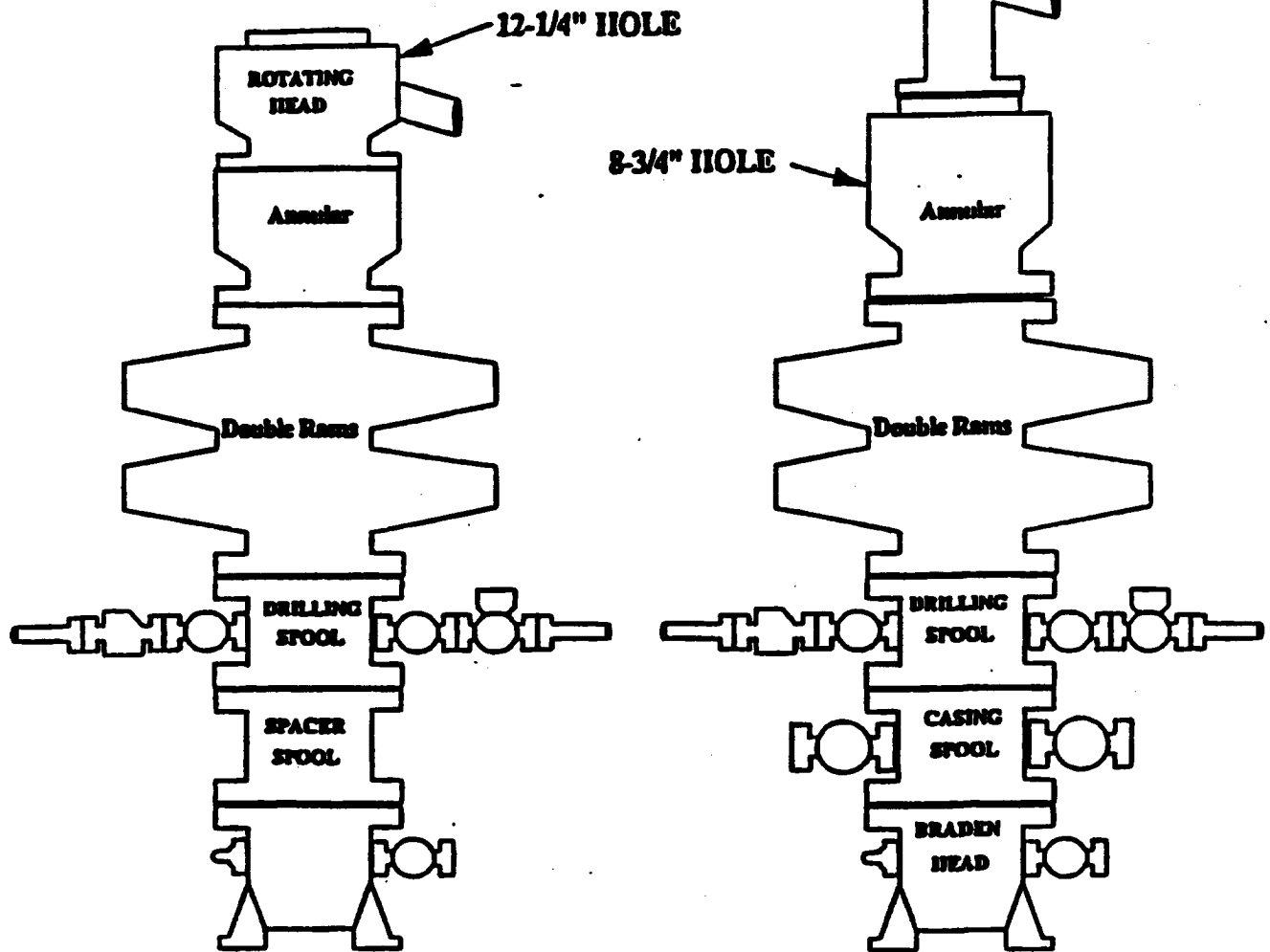
(1) Only one required in Class 3M.

(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.

**Choke Manifold Requirement ( 3000 psi WP)**