#### OCD-ARTESIA FORM APPROVED OMB No. 1004-0136 Form 3160-3 (August 1999) Expires November 30, 2000 UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 5. Lease Serial No. NMNM0405444 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER DRILL la. Type of Work: REENTER 7. If Unit or CA Agreement, Name and No. Lease Name and Well No. **TODD 23E FEDERAL 20** Single Zone ☐ Multiple Zone Oil Well ☐ Gas Well Other 1b. Type of Well: 9. API Well No. Contact: LINDA GUTHRIE DEVON ENERGY PRODUCTION CO L P E-Mail: LINDA.GUTHRIE@DVN.COM 30-015.33948 3b. Phone No. (include area code) Ph: 405,228.8209 Field and Pool, or Explorator 3a. Address 20 NORTH BROADWAY SUITE 1500 INGLE WELLS-DELAWARE OKLAHOMA CITY, OK 73102 4. Location of Well (Report location clearly and in accordance with any State requirements.\*) 11. Sec., T., R., M., or Blk. and Survey or Area SWNW 1980FNL 660FWL Sec 23 T23S R31E Mer NMP R-111-P Petash At proposed prod. zone SWNW 1980FNL 660FWL 14. Distance in miles and direction from nearest town or post office\* 12. County or Parish 13. State 35 MILES WNW OF JAL, NM **EDDY** NM 16. No. of Acres in Lease 17. Spacing Unit dedicated to this well 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) RECEIVED 1320.00 40.00 FFR 1 1 2005 20. BLM/BIA Bond No. on file 18. Distance from proposed location to nearest well, drilling, 19. Proposed Depth completed, applied for, on this lease, ft. OCD ARTESIA 8800 MD 8800 TVD 21. Elevations (Show whether DF, KB, RT, GL, etc. 22. Approximate date work will start 23. Estimated duration 03/01/2005 45 DAYS 3438 GL 24. Attachments CARLSBAD CONTROLLED WATER BASIN 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. Bond to cover the operations unless covered by an existing bond on file (see A Drilling Plan. Item 20 above) 3. A Surface Use Plan (if the location is on National Forest System Lands, the Operator certification SUPO shall be filed with the appropriate Forest Service Office). Such other site specific information and/or plans as may be required by the authorized officer. 25. Signature Name (Printed/Typed) LINDA GUTHRIE Ph: 405.228.8209 (Electronic Submission) 12/28/2004 REGULATORY SPECIALIST

/s/ Linda S. C. Rundell /s/ Linda S. C. Rundell

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.

Name (Printed/Typed)

Conditions of approval, if any, are attached.

Approved by (Signature)

APPROVAL FOR 1 YEAR

- 8 2005

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 #52292 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad Committed to AFMSS for processing by ARMANDO LOPEZ on 12/28/2004 (05AL0068AE)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

ATTACHED

Witness Surface & Intermediate Casing

### **Additional Operator Remarks:**

Devon Energy proposes to drill to approximately 8800' 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 attached exhibits.

An APD was previously approved for this well on 11/18/02, and an extension was filed and approved on 11/04/03 with an expiration of 11/18/04. Devon was unable to drill the well during this time frame and is now therefore resubmitting the APD for approval.

EXHIBIT #

DISTRICT I P. O. Box 1980 Hobbs, NM 88241-1980 State of New Mexico
Energy, Minerals, and Natural Resources Department

Z Form C-10 Revised 02-10-9

Revised 02-10-94 Instructions on back

Submit to the Appropriate District Office State Lease — 4 copies Fee Lease — 3 copies

DISTRICT II
P. O. Drower DD
Artesia, NM 88211-0719
DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

### OIL CONSERVATION DIVISION P. O. Box 2088 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DIS	STR	ICT	IV.	
P.	Ö.	Box	2088	

Sonto Fe, NM 87507-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number		<sup>2</sup> Pool Code 3374	1	Name Ing	gle Wells	(Delaware)	**	
<sup>4</sup> Property Code	* Property N	sme	מסד	D 23 E		·	• Well Number	
'OGRID No. 6137	Operator N		ON ENER	GY CORPO	RATION (N	EVADA)	* Elevation 3438	•
		10	SURFACE	LOCATION				
UL or let no. Section E 23	Township 23 SOUTH	Range 31 EAST, N.M.		Feet from the 1980'	North/South li NORTH	ne Feet from the	East/West line WEST	County
<u>-</u>	"BOTTO	M HOLE LOC	CATION IF	DIFFERE	NT FROM	SURFACE	<u> </u>	<u></u>
UL or lot no. Section	Township	Range	Lot Ida	Feet from the	North/South li	ne Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres <sup>13</sup> Jo	int or Infill	14 Consolidation Co	de '9 Order	No.	L		<u> </u>	
40 NO AU	OWADIE W	ILL BE ASSIGNE	D TO TUIS	COMPLETION	TINTEL ATT	INTERPRETE U	VP DEEN	
		OR A NON-ST						
1980						I hereby contained her to the best of the	CERTIFICA  CERTIFICA  CERTIFICA  CERTIFICA  CERTIFICA  CONTROL OF THE CONTROL  CONTR	ian  TION  Tide well lot was rectual under all the

### **DRILLING PROGRAM**

### Devon Energy Production Company, LP Todd 23E Federal #20

Surface Location: 1980 FNL & 660 FWL, Unit E, Sec 23-T23S R31E, Eddy, NM Bottom hole Location: 1980 FNL & 660 FWL, Unit E, Sec 23-T23S R31E, Eddy, NM

### 1. Geologic Name of Surface Formation

a. Permian

### 2. Estimated tops of geological markers:

a.	Rustler	800'
b.	Top of Salt	1100'
c.	Base of Salt	3900'
d.	Bell Canyon	4400'
e.	Cherry Canyon	5600'
f.	Brushy Canyon	7000°
g.	1 <sup>st</sup> Bone Spring Lime	8300'
ĥ.	Total Depth	8800'

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

a.	Upper Permian Sands		Fresh Water
b.	Delaware	4400'	Oil
c.	Delaware (Cherry Canyon)	6000'	Oil
d.	Delaware (Brushy Canyon)	8000'	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 4350' and circulating cement to surface. The Delaware intervals will be isolated by setting 5 ½" casing to total depth and circulating cement above the base of the 8 5/8" casing.

### 4. Casing Program:

Hole Size	Interval 0' -40'	OD Csg 20"	Weight	Grade Conductor	<u>Type</u>
17 ½"	0' - 850'	13 3/8"	48#	H40	ST&C
11"	0' – 4350'	8 5/8"	32#	J55	ST&C
7 7/8"	0' - TD'	5 ½"	15.5# & 17#	J55	LT&C

WITNESS WITNESS

## 5. Cement & Setting Depth:

a.	20"	Conductor	Cement with ready-mix to surface.
b.	13 3/8"	Surface	Cement to surface with 500 sx Poz C (35:65) + 6% Gel + 1/4# sx Cellophane flakes followed by 200 sx Class C + 2% CaCl2

c.	8 5/8"	Intermediate	Cement to surface with 1600 sx Poz C (35:65) + 6% Gel + 15% salt + ¼# sx Cellophane flakes followed by 200 sx Class C + 2% CC + 0.25 lb/sx Cellophane flakes.
d.	5 1/2"	Production	Cement with 525 sx Class H + 3% Salt + ½# sx Cellophane flakes. Stage Tool @ 5500'. Cement with 225 sx Poz H (35:65) +
			6% Gel + 1/4# sx Cellophane flakes followed by 425 sx Class C + 4% gel + 1/4#/sx Cellophane flakes.

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 @ 4350'.

### 6. Pressure Control Equipment:

The blowout preventor equipment (BOP) shown in Exhibit #1 will consist of a (3M system) double ram type (2000 psi WP) preventor and a bag-type (Hydril) preventor (2000 psi WP). Both units will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 4 ½" 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 with the rig pump before drilling out the 13 3/8" casing shoe (70% of 48#, H-40 casing). Prior to drilling out the 8 5/8" casing shoe, the BOP's and Hydril will be tested as per BLM Drilling Operations Order #2.

Pipe rams will be operated and check 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. Proposed Mud Circulation System

<u>Depth</u>	Mud Wt.	<u>Visc</u>	Fluid Loss	Type System
0' - 850'	8.8	<del>34 –</del> 36	NC	Fresh Water
850' - 4350'	10.0	28	NC	Brine Water
4350' – 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 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, Coring, and Testing Program:

a. Drill stem tests will be based on geological sample shows.

- b. The open hole electrical logging program will be:
  - i. Total Depth to Intermediate Casing Dual Laterolog-Micro Laterolog with SP and Gamma Ray. Compensated Neutron Z Density log with Gamma Ray and Caliper.
  - ii. Total Depth to Surface Compensated Neutron with Gamma Ray
  - iii. No coring program is planned
  - iv. Additional testing will be initiated subsequent to setting the 5 ½" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

### 10. Potential Hazards:

a. No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP 2900 psi and Estimated BHT 130°.

### 11. Anticipated Starting Date and Duration of Operations:

a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 32 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

# Attachment to Exhibit #1 NOTES REGARDING BLOWOUT PREVENTERS

### Devon Energy Production Company, LP Todd 23E Federal #20

Surface Location: 1980 FNL & 660 FWL, Unit E, Sec 23- T23S R31E, Eddy, NM Bottom hole Location: 1980 FNL & 660 FWL, Unit E, Sec 23- T23S R31E, Eddy, NM

- 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.
- 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.

### UNITED STATES DEPARTMENT OF THE INTERIOR

# Bureau of Land Management Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201-1287

### Statement Accepting Responsibility for Operations

Operator Name: Street or Box: City, State: Zip Code: Devon Energy Production Company, LP 20 North Broadway, Suite 1500 Oklahoma City, Oklahoma

73102-8260

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portion thereof, as described below.

Lease No.:

NMNM0405444

Legal Description of Land:

40 acres 23-T23S-R31E

Formation(s):

**Delaware** 

Bond Coverage:

**Nationwide** 

BLM Bond File No.:

CO-1104

Authorized Signature:

Linda Guthrie

Title:

Sr. Regulatory Specialist

Date:

12/28/04

### HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

- 1. If H2S is present in this area the following will apply.
- 2. All Company and Contract personnel admitted on location must be trained by a qualified H2S safety instructor to the following:
  - a. Characteristics of H2S
  - b. Physical effects and hazards
  - c. Proper use of safety equipment and life support systems.
  - d. Principle and operation of H2S detectors, warning system and briefing areas
  - e. Evacuation procedures, routes and first aid.
  - f. Proper use of 30-minute pressure demand air pack.
- 3. H2S Detection and Alarm System
  - a. H2S detectors and audio alarm system to be located at bell nipple, end of blooie line (mud pit) and on derrick floor or doghouse.
- 4. Windsock and/or wind streamers
  - a. Windsock at mud pit area should be high enough to be visible
  - b. Windsock at briefing area should be high enough to be visible
  - c. There should be a windsock at entrance to location
- 5. Condition Flags and Signs
  - a. Warning Sign on access road to location
  - b. Flags to be displayed on sign at entrance to location. Green flag, normal safe condition. Yellow flag indicates potential pressure and danger. Red flag, danger, H2S present in dangerous concentration. Only emergency personnel admitted to location.
- 6. Well Control Equipment
  - a. See Exhibit "E" & "E-1"
- 7. Communication
  - a. While working under masks chalkboards will be used for communication.
  - b. Hand signals will be used where chalk board is inappropriate
  - c. Two way radio will be used to communicate off location in case of emergency help is required. In most cases cellular telephones will be available at most drilling foreman's trailer or living quarters.
- 8. Drill stem Testing
  - a. Exhausts will be watered
  - b. Flare line will be equipped with an electric igniter or a propane pilot light in case gas reaches the surface.
  - c. If the location is near to a dwelling a closed DST will be performed.
- Drilling contractor supervisor will be required to be familiar with the effects H2S has on tubular goods and other mechanical equipment.

If H2S is encountered, mud system will be altered if necessary to maintain control or formation. A mud gas separator will be brought into service along with H2S scavengers if necessary.

### 3,000 psi Working Pressure

#### 3 MWP

### STACK REQUIREMENTS

No.	item		Min. I.D.	Min. Nominal
	Flowline			L
2	Fill up tine			2-
3	Onlling nipple			
4	Annular preventer		1	
5	Two single or one dual hy operated rams	draulically		
62	Drilling spool with 2" min 3" min choke line outlets			
6b	2" min. kill line and 3" mi outlets in ram. (Alternate			
7	Valve	Gale [] Plug []	3-1/8°	
8	Gate valve-power opera	ted	3-1/8"	
9	Line to choke manifold			3.
10	Valves	Gale C Plug C	2-1/16*	
11	Check valve		2-1/16"	
12	Casing head			
13	Valve	Gate [] Plug []	1-13/16"	
14	Pressure gauge with need	de vaive		
15	Kill line to dg mud pump r			5.

ANNULAR PREVENTER -
SLIND RANS
PIPE RANS  PIPE RANS  PIPE RANS
ORICLING SPOOL
© CASIMA DE O
(a) CASING (2)

CONFIGURATION A

OPTIONAL					
16 Flanged valve	1-13/16"				

### CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
- Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- 1.BOP controls, to be located near drillers position.
- Kelly equipped with Kelly cock.
   Linside blowout prevventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
- Kelly saver-sub equipped with rubber casing protector at all times.
- 7.Plug type blowout preventer tester.

  4.Extra set pipe rams to fit drill pipe in use on location at all times.
- S. Type RX ring gaskets in place of Type R.

### MEC TO FURNISH:

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

### GENERAL NOTES:

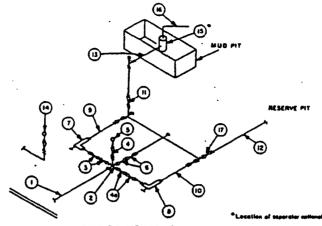
- Deviations from this drawing may be made only with the express permission of MEC's Oriting Manager.
- MEC's Oriting Manager.

  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 chore. Valves must be full opening and suitable for high pressure mud service.
- 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.
- S.All valves to be equipped with handwheels or handles ready for immediate use.
- 6. Choke lines must be sultably 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.
- emergency.

  8.All seemiess steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
- Casinghead connections shall not be used except in case of emergency.
- 11.Do not use kill line for routine fill-up operations.

· Sand .



BEVA	48	SUBSTRUCTURE

			MINI	MUM REQL	HREMENT	3				
	1	3.000 MWP			5,000 MWP			10,000 MWP		
No	<u> </u>	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
T	Line from drilling spool		3-	3,000		3*	5.000		3"	10,000
Z	Cross 3"x3"x3"x2"			3,000			5.000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gate [] Plug [](2)	3-1/8*		3,000	3-1/6"		5,000	3-1/8"		10,000
4	Valve Gate □ Plug □(Z)	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 □ (2)	3-1/8*		3,000	3-1/8*		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	Z°		3.000	2°		5.000	2-		10,000
	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		5.	\$,000		3-	10,000
11	Valves Gate [] Plug [](2)	3-1/6*		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		2'15'			2'x5'			2'x5'	
16	Line		4.	1,000		4"	1,000		4"	2,000
17	Valves Plug (2)	3-1/8"		3,000	3-1/0"		8,000	J-1/8*		10,000

- (1) Only one required in Class 3M.
- (2) Gate valves only shell be used for Class 10M,
- (3) Remate operated hydraulic choke required on \$,000 pzi and 10,000 pzi 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 68 or 68X and ring gaskets shall be API RX or 8X. Use only 8X for 10 MWP.

- All target shall be Art as or odd, and may gaskets prise on Art Fix at the Only to for 10 Miver.
   All thes shall be equipped with tungsten carbide seats and needles, and replacements shall be equipped with tungsten carbide seats and needles, and replacements shall be evallable.
   Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an atternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in con-
- Chokes. As a steriese with automatic crosses, a crosse mismions pressure gauge arisis on one my nour in con function with the standplipe pressure gauge.

  6. 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 buil plugged tees.

  7. Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

# Exhibit #1A NOTES REGARDING BLOWOUT PREVENTERS

Devon Energy Corporation (Nevada) TODD "23E" FEDERAL #20 1980' FNL & 660' FWL Section 23-T23S-R31E, Unit 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.
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- 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.

