N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue 0676 Artesia, NM 88210

Form 3160-3 (April 2004)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0137 Expires March 31, 2007

JUI 1 8 200 5. Lease Serial No.

a. Type of work:	TER R	-111-POTAS	H	7 If Unit or CA Age	reement, Na	ame and No).
b. Type of Well: Oil Well Gas Well Other	[7]s	ingle Zone Mult	iula Zaua	8. Lease Name and		-	——
Name of Operator	<u>_</u> 3	ingle Zone	iple Zone	Apache 24 Fe	deral II		<u> 33</u> 0
Devon Energy Production Company,	LP /	127		9. API Well No.	15-	34	219
a. Address 20 North Broadway	3b. Phone N	0. (include area code)		10. Field and Pool, or	· -		
Oklahoma City, Oklahoma City 73102-8260		52-8198		Quahada Rid	ge, SE De	laware	
Location of Well (Report location clearly and in accordance with	any State requires	TO LIKE		11. Sec., T. R. M. or I	Blk. and Su	rvey or Are	a
At surface 1430 FNL & 330 FEL	SUBJECT	AL BY STAT	E	Sec 24, T22S	R30E		
	APPROV	ALDIO			IKJUL		
Distance in miles and direction from nearest town or post office* Approximately 46 miles west from Jal, NM				12. County or Parish		13. State	
Distance from proposed*	I No of	(- t	.a e	Eddy County		N	M
location to nearest	16. No. of	acres in lease	17. Spacin	g Unit dedicated to this	well		
property or lease line, ft. (Also to nearest drig. unit line, if any)	1040 acr	es	40 acı	res			
Distance from proposed location* to nearest well, drilling, completed,	19. Propose	d Depth	20. BLM/I	BIA Bond No. on file	<u>-</u>		
applied for, on this lease, ft.	7921' M	ID 7600' TVD					
Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approx	imate date work will sta	l art*	23. Estimated duration)n		
3383' GL		05/30/2005		30 days			
e following, completed in accordance with the requirements of Onsi				AD CONTROLL is form:	ED WA	TER BA	ASIN
e following, completed in accordance with the requirements of Onsh Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syster SUPO shall be filed with the appropriate Forest Service Office).	nore Oil and Gas	 Order No.1, shall be a 4. Bond to cover t Item 20 above). 5. Operator certification. 6. Such other site 	ittached to the operation cation specific info		existing b	ond on file	: (see
Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syster	nore Oil and Gas	Order No.1, shall be a 4. Bond to cover t ttem 20 above). 5. Operator certifit	ittached to the operation cation specific info	is form: ns unless covered by an	existing b s may be re	ond on file	: (see
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Α GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS ATTACHED

So H > 9. -

Additional Operator Remarks:

Devon Energy Production Company, LP proposes to drill a Delaware well to 7921' for commercial quantities of oil and gas. If the well is deemed noncommercial, the wellbore will be plugged and abandoned per Federal regulations. Devon Energy Production Co., LP plans to drill the well per the currently approved Master Drilling and Surface Use Plan (MDSUP) for the Quahada Ridge, SE Field as outlined in Attachment A.

Directions: From Hobbs, go 35.7 miles west to WIPP road; then south on WIPP road for 11.1 miles to lease road 0.6 mile south of MM 2; then southwest on lease road for 1.7 mile; then south for 100 feet to location.

District I 1625 N. French Dr., Hobbs, NM 88240 District II
1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, 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 South St. Francis Dr. Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe

office RECEIVED

Pit or Below-Grade Tank Registration or Closure

JUL I 5 2005

Form C-144 June 1, 2004

Is pit or below-grade tan	k covered by a "general plan"? Yes 🔲 No	
Type of action: Registration of a pit of	or below-grade tank 🛛 Closure of a pit or below-gra	de tank PDD:AFTED
Operator: _Devon Energy Production Company, L.PT	elephone: _(405)-552-7802e-mail address:	: Stephanie. Ysasaga(a.dvn.com
Address: _P.O. Box 250 Artesia, NM 88211		
Facility or well name: _Apache 24 Federal 11API #:	U/L or Qtr/QtrHSec _	24T _22SR _30E
County: _Eddy Latitude		
Surface Owner: Federal 🖾 State 🗀 Private 🗀 Indian 🗋		
Pit	Below-grade tank	
Type: Drilling 🖾 Production 🗋 Disposal 🗍	Volume:bbl Type of fluid:	
Workover ☐ Emergency ☐	Construction material:	
Lined 🖸 Unlined 🗍	Double-walled, with leak detection? Yes If not	t, explain why not.
Liner type: Synthetic M Thickness _12_mil Clay		
Pit Volumebbl		
	Less than 50 feet	(20 points)
Depth to ground water (vertical distance from bottom of pit to seasonal	50 feet or more, but less than 100 feet	(10 points)
high water elevation of ground water.)	100 feet or more	(0 points)
	Yes	(20 points)
Wellhead protection area: (Less than 200 feet from a private domestic	```	(0 points)
water source, or less than 1000 feet from all other water sources.)	No 5	(o points)
Distance to surface water: (horizontal distance to all wetlands, playas,	Less than 200 feet	(20 points)
1	200 feet or more, but less than 1000 feet	(10 points)
irrigation canals, ditches, and perennial and ephemeral watercourses.)	1000 feet or more	(0 points)
	Ranking Score (Total Points)	
If this is a pit closure: (1) Attach a diagram of the facility showing the pit's	untain this as other confirmant and tenter (2) Indian	the dimension (shock the ancite has if you
are burying in place) onsite offsite If offsite, name of facility		
remediation start date and end date. (4) Groundwater encountered: No 🔲 Y		n. and attach sample results.
(5) Attach soil sample results and a diagram of sample locations and excavat	ions.	
Additional Comments:		
	<u> </u>	
I hereby certify that the information above is true and complete to the best has been/will be constructed or closed according to NMOCD guidelines	of my knowledge and belief. I further certify that the \square a general permit \square , or an (attached) alternal	he above-described pit or below-grade tank tive OCD-approved plan
nes need and the control acres of crown recognities on transfer Paradities	42 / /	
Date:07/14/05	N A !	
Printed Name/Title _Stephanie A. Ysasaga / Senior Engineering Technician	n_Signature // //	
Your certification and NMOCD approval of this application/closure does notherwise endanger public health or the environment. Nor does it relieve the	ot relieve the operator of liability should the contents ne operator of its responsibility for compliance with an	of the pit or tank contaminate ground water or ny other federal, state, or local laws and/or
regulations.	/ / /	
	100	
Approval:	1	182005
Printed Name/Title	Signature	THE LO LUCK

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

Fee Lease - 3 Copies

State Lease - 4 Copies

811 South First, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

STRICT II

rench Dr., Hobbs, NM 88240

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

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		
		Quahada Ridge, SE Dela	ware	
Property Code	Property Name		Well Number	
	APACHE "24	" FEDERAL	11	
OGRID No.	Operator	Name	Elevation	
6137	DEVON ENERGY PRO	DUCTION CO., L.P.	3383'	

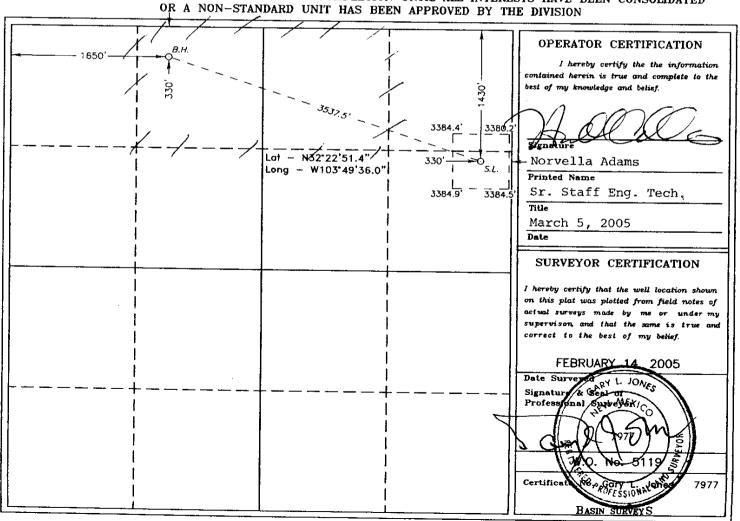
Surface Location

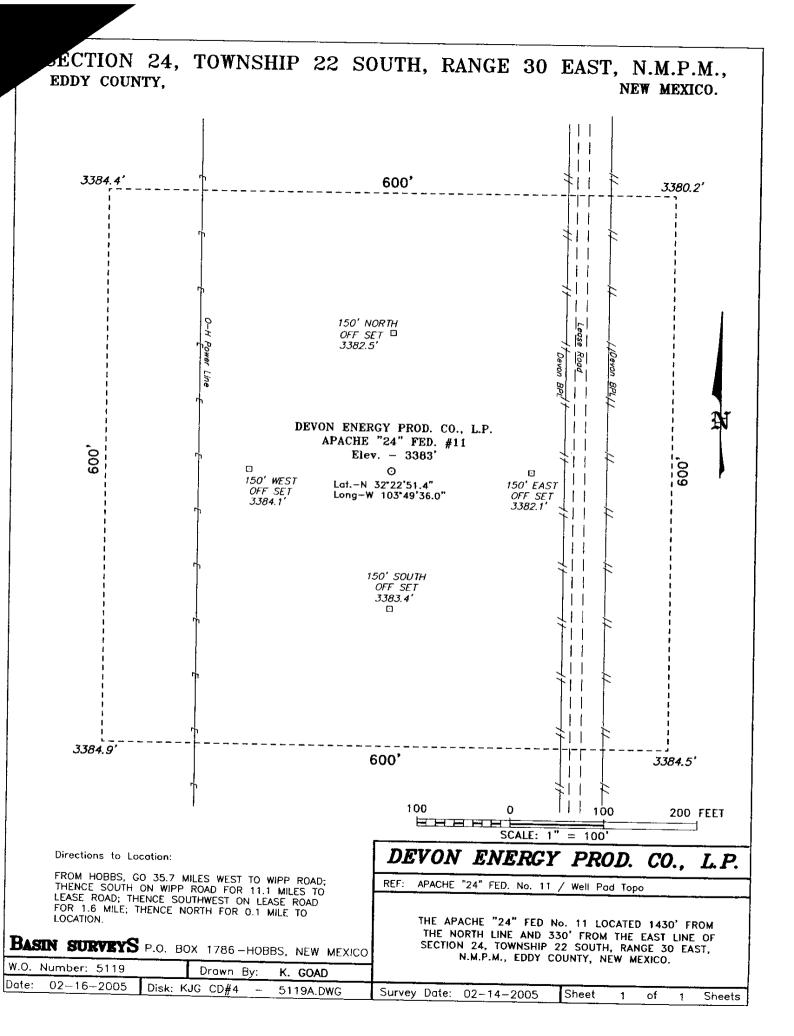
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Н	24	22 S	30 E		1430	NORTH	330	EAST	EDDY

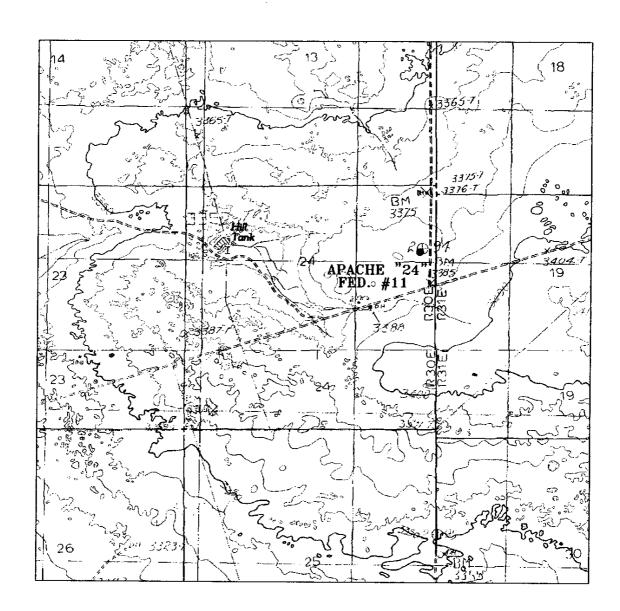
Bottom Hole Location If Different From Surface

ı	UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Ĺ	С	24	22 5	30 E		330	NORTH	1650	WEST	EDDY
-	Dedicated Acres	Joint of	r Infill (consolidation (Code Ore	ler No.				<u> </u>
L	80									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED







APACHE "24" FEDERAL #11

Located at 1430' FnL and 330' FEL Section 24, Township 22 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

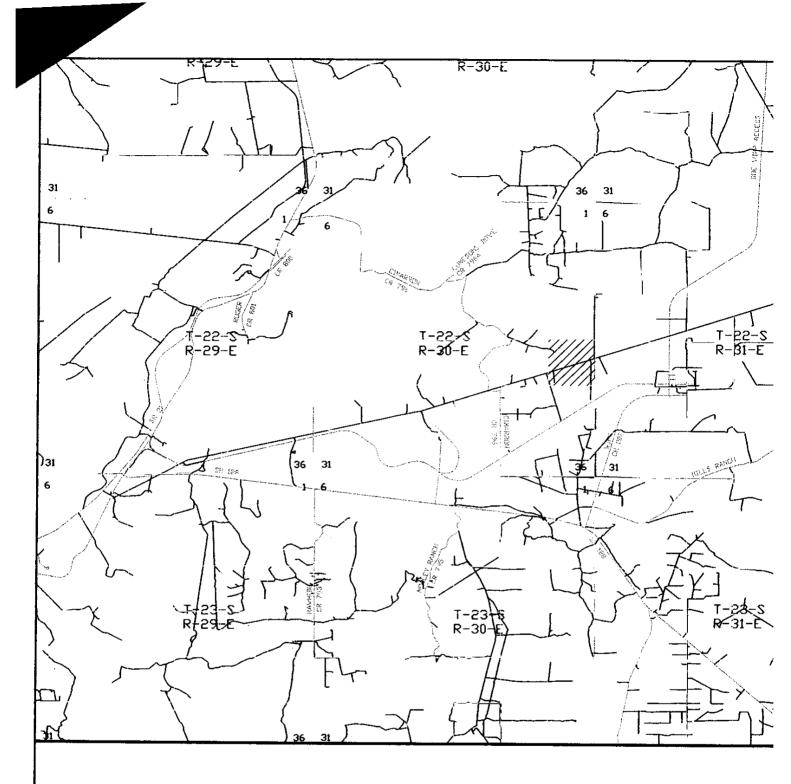


P.O. Box 1785 1120 N. West County Rd. Hobbs, New Mexico 88241

	,	~	
(505)	393-7316	_	Office
(505)	392-3074	-	Fax
basins	surveys.com		

	W.O.	Num	iber	: 5	119A/		KJG	#1	-35-32-051
	Surve	y D	ate:	C	214	-20	005		
Date:	Scale	: 1"	=	2000) *				-
	Date:	02	2 - 1	6-20	05	an autre	CHARLE STATISTICS	AAVAILIDE	BE-SCAROLL

DEVON ENERGY PROD. CO., L.P.



APACHE "24" FEDERAL #11 Located at 1430' FNL and 330' FEL Section 24, Township 22 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 - Office (505) 392-3074 - Fax basinsurveys.com

W.O. Number:	5119AA - KJG #1
Survey Date:	02-14-2005
Scale: 1" = 2	miles
Date: 02-16-	-2005

DEVON ENERGY PROD. CO., L.P.

Attachment A Master Drilling Program Delaware Formation on the Following Leases.

To be attached to Form 3160-3

UNIT AREA: Leases in the following sections, Townships and Ranges that are operated by Devon Energy Production Company, LP.

Lease Numbers as follows but not limited to:

Section	Lease Number	Description of Section	Township & Range
Section 12	NMNM89051	SE4/SE4	T22S R30E
Section 13	NMNM89051	E2, E2/SW4, SE4/NW4	T22S R30E
Section 24	NMNM89051	All of Section 24 except W2/NW4	T22S R30E
Section 25	NMNM89052	W2, NE4, S2/SE4	T22S R30E

If drilling is proposed on additional leases, the BLM will be advised when they are proposed.

1. Geologic Name of Surface Formation:

Permian

2. <u>Estimated Tops of Important Geologic Markers:</u>

Permian	Surface
Base of Salt	3690'
Delaware	3950'
Bone Spring	7720'
Total Depth	7860°

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

Upper Permian Sands	100'	Fresh Water
Delaware	3950'	Oil
Delaware	7475'	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 approximately 620' and circulating cement back to surface. The Potash and salt will be protected by setting 9 5/8" casing at 3845' and circulating cement to surface. The 7" production casing to be set at TD will be cemented to surface.

4. <u>Casing Program:</u>

7"

Hole Size	Interval	Csg OD	Weight,	Grade	<u>Type</u>
17 1/2"	0 – 620'	13 3/8"	48#	H-40	ST&C
12 1/4"	0 – 3845'	9 5/8"	36# & 40#	J55	ST&C
8 3/4"	0 – 7900'	7"	23# & 26#	J55	LT&C
6 1/8"	Horiz section	Open hole			****

5. <u>Casing Cementing & Setting Depth:</u>

13 3/8" Surface: Cement to surface with 350 sx 35:65 Poz Class C + 6%

Bentonite + 2% CaCl2 + .25 lb/sk Cello Flake & tail w/250 sx Class Class C + 2% CaCl2. Circulate cement

to surface.

9 5/8" Intermediate: Cement to surface Lead w/977 sx 35:65 Poz Class C +

6% Bentonite +5% Sodium Chloride + .25 lbs/sk Cello Flake. Tail w/200 sx 60:40 Poz Class C + 4% MPA=1 + 5% Sodium Chloriade + .4% Sodium Metasilicate + .25 lbs/sack Cello Flake. Circulate cement to surface.

.23 105/3dek Ceno I fake. Circulate cement to surface.

Cement 1st Stage Lead w/ 225 sx 35:65 Poz Class C + 6% Bentonite + 3% Sodium Chloride + 0.3% FL-52 + 3 lb/sk LCM-1 + .25 lb/sack Cellow Flake + .25% R-3. Tail w/510 sx 60:40 poz Class C + 4% MPA-1 + 2% Sodium Chloride +1% BA-10 +.75% EC-1+2 lbs/sk Kol Seal + .25 lbs/sk Cello Flake. Stage 2 lead w/203 sx 35:65 Poz Class C + 6% Bentonite + 5% Sodium

Chloride + .25 lbs/sk Cello Flake, tail w/200 sx 60:40 Poz Class C + 4% MPA-1 + 5% Sodium Chloride + .4% Sodium Metasilicate + .25 lb/sk Cello Flake.

Circulate cement to surface.

The above cement volumes could be revised pending the caliper measurement from the open hole logs.

6. <u>Minimum Specifications for Pressure Control</u>:

Production:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (3000 psi WP) preventer and bag-type (hydril) preventer (3000 psi WP). Both units will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4 ½" or 3 ½"(depending on the hole size being drilled) drill pipe rams on bottom. Both BOP's will be nippled up on the 13 3/8" surface csg and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Before drilling out of intermediate casing, the ram-type BOP and accessory equipment will be tested to 3000 psi and the hydril to 70% of rated working pressure (2100 psi).

Pipe rams will be operated and checked weekly and the blind rams each time the drill pipe is out of the hole. These functional tests will be documented on the 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.

6. <u>Types and Characteristics of the Proposed Mud System:</u>

The well will be drilled to total depth using a fresh and Brine water mud systems. Depths of systems are as follows:

<u>Depth</u>	Type	Weight	Viscosity	Water
		(ppg)	(1/sec)	Loss
0' - 620'	Fresh Water	8.8	40-45	NC
620' – 3845'	Brine Water	10	30	NC
3845' - TD	Fresh Water/Gel/Starch	8.5 - 9.0	30-32	50-60
Horiz Section	Fresh Water/Gel/Starch	8.5 - 9.0	30-32	50-60

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. <u>Auxiliary Well Control and Monitoring Equipment:</u>

- 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 operation after drilling out the 9 5/8" casing shoe until 7" casing is cemented.

8. <u>Logging, Testing and Coring Program:</u>

- A. Drillstem tests will be run on the basis of drilling shows.
- B. The open hole electrical logging program will be:
 - a. GR-AIT, GR-Compensated Neutron-Density from TD to 3845' and GR/CNL to surface. Selected SW cores may be taken in zones of interest.
 - b. No coring program is planned.
 - c. 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.

9. <u>Abnormal Pressures, Temperatures and Potential Hazards:</u>

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 122 degrees and maximum bottom hole pressure is 3500 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.

10. 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 will be provided with each well application. 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 the well will be connected to an existing production facility.