OCD-ARTESIA

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

	FLAND MANAGEMENT RECEIVED	NMNM81616
APPLICATION FOR F	PERMIT TO DRILL OR REENTER APR 0 8 200	6. If Indian, Allottee or Tribe Name
1a. Type of Work: ☑ DRILL ☐ REENTI	The state of the s	7. If Unit or CA Agreement, Name and No.
1b. Type of Well: ☑ Oil Well ☐ Gas Wel		
Name of Operator DEVON ENERGY PRODUCTION CO	Contact: LINDA B GUTHRIE L P E-Maii: LINDA.GUTHRIE@DVN.COM	9. API Well No. 30 - 015 - 34063
3a. Address 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405-228-8209 Fx: 405-552-1319	10. Field and Pool, or Exploratory BONE SPRINGS Cedar Canyon
At surface NENE 510FNL 40 At proposed prod. zone NENE 510FNL 40	ad in accordance with any State requirements.*) 60 FEL Per Bhunt & SD docted 3/17/2 60 FEL	Sec 10 T24S R29E Mer NMP
14. Distance in miles and direction from nearest to	own or post office*	12. County or Parish 13. State NM
15. Distance from proposed location to nearest prolease line, ft. (Also to nearest drig. unit line, i		17. Spacing Unit dedicated to this well
	480.00	40.00
18. Distance from proposed location to nearest we completed, applied for, on this lease, ft.	ell, drilling, 19. Proposed Depth 8500 MD 8500 TVD	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KB, RT, GL, e 3047 GL	etc. 22. Approximate date work will start 11/15/2004	23. Estimated duration 30 DAYS
	24. Attachments C	ARLSBAD CONTROLLED WATER BASIN
The following, completed in accordance with the rec	quirements of Onshore Oil and Gas Order No. 1, shall be attached	ed to this form:
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National SUPO shall be filed with the appropriate Forest 	I Forest System Lands, the t Service Office). I Forest System Lands, the t Service Office). Item 20 above). 5. Operator certification 6. Such other site specima authorized officer.	nerations unless covered by an existing bond on file (see n fic information and/or plans as may be required by the
25. Signature (Electronic Submission)	Name (Printed/Typed) LINDA B GUTHRIE Ph: 405-228-8	Date 10/14/2004
Title REGULATORY SPECIALIST		
Approved by (Signatura) aria Ketson	Name (Printed/Typed) /s/ Maria I	Ketson APR - 5 2005
Title FOR FIELD MANAGER	Office CARLSBAD FIEL	
Application approval does not warrant or certify the	applicant holds legal or equitable title to those rights in the sub-	ject lease which would entitle the applicant to conduct

Additional Operator Remarks (see next page)

States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Conditions of approval, if any, are attached.

operations thereon.

Electronic Submission #50048 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 10/15/2004 (05AL0019AE)

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

APPROVAL FOR 1 YEAR

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

ATTACHED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

n Operator Remarks:

Devon Energy Production Co LP respectfully requests approval to drill an 8500' well for commercial quantities of oil If the well is deemed noncommercial, the wellbore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

Approximately 604' of additional road will need to be built.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED	
OMB NO. 1004-0135	
Expires: November 30, 2000	
se Serial No.	_
/NM81616	
ndian Allottee or Tribe Name	_

SUNDRY NOTICES AND REPORTS ON WELLS	
Do not use this form for proposals to drill or to re-enter an	
shandoned well. Use form 3160-3 (APD) for such proposals	٠.

SUNDRY	NOTICES AND REPOR	(15 ON WELLS	MINIMINI	,
Do not use thi abandoned wel	is form for proposals to II. Use form 3160-3 (APE	drill or to re-enter an)) for such proposals.	6. If Indian, Allott	ee or Tribe Name
SUBMIT IN TRI	PLICATE - Other instruc	tions on reverse side.	7. If Unit or CA/A	greement, Name and/or No.
1. Type of Well			8. Well Name and	
☑ Oil Well ☐ Gas Well ☐ Oth		H B 10 FEDE		
Name of Operator DEVON ENERGY PRODUCT		NORVELLA ADAMS ams@dvn.com	9. API Well No.	
3a. Address 20 NORTH BROADWAY SUI OKLAHOMA CITY, OK 73102		3b. Phone No. (include area of Ph: 405-552-8198	ode) 10. Field and Poo PIERCE CR	, or Exploratory OSSING BONE SPRINGS
4. Location of Well (Footage, Sec., 7	., R., M., or Survey Description		11. County or Par	ish, and State
Sec 10 T24S R29E NENE 510	OFNL 460FEL		EDDY COU	NTY, NM
12. CHECK APPI	ROPRIATE BOX(ES) TO	INDICATE NATURE O	DF NOTICE, REPORT, OR OT	HER DATA
TYPE OF SUBMISSION		TYPI	E OF ACTION	
Notice of Intent	Acidize	Deepen	Production (Start/Resume	Water Shut-Off
_	Alter Casing	☐ Fracture Treat	Reclamation	☐ Well Integrity
☐ Subsequent Report	Casing Repair	☐ New Construction	Recomplete	Other Change to Original A
Final Abandonment Notice	☐ Change Plans	□ Plug and Abandor	Temporarily Abandon	PD
	☐ Convert to Injection	☐ Plug Back	□ Water Disposal	
determined that the site is ready for f Devon Production Company, Old Location: 510 FNL & 460 New Location: 360 FNL & 460 14. Thereby certify that the foregoing is	inal inspection.) LP requests approval to m FEL FEL The structure and correct.			ace, and the operator has
Co	For DEVON ENERG	Y PRODUCTION CO L P, s	ent to the Carlsbad on 03/17/2005 (05LA0520SE)	
Name (Printed/Typed) NORVELI	LA ADAMS	Title AUT	HORIZED REPRESENTATIVE	
Signature (Electronic S	Submission)	Date 03/1	7/2005	
	THIS SPACE FO	R FEDERAL OR STA	TE OFFICE USE	
Approved By /S/ N	Iaria Ketson	FOR Title	FIELD MANAGER	APR - 5 200
Conditions of approval, if any, are attache certify that the applicant holds legal or eq which would entitle the applicant to cond	uitable title to those rights in the	not warrant or subject lease Office	CARLSBAD FIELD O	FFICE

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.

N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102 Revised March 17, 1999

Energy, Minerals and Natural Resources Department

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

811 South First, Artesia, NM 88210 DISTRICT III

DISTRICT II

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

APl Number	Poel Code	Pool Name	
		Pierce Crossing; Bone	Spring
Property Code	Prope	rty Name	Well Number
	HB "10" FEDERAL		4
OGRID No.	Орега	tor Name	Elevation
6137	DEVON ENERGY F	PRODUCTION CO., L.P.	3051'

Surface Location

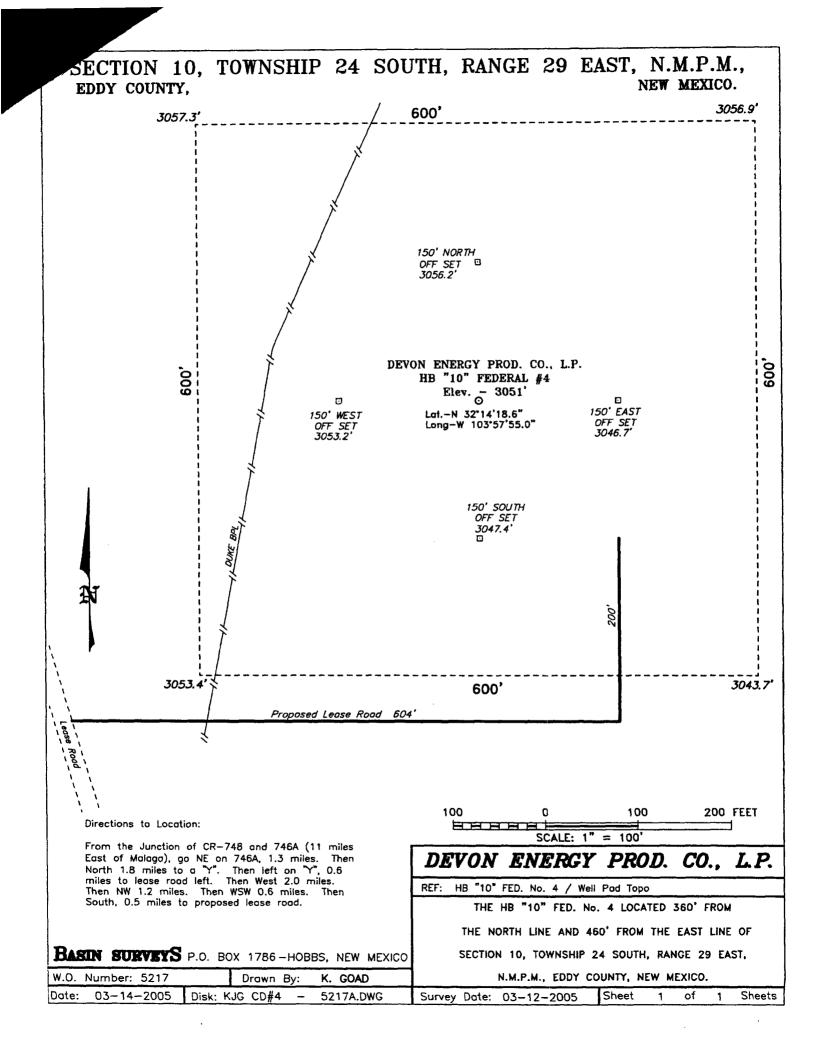
ļ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	Α	10	24 S	29 E		360	NORTH	460	EAST	EDDY

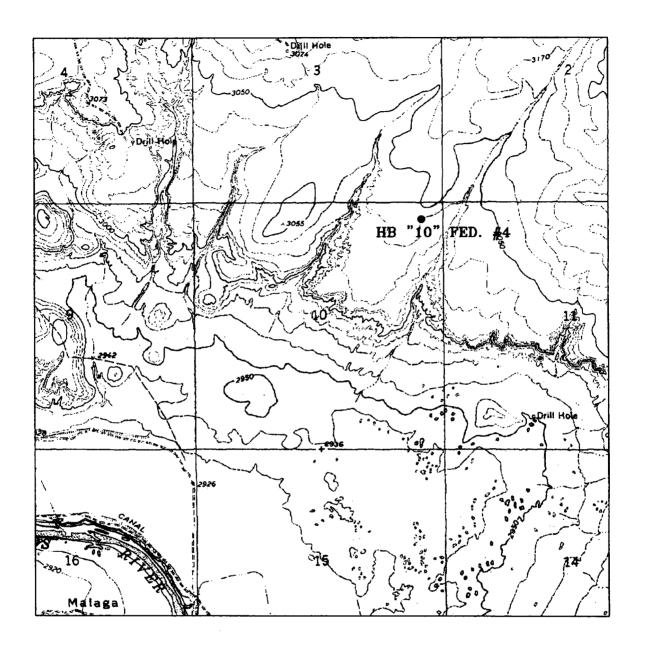
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or	Infill Co	nsolidation (ode Or	der 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

Lai.: N32'14'18.6" Long.: W103'57'55.0" Lon		DARD UNIT HAS BEEN APPROVED BY THE DIVISION
Basin surveyS	OR A NON-SIAN	Johnson and that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervison and that the same is true and correct to the best of my knowledge and belief. Signature Norvella Adams Printed Name Sr, Staff Eng. Tech Title March 17, 2005 Date SURVEYOR CERTIFICATION 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 supervison and that the same is true and correct to the best of my belief. MARCH 2005 Date Surveyor Signature of Sign





HB "10" FEDERAL #4
Located at 360' FNL and 460' FEL
Section 10, Township 24 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.

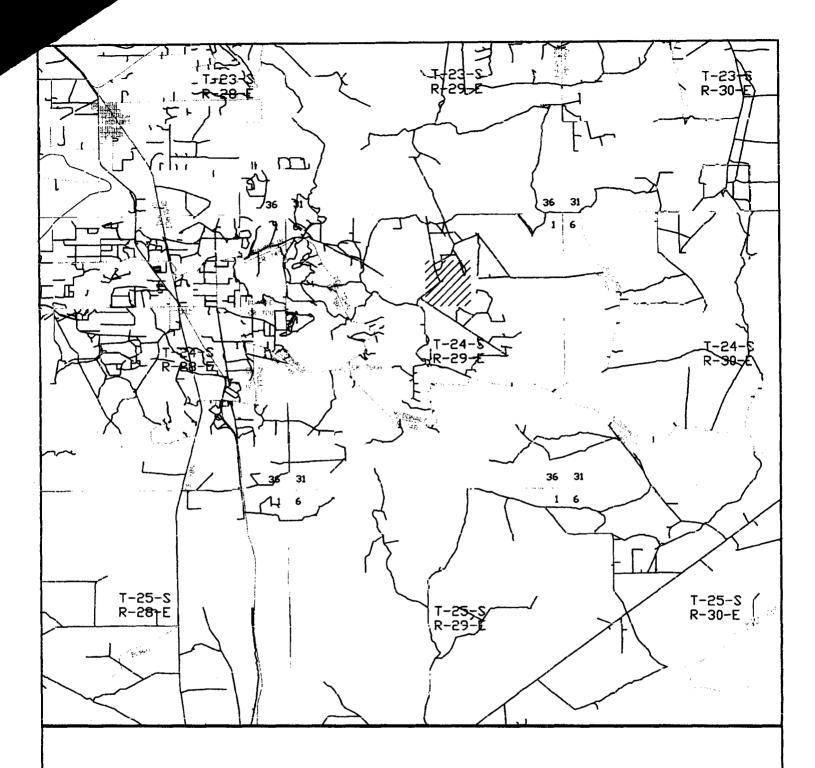


focused on excellence in the cilfield

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:	5217AA - KUG #1
Survey Date:	03-12-2005
Scale: 1" = 2	2000,
Date 03-14	2005

DEVON ENERGY PROD. CO., L.P.



HB "10" FEDERAL #4
Located at 360' FNL and 460' FEL
Section 10, Township 24 South, Range 29 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:	5217AA - KJG #1
Survey Date:	03-12-2005
Scale: 1" = 2	MILES
Date: 03-14-	-2005

DEVON ENERGY PROD. CO., L.P.

DRILLING PROGRAM

Devon Energy Production Company, LP H. B. 10 FEDERAL #4 (A) 510' FNL & 460 FEL, Section 10, T-24-S, R-29-E Eddy County, New Mexico

1. Geologic Name of Surface Formation

Quaternary Aeolian Deposits

2. Estimated Tops of Important Geologic Markers

Lamar	3050'
Bell Canyon	3100'
Brushy Canyon	5500'
Bone Spring	6800'
First Bone Spring	7100'
Total Depth	8500'

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

The estimated depths at which water, oil and gas will be encountered are as follows.

Lamar	3050'	
Bell Canyon	3100'	Oil
Brush Canyon	5500'	Oil
Bone Spring	6800'	
First Bone Spring	7100'	Oil

4. <u>Casing Program</u>

Hole Size	Interval	OD Csg	Weight	Collar	Grade	
17 ½"	0-350'	13 3/8"	42#	ST&C	H-40	
11"	0-3100'	8 5/8"	32#	LT&C	J-55	
7 7/8"	0-8500'	5 1/2"	17# & 15.5#	LT&C	J-55	

WITNESS

5. CASING CEMENTING & SETTING DEPTH:

13 3/8" Surface Set 350' of 13 3/8", 42#,H-40, ST&C casing. Cement with 380 sacks Class C Neat + 2% CaCl2 Circulate cement to surface WITNESS Set 3100' of 8 5/8", 32#, J-55 LT&C casing. Cement Intermediate 8 5/8" with 1000 sx Class C + additives. Circulate cement to surface. 5 1/2" Production Set 8500' of 5 1/2", 17# & 15.5#, J-55, LT&C casing. Cement with 1120 sx Class H + additives. Estimated top of cement @ 5600'

6. PRESSURE CONTROL EQUIPMENT: Exhibit "E". A Blow-out Preventer (no less than 900 Series 3000 PSI working pressure) consisting of double ram type preventer with bag type preventer. Units will be hydraulically operated. Exhibit E-1 Choke Manifold and Closing Unit. Blind rams on top, pipe rams on bottom to correspond with size of drill pipe in use. BOP will be tested as well as choke manifold. BOP will be worked at least once each day while drilling & blind ram will be worked on trips when no drill pipe is in hole. Full opening stabbing valve and upper Kelly cock will be utilized. Anticipated BHP 3000 PSI and 125° BHT. Note: A 2000# drilling head will be installed on the 13 3/8" & tested to 1215# (70% burst rating) with the rig pump.

7. PROPOSED MUD CIRCULATION SYSTEM:

DEPTH	MUD. WT.	MUD VISC.	FLUID LOSS	TYPE MUD
0' - 350'	8.4- 8.8	29-36	NC	Fresh water spud
				mud use paper
				for seepage.
350' – 3100'	10.5 - 11.0	29-32	NC	Brine water use
				paper for seepage
				control and lime
				for pH control.
3100' – 7500'	9.3 – 10	29-34	NC	Cut Brine Use
				paper for seepage
				control.
7500' – 8500'	9.3 – 10	34 –38	10 cc's or less	Cut Brine use
				Drispac starch &
				soda ash.

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirement will be kept at wellsite at all times. In order to run casing and log well viscosity may have to be raised and water loss may have to be lowered.

8. TESTING, LOGGING AND CORING PROGRAM:

- CNL-FDC, Gamma Ray, Caliper from TD to base of intermediate casing.
- AIT-Dual Laterolog Micro SFL from TD to base of intermediate casing.
- Gamma Ray, Neutron, Caliper to surface
- Mud Logger on from 2800' to TD (Two man unit)
- Side wall cores taken between 3100' 6700' in Delaware where shows occur.

9. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. 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 lost circulation is expected to occur. Estimated BHP 3000 psi, estimated BHT 125°

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:
Road and location construction will begin after BLM approval of APD. Anticipated spud date is December 1, 2004. Drilling is expected to take 18- 24 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

11. OTHER FACETS OF OPERATIONS:

After running casing, cased hole gamma ray neutron collar logs may be run from total depth over possible pay intervals. The Bone Spring pay will be perforated and stimulated. The well will be swab tested and potentialed as an oil well.

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
	cable terms, conditions, stipulations and restrictions concerning ed land or portion thereof, as described below.
Lease No.:	NMNM81616
Legal Description of Land:	40 acres 10-T24S-R29E
Formation(s):	Pierce Crossing; Bone Spring
Bond Coverage:	Nationwide
BLM Bond File No.:	CO1104
	•
Authorized Signature:	Jim Blount
Title:	Operations Engineering Advisor
Date:	October 14, 2004

STACK REQUIREMENTS

	37AGKTIEGOTIEMENTO								
No.	llem	Min. LD.	Min. Nominal						
1111	Flowline	1	T TOTAL CONTROL						
2	Fill up line		1	2-					
3	Drilling nipple	 							
1	Annular preventer		 						
-	}	de Carlo							
5	Two single or one dual h operated rams								
62	Drilling spool with 2" mir 3" min choke line outlets								
66	2" min. kill line and 3" m outlets in ram, (Alternate								
7	Valve	3-1/6*							
8	Gale valve—power opera	3-1/8"							
9	Line to choke manifold			3.					
10	Yalves .	Gate [] Plug []	2-1/16"						
13	Check valve		2-1/16"						
12	Casing head								
13	evicV	Gale Plug	1-13/16"						
14	Pressure gauge with nee								
15	Kill line to rig mud pump	biolinem		2"					

(3) (1) (1) (1) (1) (1) (1) (1) (1) (1) (1
ANNULAR PREVENTER BLIND NAME
B B FIPE RAMS B PIPE RAMS
DRILLING TO TO THE ADDRESS OF THE AD
(E) CASINC (3)

CONFIGURATION

		OPTIONAL		
16	Flanged valve	<u>: </u>	1-13/167	

CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 pal, minimum.
- 2. Automatic accumulator (80 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 prevventer 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 limes.
- 9. Type RX ring gaskets in place of Type R.

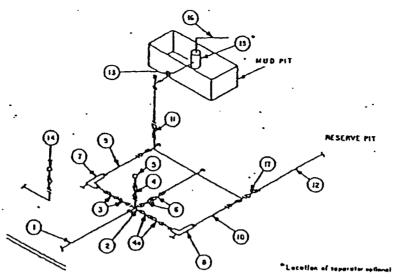
MEC TO FURNISH:

- Bradenhead or casinghead and side valves.
- 2. Wear bushing, Il required.

GENERAL NOTES:

- Deviations from this drawing may be made only with the express permission of MEC's Oriting Manager.
- 2.All connections, valves, littings, plping, 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, relainers, and choke wrenches to be conveniently located for immediate use.
- 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.
- Valves adjacent to drilling apool to be kept open. Use outside valves except for emergency.
- All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
- Casingheed connections shall not be used except in case of emergency.
- 11.Do not use kill line for routine fill-up operations.



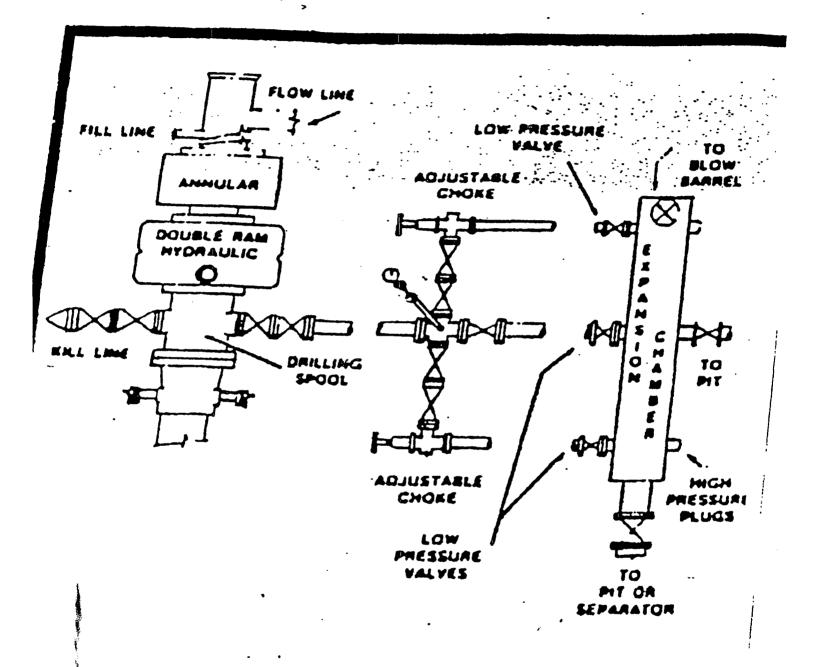
SETOND SUBSTRUCTURE

			MINI	MUM REOL	JAEMENT!	<u> </u>				
		3,000 MWP		5,000 MWP		10,000 MWP				
No.		1.0.	NOMINAL	RATING	1.0.	NOMINAL	RATING	1.0.	HOMINAL	RATING
1	Line from drilling spool		3.	3,000		3-	5,000		3.	10,000
. 2	Cross 3"x3"x3"x2"		L	3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves(1) Gale [] Plug ()(2)	3-1/8*		C00,E	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 Plug □(₹)	3-1/8"		000,C	3-1/8"		5,000 、	3-1/8"		10,000
7	Adjustable Choke[3]	2"		3,000	2*		5,000	2*		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"	1	10,000
9	Une		, 3-	3,000		3.	5,000		3"	10,000
10	Line		2-	3,000		5.	5,000		3"	.10.000
11	Valves Gale □ (2)	3-1/8"		3,000	3-1/6"		5,000	3-178"		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 pauge			3,000			\$,000	•		10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4.	1,000		("	2,000
17	Valves Plug □(Z)	3-1/8"		3,000	3-1/8*		5,000	3-178*		10,000

- (1) Only one required in Class 3M.
- [7] Gale valves only shall be used for Class 10M,
- (3) Remote operated hydravitic choke required on 5,000 pal and 10,000 pai for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- 1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- 2. All flanges shall be API 68 or 68X and ring gaskets shall be API RX or 8X. Use only 8X for 10 MWP.
- 3. All lines shall be securely anchored.
- 4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- 5. 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 conjunction with the standpipe pressure gauge.
- Line from dritting 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 loss.
- 7. Discharge lines from chokes, choke bypass and from top of gas apparator should vent as far as practical from the wall.



Standard Blowout Preventer Stack