811 S. 1st SCEMIT IN TRIPLICATE*

Form approved.

| n 21(0.2 | UNITED | STAILS 811 S. IS | LINE GOODEN | FC |) I III approvem | - (' |
|--|---|--|--|------------------|------------------------------------|------------------------|
| Form 3160-3 (December 1990) | | THE INTERNION | 1, INAT DOKTOL | | NATION AND SERIA | L NO. |
| (December 2222) | DEPARTMENT BUREAU OF LAN | DMANAGEMENT | | 1 | TATION AND SERIA | |
| | BUREAU OF LAN | | | LC-054908 | LLOTTEE OR TRIBE | NAME |
| | APPLICATION FOR PERMIT | TO DRUL OR DEEPEN | | 6.IF INDIAN, AL | LUITEE OR IRIBE | |
| | | DEEDEN DE | EHTER B | 7.UNIT AGREE | MENTNAME | |
| la TYPE OF WORK: | DRILL 🔀 | | _ | Ì | | |
| h TYPE OF WELL: | The Aid | arrows | MULTIPLE ZONE | 8.FARM OR LE | ASE NAME, WELL N | 10. 1270- |
| OIL WELL | Other P&A'd | | | Hudson Fed | C1 002 112 | 338 |
| 2 NAME OF OPERAT | OR DEVON ENERGY CORPO | RATION (NEVADA) | 2/3/ | 9.API WELL N | | |
| | DEVON ENERGY CORT | | | 30-015-0520 |)8 | |
| 3. ADDRESS AND TE | LEPHONE NO. | E 1500, OKC, OK 73102 (40 | (5) 235-3611 | · · | POOL, OR WILDCA | .1 |
| | 20 N. BROADWAY, SUITE LL (Report location clearly and in ac | cordance with any State requireme | ents)* | Grayburg-J | Jackson Field M.,OR BLOCK AND S | URVEY OR AREA |
| 4. LOCATION OF WEI | 'NL & 660'FEL of Section 18 | | | | | |
| At surface 660'F | Mr coo z == | \mathcal{A} | manager and the party designs. | Section 18 | . T17S - R31E | |
| At top proposed prod. | zone (SAME) | \mathcal{H} | | 12. COUNTY | OR PARISH | 13. STATE |
| At top proposed prod. | TOWN O | R POST OFFICE* | | 1715-14 | | NM |
| 14.DISTANCE IN MILES AN | ND DIRECTION FROM NEAREST TOWN O | ··· | • | Eddy Cou | | |
| 4 miles east of Loco Hi | | | | | 17.NO. OF ACRES | S ASSIGNED |
| | | 16.NO. OF ACRES IN LEASE | JUL 9 1 1000 | | TO THIS WEL | |
| 15.DISTANCE FROM PROF LOCATION TO NEARE | 21 | 160 | | . nv.a | 20.ROTARY OR | CARLE TOOLS* |
| PROPERTY OR LEASE | LINE, FI. | 19.PROPOSED DEPTH | ul Quri. L | TH W o | 1 | Canali - Canal |
| (Also to nearest drlg, unit | POSED I OCATION* | 4.5 | | | Rotary | or Dr. |
| TO MEADEST WELL, D | KILLING, COM | 3533' | | 22. API | PROX. DATE WORK | WILL STAKT |
| OR APPLIED FOR, ON 21.ELEVATIONS (Show wh | nether DF, RT, GR, etc.) | | | Augu | st 1, 1996 | |
| | | | | | | |
| GR=3713' | | | TO STATE OF THE PROCESS OF THE PROCE | | | |
| | | PROPOSED CASING AND C | SETTING DE | PTH | | TY OF CEMENT |
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | 570' | | | 430'(calculated) |
| | 8 5/8" (existing) | | 2795' | | 100 sxs TOC @ | |
| 10" | 7" (existing) | | 2/95 | | 400 sxs TOC @ | Surface |
| 8" | 4 1/2" J-55 (if needed) | 11.6# | 3533' | 1 OF 16 | <i>u</i> -> | |
| 61/4" | 41/2 | a a said a s | | Alkeno C. C. | * A | 0 1TD-1 |
| | 1 (512/17/80) | Like Approved | / ` | WREAU OF LA | 1. 1 | 1021 |
| | Abandoned (as of 12/17/80) | By State | / | 16/ | // % \ | 8-7-76 |
| ndi Convert (| to Water Injection Well as follows: | | - / | יון אווי | (0 8) | D L |
| 1. Drill | to Water Injection Well as follows. out cement plugs and clean out well | bore to TD at 3533 . | Į. | 00/10 | 2 | No suc |
| 2 Select | tively perforate the michael 2,00 | 10(80) | lás | · U 7 | 996 | _ |
| 2 C 4 D | -1 cm I I (M' nacker un 2 3/6 (M C) | - AROE! 2623 | O(OA). $O(OA)$ | | | |
| 4. Injec | t through periorations 2. 00 | | casing will be run from sur | face to TD and c | emented back to | surface. Former |
| Note: Should existil | ng 7" casing fail to pass a mechanic | al integrity test a string of 4 1/2 | /g | · <i>''10</i> 7, | Fine | WILL ASDIM |
| Note. Dilouis extern | t through perforations 2700' - 2795' t through perforations 2700' - 2795' ng 7" casing fail to pass a mechanic dhere to onshore oil and gas regular O1151 | tions are outlined in the following | attachments and exhibits. | Now RAOM | 100/ 1,7 | 1000 #1 |
| Guidelines which at | dhere to onshore oil and gas regula | NAME OF TAXABLE PARTY. | and the same of th | TAN MICH | # 44 | 75077 |
| BLM Bond No.: Co | 01151 | V. ************************************ | quirements and | | Pul | 1 12-18-80 |
| BLM Bond No.: Co | G11-01 | Special 9t | culations | | 1 7 1) | 1- 1 |
| | | Attached. | data on present product | ive zone and pro | posed new produ | ctive zone. If proposa |
| THE A POSTE SPACE | E DESCRIBE PROPOSED PROGI n directionally, give pertinent data | RAM: If proposal is to the per, giv | ve usts on present product ured and true vertical dep | ths. Give blowou | t preventer prog | ram, 11 any. |
| is to drill or deene | n directionally, give pertinent data | on subsurface locations and meas | | | | |
| 24. | | | | | | |
| 47. | | | | | | |
| | | | ndy Jackson | name I | ıly 8, 1996 | |
| | 2 - 2-6ma | TITLE Dis | trict Engineer | DATE JU | 117 0, 1770 | |
| | poored belova | | | | | |
| | Federal or State office use) | | | | | |
| *(This space for | 1 CACIMI A. A. | | APPROVAL D | ATE | | |
| | | | AFIROVAL D | | | + bone |

Application approval does not warrant or certify that 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:

APPROVED BY IS! TIMOTHY J. BURKE See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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

. <u>DISTRICT I</u> P. O. Box 1980 Hobbs, NM 88241-1980

DISTRICT II

State of New Mexico Enc., Minerals, and Natural Resources I rtment Form C-102 Revised 02-10-94

Instructions on back

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

P. O. Drawer DD OIL CONSERVATION DIVISION Artesia, NM 88211-0719 P. O. Box 2088 DISTRICT III 1000 Rio Brazos Rd. Aztec, NM 87410 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

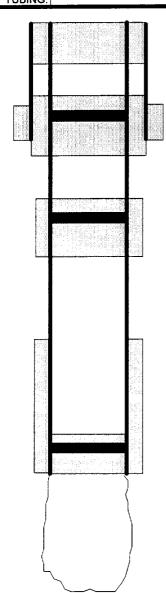
DISTRICT IV

P. O. Box 2088
Scarta Fe NM 87507-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | | | ² Pool | Code | | 3 Poo | l Nar | ne | | | | | |
|--|-----------|---------------|-------------------|---------------------|---------|----------|---------|-----------|-------------|------|--|--|---------------------------|
| Property Code | | 5 Property No | ame | | | | ۱ Fl | EDERAI | | | | 6 Well Number | |
| OGRID No. **Operator Name DEVON ENERGY OPERATING CORPORATION | | | | • Elevation 3713 | | | | | | | | | |
| | | <u> </u> | | DL V L | | | | CATION | | | | <u> </u> | |
| L or lot no. Sec | tion | Township | | Range | | Lot Ida | | | North/South | | Feet from the | | Count |
| A 1 | 18 | 17 SOUTH | L., | | | | <u></u> | 660, | NORTH | | 660' | EAST | EDD |
| | | |)M F | | | | | | NT FROM | | | East/West line | Coun |
| L or lot no. Sec | ction | Township | | Range | | Lot Ida | reet | . Irom un | North/South | | Teet from the | | |
| Dedicated Acres | 13 10 | int or Infill | ¹⁴ Con | solidatio | n Code | 15 Order | No. | <u> </u> | | | - | | |
| N | O ALI | LOWABLE WI | ELL B | E ASSI | GNED T | O THIS | COM | (PLETIO | N UNTIL AL | L IN | TERESTS HA | VE BEEN | |
| | CO | NSOLIDATED | OR | A NON- | -STANDA | ARD UN | IT H | AS BEE | N APPROVE | D B | Y THE DIVIS | R CERTIFIC | |
| | | | | | | | | | 660' | | Contained her to the best of t | CKSON ENGINEER 1996 R CERTIFIC Certify that is own on this in field notes of a correct of the correct of th | the woolat wool actor una |

DEVON ENERGY OPERATING CORPORATION WELLBORE SCHEMATIC

| WELL NAME: HUDSON FEDERAL #1 | | | | FIELD: GRAYBURG-JACKSON | | | | | |
|------------------------------|-------------|------------------|-------------|-------------------------|-------------------------------|---------------------|-----------|--|--|
| LOCATION: 660'FNL | L, SEC 18-T | 17S-R31E | COUNTY: EDD | STATE: NM | | | | | |
| ELEVATION: GL=37 | 13' ; KB=L | JNK | | SPUD DATE: 0 | 1/24/39 | COMP DATE: 05/20/39 | | | |
| API#: 30-015-05208 | PREPAREI | D BY: C.H. CARLE | TON | | DATE: 04/18/96 THREAD HOLE SI | | | | |
| H-18-76-7-14-1 | DEF | TH | SIZE | WEIGHT | GRADE | THREAD | HOLE SIZE | | |
| CASING: | 0' - 5 | 570' | 8 5/8" | | | | 10" | | |
| CASING: | 0' - 2 | 2795' | 7" | | | | 8" | | |
| CASING: | | | | | | | | | |
| TUBING: | | | | | | | | | |
| TUBING | | | | | | | | | |



CURRENT

PROPOSED

OPERATOR: DEVON ENERGY OPERATING CORPORATION DATE PLUGGED: 12/17/80

CEMENT PLUG: 0'- 200'

CEMENT RETAINER @ 510'. PUMP 100 SXS BELOW & CAP W/50' CMT.

8 5/8" CASING, SET W/50 SXS. TOC **@** 430'(CALC)

PERF 7" CASING @ 600'- 602' (8 HOLES)

CEMENT RETAINER @ 1212'. PUMP 100 SXS BELOW & CAP W/50' CMT.

PERF 7" CASING @ 1300'- 1302' (8 HOLES)

CEMENT RETAINER @ 2690'. PUMP 200 SXS BELOW & CAP W/50' CMT.

7" CASING SET W/100 SXS. TOC @ 2100'(CBL)

OPEN HOLE COMPLETION: 2795'- 3533'

TD @ 3533'

DEVON ENERGY OPERATING CORPORATION WELLBORE SCHEMATIC

| WELL NAME: HUDS | ON FEDERAL #1 | | FIELD: GRAYE | URG-JACKS | N | | |
|--------------------|----------------------|------------------|----------------------|-----------|---------------|-------------|--|
| LOCATION: 660'FNL | & 660'FEL, SEC 18-T1 | 17S-R31E | COUNTY: EDDY | | | STATE: NM | |
| ELEVATION: GL=37 | 13' ; KB=UNK | | SPUD DATE: 0 | 1/24/39 | COMP DATE: | E: 05/20/39 | |
| API#: 30-015-05208 | PREPARE | D BY: C.H. CARLI | ETON | | DATE: 05/01/9 | /96 | |
| Superior States | DEPTH | SIZE | WEIGHT | GRADE | THREAD | HOLE SIZE | |
| CASING: | 0' - 570' | 8 5/8" | | | | 10" | |
| CASING: | 0' - 2795' | 7" | | | | 8" | |
| CASING: | | | | | | | |
| TUBING: | 0' - 2750' | 2 3/8" | 4.7# | J-55 | EUE 8rd | | |
| TUBING: | | | | | | | |
| | | OPERATOR: | CURRENT DEVON ENERGY | OPERATING | PROPOSED | | |

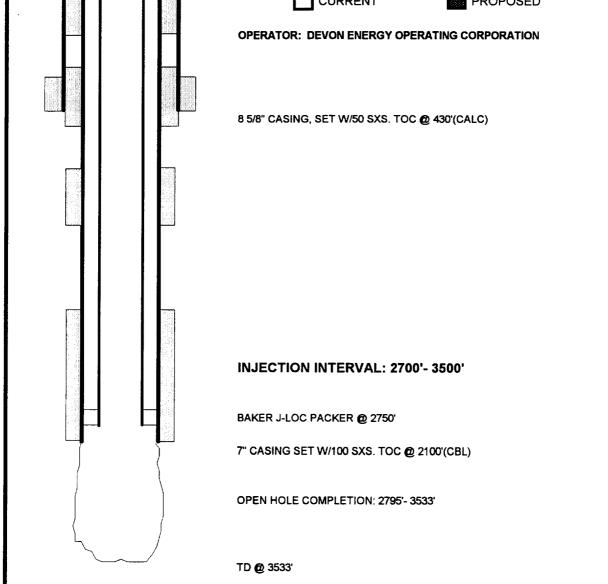


EXHIBIT 1

MINIMUM BLOWOUT PREVENTER REQUIREMENTS 3000 pel Working Pressure

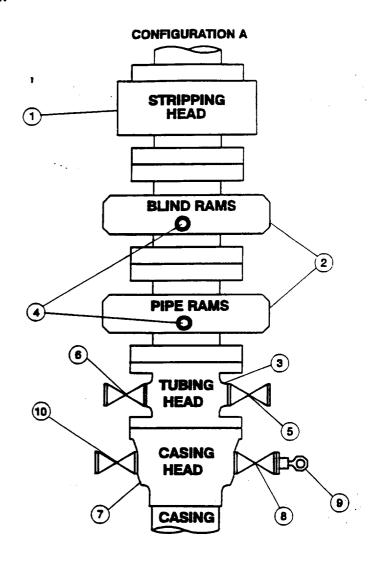
3 MWP

STACK REQUIREMENTS

| No. | Ite | m | Min. t.D. | Min. Nominal |
|-----|--|-------------------|--------------|-----------------|
| 1 | Stripping head | | | |
| 2 | Two single or one of operated rams | uel hydraulically | | |
| 3 | Tubing head W/2-2 | Cuttets | | |
| 4 | 2° min. Idil line and outlets in ram. (alta | | | |
| 5 | Valve | Gate Plug | 2* | |
| 6 | Valve | Gete Plug | æ | |
| 7 | Casing head | | | |
| 8 | Valve | Gate Plug | 1-13/16" | |
| 9 | Pressure gage with | needie valve | | |

OPTIONAL

| | | | | |
|---|---|---------------|---------|--|
| 1 | 0 | Flanged valve | 1-13/16 | |
| | | | | |



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 menager,
- 2. All connections, valves, fittings, piping, etc., subject to well pump pressure must have minimum working pressure of preventers up through choice. 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. All valves to be equipped with handwheels or handles ready for immediate use.
- 5. Choke lines must be aultably anchored.
- 6. Handwheels and extensions to be connected and ready for use.
- 7. All seamless steel control piping (3000 pel working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
- 8. Casinghead connections shall not be used except in case of emergency.

GUIDELINES FOR BLOWOUT PREVENTERS

- 1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOPE 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 3000 psi working pressure with proper thread connections will be available on the 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.