

**DEVON
ENERGY
CORPORATION**

OIL CONSERVATION DIVISION
RECEIVED
20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 26, 1993

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

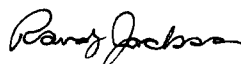
Re: Non-Standard Location Approval

Dear Sir:

On July 2, 1993 Devon Energy was notified by the OCC's Mark Ashley that our proposed West Red Lake Unit #40 to be located 1780' FSL and 230' FEL of Section 7 - T18S - R27E Eddy County, New Mexico is an unorthodox location. Attached is a plat of the West Red Lake Unit showing the Unit's boundaries and all the wells within; and, Forms 3160-3 and C - 102. The West Red Lake unit is a federal unit and the proposed well is to be part of this active waterflood project. The Unit ID number for the West Red Lake Unit is 14-08-0001-8970. Operators that have production in the offsetting 40 acre tracts will be notified by certified mail. A copy of our notification to each operator will be sent to your office along with the certified mail number. Any remaining wells that offset the proposed location are owned and operated by Devon Energy, therefore, no other notification is necessary.

Should you require any additional information regarding this unorthodox location or the issuing of an allowable please notify me at 405-552-4560.

Sincerely,



Randy Jackson
Operations Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. TYPE OF WORK

DRILL ☒

DEEPEN ☐

B. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
BORE ☐

MULTIPLE
BORE ☐

2. NAME OF OPERATOR

Devon Energy Corporation (Nevada)

3. ADDRESS AND TELEPHONE NO.

(405) 552-4560

20 North Broadway Suite 1500 Oklahoma City, OK 73102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)

At surface 1780' FSL & 230' FEL

At proposed prod. bore same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 7 miles southeast of Artesia, NM

15A. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)

230'

16. NO. OF ACRES IN LEASE

120

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETION,
OR APPLIC. FOR THIS LEASE, FT.

450'

19. PROPOSED DEPTH

2580'

20. MUDPIT OR CABLE TOOLS

rotary

21. ELEVATION (Show whether DV, RL, CG, etc.)

3371.9'

22. APPROX. DATE WORK WILL START*

June 30, 1993

23.

PROPOSED CASING AND CEMENTING PROGRAM *

SIZE OF HOLE	CASING/PIPE	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	conductor		30'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	960'	295 sx Lite + 185 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	2580'	90 sx Lite + 285 sx Class C

* Cement will be circulated to surface on all casing strings

Devon Energy plans to drill to 2580'+ to test the San Andres formation for commercial quantities of oil. If the San Andres is deemed non-commercial, 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.

Drilling Program

Surface Use and Operating Plan

Exhibit #1 and #1-A - Blowout Prevention Equipment

Exhibit #2 - Location and Elevation Plat

Exhibit #3 - Planned Access Roads

Exhibit #4 - Wells Within a One Mile Radius

Exhibit #5 - Production Facilities Plat

Exhibit #6 - Rotary Rig Layout

Exhibit #7 - Casing Program

Exhibit #8 - H₂S Drilling Operations
Plan

Evidence of Bond Coverage

Copy of the Cultural Report

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give present data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

Randy Jackson

TITLE District Engineer

DATE April 29, 1993

SIGNATURE *Randy Jackson*

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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

TITLE

DATE

*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.

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

EXHIBIT #2

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator DEVON ENERGY			Lease WEST RED LAKE UNIT		Well No. 40
Unit Letter I	Section 7	Township 18 SOUTH	Range 27 EAST	NMPM	County EDDY
Actual Footage Location of Well: 1780 feet from the SOUTH line and 230 feet from the EAST line					
Ground Level Elev. 3371.9'	Producing Formation San Andres		Pool West Red Lake		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Charles W. Horsman

Printed Name

Charles W. Horsman

Position

District Engineer

Company Devon Energy Corporation (Nevada)

Date

January 25, 1993

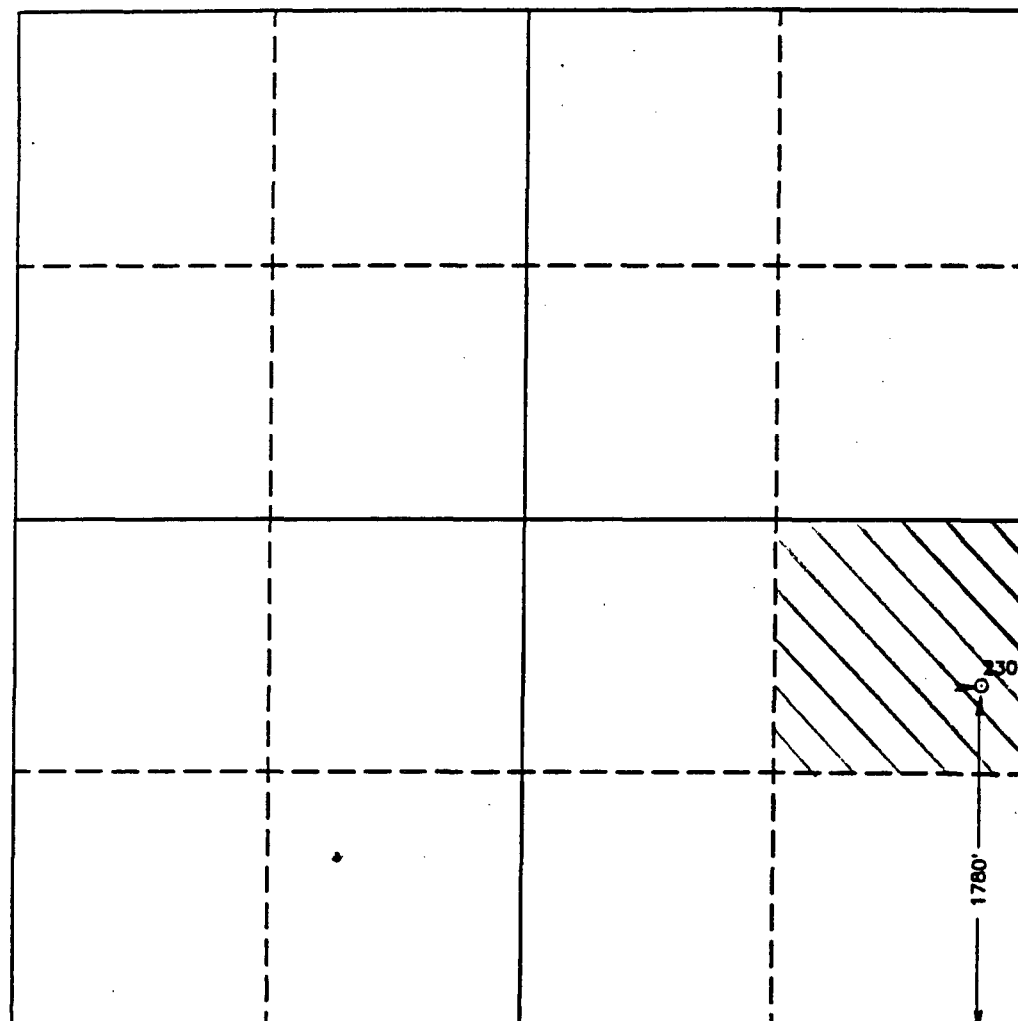
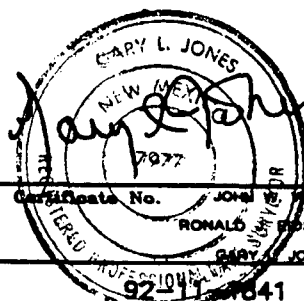
SURVEYOR CERTIFICATION

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 supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

DECEMBER 9, 1992

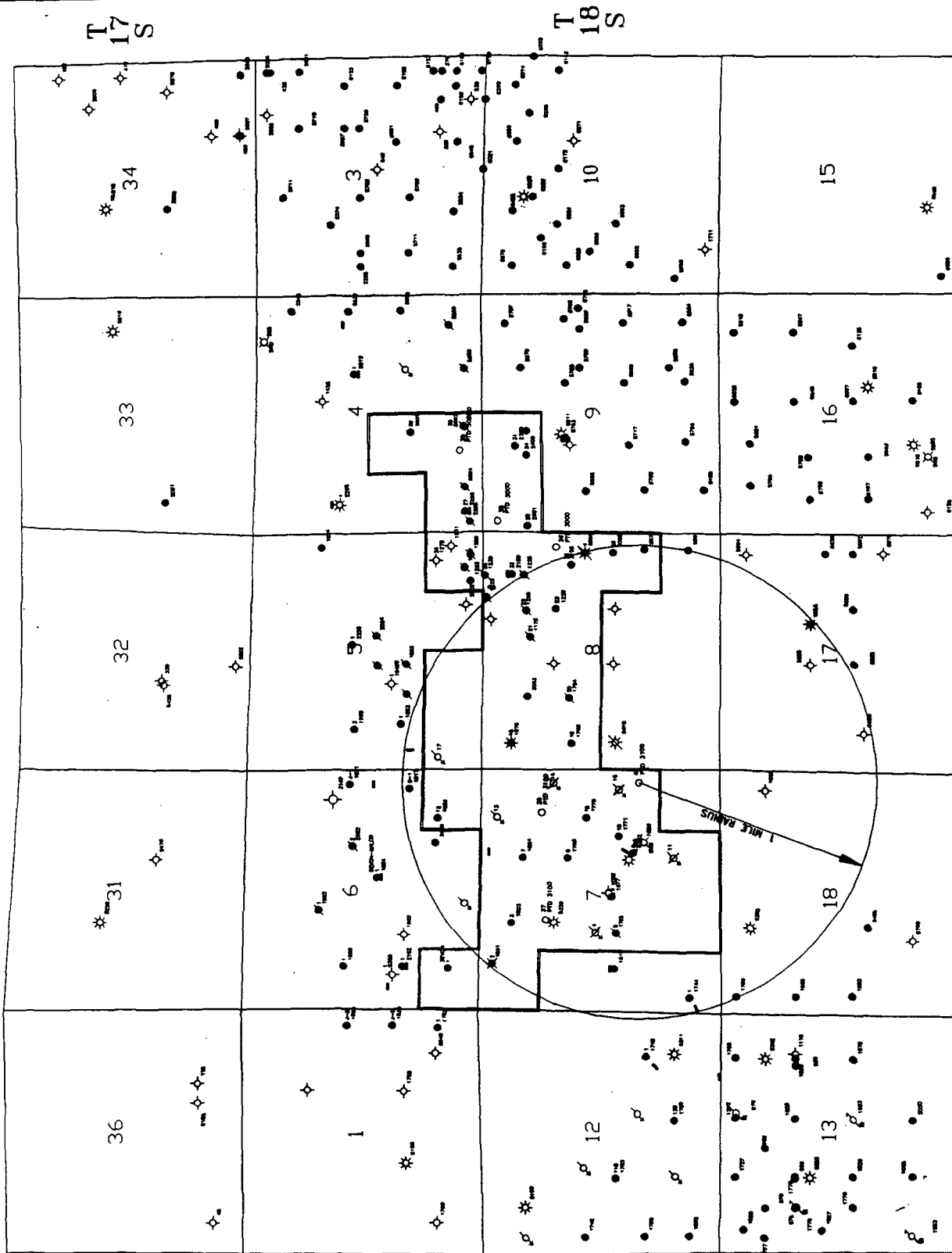
Signature & Seal of Professional Surveyor



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

R 26 E

R 27 E



down

WEST RED LAKE UNIT

WELL SYMBOLS AND ABBREVIATIONS

EXHIBIT 4

Scale in Feet 0 1000 2000 3000 4000

MEASURE

WEST RED LAKE UNIT # 40
OFFSET OPERATORS

Section 7 - T 18S - R27E

Operator	Well	Unit #	Remarks
Mewbourne Oil Co.	Peterson Com. #1	J	Active

OIL CONSERVATION DIVISION
RECEIVED

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 26, 1993

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Non-Standard Location Approval

Dear Sir:

On June 23, 1993 Devon Energy was notified by the OCC's Mark Ashley that our proposed West Red Lake Unit #36 to be located 1630' FNL and 330' FEL of Section 8 - T18S - R27E Eddy County, New Mexico is an unorthodox location. Attached is a plat of the West Red Lake Unit showing the Unit's boundaries and all the wells within; and, Forms 3160-3 and C - 102. The West Red Lake unit is a federal unit and the proposed well is to be part of this active waterflood project. The Unit ID number for the West Red Lake Unit is 14-08-0001-8970. Operators that have production in the offsetting 40 acre tracts will be notified by certified mail. A copy of our notification to each operator will be sent to your office along with the certified mail number. Any remaining wells that offset the proposed location are owned and operated by Devon Energy, therefore, no other notification is necessary.

Should you require any additional information regarding this unorthodox location or the issuing of an allowable please notify me at 405-552-4560.

Sincerely,



Randy Jackson
Operations Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 7713
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA
2. NAME OF OPERATOR Devon Energy Corporation (Nevada)		7. UNIT AGREEMENT NAME W. Red Lake 8910089700
3. ADDRESS AND TELEPHONE NO. 20 North Broadway Suite 1500 Oklahoma City, OK 73102 (405) 552-4560		8. FARMOR LEASE NAME WELL NO. West Red Lake Unit #36
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1630' FNL & 330' FEL At proposed prod. zone same		9. AN WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 7 miles southeast of Artesia, NM		10. FIELD AND POOL, OR WILDCAT Red Lake, QN, Grybrg, SA
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'	16. NO. OF ACRES IN LEASE 160	11. SEC., T., R., N., OR S.E. AND SURVEY OR AREA Section 8-T18S-R27E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 350'	19. PROPOSED DEPTH 3000'	12. COUNTY OR PARISH Eddy
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3490.7'		13. STATE NM
23. PROPOSED CASING AND CEMENTING PROGRAM *		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
22. APPROX. DATE WORK WILL START* May 1, 1993		20. ROTARY OR CABLE TOOLS rotary

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	conductor		40'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	1120'	415 sx Lite + 100 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	3000'	120 sx Lite + 300 sx Class C

* Cement will be circulated to surface on all casing strings

Devon Energy plans to drill to 3000'+ to test the San Andres formation for commercial quantities of oil. If the San Andres is deemed non-commercial, 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.

Drilling Program

Surface Use and Operating Plan

Exhibit #1 and #1-A - Blowout Prevention Equipment

Exhibit #2 - Location and Elevation Plat

Exhibit #3 - Planned Access Roads

Exhibit #4 - Wells Within a One Mile Radius

Exhibit #5 - Production Facilities Plat

Exhibit #6 - Rotary Rig Layout

Exhibit #7 - Casing Program

Evidence of Bond Coverage

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. Randy Jackson
SIGNED Randy Jackson TITLE District Engineer DATE March 23, 1993

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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 _____ TITLE _____ DATE _____

*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.

OIL CONSERVATION DIVISION

EXHIBIT #2

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

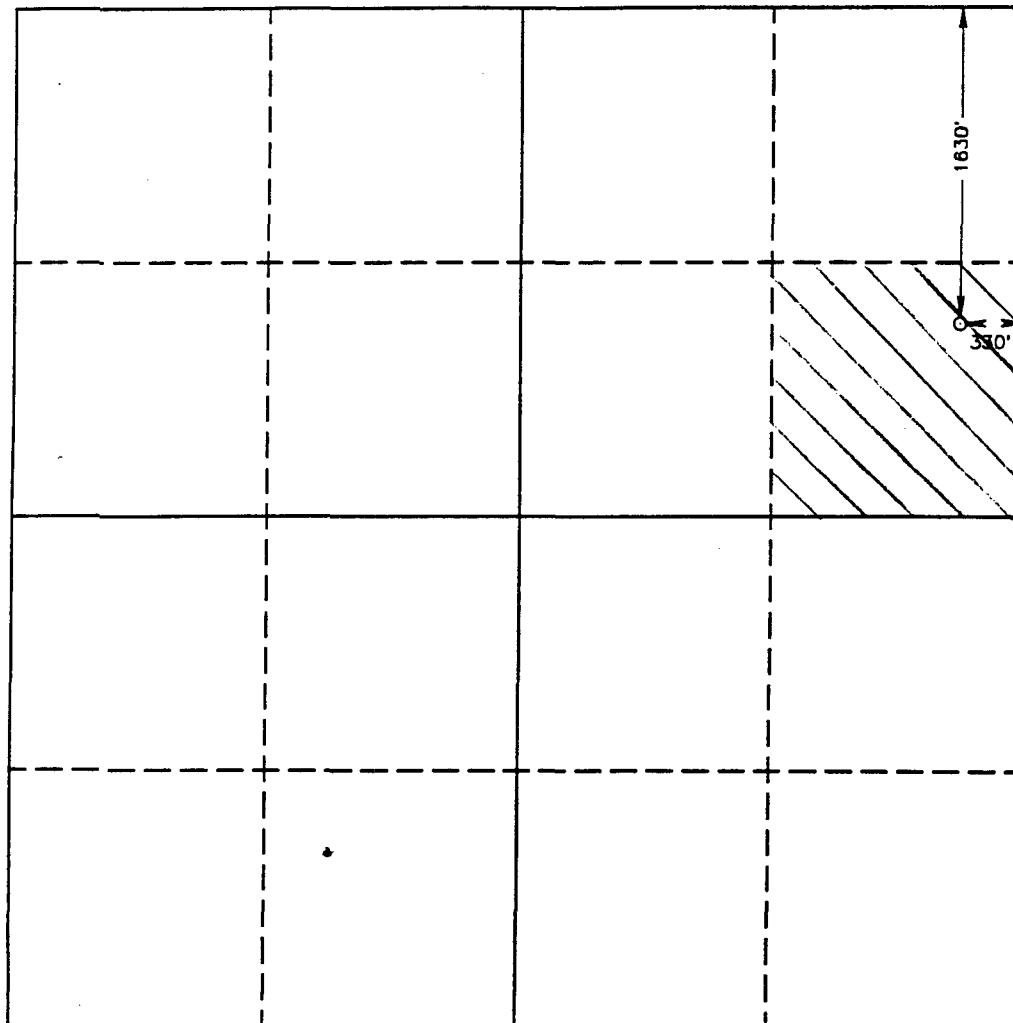
All Distances must be from the outer boundaries of the section

Operator DEVON ENERGY			Lease WEST RED LAKE UNIT		Well No. 36
Unit Letter H	Section 8	Township 18 SOUTH	Range 27 EAST	NMPM	County EDDY
Actual Footage Location of Well: 1630 feet from the NORTH line and 330 feet from the EAST line					
Ground Level Elev. 3490.7'	Producing Formation San Andres		Pool West Red Lake		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Charles W. Horsman

Printed Name

Charles W. Horsman

Position

District Engineer

Company **Devon Energy Corporation (Nevada)**

Date

January 25, 1993

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 supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

DECEMBER 5, 1992

Signature & Seal of Professional Surveyor

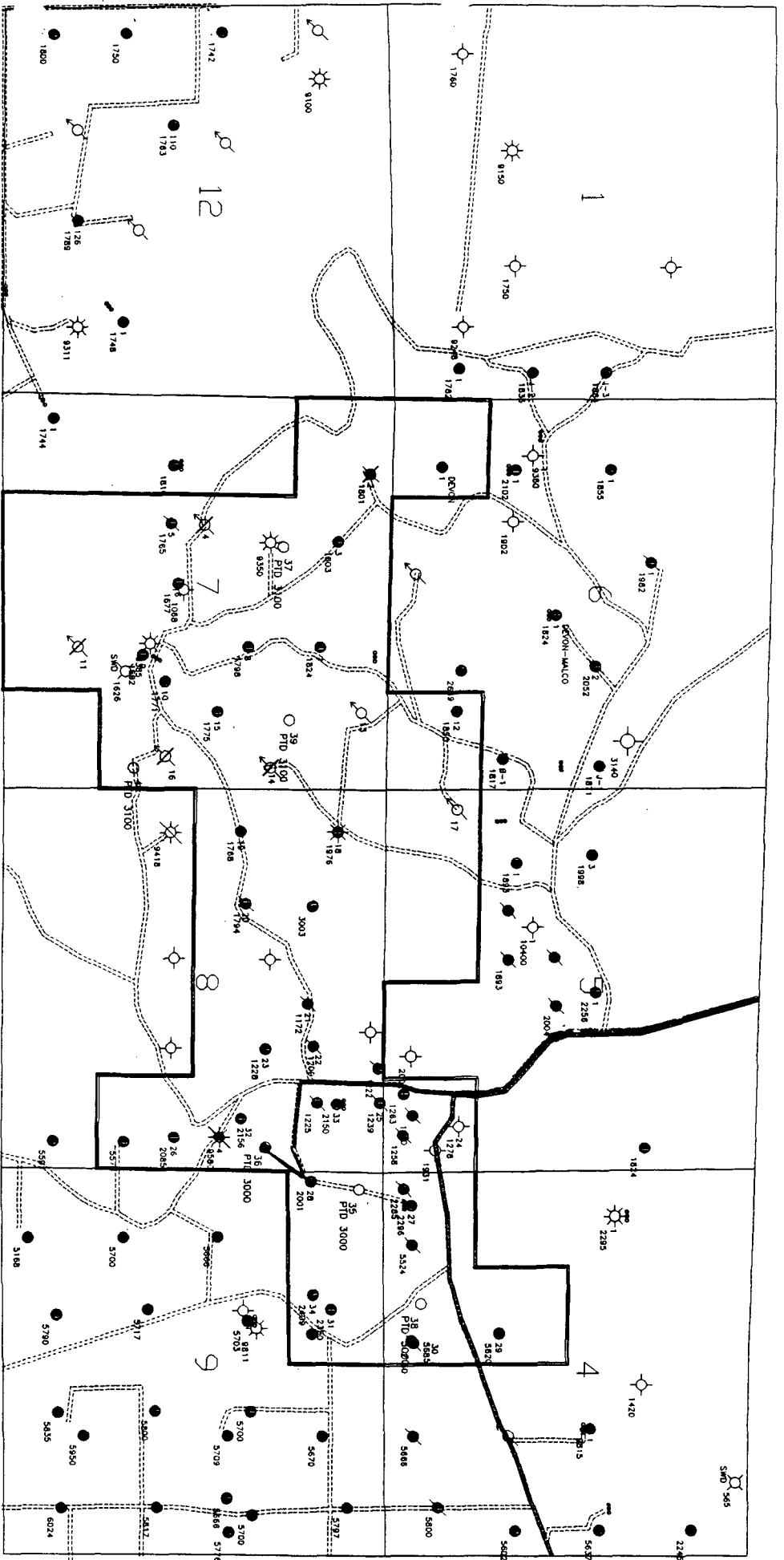
Gary L. Jones
Certificate No. **JOHN W. WEST 876**
RONALD J. EIDSON 3239
GARY L. JONES 7877

92-11-1845

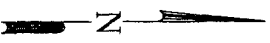
R 26 E

R 27 E

T 18 S



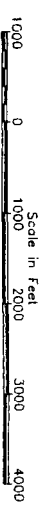
EXISTING ROAD
PROPOSED ROAD



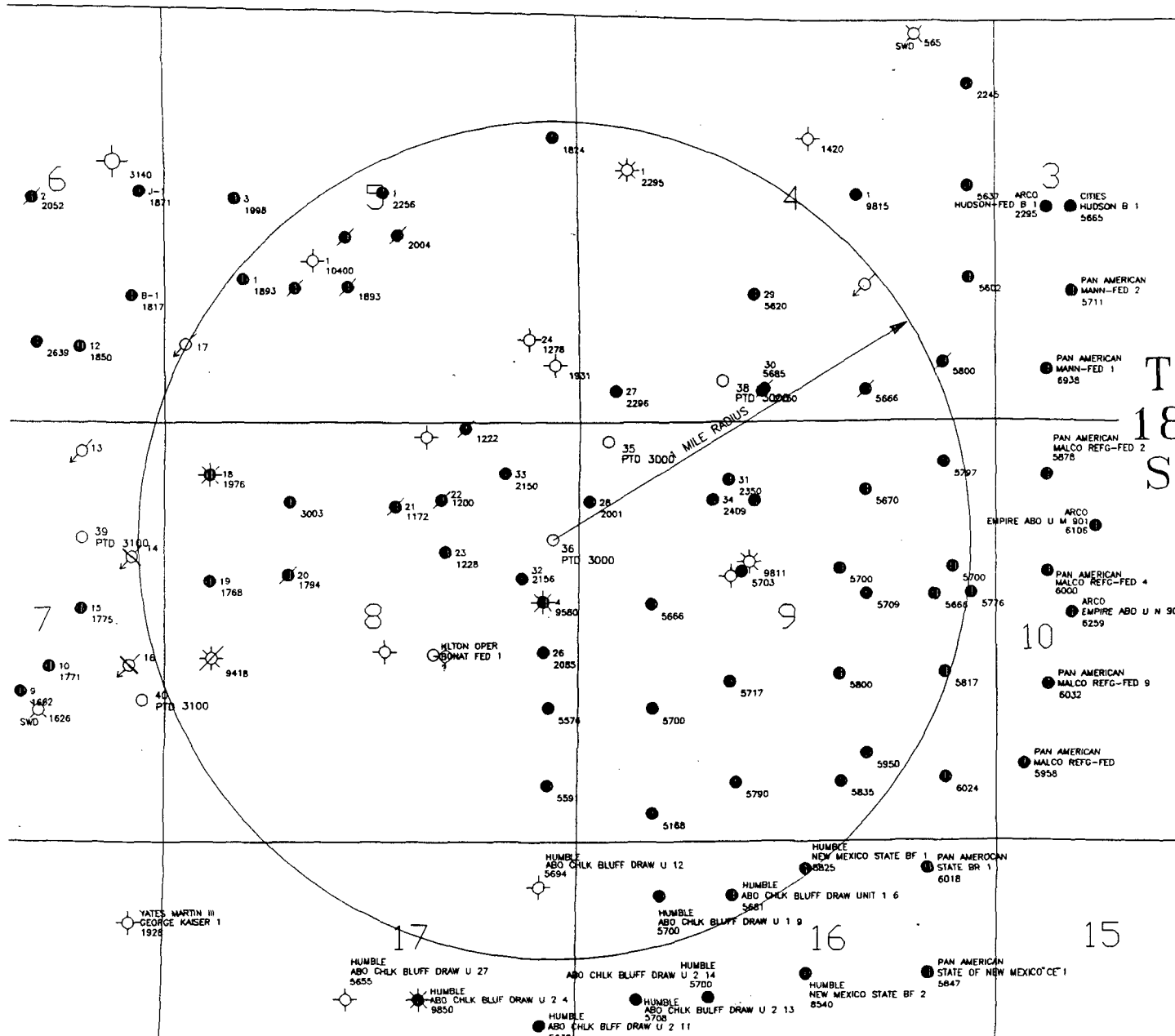
FILE: WRLU-36

WRLU #36
EXHIBIT 3

WEST RED LAKE UNIT
EDDY COUNTY, NEW MEXICO



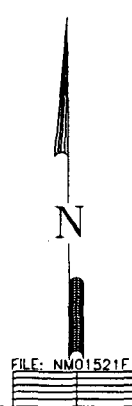
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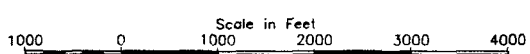


WEST RED LAKE UNIT

EDDY COUNTY, NEW MEXICO

WEST RED LAKE NO. 36

EXHIBIT 4



A. JACKSON

9/92

**WEST RED LAKE UNIT #36
OFFSET OPERATORS**

Section 8 - T18S - R27E

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Compton #4	A	Inactive
Arco Oil & Gas	Empire Abo Unit N #4	H	Active
Arco Oil & Gas	Empire Abo Unit O #4	I	Active
Arco Oil & Gas	Chalk Bluff Draw Unit	H	Inactive

Section 9 - T18S - R27E

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Empire Abo Unit N #5	E	Active
Arco Oil & Gas	Empire Abo Unit O #5	L	Active

SENT BY

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 27, 1993

RE: **West Red Lake Unit #36**
Non-Standard Location Approval

Arco Oil and Gas
P. O. Box 1610
Midland, TX 79702

Certified Letter #: P 373 549 737

Dear Sirs:

We have applied for a permit to drill the above referenced well. The proposed well site is within our West Red Lake Unit in Eddy County, NM and offsets the following Arco properties:

Compton #4
Empire Abo Unit N #4
Empire Abo Unit N #5
Chalk Bluff Draw Unit
Empire Abo Unit O #4
Empire Abo Unit O #5

The West Red Lake Unit #36 is located:

1630' FNL & 330' FEL
Section 8-T18S-R27E

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 6
To <i>Mike Slogner</i>	From <i>D. O'Donnell</i>	
Co. <i>CCD</i>	Co. <i>Devon Energy</i>	
Dept.	Phone #	
Fax # <i>(505) 827-5741</i>	Fax #	

For your files.

8/18

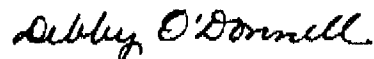
Page 2

The State of New Mexico Oil Conservation Division has ruled that this location is "non-standard". They require that we obtain Non-Standard Location Approval from their Santa Fe Office before allowing the Bureau of Land Management to issue us a permit. The NSL approval process requires that we notify offset operators and submit Proof of Notice.

Please accept this certified letter as notification. If you have any questions, please call Randy Jackson at (405) 552-4560.

Sincerely yours,

DEVON ENERGY CORPORATION



Ms. Debby O'Donnell
Engineering Technician

cc.

Oil Conservation Division - Santa Fe, NM
Bureau of Land Management - Carlsbad, NM

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 27, 1993

RE: **West Red Lake Unit #40**
Non-Standard Location Approval

Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM 88241

Certified Letter #: P 164 789 582

Dear Sirs:

We have applied for a permit to drill the above referenced well. The proposed well site is within our West Red Lake Unit in Eddy County, NM and offsets Mewbourne Oil Company's Peterson Com. #1 well in Unit J of Section 7-T18S-R27E of Eddy County, New Mexico.

The West Red Lake Unit #40 is located:

1780' FSL & 230' FEL
Section 7-T18S-R27E

The State of New Mexico Oil Conservation Division has ruled that this location is "non-standard". They require that we obtain Non-Standard Location Approval from their Santa Fe Office before allowing the Bureau of Land Management to issue us a permit. The NSL approval process requires that we notify offset operators and submit Proof of Notice.

Page 2

Please accept this certified letter as notification. If you have any questions, please call Randy Jackson at (405) 552-4560.

Sincerely yours,

DEVON ENERGY CORPORATION



Ms. Debby O'Donnell
Engineering Technician

cc.

Oil Conservation Division - Santa Fe, NM
Bureau of Land Management - Carlsbad, NM

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 27, 1993

RE: West Red Lake Unit #39
Non-Standard Location Approval

Breck Operating Corporation
P. O. Box 911
Breckenridge, TX 76424-0911

Certified Letter #: P 164 789 583

Dear Sirs:

We have applied for a permit to drill the above referenced well. The proposed well site is within our West Red Lake Unit in Eddy County, NM and offsets Breck Operating Corporation's Compton Federal #1 well in Unit O of Section 6-T18S-R27E of Eddy County, New Mexico.

The West Red Lake Unit #39 is located:

1300' FNL & 1090' FEL
Section 7-T18S-R27E

The State of New Mexico Oil Conservation Division has ruled that this location is "non-standard". They require that we obtain Non-Standard Location Approval from their Santa Fe Office before allowing the Bureau of Land Management to issue us a permit. The NSL approval process requires that we notify offset operators and submit Proof of Notice.

Page 2

Please accept this certified letter as notification. If you have any questions, please call Randy Jackson at (405) 552-4560.

Sincerely yours,

DEVON ENERGY CORPORATION



Ms. Debby O'Donnell
Engineering Technician

cc.

Oil Conservation Division - Santa Fe, NM
Bureau of Land Management - Carlsbad, NM