

DEVON
ENERGY
OPERATING
CORPORATION

OIL CONSERVATION DIVISION

RECEIVED

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/552-4550
Fax 405/552-4552

July 31, 1995

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87504 - 2088

Attention: Mike Stogner

Re: Non - Standard Location Approval

Dear Sir:

It is requested that administrative approval be granted under Rule 104F. (1) for unorthodox location for the infill producing well located within the Keel West Waterflood Project, at the following location:

WELL	LOCATION
J. L. Keel B #74	338' FNL & 1455' FEL, Sec. 8-17S-31E

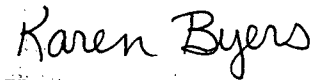
Attached is a plat of the Keel - West Waterflood Project showing the project boundaries that are adjacent to the subject well. Forms 3160 - 3 and C - 102 are attached for the well listed above. The Keel - West Waterflood project is located on federal property and the proposed well is to be part of this active waterflood project.

The above location does not conform to Rule 104. C. I. because it is located closer than 330' to the governmental quarter - quarter section boundaries. It will be drilled to a depth sufficient to produce the Grayburg - San Andres formation (approximately 4000'). The well will be drilled at the unorthodox location in order to prevent waste by developing an efficient production and injection pattern within the Keel - West Waterflood Project, which was approved under Order R - 2268. When fully developed this well will combine with the existing wells (some of which will eventually be converted to injection) to establish a 40 acre 5 spot waterflood pattern.

There are no operators that have production in offsetting 40 acre tracts. The well listed is offset by wells that are already operated by Devon Energy Operating Corporation; therefore, no notification is necessary.

Should you require any additional information regarding any of these unorthodox locations please notify me at 405-552-4527.

Sincerely,

A handwritten signature in cursive script that reads "Karen Byers".

Karen Byers
Engineering Technician

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OPERATOR'S COPY
 SUBMIT IN TRIPLICATE*
 (See other instructions on reverse side)

Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ Other ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
DEVON ENERGY OPERATING CORPORATION

3. ADDRESS AND TELEPHONE NO.
 20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4530

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
 At surface ~~40' FNL & 1210' FEL~~ **338' FNL & 1455' FEL** *Non-Standard Location...*
 At top proposed prod. zone (SAME)
SUBJECT TO LIKE APPROVAL BY STATE

5. LEASE DESIGNATION AND SERIAL NO.
 LC 029435-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 NA

7. UNIT AGREEMENT NAME
 NA

8. FARM OR LEASE NAME, WELL NO.
 Keel "B" #74

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
 GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
 SECTION 5-T17 S - R31 E
8

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:
 4 miles east & 4 miles north of Loco Hills, N.M.

12. COUNTY OR PARISH
 EDDY

13. STATE
 NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 1210' FEL
 (Also to nearest title unit line if any)

16. NO. OF ACRES IN LEASE
 1885.00

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1000'

19. PROPOSED DEPTH
 4000'

20. ROTARY OR CABLE TOOLS*
 Rotary

21. ELEVATIONS (Show whether DF, RT, CR, etc.)
 3863- 3838'

22. APPROX. DATE WORK WILL START*
 DECEMBER 1, 1994

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24.0#	400'	165 sk lite cement + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4000'	500 sk Class "C" 35/65 + 500 sk Class "C" + 1/4 lb/sk cellophane flakes

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4000' to test the Grayburg-Jackson formation for commercial quantities of oil. If the Grayburg-Jackson 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

- Exhibits #1/1-A = Blowout Prevention Equipment
- Exhibit #2 = Location and Elevation Plat
- Exhibit #3/3-A = Road Map and Topo Map
- Exhibit #4 = Wells Within 1 Mile Radius
- Exhibit #5 = Production Facilities Plat
- Exhibit #6 = Rotary Rig Layout
- Exhibit #7 = Casing Design
- H2S Operating Plan

The undersigned accepts all applicable terms, condition, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below:
 Lease No. LC029435-B
 Legal Description: Section 5-T17N-R31E
 Bond Coverage: Nationwide
 BLM Bond No.: PENDING

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 preventer program, if any.

SIGNED Randy Jackson

TITLE RANDY JACKSON
DISTRICT ENGINEER

DATE October 27, 1994

(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.

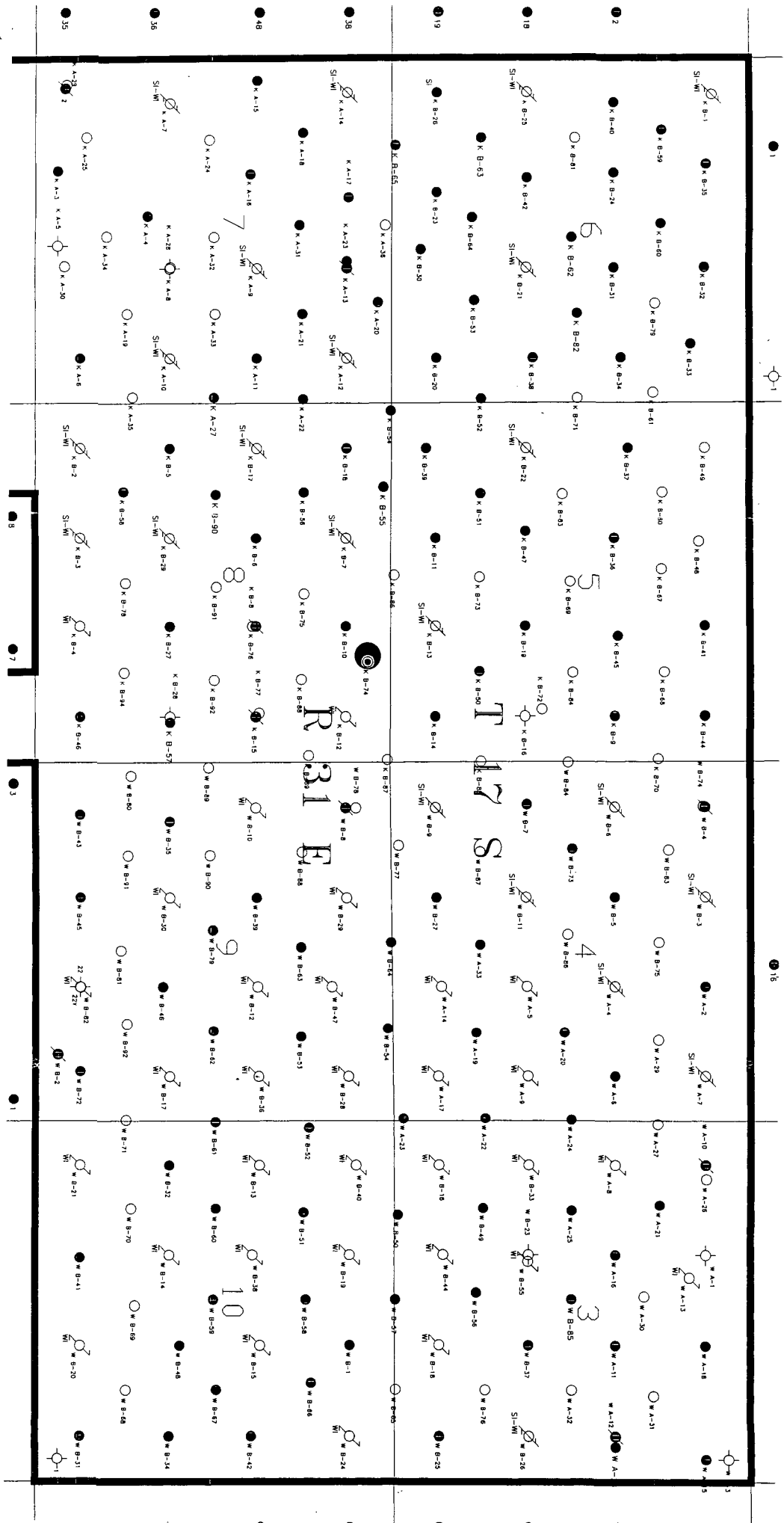
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature]

TITLE AREA MANAGER

DATE 7/24/95

See Instructions On Reverse Side



CMD :
OG61WCM

ONGARD
INQUIRE WELL COMPLETIONS

08/14/95 13:56:19
OGOMES -EMEI

API Well No : 30 15 5110 Eff Date : 09-01-1994 WC Status : A
Pool Idn : 28509 GRAYBURG JACKSON;7 RVRs-QU-GB-SA
OGRID Idn : 136025 DEVON ENERGY OPERATING CORP
Prop Idn : 15968 J L KEEL B

Well No : 010
GL Elevation: 3812

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : B	8	17S	31E	FTG	660 F N	FTG 1980 F E	A
Lot Identifier:							
Dedicated Acre: 40.00							
Lease Type : F							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

OGRID Idn : 136025 API Well No: 30 15 28593 APD Status(A/C/P): A

Opr Name, Addr: DEVON ENERGY OPERATING CORP Aprvl/Cncl Date : 06-24-1995

20 N BROADWAY

OKLAHOMA CITY,OK 73102

Prop Idn: 15968 J L KEEL B

Well No: 74

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn :	B	8	17S	31E			FTG 338 F N	FTG 1455 F E
OCD U/L :	B		API County :	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R

Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3838

State Lease No: Multiple Comp (Y/N) : N

Prpsd Depth : 4000 Prpsd Frmtn : SAN ANDRES

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12