

DEVON
ENERGY
CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

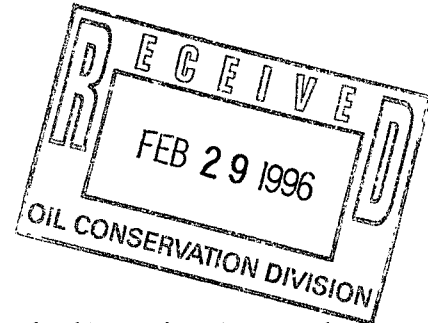
405/235-3611
Fax 405/552-4550
Fax 405/552-4552

Needs NSL

February 26, 1996

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 Russell-Turner Grayburg-Jackson Waterflood Project, at the following location:

WELL	LOCATION
C. A. Russell #17	2332' FNL & 330' FWL, Sec. 18-17S-31E

Attached is a plat of the Grayburg-Jackson 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 Russell-Turner Grayburg Jackson Waterflood project is located on federal property and each proposed well is to be part of this active waterflood project.

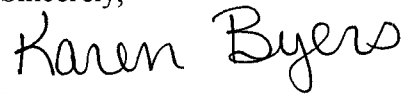
The above location does not conform to Rule 104. C. I. because it is located closer than 330' to the lease line. It will be drilled to a depth sufficient to produce the Grayburg - San Andres formation (approximately 4000'). The well will be drilled at the unorthodox location in order to prevent waste by developing an efficient production and injection pattern within the Russell-Turner Grayburg Jackson Waterflood Project, which was approved under Order R - 3185. When fully developed these wells will combine with the existing wells (some of which will eventually be converted to injection) to establish a 40 acre 5 spot waterflood pattern.

Operators that have production in offsetting 40 acre tracts will be notified by certified mail. A copy of this notification to each operator will be sent to you along with the certified mail number.

The C. A. Russell #17 is offset on three sides of the 40 acre tract by Devon Energy Operating Corporation. The other side tract and two diagonal tracts are operated by Burnett Oil Co., Inc.

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

Sincerely,

A handwritten signature in black ink that reads "Karen Byers". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Karen Byers
Engineering Technician

enclosures

3160-3
(September 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE*

(See other instructions on
reverse side)

Form approved.

OPERATOR'S COPY

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. 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) 552-4560

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 2332' FNL & 330' FWL UNORTHODOX LOCATION: Subject to State Approval
At top proposed prod. zone (SAME)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4 miles east & 1 mile north of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 308'
(Also to nearest drier unit line if any)

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 150'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3761'

Reservoir Controlled Water Basin

5. LEASE DESIGNATION AND SERIAL NO.
LC 029548-A-

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME, WELL NO.
C. A. Russell #17

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 18-T17 S- R31 E

12. COUNTY OR PARISH
EDDY

13. STATE
NM

16. NO. OF ACRES IN LEASE
224.09

19. PROPOSED DEPTH
4200'

20. ROTARY OR CABLE TOOLS*
Rotary

22. APPROX. DATE WORK WILL START*
March 1, 1996

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#	450'	125 sk Lite cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200'	550 sk Lite cmt + 425 sk Class "H"

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200' 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. LC029548-A-
Legal Description: Section 18-T17N-R31E
Bond Coverage: Statewide in CO, NM, UT, & WY
BLM Bond No.: CO1151

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.

24.

SIGNED Randy Jackson

TITLE RANDY JACKSON
DISTRICT ENGINEER

DATE 1/22/96

*(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 these rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:
APPROVED BY J. Plauds Vega TITLE AREA MANAGER DATE 2-21-96

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

1980
88241-1980

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

DISTRICT II
Drawer DD
P.O. Box 88211-0719
Albuquerque, NM 87410

OIL CONSERVATION DIVISION
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

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

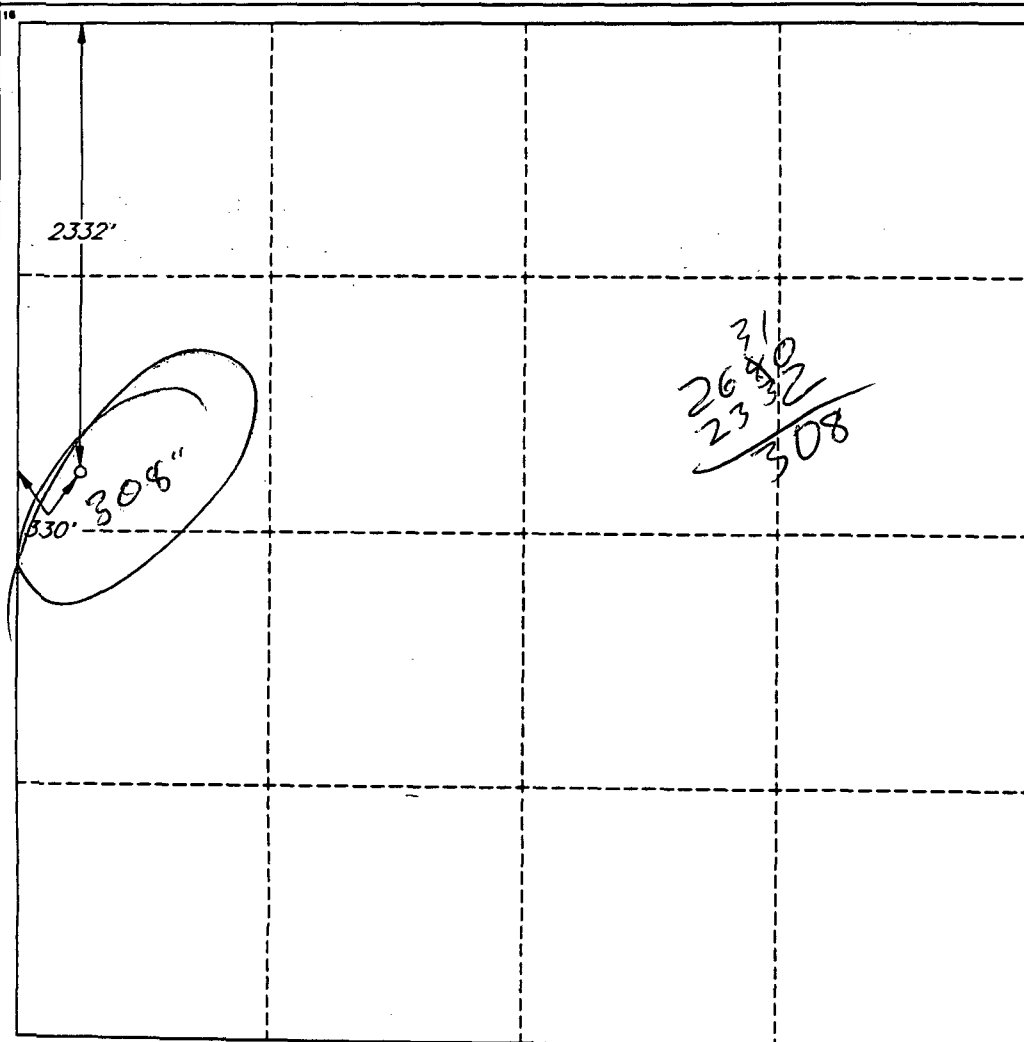
☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Grayburg Jackson (QN, SR, GB, SA)					
4 Property Code 15973		5 Property Name C. A. RUSSELL					6 Well Number 17		
7 OGRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.					9 Elevation 3761'		
10 SURFACE LOCATION									
UL or lot no. E	Section 18	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 2332'	North/South line NORTH	Feet from the 330'	East/West line WEST	County EDDY
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE									
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 40		13 Joint or Infill		14 Consolidation Code		15 Order No.			

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

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

Signature

Randy Jackson

Printed Name

Randy Jackson

Title

District Engineer

Date

1/23/96

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 belief.

Date of Survey

SEPTEMBER 28, 1995

Signature and Seal
Professional Surveyor

V. LYNN
BEZNER
NO. 7920

Certified by
V. L. BEZNER, P.S. #7920

JOB #41653-10/ 98 SW / JSJ

DEVON ENERGY
OPERATING
CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

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

February 26, 1996

Burnett Oil Company
801 Cherry St., Suite 1500
Ft. Worth, TX 76102

Certified Letter #: Z 731 697 750

Dear Sir:

The BLM has issued Devon Energy Operating Corp. a permit to drill the C. A. Russell # 17. The proposed well site is within the boundaries of the Russell-Turner Waterflood Project in Eddy Co. New Mexico and offsets your wells in Sec. 13, Units A, H, & I - T17S - R30E. Dwights Production Data show that you operate the following wells in 17S-30E:

Grayburg Jackson SA Unit #16, Unit I, Sec. 13
Grayburg Jackson SA Unit # 28, Unit H, Sec. 13
Grayburg Jackson SA Unit #30, Unit A, Sec. 13

The C. A. Russell #17 will be located 2332' FNL & 330' FWL, Sec. 18-17S-31E. The State of New Mexico Oil Conservation Division has ruled that this is a "non - standard location" and requires that we obtain Non - Standard Location Approval from their Santa Fe Office before an allowable will be issued. The NSL approval process requires that we notify offset operators and Submit Proof of Notice. A non - standard location is defined as any location closer than 330' to the outer boundaries of a 40 acre drilling unit. The location of the new well does not fall within 330' of our common lease boundry. Although this location is considered unorthodox it will not be in the same pool as your well. This well will be completed in the Grayburg Jackson pool.

Please accept this letter as the required notification. If you have any questions regarding this matter please notify me at 405 - 552 - 4560.

Sincerely,

Karen Byers
Engineering Technician

cc.

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

NSL - C.A. Russell #17 Offset Oper. Letter

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

Thank you for using Return Receipt Service.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: Burnett Oil Co. 801 Cherry St., Ste. 1500 Ft. Worth, TX 76120	4a. Article Number Z 731 697 750
4b. Service Type <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	7. Date of Delivery
5. Signature (Addressee)	8. Addressee's Address (Only if requested and fee is paid)
6. Signature (Agent)	

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714 DOMESTIC RETURN RECEIPT

Is your RETURN ADDRESS completed on the reverse side?

Z 731 697 750



Receipt for Certified Mail

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Burnett Oil Co.	
Street and No. 801 Cherry St., Ste. 1500	
P.O., State and ZIP Code Ft. Worth, TX 76120	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date NSL offset oper C.A. Russell #17	

PS Form 3800, March 1993

Fold at line over top of envelope to the right of the return address

CERTIFIED

Z 731 697 750

MAIL