| NIM OIL COL | ns. DIV-Dist. 2 | | | | |
|---|--|------------------------|---|--|--------------|
| 2.1.1 1301 W. G | rand Avenue | | | | |
| Form 3160-3 (April 2004) J. | NM 8821BECE | | OMB N | APPROVED o. 1004-0137 March 31, 2007 | |
| DEPARTMENT OF THE I | NTERIOR OCLIMAN | | 5. Lease Serial No. NMLC-07067 | 8-A | |
| BUREAU OF LAND MAN APPLICATION FOR PERMIT TO | | | 6. If Indian, Allotee | or Tribe Name | ; |
| la. Type of work: DRILL REENTE | ER | | 7 If Unit or CA Agr | eement, Name a | nd No. |
| Ib. Type of Well: Oil Well Gas Well Other | Single Zone Multip | ple Zone | 8. Lease Name and Hawk 8 K Fee | | 1913 |
| 2. Name of Operator Devon Energy Production Company, L | r 6137 | | 9. API Well No. 30-015-34337 | | |
| 3a. Address 20 North Broadway Oklahoma City, Oklahoma 73102-8260 | 3b. Phone No. (include area code) 405-552-8198 | 51120 | 10. Field and Pool, or Exploratory Red Lake; Glorieta-Yeso | | |
| 4. Location of Well (Report location clearly and in accordance with an | ry State requirements. *) | | 11. Sec., T. R. M. or E | Blk. and Survey of | or Area |
| At surface NESW Lot K 3000FSL 2210 FWL At proposed prod. zone NESW Lot K 2210FSL 2210 FWL | 3. HUN per 31 12 | and 5 | Sec. 8 18S 27F | E, Unit K | |
| 14. Distance in miles and direction from nearest town or post office* Approximately 7 miles southeast of Artesia, New Mexico | | | 12. County or Parish 13. State Eddy County NM | | |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) | 16. No. of acres in lease40 acres | 17. Spacing 40 acro | ng Unit dedicated to this well res | | |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth 4000 MD | 20. BLM/B | BIA Bond No. on file | | |
| 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3431' GL | 22. Approximate date work will sta 08/20/2005 | urt* | 23. Estimated duration 45 days | | |
| | 24. Attachments | | | | |
| The following, completed in accordance with the requirements of Onshor | re Oil and Gas Order No.1, shall be a | attached to this | s form: | | |
| Well plat certified by a registered surveyor. A Drilling Plan. | 4. Bond to cover t Item 20 above). | the operation | s unless covered by an | existing bond | on file (see |
| 3. A Surface Use Plan (if the location is on National Forest System SUPO shall be filed with the appropriate Forest Service Office). | | specific info | rmation and/or plans a | s may be requir | ed by the |
| 23 Signature | Name (Printed/Typed) Norvella Adams | | Date 06/23/2005 | | |
| Title Sr. Staff Eng. Tech | | | | J | |
| Approved by (Signatured S/ Joe G. Lara | Name (Printed/Typed) J | oe G. | Lara | Date SFF | 2 1 3 20 |
| FIELD MANAGER | Office CAR | LSBA | D FIELD | OFFIC | E |
| ⁽⁴⁾ Application approval does not warrant or certify that the applicant hold conduct operations thereon. Conditions of approval, if any, are attached. | Is legal or equitable title to those right | | ROVAL F(| ÷ | reant to |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a c States any false, fictitious or fraudulent statements or representations as | rime for any person knowingly and to any matter within its jurisdiction. | willfully to ma | ake to any department | or agency of the | : United |
| *(Instructions on page 2) | | A 1920 | ONA Read | | |

Roswell Controlled Water Basin

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED



Additional Operator Remarks:

Devon Energy Production Company, LP proposes to drill a San Andres, Glorieta Yeso well per the approved Master Drilling and Surface Use Plan and Attachment A for the Red Lake Field Area to 4000' TD for commercial quantities of oil and gas. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations.

Directions: From the junction of Co. Rd. 227 and Co. Rd. 225, go 1.8 mile on 227 to lease road and Duke sign; then southwest for 0.9 mile to a "Y"; then right for 0.8 to pad.

Please see attached MDSUP and Attachment A.

| F¢m'3160-5 (August 1999) | BUREA | UNITED STATES TMENT OF THE INTERIOR U OF LAND MANAGEMENT I CES AND REPORTS ON WELL | OCD-ARTESIA | OMB NO. | APROVED . 1004-0135 /EMBER 30, 2000 | |
|--|--|--|--|--|--|--|
| | | n for proposals to drill or to re-ent e ⊢orm 3160-3 (APD) tor such pro | | NMLC- 6. If Indian, Allottee or Ti | 070678-A ribe Name | |
| | | JBMIT IN TRIPLICATE | | 7. Unit or CA Agreemen | ····· | |
| Ia. Type of Well | 🗹 Oil Well 🗌 Ga | s Well 🗌 Other | | 8 Well Name and No. | | |
| 2. Name of Opera DEVO | ator | ION COMPANY, LP | · · · · · · · · · · · · · · · · · · · | Hawk 8 K Federal 13 9. API Well No. | | |
| 3. Address and T | | | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | | |
| | | 0, Oklahoma City, OK 73102 | 405-552-8198 | 10. Field and Pool, or Exploratory | | |
| I. Location of We | Il (Report location clear | ly and in accordance with Federa | Il requirements)* | Red Lake; Glorieta-Yeso NE | | |
| 2210 | 2210 FSL 2210 FWL K Sec 8 18S 27E | | | | 13. State | |
| | | | | Eddy | NM | |
| | | APPROPRIATE BOX(s) TO INDI | CATE NATURE OF NOTICE, REPOR | | | |
| IYPE OS | SUBMISSION | | TYPE OF ACTIO | N | | |
| Image: Notice of Intent Image: Alter Casing Image: Fracture Treat Image: Reclamation of the second se | | | | | Water Shut-Off Well Integrity Other | |
| eepen directionally or r ne Bond No. on file with nterval, a Form 3160-4 | ecomplete horizontally, give sin BLM/BIA. Required subsequ | learly state all pertinent details, and give per ubsurface location and measured and true v ent reports shall be filed within 30 days follow | tinent dates, including estimated date of starting entical depths of all pertinent markers and zones, wing completion of the involved operations. If the es shall be filed only after all requirement, includin | Attach the Bond under which the w operation results in a multiple comp | ork will be performed or provide bletion or recompletion in a new | |
| Old Location: 221 | oduction Co., LP resp 10 FSL & 2210 FWL 160 FSL & 2210 FWL | | o move the Surface location to mee | t requirements specified I | by the BLM. | |

| 4. Thereby certify that the foregoing is trate and correct signed | Name Norvella Adams Title Sr. Staff Eng. Tech | Date | 4-Aug-05 | |
|--|---|--------------------|---|----------|
| This space for Federal or State Office use) pproved by /s/ Joe G. Lara Conditions of approval, if any: | AUT FIELD MANAGER | Date | SEP 1 3 2005 | |
| tie 16 0.3.0. Section 1001. makes it a critite for any person knowingly alto win s jurisdiction. | uny to make any department or agency of the onneo states any fais | e, nomous or fraoi | ฉนายาก ราสเขากยาแร or representations to any matt | ភាទាំពេរ |

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*See Instruction on Reverse Side

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II

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811 South First, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505 State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API | Number | | Pool Code Pool Name Red Lake; Glorieta Yeso | | | | | | | |
|--|--|---|---|-----------|-------------|---------|------------------|--|-------------------------------------|-----------------|
| Property | Code | Sills Red Lake; Glorieta Yeso Property Name Well Number | | | | | | umber | | |
| | | HAWK "8K" FEDERAL 13 | | | | | | | | |
| 1 | OGRID No. Operator Name | | | | Eleva | tion | | | | |
| 6137 | 6137 DEVON ENERGY PRODUCTION CO., L.P. | | | | 343 | 52' | | | | |
| | | | | | Surfac | ce Loc | ation | ······································ | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet fro | om the | North/South line | Feet from the | East/West line | County |
| к | 8 | 18 S | 27 E | | 21 | 60 | SOUTH | 2210 | WEST | EDDY |
| •••••••••••••••••••••••••••••••••••••• | • | | Bottom | Hole Loo | cation I | f Diffe | erent From Sur | face | | |
| UL or lot No. | Section | Township | Range | Lot ldn | Feet fro | om the | North/South line | Feet from the | Bast/West line | County |
| | | | | | | | | | | |
| Dedicated Acre | s Joint o | r Infill Co | nsolidation | Code Or | der No. | | | | | |
| 40 | | | | | | | <u></u> | | | |
| NO ALLO | WABLE W | | | | | | NTIL ALL INTER | | EEN CONSOLID | ATED |
| | | OR A N | ION-STAN | IDARD UN | IT HAS | BEEN | APPROVED BY | THE DIVISION | | |
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| | 1 | | | | | l l | | contained hereir | n is true and compl | |
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| | + | | | ╞╼── | | -+- | ····· | Signature | | |
| | 1 | | | | | 1 | | Norvella Adams Printed Name | | |
| | l. | | | | | 1 | | 11 | ff Eng. Tec | h. |
| | 1 | | | | | | | Title | | |
| | | | | | | | | August | 4, 2005 | |
| | 1 | | | | | | | Date | | |
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| | v V | 3416 | 6'3423.0' | | | | | I herebu certifu | that the well locat | ion shown |
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HAWK "8K" FEDERAL #13 Located at 2210' FSL and 2210' FWL Section 8, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.



| P.O. Box 1786 | W.O. Number: 5436AA – KJG #1 | |
|-------------------------|------------------------------|-----|
| 1120 N. West County Rd. | Survey Date: 06-15-2005 | DEV |
| Hobbs, New Mexico 88241 | | |
| (505) 393-7316 - Office | Scale: 1" = 2000' | PR0 |
| (505) 392-3074 - Fax | | |
| basinsurveys.com | Date: 06-17-2005 | |

DEVON ENERGY PROD. CO., L.P.



IN REPLY REFER TO

United States Department of the Interior

BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201

JUN 0 5 2003

Devon Energy Production Company, L.P. Attn. Ms Karen Cottom 20 North Broadway, Suite 1500 Oklahoma City, Oklahoma 73102-8260

Re: Red Lake Field Area Master Drilling and Surface Use Plan Eddy County, New Mexico

The master drilling and surface use plan, dated May 6, 2003, for the Red Lake Field Area in Townships 17 and 18 South, Range 27 East, Eddy County, New Mexico, is now approved. Several corrections have been made to the attached list describing the field area. An approved copy is attached for your records.

Please note that the surface casing setting depth may change in individual APD (Form 3160-4) submittals because the depth of the expected fresh water varies across this area.

If you have any questions, please contact Alexis C. Swoboda, P.E. at 505-627-0228.

Sincerely,

Larry D'. Bray Assistant Field Manager Lands and Minerals

MASTER DRILLING PROGRAM RED LAKE FIELD Attachment A

To be attached to Form 3160-3

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UNIT AREA: Leases in the following Sections located in Township 18 South, Range 27 East, Eddy County, New Mexico operated by Devon Energy Production Company, L. P.

| Township 18 South, Range 27 East | Federal Leases | Description |
|----------------------------------|-----------------|-----------------------|
| Section 5 | USA NM-7714 | S/2 SW; SE SE |
| | USA LC-055383-A | S/2 SW; SE SE; NE SE |
| | USA LC-064384 | Lots 1 & 2; S/2 NE |
| | USA LC-049648-A | NW SW; SW NW |
| Section 6 | USA NM-7711 | SE SE |
| | USA LC-026874-A | SE SE; SW SW |
| | USA LC-060894 | E/2 SW; SE NW |
| | USA LC-049648-B | NE SE; SW SE |
| | USA LC-069274 | Lots 3, 4, 5, & 6 |
| | USA LC-026874-B | Lot 2; SW NE |
| | USA LC-026874-F | Lot 1; SE NE |
| Section 7 | USA LC-067981-A | SW NE; NE SE |
| | USA NM-7718 | NW NE |
| | USA NM-7715 | SW NE; NE SE |
| | USA NM-7719 | E/2 NE |
| Section 8 | USA NM-29275 | NE SE |
| | USA LC-070678-A | SE NW; W/2 NW; N/2 |
| | | SW; SW SE |
| | USA LC-043894 | SW NE |
| | USA LC-054205 | N/2 NE; NE NW; SE NE |
| | USA NM-7712 | SW NE |
| | USA NM-7713 | N/2 NE; NE NW; SE NE |
| | USA NM-7716 | SE NW; W/2 NW |
| | USA NM-29268 | SENE |
| | USA NM-29273 | SE SE |
| | USA NM-89156 | NW SE; SE SW |
| | USA NM-7718 | NE SE |
| Section 9 | USA NM-031186 | N/2 NW; S/2 NW |
| | USA NM-7721 | N/2 NW |
| | USA NM-025604 | NE; N/2 SE |
| | USA LC-065478-B | S/2 SE |
| Section 10 | USA NM-025604 | NW; SW |
| | USA LC-065478-B | N/2 NE; S/2 NE |
| Section 17 | USA NM-0758 | NE NW; SW SE |
| Section 20 | USA NM-0758 | SE NE; W/2 NE; NW NW; |

CONDITIONS OF APPROVAL - DRILLING

| Operator's Name: | Devon Energy Production Company LP |
|-------------------------|--|
| Well Name & No: | Hawk 8 K Federal # 13 |
| Location: Surface | 2210' FSL & 2210' FWL , Sec.08, T. 18 S. R. 27 E. 678-A ² / <i>40 pli</i> SN dated 5-4-05 Mexico |
| Lease: NMLC 070 | 678-A 2 40 pl) SN dated 8-4-05 |
| Eddy County, New | Mexico (E.A.L |
| | |

I. DRILLING OPERATIONS REQUIREMENTS considering the pre-approved 'Red Lake' master drilling plan:

1. The Bureau of Land Management (BLM) is to be notified at the Roswell Field Office, 2909 West Second St., Roswell, NM 88201, (505) 627-0272 for wells in Chaves and Roosevelt Counties; the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County; and the Hobbs Field Station, 414 West Taylor, Hobbs NM 88240, (505) 393-3612 for wells in Lea County, in sufficient time for a representative to witness:

A. Spudding

B. Cementing casing: <u>14</u> inch; <u>8</u>⁵/₄ inch; <u>5</u>¹/₄ inch.

C. BOP Tests

2. A Hydrogen Sulfide (H2S) Drilling Plan shall be in operations 500 ft. or three days prior to drilling into the Top of the <u>Queen</u> formation. This requires the H2S plan to be incorporated prior to spudding the well.

3. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

4. Submit a Sundry Notice (Form 3160-5, one original and five copies) for each casing string, describing the casing and cementing operations. Include pertinent information such as; spud date, hole size, casing (size, weight, grade and thread type), cement (type, quantity and top), water zones and problems or hazards encountered. The Sundry shall be submitted within 15 days of completion of each casing string. The reports may be combined into the same Sundry if they fall within the same 15 day time frame.

5. The API No. assigned to the well by NMOCD shall be included on the subsequent report of setting the first casing string.

II. CASING:

1. The <u>8 %</u> inch shall be set at <u>410 Feet with cement circulated to the surface</u>. If cement does not circulate to the surface the appropriate BLM office shall be notified and a temperature survey or cement bond log shall be run to verify the top of the cement. Remedial cementing shall be completed prior to drilling out that string.

2. The minimum required fill of cement behind the 5 1/2 inch Production casing is to circulate to surface.

III. PRESSURE CONTROL:

1. All BOP systems and related equipment shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2. The BOP and related equipment shall be installed and operational before drilling below the $\underline{8\%}$ inch casing shoe and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

2. Minimum working pressure of the blowout preventer and related equipment (BOPE) shall be 1000 psi.

3. The variance to use rig pumps to test the BOPE to 1000 psi is pre-approved in the Red Lake master drilling plan.