

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED

SEP 16 2005

UCC-ARTESIA

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC-055383-A	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Devon Energy Production Company, LP		7. If Unit or CA Agreement, Name and No.	
3a. Address 20 North Broadway Oklahoma City, Oklahoma 73102-8260		8. Lease Name and Well No. Kite 51 Federal 3 19134	
3b. Phone No. (include area code) 405-552-8198		9. API Well No. 30-015-34338	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface NESE Lot 1 2310FSL 355 FEL 405 FEL B.V. 8/9/05 At proposed prod. zone NESE Lot 1 2310FSL 355 FEL 405 FEL 8/9/05		10. Field and Pool, or Exploratory Red Lake; Glorieta-Yeso	
14. Distance in miles and direction from nearest town or post office* Approximately 7 miles southeast of Artesia, New Mexico		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 5 18S 27E, Unit 1	
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 lease 40 acres	17. Spacing Unit dedicated to this well 40 acres	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 4000 MD	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3522' GL	22. Approximate date work will start* 08/15/2005	23. Estimated duration 45 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) Norvella Adams	Date 06/23/2005
Title Sr. Staff Eng. Tech		

Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date SEP 13 2005
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

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, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on page 2)

Roswell Controlled Water Basin

Witness Surface Casing

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 Co. Rd. 27 and Co. Rd. 201, go east for 0.1 mile on lease road; then north for 0.2 mile to the Kite Fed #2 and proposed lease road.

Please see attached MDSUP and Attachment A.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
EXPIRES: NOVEMBER 30, 2000

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals

SUBMIT IN TRIPLICATE

1a. Type of Well ☒ Oil Well ☐ Gas Well ☐ Other _____

2. Name of Operator
DEVON ENERGY PRODUCTION COMPANY, LP

3. Address and Telephone No.
20 North Broadway, Ste 1500, Oklahoma City, OK 73102 405-552-8198

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
2310 FSL & 355 FEL Unit I, Sec 5 18S 27E

5. Lease Serial No. NMLC-055383-A
6. If Indian, Allottee or Tribe Name
7. Unit or CA Agreement Name and No.
8. Well Name and No. Kite 5 I Federal 3
9. API Well No.
10. Field and Pool, or Exploratory Red Lake; Glorieta-Yeso NE
12. County or Parish 13. State Eddy NM

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work and approximate duration thereof. If the proposal deepens directionally or recompletes horizontally, give subsurface location and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirement, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection)

Devon Energy Production Co., LP respectfully requests approval to move the surface location as follows to meet BLM requirements.

Old Location: 2310 FSL & 355 FEL

New Location: 2310 FSL & 405 FEL UL I Sec 5-18S-27E

Devon Energy also would like as this time to change the well name as follows:

Old Name: Kite 51 Federal 3

New Name: Kite 5 I Federal 3

4. I hereby certify that the foregoing is true and correct

Signed 

Name **Norvella Adams**
Title **Sr. Staff Eng. Tech**

Date **9-Aug-05**

This space for Federal or State Office use)

Approved by **/s/ Joe G. Lara**

ACTING
Title **FIELD MANAGER**

Date **SEP 13 2005**

Conditions of approval, if any:

Under 18 U.S.C. Section 1001, it is a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations to any matter within its jurisdiction.

*See Instruction on Reverse Side

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

LOT 4	LOT 3	LOT 2	LOT 1
<p>Lat - N32°46'33.2"</p> <p>Long - W104°17'36.2"</p> <p>3523.3' 3540.9'</p> <p>405' → ○</p> <p>3502.4' 3515.4'</p> <p>2310'</p>			

OPERATOR CERTIFICATION

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

[Signature]

Signature

Norvella Adams

Printed Name

Sr. Staff Eng Tech.

Title

August 9, 2005

Date

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.

AUGUST 3, 2005

Date Surveyed

L. JONES

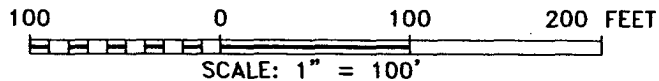
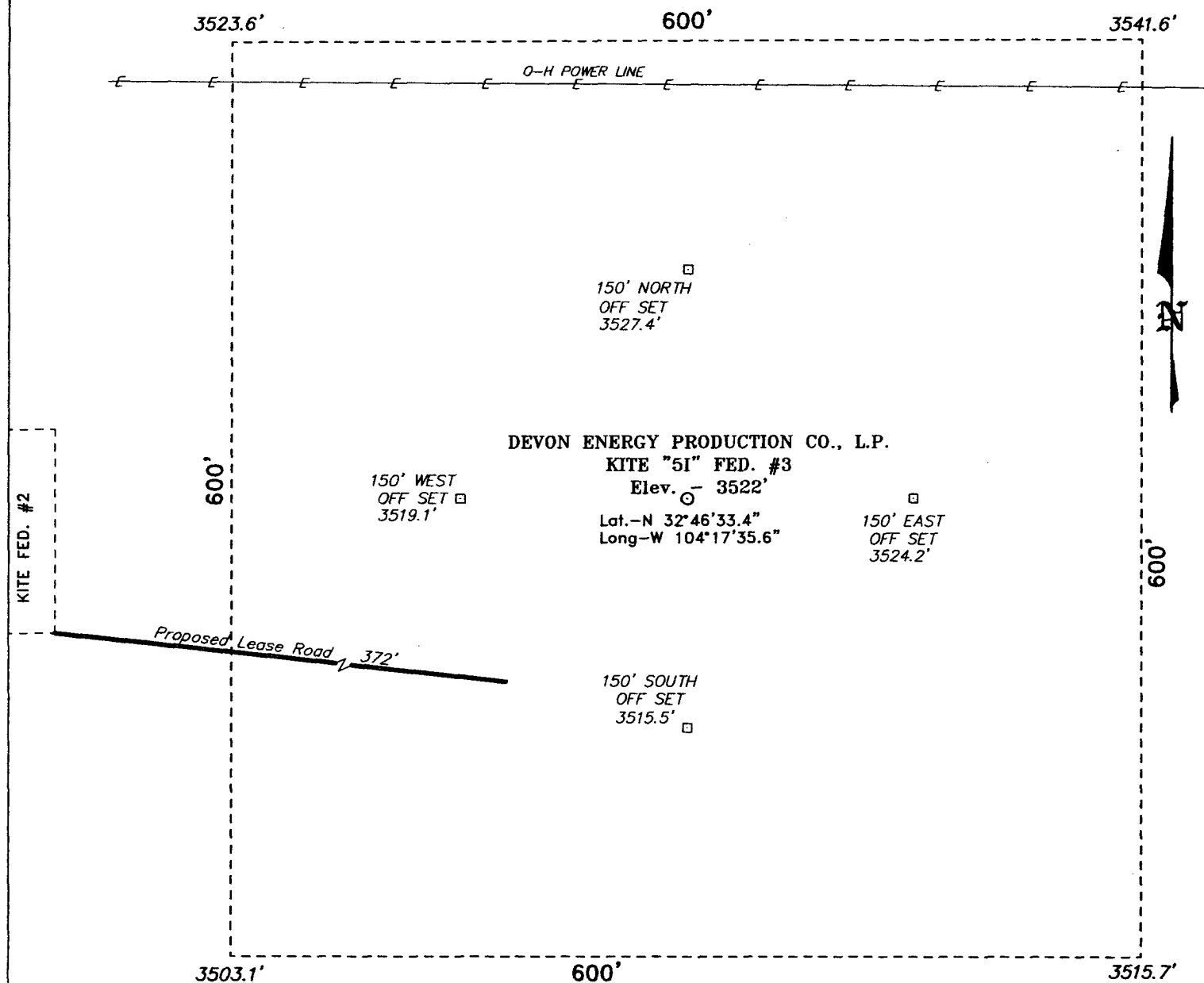
Signature & Seal of Professional Surveyor

7977

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 5, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM CO. RD. 27 AND CO. RD 201, GO EAST FOR 0.1 MILE ON LEASE ROAD; THENCE NORTH FOR 0.2 MILE TO THE KITE FED. #2 AND PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 5439 Drawn By: K. GOAD

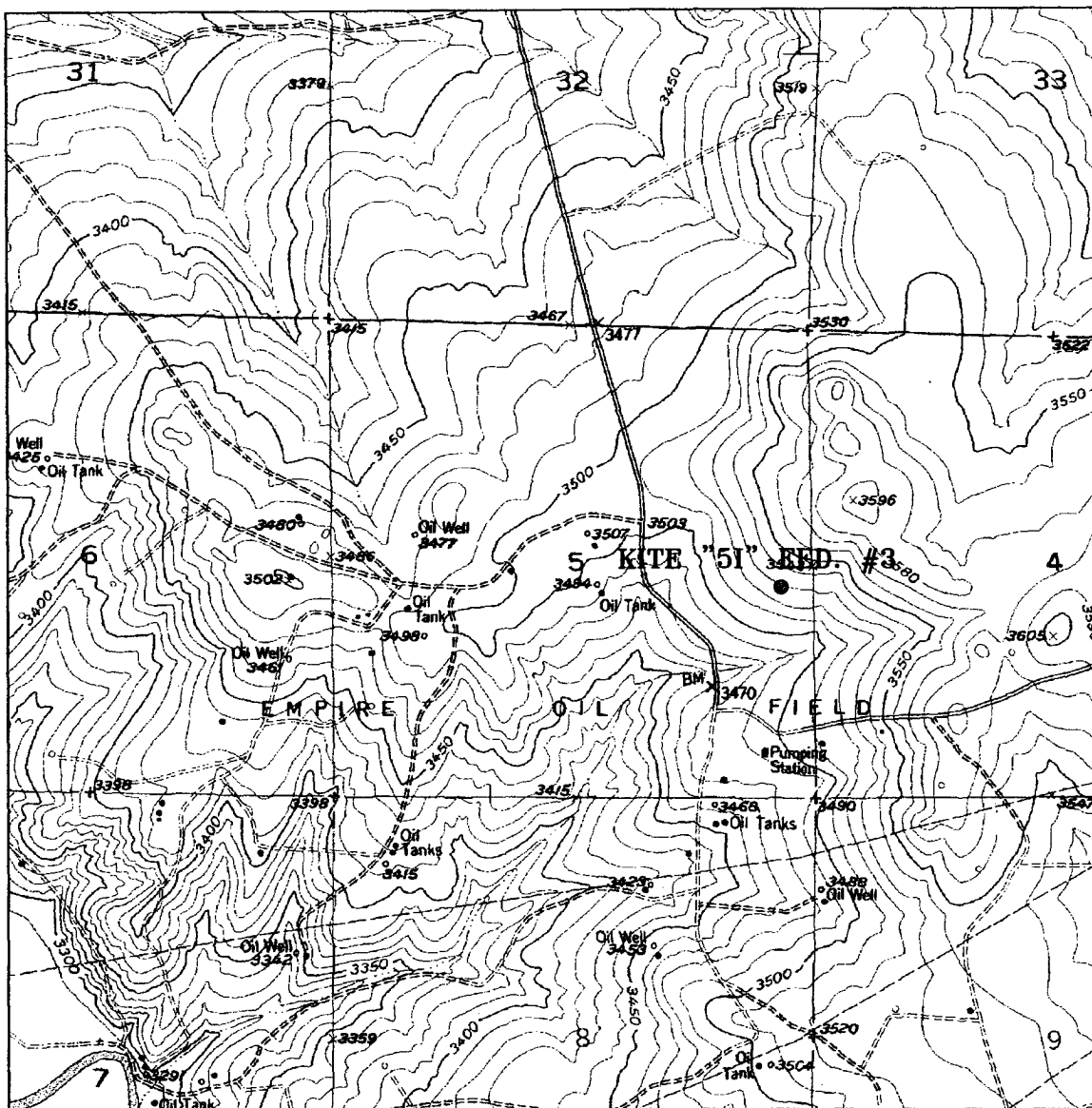
Date: 06-06-2005 Disk: KJG CD#4 - 5439A.DWG

DEVON ENERGY PROD. CO., L.P.

REF: KITE "51" FED. No. 3 / Well Pad Topo

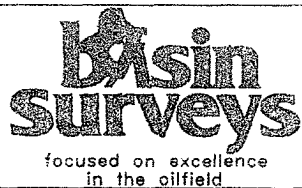
THE KITE "51" FED. No. 3 LOCATED 2310' FROM
THE SOUTH LINE AND 355' FROM THE EAST LINE OF
SECTION 5, TOWNSHIP 18 SOUTH, RANGE 27 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 06-03-2005 Sheet 1 of 1 Sheets



KITE "51" FEDERAL #3

Located at 2310' FSL and 355' FEL
Section 5, Township 18 South, Range 27 East,
N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: 5439AA - KJG #1

Survey Date: 06-03-2005

Scale: 1" = 2000'

Date: 06-06-2005

**DEVON ENERGY
PROD. CO., L.P.**



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

IN REPLY REFER TO:

JUN 05 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

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 USA LC-055383-A USA LC-064384 USA LC-049648-A	S/2 SW; SE SE S/2 SW; SE SE; NE SE Lots 1 & 2; S/2 NE NW SW; SW NW
Section 6	USA NM-7711 USA LC-026874-A USA LC-060894 USA LC-049648-B USA LC-069274 USA LC-026874-B USA LC-026874-F	SE SE SE SE; SW SW E/2 SW; SE NW NE SE; SW SE Lots 3, 4, 5, & 6 Lot 2; SW NE Lot 1; SE NE
Section 7	USA LC-067981-A USA NM-7718 USA NM-7715 USA NM-7719	SW NE; NE SE NW NE SW NE; NE SE E/2 NE
Section 8	USA NM-29275 USA LC-070678-A USA LC-043894 USA LC-054205 USA NM-7712 USA NM-7713 USA NM-7716 USA NM-29268 USA NM-29273 USA NM-89156 USA NM-7718	NE SE SE NW; W/2 NW; N/2 SW; SW SE SW NE N/2 NE; NE NW; SE NE SW NE N/2 NE; NE NW; SE NE SE NW; W/2 NW SE NE SE SE NW SE; SE SW NE SE
Section 9	USA NM-031186 USA NM-7721 USA NM-025604 USA LC-065478-B	N/2 NW; S/2 NW N/2 NW NE; N/2 SE S/2 SE
Section 10	USA NM-025604 USA LC-065478-B	NW; SW 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. Kite 5 Federal #3
Location: 2310' FSL, 355' FEL, Section 5, T. 18 S., R. 27 E., Eddy County, New Mexico
Lease: LC-055383-A 405' JCL SAN DATED 8-9-05
EPA

I. DRILLING OPERATIONS REQUIREMENTS:

1. The Bureau of Land Management (BLM) is to be notified at the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822 for wells in Eddy County in sufficient time for a representative to witness:

A. Well spud

B. Cementing casing: 8-5/8 inch 5-1/2 inch

C. BOP tests

2. A Hydrogen Sulfide (H2S) Drilling Operation Contingency Plan shall be activated prior to drilling into the Grayburg formation. A copy of the plan shall be posted at the drilling site.

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 8-5/8 inch surface casing shall be set at approximately 1150 feet and cement circulated to the surface. 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 be circulated to the 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 8-5/8 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 2000 psi. A variance to test the BOP's with the rig pump to 1000 psi is granted.

3. The appropriate BLM office shall be notified in sufficient time for a representative to witness the tests.

- The tests shall be done by an independent service company.
- The results of the test shall be reported to the appropriate BLM office.
- Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.
- Testing must be done in a safe workman-like manner. Hard line connections shall be required.