Form 3160-3
(December 1990)

NM OIL CONS. COMMISSION
DRAWER DD
ARTESIA, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(See other instructions on reverse side)

Form approved.

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 136025

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 2550 FNL & 1190 FWL
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" #81 16158

9. API WELL NO.
30-015-29252

10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON 28830

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 6 T17 S - R31 E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4 miles east & 4 miles north of Loco Hills, N.M. LOT 5

12. COUNTY OR PARISH
EDDY

13. STATE
NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line if any) 1190' FWL

16. NO. OF ACRES IN LEASE
1885.0

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. 800'

19. PROPOSED DEPTH
4000

20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3759' GR

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 cmt + 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 6-T17N-R31E
Bond Coverage: Nationwide
BLM Bond No.: PENDING

Post ID-1
12-23-94
Number
API

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 RANDY JACKSON TITLE DISTRICT ENGINEER DATE October 27, 1994

*(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

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 (ORIG. SGD.) RICHARD L. MANUS TITLE AREA MANAGER DATE DEC 13 1994

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

DISTRICT I
P. O. Box 1980
Hobbs, NM 88241-1980

DISTRICT II
P. O. Drawer DD
Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

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

State of New Mexico
Ene. Minerals, and Natural Resources D. tment

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

Form C-102
Revised 02-10-94

Instructions on back

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number	2 Pool Code	3 Pool Name

4 Property Code	5 Property Name	6 Well Number
E	KEEL "B" FEDERAL	81

7 OGRID No.	8 Operator Name	9 Elevation
	DEVON ENERGY OPERATING COMPANY	3759'

10 SURFACE LOCATION

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	6	17 SOUTH	31 EAST, N.M.P.M.		2550'	NORTH	1190'	WEST	EDDY

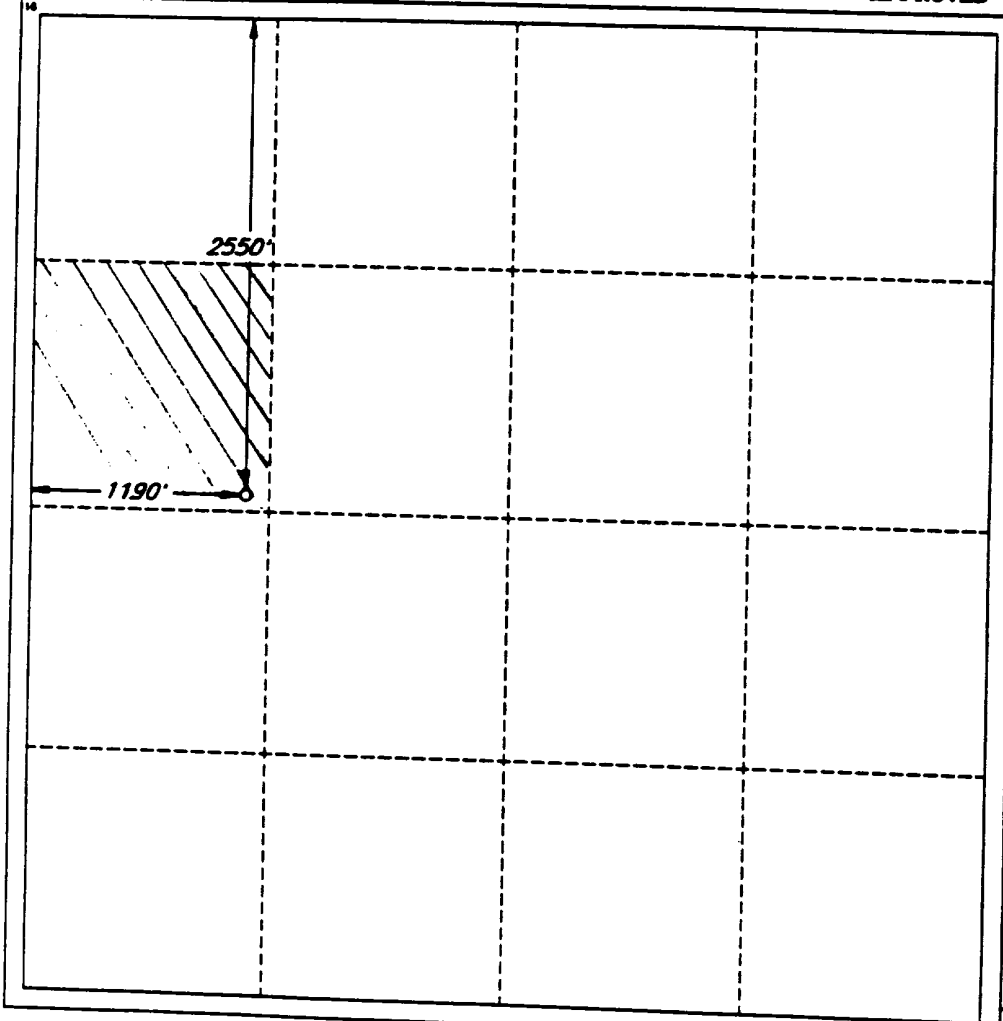
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
40			

SJS 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

16



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: November 1, 1994

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: OCTOBER 18, 1994

Signature and Seal of Professional Surveyor: STATE OF NEW MEXICO — V. LYNN BEZNER NO. 7920 — REGISTERED LAND SURVEYOR

Certificate No. V. L. BEZNER R.P.S. #7920

JOB #35908-29 / 98 SW / V.H.B.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

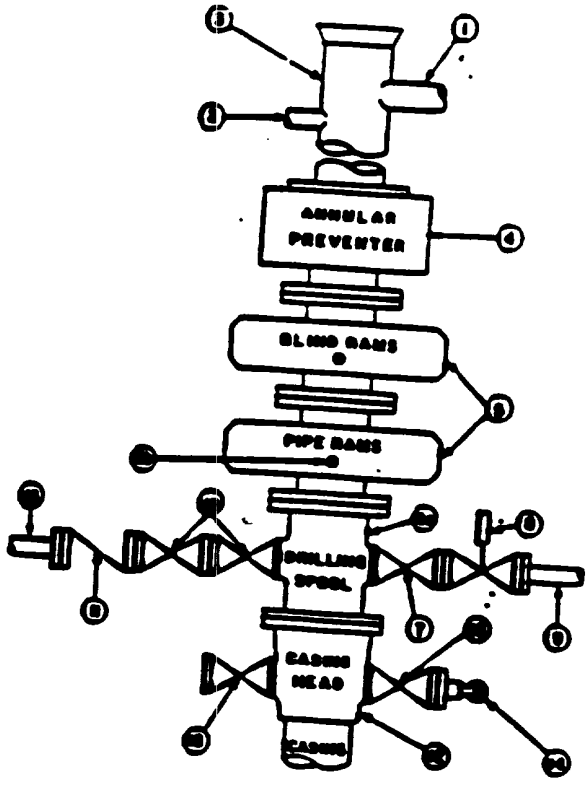
Eddy County, New Mexico
Exhibit #1

STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate ☐ Plug ☐	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate ☐ Plug ☐	3-1/16"	
11	Check valve	3-1/16"	
12	Casing head		
13	Valve Gate ☐ Plug ☐	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL			
16	Flanged valve	1-13/16"	

CONFIGURATION A



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near driller's position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

1. Bradenhead or casinghead and side valves.
2. Wear bushing, if required.

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through stack. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable chokes, other beans sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.
7. Manifolds and extensions to be constructed and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All stainless steel control piping (3000 psi working pressure) to have flexible joint to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTORS
Grayburg-Jackson Field
Eddy County, New Mexico

1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOPE bore.

2. Wear ring will be properly installed in head.

3. Blowout preventor and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.

4. All fittings will be flanged.

5. A full bore safety valve tested to a minimum 3000 psi W.P. with proper thread connections will be available on the rotary rig floor at all times.

6. All choke lines will be anchored to prevent movement.

7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.

8. Will maintain a kelly cock attached to the kelly.

9. Hand wheels and wrenches will be properly installed and tested for safe operation.

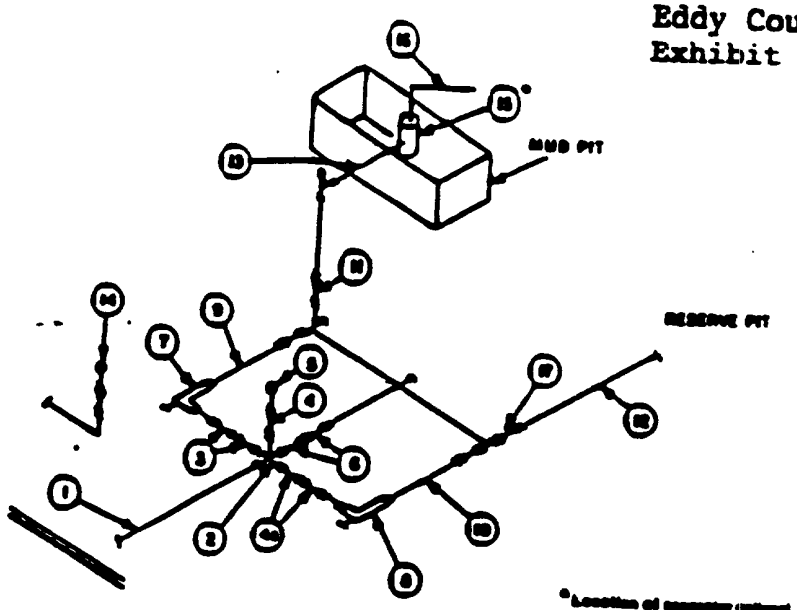
10. Hydraulic floor control for blowout preventor will be located as near in proximity to driller's controls as possible.

11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

Eddy County, New Mexico
Exhibit #1-A

MINIMUM CHOKE MANIFOLD
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP



No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									
3	Valves(1) Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate ☐ Plug ☐(2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	2-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke(3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000	3"		10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000		3"	10,000
12	Lines		3"	1,000		3"	1,000	3-1/8"		10,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000		3"	2,000
15	Gas Separator		2"x5"			2"x5"				10,000
16	Line		4"	1,000		4"	1,000		2"x5"	
17	Valves Gate ☐ Plug ☐(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"	4"	2,000
										10,000

(1) Only one required in Class 3M.
(2) Gate valves only shall be used for Class 10M.
(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
2. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
3. All lines shall be securely anchored.
4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
5. Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in connection with the standpipe pressure gauge.
6. Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.
7. Discharge lines from chokes, choke bypass and from top of gas separator