

NM OIL CONS. COMMISSION
DRAWER DD
ARTESIA, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN THE DATE
(Other instructions on
reverse side)Form approved
Budget Bureau No. 1074-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
BORE ☐MULTIPLE
BORE ☐

2. NAME OF OPERATOR

DEVON ENERGY OPERATING CORPORATION

3. ADDRESS AND TELEPHONE NO.

20 N. Broadway, Suite 1500, Oklahoma City, Oklahoma 73102 (405) 552-4530

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1290' FNL & 2580' FEL

At proposed prod. hole

SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

4 Miles East and 4 miles North of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest city, unit loc., if any.)

1290'

16. NO. OF ACRES IN LEASE

1885.0

17. NO. OF ACRES ADJACENT

TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRIILING, COMPLETION,

OR APPLIED FOR, ON THIS LEASE, FT.

900'

19. PROPOSED DEPTH

4000'

20. ROBERT OR CABLE TOOLS

ROTARY

O. C. D.

21. ELEVATION (Show whether BP, RL, OR, etc.)

3865' GR

22. APPROX. DATE WHEN WELL START*

November 1, 1994

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLES	CASES/OPENINGS	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24.0#	450'	165 sk lite cement + 200 sk Class "C" CIRCULATE
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
2-3-95
New Loc. &
API

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zones and proposed new productive zones. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

SIGNED

Randy Jackson

TITLE DISTRICT ENGINEER

DATE September 22, 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 enable the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

APPROVED BY

(ORIG. SGD.) RICHARD L. MANUS

TITLE

AREA MANAGER

DATE

1-18-95

*See Instructions On Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

Budget Bureau No. 1004-0135

Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

Name of Operator

DEVON ENERGY OPERATING CORPORATION

3. Address and Telephone No.

20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405)552-4530

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1290' FNL & 2810' FEL, Sec. 5-T17S-R31E

5. Lease Designation and Serial No.

LC-029435-B

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

NA

8. Well Name and No.

KEEL "B" #67

9. API Well No.

10. Field and Pool, or Exploratory Area

GRAYBURG-JACKSON

11. County or Parish, State

Eddy Co., NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
- ☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The location of the proposed well has been changed

from 1290' FNL & 2580' FEL, Sec. 5-17S-31E

to 1290' FNL & 2810' FEL, Sec. 5-17S-31E

in order to receive archaeological clearance.

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

Signed Karen Rosa

Title

KAREN ROSA
ENGINEERING TECHNICIAN

Date 12/1/94

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

Title

Date

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.

*See Instruction on Reverse Side

SENT BY:

1-18-95 12:49PM

DEVON ENERGY

1 505 885 9264;# 2/ 2

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

State of New Mexico
Reg. Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94

Instructions on back

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

DISTRICT II

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

DISTRICT III

1000 Rio Brazos Rd.
Artesia, NM 87410

DISTRICT IV

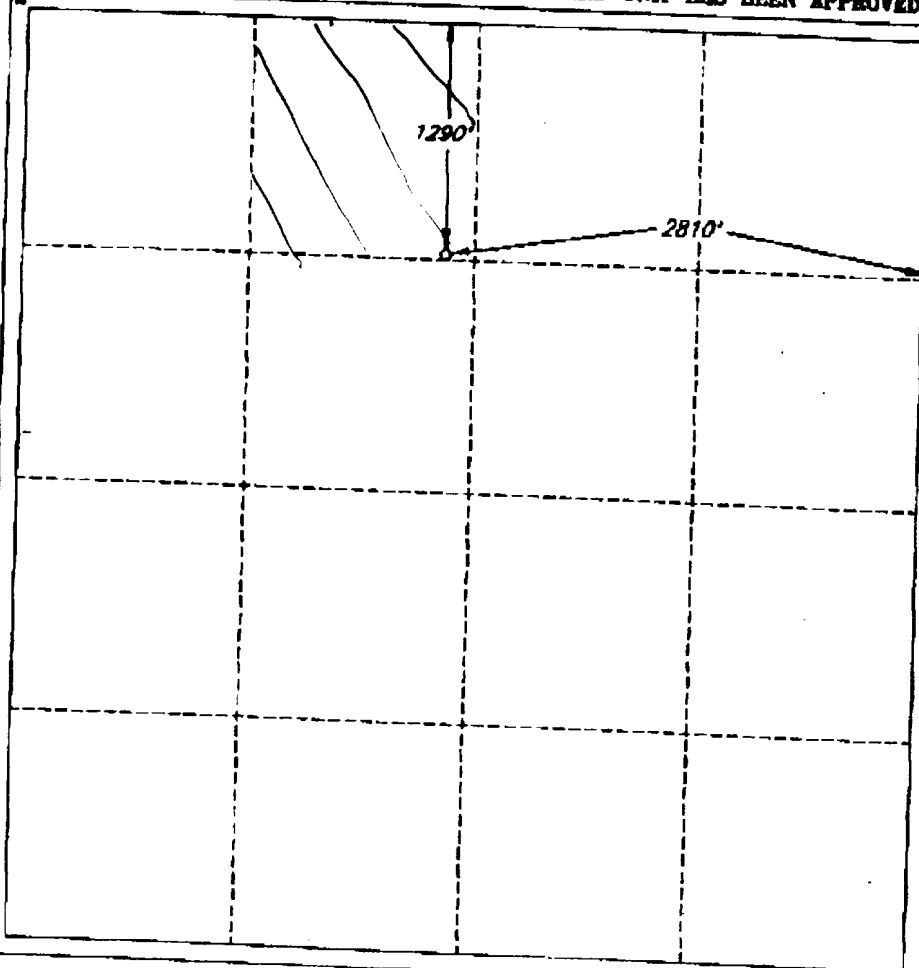
P. O. Box 2088
Santa Fe, NM 87507-2088

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

☐ AMENDED REPORT
WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number		* Pool Code		* Pool Name		
* Property Code C		* Property Name KEEL 'B' FEDERAL				* Well Number 67
* OGBM No.		* Operator Name DEVON ENERGY OPERATING COMPANY				* Elevation 3880'
* SURFACE LOCATION						
UL or Lot No. C	Section 5	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lat. 1/4 1290'	Feet from the North/South Line NORTH	Feet from the East/West Line 2810'
				County EDDY		
"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE"						
UL or Lot No.	Section	Township	Range	Lat. 1/4	Feet from the North/South Line	Feet from the East/West Line
				County		
* Dedicated Acres 40	* Joint or Infill	* Consolidation Code	* 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
12/13/94

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
NOVEMBER 14, 1994

Signature
V. Lynn Bezner

Printed Name
V. LYNN BEZNER

No. 7920

Certification
V. L. BEZNER

No. 7920

Job #34980-8 / 98 SW / V.H.B.

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

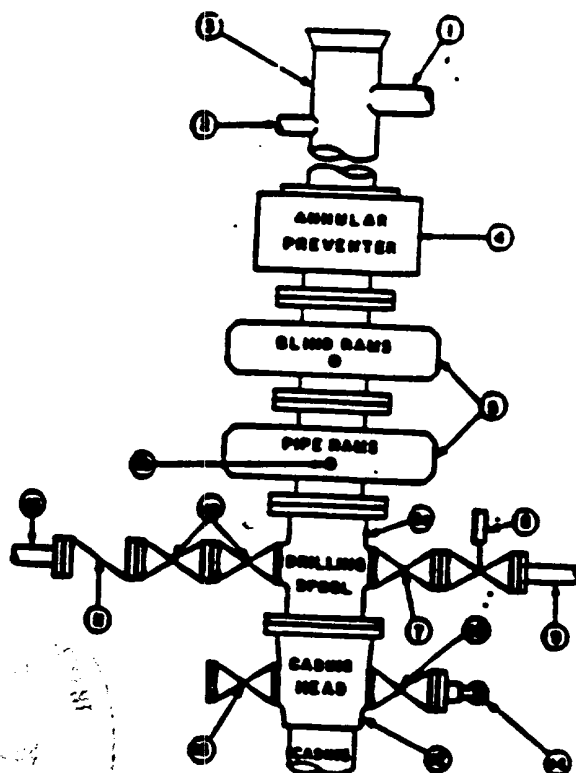
Eddy County, New Mexico
Exhibit #1

STACK REQUIREMENTS

No.	Item	Min. LD.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling supply		
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 ☐	2-1/16"	
11	Check valve	2-1/16"	
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 brodenhead or casinghead. Working pressure of preventers to be 3,000 psi minimum.
2. Automatic accumulator (50 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 derrick 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 cover-ends equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe comes to fit drill pipe in use on location at all times.
9. Type PK ring gaskets in place of Type R.

MEC TO FURNISH:

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

GENERAL NOTES:

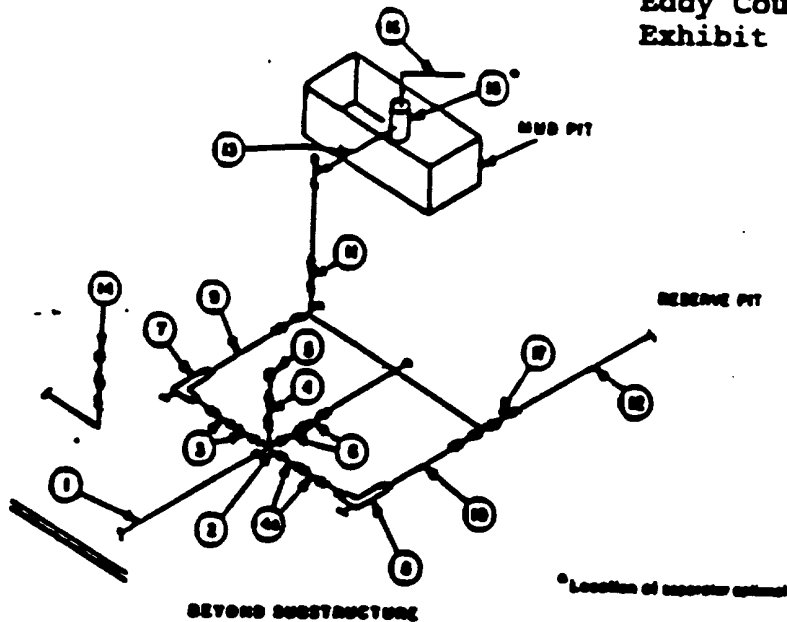
1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, flanges, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. 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 bars. Replaceable parts for adjustable chokes, other than chokes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with hand-wheel or handles ready for immediate use.
6. Choke lines must be suitably anchored.

7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints 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.

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

3 MWP • 5 MWP • 10 MWP

Eddy County, New Mexico
Exhibit #1-A



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		LD	NOMINAL	RATING	LD	NOMINAL	RATING	LD	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x3"			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	2-1/16"		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 (2)	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	2"		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	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2"x5'			2"x5'			2"x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate □ Plug □ (2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 2M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic chokes required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- All connections in choke manifold shall be welded, cladded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or EX. Use only EX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- 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 conjunction with the standpipe pressure gauge.
- 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.
- Discharge lines from chokes, choke bypass and from two of