

NM OIL CONS. COMMISSION
UNITED STATES
DEPARTMENT OF THE INTERIOR
ARTESIA, NM 88410
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*

(See other instrum.
reverse side)

Form approved.

C/SF

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 J.L.

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 10-FSL & 1314-FEL 338' FNL & 1455' FEL Non-standard Location...
At top proposed prod. zone (SAME) Unit B
... SUBJECT TO SJS
LIKE APPROVAL BY STATE

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

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1210' FEL
(Also to nearest drg. unit line if any)

16. NO. OF ACRES IN LEASE 1885.00
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1000'

19. PROPOSED DEPTH 4000'
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3652' 3838'

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" #74 15968

9. API WELL NO. 30-015-28593

10. FIELD AND POOL, OR WILDCAT 28509 GRAYBURG-JACKSON 2-TRUS-G-GB-SA

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SECTION 5-T17 S - R31 E 8

12. COUNTY OR PARISH EDDY 13. STATE NM

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

20. ROTARY OR CABLE TOOLS* Rotary

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'	500 sk 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 5-T17N-R31E
Bond Coverage: Nationwide
BLM Bond No.: PENDING

Post ID-1
8-4-95

New box & 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.

SIGNED Randy Jackson

RANDY JACKSON
TITLE DISTRICT ENGINEER

DATE October 27, 1994

*(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
Approval 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: APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

APPROVED BY J. M. Bunker

TITLE Acting Area Manager DATE JUN 24 1995
See Instructions On Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

2. Name of Operator
DEVON ENERGY OPERATING CORPORATION

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405)552-4527

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
338' FNL & 1455' FEL, Unit B, Sec. 8-17S-31E

FORM APPROVED

Budget Bureau No. 1004-0135
Expires March 31, 1993

5. Lease Designation and Serial No.
LC-029435-B

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
J. L. Keel "B" #74

9. API Well No.
30-015-

10. Field and Pool, or Exploratory Area
Grayburg Jackson (G-3R, G-3A)

11. County or Parish, State
Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Change well location</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report (Form 1224 Form) if well is already plugged and has subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Please note the change of location of the proposed well

from: 318' FNL & 1475' FEL, Sec. 8-17S-31E

to: 338' FNL & 1455' FEL, Sec. 8-17S-31E

JUL 27 1995

OIL CON. DIV.
DIST. 2

24 1995

535

NEW MEXICO

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

Signed Karen Rosa Byers

Title KAREN ROSA BYERS
ENGINEERING TECHNICIAN

Date 7/6/95

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any: _____

Title _____

Date _____

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

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

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

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

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

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

☐ AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-28593		2 Pool Code 28509		3 Pool Name Grayburg Jackson; TRURS-QU-6B-SA			
4 Property Code 15968		5 Property Name J. L. KEEL 'B'				6 Well Number 74	
7 OGRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORPORATION				9 Elevation 3838'	

10 SURFACE LOCATION

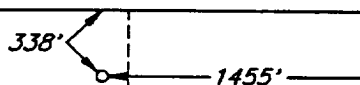
UL or lot no. B	Section 8	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 338'	North/South line NORTH	Feet from the 1455'	East/West line EAST	County EDDY
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11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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



Printed Name

Randy Jackson

Title

District Engineer

Date

July 7, 1995

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

JULY 5, 1995

Signature

Professional Seal of

Surveyor



V. DYNN

BEZNER

NO. 7920

Certified by

V. L. BEZNER

AND S. J. S. #7920

JOB #39974-1 / 98 SW / V.H.B.

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

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

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

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

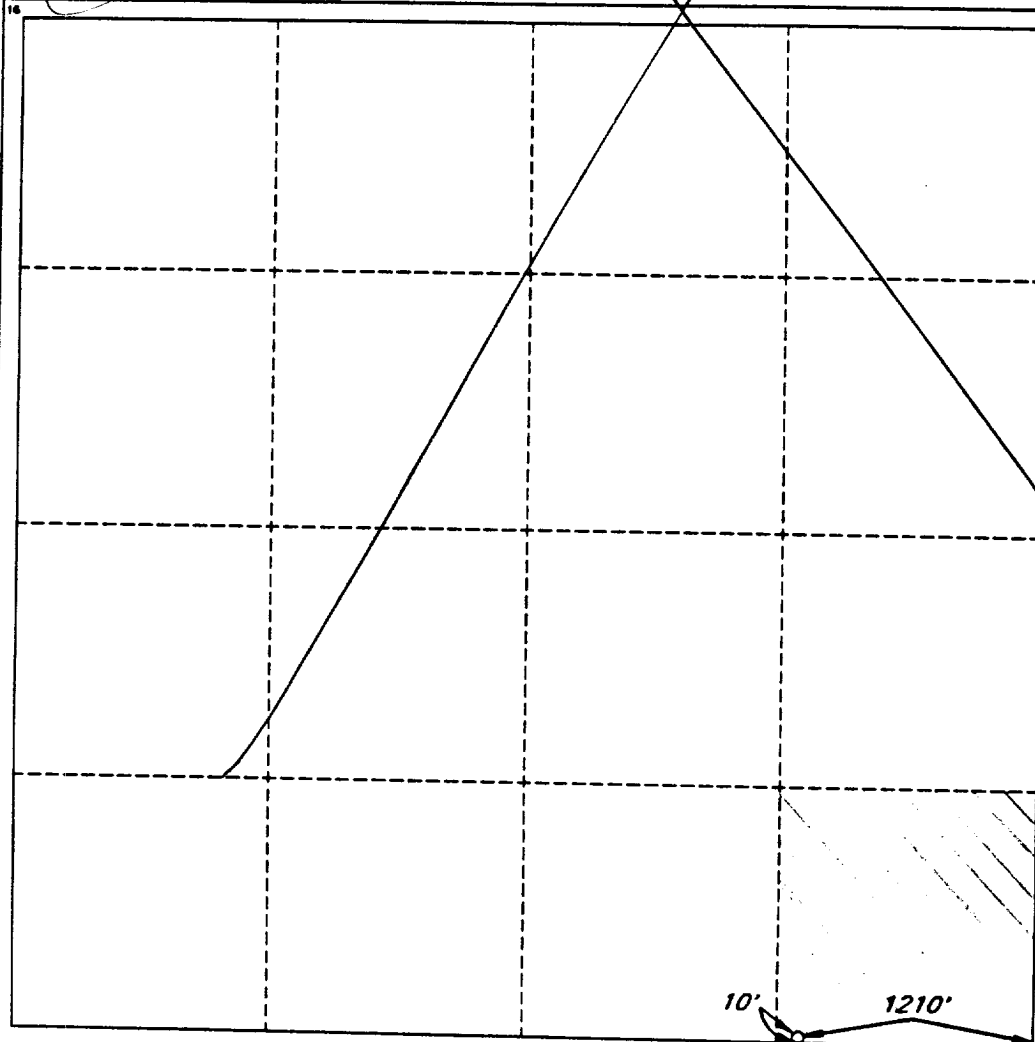
Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name			
4 Property Code P		5 Property Name KEEL 'B' FEDERAL				6 Well Number 74	
7 OGRID No.		8 Operator Name DEVON ENERGY OPERATING COMPANY				9 Elevation 3852'	
10 SURFACE LOCATION							
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the North/South line	Feet from the East/West line	County
	5	17 SOUTH	31 EAST, N.M.P.M.		10'	1210'	EDDY
11 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

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 20, 1994

Signature and Seal of Professional Surveyor

V. L. Beznier
V. L. BEZNIER AND ASSOCIATES, P.C.
NO. 7920
#7920

JOB #35908-21 / 98 SW / V.H.B.

3,000 psi Working Pressure

3 MWP

Eddy County, New Mexico
Exhibit #1

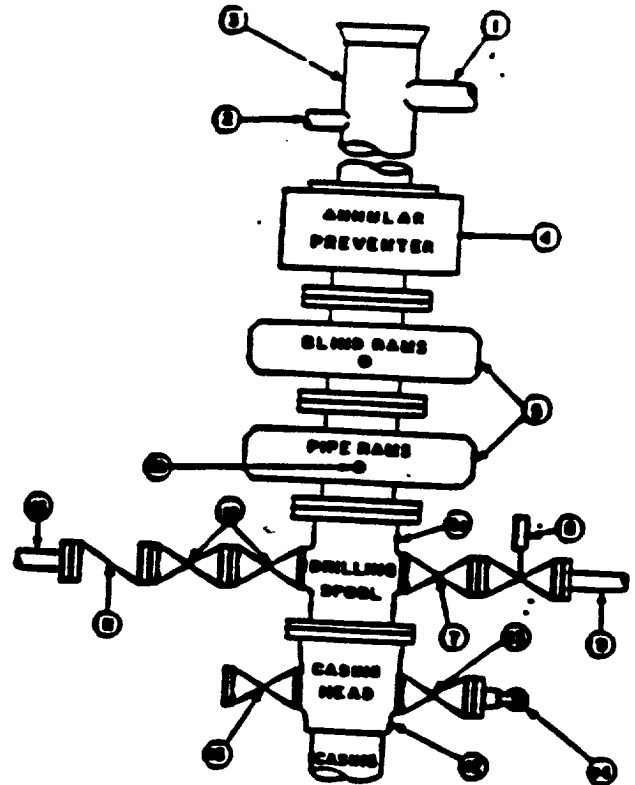
STACK REQUIREMENTS

No.	Item	Min. LD.	Min. Nominal
1	Flanges		
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 <input type="checkbox"/> Plug <input type="checkbox"/>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mast pump manifold		2"

OPTIONAL

16	Flanged valve	1-13/16"	
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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 (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 sack.
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 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 booms. Replaceable parts for adjustable choke, other boom clamps, 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. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Line outside valves except for emergency.
9. All services steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be provided.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

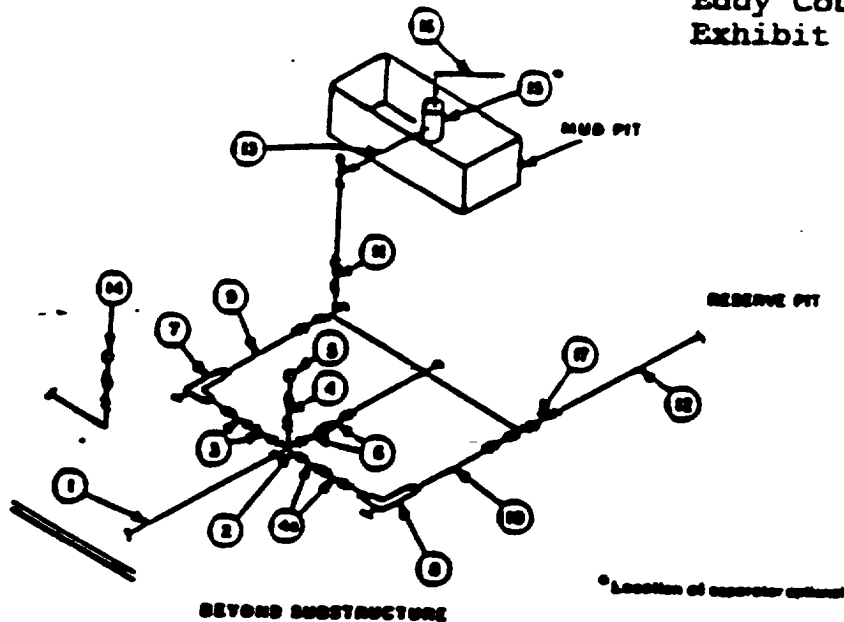
Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTORS
Grayburg-Jackson Field
Eddy County, New Mexico

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.

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	
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL
1	Line from drilling spool		3"	3,000		3"	5,000		3"
2	Cross 3"x3"x3"x3"			3,000			5,000		
3	Valves(1) Gate □ Plug □(2)	3-1/8"		3,000	3-1/8"		5,000	3-1/8"	
4	Valve Gate □ Plug □(2)	1-13/16"		3,000	1-13/16"		5,000	1-13/16"	
4a	Valves(1)	2-1/16"		3,000	2-1/16"		5,000	2-1/16"	
5	Pressure Gauge			3,000			5,000	3-1/8"	
6	Valves Gate □ Plug □(2)	3-1/8"		3,000	3-1/8"		5,000		
7	Adjustable Choke(3)	2"		3,000	2"		5,000	3-1/8"	
8	Adjustable Choke	1"		3,000	1"		5,000	2"	
9	Line		3"	3,000		3"	5,000	2"	
10	Line		2"	3,000		2"	5,000	3"	
11	Valves Gate □ Plug □(2)	3-1/8"		3,000	3-1/8"		5,000	3"	
12	Lines		3"	1,000		3"	1,000	3"	2,000
13	Lines		3"	1,000		3"	1,000		
14	Remote reading compound standpipe pressure gauge			3,000			5,000		
15	Gas Separator		2"x5"			2"x5"			
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	4"	2,000

(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

- All connections in choke manifold shall be welded, studed, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API 6X or 6Y. Use only 6X 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 top of gas separator should vent as far as practical.