				* ÷ #		17
Form 3160-3 (December 1990)	DEPARTMENT	STATES	813UBMATINT. ESIA, NH 66240-2084 reverse side)	5.LEASE DI LC 04999	Form approved.	CIGY
	PLICATION FOR PER	MIT TO DRILL OR D	DEEPEN	6.IF INDI	AN, ALLOTTEE OR TRI	BE NAME
				NA		
la TYPE OF WORK:	DRILL 🔀	DEEPEN	•	7.UNIT AG	REEMENT NAME	
b. TYPE OF WELL:	GAS Other	SINGLE ZONE	MULTIPLE	NA 8. FARM OR	LEASE NAME, WELL N	10.
2. NAME OF OPERA		ORATION (NEVADA)	6137	V. L. Fos	ter #9 20	082
3. ADDRESS AND T	ELEPHONE NO. 20 N. BROADWAY, SUIT	E 1500, OKC, OK 73102 (4	.05) 552-4560	30-	OIS - Z	9646
At surface 600'	ELL (Report location clearly and in FNL & 990' FEL	accordance with any State require	ECEIVED	11.SEC.,T	URG-JACKSON	
At top proposed pro		DE POST OFFICE*	JUN - 4 1997	12. COUNT	TY OR PARISE	13. STATE
14 DISTANCE IN MILES	AND DIRECTION FROM NEAREST TOWN of Loco Hills, N.M.		10.6	EDDY		NM
6 miles East & 1.5	miles North of Loco Mills, Palor		UCOUNS DUV.			
15.DISTANCE FROM PROF LOCATION TO NEARES PROPERTY OR LEASE	ST (OO)	16.NO. OF ACRES IN 280			17.NO. OF ACRES TO THIS WELL 40	ASSIGNED
(Also to nearest drig unit 18. DISTANCE FROM PRO TO NEAREST WELL, I	line if any) POSED LOCATION* DRILLING, COMPLETED,	19.PROPOSED DEPTH 4200'			20. ROTARY OR CAR Rotary	
OR APPLIED FOR, OR			·····		APPROX. DATE WORK W	ILL START*
21. ELEVATIONS (Show w 3769	hether DF, K1, GK, etc.)			Jun	e 1, 1997	·
		PROPOSED CASING AND	CEMENTING PROCEAM	L		
23.	GRADE, SIZE OF CASING	PROPOSED CASING AND C	SETTING DEPTH		QUANTITY	OF CEMENT
SIZE OF HOLE			450'		125 sk Lite cmt + 2	00 sk Class "C"
12 1/4"	8 5/8" J-55	24.0#	4200'		550 sk Lite cmt + 4	25 sk Class "H"
7 7 (9)	5 1/2" J-55	15.5#	4200			

We plan to circulate cement to surface on all casing strings. Devon Energy Corporation (Nevada) proposes to drill to 4200' 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 = Location and Elevation Plat Exhibit #2 Exhibit #3/3-A = Road Map and Topo Map = Wells Within 1 Mile Radius Exhibit #4 = Production Facilities Plat Exhibit #5 = Rotary Rig Layout Exhibit #6 = Casing Design Exhibit #7

5 1/2" J-55

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. LC-049998-A Legal Description: Section 17-T17S-R31E **Bond Coverage: Nationwide** BLM Bond No.: CO1104

Post ID-1 6-13-97 Men Loc + API

H2S Operating Plan

7 7/8"

24

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.

	RANDY JACKSON TITLE DISTRICT ENGINEER	DATE 4/21/97
	necial Stinutetions APPROVAL DA	
Application approval does not warrant or certify that the a	the subject lease or equitable title to those rights in the subject lease	
CONDITIONS OF APPROVAL, IF ANY: APPROVED BY	TTENGILL TITLE ADM, MINERALS	DATE <u>6/3/97</u>

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 Hobbs, NM	1980	1980	Energ			New Mexico tural Resou	-	lent	Revised	arm C-102 02-10-94 Ins on back
<u>DISTRICT II</u> P. O. Drawe Artesia, NM	er DD	0719	OIL	CONS	SERV	ATION [DIVISION	J	Submit to the District Office State Lease — Fee Lease —	4 copies
DISTRICT II 1000 Rio B Aztec, NM &	razos Re	d.]	P. O. 3	Box 2088		[AMENDED	REPORT
DISTRICT IN P. O. Box 2 Santa Fe, N	2088	7-2088 ₩	ELL LOC	ATION A	ND A	CREAGE D	EDICATION	PLAT		
¹ API Number			² Pool Code		³ Poo	ol Name	, <u> </u>			
						Grayb	urg Jacks	on		``
* Property Co 20082		⁵ Property N	ame		V. L.	FOSTER			⁶ Well Number #9	
20002 7 OGRID No.		· Operator N	ame		*** =*				⁹ Elevation	3
6137	,			IN ENER	GY		CORPORATI	۵N	3769	2 2 3 4 4
		_ _		" SUF	RFACE	LOCATION	[4.
UL or lot no.	Section	Township	Ran	ge	Lot Ida	Feet from the	North/South lin	ne Feet from the	East/West line	County
A	17	17 SOUTH	31 EAST,	N.M.P.M.		600'	NORTH	990,	EAST	EDDY
		"BOTTO	M HOLE	LOCATI	ION IF	DIFFERE	NT FROM S	SURFACE		
UL or lot no.	Section	Township	Ran	ge	Lot Ida	Feet from the	North/South lin	ne Feet from the	East/West line	County
¹² Dedicated A	cres ¹³ Jo	oint or Infill	14 Consolidat	ion Code	15 Order 1	No.				
40	NO AL	LOWABLE WE	CLL BE AS	SIGNED T	D THIS	COMPLETION	UNTIL ALL	INTERESTS HA	VE BEEN	
	-							BY THE DIVISI		
16	. <u>.</u>	···· 1		1		1 1				
						600'	1		R CERTIFIC	
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								Randy J Title	ackson	
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				1					R CERTIFICA	
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								my supervi	ision, and th	at the
				1				best of my	e and correct belief.	to the
		ļ						Date of Survey	L. 15, 1997	
				 - +		+		Signature and Professional Si	Seal of	
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		i i		i 					-1 / 98 SW	

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

STACK REQUIREMENTS

No.	item		Min. I.D.	Min. Nominat
1	Flowline			
2	Fill up line			2*
3	Drilling nipple			
4	Annular preventer			
5	Two single or one dual hy operated rams	draulically		
6a	Drilling spool with 2" min 3" min choke line outlets			
6b	2" min. kill line and 3" m outlets in ram. (Alternate			
7	Valve	Gate 🗆 Plug 🗋	3-1/8"	
8	Gale valve-power opera	ited	3-1/8*	
9	Line to choke manifold			3.
10	Valves	Gate 🗆 Piug 🗅	2-1/16"	
11	Check valve	<u> </u>	2-1/16*	
12	Casing head			
13	Valve	Gate D Plug D	1-13/16"	
14	Pressure gauge with nee	die valve		
15	Kill line to rig mud pump	manilold		2"

\square	OP	TIONAL	
16	Flanged valve	1-13/16"	

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 drillers position.
- 4.Kelly equipped with Kelly cock.
- 5.Inside blowout prevventer 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 biowout 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, littings, 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 chore. Valves must be full opening and suitable for high pressure mud service.
- 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 choke, other bean 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.

EXHIBIT #1



- 7.Handwheels and extensions to be connected and ready for use.
- 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

EXHIBIT #1-A



			MINI	MUM REQL	IREMENT	s				
		3.000 MWP			5,000 MWP			10,000 MWP		
No.		I.D.	NOMINAL	RATING	1.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"								1	10,000
3	Valves(1) Gate D Plug D(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	3-1/8"		10,000
5	Pressure Gauge			3,000			5.000			10,000
6	Valves Gate C 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	17		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 D Plug D(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 D Plug D(2)	3-1/8"		3,000	3-1/8*		5,000	3-1/8*		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 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.
- 7. Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.