\*(This space for Federal or State office use)

/s/ Yolanda Vega

CONDITIONS OF APPROVAL, IF ANY:

PERMIT NO.

APPROVED BY

## UNITED STATES

YOUNTER VICATION DIV

Form approved.

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

DEPARTMENT F THE INTERIOR 811-0:-190 ST. BUREAU OF LAND MANAGEMENT DESIGNATION AND SERIAL NO. APPLICATION FOR PERMIT TO DRILL OR DEEPEN 6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA la TYPE OF WORK: DRILL DEEPEN 7.UNIT AGREEMENT NAME b TYPE OF WELL: West Red Lake Unit 8910089700 WELL X Other 8. FARM OR LEASE NAME, WELL NO. NAME OF OPERATOR West Red Lake Unit #64 レノヌク **DEVON ENERGY CORPORATION (NEVADA)** 9. APT WELL NO 3. ADDRESS AND TELEPHONE NO. 30-015-20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4511 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) ECT TO Red Lake (Q-GB-SA) Section I-8-T18S-R27E At top proposed prod. zone (SAME) ONT 14.DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 12. COUNTY OR PARISH 13. STATE Approximately 7 miles southeast of Artesia, NM Eddy County New Mexico 15. DISTANCE FROM PROPOSED 16.NO. OF ACRES IN LEASE 17.NO. OF ACRES ASSIGNED LOCATION TO NEAREST ደሰ TO THIS WELL 330' PROPERTY OR LEASE LINE, FT. 40 (Also to nearest drig, unit line if any)
18. DISTANCE FROM PROPOSED LOCATION<sup>4</sup> 19. PROPOSED DEPTH 20.ROTARY OR CABLE TOOLS\* TO NEAREST WELL, DRILLING, COMPLETED 2500 Rotary OR APPLIED FOR, ON THIS LEASE, FT. 21 . ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START\* GL 3495 February 20, 1996 PROPOSED CASING AND CEMENTING PROGRAM GRADE, SIZE OF CASING WEIGHT PER FOOT QUANTITY OF CEMENT 17 1/2" 14" Conductor 40 Redimix 12 1/4" 8 5/8", J-55 24 ppf 1000 300 sx Lite + 200 sx Class C 7 7/8" 5 1/2", J-55 15.5 ppf 2500 100 sx Lite + 200 sx Class C \* Cement will be circulated to surface on all casing strings. Devon Energy plans to drill to 2500'+/- to test the San Andres Formation for commercial quantities of oil. If the San Andres 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** The undersigned accepts all applicable terms, conditions, stipulation, and restrictions concerning Surface Use and Operating Planoperations conducted on the leased land or portion thereof, as described above. Exhibit #1 - Blowout Prevention Equipment Exhibit #1-A - Choke Manifold Bond Coverage: Nationwide Exhibit #2 - Location and Elevation Plat BLM Bond File No.: CO-1104 Exhibit #3 - Planned Access Roads Post ID-1 1-26-96 New Lac + API Exhibit #4 - Wells Within a One Mile Radius Exhibit #5 - Production Facilities Plan Exhibit #6 - Rotary Rig Layout Exhibit #7 - Casing Design Parameters and Factors H2S Operating Plan 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 E. L. Baltoss h. TITLE DISTRICT ENGINEER DATE December 1, 1995

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

APPROVAL DATE

ASSISTANT AREA MANAGER

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 operation CONDITIONS OF APPROVAL, IF ANV.