

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
OIL CONSERVATION DIV
811 S. 1ST ST.
ARTESIA, NM 88210-2034

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 CORPORATION (NEVADA) 6137

3. ADDRESS AND TELEPHONE NO.

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)*

At surface 330' FNL & 2050' FEL, Unit B, Section 8-18S-27E

At top proposed prod. zone (SAME)

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

Approximately 7 miles southeast of Artesia, NM

15. DISTANCE FROM PROPOSED
LOCATION TO NEARESTPROPERTY OR LEASE LINE, FT. 330'
(Also to nearest drl. unit line if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. 550'

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

GL 3431'

16. NO. OF ACRES IN LEASE
16019. PROPOSED DEPTH
2500'17. NO. OF ACRES ASSIGNED
TO THIS WELL
4020. ROTARY OR CABLE TOOLS*
Rotary22. APPROX. DATE WORK WILL START*
May 1, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|------------------------------|
| 17 1/2" | 14" | Conductor | 40' | Redimix |
| 12 1/4" | J-55 8 5/8" | 24 ppf | 1000' | 300 sx Lite + 200 sx Class C |
| 7 7/8" | J-55 5 1/2" | 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

Surface Use and Operating Plan

Exhibit #1 - Blowout Prevention Equipment

Exhibit #1-A - Choke Manifold

Exhibit #2 - Location and Elevation Plat

Exhibit #3 - Planned Access Roads

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

The undersigned accepts all applicable terms, conditions, stipulation, and restrictions concerning operations conducted on the lease and on the portion thereof as described above.

Bond Coverage: Nationwide
BLM Bond File No.: CO-1104Approval Subject to
General Requirements and
Special Stipulations
AttachedRECEIVED
APR 15 1996
OIL CON. DIV.
DIST. 2RECEIVED
FEB 25 10 57 AM
OIL CON. DIV.

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

E. L. Buttross, Jr.

TITLE

E. L. BUTTROSS, JR.
DISTRICT ENGINEER

DATE

February 27, 1996

*(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 entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY /s/ Gary Bowers

TITLE

Acting AREA MANAGER
See Instructions On Reverse Side

DATE

APR - 9 1996

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

EXHIBIT 2

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|---|--|
| API Number 30-015-28933 | Pool Code 51300 | Pool Name Red Lake (Q-GB-SA) |
| Property Code 3491 | Property Name West Red Lake Unit | Well Number 69 |
| OGRID No. 6137 | Operator Name Devon Energy Corporation (Nevada) | Elevation 3431' |

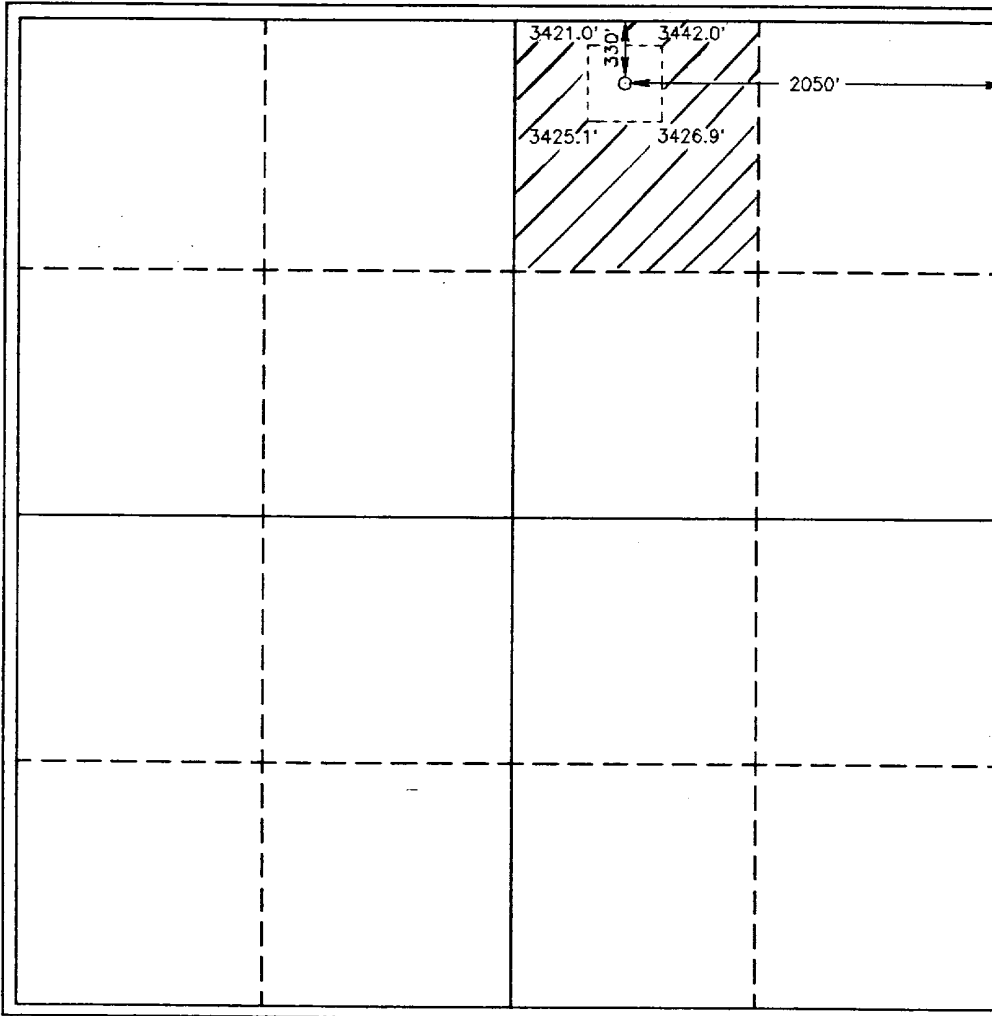
Surface Location

| | | | | | | | | | |
|---------------------------|---------------------|-------------------------|----------------------|---------|-----------------------------|----------------------------------|------------------------------|-------------------------------|-----------------------|
| UL or lot No. B | Section 8 | Township 18 S | Range 27 E | Lot Idn | Feet from the 330 | North/South line North | Feet from the 2050 | East/West line East | County 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 |
| | | | | | | | | | |
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | Order No. | | | | | | |

NO ALLOWABLE WILL 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 the the information contained herein is true and complete to the best of my knowledge and belief. <u>E.L. Buttross, Jr.</u> Signature E.L. Buttross, Jr. Printed Name District Engineer Title February 27, 1996 Date |
| | 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. February 14, 1996 Date Surveyed <u>[Signature]</u> Signature & Seal of Professional Surveyor W.D. No. 6010e Certificate No. Gary L. Jones 7977 BASIN SURVEYS |
| | |
| | |

MINIMUM BLOWOUT PREVENTER REQ

3,000 psi Working Pressure

WEST RED LAKE UNIT
EXHIBIT 1

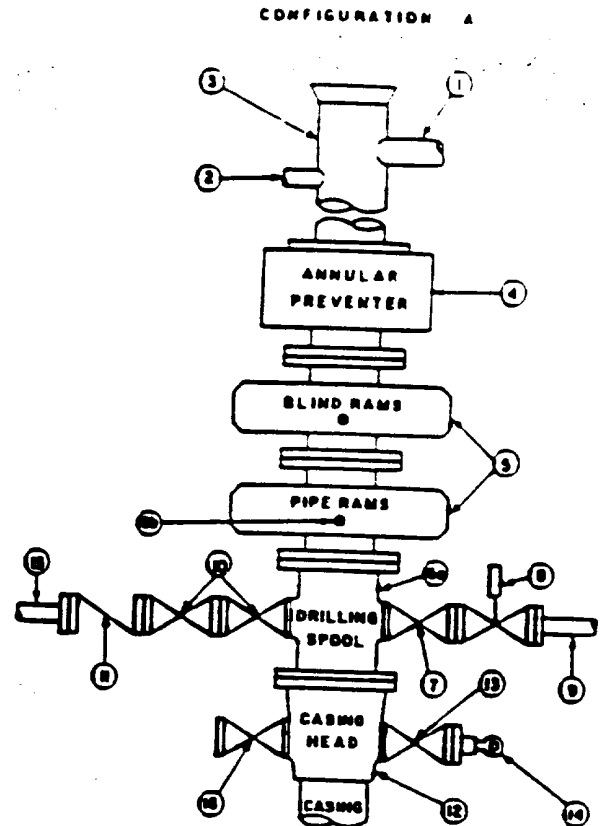
3 MWP

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 <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 mud pump manifold | | 2" |

OPTIONAL

| | | | |
|----|---------------|----------|--|
| 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 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 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.

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.

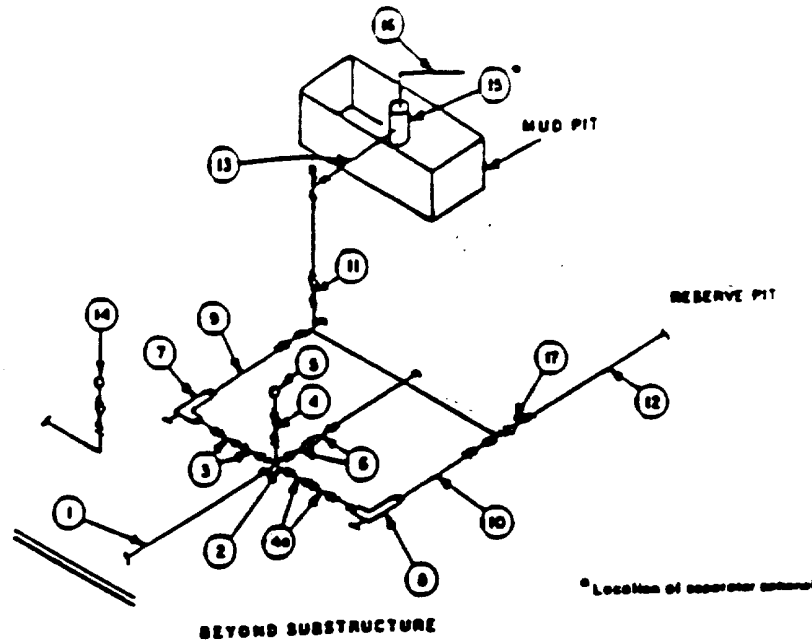
Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTORS
Devon Energy Corporation (Nevada)
WEST RED LAKE UNIT #69
330' FNL & 2050' FEL
Section 8-T18S-R27E, Unit B
Eddy County, New Mexico

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

3 MWP · 5 MWP · 10 MWP

WEST RED LAKE UNIT
EXHIBIT 1A



| 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"x2" | | | 3,000 | | | 5,000 | | |
| | Cross 3"x3"x3"x3" | | | | | | | | 10,000 |
| 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 | 3-1/8" | 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 | Line | | 2" | 3,000 | | 2" | 5,000 | | 3" |
| 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" |
| 13 | Lines | | 3" | 1,000 | | 3" | 1,000 | | 3" |
| 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" |
| 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 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, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX 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 from the well.