| Form 3162-3 (December 1990) | DEPAR | | O STATES OF THE INT | ERIOROIL | | LICATE* | For | m approved. | c/hr |
|---|-----------------------------------|-------------|--|--------------------|------------------------|-----------------------|-----------|--|----------------------------|
| | BU | REAU OF | JND MANAGEME | | S. 1st ST. ESIA, NM | | | ATION AND SERIAL | NO. |
| | APPLICATIO | DN FOR PERM | IIT TO DRILL OR DE | EPEN | | | | LLOTTEE OR TRIBE | NAME |
| la TYPE OF WORK: | DRILL | \boxtimes | DEEPEN | | | | AGREEME | NT NAME | ······ (|
| b. TYPE OF WELL: $\operatorname{OTL}_{WELL}$ | GAS WELL | Other | SINGLE ZONE | MULTIPL | E | NA 8. FARM | OR LEAS | E NAME, WELL NO. | |
| 2 NAME OF OPERATO | | ERGY CORI | PORATION (NEVA | DA) 6/ | 37 | | "9F" Fed | leral #8 / (| 9133 |
| 3. ADDRESS AND TEL | LEPHONE NO. 20 N. BROA | DWAY, SUI | FE 1500, OKC, OK | 73102 (405) 235 | -3611 | | | 1093 | |
| LOCATION OF WEL At surface 2310' At top proposed prod. 2 | FNL & 2460' FW | UN UNC | accordance with any Sto RTHODOX ATON: F | nte requirements)* | ł | 11. SEC Sectio | n F-9-T1 | M., OR BLOCK AND 8S-R27E | |
| 14. DISTANCE IN MILES AN Approximately 7 miles | | | OR POST OFFICE* | | | And the second second | County OR | | 13. STATE New Mexico |
| 15. DISTANCE FROM PROPO LOCATION TO NEAREST PROPERTY OR LEASE L | INE, FT. | 180' | 16.NO. OF ACRES : 80 | | UG 1 6 19 | 96 | 1, | 7.NO. OF ACRES A TO THIS WELL 40 | SSIGNED |
| (Also to nearest drig, unit line 16. DISTANCE FROM PROPO TO NEAREST WELL, DR. OR APPLIED FOR, ON 1 | SED LOCATION* ILLING, COMPLETE | D, NA | 19.PROPOSED DEPT | | CAN | i0.₩. | R | 0.ROTARY OR CABL Lotary | |
| 21.ELEVATIONS (Show when GL 3544' | ther DF, RT, GR, etc.) | | | | D137. 8 | 2 A | | . DATE WORK WILI 20, 1996 | . START* |

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT | |
|--------------|-----------------------|-----------------|---------------|------------------------------|--|
| 17 1/2" | 14" | Conductor | 40' | Redimix | |
| 2 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

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 leased land or portion thereof, as described above.

Bond Coverage: Nationwide BLM Bond File No.: CO-1104

Post ID-1 Maw 2.0c + API

Special Stipulations Atteched

DATE

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 S. J. Bullion n.

E. L. BUTTROSS, JR. TITLE DISTRICT ENGINEER

June 20, 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 ORIG. | SGD.) | RICHARD | Ł. | MANUS | TITLE | |
|-------------------|-------|---------|----|-------|-------|--|
| | | | | | | |

Area Manager

DATE _____AUG 1 4 1996

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 1980, Hobbs, NM 88240

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

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

State of New Mexico

Energy, Minerals and Natural Resources Department

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

EXHIBIT 2

OIL CONSERVATION DIVISION

P.O. Box 2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

API Number Pool Code Pool Name 51300 Red Lake (Q-GB-SA) Property Code Property Name Well Number Hawk 9 (F) Federal 8 OGRID No. **Operator** Name Elevation 6137 Devon Energy Corporation (Nevada) 3544' Surface Location UL or lot No. Section Township Range Lot ldn Feet from the North/South line Feet from the East/West line County F 9 18 S 27 E 2310 North 2460 West Eddy Bottom Hole Location If Different From Surface UL or lot No. Section Township Range Lot ldn Feet from the North/South line Feet from the East/West line County Dedicated Acres 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. ò 3 E.L. Buttross, Jr. Printed Name District Engineer Title 3552.5' 3540.0' June 20, 1996 246 Date SURVEYOR CERTIFICATION 3539.9 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 supervison and that the same is true and correct to the best of my belief. Mgy-29-1996 Date Surveyed 21 - JOAN Signature & Seal of Professional Surveyor NosciGeny Certific 7977 BASIN SURVEY S

3.000 psi Working Pressure

EXHIBIT 1

3 MWP

<u>Mun</u> Min No Нет I.D Nominal 1 Fiowine Fill up ine 2 2 3 Drilling nipple 4 Annula: preventer Two single or one dual hydraulically 5 operated rams Drilling spool with 2" min. kill line and 6. 3" min choke line outliets 2" mm. kill kne and 3" min. choke kne 6h outlets in ram. (Allernate to 6a above.) Gale D 7 Value 3-1/8" Plug D Gate valve-power operated 8 3-1/8" 9 Line to choke manifold 3* Gale D 10 Valves 2-1/18" Plug C 11 Check valve 2-1/16* Casing head 12 Gale D 13 Valve 1-13/18* Plug D Pressure gauge with needle valve 14 15 Kill line to rig mud pump manifold 2'

STACK REQUIREMENTS

| 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 psl. minimum.
- 2. Automatic accumulator (80 gation, 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 it pipe being used.
- 6.Kelly saver-sub equipped with rubber casing protector at all times.
- 7.Plug type blowout preventer tester.
- S.Extra set pipe rams to fit drill pipe in use on location at all times.
- 8. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

- 1.Bradenhead or casinghead and side vaives.
- 2.Wear bushing, Il 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 clemp 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.
- 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 tocated for immediate use.
- 5.All valves to be equipped with handwheels or handles ready for immediate
- 6. Choke lines must be suilably anchored.



- 7.Handwheels and extensions to be connected and ready for use
- 8. Veives 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.
- 18.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) Hawk "9F" Federal #8 2310' FNL & 2460' FWL Section F-9-T18S-R27E 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 MWP - 5 MWP - 10 MWP

EXHIBIT 1A



| | | | MINK | NUM REOU | REMENTS | 5 | | | | - |
|--------------|---|----------|-----------|----------|----------|-----------|--------|------------|---------|--------|
| | | | 3.000 MWP | | | S.DOO MWP | | 10.000 MWP | | • |
| ••• | | I.P | NOMINAL | RATING | I.D. | NOMINAL | RATING | 1.D. | NOMINAL | RATING |
| No | Line from drilling spool | | 3. | 3.000 | | 3. | \$.000 | | 3. | 10.000 |
| _ <u>`</u> _ | Cross J*xJ*xJ*xZ* | | | 3,000 | | | \$.000 | | | |
| 2 | Closs 3. x3. x3. x3. | | | | | | • | | | 10,000 |
| 3 | Valves(1) Gate D Plug D(2) | 2-1/8- | | 3,000 | 3-1/8* | | 5.000 | 3-1/8* | | 10,000 |
| 4 | Valve Gale C Plug D(2) | 1-13/16* | | 3,000 | 1-13/16* | | 5.000 | 1-13/16* | | 10,000 |
| 41 | Valves(1) | 2-1/18* | | 3.000 | 2-1/16* | | 5,000 | 3-1/8" | | 10,000 |
| 5 | Pressure Gauge | - | | 3,000 | | | 5,000 | | | 10,000 |
| 6 | Valves Gale C Plug D(2) | 3-1/8* | | 3,000 | 3-1/8* | | 5,000 | 3-1/8* | | 10,000 |
| 7 | Adjustable Choke(3) | 2. | 1 | 3.000 | 2* | | 5.000 | 2. | | 10.000 |
| | Adjustable Choke | 1. | | 3.000 | 1* | | 5,000 | 2. | | 10,000 |
| | Line | | 3. | 3,000 | | 3. | 5,000 | | 3. | 10,000 |
| | Line | | 2. | 3,000 | 1 | 2. | 5.000 | | 3. | 10.000 |
| 10 11 | Valves Gale [] Valves 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 standpips pressure pauge | | | 3.000 | | | 5.000 | | | 10.000 |
| 15 | Gas Separator | | 2'15' | | | 2'z5' | | | 2'±5' | |
| 16 | Line | | 4* | 1,000 | | 4' | 1,000 | | 4* | 2.000 |
| 17 | Valves Gale D Plug D(2) | 3-1/8* | | 3,000 | 3-1/8* | | 6,000 | 3-1/8* | | 10.000 |

(1) Only one required in Class 3M.

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

(3) Remote operated hydraulic choice 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, Ranged or Cameron clamp of comparable rating.
- 2. All tanges 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 atternate 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 wett.