Form 3160-3 (December 1990)	DEPARTMENT	STATES	CHUBRONSERVATOR R 811 Se of standard ARTESIA MM 1	r)-2834	'orm approved.	elyi
	BUREAU OF L	JMANAGEMENT		5. LEASE DESI LC-065478-3	IGNATION AND SERIAL B	LNO.
	APPLICATION FOR PERM	IT TO DRILL OR DEEPEN		-	ALLOTTEE OR TRIB	e name
la TYPE OF WORK:	DRILL 🔀	DEEPEN		NA		
b. TYPE OF WELL:		SINGLE	MULTIPLE		ake 8910089700	
2 NAME OF OPERA	TOR	ZONE		8.FARM OR LE Falcon "3G"	LASE NAME, WELL NO. Pederal #7	
2 Mail of of bid	DEVON ENERGY CORP	ORATION (NEVADA)	6137	9.API WELL N	17	9433
3. ADDRESS AND T				30-015-	29126	
	ELL (Report location clearly and in a	TE 1500, OKC, OK 73102 (accordance with any State required RTHODOメ Sublect	ments)*	Red Lake (Q	-GB-SA) 5 (300
At top proposed proc	Loc	ATION: Like App		Section G-3-	T18S-R27E	13. STATE
Approximately 7 mile	s southeast of Artesia, NM	ĺ.		izddy Coui	nty	New Mexico
15.DISTANCE FROM PRO LOCATION TO NEARES PROPERTY OR LEASE	ST LINE, FT. 130'	16.NO. OF ACRES IN LEASE 642.88	AUG 2 6 1995		17.NO. OF ACRES A TO THIS WELL 40	ASSIGNED
(Also to nearest drig, unit) 18. DISTANCE FROM PRO TO NEAREST WELL, I OR APPLIED FOR, OF	POSED LOCATION* DRILLING, COMPLETED,	19. PROPOSED DEPTH 2500'	OIL CON. DI	₩°	20. ROTARY OR CABI Rotary	LE TOOLS*
21.ELEVATIONS (Show wi GL 3580'	bether DF, RT, GR, etc.)		[]排約1。2	1	ROX. DATE WORK WIL nber 11, 1996	L START*
23.		PROPOSED CASING AND C				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF	CEMENT
17 1/2"	13 3/8"	Conductor	40'		edimix	
12 1/4"	8 5/8", J-55	24 ppf	1000'		0 sx Lite + 200 sx (
7 7/8"	5 1/2", J-55	15.5 ppf	2500'	10)0 sx Lite + 200 sx (Class C
* Cement will be circu	llated to surface on all casing string	gs.				

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 Frogram	The undersigned accepts all applicable terms, conditions, stipulation, and restrictions concerning operations conducted on the leased land or portion thereof, as described above, a
Surface Use and Operating Plan Exhibit #1 - Blowout Prevention Equipment	operations conducted on the leased rand of portion thereon, as deserting the Man
Exhibit #1-A - Choke Manifold	Bond Coverage: Nationwide
Exhibit #2 - Location and Elevation Plat	BLATBORN FRENCH, CO-1104 104 4-W 1 S KT LT REAL
Exhibit #3 - Planned Access Roads Exhibit #4 - Wells Within a One Mile Radius	8-30-96 - Inculitu
Exhibit #5 - Production Facilities Plan	
Exhibit #6 - Rotary Rig Layout	Murboct APT JUL 1 2 1996
Exhibit #7 - Casing Design Parameters and Factors	
Exhibit #8 - H ₂ S Operating Plan	DIST 6 NO
	Special Stipulations
NSL - 5126	Attached

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.J. Billion Jr.	E. L. BUTTROSS, JR. TITLE <u>DISTRICT ENGINEER</u> DATE	July 11, 1996
(This space for Federal or State office use)		
PERMIT NO	APPROVAL DATE	
Application approval does not warrant or certify that the applicant holds lega	l or equitable title to those rights in the subject lease which would	entitle the applicant to conduct operations thereon.

APPROVED BY	(ORIG. SGD.) RICHARD L. MANUSTITLE	irea	Managa	ľ

(ODIO COD -

AUG 2 0 1996 DATE

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. Hox 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 68210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 67410 State of New Mexico

Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

□ AMENDED REPORT

EXHIBIT 2

API Number Pool Code Pool Name 51300 Red Lake (Q-GB-SA) 30.015-29126 Property Code Property Name Well Number Falcon 3 "G" Federal 7 OGRID No. **Operator** Name Elevation 6137 (Nevada) Devon Energy Corporation 3580' Surface Location UL or lot No. Section Township North/South line Feet from the Range Lot Idn Feet from the East/West line County G 3 18 S 27 E 1450 North 2310 East 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 Joint or Infill **Consolidation** Code Order No. 40 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 betief. J. Battro 3587.4' 3582.3 Signature E.L. Buttross 2310' Printed Name 3579 54 35.74 1 District Engineer Title July 11, 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 supervison, and that the same is true and correct to the best of my belief. July 2, 1996 Date Surveyed of ONES Signature & Seal Profe Surveyo 2h7 Certi 7977 POFESSIONALLA ASIN-SURVE)

EXHIBIT 1

3 MWP

3.000 psi Working Pressure

STACK REQUIREMENTS

No	Hem		Min LD	Min. Nominal
1	Flowine		1	
2	Fill up line		1	2*
J	Drilling nipple		1	1
4	Annular preventer			1
5	Two single or one dual hydrau operated rams	ically		
64	Drilling spool with 2" min. kill I 3" min choke ine outlets	ine and		
6 b	2" min. kill line and 3" min. ch outlets in ram. (Alternate to 6a			
7	Varvu	ale 🖸 lug 🖸	3-1/8"	
8	Gate valve-power operated		3-1/8*	
9	Line to choke manifold			3.
10	V BIVES	ale C lug C	2-1/16*	
11	Check valve		2-1/16*	
12	Casing head			·
13	A 91AR	ug 🖸	1-13/18*	
14	Pressure gauge with needle val	V8		
15	Kill line to rig mud pump manife	bk		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 psl, minimum.
- 2.Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or lass 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 limes with proper threads to fit pipe being used.
- 6.Keily 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.
- 8. Type RX ring paskets in place of Type R.

MEC TO FURKISH:

- 1.Bradenhead or casinghead and side valves
- 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, Bitlings, piping, etc., subject to well or pump pressure must be Banged (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.
- 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.
- 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.
- Valves adjacent to dritting spool to be kept open. Use outside valves except for emergency.
- 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) Falcon "3G" Federal #7 1450' FNL & 2310' FEL Section G-3-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 3,000, 5,000 and 10,000 FSI Working Pres

3 MWP - 5 MWP - 10 MWP

_XHIBIT 1A



			MENH	NUM REOL	REMENT	5				
		S.000 MWP		\$,000 MWP			10.000 MWP			
No		I.D	NOMEHAL	RATING	1.D.	NOMINAL	RATING	LD.	NOMINAL	RATING
1	Line from drilling spool		2.	3,000		3.	\$.000		3.	10.000
2	Cross 3"#3"#3"#2"			3,000			\$.000			
-	Cross 3"#3"#3"#3"						•			10,000
3	Valves(1) Gate D Plug D(2)	3-1/8*		3,000	3-1/8*		5.00 0	3-1/8*		10,000
4	Valve Gale C Valve Plug D(2)	1-13/16*		3,000	1-13/16*		5,00 0	1-13/16*		10,000
42	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 Gale C Plug D(Z)	3-1/6*		3,000	3-1/8*		\$,000	3-1/8"		10,000
7	Adjustable Choke(3)	2.		3.000	2*		5.000	2.	1	10,000
8	Adjustable Choke	1*		3,000	t*		5,000	2.	1	10,000
9	Line		3.	3,000	-	2.	5,000		3.	10,000
10	Line		2"	3.000		2.	5.000		3.	10,000
11	Valves Gale D Plup 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		2.	1,000		3.	1,000		3-	2.000
14	Remote reading compound standpipe pressure pauge			3.000			5,000			10,000
15	Gas Separator		2'15'			2'x5'			2'x5'	
16	Line		4	1,000		4*	1,000	·	<i>c</i> .	Z.00 0
17	Valves Blug D(2)	3-1/E*		3,000	3-1/1*		5.000	3-1/8*	1	10.000

(1) Only one required in Class 3.4.

(2) Gate velves only shall be used for Cless 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, flanged or Gameron clamp of comparable rating.
- 2. All Banges 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 evaliable.
- 5. Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an atternete 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 bands or 90° bands using but plugged test.
- 7. Discharge lines from chokes, choke bypass and from top of ges separator should vent as far as practical from the well.