Form 3160-3 (December 1990)	UNIA DEPARTME: BUREAU C	CED STATES	DR Bill Ser 1, 94 Million BRTESTA, NM 882 10-283	811 811 AR 145 91 An L C-06547	Gons _{pp} Div. S. 1ST ST. MAASE2106295 8-B	CSF
A	PPLICATION FOR	PERMIT TO DRILL OR D	EEPEN	6.IF INDL	N, ALLOTTEE OR TH	RIBE NAME
la TYPE OF WORK:	DRILL	DEEPEN 🔀		NA		
b. TYPE OF WELL:	GAS Other	SINGLE ZONE	MULTIPLE	NA 8.FARM OR	LEASE NAME, WELL	NO.
2 NAME OF OPERA		ODDODATION (NEVADA)		Falcon 3G	Federal #8	
3. ADDRESS AND T	ELEPHONE NO.	ORPORATION (NEVADA) SUITE 1500, OKC, OK 73102 (105 5780 25 B2 23	9.API WELL 30-015-29		
	' FNL &1805' FEL	and in accordance with any State read	FEA 1000	11.SEC.,T		ed Lake Glor-Yeso and survey or area
	AND DIRECTION FROM NEAREST s southeast of Artesia, NM	TOWN OR POST OFFICE*	RECEIVED CO ARTESIA	12. COUNT Eddy Co	Y OR PARISH unty	13. STATE New Mexico
15. DISTANCE FROM PROP LOCATION TO NEARES PROPERTY OR LEASE (Also to nearest drig, unit l	T LINE, FT. 605'	16.NO. OF ACRES IN LEASE 642.88	4997521-V.S		17.NO. OF ACRE TO THIS WEL 40	
18.DISTANCE FROM PROP	OSED LOCATION* RILLING, COMPLETED,	19. PROPOSED DEPTH 3750'			20. ROTARY OR C Workover Rig	
21.ELEVATIONS (Show wh GR 3561'	ether DF, RT, GR, etc.)				PPROX. DATE WORK 1 1 15, 1999	WILL START*
23.		PROPOSED CASING AND	CEMENTING PROGRAM	I	· · · · · · · · · · · · · · · · · · ·	
SIZE OF HOLE	GRADE, SIZE OF CASIN	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY	OF CEMENT
12 1/4"	8 5/8" J-55	24	1067' existing		500 sxs	

Devon Energy plans to TA San Andres perfs @ 1913'- 2395' by squeezing w/ a polymer until a downhole commingling application is approved. The well will then be deepened to +3750' to the Yeso Formation . After logging, a 4" liner will be run and cemented from 2550'- 3750'. Plans are to perforate, stimulate, and pump test the Yeso. After approval of our downhole commingling application, the polymer plug across the San Andres perforations will be dissolved by pumping and enzyme breaker and the Yeso and San Andres zones will be downhole commingled.

15.5

10.46

2649' existing

2550'- 3750'

The road and location were previously archeologically cleared in 1996 when the well was drilled so no new Surface Use Plan is included. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

Deepening Program Current & Proposed wellbore schematics Exhibit #1 - Blowout Prevention Equipment Exhibit #2 - Location and Elevation Plat H₂S Operating Plan

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

5 1/2" J-55

4"

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 DIS

TTROSS, JR. CT ENGINEER

DATE February 12, 1999

500 sxs

80 sxs

*(This space for Federal or State office use)

PERMIT NO.

7 7/8"

4 3/4"

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.) ALEXIS C. SWOBODAITLE _____ PETROLEUM ENGINEER _____ DATE _____ FEB_10_03

See Instructions On Reverse Side

AND MANAGEMENT AND MANAGEMENT VO RECEIVED 1999 RECEIVED 1999

DEEPENING PROGRAM

Attached to Form 3160-3 Devon Energy Corporation Falcon 3G Federal #8 2035' FNL & 1805' FEL Section 3-T18S-R27E Eddy County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Queen	852′
Grayburg	1057'
San Andres	1600'
Glorieta	3120'
Yeso	3200'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Water

There is no known fresh water.

Oil

 San Andres:
 1913'- 2395' (Existing perfs)

 Yeso:
 3200'

No other formations are expected to yield oil or gas in measurable volumes. The surface water sands are protected by the 8 5/8" casing at 1067' that was cemented to surface. The San Andres is isolated by the 5-1/2" casing set at 2649' that was cemented to surface.

The Yeso will be isolated by the 4" liner set and cemented from 2550'- 3750'.

4. Casing Program:

Hole Size	Interval	Csg OD	Weight, Grade, Type
4-3/4"	2550'- 3750'	4"	10.46# J-55 FL4S Liner
Burst	Collapse	Tension	
(SF)	(SF)	(SF)	
6300 psi	6590 psi	153,000#	
(2.0)	(3.51)	(12.18)	

Cementing Program:

4" Liner @ 2550'- 3750': Cemented with 80 sxs Class C + 5% salt + .5% fluid loss additive + 1/4 lb/sx cellophane flakes.

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach the liner top.

5. Minimum Specifications for Pressure Control:

The blowout preventor equipment (BOP) shown in Exhibit #1 will consist of a (2M system) double ram type (2000 psi WP). The unit will be manually operated and will be equipped with blind rams on top and 2-7/8" drill pipe rams on bottom. Depending on availability, a 3000 psi WP BOP may be utilized instead of the 2000 psi WP BOP. The BOP will be installed when the workover rig is rigged up and utilized continuously until total depth is reached. Prior to drilling out the 5-1/2" casing shoe, the BOP's will be tested with the rig pump to 1000 psi.

Pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily driller's log.

6. Types and Characteristics of the Proposed Mud System:

Produced water will be used to deepen the well to total depth. The proposed properties of the drilling fluid are as follows:

Depth	Туре	Weight (ppg)	Viscosity (1/sec)	Water Loss (cc)
2649' - TD	Salt Water	9.0-9.2	28-32	No Control

The necessary mud products for weight addition and fluid loss control will be on location at all times.

- 7. Auxiliary Well Control and Monitoring Equipment:
 - A. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.

8. Logging, Testing and Coring Program:

- A. No drill stem tests are planned.
- B. The open hole electrical logging program will be:
 - T. D. to 2649': Dual Lateral-Micro SFL with Gamma Ray, and Caliper
 - T. D. to 1150': Compensated Neutron-Litho Density with Gamma Ray and Caliper
 - C. No cores are planned.

9. Abnormal Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 95 degrees and maximum bottom hole pressure is 900 psig. No major loss circulation intervals have been encountered in adjacent wells. An H_2S Drilling Operations Plan is included.

10. Anticipated Starting Date and Duration of Operations:

The anticipated starting date for the deepening is April 15, 1999. The deepening should take approximately 7 days. If the well is deemed productive, completion operations will require an additional 30 days.

DEVON ENERGY CORPORATION - WELLBORE SCHEMATIC WELL NAME: Falcon 3G Federal #8 FIELD: Red Lake LOCATION: 2035' FNL & 1805' FEL, Sec. 3-18S-27E COUNTY: Eddy STATE: NM ELEVATION: GL = 3561', KB = 3570' SPUD DATE: 12/1/96 COMP DATE: 12/16/96 API#: 30-015-29163 PREPARED BY: E. Buttross DATE: 2/10/99 DEPTH SIZE WEIGHT GRADE THREAD HOLE SIZE CASING: 0' - 1067' 8-5/8" 24# J-55 12-1/4" CASING: 0' - 2649' 5 1/2" 15.5# J-55 7-7/8" CASING: TUBING: 0' - 2395' 2-7/8" 6.5# J-55 8RD EUE (76 JTS) TUBING: CURRENT PROPOSED **OPERATOR: DEVON ENERGY CORPORATION** 8-5/8" Casing, Set @ 1067' w/ 500 sxs cmt. TOC @ surface SAN ANDRES PERFORATIONS: 1913'- 2395' (30 holes, .40", ALPHA, "A", "B", "C", & "D") 2-7/8" tbg @ 2395'. PBTD @ 2603' 5 1/2" 15.5# J-55 Casing Set @ 2649' w/ 500 sxs cmt. TOC @ surf. TD @ 2650'





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EXHIBIT 2

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

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

□ AMENDED REPORT

			WELL LC	CATION	AND ACREA	GE DEDICATI	ON PLAT		
API	Number		1	Pool Code 300		Red Lake	Pool Name (Q-GB_SA)	+ NÉ Red IA	(GLOR-
Property Code				Property Nam				Well Number	
			Fa	con 3 "G"	Federal		8		
OGRID No	o.		<u></u>		Operator Nam	1¢	······································	Elevat	ion
6137				Devo	on Energy C	orporation ^{(N}	levada)	356	1'
					Surface Loc				
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	3	18 S	27 E		2035	North	1805	East	Eddy
			Bottom			rent From Sur			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	Bast/West line	County
Dedicated Acres	Joint o	r Infill C	onsolidation	Code Or	der No.				
40									
NO ALLO	WABLE W					UNTIL ALL INTER APPROVED BY		EN CONSOLIDA	TED
				356	7.4° 3564.5' B.1' 3552.0'		I hereby contained herein best of my know Signature E.L. Bu Printed Name Distric Title August Date SURVEYO I hereby certify	ttross, J t Enginee 6, 1996	Tormation the to the
							actual eurorys supervision and correct to the Date Starreys renaturevik Trofesetopat Trofesetopat Trofesetopat Trofesetopat Trofesetopat	Shares	under my true and

DEVON ENERGY CORPORATION

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

A. Hydrogen Sulfide Training

All rig crews and company personnel will receive training from a qualified instructor in the following areas prior to penetrating any hydrogen sulfide bearing formations during drilling operations:

- 1. The hazards and characteristics of hydrogen sulfide (H2S).
- 2. The proper use and maintenance of the H2S safety equipment and of personal protective equipment to be utilized at the location such as H2S detection monitors, alarms and warning systems, and breathing equipment. Briefing areas and evacuation procedures will also be discussed and established.
- 3. Proper rescue techniques and procedures will be discussed and established.

In addition to the above, supervisory personnel will be trained in the prevention of oil and gas well blowouts in accordance with Minerals Management Service Standards Subpart - 0 - 250 - 212.

Prior to penetrating any known H2S bearing formation, H2S training will be required at the rig sight for all rig crews and company personnel that have not previously received such training. This instruction will be provided by a qualified instructor with each individual being required to pass a 20 question test regarding H2S safety procedures. All contract personnel employed on an unscheduled basis will be required to have received appropriate H2S training.

This Hydrogen Sulfide Drilling And Operations Plan shall be available at the wellsite during drilling operations.

B. H2S Safety Equipment And Systems

All H2S safety equipment and systems will be installed, tested, and operational when drilling operations reach a depth approximately 500' above any known or probable H2S bearing formation. The safety systems to be utilized during drilling operations are as follows:

1. Well Control Equipment

- (a) Double ram BOP with a properly sized closing unit and pipe rams to accommodate all pipe sizes in use.
- (b) A choke manifold with a minimum of one remote choke.
- 2. H2S Detection And Monitoring Equipment
 - (a) Three (3) H2S detection monitors will be placed in service at the location. One monitor will be placed near the bell nipple on the rig floor, one will be placed at the rig substructure; and, one will be at the working mud pits or shale shaker. This monitoring system will have warning lights and audible alarms that will alert personnel when H2S levels reach 10 ppm.
 - (b) One (1) Sensidyne Pump with the appropriate detection tubes will also be available to perform spot checks for H2S concentrations in any remote or isolated areas.

3. Protective Equipment For Essential Personnel

Protective equipment will consist of the following:

- (a) Four (4) five minute escape packs located at strategic points around the rig.
- (b) Two (2) thirty minute rescue packs to be located at the designated briefing areas.
- 4. Visual Warning System

Visual warning system will consist of the following:

- (a) Two wind direction indicators.
- (b) One condition / warning sign which will be posted on the road providing direct access to the location. The sign will contain lettering of sufficient size to be readable at a reasonable distance from the immediate location. The sign will inform the public that a hydrogen sulfide gas environment could be encountered at the location.

5. Mud Program

(a) The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight and safe drilling practices (for example, keeping the hole filled during trips) will minimize hazards when drilling in H2S bearing formations.

6. Metallurgy

(a) All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

7. Communication

(a) Two way radio and cellular telephone communication will be available in company vehicles.

C. Diagram of Drilling Location

1. Attached is a diagram representing a typical location layout as well as the location of H2S monitors, briefing areas, and wind direction indicators.

