

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
N.M. OIL & GAS Division  
8715 1ST ST.  
ARTESIA, NM 88210-2834

Form approved.

454

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. LEASE DESIGNATION AND SERIAL NO. NMLC-026874-B	
1a. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> <i>Je 10/14/97</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA	
b. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> Other <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. UNIT AGREEMENT NAME	
2. NAME OF OPERATOR DEVON ENERGY CORPORATION (NEVADA) <i>6137</i>		8. FARM OR LEASE NAME, WELL NO. Malco "B" Federal #3 <i>22066</i>	
3. ADDRESS AND TELEPHONE NO. 20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4511		9. API WELL NO. <i>30-115-29935</i>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 330' FNL & 2310' FEL  At top proposed prod. zone (SAME) <i>bot 2</i>		10. FIELD AND POOL, OR WILDCAT Red Lake; Q-GB-SA <i>51300</i>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 7 miles southeast of Artesia, NM		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Section 6 - T18S-R27E	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 330 (Also to nearest dril unit line if any)		12. COUNTY OR PARISH Eddy County	
16. NO. OF ACRES IN LEASE 120		13. STATE New Mexico	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2600'	
19. PROPOSED DEPTH 2800'		20. ROTARY OR CABLE TOOLS* Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) GR 3428		22. APPROX. DATE WORK WILL START* November 15, 1997	
Roswell Controlled Water Basin			

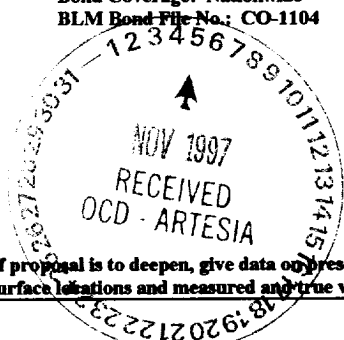
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	14"	Conductor	40'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	1050'	350 sx Lite + 200 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	2800'	150 sx Lite + 350 sx Class C

\* Cement will be circulated to surface on all casing strings.

Devon Energy plans to drill to 2800' +/- 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  
Exhibit #8 - H<sub>2</sub>S 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 FD-1  
11-21-97  
API & Loc*Submitted to  
General Requirements and  
Special Calculations  
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. L. Buttross Jr.*E. L. BUTTROSS, JR.  
TITLE DISTRICT ENGINEER

DATE October 1, 1997

\*(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.) ARMANDO A. LOPEZ

TITLE *Acting* ADM. MINERALS DATE *11/3/97*  
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

RECEIVED

1997 OCT -2 P 3 15

BUREAU OF LAND MGMT.  
ROSWEEL OFFICE

116

DISTRICT I  
P.O. Box 198C, Hobbs, NM 88240

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

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

OIL CONSERVATION DIVISION

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-815-29935</b>	Pool Code <b>51300</b>	Pool Name Red Lake (Q-GB-SA)
Property Code	Property Name <b>Malco "B" Federal</b>	Well Number <b>3</b>
OGRIU No.	Operator Name <b>Devon Energy Corporation</b>	Elevation <b>3428'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 2	6	18 S	27 E		330	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 <b>40</b>	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

				<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <b>E.L. Buttross Jr.</b> Signature <b>E.L. Buttross, Jr.</b> Printed Name <b>District Engineer</b> Title <b>October 1, 1997</b> Date	
<b>SURVEYOR CERTIFICATION</b>  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.  <b>August 27, 1997</b> Date Surveyed <b>GARY L. JONES</b> Signature & Seal of Professional Surveyor <b>W.O. No. 74824</b> Certificate No. <b>Gary L. Jones</b> 7977 <b>Basin Surveys</b>					

# MINIMUM BLOWOUT PREVENTER REG

3,000 psi Working Pressure

3 MWP

EXHIBIT 1

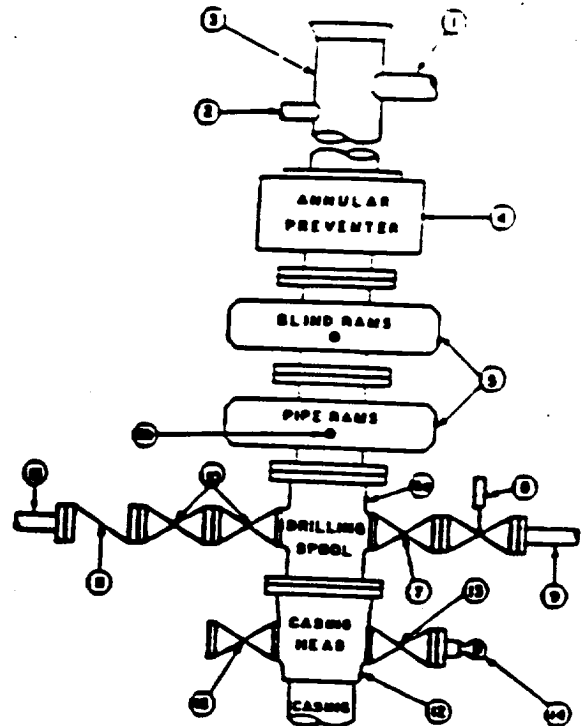
## STACK REQUIREMENTS

No	Item	Min I.D.	Min. Nominal
1	Flareline		
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 cam. (Alternate to 6a above.)		
7	Valve <span style="float:right">Gate <input type="checkbox"/> Plug <input type="checkbox"/></span>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves <span style="float:right">Gate <input type="checkbox"/> Plug <input type="checkbox"/></span>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve <span style="float:right">Gate <input type="checkbox"/> Plug <input type="checkbox"/></span>	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"
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CONFIGURATION A



## 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 derrick position.
4. Kelly equipped with Kelly catch.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly sever-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 lines. Replaceable parts for adjustable chokes, other beam stops, retainers, and choke washers 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 central 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.

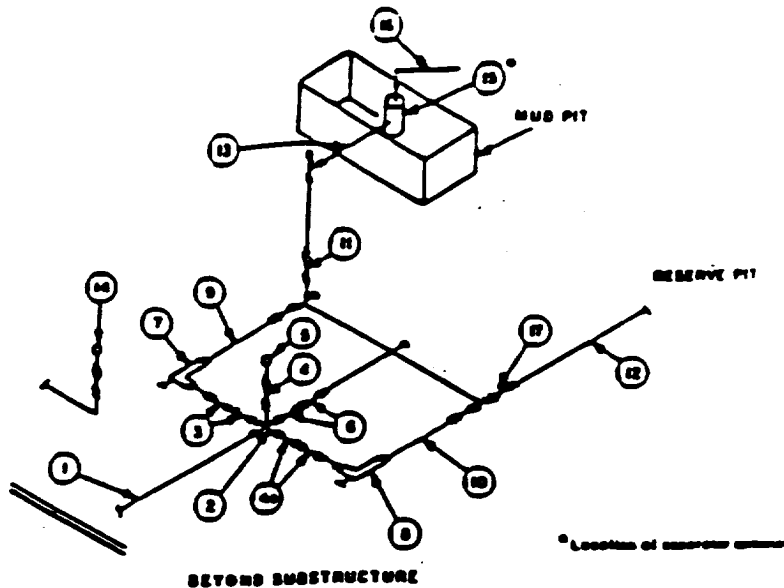
**Attachment to Exhibit #1**  
**NOTES REGARDING BLOWOUT PREVENTORS**  
**Malco "B" Federal #3**  
**Eddy County, New Mexico**

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 Pr.

3 MWP - 5 MWP - 10 MWP

EXHIBIT 1A



MINIMUM REQUIREMENTS										
No		3,000 MWP			5,000 MWP			10,000 MWP		
		LD	NOMINAL	RATING	LD	NOMINAL	RATING	LD	NOMINAL	RATING
1	Line from drilling steel		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x3"			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 (2)	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"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
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"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound stainless 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"	2,000
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 chokes required on 5,000 psi and 10,000 psi for drilling.

**EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS**

- All connections in choke manifold shall be welded, flanged, bolted 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 alternative 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 steel to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using full plugged tees.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.