Form 3160-3 (December 1990)	DEPARTMEN	D STATES N DF THE INTERIA		instron		Form approved.	CIHÝ			
			5. LEASE DESIGNATION AND SERIAL NO. LC-069274							
A	PPLICATION FOR PER	MIT TO DRILL OR D	EEPEN			N, ALLOTTEE OR TH	THE NAME			
la TYPE OF WORK:			NA							
							7.UNIT AGREEMENT NAME			
b. TYPE OF WELL:	GAS Other	SINGLE ZONE	MULTIPLE ZONE]	8.FARM OR	LEASE NAME, WELL	NO.			
2 NAME OF OPERATOR DEVON ENERGY CORPORATION (NEVADA) 6/37						Fred 6 Federal #7 22550				
3. ADDRESS AND		TE 1500, OKC, OK 73102 (,		30-	615-300	098			
	ELL (Report location clearly and in	accordance with any State requ	irements)*		Red Lake; Q-GB-SA 513A					
At top proposed pro	· · · ·	Lot3			Section 6-	T18S-27E	ND SURVEY OR AREA			
	AND DIRECTION FROM NEAREST TOWN es southeast of Artesia, NM	OR POST OFFICE*		998 FEB	12. COUNTY OR PARISH Eddy County Mexic					
15. DISTANCE FROM PRO LOCATION TO NEARES PROPERTY OR LEASE (Also to nearest drig, unit	ST LINE, FT. 430'	16.NO. OF ACRES IN LEASE 159		OCD ARTESIA						
18.DISTANCE FROM PRO	POSED LOCATION* DRILLING, COMPLETED,	19. PROPOSED DEPTH 2800'				20. ROTARY OR CABLE TOOLS* Rotary				
21. ELEVATIONS (Show w GR 3390'	, ,	OSWELL CONTROL	LED WATE	R BASIN		PROX. DATE WORK W cch 1, 1998	ILL START*			
23.	······	PROPOSED CASING AND	CEMENTING PR	OGRAM		· · · · · · · · · · · · · · · · · · ·				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	S	ETTING DEPTH		QUANTITY	OF CEMENT			
17 1/2"	14"	Conductor	40'		66	Redimix				
12 1/4"	8 5/8", J-55	24 ppf	1150'	WITNE		350 sx Lite + 200 s				
7 7/8"	5 1/2", J-55 15.5 ppf			2800'			150 sx Lite + 350 sx Class C			
	ulated to surface on all casing strip		1 2000		1	150 3X Ent. + 5 50 3	a C1833 C			

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/ 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 - 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 2-29-18 PPI+ LOC

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS 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. Z. B. Strong fr.	E. L. BUTTROSS, JR. TITLE <u>DISTRICT ENGINEER</u>	DATE	1/7/98			
*(This space for Federal or State office use)						
PERMIT NO	APPROVAL DATE					
Application approval does not warrant or certify that the applicant holds I thereon.	egal or equitable title to those rights in the subject lease	e which would er	ntitle the applicant to conduct operations			
CONDITIONS OF APPROVAL, IF ANY:	I) IN AINER	A1 8				
(ORIG. SSIL) ANERALIAN ANTR	Hatila		DATE 2-12.91			
APPROVED BY	TITLE $\int C \int N \eta$					

See Instructions On Reverse Side

DISTRICT I 20. 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

Exhibit #2

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

.

C AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code			Pool Name REd Lake (Q-GB-SA)							
Property Code		Property Name FRED "6" FEDERAL					Well Number 7					
OGRID No.					ator Nam			/ Elevation				
			DEVON ENERGY CORPORATION						3390			
Surface Location												
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro	m the	North/South line	Feet from the	East/West line	County		
C	6	18 S	27 E		43	0	NORTH	1750	WEST	EDDY		
<u></u>	Bottom Hole Location If Different From Surface											
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro	om the	North/South line	Feet from the	East/West line	County		
Dedicated Acre	s Joint o	r Infill Co	nsolidation (Code Or	der No.							
NO ALLO	WABLE W	TILL BE AS	SIGNED	THIS	COMPLE	TION I	INTIL ALL INTER	ESTS HAVE DE	EN CONCOLTR			
		OR A N	ION-STAN	DARD UN	IT HAS	BEEN	APPROVED BY	THE DIVISION	EN CONSOLIDA	ATED		
[
	339 ا	90.2' 33	85.2 ⁻			OPE			ATOR CERTIFICATION			
17	50'	7-9/			I hereby certify the a							
	لا 341	02.5 339	8.9'			contained herein is true and complete to best of my knowledge and belief.						
						1						
				E. I. Ruthard								
						- + -		Signature		-0		
								E.L. I	Buttross, J	r		
						District Engineer				r		
	l					Title						
						January 6, 1998 Date						
								SURVEYO	R CERTIFICAT	ION		
						 		I hereby certify	that the well locati	m shown		
	1							on this plat wa	s plotted from field	notes of		
						İ			made by me or I that the same is			
	1					1		correct to the	best of my belief			
									nber 03, 1997	7		
⊢−−−						-+-		Date Surveyed	Scalvol JONES			
						İ		Professional	Surveyor VES			
	ł					1			1977 "	In		
								V P	Na 7576XX			
								Certific Cerve	Gory L. Jone	7977		
								Certific Certific	ROFESTIONALLAND			
••••••••••••••••••••••••••••••••••••••				L					SURVEY OF			



Attachment to Exhibit #1 NOTES REGARDING BLOWOUT PREVENTORS Fred 6 Federal #7 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 and tested to 1000 psi with the rig pump.
- 4. All fittings will be flanged.
- 5. A full bore safety valve 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. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.