District I
PO Box 1980, Hobbs, NM 88241-1980

District II
PO Drawer DD, Artesia, NM 88211-0719

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

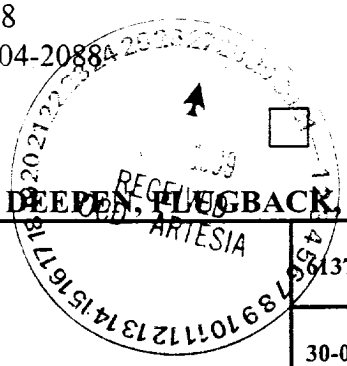
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

AMENDED REPORT



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[2] Operator Name and Address.	[1] OGRID Number
Devon Energy Corporation (Nevada) 1500 Mid America Tower 20 N. Broadway Oklahoma City, OK 73102-8260	6137
	[3] API Number 30-015-30129

[4] Property Code	[5] Property Name	[6] Well No.
22905	KAISER B	3

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County
G	18	18S	27E		1650	North	1650	East	Eddy

[8] Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ids	Feet from the	North/South line	Feet from the	East/West line	County

[9] Proposed Pool 1	[10] Proposed Pool 2
Red Lake (Q-GB-SA), Red Lake;Glorieta-Yeso S 1120	

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
D	O	Rotary	S	3286'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
No	4500'	Yeso	Unknown	November 15, 1999

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24 ppf	998' existing	600 sx	surface
7 7/8"	5 1/2"	15.5 ppf	2299' existing	475 sx	surface
4 3/4"	4"	10.46 ppf	2200'-4500'	150 sx	top of liner

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Devon Energy plans to TA San Andres perfs @ 1553'-1993' by squeezing w/ cement. The well will then be deepened to +/- 4500' to the Yeso Formation. After logging, a 4" liner will be run and cemented from 2200'-4500'. Plans are to perforate, stimulate, and pump test the Yeso. After approval of our downhole commingling application, the San Andres perforations will be re-opened by acidizing and the Yeso and San Andres zones will be downhole commingled.

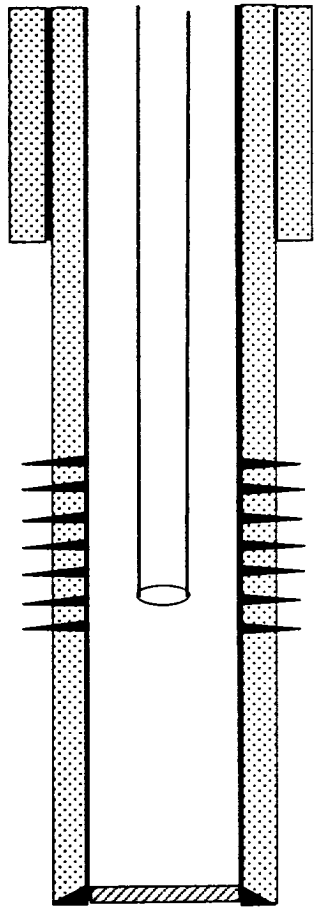
Attached: Current & Proposed wellbore schematics, Exhibit #1 - Blowout Prevention Equipment, Exhibit #2 - Location and Elevation Plat, H2S Operating Plan.

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION
Signature: E. L. Buttross Jr.	Approved by: ORIGINAL SIGNED BY TIM W. GUM
Printed name: E. L. Buttross Jr.	Title: DISTRICT II SUPERVISOR
Title: District Engineer	Approval Date: 9-27-99 Expiration Date: 9-27-00
Date: Phone: (405) 235-3611 x 4509	Conditions of Approval: Attached ☐

DEVON ENERGY CORPORATION - WELLBORE SCHEMATIC

WELL NAME: Kaiser B #3		FIELD: Red Lake	
LOCATION: 1650' FNL & 1650' FEL, Sec. 18-18S-27E		COUNTY: Eddy	STATE: NM
ELEVATION: GL = 3286', KB 3295'		SPUD DATE: 5/28/98	COMP DATE: 6/12/98
API#: 30-015-30129	PREPARED BY: T. Rutelonis		DATE: 9/15/99

	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 998'	8-5/8"	24#	J-55		12-1/4"
CASING:	0' - 2299'	5 1/2"	15.5#	J-55		7-7/8"
CASING:						
TUBING:	0' - 1915'	2-7/8"				
TUBING:						



▦ CURRENT ☐ PROPOSED

OPERATOR: DEVON ENERGY CORPORATION

8-5/8" Casing, Set @ 998' w/ 600 sxs cmt. TOC @ surface

SAN ANDRES PERFORATIONS:
1553'-1993' (30 holes, .40", ALPHA, "A", "B", "C", & "D")

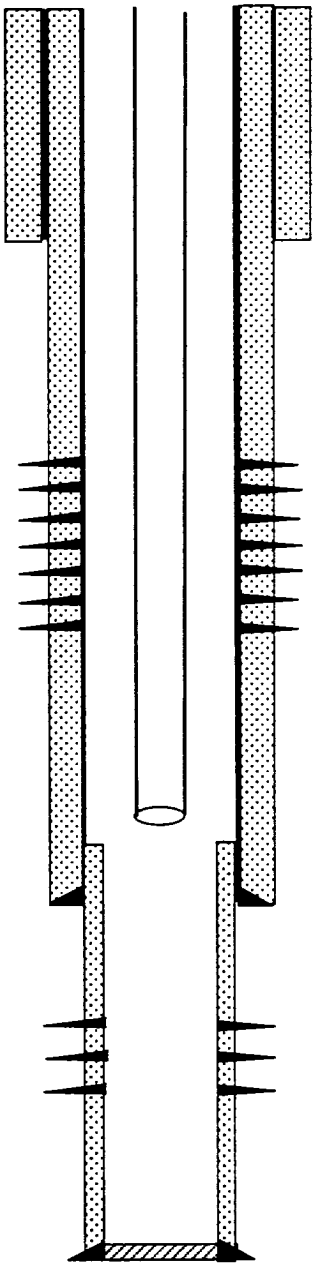
2-7/8" tbg w/ SN @ 1915'

PBTD @ 2252'
5 1/2" 15.5# J-55 Casing Set @ 2299' w/ 475 sxs cmt. TOC @ surf.
TD @ 2300'

DEVON ENERGY CORPORATION - WELLBORE SCHEMATIC

WELL NAME: Kaiser B #3		FIELD: Red Lake	
LOCATION: 1650' FNL & 1650' FEL. Sec. 18-18S-27E		COUNTY: Eddy	STATE: NM
ELEVATION: GL = 3286', KB 3295'		SPUD DATE: 5/28/98	COMP DATE: 6/12/98
API#: 30-015-30129	PREPARED BY: T. Rutelonis		DATE: 9/15/99

	DEPTH	SIZE	WEIGHT	GRADE	THREAD	HOLE SIZE
CASING:	0' - 998'	8-5/8"	24#	J-55		12-1/4"
CASING:	0' - 2299'	5 1/2"	15.5#	J-55		7-7/8"
LINER:	2200'-4500'	4"	10.46#	J-55	FL4S	4-3/4"
TUBING:	0' - 2170'	2-7/8"				
TUBING:						



☐ CURRENT ▦ PROPOSED

OPERATOR: DEVON ENERGY CORPORATION

8-5/8" Casing, Set @ 998' w/ 600 sxs cmt. TOC @ surface

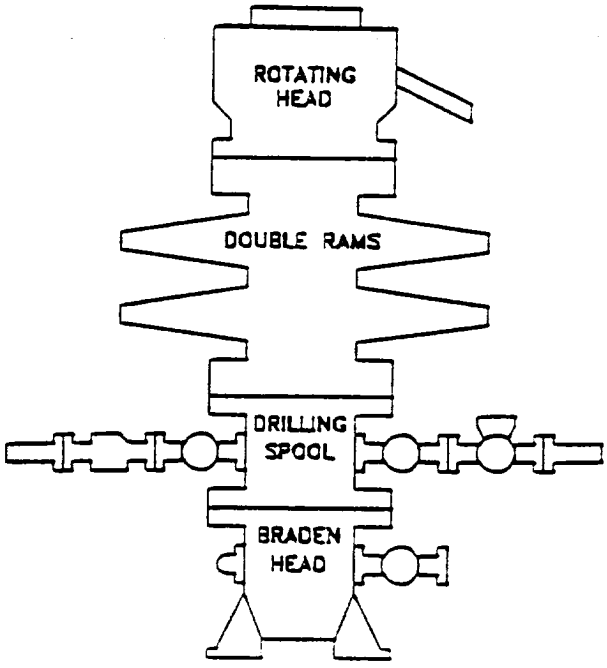
SAN ANDRES PERFORATIONS:
1553'-1993' (30 holes, .40", ALPHA, "A", "B", "C", & "D")
(PERFS SQZ'D & TA'D)

2-7/8" tbg w/ SN @ 2170'

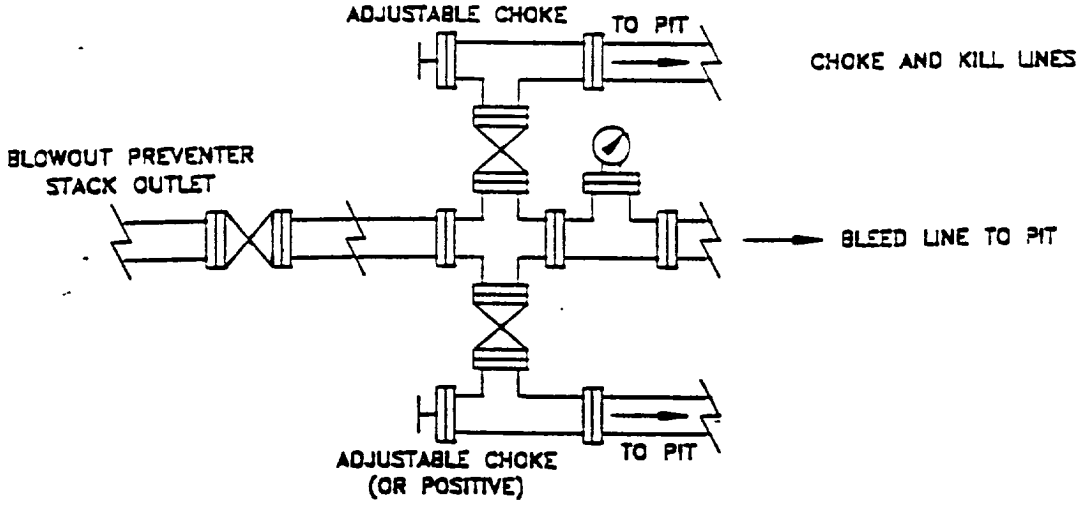
TOL @ 2200'
5 1/2" 15.5# J-55 Casing Set @ 2299' w/ 475 sxs cmt. TOC @ surf.

YESO PERFORATIONS:
±2750'- ±3050' (20 HOLES, .38")

TD @ 4500'



CHOKE MANIFOLD REQUIREMENT (2000 psi WP)



devon

WEST RED LAKE AREA

SCHEMATIC

BLOWOUT PREVENTOR

G:\...\PROJECTS\EXPANDED

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 LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-30129	51300	Red Lake (Q-GB-SA) ; Red Lake; Glorieta-Yeso

Property Code	Property Name	Well Number
22905	Kaiser "B"	3

OGRID No.	Operator Name	Elevation
6137	Devon Energy Corporation	3286'

Surface Location

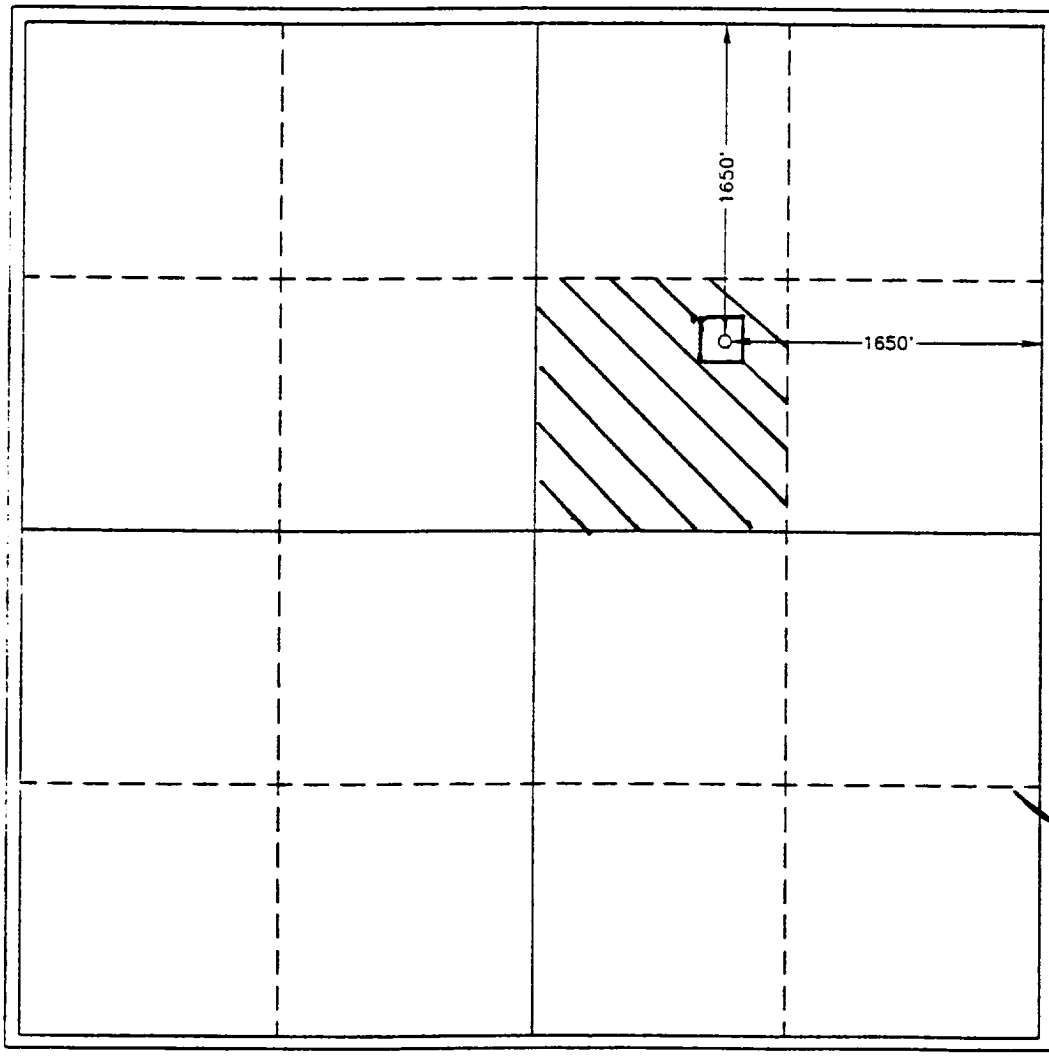
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	18	18 S	27 E		1650	North	1650	East	Eddy

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.

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.

E. L. Buttross Jr.
Signature

E. L. Buttross, Jr.
Printed Name

District Engineer
Title

February 18, 1998
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.

February 6, 1998
Date Surveyed

Signature & Seal of Professional Surveyor

GARY L JONES
NEW MEXICO
7977

W.O. No. 8028g

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

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

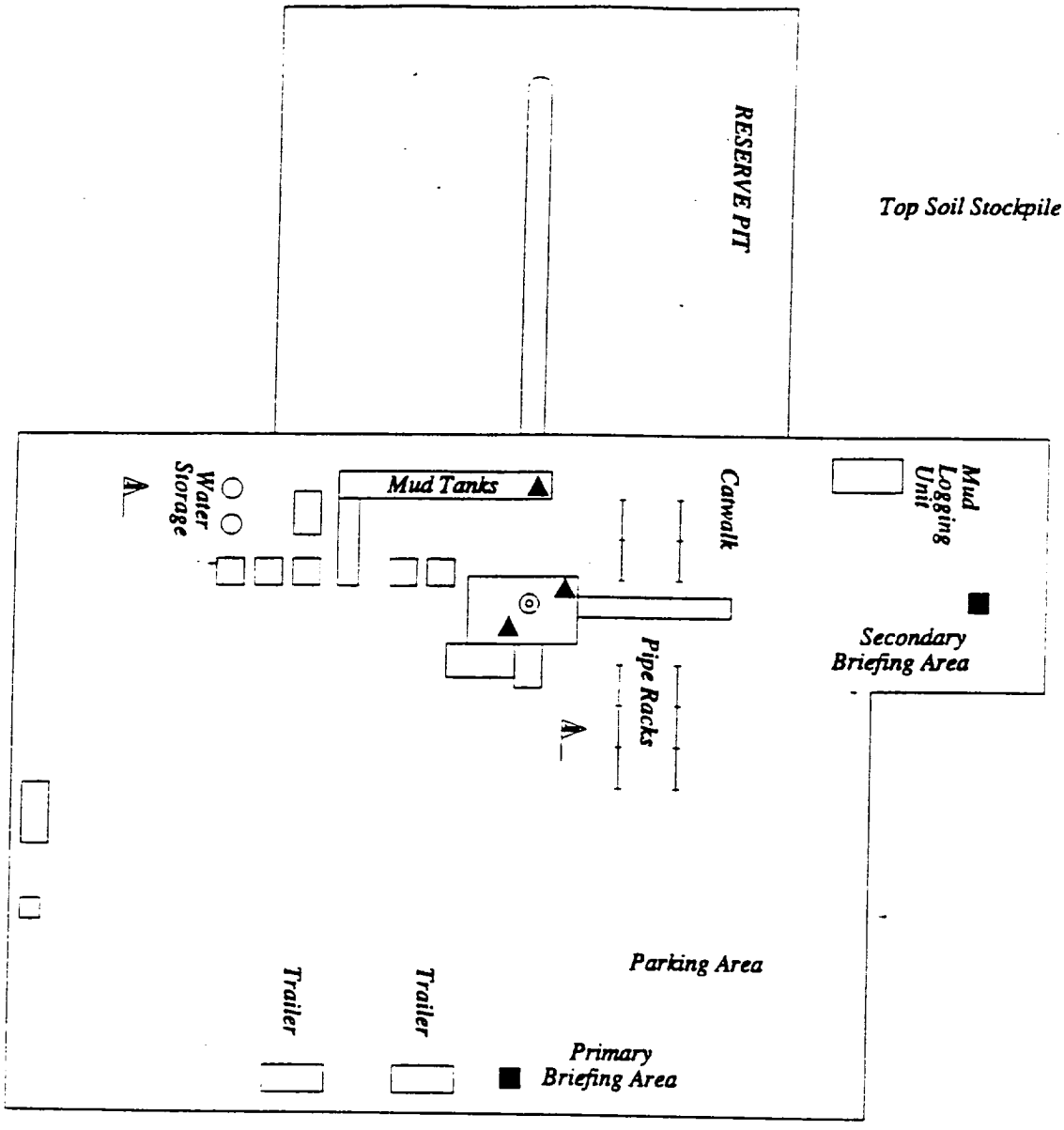
(a) All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.

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.



▲ H2S MONITORS WITH ALARMS AT THE BELL NIPPLE, SUBSTRUCTURE, AND SHALE SHAKER

WIND DIRECTION INDICATORS

■ SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT

Prevailing Wind

N

devon

WEST RED LAKE AREA

EDDY COUNTY, NEW MEXICO

H2S PLAN

Scale in Feet

25 0 25 50 75 100

File: O:\\NM\H2S-PLAN 9/95