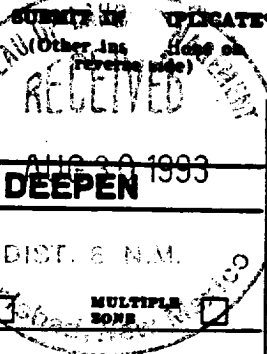


NM OIL CONS. COMMISSION
DRAW DD
ARTESIAN STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



30-015-27681
Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 10190	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA	
2. NAME OF OPERATOR Devon Energy Corporation (Nevada)		7. UNIT AGREEMENT NAME Shugart	
3. ADDRESS AND TELEPHONE NO. 20 North Broadway Suite 1500 Oklahoma City, OK 73102 (405) 552-4511		8. FARM OR LEASE NAME, WELL NO. East Shugart Unit #44	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FNL & 990' FWL At proposed prod. zone same		9. AN WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 1/2 miles southeast of Loco Hills, NM.		10. FIELD AND POOL, OR WILDCAT Shugart Y-SR-Q-G.	
16. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 990'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section D-35-T18S-R31E	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'		12. COUNTY OR PARISH Eddy	
19. NO. OF ACRES IN LEASE 560		13. STATE NM	
20. PROPOSED DEPTH 4500'		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3637.5'		22. APPROX. DATE WORK WILL START* October 15, 1993	

PROPOSED CASING AND CEMENTING PROGRAM *

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	14"		40'	cmt with readi-mix to surface
12 1/4"	8 5/8", J-55	24 ppf	950'	280 sx LITE + 200 sx Class "C"
7 7/8"	5 1/2", J-55	15.5 ppf	4500'	550 sx LITE + 500 sx Class "C"

* We plan to circulate cement to surface on all casing strings.

Devon Energy proposes to drill to 4500' (+) to test the Queen sand formation for commercial quantities oil oil. If the Queen sand 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

Exhibits #1/#1-A = Blowout Prevention Equipment

Exhibit #2 = Location & Elevation Plat

Exhibit #3 = Planned Access Roads

Exhibit #4 = Wells Within One Mile Radius

Exhibit #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design Program

Evidence of Bond Coverage

H₂S Operating Plan

Approval Subject to
General Requirements and
Special Stipulations
Attached

Posted ID-1
10-1-93

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 Randy Jackson TITLE District Engineer DATE 8/25/93

(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.) RICHARD L. MANUS TITLE AREA MANAGER DATE SEP 24 1993

*See Instructions On Reverse Side