

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> FEB 24 1994			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"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA
2. NAME OF OPERATOR Devon Energy Corporation (Nevada) ✓			7. UNIT ASSIGNMENT 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 #48
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 330' FNL & 1750' FWL At proposed prod. same same			9. AP WELL NO. 30-015-27872
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 WELDCAT Shugart; Y-7R-Q-6B
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)	330'	16. NO. OF ACRES IN LEASE 560	11. SEC., T., R., N., OR BLK. AND SURVEY OR AREA Section 35-T18S-R31E
17. NO. OF ACRES ASSIGNED TO THIS WELL 40	18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THE LEASE, FT. 750'	19. PROPOSED DEPTH 4500'	12. COUNTY OR PARISH Eddy
20. ROTARY OR CABLE TOOLS rotary	21. ELEVATIONS (Show whether DF, ET, GR, etc.) 3641.4' Capitan Controlled Water Basin	22. APPROX. DATE WORK WILL START* March 15, 1994	13. STATE NM

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'	CIRCULATE with readi-mix to surface
12 1/4"	8 5/8", J-55	24 ppf	950'	CIRCULATE 550 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

Approved 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 prevention program, if any.

24. SIGNED Randy Jackson TITLE District Engineer DATE December 28, 1993
(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 FORIE TITLE AREA MANAGER DATE FEB 22 1994

*See Instructions On Reverse Side