

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT 1. APPLICATION
(Other instructions on reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 10191		
2. NAME OF OPERATOR Devon Energy Corporation (Nevada) ✓			6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA		
3. ADDRESS AND TELEPHONE NO. 20 North Broadway Suite 1500 Oklahoma City, OK 73102 (405) 552-4511			7. UNIT AGREEMENT NAME Shugart; Y-7R-Q-6B		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FNL & 1500' FEL UORTHODOX LOCATION: At proposed prod. zone same Subject to State Approval Mr. B			8. FARM OR LEASE NAME, WELL NO. East Shugart Unit #49		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 1/2 miles southeast of Loco Hills, NM.			9. API WELL NO. 30-015-27873		
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any) 990'			10. FIELD AND POOL, OR WILDCAT Shugart Y-5R-QN-6B		
16. NO. OF ACRES IN LEASE 440			11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA Section 35-T18S-R31E		
17. NO. OF ACRES ASSIGNED TO THIS WELL 40			12. COUNTY OR PARISH Eddy		
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 500'			13. STATE NM		
19. PROPOSED DEPTH 4500'			20. ROTARY OR CABLE TOOLS rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3646.6' Capitan Controlled Water Basin			22. APPROX. DATE WORK WILL START* March 30, 1994		

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	Ent with readi-mix to surface
12 1/4"	8 5/8", J-55	24 ppf	950' CIRCULATE	80 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 Regulations and
Special Regulations
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.

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 (ORIG. SGD.) RICHARD L. MANN TITLE AREA MANAGER DATE FEB 22 1994

*See Instructions On Reverse Side