Form 3160-3 (December 1990)	DEPARTMEN		Subvitting Year	iesioi	Form approved.	cls	
	BUREAU OF L	5. LEASE DESIGNATION AND SERIAL NO. NM 10191					
	APPLICATION FOR PERM	AIT TO DRILL OR DEEPEN			IAN, ALLOTTEE OR TRIBE	NAME	
la TYPE OF WORK:	DRILL 🔀	DEEPEN		N/A			
b TYPE OF WELL:	GAS WELL Other	7. UNIT AGREEMENT NAME 14-08-001-11572 - EAST SHUGART UNIT					
2 NAME OF OPERA	TOR DEVON ENERGY COR	PORATION (NEVADA)	<u>ла 1</u>	EAST SH	r lease name, well no. IUGART UNIT #81	3493	
3. ADDRESS AND T		TE 1500, OKC, OK 73102	(405) 552-4511		LL NO. - 28337 AND POOL, OR WILDCAT		
	ELL (Report location clearly and in " FNL & 1770 • FEL SECTION 3:		CENTER	SHUGAR	$\frac{\text{RT}(Y-\text{SR-Q-G})}{1} \leq \frac{1}{2}$	439	
At top proposed prod	zone (SAME)		ECD 0.0 coor		SECTION 35-T18S-R3		
	AND DIRECTION FROM NEAREST TOWN HEAST OF LOCO HILL, NM	OR POST OFFICE*	11.1 0.2 ₁₈₅	12. COUNT EDDY	TY OR PARISH	13. STATE NM	
15.DISTANCE FROM PROS	=	16.NO. OF ACRES IN LEASE	L (<u>C(C)) - 7</u> ,		17.NO. OF ACRES ASS	IGNED	
LOCATION TO NEARES PROPERTY OR LEASE (Also to nearest drig, unit h	LINE, FT. 1650'	440	D197.2		TO THIS WELL 40		
18.DISTANCE FROM PROP TO NEAREST WELL, D OR APPLIED FOR, ON	RILLING, COMPLETED,	19. PROPOSED DEPTH 4200'			20. ROTARY OR CABLE ROTARY	TOOLS*	
21.ELEVATIONS (Show wh GL 3644'	ether DF, RT, GR, etc.)				APPROX. DATE WORK WILL A RUARY 15, 1995	START*	
3.		PROPOSED CASING AND C	EMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF C	MENT	
7 1/2"	14"		40'		CMT W/READI-MIX TO SURF		
2 1/4"	8 5/8" J-55 5 1/2" J-55	24#	950' 4200' P. 7 TN-1	·····	300 SX LITE + 200 SX CLASS C 550 SX LITE + 500 SX CLASS C		
oncommercial, th re outlined in the	poses to drill to 4200' to tes e well bore will be plugged a following exhibits and attack	ind abandoned per Federal	$\frac{4200}{2} \frac{960}{2} \pm 10^{-1}$ $\frac{3}{2} - 3 - 95$ Marchinger + All for commercial quantities regulations. Programs to a	of oil. If	f the Queen is deeme onshore oil and gas	ed regulations	
Drilling Program Surface Use and O	perating Plan	The u	indersigned accepts all app	licable te	rme conditions stin	ulations	
	Blowout Prevention Equipm	ent and r	estrictions concerning oper	ations co	nducted on the lease	d land or	
	ion and Elevation Plat		ons thereof, as described be				
	Road Map and Topo Map		#: NM 10191				
	Within 1 Mile Radius		Description: Section 35-T	`18S-R31	E,	• •	
xhibits #5 = Prod	uction Facilities Plat		ation: Queen Sand		- ,	. 19	
xhibit #7 = Casin			Coverage: Nationwide Bond #: CO-1104		€ C		
I2S Operating Plan				and propos	ر ان مراجع and new productive sono	Telan	
s to drill or deepen dir	ectionally, give pertinent data on s	ubsurface locations and measure	ed and true vertical depths. Give	blowout p	reventer program, if any		
4.							
SIGNED	E.J. Buttons &	•	UTTROSS RICT ENGINEER DAT	E	_12/19/94_		
This space for Fede	eral or State office use)				APPROVAL SUB	eet vo .	
ERMIT NO			APPROVAL DATE		GENERAL REQUI	REMENTS A	
pplication approval does CONDITIONS OF AP	not warrant or certify that the applican PROVAL, IF ANY:	t holds legal or equitable title to those	e rights in the subject lease which wou	ild entitle the	e applicant to conduct operi	ALLONS on.	
PPROVED BY /S/	Yolanda Viega		MANACER Beverse Side	DAT	e <u>1/31/95</u>		

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

District Office State Lease - 4 copies Fee Lease - 3 copies

<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aziec, NM 87410

STATE OF THEW MEXICO nergy, Minerals and Natural Resources Dep nt

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section

Operator				Lease		as of the sectio				
Devon E	nergy Cor	poration							Well No.	
Unit Letter	Section	Township			st Snu	gart Un	it		81	
G	35	18 Sou	1+h	Range 31 Eas	• L			County		
Actual Footage Loca	tion of Well:			JI Las		N	MPM.		Eddy	
1650	feet from the NC	orth	•:- •	1770	•					
Ground level Elev.		ng Formation	line and	Pool			from		line	
3644	Yat	es-Queen		Sh	ugart*((Y-SR-Q-G)	$) \sim$	1	Dedicated Acre 40	age:
1. Outline	the acreage dedicate	d to the subject w	ell by colored pen	cil or hachure	Tritks on the		<u>5</u>	6454		Acres
						•				
	than one lease is dec	dicated to the well	, outline each and	identify the ov	Amership ther	reof (both as to	workin	g interest and	royalty).	
3. If more	than one lease of dif	ferent ownership i	is dedicated to the	well, have the	interest of a	ll minarr been				
		-				in owners been a	consoli	dated by com	munitization,	
If answer	Yes [] is "no" list the owner	No If a	nswer is "yes" typ	e of consolida	lion					
this form i	is "no" list the owner if neccessary.		cious which have	actually been of	consolidated.	(Use reverse s	ide of			
No allowa	ble will be assigned in non-standard unit, eli	to the well until al	I interests have be	en consolidate	d (by comm		731100	formed evolution		<u> </u>
	non-standard unit, eli	minating such inte	rest, has been app	roved by the [Division.	and		, torea-poont	ig, or otherwise)	
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MINIMUM BLOWOUT PREVENTER REG

-MENTS

3.000 psi Working Pressure

3 MWP

STACK REQUIREMENTS

No		Min. I.D.	Min. Nomina	
1	Flowine			
2	Fill up line		2"	
3	Drilling supple	1		
4	Annular preventer		†	
5	Two single or one dual hydraulically operated rams			
64	Drilling speel with 2° min. kill line and 3° min choke line autlets			
6 b	2" min. till line and 3" min. choke line outlets in ram. (Alternate to 6a above.)			
7	Valve Gate D Plug D	3-1/8*		
	Gale valve-power operated	3-1/8"		
9	Line to choke manifold		3.	
10	Valves Gate C Plug C	2-1/16*		
11	Check valve	2-1/16*		
12	Casing head			
13	Vaive Gate D Piug D	1-13/16*		
14	Pressure gauge with needle valve			
	Kill line to rig mud pump meniloid			

OPTIONAL 15 Flanged valve 1-13/16*

CONTRACTOR'S OPTION TO FURNISH:

- 1.All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psl, minimum.
- 2. Automatic accumulater (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- 3.80P controls, to be localed near drillers position.
- 4.Kelly equipped with Kelly cock.
- 5.Inside blowout prevventer er its equivalent en derrick floor at all times with proper threads to it pipe being used.
- 6.Kelly saver-sub equipped with rubber casing protector at all times.
- 7. Plug type blowout preventer tester.
- 8.Extra set pipe rams to fit drill pipe in use on location at all times.
- 8. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

- 1.Bradenhead er casinghead and side valves.
- 2.Wear bushing, If required.

GENERAL NOTES;

- 1.Deviations from this drawing may be made only with the express permission of MEC's Drilling Menager.
- 2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clemp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through chore. Valves must be full opening and suitable for high pressure mud service.
- 3. Controls to be of standard design and each marked, showing spaning and closing position.
- 4. Chokes will be positioned so as not to hemper or delay changing of choke beans. Repisceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be cerveniently located for immediate use.
- All valves to be equipped with handwheels or handles ready for immediate use.
- 6.Choke lines must be suitably enchored.

EAST SHUGART UNIT Eddy County, New Mexico

EXHIBIT 1

CONFIGURATION /



- 7.Handwheels and extensions to be connected and ready for use.
- 8. Valves adjacent to drilling speet to be hept open. Use outside valves except for emergency.
- All seemiess steel control piping (2000 pel working pressure) to have flexible joints to avoid stress. House will be permitted.
- 10. Casinghead connections shall not be used except in case of emergency.
- 11.Do not use kill line for routine Mi-up operations.

MINIMUM CHOKE MANIFOLD 3,000, 5,000 and 10,000 PSI Working Pres

3 MWP - 5 MWP - 10 MWP

EXHIBIT 1-A

EAST SHUGART UNIT Eddy County, New Mexico (# \mathbf{B} MUD PIT (1) A RESERVE PIT 6 17 6 (10 1 "Location of paperster set SEVEND SUBSTRUCTURE

			Line	MUM RECL	MEMENT	\$				
		3.000 MWP			S.000 MWP			10.000 MWP		
No.			NOMINAL	PATING	1.D.	NOMINAL	RATING	1.0.	NOMINAL	RATING
1	Line from drilling speel		3.	3.000		3.	5.000		3.	10.000
2	Cress 3"x3"x3"z2"			3.000			8.000	t	+	10,000
	Cress 3*x3*x3*x3*									-
3	Valves(1) Gate D Plug (D(2)	3-118-		3,800	3-1/8*		5,000	3-1/8*		10,000
4	Valve Gate C Plag C(2)	1-13/16*		3,900	1-13/16*		5.000	1-13/16*		10,000
48	Valves(1)	2-1/18"		3,800	8-1/16-		5,000	21/8"		10.000
5	Pressure Gauge	1		3,000			5.000		╅╾╍╌╼╋	10,000
6	Valves Gale C Plug ()(2)	3-1/8*		3,800	3-1/8*		5,800	3-1/8*		10,000
7	Adjustable Chelo(3)	2"		3.000	2"		5,000	2	╋━━━┷╉	
	Adjustable Choke	1.		3.000	1*	┢╼╼╼╼┥	5,000	2	<u> </u>	10,000
	Line		3	3.000		3*	5,000			10,000
10	Line		2*	3.000	-	2.			3.	10,000
	Gete []					2	\$,800		3.	10,000
11	Phy D(2)	3-1/8*		3,000	3-1/8*		5.000	3-1/8*		10,800
13	Lines		3.	1,900		3.	1,000		3.	2.000
13	Lines		3.	1,000		3.	1.000		3.	
14	Remote reading compound standpipe pressure gauge			3.000			5,000			2,000
15	Gas Separator		2'=5'			2'=5'				
16	Line		4.	1,000		4.	1.000		2'25'	
17	Valves Gets D					┝────┤			4.	2,000
	Plug ()(2)	3-1/8*		3,000	3-147		5.000	3-1/8*		10.000

(1) Only one required in Class 3M.

(2) Gate valves-any shall be used for Class 10hl.

(3) Remain operated hydroulic shake required on 5,000 pel and 10,000 pel lar shilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- 1. All connections in choice manifold shall be welded, studded, llanged or Cemeron clamp of comparable rating. 2. All langes shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- 3. All lines shall be securely enchored.
- 4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be evaliable.
- 5. Choke meniloid pressure and standpipe pressure gauges shall be available at the choke meniloid to assist in regulating
- chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- 6. Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 80° bends using bull plugged tees. 7. Discharge lines from choices, choice bypass and from top of ges separator should vent as far as practical from the well.