

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
S. 1st ST.  
ARTESIA, NM 88210-2804

SUBMIT IN TRIPLICATE\*

Form approved.

C/SF

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL:

OIL WELL ☒ GAS WELL ☐ Other ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

DEVON ENERGY CORPORATION (NEVADA)

6137

3. ADDRESS AND TELEPHONE NO.

20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 235-3611

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface 990' FNL & 2310' FEL

At top proposed prod. zone (SAME)

Unit B Lot 2

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

15 1/2 miles southeast of Loco Hills, NM

RECEIVED

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

990'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

660'

19. PROPOSED DEPTH

4200'

OIL CON. DIV.

20. ROTARY OR CABLE TOOLS\*

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

GL 3606'

DIST. 2

22. APPROX. DATE WORK WILL START\*

February 19, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	14" conductor		40"	Ready-Mix to surface
12 1/4"	8 5/8" J-55	24#	950'	300 sx Lite + 200 sx Class C
7 7/8"	5 1/2" J-55	15.5#	4200'	550 sx Lite + 500 sx Class C

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

Devon Energy proposes to drill to 4200' to test the Queen Sand formation for commercial quantities of oil. If the Queen is deemed noncommercial, the well bore 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 and Elevation Plat

Exhibits #3/3-A = Road Map and Topo Map

Exhibit #4 = Wells Within 1 Mile Radius

Exhibits #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design

H<sub>2</sub>S Operating Plan

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below.

Lease #: NM-LC-058008-A

Legal Description: Section 3-T19S-R31E

Formation: Queen Sand

Bond Coverage: Nationwide

BLM Bond #: CO-1104

Part ID-1  
2-2-96  
Newbore  
+ API

DEC 6 1995

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

E.L. Buttross, Jr.

TITLE District Engineer

DATE December 4, 1995

\*(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 on the leased land.

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

APPROVED BY

TITLE

DATE

See Instructions On Reverse Side

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 86210

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 <b>30-015-28797</b>	Pool Code <b>56439</b>	Pool Name <b>Shugart (Yates-Seven Rivers-Queen-Grayburg)</b>
Property Code <b>3493</b>	Property Name <b>East Shugart Unit</b>	Well Number <b>84</b>
OGRID No. <b>6137</b>	Operator Name <b>Devon Energy Corporation (Nevada)</b>	Elevation <b>3606'</b>

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>B</b>	<b>3</b>	<b>19 S</b>	<b>31 E</b>		<b>990</b>	<b>NORTH</b>	<b>2310</b>	<b>EAST</b>	<b>EDDY</b>

## 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 <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>E.L. Buttross Jr.</i></p> <p>Signature <b>E.L. Buttross, Jr.</b></p> <p>Printed Name <b>District Engineer</b></p> <p>Title <b>December 4, 1995</b></p> <p>Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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 supervision, and that the same is true and correct to the best of my belief.</p> <p><b>September 8, 1995</b></p> <p><i>[Signature]</i></p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><b>W.O. Num. 5156</b></p> <p>Certificate No. <b>6011</b> Jones 7977</p> <p>Basin surveys</p>

# MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

EAST SHUGART UNIT  
Eddy County, New Mexico

## STACK REQUIREMENTS

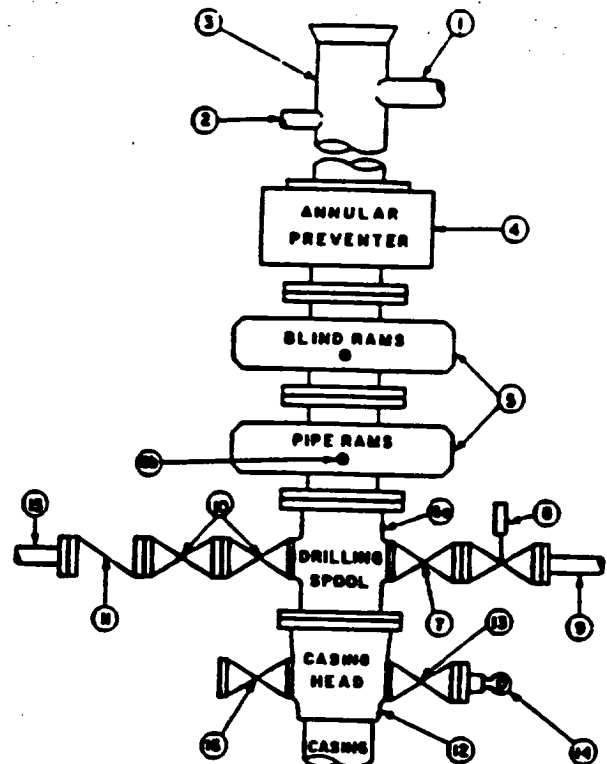
No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

## OPTIONAL

16	Flanged valve	1-13/16"	
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EXHIBIT 1

CONFIGURATION A



## CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit 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.
9. Type RX ring gaskets in place of Type R.

## MEC TO FURNISH:

1. Bradenhead or 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 Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.

7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hooses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

Attachment to Exhibit #1  
NOTES REGARDING BLOWOUT PREVENTORS  
Devon Energy Corporation (Nevada)  
EAST SHUGART UNIT #84  
990' FNL & 2310' FEL  
Section 3-T19S-R31E, Unit B  
Eddy County, New Mexico

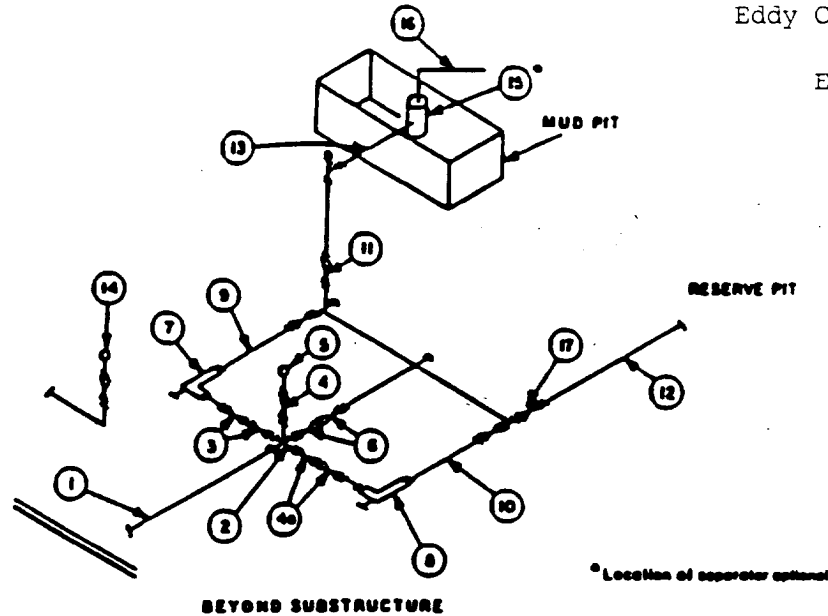
1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
2. Wear ring will be properly installed in head.
3. Blowout preventor and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.
4. All fittings will be flanged.
5. A full bore safety valve tested to a minimum 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
6. All choke lines will be anchored to prevent movement.
7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
8. Will maintain a kelly cock attached to the kelly.
9. Hand wheels and wrenches will be properly installed and tested for safe operation.
10. Hydraulic floor control for blowout preventor will be located as near in proximity to driller's controls as possible.
11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

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

**3 MWP · 5 MWP · 10 MWP**

EAST SHUGART UNIT  
Eddy County, New Mexico

EXHIBIT 1-A



MINIMUM REQUIREMENTS										
No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING	I.D.	NOMINAL	RATING
1	Line from drilling spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3"x3"x3"x2"			3,000			5,000			
	Cross 3"x3"x3"x3"									10,000
3	Valves <sup>(1)</sup> Gate □ Plug □ <sup>(2)</sup>	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
4	Valve Gate □ Plug □ <sup>(2)</sup>	1-13/16"		3,000	1-13/16"		5,000	1-13/16"		10,000
4a	Valves <sup>(1)</sup>	2-1/16"		3,000	2-1/16"		5,000	3-1/8"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valves Gate □ Plug □ <sup>(2)</sup>	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
7	Adjustable Choke <sup>(3)</sup>	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		3"	10,000
11	Valves Gate □ Plug □ <sup>(2)</sup>	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000
12	Lines		3"	1,000		3"	1,000		3"	2,000
13	Lines		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2'x5'			2'x5'			2'x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valves Gate □ Plug □ <sup>(2)</sup>	3-1/8"		3,000	3-1/8"		5,000	3-1/8"		10,000

(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

**EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS**

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold 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.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.