

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N. M.

Form approved
OMB No. 1004-0136

Expires November 30, 2000

811 E. 1ST ST.

ARTEZIA, NM 87010-2834

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. TYPE OF WORK: ☒ DRILL ☐ REENTER

b. TYPE OF WELL: ☐ OIL WELL ☒ GAS WELL ☐ Other ☐ SINGLE ZONE ☐ MULTIPLE ZONE

2. NAME OF OPERATOR
DEVON SFS OPERATING, INC. 20325

3a. ADDRESS AND TELEPHONE NO.
20 NORTH BROADWAY, SUITE 1500, OKC, OK 73102 3b. TELEPHONE (Include area code).
(405) 235-3611

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface (D) 1250' FNL & 660' FWL

At top proposed prod. zone

Capitan Combed Water Basin

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 42 miles West of Hobbs, New Mexico

5. LEASE DESIGNATION AND SERIAL NO. LC-065680	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A	
7. UNIT AGREEMENT NAME N/A	
8. FARM OR LEASE NAME, WELL NO. Shugart 25 Federal Com #2	
9. API WELL NO. 30-015-31758	
10. FIELD AND POOL, OR WILDCAT Shugart; Morrow	
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Section 25, T-18-S, R-31-E	
12. COUNTY OR PARISH Eddy County	13. STATE New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line if any) 660'	16. NO. OF ACRES IN LEASE 1160.00	17. Spacing Unit dedicated to this well 320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 12,500'	20. BLM/BIA Bond No. on file UT-1195
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3678' GL	22. APPROX. DATE WORK WILL START* May 15, 2001	23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

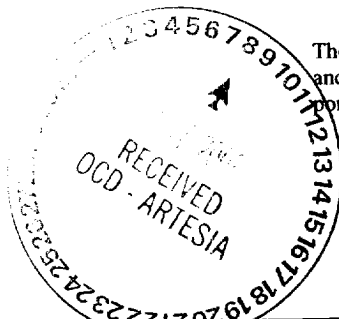
- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized officer.

Devon SFS Operating, Inc. proposes to drill a Morrow well to TD 12,500' ± for commercial quantities of gas. If the well 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
Exhibit #1 = Blowout Prevention Equipment
Exhibit #2 = Location and Elevation Plat
Exhibit #3 = Road Map and Topo Map
Exhibit #4 = Wells Within 1 Mile Radius
Exhibit #5 = Rotary Rig Layout
Exhibit #6 = H₂S Operating Plan
Exhibit #7 = Archeological clearance report

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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED



25. Signature <i>Karen Cottom</i>	Name (Printed/Typed) Karen Cottom	Date March 20, 2001
Title Engineering Tech		
Approved by (signature) <i>151 Joe G. Lara</i>	Name (Printed/Typed) 151 JOE G LARA	Date 5/2/2001
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

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, are attached.

APPROVAL FOR 1 YEAR

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