

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT
N.M. Oil Cons. Division
811 S. 1ST ST.
ARTESIA, NM 88210-2834

SUBMIT IN TRIPLICATE*

Form approved.

01/14/98

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.
NM-NM029301

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
N/A

7. UNIT AGREEMENT NAME
SW-257

8. FARM OR LEASE NAME, WELL NO.
MARTHA CREEK GAS COM. #1 22545

9. API WELL NO.
30-015-10323

10. FIELD AND POOL, OR WILDCAT
Indian Basin (Upper Penn)

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Unit J
Section 30-T21S-R24E

1a. TYPE OF WORK: DRILL DEEPEN
REENTER

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

2. NAME OF OPERATOR
DEVON ENERGY CORPORATION (NEVADA) 0137

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 1650' FSL & 1650' FEL, Unit J, Section 30-R21S-R24E, Eddy Cnty, NM
At top proposed prod. zone (SAME)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
24 miles nw of Carlsbad, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
1650'
(Also to nearest drlg. unit line if any)

16. NO. OF ACRES IN LEASE
351

17. NO. OF ACRES ASSIGNED TO THIS WELL
688

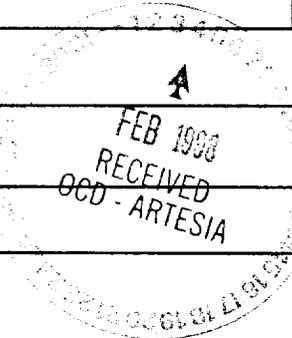
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
2677'

19. PROPOSED DEPTH
8200'

20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GL 3726.9'

22. APPROX. DATE WORK WILL START*
February, 1998



23. PROPOSED CASING AND CEMENTING

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	existing H-40 13 3/8"	48	198'	250 sx
12 1/4"	existing J-55 9 5/8"	36	2002'	1575 sx
8 3/4"	existing J-55 & N-80 7"	23 & 26	9522'	400 sx

CARLSBAD CONTROLLED WATER BASIN

DV tool set at 7229'

Devon Energy plans to reenter this P&A well bore, drill out the cement plugs and retainers, burn over the packer at 7271', and recover tubing to at least 8200'. Once casing integrity has been established, the casing will be perforated between 7,334' and 7,700'. An Electric Submersible Pump will then be run into the well bore and a production test will commence. If the well does not produce hydrocarbons in commercial quantities, the well will be T&A'd to be held in reserve as a possible SWD well. 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 = P&A Well Bore Schematic
Exhibit #2 = Location and Elevation Plat
Exhibits #3 = Road Map and Topo Map
Exhibit #4 = Wells Within 1 Mile Buffer
Exhibit #5 = Production Facilities Plat
Exhibit #6 = Workover Rig Layout

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-NM029301
Legal Description: Section 30-T21S-R24E, Eddy Cnty, NM

Bond Coverage: Nationwide
BLM Bond #: CO-1104

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

Posted 10-1
N/A -
2-20-98

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 preventer program, if any.

SIGNED Candace R. Graham TITLE Engineering Technician DATE January 14, 1998

*(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 John R. Adams, APPROVALS LOGS TITLE ADM. MINERALS DATE 2-2-98
See Instructions On Reverse Side

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

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

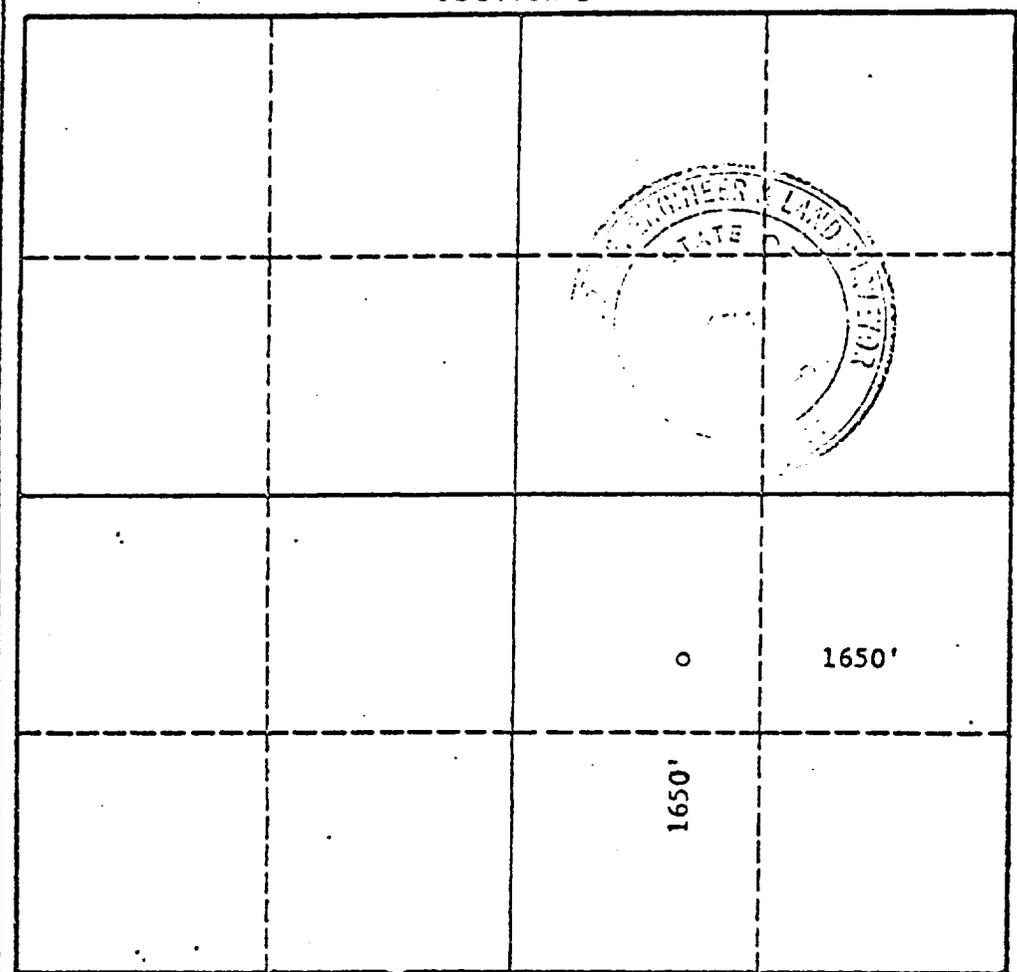
SECTION A

Operator KERR-MCGEE OIL INDUSTRIES, INC.		Lease MARTHA CREEK		Well No. 1
Unit Letter J	Section 30	Township 21 SOUTH	Range 24 EAST	County EDDY
Actual Footage Location of Well: 1650 feet from the SOUTH line and 1650 feet from the EAST line				
Ground Level Elev. 3726.9	Producing Formation UPPER PENN & MORROW	Pool INDIAN BATH		Dedicated Acreage: 6.0 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES NO . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



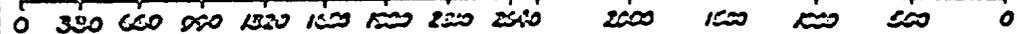
CERTIFICATION

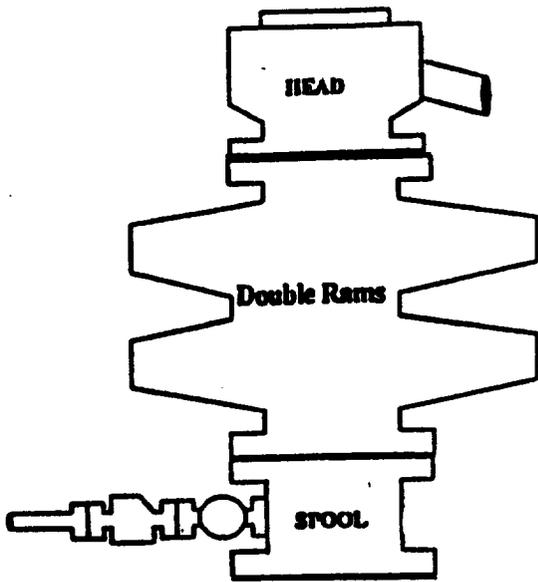
I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name: *John W West*
 Position: DIV. DECD. SURV.
 Company: Kerr-McGee Oil Industries, Inc.
 Date: December 22, 1964

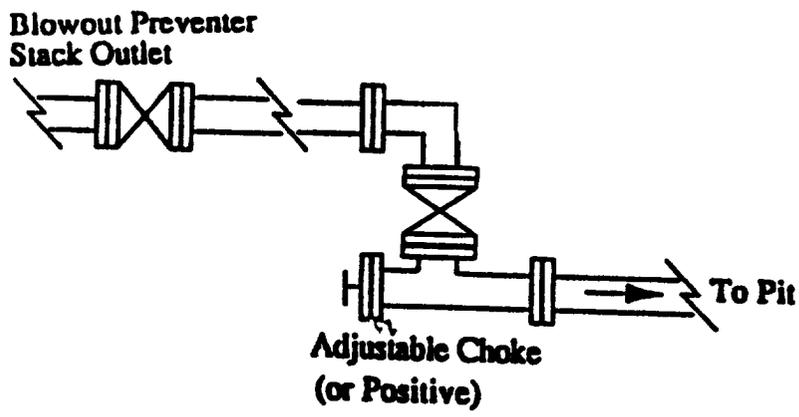
I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 12/22/64
 Registered Professional Engineer and/or Land Surveyor, JOHN W WEST
John W West
 Certificate No. N.M. - P.E. & L.S. NO. 676





Choke Manifold



Devon Energy Corporation (Nevada)
MARTHA CREEK GAS COM. #1
1650' FSL & 1650' FEL, Section J-30-T21S-R24E
Eddy County, New Mexico