

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3211
Order No. R-2875

APPLICATION OF ARCHIE M. SPEIR
FOR APPROVAL OF THE SOUTH RED
LAKE GRAYBURG UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO,

*Cl. Rec
R-2875 A*

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 24, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of March, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Archie M. Speir, seeks approval of the South Red Lake Grayburg Unit Agreement covering 1442.34 acres, more or less, of State and Federal lands described as follows:

EDDY COUNTY, NEW MEXICO

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 35: All

Section 36: ~~E/2~~ NE/4, W/2, and NW/4 SE/4

W/2 ✓

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 1: Lot 4 (NW/4 NW/4)

Section 2: Lots 1, 2, 3, and 4 (N/2 N/2
and S/2 N/2)

(3) That approval of the proposed unit agreement should promote the prevention of waste and the protection of correlative rights within the unit area.

IT IS THEREFORE ORDERED:

(1) That the South Red Lake Grayburg Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey; that this order shall terminate ipso facto upon the termination of said unit agreement; and that the last unit operator shall notify the Commission immediately in writing of such termination.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

A. L. PORTER, Jr., Member & Secretary

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 3211
Order No. R-2875-A

APPLICATION OF ARCHIE M. SPEIR
FOR APPROVAL OF THE SOUTH RED
LAKE GRAYBURG UNIT AGREEMENT,
EDDY COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

BY THE COMMISSION:

It appearing to the Commission that Order No. R-2875, dated March 5, 1965, does not correctly state the intended finding of the Commission in one particular due to clerical error,

IT IS THEREFORE ORDERED:

(1) That the portion of the description in Finding No. (2) of Order No. R-2875 reading:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 35: All

Section 36: E/2 NE/4, W/2, and NW/4 SE/4

is hereby corrected to read as follows:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 35: All

Section 36: W/2 NE/4, W/2, and NW/4 SE/4

(2) That the correction set forth above shall be effective nunc pro tunc as of March 5, 1965.

DONE at Santa Fe, New Mexico, on this 16th day of August, 1965.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

esr/

A. L. PORTER, JR., Member & Secretary

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3212
Order No. R-2882

APPLICATION OF ARCHIE M. SPEIR
FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 24, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 25th day of March, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Archie M. Speir, seeks permission to institute a waterflood project in the Red Lake Pool in the South Red Lake Grayburg Unit Area by the injection of water into the Premier Sand-Grayburg formation through 18 injection wells in Sections 35 and 36, Township 17 South, Range 27 East and in Sections 1 and 2, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Archie M. Speir, is hereby authorized to institute a waterflood project in the Red Lake Pool in the South Red Lake Grayburg Unit Area by the injection of water into the Premier Sand-Grayburg formation through the following-described 18 wells:

EDDY COUNTY, NEW MEXICO

WELL	NUMBER	LOCATION
<u>SECTION 35, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM</u>		
Wright Oil Co., Ltd., Harbold	7	SE/4 NE/4
Wright Oil Co., Ltd., Harbold	8	NE/4 NE/4
Wright Oil Co., Ltd., Harbold	15	SE/4 NW/4
Carper Drilling Co., Russell	1	SE/4 SW/4
Carper Drilling Co., Russell	4	SW/4 SE/4
Carper Drilling Co., Magruder	7	NE/4 SE/4
Carper Drilling Co., Magruder	8	NW/4 SE/4
Carper Drilling Co., Magruder	9	NE/4 SW/4
<u>SECTION 36, TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM</u>		
J. E. Bedingfield, Delhi	11	NW/4 SW/4
J. E. Bedingfield, State E-379	3	SW/4 SW/4
J. E. Bedingfield, State E-8318	1	SE/4 NW/4
Rutter & Wilbanks, Magruder	2	SW/4 NW/4
<u>SECTION 1, TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM</u>		
Wright Oil Co., Ltd., Hill	3	NW/4 NW/4
<u>SECTION 2, TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM</u>		
Carper Drilling Co., State A	1	NE/4 NW/4
Carper Drilling Co., Wright State	1	NW/4 NE/4
Atlantic Refining Co., State	1	NE/4 NE/4
Atlantic Refining Co., Turner	1	SE/4 NE/4
Rutter & Wilbanks, Hudson	1	SW/4 NE/4

-3-

CASE No. 3212

Order No. R-2882

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

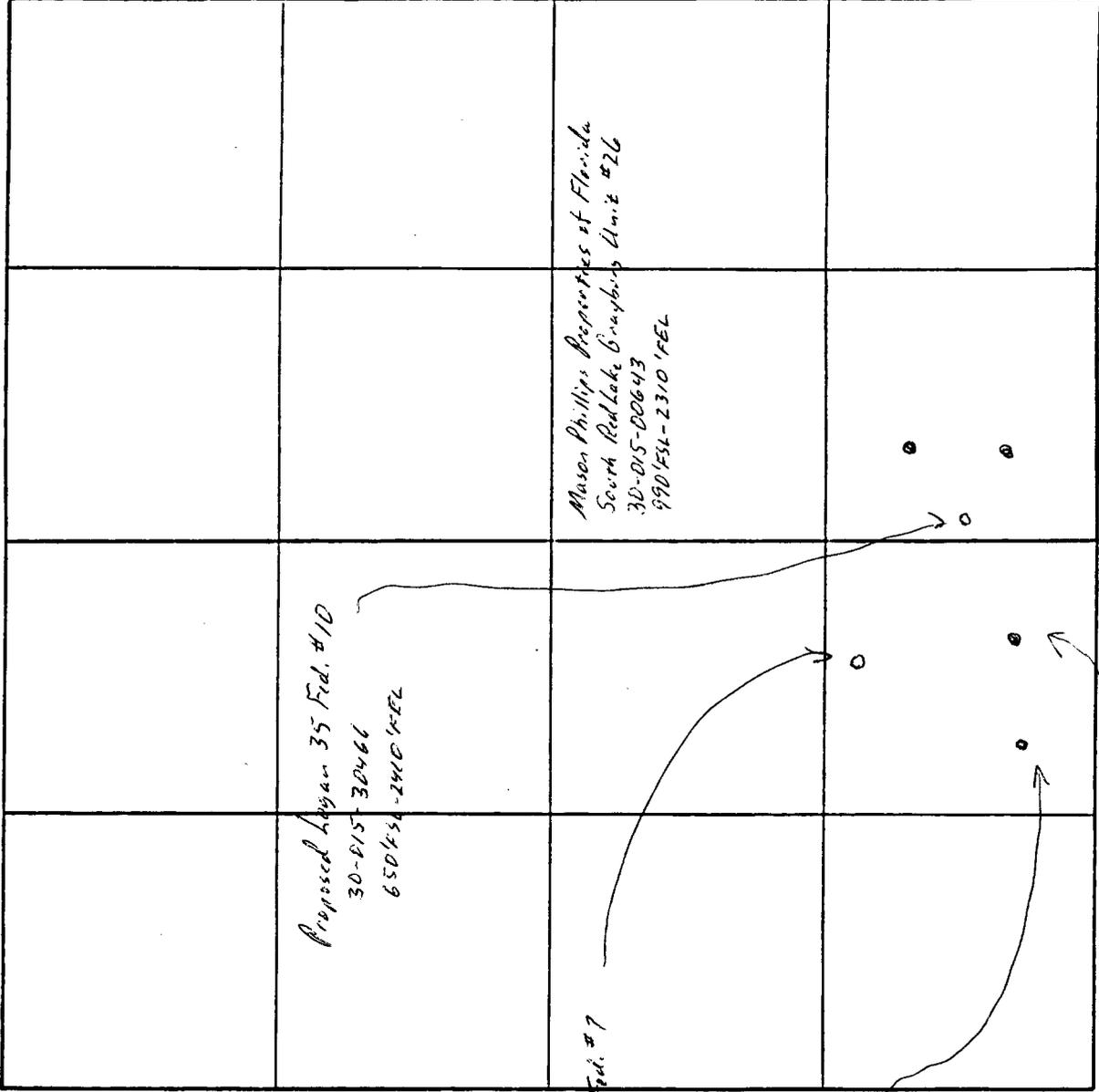
JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/



Mason Phillips Properties
of Florida
South Red Lake Grayburg Unit
#30
30-015-01222
330'551-2310'4FL

SECTION _____ TOWNSHIP _____ RANGE _____

30-015-00644
330'551-2310'4FL

Proposed Logan 35 Fed. #7
30-015-30439
1090'451-2120'4FL

Mason Phillips Properties
Red Lake Grayburg Unit #32
30-015-00645
330'551-1650'4FL

Mason Phillips Properties of
Florida
South Red Lake Grayburg Unit #31

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
650' FSL & 2410' FEL of Section 35-T17S-R27E, Unit "O"

5. Lease Designation and Serial No.
LC-028755-A

6. If Indian, Allottee or Tribe Name
NA

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Logan "35" Federal #10

9. API Well No.
30-015-30466

10. Field and Pool, or Exploratory Area
Red Lake; Q-GB-SA

11. County or Parish, State
Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Amend TD & pool, name change</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The original Application for Permit to Drill, Form 3160-3, approved on 10/26/98 for a proposed depth of 3400' and the Red Lake (Q-GB-SA) pool. Devon Energy Corporation (Nevada) requests to amend the depth to 4000' and include the NE Red Lake (Glorieta-Yeso) pool.

Devon also requests to change the well name:

FROM: Logan "35" Federal #10

TO: Logan "35B" Federal #10



14. I hereby certify that the foregoing is true and correct

Signed *Tonja Rutelonis*
(This space for Federal or State office use)

Tonja Rutelonis

Title Engineering Technician

Date 2/9/99

Approved by (ORIG. SGD.) DAVID R. GLASS
Conditions of approval, if any:

Title PETROLEUM ENGINEER

Date FEB 18 1999

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other -----

2. Name of Operator
DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Section 35-17S-27E

5. Lease Designation and Serial No.
LC-028755-A

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
See Below

9. API Well No.

10. Field and Pool, or Exploratory Area
Red Lake (Q-GB-SA)

11. County or Parish, State
Eddy County, New Mexico

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Change of Name</u> <input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Name changed:

From: Logan "35" Federal #10

To: Logan "35B" Federal #10

- PROPERTY CODE - 23831



14. I hereby certify that the foregoing is true and correct

Signed Kimberly Crilly Title Engineering Technician Date October 28, 1998
 (This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any: _____

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 representation to any matter within its jurisdiction.

*See Instruction on Reverse Side

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N.M. OIL & GAS Division
811 S. 1ST ST.
ARTESIA, NM 87003

SUBMIT IN 1011

Form approved.

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) 552-4511

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 650' FSL & 2410' FEL, Unit "O"

At top proposed prod. zone (SAME)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 7 miles southeast of Artesia, NM

5. LEASE DESIGNATION AND SERIAL NO.
LC-028755-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Logan 37 Federal #10 23831

9. API WELL NO.
30-015-30466

10. FIELD AND POOL, OR WILDCAT
Red Lake; Q-GB-SA 513cc

11. SEC. T. R. M., OR BLOCK AND SURVEY OR AREA
Section 35-T17S-27E

12. COUNTY OR PARISH
Eddy County

13. STATE
New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
650'
(Also to nearest drlg. unit line if any)

16. NO. OF ACRES IN LEASE
80

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.
350'

19. PROPOSED DEPTH
3400'

20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GR 3605'

22. APPROX. DATE WORK WILL START*
November 15, 1998

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'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	1150'	350 sx Lite + 200 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	3400'	250 sx Lite + 350 sx Class C

* Cement will be circulated to surface on all casing strings.

Devon Energy plans to drill to 3400' +/- to test the San Andres Formation for commercial quantities of oil. If the San Andres 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
- Exhibit #1 - Blowout Prevention Equipment/ Choke Manifold
- Exhibit #2 - Location and Elevation Plat
- Exhibit #3 - Planned Access Roads
- Exhibit #4 - Wells Within a One Mile Radius
- Exhibit #5 - Production Facilities Plan
- Exhibit #6 - Rotary Rig Layout
- Exhibit #7 - Casing Design Parameters and Factors
- Exhibit #8 - H₂S Operating Plan

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

Bond Coverage: Nationwide
BLM Bond File No.: CO-1104



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.

24.
SIGNED E. L. Buttross, Jr. TITLE E. L. BUTTROSS, JR. DISTRICT ENGINEER DATE 9/10/98

*(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.) ARMANDO A. LOPEZ TITLE Acting Assistant Field Office Manager, Lands and Minerals DATE OCT 26 1998

DISTRICT I
P.O. Box 1990, Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

EXHIBIT # 2 Form C-102

Revised February 10, 1994

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 51300	Pool Name Red Lake (Q-GB-SA)
Property Code	Property Name LOGAN "35" FEDERAL	Well Number 10
OGRID No. 6137	Operator Name DEVON ENERGY CORPORATION	Elevation 3605'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	35	17 S	27 E		650	SOUTH	2410	EAST	EDDY

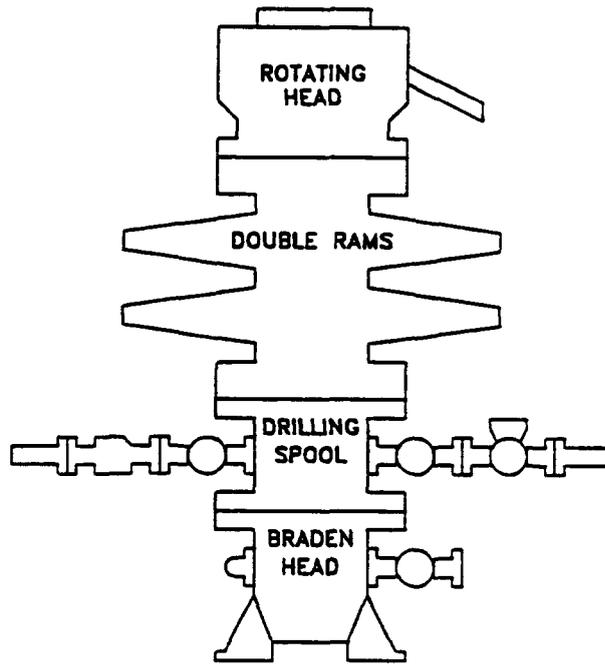
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

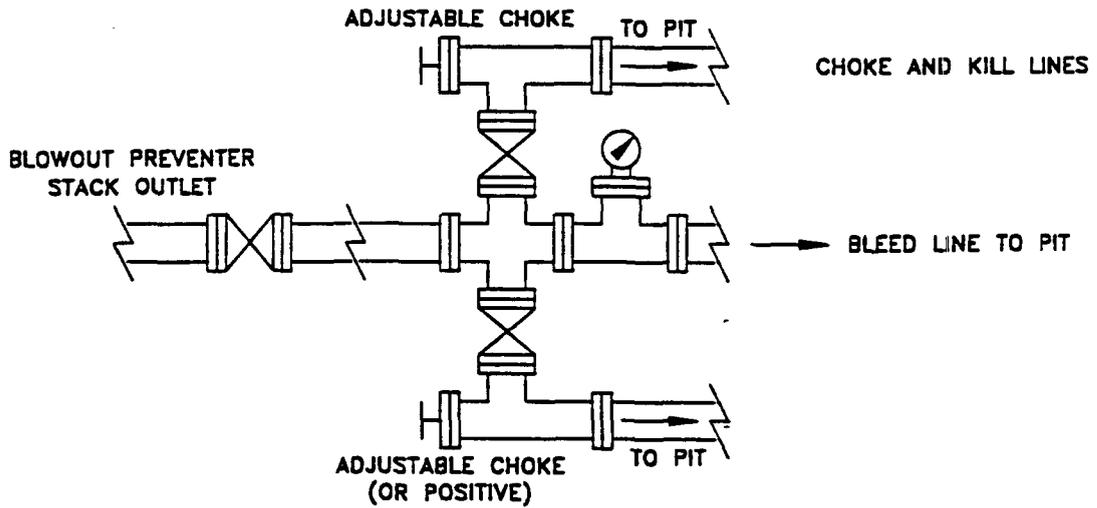
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>E. L. Buttross Jr.</u> Signature</p> <p><u>E. L. Buttross, Jr.</u> Printed Name</p> <p><u>District Engineer</u> Title</p> <p><u>9/9/98</u> Date</p>
	<p>SURVEYOR CERTIFICATION</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>August 24, 1998 Date Surveyed</p> <p><u>GARY L JONES</u> Signature & Seal of Professional Surveyor</p> <p><u>977</u> Professional License No.</p> <p><u>8297</u> Certificate No.</p> <p><u>7977</u> BASIN SURVEYS</p>



CHOKE MANIFOLD REQUIREMENT (2000 psi WP)



devon

WEST RED LAKE AREA
EDDY COUNTY, NEW MEXICO

SCHMATIC
BLOWOUT PREVENTOR
(2000 PSI MINIMUM WP)

G:\...PROJECTS\EXPANDED

WRLBOP	

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTORS
Logan 35 Federal #10
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 and tested to 1000 psi with the rig pump.
4. All fittings will be flanged.
5. A full bore safety valve 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. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

DEVON ENERGY CORPORATION (NEVADA)

3. Address and Telephone No.

20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1090' FSL & 2120' FWL of Section 35-T17S-R27E, Unit "N"

5. Lease Designation and Serial No.

LC-028755-A

6. If Indian, Allottee or Tribe Name

NA

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Logan "35" Federal #7

9. API Well No.

30-015-30439

10. Field and Pool, or Exploratory Area

Red Lake; Q-GB-SA

11. County or Parish, State

Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other Amend TD & pool, name change

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The original Application for Permit to Drill, Form 3160-3, approved on 10/13/98 for a proposed depth of 3400' and the Red Lake (Q-GB-SA) pool. Devon Energy Corporation (Nevada) requests to amend the depth to 4000' and include the NE Red Lake (Glorieta-Yeso) pool.

Devon also requests to change the well name:

FROM: Logan "35" Federal #7

TO: Logan "35B" Federal #7



14. I hereby certify that the foregoing is true and correct

Signed

(This space for Federal or State office use)

(ORIG. SGD.) DAVID R. GLASS

Approved by

Conditions of approval, if any:

Tonja Rutelonis

Title Engineering Technician

Date 2/9/99

Title

PETROLEUM ENGINEER

Date

FEB 18 1999

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

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 Oil Well Gas Well Other -----

2. Name of Operator
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3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405) 235-3611

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Section 35-17S-27E

5. Lease Designation and Serial No.
LC-028755-A

6. If Indian, Allottee or Tribe Name
N/A

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
Logan 35 B Fed #7
 See Below

9. API Well No.

10. Field and Pool, or Exploratory Area
Red Lake (Q-GB-SA)

11. County or Parish, State
Eddy County, New Mexico

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent <input type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input checked="" type="checkbox"/> Other <u>Change of Name</u> <input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water

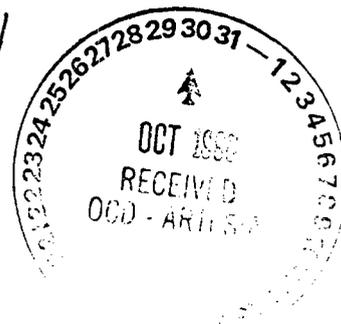
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Name changed:

From: Logan "35" Federal #7

To: Logan "35B" Federal #7 - NEW PROPERTY CODE 23831



14. I hereby certify that the foregoing is true and correct

Signed Kimberly Crilly Title Engineering Technician Date October 28, 1998
 (This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

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 to any matter within its jurisdiction.

*See Instruction on Reverse Side

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN
(See other instructions on reverse side)

Form approved. 44

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) 552-4511

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
 At surface **1090' FSL & 2120' FWL, Unit "N"**
 At top proposed prod. zone (SAME)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 7 miles southeast of Artesia, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. **1090'**
 (Also to nearest drlg. unit line if any)

16. NO. OF ACRES IN LEASE **80**

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. **475'**

19. PROPOSED DEPTH **3400'**

20. ROTARY OR CABLE TOOLS*
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
GR 3614'

22. APPROX. DATE WORK WILL START*
November 1, 1998

5. LEASE DESIGNATION AND SERIAL NO.
LC-028755-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Logan 35 Federal #7 23714

9. API WELL NO.
30-015-30439

10. FIELD AND POOL, OR WILDCAT
Red Lake; Q-GB-SA 51300

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Section 35-T17S-27E

12. COUNTY OR PARISH
Eddy County

13. STATE
New Mexico

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'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	1150'	350 sx Lite + 200 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	3400'	250 sx Lite + 350 sx Class C

* Cement will be circulated to surface on all casing strings.

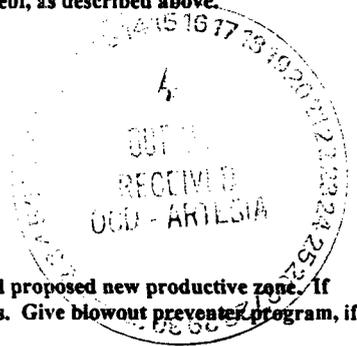
Devon Energy plans to drill to 3400' +/- to test the San Andres Formation for commercial quantities of oil. If the San Andres is deemed non-commercial, the wellbore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

- Drilling Program**
 Surface Use and Operating Plan
 Exhibit #1 - Blowout Prevention Equipment/ Choke Manifold
 Exhibit #2 - Location and Elevation Plat
 Exhibit #3 - Planned Access Roads
 Exhibit #4 - Wells Within a One Mile Radius
 Exhibit #5 - Production Facilities Plan
 Exhibit #6 - Rotary Rig Layout
 Exhibit #7 - Casing Design Parameters and Factors
 Exhibit #8 - H₂S Operating Plan

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

Bond Coverage: Nationwide
 BLM Bond File No.: CO-1104

NSL-



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 E. L. BUTTROSS, JR. DISTRICT ENGINEER DATE 8/28/98

*(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 (CHIEF GEO.) JOHN S. SIMPSON TITLE Assistant Field Office Manager, Lands and Minerals DATE OCT 13 1998

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

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

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 51300	Pool Name Red Lake (Q-GB-SA)
Property Code	Property Name LOGAN "35" FEDERAL	Well Number 7
OGRID No. 6137	Operator Name DEVON ENERGY CORPORATION	Elevation 3614'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	35	17 S	27 E		1090	SOUTH	2120	WEST	EDDY

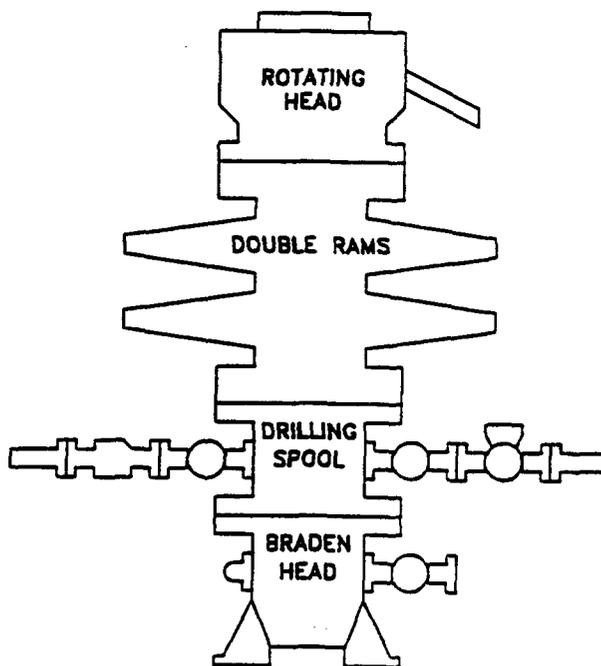
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

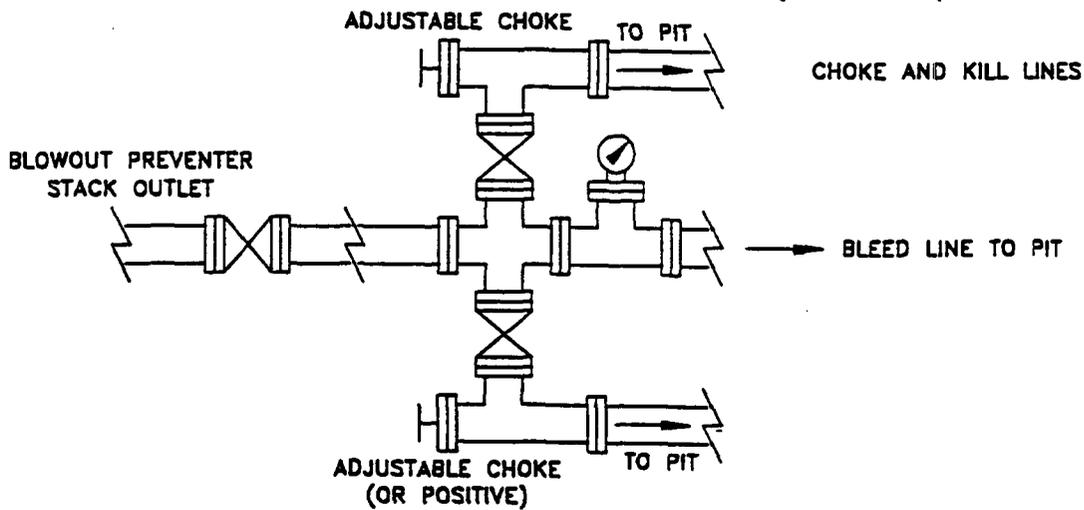
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

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>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>E. L. Buttross Jr.</u> Signature</p> <p><u>E. L. Buttross, Jr</u> Printed Name</p> <p><u>District Engineer</u> Title</p> <p><u>8/28/98</u> Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>August 20, 1998</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><u>GARY L. JONES</u> Professional Surveyor</p> <p>7977</p> <p>Certificate No. 82977</p> <p>7977</p> <p>BASIN SURVEYS</p>



CHOKE MANIFOLD REQUIREMENT (2000 psi WP)



devon

WEST RED LAKE AREA
ELBY COUNTY, NEW MEXICO

SCHEMATIC
BLOWOUT PREVENTOR
(2000 PSI MBRAM WP)

G:\...PROJECTS\EXPANDED
 WRT BOP

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTORS
Logan 35 Federal #7
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 and tested to 1000 psi with the rig pump.
4. All fittings will be flanged.
5. A full bore safety valve 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. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

04/24/00 15:59:38
OGOMES -TPJ2

API Well No : 30 15 30409 Eff Date : 12-02-1999 WC Status : A
Pool Idn : 51300 RED LAKE;QUEEN-GRAYBURG-SA
OGRID Idn : 6137 DEVON ENERGY CORP (NEVADA)
Prop Idn : 23831 LOGAN 35 B FEDERAL

Well No : 009
GL Elevation: 3612

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 0	35	17S	27E	FTG 990 F S	FTG 2100 F E	P

Lot Identifier:
Dedicated Acre: 40.00
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

04/24/00 15:59:50
OGOMES -TPJ2

API Well No : 30 15 30409 Eff Date : 12-02-1998 WC Status : A
Pool Idn : 96836 RED LAKE; GLORIETA YESO, NORTHEAST
OGRID Idn : 6137 DEVON ENERGY CORP (NEVADA)
Prop Idn : 23831 LOGAN 35 B FEDERAL

Well No : 009
GL Elevation: 3612

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 0	35	17S	27E	FTG 990 F S	FTG 2100 F E	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 04/24/00 16:00:09
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPJ2

OGRID Idn : 6137 API Well No: 30 15 30466 APD Status(A/C/P): A
Opr Name, Addr: DEVON ENERGY CORP (NEVADA) Aprvl/Cncl Date : 10-26-1998
20 N BROADWAY
STE 1500
OKLAHOMA CITY,OK 73102

Prop Idn: 23831 LOGAN 35 B FEDERAL Well No: 10

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn	: O	35	17S	27E			FTG 650 F S	FTG 2410 F E
OCD U/L	: O		API	County	: 15			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3605

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 3400 Prpsd Frmtn : SAN ANDRES

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 11966
ORDER NO. R-11162

APPLICATION OF DEVON ENERGY CORPORATION (NEVADA) FOR 23
UNORTHODOX OIL WELL LOCATIONS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 16, 1998 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 13th day of April, 1999, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Devon Energy Corporation (Nevada) ["Devon"], seeks authority to drill and produce the following wells at unorthodox oil well locations in Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico:

<u>Well Name and Number</u>	<u>API Number</u>	<u>Section</u>	<u>Footage Location</u>	<u>Unit</u>
Eagle "27-H" Federal No. 15	30-015-29942	27	1450' FNL & 990' FEL	H
Evarts "31" Federal No. 3	30-015-30171	31	1330' FSL & 1630' FEL	J
Eagle "33-G" Federal No. 6	30-015-29595	33	2460' FNL & 1350' FEL	G
Eagle "33-H" Federal No. 8	30-015-29596	33	2435' FNL & 531' FEL	H
Eagle "33-N" Federal No. 10	30-015-29598	33	230' FSL & 2140' FWL	N
Eagle "34-E" Federal No. 10	30-015-29632	34	2310' FNL & 1240' FWL	E
Eagle "34-F" Federal No. 12	30-015-29635	34	2310' FNL & 2420' FWL	F
Eagle "34-G" Federal No. 14	30-015-29636	34	2310' FNL & 1600' FEL	G
Eagle "34-I" Federal No. 18	30-015-29655	34	1740' FSL & 280' FEL	I
Eagle "34-L" Federal No. 24	30-015-29643	34	1740' FSL & 1065' FWL	L

In addition, Devon seeks authority to drill and produce the following wells at unorthodox oil well locations in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico:

<u>Well Name and Number</u>	<u>API Number</u>	<u>Section</u>	<u>Footage Location</u>	<u>Unit</u>
Falcon "3-N" Federal No. 18	30-015-29575	3	680' FSL & 1350' FWL	N
Carter Collier "5" Federal No. 9	30-015-29995	5	330' FNL & 2360' FEL	B
Evarts "6" Federal No. 4	30-015-30109	6	330' FNL & 1190' FEL	A
Fred "6" Federal. No. 5	30-015-30155	6	1260' FNL & 990' FWL	D
Patton "6" Federal No. 6	30-015-30085	6	2460' FNL & 2310' FWL	F
Patton "6" Federal No. 4	30-015-30079	6	1593' FSL & 1469' FWL	K
Patton "6" Federal No. 3	30-015-29980	6	930' FSL & 1450' FWL	N
Hawk "9-B" Federal No. 4	30-015-29480	9	990' FNL & 1360' FEL	B
Hawk "9-J" Federal No. 16	30-015-29483	9	1630' FSL & 1650' FEL	J
Hawk "9-O" Federal No. 17	30-015-29484	9	1170' FSL & 2310' FEL	O
Hawk "17-C" Federal No. 1	30-015-29515	17	380' FNL & 1450' FWL	C
Hawk "17-C" Federal No. 2	30-015-29726	17	890' FNL & 2585' FWL	C
Kaiser No. 1	NA	18	330' FNL & 1110' FEL	A

(3) Prior to the hearing the Division issued the following Administrative Orders for four of the above-described wells:

- (a) NSL-3969 (SD), dated March 11, 1998, granted Devon approval to drill its Hawk "17-C" Federal Wells No. 1 and 2 at the above-described unorthodox oil well locations;
- (b) NSL-3982, dated March 23, 1998, granted Devon approval to drill its Carter Collier "5" Federal Well No. 9 at the above-described unorthodox oil well location; and
- (c) NSL-3983, dated March 23, 1998, granted Devon approval to drill its Evarts "6" Federal Well No. 4 at the above-described unorthodox oil well location.

Since it is unnecessary at this time to include these four wells in this application, they should be dismissed.

(4) The Red Lake (Queen-Grayburg-San Andres) Pool, as currently designated, includes the following lands in Eddy County, New Mexico:

**TOWNSHIP 16 SOUTH, RANGE 28 EAST,
NMPM**

Section 24: SE/4
Section 25: All
Section 26: S/2 S/2
Section 27: SE/4 SE/4
Section 34: All
Section 35: All
Section 36: All

**TOWNSHIP 17 SOUTH, RANGE 27 EAST,
NMPM**

Section 12: SE/4
Section 13: N/2 and SE/4
Section 22: S/2 NE/4
Section 23: S/2 NW/4, NE/4 SW/4, and SE/4
Section 24: NE/4, S/2 NW/4, N/2 SW/4, and SE/4
Section 25: NE/4 and S/2
Section 26: S/2 S/2
Section 27: All
Section 32: SE/4
Section 33: NE/4 and S/2
Section 34: All
Section 35: All
Section 36: All

**TOWNSHIP 17 SOUTH, RANGE 28 EAST,
NMPM**

Section 7: All
Section 8: SW/4
Section 9: NE/4 NE/4, S/2 NE/4, and SE/4
Section 10: SW/4
Section 11: S/2
Section 12: SW/4 SW/4
Section 14: W/2

**TOWNSHIP 17 SOUTH, RANGE 28 EAST,
NMPM**

(Continued)

Section 15: All
Section 16: NE/4 and S/2
Section 18: W/2
Section 19: S/2
Section 20: All
Section 22: All
Section 23: S/2 NW/4 and S/2
Section 25: N/2
Section 26: N/2
Section 27: N/2 N/2 and SW/4
Section 28: All
Section 29: N/2, SW/4, and N/2 SE/4
Section 30: All
Section 31: NE/4 NE/4, W/2 E/2, and W/2

**TOWNSHIP 18 SOUTH, RANGE 26 EAST,
NMPM**

Section 1: E/2

**TOWNSHIP 18 SOUTH, RANGE 27 EAST,
NMPM**

Section 1: S/2
Section 2: S/2
Section 3: All
Section 4: All
Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: All
Section 17: N/2
Section 18: NE/4, N/2 NW/4, and SE/4 NW/4.

(5) Currently the Red Lake (Queen-Grayburg-San Andres) Pool is governed by the Division's statewide rules, which require development on standard 40-acre spacing and proration units, each having a top unit depth bracket allowable of 80 barrels of oil per day and a limiting gas/oil ratio of 2,000 cubic feet of gas per barrel of oil, and allow infill drilling on each 40-acre unit.

(6) Within a 1236.85-acre area, more or less, comprising the following described

acreage in Eddy County, New Mexico, Devon is the operator of the West Red Lake Unit Area (approved by Division Order No. R-3453 dated July 12, 1968) in which waterflood operations are being conducted with injection into the Red Lake (Queen-Grayburg-San Andres) Pool (approved by Division Order No. R-3469, issued in Case No. 3824, dated August 13, 1968, and designated the West Red Lake Waterflood Project).

(7) The remaining 19 wells listed in Paragraph No. (2) above are either completed in or proposed to be completed in the Red Lake (Queen-Grayburg-San Andres) Pool, and each well will have a standard 40-acre, more or less, unit dedicated thereto. Eleven wells will be infill wells within existing 40-acre oil proration units while the remaining eight wells will be considered new designations.

(8) The applicant presented evidence that indicates the following:

- (a) All of the wells are located on federal land, except the Kaiser No. 1, which is located on fee land.
- (b) The subject pool is continuous across the area, trending in a northeast-southwest direction.
- (c) The original locations for all of the subject wells were orthodox, but were moved due to topographic and engineering reasons.
- (d) The subject area is near the Pecos River, with numerous draws and elevation changes of 100-200 feet. The Bureau of Land Management requested that numerous well locations be moved to prevent extreme cut and fill of slopes and prevent erosion of the highly erodible soil in this area. In addition, there are numerous gas transmission and gathering pipelines, roads, existing wells, and a gas plant. All of these factors limit well locations.
- (e) Average reserves in wells completed in the subject pool are about 50,000 barrels of oil, which equate to approximately 24 acres of drainage. The drainage radius of such a well is much less than a well that is capable of draining 40 acres. The applicant has drilled wells within 400-450 feet of older, above-average wells in the pool, and has seen no evidence of drainage from those older wells.
- (f) Directional drilling is not feasible because the small reserves in these wells do not justify the additional drilling and operating costs.

(g) Applicant is drilling two wells per 40-acre unit to: (i) adequately drain each unit, and (ii) prepare for a possible future waterflood project. Injection in the West Red Lake Unit has shown a favorable production response. Drilling two wells per 40-acre unit could allow the Unit's waterflood project to be expanded in the future.

(9) Each of the above-described unorthodox oil well locations should be approved for one or more of the following reasons:

- (a) The location is a move toward the interior of a lease;
- (b) The location encroaches on a lease not owned or operated by the applicant, but notice was given to the offset and the Division received no objection;
- (c) The location will not drain the offset well unit due to the limited drainage areas in the subject pool;
- (d) A well will be drilled offsetting the proposed unorthodox well, or the offsetting well unit has existing wells producing from the same pool; and/or
- (e) There are no overriding royalty interest owners in the tract offsetting the subject well, or the applicant is the only overriding royalty interest owner in the offsetting tract.

(10) Approval of the proposed unorthodox oil well locations will afford the applicant the opportunity to produce its just and equitable share of oil and gas from the subject pool and will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Devon Energy Corporation (Nevada), is hereby authorized to drill the wells described below at unorthodox oil well locations in the Red Lake (Queen-Grayburg-San Andres) Pool in Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico:

<u>Well Name and Number</u>	<u>API Number</u>	<u>Section</u>	<u>Footage Location</u>	<u>Unit</u>
Eagle "27-H" Federal No. 15	30-015-29942	27	1450' FNL & 990' FEL	H
Evarts "31" Federal No. 3	30-015-30171	31	1330' FSL & 1630' FEL	J

Eagle "33-G" Federal No. 6	30-015-29595	33	2460' FNL & 1350' FEL	G
Eagle "33-H" Federal No. 8	30-015-29596	33	2435' FNL & 531' FEL	H
Eagle "33-N" Federal No. 10	30-015-29598	33	230' FSL & 2140' FWL	N
Eagle "34-E" Federal No. 10	30-015-29632	34	2310' FNL & 1240' FWL	E
Eagle "34-F" Federal No. 12	30-015-29635	34	2310' FNL & 2420' FWL	F
Eagle "34-G" Federal No. 14	30-015-29636	34	2310' FNL & 1600' FEL	G
Eagle "34-I" Federal No. 18	30-015-29655	34	1740' FSL & 280' FEL	I
Eagle "34-L" Federal No. 24	30-015-29643	34	1740' FSL & 1065' FWL	L

And in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico:

<u>Well Name and Number</u>	<u>API Number</u>	<u>Section</u>	<u>Footage Location</u>	<u>Unit</u>
Falcon "3-N" Federal No. 18	30-015-29575	3	680' FSL & 1350' FWL	N
Fred "6" Federal. No. 5	30-015-30155	6	1260' FNL & 990' FWL	D
Patton "6" Federal No. 6	30-015-30085	6	2460' FNL & 2310' FWL	F
Patton "6" Federal No. 4	30-015-30079	6	1593' FSL & 1469' FWL	K
Patton "6" Federal No. 3	30-015-29980	6	930' FSL & 1450' FWL	N
Hawk "9-B" Federal No. 4	30-015-29480	9	990' FNL & 1360' FEL	B
Hawk "9-J" Federal No. 16	30-015-29483	9	1630' FSL & 1650' FEL	J
Hawk "9-O" Federal No. 17	30-015-29484	9	1170' FSL & 2310' FEL	O
Kaiser No. 1	NA	18	330' FNL & 1110' FEL	A

(2) Each well shall have a standard 40-acre oil spacing and proration unit dedicated thereto.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL



COMMERCIAL RESOURCES
(505)-827-5724

SURFACE RESOURCES
(505)-827-5793

MINERAL RESOURCES
(505)-827-5744

ROYALTY
(505)-827-5772

State of New Mexico
Commissioner of Public Lands

Ray Powell, M.S., D.V.M.
310 Old Santa Fe Trail, P. O. Box 1148
Santa Fe, New Mexico 87504-1148
Phone (505)-827-5760, Fax (505)-827-5766

PUBLIC AFFAIRS
(505)-827-5765

ADMINISTRATIVE MGMT.
(505)-827-5700

LEGAL
(505)-827-5713

PLANNING
(505)-827-5752

CERTIFIED MAIL RETURN RECEIPT REQUESTED

October 28, 1998

Mason Phillips Properties
472 Osceola Avenue
South Jacksonville, Beach, Florida 32250

Attn: Mr. Charles Hartman

Re: ~~Termination~~
South Red Lake Grayburg Unit Agreement
Eddy County, New Mexico

Dear Mr. Hartman:

The Bureau of Land Management, by their letter of September 18, 1998, has notified this office that the South Red Lake Grayburg Unit was terminated effective September 18, 1998.

The Commissioner of Public Lands concurs with the Bureau of Land Management's decision and has this date also terminated the South Red Lake Grayburg Unit effective September 18, 1998.

Please advise all interested parties of this action.

A recent field inspection of the unit area reveals that some of the wells need spills cleaned up around the well heads. Also, all junk piping, equipment and trash should be removed from the well sites. Please be advised that your surface improvement damage bond will not be released until this unit is properly abandoned.

As unit operator of the South Red Lake Grayburg Unit you have incurred certain obligations which include operating in a prudent manner. In addition, it requires protection of the surface estate, including livestock, soil, vegetation and surface improvements. You are required to comply with the New Mexico Oil Conservation Division Rules, and State Land Office Rule Nos. 1.068, and 1.069 regarding the proper abandonment of this unit. Enclosed, for your information, is a copy of State Land Office Rule Nos. 1.068 and 1.069.

You are requested to inspect your lease acreage and to enforce corrective action to remove all junk piping, equipment and trash from the well sites located on State Trust Lands. Please contact Pete Martinez of this office by November 30, 1998 informing him of your plans for cleaning up this area.

"WE WORK FOR EDUCATION"

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY: 
JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

RP/JB/pm

cc: Reader File

BLM-Roswell, Attention: Mr. Gary Gourley

OCD-Santa Fe, Attention: Mr. Roy Johnson

OCD-District II, Artesia

TRD-Santa Fe, Attention: Mr. Valdean Severson

RMD-Attention: Ms. Linda Vieira

SLO-Carlsbad, Attn: Mr. Jim Carr

Lessees of Record:

Oxy USA, Inc. (Lease # B-1483-23)

Estate of Fred Turner, Jr. (Lease # B-9391-4)

Conoco, Inc. & Fina Oil & Chemical Co. (Lease # B-11538-14)

Altura Energy Ltd. (Lease # E-379-5)

Atlantic Richfield Company (Lease # E-1059-1)

A. W. Rutter & G. L. Wilbanks (Lease # B732-4)

G. L. Wilbanks & Atlantic Richfield Company (Lease # B-6869-43)

E. Jeffers (Lease # E-379-4)

William P. Dooley (Lease # B-752-2)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell District Office
2909 West Second Street
Roswell, New Mexico 88201

IN REPLY REFER TO

NM 71039
3180 (06200)

CERTIFIED MAIL RETURN RECEIPT REQUESTED
P 293 291 773

SEP 2 1 1998

SEP 18 1998

Mason Phillips Properties
Attn: Charles Hartman
472 Osceola Avenue
South Jacksonville, Beach, Florida 32250

RE: Final Termination of the South Red Lake Grayburg Unit Agreement, Eddy County
New Mexico

Dear Mr. Hartman:

In reference to our Certified Letter P 144 849 380 dated July 29, 1996 concerning the termination of the South Red Lake Unit agreement under Section 26 of the Unit Agreement, the unit sustained and reported production thereafter until January 1998.

According to Section 26 TERM of the Unit agreement "The term of this agreement shall be for the time that unitized substances are produced in quantities sufficient to pay for the cost of producing same as long thereafter as Unit Operations are conducted without a cessation of more than sixty (60) days consecutive days, unless sooner terminated by the working Interests Owners..."

Therefore, the South Red Lake Unit Agreement is terminated effective September 18, 1998 and is specifically the Premier Sand Grayburg Formation described in Section 2 (h) of the unit agreement.

Leases in the unit agreement may receive a two year extension or be held by production. Should you have any questions concerning this matter, contact Gary Gourley at the Division of Land and Minerals, Roswell Field Office at 505-627-0249.

Sincerely,

FOR Armando A. Lopez
Assistant Lands and Minerals Manager
Roswell Field Office

NM 60 (Angeline Trajillo)

Tuesday, March 24, 1998

MASON-PHILLIPS PROPERTIES OF 143126
472 OSCEOLA AVE
JACKSONVILLE BE, EF 32250-4082

Mason Phillips Charles Hartmann
2320 S. 3rd Street
Suite 11
Villa Beach Fla. 32250
904-270-1042
Fax 904-270-1470

Dear Sirs:

Our records indicate that the following well(s) are due for the type of mechanical integrity test indicated. If the required test is a pressure test, please have the necessary equipment on location and ready to commence the test at the specified time. For all types of tests, please have a representative on location to operate any valves or other equipment as necessary. Your representative should meet our inspector at the first well listed at the specified schedule date and time.

Scheduled Inspections / MITs

71MC71039 X

Property Name: SOUTH RED LAKE GRAYBURG U

Property IDN: 16782

Scheduled Date: 4/23/98 1:00:00 PM Notified Date:

Required Date:

UL	S-T-R	API Well No.	Well No.	Type MIT
LC-050158	A 35 17S 27E	30-015-00621-00-00	003	Bradenhead *
	H 35 17S 27E	30-015-00620-00-00	007	Bradenhead
LC-057778	I 35 17S 27E	30-015-00623-00-00	019	Bradenhead
LC-057778	J 35 17S 27E	30-015-00627-00-00	018	Bradenhead Failed 95
LC-050158	K 35 17S 27E	30-015-00630-00-00	017	Bradenhead
LC-057778	P 35 17S 27E	30-015-00634-00-00	029	Bradenhead *
STATE	E 36 17S 27E	30-015-00652-00-00	008	Bradenhead *
STATE	F 36 17S 27E	30-015-00664-00-00	009	Bradenhead *
STATE	G 36 17S 27E	30-015-00667-00-00	011	Bradenhead Failed 95
STATE	K 36 17S 27E	30-015-01219-00-00	021	Bradenhead Failed 95
STATE	L 36 17S 27E	30-015-00678-00-00	020	Bradenhead
STATE	N 36 17S 27E	30-015-00683-00-00	028	Bradenhead *
LC-050158	4 1 18S 27E	30-015-00715-00-00	037	Bradenhead
	5 2 18S 27E	30-015-01211-00-00	035	Bradenhead
	G 2 18S 27E	30-015-00740-00-00	040	Bradenhead Failed 95
LC-057778	P 35-17-27	30-015-20104-00-00	041	" Failed 95

If you have any questions or need to re-schedule any test, please contact Ms. Betty Rollins at the Artesia District Office at (505) 748-1283 between 7:00 am and 4:00 pm, at least two weeks prior to the indicated schedule date.

Sincerely,

10 Failed MIT 4/95
* 5 Repaired

Tim Gum, District II Supervisor

8/19/65
 (CORRECTED COPY)
 Unit Name SOUTH RED LAKE GRAYBURG UNIT - WATERFLOOD
 Operator ARCHIE M. SPEIR
 County EDDY

DATE APPROVED OCC CASE NO. 3211 EFFECTIVE DATE TOTAL ACREAGE STATE FEDERAL INDIAN-FEE SEGREGATION CLAUSE TERM
 APRIL 29, 1965 OCC: MARCH 5, 1965 JUNE 1, 1965 1422.34 762.12 660.22 -0- -0- YES INDEFINITE
 UNITED STATES GEOLOGICAL SURVEY:
 MAY 28, 1965

UNIT AREA

- TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.
- Section 35: All
- Section 36: W/2NE/4, W/2, NW/4SE/4
- TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.
- Section 1: Lot 4 (NW/4NW/4)
- Section 2: Lots 1, 2, 3, 4 (N/2N/2), S/2N/2

TERMINATED
 EFFECTIVE DATE 9-18-98
 APPROVAL DATE 10-28-98



STATE LAND OFFICE

MEMORANDUM

2/13/67

FROM: UNIT DIVISION

Different Departments,
TO: Royalty Department and Oil & Gas Accounting Commission

SUBJECT: South Red Lake Grayburg Unit

B-752-2

State Tract 10, being the E/2SW/4, NW/4SE/4, of Section 36, Township 17 South, Range 27 East, 120.00 acres, is considered effectively committed to the South Red Lake Grayburg Unit Agreement and qualified for unit participation as of January 1, 1967.

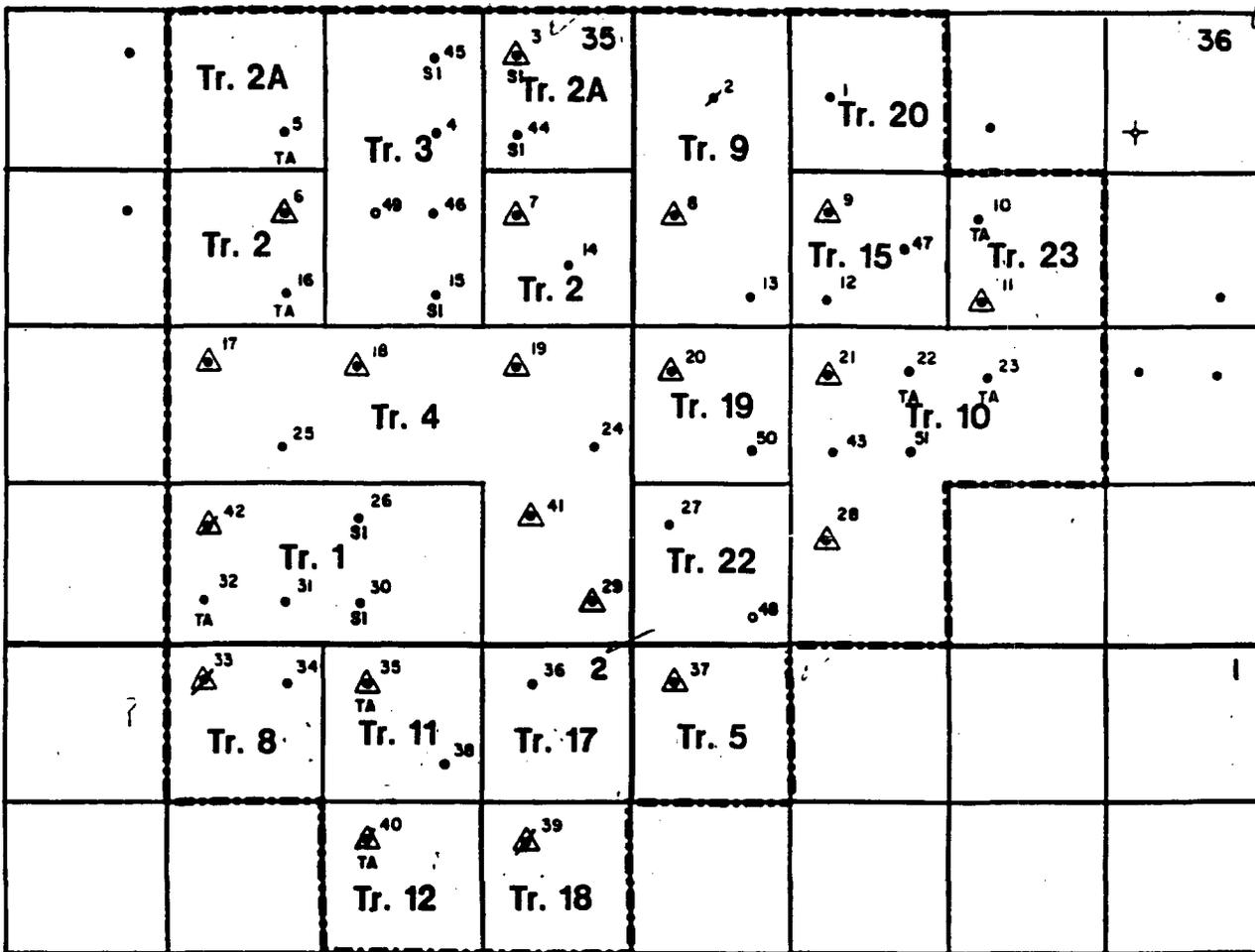
~~Attached is revised exhibit "B".~~

Signed _____

R 27 E

T
17
S

T
18
S



—LEGEND—

- PRODUCING WELL
- ▲ INJECTION WELL
- ▣ PLUGGED
- ▲ TA TEMPORARILY ABANDONED
- ✦ DRY HOLE

SOUTH RED LAKE GRAYBURG UNIT
SRLG UNIT
 EDDY COUNTY, NEW MEXICO

—SCALE—



EXHIBIT "A"



CONFIDENTIAL
 RECORD TO BE KEPT
 IN THE OFFICE OF THE
 COUNTY CLERK
 UNTIL THE WELL IS
 ABANDONED

SIXTH AMENDMENT
TO EXHIBIT "B"

APRIL 23, 1993

SOUTH RED LAKE GRAYBURG UNIT
EDDY COUNTY, NEW MEXICO
TOWNSHIPS 17 AND 18 SOUTH, RANGE 27 EAST, N.H.P.H.

TRACT NUMBER & PARTICIPATION FACTOR IN UNIT	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EFF. OR EXP. DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
1	SW SE, SE SW 35-17-27	80.00	LC 028755-A Eff. 06-30-56 HBP	U.S. All Step-Scale	Cities Service Oil and Gas Corporation	A. J. Losee, et al 5.00%	Centurion Oil and Gas Operating Corporation 100%
2	SE NW, SE NE 35-17-27	80.00	LC 050158 Eff. 12-31-28 HBP	U.S. All Step-Scale	Hondo Oil & Gas Company	John H. Trigg, et al 5.00%	Centurion Oil and Gas Operating Corporation 100%
2A	NE NW, NE NE 35-17-27	80.00	LC 050158 Eff. 12-31-28 HBP	U.S. All 12.5%	Hondo Oil & Gas Company	John H. Trigg, et al 5.00%	Centurion Oil and Gas Operating Corporation 100%
3	W/2 NE 35-17-27	80.00	LC 055561 Eff. 08-01-35 HBP	U.S. All Step-Scale	Amoco Production Company	Featherstone Farms Ltd. 2.00%	Centurion Oil and Gas Operating Corporation 83.3333% James P. Dunigan, Inc. and James P. Dunigan Estate 13.5601% J. B. Harrell, Jr. 1.5161% Nan S. Gullahorn .8157% Justine Harrell .3874% Bubba Spears .3874%

TRACT NUMBER & PARTICIPATION FACTOR IN UNIT	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EFF. OR EXP. DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
4	9.57380 SE SE, NE SW N/2 SE 35-17-27	160.00	LC 057798 Eff. 12-01-30 HBP	U.S. All Step-Scale	Cities Service Oil and Gas Corporation	Wilma Donahue Moleen, et al 5.00%	Centurion Oil and Gas Operating Corporation 100%
4A	Non-Part. SW SW 35-17-27	40.00	LC 057798 Eff. 12-01-30 HBP	U.S. All Step-Scale	Cities Service Oil and Gas Corporation	Wilma Donahue Moleen, et al 5.00%	Cities Service Oil and Gas Corporation 100%
5	2.48893 NW NW (Lot 4) 1-18-27	40.22	LC 062412 Eff. 01-01-44 HBP	U.S. All 12.5%	Hondo Oil & Gas Company	John H. Trigg, et al 5.00%	Centurion Oil and Gas Operating Corporation 100%
6	Non-Part. NW SW 35-17-27	40.00	LC 064050-A Eff. 01-01-51 HBP	U.S. All 12.5%	Hondo Oil & Gas Company	None	Amoco Production Company 50% Hondo Oil & Gas Company 50%
7	Non-Commit. NW NW 35-17-27	40.00	LC 067849 Eff. 09-01-43 HBP	U.S. All 12.5%	Hondo Oil & Gas Company	Hondo Oil & Gas Company, et al 5.00%	Collier Energy, Inc. 100%

7 Federal Tracts Totalling 520.22 Acres or 46.38154% of the Participation Area: A Unit Participation of 46.20722%

8	5.43667 NE NW (Lot 3) 2-18-27	40.60	X 2029-63 Eff. 12-17-34 HBP	State All 12.5%	Cities Service Oil and Gas Corporation	None	Centurion Oil and Gas Operating Company 100%
9	8.68190 SW NW NW NW 36-17-27	40.00	B-732-4 Eff. 1942 HBP B-732-6 Eff. 1942 HBP	State All 12.5%	A. W. Rutter and G. L. Wilbanks	A. W. Rutter, et al 15.00%	Centurion Oil and Gas Operating Company 100%

TRACT NUMBER & PARTICIPATION FACTOR IN UNIT	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EFF. OR EXP. DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
10	R/2 SW NW SE 36-17-27	120.00	B-752-2 EFF. 03-24-32 HBP	State All 12.5%	William P. Dooley	William P. Dooley, et al 16.25%	Centurion Oil and Gas Operating Corporation 100% Subject to Declaration of Trust dated December 28, 1966, recorded Book 172, Page 439, Oil and Gas Records
11	NW NE (Lot 2) 2-18-27	40.46	B-1483-23 EFF. 12-19-42 HBP	State All 12.5%	Cities Service Oil and Gas Corporation	Laura Stratton Kaempf 12.50%	Centurion Oil and Gas Operating Corporation 100%
12	SW NE 2-18-27	40.00	B-6869-43 EFF. 01-28-47 HBP	State All 12.5%	G. L. Wilbanks and Atlantic Richfield Company	A. W. Rutter, et al 15.00%	Centurion Oil and Gas Operating Corporation 75% Devon Energy Corp. 3.75% Devon Energy Partners 21.25%
13	Non-Comm. SW NW 2-18-27	40.00	B-7244-30 EFF. 10-13-37 HBP	State All 12.5%	Amoco Production Company and Hondo Oil & Gas Company	Harlan Stead, et al 12.50%	Atlantic Richfield Company 100%
14	Non-Comm. SE NW 2-18-27	40.00	B-7244-30 EFF. 10-13-37 HBP	State All 12.5%	Amoco Production Company and Hondo Oil & Gas Company	William Hudson, et al 5.00%	Atlantic Richfield Company 75% Rutter & Wilbanks Corp. 25%
15	SE NW 36-17-27	40.00	B-8318-94 EFF. 09-11-39 HBP	State All 12.5%	Hondo Oil & Gas Company (formerly Malco)	Harlan Stead, et al 16.25% (1)	Centurion Oil and Gas Operating Corporation 100%

TRACT NUMBER & PARTICIPATION FACTOR IN UNIT	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EFF. OR EXP. DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
16 Non-Committ.	NW NW (Lot 4) 2-18-27	40.73	E-5461-1 Eff. 08-10-51 HBP	State All 12.5%	Amoco Production Company and Honda Oil & Gas Company	William Hudson, et al 4.00%	Atlantic Richfield Company 100%
17 2-36949	NE NE (Lot 1) 2-18-27	40.33	B-9299-3 Eff. 09-10-41 HBP	State All 12.5%	Atlantic Richfield Company	William Hudson, et al 15.00%	Devon Energy Corp. 11.25% Devon Energy Partners 63.75% Centurion Oil and Gas Operating Corporation 25%
18 2-32720	SE NE 2-18-27	40.00	B-9391-4 Eff. 11-10-41 HBP	State All 12.5%	Estate of Fred Turner, Jr.	William Hudson, et al 6.25%	Devon Energy Corp. 15% Devon Energy Partners 85%
19 5-11762	NW SW 36-17-27	40.00	B-11538-7 1/4 Eff. 10-10-44 HBP	State All 12.5%	Tenneco Oil Company and Conoco, Inc. + F.A.C.M.	Betrice Beddingfield, et al 16.25% (1)	Centurion Oil and Gas Operating Corporation 100%
20 2-39639	NE NW 36-17-27	40.00	B-11538-7 1/4 Eff. 10-10-44 HBP	State All 12.5%	Tenneco Oil Company and Conoco, Inc.	Betrice Beddingfield, et al 16.25% (1)	Centurion Oil and Gas Operating Corporation 100%
21 Non-Committ.	NW NE 36-17-27	40.00	E-379-2 Eff. 06-11-45 HBP	State All 12.5%	W. E. Jeffers and William Fleming	None	W. E. Jeffers and William Fleming 100%
22 4-26561	SW SW 36-17-27	40.00	E-379-4 Eff. 06-11-45 HBP	State All 12.5%	Amoco Production Company	Betrice Beddingfield, et al 10.00% (1)	Centurion Oil and Gas Operating Corporation 100%

TRACT NUMBER & PARTICIPATION FACTOR IN UNIT	DESCRIPTION OF LAND	NUMBER OF ACRES	SERIAL NUMBER & EFF. OR EXP. DATE OF LEASE	BASIC ROYALTY AND PERCENTAGE	LESSEE OF RECORD	OVERRIDING ROYALTY AND PERCENTAGE	WORKING INTEREST AND PERCENTAGE
23	SW NE 36-17-27	40.00	E-1059-1 Eff. 10-10-46 HBP	State All 12.5%	Hondo Oil & Gas Company	Betrice Beddingfield et al 16.25% (1)	Centurion Oil and Gas Operating Corporation 100%

13 State Tracts Totaling 601.39 Acres or 53.61846% of the Participating Area: A Unit Participation of 53.79278%

TOTAL 1121.61 Acres in the Participating Area
1402.34 Acres in the Entire Unit Area

(1) These are step-scale overriding royalty interests and they are set forth at the lowest percentage of the following scale:
 10% when production is 10 BPD or less
 15% when production is more than 10 BPD, but less than 20 BPD
 20% when production is 20 BPD or more

