

**DEVON
ENERGY
CORPORATION**

OIL CONSERVATION DIVISION
RECEIVED
20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 26, 1993

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Non-Standard Location Approval

Dear Sir:

On July 2, 1993 Devon Energy was notified by the OCC's Mark Ashley that our proposed West Red Lake Unit #40 to be located 1780' FSL and 230' FEL of Section 7 - T18S - R27E Eddy County, New Mexico is an unorthodox location. Attached is a plat of the West Red Lake Unit showing the Unit's boundaries and all the wells within; and, Forms 3160-3 and C - 102. The West Red Lake unit is a federal unit and the proposed well is to be part of this active waterflood project. The Unit ID number for the West Red Lake Unit is 14-08-0001-8970. Operators that have production in the offsetting 40 acre tracts will be notified by certified mail. A copy of our notification to each operator will be sent to your office along with the certified mail number. Any remaining wells that offset the proposed location are owned and operated by Devon Energy, therefore, no other notification is necessary.

Should you require any additional information regarding this unorthodox location or the issuing of an allowable please notify me at 405-552-4560.

Sincerely,



Randy Jackson
Operations Engineer

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE BORE MULTIPLE BORE

2. NAME OF OPERATOR
 Devon Energy Corporation (Nevada)

3. ADDRESS AND TELEPHONE NO.
 (405) 552-4560
 20 North Broadway Suite 1500 Oklahoma City, OK 73102

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 1780' FSL & 230' FEL
 At proposed prod. zone: same

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

16. NO. OF ACRES IN LEASE **17. NO. OF ACRES ASSIGNED TO THIS WELL**
 120 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FE. **19. PROPOSED DEPTH**
 450' 2580'

20. MUDPIT OR CASING TOOLS
 rotary

21. ELEVATION (Show whether DV, RL, OR, etc.) **22. APPROX. DATE WORK WILL START***
 3371.9' June 30, 1993

5. LEASE DESIGNATION AND SERIAL NO.
 LC 067981 (A)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 NA

7. SURVEY AGREEMENT NAME
 W. Red Lake 8910089700

8. BUREAU LEASE NAME, WELL NO.
 West Red Lake Unit #40

9. APPROVAL NO.

10. FIELD AND POOL OR WILDCAT
 Red Lake, QN, Grybrg, SA

11. SEC., T., R., N., OR S.E. AND SURVEY OR AREA
 Section 7-T18S-R27E

12. COUNTY OR PARISH **13. STATE**
 Eddy NM

PROPOSED CASING AND CEMENTING PROGRAM *

SIZE OF HOLE	CASING SIZES/JOBS	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	conductor		30'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	960'	295 sx Lite + 185 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	2580'	90 sx Lite + 285 sx Class C

* Cement will be circulated to surface on all casing strings

Devon Energy plans to drill to 2580'+ 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 | Exhibit #6 - Rotary Rig Layout |
| Surface Use and Operating Plan | Exhibit #7 - Casing Program |
| Exhibit #1 and #1-A - Blowout Prevention Equipment | Exhibit #8 - H ₂ S Drilling Operations Plan |
| Exhibit #2 - Location and Elevation Plat | |
| Exhibit #3 - Planned Access Roads | |
| Exhibit #4 - Wells Within a One Mile Radius | Evidence of Bond Coverage |
| Exhibit #5 - Production Facilities Plat | Copy of the Cultural Report |

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 present data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24. Randy Jackson District Engineer April 29, 1993

(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 _____ TITLE _____ DATE _____

***See Instructions On Reverse Side**

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

EXHIBIT #2

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

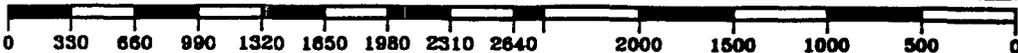
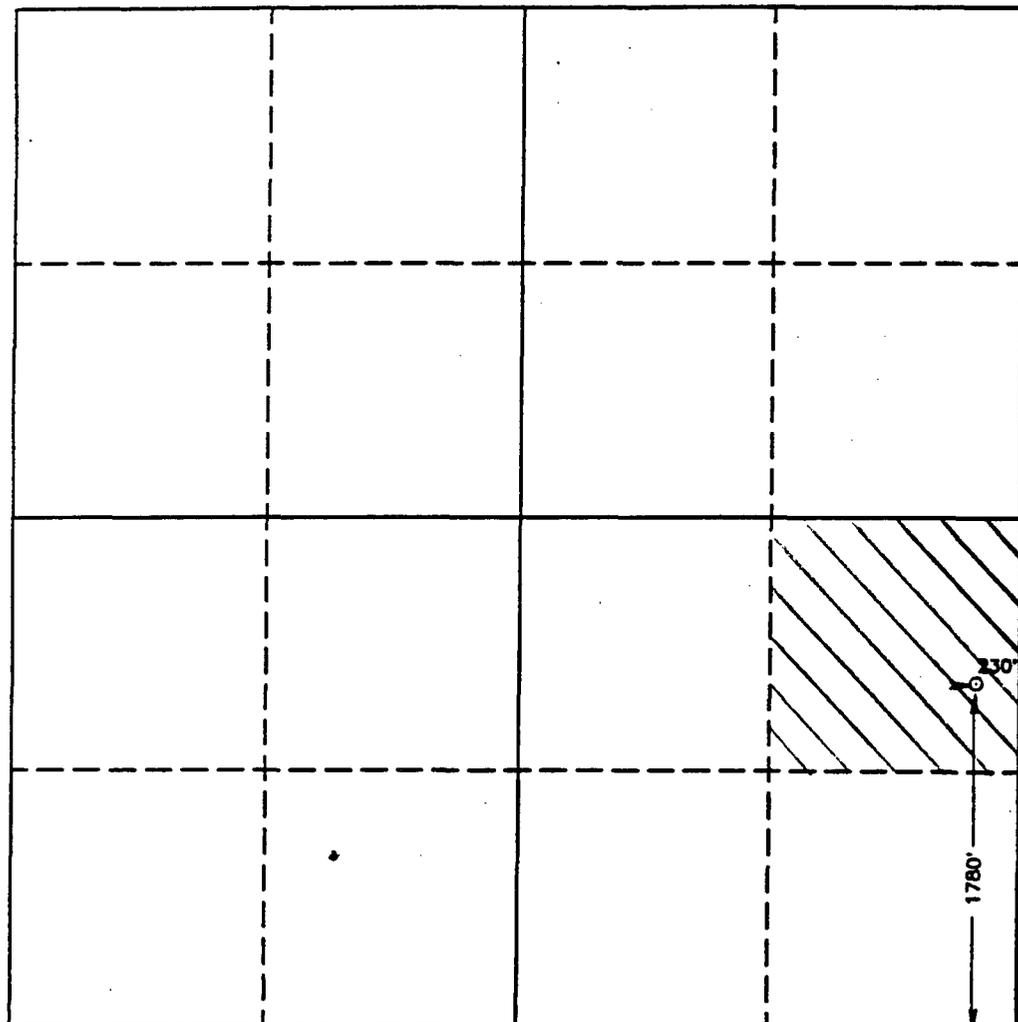
All Distances must be from the outer boundaries of the section

Operator DEVON ENERGY			Lease WEST RED LAKE UNIT		Well No. 40
Unit Letter I	Section 7	Township 18 SOUTH	Range 27 EAST	NMPM	County EDDY
Actual Footage Location of Well: 1780 feet from the SOUTH line and 230 feet from the EAST line					
Ground Level Elev. 3371.9'	Producing Formation San Andres		Pool West Red Lake		Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.) _____

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Charles W. Horsman
Printed Name
Charles W. Horsman
Position
District Engineer
Company
Devon Energy Corporation (Nevada)
Date
January 25, 1993

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
DECEMBER 9, 1992
Signature & Seal of Professional Surveyor

Certificate No. **JOHN WEST, 676**
RONALD BOSSON, 3239
GARY L. JONES, 7877
921041-20841

**WEST RED LAKE UNIT # 40
OFFSET OPERATORS**

Section 7 - T 18S - R27E

Operator	Well	Unit #	Remarks
Mewbourne Oil Co.	Peterson Com. #1	J	Active

OIL CONSERVATION DIVISION
RECEIVED

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 26, 1993

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Non-Standard Location Approval

Dear Sir:

On June 23, 1993 Devon Energy was notified by the OCC's Mark Ashley that our proposed West Red Lake Unit #36 to be located 1630' FNL and 330' FEL of Section 8 - T18S - R27E Eddy County, New Mexico is an unorthodox location. Attached is a plat of the West Red Lake Unit showing the Unit's boundaries and all the wells within; and, Forms 3160-3 and C - 102. The West Red Lake unit is a federal unit and the proposed well is to be part of this active waterflood project. The Unit ID number for the West Red Lake Unit is 14-08-0001-8970. Operators that have production in the offsetting 40 acre tracts will be notified by certified mail. A copy of our notification to each operator will be sent to your office along with the certified mail number. Any remaining wells that offset the proposed location are owned and operated by Devon Energy, therefore, no other notification is necessary.

Should you require any additional information regarding this unorthodox location or the issuing of an allowable please notify me at 405-552-4560.

Sincerely,



Randy Jackson
Operations Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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)

3. ADDRESS AND TELEPHONE NO.
20 North Broadway Suite 1500 Oklahoma City, OK 73102 (405) 552-4560

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 1630' FNL & 330' FEL
At 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. (Also to nearest drig. unit line, if any)
330'

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.
350'

19. PROPOSED DEPTH
3000'

20. ROTARY OR CABLE TOOLS
rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3490.7'

22. APPROX. DATE WORK WILL START*
May 1, 1993

23. PROPOSED CASING AND CEMENTING PROGRAM *

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	conductor		40'	Redimix
12 1/4"	8 5/8", J-55	24 ppf	1120'	415 sx Lite + 100 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	3000'	120 sx Lite + 300 sx Class C

* Cement will be circulated to surface on all casing strings

Devon Energy plans to drill to 3000'+ 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 | Exhibit #6 - Rotary Rig Layout |
| Surface Use and Operating Plan | Exhibit #7 - Casing Program |
| Exhibit #1 and #1-A - Blowout Prevention Equipment | Evidence of Bond Coverage |
| Exhibit #2 - Location and Elevation Plat | |
| Exhibit #3 - Planned Access Roads | |
| Exhibit #4 - Wells Within a One Mile Radius | |
| Exhibit #5 - Production Facilities Plat | |

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zones 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 Randy Jackson TITLE District Engineer DATE March 23, 1993

(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 _____ TITLE _____ DATE _____

*See Instructions On Reverse Side

OIL CONSERVATION DIVISION

EXHIBIT #2

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

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

All Distances must be from the outer boundaries of the section

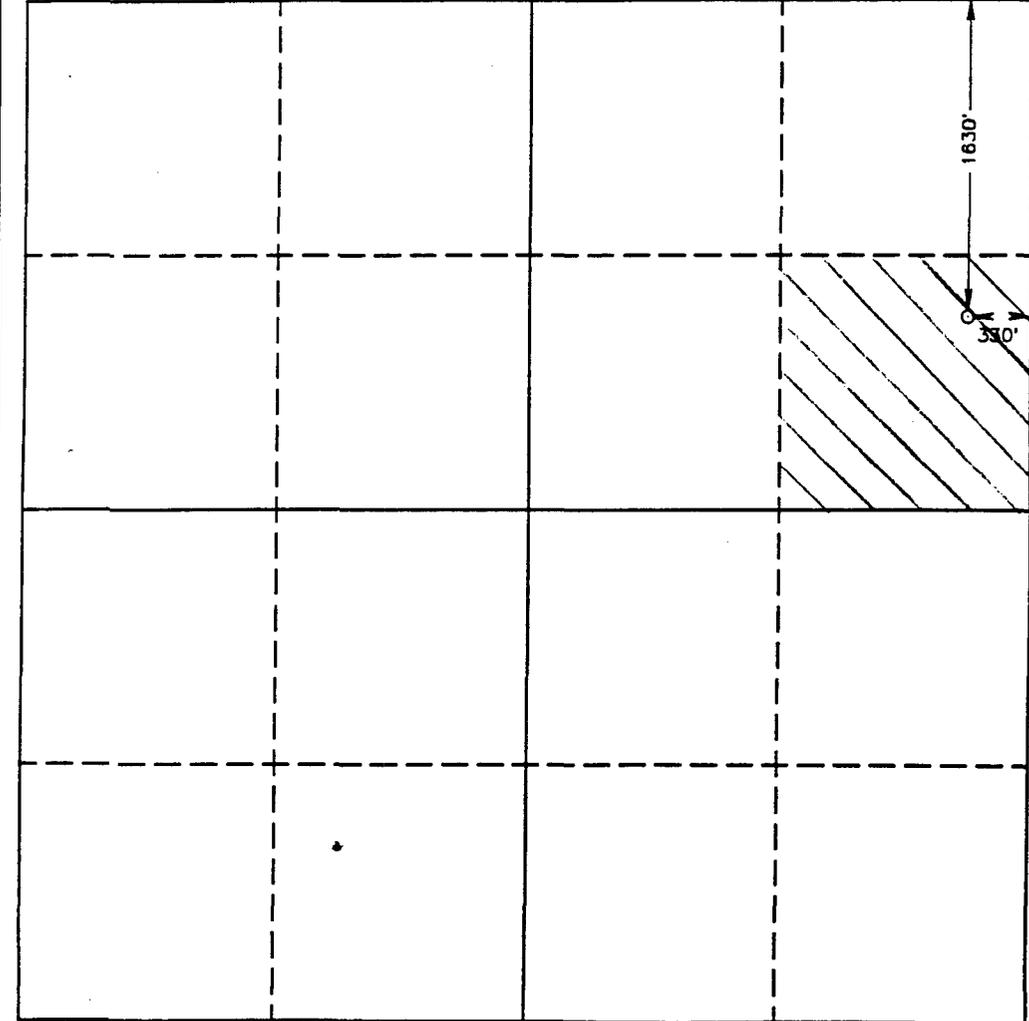
Operator DEVON ENERGY		Lease WEST RED LAKE UNIT		Well No. 36
Unit Letter H	Section 8	Township 18 SOUTH	Range 27 EAST	County EDDY
Actual Footage Location of Well: 1630 feet from the NORTH line and 330 feet from the EAST line				
Ground Level Elev. 3490.7'	Producing Formation San Andres	Pool West Red Lake	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?

Yes No If answer is "yes" type of consolidation _____

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Charles W. Horsman*

Printed Name: **Charles W. Horsman**

Position: **District Engineer**

Company: **Devon Energy Corporation (Nevada)**

Date: **January 25, 1993**

SURVEYOR CERTIFICATION

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 knowledge and belief.

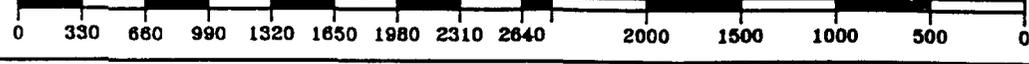
Date Surveyed: **DECEMBER 5, 1992**

Signature & Seal of Professional Surveyor

Professional Surveyor Seal for Gary L. Jones, State of New Mexico, No. 7077.

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239
GARY L. JONES, 7977

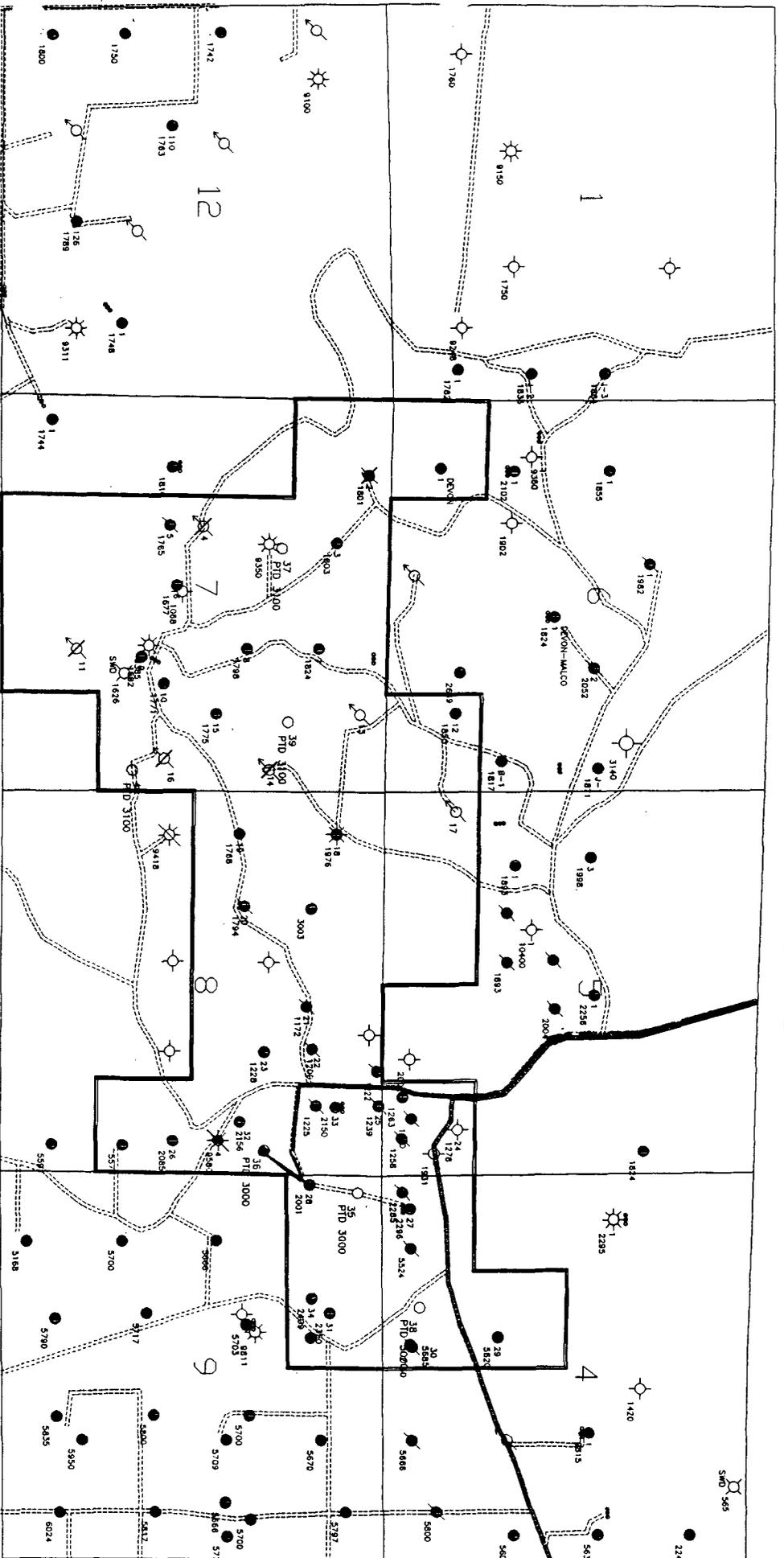
92-11-1845



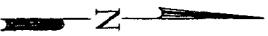
R 26 E

R 27 E

T 18 S



----- EXISTING ROAD
 - - - - - PROPOSED ROAD

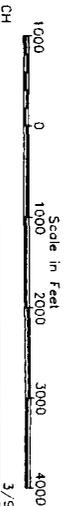


FILE: WRU-36

denon
LAND CONSULTANTS

WEST RED LAKE UNIT
EDDY COUNTY, NEW MEXICO

WRU #36
EXHIBIT 3



3/93

**WEST RED LAKE UNIT #36
OFFSET OPERATORS**

Section 8 - T18S - R27E

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Compton #4	A	Inactive
Arco Oil & Gas	Empire Abo Unit N #4	H	Active
Arco Oil & Gas	Empire Abo Unit O #4	I	Active
Arco Oil & Gas	Chalk Bluff Draw Unit	H	Inactive

Section 9 - T18S - R27E

Operator	Well	Unit #	Remarks
Arco Oil & Gas	Empire Abo Unit N #5	E	Active
Arco Oil & Gas	Empire Abo Unit O #5	L	Active

SENT BY

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 27, 1993

**RE: West Red Lake Unit #36
Non-Standard Location Approval**

Arco Oil and Gas
P. O. Box 1610
Midland, TX 79702

Certified Letter #: P 373 549 737

Dear Sirs:

We have applied for a permit to drill the above referenced well. The proposed well site is within our West Red Lake Unit in Eddy County, NM and offsets the following Arco properties:

- Compton #4
- Empire Abo Unit N #4
- Empire Abo Unit N #5
- Chalk Bluff Draw Unit
- Empire Abo Unit O #4
- Empire Abo Unit O #5

The West Red Lake Unit #36 is located:

1630' FNL & 330' FEL
Section 8-T18S-R27E

Post-It™ brand fax transmittal memo 7671 # of pages 6

To	Mike Stogner	From	D. O'Donnell
Co.	CCD	Co.	Devon Energy
Dept.		Phone #	
Fax #	(505) 827-5741	Fax #	

For your files.

8/18

Page 2

The State of New Mexico Oil Conservation Division has ruled that this location is "non-standard". They require that we obtain Non-Standard Location Approval from their Santa Fe Office before allowing the Bureau of Land Management to issue us a permit. The NSL approval process requires that we notify offset operators and submit Proof of Notice.

Please accept this certified letter as notification. If you have any questions, please call Randy Jackson at (405) 552-4560.

Sincerely yours,

DEVON ENERGY CORPORATION

Debby O'Donnell

Ms. Debby O'Donnell
Engineering Technician

cc.

Oil Conservation Division - Santa Fe, NM
Bureau of Land Management - Carlsbad, NM

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 27, 1993

RE: **West Red Lake Unit #40**
Non-Standard Location Approval

Mewbourne Oil Company
P. O. Box 5270
Hobbs, NM 88241

Certified Letter #: P 164 789 582

Dear Sirs:

We have applied for a permit to drill the above referenced well. The proposed well site is within our West Red Lake Unit in Eddy County, NM and offsets Mewbourne Oil Company's Peterson Com. #1 well in Unit J of Section 7-T18S-R27E of Eddy County, New Mexico.

The West Red Lake Unit #40 is located:

1780' FSL & 230' FEL
Section 7-T18S-R27E

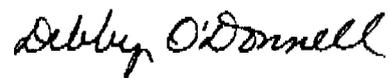
The State of New Mexico Oil Conservation Division has ruled that this location is "non-standard". They require that we obtain Non-Standard Location Approval from their Santa Fe Office before allowing the Bureau of Land Management to issue us a permit. The NSL approval process requires that we notify offset operators and submit Proof of Notice.

Page 2

Please accept this certified letter as notification. If you have any questions, please call Randy Jackson at (405) 552-4560.

Sincerely yours,

DEVON ENERGY CORPORATION



Ms. Debby O'Donnell
Engineering Technician

cc.

Oil Conservation Division - Santa Fe, NM
Bureau of Land Management - Carlsbad, NM

**DEVON
ENERGY
CORPORATION**

20 North Broadway
Suite 1500
Oklahoma City, Oklahoma 73102

405/235-3611
Fax 405/236-4258

July 27, 1993

RE: **West Red Lake Unit #39
Non-Standard Location Approval**

Breck Operating Corporation
P. O. Box 911
Breckenridge, TX 76424-0911

Certified Letter #: P 164 789 583

Dear Sirs:

We have applied for a permit to drill the above referenced well. The proposed well site is within our West Red Lake Unit in Eddy County, NM and offsets Breck Operating Corporation's Compton Federal #1 well in Unit O of Section 6-T18S-R27E of Eddy County, New Mexico.

The West Red Lake Unit #39 is located:

1300' FNL & 1090' FEL
Section 7-T18S-R27E

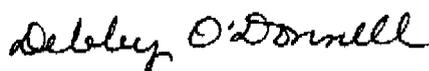
The State of New Mexico Oil Conservation Division has ruled that this location is "non-standard". They require that we obtain Non-Standard Location Approval from their Santa Fe Office before allowing the Bureau of Land Management to issue us a permit. The NSL approval process requires that we notify offset operators and submit Proof of Notice.

Page 2

Please accept this certified letter as notification. If you have any questions, please call Randy Jackson at (405) 552-4560.

Sincerely yours,

DEVON ENERGY CORPORATION



Ms. Debby O'Donnell
Engineering Technician

cc.

Oil Conservation Division - Santa Fe, NM
Bureau of Land Management - Carlsbad, NM