

RECEIVED  
OIL CONSERVATION DIVISION  
95 APR 28 AM 8 52

DEVON  
ENERGY  
OPERATING  
CORPORATION

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102

405/235-3611  
Fax 405/552-4550  
Fax 405/552-4552

April 26, 1995

State of New Mexico  
Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87504 - 2088

Attention: Mike Stogner

Re: Non - Standard Location Approval

Dear Sir:

It is requested that administrative approval be granted under Rule 104F. (1) for unorthodox locations for the infill producing wells located within the Keel West Waterflood Project, at the following locations:

WELL	LOCATION
J. L. Keel "B" #86	49' FSL & 2520' FWL, Sec. 5-17S-31E
H. E. West "B" #83	1195' FNL & 1288' FWL, Sec. 4-17S-31E

Attached is a plat of the Keel - West Waterflood Project showing the project boundaries that are adjacent to the subject wells. Forms 3160 - 3 and C - 102 are attached for each of the two wells listed above. The Keel - West Waterflood project is located on federal property and each proposed well is to be part of this active waterflood project.

The above locations do not conform to Rule 104. C. I. because they are located closer than 330' to the governmental quarter - quarter section boundaries. They will be drilled to a depth sufficient to produce the Grayburg - San Andres formation ( approximately 4000' ). The wells will be drilled at the unorthodox locations in order to prevent waste by developing an efficient production and injection pattern within the Keel - West Waterflood Project, which was approved under Order R - 2268. When fully developed these wells will combine with the existing wells ( some of which will eventually be converted to injection ) to establish a 40 acre 5 spot waterflood pattern.

Operators that have production in offsetting 40 acre tracts will be notified by certified mail. A copy of this notification to each operator will be sent to you along with the certified mail number. The only well where notification to offset operators is required is:

WEST "B" #83

The location listed above is offset on three sides of the 40 acre tract by Devon Energy Operating Corporation ( DEOC ) with the remaining side being offset by a different operator. Although the above location is considered unorthodox the above location was moved closer to the offsetting tracts that are operated by DEOC.

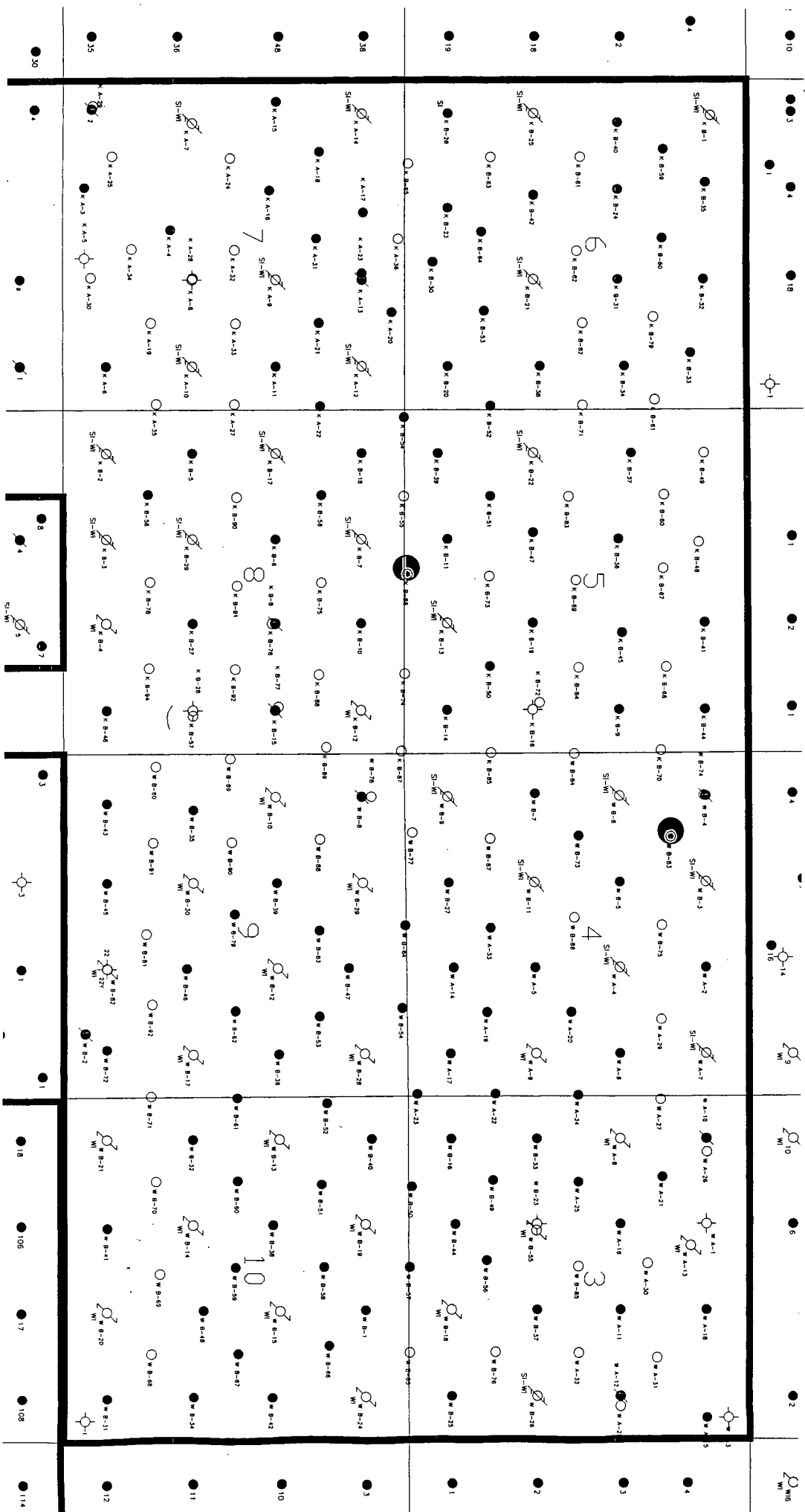
The remaining well listed is offset by wells that are already operated by Devon Energy Operating Corporation; therefore, no other notification is necessary.

Should you require any additional information regarding any of these unorthodox locations please notify me at 405-552-4527.

Sincerely,

A handwritten signature in black ink that reads "Karen Rosa". The signature is fluid and cursive, with the first name "Karen" and the last name "Rosa" clearly distinguishable.

Karen Rosa  
Engineering Technician



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTOPERATOR'S COPY  
SUBMIT IN TRIPLICATE\*  
(See other instructions on  
reverse side)

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 OPERATING CORPORATION3. ADDRESS AND TELEPHONE NO.  
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4560

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

At surface 49° FSL &amp; 2612' FEL

At top proposed prod. zone (SAME)

NON-  
STANDARD  
LOCATION...... SUBJECT TO  
LIKE APPROVAL  
BY STATE

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

4 miles east &amp; 4 miles north of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED  
LOCATION TO NEARESTPROPERTY OR LEASE LINE, FT. 2612  
(Also to nearest dble. unit line if any)

18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT. 900'

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

3812 GR

16. NO. OF ACRES IN LEASE  
1885.0019. PROPOSED DEPTH  
400017. NO. OF ACRES ASSIGNED  
TO THIS WELL  
4020. ROTARY OR CABLE TOOLS\*  
Rotary22. APPROX. DATE WORK WILL START\*  
January 1, 1995

## 23. PROPOSED CASING AND CEMENTING PROGRAM

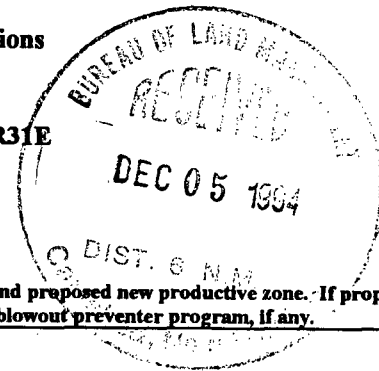
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24.0#	400'	165 sk lite cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4000'	500 sk Class "C" 35/65 + 500 sk Class "C" + 1/4 lb/sk cellophane flakes

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4000' to test the Grayburg-Jackson formation for commercial quantities of oil. If the Grayburg-Jackson 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

Exhibits #1/1-A = Blowout Prevention Equipment  
Exhibit #2 = Location and Elevation Plat  
Exhibit #3/3-A = Road Map and Topo Map  
Exhibit #4 = Wells Within 1 Mile Radius  
Exhibit #5 = Production Facilities Plat  
Exhibit #6 = Rotary Rig Layout  
Exhibit #7 = Casing Design  
H2S Operating Plan

The undersigned accepts all applicable terms, condition, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below:  
Lease No. LC029435-B  
Legal Description: Section 5-T17N-R31E  
Bond Coverage: Nationwide  
BLM Bond No.: CO1151



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

TITLE RANDY JACKSON  
DISTRICT ENGINEER

DATE

12/2/94

\*(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVAL SUBJECT TO .  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED.

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

AREA MANAGER

See Instructions On Reverse Side

DATE

4/20/95

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

JOB #38417-4-98 SW / V.H.B.

UNITED STATES OPERATOR'S COPY  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

(See other instructions on  
reverse side)

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 OPERATING CORPORATION

3. ADDRESS AND TELEPHONE NO.  
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4560

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 1195' FNL & 1288' FWL UNORTHDOX LOCATION: Subject to Like Approval By State  
At top proposed prod. zone (SAME)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
4 miles east & 4 miles north of Loco Hills, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1195'  
(Also to nearest dte. unit line if any)

16. NO. OF ACRES IN LEASE 1919.88

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. 900'

19. PROPOSED DEPTH 4400'

20. ROTARY OR CABLE TOOLS\* Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
3934' GR

22. APPROX. DATE WORK WILL START\*  
January 1, 1995

5. LEASE DESIGNATION AND SERIAL NO.  
LC 029426-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
NA

7. UNIT AGREEMENT NAME  
NA

8. FARM OR LEASE NAME, WELL NO.  
WEST "B" #83

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT  
GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
SECTION 4-T17 S - R31 E

12. COUNTY OR PARISH  
EDDY

13. STATE  
NM

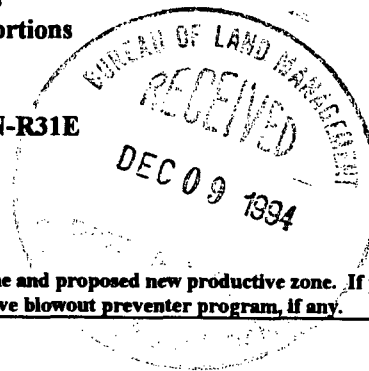
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J-55	24.0#	600'	500 sk Class "C" + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4400'	500 sk Class "C" 35/65 + 500 sk Class "C" + 1/4 lb/sk cellophane flakes

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4400' to test the Grayburg-Jackson formation for commercial quantities of oil. If the Grayburg-Jackson 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.

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Exhibit #2 = Location and Elevation Plat  
Exhibit #3/3-A = Road Map and Topo Map  
Exhibit #4 = Wells Within 1 Mile Radius  
Exhibit #5 = Production Facilities Plat  
Exhibit #6 = Rotary Rig Layout  
Exhibit #7 = Casing Design  
H2S Operating Plan

The undersigned accepts all applicable terms, condition, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below:  
Lease No. LC029426-B  
Legal Description: Section 4-T17N-R31E  
Bond Coverage: Nationwide  
BLM Bond No.: CO1151



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 Randy Jackson TITLE RANDY JACKSON DATE 12/6/94  
DISTRICT ENGINEER

\*(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 Glorinda Vega TITLE AREA MANAGER DATE 4/20/95  
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

DISTRICT I  
P. O. Box 1980  
Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals, and Natural Resources Department

Form C-102  
Revised 02-10-94  
Instructions on back

DISTRICT II  
P. O. Drawer DD  
Artesia, NM 88211-0719

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

Submit to the Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

☐ AMENDED REPORT

DISTRICT III  
1000 Rio Brazos Rd.  
Aztec, NM 87410

DISTRICT IV  
P. O. Box 2088  
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name			
4 Property Code D		5 Property Name WEST 'B' FEDERAL				6 Well Number 83	
7 OGRID No.		8 Operator Name DEVON ENERGY OPERATING COMPANY				9 Elevation 3934'	

10 SURFACE LOCATION

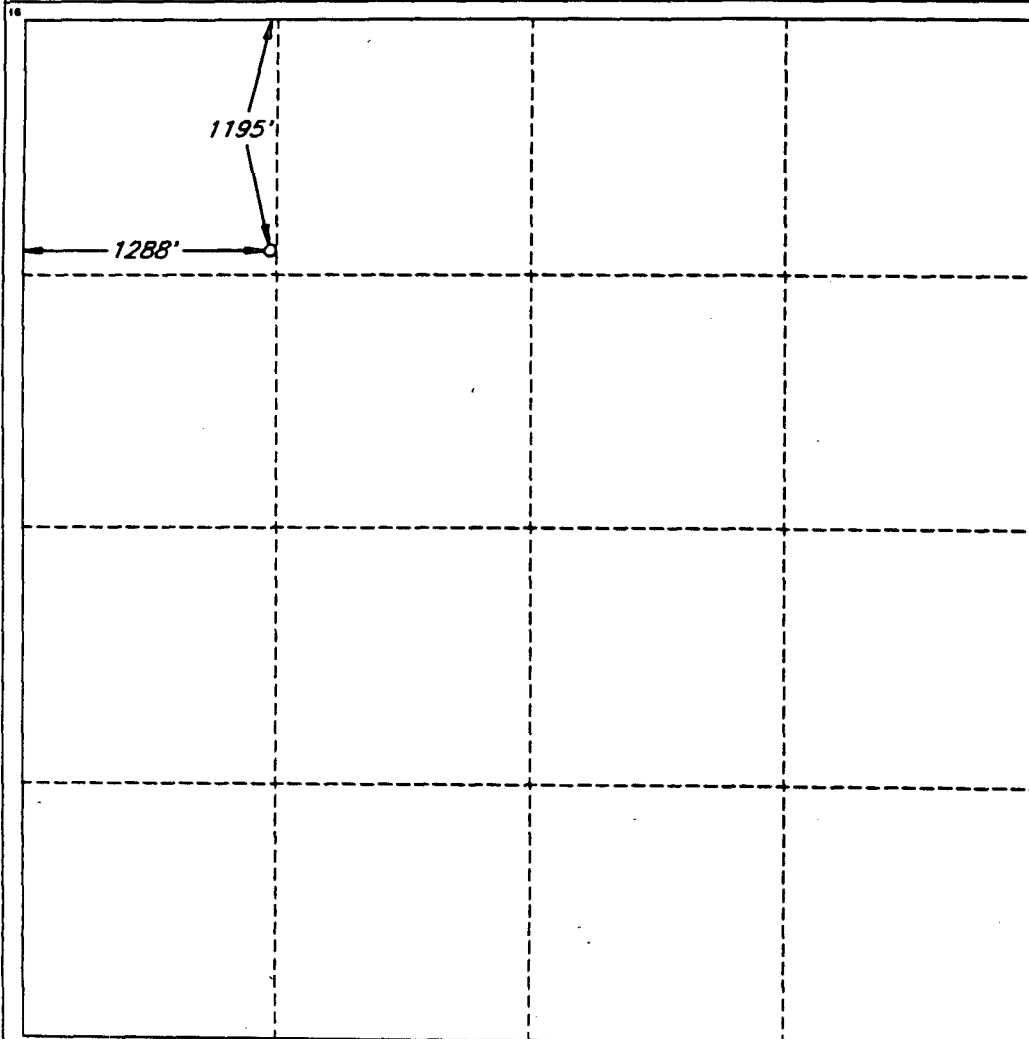
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
	4	17 SOUTH	31 EAST, N.M.P.M.		1195'	NORTH	1288'	WEST	EDDY

11 BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT 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

*Randy Jackson*

Printed Name

Randy Jackson

Title

District Engineer

Date

12/6/94

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 belief.

Date of Survey

NOVEMBER 1, 1994

Signature and Seal of Professional Surveyor

*V. L. BEZNER*  
V. L. BEZNER  
NO. 7920

Certification No.  
V. L. BEZNER R.P.S. #7920

JOB #35908-14-98 SW / V.H.B.

**DEVON  
ENERGY  
OPERATING  
CORPORATION**

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102

405/235-3611  
Fax 405/552-4550  
Fax 405/552-4552

April 26, 1995

Xeric Oil & Gas Corp.  
P. O. Box 51311  
Midland, TX 79710

Certified Letter #: Z 781 292 674

Dear Sir:

The BLM has issued Devon Energy Operating Corporation a permit to drill the following well:

<b>WELL</b>	<b>LOCATION</b>
<b>H. E. West "B" 83</b>	<b>1195' FNL &amp; 1288' FWL, Sec 4-17S-31E</b>

The proposed location is located within the boundaries of the Keel - West Waterflood Project in Eddy Co. New Mexico.

Dwights Production Data shows that you are the operator of the following wells that are offset to the West "B" 83:

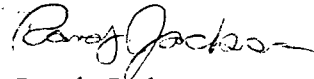
Well	Location
Kennedy #4	Section 33-16S-31E
Texas Trading #7	Section 33-16S-31E

The State of New Mexico Oil Conservation Division has ruled that this is a "non - standard location" and requires that we obtain Non - Standard Location Approval from their Santa Fe Office before an allowable will be issued. The NSL approval process requires that we notify offset operators and Submit Proof of Notice. A non - standard location is defined as any location closer than 330' to the outer boundaries of a 40 acre drilling unit. Although this location is considered unorthodox it will not be within 330' of



Please accept this letter as the required notification. If you have any questions regarding this matter please notify me at 405 - 552 - 4560.

Sincerely,

A handwritten signature in cursive script, appearing to read "Randy Jackson", with a horizontal line extending from the end of the signature.

Randy Jackson  
District Engineer

cc.

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

DEVON  
ENERGY  
OPERATING  
CORPORATION

20 North Broadway, Suite 1500  
Oklahoma City, Oklahoma 73102

405/235-3611  
Fax 405/552-4550  
Fax 405/552-4552

April 26, 1995

Anardarko Petroleum  
Drawer 130  
Artesia, New Mexico 88210

Certified Letter #: Z 781 292 673

Dear Sir:

The BLM has issued Devon Energy Operating Corporation a permit to drill the following well:

WELL	LOCATION
H. E. West "B" 83	1195' FNL & 1288' FWL, Sec 4-17S-31E

The proposed location is located within the boundaries of the Keel - West Waterflood Project in Eddy Co. New Mexico.

Dwights Production Data shows that you are the operator of the following well that is offset to the West "B" 83:

Well	Location
Western Dev A State #1	Section 32-16S-R31E

The State of New Mexico Oil Conservation Division has ruled that this is a "non - standard location" and requires that we obtain Non - Standard Location Approval from their Santa Fe Office before an allowable will be issued. The NSL approval process requires that we notify offset operators and Submit Proof of Notice. A non - standard location is defined as any location closer than 330' to the outer boundaries of a 40 acre drilling unit. Although this location is considered unorthodox it will not be within 330' of your 40 acre tract as the West "B" 83 has been moved to the south and therefore away from your tracts.

your 40 acre tract as the West "B" 83 has been moved to the south and therefore away from your tracts.

Please accept this letter as the required notification. If you have any questions regarding this matter please notify me at 405 - 552 - 4560.

Sincerely,

A handwritten signature in cursive script, appearing to read "Randy Jackson", with a long horizontal flourish extending to the right.

Randy Jackson  
District Engineer

cc.

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