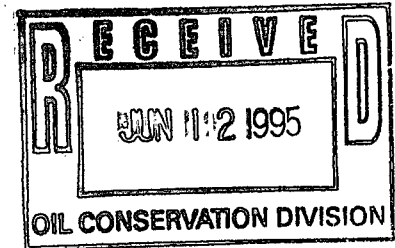


DEVON
ENERGY
OPERATING
CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

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

June 8, 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 location for the infill producing well located within the Keel West Waterflood Project, at the following location:

WELL	LOCATION
J. L. Keel "B" #73	1308' FSL & 2556' FWL, Sec. 5-17S-31E

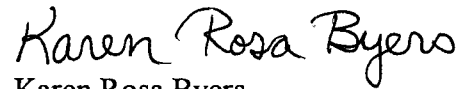
Attached is a plat of the Keel - West Waterflood Project showing the project boundaries that are adjacent to the subject well. Forms 3160 - 3 and C - 102 are attached for the well listed above. The Keel - West Waterflood project is located on federal property and each proposed well is to be part of this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

The above location does not conform to Rule 104. C. I. because it is located closer than 330' to the governmental quarter - quarter section boundaries. It will be drilled to a depth sufficient to produce the Grayburg - San Andres formation (approximately 4000'). The well 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 this well will combine with the existing wells (some of which will eventually be converted to injection) to establish a 40 acre 5 spot waterflood pattern.

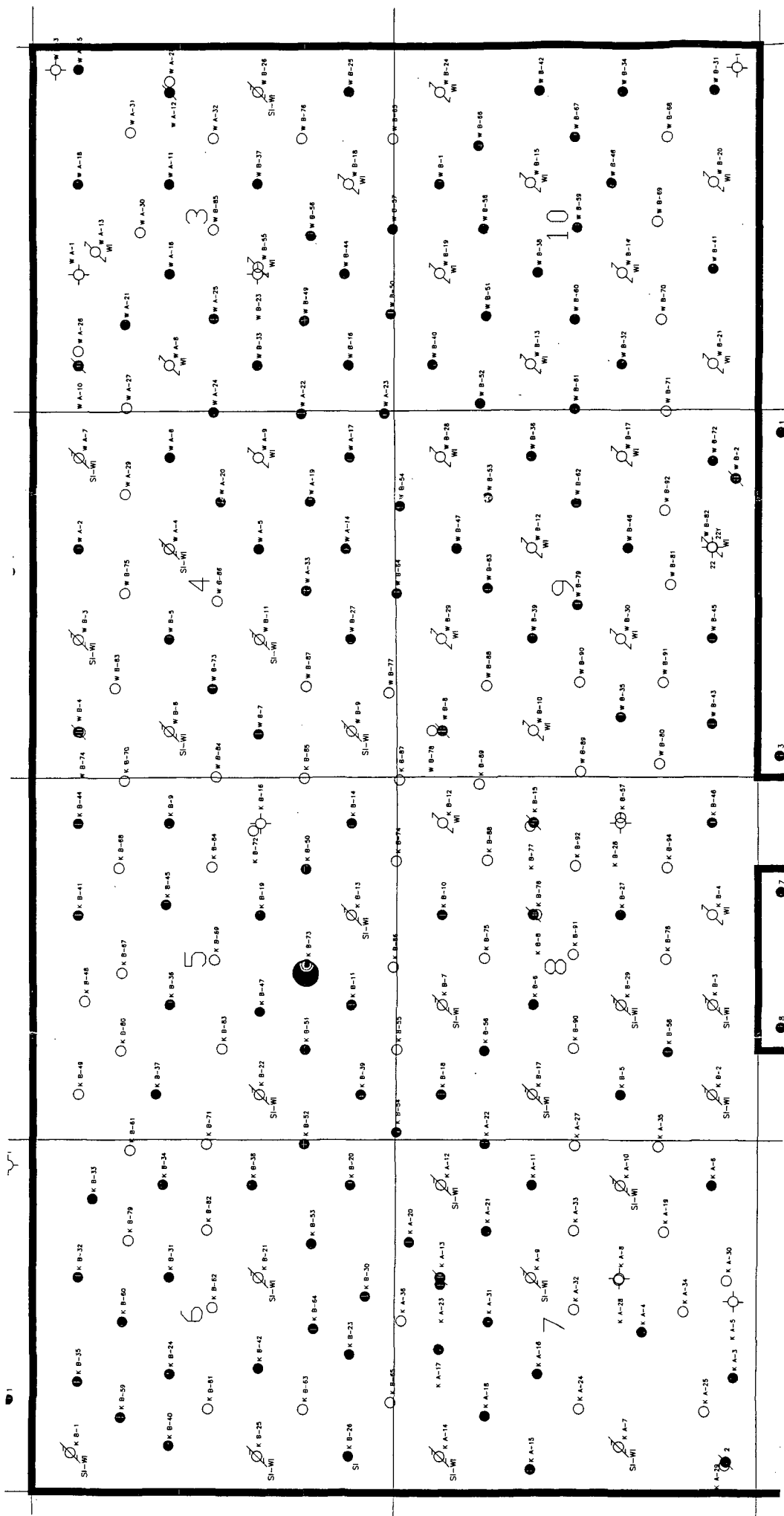
There are no operators that have production in offsetting 40 acre tracts. The well listed is offset by wells that are already operated by Devon Energy Operating Corporation; therefore, no notification is necessary.

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 Byers". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Karen Rosa Byers
Engineering Technician



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 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 1308' FSL & 2556' FWL

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.

5. LEASE DESIGNATION AND SERIAL NO.

LC 029435-B

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

NA

8. FARM OR LEASE NAME, WELL NO.

J. L. KEEL "B" #73

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

SECTION 5-T17 S - R31 E

12. COUNTY OR PARISH

EDDY

13. STATE

NM

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT. 3972

(Also to nearest drg. unit line if any)

18. DISTANCE FROM PROPOSED LOCATION*

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

16. NO. OF ACRES IN LEASE

606.92

19. PROPOSED DEPTH

4000

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

20. ROTARY OR CABLE TOOLS*

Rotary

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

3841' GR

22. APPROX. DATE WORK WILL START*

May 30, 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'	200 sk RFC 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.

24.

SIGNED

RANDY JACKSON
TITLE DISTRICT ENGINEER

DATE

5/2/985

*(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

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
Artesia, 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 Grayburg Jackson	
4 Property Code		5 Property Name J. L. KEEL 'B'			6 Well Number 73
7 OGRID No.		8 Operator Name DEVON ENERGY OPERATING COMPANY			9 Elevation 3841'

10 SURFACE LOCATION

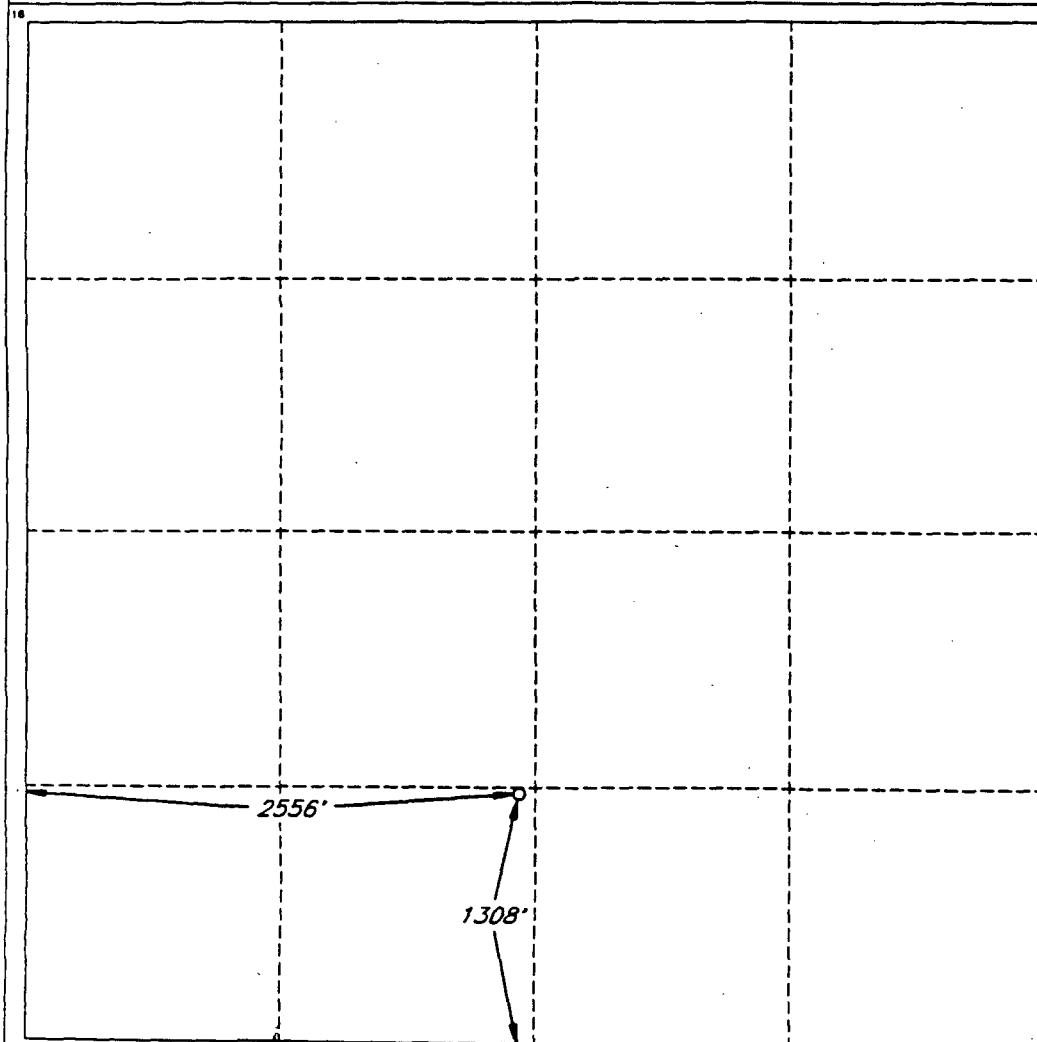
UL or lot no. N	Section 5	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 1308'	North/South line SOUTH	Feet from the 2556'	East/West line WEST	County EDDY
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"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	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

5/2/95

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

FEBRUARY 21, 1995

Signature and Seal of
Professional Surveyor

V. Lynn Bezner
V. LYNN
BEZNER
NO. 7920

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

JOB #38417-2-98 SW / V.H.B.

DEVON
ENERGY
OPERATING
CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

OIL CONSERVATION DIVISION
RECEIVED
405/235-3611
95 JUN 28 1995
Fax 405/552-4550
Fax 405/552-4352

June 20, 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 #72	2230' FSL & 760' FEL, Sec. 5-17S-31E
J. L. Keel B #75	1274' FNL & 2456' FEL, Sec. 8-17S-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.

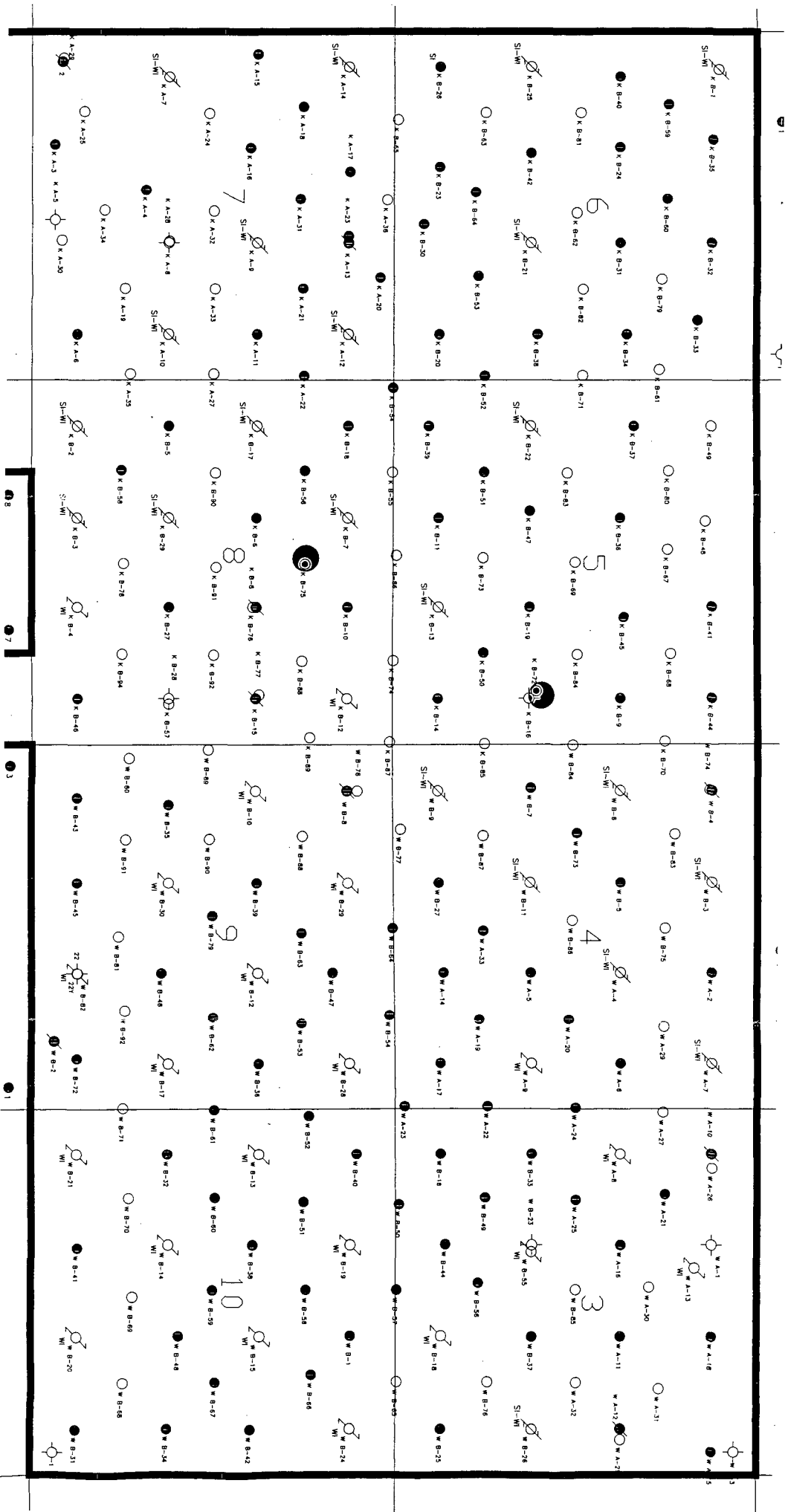
There are no operators that have production in offsetting 40 acre tracts. The two wells listed are offset by wells that are already operated by Devon Energy Operating Corporation; therefore, no notification is necessary.

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 Byers". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Karen Byers
Engineering Technician



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 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 2230' FSL & 760' FEL

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 NEARESTPROPERTY OR LEASE LINE, FT. 750'
(Also to nearest dble unit line if any)

16 NO. OF ACRES IN LEASE

606.92

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. 1000'

19 PROPOSED DEPTH

4000

20 ROTARY OR CABLE TOOLS*

Rotary

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

3890' GR

22 APPROX. DATE WORK WILL START*

June 15, 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'	200 sk RFC 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

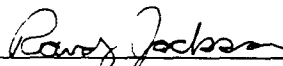
H2S Operating Plan

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

N 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.

14.

SIGNED

RANDY JACKSON
TITLE DISTRICT ENGINEER

DATE

5/24/95

(This space for Federal or State office use)

ERMIT 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:

PPROVED BY _____

TITLE _____

DATE _____

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

JOB #39438 / 98 SW / V.H.B.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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) 552-45604. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1274' FNL & 2456' FEL
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. 2456'
(Also to nearest ddg unit line if any)16. NO. OF ACRES IN LEASE 606.92
19. PROPOSED DEPTH 4000'17. NO. OF ACRES ASSIGNED TO THIS WELL 40
20. ROTARY OR CABLE TOOLS* Rotary18. ELEVATIONS (Show whether DF, RT, GR, etc.)
1777' GR22. APPROX. DATE WORK WILL START*
June 15, 1995

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
2 1/4"	8 5/8" J-55	24.0#	400'	200 sk RFC cmt + 200 sk Class "C"
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 8-T17N-R31E
Bond Coverage: Nationwide
BLM Bond No.: CO1151

ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal 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 JacksonRANDY JACKSON
TITLE DISTRICT ENGINEERDATE 5/24/95

(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:

PROVED BY _____ TITLE _____ DATE _____

See Instructions On Reverse Side

Section 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

Box 1980
NM 88241-1980

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

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

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

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

☐ AMENDED REPORT

DISTRICT II
O. Drower DD
Artesia, NM 88211-0719

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 Grayburg Jackson
4 Property Code 015968	5 Property Name J. L. KEEL 'B'	6 Well Number 75
7 OGRID No.	8 Operator Name Operating DEVON ENERGY CORPORATION	9 Elevation 3777'

10 SURFACE LOCATION

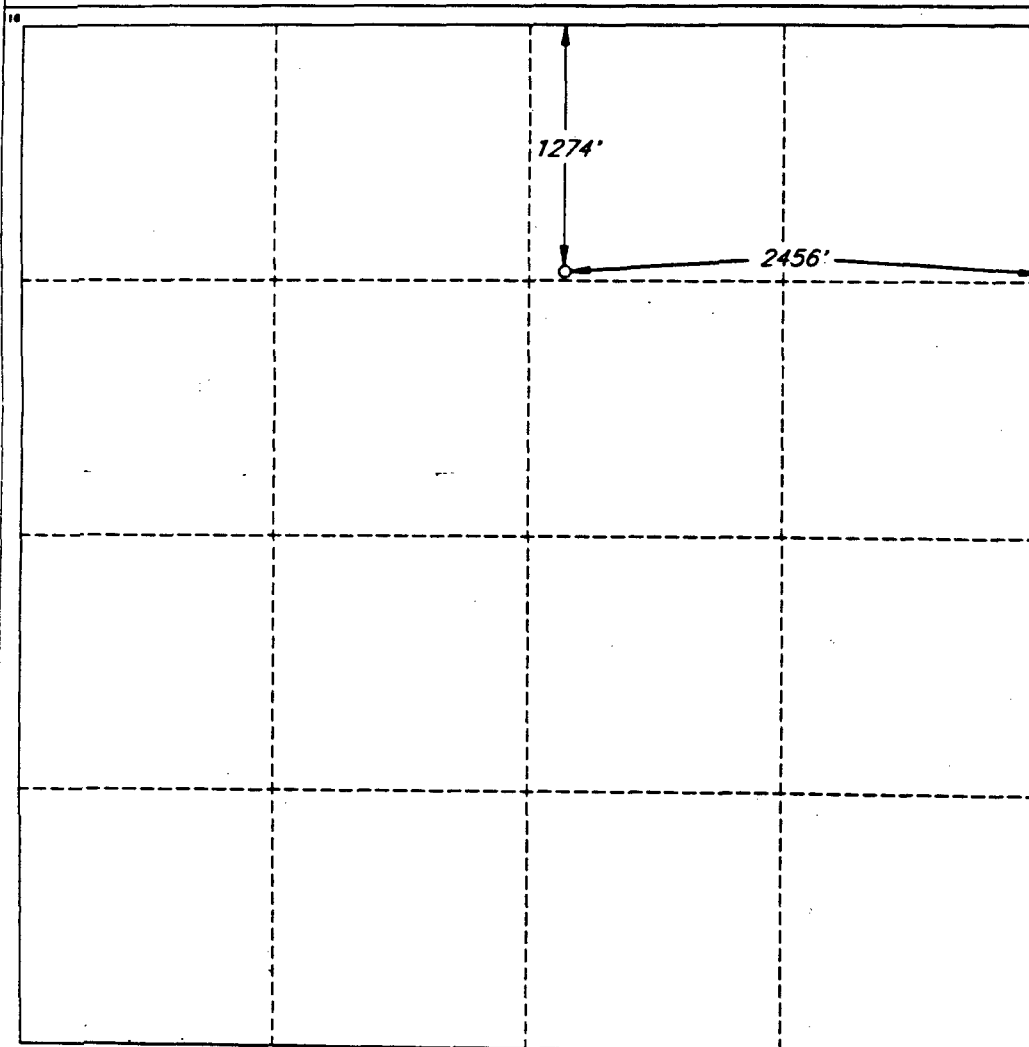
UL or lot no. B	Section 8	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ids	Feet from the 1274'	North/South line NORTH	Feet from the 2456'	East/West line EAST	County EDDY
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"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

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

12 Dedicated Acres 40	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 <i>Randy Jackson</i>
Printed Name Randy Jackson
Title District Engineer
Date May 23, 1995

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 MAY 15 1995
Signature and Seal of Professional Surveyor <i>V. Lynn Bezner</i>
Seal of the State of New Mexico V. LYNN BEZNER NO. 7920
Certification No. V. L. BEZNER AND S.P.S. #7920
JOB #39439 / 98 SW / V.H.B.