

DEVON
ENERGY
OPERATING
CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

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

January 15, 1996

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 Russell Turner Waterflood Project, at the following locations:

WELL	LOCATION
Turner "A" #38	1400' FSL & 900' FWL, Sec. 18-17S-31E
Turner "A" #50	2390' FNL & 1210' FEL, Sec. 19-17S-31E
Turner "A" #51	2632' FNL & 75' FEL, Sec. 19-17S-31E
C. A. Russell #13	330' FNL & 1050' FWL, Sec. 18-17S-31E

Attached is a plat of the Russell - Turner 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 Russell - Turner 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 Russell - Turner Waterflood Project, which was approved under Order R - 3185. 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 wells where notification to offset operators is required are:

Turner "A" #38
Turner "A" #50
Turner "A" #51
C. A. Russell #13

Each of the locations listed above are 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 each of the above locations are considered unorthodox in each case the above locations were moved closer to the offsetting tracts that are operated by DEOC. Avon Energy is a closely related company to Devon Energy Operating Corp, and therefore does not require notice.

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

Please note that we previously applied for approval for unorthodox location on the Turner "A" #51. We have since moved the location and discovered that there is an offset operator and are resubmitting for your approval. You will find that we have now notified the offset operator.

Sincerely,

A handwritten signature in cursive script that reads "Karen Byers".

Karen Byers
Engineering Technician

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 ☐

1b. 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 1400' FSL & 900' FWL

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 & 1 mile north of Loco Hills, N.M.

5. LEASE DESIGNATION AND SERIAL NO.

LC 029395-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

NA

8. FARM OR LEASE NAME, WELL NO.

Turner "A" #38

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

GRAYBURG-JACKSON

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

SECTION 18-T17 S - R31 E

12. COUNTY OR PARISH

EDDY

13. STATE

NM

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT. 900'

(Also to nearest drlg. unit line if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT. 300'

16. NO. OF ACRES IN LEASE

609.43

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

19. PROPOSED DEPTH

4200'

20. ROTARY OR CABLE TOOLS*

Rotary

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

3756'

22. APPROX. DATE WORK WILL START*

January 1, 1996

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#	450"	125 sk Lite cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200"	550 sk Lite + 525 sk Class "H"

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200" 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. LC029395-A

Legal Description: Section 18-T17N-R31E

Bond Coverage: Statewide in CO, NM, UT, & WY

BLM Bond No.: CO1151

RECEIVED
NOV 20 8 05 AM '95
OIL
AND
GAS
AREA

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 RANDY JACKSON
DISTRICT ENGINEER

DATE 11/14/95

*(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:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

APPROVED BY Gary Bauman

TITLE for Area Manager

DATE 11/9/96

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 #41659-38-98 SW / JSJ

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 2390' FNL & 1210' 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*

5 miles east & 1 mile north of Loco Hills, N.M.

5. LEASE DESIGNATION AND SERIAL NO.
LC 029395-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME, WELL NO.
Turner "A" #50

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 19-T17 S - R31 E

12. COUNTY OR PARISH
EDDY

13. STATE
NM

15. DISTANCE FROM PROPOSED
LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT. 250'
(Also to nearest ddg. unit line if any)

16. NO. OF ACRES IN LEASE
609.43

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. 325'

19. PROPOSED DEPTH
4200'

20. ROTARY OR CABLE TOOLS*
Rotary

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

3617'

22. APPROX. DATE WORK WILL START*
January 1, 1996

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#	335'	125 sk Lite cmt + 200 sk Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200'	550 sk Lite cmt + 425 sk Class "H"

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200" 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. LC029395-A
Legal Description: Section 19-T17N-R31E
Bond Coverage: Statewide in CO, NM, UT, & WY
BLM Bond No.: CO1151

RECEIVED
NOV 20 8 08 AM
OAR
AREA

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 RANDY JACKSON
DISTRICT ENGINEER

DATE 11/14/95

*(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:

APPROVED BY Gary Bauer TITLE Area Manager

DATE 11/9/96

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 Grayburg Jackson (ON, SR, GB, SA)			
4 Property Code 16001		5 Property Name TURNER A				6 Well Number 50	
7 OGRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.				9 Elevation 3617'	

10 SURFACE LOCATION

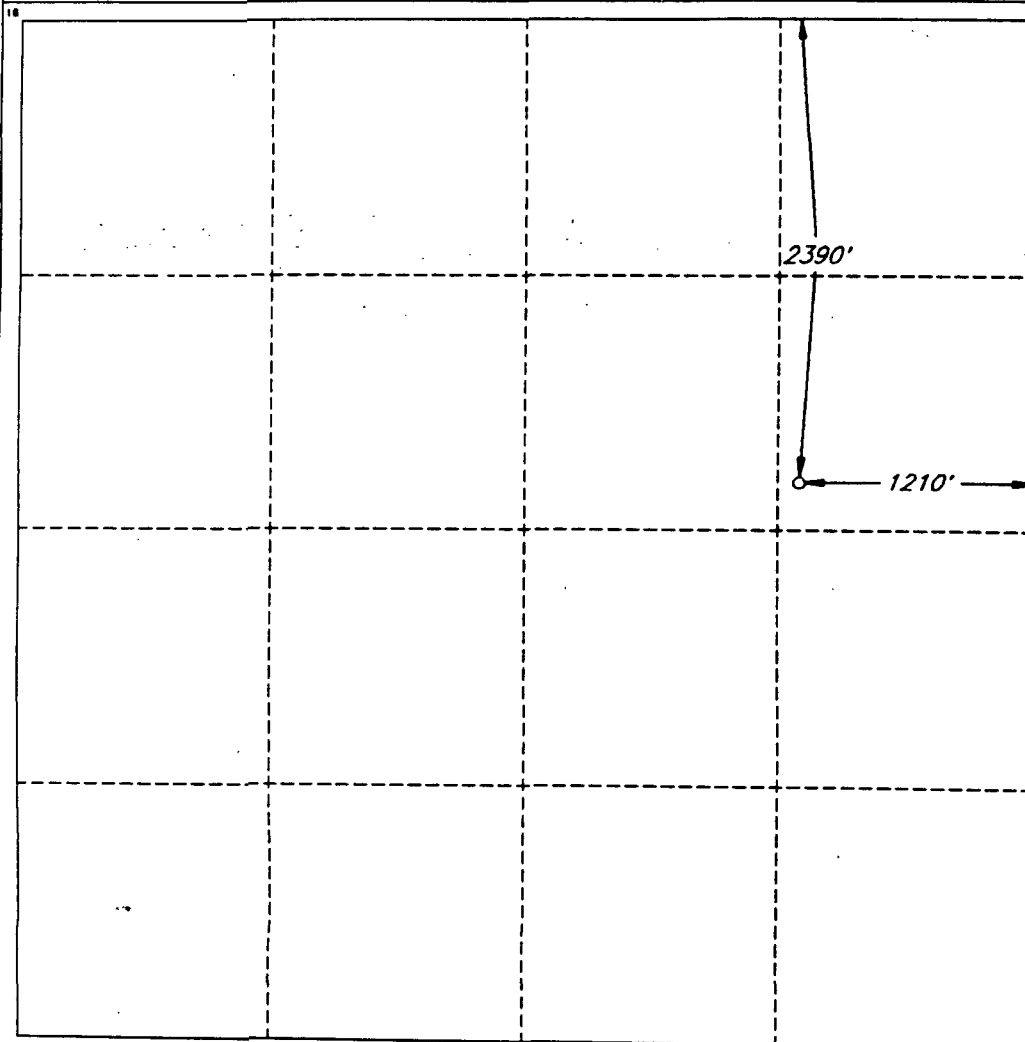
UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
H	19	17 SOUTH	31 EAST, N.M.P.M.		2390'	NORTH	1210'	EAST	EDDY

"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 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

11/14/95

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

SEPTEMBER 29, 1995

Signature and Seal of
Professional Surveyor

V. Lynn Bezner
STATE OF NEW MEXICO
V. LYNN BEZNER
NO. 7920
V. L. BEZNER AND SUP. #7920
JOB #41633-34 98 SW / VHB

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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. LC-029395-A
2. Name of Operator DEVON ENERGY OPERATING CORPORATION	6. If Indian, Allottee or Tribe Name N/A
3. Address and Telephone No. 20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405)552-4527	7. If Unit or CA, Agreement Designation N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2632' FNL & 75' FEL, Sec. 19-17S-31E	8. Well Name and No. Turner "A" #51
	9. API Well No. 30-015-28758
	10. Field and Pool, or Exploratory Area Grayburg Jackson Q, SR, 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 type="checkbox"/> Other _____
	<input checked="" 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 location of the proposed well has been moved 28' North.

The old location was 2660' FNL & 75' FEL, Sec. 19-17S-31E

The new location is 2632' FNL & 75' FEL, Sec. 19-17S-31E

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

Signed Karen Byers Title KAREN BYERS ENGINEERING TECHNICIAN Date 1/9/96
(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 as to any matter within its jurisdiction.

***See Instruction on Reverse Side**

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

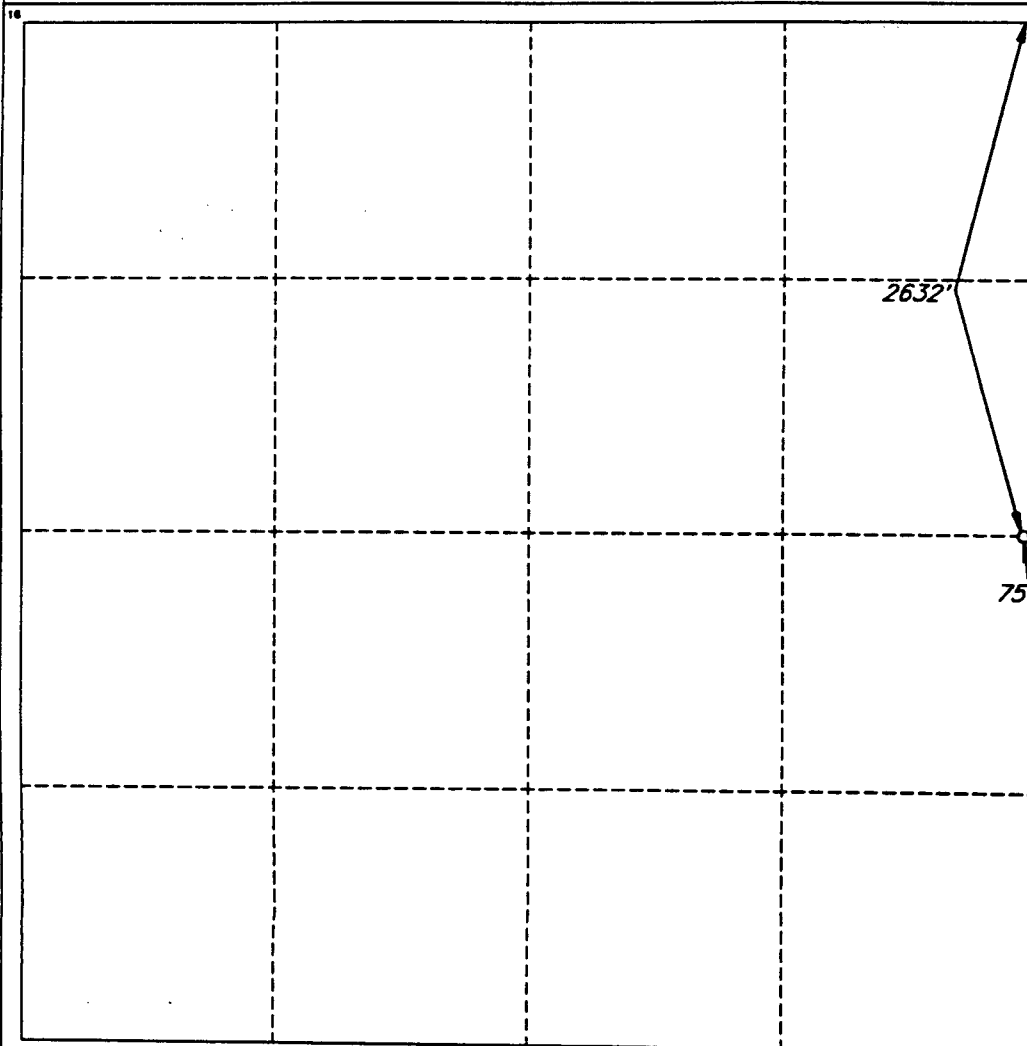
DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

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 Grayburg Jackson (SR, ON, GB, SA)					
4 Property Code 16001		5 Property Name TURNER A						6 Well Number 51	
7 OGRID No. 136025		8 Operator Name DEVON ENERGY OPERATING CORP.						9 Elevation 3613'	
10 SURFACE LOCATION									
UL or lot no. H	Section 19	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 2632'	North/South line NORTH	Feet from the 75'	East/West line EAST	County 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 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

1/10/96

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

SEPTEMBER 28, 1995

Signature and Seal of
Professional Surveyor

V. LYNN
BEZNER
NO. 7920
V. L. BEZNER LAND SURV. #7920
JOB #45214-3-98 SW / JSJ

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(See other instructions on
reverse side)

Operator
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 2660' FNL & 75' FEL
At top proposed prod. zone (SAME)
Non-Standard... Location...

SUBJECT TO
LIKE APPROVAL
BY STATE

5. LEASE DESIGNATION AND SERIAL NO.
LC-029395-A LC-031844
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA
7. UNIT AGREEMENT NAME
NA
8. FARM OR LEASE NAME, WELL NO.
Turner "A" #51
9. API WELL NO.
10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 19-T17 S- R31 E

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

12. COUNTY OR PARISH
EDDY
13. STATE
NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 75'
(Also to nearest dde unit line if any)
16. NO. OF ACRES IN LEASE
609.43
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
4200'
20. ROTARY OR CABLE TOOLS*
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3613'
22. WELL START*
January 1, 1996

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8" H-40	48.0#	40'	Cemented to surface w/Redmix
12 1/4"	8 5/8" J-55	24.0#	320'	125 sxs Lite + 200 sxs Class "C"
7 7/8"	5 1/2" J-55	15.5	4200'	550 sxs Lite + 425 sxs Class "H" w/10% Gypsum

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200" 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

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Lease No. LC029395-A
Legal Description: Section 19-T17*-R31E
Bond Coverage: Nationwide
BLM Bond No.: CO1151

NOV 9 10 30 AM '95
RECEIVED

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
DISTRICT ENGINEER

DATE 11/6/95

(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:

APPROVED BY Uplanda Vez TITLE ASSISTANT DATE 12/15/95
See Instructions On Reverse Side

ST I
Box 1980
s, 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

STRICT II
O. Drawer DD
tesia, NM 88211-0719

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

☐ AMENDED REPORT

STRICT III
000 Rio Brazos Rd.
tec, NM 87410

STRICT IV
O. Box 2088
nta Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Grayburg Jackson
Property Code	Property Name	Well Number
16001	TURNER A	51
OCRID No.	Operator Name	Elevation
136025	DEVON ENERGY OPERATING CORP.	3613'

" SURFACE LOCATION

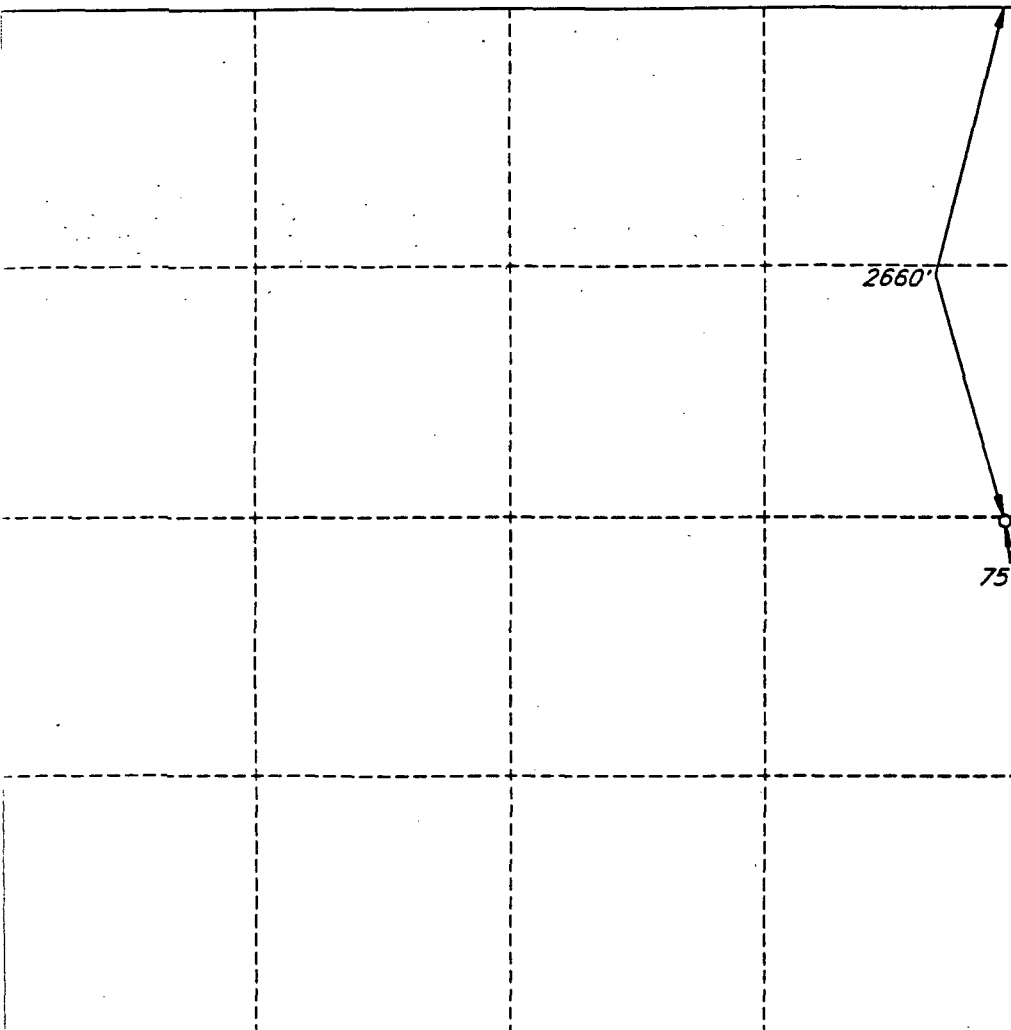
Lot or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	19	17 SOUTH	31 EAST, N.M.P.M.		2660'	NORTH	75'	EAST	EDDY

"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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
11/6/95

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
SEPTEMBER 28, 1995
Signature and Seal of Professional Surveyor
<i>V. Lynn Bezner</i>
V. LYNN BEZNER NO. 7920
Certified
V. L. BEZNER R.P.S. #7920
JOB #41653-4/ 98 SW / JSJ

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*

(See other instructions on
reverse side)Operator
Form approved.

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC 029548A	
b. TYPE OF WELL: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> Other <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA	
2. NAME OF OPERATOR DEVON ENERGY OPERATING CORPORATION		7. UNIT AGREEMENT NAME NA	
3. ADDRESS AND TELEPHONE NO. 20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4560		8. FARM OR LEASE NAME, WELL NO. C. A. Russell #13	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 330' FNL & 1050' FWL At top proposed prod. zone (SAME)		9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 4 miles east & 2 miles north of Loco Hills, N.M.		10. FIELD AND POOL, OR WILDCAT GRAYBURG-JACKSON	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 330' (Also to nearest dipole unit line if any)		11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA SECTION 18-T17 S - R31 E	
16. NO. OF ACRES IN LEASE 224.09		12. COUNTY OR PARISH EDDY	
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 650'		19. PROPOSED DEPTH 4200'	
20. ROTARY OR CABLE TOOLS* Rotary		21. APPROX. DATE WORK WILL START* January 1, 1996	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3747'			

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
30"	20" H-40	94#	40'	Cmt'd to surface w/Redmix
17 1/2"	13 3/8" H-40	48#	450'	200 sxx Lite + 275 sxx Class "C"
11" <u>Optional</u>	8 5/8" J-55	24#	1500'	405 sxx Lite + 150 sxx Class "C"
7 7/8"	5 1/2" J-55	15.5#	4200'	360 sxx Lite + 335 sxx "H" + 10% Gypsum

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 4200' 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. LC-029548A
Legal Description: Section 18-T17-R31E
Bond Coverage: Nationwide
BLM Bond No.: CO1151

RECEIVED
NOV 9 10 31 AM '95
CALLING AREA OFFICE

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 JacksonTITLE RANDY JACKSON
DISTRICT ENGINEERDATE 11/6/95

(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:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHEDAPPROVED BY Uplanda Vega TITLE ASST. DISTRICT MANAGERDATE 12/15/95

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.

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. Drawer DD
Mesia, 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 15973	5 Property Name C. A. RUSSELL	6 Well Number 13
7 OGRID No. 136025	8 Operator Name DEVON ENERGY OPERATING CORP.	9 Elevation 3747'

10 SURFACE LOCATION

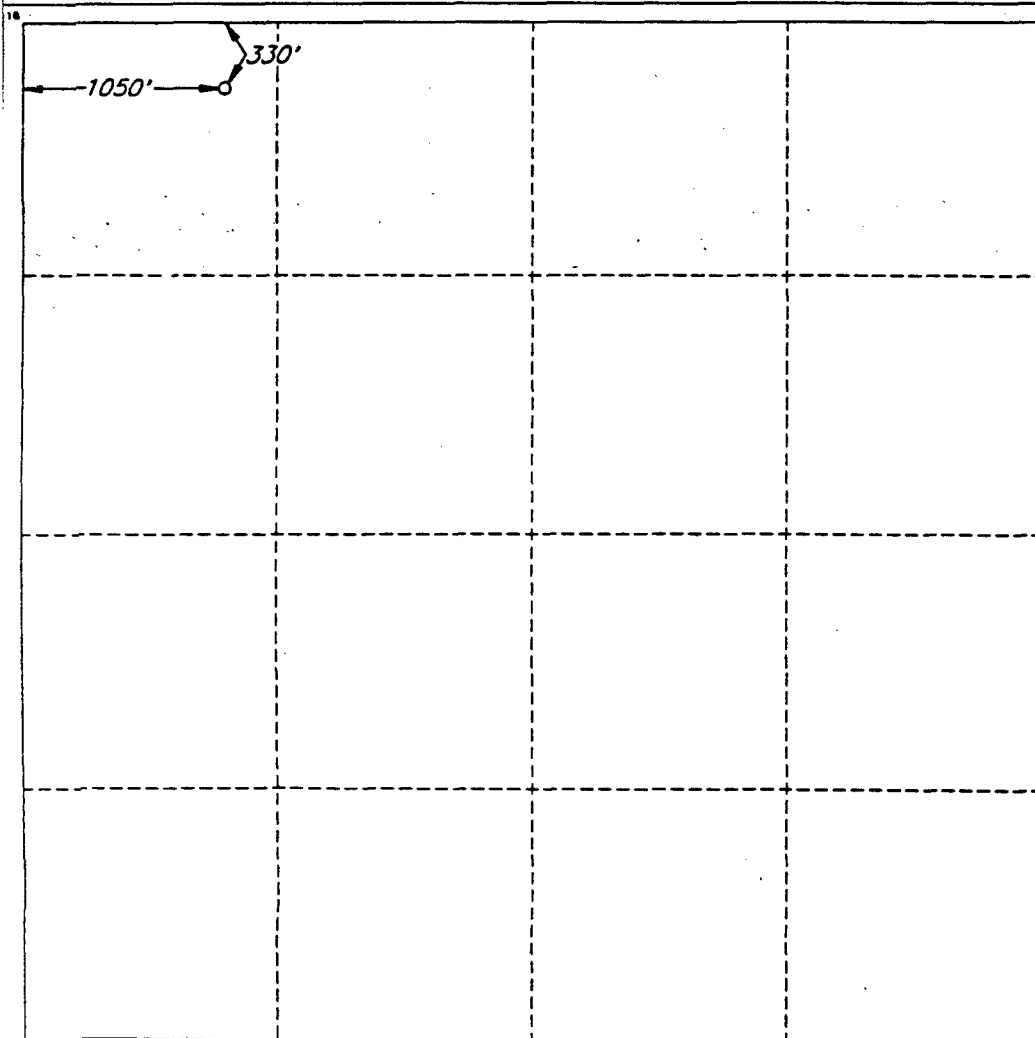
UL or lot no. 1	Section 18	Township 17 SOUTH	Range 31 EAST, N.M.P.M.	Lot Ida	Feet from the 330'	North/South line NORTH	Feet from the 1050'	East/West line WEST	County EDDY
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"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

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

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

11/6/95

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

SEPTEMBER 28, 1995

Signature and Seal
Professional

V. LYNN
BEZNER
NO. 7920

Certified

V. L. BEZNER

R.P.S. #7920

JOB #41653-2/ 98 SW / JSJ

DEVON ENERGY
OPERATING
CORPORATION

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

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

January 15, 1996

MARBOB ENERGY CORP.
11352 Lovington Highway
Artesia, New Mexico 88210

Certified Letter #: Z 253 345 685

Dear Sir:

The BLM has issued Devon Energy Operating Corp. a permit to drill the Turner "A" #50 & the Turner "A" #51. The proposed well sites are within the boundaries of the Russell-Turner Waterflood Project in Eddy Co. New Mexico and offset your well in Unit I of Section 19 - T17S - R31E. Dwights Production Data show that you operate the following well in Unit I of Section 19 - T17S - R31E:

Fren #19

The Turner "A" #50 is located: 2390' FNL & 1210' FEL, Section 19 - T17S - R31E
The Turner "A" #51 is located 2630' FNL & 75' FEL, Sec. 19-17S-31E

The State of New Mexico Oil Conservation Division has ruled that these are "non - standard locations" and require 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 these locations are considered unorthodox they will not be completed in the same pool as your well. Both wells will be completed in the Grayburg-San Andres Pool.

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

Sincerely,

Karen Byers
Engineering Technician

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

579 54E 552 Z



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to	Marbob Energy Corp
Street and No	11352 Lovington Highway
P.O., State and Zip Code	Artesia, NM 88210
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date	NSL letter on Turner "A" #50 + 51

Fold at line over top of envelope to the
right of the return address

CERTIFIED

579 54E 552 Z

MAIL

Thank you for using Return Receipt Service.

PS Form 3800, March 1993

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT

3. Article Addressed to:
Marbob Energy Corp
11352 Lovington Highway
Artesia, New Mexico
88210

4a. Article Number
Z 253 345 685

4b. Service Type
☐ Registered
☒ Certified
☐ COD
☐ Express Mail
☐ Return Receipt for Merchandise

7. Date of Delivery

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

SENDER: + 51

Turner A #50 NSL letter to oilseed operators

Is your RETURN ADDRESS completed on the reverse side?

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

**DEVON ENERGY
OPERATING
CORPORATION**

20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102

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

January 15, 1996

Burnett Oil Company
801 Cherry St., Suite 1500
Ft. Worth, TX 76102

Certified Letter #: Z 253 345 686

Dear Sir:

The BLM has issued Devon Energy Operating Corp. a permit to drill the Turner "A" #38 and the C. A. Russell # 13. The proposed well sites are within the boundaries of the Russell-Turner Waterflood Project in Eddy Co. New Mexico and offset your wells in Sec. 12, Unit P, and Sec. 13, Units A, H, I, and P - T17S - R30E. Dwights Production Data show that you operate the following wells in 17S-30E:

Grayburg Jackson SA Unit # 15, Unit P, Sec. 13
Grayburg Jackson SA Unit #16, Unit I, Sec. 13
Grayburg Jackson SA Unit # 28, Unit H, Sec. 13
Grayburg Jackson SA Unit #30, Unit A, Sec. 13
Grayburg Jackson SA Unit # 35, Unit P, Sec. 12
Grayburg Jackson SA Unit #48, Unit H, Sec. 13

The C. A. Russell #13 will be located 330' FNL & 1050' FWL, Sec. 18-17S-31E
The Turner "A" #38 will be located 1400' FSL & 900' FWL, Sec. 18-17S-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 in the same pool as your well. This well will be completed in the Grayburg Jackson pool.

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

Sincerely,

Karen Byers
Engineering Technician

cc.

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

999 5HE E52 Z



**Receipt for
Certified Mail**

No Insurance Coverage Provided
Do not use for International Mail
(See Reverse)

Sent to Burnett Oil Co.	
Street and No. 801 Cherry St, Ste, 1500	
P.O. State and ZIP Code Ft. Worth, TX 76102	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	
Return Receipt Showing to Whom, Date, and Addressee's Address	
TOTAL Postage & Fees	\$
Postmark or Date Notice of NSL for the Turner A #38 & C. A. Russell #13	

PS Form 3800, March 1993

Fold at line over top of envelope to the right of the return address

CERTIFIED

999 5HE E52 Z

MAIL

Thank you for using Return Receipt Service.

Notice to offset oper. on NSL on:
Turner A #38
C. A. Russell #13

SENDER:
• Complete items 1 and/or 2 for additional services.
• Complete items 3, and 4a & b.
• Print your name and address on the reverse of this form so that we can return this card to you.
• Attach this form to the front of the mailpiece, or on the back if space does not permit.
• Write "Return Receipt Requested" on the mailpiece below the article number.
• The Return Receipt will show to whom the article was delivered and the date delivered.

3. Article Addressed to:
Burnett Oil Co.
801 Cherry St, Ste., 1500
Ft. Worth, TX 76102

5. Signature (Addressee)
6. Signature (Agent)

8. Addressee's Address (Only if requested and fee is paid)

7. Date of Delivery

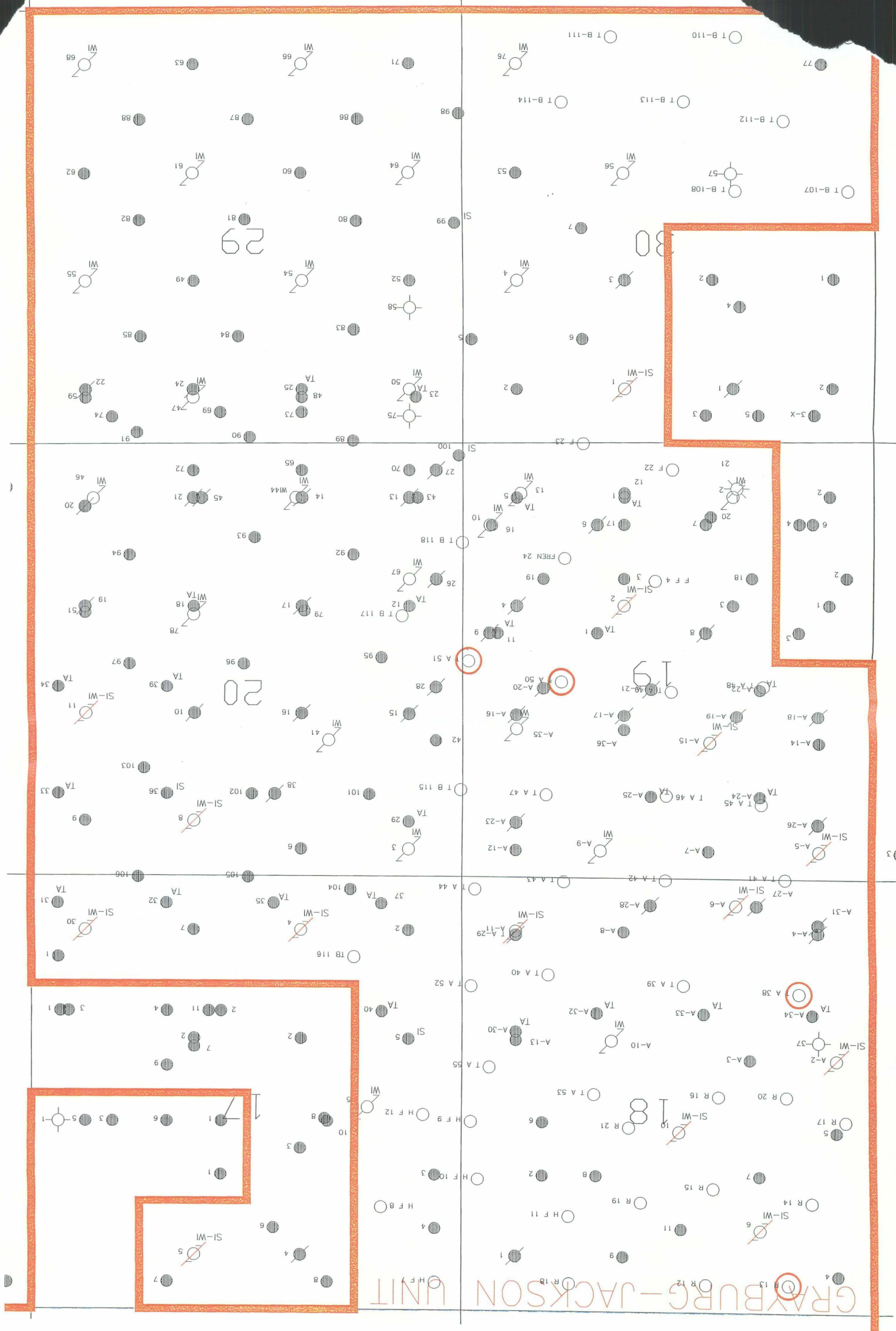
4a. Article Number
Z 253 345 686

4b. Service Type
☐ Registered
☐ Insured
☒ Certified
☐ COD
☐ Express Mail
☐ Return Receipt for Merchandise

1. ☐ Addressee's Address
2. ☐ Restricted Delivery
I also wish to receive the following services (for an extra fee):
Consult postmaster for fee.

PS Form 3811, December 1991 *U.S. GPO: 1993-352-714

DOMESTIC RETURN RECEIPT



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/16/96 09:56:13
OGOMES -EMGA
PAGE NO: 1

Sec : 19 Twp : 17S Rng : 31E Section Type : NORMAL

1 32.41 Federal owned A	C 40.00 Federal owned A A	B 40.00 Federal owned A A	A 40.00 Federal owned A A
2 32.51 Federal owned A	F 40.00 Federal owned A A	G 40.00 Federal owned A	H 40.00 Federal owned A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/16/96 09:33:04
OGOMES -EMGA
PAGE NO: 2

Sec : 18 Twp : 17S Rng : 31E Section Type : NORMAL

3 32.20 Federal owned A A	K 40.00 Federal owned A A	J 40.00 Federal owned A A	I 40.00 Federal owned A A
4 32.31 Federal owned	N 40.00 Federal owned A	O 40.00 Federal owned A	P 40.00 Federal owned A A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12