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M ENERGY CORPORATION

20 North Broadway, Suite 1500 Oklahoma City, Oklahoma 73102-8260 Telephone 405/235-3611 FAX 405/552-4550

8/11/97

NSL

July 15, 1997

Certified Mail No. Z 447 031 485

State of New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division 2040 South Pacheco Santa Fe, New Mexico 87505

RE: Non-Standard Location Approval Hawk "10K" Federal #10 Eddy County, New Mexico

Gentlemen:

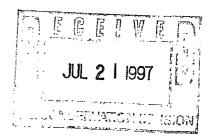
Devon Energy Corporation (Nevada) requests "Non-Standard Location" approval for the referenced well located as listed below. This unorthodox location is necessary due to pipeline and topography problems.

<u>Well Name &amp; No.</u>	<u>Unit Ltr</u>	Section-T-R	Footage Location
Hawk "10K" Federal #10	K	10-18S-27E	1550' FSL & 2288' FWL

Enclosed is a map of the West Red Lake Area showing the well's location and a copy of form C-102.

Operators having wells and/or lease holdings in the offsetting 40 acre tracts will be notified by certified mail. Copies of our letters of notification to the following operators are enclosed.

Arco Permian Altura Energy, Ltd. Midland, Texas Houston, Texas



Hawk "10K" Federal #10 NSL Approval 7/15/97 Page Two

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State of New Mexico Energy, Minerals and Natural Resources Dept. Oil Conservation Division

If you have any questions, please contact the undersigned at (405) 235-3611, X4509.

Sincerely yours,

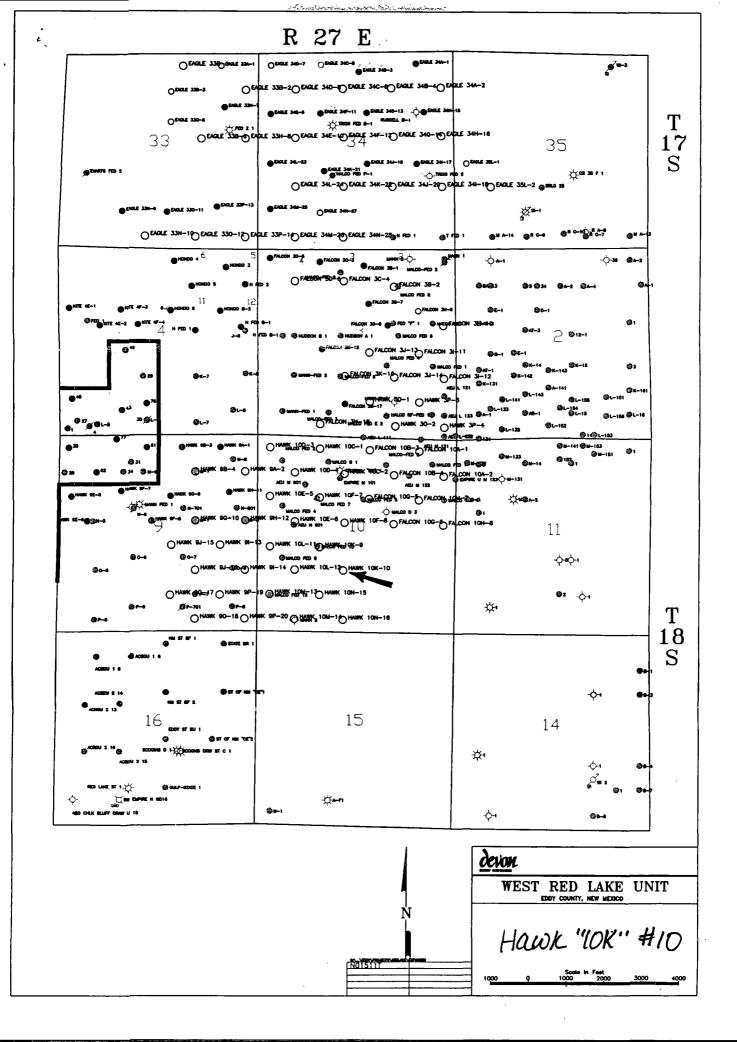
DEVON ENERGY CORPORATION (NEVADA)

E. J. Button Jr.

Mr. E.L. Buttross, Jr. District Engineer

ELB\dk Enclosures

cc: Oil Conservation Division - Artesia, NM Bureau of Land Management - Carlsbad, NM



DISTRICT 1 P.0. Box 1980; Hobbs, NM 88240

...

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

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Energy, Minerals and Natural Resources Department

Exhibit 2 Form C-102 Revised February 10, 1994 Instruction on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

### OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Gode         Property Make         Red Lake (Q=GB=SA)         Well Number           0GED No.         Operator Name         Birestion           0GED No.         Devon Energy Corporation         346B'           Surface Location           Ut on ion No.           K         10         18 S         27 E         Lot Main         Peet from the North/South line         Peet from the Eddy         Battern Location           Ut or iot No.         Section         Torreading         Range         Lot Main         Peet from the North/South line         Peet from the Eddy         Battern Location         County           Bettom Inde Location If Different From Surface           UL or iot No.         Section         Torreading         Range         County           Dedicated Acres         Lot Main         Peet from the North/South line         Peet From the Rang/Rest line         County           Dedicated Acres           Addition of the Intell Counsel Section           No ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNT HAS BEEN APPROVED BY THE DIVISION           OPERATOR CERTIFICATION           Jande Section           OPERATOR CERTIFICATION	AP)	Number			Pool C	ode					Pool Name		
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20 North Broadway, Suite 1500 Oklahoma City, Oklahoma 73102-8260 Telephone 405/235-3611 FAX 405/552-4550

July 15, 1997

#### Certified Mail No. Z 447 031 487

Altura Energy, Ltd. P.O. Box 4294 Houston, TX 77210-4294

RE: Non-Standard Location Approval Proposed 2800' San Andres Test Hawk "10K" Federal #10 1550' FSL & 2288' FWL Section K-10-T18S-R27E Eddy County, New Mexico

Gentlemen:

We have applied for a permit to drill the referenced well. This unorthodox location was due to pipeline and topography problems. The proposed well site is in the West Red Lake area in Eddy County, New Mexico, and offsets your lease hold in Section 10-T18S-R27E.

The NMOCD Non-Standard Location Approval process requires that we notify offset lease holders and submit Proof of Notice.

Hawk "10K" Federal #10 Non-Standard Location Approval July 15, 1997 Page Two

Altura Energy, Ltd.

Please accept this certified letter as notification. If you have any questions, please contact Ernie Buttross, Jr., at (405) 235-3611, X4509.

Sincerely yours,

DEVON ENERGY CORPORATION (NEVADA)

Diana Kuys

Diana Keys Engineering Tech.

/dk

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



20 North Broadway, Suite 1500 Oklahoma City, Oklahoma 73102-8260 Telephone 405/235-3611 FAX 405/552-4550

July 15, 1997

#### Certified Mail No. Z 447 031 486

ARCO Permian P.O. Box 1610 Midland, TX 79702

RE: Non-Standard Location Approval Proposed 2800' San Andres Test Hawk "10K" Federal #10 1550' FSL & 2288' FWL Section K-10-T18S-R27E Eddy County, New Mexico

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Arco Permian

Hawk "10K" Federal #10 Non-Standard Location Approval July 15, 1997 Page Two

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Sincerely yours,

DEVON ENERGY CORPORATION (NEVADA)

Diana Keys

Diana Keys Engineering Tech.

/dk

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

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

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

CASE NO. 11966 ORDER NO. R-11162

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

#### ORDER OF THE DIVISION

#### **BY THE DIVISION**:

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

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

#### FINDS THAT:

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

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

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

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

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Well Name and Number	<u>API Number</u>	Section	n Footage Location	<u>Unit</u>
Falcon "3-N" Federal No. 18	30-015-29575	3	680' FSL & 1350' FWL	N
Carter Collier "5" Federal No. 9	30-015-29995	5	330' FNL & 2360' FEL	В
Evarts "6" Federal No. 4	30-015-30109	6	330' FNL & 1190' FEL	А
Fred "6" Federal. No. 5	30-015-30155	6	1260' FNL & 990' FWL	D
Patton "6" Federal No. 6	30-015-30085	6	2460' FNL & 2310' FWL	F
Patton "6" Federal No. 4	30-015-30079	6	1593' FSL & 1469' FWL	Κ
Patton "6" Federal No. 3	30-015-29980	6	930' FSL & 1450' FWL	Ν
Hawk "9-B" Federal No. 4	30-015-29480	9	990' FNL & 1360' FEL	Β.
Hawk "9-J" Federal No. 16	30-015-29483	9	1630' FSL & 1650' FEL	J
Hawk "9-O" Federal No. 17	30-015-29484	9	1170' FSL & 2310' FEL	0
Hawk "17-C" Federal No. 1	30-015-29515	17	380' FNL & 1450' FWL	С
Hawk "17-C" Federal No. 2	30-015-29726	17	890' FNL & 2585' FWL	С
Kaiser No. 1	NA	18	330' FNL & 1110' FEL	А

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

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

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

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

TOWNSHIP 1	<u>6 SOUTH, RANGE 28 EAST,</u>	TOWNSHIP	17 SOUTH, RANGE 28 EAST,
<u>NMPM</u>		<u>NMPM</u>	
Section 24:	SE/4	(Cont	inued)
Section 25:	All	Section 15:	All
Section 26:	S/2 S/2	Section 16:	NE/4 and S/2
Section 27:	SE/4 SE/4	Section 18:	W/2
Section 34:	All	Section 19:	S/2
Section 35:	All	Section 20:	All
Section 36:	All	Section 22:	All
		Section 23:	S/2 NW/4 and S/2
TOWNSHIP 1	7 SOUTH, RANGE 27 EAST,	Section 25:	N/2
NMPM		Section 26:	N/2
Section 12:	SE/4	Section 27:	N/2 N/2 and SW/4
Section 13:	N/2 and SE/4	Section 28:	All
Section 22:	S/2 NE/4	Section 29:	N/2, SW/4, and N/2 SE/4
Section 23:	S/2 NW/4, NE/4 SW/4, and SE/4	Section 30:	All
Section 24:	NE/4, S/2 NW/4, N/2 SW/4, and	Section 31:	NE/4 NE/4, W/2 E/2, and W/2
SE/4			
Section 25:	NE/4 and S/2	TOWNSHIP	18 SOUTH, RANGE 26 EAST,
Section 26:	S/2 S/2	<u>NMPM</u>	
Section 26: Section 27:			E/2
	S/2 S/2	<u>NMPM</u>	
Section 27:	S/2 S/2 All	<u>NMPM</u> Section 1: TOWNSHIP	
Section 27: Section 32:	S/2 S/2 All SE/4	NMPM Section 1:	E/2 18 SOUTH, RANGE 27 EAST,
Section 27: Section 32: Section 33:	S/2 S/2 All SE/4 NE/4 and S/2	<u>NMPM</u> Section 1: TOWNSHIP	E/2 <u>18 SOUTH, RANGE 27 EAST,</u> S/2
Section 27: Section 32: Section 33: Section 34:	S/2 S/2 All SE/4 NE/4 and S/2 All	<u>NMPM</u> Section 1: <u>TOWNSHIP</u> <u>NMPM</u>	E/2 18 SOUTH, RANGE 27 EAST,
Section 27: Section 32: Section 33: Section 34: Section 35:	S/2 S/2 All SE/4 NE/4 and S/2 All All	NMPM Section 1: TOWNSHIP NMPM Section 1:	E/2 <u>18 SOUTH, RANGE 27 EAST,</u> S/2
Section 27: Section 32: Section 33: Section 34: Section 35: Section 36:	S/2 S/2 All SE/4 NE/4 and S/2 All All	NMPM Section 1: TOWNSHIP NMPM Section 1: Section 2:	E/2 <b>18 SOUTH, RANGE 27 EAST,</b> S/2 S/2
Section 27: Section 32: Section 33: Section 34: Section 35: Section 36:	S/2 S/2 All SE/4 NE/4 and S/2 All All	NMPM Section 1: TOWNSHIP NMPM Section 1: Section 2: Section 3:	E/2 <b>18 SOUTH, RANGE 27 EAST,</b> S/2 S/2 All
Section 27: Section 32: Section 33: Section 34: Section 35: Section 36: TOWNSHIP 1	S/2 S/2 All SE/4 NE/4 and S/2 All All	NMPM Section 1: TOWNSHIP NMPM Section 1: Section 2: Section 3: Section 4:	E/2 <b>18 SOUTH, RANGE 27 EAST,</b> S/2 S/2 All All
Section 27: Section 32: Section 33: Section 34: Section 35: Section 36: <u>TOWNSHIP 1</u> <u>NMPM</u>	S/2 S/2 All SE/4 NE/4 and S/2 All All All <b>7 SOUTH, RANGE 28 EAST,</b>	NMPM Section 1: TOWNSHIP NMPM Section 1: Section 2: Section 3: Section 4: Section 5	E/2 18 SOUTH, RANGE 27 EAST, S/2 S/2 All All All
Section 27: Section 32: Section 33: Section 34: Section 35: Section 36: <u>TOWNSHIP 1</u> <u>NMPM</u> Section 7:	S/2 S/2 All SE/4 NE/4 and S/2 All All <b>7 SOUTH, RANGE 28 EAST,</b> All	NMPM Section 1: TOWNSHIP NMPM Section 1: Section 2: Section 3: Section 4: Section 5 Section 6:	E/2 <b>18 SOUTH, RANGE 27 EAST,</b> S/2 S/2 All All All All
Section 27: Section 32: Section 33: Section 34: Section 35: Section 36: <u>TOWNSHIP 1</u> <u>NMPM</u> Section 7: Section 8:	S/2 S/2 All SE/4 NE/4 and S/2 All All All <b>7 SOUTH, RANGE 28 EAST,</b> All SW/4	NMPM Section 1: TOWNSHIP NMPM Section 1: Section 2: Section 3: Section 4: Section 5 Section 6: Section 7	E/2 <b>18 SOUTH, RANGE 27 EAST,</b> S/2 S/2 All All All All All All
Section 27: Section 32: Section 33: Section 34: Section 35: Section 36: <u>TOWNSHIP 1</u> <u>NMPM</u> Section 7: Section 8: Section 9:	S/2 S/2 All SE/4 NE/4 and S/2 All All All <b>7 SOUTH, RANGE 28 EAST,</b> All SW/4 NE/4 NE/4, S/2 NE/4, and SE/4	NMPM Section 1: TOWNSHIP NMPM Section 1: Section 2: Section 3: Section 4: Section 5 Section 6: Section 7 Section 8:	E/2 <b>18 SOUTH, RANGE 27 EAST,</b> S/2 S/2 All All All All All All All
Section 27: Section 32: Section 33: Section 34: Section 35: Section 36: <b>TOWNSHIP 1</b> <u>NMPM</u> Section 7: Section 8: Section 9: Section 10:	S/2 S/2 All SE/4 NE/4 and S/2 All All <b>7 SOUTH, RANGE 28 EAST,</b> All SW/4 NE/4 NE/4, S/2 NE/4, and SE/4 SW/4	NMPM Section 1: TOWNSHIP NMPM Section 1: Section 2: Section 3: Section 4: Section 5 Section 6: Section 6: Section 7 Section 8: Section 9:	E/2 <b>18 SOUTH, RANGE 27 EAST,</b> S/2 S/2 All All All All All All All Al

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

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

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

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

- (8) The applicant presented evidence that indicates the following:
  - (a) All of the wells are located on federal land, except the Kaiser No. 1, which is located on fee land.

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

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

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

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

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

#### IT IS THEREFORE ORDERED THAT:

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

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

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Eagle "33-G" Federal No. 6 30-015-29595 33 2460' FNL & 1350' FEL G Eagle "33-H" Federal No. 8 30-015-29596 33 2435' FNL & 531' FEL Н Eagle "33-N" Federal No. 10 30-015-29598 33 230' FSL & 2140' FWL Ν Eagle "34-E" Federal No. 10 30-015-29632 34 2310' FNL & 1240' FWL Е Eagle "34-F" Federal No. 12 30-015-29635 34 2310' FNL & 2420' FWL F Eagle "34-G" Federal No. 14 30-015-29636 34 2310' FNL & 1600' FEL G Eagle "34-I" Federal No. 18 30-015-29655 34 1740' FSL & 280' FEL Ι Eagle "34-L" Federal No. 24 30-015-29643 34 1740' FSL & 1065' FWL L And in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico:

Well Name and Number	<u>API Number</u>	<u>Section</u>	on Footage Location	<u>Unit</u>
Falcon "3-N" Federal No. 18	30-015-29575	3	680' FSL & 1350' FWL	Ν
Fred "6" Federal. No. 5	30-015-30155	6	1260' FNL & 990' FWL	D
Patton "6" Federal No. 6	30-015-30085	6	2460' FNL & 2310' FWL	F
Patton "6" Federal No. 4	30-015-30079	6	1593' FSL & 1469' FWL	K
Patton "6" Federal No. 3	30-015-29980	6	930' FSL & 1450' FWL	N
Hawk "9-B" Federal No. 4	30-015-29480	9	990' FNL & 1360' FEL	В
Hawk "9-J" Federal No. 16	30-015-29483	9	1630' FSL & 1650' FEL	J
Hawk "9-O" Federal No. 17	30-015-29484	9	1170' FSL & 2310' FEL	0
Kaiser No. 1	NA	18	330' FNL & 1110' FEL	А

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

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

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

STATE OF NEW MEXICO **OIL CONSERVATION DIVISION** 

Tori Whotenbery

Director

SEAL

(June 1990) DEPARTMEN BUREAU OF L SUNDRY NOTICES Do not use this form for proposals to drill o	TED STATES TT OF THE INTERIOR AND MANAGEMENT AND REPORTS ON WELLS r to deepen or reentry to a different reservoir. R PERMIT—" for such proposals	STIS. DI LUIC. FORM APPROVED Budget Bureau No. 1004-0135 No. 4 (C. 2) Expires March 31, 1993 5: Lease Designation and Serial No. NM-025604 6. If Indian, Allottee or Tribe Name
	IN TRIPLICATE	NA 7. If Unit or CA, Agreement Designation
Type of Well     Gas     Well     Other     Other     Corporator     DEVON ENERGY CORPORATION (NEVA	NDA)	NA 8. Well Name and No. Hawk "10"K Federal #10
<ol> <li>Address and Telephone No.</li> <li>20 NORTH BROADWAY, SUITE 1500, OF</li> </ol>	KLAHOMA CITY, OKLAHOMA 73102 (405) 235-3681A	9. API Well No. 30-015
4. Location of Well (Footage. Sec., T., R., M., or Survey I 1550' FSL & FWL of Section K-10-T18S-R2		10. Field and Pool, or Exploratory Area Red Lake (Q-GB-SA) 11. County or Parish, State Eddy County, NM
	) TO INDICATE NATURE OF NOTICE, REP	
TYPE OF SUBMISSION	TYPE OF ACTION	l
<ul> <li>Notice of Intent</li> <li>Subsequent Report</li> <li>Final Abandonment Notice</li> </ul>	<ul> <li>Abandonment</li> <li>Recompletion</li> <li>Plugging Back</li> <li>Casing Repair</li> <li>Altering Casing</li> <li>Other <u>APD Extensions</u></li> </ul>	Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
<ol> <li>Describe Proposed or Completed Operations (Clearly state all subsurface locations and measured and true vertical depths in</li> </ol>	pertinent details, and give pertinent dates, including estimated date of starting for all markers and zones pertinent to this work.)*	g any proposed work. If well is directionally drilled, give
This Application for Permit to Drill this		to deill this well
At any time Devon Energy Corporation	(Nevada) requests an extension of one year	

	NG <u>AIN 13 1933</u>	
	R (N Strangeneration	
14. I hereby certify that the foregoing is true and correct		
	Marie Ozment	Februar 23. 1998
Signed Marin augent	Title Engineering Technician	Elsury 23, 1998
(This space for Federal or State office use)		Nio a
Approved by (ORIG. SGD.) DAVID R. CLASS	THETROLEUM ENGINEER	MAR 0 9 1993
Conditions of approval, if any:		
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfu to any matter within its jurisdiction.	ily to make to any department or agency of the United States a	ny false, fictitious or fraudulent statements or representatio

- Form 3160-3 (December 1990)	UNITED DEPARTMENT C	STATES N	4. Ou Lons	Divisio	Form appro	oved.
			8TTTS. sidesT		ASE DESIGNATION AN	7
			ARTESIA, NM 882	210 000 #	-025604	D SEALED NO.
	LICATION FOR PERI	المقرب ويستعدين والمراجع المتراف المتحاد والمراجع			INDIAN, ALLOTTEE	OR TRIBE NAME
la TYPE OF WORK:	DRILL 🛛	DEEPEN [] 576-97 JP	5-15-97	NAL T	IT AGREEMENT NAME	·
b. TYPE OF WELL:	WELL Other		1991 MAY 15	Paro	)	
2 NAME OF OPERAT	OR DEVON ENERGY CORPO	7 DRATION (NEVADA)	BUREAU OF L	ANO NO	RM OR LEASE NAME, vk "10" K Federal	
3. ADDRESS AND TE		E 1500, OKC, OK 73102 (40	RUSWELL	OFFICE30-0	F WELL NO. 15- 296	72
4. LOCATION OF WEL	L (Report location clearly and in a FSL & 2288' FWL			10.F	TELD AND POOL, OR Lake (Q-GB-SA)	5130
At surface 1550'	FSL & 2288' FWL					LOCK AND SURVEY OR AREA
At top proposed prod.	zone (SAME)	LIKE APPROVAL BY STATE	UNOPTHC LOCATIO	Sect	tion K-10-T18S-R2	7E
	ND DIRECTION FROM NEAREST TOWN OF	R POST OFFICE+			COUNTY OR PARISH	13. STATE
	s southeast of Artesia, NM		RECE	VEN	ly County	
15.DISTANCE FROM PROPOS LOCATION TO NEAREST	SKO	16.NO. OF ACRES IN LEASE " 640		A STATEMENT		ACRES ASSIGNED
PROPERTY OR LEASE LI			JUN 16	1997	40	
18.DISTANCE FROM PROPOS TO NEAREST WELL, DRI	SED LOCATION*	19. PROPOSED DEPTH 2800'			20.ROTARY Rotary	OR CABLE TOOLS.
OR APPLIED FOR, ON T			oil cor		22. APPROX. DATE	
GL 3468	her Dr. Kl., GK, etc.)	(	die Con Dist		July 1, 1997	WER WILL START-
				• <i>(</i> S		
23.		PROPOSED CASING AND C				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGET PER FOOT		g drpth		NTITY OF CEMENT
<u>17 1/2"</u> <u>12 1/4"</u>	14" 8 5/8", J-55	Conductor 24 ppf	40'	WITNESS	Redimix	- 200 sx Class C
7 7/8"	5 1/2", J-55	15.5 ppf	2800'	AATTALOO		- 350 sx Class C
	culated to surface on all casing st	1	ROBUEL	CONTRO	LLED WAT	
Devon Energy plans wellbore will be plug attachments.	to drill to 2800'+/- to test the San gged and abandoned per Federal a	a Andres Formation for comme regulations. Programs to adher	rcial quantities of oil e to onshore oil and a	. If the San And gas regulations	dres is deemed non are outlined in the	-commercial, the following exhibits and
Drilling Program concerning		The undersigned	i accepts all applicab	ele terms, condit	tions, stipulation, a	nd restrictions
Surface Use and Ope	erating Plan	operations cond	ucted on the leased is	and or portion t	hereof, as describe	ed above.
Exhibit #1 - Blowou Exhibit #1-A - Chok	t Prevention Equipment	Bond Coverege	Nationwide			
	n and Elevation Plat	Bond Coverage BLM Bond File		APPROV	AL SUBJECT	TO
Exhibit #3 - Planned	l Access Roads /ithin a One Mile Radius			GENERA	L REQUIREM	ENTS AND
Exhibit #5 - Product				SPECIAL	STIPULATIO	VS
Exhibit #6 - Rotary				ATTACHE		
H <sub>2</sub> S Operating Plan	Design Parameters and Factors	NSL				acsi 522/07
IN ABOVE SPACE DE proposal is to drill or d	SCRIBE PROPOSED PROGRAM eepen directionally, give pertinent	M: If proposal is to deepen, give t data on subsurface locations a	data on present pro-	ductive zone an e vertical depth	d proposed new pr is. Give blowout p	oductive zone. If reventer program, if
<b>any.</b> 24.	<u> </u>	<del> </del>				
<b>-</b> · ·						
SIGNED	. L. Bullrost	L	UTTROSS, JR. .ICT_ENGINEER	DATE	5/1	4/97_
*(This space for Fede	eral or State office use)	ے۔ <del>است کے تکریک کر کر کر کر میں معرف کر </del>				
PERMIT NO.			APPROVAL	DATE		
Application approval does thereon.	not warrant or certify that the applica					
CONDITIONS OF API	PROVAL, IF ANY:					
APPROVED BY (0)	<b>RIG. SGD.) ARMANDO A.</b> LOPEZ	TITLE <u>A./</u> See Instructions On	ADM N	AINERALS	DATE	<u>9/57</u>

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

> DISTRICT II P.O. Drawer DD, Artenia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 State of New Mexico

Energy, Minerals and Natural Resources Department

Exhibit 2 Form C-102 Revised February 10, 1994 Instruction on back Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

#### OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

D AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API	Number			Pool Code				Pool Name			
								Lake (Q-GB-S			
Property (	Code			Цa		erty Nam	ederal		Well Nu 10		
OGRID No	<u> </u>	<u> </u>		Па		·			Eleval		
UGRID NO	<b>b</b> .			Dovr	-	ator Nam	orporation			3468'	
		L		Devi						<u> </u>	
		1	1	T		ce Loci					
UL or lot No.	Section	Township	Range	Lot ldn	Feet fro		North/South line	Feet from the	East/West line	County	
K	10	18 S	27 E		15	50	South	2288	West	Eddy	
			Bottom	Hole Lo	cation 1	f Diffe	rent From Sur	face			
UL or lot No.	Section	Township	Range	Lot Idn	Feet fro	om the	North/South line	Feet from the	East/West line	County	
Dedicated Acres	s Joint o	r Infill Co	nsolidation	Code Or	der No.						
NO ALLO	WABLE W						NTIL ALL INTER		EEN CONSOLIDA	TED	
		ORAN	NON-STAN	DARD UN	IIT HAS	BEEN	APPROVED BY	THE DIVISION			
۱ <u>٫                                    </u>				1		- <u></u>			OR CERTIFICAT		
{ }	1									1	
	1								y certify the the inj n is true and comple		
	I							best of my know	viedge and belief.		
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#### EXHIBIT 1

#### 3 MWP

3.000 pel Werking Pressure

#### STACK REQUIREMENTS

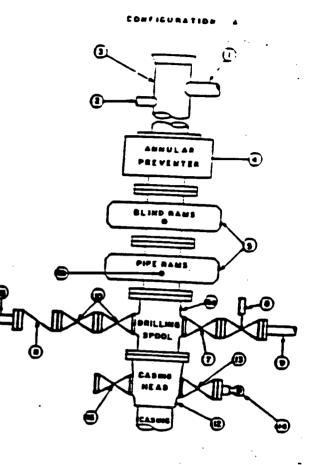
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2 Fill up ane 3 Drilling report 4 Annular provi 5 Two single or operated ram 6a Drilling spool	onter ane dual ingerautically 0 with 2° mm. bill time and		7
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6b 2" mm. Liß inn outlets in ram.	Aliemaie to da above.)	1	1
7 Valve	Gate () Plug ()	3-118-	
8   Gate valve-po	beisted tem	3-1/8"	
9 Line to choke it	nentiold		3.
10 Valves	Gene C Plug C	2-1/10-	
11 Check valve		2-1/16-	
12   Casing head			
13 Valve	Gaio 🛛 Piug 🗆	1-13/10*	
4 Pressure gauge	with needle veive		
5   Kill line to ng mu	biolinem amuq bi		7

OPTIONAL 16 / Flanged varve 1-13/16\*

CONTRACTOR'S OFTION TO FURNISH:

- 1. All equipment and connections above bradeninead or casinghead. Working pressure di proveniere to be 3.000 ptl. STOTATION.
- 2. Automatic accumulater (80 gillion, (hinmum) capable of cipang SOP (n 30 seconds or less and, holding them closed apainsi kuli rakad warking processo.
- 3.80° controls, to be included oper drillions DOSKION.
- 4.Kelly equipped with Kelly cack.
- S.Ineide blowout prevventer er ka equivalant on dernick ficer at all living
- with proper streads to \$1 pros being used. 6.Kelly sever-sub equipped with rubber
- caung protocler at all times.
- 7.Plug type blowest provenier tester.
- S.Emira set pape rame to \$1 drill pape in use en location at all times. S. Type RX rung gaallets in place of Type R.
- MEC TO FURNISH:
- 1.Bradennaad or Champhead and alde 2.Wear building, & required.

- GENERAL NOTES:
- 1.Deviations from this drawing may be made only with the express permittion of MEC's Drilling Manager.
- 2.AB connections, veives, Blings, piping, etc., autorect to well of pursus processing must be Banged (suitable clamp connectimes accuration and have manimum warting pressure aqual to rated working processes al proveniers up through theme. Varies must be tall againing and autobie ter high pressure must service.
- 3.Contrats to be of standard design and each marined, showing exerting and clasing passion.
- 4. Change will be peakinged as as not to hancer or doley changing of challe ma. Replaceable para lar adjusta ahabe, other been stool, relainers, and Chains amonghas is be convenie ين الأو ال iciaed for annotices whe.
- 5.All values to be assuppted with landwheels or handline ready for immedia tme. C.Ghate area must be autably anchined.



- 7.Hendwheels and extensions to be connected and ready for use
- 8. Valves adjacent to drilling about to be hebi spon. Lize sulaide varves except for empryoney.
- 8.All Beamless Steel Carnet piping (2000 pai working prossure) to have fursible joints to avoid stress. Hanse will be Carmined.
- 18.Completed connections shell not be used except in case of emergency.
- 11.De not use kill kne tor routing fill-up **Operations**

1.22

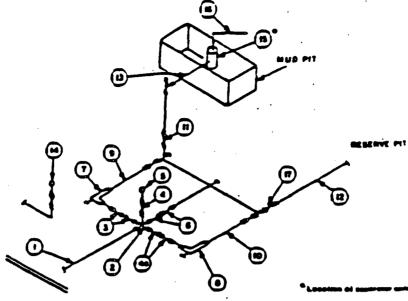
Attachment to Exhibit #1 NOTES REGARDING BLOWOUT PREVENTORS Devon Energy Corporation (Nevada) Hawk "10" K Federal #10 1550' FSL & 2288' FWL Section K-10-T18S-R27E Eddy County, New Mexico

- 1. Drilling nipple will be constructed so it can be removed mechanically without the aid of a welder. The minimum internal diameter will equal BOP bore.
- 2. Wear ring will be properly installed in head.
- 3. Blowout preventor and all associated fittings will be in operable condition to withstand a minimum 3000 psi working pressure.
- 4. All fittings will be flanged.
- 5. A full bore safety valve tested to a minimum 3000 psi WP with proper thread connections will be available on the rotary rig floor at all times.
- 6. All choke lines will be anchored to prevent movement.
- 7. All BOP equipment will be equal to or larger in bore than the internal diameter of the last casing string.
- 8. Will maintain a kelly cock attached to the kelly.
- 9. Hand wheels and wrenches will be properly installed and tested for safe operation.
- 10. Hydraulic floor control for blowout preventor will be located as near in proximity to driller's controls as possible.
- 11. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.

#### MINIMUM CHOKE MANIFOLD 2.000. 5.000 and 10.000 PSI Warting Pres

#### 3 MWP - 5 MWP - 10 MWP

#### EXHIBIT 1A



# -----

	MINIMUM RECURREMENTS									
			J.SCD MWP			S.SOD MINT		1	10.000 MW	
No		LD	INCLUMAL.	RATING	LD.	INCLUMAL	RATING	I.D	INOMINAL	RATING
	I Lune mern draing seall		5	3.000		31	5.000		3.	10.000
2	Crees 3" 13" 13" 12"			3.000			5.000			
_	Cress 3"13"17"13"									10.000
3	Varves(1) Case D Prot D(2)	3-UT*		3.800	3-148° -		5.000	3-18"		10,000
4	Valve Gate C Plug CIR	1-13/16*		3,000	1-13/16*		8.000	1-13/16*		<b>10.000</b>
44	I Valvas(1)	3-1/18-		3,000	3-1/16°		5.000	214.		10.000
5	Pressure Gaupa			2,000			5.000			10.000
6	Varres Gase C Prop D(2)	3-107		1.000	3-14"		5.000	2-141		10.000
7	Annalassa Chana(3)	. 2		3.000	2		8,000	2.		10.000
	Adamstelles Challes	1 84		3,000	1*		\$,800	2"		10,000
9	Line		3	2,000		- 3*	5,000		3*	10.000
10	Lano		2	3.000		· 2	\$.000		5.	10,000
81	Varres Play (12)	3-1/8*		3.000	3-148*		5.000	3-14"		10.600
	Lines		7	1,000		3-	1,000	ور <del>بر میکرد کرد.</del> ا	3.	2,800
13	Lines		3.	1.800		3-	1,000		3-	2.000
94	Parrane conderg annumental Annumental prostario parapo			3,800			3.000			10.000
_	Gas Leverage		2.22.			2'25'			2'e5'	
16	1 Lane		<b>6</b> *	1.000		4.	1,000		e*	2.000
17	Varras Casso () Phag ()(2)	3.11		3,800	2.18.		8.000	2-147*		10.000

(1) Croy and required in Class 34.

(2) Gain valves-staty shall be used for Cinca 104.

(2) Paramite constrained by Ursuchic altable required at £.000 ppl and 18.000 ppl for differg.

# EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS

- 1. All connections in clusics mentiold shall be welded, studied, Ranged or Concern clamp of comporable rating.
- 2. All hanges shall be API 6B or 6BX and ring paskets shall be API FIX or BX. Use only BX for 10 MWP.
- 3. All lines chall be securely anchored.

- A. Choice shall be equipped with tungtion carbide assis and modies, and replacements shall be evaluable.
   S. Choice manifeld pressure and manifele pressure gauges shall be evaluable at the choice manifeld to easist in reput change. As an aborness with essemblic ensure, a chains monitols pressure gauge shall be located on the og foar in canjunction with the standpipe processe paupe.
- 6. Line trans drilling specifies charite manife in annual ine an annu pit as passible. Lines downstream from choice shall make turns by large bunds or 50° bonds using built plugged tess. 7. Discharge bres from chance, chance sypans and from top of gas separater should vent as for as practical from the well

	WRS COMPLETION REPORT
-	COMPLETIONS         SEC         10 TWP         18S RGE         27E           30-1-0060         07/02/98         30-015-29672-0000         PAGE         1
-	NMEX EDDY * 1550FSL 2288FWL SEC
-	STATE COUNTY FOOTAGE SPOT
-	10 HAWK '10K' FEDERAL
-	3468GR RED LAKE
-	API 30-015-29672-0000 LEASE NO. PERMIT OR WELL LD. NO. 06/29/1998 ROTARY VERT AB-LOC
-	SPUD DATE COMP. DATE TYPE TOOL HOLE TYPE
-	PROJ. DEPTH WPROJ. FORM CONTRACTOR
-	DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.
-	6 MI SE ARTESIA, NM
-	DRILLING PROGRESS DETAILS DEVON ENERGY
-	20 N BROADWAY STE 1500
-	OKLAHOMA CITY, OK 73102 405-235-3611 05/19 LOC/1997/
-	05/19 LOC/1997/ 06/29 ABND LOC
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