Form 3160-3 (August 1999)

OCD-ARTESIA

LINITED STATES

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

DEPARTMENT OF T		•	
BUREAU OF LAND		5. Lease Serial No. NMLC065478B	
APPLICATION FOR PERMIT	TO DRILL OR REENTER	6. If Indian, Allottee or Tribe Nam	ne
1a. Type of Work: DRILL REENTER		7. If Unit or CA Agreement, Nam	e and No.
1b. Type of Well: ⊠ Oil Well ☐ Gas Well ☐ Otl	ner Single Zone Multiple Zone	8. Lease Name and Well No. FALCON 3D FEDERAL 26	
Name of Operator Contact: DEVON ENERGY PRODUCTION CO L P	LINDA GUTHRIE E-Mail: linda.guthrie@dvn.com	9. API Well No.	 4
3a. Address 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405.228.8209 Fx: 405.552.1319	10. Field and Pool, or Exploratory RED LAKE;GLORIETA-Y	ESQ
4. Location of Well (Report location clearly and in accord-	ance with any State requirements.*)	11. Sec., T., R., M., or Blk. and S	urvey or Area
At surface NWNW 890FNL 280FWL At proposed prod. zone	RECEIVED	Sec 3 T18S R27E Mer NI SME: BLM	MP
14. Distance in miles and direction from nearest town or post APPROX 5 MILES SE OF ARTESIA, NM		12. County or Parish EDDY	13. State NM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease	17. Spacing Unit dedicated to this	; well
 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 	19. Proposed Depth 4000 MD	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc. 3554 GL	22. Approximate date work will start 03/10/2004	23. Estimated duration 30	
	24. Attachments ROSWE	LL CONTROLLED WATER I	BASIN
The following, completed in accordance with the requirements of	f Onshore Oil and Gas Order No. 1, shall be attached to t	his form:	
 Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Syst SUPO shall be filed with the appropriate Forest Service Of 	ltem 20 above). Em Lands, the 5. Operator certification	ormation and/or plans as may be req	
25. Signature (Electronic Submission)	Name (Printed/Typed) LINDA GUTHRIE	Dat 02	te 2/10/2004
Title OPERATIONS ASSOCIATE			
Approved by (Signature) /s/ LESLIE A. THEISS	Name (Printed/Typed) /s/ LESLIE A. 7	HEISS Dat	MAR 2 9 20
FIELD MANAGER	Office CARLSBAD FIEL		

Application approval does not warrant or certify 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, are attached.

APPROVAL FOR 1 YEAR

If earthen pits are used is association with the drilling of this well, an OCD pit permit must be rage)

tion 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United representations as to any matter within its jurisdiction.

obtained prior to pit construction. Submission #27742 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad Committed to AFMSS for processing by ARMANDO LOPEZ on 02/10/2004 (04AL0098AE)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS

Witness 85/8" Cement Job

ATTACHED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Additional Operator Remarks:

Devon Energy Production Production Company, LP proposes to drill a San Andres, Glorieta Yeso well per the approved Master Drilling and Surface Use Plan for the Red Lake Field Area to 4000' TD for commercial quatities of oil and gas. If the well is deemed noncommercial the well bore will be plugged and abandoned per Federal regulations.

Approximately 447' of new access road will be constructed per the MDSUP.

Directions to the location are located on the attached Well Pad Topo exhibit.

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 611 South First, Artesia, NM 88210

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe. New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
	96836	Redlake Glorieta Yeso	NE
Property Code	Prope FALCON "3	Vell Number 26	
OGRID No. 6137	<u>-</u>	TOT NAME DUCTION COMPANY LP	Elevation 3554

Surface Location

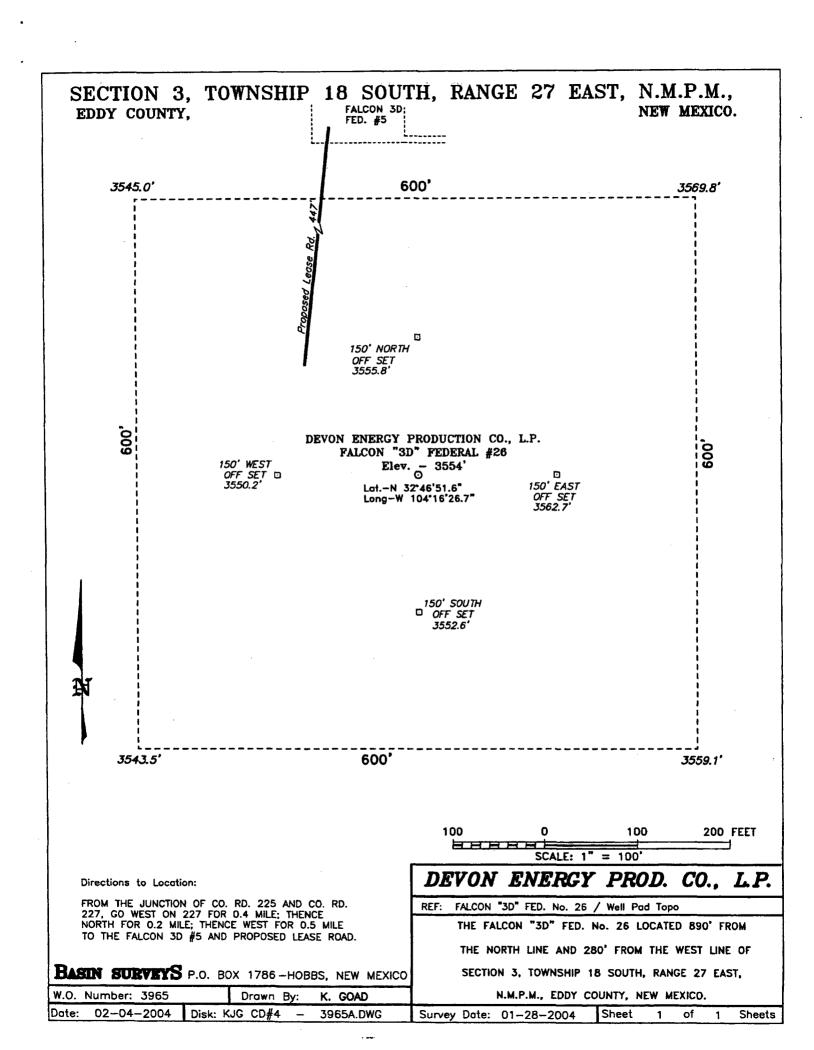
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 4	3	18 S	27 E		890	NORTH	280	WEST	EDDY

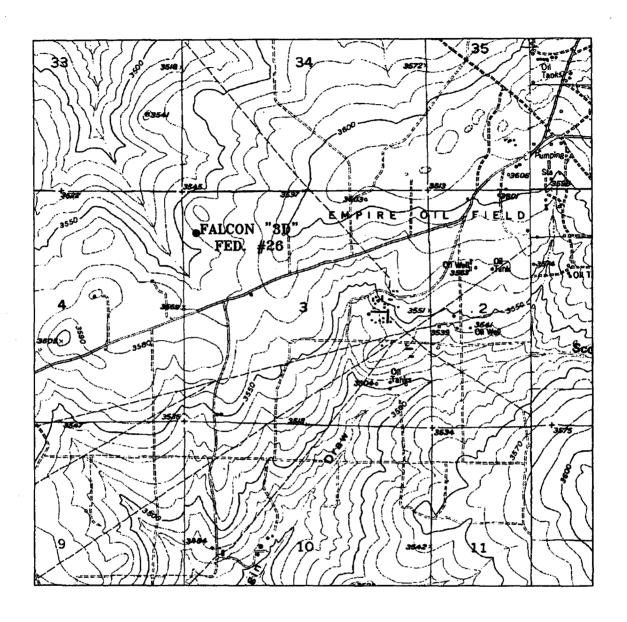
Bottom Hole Location If Different From Surface

	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1										
ſ	Dedicated Acres	Joint o	r Infili Co	nsolidation (ode Or	der No.				,
	40		ĺ							

NO ALLOWARIE WILL BE ASSIGNED TO THIS COMPLETION LINTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

	DARD UNIT HAS BEEN API		E DIVISION
 3545.0' 3569.8' O 3543.5' 3559.1' LOT 3	LOT 2	LOT 1	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Linda B Guthrie Printed Name Operations Associate Title 02/10/04 Date 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 supervison and that the same is true and correct to the best of my belief. JANUARY 28, 2004 Date Surveys Signature & Schil od/5 Professional Surveyor Certificate No. Gary Johes 7977





FALCON "3D" FEDERAL #26 Located at 890' FNL and 280' FWL Section 3, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

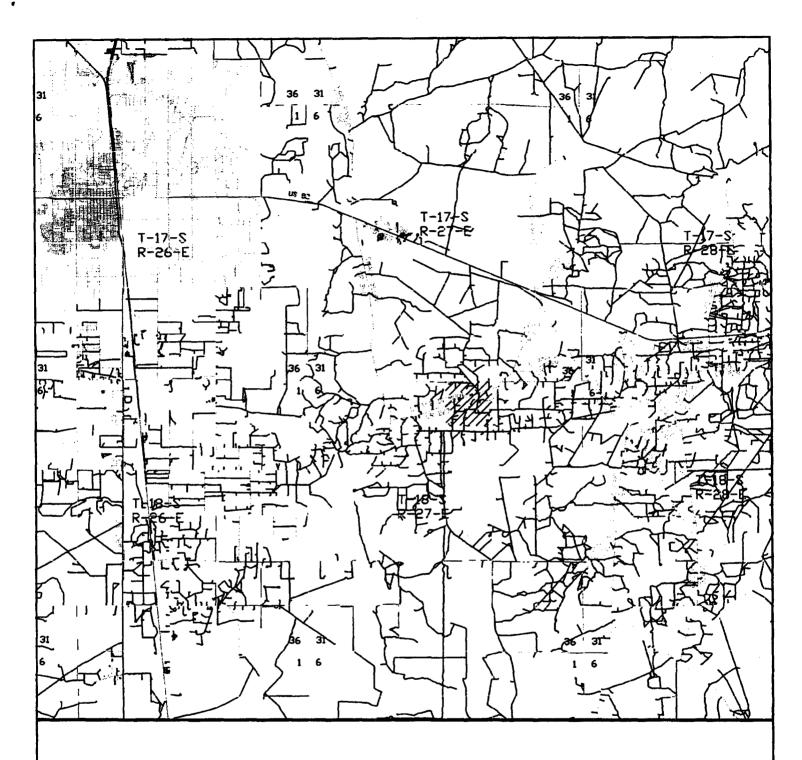


focused on excellence in the oilfield

P.O. Box 1786 1120 N. West County Rd. Hobbs, New Mexico 88241 (505) 393-7316 — Office (505) 392-3074 — Fax basinsurveys.com

W.O. Number;	3965AA - KJG #1
Survey Date:	01-28-2004
Scole: 1" = 20	000,
Date: 02-04-	-2004

DEVON ENERGY PRODUCTION COMPANY LP.



FALCON "3D" FEDERAL #26 Located at 890' FNL and 280' FWL Section 3, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.



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Survey Date:	01-28-2004
Scale: 1" = 2	MILES
Date: 02-04-	-2004

DEVON ENERGY PRODUCTION COMPANY LP.

devon

Devon Energy Corporation 20 North Broadway Oklahoma City, Oklahoma 73102-8260

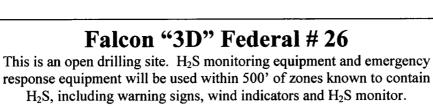
Hydrogen Sulfide (H₂S) Contingency Plan

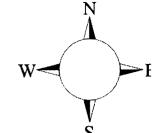
For

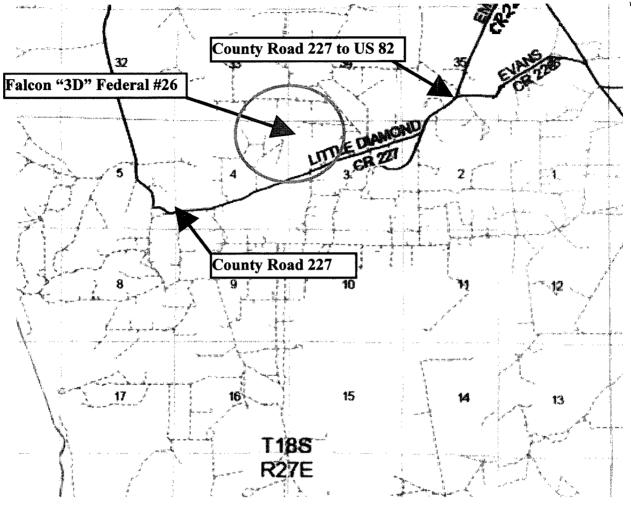
Falcon "3D" Federal #26

890' FNL & 280' FWL, Sec-3, T-18S R-27E

Eddy County NM







Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated northeast or southwest on county road 227. Drivers in both directions of county road 227 must be flagged and stopped so as to prevent traversing into a hazardous area. There are no homes or other buildings in or near the ROE.

00 ppm H2S concentration shall trigger activation of this plan

sumed 100 ppm | 3000' (Regulation

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H_2S , measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H_2S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentr- ation
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	\$O₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Devon Energy Corp. Company Call List

Artesia (505)	Cellular	Office	<u>Home</u>
Foreman – BJ Cathey	390-5893	748-0176	887-6026
Asst. Foreman – Bobby Jones.	748-7447	748-0176	746-3194
Cecil Thurmond	748-7180	748-0171	887-1479
David Purdy			
Engineer – Tom Pepper	(405) 203-2242.	(405) 552-45	513 (405) 728-8641
Agency Call List	(100) 200 1-	()	(,
Eddy County (505)			
Artesia			
State Police			746-2703
City Police			746-2703
Sheriff's Office			746-9888
Ambulance			911
Fire Department	***************************************		746-2701
LEPC (Local Emergency P			
NMOCD			
Carlsbad			
State Police			885-3137
City Police			885-2111
Sheriff's Office			887-7551
Ambulance	·		911
Fire Department	•••••		885-2111
LEPC (Local Emergency	Planning Committee	e)	887-3798
US Bureau of Land Mana			
			
New Mexico Emergency	Response Commissi	on (Santa Fe)	(505)476-9600
24 HR	-	,	` '
National Emergency Res			
National Efficiency Res	ponse Center (washi	ngion, DC)	(000) 424-0002
Other			
Boots & Coots IWC	(915) 699-0139 or (915 (505) 746-2757	•	
Flight For Life -4000 24th St, I Aerocare -Rr 3 Box 49f, Lubb Med Flight Air Amb 2301 Yal S B Air Med Svc 2505 Clark C	ock, TXe Blvd SE #D3, Albuq	, NM((806) 747-8923 505) 842-4433

Prepared in conjunction with Wade Rohloff of;



devon

Devon Energy Corporation 20 North Broadway Oklahoma City, Oklahoma 73102-8260

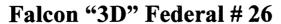
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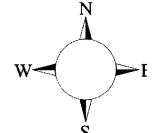
Falcon "3D" Federal #26

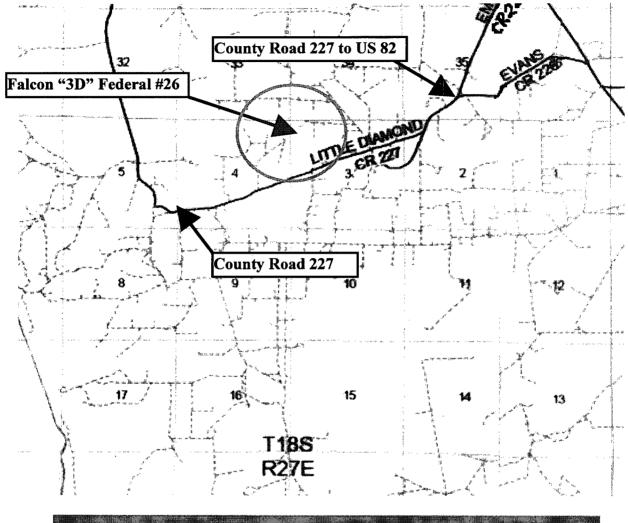
890' FNL & 280' FWL, Sec-3, T-18S R-27E

Eddy County NM



This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.





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Agency Call List			
Eddy County (505)			
Artesia State Police	nning Committee)		746-2703 746-9888 911 746-2701 746-2122
Carlsbad State Police	Planning Commit	ttee)	885-2111 887-7551 911 885-2111 887-3798
New Mexico Emergency F 24 HR National Emergency Respo	•••••		(505) 827-9126
Other			
Boots & Coots IWC	15) 699-0139 or (9 (505) 746-2757	• •	

Prepared in conjunction with Wade Rohloff of;





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

Joanna Prukop
Cabinet Secretary

June 21, 2004

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

RECEIVED

Devon Energy Production Company, L. P. c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

JUN 2. 4. 2004 000:ARTESIA

Administrative Order NSL-3728-A (SD)

Dear Mr. Bruce:

Reference is made to the following: (i) your application (administrative application reference No. pSEM0-414326672) dated May 27, 2004 on behalf of the operator Devon Energy Production Company, L. P. ("Devon"); and (ii) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-3728: all concerning Devon's request for: (i) a non-standard infill oil well within an existing standard 40.66-acre oil spacing and proration unit for the Red Lake (Queen-Grayburg-San Andres) Pool (51300); and (ii) an unorthodox oil well location in the Northeast Red Lake-Glorieta Yeso Pool (96836), for its proposed Falcon "3D" Federal Well No. 26 to be drilled 890 feet from the North line and 280 feet from the West line (Lot 4/Unit D) of Section 3, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

Production from the Red Lake (Queen-Grayburg-San Andres) Pool is to be included within an existing standard 40-acre oil spacing and proration unit comprising Lot 4 (the NW/4 NW/4 equivalent) of Section 3, which is currently simultaneously dedicated to Devon's: (i) Falcon "3D" Federal Well No. 5 (API No. 30-015-29162) located at an unorthodox oil well location (approved in part by Division Administrative Order NSL-3728, dated October 24, 1996) 230 feet from the North line and 330 feet from the West line of Section 3; and (ii) Falcon "3D" Federal Well No. 6 (API No. 30-015-29544) located at a standard infill oil well location 840 feet from the North line and 990 feet from the West line of Section 3.

The proposed Falcon "3D" Federal Well No. 26 is to be the initial Glorieta/Yeso oil well within the standard 40.66-acre oil spacing and proration unit also comprising Lot 4 (Unit D) of Section 3.

It is the Division's understanding that Devon seeks this location exception for both topographic and engineering reasons.

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox: (i) infill Queen/Grayburg/San Andres oil well location; and (ii) Glorieta/Yeso oil well location, for Devon's proposed Falcon "3D" Federal Well No. 26 is hereby approved.

Further, both the existing Falcon "3D" Federal Wells No. 5 and 6 and the proposed Falcon "3D" Federal Well No. 26 are to be simultaneously dedicated to the subject 40-acre unit within the Red Lake (Queen-Grayburg-San Andres) Pool.

Sincerely,

Michael E. Stogner Engineer/Hearing Officer

MS/ms

cc: New Mexico Oil Conservation Division - Artesia

U. S. Bureau of Land Management - Carlsbad

File: NSL-3728