

160-3
August 1999)

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OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

I-04-04

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		R-III-POTASH	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. APACHE 24 FEDERAL 8	
2. Name of Operator DEVON ENERGY PRODUCTION CO LP 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY OK 73102		9. API Well No. 30-015-34020	
3b. Phone No. (include area code) Ph: 405.228.8209 Fx: 405.552.1319		10. Field and Pool, or Exploratory QUAHADA RIDGE SE DELAWARE	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SESE 330 FSL 330FEL Sec. 25 per BH & SN dated 8/23/04 At proposed prod. zone SWSW 990FSL 330FWL Sec. 24		11. Sec., T., R., M., or Blk. and Survey or Area Sec 24 T22S R30E Mer NMP SME: BLM	
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 46 MILES WEST FROM JAL, NM		12. County or Parish EDDY	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		13. State NM	
16. No. of Acres in Lease RECEIVED OCT 21 2004		17. Spacing Unit dedicated to this well 40.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3392 GL		22. Approximate date work will start 07/01/2004	
23. Estimated duration 30 DAYS			

24. Attachments

CARLSBAD CONTROLLED WATER BASIN

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) LINDA GUTHRIE	Date 05/28/2004
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Title
REGULATORY SPECIALIST

Approved by (Signature) William S. Condit	Name (Printed/Typed) William S. Condit	Date 12 OCT 2004
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Title
ACTING STATE DIRECTOR

Office
NM STATE OFFICE

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Additional Operator Remarks (see)

Electr

Committed

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction. Well Information System sent to the Carlsbad EZ on 06/01/2004 (04AL0195AE)

NSL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS

SUBJECT TO LIKE
APPROVAL BY STATE

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

Additional Operator Remarks:

Devon Energy Production Company, LP proposed to drill a Delaware well to 7921' for commercial quantities of oil and gas. If the well is deemed noncommercial, the wellbore will be plugged and abandoned per Federal regulations. Devon Energy Production Co., LP plans to drill the well per the currently approved MDSUP as amended by Attachment A, submitted for approval herewith to the drilling portion, of the currently approved Master Drilling and Surface Use Program for the Quahada Ridge, SE Field.

Directions: From the junction of Co. Rd. 128 and State Hwy 31, go northeast on Hwy 31 to a lease road; then east on lease road for approximately 10 miles; then north on lease road for approximately 0.5 miles to proposed location.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

EC

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		R-111-POTASH	5. Lease Serial No. NMNM89051
2. Name of Operator DEVON ENERGY PRODUCTION CO L P		Contact: LINDA GUTHRIE E-Mail: linda.guthrie@dvn.com	6. If Indian, Allottee or Tribe Name
3a. Address 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405.228.8209 Fx: 405.552.4621	8. Well Name and No. APACHE 24 FEDERAL 8	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T22S R30E SESE 66FSL 330FEL		10. Field and Pool, or Exploratory QUAHADA RIDGE SE DELAWARE	9. API Well No.
		11. County or Parish, and State EDDY COUNTY, NM	

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon Energy Production Co., LP respectfully requests permission to change the surface location of this well pursuant to a request from Barry Hunt as follows:

Old Location: 66 FSL & 330 FEL Section 24-22S-30E

New Location: 330 FNL & 330 FEL Section 25-22S-30E

14. I hereby certify that the foregoing is true and correct. Electronic Submission #35055 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO L P, sent to the Carlsbad Committed to AFMSS for processing by LINDA ASKWIG on 08/24/2004 (04LA0767SE)	
Name (Printed/Typed) LINDA GUTHRIE	Title REGULATORY SPECIALIST
Signature (Electronic Submission)	Date 08/23/2004

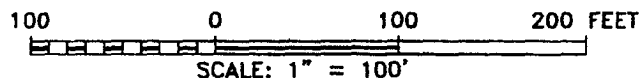
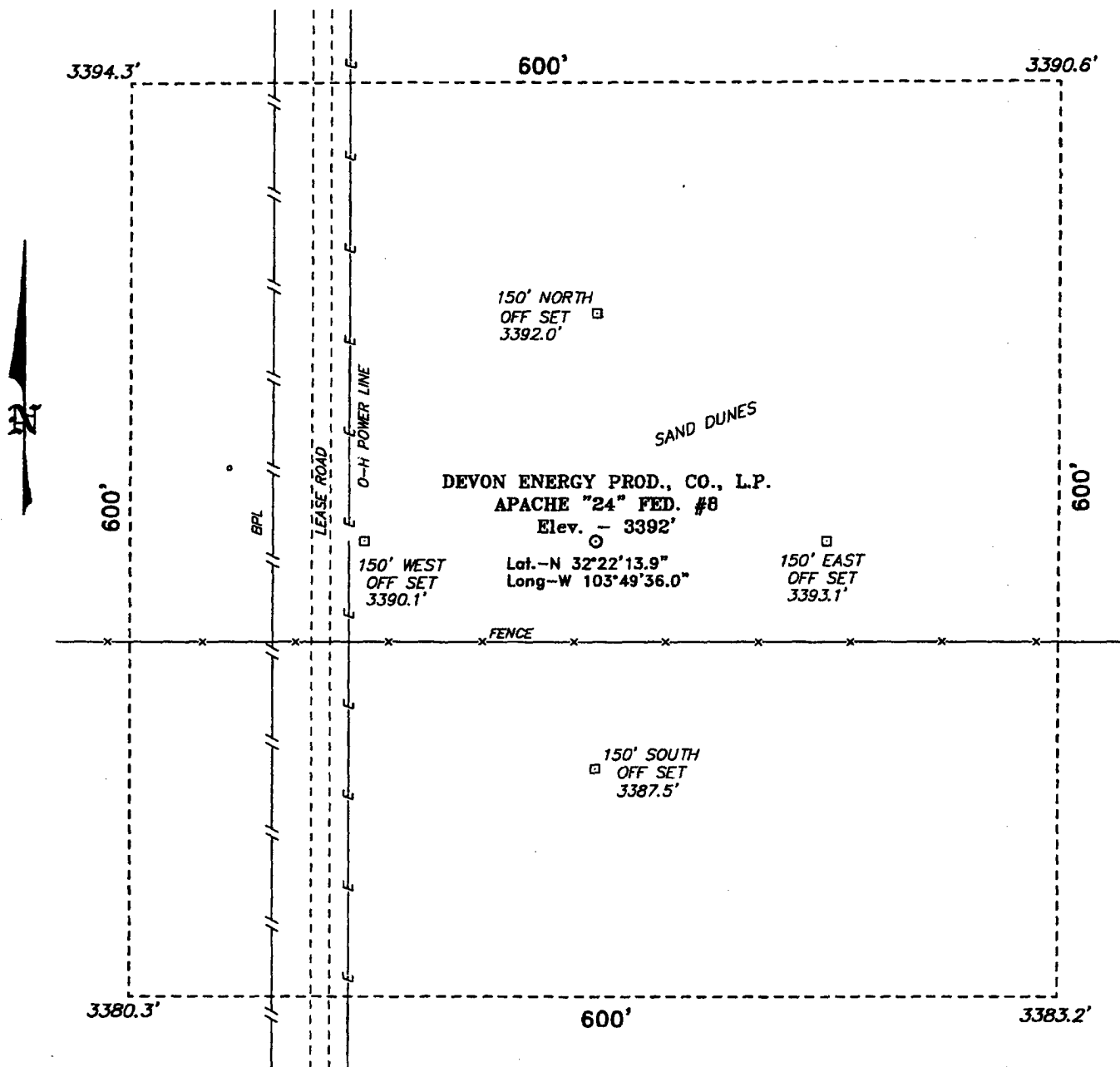
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>William S. Condit</u>	ACTING STATE DIRECTOR	12 OCT 2004
Conditions of approval, if any, are attached. Approval of this notice 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.	Office NM STATE OFFICE	Date

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

SECTION 24, TOWNSHIP 22 SOUTH, RANGE 30 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF CO. RD. 128 AND STATE HWY 31, GO NORTHEAST ON HWY 31 TO A LEASE ROAD; THENCE EASTERLY ON LEASE ROAD FOR APPROX. 10 MILES; THENCE NORTH ON LEASE ROAD FOR APPROX. 0.5 MILE TO PROPOSED LOCATION.

DEVON ENERGY PROD. CO., L.P.

REF: APACHE "24" FED. No. 8 / Well Pad Topo

THE APACHE "24" FED. No. 8 LOCATED 66' FROM
THE SOUTH LINE AND 330' FROM THE EAST LINE OF
SECTION 24, TOWNSHIP 22 SOUTH, RANGE 30 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 4252

Drawn By: K. GOAD

Date: 05-09-2004

Disk: KJG CD#4 - 4252A.DWG

Survey Date: 05-06-2004

Sheet 1 of 1 Sheets

Attachment A
Master Drilling Program
Delaware Formation on the Following Leases.

To be attached to Form 3160-3

UNIT AREA: Leases in the following sections, Townships and Ranges that are operated by Devon Energy Production Company, LP.

Lease Numbers as follows but not limited to:

Section	Lease Number	Description of Section	Township & Range
Section 12	NMNM89051	SE4/SE4	T22S R30E
Section 13	NMNM89051	E2, E2/SW4, SE4/NW4	T22S R30E
Section 24	NMNM89051	All of Section 24 except W2/NW4	T22S R30E
Section 25	NMNM89052	W2, NE4, S2/SE4	T22S R30E

If drilling is proposed on additional leases, the BLM will be advised when they are proposed.

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface'
Base of Salt	3690'
Delaware	3950'
Bone Spring	7720'
Total Depth	7860'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	100'	Fresh Water
Delaware	3950'	Oil
Delaware	7475'	Oil

No other formations are expected to yield oil, gas or fresh water in measurable volumes. The surface fresh water sands will be protected by setting 13 3/8" casing at approximately 620' and circulating cement back to surface. The Potash and salt will be protected by setting 9 5/8" casing at 3845' and circulating cement to surface. The 7" production casing to be set at TD will be cemented to surface.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>Csg OD</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>
17 1/2"	0 – 620'	13 3/8"	48#	H-40	ST&C
12 1/4"	0 – 3845'	9 5/8"	36# & 40#	J55	ST&C
8 3/4"	0 – 7900'	7"	23# & 26#	J55	LT&C
6 1/8"	Horiz section	Open hole			

5. Casing Cementing & Setting Depth:

13 3/8" Surface : Cement to surface with 350 sx 35:65 Poz Class C + 6% Bentonite + 2% CaCl₂ + .25 lb/sk Cello Flake & tail w/250 sx Class Class C + 2% CaCl₂. Circulate cement to surface.

WITNESS

9 5/8" Intermediate: Cement to surface Lead w/977 sx 35:65 Poz Class C + 6% Bentonite +5% Sodium Chloride + .25 lbs/sk Cello Flake. Tail w/200 sx 60:40 Poz Class C + 4% MPA=1 + 5% Sodium Chloride + .4% Sodium Metasilicate + .25 lbs/sack Cello Flake. Circulate cement to surface.

WITNESS

7" Production: Cement 1st Stage Lead w/ 225 sx 35:65 Poz Class C + 6% Bentonite + 3% Sodium Chloride + 0.3% FL-52 + 3 lb/sk LCM-1 + .25 lb/sack Cello Flake + .25% R-3. Tail w/510 sx 60:40 poz Class C + 4% MPA-1 + 2% Sodium Chloride +1% BA-10 +.75% EC-1+2 lbs/sk Kol Seal + .25 lbs/sk Cello Flake. Stage 2 lead w/203 sx 35:65 Poz Class C + 6% Bentonite + 5% Sodium Chloride + .25 lbs/sk Cello Flake, tail w/200 sx 60:40 Poz Class C + 4% MPA-1 + 5% Sodium Chloride + .4% Sodium Metasilicate + .25 lb/sk Cello Flake. Circulate cement to surface.

The above cement volumes could be revised pending the caliper measurement from the open hole logs.

6. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (3000 psi WP) preventer and bag-type (hydril) preventer (3000 psi WP). Both units will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4 1/2" or 3 1/2" (depending on the hole size being drilled) drill pipe rams on bottom. Both BOP's will be nipped up on the 13 3/8" surface csg and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 1000 psi before drilling out of surface casing. Before drilling out of intermediate casing, the ram-type BOP and accessory equipment will be tested to 3000 psi and the hydril to 70% of rated working pressure (2100 psi).

Pipe rams will be operated and checked weekly and the blind rams each time the drill pipe is out of the hole. These functional tests will be documented on the drillers log. A

2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having 3000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to total depth using a fresh and Brine water mud systems. Depths of systems are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (1/sec)</u>	<u>Water Loss</u>
0' – 620'	Fresh Water	8.8	40-45	NC
620' – 3845'	Brine Water	10	30	NC
3845' – TD	Fresh Water/Gel/Starch	8.5 – 9.0	30-32	50-60
Horiz Section	Fresh Water/Gel/Starch	8.5 - 9.0	30-32	50-60

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- A. A Kelly cock will be in the drill string at all times.
- B. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- C. Hydrogen sulfide detection equipment will be in operation after drilling out the 9 5/8" casing shoe until 7" casing is cemented.

8. Logging, Testing and Coring Program:

- A. Drillstem tests will be run on the basis of drilling shows.
- B. The open hole electrical logging program will be:
 - a. GR-AIT, GR-Compensated Neutron-Density from TD to 3845' and GR/CNL to surface. Selected SW cores may be taken in zones of interest.
 - b. No coring program is planned.
 - c. Additional testing will be initiated subsequent to setting the 5 1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Abnormal Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 122 degrees and maximum bottom hole pressure is 3500 psi. No Hydrogen sulfide or other hazardous gases or fluids have been encountered, reported or are known to exist at this depth in this area. No major loss circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations: