

EC

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER☐ Other ☒ Single Zone ☐ Multiple ZoneContact: LINDA GUTHRIE
E-Mail: linda.guthrie@dmn.comDEVON ENERGY PRODUCTION CO LP
20 NORTH BROADWAY SUITE 1500
OKLAHOMA CITY OK 731023b. Phone No. (include area code)
Ph: 405.228.8209
Fx: 405.552.46215. Lease Serial No.
NMNM025528

6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
EAGLE 33P FEDERAL 16

9. API Well No.

10. Field and Pool, or Exploratory
RED LAKE; GLORIETA-YESO

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface SESE 1090FSL 330FEL

At proposed prod. zone

SUBJECT TO LIKE APPROVAL BY STATE

11. Sec., T., R., M., or Blk. and Survey or Area

Sec 33 T17S R27E Mer NMP
SME: BLM

14. Distance in miles and direction from nearest town or post office*

12. County or Parish
EDDY13. State
NM15. 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

360.00

RECEIVED

DEC 13 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.

19. Proposed Depth

4000 MD

OCD-ARTESIA

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KB, RT, GL, etc.)
3532 GL22. Approximate date work will start
10/15/2004

23. Estimated duration

24. Attachments

Acres 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:

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

25. Signature
(Electronic Submission)Name (Printed/Typed)
LINDA GUTHRIEDate
08/31/2004Title
REGULATORY SPECIALIST

Approved by (Signature)

Name (Printed/Typed)

Date
DEC 10 2004Title
FIELD MANAGEROffice
CARLSBAD FIELD 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 next page)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHEDElectronic Submission #35473 verified by the BLM Well Information System
For DEVON ENERGY PRODUCTION CO LP, sent to the Carlsbad
Committed to AFMSS for processing by LINDA ASKWIG on 08/31/2004 (04LA0783AE)

NSL-3729 ACSD

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

Additional Operator Remarks:

Devon Energy 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 quantities of oil and gas. If the well is deemed noncommercial the wellbore will be plugged and abandoned per Federal regulations.

No additional new access road is anticipated.

Directions: From the junction of US Hwy 82 and County Rd 201, go south to the intersection of Co. Rd 201 and 227, then east on 227 approximately 2 miles to a lease road northwest. Then northwest to a "Y", go left approximately 2000' to another "Y", go left approximately 2000' to pad and location.

Please see attached MDSUP.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-144
June 1, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: **DEVON ENERGY PRODUCTION CO., LP** Telephone: **405 228-8209** e-mail address: **linda.guthrie@devn.com**

Address: **PO Box 250 Artesia, NM 88211**

Facility or well name: **Eagle 33 P Fed 16** API # **30-015-34103** U/L or Qtr/Qtr **P** Sec **33** T **17S** R **27E**

County: **Eddy** Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness **12** mil Clay ☐

Pit Volume _____ bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

Ranking Score (Total Points)

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5)

Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments:

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OGD approved plan ☐.

Date: **12/20/04**

Printed Name/Title: **Linda Guthrie/Regulatory Specialist**

Signature: **Linda Guthrie**

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title: **Gail Sep**

Signature: **Gail Sep**

Date: **DEC 21 2004**

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Ed., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

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

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 |
| Property Code | Property Name EAGLE "33P" FEDERAL | Well Number 16 |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY LP | Elevation 3532' |

Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot No. P | Section 33 | Township 17 S | Range 27 E | Lot Idn | Feet from the 1090 | North/South line SOUTH | Feet from the 330 | East/West line EAST | County EDDY |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|

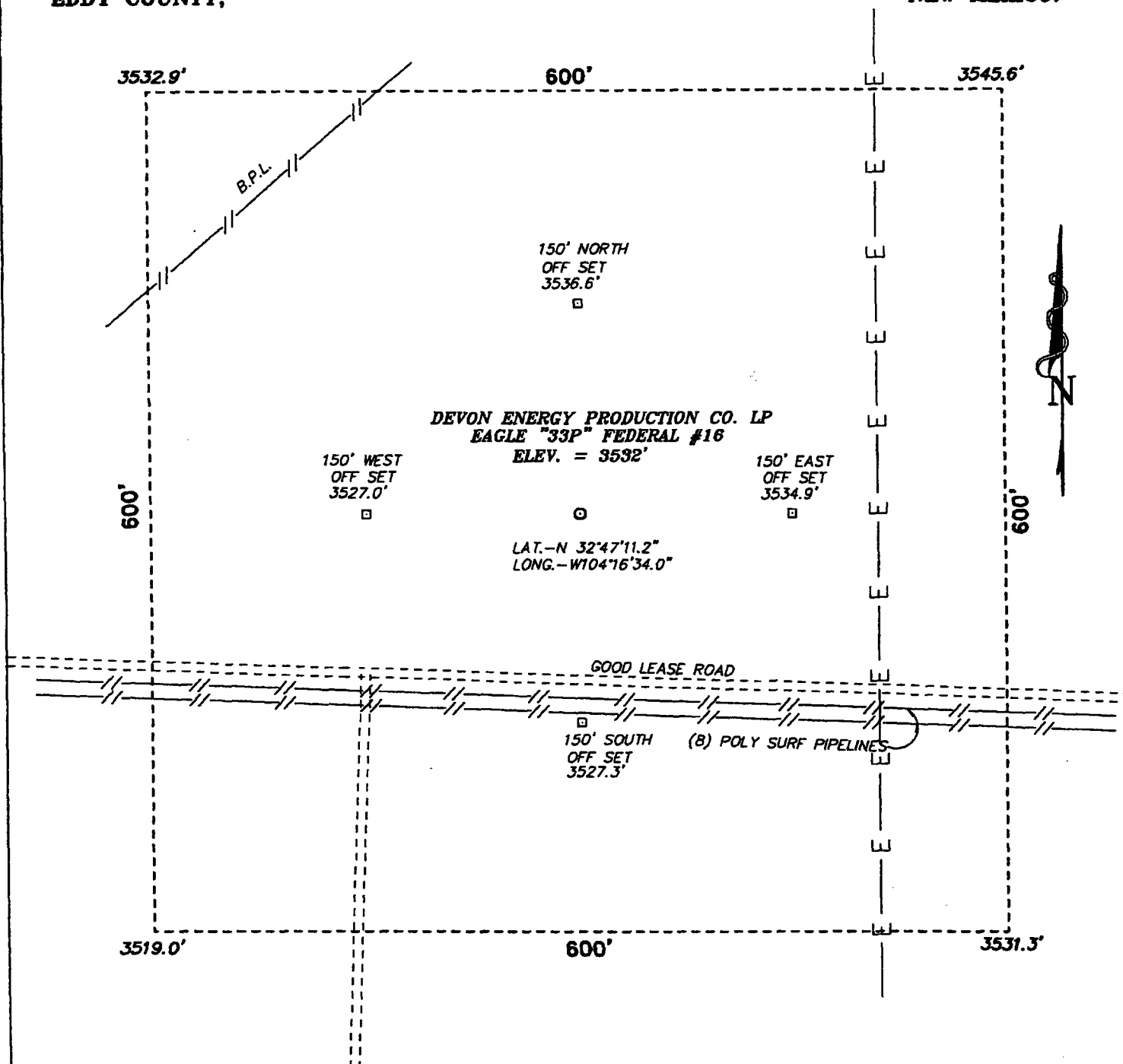
Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-----------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| Dedicated Acres 40 | Joint or Infill | Consolidation Code | Order No. | | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

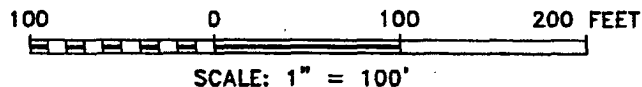
| | | |
|--|--|--|
| | OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Linda Guthrie Printed Name Regulatory Specialist Title 08/31/04 Date | |
| | SURVEYOR CERTIFICATION <i>I hereby certify that 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.</i> JUNE 22, 2004 Date Surveyed Signature of Professional Surveyor Certification No. Gary L. Jones 7977 JLP | |

**SECTION 33, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF US HWY 82 & CO. RD. 201, GO SOUTH TO THE INTERSECTION OF CO. RD. 201 AND 227 THEN EAST ON 227 APPROX 2.0 MILES TO ALEASE ROAD NORTHWEST, THEN NORTHWEST TO A "Y" GO LT. APPROX 2000' TO A "Y" GO LEFT APPROX 2000' TO PAD AND LOCATION.



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

W.O. Number: 4383

Drawn By: JAMES PRESLEY

Date: 06/23/04

Disk: JLP #1 - DEV4383A

DEVON ENERGY PRODUCTION CO. LP.

REF: EAGLE "33P" FEDERAL #16 / Well Pad Topo

EAGLE "33P" FEDERAL #16 LOCATED 1090' FROM THE SOUTH LINE AND 330' FROM THE EAST LINE OF SECTION 33, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 06/22/04

Sheet 1 of 1 Sheets



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201

IN REPLY REFER TO:

JUN 05 2003

Devon Energy Production Company, L.P.
Attn. Ms Karen Cottom
20 North Broadway, Suite 1500
Oklahoma City, Oklahoma 73102-8260

Re: Red Lake Field Area
Master Drilling and Surface Use Plan
Eddy County, New Mexico

The master drilling and surface use plan, dated May 6, 2003, for the Red Lake Field Area in Townships 17 and 18 South, Range 27 East, Eddy County, New Mexico, is now approved. Several corrections have been made to the attached list describing the field area. An approved copy is attached for your records.

Please note that the surface casing setting depth may change in individual APD (Form 3160-4) submittals because the depth of the expected fresh water varies across this area.

If you have any questions, please contact Alexis C. Swoboda, P.E. at 505-627-0228.

Sincerely,

Larry D. Bray
Assistant Field Manager
Lands and Minerals

Master Drilling Program
Red Lake Field

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 2 | NMNM 2029-634 NMNM-B-1483 | NE4/NW4, NW4/NE4 | T18S-R27E |
| Section 3 | NMLC 065478-B NMNM 015605 NMLC 061783-B | All of Section 3 except S2/N2+NW4 | T18S-R27E |
| Section 4 | NMNM 033825 NMLC 055465-A NMNM 29278 NMNM 025530 NMLC 070937 NMLC 061783-A NMNM 7720 | All of Section 4 except N2/NW4 and NW4/SW4 | T18S-R27E |
| Section 25 | NMNM 0558679 | W2NW4 | T17S-27E |
| Section 26 | NMNM 0557370 | E2 NE/4, E2SE/4, S/2 SW/4 | T17S-R27E |
| | NMNM 0558679 | SW4NW4, NW4SW4 | |
| Section 27 | NMLC 067849 | N2, N2/S2 | T17S-R27E |
| | NMNM 0557370 | S/2S/2, | |
| Section 28 | NMLC 067849 | NE4/NE4 | |
| Section 33 | NMLC 026874-F | NW4, NW4SW4 | T17S-R27E |
| | NMLC 026874-B | SE4SW4 | |
| | NMLC 049648-B | NE4SW4 | |
| | NMNM 025528 | N2NE4, SW4NE4 | |
| | NMNM 056122 | SE4NE4 | |
| | NMNM 033865 | N2SE4 | |
| | NMNM 025528 | S2SE4 | |
| Section 34 | NMLC 064050-A | E2, NW4, NE/4 SE/4 | T17S-R27E |
| | NMLC 067849 | W2 NW4, SW4 | |
| | NMNM 0557370 | NE/4, NW/4SE/4, | |
| Section 35 | NMLC 064050-A | NW4SW4 | T17S-R27E |
| | NMLC 067849 | NW/4NW/4 | |
| | NMLC 057798 | SW4SW4, N/2SE4 NE/4SW/4, SE/4, SE/4 | |
| | NMLC 028755-A | SE/4SW/4, SW/4SE/4 | |
| | NMNM 0557370 | SW/4NW/4 | |
| | NMLC050158 | E/2NE/4, E/2NW/4 | |

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

NM 29270

SESE

2

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

| | |
|---------------|-------|
| Queen | 879' |
| Grayburg | 1330' |
| San Andres | 1610' |
| Glorieta-Yeso | 2960' |

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

Possible small amounts of fresh water from surface to 1130'.

Oil

| | |
|---------------|-------|
| Grayburg: | 1330' |
| San Andres: | 1610' |
| Glorieta-Yeso | 2960' |

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 8 5/8" casing at approximately 1150' and circulating cement back to surface. A shallower setting depth may be required to prevent the surface casing from being set through the Premier Sand. The Grayburg and San Andres intervals will be isolated by setting 5-1/2" casing to total depth (4000'±) and circulating cement to surface.

4. Casing Program:

| | <u>Hole Size</u> | <u>Interval</u> | <u>Csg OD</u> | <u>Weight, Grade, Type</u> |
|---------|------------------|-----------------|---------------|--|
| | 17 1/2" | 0- 40' | 14" | Conductor, 0.30" wall |
| WITNESS | 12-1/4" | 0-1150' | 8-5/8" | 24#, J-55 ERW or seamless ST&C R-3 |
| | 7-7/8" | 0-TD | 5-1/2" | 15.5# J-55, ERW, FBN or seamless LT&C, R-3 |

5. Cementing Program:

| | |
|---------------------------|---|
| 13 3/8" Conductor Casing: | Cemented with redimix to surface. |
| 8 5/8" Surface Casing: | Cemented to surface with 350 sks Lite + 5% salt + 1/4 lb/sk cellophane flakes and 200 sks Class C + 2% CaCl ₂ + 1/4 lb/sk cellophane flakes. Circulate to surface. |
| 5-1/2" Production: | Cemented to surface with 380 sks Lite + 5#/sx salt + 1/4 lb/sk cellophane flakes and 370 sks 50:50 Pos 'C' w/3% salt, Fluid loss, 1/4#/sx flake. |

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement is designed to reach surface.

6. Minimum Specifications for Pressure Control:

The blowout preventor equipment (BOP) shown in Exhibit #1 will consist of either a single annular preventor or a double ram type preventor (2000 psi WP). The unit will be hydraulically operated and will be equipped with either a single annular preventor or a set of double rams (blind rams and 4-1/2" drill pipe rams). The BOP will be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. Prior to drilling out the 8 5/8" casing shoe, the BOP's will be tested with the rig pump to 1000 psi.

The BOP system will be function tested and checked each 24 hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily driller's log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold.

6. Types and Characteristics of the Proposed Mud System:

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

| <u>Depth</u> | <u>Type</u> | <u>Weight (ppg)</u> | <u>Viscosity (1/sec)</u> | <u>Water Loss (cc)</u> |
|--------------|-----------------------|-------------------------|------------------------------|----------------------------|
| 0 - 1150' | Fresh Water | 8.4-8.8 | 34-38 | No Control |
| 1150' - TD | Fresh Water/Cut Brine | 8.4-8.6 | 28-32 | No Control |

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.

8. Logging, Testing and Coring Program:

- A. No drill stem tests are planned.
- B. The open hole electrical logging program will be:
 - T. D. to 1150': Dual Induction-Micro SFL with Gamma Ray, and Caliper
 - T. D. to 1150': Compensated Neutron-Litho Density with Gamma Ray and Caliper
 - T. D. to surface: Gamma Ray/Neutron
- C. No cores are planned.

9. Abnormal Pressures, Temperatures and Potential Hazards:

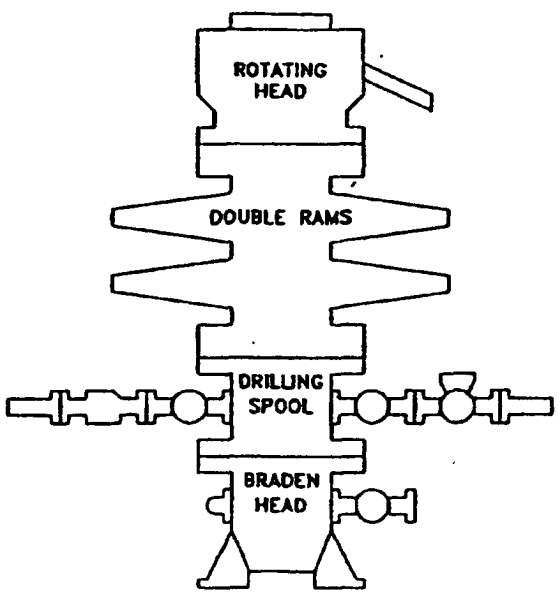
No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 90 degrees and maximum bottom hole pressure is 800 psi. No major loss circulation intervals have been encountered in adjacent wells. An H₂S Drilling Operations Plan is included as Exhibit #6.

10. Anticipated Starting Date and Duration of Operations:

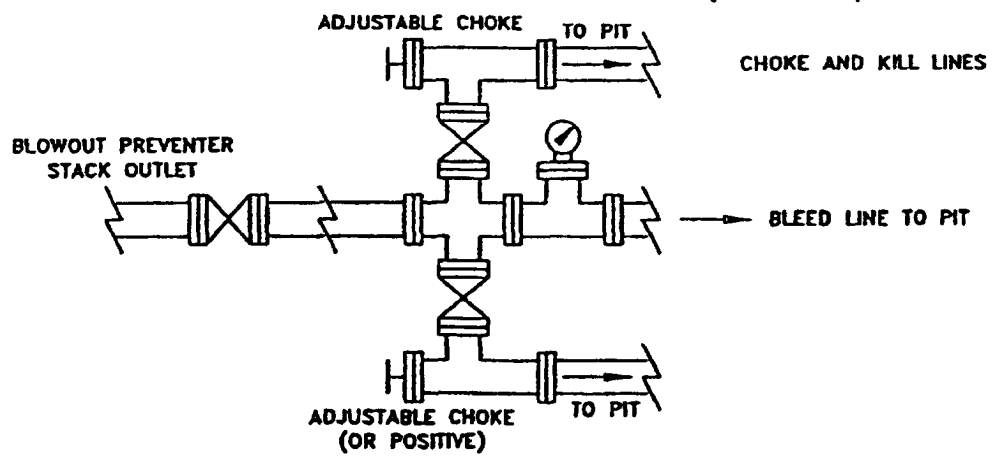
Road and location preparation will not be undertaken until approval has been received from the BLM. The anticipated spud date will be provided with each well application. The drilling operation should require approximately 10 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether the well will be connected to an existing production facility.

Attachment to Exhibit #1
NOTES REGARDING BLOWOUT PREVENTORS
West Red Lake Area
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 and tested to 1000 psi with the rig pump.
4. All fittings will be flanged.
5. A full bore safety valve 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. All BOP equipment will meet API standards and include a minimum 40 gallon accumulator having two independent means of power to initiate closing operation.
11. BOP will consist of either a single annular preventor or a set of double rams as shown in Exhibit #1.




CHOKE MANIFOLD REQUIREMENT (2000 psi WP)



C:\PROJECTS\EXPANDED

| | |
|--------|--|
| WRLBOP | |
| | |
| | |
| | |
| | |



WEST RED LAKE AREA
CHIEF COUNTY, NEW MEXICO

SCHEMATIC
BLOWOUT PREVENTOR
(2000 PSI WORKING WP)

CB

8/98

DEVON ENERGY CORPORATION

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

A. Hydrogen Sulfide Training

All rig crews and company personnel will receive training from a qualified instructor in the following areas prior to penetrating any hydrogen sulfide bearing formations during drilling operations:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of the H₂S safety equipment and of personal protective equipment to be utilized at the location such as H₂S detection monitors, alarms and warning systems, and breathing equipment. Briefing areas and evacuation procedures will also be discussed and established.
3. Proper rescue techniques and procedures will be discussed and established.

In addition to the above, supervisory personnel will be trained in the prevention of oil and gas well blowouts in accordance with Minerals Management Service Standards Subpart - 0 - 250 - 212.

Prior to penetrating any known H₂S bearing formation, H₂S training will be required at the rig sight for all rig crews and company personnel that have not previously received such training. This instruction will be provided by a qualified instructor with each individual being required to pass a 20 question test regarding H₂S safety procedures. All contract personnel employed on an unscheduled basis will be required to have received appropriate H₂S training.

This Hydrogen Sulfide Drilling And Operations Plan shall be available at the wellsite during drilling operations.

B. H₂S Safety Equipment And Systems

All H₂S safety equipment and systems will be installed, tested, and operational when drilling operations reach a depth approximately 500' above any known or probable H₂S bearing formation. The safety systems to be utilized during drilling operations are as follows:

1. Well Control Equipment

- (a) Double ram BOP with a properly sized closing unit and pipe rams to accommodate all pipe sizes in use.
- (b) A choke manifold with a minimum of one remote choke.

2. H2S Detection And Monitoring Equipment

- (a) Three (3) H2S detection monitors will be placed in service at the location. One monitor will be placed near the bell nipple on the rig floor; one will be placed at the rig substructure; and, one will be at the working mud pits or shale shaker. This monitoring system will have warning lights and audible alarms that will alert personnel when H2S levels reach 10 ppm.
- (b) One (1) Sensidyne Pump with the appropriate detection tubes will also be available to perform spot checks for H2S concentrations in any remote or isolated areas.

3. Protective Equipment For Essential Personnel

Protective equipment will consist of the following:

- (a) Four (4) - five minute escape packs located at strategic points around the rig.
- (b) Two (2) - thirty minute rescue packs to be located at the designated briefing areas.

4. Visual Warning System

Visual warning system will consist of the following:

- (a) Two wind direction indicators.
- (b) One condition / warning sign which will be posted on the road - providing direct access to the location. The sign will contain lettering of sufficient size to be readable at a reasonable distance from the immediate location. The sign will inform the public that a hydrogen sulfide gas environment could be encountered at the location.

5. Mud Program

- (a) The mud program has been designed to minimize the volume of H₂S circulated to surface. Proper mud weight and safe drilling practices (for example, keeping the hole filled during trips) will minimize hazards when drilling in H₂S bearing formations.

6. Metallurgy

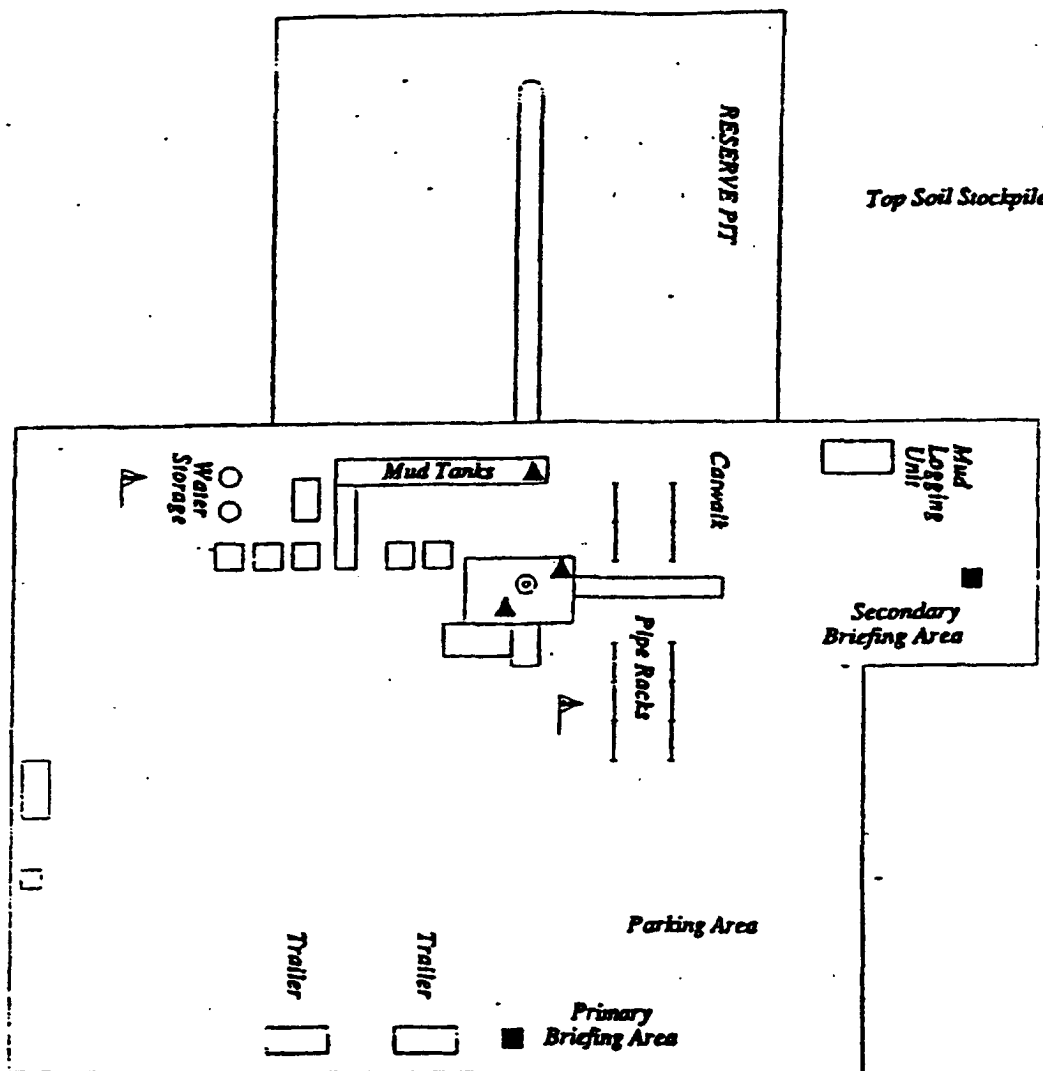
- (a) All drill strings, casings, tubing, wellhead, blowout preventers, drilling spools, kill lines, choke manifold and lines, and valves shall be suitable for H₂S service.

7. Communication

- (a) Two way radio and cellular telephone communication will be available in company vehicles.

C. Diagram of Drilling Location

1. Attached is a diagram representing a typical location layout as well as the location of H₂S monitors, briefing areas, and wind direction indicators.



- ▲ H2S MONITORS WITH ALARMS AT THE BELL NIPPLE, SUBSTRUCTURE, AND SHALE SHAKER
- WIND DIRECTION INDICATORS
- SAFE BRIEFING AREAS WITH CAUTION SIGNS AND PROTECTIVE BREATHING EQUIPMENT



devon

WEST RED LAKE AREA
DEWEE COUNTY, NEW MEXICO

H2S PLAN

Scale in Feet
 25 0 25 50 75 100



OLD - Artesia

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

April 7, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

RECEIVED

APR 14 2005

CUARTERIA

Devon Energy Production Company, L. P.

c/o **James Bruce**

P. O. Box 1056

Santa Fe, New Mexico 87504

Administrative Order NSL-3729-A (SD)

Dear Mr. Bruce:

Reference is made to the following: (i) your original application (*administrative application reference No. pSEM0-504749516*) filed on behalf of the operator, Devon Energy Production Company, L. P. ("Devon"), that was submitted to the New Mexico Oil Conservation Division ("Division") on February 16, 2005; (ii) a letter of objection dated March 1, 2005 filed by Mr. Don M. Fedric of the Law Offices of Hunker-Fedric, P.A. of Roswell, New Mexico, representing, Ms. Sandra Leigh Terry of El Paso, Texas, Ms. Barbara Kruse Frankenfield of Mansfield, Texas, and Ms. Susan Lynn Terry of Albuquerque, New Mexico to the subject application; (iii) Mr. Michael E. Stogner's letter dated March 21, 2005 withdrawing Devon's application from the administrative process and setting this matter to a Division hearing; (iv) Mr. Fedric's letter dated April 1, 2005 withdrawing his clients objection to Devon's application; and (v) the Division's records in Artesia and Santa Fe, including the files in Division Cases No. 11966 and 13470 and on Division Administrative Order NSL-3729: all concerning Devon's request for: (a) a non-standard infill oil well within an existing standard 40-acre oil spacing and proration unit for the Red Lake (Queen-Grayburg-San Andres) Pool (51300); and (b) an unorthodox oil well location in the Undesignated Northeast Red Lake-Glorieta Yeso Pool (96836), for its proposed Eagle "33P" Federal Well No. 16 to be drilled 1090 feet from the South line and 330 feet from the East line (Unit P) of Section 33, Township 17 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 the SE/4 SE/4 (Unit P) of Section 33, which is currently simultaneously dedicated to Devon's: (i) Eagle "33P" Federal Well No. 13 (API No. 30-015-29082) located at an unorthodox oil well location 1140 feet from the South line and 1090 feet from the East line of Section 33 (approved in part by Division Administrative Order NSL-3729, dated October 24, 1996); and (ii) Eagle "33P" Federal Well No. 14 (API No. 30-015-29599) located at a standard oil well location 430 feet from the South line and 330 feet from the East line of Section 33.

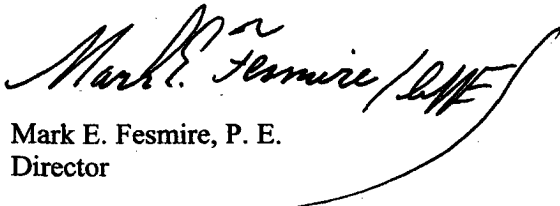
The proposed Eagle "33P" Federal Well No. 16 is to be the initial Glorieta/Yeso oil well within the standard 40-acre oil spacing and proration unit also comprising the SE/4 SE/4 (Unit P) of Section 33.

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) initial Glorieta/Yeso oil well location, for Devon's proposed Eagle "33P" Federal Well No. 16 is hereby approved.

Further, the existing Eagle "33P" Federal Wells No. 13 and 14 and proposed Eagle "33P" Federal Well No. 16 are to be simultaneously dedicated to the subject 40-acre unit within the Red Lake (Queen-Grayburg-San Andres) Pool.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-3729
Case No. 11966
Case No. 13470



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

Hydrogen Sulfide (H₂S) Contingency Plan

For

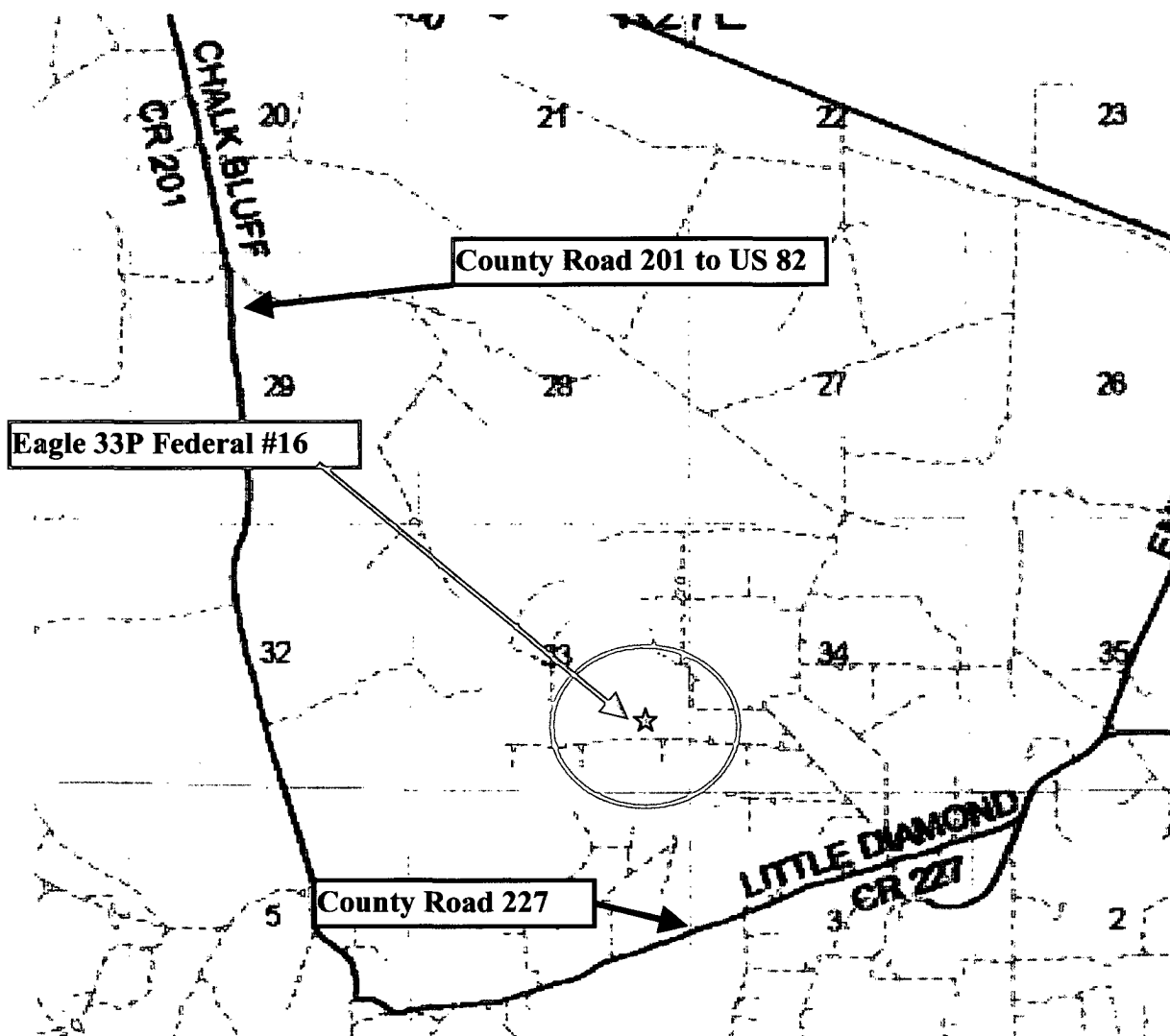
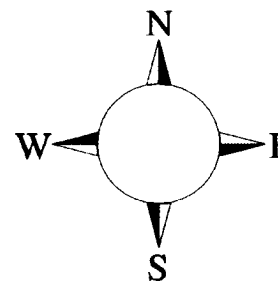
Eagle 33P Federal # 16

**1090' FSL & 330' FEL,
Sec-33, T-17S R-27E**

Eddy County NM

Eagle 33P Federal # 16

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.



Assumed 100 ppm ROE = 3000' (Radius of Exposure)
100 ppm H₂S concentration shall trigger activation of this plan.

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated West lease road to County road 201. Crews should then block entrance to the location from the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE There are no homes or buildings in or near the ROE.

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 H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S 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 Concentration |
|------------------|------------------|------------------|-----------------|-----------------|----------------------|
| Hydrogen Sulfide | H ₂ S | 1.189 Air = 1 | 10 ppm | 100 ppm/hr | 600 ppm |
| Sulfur Dioxide | SO ₂ | 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

| <u>Artesia (505)</u> | <u>Cellular</u> | <u>Office</u> | <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 |
| Mike Myers | (505) 513-0782.... | (505) 748-0187 ... | (505) 395-3020 |
| Engineer – Tom Pepper | (405) 203-2242.... | (405) 552-4513 ... | (405) 728-8641 |

Agency Call List

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 Planning Committee) | 746-2122 |
| NMOCD..... | 748-1283 |

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)..... | 887-3798 |
| US Bureau of Land Management..... | 887-6544 |

| | |
|---|-------------------|
| New Mexico Emergency Response Commission (Santa Fe) | (505)476-9600 |
| 24 HR | (505) 827-9126 |
| National Emergency Response Center (Washington, DC) | ...(800) 424-8802 |

Other

| | |
|---|----------------------------------|
| Boots & Coots IWC | 1-800-256-9688 or (281) 931-8884 |
| Cudd Pressure Control..... | (915) 699-0139 or (915) 563-3356 |
| Halliburton | (505) 746-2757 |
| B. J. Services..... | (505) 746-3569 |
| Flight For Life -4000 24th St, Lubbock, TX | (806) 743-9911 |
| Aerocare -Rr 3 Box 49f, Lubbock, TX | (806) 747-8923 |
| Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM | (505) 842-4433 |
| S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM | (505) 842-4949 |

Prepared in conjunction with
Wade Rohloff of;

