

7005

ATS-07-159

OCD-ARTESIA



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

266  
Month - Year  
**APR 26 2007**  
OCD - ARTESIA, NM

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No.
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. <b>Malco B 6 J Federal 9 36494</b>
2. Name of Operator <b>Devon Energy Production Company, LP 6137</b>		9. API Well No. <b>30-015-35565</b>
3a. Address <b>20 North Broadway Oklahoma City, Oklahoma 73102-8260</b>	3b. Phone No. (include area code) <b>405-552-8198</b>	10. Field and Pool, or Exploratory <b>Red Lake; Glorieta-Yeso</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>NWSE Lot J 1950 FSL 2310 FEL</b> At proposed prod. zone <b>NWSE Lot J 1950 <sup>5</sup>FML 2310 FEL</b> <b>Roswell Controlled Water Basin</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>Sec. 6 18S 27E, Unit J</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximately 5 miles Southeast of Artesia NM</b>		12. County or Parish <b>Eddy County</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)		13. State <b>NM</b>
16. No. of acres in lease <b>120.69 acres</b>	17. Spacing Unit dedicated to this well <b>40 acres</b>	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>4000 MD</b>	20. BLM/BIA Bond No. on file <b>Collin S</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3411' GL</b>	22. Approximate date work will start* <b>01/15/2007</b>	23. Estimated duration <b>45 days</b>

24. Attachments

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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) <b>Norvella Adams</b>	Date <b>12/13/2006</b>
Title <b>Sr. Staff Eng. Tech</b>		

Approved by (Signature) <b>/s/ James Stovall</b>	Name (Printed/Typed) <b>/s/ James Stovall</b>	Date <b>APR 24 2007</b>
Office <b>CARLSBAD FIELD OFFICE</b>		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, 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.

\*(Instructions on page 2)

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

**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 and Attachment A for the Red Lake Field Area to 4000' TD for commercial quantities of oil and gas. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations.

Directions: From the junction of US. Hwy 82 and Co. Rd. 201 (Chalk Bluff), Proceed South on Co. Rd. 201 for approximately 3.8 miles to lease road, on lease road proceed west 0.9 miles to lease road, on lease road proceed north 0.2 miles to proposed location.

Please see attached MDSUP and Attachment A.

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code <b>51120</b>	Pool Name Red Lake; Glorieta-Yeso, ---
Property Code	Property Name MALCO B "6J" FEDERAL	Well Number 9
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3411'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	18 S	27 E		1950	SOUTH	2310	EAST	EDDY

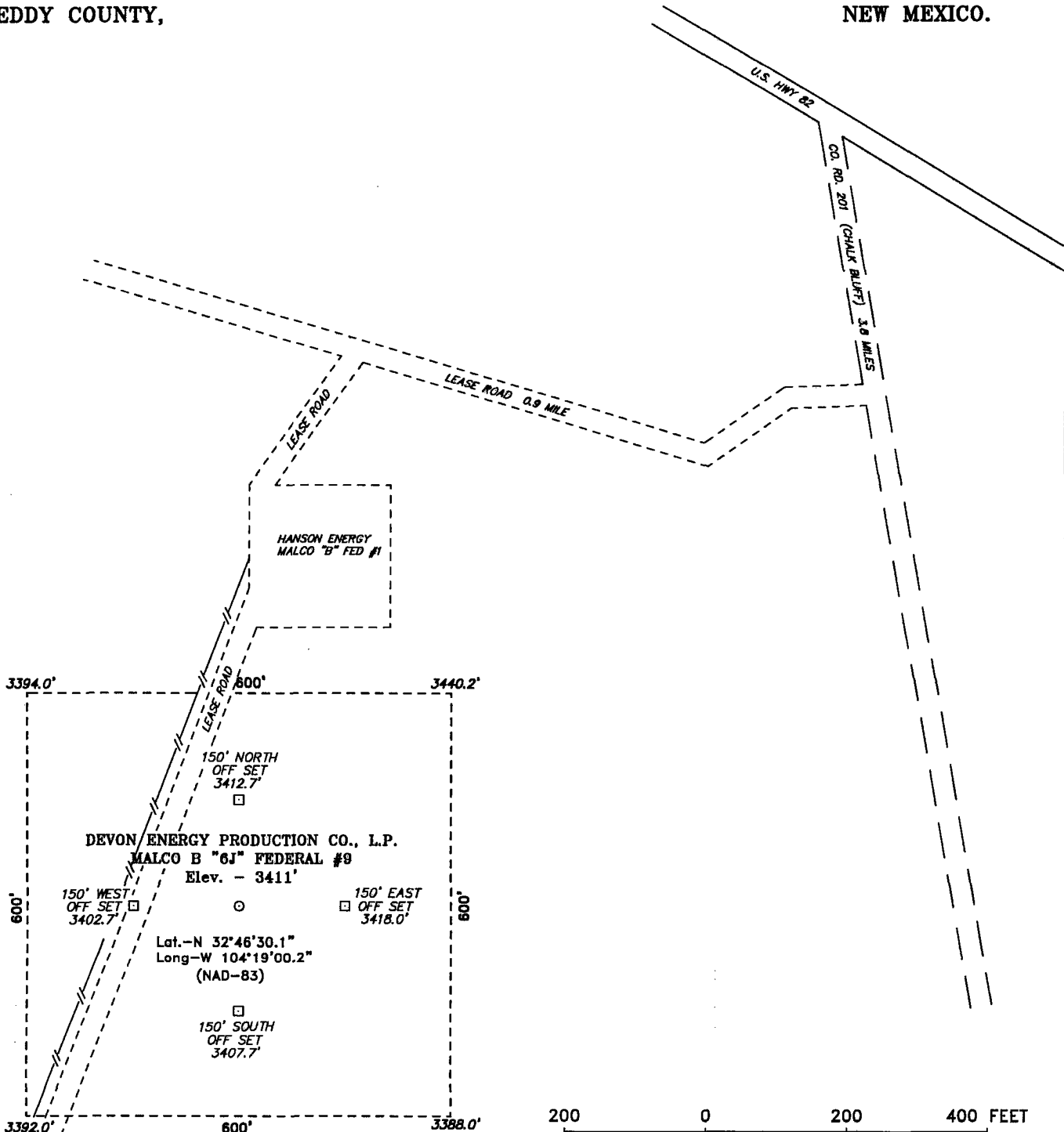
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
<table border="1"> <tr> <td>Dedicated Acres 40</td> <td>Joint or Infill</td> <td>Consolidation Code</td> <td>Order No.</td> </tr> </table>										Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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

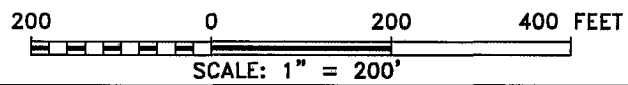
	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Norvella Adams</i> 12/13/06 Signature Date</p> <p>Norvella Adams Printed Name</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>NOVEMBER 06 2006 Date Surveyed</p> <p>Gary L. Jones Signature Professional Surveyor 7977</p> <p>W. Jones 391</p>	
	<p>Certificate No. Gary L. Jones 7977</p>	
	<p>BASIN SURVEYS</p>	

**SECTION 6, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF US. HWY 82 AND CO. RD. 201 (CHALK BLUFF), PROCEED SOUTH ON CO. RD. 201 FOR APPROX 3.8 MILES TO LEASE ROAD, ON LEASE ROAD PROCEED WEST 0.9 MILES TO LEASE ROAD, ON LEASE ROAD PROCEED NORTH 0.2 MILES TO PROPOSED LOCATION.



**DEVON ENERGY PROD. CO., L.P.**

REF: MALCO B "6J" FEDERAL #9 / WELL PAD TOPO

THE MALCO B "6J" FEDERAL No. 9 LOCATED 1950'

FROM THE SOUTH LINE AND 2310' FROM THE EAST LINE OF

SECTION 6, TOWNSHIP 18 SOUTH, RANGE 27 EAST,

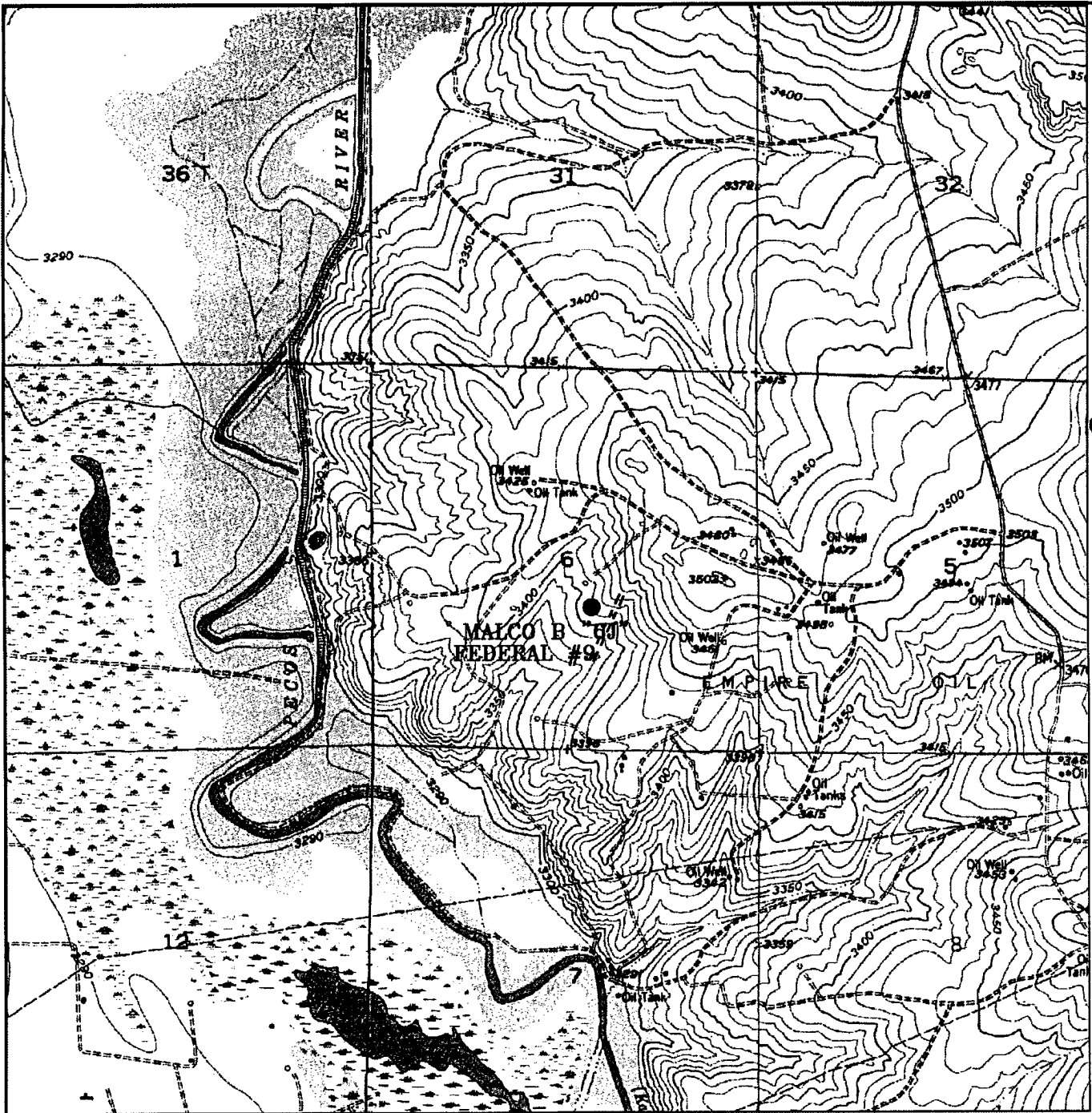
N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 17391      Drawn By: J. M. SMALL

Date: 11-07-2006      Disk: 17391W JMS

Survey Date: 11-06-2006      Sheet 1 of 1 Sheets



**MALCO B "6J" FEDERAL #9**  
 Located at 1950' FSL AND 2310' FEL  
 Section 6, 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  
 basin-surveys.com

W.O. Number: JMS 17391T

Survey Date: 11-06-2006

Scale: 1" = 2000'

Date: 11-07-2006

**DEVON ENERGY  
 PROD. CO., L.P.**

*Master Drilling Plan  
on file in CFO*



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,

**/S/ Larry D. Bray**

Larry D. Bray  
Assistant Field Manager  
Lands and Minerals

Cc:  
NM 08000 (J. Amos, B. Hunt)  
NM 06000 (Swoboda, Lopez, Babyak)

*map not attached*

**devon**

BUCKLE UP  
CITY OF OKLAHOMA

7:57 JUN 11 PM 12: 29

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

RECEIVED

# **Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan**

**For**

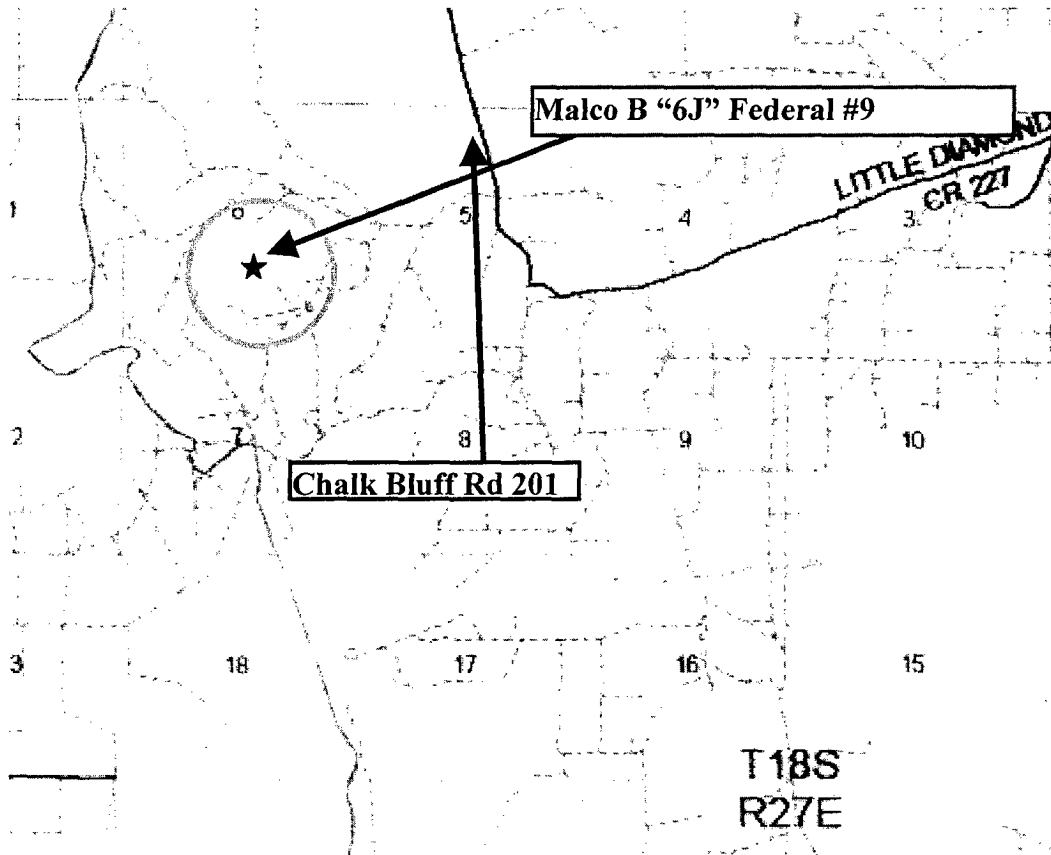
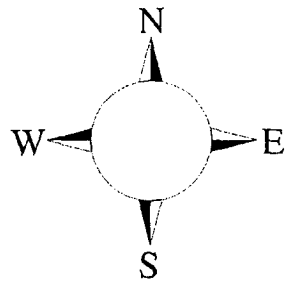
**Malco B "6J" Fed # 9**

**1950' FSL & 2310' FEL,  
Sec-6, T-18S R-27E**

**Eddy County NM**

## Malco B "6J" Federal # 9

This is an open drilling site. H<sub>2</sub>S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H<sub>2</sub>S, including warning signs, wind indicators and H<sub>2</sub>S monitor.



Assumed 100 ppm ROE = 3000' (Radius of Exposure)  
100 ppm H<sub>2</sub>S 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 East on lease road. Crews should then move to block access to 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 the ROE.



## Emergency Procedures

In the case of a release of gas containing H<sub>2</sub>S, 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<sub>2</sub>S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H<sub>2</sub>S 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 (SO<sub>2</sub>). 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 H<sub>2</sub>S and SO<sub>2</sub>

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	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 – Robert Bell.....	748-7448 .....	748-0178.....	746-2991
Asst. Foreman – Ernie Duran .	513-1768 .....	748-3371 .....	746-4589
Joe Johnston.....	513-0630 .....	748-0171 .....	627-6917
Linda Berryman .....	513-0534 .....	748-0177.....	628-1864
Engineer – Chris Singletary ....	(405) 535-5407 ...	(405) 228-8552 ...	(405) 341-8939

**Agency Call List**

<u>Eddy County (505)</u>	<u>Artesia</u>	
	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
	<b>Carlsbad</b>	
	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
	<b>Emergency Services</b>	
	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
<i>Give</i>	Flight For Life - Lubbock, TX .....	(806) 743-9911
<i>GPS</i>	Aerocare - Lubbock, TX .....	(806) 747-8923
<i>position:</i>	Med Flight Air Amb - Albuquerque, NM .....	(505) 842-4433
	Lifeguard Air Med Svc. Albuquerque, NM .....	(505) 272-3115

Prepared in conjunction with  
Wade Rohloff of;



## **Conditions of Approval**

### **Cave and Karst**

EA#: NM-080-07-0266

Lease #: LC-026874B

**Devon Energy Production Company, L.P.  
Malco B 6 B Fed. #7 & Malco B 6 J Fed. #9**

#### **Cave/Karst Surface Mitigation**

The following stipulations will be applied to minimize impacts during construction, drilling and production.

##### **Berming:**

Any tank batteries will be constructed and bermed large enough to contain any spills that may occur.

Bermed areas will be lined with rip-stop padding to prevent tears or punctures in liners and lined with a permanent 20 mil plastic liner.

##### **Closed Mud System with Buried Cuttings Pit:**

All fluids will be in steel tanks and hauled off. A 120 X 120 foot cuttings pit will be utilized for this location. The cuttings pit will be lined with 4 oz. felt and a layer of 20 mil. plastic. Upon completion of the well all excess fluids will be vacuumed off the cuttings pit and allowed to dry. The pit liner will then be folded over the cuttings, covered with a 20 mil plastic cover and then covered with at least three feet of top soil.

#### **Cave/Karst Subsurface Mitigation**

The following stipulations will be applied to protect cave/karst and ground water concerns:

##### **Rotary Drilling with Fresh Water:**

Rotary drilling techniques in cave or karst areas will include the use of fresh water as a circulating medium in zones where caves or karst features are expected. See geologist report for depth.

##### **Casing:**

All casing will meet or exceed National Association of Corrosion Engineers specifications pertaining to the geology of the location and be run to American Petroleum Institute and BLM standards.

##### **Cementing:**

All casing strings will be cemented to the surface.

**Lost Circulation:**

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported.

Regardless of the type of drilling machinery used, if a bit drops of four feet or more and circulation losses greater than 75 percent occur simultaneously while drilling in any cave-bearing zone, drilling operations will immediately stop and the BLM will be notified by the operator. The BLM will assess the consequences of the situation and work with operator on corrective actions to resolve the problem.

**Delayed Blasting:**

Any blasting will be a phased and time delayed.

**Abandonment Cementing:**

Upon well abandonment the well bore will be cemented completely from 100 feet below the bottom of the cave bearing zone to the surface.

**Pressure Tests:**

Annual pressure tests will be performed by the Operator on all casing annuli. If the test results indicated a casing failure, remedial actions approved by the BLM will be undertaken to correct the problem.

**Record Keeping:**

The Operator will track customary drilling activities, including the rate of penetration, pump pressure, weight on bit, bit drops, percent of mud returns, and presence of absence of cuttings returning to the surface. As part of customary record keeping, each detectable void or sudden increase in the rate of penetration not attributable to a change in the formation type should be documented and evaluated as it is encountered.

## CONDITIONS OF APPROVAL - DRILLING

Operator's Name: Devon Energy Production Company, LP  
Well Name & No. 9-Malco B 6 J Federal  
Location: 1950'FSL, 2310'FEL, SEC6, T18S, R27E, Eddy County, NM  
Lease: LC-026874B

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### I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
1. Spudding well
  2. Setting and/or Cementing of all casing strings
  3. BOPE tests
- Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- B. Although Hydrogen Sulfide (H<sub>2</sub>S) has not been reported in this section, it has been reported in surrounding sections and is always a potential hazard.
- C. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.

### II. CASING:

- A. The 8.625 inch surface casing shall be set at approximately 1150 feet and cemented to the surface.
1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
  2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
  3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
  4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the 5-1/2 inch production casing is cement shall circulate to the surface. If cement does not circulate see A.1 thru 4.
- C. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

### **III. PRESSURE CONTROL:**

- A. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53.
- B. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M) PSI**.
- C. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
  - 1. The tests shall be done by an independent service company.
  - 2. The results of the test shall be reported to the appropriate BLM office.
  - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
  - 4. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

**Engineers can be reached at 505-706-2779 for any variances that might be necessary.**

F Wright 12/26/06