

UNITED STATES N.M. Oil & Gas Division  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
JORN, NM 88210  
Artesia, NM 88210SUBMIT IN TRIPLICATE  
(See other instructions on reverse side)

Form approved.

## APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ Other ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR  
DEVON ENERGY PRODUCTION COMPANY, L.P.

3. ADDRESS AND TELEPHONE NO.  
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 Wally Frank  
Senior Ops Engr

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\* 405-552-4595  
At surface 2659' FNL & 391' FWL, Unit E, Section 4-T22S-R24E, Eddy Cnty, NM

At top proposed prod. zone 1613' FSL & 820' FWL, Unit L, Section 4-T22S-R24E, Eddy Cnty, NM

5. LEASE DESIGNATION AND SERIAL NO.  
SHL & BHL: NM-NM83037

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
N/A

7. UNIT AGREEMENT NAME  
N/A

8. FARM OR LEASE NAME, WELL NO.  
JONES CANYON "4" FEDERAL #9

9. API WELL NO.  
30-015- 32622

10. FIELD AND POOL, OR WILDCAT  
Indian Basin (Upper Penn) Assoc.

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
SHL: Unit E, Section 4-T22S-R24E  
BHL: Unit L, Section 4-T22S-R24E

12. COUNTY OR PARISH  
Eddy County

13. STATE  
New Mexico

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
24 miles NW of Carlsbad, NM

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.  
820'

16. NO. OF ACRES IN LEASE  
691.84

17. NO. OF ACRES ASSIGNED TO THIS WELL  
345.96

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
TVD 8,600'

19. PROPOSED DEPTH  
TVD 8,600'

20. ROTARY OR CABLE TOOLS\*  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
GL 4150'

22. APPROX. DATE WORK WILL START\*  
January, 2003

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT             |
|--------------|-----------------------|-----------------|---------------|--------------------------------|
| 25"          | Conductor             |                 | 40'           | Redi-mix to surface            |
| 12 1/4"      | H-40 5 5/8"           | 36#             | 1,600'        | 750 sx Pozmix + 200 sx Class C |
| 8 3/4"       | L-80/HCL-80 7"        | 23#             | 8,600'        | 650 sx Class H                 |

We plan to circulate cement to surface on the 9 5/8" casing string. The cement top will be brought to approximately 6,000' on the 7" casing string.

Devon Energy proposes to drill a Penn gas well to TVD 8,600'± for commercial quantities. If the well is deemed noncommercial, the well bore will be plugged and abandoned per Federal regulations. Programs to adhere to onshore oil and gas regulations are outlined in the following exhibits and attachments.

## Drilling Program

## Surface Use and Operating Plan

Exhibits #1 = Blowout Prevention Equipment

Exhibit #2 = Location and Elevation Plat

Exhibits #3 = Road Map and Topo Map

Exhibit #4 = Wells Within 1 Mile Radius

Exhibits #5 = Production Facilities Plat

Exhibit #6 = Rotary Rig Layout

Exhibit #7 = Casing Design

H<sub>2</sub>S Operating Plan

The undersigned accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on the leased land or portions thereof, as described below.

## Legal Description:

SHL &amp; BHL= NM-NM83037; all of Section 4-T22S-R24E

Bond Coverage: Nationwide

BLM Bond #: CO-1104

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

SUBJECT TO LIKE APPROVAL BY STATE

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

Candace R. Graham

TITLE

Candace R. Graham  
Engineering Technician

DATE

(405) 235-3611 X4520  
November 25, 2002

\*(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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:

LESLIE A. THEISS

JAN 14 2003

APPROVED BY

TITLE

FIELD MANAGER

DATE

See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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

APPROVAL FOR 1 YEAR

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

EXHIBIT 2

Form C-102  
Revised February 10, 1994  
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

|                        |   |   |
|------------------------|---|---|
| API Number<br>30-015-  | Pool Code<br>33685                                | Pool Name<br>Indian Basin (Upper Penn) Assoc. |
| Property Code<br>17286 | Property Name<br>JONES CANYON 4 FEDERAL           | Well Number<br>9                              |
| OGRID No.<br>6137      | Operator Name<br>DEVON ENERGY PRODUCTION, CO., LP | Elevation<br>4150                             |

Surface Location

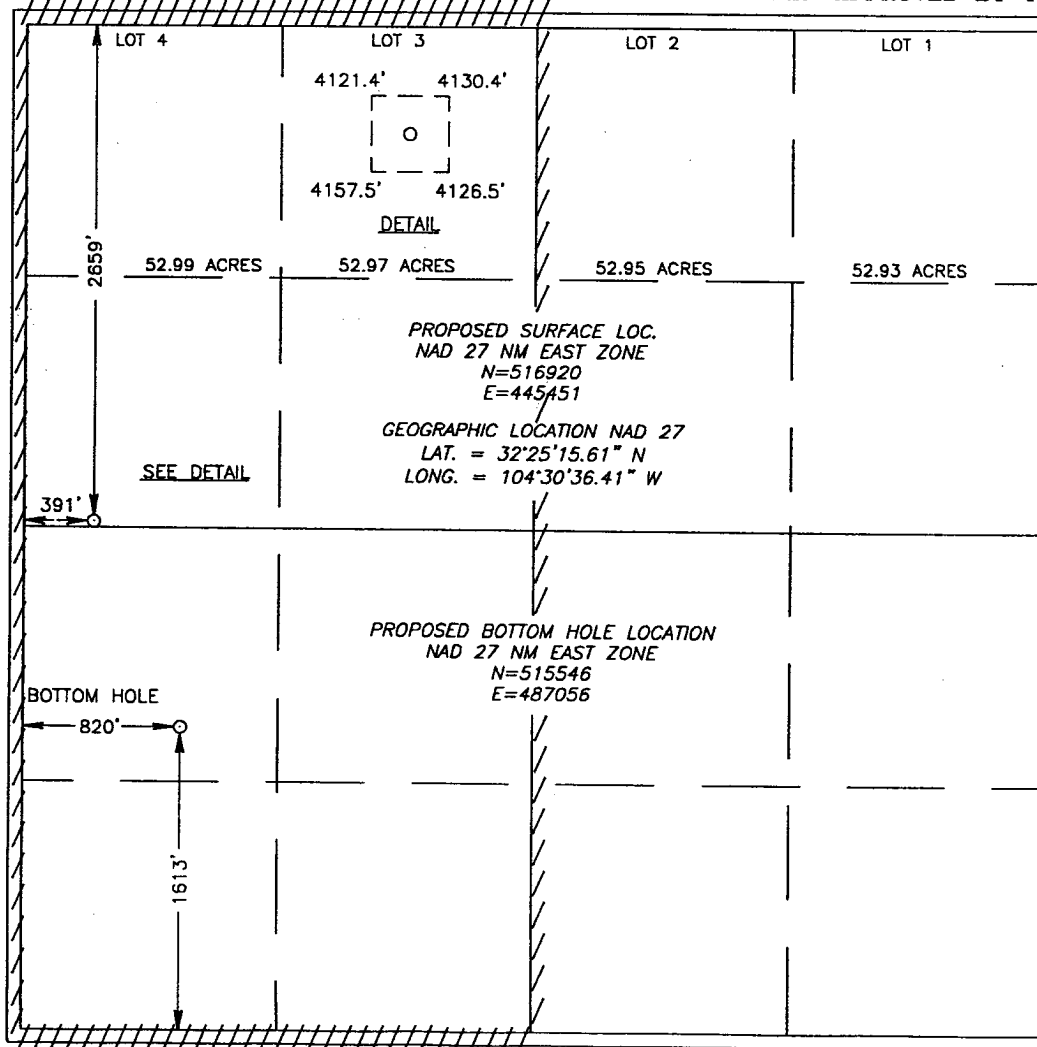
|                    |              |                  |               |         |                       |                           |                      |                        |                |
|--------------------|--------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot No.<br>E | Section<br>4 | Township<br>22 S | Range<br>24 E | Lot Idn | Feet from the<br>2659 | North/South line<br>NORTH | Feet from the<br>391 | East/West line<br>WEST | County<br>EDDY |
|--------------------|--------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|

Bottom Hole Location If Different From Surface

|                    |              |                  |               |         |                       |                           |                      |                        |                |
|--------------------|--------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot No.<br>L | Section<br>4 | Township<br>22 S | Range<br>24 E | Lot Idn | Feet from the<br>1613 | North/South line<br>SOUTH | Feet from the<br>820 | East/West line<br>WEST | County<br>EDDY |
|--------------------|--------------|------------------|---------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|

|                           |                 |                    |           |
|---------------------------|-----------------|--------------------|-----------|
| Dedicated Acres<br>345.96 | 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 hereby certify that the information  
contained herein is true and complete to the  
best of my knowledge and belief.

*Candace R. Graham*  
Signature

Candace R. Graham

Printed Name

Engineering Tech.

Title

November 25, 2002

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  
supervision, and that the same is true and  
correct to the best of my belief.

OCTOBER 22, 2002

Date Surveyed LMP

Signature & Seal of  
Professional Surveyor

*Ronald G. Edson* 10/24/02  
02.11.0782

Certificate No. RONALD G. EDSON 3239  
GARY EDSON 12641

# MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

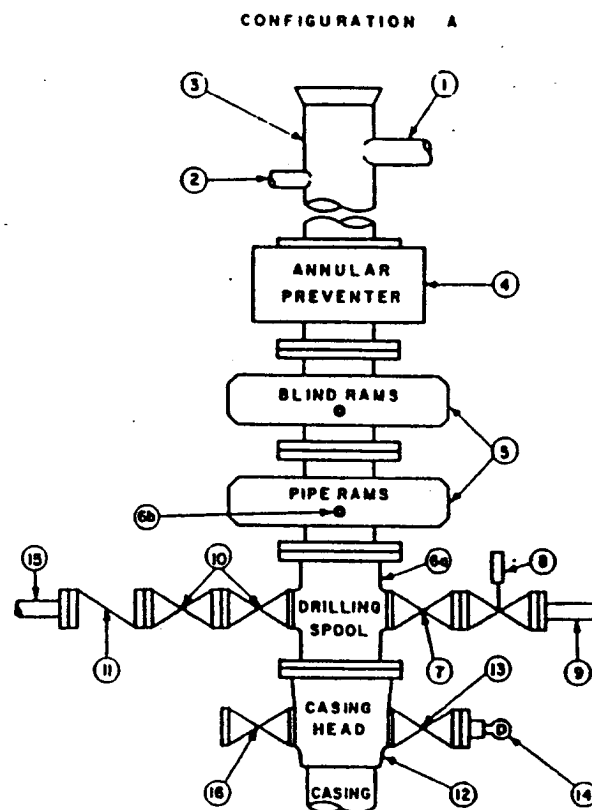
EXHIBIT # 1

## STACK REQUIREMENTS

| No. | Item  | Min. I.D. | Min. Nominal |
|-----|---|-----------|--------------|
| 1   | Flowline  |           |              |
| 2   | Fill up line  |           | 2"           |
| 3   | Drilling nipple   |           |              |
| 4   | Annular preventer   |           |              |
| 5   | Two single or one dual hydraulically operated rams                                |           |              |
| 6a  | Drilling spool with 2" min. kill line and 3" min choke line outlets               |           |              |
| 6b  | 2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.) |           |              |
| 7   | Valve Gate <input type="checkbox"/><br>Plug <input type="checkbox"/>              | 3-1/8"    |              |
| 8   | Gate valve—power operated   | 3-1/8"    |              |
| 9   | Line to choke manifold  |           | 3"           |
| 10  | Valves Gate <input type="checkbox"/><br>Plug <input type="checkbox"/>             | 2-1/16"   |              |
| 11  | Check valve   | 2-1/16"   |              |
| 12  | Casing head   |           |              |
| 13  | Valve Gate <input type="checkbox"/><br>Plug <input type="checkbox"/>              | 1-13/16"  |              |
| 14  | Pressure gauge with needle valve  |           |              |
| 15  | Kill line to rig mud pump manifold  |           | 2"           |

## OPTIONAL

|    |               |          |  |
|----|---------------|----------|--|
| 16 | Flanged valve | 1-13/16" |  |
|----|---------------|----------|--|



## CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3,000 psi, minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

## MEC TO FURNISH:

1. Bradenhead or casinghead and side valves.
2. Wear bushing, if required.

## GENERAL NOTES:

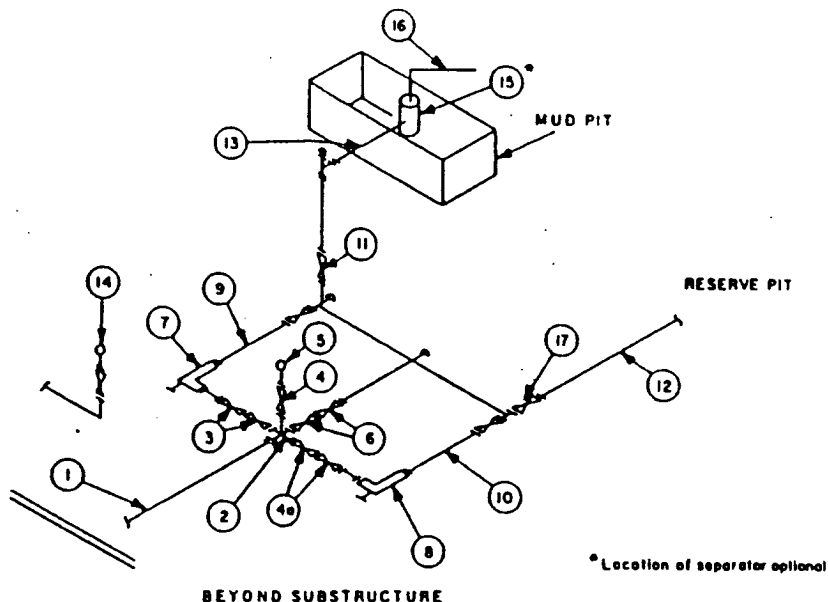
1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke. Valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, other bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.

7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Do not use kill line for routine fill-up operations.

**MINIMUM CHOKE MANIFOLD**  
3,000, 5,000 and 10,000 PSI Working Pressure

3 MWP - 5 MWP - 10 MWP

EXHIBIT # 1



| MINIMUM REQUIREMENTS |   |           |         |        |           |         |        |            |         |        |
|----------------------|---|-----------|---------|--------|-----------|---------|--------|------------|---------|--------|
| No.                  |   | 3,000 MWP |         |        | 5,000 MWP |         |        | 10,000 MWP |         |        |
|                      |   | I.D.      | NOMINAL | RATING | I.D.      | NOMINAL | RATING | I.D.       | NOMINAL | RATING |
| 1                    | Line from drilling spool  |           | 3"      | 3,000  |           | 3"      | 5,000  |            | 3"      | 10,000 |
| 2                    | Cross 3" x 3" x 3" x 2"   |           |         | 3,000  |           |         | 5,000  |            |         |        |
|                      | Cross 3" x 3" x 3" x 3"   |           |         |        |           |         |        |            |         | 10,000 |
| 3                    | Valves (1) Gate <input type="checkbox"/><br>Plug <input type="checkbox"/> (2) | 3-1/8"    |         | 3,000  | 3-1/8"    |         | 5,000  | 3-1/8"     |         | 10,000 |
| 4                    | Valve Gate <input type="checkbox"/><br>Plug <input type="checkbox"/> (2)      | 1-13/16"  |         | 3,000  | 1-13/16"  |         | 5,000  | 1-13/16"   |         | 10,000 |
| 4a                   | Valves (1)  | 2-1/16"   |         | 3,000  | 2-1/16"   |         | 5,000  | 3-1/8"     |         | 10,000 |
| 5                    | Pressure Gauge  |           |         | 3,000  |           |         | 5,000  |            |         | 10,000 |
| 6                    | Valves Gate <input type="checkbox"/><br>Plug <input type="checkbox"/> (2)     | 3-1/8"    |         | 3,000  | 3-1/8"    |         | 5,000  | 3-1/8"     |         | 10,000 |
| 7                    | Adjustable Choke (3)  | 2"        |         | 3,000  | 2"        |         | 5,000  | 2"         |         | 10,000 |
| 8                    | Adjustable Choke  | 1"        |         | 3,000  | 1"        |         | 5,000  | 2"         |         | 10,000 |
| 9                    | Line  |           | 3"      | 3,000  |           | 3"      | 5,000  |            | 3"      | 10,000 |
| 10                   | Line  |           | 2"      | 3,000  |           | 2"      | 5,000  |            | 3"      | 10,000 |
| 11                   | Valves Gate <input type="checkbox"/><br>Plug <input type="checkbox"/> (2)     | 3-1/8"    |         | 3,000  | 3-1/8"    |         | 5,000  | 3-1/8"     |         | 10,000 |
| 12                   | Lines   |           | 3"      | 1,000  |           | 3"      | 1,000  |            | 3"      | 2,000  |
| 13                   | Lines   |           | 3"      | 1,000  |           | 3"      | 1,000  |            | 3"      | 2,000  |
| 14                   | Remote reading compound<br>standpipe pressure gauge                           |           |         | 3,000  |           |         | 5,000  |            |         | 10,000 |
| 15                   | Gas Separator   |           | 2'x5'   |        |           | 2'x5'   |        |            | 2'x5'   |        |
| 16                   | Line  |           | 4"      | 1,000  |           | 4"      | 1,000  |            | 4"      | 2,000  |
| 17                   | Valves Gate <input type="checkbox"/><br>Plug <input type="checkbox"/> (2)     | 3-1/8"    |         | 3,000  | 3-1/8"    |         | 5,000  | 3-1/8"     |         | 10,000 |

(1) Only one required in Class 3M.

(2) Gate valves only shall be used for Class 10M.

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

**EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTIONS**

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90° bends using bull plugged tees.
- Discharge lines from chokes, choke bypass and from top of gas separator should vent as far as practical from the well.

Attachment to Exhibit #1  
NOTES REGARDING BLOWOUT PREVENTORS  
Devon Energy Production Company, L.P.  
JONES CANYON "4" FEDERAL #9  
SHL= 2659' FNL & 391' FWL, Unit E  
BHL= 1613' FSL & 820' FWL, Unit L  
Section 4-T2SS-R24E, 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.