

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*

OIL CONSERVATION DIV
8116 1st St.
ARTESIA, NM 88210-2834

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 OPERATING CORPORATION

3. ADDRESS AND TELEPHONE NO.
20 N. BROADWAY, SUITE 1500, OKC, OK 73102 (405) 552-4560

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface — 2330' FNL & 1000' FEL
1980' N & 1350' E
At top proposed prod. zone (SAME)
UNORTHODOX LOCATION:
Unit G

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4.8 miles East & .1 mile North of Lordsburg Hills, N.M.

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest dds. unit line if any)
310'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.
100'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3610

5. LEASE DESIGNATION AND SERIAL NO.
LC-029395-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME, WELL NO.
Turner "A" #59

9. API WELL NO.
30-015-29158

10. FIELD AND POOL, OR WILDCAT
GRAYBURG-JACKSON

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
SECTION 19-T17S-R31E

12. COUNTY OR PARISH
EDDY

13. STATE
NM

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

20. ROTARY OR CABLE TOOLS*
Rotary

22. APPROX. DATE WORK WILL START*
June 30, 1996

| PROPOSED CASING AND CEMENTING PROGRAM | | | | |
|---------------------------------------|-----------------------|-----------------|---------------|------------------------------------|
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
| 12 1/4" | 8 5/8" J-55 | 24.0# | 320' 425' | 125 sk Lite cmt + 200 sk Class "C" |
| 7 7/8" | 5 1/2" J-55 | 15.5# | 2200' | 330 sk Lite cmt + 360 sk Class "H" |

We plan to circulate cement to surface on all casing strings. Devon Energy Operating Corporation proposes to drill to 2200' to test the Seven Rivers formation for commercial quantities of oil. If the Seven Rivers is deemed non-commercial, the wellbore 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

- Exhibits #1/1-A = Blowout Prevention Equipment
- Exhibit #2 = Location and Elevation Plat
- Exhibit #3/3-A = Road Map and Topo Map
- Exhibit #4 = Wells Within 1 Mile Radius
- Exhibit #5/5A = Production Facilities Plat
- Exhibit #6 = Rotary Rig Layout
- Exhibit #7 = Casing Design

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

Lease No. LC-029395-A
Legal Description: Section 19-T17S-R31E
Bond Coverage: Statewide in CO, NM, UT, & WY
BIM Bond No.: CO1151

NSL-

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.

24.
SIGNED Randy Jackson
TITLE DISTRICT ENGINEER DATE 6/20/96
Randy Jackson
District Engineer
NSL-
Post ID-7
9-22-96
New Loc +
APF

*(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:

APPROVED BY Timothy P. O'Brien TITLE Acting Area Manager DATE SEP 13 1996
See Instructions On Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
DEVON ENERGY OPERATING CORPORATION

3. Address and Telephone No.
20 NORTH BROADWAY, SUITE 1500, OKLAHOMA CITY, OKLAHOMA 73102 (405)552-4527

4. Location of Well (Footage, Sec., T., R., M. or Survey Description)
1980' FNL & 1350' FEL, Sec. 19-17S-31E

5. Lease Designation and Serial No.

LC-029395-A

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Turner A #59

9. API Well No.

30-015-

10. Field and Pool, or Exploratory Area

Grayburg Jackson

11. County or Parish, State

Eddy County, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Change location

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The proposed well location has been moved

from: 2330' FNL & 1000' FEL, Sec. 19-17S-31E

to: 1980' FNL & 1350' FEL, Sec. 19-17S-31E

Attached is a plat reflecting the move.

14. I hereby certify that the foregoing is true and correct

Signed Karen Byers
(This space for Federal or State office use)

Title **KAREN BYERS
ENGINEERING TECHNICIAN**

Date **8/22/96**

Approved by
Conditions of approval, if any:

Title Acting Area Manager

Date **SEP 13 1996**

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.

***See Instruction on Reverse Side**

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

State of New Mexico
Energy, Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

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

OIL CONSERVATION DIVISION

P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Submit to the Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT III
1000 Rio Brazos Rd.
Aztec, NM 87410

☐ AMENDED REPORT

DISTRICT IV
P. O. Box 2088
Santa Fe, NM 87507-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------------|---|---|
| 1 API Number 30-015-29158 | 2 Pool Code 28509 | 3 Pool Name Grayburg Jackson (7R45-GU-6B-SA) |
| 4 Property Code 16001 | 5 Property Name TURNER A | 6 Well Number 59 |
| 7 OGRID No. 136025 | 8 Operator Name DEVON ENERGY OPERATING CORP. | 9 Elevation 3621' |

10 SURFACE LOCATION

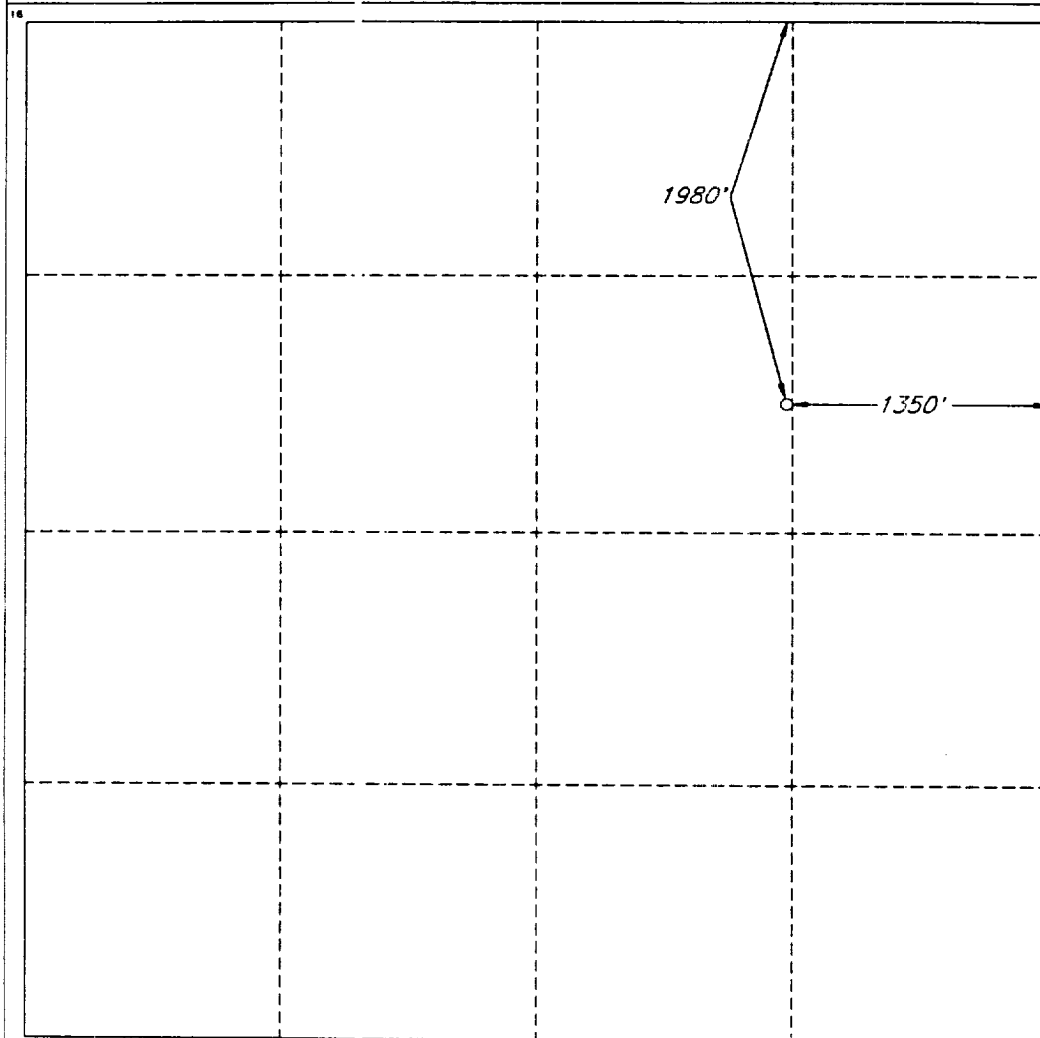
| | | | | | | | | | |
|--------------------|---------------|----------------------|----------------------------|---------|------------------------|---------------------------|------------------------|------------------------|----------------|
| UL or lot no. G | Section 19 | Township 17 SOUTH | Range 31 EAST, N.M.P.M. | Lot Ida | Feet from the 1980' | North/South line NORTH | Feet from the 1350' | East/West line EAST | County EDDY |
|--------------------|---------------|----------------------|----------------------------|---------|------------------------|---------------------------|------------------------|------------------------|----------------|

"BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

| | | | |
|--------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres 40 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|--------------------------|--------------------|-----------------------|--------------|

NO ALLOWABLE WELL 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.

Signature

Randy Jackson

Printed Name

Randy Jackson

Title

District Engineer

Date

8/23/96

SURVEYOR CERTIFICATION

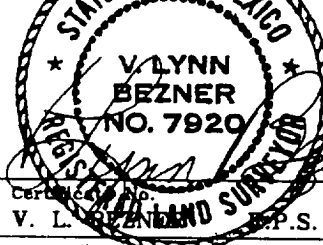
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

AUGUST 18, 1996

Signature

Professional Surveyor



Certification No.

V. L. BEZNER

P.S. #7920

JOB #46968-2 / 98 SW / JSJ

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

State of New Mexico
Energy Minerals, and Natural Resources Department

Form C-102
Revised 02-10-94
Instructions on back

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☐ AMENDED REPORT

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1000 Rio Brazos Rd.
Aztec, NM 87410

DISTRICT IV
P. O. Box 2088
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WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|--------------------------|--|---|--|---------------------------------|----------------------|
| 1 API Number | | 2 Pool Code | | 3 Pool Name Grayburg Jackson | |
| 4 Property Code 16001 | | 5 Property Name TURNER A | | | 6 Well Number 59 |
| 7 OGRID No. 136025 | | 8 Operator Name DEVON ENERGY OPERATING CORP. | | | 9 Elevation 3610' |

10 SURFACE LOCATION

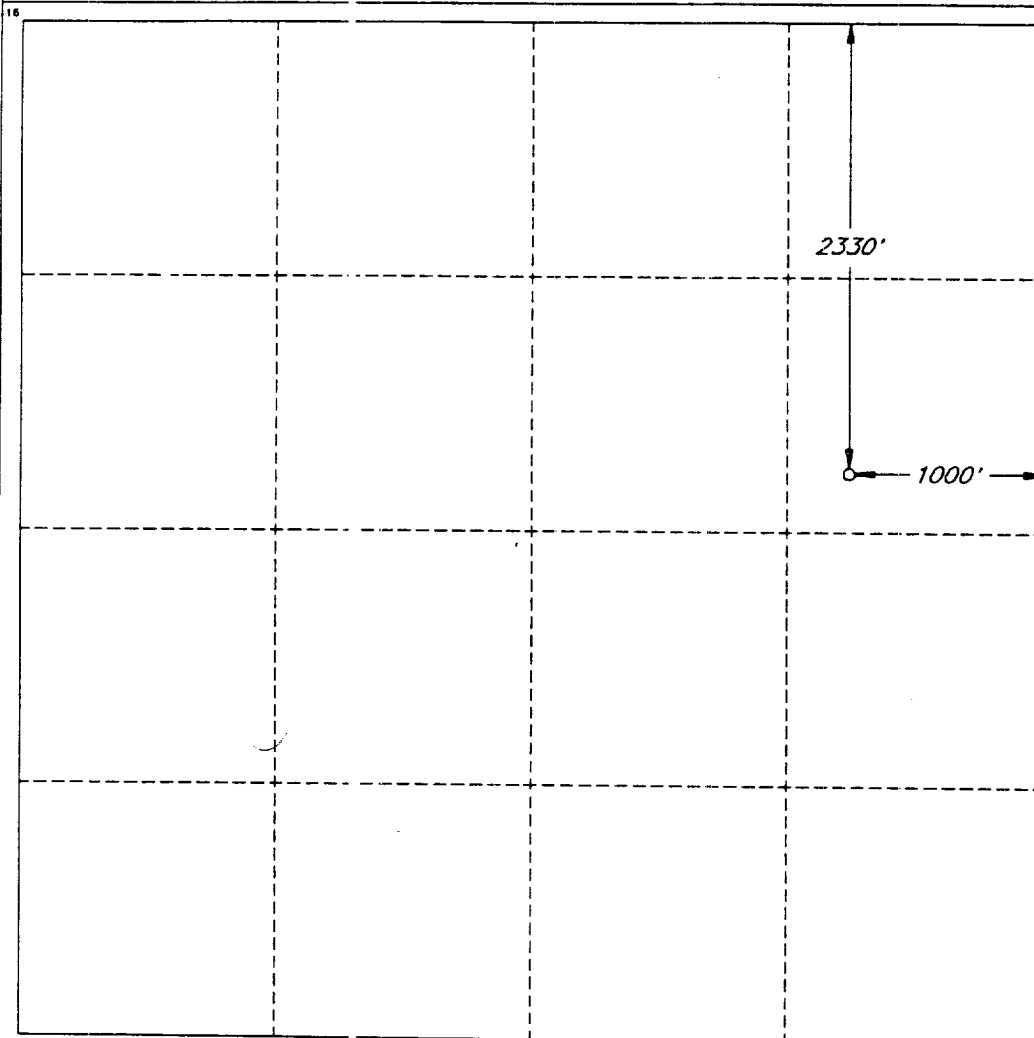
| | | | | | | | | | |
|--------------------|---------------|----------------------|----------------------------|---------|------------------------|---------------------------|------------------------|------------------------|----------------|
| UL or lot no. H | Section 19 | Township 17 SOUTH | Range 31 EAST, N.M.P.M. | Lot Ida | Feet from the 2330' | North/South line NORTH | Feet from the 1000' | East/West line EAST | County EDDY |
|--------------------|---------------|----------------------|----------------------------|---------|------------------------|---------------------------|------------------------|------------------------|----------------|

11 "BOTTOM HOLE LOCATION IF DIFFERENT FROM SURFACE

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|

| | | | |
|--------------------------|--------------------|-----------------------|--------------|
| 12 Dedicated Acres 40 | 13 Joint or Infill | 14 Consolidation Code | 15 Order No. |
|--------------------------|--------------------|-----------------------|--------------|

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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.

Signature

Printed Name

Randy Jackson

Title

District Engineer

Date

5/20/98

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.

Date of Survey

MAY 28, 1998

Signature and Seal
Professional Surveyor

V. LYNN
BEZNER
NO. 7920

Certification
V. L. BEZNER R.P.S. #7920

JOB #45636-12 / 98 SW / VHB

MINIMUM BLOWOUT PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

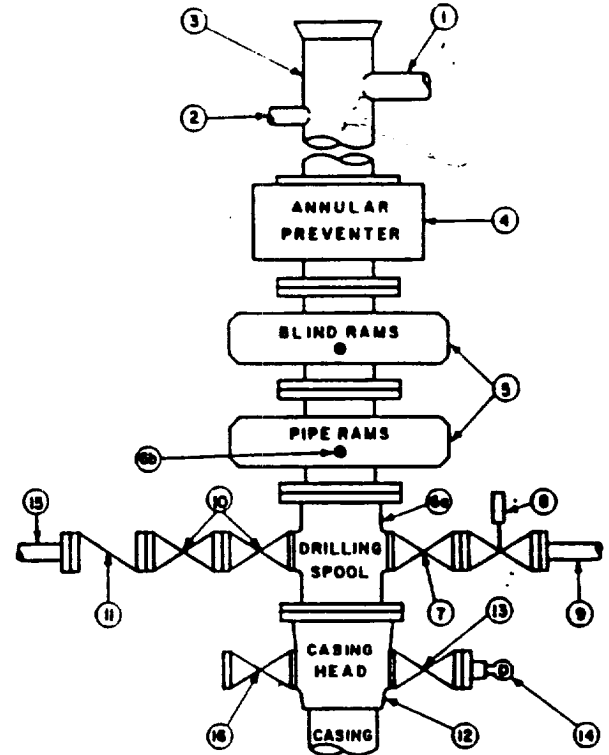
EXHIBIT #1

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"/> 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"/> Plug <input type="checkbox"/> | 2-1/16" | |
| 11 | Check valve | | 2-1/16" | |
| 12 | Casing head | | | |
| 13 | Valve | Gate <input type="checkbox"/> 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" | |

CONFIGURATION A



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 (60 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.

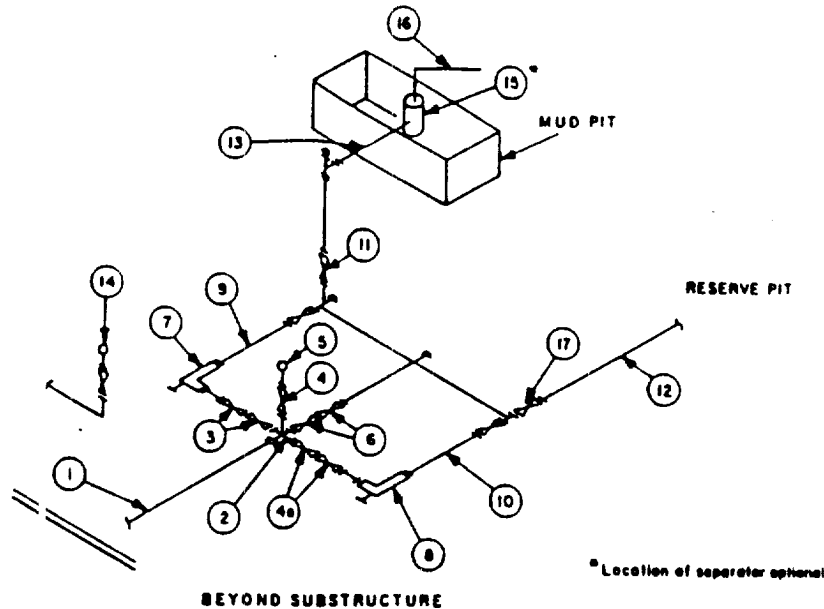
GENERAL NOTES:

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-A



| | | 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"x3"x3"x2" | | | 3,000 | | | 5,000 | | | |
| | Cross 3"x3"x3"x3" | | | | | | | | | 10,000 |
| 3 | Valves(1) Gate <input type="checkbox"/> 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"/> 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"/> 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"/> 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 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"/> 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
Grayburg-Jackson Field
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 BOPE 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 W.P. 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.