

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

| | | |
|---|------------------------------|---------------------------|
| Operator Name and Address Devon Energy Production Company, LP 20 N. Broadway Oklahoma City, OK 73102 | | OGRID Number 6137 |
| | | API Number 30-15-32821 |
| Property Code 32437 | Property Name H B 2 STATE | Well No. 004 |

Surface Location

| | | | | | | | | | |
|----------------|--------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL or Lot N | Section 2 | Township 24S | Range 29E | Lot Idn | Feet From 860 | N/S Line S | Feet From 1780 | E/W Line W | County Eddy |
|----------------|--------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

Proposed Pools

| |
|--------------------------------|
| CEDAR CANYON;BONE SPRING 11520 |
|--------------------------------|

| | | | | |
|-----------------------|------------------------|--------------------------|---------------------|--------------------------------|
| Work Type New Well | Well Type Oil | Cable/Rotary | Lease Type State | Ground Level Elevation 3062 |
| Multiple N | Proposed Depth 8300 | Formation Bone Spring | Contractor | Spud Date 6/15/2003 |

Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 450 | 400 | 0 |
| Int1 | 11 | 8.625 | 32 | 2900 | 1000 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 8300 | 800 | 4000 |

Casing/Cement Program: Additional Comments

Devon Energy Production Company, LP plans to drill this well to a total depth of 8300 and complete as an oil well. Should the well be deemed noncommercial, then it will be plugged and abandoned in accordance with the rules established by the New Mexico OCD. Cementing Information 13 3/8 400sx Class C 8 5/8 Lead 700 sx 35:65:6 Poz C, tail w/300 sx C 5 1/2 Lead 300 sx 35:65:6 C & tail w/500 sx 60:40 Poz C

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|---------|------------------|---------------|--------------|
| Annular | 3000 | 3000 | |

| | |
|--|---------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. | |
| Electronically Signed By: Beverly Wenzel | |
| Title: Manager | |
| Date: 6/3/2003 | Phone: 405-228-7734 |

| | |
|--|---------------------------|
| OIL CONSERVATION DIVISION | |
| Electronically Approved By: Bryan Arrant | |
| Title: Geologist | |
| Approval Date: 6/5/2003 | Expiration Date: 6/5/2004 |
| Conditions of Approval: There are conditions. See Attached. | |

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State of New Mexico
Energy, Minerals and Natural Resources

Form C-102

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---------------------------|--|--------------------|
| API Number 30-15-32821 | Pool Name CEDAR CANYON;BONE SPRING | Pool Code 11520 |
| Property Code 32437 | Property Name H B 2 STATE | Well No. 004 |
| OGRID No. 6137 | Operator Name Devon Energy Production Company, LP | Elevation 3062 |

Surface And Bottom Hole Location

| | | | | | | | | | |
|-----------------------|--------------|-----------------|--------------|--------------------|------------------|---------------|-------------------|---------------|----------------|
| UL or Lot N | Section 2 | Township 24S | Range 29E | Lot Idn | Feet From 860 | N/S Line S | Feet From 1780 | E/W Line W | County Eddy |
| Dedicated Acres 40 | | Joint or Infill | | Consolidation Code | | Order No. | | | |

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OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
Electronically Signed By: Beverly Wenzel
Title: Manager
Date: 6/3/2003

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.
Electronically Signed By: RONALD EIDSON
Date of Survey: 5/27/2003
Certificate Number: 3239

APD Conditions Of Approval

Operator: 6137 Devon Energy Production Company, LP

Well: H B 2 STATE 004

| OCD Reviewer | Condition |
|--------------|--|
| BARRANT | Cement to cover ALL oil, gas and water bearing zones. |
| BARRANT | Set surface casing in anhydrite section of Rustler. Refer to offset wells for reference. |