

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 143385

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N Broadway Oklahoma City, OK 73102		2. OGRID Number 6137
		3. API Number 30-015-39994
4. Property Code 39007	5. Property Name SHAQTUS 26 STATE COM	6. Well No. 003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	35	21S	31E	B	330	N	2000	E	EDDY

8. Pool Information

LOST TANK; DELAWARE	40299
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3525
14. Multiple N	15. Proposed Depth 13083	16. Formation Brushy Canyon	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	600	950	0
Int1	12.25	9.625	40	4250	1300	0
Prod	8.75	5.5	17	13083	950	0
Prod	8.75	5.5	17	7200	2265	3750

Casing/Cement Program: Additional Comments

Surface-Lead w/700 sx C1 C + 2% bwoc Calcium Chloride + 0.125#/sx CF + 4% bwoc Bentonite + 81.4% FW, 13.5 ppg, 1.75 cf/sk. Tail w/250 sx C1 C + 2% bwoc Calcium Chloride + 0.125#/sx CF + 56.3% FW, 14.8 ppg, 1.35 cf/sk. Intermediate - lead w/1,000 sx (60:40) Poz (Fly Ash):C1 C + 5% bwow Sodium Chloride + 0.125E/sx CF + 6% bwoc Bentonite + 107.8% FW, 12.5 ppg, 1.73 cf/sk. Tail w/300 sx(60:40)Poz C1 C + 5% bwow Sodium Chloride + 0.125#/sx CF + 0.4% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 52.7% Wtr, 14.8 ppg, 1.38 cf/sk. Production - 755 sx (35:65) Poz (Fly Ash):C1 H + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 2% bwoc Bentonite + 0.6% bwoc Sodium Metasilicate + 0.5% bwoc FL-52A + 102.5% FW, 12.5 ppg, 2.00 cf/sk. 1,510 sx(50:50) Poz (Fly Ash):C1 H + 1% bwow Sodium Chloride + 0.2% bwoc R-3 + 0.125#/sx CF + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 58.3% FW, 14.2 ppg, 1.28 cf/sk. 2nd Stage - lead w/800 sx C1 C + 1% bwow Calcium Chloride + 0.125E/sx CF + 157.8% FW, 11.4 ppg, 2

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Randy Bolles	Approved By: Randy Dade
Title: Manager, Regulatory Affairs	Title: District Supervisor
Email Address: randy.bolles@dmn.com	Approved Date: 3/1/2012 Expiration Date: 3/1/2014
Date: 2/27/2012 Phone: 405-228-8588	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 143385

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39994	2. Pool Code 40299	3. Pool Name LOST TANK; DELAWARE
4. Property Code 39007	5. Property Name SHAQTUS 26 STATE COM	6. Well No. 003
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3525

10. Surface Location

UL - Lot B	Section 35	Township 21S	Range 31E	Lot Idn	Feet From 330	N/S Line N	Feet From 2000	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot B	Section 26	Township 21S	Range 31E	Lot Idn B	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County EDDY
12. Dedicated Acres 200.00		13. Joint or Infill		14. Consolidation Code			15. 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 style="text-align: center;">OPERATOR CERTIFICATION</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(s) or has a right to drill this well at this 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>E-Signed By: Randy Bolles Title: Manager, Regulatory Affairs Date: 2/27/2012</p>	<p style="text-align: center;">SURVEYOR CERTIFICATION</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>Surveyed By: Filimon Jaramillo Date of Survey: 12/17/2011 Certificate Number: 12797</p>
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Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: SHAQTUS 26 STATE COM #003

API: 30-015-39994

Created By	Comment	Comment Date
CSHAPARD	Land s/S	3/1/2012

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: SHAQTUS 26 STATE COM #003

API: 30-015-39994

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string