

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 166050

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

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 333 W. Sheridan Avenue Oklahoma City, OK 73102		2. OGRID Number 6137
		3. API Number 30-015-41292
4. Property Code 39860	5. Property Name KAYRO 4 STATE COM	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	4	25S	28E	2	207	N	1980	E	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	4	25S	28E	O	330	S	1980	E	Eddy

9. Pool Information

WILLOW LAKE;BONE SPRING	64450
-------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3001
16. Multiple N	17. Proposed Depth 12728	18. Formation Bone Spring	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. 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	400	415	0
Int1	12.25	9.625	36	2500	745	0
Prod	8.75	5.5	17	12728	1300	2000
Prod	8.75	5.5	17	7527	850	0

Casing/Cement Program: Additional Comments

13-3/8" Surf: 415 sx C1 C Cmt + 2% bwoc Calcium Chloride + 0.125 lbs/sk Poly-E-Flake + 63.1% FW, 14.8 ppg, Yld: 1.35 cf/sk, TOC @ 0'. 9 5/8" Inter: Lead:385 sx(65:35)C1 C Cmt:Poz Fly Ash): + 5% bwow NaCl + 0.125 lbs/sk Poly-E-Flake + 6% bwoc Bent + 70.9% FW, 12.9 ppg Yld: 1.85 cf/sk, Tail: 360 sx C1 C Cmt + 0.125 lbs/sack Poly-E-Flake + 63.5% Wtr, 14.8 ppg, Yld: 1.33 cf/sk, TOC @ 0'. 5-1/2" Prod: Lead: 850 sx 65:35)C1 H Cmt:Poz (Fly Ash) + 6% bwoc Bent + 0.125 lbs/sk Poly-E-Flake + 0.1% bwoc HR-601 + 74.1% FW, 12.5 ppg, Yld: 1.95 cf/sk, Tail: 1300 sx(50:50)C1 H Cmt:Poz (Fly Ash) + 1 lb/sk NaCl + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bent + 58.8% FW, 14.5 ppg, Yld: 1.22 cf/sk, TOC @ 2000'.

22. Proposed Blowout Prevention Program

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

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION Approved By: Randy Dade	
Printed Name: Electronically filed by Randy Bolles	Title: District Supervisor	
Title: Manager, Regulatory Affairs	Approved Date: 4/30/2013	Expiration Date: 4/30/2015
Email Address: randy.bolles@dvn.com		
Date: 4/23/2013	Phone: 405-228-8588	Conditions of Approval Attached

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 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-102
August 1, 2011
Permit 166050

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41292	2. Pool Code 64450	3. Pool Name WILLOW LAKE,BONE SPRING
4. Property Code 39860	5. Property Name KAYRO 4 STATE COM	6. Well No. 001H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3001

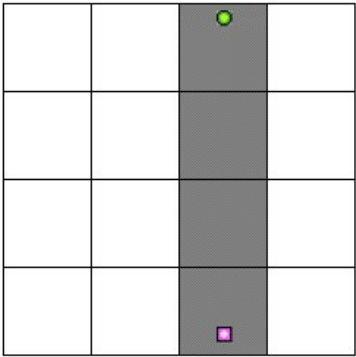
10. Surface Location

UL - Lot B	Section 4	Township 25S	Range 28E	Lot Idn 2	Feet From 207	N/S Line N	Feet From 1980	E/W Line E	County EDDY
---------------	--------------	-----------------	--------------	--------------	------------------	---------------	-------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 4	Township 25S	Range 28E	Lot Idn O	Feet From 330	N/S Line S	Feet From 1980	E/W Line E	County EDDY
12. Dedicated Acres 160.38		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: 4/23/2013</p> <hr/> <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: Filmon Jaramillo Date of Survey: 3/13/2013 Certificate Number: 12797</p>
--	---

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: KAYRO 4 STATE COM #001H

API: 30-015-41292

Created By	Comment	Comment Date
priechers	The BOP system used to drill the intermediate hole will consist of a 13-5/8" Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order 2. A 3M system will be installed and tested prior to drilling out the surface casing shoe.	4/23/2013
priechers	The BOP system used to drill the production hole will consist of a 13-5/8" Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order 2. A 3M system will be installed prior to drilling out the intermediate casing shoe.	4/23/2013
priechers	The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 3,000 psi WP.	4/23/2013
priechers	Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns.	4/23/2013
CSHAPARD	Land s/S	4/30/2013

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: KAYRO 4 STATE COM #001H

API: 30-015-41292

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