

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-8161 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) 334-8178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 192705

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
4. Property Code 40471		3. API Number 30-015-42657
5. Property Name DAISY DUKE 31 STATE COM		6. Well No. 002H

7. Surface Location

UL - Lot	H	Section	31	Township	22S	Range	26E	Lot Idn	Feet From	2275	N/S Line	N	Feet From	175	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	E	Section	31	Township	22S	Range	26E	Lot Idn	2	Feet From	1980	N/S Line	N	Feet From	330	E/W Line	W	County	Eddy
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9. Pool Information

WC-015 G-04 S232628M;BONE SPRING	98056
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3367
16. Multiple N	17. Proposed Depth 10836	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. 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	400	450	0
Int1	12.25	9.625	36	1590	510	0
Prod	8.75	5.5	17	10836	1900	1090

Casing/Cement Program: Additional Comments

5-1/2" Production Casing 2-Stage Option 220 12.5 10.86 1.96 Lead (65:35) Class H Cement: Poz (Fly Ash) + 6% BWOC Bentonite + 0.25% BWOC HR-601 + 0.125 lbs/sack Poly-E-Flake + 74.1 % Fresh Water 1320 14.5 5.32 1.21 Tail (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.25% bwoc CFR-3 + 0.2% bwoc HR-601 + 2% bwoc Bentonite + 58.8% Fresh Water DV Tool @ 4500ft 400 11.9 12.89 2.26 Lead (50:50) Class H Cement: Poz (Fly Ash) + 10% BWOC Bentonite + 1 lb/sk of Kol-Seal + 0.3% BWOC HR-601 + 0.5lb/sk D-Air 5000 + 76.4% Fresh Water 120 14.8 6.32 1.33 Tail Class C Cement + 0.125 lbs/sack Poly-E-Flake + 63.5% Fresh Water

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	
Annular	5000	5000	

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
Printed Name: Randy Bolles	Approved By: Randy Dade
Title: Manager, Regulatory Affairs	Title: District Supervisor
Email Address: randy.bolles@dvn.com	Approved Date: 9/23/2014 Expiration Date: 9/23/2016
Date: 9/18/2014 Phone: 405-228-8588	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 192705

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42657	2. Pool Code 98056	3. Pool Name WC-015 G-04 S232628M;BONE SPRING
4. Property Code 40471	5. Property Name DAISY DUKE 31 STATE COM	6. Well No. 002H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3367

10. Surface Location

UL - Lot H	Section 31	Township 22S	Range 26E	Lot Idn	Feet From 2275	N/S Line N	Feet From 175	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot E	Section 31	Township 22S	Range 26E	Lot Idn 2	Feet From 1980	N/S Line N	Feet From 330	E/W Line W	County Eddy
12. Dedicated Acres 158.69	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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table>																	<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: 9/18/2014</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: Filimon Jaramillo Date of Survey: 3/28/2014 Certificate Number: 12797</p>

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Form APD Comments

Permit 192705

PERMIT COMMENTS

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102	API Number: 30-015-42657
	Well: DAISY DUKE 31 STATE COM #002H

Created By	Comment	Comment Date
Igood	Pressure Control Equipment: A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the surface casing and intermediate shoes. The BOP system used to drill the intermediate hole will be tested per BLM Onshore Oil and Gas Order 2. 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, addit	9/18/2014
Igood	Auxiliary Well Control and Monitoring Equipment: a. A Kelly cock will be in the drill string at all times. b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.	9/18/2014
Igood	Casing Notes: • All casing is new and API approved • The casing will never be completely evacuated of fluid Maximum TVD: 6363'	9/18/2014
Igood	Proposed mud Circulations System: Depth Mud Weight Viscosity Fluid Loss Type System 0 - 400' 8.4-9.0 30-34 N/C FW 400-1590' 10.0-10.1 28-32 N/C Brine 1590-10836' 8.6-9.0 28-32 N/C FW The necessary mud products for weight addition and fluid loss control will be on location at all times. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume. If abnormal pressures are encountered, electronic/mechanical mud monitoring equipment will be installed.	9/18/2014
Igood	Notes: • Cement volumes Surface 100%, Intermediate 75% and Production based on at least 25% excess • Actual cement volumes will be adjusted based on fluid caliper and/or caliper log data • If lost circulation is encountered while drilling the production wellbore, a DV tool will be installed a minimum of 50' below the previous casing shoe and of 200' above the current shoe. If the DV tool has to be moved, the cement volumes will be adjusted proportionately.	9/18/2014
CSHAPARD	Land s/S	9/18/2014

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Form APD Conditions

Permit 192705

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102		API Number: 30-015-42657
		Well: DAISY DUKE 31 STATE COM #002H
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	