

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) 749-1283 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 104754

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 30-015-42768
4. Property Code 313782	5. Property Name CERF 10 STATE	6. Well No. 008H

7. Surface Location

UL - Lot P	Section 10	Township 21S	Range 27E	Lot Idn	Feet From 985	N/S Line S	Feet From 100	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot M	Section 10	Township 21S	Range 27E	Lot Idn M	Feet From 735	N/S Line S	Feet From 330	E/W Line W	County Eddy
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9. Pool Information

AVALON;BONE SPRING, EAST	3713
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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 3275
16. Multiple N	17. Proposed Depth 11281	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	26	20	94	120	340	0
Int1	17.5	13.375	48	750	700	0
Int2	12.25	9.625	40	2760	840	800
Prod	8.75	5.5	17	11281	1920	5000

Casing/Cement Program: Additional Comments

9-5/8" 2nd Inter. Two Stage Option 440sx & 220sx; DV/ECP Tool 800' 220sx 5-1/2" Prod. Two Stage Option 180sx & 1360sx; DV/ECP Tool 5000' 500sx & 120sx DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
Double Ram	3000	3000	
Annular	3000	3000	
Double Ram	3000	3000	

<p>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.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by Randy Bolles</p> <p>Title: Manager, Regulatory Affairs</p> <p>Email Address: randy.bolles@dvn.com</p> <p>Date: 10/29/2014</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Randy Dade</p> <p>Title: District Supervisor</p> <p>Approved Date: 10/29/2014</p> <p>Expiration Date: 10/29/2016</p> <p>Conditions of Approval Attached</p>
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 Santa Fe, NM 87505**

Form C-102
 August 1, 2011
 Permit 104754

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42768	2. Pool Code 3713	3. Pool Name AVALON;BONE SPRING, EAST
4. Property Code 313782	5. Property Name CERF 10 STATE	6. Well No. 008H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3275

10. Surface Location

UL - Lot P	Section 10	Township 21S	Range 27E	Lot Idn	Feet From 985	N/S Line S	Feet From 100	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 10	Township 21S	Range 27E	Lot Idn	Feet From 735	N/S Line S	Feet From 330	E/W Line W	County Eddy
12. Dedicated Acres 160.00			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

	OPERATOR CERTIFICATION		
	<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>		
	E-Signed By:	Randy Bolles	
	Title:	Manager, Regulatory Affairs	
Date:	10/29/2014		
SURVEYOR CERTIFICATION			
<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>			
Surveyed By:	Filimon Jaramillo		
Date of Survey:	7/10/2014		
Certificate Number:	12797		

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Form APD Comments

Permit 104754

PERMIT COMMENTS

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102	API Number: 30-015-42768
	Well: CERF 10 STATE #008H

Created By	Comment	Comment Date
Igood	BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.	10/29/2014
Igood	Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold.	10/29/2014
Igood	Mud Program Depth Type Weight (ppg) Viscosity Water Loss From To 0 750' FW Gel 8.4-9.6 28-34 N/C 750' 2,760' Saturated Brine 10.0-10.2 28-34 N/C 2,760' 11,281' Cut Brine 8.5-9.3 28-34 N/C Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.	10/29/2014
Igood	The C-102, Drilling Plan and Directional Plan will be submitted via Fed-Ex.	10/29/2014
Igood	See the mailed copy of the Drilling Plan with all contingency operations.	10/29/2014
CSHAPARD	Land s/S	10/29/2014

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Form APD Conditions

Permit 104754

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102	API Number: 30-015-42768
	Well: CERF 10 STATE #008H

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