

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 195794

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 30-025-42277 |
| 4. Property Code 39429 | 5. Property Name TAIPAN 10 STATE COM | 6. Well No. 008H |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot D | Section 15 | Township 23S | Range 33E | Lot Idn | Feet From 240 | N/S Line N | Feet From 1205 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot D | Section 10 | Township 23S | Range 33E | Lot Idn D | Feet From 330 | N/S Line N | Feet From 932 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|

9. Pool Information

| | |
|--------------------------|-------|
| CRUZ;DELAWARE, NORTHEAST | 96724 |
|--------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3704 |
| 16. Multiple N | 17. Proposed Depth 13957 | 18. Formation Brushy Canyon | 19. Contractor | 20. Spud Date 1/19/2015 |
| 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 | 1400 | 1240 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 4300 | 1120 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5200 | 430 | 0 |
| Prod | 8.75 | 5.5 | 17 | 13957 | 2020 | 4700 |

Casing/Cement Program: Additional Comments

| |
|------------------------------------------------------------|
| Please see drilling plan submission for contingency plans. |
|------------------------------------------------------------|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular | 3000 | 3000 | None |
| Double Ram | 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: Printed Name: Electronically filed by Randy Bolles Title: Manager, Regulatory Affairs Email Address: randy.bolles@dvn.com Date: 11/20/2014 | OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 11/20/2014 Expiration Date: 11/20/2016 Conditions of Approval Attached |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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Santa Fe, NM 87505

Form C-102
 August 1, 2011
 Permit 195794

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------------------------------|------------------------------------------|
| 1. API Number 30-025-42277 | 2. Pool Code 96724 | 3. Pool Name CRUZ,DELAWARE, NORTHEAST |
| 4. Property Code 39429 | 5. Property Name TAIPAN 10 STATE COM | 6. Well No. 008H |
| 7. OGRID No. 6137 | 8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP | 9. Elevation 3704 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot D | Section 15 | Township 23S | Range 33E | Lot Idn | Feet From 240 | N/S Line N | Feet From 1205 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------|-----------------|---------------------|---------|-------------------------------------------|---------------|------------------|---------------|---------------|
| UL - Lot D | Section 10 | Township 23S | Range 33E | Lot Idn | Feet From 330 | N/S Line N | Feet From 932 | E/W Line W | County Lea |
| 12. Dedicated Acres 160.00 | | | 13. Joint or Infill | | 14. Consolidation Code Communitization | | 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: | 11/20/2014 | |
| 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 F Jaramillo | |
| Date of Survey: | 10/7/2014 | |
| Certificate Number: | 12797 | |

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Form APD Comments

Permit 195794

PERMIT COMMENTS

| | | |
|-------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|------------------------------------|
| Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102 | | API Number: 30-025-42277 |
| | | Well: TAIPAN 10 STATE COM #008H |
| Created By | Comment | Comment Date |
| TLAIRD | Drilling plan, Directional plan, and C-102 will be mailed to the appropriate office. | 11/19/2014 |

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Form APD Conditions

Permit 195794

PERMIT CONDITIONS OF APPROVAL

| | |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------|
| Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102 | API Number: 30-025-42277 |
| | Well: TAIPAN 10 STATE COM #008H |

| OCD Reviewer | Condition |
|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| pkautz | Will require a directional survey with the C-104 |
| pkautz | 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 |
| pkautz | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well. |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |