District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District 11 District 11 District 11 District 10 District 10 District 11 District 10 District 11 District 12 District 12 Dist	HOBBS OF	State of New Mexico gy Minerals and Natural Resources	Form C-101 Revised July 18, 2013	
811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III	NOV 2 9 2016	<b>Oil Conservation Division</b>	AMENDED REPORT	
1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170		1220 South St. Francis Dr.		
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462	RECEIVED	Santa Fe, NM 87505		

#### APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address Devon Energy Production Company, Lp. OGRID Number Devon Energy Production Co., L.P. 333 West Sheridan Ave., Oklahoma City, OK 73102 6137 30-025-4 \* Property Code 3/7/00 <sup>3</sup> Property Name Big Cat 16 State VDW 7. Surface Location UL - Lot Section Township Range Lot Idn Feet from N/S Line Feet From E/W Line County L 16 235 32E 2110 S 200 W Lea <sup>8</sup> Proposed Bottom Hole Location UL - Lot Section Township Range Lot Idn Feet from N/S Line Feet From E/W Line County L 16 23S 32E L 2110 S 200 W Lea <sup>9</sup>. Pool Information Pool Name Pool Code

<sup>11.</sup> Work Type	<sup>12.</sup> Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
M (Monitor)			State	3683
<sup>16.</sup> Multiple	17. Proposed Depth	18. Formation	<sup>19.</sup> Contractor	<sup>20.</sup> Spud Date
N	13200	Wolfcamp		12/15/2016
epth to Ground water	Distance f	stance from nearest fresh water well		nearest surface water

98210

98210 Stratagraphic

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

#### <sup>21.</sup> Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	26	20	94	1225	1924	0
Int1	17.5	13.375	68	4700	2413	0
Int 2	12.25	9.625	40	11700	1418	3700
Prod	8.75	5.5	17	13200	326	11500

#### Casing/Cement Program: Additional Comments

#### <sup>22.</sup> Proposed Blowout Prevention Program

	AT OPOSCA DIOTIONE A	rerention rrogram			
Туре	Working Pressure	Test Pressure	Manufacturer		
Annular	3000	3000			
Annular	3000	3000			
Double Ram	3000	30000			
<sup>23.</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION			
I further certify that I have complied 19.15.14.9'(B) NMAC , if applicabl Signature:	with 19.15.14.9 (A) NMAC and/or le.	Approved By:	1		
Printed name: Chance Bland	ing Bel	Title:	Petroleum Enginee		
Title: Regulatory Compliance Specialist	t	Approved Date: 11/29/16	Expiration Date: 11/29/18		
E-mail Address: chance.bland@dvn.con	n				

			1 Same
Date:	Phone: 405-228-8593	Conditions of Approval Attached	
11/08/2016			

### Devon Energy, Big Cat 16 State VDW 1

# HOBBS OCD

NOV 2 9 2016

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#### 1. Geologic Formations

TVD of target	13,200'	Pilot hole depth	13,200'
MD at TD:	13,200'	Deepest expected fresh water:	

## Basin

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
RUSTLER	1,188		
SALADO	1,551		-
BASE OF SALT	4,575		
DELAWARE	4,800		
BELL CANYON	4,834		
CHERRY CANYON	5,723		
BRUSHY CANYON	6,971		
<b>1ST BONE SPRING LIMESTONE</b>	8,692		
LEONARD A	8,818		
LEONARD B	9,220		
LEONARD C	9,646		
1ST BONE SPRING SANDSTONE	9,832		
2ND BONE SPRING LIMESTONE	10,110		
2ND BONE SPRING SANDSTONE	10,432	Marine and Alexandre	
3RD BONE SPRING LIMESTONE	10,959		
3RD BONE SPRING SANDSTONE	11,685		
WOLFCAMP X	12,150		
WOLFCAMP A	12,285		
WOLFCAMP B	13,125		

\*H2S, water flows, loss of circulation, abnormal pressures, etc.

### 2. Casing Program

Hole Casing Interva		Interval	Csg. Size	Weight	Grade	e Conn.	SF	SF	SF
Size From	From	To		(lbs)			Collapse	Burst	Tension
26"	0	1,225'	20"	94	J-55	BTC	1.15	2.17	4.43
17-1/2"	0	4,700'	13-3/8"	68	J-55	BTC	1.37	4.06	2.42
12-1/4"	0	11,700'	9-5/8"	40	P-110 EC	BTC	2.03	1.31	2.35
8-3/4"	0	13,200'	5.5"	17	P-110	BTC	3.26	1.18	3.79
				BLM Mi	nimum Safety	Factor	1.125	1.00	1.6 Dry 1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Must have table for contingency casing

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 <sup>nd</sup> string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

### 3. Cementing Program

Casing	# Sks	Wt. lb/ gal	H <sub>2</sub> 0 gal/sk	Yld ft3/ sack	500# Comp. Strengt h (hours)	Slurry Description
20"	1924	14.8	6.37	1.33	7	Tail: Class C Cement
13-3/8" Int 1	1708	12.8	10.68 1	1.99	21.5	Lead: (65:35) Class C Cement: Poz (Fly Ash): 8% BWOB Bentonite + 8% BWOW Salt + 0.2 gal/sk Anti-Foam + 0.2% BWOB Dispersant + 0.4% BWOB Retarder
	705	14.8	6.352	1.33	5	Tail: Class C Cement: 0.2% BWOB Retarder
	639	9.07	12.29 2	2.99	17.5	Lead: LiteFILL Blend Cement: 0.5% Retarder + 0.05 gal/sk Anit-Foam
9-5/8" Inter II	779	13.5	7.459	1.55	5	Tail: (50:50) Class H Cement: Poz (Fly Ash): 0.4% BWOB Retarder + 0.02 gal/sk Anti-Foam + 0.2% BWOB FLAC + 10% BWOB Extender + 2% BWOB Expanding Agent
1. St.	N/A	N/A	N/A	N/A	N/A	N/A
5-1/2" Prod	326	13.5	7.459	1.55	5	Tail: (50:50) Class H Cement: Poz (Fly Ash): 0.4% BWOB Retarder + 0.02 gal/sk Anti-Foam + 0.4% BWOB FLAC + 10% BWOB Extender + 2% BWOB Expanding Agent

Casing String	TOC	% Excess
20" Surface	0'	25%
13-3/8" Intermediate 1	0'	25%
9-5/8" Intermediate 2	3,700	25%
5-1/2" Production Casing	11,500′	15%

#### 4. Pressure Control Equipment

N A variance is requested for the use of a diverter on the surface casing. See attached for schematic.

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Ту	pe		Tested to:
			Ann	ular	X	50% of working pressure
a the second second			Blind	Ram		
17-1/2"	21-1/4"	2M	Pipe	Ram		214
			Double Ram			2M
			Other*			
		3M	Annular		X	50% of working pressure
			Blind Ram			
12-1/4"	13-5/8"		Pipe Ram			23.6
			Double Ram		x	3M
			Other*	1.15		
and the second			Ann	ular		50% testing pressure
			Blind	Blind Ram		
8-3/4"	13-5/8"	3M	Pipe	Pipe Ram		214
			Double	e Ram		3M
			Other*	1		

\*Specify if additional ram is utilized.

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.

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. See attached schematics.

Y	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.

## Devon Energy, Big Cat 16 State VDW 1

	Y Are anchors required by manufacturer?			
Y	A multibowl wellhead may be used. The BOP will be tested per Onshore Order #2 after			
	installation on the surface casing which will cover testing requirements for a maximum of			
	30 days. If any seal subject to test pressure is broken the system must be tested.			
	Devon proposes using a multi-bowl wellhead assembly. This assembly will only be tested			
-	when installed on the surface casing. Minimum working pressure of the blowout			
	preventer (BOP) and related equipment (BOPE) required for drilling below the surface			
1.0	casing shoe shall be 3000 (3M) psi.			
	• Wellhead will be installed by wellhead representatives.			
	• If the welding is performed by a third party, the wellhead representative will			
	monitor the temperature to verify that it does not exceed the maximum			
	temperature of the seal.			
	<ul> <li>Wellhead representative will install the test plug for the initial BOP test.</li> </ul>			
	• Wellhead company will install a solid steel body pack-off to completely isolate			
4.5	the lower head after cementing intermediate casing. After installation of the pack-			
	off, the pack-off and the lower flange will be tested to 3M, as shown on the			
25	attached schematic. Everything above the pack-off will not have been altered			
	whatsoever from the initial nipple up. Therefore the BOP components will not be			
1.3	referred at that time.			
	• If the cement does not circulate and one inch operations would have been possible with a standard wallhead, the wall head will be gut and top out operations will be			
1	conducted			
-	<ul> <li>Devon will pressure test all seals above and below the mandrel (but still above the</li> </ul>			
	casing) to full working pressure rating			
	<ul> <li>Devon will test the casing to 0.22 psi/ft or 1500 psi whichever is greater as per</li> </ul>			
2	Onshore Order #2.			
24	After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum			
	rating of 3M will be installed on the wellhead system and will undergo a 250 psi low			
	pressure test followed by a 3,000 psi high pressure test. The 3,000 psi high and 250 psi			
	Iow test will cover testing requirements a maximum of 30 days, as per Onshore Order #2.			
	conducted as per Onshore Order #2			
	After running the $9.5/8'$ intermediate casing with a mandrel hanger the $13.5/8''$			
	BOP/BOPE system with a minimum rating of 3M will already be installed on the			
	wellhead.			
	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.			
	Devon's proposed wellhead manufactures will be FMC Technologies, Cactus Wellhead,			

5 Drilling Plan

or Cameron.

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.

#### 5. Mud Program

Depth		Туре	Weight (ppg)	Viscosity	Water Loss
From	То				
0	1,225	FW Gel	8.6-8.8	28-34	N/C
1,225'	4,700'	Saturated Brine	10.0-10.2	28-34	N/C
4,700'	13,200'	Cut Brine	8.5-9.8	28-34	N/C
11,700	13,200'	Cut Brine	9.5-10.5	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.

What will be used to monitor the loss or gain	PVT/Pason/Visual Monitoring
of fluid?	

#### 6. Logging and Testing Procedures

Logg	ing, Coring and Testing.
X	Will run GR/CNL from TD to surface (horizontal well - vertical portion of hole).
	Stated logs run will be in the Completion Report and submitted to the BLM.
	No Logs are planned based on well control or offset log information.
	Drill stem test? If yes, explain

Add	litional logs planned	Interval
	Resistivity	Int. shoe to KOP
	Density	Int. shoe to KOP
Х	CBL	Production casing
X	Mud log	Intermediate shoe to TD
	PEX	

#### 7. Drilling Conditions

Condition	Specify what type and where?
BH Pressure at deepest TVD	7001 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions. Describe. Lost circulation material/sweeps/mud scavengers.

Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

N H2S is present

Y H2S Plan attached

#### 8. Other facets of operation

Is this a walking operation? No. Will be pre-setting casing? No.

Attachments

<u>x</u> Directional Plan Other, describe