State of New Mexico

Form C-101 Permit 125548

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

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

| Operato DEVON ENERGY PR | 2. OGRID Number 6137 | | |
|-----------------------------|------------------------------------|-------------------------------|--|
| | N Broadway a City, OK 73102 | 3. API Number 30-015-38475 | |
| 4. Property Code 38433 | 5. Property Name DIAMOND PWU 22 | 6. Wett No. 002H | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| E | 22 | 198 | 29E | E | 1800 | N | 250 | W | EDDY |

8. Pool Information

| TURNISH TO A OU DON'T APPRICA | 40.440 |
|-------------------------------|--------|
| TURKEY TRACK:BONE SPRING | 60660 |

Additional Well Information

| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3329 18. Spud Date 2/15/2011 | |
|---|-----------------------------|-------------------------------|--|--|--|
| 14. Multiple N | 15. Proposed Depth 12389 | 16. Formation Bone Spring | 17. Contractor | | |
| Depth to Ground | water | Distance from nearest fresh w | ater well | Distance to nearest surface water | |
| Pit: Liner: Synthetic Closed Loop Syste | mils thic | k Clay Pit Volume: t | obls Dritting Method: Fresh Water X Brine I | Diesel/Oil-based Gas/Air | |

19. 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 | 200 | 500 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 3500 | 1050 | 0 |
| Prod | 8.75 | 5.5 | 17 | 12389 | 400 | 3000 |
| Prod | 8.75 | 5.5 | 17 | 7200 | 2300 | 3000 |

Casing/Cement Program: Additional Comments

13 3/8 w/500 sx C1 C + 2% CaCl + 1/4 lb/sx Cello flakes, 9 5/8 w/1050 sx C1 C + 2% CaCl + 1/4 lb/sx Cello flakes, 5 1/2 Stage 1 w/2300 sx C1 C + 2% CaCl + 1/4 lb/sx Cello flakes. DV tool @ 4500′. MAX TVD 7,990′. An 8-3/4" pilot hole will be drilled to 8,160 ft and plugged back to KOP with a cement plug and openhole whipstock. The pilot hole will be cemented from the pilot hole TD to the KOP. The whipstock will be set at approx 7,357 ft (KOP). 8-3/4" Pilot Hole Plug w/700 sacks Class H, 18.0 ppg, 0.9 cf/sk. Top of Plug @ 7,357° (KOP). Bottom of Plug @ 8,160 ft (pilot hole TD). Mud: 0-200′ fresh, 8.4-9.0, 30-34, N/C water loss. 200-3500′ brine, 9.6-10.0, 28-32, N/C water loss. 3500-12389′ fresh, 8.6-9.0, 28-32, N/C-12 water loss.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| Annular | 3000 | 3000 | |
| Pipe | 3000 | 3000 | |
| DoubleRam | 3000 | 3000 | |

| of my knowledge and belief. | nation given above is true and complete to the best illing pit will be constructed according to | OIL CONSERVATION DIVISION | | |
|---|--|-----------------------------|----------------------------|--|
| NMOCD guidelines , a g OCD-approved plan . | eneral permit , or an (attached) alternative | Approved By: Randy Dade | | |
| Printed Name: Electron | ically filed by Randy Bolles | Title: District Supervisor | | |
| Title: | | Approved Date: 2/18/2011 | Expiration Date: 2/18/2013 | |
| Email Address: randy.b | olles@dvn.com | 07000 | 92 - 25 | |
| Date: 2/18/2011 | Phone: 405-228-8588 | Conditions of Approval Atta | ched | |

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District I

1301 W. Grand Ave., 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

Form C-102 Permit 125548

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number | 2. Pool Code | 3. Po | of Name |
|------------------|--------------------|-------------------|---------------|
| 30-015-38475 | 60660 | TURKEY TRAC | K;BONE SPRING |
| 1. Property Code | 5. Property | Name | 6. Well No. |
| 38433 | DIAMOND | PWU 22 | 002H |
| 7. OGRID No. | 8. Operator | Name | 9. Elevation |
| 6137 | DEVON ENERGY PRODU | CTION COMPANY, LP | 3329 |

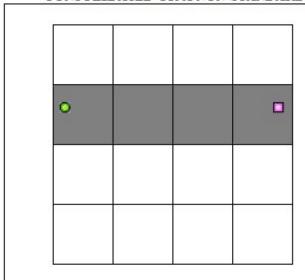
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|------------------|-----------|----------|-----------|----------|--------|
| E | 22 | 198 | 29E | In the second of | 1800 | N | 250 | W | EDDY |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|-------------|----------|----------------|---------|-----------------|----------|-----------|---------------|--------|
| H | 22 | 19S | 29E | H | 1800 | N | 330 | E | EDDY |
| | cated Acres | 13. J | oint 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 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.

E-Signed By: Randy Bolles

Title:

Date: 2/18/2011

SURVEYOR CERTIFICATION

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.

Surveyed By: Filmone Jaramillo Date of Survey: 12/16/2010 Certificate Number: 12797

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137 Well: DIAMOND PWU 22 #002H

API: 30-015-38475

| Created By | Comment | Comment Date |
|---------------|--|-----------------|
| YSASAS | No H2S is expected to be encountered. | 1/11/2011 |
| YSASAS | Depth to groundwater is 50' or more, but less than 100', distance to surface water is approximately 1000'; well is not in the wellhead protection area. | 1/11/2011 |
| YSASAS | C-102 to be mailed next day via Fed-Ex. | 1/11/2011 |
| YSASAS | The BOP system used to drill the intermediate hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the surface casing shoe. The BOP system used to drill the production hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the intermediate casing shoe. The pipe rams will be operated and checked each 24 hour period and each time the drill pipe | 2/18/2011 |
| YSASAS | BOP CONTINUED: 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. | 2/18/2011 |
| Artesia | Land S/S | 2/18/2011 |
| Artesia | This is a state well not BLM well. If you insist testing your BOP in accordance with BLM Onshore Oil and Gas Order No.2 please submit a copy of Onshore order 2 to our office. | 2/18/2011 |

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP, 6137

Well: DIAMOND PWU 22 #002H

API: 30-015-38475

| OCD Reviewer | Condition |
|-----------------|--|
| Artesia | 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 |