

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

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N Broadway Oklahoma City, OK 73102		2. OGRID Number 6137
		3. API Number 30-015-39037
4. Property Code 32437	5. Property Name HB 2 STATE	6. Well No. 007H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	2	24S	29E	M	200	S	420	W	EDDY

8. Pool Information

CEDAR CANYON:BONE SPRING	11520
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3041
14. Multiple N	15. Proposed Depth 11824	16. Formation 1st Bone Spring Sand	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Linear: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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	300	500	0
Int1	12.25	9.625	40	3100	1200	0
Prod	8.75	5.5	17	11824	475	0
Prod	8.75	5.5	17	6600	1850	2600

Casing/Cement Program: Additional Comments

Pressure Control Equipment: 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 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 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 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.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	
Annular	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
Printed Name: Electronically filed by Randy Bolles	Title: District Supervisor	
Title: Manager, Regulatory Affairs	Approved Date: 5/16/2011	Expiration Date: 5/16/2013
Email Address: randy.bolles@dnv.com		
Date: 5/9/2011	Phone: 405-228-8588	

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

District II
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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 123770

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39037	2. Pool Code 11520	3. Pool Name CEDAR CANYON;BONE SPRING
4. Property Code 32437	5. Property Name H B 2 STATE	6. Well No. 007H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3041

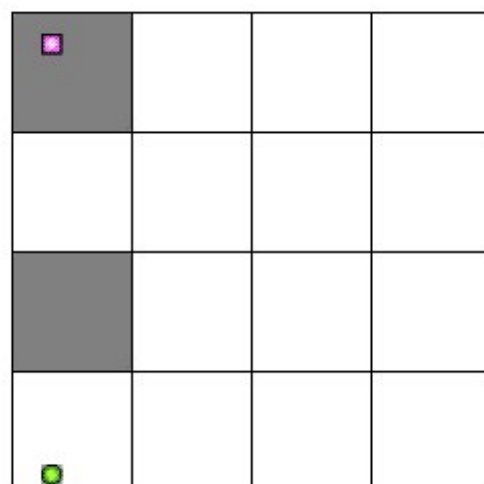
10. Surface Location

UL - Lot M	Section 2	Township 24S	Range 29E	Lot Idn	Feet From 200	N/S Line S	Feet From 420	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 2	Township 24S	Range 29E	Lot Idn 4	Feet From 330	N/S Line N	Feet From 420	E/W Line W	County EDDY
12. Dedicated Acres 159.70		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 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: Manager, Regulatory Affairs
Date: 5/9/2011

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: Filimon Jaramillo
Date of Survey: 11/12/2010
Certificate Number: 338