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) 748-1283 Fax:(575) 748-9720 District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-101 August 1, 2011

Permit 157021

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

Santa Fe, NM 87505 District IV 1220 S. St Francis Dr., Santa Fe, NM 87505

| APPLICATION FOR PERMIT | TO DKILL, KE-ENTER, I | DEEPEN, PLUGBACK, | OK ADD A ZONE |
|------------------------|-----------------------|-------------------|---------------|
| | | | |

| DEVON ENERGY PR | r Name and Address ODUCTION COMPANY, LP | OGRID Number 6137 |
|------------------|---|-----------------------|
| | Sheridan Avenue a City, OK 73102 | 3. API Number |
| - Citations | 01, 011, 5102 | 30-015-40822 |
| 4. Property Code | 5. Property Name | 6. Well No. |
| 38433 | DIAMOND PWU 22 | 005H |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D | 22 | 198 | 29E | D | 725 | N | 330 | W | EDDY |

8. Proposed Bottom Hole Location

| | Ul I Topote Dolland Livie Dolland | | | | | | | | | |
|----------|-----------------------------------|----------|-------|---------|-----------|----------|-----------|----------|--------|--|
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County | |
| A | 22 | 19S | 29E | A | 660 | N | 330 | E | Eddy | |

9. Pool Information

| TURKEY TRACK:BONE SPRING | 60660 | |
|--------------------------------|-------|--|
| Total Indicate of the state of | 00000 | |

Additional Well Information

| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3332 |
|---|----------------------|--|-------------------------|-----------------------------------|
| 16. Multiple 17. Proposed Depth N 11485 | | 18. Formation 19. Contra 1st Bone Spring Sand | | 20. Spud Date |
| Depth to Ground | water | Distance from nearest fresh water w | rel1 | Distance to nearest surface water |

21. 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 | 250 | 260 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 3400 | 970 | 0 |
| Prod | 8.75 | 5.5 | 17 | 11485 | 1320 | 0 |
| Prod | 8.75 | 5.5 | 17 | 6300 | 600 | 2900 |

Casing/Cement Program: Additional Comments

13-3/8 Lead: w/260 sx ClassC Cmt + 2% bwoc CalChl + 0.125#/sx Poly-EF + 63.1% FW, 14.8 ppg. Yld: 1.35 cf/sk 9-5/8" Lead: w/610 sx (65:35) ClassC Cmt:Poz (Fly Ash)+ 5% bwow Sodium Chl + 0.125#/sx Poly-EF + 6% bwoc Bentonite + 70.9% FW, 12.9 ppg. Yld: 1.85 cf/sk. Tail: w/360 sx ClassC Cmt + 0.125#/sx Poly-EF + 63.5% Wtr, 14.8 ppg. Yld: 1.33 cf/sk 5-1/2" Lead: w/600 sx (65:35) ClassH Cmt:Poz (Fly Ash) + 6% bwoc Bentonite + 0.125#/sx Poly-EF + 0.1% bwoc HR-601 + 74.1% FW, 12.5 ppg. Yld: 1.95 cf/sk. Tail: w/1320 sx (50:50) ClassH Cmt:Poz (Fly Ash) + 1#/sx SodChl + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bentonite + 58.8% FW, 14.5 ppg. Yld: 1.22 cf/sk. TVD: 7115'

22. Proposed Blowout Prevention Program

| m | T WITH THE | | | | | | | | | |
|-----------|------------------|---------------|--------------|--|--|--|--|--|--|--|
| Type | Working Pressure | Test Pressure | Manufacturer | | | | | | | |
| DoubleRam | 3000 | 3000 | | | | | | | | |
| Annular | 3000 | 3000 | | | | | | | | |

| best of my knowledge and belief. | on given above is true and complete to the | OIL CONSERVATION DIVISION Approved By: Randy Dade | | | | |
|---|--|---|-----------------------------|--|--|--|
| I further certify I have complied w 19.15.14.9 (B) NMAC ⊠, if applic | ith 19.15.14.9 (A) NMAC 🛮 and/or able. | | | | | |
| Signature: | | | | | | |
| Printed Name: Electronically f | iled by Randy Bolles | Title: District Supervisor | | | | |
| Title: Manager, Regulatory Af | fairs | Approved Date: 10/31/2012 | Expiration Date: 10/31/2014 | | | |
| Email Address: randy.bolles@ | dvn.com | | | | | |
| Date: 10/30/2012 | Phone: 405-228-8588 | Conditions of Approval Attached | | | | |

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State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 Form C-102 August 1, 2011

Permit 157021

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number | 2. Pool Code | ol Name |
|----------------------|---------------------------------|----------------------|
| 30-015-40822 | 60660 | K;BONE SPRING |
| 4. Property Code | 5. Property | 6. Well No. |
| 38433 | DIAMOND | 005H |
| 7. OGRID No. 6137 | 8. Operator DEVON ENERGY PRODUC | 9. Elevation 3332 |

10. Surface Location

| 3 | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | D | 22 | 198 | 29E | | 725 | N | 330 | 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 | |
|----------|-------------|----------|----------------|---------|-------------------|----------|-----------|---------------|--------|--|
| A | 22 | 198 | 29E | A | 660 | 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

| 0 | | |
|---|---|--|
| | 3 | |
| | | |
| | | |

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: 10/30/2012

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: Frank Jaramillo Date of Survey: 9/4/2012 Certificate Number: 1238

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137 Well: DIAMOND PWU 22 #005H

API: 30-015-40822

| Created By | Comment | Comment Date |
|---------------|--|-----------------|
| morawford | The BOP system used to drill the intermediate and production holes 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 prior 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. | 10/30/2012 |
| marawford | In addition to the rams and annular preventer, additional BOP accessories include a kelly cook, floor safety valve, choke lines, and choke manifold rated at 3,000 psi WP. | |
| marawford | 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. | |
| marawford | Mud: 0-250' FW, 8.4-9.0, 28-34, NC; 250'-3,400' Brine, 9.8-10.2, 28-31 NC; 3,400'-11,485 FW, 8.6-9.0, 28-32, NC-12 | |
| morawford | No H2S is anticipated to be encountered. | 10/30/2012 |
| CSHAPARD | Land s/S | 10/30/2012 |

Permit Conditions of Approval
Operator: DEVON ENERGY PRODUCTION COMPANY, LP, 6137
Well: DIAMOND PWU 22 #005H

API: 30-015-40822

| 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 |