

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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) 334-8178 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 191874

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
4. Property Code 313646		3. API Number 30-015-42623
5. Property Name Uncle Jesse 32 State SWD		6. Well No. 001

7. Surface Location

UL - Lot	P	Section	32	Township	22S	Range	26E	Lot Idn		Feet From	660	N/S Line	S	Feet From	1020	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	P	Section	32	Township	22S	Range	26E	Lot Idn	P	Feet From	660	N/S Line	S	Feet From	1020	E/W Line	E	County	Eddy
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9. Pool Information

SWD;CANYON-MOR-DEV-ELLEN	96189
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3362
16. Multiple N	17. Proposed Depth 14997	18. Formation Simpson	19. Contractor	20. Spud Date
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	68	1690	1280	0
Int1	12.25	9.625	47	8660	1720	1190
Prod	8.75	7	29	12415	810	8160

Casing/Cement Program: Additional Comments

Casing Program (cont'd) 6-1/8" 12415-14997' OPEN HOLE Casing Notes: • All casing is new and API approved Maximum TVD: 14997' 9-5/8" 1st Intermediate Casing Two-Stage Option 770 11.9 12.89 2.26 Lead (50:50) Class H Cement: Poz (Fly Ash) + 10% BWOC Bentonite + 1 lb/sk of Kol-Seal + 0.3% BWOC HR-601 + 0.5lb/sk D-Air 5000 + 76.4% Fresh Water 210 14.4 5.75 1.24 Tail 50% Premium H / 50% PozMix + 0.2% BWOC Halad-9 + 0.2% BWOC HR-800 + 64.7% Fresh Water DV Tool at 4500ft 560 11.9 12.89 2.26 Lead (50:50) Class H Cement: Poz (Fly Ash) + 10% BWOC Bentonite + 1 lb/sk of Kol-Seal + 0.3% BWOC HR-601 + 0.5lb/sk D-Air 5000 + 76.4% Fresh Water 180 14.8 6.34 1.33 Tail Class C Cement + 0.125 lbs/sack Poly-E-Flake + 63.5% Fresh Water

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	2000	
Double Ram	3000	3000	
Annular	3000	3000	
Double Ram	5000	5000	
Annular	5000	5000	

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: 9/4/2014	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 9/9/2014 Expiration Date: 9/9/2016 Conditions of Approval Attached
Phone: 405-228-8588	

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Form C-102
August 1, 2011
Permit 191874

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42623	2. Pool Code 96189	3. Pool Name SWD,CANYON-MOR-DEV-ELLEN
4. Property Code 313646	5. Property Name Uncle Jesse 32 State SWD	6. Well No. 001
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3362

10. Surface Location

UL - Lot P	Section 32	Township 22S	Range 26E	Lot Idn	Feet From 660	N/S Line S	Feet From 1020	E/W Line E	County Eddy
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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
12. Dedicated Acres 40.00				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

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="background-color: #cccccc; text-align: center;">■</td></tr> </table>																■	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><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></p> <p>E-Signed By: Randy Bolles Title: Manager, Regulatory Affairs Date: 9/4/2014</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Filimon Jaramillo Date of Survey: 3/20/2014 Certificate Number: 12797</p>
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Form APD Comments

Permit 191874

PERMIT COMMENTS

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102	API Number: 30-015-42623
	Well: Uncle Jesse 32 State SWD #001

Created By	Comment	Comment Date
Igood	Pressure Control Equipment: The BOP system used to drill the 17-1/2" hole will consist of a 20" 2M Annular preventer. The BOP system will be tested as a 2M system per BLM Onshore Oil and Gas Order 2 prior to drilling out the casing shoe. A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling the 12-1/4" hole section. The BOP system will be tested as a 3M system per BLM Onshore Oil and Gas Order 2 prior to drilling out the casing shoes. A 5M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling	9/4/2014
Igood	Auxiliary Well Control and Monitoring Equipment: a. A Kelly cock will be in the drill string at all times. b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.	9/4/2014
Igood	Casing Notes: • All casing is new and API approved Maximum TVD: 14997'	9/4/2014
Igood	Proposed mud Circulations System: Depth Mud Weight Viscosity Fluid Loss Type System 0-1690' 10.0-10.1 28-32 N/C Brine 1690-8660' 8.6-9.3 28-32 N/C FW 8660-12415' 9.9-11.7 28-32 N/C Brine 12415-14997' 8.3-8.5 28-32 N/C FW The necessary mud products for weight addition and fluid loss control will be on location at all times. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume. If abnormal pressures are encountered, electronic/mechanical mud monitoring equipment will be installed.	9/4/2014
Igood	SALTWATER DISPOSAL WELL	9/4/2014
Igood	Proposed mud Circulations System: Depth Mud Weight Viscosity Fluid Loss Type System 0-1690' 10.0-10.1 28-32 N/C Brine 1690-8660' 8.6-9.3 28-32 N/C FW 8660-12415' 9.9-11.7 28-32 N/C Brine 12415-14997' 8.3-8.5 28-32 N/C FW The necessary mud products for weight addition and fluid loss control will be on location at all times. Visual mud monitoring equipment will be in place to detect volume changes indicating loss or gain of circulating fluid volume. If abnormal pressures are encountered, electronic/mechanical mud monitoring equipment will be installed.	9/4/2014
Igood	C-102 Plats and Drilling Plan being sent Fed ex overnight.	9/4/2014
CSHAPARD	Land s/s	9/4/2014

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Form APD Conditions

Permit 191874

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102		API Number: 30-015-42623
		Well: Uncle Jesse 32 State SWD #001
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	