

DATE IN <u>12.27.11</u>	SUSPENSE	ENGINEER <u>DKB</u>	LOGGED IN <u>12.27.11</u>	TYPE <u>NSL</u>	APP NO. <u>1136143189</u>
-------------------------	----------	---------------------	---------------------------	-----------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Devon 6137

Playa State 1H

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

6544

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

N-2-195-34E

RECEIVED OOD
2011 DEC 27 A 8:55

Lea
State

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☒ Offset Operators, Leaseholders or Surface Owner
[C] ☐ Application is One Which Requires Published Legal Notice
[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Print or Type Name

Signature

Attorney

Title

Date

jamesbruc@aol.com
e-mail Address

12/27/11

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

December 22, 2011

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to Division Rule NMAC 19.15.15.13, Devon Energy Production Company, L.P. applies for approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Playa 2 State Well No. 1H
<u>Surface location:</u>	330 feet FSL & 2190 feet FWL
<u>Penetration point:</u>	Same as surface location
<u>Bottom hole location:</u>	330 feet FNL & 2190 feet FWL
<u>Well unit (project area):</u>	Lot 3, SE¼NW¼, and E½SW¼ (E½W½) of Section 2, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico

Applicant proposes to drill the well to test the Bone Spring formation (Scharb-Bone Spring Pool). Under Order No. R-2589, the pool is spaced on 80 acres, with wells to be located within 200 feet of the center of a quarter-quarter section line. A Form C-102 is attached as **Exhibit A**. A drilling plan is attached as **Exhibit B**.

The surface location is unorthodox for two reasons: (1) the location is next to an existing lease road, thus minimizing surface use. **Exhibit C**; and (2) the location will maximize the length of the lateral to avoid a pipeline to the south of the well's surface location.

The offset operators or working interest owners are as follows:

SW¼ §35-18S-34E
COG Operating LLC

SE¼ §35-18S-34E

Devon Energy Production Company, L.P.

E½ §2-19S-34E

COG Operating LLC

NE¼ §11-19S-34E

Magnum Hunter Production, Inc.

NW¼ §11-19S-34E

Charles D. Ray

W½W½ §2-19S-34E

Devon Energy Production Company, L.P.

See **Exhibit D**. Notice was given to the offsets by the letter marked as **Exhibit E**.

Please contact me if you need any further information on this application.

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce", written over a vertical line.

James Bruce

Attorney for Devon Energy Production Company, L.P.

District I1625 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**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 139581

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
4. Property Code	5. Property Name PLAYA 2 STATE	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	2	19S	34E	N	330	S	2190	W	LEA

8. Pool Information

AVALON; BONE SPRING	96381
---------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3979
14. Multiple N	15. Proposed Depth 15235	16. Formation	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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	54.5	2010	1565	0
Int1	12.25	9.625	40	5300	1800	0
Prod	8.75	5.5	17	15235	2530	4800

Casing/Cement Program: Additional Comments

PHOT Hole: (Plug depth 10,150'-10,990') Cement: 360 sx Class H, 1.18 cf/sx Yld w/ cement Whipstock @ 10,150'. The Whipstock will have 840' of 2 7/8" tbg tailpipe.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	5000	5000	
DoubleRam	5000	5000	

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 NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

OIL CONSERVATION DIVISION

Printed Name:	Approved By:	
Title:	Title:	
Email Address:	Approved Date:	Expiration Date:
Date:	Phone:	

District I1625 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**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
August 1, 2011

Permit 139581

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025 - 40405	2. Pool Code 96381 55610	3. Pool Name Scharb AVALON; BONE SPRING
4. Property Code	5. Property Name PLAYA 2 STATE	6. Well No. 001H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3979

10. Surface Location

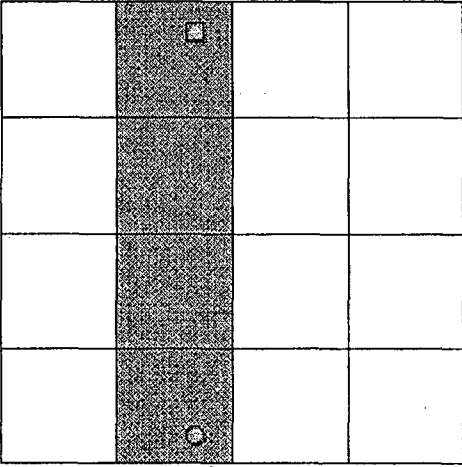
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	2	19S	34E		330	S	2190	W	LEA

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
3	2	19S	34E		330	N	2190	W	LEA

12. Dedicated Acres 164.02	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>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> E-Signed By: Title: Date: SURVEYOR CERTIFICATION <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> Surveyed By: Filimon Jaramillo Date of Survey: 10/5/2011 Certificate Number: 12797
---	---



Devon Energy Production Co, LP

Lea Co., New Mexico (Nad 83)

Playa 2 State 1H

Playa 2 State 1H

Lateral #1

Plan: Design #1

Standard Planning Report

20 October, 2011

EXHIBIT

B



CUDD Drilling and Measurement Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Site Playa 2 State 1H
Company:	Devon Energy Production Co, LP	TVD Reference:	WELL @ 3995.00ft (Original Well Elev)
Project:	Lea Co., New Mexico (Nad 83)	MD Reference:	WELL @ 3995.00ft (Original Well Elev)
Site:	Playa 2 State 1H	North Reference:	Grid
Well:	Playa 2 State 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Design #1		

Project	Lea Co., New Mexico (Nad 83)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site	Playa 2 State 1H, Sec 2, T-19S, R-34E				
Site Position:		Northing:	613,134.44 usft	Latitude:	32° 40' 58.779 N
From:	Map	Easting:	787,742.77 usft	Longitude:	103° 31' 56.872 W
Position Uncertainty:	0.00 ft	Slot Radius:	13-3/16"	Grid Convergence:	0.43°

Well	Playa 2 State 1H					
Well Position	+N/-S	0.00 ft	Northing:	613,134.44 usft	Latitude:	32° 40' 58.779 N
	+E/-W	0.00 ft	Easting:	787,742.77 usft	Longitude:	103° 31' 56.872 W
Position Uncertainty	0.00 ft	Wellhead Elevation:	3,995.00 ft	Ground Level:	3,975.00 ft	

Wellbore	Lateral #1				
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF2010	10/20/2011	(°) 7.56	(°) 60.61	(nT) 48,859

Design	Design #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00

Vertical Section:	Depth From (TVD)	+N/-S	+E/-W	Direction
	(ft)	(ft)	(ft)	(°)
	0.00	0.00	0.00	359.70

Plan Sections										
Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
10,153.48	0.00	0.00	10,153.48	0.00	0.00	0.00	0.00	0.00	0.00	
11,078.48	92.50	359.70	10,725.89	597.94	-3.18	10.00	10.00	0.00	359.70	
15,235.58	92.50	359.70	10,544.56	4,751.03	-25.26	0.00	0.00	0.00	0.00	PBHL - TD (P2S1H)



CUDD Drilling and Measurement Planning Report

Database: EDM 5000.1 Single User Db
Company: Devon Energy Production Co, LP
Project: Lea Co., New Mexico (Nad 83)
Site: Playa 2 State 1H
Well: Playa 2 State 1H
Wellbore: Lateral #1
Design: Design #1

Local Co-ordinate Reference: Site Playa 2 State 1H
TVD Reference: WELL @ 3995.00ft (Original Well Elev)
MD Reference: WELL @ 3995.00ft (Original Well Elev)
North Reference: Grid
Survey Calculation Method: Minimum Curvature

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
10,153.48	0.00	0.00	10,153.48	0.00	0.00	0.00	0.00	0.00	0.00
KOP: Build 10°/100'									
10,200.00	4.65	359.70	10,199.95	1.89	-0.01	1.89	10.00	10.00	0.00
10,250.00	9.65	359.70	10,249.54	8.11	-0.04	8.11	10.00	10.00	0.00
10,300.00	14.65	359.70	10,298.41	18.63	-0.10	18.63	10.00	10.00	0.00
10,350.00	19.65	359.70	10,346.17	33.37	-0.18	33.37	10.00	10.00	0.00
10,400.00	24.65	359.70	10,392.46	52.22	-0.28	52.22	10.00	10.00	0.00
10,450.00	29.65	359.70	10,436.94	75.03	-0.40	75.03	10.00	10.00	0.00
10,455.39	30.19	359.70	10,441.61	77.72	-0.41	77.72	10.00	10.00	0.00
3rd Bone Spring Lime									
10,500.00	34.65	359.70	10,479.26	101.63	-0.54	101.63	10.00	10.00	0.00
10,550.00	39.65	359.70	10,519.10	131.82	-0.70	131.82	10.00	10.00	0.00
10,600.00	44.65	359.70	10,556.15	165.36	-0.88	165.36	10.00	10.00	0.00
10,644.21	49.07	359.70	10,586.37	197.61	-1.05	197.61	10.00	10.00	0.00
3rd Bone Spring Sand									
10,650.00	49.65	359.70	10,590.15	202.01	-1.07	202.01	10.00	10.00	0.00
10,700.00	54.65	359.70	10,620.81	241.48	-1.28	241.48	10.00	10.00	0.00
10,750.00	59.65	359.70	10,647.93	283.47	-1.51	283.47	10.00	10.00	0.00
10,800.00	64.65	359.70	10,671.27	327.66	-1.74	327.67	10.00	10.00	0.00
10,850.00	69.65	359.70	10,690.68	373.73	-1.99	373.73	10.00	10.00	0.00
10,900.00	74.65	359.70	10,706.00	421.30	-2.24	421.31	10.00	10.00	0.00
10,950.00	79.65	359.70	10,717.12	470.04	-2.50	470.04	10.00	10.00	0.00
11,000.00	84.65	359.70	10,723.94	519.55	-2.76	519.56	10.00	10.00	0.00
11,050.00	89.65	359.70	10,726.43	569.47	-3.03	569.48	10.00	10.00	0.00
11,078.48	92.50	359.70	10,725.89	597.94	-3.18	597.95	10.00	10.00	0.00
EOC: Hold I: 92.5° @ A: 359.7°									
11,100.00	92.50	359.70	10,724.95	619.44	-3.29	619.45	0.00	0.00	0.00
11,200.00	92.50	359.70	10,720.59	719.35	-3.82	719.36	0.00	0.00	0.00
11,300.00	92.50	359.70	10,716.23	819.25	-4.36	819.26	0.00	0.00	0.00
11,400.00	92.50	359.70	10,711.87	919.15	-4.89	919.17	0.00	0.00	0.00
11,500.00	92.50	359.70	10,707.50	1,019.06	-5.42	1,019.07	0.00	0.00	0.00
11,600.00	92.50	359.70	10,703.14	1,118.96	-5.95	1,118.98	0.00	0.00	0.00
11,700.00	92.50	359.70	10,698.78	1,218.86	-6.48	1,218.88	0.00	0.00	0.00
11,800.00	92.50	359.70	10,694.42	1,318.77	-7.01	1,318.79	0.00	0.00	0.00
11,900.00	92.50	359.70	10,690.06	1,418.67	-7.54	1,418.69	0.00	0.00	0.00
12,000.00	92.50	359.70	10,685.69	1,518.57	-8.07	1,518.60	0.00	0.00	0.00
12,100.00	92.50	359.70	10,681.33	1,618.48	-8.61	1,618.50	0.00	0.00	0.00
12,200.00	92.50	359.70	10,676.97	1,718.38	-9.14	1,718.41	0.00	0.00	0.00
12,300.00	92.50	359.70	10,672.61	1,818.28	-9.67	1,818.31	0.00	0.00	0.00
12,400.00	92.50	359.70	10,668.25	1,918.19	-10.20	1,918.21	0.00	0.00	0.00
12,500.00	92.50	359.70	10,663.88	2,018.09	-10.73	2,018.12	0.00	0.00	0.00
12,600.00	92.50	359.70	10,659.52	2,117.99	-11.26	2,118.02	0.00	0.00	0.00
12,700.00	92.50	359.70	10,655.16	2,217.90	-11.79	2,217.93	0.00	0.00	0.00
12,800.00	92.50	359.70	10,650.80	2,317.80	-12.32	2,317.83	0.00	0.00	0.00
12,900.00	92.50	359.70	10,646.44	2,417.70	-12.85	2,417.74	0.00	0.00	0.00
13,000.00	92.50	359.70	10,642.07	2,517.61	-13.39	2,517.64	0.00	0.00	0.00
13,100.00	92.50	359.70	10,637.71	2,617.51	-13.92	2,617.55	0.00	0.00	0.00
13,200.00	92.50	359.70	10,633.35	2,717.42	-14.45	2,717.45	0.00	0.00	0.00
13,300.00	92.50	359.70	10,628.99	2,817.32	-14.98	2,817.36	0.00	0.00	0.00
13,400.00	92.50	359.70	10,624.63	2,917.22	-15.51	2,917.26	0.00	0.00	0.00
13,500.00	92.50	359.70	10,620.27	3,017.13	-16.04	3,017.17	0.00	0.00	0.00
13,600.00	92.50	359.70	10,615.90	3,117.03	-16.57	3,117.07	0.00	0.00	0.00
13,700.00	92.50	359.70	10,611.54	3,216.93	-17.10	3,216.98	0.00	0.00	0.00



CUDD Drilling and Measurement Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Site Playa 2 State 1H
Company:	Devon Energy Production Co, LP	TVD Reference:	WELL @ 3995.00ft (Original Well Elev)
Project:	Lea Co., New Mexico (Nad 83)	MD Reference:	WELL @ 3995.00ft (Original Well Elev)
Site:	Playa 2 State 1H	North Reference:	Grid
Well:	Playa 2 State 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Design #1		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
13,800.00	92.50	359.70	10,607.18	3,316.84	-17.63	3,316.88	0.00	0.00	0.00
13,900.00	92.50	359.70	10,602.82	3,416.74	-18.17	3,416.79	0.00	0.00	0.00
14,000.00	92.50	359.70	10,598.46	3,516.64	-18.70	3,516.69	0.00	0.00	0.00
14,100.00	92.50	359.70	10,594.09	3,616.55	-19.23	3,616.60	0.00	0.00	0.00
14,200.00	92.50	359.70	10,589.73	3,716.45	-19.76	3,716.50	0.00	0.00	0.00
14,300.00	92.50	359.70	10,585.37	3,816.35	-20.29	3,816.41	0.00	0.00	0.00
14,400.00	92.50	359.70	10,581.01	3,916.26	-20.82	3,916.31	0.00	0.00	0.00
14,500.00	92.50	359.70	10,576.65	4,016.16	-21.35	4,016.22	0.00	0.00	0.00
14,600.00	92.50	359.70	10,572.28	4,116.06	-21.88	4,116.12	0.00	0.00	0.00
14,700.00	92.50	359.70	10,567.92	4,215.97	-22.42	4,216.03	0.00	0.00	0.00
14,800.00	92.50	359.70	10,563.56	4,315.87	-22.95	4,315.93	0.00	0.00	0.00
14,900.00	92.50	359.70	10,559.20	4,415.77	-23.48	4,415.84	0.00	0.00	0.00
15,000.00	92.50	359.70	10,554.84	4,515.68	-24.01	4,515.74	0.00	0.00	0.00
15,100.00	92.50	359.70	10,550.47	4,615.58	-24.54	4,615.65	0.00	0.00	0.00
15,200.00	92.50	359.70	10,546.11	4,715.48	-25.07	4,715.55	0.00	0.00	0.00
15,235.58	92.50	359.70	10,544.56	4,751.03	-25.26	4,751.10	0.00	0.00	0.00

Design Targets

Target Name	hit/miss target	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (usft)	Easting (usft)	Latitude	Longitude
PBHL - TD (P2S1H)	- plan hits target center	0.00	0.00	10,544.56	4,751.03	-25.26	617,885.46	787,717.51	32° 41' 45.790 N	103° 31' 56.748 W
	- Point									

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
20.00	20.00	QUATERNARY		-2.50	359.70
1,960.00	1,960.00	RUSTLER DOL.		-2.50	359.70
2,270.00	2,270.00	SALADO SALT		-2.50	359.70
3,550.00	3,550.00	YATES SS		-2.50	359.70
4,820.00	4,820.00	QUEEN SS.		-2.50	359.70
5,400.00	5,400.00	GRAYBURG		-2.50	359.70
6,951.00	6,951.00	CHERRY CANYON		-2.50	359.70
7,670.00	7,670.00	BRYSHY CANYON		-2.50	359.70
8,075.00	8,075.00	1ST BONE SPRING LM.		-2.50	359.70
9,415.00	9,415.00	1ST BONE SPRING SS.		-2.50	359.70
9,620.00	9,620.00	2ND BONE SPRING LM		-2.50	359.70
9,955.00	9,955.00	2ND BONE SPRING SS		-2.50	359.70
10,455.39	10,441.61	3rd Bone Spring Lime		-2.50	359.70
10,644.21	10,586.37	3rd Bone Spring Sand		-2.50	359.70



CUDD Drilling and Measurement Planning Report

Database:	EDM 5000.1 Single User Db	Local Co-ordinate Reference:	Site Playa 2 State 1H
Company:	Devon Energy Production Co, LP	TYD Reference:	WELL @ 3995.00ft (Original Well Elev)
Project:	Lea Co., New Mexico (Nad 83)	MD Reference:	WELL @ 3995.00ft (Original Well Elev)
Site:	Playa 2 State 1H	North Reference:	Grid
Well:	Playa 2 State 1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Lateral #1		
Design:	Design #1		

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
10,153.48	10,153.48	0.00	0.00	KOP: Build 10°/100'
11,078.48	10,725.89	597.94	-3.18	EOC: Hold 1: 92.5° @ A: 359.7°



Project: Lea Co., New Mexico (Nad 83)
Site: Playa 2 State 1H
Well: Playa 2 State 1H
Wellbore: Lateral #1
Design: Design #1



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/S	+E/W	Dleg	TFace	Vsect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	10153.48	0.00	10153.48	0.00	0.00	0.00	0.00	0.00	0.00	
3	11078.48	92.50	359.70	10725.88	597.94	-3.18	10.00	359.70	597.95	
4	15235.58	92.50	359.70	10544.56	4751.03	-25.26	0.00	0.00	4751.10	PBHL - TD (P2S1H)

ANNOTATIONS

TVD MD Annotation
10153.48 10153.48 KOP: Build 10°/100'
10725.88 11078.48 EOC: Hold 1 92.5° @ A. 359.7°

PROJECT DETAILS: Lea Co., New Mexico (Nad 83)

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

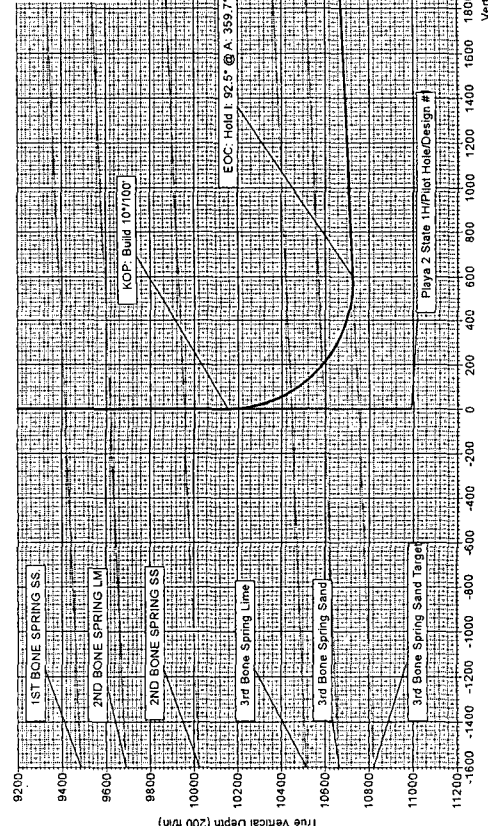
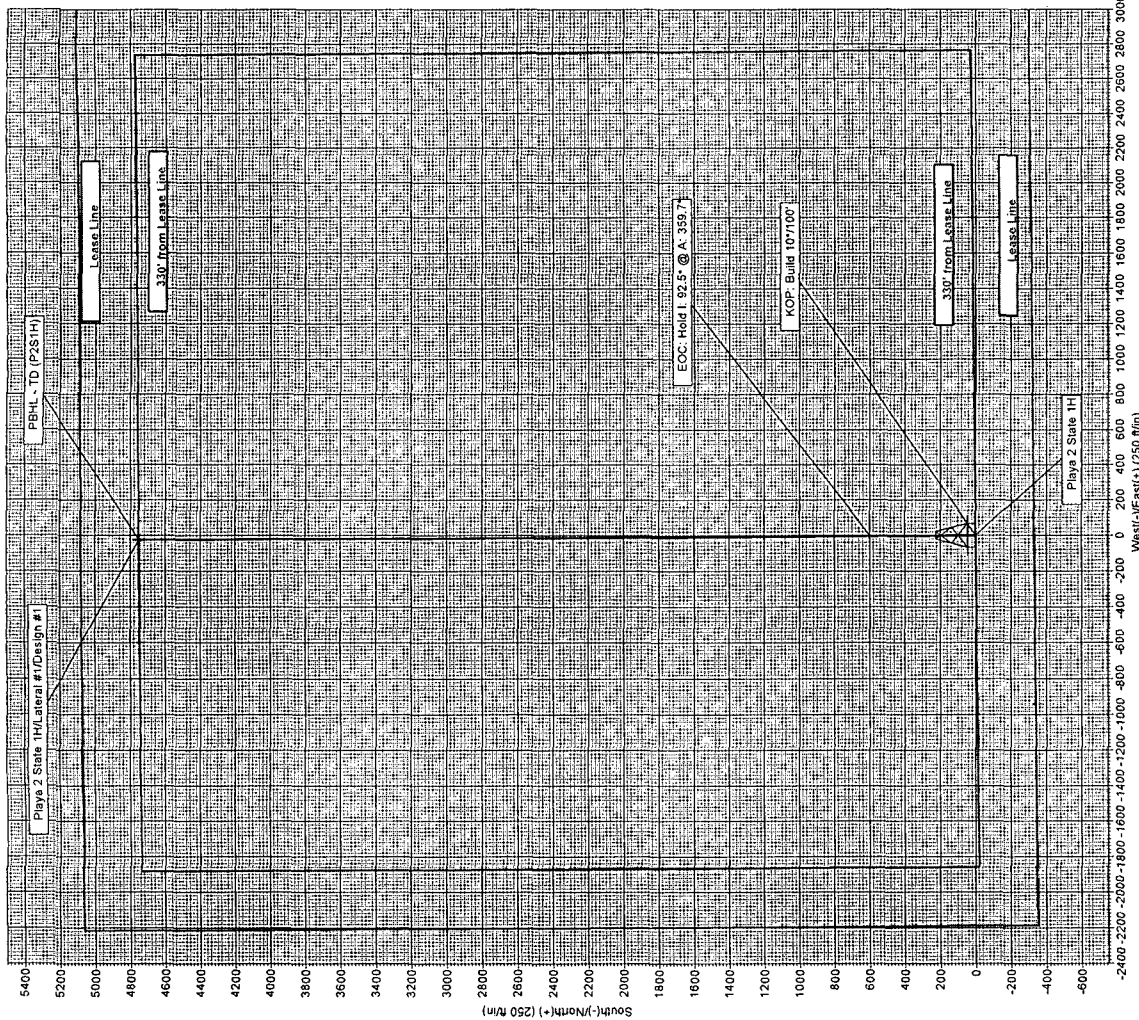
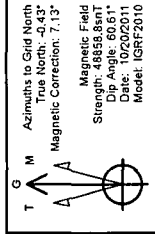
Name	TVD	+N/S	+E/W	North	East	Latitude	Longitude	Shape
PBHL - TD (P2S1H)	10544.56	4751.03	-25.26	617865.46	787717.51	32° 41' 45.790 N	103° 31' 56.748 W	Point

WELL DETAILS: Playa 2 State 1H

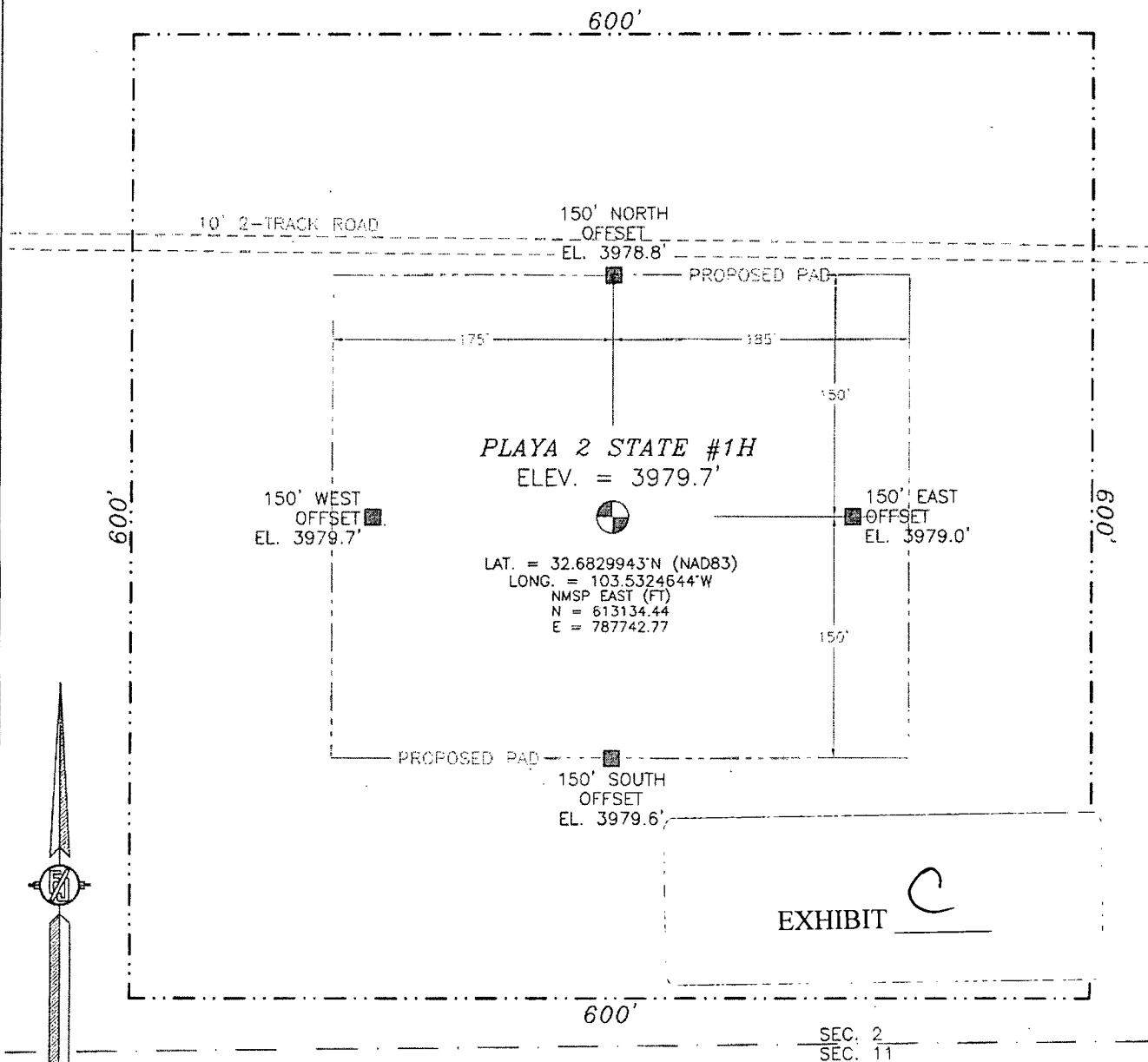
Ground Level: 3975.00
WELL @ 3995.00ft (Original Well Elev)
+N/S +E/W North East Longitude
0.00 0.00 613134.44 787742.77 32° 40' 58.779 N 103° 31' 56.872 W Slot

Plan: Design #1 (Playa 2 State 1H Lateral #1)

Created By: Eric Minchew Date: 12/16, October 20 2011
Checked: Date: _____
Reviewed: Date: _____
Approved: Date: _____



SECTION 2, TOWNSHIP 19 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO



0 10 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM MILE MARKER 23 ON STATE ROAD 529 GO EAST ABOUT 200 FT
ON SR 529 TO TURN SOUTH ON CALACHE ROAD ACROSS FROM VAN
NOY ROAD GO SOUTH ON CALICHE ROAD 1 MILE TO A 2 TRACK
ROAD ON RIGHT (WEST) GO WEST ON 2 TRACK ROAD 0.13 MILES
SITE IS 150 FT ON LEFT (SOUTH)

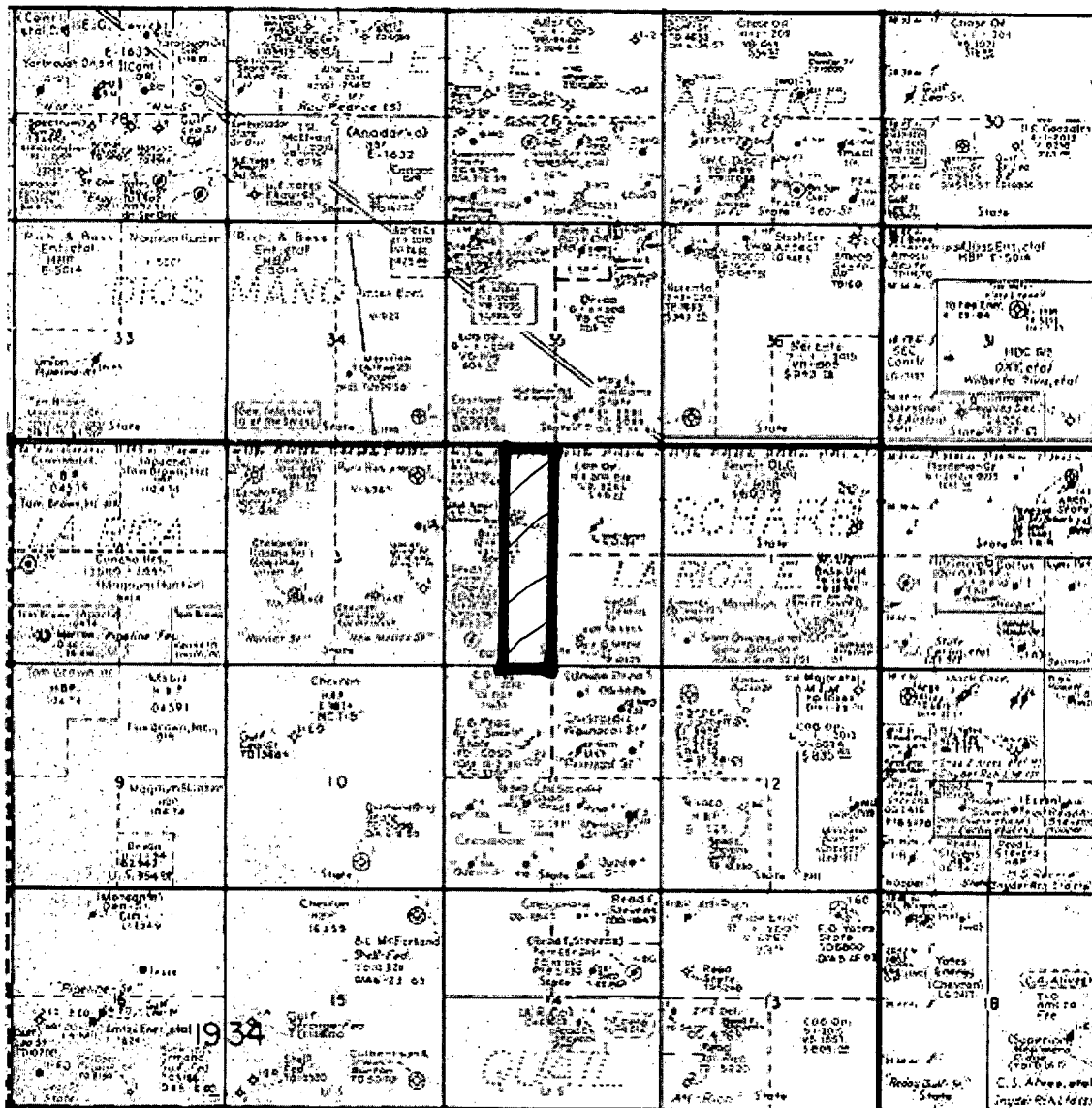
DEVON ENERGY PRODUCTION COMPANY, L.P.
PLAYA 2 STATE #1H

LOCATED 330 FT. FROM THE SOUTH LINE
AND 2190 FT. FROM THE WEST LINE OF
SECTION 2, TOWNSHIP 19 SOUTH,
RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

OCTOBER, 5, 2011

SURVEY NO. 564

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 887-6830



EXHIBIT

D

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

December 22, 2011

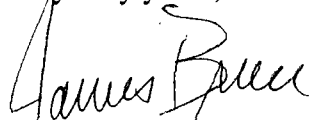
Certified Mail – Return Receipt Requested

To: Persons on Exhibit 1

Ladies and gentlemen:

Devon Energy Production Company, L.P. has filed an application with the New Mexico Oil Conservation Division requesting approval of an unorthodox oil well location in the Bone Spring formation in the E½W½ of Section 2, Township 19 South, Range 34 East, NMPM, Eddy County, New Mexico. A copy of the application is enclosed. You own an interest in the affected offsetting acreage. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,


James Bruce

Attorney for Devon Energy Production Company, L.P.

EXHIBIT E

Exhibit 1

COG Operating, LLC
Suite 100
550 West Texas Avenue
Midland, Texas 79701

Magnum Hunter Production, Inc.
Suite 600
600 North Marienfeld
Midland, Texas 79701

Charles D. Ray
P.O. Box 51608
Midland, Texas 79710

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, January 24, 2012 11:28 AM
To: 'jamesbruc@aol.com'
Subject: Devon - Playa 2 State #1H; NSL Application

Dear Jim

Based on my review of this application for a horizontal well in the Scharb Bone Spring, and the rules for that pool, which, as you correctly state, provide that wells must be within 200 feet of the center of a quarter-quarter, it appears that this proposed location will encroach toward, among other areas, the SE/4 of Section 35-18S-34E. All of the other encroachments are toward areas operated by others to whom you indicate that notice was sent. However, you indicate that Devon is the operator of the SE/4 of Section 35.

Are the working interests in the SE/4 of Section 35 identical to those in the E/2 W/2 of Section 2-19S-34E?

Thanks

David

Brooks, David K., EMNRD

From: jamesbruc@aol.com
Sent: Tuesday, January 24, 2012 11:41 AM
To: Brooks, David K., EMNRD
Subject: Re: Devon - Playa 2 State #1H; NSL Application

David: Devon owns 100% of the operating rights in the SE/4 Sec. 35 under State Lease VB-1210, so there is no one else to notify.

Jim

-----Original Message-----

From: Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>
To: jamesbruc <jamesbruc@aol.com>
Sent: Tue, Jan 24, 2012 11:35 am
Subject: Devon - Playa 2 State #1H; NSL Application

Dear Jim

Based on my review of this application for a horizontal well in the Scharb Bone Spring, and the rules for that pool, which, as you correctly state, provide that wells must be within 200 feet of the center of a quarter-quarter, it appears that this proposed location will encroach toward, among other areas, the SE/4 of Section 35-18S-34E. All of the other encroachments are toward areas operated by others to whom you indicate that notice was sent. However, you indicate that Devon is the operator of the SE/4 of Section 35.

Are the working interests in the SE/4 of Section 35 identical to those in the E/2 W/2 of Section 2-19S-34E?

Thanks

David