State of New Mexico

Form C-101 Permit 36132

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

| | Operator Name and Address RGY PRODUCTION COMPANY, LP | 2. OGRID Number 6137 | |
|---------------------------|---|-------------------------------|--|
| 0 | 20 N Broadway klahoma City , OK 73102 | 3. API Number 30-015-35095 | |
| 4. Property Code 35938 | 5. Property Name SIMPSON 15 A | 6. Well No. 002 | |

7. Surface Location

| 3 | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | Α | 15 | 18S | 26E | A | 330 | N | 330 | E | EDDY |

8. Pool Information

ATOKA;GLORIETA-YESO 3250

Additional Well Information

| | 3755 | | THE THE PERSON OF THE PERSON O | ****** | 9.9 |
|--------------------------|--------------------|-----------------|--|---------------------------|------------------------------------|
| 9. Work Type New Well | 32.433.00 | ell Type)IL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3327 |
| 14. Multiple | 15. Proposed Depth | | 16. Formation | 17. Contractor | 18. Spud Date |
| N | | 3500 | 000 Yeso Formation | | 10/15/2006 |
| Depth to Ground | l water | | Distance from nearest fresh water w | rell | Distance to nearest surface water |
| 42 | | | > 1000 | | > 1000 |
| t: Liner: Synthetic | X 12 | mils thick | Clay Pit Volume: 1500 bbls | Drilling Method: | |
| Closed Loop Syste | m | | | Fresh Water Brine | Diesel/Oil-based 🔀 Gas/Air 🗀 |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 8.625 | 24 | 900 | 536 | 0 |
| Prod | 7.875 | 5.5 | 15.5 | 3500 | 700 | 0 |

Casing/Cement Program: Additional Comments

Cement 8 5/8" surface casing with 286 sx 35:65 Poz C, tail with 250 sx Class C. Cement 5 1/2" production casing with 190 sx 35:65
Poz C; tail with 510 sx 60:40 sx Poz C. Mud Program: 0-1025', 8.4-8.8, 35-45 visc., NC fluid loss, fresh water; 1025-2700', 9.2-9.3, 28 visc, NC cc fluid loss, cut brine; 2700-3500', 9.3-9.5, 30-32 visc, 12-15 cc fluid loss, cut brine.

Proposed Blowout Prevention Program

| | 11000000 2201104011 | o . carred a robaction | |
|-----------|---------------------|------------------------|--------------|
| Туре | Working Pressure | Test Pressure | Manufacturer |
| Annular | 2000 | 2000 | |
| DoubleRam | 2000 | 2000 | |
| Pine | 2000 | 2000 | |

| I hereby certify that the information giv of my knowledge and belief. I further certify that the drilling pit | en above is true and complete to the best will be constructed according to | OIL CONSERVATION DIVISION | | |
|---|---|------------------------------|----------------------------|--|
| NMOCD guidelines, a general pe OCD-approved plan | mit 🔀, or an (attached) alternative | Approved By: Bryan Arrant | | |
| Printed Name: Electronically file | d by Linda Guthrie | Title: Geologist | | |
| Title: Sr. Regulatory Specialist | | Approved Date: 8/17/2006 | Expiration Date: 8/17/2007 | |
| Email Address: linda.guthrie@d | n.com | | W.1 170 | |
| Date: 8/14/2006 Phone: 405-228-8209 | | Conditions of Approval Attac | hed | |

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240 DISTRICT II 811 South First, Artesia, NM 88210

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

2040 South Pacheco Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | Pool Code | Pool Name | |
|---------------|------------------------|-------------|-------------|
| | | Yeso | |
| Property Code | Property Name | | Well Number |
| | SIMPSON "15" | Α | 2 |
| OGRID No. | Operator Name | | Elevation |
| 6137 | DEVON ENERGY PRODUCTIO | N CO., L.P. | 3327' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| Α | 15 | 18 S | 26 E | | 330 | NORTH | 330 | EAST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|---------|-------------|---------------|---------|---------------|------------------|---------------|----------------|--------|
| Dedicated Acres | Joint o | r Infill Co | nsolidation (| Code Or | der No. | | | | |
| 40 | | | | | | | | | |

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 the the information contained herein is true and complete to the best of my knowledge and bestif. In wy 104'21'45.4 (NAD-83) Pignature Norvélla Adams Printed Name Sr. Staff Eng. Tech. Title August 14, 2006 Date SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was platted from field notes of actual swreep made by me or under my supervison and that the same is frue and correct to the best of my bestig. APRIL 19, 2006 Date Surveyord and that the same is frue and correct to the best of my bestig. APRIL 19, 2006 Date Surveyord Seet of my bestig. APRIL 19, 2006 Date Surveyord Seet of my bestig. APRIL 19, 2006 Date Surveyord Seet of my bestig. APRIL 19, 2006 Date Surveyord Seet of my bestig. APRIL 19, 2006 Date Surveyord Seet of my bestig. APRIL 19, 2006 Date Surveyord Seet of my bestig. APRIL 19, 2006 Date Surveyord Seet of my bestig. | 0 | A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION |
|--|---|---|
| BASHY SURVEYS | | OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and bettef. Lon — W104'21'45.4" (NAD-83) Printed Name Sr. Staff Eng. Tech. Title August 14, 2006 Date 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 m supervison and that the same is true an correct to the best of my belief. APRIL 19, 2006 Date Surveyed 1. Signafarc's seed. Professional Surveyor C 797 Signafarc's seed. Professional Surveyor C 797 SUND No. 6458 |

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: SIMPSON 15 A #002

API: 30-015-35095

| Created By | Comment | Comment Date |
|---------------|---|-----------------|
| ADAMSN | An H2S plan will be mailed under separate cover. Due to our rig floor layout we respectfully request approval to utilizie an earthen pit. | 8/14/2006 |

Permit Conditions of Approval
Operator: DEVON ENERGY PRODUCTION COMPANY, LP, 6137
Well: SIMPSON 15 A #002

API: 30-015-35095

| OCD Reviewer | Condition |
|-----------------|---|
| BArrant | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| BArrant | As noted, operator is to drill surface hole with fresh ater mud. |
| BArrant | Please notify OCD time of spud and time to witness the cementing to surface of all casing strings. |