

State of New Mexico
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

| | | |
|---|-------------------------------|-------------------------------|
| 1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N Broadway Oklahoma City, OK 73102 | | 2. OGRID Number 6137 |
| | | 3. API Number 30-015-35112 |
| 4. Property Code 35964 | 5. Property Name FAIRCHILD | 6. Well No. 001 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A | 11 | 18S | 26E | A | 430 | N | 530 | E | EDDY |

8. Pool Information

| | |
|------------------------|-------|
| RED LAKE;GLORIETA-YESO | 51120 |
|------------------------|-------|

Additional Well Information

| | | | | |
|-----------------------------|----------------------------|--|---------------------------|---|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3297 |
| 14. Multiple N | 15. Proposed Depth 7712 | 16. Formation Yeso Formation | 17. Contractor | 18. Spud Date 10/1/2006 |
| Depth to Ground water 50 | | Distance from nearest fresh water well > 1000 | | Distance to nearest surface water > 1000 |

Pit: Liner: Synthetic ☒ 12 _____ mils thick Clay ☐ Pit Volume: 20000 _____ bbls Drilling Method:
 Closed Loop System ☐ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☒ Gas/Air ☐

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 | 350 | 340 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 1100 | 392 | 0 |
| Prod | 8.75 | 7 | 26 | 3835 | 865 | 0 |
| Liner1 | 6.25 | 4.5 | 11.6 | 7712 | 645 | 3250 |

Casing/Cement Program: Additional Comments

Cement: 13 3/8" csg with 140 sx 35:65 Poz C + 2% CaCl2 and tail w/ 200 sx C1 C + 2% CaCl2; 9 5/8" with 192 sx 35:65 Poz C + 2% CaCl2 and tail with 200 sx C1 C + 2% CaCl2; Whipstock plug at 3500' cmt with 275 sx C1 H + 5% NaCl; 7" csg with 590 sx 60:40 Poz C + 5% NaCl; 4 1/2" csg with 645 sx 60:40 Poz C + 5% NaCl. Mud: 0-350' Fresh, 8.5-8.7, 3-5 visc, NC water loss; 350-1100' fresh, 8.4-8.6, 1 visc, NC water loss; 1100-3300' brine, 8.5-8.6, 1 visc, NC water loss; 3300-3500' brine, 8.5-8.6, 2-3 visc, 15-20 water loss; 3022-3835' brine, 8.5-8.7, 2-3 visc, 10-12 water loss; 3835-7712' brine, 8.5-8.7, 2-3 visc, 10-12 water loss.

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| Annular | 3000 | 3000 | |
| DoubleRam | 5000 | 5000 | |
| Hydrl | 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 checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Linda Guthrie | Approved By: Bryan Arrant |
| Title: Sr. Regulatory Specialist | Approved Date: 8/24/2006 Expiration Date: 8/24/2007 |
| Email Address: linda.guthrie@dvn.com | |
| Date: 8/23/2006 Phone: 405-228-8209 | Conditions of Approval Attached |

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------|--|--------------------|
| API Number | Pool Code | Pool Name Yeso |
| Property Code | Property Name FAIRCHILD | Well Number 1 |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION CO., L.P. | Elevation 3297' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A | 11 | 18 S | 26 E | | 430 | NORTH | 530 | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 11 | 18 S | 26 E | | 430 | SOUTH | 430 | EAST | EDDY |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | 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

| | | |
|--|--------------------|--|
| <p>SURFACE LOCATION Lat - N32°34'39.6" Lon - W104°29'41.3" (NAD-83)</p> <p>ENTRY POINT Lat - N32°34'34.9" Lon - W104°29'42.5" (NAD-83)</p> | | <p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p><i>[Signature]</i> 8/23/06 Signature Date</p> <p>Norvella Adams Printed Name</p> |
| | | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>APR 10 3 40 2006 Date Surveyed Signature of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p> |
| <p>BOTTOM HOLE Lat - N32°33'55.9" Lon - W104°29'41.3" (NAD-83)</p> | <p>B.H.</p> | |

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: FAIRCHILD #001

API: 30-015-35112

| Created By | Comment | Comment Date |
|------------|--|--------------|
| ADAMSN | BOP: The 3K annular BOP will be nipped up on the 13 3/8" casing and tested to 1000 psi High and 250 psi Low with the Rig Pump. The 5K double BOP will be nipped up on the 9 5/8" and tested per Onshore Order #2. An H2S plan will be sent under separate cover. | 8/23/2006 |

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: FAIRCHILD #001

API: 30-015-35112

| 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 | Will require a directional survey with the C-104 |
| BArrant | Please notify OCD time of spud and time to witness the cementing to surface of all (3) casing strings. |