

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
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 134872

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 30-015-39372
4. Property Code 38433	5. Property Name DIAMOND PWU 22	6. Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	22	19S	29E	L	2075	S	185	W	EDDY

8. Pool Information

TURKEY TRACK;BONE SPRING	60660
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lease Type State	13. Ground Level Elevation 3326
14. Multiple N	15. Proposed Depth 12410	16. Formation Bone Spring	17. Contractor	18. Spud Date 9/15/2011
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	48	200	500	0
Int1	12.25	9.625	40	2500	1050	0
Prod	8.75	5.5	17	12410	400	2000
Prod	8.75	5.5	17	7100	2300	0

Casing/Cement Program: Additional Comments

13 3/8 w/500 sx C1 C + 2% CaCl + 1/4 lb/sx Cello flake, 9 5/8 w/1050 sx C1 C + 2% CaCl + 1/4 lb/sx Cello flake, 5 1/2 w/2700 sx C1 C + 2% CaCl + 1/4 lb/sx Cello flake. DV tool @ 4500'. An 8-3/4" pilot hole will be drilled to 8,160-ft and plugged back to KOP with approx 280 sxs, Class H, 15.6 ppg, 1.18 cf/sk cement. The pilot hole will be cemented from the pilot hole TD to the KOP. All cement volumes based on at least 25% excess. Actual cement volumes will be adjusted based on fluid caliper and caliper log data. Mud: 0-200' fresh, 8.4-9.0, 30-34 visc, N/C water loss. 200-2500' brine, 9.8-10.0, 28-32 visc, N/C water loss. 2500-12410' fresh, 8.6-9.0, 28-32 visc, N/C-12 water loss.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
Pipe	3000	3000	
DoubleRam	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 type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Randy Bolles	Approved By: Randy Dade
Title: Manager, Regulatory Affairs	Title: District Supervisor
Email Address: randy.bolles@dvn.com	Approved Date: 9/1/2011 Expiration Date: 9/1/2013
Date: 9/1/2011 Phone: 405-228-8588	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 134872

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39372	2. Pool Code 60660	3. Pool Name TURKEY TRACK;BONE SPRING
4. Property Code 38433	5. Property Name DIAMOND PWU 22	6. Well No. 003H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3326

10. Surface Location

UL - Lot L	Section 22	Township 19S	Range 29E	Lot Idn	Feet From 2075	N/S Line S	Feet From 185	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot L	Section 22	Township 19S	Range 29E	Lot Idn L	Feet From 2145	N/S Line S	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 160.00		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%; height: 150px;"> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td style="text-align: center;">●</td><td></td><td></td><td style="text-align: center;">■</td></tr> <tr><td></td><td></td><td></td><td></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: 9/1/2011</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: 7/6/2011 Certificate Number: 12797</p>
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Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: DIAMOND PWU 22 #003H

API: 30-015-39372

Created By	Comment	Comment Date
YSASAS	No H2S is expected to be encountered.	7/21/2011
YSASAS	C-102 to be mailed next day via Fed-Ex.	7/21/2011
YSASAS	Depth to groundwater is 50' or more, but less than 100', distance to surface water is approximately 1000'; well is not in a wellhead protection area.	7/21/2011
YSASAS	The BOP system used to drill the intermediate hole 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 surface casing shoe. The BOP system used to drill the production hole 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 intermediate casing shoe.	9/1/2011
YSASAS	BOP CONT: The pipe rams will be operated and checked as per Onshore Order No 2. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 3,000 psi WP.	9/1/2011
Artesia	Land S/S	9/1/2011

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: DIAMOND PWU 22 #003H

API: 30-015-39372

OCD Reviewer	Condition
Artesia	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