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 144692

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Opera DEVON ENERGY P	OGRID Number 6137		
20 N Broadway Oklahoma City, OK 73102		3. API Number 30-015-40035	
4. Property Code	5. Property Name	6. Well No.	
38500	JASPER 32 STATE COM	003H	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
В	32	198	29E	В	340	N	1700	E	EDDY

8. Pool Information

WINCHESTER: BONE SPRING	65010

Additional Well Information

			radicional Well Inform	Intion	
9. Work Type New Well	10. We		11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3266
14. Multiple	15. Proposed Depth		16. Formation	17. Contractor	18. Spud Date
N	12	2148	Bone Spring	9	
Depth to Ground	water		Distance from nearest fresh water	r well	Distance to nearest surface water

19. Proposed Casing and Cement Program

Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	415	410	0
Int1	12.25	9.625	40	3170	1310	0
Prod	8.75	5.5	17	12148	1275	2670
Prod	8.75	5.5	17	7000	1000	0

Casing/Cement Program: Additional Comments

13 3/8 w/410 sx C1 C + 2% CaCl + 1/4 lb/sx Cello flake, 9 5/8 w/1310 sx Cl C + 2% CaCl + 1/4 lb/sx Cello flake, 5 1/2 w/2275 sx Cl C + 2% CaCl + 1/4 lb/sx Cello flake. All cement volumes based on at least 25% excesses. Actual cement volumes will be adjusted based on fluid caliper and caliper log data. Positive standoff centralizers will be utilized for the production string every other joint of casing from 100' MD above KOP or at the legal footage setback, whichever is the deeper MD, up to TOC. Mud: 0-415' fresh, 8.4-9.0, 30-34 visc, N/C water loss. 415-3170' brine, 9.8-10.0, 28-32 visc, N/C water loss. 3170-12148' fresh, 8.6-9.3, 28-32 visc, N/C water loss. The necessary mud products for weight addition and fluid loss control will be on location at all times.

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 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 .		Approved By: Randy Dade			
Printed Name: Electronically file	d by Randy Bolles	Title: District Supervisor			
Title: Manager, Regulatory Affa	irs	Approved Date: 3/12/2012	Expiration Date: 3/12/2014		
Email Address: randy.bolles@d	n.com				
Date: 3/8/2012 Phone: 405-228-8588		Conditions of Approval Attached			

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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 144692

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40035	2. Pool Code 3. Pool 65010 WINCHESTER:		; BONE SPRING
4. Property Code 38500	5. Property Name JASPER 32 STATE COM		6. Well No. 003H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP		9. Elevation 3266

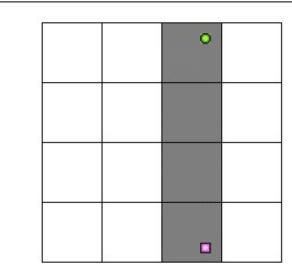
10. Surface Location

-	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
5	В	32	198	29E		340	N	1700	E	EDDY

11. Bottom Hole Location If Different From Surface

JL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
0	32	198	29E	0	340	S	1700	E	EDDY
12. Dedicated Acres 13. Joint or Infitt 160.00		14	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 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.

E-Signed By: Randy Bolles Title: Manager, Regulatory Affairs

Date: 3/8/2012

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 my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Filimon Jaramillo Date of Survey: 2/20/2012 Certificate Number: 12797

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137 Well: JASPER 32 STATE COM #003H

API: 30-015-40035

Created By	Comment	Comment Date
YSASAS	No H2S is expected to be encountered.	2/22/2012
YSASAS	C-102 to be mailed next day via Fed-Ex.	2/22/2012
YSASAS	Depth to groundwater is 50' or more, but less than 100', distance to surface water is approximately 1000'; well is not in wellhead protection area.	2/22/2012
YSASAS	The BOP system used to drill the intermediate hole will consist of a 13-3/8" 5M Double Ram & 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 13-3/8" 3M Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 5M system prior to drilling out the intermediate casing shoe. Pipe rams will be operated and checked each 24 hour period and blind rams tested each time the dri	3/8/2012
YSASAS	drill pipe is out of the hole. These tests will be logged in the daily log. 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 5,000 psi WP.	3/8/2012
CSHAPARD	Land s/S	3/9/2012

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP, 6137 Well: JASPER 32 STATE COM #003H

API: 30-015-40035

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