

**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 147809

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

|  |                                   |                               |
|--|-----------------------------------|-------------------------------|
| 1. Operator Name and Address<br><b>DEVON ENERGY PRODUCTION COMPANY, LP</b><br>20 N Broadway<br>Oklahoma City, OK 73102 |                                   | 2. OGRID Number<br>6137       |
|  |                                   | 3. API Number<br>30-025-40549 |
| 4. Property Code<br>38904  | 5. Property Name<br>PLAYA 2 STATE | 6. Well No.<br>002H           |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M        | 2       | 19S      | 34E   | M       | 330       | S        | 760       | W        | LEA    |

**8. Pool Information**

|                    |       |
|--------------------|-------|
| SCHARB;BONE SPRING | 55610 |
|--------------------|-------|

**Additional Well Information**

|                          |                             |  |                         |                                    |
|--------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 9. Work Type<br>New Well | 10. Well Type<br>OIL        | 11. Cable/Rotary                       | 12. Lease Type<br>State | 13. Ground Level Elevation<br>3984 |
| 14. Multiple<br>N        | 15. Proposed Depth<br>15250 | 16. Formation<br>3rd Bone Spring Sand  | 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             | 2100          | 1750            | 0             |
| Int1 | 12.25     | 9.625       | 40               | 5300          | 2200            | 0             |
| Prod | 8.75      | 5.5         | 17               | 15250         | 1000            | 0             |
| Prod | 8.75      | 5.5         | 17               | 10000         | 2360            | 4800          |

**Casing/Cement Program: Additional Comments**

13-3/8" Lead: 1,500 sx C1 C + 2% bwoc CaCl2 + 0.125 #/sx CF + 4% bwoc Bent + 81.4% FW, 13.5 ppg, 1.75 cf/sk. Tail: 250 sx C1 C + 2% bwoc CaCl2 + 0.125 #/sx CF + 56.3% FW, 14.8 ppg, 1.35 cf/sk; TOC sfc. 9-5/8" Lead: 1,900 sx C1 C + 5% bwow NaCl + 0.125 #/sx CF + 6% bwoc Bent + 107.8% FW, 12.5 ppg, 1.73 cf/sk. Tail: 300 sx C1 C + 5% bwow NaCl + 0.125 #/sx CF + 0.4% bwoc Na Metasilicate + 4% bwoc MPA-5 + 52.7% FW, 14.8 ppg, 1.38 cf/sk; TOC sfc. 5-1/2" 1st STG Lead: 850 sx C1 H + 5% bwow NaCl + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 2% bwoc Bent + 0.6% bwoc Na Metasilicate + 0.5% bwoc FL-52A + 102.5% FW, 12.5 ppg, 2.00 cf/sk. Tail: 1,510 sx C1 H + 1% bwow NaCl + 0.2% bwoc R-3 + 0.125 #/sx CF + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 58.3% FW, 14.2 ppg, 1.28 cf/sk. 2 STG Lead: 850 sx C1 C + 1% bwow CaCl2 + 0.125 #/sx CF + 157.8% FW, 11.4 ppg, 2.88 cf/sk. Tail: 150 sx C1 C + 1% bwow NaCl + 0.2% bwoc R-3 + 0.125 #/sx CF + 0.5% bwoc BA-10A + 4% bwoc MPA-5 + 63.2% FW, 13.8 ppg, 1.38 cf/sk; TOC 4800';

**Proposed Blowout Prevention Program**

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000             | 3000          |              |
| Annular   | 3000             | 3000          |              |

|   |                                  |                                 |
|---|----------------------------------|---------------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify that the drilling pit will be constructed according to NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | <b>OIL CONSERVATION DIVISION</b> |                                 |
| Printed Name: Electronically filed by Randy Bolles  | Approved By: Paul Kautz          |                                 |
| Title: Manager, Regulatory Affairs  | Title: Geologist                 |                                 |
| Email Address: randy.bolles@dvn.com   | Approved Date: 4/26/2012         | Expiration Date: 4/26/2014      |
| Date: 4/26/2012   | Phone: 405-228-8588              | Conditions of Approval Attached |

**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-102  
August 1, 2011  
Permit 147809

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |   |                                    |
|-------------------------------|---|------------------------------------|
| 1. API Number<br>30-025-40549 | 2. Pool Code<br>55610                                   | 3. Pool Name<br>SCHARB;BONE SPRING |
| 4. Property Code<br>38904     | 5. Property Name<br>PLAYA 2 STATE                       | 6. Well No.<br>002H                |
| 7. OGRID No.<br>6137          | 8. Operator Name<br>DEVON ENERGY PRODUCTION COMPANY, LP | 9. Elevation<br>3984               |

**10. Surface Location**

|               |              |                 |              |         |                  |               |                  |               |               |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>M | Section<br>2 | Township<br>19S | Range<br>34E | Lot Idn | Feet From<br>330 | N/S Line<br>S | Feet From<br>760 | E/W Line<br>W | County<br>LEA |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|

**11. Bottom Hole Location If Different From Surface**

|                               |              |                     |              |                        |                  |               |                  |               |               |
|-------------------------------|--------------|---------------------|--------------|------------------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>D                 | Section<br>2 | Township<br>19S     | Range<br>34E | Lot Idn<br>4           | Feet From<br>330 | N/S Line<br>N | Feet From<br>760 | E/W Line<br>W | County<br>LEA |
| 12. Dedicated Acres<br>164.13 |              | 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**

|  |  |  |  |
|--|--|--|--|
|  | <p align="center"><b>OPERATOR CERTIFICATION</b></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<br/>Title: Manager, Regulatory Affairs<br/>Date: 4/26/2012</p> |  |  |
|  | <p align="center"><b>SURVEYOR CERTIFICATION</b></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<br/>Date of Survey: 4/10/2012<br/>Certificate Number: 12797</p>  |  |  |



## Permit Comments

**Operator:** DEVON ENERGY PRODUCTION COMPANY, LP , 6137

**Well:** PLAYA 2 STATE #002H

**API:** 30-025-40549

| Created By | Comment  | Comment Date |
|------------|--|--------------|
| dcook      | The BOP system used to drill the intermediate and production holes will consist of a 13-5/8" 3M Double Ram and Annular preventer. The BOP system will be tested as per BLM Onshore Oil and Gas Order No. 2 as a 3M system prior to drilling out the prior casing shoe. The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's 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 accesso | 4/25/2012    |
| pkautz     |  | 4/26/2012    |
| pkautz     | Land s/S   | 4/26/2012    |
| pkautz     | NSL-6602   | 4/26/2012    |
| CHERRERA   | OCD RECIEVED FORM C-144 CLEZ. OCD PERMIT # P1-04504  | 4/26/2012    |

# Permit Conditions of Approval

**Operator:** DEVON ENERGY PRODUCTION COMPANY, LP , 6137

**Well:** PLAYA 2 STATE #002H

**API:** 30-025-40549

| OCD<br>Reviewer | Condition  |
|-----------------|--|
| pkautz          | 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 |
| pkautz          | Will require administrative order for non-standard location  |