

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 152250

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

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 333 W. Sheridan Avenue Oklahoma City, OK 73102		2. OGRID Number 6137
		3. API Number 30-015-40501
4. Property Code 38434	5. Property Name TURQUOISE PWU 27	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	27	19S	29E	L	2250	S	330	W	EDDY

8. Pool Information

PARKWAY;BONE SPRING	49622
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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 3312
14. Multiple N	15. Proposed Depth 13089	16. Formation 2nd 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	48	300	335	0
Int1	12.25	9.625	40	3400	1075	0
Prod	8.75	5.5	17	13089	1440	0
Prod	8.75	5.5	17	7350	875	2900

Casing/Cement Program: Additional Comments

13-3/8" Surface - Lead:335 sx Class C Cement + 2% bwoc Calcium Chloride + 0.125 #/sx Poly-E-Flake + 63.1% FW, 14.8 ppg, Yld: 1.35 cf/sx; TOC @ surface. 9-5/8" Intermediate - Lead: 780 sx(65:35) Class C Cement:Poz (Fly Ash): + 5% bwow Sodium Chloride + 0.125 #/sx Poly-E-Flake + 6% bwoc Bentonite + 70.9% FW, 12.9 ppg, Yld: 1.85 cf/sx, TOC @ surface; Tail: 295 sx Class C Cement + 0.125 lbs/sx Poly-E-Flake + 63.5% Water, 14.8 ppg, Yld: 1.33 cf/sx. 5-1/2" Production - Lead: 875 sx(65:35) Class H Cement:Poz (Fly Ash) + 6% bwoc Bentonite + 0.125 #/sx Poly-E-Flake + 0.1% bwoc HR-601 + 74.1% FW, 12.5 ppg, Yld: 1.95 cf/sx; Tail: 1440 sx (50:50) Class H Cement:Poz (Fly Ash) + 1 #/sx Sodium Chloride + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bentonite + 58.8% FW, 14.5 ppg, Yld: 1.22 cf/sx; TOC @ 2900 ft.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	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@dmv.com	Approved Date: 7/23/2012	Expiration Date: 7/23/2014
Date: 7/18/2012	Phone: 405-228-8588	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 152250

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40501	2. Pool Code 49622	3. Pool Name PARKWAY;BONE SPRING
4. Property Code 38434	5. Property Name TURQUOISE PWU 27	6. Well No. 003H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3312

10. Surface Location

UL - Lot L	Section 27	Township 19S	Range 29E	Lot Idn	Feet From 2250	N/S Line S	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

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UL - Lot I	Section 27	Township 19S	Range 29E	Lot Idn I	Feet From 2250	N/S Line S	Feet From 340	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: 7/18/2012</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: 2/23/2012 Certificate Number: 12797</p>
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Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: TURQUOISE PWU 27 #003H

API: 30-015-40501

Created By	Comment	Comment Date
dcook	BOP DESIGN: The BOP system used to drill the intermediate and production holes 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 prior casing shoe.	7/18/2012
dcook	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 accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 3,000 psi WP.	7/18/2012
dcook	Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns.	7/18/2012
CSHAPARD	Land s/S	7/18/2012

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: TURQUOISE PWU 27 #003H

API: 30-015-40501

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