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

Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u>

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 152166

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

DEVON ENERGY PE	or Name and Address CODUCTION COMPANY, LP	2. OGRID Number 6137		
333 W. Sheridan Avenue Oklahoma City, OK 73102		3. API Number 30-015-40505		
4. Property Code	5. Property Name	6. Well No.		
39356	PERIDOT 13 STATE	008H		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	12	198	29E	H	1650	N	1020	E	EDDY

8. Pool Information

55		10.
SCANLON DRAW:BON	TE SPRING	55510

Additional Well Information

9. Work Type	10. We1	1 Type	11. Cable/Rotary	12. Lease Type	13. Ground Level Elevation
New Well	OI			State	3390
14. Multiple 15. Proposed Depth		16. Formation	17. Contractor	18. Spud Date	
N	16	5160	1st Bone Spring Sand	200	
Depth to Ground	water	•	Distance from nearest fresh water w	ret1	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	250	285	0
Int1	12.25	9.625	40	3600	1140	0
Prod	8.75	5.5	17	16160	2445	0
Prod	8.75	5.5	17	6600	680	3100

Casing/Cement Program: Additional Comments

13-3/8" Surface-Lead:285 sx C1 C + 2% bwoc CaCl2 + 0.125 #/sx Poly-E-Flake + 63.1% FW, 14.8 ppg, Yld: 1.35 cf/sx; TOC @ surface. 9-5/8" Intermediate - Lead: 830 sx(65:35) C1 C, Poz (Fly Ash): + 5% bwow CaCl2 + 0.125 #/sx Poly-E-Flake + 6% bwoc Bent + 70.9% FW, 2.9 ppg, Yld: 1.85 cf/sx. Tail: 310 sx C1 C + 0.125 #/sx Poly-E-Flake + 63.5% Water, 14.8 ppg, Yld: 1.33 cf/sx, TOC @ surface. 5-1/2" Production - Lead:680 sx C1 H:Poz (Fly Ash) + 6% bwoc Bent + 0.125 #/sx Poly-E-Flake + 0.1% bwoc HR-601 + 74.1% FW, 12.5 ppg, Yld: 1.95 cf/sx. Tail: 2445 sx C1 H:Poz (Fly Ash) + 1 #/sx CaCl2 + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bent + 58.8% FW, 14.5 ppg, Yld: 1.22 cf/sx, TOC @ 3,100ft.

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	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Randy Dade				
Printed Name: Electronically filed by Randy Bolles	Title: District Supervisor				
Title: Manager, Regulatory Affairs	Approved Date: 7/23/2012 Expiration Date: 7/23/2014				
Email Address: randy.bolles@dvn.com					
Date: 7/18/2012 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 152166

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40505	2. Pool Code 55510		ol Name W;BONE SPRING
4. Property Code 39356	5. Property Name PERIDOT 13 STATE		6. Wett No. 008H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP		9. Elevation 3390

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Н	12	198	29E		1650	N	1020	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	13	198	29E	P	330	S	990	E	EDDY
12. Dedicated Acres 280.00		13. J	oint 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

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: 7/18/2012

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: 5/5/2012 Certificate Number: 12797

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137 Well: PERIDOT 13 STATE #008H

API: 30-015-40505

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. 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, additiona	7/18/2012
dcook	additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 3,000 psi WP. 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	7/23/2012

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP, 6137

Well: PERIDOT 13 STATE #008H

API: 30-015-40505

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