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 <u>District IV</u>

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

Form C-101 August 1, 2011

Permit 148921

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

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

	Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 333 W. Sheridan Avenue							2. OGRID Number 6137		
		Oklah		3. API Number 30-015-40778						
4. 1	4. Property Code 5. Property Name 6. Well 39356 PERIDOT 13 STATE 003F				A STATE OF THE STA					
93				7. S	urface Loc	ation				
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
H	12	198	29E	H	1475	N	1245	E	EDDY	
		20	8.	Proposed	Bottom H	ole Locati	on			
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
35			1 - 3	9. P	ool Inform	ation				
URKEY T	RACK;BO	NE SPRING		7577.557	200.11.20.00				6066	
31,500				Addition	al Well Inf	formation		500		
11. Work Type 12. Weil 7		12. Well Ty	pe	13. C	Cable/Rotary		14. Lease Type	15. Ground	Level Elevation	

11. Work Type 12. Well Type New Well OIL			13. Cable/Rotary 14. Lease 7 State		15. Ground Level Elevation 3398
16. Multiple 17. Proposed Dept N 16721			18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date
Depth to Ground water			Distance from nearest fresh water w	Distance to nearest surface water	

21. 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	310	345	0
Int1	12.25	9.625	40	3740	1185	0
Prod	8.75	5.5	17	16721	2350	0
Prod	8.75	5.5	17	7565	735	3240

Casing/Cement Program: Additional Comments

13 3/8" - Tail: 345 sx C1 C + 2% bwoc Calcium Chloride + 0.125#/sx Poly-E-Flake + 63.1% FW, 14.8 ppg Yld: 1.35 cf/sk TOC @ surf. 9 5/8" - Lead: 860 sx (65:35) C1 C Poz (Fly Ash): + 5% bwow Sodium Chloride + 0.125#/sx Poly-E-Flake + 6% bwoc Bentonite + 70.9% FW, 12.9 ppg Yield: 1.85 cf/sk TOC @ surf. Tail: 325 sx C1 C + 0.125#/sx Poly-E-Flake + 63.5% Wtr 14.8 ppg Yield: 1.33 cf/sk. 5 1/2" - 1st Lead: 345 sx (50:50) C1 H Poz (Fly Ash) + 10% bwoc Bentonite + 8E/sx Sodium Chloride + 0.125E/sx Poly-E-Flake + 0.3% bwoc HR-601 + 0.3% bwoc Econolite + 77.2% FW, 11.8 ppg Yld: 2.52 cf/sk 2nd Lead: 390 sx (65:35) C1 H Poz (Fly Ash) + 6% bwoc Bentonite + 0.125#/sx Poly-E-Flake + 0.1% bwoc HR-601 + 74.1% FW, 12.5 ppg Yield: 1.95 cf/sk. Tail: 2350 sx (50:50) C1 H 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/sk.

22. Proposed Blowout Prevention Program

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

best of my knowledge and belief.	given above is true and complete to the	OIL CONSERVATION DIVISION				
I further certify I have complied wit 19.15.14.9 (B) NMAC , if applica		Approved By: Randy Dade				
Signature:		Annual Committee of the				
Printed Name: Electronically file	ed by Randy Bolles	Title: District Supervisor				
Title: Manager, Regulatory Affa	iirs	Approved Date: 10/10/2012	Expiration Date: 10/10/2014			
Email Address: randy.bolles@d	vn.com					
Date: 9/13/2012	Phone: 405-228-8588	Conditions of Approval Attached				

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District IV

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 148921

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	2002/00/2009	ol Name
30-015-40778	60660		K;BONE SPRING
4. Property Code	5. Property	6. Well No.	
39356	PERIDOT 1:	003H	
7. OGRID No. 6137	8. Operator DEVON ENERGY PRODU	9. Elevation 3398	

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	12	198	29E		1475	N	1245	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	13	198	29E	0	330	S	1980	E	EDDY
12. Dedicated Acres 160.00		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: 9/13/2012

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 #003H

API: 30-015-40778

Created By	Comment	Comment Date			
barnettj	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 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 a 3M system prior to drilling out the intermediate casing shoe. In addition to the rams and annular preventer, additional BOP accessories include a kelly cook, floor safety valve, choke lines, and choke manifold rated at 3.000 psi WP.				
CSHAPARD	Potash Mines; Ltr to State Land Office & BLM	7/30/2012			
CSHAPARD	Reject; drilling restricted due to potash	9/7/2012			
CSHAPARD	Land s/S	10/10/2012			
CSHAPARD	Intrepid approved waiver letter	10/10/2012			

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP, 6137

Well: PERIDOT 13 STATE #003H

API: 30-015-40778

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