

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 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 180383

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

|                                                                                                                          |  |                               |
|--------------------------------------------------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>DEVON ENERGY PRODUCTION COMPANY, LP<br>333 W. Sheridan Avenue<br>Oklahoma City, OK 73102 |  | 2. OGRID Number<br>6137       |
| 4. Property Code<br>40329                                                                                                |  | 3. API Number<br>30-025-41625 |
| 5. Property Name<br>SEA SNAKE 35 STATE                                                                                   |  | 6. Well No.<br>001H           |

**7. Surface Location**

|               |               |                 |              |         |                  |               |                   |               |               |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot<br>M | Section<br>26 | Township<br>23S | Range<br>33E | Lot Idn | Feet From<br>315 | N/S Line<br>S | Feet From<br>1300 | E/W Line<br>W | County<br>Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|

**8. Proposed Bottom Hole Location**

|               |               |                 |              |              |                  |               |                  |               |               |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>M | Section<br>35 | Township<br>23S | Range<br>33E | Lot Idn<br>M | Feet From<br>330 | N/S Line<br>S | Feet From<br>660 | E/W Line<br>W | County<br>Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|------------------|---------------|---------------|

**9. Pool Information**

|                      |       |
|----------------------|-------|
| TRIPLE X;BONE SPRING | 59900 |
|----------------------|-------|

**Additional Well Information**

|                           |                             |                                        |                         |                                    |
|---------------------------|-----------------------------|----------------------------------------|-------------------------|------------------------------------|
| 11. Work Type<br>New Well | 12. Well Type<br>OIL        | 13. Cable/Rotary                       | 14. Lease Type<br>State | 15. Ground Level Elevation<br>3657 |
| 16. Multiple<br>N         | 17. Proposed Depth<br>16571 | 18. Formation<br>2nd Bone Spring Sand  | 19. Contractor          | 20. Spud Date<br>8/1/2014          |
| Depth to Ground water     |                             | Distance from nearest fresh water well |                         | Distance to nearest surface water  |

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 48               | 1350          | 1250            | 0             |
| Int1 | 12.25     | 9.625       | 40               | 5250          | 1570            | 0             |
| Prod | 8.75      | 5.5         | 17               | 16571         | 2390            | 4750          |

**Casing/Cement Program: Additional Comments**

13-3/8" Surface Casing: Lead w/690sx CI C Cmt + 0.125 #/sx Poly-E-Flake + 4% bwoc Bent + 70.1% FW, 13.5 ppg, Yld 1.72 cf/sx, water volume: 9.08 g/sx; Tail w/560sx CI C Cmt + 63.5% FW, 14.8 ppg, Yld 1.33 cf/sx, water volume: 6.32 g/sx; TOC @ surface. 9-5/8" Intermediate Casing: Lead w/1140sx (65:35) CI C Cmt: Poz (Fly Ash): 6% BWOC Bent + 5% BWOW Sodium Chloride + 0.125 #/sx Poly-E-Flake + 70.9 % FW, 12.9 ppg, Yld 1.85 cf/sx, water volume: 9.81 g/sx; Tail w/430sx CI C Cmt + 0.125 #/sx Poly-E-Flake + 63.5% FW, 14.8 ppg, Yld 1.33 cf/sx, water volume: 6.32 g/sx; TOC @ surface. 5-1/2" Production Casing: 1st lead w/550sx (50:50) CI H Cmt: Poz (Fly Ash) + 10% BWOC Bent + 1 #/sx of Kol-Seal + 0.3% BWOC HR-601 + 0.5 #/sx D-Air 5000 + 76.4% FW, 11.9 ppg, Yld 2.26, water volume: 12.89 g/sx. (production cmt details continued in Comments section).

**22. Proposed Blowout Prevention Program**

| Type       | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 3000             | 3000          |              |
| Annular    | 3000             | 3000          |              |

|                                                                                                                                                                                                                                                                                                                        |                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable.<br><br>Signature: | <b>OIL CONSERVATION DIVISION</b>                                                                                                         |
| Printed Name: Electronically filed by Randy Bolles<br>Title: Manager, Regulatory Affairs<br>Email Address: randy.bolles@dvn.com<br>Date: 1/24/2014                                                                                                                                                                     | Approved By: Paul Kautz<br>Title: Geologist<br>Approved Date: 1/24/2014<br>Expiration Date: 1/24/2016<br>Conditions of Approval Attached |

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Permit 180383

|                                                                                     |  |  |  |
|-------------------------------------------------------------------------------------|--|--|--|
|                                                                                     |  |  |  |
|                                                                                     |  |  |  |
|                                                                                     |  |  |  |
|  |  |  |  |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| <b>OPERATOR CERTIFICATION</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                             |
| <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> |                             |
| E-Signed By:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Randy Bolles                |
| Title:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Manager, Regulatory Affairs |
| Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 1/24/2014                   |

|                                                                                                                                                                                                                      |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>SURVEYOR CERTIFICATION</b>                                                                                                                                                                                        |                    |
| <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> |                    |
| Surveyed By:                                                                                                                                                                                                         | Fillimon Jaramillo |
| Date of Survey:                                                                                                                                                                                                      | 10/2/2013          |
| Certificate Number:                                                                                                                                                                                                  | PLS 12797          |

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Form APD Comments

Permit 180383

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**PERMIT COMMENTS**

|                                                                                                                               |                                   |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Operator Name and Address:<br>DEVON ENERGY PRODUCTION COMPANY, LP [6137]<br>333 W. Sheridan Avenue<br>Oklahoma City, OK 73102 | API Number:<br>30-025-41625       |
|                                                                                                                               | Well:<br>SEA SNAKE 35 STATE #001H |

| Created By | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Comment Date |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| dcook      | 5-1/2" Production Casing: 2nd Lead w/330sx (65:35) CI H Cmt: Poz (Fly Ash) + 6% BWOC Bent + 0.25% BWOC HR-601 + 0.125 #/sx Poly-E-Flake + 74.1 % FW, 12.5 ppg, Yld 1.96 cf/sx, water volume: 10.79 g/sx; Tail w/1510sx (50:50) CI H Cmt: Poz (Fly Ash) + 1 #/sx Sodium Chloride + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% bwoc HR-601 + 2% bwoc Bent + 58.8% FW; TOC @ 4750 ft.                                                                                                           | 1/24/2014    |
| dcook      | Cement volumes Surface 100%, Intermediate 75% and Production Casing based on at least 25% excess. Actual cement volumes will be adjusted based on fluid caliper and caliper log data.                                                                                                                                                                                                                                                                                                          | 1/24/2014    |
| dcook      | A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be tested per BLM Onshore Oil and Gas Order 2. A 3M 13-5/8" BOP system (Double Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be tested per BLM Onshore Oil and Gas Order 2. | 1/24/2014    |
| 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.                                             | 1/24/2014    |
| dcook      | Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line); if an H&P rig drills this well. Otherwise no flex line is needed. The line will be kept as straight as possible with minimal turns.                                                                                                                                                                                                                                    | 1/24/2014    |
| pkautz     | Land s/S                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 1/24/2014    |



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Form APD Conditions

Permit 180383

**PERMIT CONDITIONS OF APPROVAL**

|                                                                                                                               |                                   |
|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Operator Name and Address:<br>DEVON ENERGY PRODUCTION COMPANY, LP [6137]<br>333 W. Sheridan Avenue<br>Oklahoma City, OK 73102 | API Number:<br>30-025-41625       |
|                                                                                                                               | Well:<br>SEA SNAKE 35 STATE #001H |

| OCD Reviewer | Condition                                                                                                                                             |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| pkautz       | Will require a directional survey with the C-104                                                                                                      |
| pkautz       | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| pkautz       | 1) SURFACE & INTERNEIMATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --        |
| pkautz       | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water                                                  |