

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-8181 Fax: (505) 393-0720

**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720

**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone: (505) 334-8178 Fax: (505) 334-8170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone: (505) 478-3470 Fax: (505) 478-3462

**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 282663

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

*\*Amended*

|                                                                                                                          |  |                               |
|--------------------------------------------------------------------------------------------------------------------------|--|-------------------------------|
| 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>40396                                                                                                |  | 3. API Number<br>30-015-43028 |
| 5. Property Name<br>ARK 36 STATE                                                                                         |  | 6. Well No.<br>003H           |

| 7. Surface Location |         |          |       |         |           |          |           |          |        |
|---------------------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot            | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| N                   | 36      | 22S      | 31E   |         | 176       | S        | 1403      | W        | Eddy   |

| 8. Proposed Bottom Hole Location |         |          |       |         |           |          |           |          |        |
|----------------------------------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot                         | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
| D                                | 36      | 22S      | 31E   | D       | 330       | N        | 710       | W        | Eddy   |

| 9. Pool Information          |       |
|------------------------------|-------|
| LIVINGSTON RIDGE BONE SPRING | 39350 |

| 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>3454 |
| 16. Multiple<br>N           | 17. Proposed Depth<br>14703 | 18. Formation<br>2nd Bone Spring Sand  | 19. Contractor          | 20. Spud Date<br>7/1/2015          |
| 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# | Setting Depth | Sacks of Cement | Estimated TOC |
| Surf                                   | 17.5      | 13.375      | 48             | 800           | 870             | 0             |
| Int1                                   | 12.25     | 9.625       | 40             | 14703         | 1350            | 0             |
| Prod                                   | 8.75      | 5.5         | 17             | 14703         | 1930            | 6000          |

**Casing/Cement Program: Additional Comments**

5.5" Prod Two Stage: 200# sxs, 11 Wt. lb/gal, 14.81 H2O gal/sx, 2.55 Yld ft3/sx, 22 - 500# Comp. Strength (Hrs) - 2nd Stage Lead: Tuned Light® Cement + 0.125 lb/sk Pot-E-Flake 120# sxs, 14.8 Wt. lb/gal, 6.32 H2O gal/sx, 1.33 Yld ft3/sx, 6 - 500# Comp. Strength (Hrs) - 2nd Stage Tail: Class C Cement + 0.125 lbs/sack Poly-E-Flake SEE DRILLING PLANS FOR ADDITIONAL DETAILS.

| 22. Proposed Blowout Prevention Program |                  |               |              |
|-----------------------------------------|------------------|---------------|--------------|
| Type                                    | Working Pressure | Test Pressure | Manufacturer |
| Annular                                 | 3000             | 3000          |              |
| Double Ram                              | 3000             | 3000          |              |
| Annular                                 | 3000             | 3000          |              |
| Double Ram                              | 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. |                     | <b>OIL CONSERVATION DIVISION</b>         |  |
| Signature:                                                                                                                                                                                                                                                                                         |                     | Approved By: Randy Dade                  |  |
| Printed Name: Electronically filed by Randy Bolles                                                                                                                                                                                                                                                 |                     | Title: District Supervisor               |  |
| Title: Manager, Regulatory Affairs                                                                                                                                                                                                                                                                 |                     | Approved Date: 4/8/2015                  |  |
| Email Address: randy.bolles@dmr.com                                                                                                                                                                                                                                                                |                     | Expiration Date: 4/8/2017                |  |
| Date: 4/8/2015                                                                                                                                                                                                                                                                                     | Phone: 405-228-8588 | Conditions of Approval Attached <i>X</i> |  |

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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 282663

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                                         |                                              |
|-------------------------------|---------------------------------------------------------|----------------------------------------------|
| 1. API Number<br>30-015-43028 | 2. Pool Code<br>39350                                   | 3. Pool Name<br>LIVINGSTON RIDGE/BONE SPRING |
| 4. Property Code<br>40396     | 5. Property Name<br>ARK 36 STATE                        | 6. Well No.<br>003H                          |
| 7. DGRID No.<br>6137          | 8. Operator Name<br>DEVON ENERGY PRODUCTION COMPANY, LP | 9. Elevation<br>3454                         |

**10. Surface Location**

|               |               |                 |              |         |                  |               |                   |               |                |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot<br>N | Section<br>36 | Township<br>22S | Range<br>31E | Lot Idn | Feet From<br>176 | N/S Line<br>S | Feet From<br>1403 | E/W Line<br>W | County<br>Eddy |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|----------------|

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

|                               |               |                 |                     |         |                        |               |                  |               |                |
|-------------------------------|---------------|-----------------|---------------------|---------|------------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>D                 | Section<br>36 | Township<br>22S | Range<br>31E        | Lot Idn | Feet From<br>330       | N/S Line<br>N | Feet From<br>710 | E/W Line<br>W | County<br>Eddy |
| 12. Dedicated Acres<br>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**

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|  | <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 undivided 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<br>Title: Manager, Regulatory Affairs<br>Date: 4/8/2015                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
|  | <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: FRANK JARAMILLO<br>Date of Survey: 3/16/2015<br>Certificate Number: 12797                                                                                                                                                                                                                                                                                                                                                                                                                             |  |
|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |
|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |

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**Santa Fe, NM 87505**

Form APD Comments

Permit 202563

**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>30-015-43028 |
|                                                                                                                               |  | Well:<br>ARK 36 STATE #003H |

  

| Created By | Comment                                                                        | Comment Date |
|------------|--------------------------------------------------------------------------------|--------------|
| lgood      | C-102 & PLATS. DRILLING PLAN AND DIRECTIONAL PLAN BEING SENT FED-EX OVERNIGHT. | 4/8/2015     |

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**Santa Fe, NM 87505**

Form APD Conditions

Permit 202593

**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>30-015-43028 |
|                                                                                                                               | Well:<br>ARK 36 STATE #003H |

|              |           |
|--------------|-----------|
| OCD Reviewer | Condition |
|--------------|-----------|

## Permit Conditions of Approval

API: 30-015-43028

| OCD<br>Reviewer                                                                   | Condition                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | 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 |