

District I
1625 N. Francisco Dr. Hobbs, NM 88240
District II
1301 W. Grand Avenue Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

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

Submit to appropriate District Office

☒ AMENDED REPORT

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

Operator Name and Address Devon Energy Production Company L.P. 20 North Broadway OKC, OK 73102-8260		OGRID Number 6137
Property Code		API Number 30-015-35184
Property Name Perfecto 2 State Com		Well No. 2
Proposed Pool 1 Happy Valley; Morrow (Gas)		Proposed Pool 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	22S	26E		2100	North	150	East	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	2	22S	26E		1650	South	660	West	Eddy

Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3224'
Multiple N	Proposed Depth MD 12,220' TVD 11,900'	Formation Happy Valley; Morrow (Gas)	Contractor	Spud Date 12/15/06
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic ☒ 12_mils thick Clay ☐ Pit Volume: 20,000_bbls Drilling Method: Closed-Loop System ☐ Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	405'	295 sx CLC	Surface
12 1/2"	9 5/8"	36#	2550'	950 sx CLC	Surface
8 3/4"	5 1/2"	17#	12220'	2476 sx CLC	2500'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Devon respectfully requests permission to change the surface and bottom hole locations from the initial permit. Will drill to a total depth of 12,220' and complete as a Morrow gas development well. If it is deemed non-commercial then it will be plugged and abandoned in accordance with the rules and regulations established by the New Mexico OCD or converted to salt water disposal after installing production casing and obtaining the necessary disposal permits.

No H2S is expected to be encountered; H2S plan provided. 5000 psi Double and Hydriil with drilling spool & rotating head to be used.

Directional Survey attached.

Revised C-102 attached.

Please see attached conditions of approval

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 NMOC guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐

Printed name: Stephanie A. Ysasaga

Title: Sr. Staff Engineering Technician

E-mail Address: Stephanie.Ysasaga@dmn.com

Date: 12/06/06

Phone: (405)-552-7802

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT

DISTRICT II GEOLOGIST

Title:

Approval Date DEC 07 2006

Expiration Date DEC 07 2007

Conditions of Approval Attached ☒

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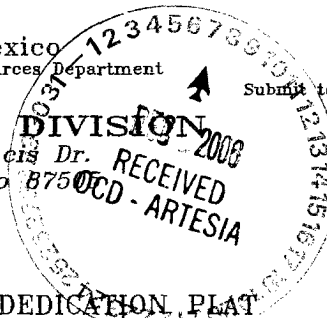
State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505



☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-35184	Pool Code	Pool Name HAPPY VALLEY; MORROW (GAS)
Property Code	Property Name PERFECTO "2" STATE COM	Well Number 2
OGRID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 3224'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	22 S	26 E		2100	NORTH	150	EAST	EDDY

Bottom Hole Location If Different From Surface

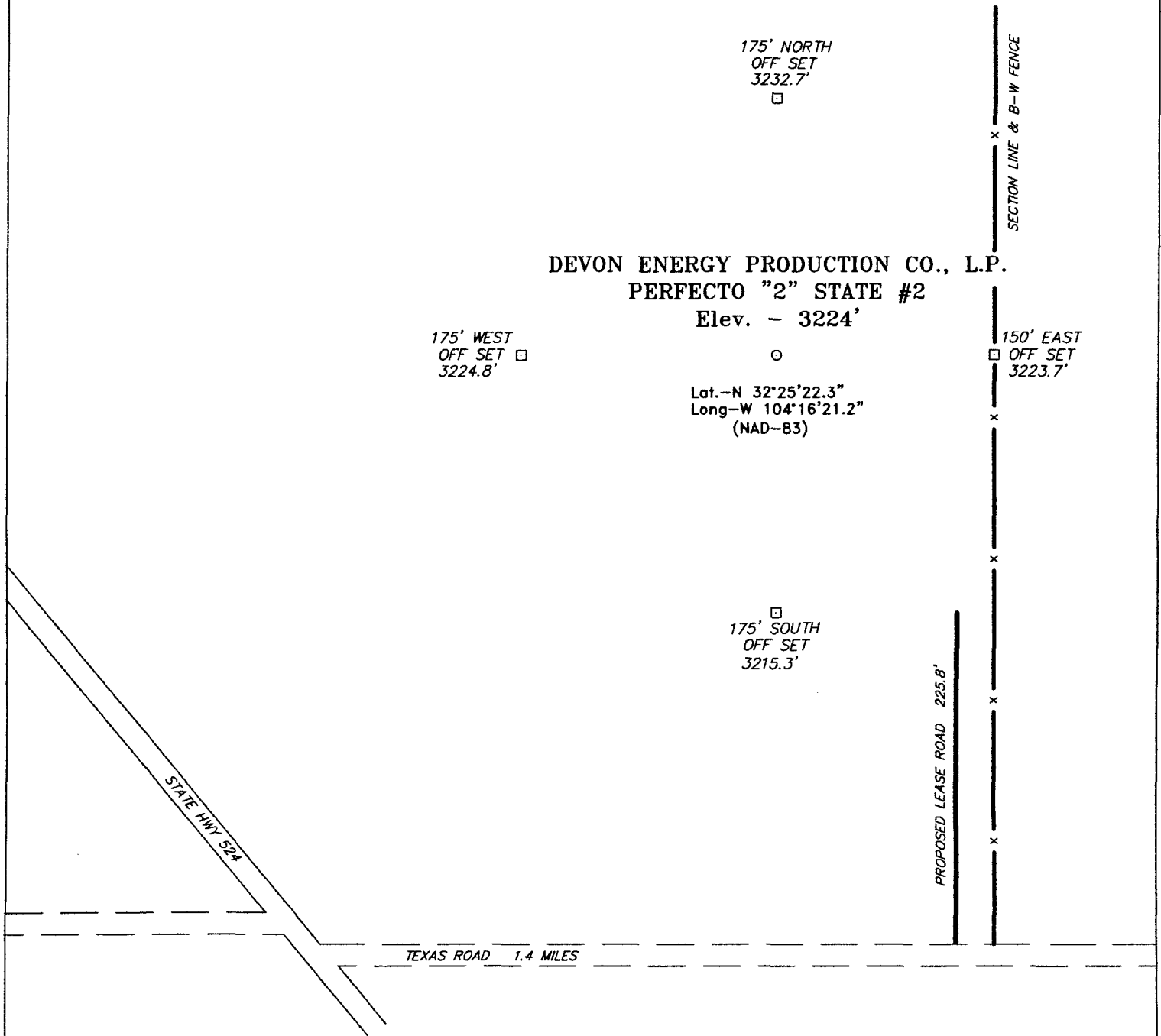
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	2	22 S	26 E		1650	SOUTH	660	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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 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. Signature: <i>[Signature]</i> Date: 12/05/06 Printed Name: STEPHANIE A. YSASAGA
SURFACE LOCATION LAT - N32°25'22.6" LONG - W103°16'21.2" (NAD-83) BOTTOM HOLE LOCATION LAT - N32°25'02.0" LONG - W103°16'20.9" (NAD-83) SCALE - 1" = 2000'	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. NOVEMBER 16, 2006 Date Surveyed: 11/16/06 Signature & Seal: <i>[Signature]</i> Professional Surveyor Certificate No. Gary Jones 7977

SECTION 3, TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION STATE HWY 524 AND TEXAS
ROAD, PROCEED EAST ON TEXAS FOR APPROX. 1.4
MILE TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 17405

Date: 11-17-2006	Disk: 17405W JMS
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200 0 200 400 FEET

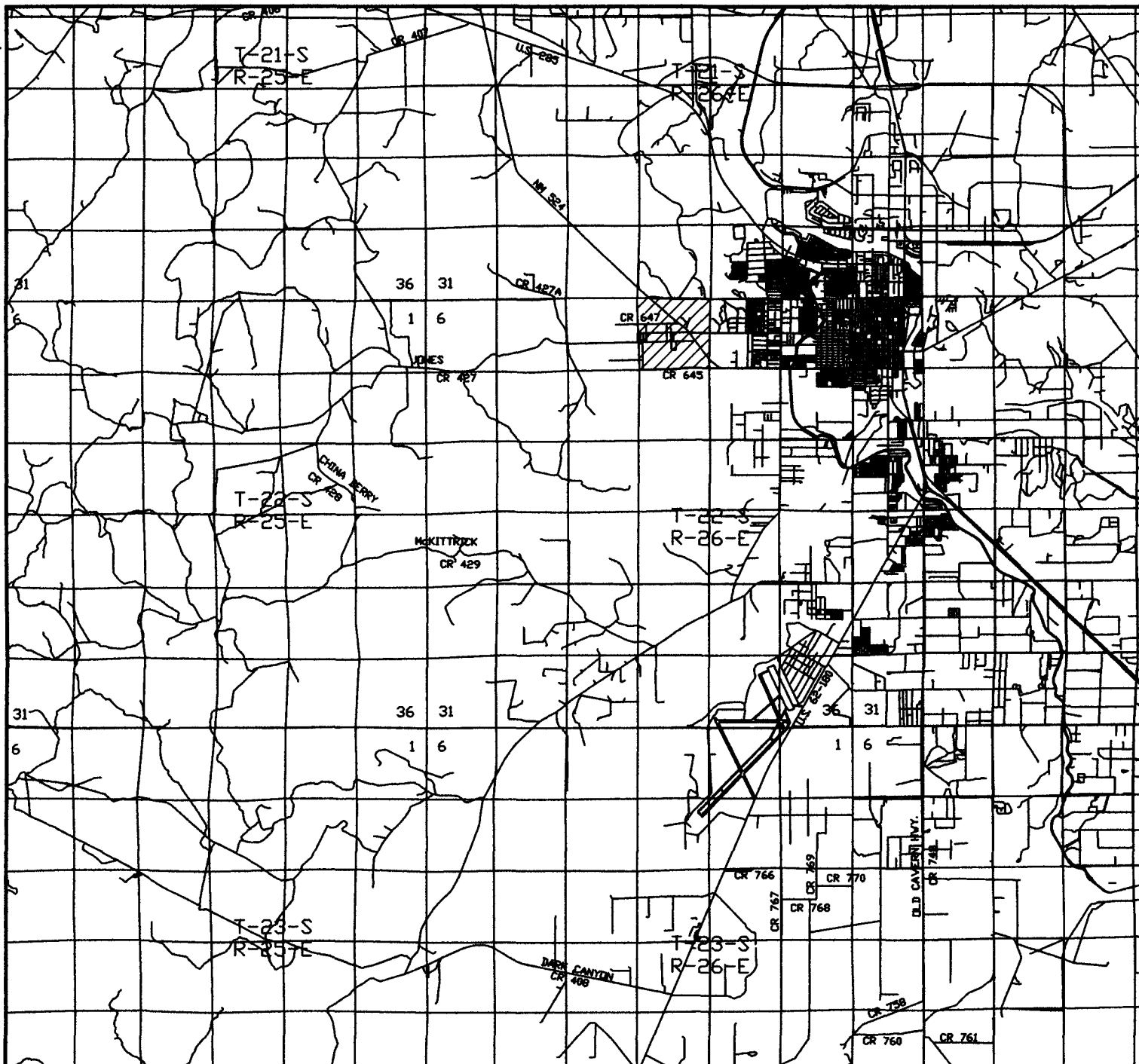
SCALE: 1" = 100'

DEVON ENERGY PROD. CO., L.P.

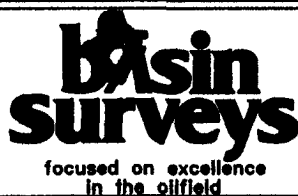
REF: PERFECTO "2" STATE #2 / WELL PAD TOPO

THE PERFECTO "2" STATE No. 2 LOCATED 2100'
FROM THE NORTH LINE AND 150' FROM THE EAST LINE OF
SECTION 3, TOWNSHIP 22 SOUTH, RANGE 26 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 11-16-2006	Sheet 1 of 1 Sheets
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PERFECTO "2" STATE #2
 Located at 2100' FNL AND 150' FEL
 Section 3, Township 22 South, Range 26 East,
 N.M.P.M., EDDY County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

W.O. Number: JMS 17405T

Survey Date: 11-16-2006

Scale: 1" = 2 MILES

Date: 11-17-2006

DEVON ENERGY
 PROD. CO., L.P.



Planned Wellpath Report

Plan #2
Page 1 of 4



INTEQ

REFERENCE WELLPATH IDENTIFICATION

Operator	Devon Energy	Slot	#2_SHL
Area	Eddy County, NM	Well	Perfecto 2 State Com 2
Field	Section 3 T22 R26E(Perfecto)	Wellbore	#2 PWB
Facility	Perfecto 2 State Com		

REPORT SETUP INFORMATION

Projection System	NAD83 / TM New Mexico State Planes, Eastern Zone (3001), US feet	Software System	WellArchitect™ 1.2
North Reference	True	User	Gomeoscr
Scale	1.00024	Report Generated	11/29/06 at 09:18:57
Wellbore last revised	10/03/06	Database/Source file	WellArchitectDB/#2_PV

WELLPATH LOCATION

	Local coordinates		Grid coordinates		Geographic coordinates	
	North [feet]	East [feet]	Easting [US feet]	Northing [US feet]	Latitude [°]	Longitude [°]
Slot Location	0.00	0.00	0.00	0.00	30 59 18.404N	106 03 38.987W
Facility Reference Pt			0.00	0.00	30 59 18.404N	106 03 38.987W
Field Reference Pt			0.00	0.00	30 59 18.404N	106 03 38.987W

WELLPATH DATUM

Calculation method	Minimum curvature	Rig on #2_SHL (RT) to Facility Vertical Datum	0.00 feet
Horizontal Reference Pt	Slot	Rig on #2_SHL (RT) to Mean Sea Level	0.00 feet
Vertical Reference Pt	Rig on #2_SHL (RT)	Facility Vertical Datum to Mud Line (Facility)	0.00 feet
MD Reference Pt	Rig on #2_SHL (RT)	Section Origin	N 0.00, E 0.00 ft
Field Vertical Reference	Mean Sea Level	Section Azimuth	152.10°



Planned Wellpath Report

Plan #2
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INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	Devon Energy	Slot	#2_SHL
Area	Eddy County, NM	Well	Perfecto 2 State Com 2
Field	Section 3 T22 R26E(Perfecto)	Wellbore	#2 PWB
Facility	Perfecto 2 State Com		

WELLPATH DATA (93 stations) † = interpolated/extrapolated station									
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Design Comments	Path Comment
0.00	0.000	152.103	0.00	0.00	0.00	0.00	0.00	Tie On	
290.00†	0.000	152.103	290.00	0.00	0.00	0.00	0.00		Yates/Seven Rivers
485.00†	0.000	152.103	485.00	0.00	0.00	0.00	0.00		Capitan/Salado
2500.00†	0.000	0.000	2500.00	0.00	0.00	0.00	0.00		Delaware Sd
4900.00†	0.000	0.000	4900.00	0.00	0.00	0.00	0.00		
4915.00†	0.000	152.103	4915.00	0.00	0.00	0.00	0.00		Bone Spring Sd
4950.00	0.000	152.103	4950.00	0.00	0.00	0.00	0.00	KOP	
5000.00†	1.500	152.103	4999.99	0.65	-0.58	0.31	3.00		
5100.00†	4.500	152.103	5099.85	5.89	-5.20	2.75	3.00		
5200.00†	7.500	152.103	5199.29	16.34	-14.44	7.64	3.00		
5300.00†	10.500	152.103	5298.04	31.98	-28.26	14.96	3.00		
5400.00†	13.500	152.103	5395.85	52.77	-46.64	24.69	3.00		
5500.00†	16.500	152.103	5492.43	78.65	-69.51	36.80	3.00		
5600.00†	19.500	152.103	5587.52	109.55	-96.82	51.26	3.00		
5693.18	22.295	152.103	5674.57	142.78	-126.19	66.81	3.00	EOB	
5700.00†	22.295	152.103	5680.88	145.37	-128.47	68.02	0.00		
5800.00†	22.295	152.103	5773.40	183.31	-162.00	85.77	0.00		
5900.00†	22.295	152.103	5865.92	221.24	-195.53	103.52	0.00		
6000.00†	22.295	152.103	5958.45	259.18	-229.06	121.27	0.00		
6085.72†	22.295	152.103	6010.00	280.32	-247.74	131.16	0.00		1st Bone Spring Sd
6100.00†	22.295	152.103	6050.97	297.12	-262.59	139.02	0.00		
6200.00†	22.295	152.103	6143.50	335.06	-296.12	156.77	0.00		
6300.00†	22.295	152.103	6236.02	373.00	-329.65	174.52	0.00		
6400.00†	22.295	152.103	6328.54	410.94	-363.18	192.27	0.00		
6480.00†	22.295	152.103	6421.07	448.87	-396.71	210.02	0.00		
6600.00†	22.295	152.103	6513.59	486.81	-430.24	227.77	0.00		
6700.00†	22.295	152.103	6606.12	524.75	-463.77	245.52	0.00		
6800.00†	22.295	152.103	6698.64	562.69	-497.30	263.27	0.00		
6844.70†	22.295	152.103	6740.00	579.65	-512.29	271.21	0.00		2nd Bone Spring Sd
6900.00†	22.295	152.103	6791.16	600.63	-530.83	281.03	0.00		
7000.00†	22.295	152.103	6883.69	638.56	-564.36	298.78	0.00		
7100.00†	22.295	152.103	6976.21	676.50	-597.89	316.53	0.00		
7200.00†	22.295	152.103	7068.74	714.44	-631.41	334.28	0.00		
7300.00†	22.295	152.103	7161.26	752.38	-664.94	352.03	0.00		
7400.00†	22.295	152.103	7253.78	790.32	-698.47	369.78	0.00		
7500.00†	22.295	152.103	7346.31	828.26	-732.00	387.53	0.00		
7600.00†	22.295	152.103	7438.83	866.19	-765.53	405.28	0.00		
7700.00†	22.295	152.103	7531.36	904.13	-799.06	423.03	0.00		
7800.00†	22.295	152.103	7623.88	942.07	-832.59	440.78	0.00		
7900.00†	22.295	152.103	7716.40	980.01	-866.12	458.53	0.00		



Planned Wellpath Report

Plan #2
Page 3 of 4



REFERENCE WELLPATH IDENTIFICATION

Operator	Devon Energy	Slot	#2_SHL
Area	Eddy County, NM	Well	Perfecto 2 State Com 2
Field	Section 3 T22 R26E(Perfecto)	Wellbore	#2 PWB
Facility	Perfecto 2 State Com		

WELLPATH DATA (93 stations) † = interpolated/extrapolated station

MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Design Comments	Path Comment
8000.00†	22.295	152.103	7808.93	1017.95	-899.65	476.28	0.00		
8100.00†	22.295	152.103	7901.45	1055.89	-933.18	494.04	0.00		
8200.00†	22.295	152.103	7993.98	1093.82	-966.71	511.79	0.00		
8300.00†	22.295	152.103	8086.50	1131.76	-1000.24	529.54	0.00		
8400.00†	22.295	152.103	8179.02	1169.70	-1033.77	547.29	0.00		
8406.46†	22.295	152.103	8185.00	1172.15	-1035.93	548.43	0.00		3rd Bone Spring Sd
8500.00†	22.295	152.103	8271.55	1207.64	-1067.30	565.04	0.00		
8600.00†	22.295	152.103	8364.07	1245.58	-1100.83	582.79	0.00		
8700.00†	22.295	152.103	8456.60	1283.51	-1134.35	600.54	0.00		
8800.00†	22.295	152.103	8549.12	1321.45	-1167.88	618.29	0.00		
8900.00†	22.295	152.103	8641.64	1359.39	-1201.41	636.04	0.00		
8952.26†	22.295	152.103	8690.00	1379.22	-1218.94	645.32	0.00		Wolfcamp
9000.00†	22.295	152.103	8734.17	1397.33	-1234.94	653.79	0.00		
9100.00†	22.295	152.103	8826.69	1435.27	-1268.47	671.54	0.00		
9200.00†	22.295	152.103	8919.22	1473.21	-1302.00	689.29	0.00		
9300.00†	22.295	152.103	9011.74	1511.14	-1335.53	707.05	0.00		
9400.00†	22.295	152.103	9104.26	1549.08	-1369.06	724.80	0.00		
9428.38	22.295	152.103	9130.52	1559.85	-1378.57	729.83	0.00	EOH/Start Drop	
9500.00†	20.505	152.103	9197.20	1585.98	-1401.67	742.06	2.50		
9600.00†	18.005	152.103	9291.60	1618.95	-1430.81	757.49	2.50		
9700.00†	15.505	152.103	9387.35	1647.78	-1456.29	770.98	2.50		
9759.62†	14.014	152.103	9445.00	1662.97	-1469.71	778.08	2.50		Pennsylvania
9800.00†	13.005	152.103	9484.26	1672.40	-1478.05	782.50	2.50		
9900.00†	10.505	152.103	9582.16	1692.77	-1496.05	792.03	2.50		
10000.00†	8.005	152.103	9680.85	1708.85	-1510.26	799.55	2.50		
10100.00†	5.505	152.103	9780.14	1720.61	-1520.66	805.05	2.50		
10200.00†	3.005	152.103	9879.86	1728.03	-1527.22	808.53	2.50		
10300.00†	0.505	152.103	9979.81	1731.10	-1529.92	809.96	2.50		
10320.19	0.000	152.103	10000.00	1731.18	-1530.00	810.00	2.50	Vertical	Strawn
10400.00†	0.000	0.000	10079.81	1731.18	-1530.00	810.00	0.00		
10500.00†	0.000	0.000	10179.81	1731.18	-1530.00	810.00	0.00		
10600.00†	0.000	0.000	10279.81	1731.18	-1530.00	810.00	0.00		
10700.00†	0.000	0.000	10379.81	1731.18	-1530.00	810.00	0.00		
10725.19†	0.000	152.103	10405.00	1731.18	-1530.00	810.00	0.00		Atoka
10800.00†	0.000	0.000	10479.81	1731.18	-1530.00	810.00	0.00		
10900.00†	0.000	0.000	10579.81	1731.18	-1530.00	810.00	0.00		
11000.00†	0.000	0.000	10679.81	1731.18	-1530.00	810.00	0.00		
11100.00†	0.000	0.000	10779.81	1731.18	-1530.00	810.00	0.00		
11200.00†	0.000	0.000	10879.81	1731.18	-1530.00	810.00	0.00		
11300.00†	0.000	0.000	10979.81	1731.18	-1530.00	810.00	0.00		



Planned Wellpath Report

Plan #2
Page 4 of 4



INTEQ

REFERENCE WELLPATH IDENTIFICATION			
Operator	Devon Energy	Slot	#2_SHL
Area	Eddy County, NM	Well	Perfecto 2 State Com 2
Field	Section 3 T22 R26E(Perfecto)	Wellbore	#2 PWB
Facility	Perfecto 2 State Com		

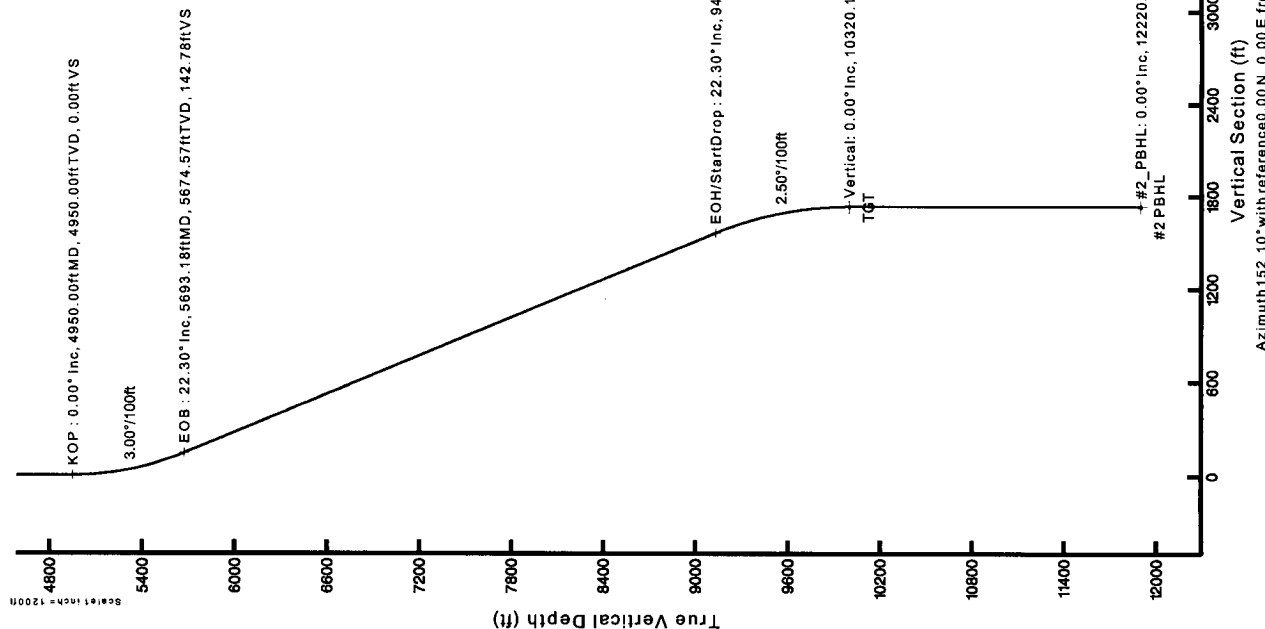
WELLPATH DATA (93 stations) † = interpolated/extrapolated station									
MD [feet]	Inclination [°]	Azimuth [°]	TVD [feet]	Vert Sect [feet]	North [feet]	East [feet]	DLS [°/100ft]	Design Comments	Path Comment
11400.00†	0.000	0.000	11079.81	1731.18	-1530.00	810.00	0.00		
11465.19†	0.000	152.103	11145.00	1731.18	-1530.00	810.00	0.00		M. Mrrw Lm
11500.00†	0.000	0.000	11179.81	1731.18	-1530.00	810.00	0.00		
11600.00†	0.000	0.000	11279.81	1731.18	-1530.00	810.00	0.00		
11700.00†	0.000	0.000	11379.81	1731.18	-1530.00	810.00	0.00		
11700.19†	0.000	152.103	11380.00	1731.18	-1530.00	810.00	0.00		Lwr. Mrrw. Shale Mkr.
11800.00†	0.000	0.000	11479.81	1731.18	-1530.00	810.00	0.00		
11870.19†	0.000	152.103	11550.00	1731.18	-1530.00	810.00	0.00		Barnett Shale
11900.00†	0.000	0.000	11579.81	1731.18	-1530.00	810.00	0.00		
12000.00†	0.000	0.000	11679.81	1731.18	-1530.00	810.00	0.00		
12100.00†	0.000	0.000	11779.81	1731.18	-1530.00	810.00	0.00		
12200.00†	0.000	0.000	11879.81	1731.18	-1530.00	810.00	0.00		
12220.19	0.000	152.103	11900.00	1731.18	-1530.00	810.00	0.00	#2_PBHL	

TARGETS									
Name	MD [feet]	TVD [feet]	North [feet]	East [feet]	Grid East [us survey feet]	Grid North [us survey feet]	Latitude [°]	Longitude [°]	Shape
1) TGT	10320.19	10320.00	1530.00	810.00	786.34	-1542.77	30 59 03.261N	106 03 29.682W	point
#2 PBHL		11900.00	-1530.00	810.00	786.34	-1542.77	30 59 03.261N	106 03 29.682W	point

devon

Devon Energy

Location: Eddy County, NM
 Field: Section 3 T22 R28E (Perfected)
 Facility: Perfecto 2 State Com
 Slot: #2_SHL
 Well: Perfecto 2 State Com 2
 Wellbore: #2 PWB



Design Comment	MD (ft)	Inc (°)	Az (°)	TVD (ft)	Local N (ft)	Local E (ft)	DLS (°/100ft)	VS (ft)
Tie On	0.00	0.000	152.103	0.00	0.00	0.00	0.00	0.00
KOP	4950.00	0.000	152.103	4950.00	0.00	0.00	0.00	0.00
EOB	5693.18	22.295	152.103	5674.57	-128.19	66.81	3.00	142.78
EOH/Start Drop	9428.38	22.295	152.103	9130.52	-1378.57	729.83	0.00	1559.85
Vertical	10320.19	0.000	152.103	10000.00	-1530.00	810.00	2.50	1731.18
#2_PBHL	12220.19	0.000	152.103	11900.00	-1530.00	810.00	0.00	1731.18

Plus reference wellbore is Plus #2

Grid System: NAD83 / TM New Mexico State Plane, Eastern Zone (30S), U.S. Feet

True vertical depths are referenced to Rig on #2_SHL (RT)

Measured depths are referenced to Rig on #2_SHL (RT)

Rig on #2_SHL (RT) to Mean Sea Level: 0 feet

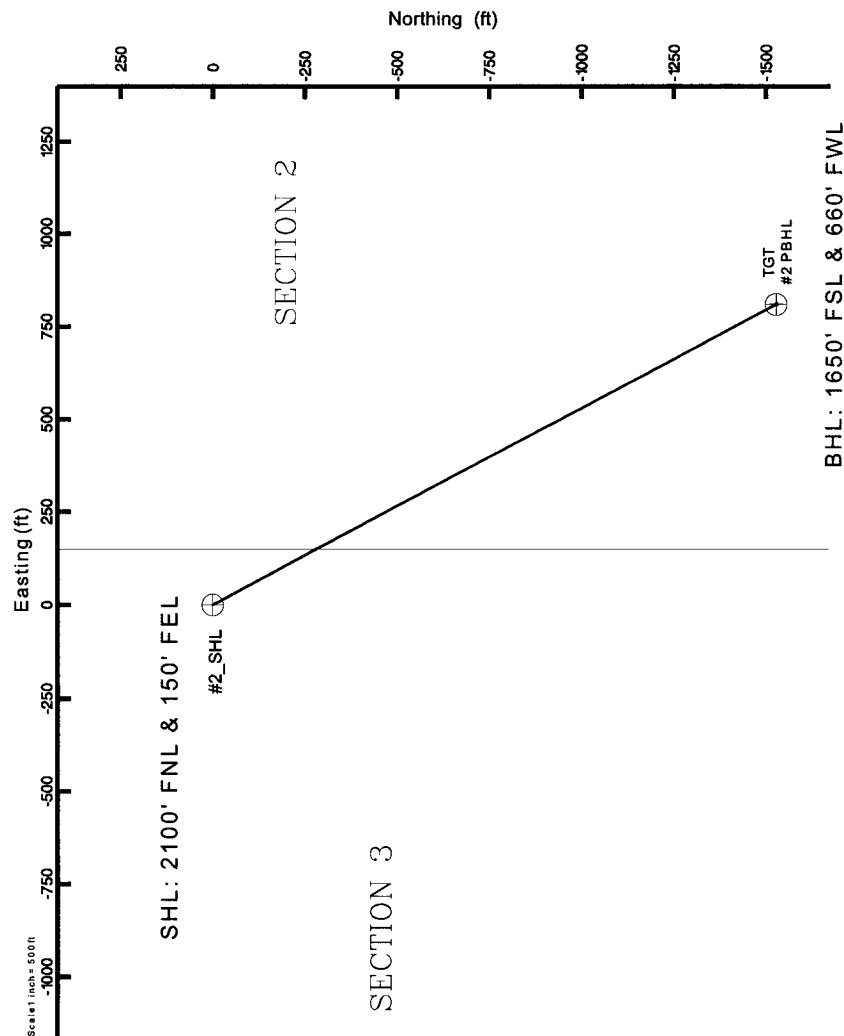
Scale: True Distance

Mean Sea Level to Mud line (Facility - Perfecto 2 State Com): 0 feet

Depths are in feet

Coordinates in feet referenced to Slat

Created by: Gensuon 11/20/2006



SECTION LINES ARE ESTIMATE ONLY AND ARE
 SUBJECT TO CUSTOMER APPROVAL

BHL: 1650' FSL & 660' FWL

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: PERFECTO 2 STATE COM #002

API: 30-015-35184

OCD Reviewer	Condition
BArrant	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
BArrant	Will require a directional survey with the C-104
BArrant	Please notify OCD time of spud and time to witness the cementing to surface the surface and intermediate casing.
BArrant	As noted, operator is to drill surface and intermediate hole with fresh water mud.