District 1 1625 N French Dr., F Phone (575) 393-616 <u>District II</u> 811 S First St., Artes Phone (575) 748-128 <u>District III</u> 1000 Rio Brazos Roa Phone (505) 334-617 <u>District IV</u> 1220 S St Francis Di Phone (505) 476-346 APPPI	il Fax (575 ia, NM 882] i3 Fax (575 d, Aztec, NN 8 Fax (505) r., Santa Fe, 0 Fax (505)) 393-0720 10) 748-9720 M 87410) 334-6170 NM 87505) 476-3462 FION FO ON ENER	Energy Minerals and Oil Conserva 1220 South St Santa Fe, I ¹ Operator Name and Address IERGY PRODUCTION COMPANY, L.P. PRIDAN, OKLAHOMA CITY, OK. 73102 ² Property Name BUTTER CUP 35 STAT				on Division Francis Dr. A 87505 <u>ER, DEEP</u>	<u>•</u> <u>•</u> <u>•</u> <u>•</u>	JUN 19 RECE	2012 VED CK, OR OGRID Nun	nber
392	34			BU				,		_	Well No 1H
					⁷ Surfa	ce Loc	ation				
UL - Lot P	Section 35	Township 18S	Range 34E	Loi	t Idn Feet 55	50	N/S Line S		Feet From 200	E/W Line E	County LEA
					⁸ Pool I	nform	ation		······		· - p
HAASH UNDESIG	1ì0 NATE	D BON	E SPRING								960
<u> </u>			10		Additional V			12 .		1 130	
⁹ Work T N	уре		¹⁰ Well Type		¹¹ Cable/ R	•			se Type S	"G	round Level Elevation 3970.4'
¹⁴ Multip	ple		¹⁵ Proposed Depth		¹⁶ Form	ation		17 Co	Contractor ¹⁸ Spud Date		
No Depth to Ground			:10624 MD:15		Bone S	pring	50 miles	H	& P Distance to	nearest surfac	ce water 1/2 mile
					osed Casing						
Туре	Hole	Size	Casing Size		using Weight/ft		Setting Depth		Sacks of Ce	ment	Estimated TOC
	17 1/		13 3/8"		54.5#		1925	\neg	1645		Surface
	12	1/4"	9.5/8"		40#		5375		1420		Surface
	83	/4"			17#		10051		2135	;	4875'
	83	/4"	.5.1/2"		17#	-	15131	\rightarrow			<u>`</u>
			Casir	σ/Ce	ment Progra	am: Ac	ditional C	lomi	nents		
See attached	Drilling	Plan, Hor	izontal Plan &	BOP	sed Blowou			. Witter	nimes 2. Ve	ars From Hing Und	n App rova l Ierway
	 				Pressure	<u>i Fieve</u>					Manufacturer
13 5/8"Trip	Type le Ram	2FZ35-35		3,00			Test Pres 3,000		·		Shaffer
of my knowledge I further certify	e and bel y that the lines [],	ief e drilling pit a general p	iven above 1s true will be construc ermit [], or an (op.	ted acco	ording to	Approve		CON	ISERVATI	ON DIVI	ISION
Printed name: B	arry W. I	lunt	ang W.	He	A	Title:	PETR	ROLI	UM BARGAN	EFR	
Title: Permit Ag	ent	\sim				Approve				piration Date:	
E-mail Address:	specialtp	ermitting@	zmail.com				JUN	2	1 2017		
Date: 06/18/12			Phone (575) 3	51-4078		Conditions of Approval Attached					

*

HOBBS OCD JUN 19 2012

DISTRICT1 1623 N. French De., 156bb., YM 88246 Phone: (75) 193-54169 Fas: (75) 193 0720 DISTRICT11 8118 First St., Acticale, Mid88210 Fhome: (55) 194-182 Mar (753) 748-9720 DISTRICT111 1008 RoB Branes Bit, Acamp. XM 87410 Phane: (855) 114-6178 Fas: (565) 134-6170 Phanese (855) 114-6178 Fas: (565) 134-6170 Pointe (305) 334-6173 PAIC (305) 334-6171 DISTRICT IV (220 8. BL Francis Dr., Burste Fe, NM 87505 Phone: (305) 476-3460 Fax: (305) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-102 Form C-102 RECEMEDRevised August 1, 2011 Submit one copy to appropriate District Office

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

					A					
3002ê	PI Number 5-40)634	90		[Hir	striundes	Pool Name GNATED BONI	E SPRING		
Property C	ođe				Property Name			Well Number		
3928	14			BUTT	ER CUP 35 ST	ATE COM		1H		
OGRID N	0.				Operator Name			Elevati	Elevation	
6137			DEVC	N ENERG	GY PRODUCTI	ON COMPANY,	LP	3970	.4'	
	Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Р	35	18 S	34 E		550	SOUTH	200	EAST	LEA	
			Bott	om Hole I	Location If Diffe	erent From Surfac	e	··		
UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
M	35	18 S	34 E		550	SOUTH	330	WEST	LEA	
Dedicated Acres	Joint or	Infill	Consolidated Co	ie Orde	r No.	•	•	•	· · · · · · · · · · · · · · · · · · ·	
160										

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.

NW COR SEC 35 NMSP-E (NAD 83) Y = 623482.1' N X = 785477.2' E LAT.= N32* 42' 41.33" LONG.= W103* 32' 22 47"			NE COR SEC 35 NMSP-E (NAD 83) Y = 623525.2' N X = 790766.4' E LAT.= N32' 42' 41.36'' LONG.= W103" 31' 20.57''	OPERATOR CERTIFICATION I hereby certify that the information contacted herein is true and complete to the best of my knowledge and belief, and that this organisation either owns a working interest or unleased mineral interest in the land including the proposed bottom hale location or has a right to drill this well at this location pursuant to a construct with an owner of such a mineral or working interest, or to volunitary pooling agreement or a compulsory pooling order heretofors entered by the division.
				Barry W. Hunt Prise Name E-mail Address
SW COR SEC 35 NMSP-E (NAD 83) Y = 618198.6'N X = 785526.1'E LONG.= W103" 32' 22.38"	BUTTER CUP 36 STATE COM 1H BHL NMSP-E (NAD 83) Y = 618751.1'N X = 785851.1'E LAT.= N32' 41' 54.49" LONG.= W103' 32' 18.51"	BUTTER CUP 35 STATE COM 1H SHL NMSP-E (NAD 83) Y = 618790.2' N X = 790603.0' E LAT.= N32' 4'1 54.52" LONG.= W103" 31' 22.91"	SE COR SEC 35 NMSP-E (NAD 83) Y = 618242.4' N X = 790807.4' E LAT.= N32' 41' 49.69' LONG.= W103" 31' 20 56''	SURVEYORS CERTIFICATION 7 hereby cortify that the well location shown on this plat was plotted from feld notes of actual neurope rands by ma or under my supervision, and that the zone is true and correct to the bast of my beits. May 15, 2012 Date of Survey Signature and Scal of Protocol Survey. Signature and Scal of Protocol Survey. Surv
330' 550'			200' 550'	Job No: WTC48541 JAMES E. TOMPKINS 14729 Certificate Number





2 MAN SERVICE CASING TO TD. MORNING REPORT AT 9AM OKLAHOMA CITY TIME TO ZACH POLAND.





				GEOL	OGIC P	ROGI	NOSIS			
WELL NAME:		Butter Cup	35 State 1	H 35-18	3S-34E					API#: 30-025-
SURFACE LOCATION		200 FEL 8	550 FSL 3	35-18S-34E						
BOTTOM HOLE LOCATION		BHL 330 F	WL & 550 F	SL (270	degree az	zimuth	from surfac	ce location	1)	0 degree updip
PLANNED TD:		· · · · · · · · · · · · · · · · · · ·		PRIMA	RY OBJE	CTIVE	: 3rd BOI	NE SPRIN	IG SA	ND
KB [.]	3985	GL:	3965	MUD:	CUT BRIN		m on location			CASING:
RIG:	<u> </u>					RIG	CONTACT	:		
PRODUCING FM.:	3rd Bon	e Spring				POC	DL NAME:	Corbin		
ESTIMATED BHP/BHT [.]	4600 ps									
			OLOGIST							204 4050
office email: Zach.Poland@dvn.c			5-228-4346 2dvn.com	cell (a			ends): 405- s: Devon			301-4852 home: oadway, Oklahoma City, OK 73102-8260
					-			0,7		
				REF	ERENC	E WE	LLS			
		WELL								LOCATION
<u></u>			,				<u>.</u>			
				····	· · · · ·	<u>.</u>				· · · · · · · · · · · · · · · · · · ·
		к			ENTIAL	HAZ	ARDS/RE	MARKS	S.	
No known hazards.		-								
No Pilot Hole										
All tops are 0' verti	cal sec	ction		<u> </u>						
				GEOI	LOGIC I		ERS			
KB:	3985	PROG	NOSIS	r	IUDLOG		· · · · ·	E-LOG		
FORMATION / CASIN		MD	subsea	MD	subsea	hi/lo	MD	subsea	hi/lo	NOTES
QUATERNARY		20	3965							
RUSTLER DOL	1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1						33.58		1.45	
RUSTLER DOL	a strate, brits	a 1889 🧼	2096	3 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 -		3. A.			1.20 1.2.	
SALADO SALT		2170	1815	L						
BASE SALT		3340	-645							

FORMATION / CASING	MD	subsea	MD	subsea	hi/lo	MD	subsea	hi/lo	NOTES
QUATERNARY	20	3965							
RÜSTLER DOL	1889	2096			101.4				
SALADO SALT	2170	1815							-
BASE SALT	3340	-645							
YATES SS	3445	540							
QUEEN SS.	4720	-735							
GRAYBURG	5300	-1315		6	1		1		
DELAWARE	6986	-3001							
1ST BONE SPRING LM.	7975	-3990							
> 1ST BONE SPRING SS	9320	-5335							
2ND BONE SPRING LM	9520	-5535	-						
2ND BONE SPRING SS	9860	-5875	an anna an ann an an ann an an an an an				\$ " . a	1994 1997 1997 1997 1997 1997 1997 1997	
3rd Bone Spring Lime	10000	-6015							
3rd Bone Spring Sand	10420	-6435							
3rd Bone Spring Sand Target	10620	-6635							Primary Pay Target OIL

Total Depth

• •

MUDLOGGING PROGRAM

- . .: .

2 MAN SERVICE CASING TO TD. MORNING REPORT AT 9AM OKLAHOMA CITY TIME TO ZACH POLAND.

	DEVONE	ENERGY OPEN HOLE LOGG	ING PROGR/	
WELL NAME:	Butter Cup 35 State 1H	35-18S-34E		API#: 30-025-
SURFACE LOCATION:	200 FEL & 550 FSL 35-1	18S-34E		
BOTTOM HOLE LOCATION	330 FNL & 450 FWL, up	dip 2.5 degrees (estimated lateral le	ngth 4500')	
PLANNED TD:		PRIMARY OBJECTIVE: 3rd BO	NE SPRING SA	ND
KB: 3985	GL: 3965	MUD. CUT BRINE (confirm on location)BIT:	CASING:
RIG:		RIG CONTACT	- -	
PRODUCING FM.:	3rd Bone Spring	POOL NAME:	Corbin	
ESTIMATED BHP/BHT:	4600 psi 130degF			
	GEOLOG	SISTS: ZACH POLAND AND	STEVE BURI	1S
office: email: Zach.Poland@dvn.cc	405-228-8849/ 405-228-4 m/ stephen.burns@dvn.co	,		405-301-4852 home: N Broadway, Oklahoma City, OK 73102-8260
COMPANY:		LOGGING COMPANY CONTACT		
LOGGING ENGINEER:				
		LOGGING SERVICES		
	LOG	Andrew Street and a second		DEPTH INTERVALS
	1st descent			1st descent
	e and a second and a			
for the second state of th				
	Horizontal		The fore that the second secon	Horizontal
G	amma Ray while drilling			Kickoff to TD
	. Srd descent	and the second	**************************************	Srd descent
PLEAS	E CALL Zach Poland	or Steve Burns AS SOON AS	YOU ARRIVI	E AT THE WELLSITE.
	·			
PLEASE INCLUDE NEUTRO			· · · · · · · · · · · · · · · · · · ·	······································
PLEASE INCLUDE NONIC P			. '	· · · · · · · · · · · · · · · · · · ·

KNOWN OR POTENTIAL HAZARDS/REMARKS.

No known hazards

LOGGING INSTRUCTIONS

CALIBRATIONS: Before & after checks of all tools on location. Present all calibrations and parameters on logs.

IN-PIPE CHECKS: 20' or more of calipers in pipe. Present in-pipe checks on logs @ 5"/100'.

MAIN LOG LABELS: Label all tools' first and last readings. Label cycle skips, splices, tension pulls, fluid levels, repeat logs.

TOOL DIAGRAM: Present tool diagram on logs.

SCALES & PRESENTATIONS

2"/100 LOG: Spectral GR 0 to 100 (track 1); caliper 6 to 16 inches (track 1); cable tension (track 1); bulk density (2 to 3),

neutron porosity (0.30 to -0.10), PE 0 to 10 (track 2)

5"/100 LOG: Spectral GR 0 to 100 (track 1); caliper 6 to 16 inches (track 1); cable tension (track 1); crossplot porosity (0.30 to -0 10), density porosity (0.30 to -0.10), neutron porosity (0.30 to -0.10), PE 0 to 10 (track 2), density correction (-0.1 to 0.9) (track 2)

Butter Cup 35 State Com 1H Drilling Plan

1. Casing and Cementing Plan Summary

The surface fresh water sands will be protected by setting 13.375" casing at 1,925' and circulating cement back to surface. The fresh water sands will be protected by setting 9.625" casing at 5,375' and circulating cement to surface. The Delaware intervals will be isolated by setting 5-1/2" casing to total depth of 15,131' and circulating cement above the base of the 9-5/8" casing. All casing is new and API approved.

2. Casing Program:

Hole Size	Hole Interval	Casing OD	Casing Interval	Weight	Collar	Grade
17.5"	0 - 1,925'	13.375"	0 - 1,925'	54.5#	BTC	J-55
12.25"	1,925' - 5,375'	9.625"	0 - 5,375'	40#	BTC	HCK-55
8.75"	5,375' - 10,051'	5.5"	0 - 10,051'	17#	LTC	P-110HC
8.75"	10,051' - 15,131'	5.5"	10,051' - 15,131'	17#	BTC	P-110HC

3. Design Factors:

Casing Size	Collapse Design Factor	Burst Design Factor	Tension Design Factor
13.375"	1.25	3.03	9.23
9.625"	1.52	1.41	4.31
5.5" LTC	1.82	2.26	1.73
5.5" BTC	1.73	2.14	6.58

4. Cement Program:

String	Slurry	Amount and Type of Cement
Surface	Lead	1220 sacks Class C Cement + 0.125 lbs/sack Ply-E-Flake, 13.5 ppg, 1.76 cf/sk
Surface	Tail	425 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Poly-E- Flake, 14.8 ppg, 1.35 cf/sk
T	Lead	995 sacks EconoCem HLC+ 5% bwow Sodium Chloride + 0.125 lbs/sack Poly-E-Flake, 12.5 ppg, 2.06 cf/sk
Intermediate	Tail	425 sacks Halcem C Cement + 0.125 lbs/sack Cello Flake, 14.8 ppg, 1.33 cf/sk
Production	1 st Lead	455 sacks EconoCem H Cement+ 0.3 Econolite BWOC + .125 lb/sk Poly-E-Flake + 0.3% BWOC HR-601, 11.8 ppg, 2.54 cf/sk
Production	2 nd Lead	390 sacks EconoCem HLH Cement+ 0.1 HR-601 BWOC + .125 lb/sk Poly-E-Flake, 12.5 ppg, 1.95 cf/sk
	Tail	1290 sacks VersaCem H Cement + 0.5% BWOC Halad-344 + 0.3% BWOC CFR-3 + 1 lb/sk Salt + 0.2% BWOC HR-601, 14.4 ppg, 1.25 cf/sk

String	тос
Surface	Surface
Intermediate	Surface
Production	4,875'

The above cement volumes are based on 25% excess. Actual cement volumes could be adjusted based on fluid caliper and caliper log data.

5. Pressure Control Equipment

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, 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.

6. Proposed Mud Circulation System:

Depth Range	Mud Weight	Viscosity	Fluid Loss	Type System
0 - 1,925'	8.4-9.0	28-34	NC	Fresh Water
1,925' - 5,375'	9.8-10.2	28-32	NC	Brine
5,375' - 15,131'	8.6-9.0	28-32	NC-12	Fresh Water

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. Auxiliary Well Control and Monitoring Equipment:

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13.375" casing shoe until the 5.5" casing is cemented. Breathing equipment will be on location upon drilling the 13.375" shoe until total depth is reached.

8. Potential Hazards:

No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP of 3,600 psi and estimated BHT 145°. No H2S is anticipated to be encountered.

9. Anticipated Starting Date and Duration of Operations:

a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon as a rig becomes available following BLM approval. Move in operations and drilling is expected to take 32 days. If production casing is run, then an additional 30 days will be needed to complete the well and construct surface facilities and/or lay flow lines in order to place well on production.

10. Location and Types of Water Supply:

This location will be drilled using a combination of water mud systems (outlined in the Drilling Program). The water will be obtained from commercial water stations in the area and hauled to location by transport truck using the existing and proposed roads shown in the C-102. On occasion, water will be obtained from a pre-existing water well, running a pump directly to the drill rig. In these cases where a poly pipeline is used to transport water for drilling purposes, proper authorizations will be secured. If a poly pipeline is used, the size, distance, and map showing route will be provided to the BLM via sundry notice.

11. Methods of Handling Waste Material:

- a. Drill cuttings will be disposed of in a closed loop system.
- b. All trash, junk and other waste material will be contained in trash cages or trash bins to prevent scattering. When the job is completed all contents will be removed and disposed of in an approved sanitary landfill.
- c. The supplier will pick up salts remaining, including broken sacks, after completion of well.
- d. A Porto-john will be provided for the rig crews. This equipment will be properly maintained during the drilling and completion operations and will be removed when all operations are complete.
- e. Remaining drilling fluids will be sent to a closed loop system.
- f. Disposal of fluids to be transported by the following companies:
 - i. American Production Service Inc, Odessa TX
 - ii. Gandy Corporation, Lovington NM
 - iii. I & W Inc, Loco Hill NM
 - iv. Jims Water Service of Co Inc, Denver CO

