

State of New Mexico
Energy, Minerals and Natural Resources
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

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 20 N BROADWAY OKLAHOMA CITY, OK 73102		2. OGRID Number 6137
		3. API Number 30-015-34838
4. Property Code 35677	5. Property Name STIRLING 7 C	6. Well No. 004

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	7	18S	27E	C	990	N	1650	W	EDDY

8. Pool Information

RED LAKE;GLORIETA-YESO	51120
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3288
14. Multiple N	15. Proposed Depth 3500	16. Formation Yeso Formation	17. Contractor	18. Spud Date 7/10/2006
Depth to Ground water 100		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 1500 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. 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	180	275	0
Int1	12.25	8.625	24	1050	400	0
Prod	7.875	5.5	15.5	3500	914	0

Casing/Cement Program: Additional Comments

Set 13 3/8" casing at 180' and cmt with 100 sx C1 C followed by 175 sx C1 C. Set 8 5/8" casing at 1050' and cmt with 250 sx 35:65 Poz C followed by 150 sx C1 C. Set 5 1/2" casing at 3500' and cmt with 200 sx 35:65 Poz C followed by 714 sx 60:40 Poz C. Mud program: 0-180', 8.4-8.8, 32-34 Visc, NC, Fresh water; 180-1000', 8.4-8.8, 29-35 Visc, NC, Fresh water; 1000-3500', 9.2-9.7, 29-32 Visc, 15 cc, Cut Brine.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	2000	2000	
DoubleRam	2000	2000	
Pipe	2000	2000	

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 NMOCD guidelines <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCB-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arrant	
	Title: Geologist	
	Approved Date: 5/5/2006	Expiration Date: 5/5/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by Linda Guthrie	
Title: Sr. Regulatory Specialist	
Email Address: linda.guthrie@dmr.com	
Date: 5/4/2006	Phone: 405-228-8209

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2040 South Pacheco
Santa Fe, New Mexico 87504-2088

<td style="width: 35%; vertical-align: top; padding: 10px;"> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="font-size: small; text-align: center; margin: 5px 0;">I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <div style="margin-top: 10px;"> </div> <div style="margin-top: 5px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="font-size: small; margin: 2px 0;">Signature</div> </div> <div style="margin-top: 5px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="font-size: small; margin: 2px 0;">Norvella Adams</div> </div> <div style="margin-top: 5px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="font-size: small; margin: 2px 0;">Printed Name</div> </div> <div style="margin-top: 5px;"> <div style="border-bottom: 1px solid black; width: 100%;"></div> <div style="font-size: small; margin: 2px 0;">Sr. Staff Eng. 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Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: STIRLING 7 C #004

API: 30-015-34838

Created By	Comment	Comment Date
ADAMSN	A H2S plan will be mailed under separate cover.	5/4/2006

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: STIRLING 7 C #004

API: 30-015-34838

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	As noted, operator to drill surface and intermediate hole with fresh water mud.