

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 30-015-34896
4. Property Code 35691	5. Property Name PERFECTO 2 STATE	6. Well No. 001

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	2	22S	26E	E	2070	N	675	W	EDDY

8. Pool Information

HAPPY VALLEY,MORROW (GAS)	78060
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3236
14. Multiple N	15. Proposed Depth 11525	16. Formation Morrow	17. Contractor	18. Spud Date 5/15/2006
Depth to Ground water 50		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: 20000 bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" 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	600	295	0
Int1	12.25	9.625	36	2300	950	0
Prod	8.75	5.5	17	11525	2476	2500

Casing/Cement Program: Additional Comments

13 3/8 with 295 sacks Class C Cmt + 0.25 lbs/sack Cello Flake. 9 5/8 lead w/700 sacks Class C Cmt + 0.25 lbs/sack Cello Flake, tail w/250 sacks Class C Cmt + 0.25 lbs/sack Cello Flake. 5 1/2 Stage 1 w/850 sacks Class C Cmt + 0.25 lbs/sack Cello Flake, Stage 2 w/1117 sacks H Cmt + 0.25 lbs/sack Cello Flake. Stage 3 lead w/359 sacks Class C Cmt + 0.25 lbs/sack Cello Flake, tail w/ 150 sacks Class C Cmt + 0.25 lbs/sack Cello Flake. Mud: 0-260 fresh, 8.4-9.4, 32-34, NC water loss, 260-2800 fresh, 8.5-9.6, 28-35, NC water loss, 2800-10000 fw/cut brine, 8.4-9.4, 28-32, NC water loss, 10000-11525 brine, 9.8-10.5, 36-4, 8-6 water loss.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	
Pipe	5000	5000	
Blind	5000	5000	

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 NMOCB guidelines <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCB-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Linda Guthrie Title: Sr. Regulatory Specialist Email Address: linda.guthrie@dvn.com Date: 5/8/2006	OIL CONSERVATION DIVISION	
	Approved By: Bryan Arrant	
	Title: Geologist	
	Approved Date: 5/26/2006	Expiration Date: 5/26/2007
	Conditions of Approval Attached	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 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

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Form C-102
 Permit 29346

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34896	2. Pool Code 78060	3. Pool Name HAPPY VALLEY MORROW (GAS)
4. Property Code 35691	5. Property Name PERFECTO 2 STATE	6. Well No. 001
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3236

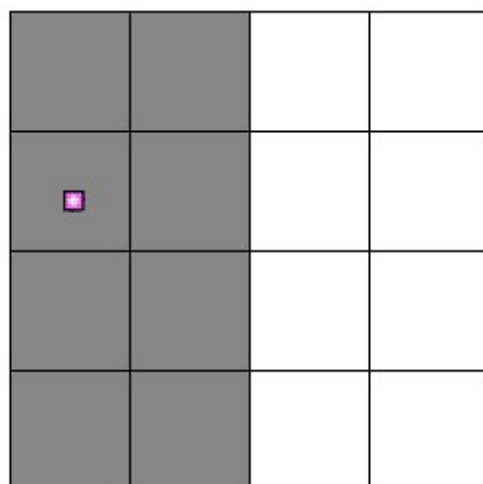
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 320.00	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



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(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.

E-Signed By: Linda Guthrie
 Title: Sr. Regulatory Specialist
 Date: 5/8/2006

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.

Surveyed By: Gary Jones
 Date of Survey: 2/25/2006
 Certificate Number: 7977

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: PERFECTO 2 STATE #001

API: 30-015-34896

Created By	Comment	Comment Date
YSASAS	Depth to groundwater is 50 feet or more, but less than 100 feet, distance to surface water is approximately 1000 feet, well is not in the wellhead protection area. No H2S is expected to be encountered. A nearby gas analysis and a C-102 will be mailed.	5/8/2006

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: PERFECTO 2 STATE #001

API: 30-015-34896

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	Operator to notify OCD time of spud and time to witness the cementing of the the surface and intermediate casing string of casing.
BArrant	Operator to take chloride samples from the flow line every 100' from surface to the setting depth of the intermediate casing. Results of tests are to be submitted to the OCD office in Artesia before well is drilled to total depth.
BArrant	Top of cement on production casing is to be verified by cement bond log or temperature survey before well can produce.
BArrant	Will require administrative order for non-standard location