District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 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

Energy, Minerals and Natural Resources

State of New Mexico

Permit 154167

Form C-101 August 1, 2011

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

Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 333 W. Sheridan Avenue Oklahoma City, OK 73102							OGRID Number 6137 3. API Number			
		Oklani	oma City, t	OK /3102				30-015-40	777	
4. 1	Property Code	•			5. Property Nam	te .		6. 1	Well No.	
	39356			PEI	RIDOT 13 ST	ATE		(002H	
93				7. S	urface Loc	ation	- S		Ke	
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
K	12	19S	29E	K	2260	S	1520	W	EDDY	
		2	8.	Proposed	Bottom H	ole Locat	ion		×	
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
				9. P	ool Inform	ation	2000 - 1000 - 1000			
URKEY TRACK;BONE SPRING						606				
				Addition	al Well Inf	formation	1.	- 575		
11. Work Type 12. Well Type		13. Cable/Rotary			14. Lease Type	15. Groun	d Level Elevation			
New We	e <mark>1</mark> 1	OIL				60	State		3387	
10.10										

11. Work Type New Well	12. We O		13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3387	
		oosed Depth 18. Formation 5112 2nd Bone Spring Sand		19. Contractor	20. Spud Date	
Depth to Ground water			Distance from nearest fresh water w	Distance to nearest surface water		

21. 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	310	345	0
Int1	12.25	9.625	40	3740	1185	0
Prod	8.75	5.5	17	15112	1960	0
Prod	8.75	5.5	17	7457	715	3240

Casing/Cement Program: Additional Comments

13-3/8" Lead: w/345sx ClassC Cmt + 2% bwoc CalChl + 0.125#/sx Poly-EF1 + 63.1% FW 14.8 ppg, Yld: 1.35 cf/sx 9-5/8" Lead: w/860sx(65:35)ClassC Cmt:Poz(Fly Ash): + 5% bwow Sod Chl + 0.125#/sx Poly-EF + 6% bwoc Bentonite + 70.9% FW, 12.9 ppg, Yld: 1.85 cf/sx. Tail: w/325sx ClassC Cmt + 0.125#/sx Poly-EF + 63.5% Wtr, 14.8 ppg, Yld: 1.33 cf/sx 5-1/2" 1st Lead: w/325sx (50:50)ClassH Cmt:Poz(Fly Ash)+ 10% bwoc Bentonite + 8#/sx Sod Ch1 + 0.125#/sx Poly-EF + 0.3% bwoc HR-601 + 0.3% bwoc Econolite + 77.2% FW, 11.8 ppg, Yld: 2.52 cf/sx. 2nd Lead: w/390sx(65:35)ClassH Cmt:Poz(Fly Ash)+ 6% bwoc Bentonite + 0.125#/sx Poly-EF + 0.1% bwoc HR-601 + 74.1% FW, 12.5 ppg, Yld: 1.95 cf/sx. Tail: w/1960sx(50:50)ClassH Cmt:Poz(Fly Ash)+ 1#/sx Sod Chl + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bentonite + 58.8% FW, 14.5 ppg, Yld: 1.22 cf/sx TVD 8140

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	3000	
DoubleRam	3000	3000	

best of my knowledge and bel-		OIL CONSERVATION DIVISION Approved By: Randy Dade		
I further certify I have comp 19.15.14.9 (B) NMAC □, if	olied with 19.15.14.9 (A) NMAC and/or applicable.			
Signature:				
Printed Name: Electronic	ally filed by Randy Bolles	Title: District Supervisor		
Title: Manager, Regulato	ry Affairs	Approved Date: 10/10/2012	Expiration Date: 10/10/2014	
Email Address: randy.bo	lles@dvn.com			
Date: 9/13/2012	Phone: 405-228-8588	Conditions of Approval Attac	hed	

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Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 Form C-102 August 1, 2011

Permit 154167

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	ol Name
30-015-40777	60660	K;BONE SPRING
4. Property Code	5. Property	6. Well No.
39356	PERIDOT 1:	002H
7. OGRID No. 6137	8. Operator DEVON ENERGY PRODU	9. Elevation 3387

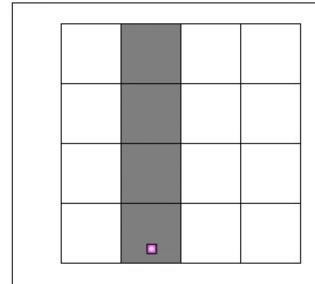
10. Surface Location

5	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
5	K	12	198	29E		2260	S	1520	W	EDDY

11. Bottom Hole Location If Different From Surface

JL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	13	198	29E	N	330	S	1980	W	EDDY
12. Dedicated Acres 160.00		13. J	3. Joint or Infil1 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: Randy Bolles Title: Manager, Regulatory Affairs

Date: 9/13/2012

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: Filimon Jaramillo Date of Survey: 5/5/2012 Certificate Number: 12797

Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137 Well: PERIDOT 13 STATE #002H

API: 30-015-40777

Created By	Comment	Comment Date
morawford	The BOP system used to drill the intermediate hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as a 3M system prior to drilling out the surface casing shoe. The BOP system used to drill the production hole will consist of a 13-5/8" 3M Triple Ram and Annular preventer. The BOP system will be tested as a 3M system prior to drilling out the intermediate casing shoe.	9/5/2012
mcrawford	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.	9/5/2012
morawford	No H2S is anticipated to be encountered.	9/5/2012
marawford	Mud: 0-310' FW, 8.4-9.0, 30-34, NC 310'-3,740' Brine, 9.6-10.0, 28-32, NC 3,740'-15,112' FW, 8.6-9.0, 28-32, NC-12	9/5/2012
CSHAPARD	Drilling restricted due to Potash	9/6/2012
CSHAPARD	Land s/S	10/10/2012

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP, 6137
Well: PERIDOT 13 STATE #002H

API: 30-015-40777

OCD Reviewer	Condition
CSHAPARD	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