

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

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 162733

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

1. Operator Name and Address DEVON ENERGY PRODUCTION COMPANY, LP 333 W. Sheridan Avenue Oklahoma City, OK 73102		2. OGRID Number 6137
		3. API Number 30-015-41148
4. Property Code 30668	5. Property Name SPUD 16 STATE	6. Well No. 010H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	16	23S	29E	I	2080	S	660	E	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	16	23S	29E	E	1980	N	330	E	Eddy

9. Pool Information

LAGUNA SALADO; BONE SPRING	96721
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 2963
16. Multiple N	17. Proposed Depth 13270	18. Formation 1st Bone Spring Sand	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		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	390	410	
Int1	12.25	9.625	40	2970	870	
Prod	8.75	5.5	17	13270	1300	
Prod	8.75	5.5	17	5200	900	2420

Casing/Cement Program: Additional Comments

13-3/8" Lead w/ 410 sxs Cl C Cmt + 2% bwoc CalChl + 0.125#/sx Poly-EF + 63.1% FW, 14.8 ppg, Yld: 1.35 cf/sx 9-5/8" Lead: 510 w/ sxs (65:35) Cl C Cmt:Poz (Fly Ash) + 5% bwoc SodChl + 0.125#/sx Poly-EF + 6% bwoc Bentonite + 70.9% FW, 12.9 ppg, Yld: 1.85 cf/sx. 1000 ft Tail w/ 360 sxs Cl C Cmt + 0.125#/sx Poly-EF + 63.5% Wtr, 14.8 ppg, Yld: 1.33 cf/sx 5-1/2" Lead w/ 900 sxs (65:35) Cl H 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. 5000 ft. Tail w/ 1300 sxs(50:50) Cl H Cmt:Poz (Fly Ash) + 1 #/sx SodChl + 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: 7680'

22. Proposed Blowout Prevention Program

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

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: _____ Printed Name: Electronically filed by Randy Bolles Title: Manager, Regulatory Affairs Email Address: randy.bolles@dmr.com Date: 2/19/2013	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 2/26/2013 Expiration Date: 2/26/2015 Conditions of Approval Attached
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Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 162733

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41148	2. Pool Code 96721	3. Pool Name LAGUNA SALADO; BONE SPRING
4. Property Code 30668	5. Property Name SPUD 16 STATE	6. Well No. 010H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 2963

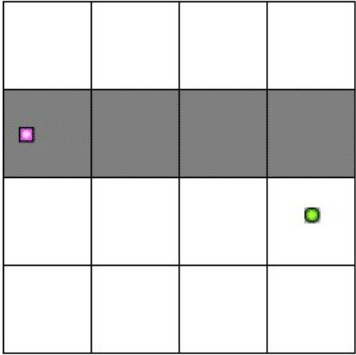
10. Surface Location

UL - Lot I	Section 16	Township 23S	Range 29E	Lot Idn E	Feet From 2080	N/S Line S	Feet From 660	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot E	Section 16	Township 23S	Range 29E	Lot Idn E	Feet From 1980	N/S Line N	Feet From 330	E/W Line W	County EDDY
12. Dedicated Acres 160.00		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

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p>E-Signed By: Randy Bolles Title: Manager, Regulatory Affairs Date: 2/19/2013</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Filimon Jaramillo Date of Survey: 1/11/2013 Certificate Number: 12797</p>
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Permit Comments

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: SPUD 16 STATE #010H

API: 30-015-41148

Created By	Comment	Comment Date
mcrawford	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	2/19/2013
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.	2/19/2013
mcrawford	No H2S is anticipated to be encountered.	2/19/2013
mcrawford	Mud: 0-390', FW, 8.4-9.0, 30-34, NC; 390'-2970', Brine, 9.8-10.0, 28-32, N/C; 2970'-13270', FW, 8.6-9.0, 28-32, N/C-12	2/19/2013
CSHAPARD	Land p/S Re-staked locations for Potash.	2/20/2013

Permit Conditions of Approval

Operator: DEVON ENERGY PRODUCTION COMPANY, LP , 6137

Well: SPUD 16 STATE #010H

API: 30-015-41148

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