

**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 181682

**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
4. Property Code 40396		3. API Number 30-015-42082
5. Property Name Ark 36 State		6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	36	22S	31E		200	S	795	W	Eddy

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	36	22S	31E	D	330	N	660	W	Eddy

**9. Pool Information**

LIVINGSTON RIDGE;BONE SPRING	39350
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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 3450
16. Multiple N	17. Proposed Depth 14491	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 5/17/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	900	970	0
Int1	12.25	9.625	40	4400	1360	0
Prod	8.75	5.5	17	14491	2040	3900

**Casing/Cement Program: Additional Comments**

5-1/2" Production Casing 2-Stage Option 830 12.5 10.86 1.96 Lead (65:35) Class H Cement: Poz (Fly Ash) + 6% BWOC Bentonite + 0.25% BWOC HR-601 + 0.125 lbs/sack Poly-E-Flake + 74.1 % Fresh Water 1370 14.5 5.31 1.2 Tail (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% bwoc HR-601 + 2% bwoc Bentonite + 58.8% Fresh Water DV Tool @ 4600ft 50 11.9 12.89 2.26 Lead (50:50) Class H Cement: Poz (Fly Ash) + 10% BWOC Bentonite + 1 lb/sk of Kol-Seal + 0.3% BWOC HR-601 + 0.5lb/sk D-Air 5000 + 76.4% Fresh Water 70 14.8 6.32 1.33 Tail Class C Cement + 0.2% HR-800 + 63.5% Fresh Water 5 1/2 Production 2 Stage TOC: Stage 1 - 4600ft; Stage 2 - 3900ft

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Randy Bolles Title: Manager, Regulatory Affairs Email Address: randy.bolles@dvn.com Date: 2/17/2014	Approved By: Randy Dade Title: District Supervisor Approved Date: 2/18/2014 Expiration Date: 2/18/2016 Conditions of Approval Attached

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
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**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 181682

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-42082	2. Pool Code 39350	3. Pool Name LIVINGSTON RIDGE;BONE SPRING
4. Property Code 40396	5. Property Name Ark 36 State	6. Well No. 001H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3450

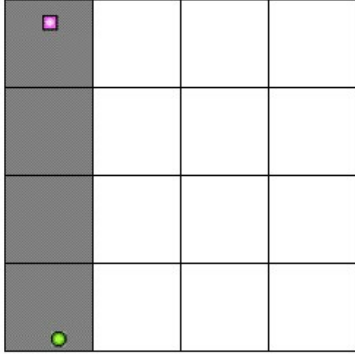
**10. Surface Location**

UL - Lot M	Section 36	Township 22S	Range 31E	Lot Idn	Feet From 200	N/S Line S	Feet From 795	E/W Line W	County Eddy
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 36	Township 22S	Range 31E	Lot Idn	Feet From 330	N/S Line N	Feet From 660	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;"><b>OPERATOR CERTIFICATION</b></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: 2/17/2014</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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: 11/14/2013 Certificate Number: 12797</p>
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Form APD Comments

Permit 181682

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

**PERMIT COMMENTS**

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102	API Number: 30-015-42082
	Well: Ark 36 State #001H

Created By	Comment	Comment Date
RDELONG	Cementing Notes: • Actual cement volumes will be adjusted based on fluid caliper and caliper log data • If lost returns are encountered while drilling through this section, Devon will run a DV tool at 4,600 ft. Cement volumes will be adjusted proportionately to the placement of the DV.	2/17/2014
RDELONG	Casing and Cementing Plan Summary The surface fresh water sands will be protected by setting 13-3/8" casing at 900' and circulating cement back to surface. The fresh water sands will be protected by setting 9-5/8" casing at 4,400' and circulating cement to surface. The 2nd Bone Springs intervals will be isolated by setting 5-1/2" casing to total depth and circulating cement above the base of the 9-5/8" casing. All casing is new and API approved.	2/17/2014
RDELONG	A 3M 13-5/8" BOP system (Triple Ram and Annular preventer) will be installed and tested prior to drilling out the surface casing shoe. The BOP system used to drill the intermediate hole will be tested per BLM Onshore Oil and Gas Order 2.	2/17/2014
RDELONG	A 3M 13-5/8" BOP system (Triple Ram and Annular preventer) will be installed and tested prior to drilling out the intermediate casing shoe. The BOP system used to drill the production hole will be tested per BLM Onshore Oil and Gas Order 2.	2/17/2014
RDELONG	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.	2/17/2014
RDELONG	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.	2/17/2014
RDELONG	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 13-3/8" casing shoe until the 5-1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13-3/8" shoe until total depth is reached.	2/17/2014
CSHAPARD	Land s/s	2/18/2014



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Form APD Conditions

Permit 181682

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102		API Number: 30-015-42082
		Well: Ark 36 State #001H
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	