

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 183412

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 40471		3. API Number 30-015-42224
5. Property Name Daisy Duke 31 State Com		6. Well No. 003H

7. Surface Location

UL - Lot I	Section 31	Township 22S	Range 26E	Lot Idn	Feet From 1980	N/S Line S	Feet From 175	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot L	Section 31	Township 22S	Range 26E	Lot Idn 3	Feet From 1980	N/S Line S	Feet From 330	E/W Line W	County Eddy
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9. Pool Information

WC-015 G-04 S232628M;BONE SPRING	98056
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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 3369
16. Multiple N	17. Proposed Depth 10842	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 8/1/2014
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	400	400	0
Int1	12.25	9.625	36	1700	550	0
Prod	8.75	5.5	17	10842	1860	1200

Casing/Cement Program: Additional Comments

5-1/2" Production Casing 2-Stage Option 230 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 1310 14.5 5.38 1.22 Tail (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.25% bwoc CFR-3 + 0.1% bwoc HR-601 + 2% bwoc Bentonite + 58.8% Fresh Water DV Tool @ 4500ft 390 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 120 14.8 6.32 1.33 Tail Class C Cement + 0.125 lbs/sack Poly-E-Flake + 63.5% Fresh Water Notes: • Cement volumes Surface 100%, Intermediate 50%, Production based on at least 25% excess • Actual cement volumes will be adjusted based on fluid caliper and caliper log data • If lost circulation is encountered while drilling the production wellbore, a DV tool will be installed a m

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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 type="checkbox"/> , if applicable. Signature: _____ Printed Name: Electronically filed by Randy Bolles Title: Manager, Regulatory Affairs Email Address: randy.bolles@dvn.com Date: 3/21/2014	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 3/25/2014 Expiration Date: 3/25/2016 Conditions of Approval Attached
Phone: 405-228-8588	

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Form C-102
August 1, 2011
Permit 183412

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42224	2. Pool Code 98056	3. Pool Name WC-015 G-04 S232628M;BONE SPRING
4. Property Code 40471	5. Property Name Daisy Duke 31 State Com	6. Well No. 003H
7. OGRID No. 6137	8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP	9. Elevation 3369

10. Surface Location

UL - Lot I	Section 31	Township 22S	Range 26E	Lot Idn	Feet From 1980	N/S Line S	Feet From 175	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot L	Section 31	Township 22S	Range 26E	Lot Idn 3	Feet From 1980	N/S Line S	Feet From 330	E/W Line W	County Eddy
12. Dedicated Acres 158.21	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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px; text-align: center; vertical-align: middle;">■</td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: right; vertical-align: middle;">●</td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table>									■			●					<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: 3/21/2014</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: 2/13/2014 Certificate Number: 12797</p>
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Form APD Comments

Permit 183412

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: 30-015-42224
	Well: Daisy Duke 31 State Com #003H

Created By	Comment	Comment Date
Igood	Pressure Control Equipment: A 3M 13-5/8" BOP system (Double 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. A 3M 13-5/8" BOP system (Double 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.	3/21/2014
Igood	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.	3/21/2014
Igood	Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line); if an H&P rig drills this well. Otherwise no flex line is needed. The line will be kept as straight as possible with minimal turns.	3/21/2014
Igood	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.	3/21/2014
CSHAPARD	Land s/s	3/24/2014

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Form APD Conditions
Permit 183412

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102		API Number: 30-015-42224
		Well: Daisy Duke 31 State Com #003H

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