

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) 749-1283 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 104308

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 30-025-42192 |
| 4. Property Code 313803 | 5. Property Name MONK 21 STATE | 6. Well No. 003H |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot B | Section 21 | Township 21S | Range 34E | Lot Idn | Feet From 200 | N/S Line N | Feet From 2030 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot O | Section 21 | Township 21S | Range 34E | Lot Idn O | Feet From 330 | N/S Line S | Feet From 1980 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|

9. Pool Information

| | |
|--------------------------|-------|
| BERRY;BONE SPRING, SOUTH | 96660 |
|--------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3723 |
| 16. Multiple N | 17. Proposed Depth 15200 | 18. Formation 2nd Bone Spring Sand | 19. Contractor | 20. Spud Date 12/27/2014 |
| 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 | 54.5 | 1870 | 1670 | 0 |
| Int1 | 12.25 | 9.625 | 40 | 5000 | 1450 | 0 |
| Prod | 8.75 | 7 | 29 | 10000 | 340 | 4500 |
| Prod | 8.75 | 5.5 | 17 | 15200 | 1340 | 0 |

Casing/Cement Program: Additional Comments

Surface Casing/Cement: Lead w/1110sx Cl C Cmt + 4% Bent Gel + 0.125 #/sx Poly-E-Flake, 13.5 ppg, Water: 9.07 gal/sx, Yld. 1.72 cf/sx. Tail w/560sx Cl C Cmt + 0.125 #/sx Poly-E-Flake + 1% BWOC Calcium Chloride, 14.8 ppg, Water: 6.34 gal/sx, Yld. 1.34 cf/sx; TOC @ surface. Intermediate Casing/Cement: Lead w/1020sx (65:35) Cl C Cmt: Poz (Fly Ash): 6% BWOC Bent + 5% BWOW Sodium Chloride + 0.125 #/sx Poly-E-Flake, 12.9 ppg, Water: 9.81 gal/sx, Yld. 1.85 cf/sx. Tail W/430sx Cl C Cmt + 0.125 #/sx Poly-E-Flake, 14.8 ppg, Water: 1.33 gal/sx, Yld. 6.32 cf/sx; TOC @ surface. Contingent Intermediate Casing/Cement: 1st Stage Lead w/770sx (65:35) Cl C Cmt: Poz (Fly Ash): 6% BWOC Bent + 5% BWOW Sodium Chloride + 0.125 #/sx Poly-E-Flake, 12.9 ppg, Water: 9.81 gal/sx, Yld. 1.85 cf/sx; 1st Stage Tail w/220sx Cl C Cmt + 0.125 #/sx Poly-E-Flake, 14.8 ppg, Water: 1.33 gal/sx, Yld. 6.32 cf/sx; DV Tool @ 1920'. Continued in Comments.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular | 3000 | 3000 | |
| Double Ram | 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@dvn.com Date: 10/16/2014 | OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 10/17/2014 Expiration Date: 10/17/2016 Conditions of Approval Attached |
| Phone: 405-228-8588 | |

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-102
 August 1, 2011
 Permit 104308

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---|--|
| 1. API Number 30-025-42192 | 2. Pool Code 96660 | 3. Pool Name BERRY,BONE SPRING, SOUTH |
| 4. Property Code 313803 | 5. Property Name MONK 21 STATE | 6. Well No. 003H |
| 7. OGRID No. 6137 | 8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP | 9. Elevation 3723 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot B | Section 21 | Township 21S | Range 34E | Lot Idn | Feet From 200 | N/S Line N | Feet From 2030 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|---------|------------------|---------------|-------------------|---------------|---------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------|-----------------|---------------------|---------|------------------------|---------------|-------------------|---------------|---------------|
| UL - Lot O | Section 21 | Township 21S | Range 34E | Lot Idn | Feet From 330 | N/S Line S | Feet From 1980 | E/W Line E | County Lea |
| 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

| | | | | | | | | | | | | | | | | | |
|---|-------------------------------|---|---|--|--|--|--|--|--|--|--|--|--|--|---|--|-------------------------------|
| <table border="1"> <tr><td></td><td></td><td align="center">●</td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td></td><td></td></tr> <tr><td></td><td></td><td align="center">■</td><td></td></tr> </table> | | | ● | | | | | | | | | | | | ■ | | OPERATOR CERTIFICATION |
| | | | ● | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | ■ | | | | | | | | | | | | | | | |
| <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> | | | | | | | | | | | | | | | | | |
| E-Signed By: Randy Bolles Title: Manager, Regulatory Affairs Date: 10/16/2014 | | | | | | | | | | | | | | | | | |
| | SURVEYOR CERTIFICATION | | | | | | | | | | | | | | | | |
| <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> | | | | | | | | | | | | | | | | | |
| Surveyed By: Filimon Jaramillo Date of Survey: 1/23/2013 Certificate Number: PLS 12797 | | | | | | | | | | | | | | | | | |

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 APD Comments

Permit 104308

PERMIT COMMENTS

| | |
|---|------------------------------|
| Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102 | API Number: 30-025-42192 |
| | Well: MONK 21 STATE #003H |

| Created By | Comment | Comment Date |
|------------|--|--------------|
| dcook | 2nd Stage Lead w/290sx (65:35) Cl C Cmt: Poz (Fly Ash): 6% BWOC Bent + 5% BWOW Sodium Chloride + 0.125 #/sx Poly-E-Flake, 12.9 ppg, Water: 9.81 gal/sx, Yld. 1.85 cf/sx; 2nd Stage Tail w/150sx Cl C Cmt + 0.125 #/sx Poly-E-Flake, 14.8 ppg, Water: 1.33 gal/sx, Yld. 6.32 cf/sx; TOC @ surface. | 10/16/2014 |
| dcook | 7" x 5.5" Combo Production Casing/Cement: Lead w/340sx Tuned Light® Cmt + 0.125 #/sx Pol-E-Flake, 10.4 ppg, Water: 16.8 gal/sx, Yld. 3.17 cf/sx; Tail w/1340sx (50:50) Cl H Cmt: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bent, 14.5 ppg, Water: 5.31 gal/sx, Yld. 1.2 cf/sx; TOC @ 4500'. | 10/16/2014 |
| dcook | BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested. | 10/16/2014 |
| dcook | Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. | 10/16/2014 |
| dcook | DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review. | 10/16/2014 |

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) 749-1283 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 APD Conditions

Permit 104308

PERMIT CONDITIONS OF APPROVAL

| | |
|---|------------------------------|
| Operator Name and Address: DEVON ENERGY PRODUCTION COMPANY, LP [6137] 333 W. Sheridan Avenue Oklahoma City, OK 73102 | API Number: 30-025-42192 |
| | Well: MONK 21 STATE #003H |

| OCD Reviewer | Condition |
|--------------|--|
| DMULL | Will require a directional survey with the C-104 |
| DMULL | 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 |
| pkautz | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well. |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | 1) SURFACE & INTERNEMATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | If cement does not circulate to surface, must run temperature survey or other log to determine top of cement |