District I

16. Multiple

N

Depth to Ground water

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 200840

| | | APPLIC | ATION FOR | PERMIT | TO DRILL, RE- | ENTER, DEEPE | N, PLUGBAC | K, OR ADD | AZO | NE | | |
|--|--------------|----------------------|------------|-------------|---------------|-----------------------|-------------------|-------------------------------|---------|-----------------------------|--------|-----|
| | ON ENERGY P | | OMPANY, LP | | | | | | 2. OGR | Number 6137 | | |
| 333 W. Sheridan Avenue Oklahoma City, OK 73102 | | | | | | | | 3. API Number 30-025-42465 | | | | |
| 4. Property Code 5. Property Name NORTH THISTLE 34 STATE COM | | | | | | 6. Well No. 001H | | | | | | |
| | | | | | 7. Surf | ace Location | | | | | | |
| UL - Lot M | Section 34 | Township | 22S Rang | e 33E | Lot Idn | Feet From 290 | N/S Line S | Feet From | 485 | E/W Line W | County | Lea |
| | | | | | 8. Proposed B | ottom Hole Locatio | on | | | | | |
| JL - Lot | Section | Township | Range | | Lot Idn | Feet From | N/S Line | Feet From | NII. | E/W Line | County | |
| D | 34 | 2 | 22S | 33E | D | 330 | N | 4 | 485 | W | | Lea |
| | | | | | 9. Poo | I Information | | | | | | |
| BRINNINSTO | OL;BONE SPRI | NG | | | 1 | and the decree of the | | | | 7320 | | |
| | | | | | Additional | Well Information | | | | | | |
| 11. Work Type New | Well | 12. Well Type OIL | | 13. Cable/R | otary | | 14. Lease Ty S | _{pe} tate | 15. Gro | und Level Elevation 3567 | | |

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

17. Proposed Depth

2nd Bone Spring Sand

Distance from nearest fresh water well

19. Contractor

20. Spud Date

7/18/2015

Distance to nearest surface water

| | 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 | 1400 | 1230 | 0 | |
| Int1 | 12.25 | 9.625 | 40 | 5250 | 1530 | 0 | |
| Prod | 8.75 | 7 | 29 | 10685 | 350 | 0 | |
| Prod | 8 75 | 5.5 | 17 | 15670 | 1320 | 4750 | |

Casing/Cement Program: Additional Comments

13-3/8" Surface: Lead w/680sx (65:35) CI C Cmt: Poz (Fly Ash): 6% BWOC Bent + 5% BWOW NaCL + 0.125 #/sx Poly-E-Flake, 12.9 ppg, H2O: 9.81 gal/sx, Yld. 1.85 cf/sx; Tail w/550sx CI C Cmt + 0.125 #/sx Poly-E-Flake, 14.8 ppg, H2O: 6.32 gal/sx, Yld. 1.33 cf/sx; TOC @ surface. 9-5/8" Intermediate: Lead w/1100sx (65:35) CI C Cmt: Poz (Fly Ash): 6% BWOC Bent + 5% BWOW CaCl2 + 0.125 #/sx Poly-E-Flake, 12.9 ppg, H2O: 9.81 gal/sx, Yld. 1.85 cf/sx; Tail w/430sx CI C Cmt + 0.125 #/sx Poly-E-Flake, 14.8 ppg, H2O: 6.32 gal/sx, Yld. 1.33 cf/sx; TOC @ surface. 7 x 5-1/2" Combo Production: Lead w/350sx Tuned Light ® + 0.125 #/sx Pol-E-Flake, 10.4 ppg, H2O: 16.9 gal/sx, Yld. 3.17 cf/sx; Tail w/1320sx (50:50) CI 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, H2O: 16.9 gal/sx, Yld. 1.2 cf/sx; TOC @ 4750'

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|-----------------|
| Annular | 3000 | 3000 | 7 2000 3000 000 |
| 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 ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable. Signature: | | | | OIL CONSERVATIO | N DIVISION |
|---|------------------------------|--|---------------------------------|-----------------|---------------------------|
| Printed Name: Electronically filed by Randy Bolles | | | Approved By: | Paul Kautz | |
| Title: | Manager, Regulatory Affairs | | Title: | Geologist | |
| Email Address: | ss: randy.bolles@dvn.com | | | 3/5/2015 | Expiration Date: 3/5/2017 |
| Date: | 3/5/2015 Phone: 405-228-8588 | | Conditions of Approval Attached | | |

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720

Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u> 311 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 <u>District III</u> 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 <u>District IV</u> 2320 S. S. Especie Dr. Scate Fo. NM 87558

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 200840

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number 30-025-42465 | 2. Pool Code 7320 | 3. Pool Name BRINNINSTOOL;BONE SPRING |
|-------------------------------|--|--|
| 4. Property Code 314232 | 5. Property Name NORTH THISTLE 34 STATE COM | 6. Well No. 001H |
| 7. OGRID No. 6137 | 8. Operator Name DEVON ENERGY PRODUCTION COMPANY, LP | 9. Elevation 3567 |

| | Location |
|--|----------|
| | |

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M | 34 | 22S | 33E | | 290 | S | 485 | W | Lea |

11. Bottom Hole Location If Different From Surface

| UL - Lot D | Section 34 | Township 22S | Range 33E | Lot Idn | Feet From 330 | N/S Line N | Feet From 485 | E/W Line W | 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

| 197 | 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 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 we location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory provider heretofore entered by the division. | | | |
| | E-Signed By: Randy Bolles | | | |
| | Trite: Manager, Regulatory Affairs | | | |
| | Date: 3/5/2015 | | | |
| | 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: Richard Brooks | | | |
| | Date of Survey: 12/9/2014 | | | |
| | Certificate Number: 20451 | | | |

Form APD Comments

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

Permit 200840

PERMIT COMMENTS

| Operator Name and Address: | API Number: |
|--|----------------------------------|
| DEVON ENERGY PRODUCTION COMPANY, LP [6137] | 30-025-42465 |
| 333 W. Sheridan Avenue | Well: |
| Oklahoma City, OK 73102 | NORTH THISTLE 34 STATE COM #001H |

| Created By | Comment | Comment Date |
|---------------|---|-----------------|
| dcook | Pilot Hole depth @ 11,400'; KOP @ 10,685'. Plug Top @ 10,485'; Plug Bottom @ 11,400' Pump: 355sx Cl H + 0.5% BWOC HR-601 + 0.2% Halad-9, 15.6 ppg, H2O: 1.19 gal/sx, Yld. 1.19 cf/sx; % excess = 10. | 3/5/2015 |
| dcook | 7 x 5-1/2" Combo Production Two Stage Option: 1st Stage Lead w/520sx (65:35) Class H Cement: Poz (Fly Ash) + 6% BWOC Bent + 0.25% BWOC HR-601 + 0.125 lbs/sack Poly-E-Flake, 12.5 ppg, H2O: 10.86 gal/sx, Yld. 1.96 cf/sx; 1st Stage Lead w/1320sx (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, H2O: 5.31 gal/sx, Yld. 1.2 cf/sx; DV Tool @ 5,300'. 2nd Stage Lead w/20sx Tuned Light ® + 0.125 #/sx Pol-E-Flake, 10.4 ppg, H2O: 16.9 gal/sx, Yld. 3.17 cf/sx, 2nd Stage Tail w/30sx Cl C Cmt + 0.125 #/sx Poly-E-Flake, 14.8 ppg, H2O: 6.32 ga | 3/5/2015 |
| dcook | 7 x 5-1/2" Combo Production Two Stage Option continued: DV Tool @ 5,300'. 2nd Stage Lead w/20sx Tuned Light ® + 0.125 #/sx Pol-E-Flake, 10.4 ppg, H2O: 16.9 gal/sx, Yld. 3.17 cf/sx, 2nd Stage Tail w/30sx Cl C Cmt + 0.125 #/sx Poly-E-Flake, 14.8 ppg, H2O: 6.32 gal/sx, Yld. 1.33 cf/sx; TOC 1st stage @ 5,300'; TOC 2nd stage @ 4,750'. | 3/5/2015 |
| 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. | 3/5/2015 |
| 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. | 3/5/2015 |
| 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. | 3/5/2015 |
| dcook | Devon proposes using a multi-bowl wellhead assembly (FMC Uni-head). This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi. | 3/5/2015 |

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

Permit 200840

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: | API Number: |
|--|----------------------------------|
| DEVON ENERGY PRODUCTION COMPANY, LP [6137] | 30-025-42465 |
| 333 W. Sheridan Avenue | Well: |
| Oklahoma City, OK 73102 | NORTH THISTLE 34 STATE COM #001H |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | 1) SURFACE & INTERNEMIATE 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 |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |
| pkautz | Will require a directional survey with the C-104 |
| pkautz | Will require a directional survey with the C-104 |
| pkautz | 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. |