

DATE IN 1/18/07	SUSPENSE 2/4/07	ENGINEER W. Jones	LOGGED IN 1/22/07	TYPE SWD 1070	APP NO. pTDS0702 451054
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

e-mail Address



Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

January 15, 2007

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Form C-108, Application for Authorization to Inject
Spud 16 ST #4
API#: 30-015-33923
Eddy County, NM
Section 16, T23S, R29E

2007 JAN 18 PM 10:34

Gentlemen:

Please find attached Devon Energy Production Company, LP's Form C-108, Application for Authorization to Inject. Devon wishes to take produced waters from the Delaware sand and re-inject back into the Delaware sand for salt water disposal purposes utilizing the Spud 16 ST #4 wellbore.

A copy of this application is being filed with the OCD-Artesia office, surface land owner, and appropriate leasehold operators.

If you have any questions, please contact Jim Cromer at (405)-228-4464 or myself at (405)-552-4615.
Thank you for your cooperation in this matter.

Sincerely,

Ronnie Slack
Engineering Technician

RS/rs

Enclosure

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance _____ ☒ Disposal _____ Storage
Application qualifies for administrative approval? ☒ Yes _____ No
- II. OPERATOR: _____ Devon Energy Production Company, LP _____
ADDRESS: _____ 20 North Broadway, Suite 1500, Oklahoma City, Oklahoma 73102 _____
CONTACT PARTY: _____ Ronnie Slack _____ PHONE: _____ 405-552-4615
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes ☒ No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: _____ Ronnie Slack _____ TITLE: _____ Engineering Technician
SIGNATURE: Ronnie Slack DATE: 1/15/07
E-MAIL ADDRESS: _____ Ronnie.Slack@DVN.com _____
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:
- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
 - (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
 - (3) A description of the tubing to be used including its size, lining material, and setting depth.
 - (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.
- Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.
- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.
- (1) The name of the injection formation and, if applicable, the field or pool name.
 - (2) The injection interval and whether it is perforated or open-hole.
 - (3) State if the well was drilled for injection or, if not, the original purpose of the well.
 - (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
 - (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: _____ Devon Energy Production Company, LP _____

WELL NAME & NUMBER: _____ SPUD 16 ST 4

WELL LOCATION: _____ 960' FSL & 1800' FEL _____
FOOTAGE LOCATION _____ UNIT LETTER _____ SECTION _____ T23S _____ TOWNSHIP _____ R29E _____ RANGE _____

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: _____ 17-1/2" _____ Casing Size: _____ 13-3/8" _____
Cemented with: _____ 440 _____ sx. _____ or _____ ft³ _____
Top of Cement: _____ Surface _____ Method Determined: Circ. cement _____

Intermediate Casing

Hole Size: _____ 11" _____ Casing Size: _____ 8-5/8" _____
Cemented with: _____ 800 _____ sx. _____ or _____ ft³ _____
Top of Cement: _____ Surface _____ Method Determined: Circ cement _____

Production Casing

Hole Size: _____ 7-7/8" _____ Casing Size: _____ 5-1/2" _____
Cemented with: _____ 1110 _____ sx. _____ or _____ ft³ _____
Top of Cement: _____ Surface _____ Method Determined: Circ. cement _____
Total Depth: _____ 6,750' _____

Injection Interval (Perforated)

_____ 3,760' _____ feet to _____ 4,890' _____
3760-3800; 3890-3920; 4655-4796; 4850-4890
(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2-7/8", 6.5# Lining Material: IPC

Type of Packer: 5-1/2" IPC

Packer Setting Depth: +/- 4,600'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? Yes X No

If no, for what purpose was the well originally drilled? Oil production

2. Name of the Injection Formation: Delaware Bell Canyon. Devon is requesting approval for the entire Delaware Bell Canyon injection interval of 3760-3800; 3890-3920; 4655-4796; 4850-4890. However, initially Devon proposes to only perforate and inject in Delaware Bell Canyon perfs at 4655-4796 and 4850-4890. If injection pressures and rates are not satisfactory at the interval 4655-4890, then the remaining Bell Canyon interval at 3760-3920 will be perforated for injection as needed.

3. Name of Field or Pool (if applicable): Delaware

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used.

The Spud 16 ST #4 is perforated in Delaware Brushy Canyon from 6520' to 6539'. Perforations are currently opened. It is proposed to set a CIBP @ +/- 6500' and dump 35' cement on top.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

The Bone Spring (7684-7926) currently producing in Chesapeake IMC 21 #1 underlies the proposed Delaware Bell Canyon injection interval at 3760-3800; 3890-3920; 4655-4796; 4850-4890'. The Bone Spring in Devon's Spud 16 ST #1 was also productive in the Bone Spring from 7670' to 7819. These perfs are below a CIBP. The next lower productive gas zone is the Atoka, producing at a depth of 12139-12165 in Devon's Spud 16 ST #5. No productive oil or gas zones have been tested above the proposed injection interval.

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: SPUD 16 ST 4		Field: LAGUNA SALADO SOUTH	
Location: 960' FSL & 1800' FEL; SEC 16-23S-29E		County: EDDY	State: NM
Elevation: 2978' KB; 2965' GL		Spud Date: 6/24/05	Compl Date: 7/21/05
API#: 30-015-33923	Prepared by: Ronnie Slack	Date: 9/29/06	Rev:

PROPOSED SWD CONVERSION

17-1/2" hole
13-3/8", 48#, H40, ST&C, @ 378'
Cmt'd w/440 Sx

11" Hole
8-5/8", 32#, J55, LT&C, @ 2907'
Cmt'd w/800 Sx

DV Tool @ 3512'

Proposed: Add additional perfs for SWD as needed
Delaware Bell Canyon
3760 - 3800
3890 - 3920

Proposed: SWD Perfs
Delaware Bell Canyon
4655 - 4796
4850 - 4890

BRUSHY CANYON (7/16/05)
6520' - 6539'

7/16/05: Acidized w/2000 gals 7.5% pentol, Avg 5.8 bpm @ 2075#
7/19/05: Fraced w/50K# 16/30; Avg 30.7 bpm @ 1100#

7-7/8" Hole
5-1/2", 17#, J55, LTC, 0 - 458'
5-1/2", 15.5#, J55, LTC, 458 - 5564'
5-1/2", 17#, J55, LTC, 5564 - 6750'
Cmt'd w/1110 Sx

Proposed:
2-7/8" IPC Tubing

Proposed:
IPC Packer @ +/- 4600'

Proposed:
CIBP @ 6500' + 35' cement

PBTD @ 6700'

TD @ 6750'

DEVON ENERGY PRODUCTION COMPANY LP

Well Name: SPUD 16 ST 4		Field: LAGUNA SALADO SOUTH	
Location: 960' FSL & 1800' FEL; SEC 16-23S-29E		County: EDDY	State: NM
Elevation: 2978' KB; 2965' GL		Spud Date: 6/24/05	Compl Date: 7/21/05
API#: 30-015-33923	Prepared by: Ronnie Slack	Date: 9/15/06	Rev:

Current Schematic

17-1/2" hole
13-3/8", 48#, H40, ST&C, @ 378'
Cmt'd w/440 Sx

11" Hole
8-5/8", 32#, J55, LT&C, @ 2907'
Cmt'd w/800 Sx

DV Tool @ 3512'

2-7/8", J55, Production Tubing

TAC @ 6341'

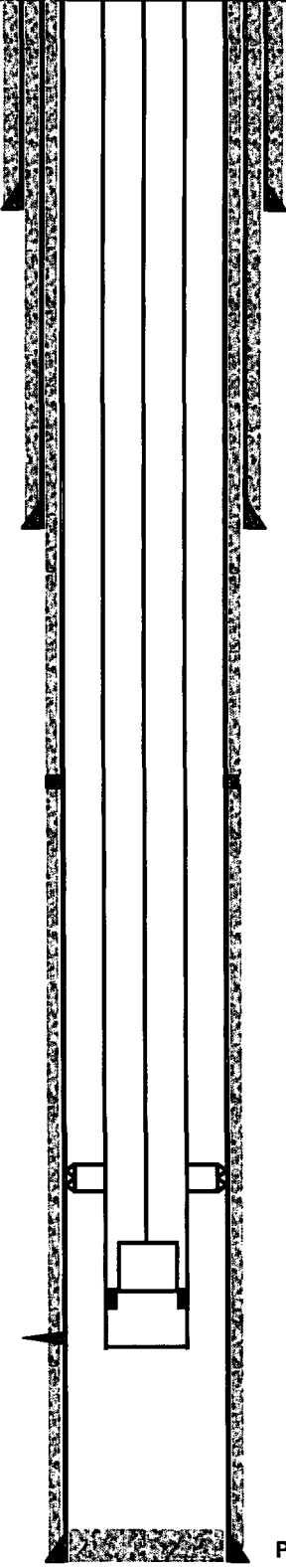
EOT @ 6507'

BRUSHY CANYON (7/16/05)
6520' - 6539'
7/16/05: Acidized w/2000 gals 7.5% pentol, Avg 5.8 bpm @ 2075#
7/19/05: Fraced w/50K# 16/30; Avg 30.7 bpm @ 1100#

7-7/8" Hole
5-1/2", 17#, J55, LTC, 0 - 458'
5-1/2", 15.5#, J55, LTC, 458 - 5564'
5-1/2", 17#, J55, LTC, 5564 - 6750'
Cmt'd w/1110 Sx

PBTD @ 6700'

TD @ 6750'



C108 ITEM III - WELL DATA
Devon Energy Production Company, LP
Proposed Injector: Spud 16 ST #4

III. Well Data--On Injection Well

A. Injection Well Information

- (1) Lease Spud 16 State
Well No 4
Location 960' FSL & 1800' FEL
Sec.Twn,Rnge Sec 16, T23S-R29E, Unit Letter O
Cnty, State Eddy County, New Mexico
- (2) Casing 13-3/8", 48#, H40, @ 378' in 17-1/2" hole. Cmt'd w/ 440 sxs.
Cement circulated to surface.
- 8-5/8", 32#, J55, @ 2,907' in 11" hole. Cmt'd w/ 800 sxs.
Cement circulated to surface.
- 5-1/2", 15.5 & 17#, J55, @ 6,750'. Cmt'd w/ 1110 sxs.
Cement circulated to surface.
- (3) Injection Tubing 2-7/8" , 6.5#, IPC tubing run to +/- 4,600'
- (4) Packer 5-1/2" IPC Packer @ +/- 4,600'

DVE 35121

B. Other Well Information

- (1) Injection Formation: Delaware Bell Canyon
Field Name: Laguna Salado South
- (2) Injection Interval: 3760-3800; 3890-3920; 4655-4796; 4850-4890

Devon is requesting that the entire Bell Canyon interval from 3760' to 4890' be permitted for salt water disposal. However, Devon proposes that only the intervals at 4655-4796 and 4850-4890 be perforated & tested for salt water injection at first. If injection pressures & injection rates are not satisfactory at the interval 4655 - 4890, then the remaining permitted Bell Canyon intervals at 3760 - 3800' and 3890 - 3920 will be opened for injection as needed.

- (3) Original Purpose of Wellbore:

The Spud 16 ST #4 was spud on June 24, 2005 and was completed as an oil producer in Delaware Brushy Canyon from 6,520' to 6,539'. The Spud 16 ST #4 is currently producing 2 bopd, 13 Mcfpd, and 41 bwpd

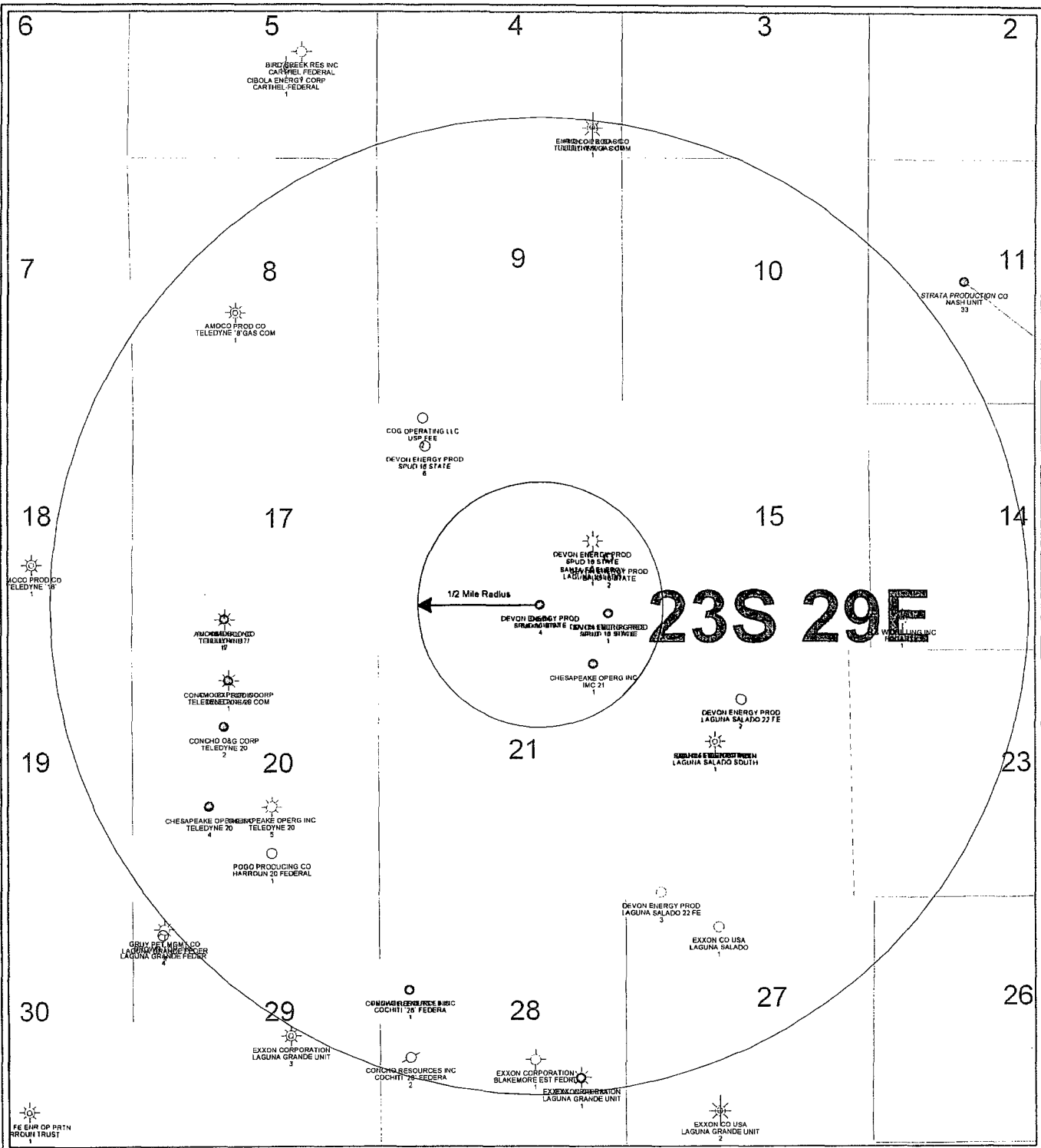
- (4) Other perforated intervals:

The only perforated interval in the Spud 16 ST #4 is the Delaware Brushy Canyon from 6,520' to 6,539'

- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well if any.

The next lower productive oil zone in the area of review is the Bone Spring. The Bone Spring is currently producing in Chesapeake IMC 21 #1 from 7,684' to 7,926' according to NM OCD records. No higher oil zones have been tested above the Delaware Brushy Canyon in the area of review.

The next lower productive gas zone in the area of review is the Atoka. The Atoka is currently producing from Devon's Spud 16 ST #5 from 12,139' to 12,165'. No higher gas zones have been tested above this depth in the area of review.



PETRA 9/19/2008 10:13:04 AM

C108-Item V

Map with 1/2 Mile & 2 Mile Review Area

Proposed Injector; Spud 16 ST #4

Eddy County; Sec 16-T23S-R29E

Devon Energy

SE NEW MEXICO

Spud 16 St 4

Sec 16-T23S-R29E, 960 fsl 1800 fsl

0 2,500
FEET

WELL SYMBOLS

- Location Only
- Oil Well
- Gas Well
- Dry Hole
- Abandoned Well
- Abandoned GAS Well

By: Kdh

September 19, 2008

C108 ITEM VI--Well Tabulation in Review Area

Devon Energy Production Company, LP

Proposed Injector: Spud 16 ST #4

Operator	Well Name	API NO	County	Sec	Twn	Rnge	Type	Status	Spud Date	Comp Date	TD	PBTD	Comp Zone	Comp Interval	Casing Program	Cement / TOC
Devon Energy Prod Co LP	Spud 16 ST 1	30-015-29691	Eddy	16	23S	29E	Oil	Act Prod	07/23/97	09/27/97	8100	7650	Brushy Canyon Bone Spring	6,550-6,562 7,670' - 7,819' (below cibrp)	13-3/8", 48# H40, @ 356' 8-5/8" 32#, K55, @ 2945' 5-1/2", 15.5 & 17# K55, @ 8100'	400 sx / Surf (circ) 700 sx / Surf (circ) 975 sx / NA
Devon Energy Prod Co LP	Spud 16 ST 2	30-015-33924	Eddy	16	23S	29E	Oil	Act Prod	02/20/05	03/31/05	6800	6761	Brushy Canyon	6,279' - 6,552' CIRC below	13-3/8", 48# H40, @ 342' 8-5/8" 32#, J55, @ 2942' 5-1/2", 15.5# J55, @ 6800'	400 sx / Surf (circ) 1000 sx / Surf (circ) 800 sx / 1710 (cbl)
Devon Energy Prod Co LP	Spud 16 ST 4	30-015-33923	Eddy	16	23S	29E	Oil	Act Prod	06/24/05	07/21/05	6750	6700	Brushy Canyon	6,520' - 6,539' DV @ 3514' CIRC below	13-3/8", 48# H40, @ 378' 8-5/8" 32#, J55, @ 2907' 5-1/2", 15.5 & 17# J55, @ 6750'	440 sx / Surf (circ) 800 sx / Surf (circ) 1110 sx / Surf (circ)
Devon Energy Prod Co LP	Spud 16 ST 5	30-015-34222	Eddy	16	23S	29E	Gas	Act Prod	10/23/05	01/20/06	12500	12412	Atoka	12,139 - 12,165 DV @ 3497 in 7" CIRC above but report CIRC below	13-3/8", 48# H40, @ 353' 9-5/8" 40# J55, @ 2948' 7" 26# P110, @ 10500' 4-1/2", 13.5# P110, liner @ 12500'	400 sx / Surf (circ) 1051 sx / Surf (circ) 2120 sx / Surf (circ) 330 sx / liner top
Chesapeake Operating, Inc.	IMC 21 1	30-015-34750	Eddy	21	23S	29E	Oil	Act Prod	05/21/06	07/13/06	8115	8023	Bone Spring	7,684' - 7,926' OK	13-3/8", 48# H40, @ 345' 8-5/8" 32#, J55, @ 3000' 5-1/2", 17# L80, @ 8115'	460 sx / Surf (circ) 800 sx / Surf (circ) 1142 sx / 2510'

~~Das hat in ein Gude Feld~~

C-108 - Section VII to XII
Devon Energy Production Company, LP
Proposed Injector: Spud 16 ST #4

VII Attach data on the proposed operation, including:

- (1) Proposed average injection rate: 2000 BWPD
Proposed maximum injection rate: 3000 BWPD
- (2) The system will be a closed system.
- (3) Proposed average injection pressure: 1000 psi
Proposed max injection pressure: 1150 psi
- (4) The proposed injection fluid is produced water from the Delaware that will be re-injected into the Delaware formation.
- (5) Attached is a water analysis from the Spud 16 St #4 for produced waters from the Delaware zone at 6520 to 6539'. Similar Delaware waters will be injected into the Spud 16 ST 4.

VIII The proposed injection interval is located in the Delaware Bell Canyon formation. This Permian age reservoir is approximately 1130' thick for the entire proposed injection interval. The entire proposed injection interval is at 3760'-3800'; 3890-3920'; 4655'-4796'; 4850'-4890'. However, initially Devon proposes to only perforate and inject in Delaware Bell Canyon perms at 4655-4796 and 4850-4890. If injection pressures and rates are not satisfactory at the interval from 4655'-4890', then the remaining Bell Canyon interval at 3760'-3920' will be opened for injection.

Surface casing has been set at 378' and cemented to surface to protect fresh water sources. The intermediate casing is set at 2907'. The production casing is set at 6750'. Both the intermediate and production casings are cemented to surface.

IX The proposed injection zone from 4655'-4890' will be acidized with +/- 5000 gallons 7.5% NeFe and fraced with +/- 120,000 lb proppant. The same treatment is proposed if the Bell Canyon interval from 3760'-3920' is opened for injection.

X Logging & test data have previously been submitted to the OCD.

XI A listing of fresh water wells surrounding the Spud 16 ST #4 per New Mexico Office of the State Engineer is submitted. Attached is fresh water analysis for United Salt Corporation's, POD number C 01217 S is attached.

XII An examination of this area has determined there are no open faults or other hydrologic connection between the disposal zone and any underground drinking water.



C108-Item VII #5
Delaware Zone Water Analysis
Spud 16 ST #4
Sec 16-T23S-R29E

Water Analysis

Date: 01-Nov-06

2708 West County Road, Hobbs NM 88240
Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Company	Well Name	County	State
Devon	Spud 16-4	Lea	New Mexico

Sample Source Swab Sample Sample # 1

Formation Depth

Specific Gravity	1.215	SG @ 60 °F	1.217
pH	5.57	Sulfides	Absent
Temperature (°F)	70	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	91,329	in PPM	75,045
Calcium	in Mg/L	31,600	in PPM	25,965
Magnesium	in Mg/L	720	in PPM	592
Soluble Iron (FE2)	in Mg/L	100.0	in PPM	82

Anions

Chlorides	in Mg/L	198,000	in PPM	162,695
Sulfates	in Mg/L	200	in PPM	164
Bicarbonates	in Mg/L	73	in PPM	60
Total Hardness (as CaCO3)	in Mg/L	82,000	in PPM	67,379
Total Dissolved Solids (Calc)	in Mg/L	322,023	in PPM	264,604
Equivalent NaCl Concentration	in Mg/L	263,689	in PPM	216,671

Scaling Tendencies

*Calcium Carbonate Index 2,313,120

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index 6,320,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks rw=.03@70f

Report # 2338



C108-Item XI
Fresh Water Analysis
United Salt Corporation
Pod Number C 01217 S
Sec 16-T23S-R29E

Water Analysis

Date: 10-Nov-06

2708 West County Road, Hobbs NM 88240
 Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

Company	Well Name	County	State
Devon	United Salt	Eddy	New Mexico

Sample Source Wellhead **Sample #** 1 sec16t23sr29e

Formation **Depth** 1020-1800

Specific Gravity	1.100	SG @ 60 °F	1.102
pH	8.73	Sulfides	Absent
Temperature (°F)	71	Reducing Agents	

Cations

Sodium (Calc)	in Mg/L	54,498	in PPM	49,445
Calcium	in Mg/L	1,040	in PPM	944
Magnesium	in Mg/L	192	in PPM	174
Soluble Iron (FE2)	in Mg/L	5.0	in PPM	5

Anions

Chlorides	in Mg/L	84,000	in PPM	76,211
Sulfates	in Mg/L	2,200	in PPM	1,996
Bicarbonates	in Mg/L	747	in PPM	677

Total Hardness (as CaCO3)	in Mg/L	3,400	in PPM	3,085
Total Dissolved Solids (Calc)	in Mg/L	142,682	in PPM	129,452
Equivalent NaCl Concentration	in Mg/L	128,082	in PPM	116,206

Scaling Tendencies

*Calcium Carbonate Index 776,506

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index 2,288,000

Below 500,000 Remote / 500,000 - 10,000,000 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks TW=.065@71f

Report # 2349

Fresh Water

C108-Item XIII

Affidavit of Newspaper Publication

Spud 16 ST #4

Sec 16-T23S-R29E

Affidavit of Publication

State of New Mexico,
County of Eddy, ss.

April Hernandez, being first duly sworn, on oath says:

That she is HR/Administrative Assistant of the Carlsbad Current-Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy; state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

September 28 2006

2006

2006

2006

2006

That the cost of publication is \$41.80 and that payment
Thereof has been made and will be
assessed as court costs.

April Hernandez

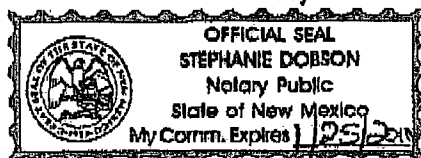
Subscribed and sworn to before me this

28 day of September 2006

Signature Dillon

My commission Expires on 1/25/2010

Notary Public



September 28, 2008

Devcon Energy Production Company, LP, 20 North Broadway, Oklahoma City, OK 73102-8260
has filed form C-108 [Application for Authorization to Inject] with the New Mexico Oil Conservation Division seeking administrative approval for an injection well.
The proposed well, the Spud 16 ST. #4, located 940' FSL & 1800' FEL, Unit O, Section 16, Township 23 South, Range 29 East, in Eddy County, New Mexico, will be used for salt water disposal. Disposal waters from the Delaware will be injected into the Delaware Bell Canyon formation at a depth of 3760-3800', 3890-3920', 4655-4796', and 4850-4890' with a maximum pressure of 1150 psi and a maximum rate of 2000 BWPD.

All interested parties opposing the aforementioned must file objections or request for a hearing with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87503-5472, within 15 days. Additional information can be obtained by contacting Jim Cromer at (405) 228-4464.

Form C-108 Section XIV
Proof of Notice to Leasehold Operator

Application For Injection in Spud 16 ST #4
Devon Energy Production Company, LP

Leasehold Operators within 1/2 mile of Spud 16 ST #4

Chesapeake Exploration Limited Partnership
6100 North Pennsylvania
Oklahoma City, Oklahoma 73118

Certified receipt No.
7005 3110 0002 8252 6947

Pogo Producing Company
P.O. Box 10340
Midland, Texas 79702-7340

Certified receipt No.
7005 3110 0002 8252 6954

Liberty Energy Corporation
175 Berkeley Street, 8th Floor
Boston, MA 02116

Certified receipt No.
7005 3110 0002 8252 6961

A copy of this application has been mailed to the above leasehold operators by certified mail, pertaining to Devon Energy's application for salt water disposal in the Spud 16 ST #4.

Date Mailed: 1/15/2007

Signature: Ronnie Slack

Date: 1/15/07

Ronnie Slack, Engineering Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Form C-108 Section XIV
Proof of Notice to Surface Land Owner

Application For Injection in Spud 16 ST #4
Devon Energy Production Company, LP

Surface Land Owner

Mosaic Potash Carlsbad, Inc. Certified receipt No. 7005 3110 0003 6502 0744
1361 Potash Mines Road
Carlsbad, NM 88202

A copy of this application has been mailed to the above surface land owner by
certified mail, pertaining to Devon Energy's application for salt water disposal in
the Spud 16 ST #4.

Date Mailed: 1/15/2007

Signature: Ronnie Slack

Date: 1/15/07

Ronnie Slack, Engineering Technician
Devon Energy Production Co., L.P.
20 N. Broadway, Suite 1500
Oklahoma City, OK 73102

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, January 23, 2007 4:34 PM
To: 'Ronnie.Slack@DVN.com'
Cc: Ezeanyim, Richard, EMNRD; Arrant, Bryan, EMNRD
Subject: SWD Application: Spud 16 St #4 30-015-33923 Bell Canyon

Hello Ronnie:

After reviewing your application:

- 1) The AOR wells had insufficient data in the OCD well files to check. I.e. Casing/cementing data sundrys are missing for some wells. Please check each well in the 1/2 mile AOR including the subject well and submit all necessary paperwork to the District office for scanning into our files.
- 2) Please check your records and public records for all wells in the AOR and send this office data on cement volumes above and below the DV Stage tools as well as the depth of these DV tools. If circulation was not reported below or above DV tools and no CBL or TS was run to show the tops, send the cement treating reports which should have the final cement pump pressures - for use to determine the approximate cement tops.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

1/23/2007



2007 JAN 29 AM 10 16

Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260

January 25, 2007

Oil Conservation Division
Attention: William V Jones PE
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Form C-108, Application for Authorization to Inject
Additional Casing/cementing data for wells in AOR
Spud 16 ST #4
API#: 30-015-33923
Eddy County, NM
Section 16, T23S, R29E

Mr. Jones:

Please find attached regulatory and drilling/cementing reports (where available) for wells that are reported in the AOR for Devon's C108 application for the Spud 16 ST #4.

These reports are submitted as per your request to provide further clarification on cementing data/cement tops on wells in the AOR. The attached regulatory reports are currently available on the OCD website. A copy of these reports are being furnished to the OCD-Artesia office.

If you have any questions or need additional information, please contact me at (405)-552-4615. My email is Ronnie.Slack@dnv.com.

Sincerely,

A handwritten signature in cursive script that reads "Ronnie Slack".

Ronnie Slack
Engineering Technician

RS/rs

Enclosure



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

January 28, 2005
Bureau of Land Management
620 East Greene St.
Carlsbad, NM 88220-6292
Attn: Craig Cranston or To Whom It May Concern

RE: APPLICATION FOR PERMIT TO DRILL IN POTASH AREA

RECEIVED

FEB 03 2005

OCDAHIESIA

OPERATOR: Devon Energy Production Company, L.P.
LEASE NAME: Spud '16' State # 4
LOCATION: SEC. 16 TOWNSHIP 23 SOUTH, RANGE 29 EAST,
960' FSL & 1800' FEL
EDDY COUNTY, NM, NMPM

PROPOSED DEPTH: 6800'

Dear Joe or To Whom It May Concern,

The application for permit to drill identified above has been filed with this office of the New Mexico Oil Conservation Division. Pursuit to the provisions of Oil Conservation Division Order R-111-P, please advise this office whether or not this application is within an established Life-of-Mine Reserve area filed with and approved by your office. If not, please advise whether it is within the buffer zone established by this order.

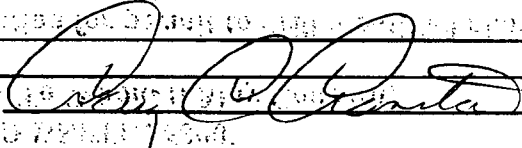
Thank you for your assistance.

Sincerely,

Bryan G. Arrant
PES, District II Artesia NMOCD

In LMR	Yes _____	No ☒
In Buffer Zone	Yes _____	No ☒

Comments:

Signature:  **Date:** 2-1-05

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.

30-015-29691

5. Indicate Type Of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

7. Lease Name or Unit Agreement Name

Spud "16" State

b. Type of Completion:

NEW WELL ☒ WORK OVER ☐ DEEPEN ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER ☐

2. Name of Operator

Santa Fe Energy Resources, Inc.

8. Well No.

1

3. Address of Operator

550 W. Texas, Suite 1330, Midland, TX 79701

9. Pool name or Wildcat

Wildcat Laguna Salado (Bone Spring)

4. Well Location

Unit Letter P : 760 Feet From The South Line and 330 Feet From The East Line

Section 16

Township 23S

Range 29E

NMPM

Eddy

County

10. Date Spudded

7/23/97

11. Date T.D. Reached

8/4/97

12. Date Compl.(Ready to Prod.)

9/27/97

13. Elevations(DF & RKB, RT, GR, etc.)

2961' GL

14. Elev. Casinghead

15. Total Depth

8100'

16. Plug Back T.D.

8100'

17. If Multiple Compl. How Many Zones?

N/A

18. Intervals Drilled By

Rotary Tools

All

Cable Tools

N/A

19. Producing Interval(s), of this completion - Top, Bottom, Name

7670'-7819' (Bone Spring)

20. Was Directional Survey Made

No

21. Type Electric and Other Logs Run

PEX/HALS; CMR; MSCT

22. Was Well Cored

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8" H-40	48.0#	356'	17-1/2"	400 sx C1 "C" (circ'd)	None
8-5/8" K-55	32.0#	2945'	11"	700 sx Poz & "C"	None
5-1/2" K-55	17.0 & 15.5#	8100'	7-7/8"	975 sx 35:65:6 & C1 "H"	None

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
N/A				

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-7/8"	7556'	N/A

26. Perforation record (interval, size, and number)

7680'-7819' 4" csg gun (22 holes) 1 JSPF

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
7680'-7819'	1500 gal 15% HCl w/44 ball sealers
	Frac'd w/ 40,000 gal gel & 156,000#
	16/30 Jordan & CR sand

28. PRODUCTION

Date First Production 9/28/97		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing						Well Status (Prod. or Shut-in) Producing	
Date of Test 12/8/97	Hours Tested 24	Choke Size 20/64"	Prod'n For Test Period	Oil - Bbl. 129	Gas - MCF 507	Water - Bbl. 243	Gas - Oil Ratio 3930		
Flow Tubing Press. 420	Casing Pressure 1220	Calculated 24- Hour Rate	Oil - Bbl. 129	Gas - MCF 507	Water - Bbl. 243	Oil Gravity - API (Corr.) 44.0 @ 60 deg-F			

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold - Highland Corp.

Test Witnessed By

30. List Attachments

C-104. Deviation Survey. Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature

Terry McCullough

Printed Name

Terry McCullough

Title

Sr. Prod. Clerk Date 01/13/98

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northeastern New Mexico

T. Anhy _____
T. Salt _____
B. Salt _____
T. Yates _____
T. 7 Rivers _____
T. Queen _____
T. Grayburg _____
T. San Andres _____
T. Glorieta _____
T. Paddock _____
T. Blinebry _____
T. Tubb _____
T. Drinkard _____
T. Abo _____
T. Wolfcamp _____
T. Penn _____
T. Cisco (Bough C) _____

T. Canyon _____
T. Strawn _____
T. Atoka _____
T. Miss _____
T. Devonian _____
T. Silurian _____
T. Montoya _____
T. Simpson _____
T. McKee _____
T. Ellenburger _____
T. Gr. Wash _____
T. Delaware Sand _____ 2968
T. Bone Springs _____ 6692
T. _____ Cherry Canyon 3852
T. _____ Brushy Canyon 5408
T. _____ Lower Brushy Cny 6384
T. 1st Bone Spring Snd 7674

T. Ojo Alamo _____
T. Kirtland-Fruitland _____
T. Pictured Cliffs _____
T. Cliff House _____
T. Menefee _____
T. Point Lookout _____
T. Mancos _____
T. Gallup _____
Base Greenhorn _____
T. Dakota _____
T. Morrison _____
T. Todilto _____
T. Entrada _____
T. Wingate _____
T. Chinle _____
T. Permian _____
T. Penn "A" _____

T. Penn. "B" _____
T. Penn. "C" _____
T. Penn. "D" _____
T. Leadville _____
T. Madison _____
T. Elbert _____
T. McCracken _____
T. Ignacio Otzte _____
T. Granite _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from 7674 to 7820
No. 2, from to

No. 3, from _____ to _____
No. 4, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet
No. 2, from to feet
No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology

From	To	Thickness in Feet	Lithology

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO.
30-015-29691

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Spud "16" State

1. Type of Well:
OIL WELL ☒ GAS WELL ☐ OTHER ☐

AUG 20 1997

2. Name of Operator
Santa Fe Energy Resources, Inc.

8. Well No.

1

3. Address of Operator
550 W. Texas, Suite 1330, Midland, TX 79701

9. Pool name or Wildcat
Wildcat Laguna Salado (BS)

4. Well Location
Unit Letter P : 760 Feet From The South Line and 330 Feet From The East Line

Section 16 Township 23S Range 29E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
2961'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Set casing & released rig ☒

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

8/7/97: Depth 8100' (TD). RU csg crew and ran 200 jts 5-1/2" 17.0# & 15.5# K-55 LT&C casing. Set csg shoe at 8100', RU BJ and cmt w/ 600 sx C1 C 35:65:6. Tail w/ 375 sx C1 "H" containing 6 pps BA-90 and 0.6% FL-25. Plug down at 9:00 a.m. MST. PU BOPs, set slips, cut casing off. NU tubing head & test. Jet and clean pits. Released rig at 3:00 p.m. MST. Waiting on completion unit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Terry McCullough TITLE Sr. Production Clerk DATE 8/17/97

TYPE OR PRINT NAME Terry McCullough TELEPHONE NO. 915/687-3551

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUS
DISTRICT SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

AUG 22 1997

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-015-29691

Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

AUG 11 1997

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR TO PLUG A WELL IN A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		OIL CON. DIV. DIST. 2	
1. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER ☐		7. Lease Name or Unit Agreement Name Spud "16" State	
2. Name of Operator Santa Fe Energy Resources, Inc.		8. Well No. 1	
3. Address of Operator 550 W. Texas, Suite 1330, Midland, TX 79701		9. Pool name or Wildcat Wildcat Laguna Salado (BS)	
4. Well Location Unit Letter <u>P</u> : <u>760</u> Feet From The <u>South</u> Line and <u>330</u> Feet From The <u>East</u> Line Section <u>16</u> Township <u>23S</u> Range <u>29E</u> NMPM <u>Eddy</u> County			
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 2961'			

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☒
OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

7/28/97: TD 11" hole at 8:15 p.m. MST. Depth 2945'. Circ'd hole clean and RU casing crew. Begin running 8-5/8" csg.

7/29/97: Ran total of 64 jts 8-5/8" 32.0# K-55 LT&C casing and set shoe at 2945'. Cement w/ 500 sx C1 "C" 50/50 Poz containing 5% salt 1/4 pps Flocele. Tail w/ 200 sx C1 "C" + 2% CaCl2. Plug down at 8:10 a.m. MST. WOC. Cut casing off and weld on head. Test weld to 500 psi, ok. NU BOP. Test BOP to 1500#, ok. WOC. PU BHA and TIH.

7/30/97: WOC total of 18 hours. Resume drilling operations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Terry McCullough TITLE Sr. Production Clerk DATE 8/05/97

TYPE OR PRINT NAME Terry McCullough TELEPHONE NO. 915/687-3551

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

APPROVED BY _____ TITLE _____ DATE AUG 12 1997

CONDITIONS OF APPROVAL, IF ANY:

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I

P.O. Box 1980, Hobbs NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

JUL 30 1997

OIL CON. DIV

WELL API NO.

30-015-29691

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Spud "16" State

1. Type of Well:

OIL

WELL ☒

GAS

WELL ☐

OTHER

2. Name of Operator

Santa Fe Energy Resources, Inc.

8. Well No.

1

3. Address of Operator

550 W. Texas, Suite 1330, Midland, TX 79701

9. Pool name or Wildcat

Wildcat Laguna Salado (BS)

4. Well Location

Unit Letter P : 760 Feet From The South Line and 330 Feet From The East Line

Section 16 Township 23S Range 29E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

2961'

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☒ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

7/23/97: Spud 17-1/2" hole at 6:30 p.m. Drlg.

7/24/97: TD 17-1/2" hole at 356'. RU casing crew. Ran 8 jts 13-3/8" 48.0# H-40 ST&C casing and set shoe at 356'. Cement casing w/ 400 sx C1 "C" + 2% CaCl2, first 200 sx contained 1/4 pps Flocele. Circulated 20 sx to pit. Plug down at 2:30 a.m. WOC. Cut casing off and weld on head. Test weld to 500 psi, ok. NU BOP. Test BOP to 500#, ok. WOC. PU BHA and TIH. Tag hard cmt at 280'. WOC.

7/25/97: WOC total of 25 hours. Resume drilling operations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Terry McCullough

TITLE Sr. Production Clerk

DATE 7/28/97

TYPE OR PRINT NAME Terry McCullough

TELEPHONE NO 915/687-3551

(This space for State Use)

ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

APPROVED BY

TITLE

DATE

AUG 5 1997

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Well API NO.	30-015-33924
5. Indicate Type of Lease	☒ State ☐ Fee
6. State Oil & gas Lease No.	
7. Lease Name or Unit Agreement Name	Spud 16 State
8. Well Number	2
9. Ogrid Number	6137
10. Pool Name or Wildcat	Delaware

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Devon Production Company, LP

3. Address and Telephone No.
20 North Broadway, Ste 1500, Oklahoma City, OK 73102 405-552-8198

4. Well Location
Unit Letter I 1980 feet from the South line and 330 feet from the East line
Section 16 23S Township 29E Range NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3310' GL

RECEIVED

MAR 16 2005

REGISTRATION

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- | | |
|--|--|
| ☐ PERFORM REMEDIAL WORK | ☐ PLUG AND ABANDON |
| ☐ TEMPORARILY ABANDON | ☐ CHANGE PLANS |
| ☐ PULL OR ALTER CASING | ☐ MULTIPLE COMPLETION |
| ☐ Other _____ | |

SUBSEQUENT REPORT OF:

- | | |
|---|---|
| ☐ REMEDIAL WORK | ☐ ALTERING CASING |
| ☐ COMMENCE DRILLING OPN | ☐ PLUG AND ABANDONMENT |
| ☐ CASING TEST AND CEMENT JOB | |
| ☒ OTHER | Drilling Operations |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103.
For Multiple Completions: Attach wellbore diagram or proposed completion or recompletion. If a pit or below-grade tank is involved in the operation, complete the reverse side of this form.

2/20/05 Spud 17 1/2" hole.
2/21/05 Td 17 1/2" hole @ 342'. Ran 10 jts of 13 3/8", 48#, H-40 ST&C csg and set @ 342'. Cmt lead w/400 sx CL C; clrc 68 sx to pit WOC 24 hrs.
2/22/05 Test csg to 1000# - ok
2/26/05 TD 11" hole @ 2942'. Ran 68 jts of 8 5/8", 32# J-55 LT&C csg.
2/27/05 Cmt lead w/ 700 sx CL C, tail w/ 300 sx CL C, clrc 90 sx to pit. WOC 24 hrs. Test csg to 1000# - ok.
3/04/05 TD 7 7/8" hole @ 6800'.
3/05/05 Ran 153 jts 5 1/2", 15.5#, J-55 LT&C csg. Cmt lead w/ 320 sx CL C, tail w/ 480 sx CL C.
3/06/05 Rig Released.

1710'
CMT
TOP by CBL

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Norvella Adams TITLE Sr. Staff Engineering Technician DATE 3/14/2005
Type or Print name Norvella Adams E-mail Address: Norvella.adams@dvn.com Telephone No. 405-552-8198
(This space for State use)

APPROVED BY FOR RECORDS ONLY DATE MAR 17 2005
Conditions of approval, if any:

to Appropriate District Office
Lease - 6 copies
Lease - 5 copies
District I
925 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-105
Revised June 10, 2003

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

a. Type of Well:

☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other

b. Type of Completion:

☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr., ☐ Other

c. Name of Operator

DEVON ENERGY PRODUCTION COMPANY, LP

d. Address of Operator

20 North Broadway, Ste 1500, Oklahoma City, OK 73102 405-552-8198

e. Well Location

Unit Letter I 1980 feet from the SOUTH line and 330 feet from the EAST line

Section 16 23S Township 29E Range NMPM County

0. Date Spudded 2/20/2005 11. Date T.D. Reached 3/4/2005 12. Date Completed 3/31/2005 13. Elevations (DR, RKB, RT, GL)* 2971' GL 14. Elev. Casinghead

5. Total Depth: MD 6,800 16. Plug Back T.D.: 6,761 17. If Multiple Compl. How Many Zones XXX 18. Intervals Drilled BY Rotary Tools Cable Tools

9. Producing Intervals(s), of this completion - Top, Bottom, Name
6279-6292 DELAWARE

1. Type Electric and Other Logs Run

PEX-AIT, CNLD

20. Was Directional Survey Made
NO
22. Was Well Cored
NO

23 CASING RECORD (Report all strings set in well)

Casing Size	Weight LB./FT.	Depth Set	Hole Size	Cementing Record	Amount Pulled
13 3/8"	48#	342'	17 1/2"	400 sx CLC; cir 68 sx	
8 5/8"	32#	2942'	11"	1000 sx CI C; cir 90 sx	
5 1/2"	15.5#	6800'	7 7/8"	800 sx CI C	

24 Liner Record

Size	Top	Bottom	Sacks Cement	Screen	Size	Depth Set	Packer Set
					2 7/8"	6552'	

6. Perforation record (interval, size, and number)

6572-6592'; 40 holes
6279-6292'; 26 holes

27. Acid, Shot, Fracture, Cement, Squeeze, ETC.

Depth Interval	Amount and Kind Material Used
6572-6592'	Acid w/ 2000 gals 7.5% Pentol; Frac w/ 24,048 gals WTR & 45,000# white sn & 5000# Cr-4000 sn
6279-6292'	Acid w/ 1000 gals 7.5% Pentol; Frac w/ 10,000 gals liner gel & 22,000# white sn & 6000 # CR-4000 sn

28 PRODUCTION

Date First Production 3/30/2005		Production Method (Flowing, Gas lift, pumping - Size and type pump) Pumping				Well Status (Prod. Or Shut-In) Producing	
Date of Test 4/19/2005	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl 93	Gas - MCF 118	Water - Bbl 205	Gas - Oil Ratio 1268.817204
Flowing Tubing Press.		Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl 93	Gas - MCF 118	Water - Bbl 205	Oil Gravity - API (Corr).

9. Disposition of Gas (Sold, used for fuel, vented, etc.)

sold

Test Witnessed By

0. List Attachments

Logs and deviation survey

1. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Printed

SIGNATURE



Name

Norvella Adams

Title

Sr. Staff Engineering Technician

DATE

5/11/2005

E-mail Address:

Norvella.adams@dv.com

RECEIVED

MAY 13 2005

UUL-ART-0312

INDICATE FORMATIONS TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

OIL OR GAS
SANDS OR ZONES

IMPORTANT WATER SANDS

to. 1, from to feet.....

to. 2, from to feet.....

to. 3, from to feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology

DATE: 3/16/2005

DISTRICT: PERMIAN BASIN	TIGHT GROUP: UNRESTRICTED	REPORT NO: 4	SPUD DATE: 2/20/2005
LOCATION: SEC. 16-23S-29E	PROD SUP:	FORMATION:	
PROJECT: PB NEW MEXICO	KB ELEV: 2,984.00	LITHOLOGY:	
FIELD: LAGUNA SALADO SOUTH	WI: 100.00000	DEPTH: 6,800	DSS: 17.00 FOOTAGE:
COUNTY: EDDY	API: 30-015-33924	RIG NM / NO: JW DRLG.	/ # 1
STATE: NM	AFE #: 117892	RIG PH #: 505-390-8125	PBTD:
PROP. #: 109325-002	AFE DRLG COST: 464,000	AFE COMP COST: 444,000	AFE TOTAL COST: 908,000
AUTH TVD: 6,800 (ft)	DAILY DRLG COST: 0	DAILY COMP COST: 13,461	DAILY TOTAL COST: 13,461
AUTH TMD: 6,800 (ft)	CUM DRLG COST: 437,996	CUM COMP COST: 156,912	CUM TOTAL COST: 594,908

Last Casing (03/05/05): PROD (LONG STRING) 5.500@6,800.00					Length	Top Depth	Open Zones up to 03/16/05	Top (ft)	Bot (ft)	TOT SH(ft)
CASING JOINT(S)	152.0	5.500	J-55	LT&C	6,748.240	13.00	BRUSHY CANYON	0	0	0.00
FLT COLLAR	1.0	5.500	J-55	LT&C	1.200	6,761.24				
CASING JOINT(S)	1.0	5.500	J-55	LT&C	36.460	6,762.44				
FLT SHOE	1.0	5.500	J-55	LT&C	1.100	6,798.90				

Last PROD (LONG STRING) assembly (03/05/05): 5.500@6,800.00	Size	Jnt #	OD	ID	Weight	Grade	Conn	Length	Top Depth
CASING JOINT(S)	5.5000	152.0	5.500	4.950	15.50	J-55	LT&C	6,748.24	13.00
FLT COLLAR	5.5000	1.0	5.500	4.950	15.50	J-55	LT&C	1.20	6,761.24
CASING JOINT(S)	5.5000	1.0	5.500	4.950	15.50	J-55	LT&C	36.46	6,762.44
FLT SHOE	5.5000	1.0	5.500	4.950	15.50	J-55	LT&C	1.10	6,798.90

[illegible]

FOREMAN: J.H. MESSMAN

Total Daily Cost:	13,461
Cumulative Cost to Date:	594,908

DATE: 3/6/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	1	SPUD DATE:	2/20/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.303 N - 103.982 W	FORMATION:			
PROJECT:	PB NEW MEXICO	KB ELEV:	2,984.00	LITHOLOGY:			
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	6,800	DSS:	14.00
COUNTY:	EDDY	API:	30-015-33924	RIG NM / NO:	JW DRLG.	FOOTAGE:	
STATE:	NM	AFE #:	117892	RIG PH #:	505-390-8125		
PROP. #:	109325-002	AFE DRLG COST:	464,000	AFE COMP COST:	444,000	AFE TOTAL COST:	908,000
AUTH TVD:	6,800 (ft)	DAILY DRLG COST:	0	DAILY COMP COST:	111,801	DAILY TOTAL COST:	111,801
AUTH TMD:	6,800 (ft)	CUM DRLG COST:	437,996	CUM COMP COST:	111,801	CUM TOTAL COST:	549,797

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
-------	----------	------	------	-----------	------	----	------	-----	-----	------	-----	-----	---	---	---	---	---	---	---	---

NO BIT DATA TODAY

MUD PROPERTIES		MUD USED		HYDRAULICS			
Time:	Solids:	Mud Additive	Used	PUMP #1	PUMP #2	PUMP #3	
MW:	Oil:			Liner Size:			
VISC:	10 sec Gel:			Lngh Strk:	16.000	14.000	
pH:	10 min Gel:			SPM:			
Chl:	CA:			GPM:			
WL:	Pm:			PSI:			
HTHP:	Pf:			AV (DP):	AV (DC):		
FC:	Ex Lime:			PSI Drop:	HP/In2:		
PV:	Elec Stab:			SLOW PUMP RATES			
YP:	MBT:			PUMP #1	psi @		spm
LCM:	LGS:			PUMP #2	psi @		spm

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ /	
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas:	Bkgrd Gas:

SURVEYS (Sidetrack: OH)								BHA #:			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length

String Wt Up:

String Wt Down:

Total BHA Length:

Rotating String Wt:

BHA Hr Last Insp:

LAST CASING / BOP / NEXT CASING

Depth: 0	FIT:	Size:	Wt:	Grade:	Connection:	Next Casing: @
Last BOP Test Date:		Accident:		Loss Control Inc:	24 Hr Forecast:	MOVE RIG TO HB 10 FEB. # 5

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
07:30	08:30	1.00	NO	RIG-UP LAY-DOWN MACH. TO RUN CSG.	Code	Description	Costs
08:30	14:45	6.25	NO	RIG-UP CSG. CREW & RUN 153 JTS. 5 1/2" CSG. 6803' SET @ 6800' RKB.	216-019	SITE CLEAN-UP	1,000.00
14:45	15:15	0.50	NO	RIG-UP BJ & CIRC. CSG. W/ RIG @ 6800'	216-019	ANCHORS	1,000.00
15:15	17:15	2.00	NO	CMT. 5 1/2" CSG. W/ BJ	216-043	RIG # 1	5,295.89
				LEAD = 320 SKS, 35/65/6 W/ 3% SALT	216-103	TRASH TRL.	25.00
				TAIL = 480 SKS. 60/40 W/ 1 % SALT	216-103	PORT-A-JOHN	20.00
				BUMPED PLUG W/ 1928 PSI (1100 PSI PRIOR)	216-103	WAATER TANK	35.00
				NO CMT. TO SURFACE	216-201	SLIP HAND	1,061.60
				TOTAL CMT. VOLUME = 1286.4 CU./ FT.	216-251	CMT. 5 1/2" CSG.	14,212.32
				APPROX. TEMP. OF SLURRY = 86 deg.	216-259	LAY-DOWN MACH.	4,525.00
				EST. MIN. FORM. TEMP. = 90 deg.	216-259	CSG. CREW	2,645.00
				EST. 8 HR. COMPRESSIVE STRENGTH = 500 PSI	216-269	J.H. MESSMAN	900.00
17:15	19:00	1.75	NO	NIPPLE-DOWN BOP	216-552	H2S MONITORING	55.00
19:00	19:15	0.25	NO	SET SLIPS ON 5 1/2" CSG. (85,000 # ON SLIPS)	217-903	5 1/2" J-55 15.5#	76,533.75
19:15	20:00	0.75	NO	WAIT ON ACETYLENE	217-925	5 1/2" FLOAT EQUIP.	1,672.00
				FMC SHOWED UP WITHOUT GAS TO CUT CSG.	217-931	WELLHEAD	2,819.97
20:00	21:00	1.00	NO	CUT OFF CSG. & LAY-DOWN BOP			
21:00	23:00	2.00	NO	NIPPLE-UP TBG. HEAD & TEST SAME TO 1500 PSI (OK)			
				NOTE:			
				RIG RELEASED @ 2300 HRS. 3/5/2005 (MST)			
23:00	06:00	7.00	NO	RIG DOWN TO MOVE RIG TO HB"10" FED. # 5			
					Total Daily Cost:		

FOREMAN: J.H. MESSMAN

Total Daily Cost:	111,801
Cumulative Cost to Date:	549,797



DAILY ONSHORE ORIG DRLG REPORT
SPUD 16 ST 2

Page 1 of 1

DATE: 2/27/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	8	SPUD DATE:	2/20/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.303 N - 103.982 W	FORMATION:	INTERMEDIATE		
PROJECT:	PB NEW MEXICO	KB ELEV:	2,984.00	LITHOLOGY:	ANHYDRITE		
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	2,942	DSS:	7.00
COUNTY:	EDDY	API:	30-015-33924	RIG NM / NO:	JW DRLG.	FOOTAGE:	30
STATE:	NM	AFE #:	117892	RIG PH #:	505-390-8125		/ # 1
PROP. #:	109325-002	AFE DRLG COST:	464,000	AFE COMP COST:	444,000	AFE TOTAL COST:	908,000
AUTH TVD:	6,800 (ft)	DAILY DRLG COST:	82,390	DAILY COMP COST:	0	DAILY TOTAL COST:	82,390
AUTH TMD:	6,800 (ft)	CUM DRLG COST:	304,179	CUM COMP COST:	0	CUM TOTAL COST:	304,179

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
2	5040792	HR530C	11.000	517	342.0	2,942.0	2,800.0	83.75	31.04	12/12/12	65,000	65	4	4	FC	A	4	1	RG	TD

MUD PROPERTIES			MUD USED		HYDRAULICS						
Time:	:	Solids:	Mud Additive	Used	PUMP #1		PUMP #2		PUMP #3		
MW:	10.20	Oil:			Liner Size:	5.500					
VISC:	29	10 sec Gel:			Lngth Strk:	16.000	14.000				
pH:	10.00	10 min Gel:			SPM:	59					
Chl:	160,000	CA:			GPM:	313.42					
WL:		Pm:			PSI:	1,275					
HTHP:		Pf:			AV (DP):	77.4	AV (DC):			136.7	
FC:		Ex Lime:			PSI Drop:	840	HHP/in²:			1.617	
PV:		Elec Stab:			SLOW PUMP RATES						
YP:		MBT:			PUMP #1	450	psi @			40	spm
LCM:		LGS:			PUMP #2		psi @				spm

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ / 2,819
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas:
		Bkgrd Gas:	

SURVEYS (Sidetrack: OH)								BHA #: 2			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
120.00	0.50	120.00		0.52	0.52		0.42	1	TRI-CONE BIT	11.000	1.00
342.00	0.50	341.99		2.46	2.46			1	NEAR BIT STABILIZER	11.000	4.05
554.00	0.25	553.99		3.85	3.85			1	PONY COLLAR	8.000	7.20
982.00	1.00	981.96		8.52	8.52		0.12	1	INTERGRAL BLADE STABILIZER	11.000	6.92
1,450.00	1.25	1,449.87		17.71	17.71		0.18	1	SHOCK SUBS	8.000	10.07
1,922.00	1.00	1,921.77		26.97	26.97		0.05	1	INTERGRAL BLADE STABILIZER	11.000	6.10
2,389.00	0.75	2,388.72		34.10	34.10		0.05	1	DRILL COLLAR	8.000	29.77
2,861.00	2.00	2,860.57		45.43	45.43		0.26	1	INTERGRAL BLADE STABILIZER	11.000	6.05
2,935.00	2.25	2,934.52		48.17	48.17		0.34	5	DRILL COLLAR	8.000	151.33
								1	CROSS OVER	7.500	1.67
								18	DRILL COLLAR	6.000	536.91
										Total BHA Length:	
										761.07	
										String Wt Up:	98
										Rotating String Wt:	98
										String Wt Down:	98
										BHA Hr Last Insp:	

LAST CASING / BOP / NEXT CASING						
Depth: 2,942	FIT:	Size: 8.625	Wt: 32.00	Grade: J-55	Connection: LT&C	Next Casing: 5.500 @ 6,800.00
Last BOP Test Date:		Accident:	Loss Control Inc:		24 Hr Forecast:	WELLHEAD, BOP & TEST, TIH, DRLG. & SURV

From	To	Hrs	Prob?	Activity Last 24 Hours				COSTS SUMMARY		
06:00	09:45	3.75	NO	DRLG. F/ 2912' to 2942'	Code	Description	Costs			
				TD @ 2942' @ 0945 HRS. 2/26/2005 (MST)	206-042	RIG # 1	630.00			
09:45	11:00	1.25	NO	CIRC. & COND. WELL FOR CSG.	206-043	RIG # 1				
11:00	13:15	2.25	NO	DROP TOTCO & TOH	206-102	MUD ADDITIVES				
				TOTCO = 2 1/4 deg. @ 2935'	206-103	TRASH TRL.	25.00			
13:15	14:15	1.00	NO	RIG-UP LAY-DOWN MACH.	206-103	WATER TANK	35.00			
14:15	15:45	1.50	NO	LAY-DOWN 11" BHA	206-103	PORT-A-JOHN	20.00			
15:45	19:45	4.00	NO	RIG-UP & RUN 2946' 8 5/8" CSG.	206-251	CMT. 8 5/8" CSG.	16,482.41			
				SET @ 2942' RKB	206-259	LAY-DOWN MACH.	1,075.00			
19:45	21:30	1.75	NO	RIG-UP BJ & CIRC. W/ RIG	206-269	J.H. MESSMAN	900.00			
				BJ CMT. HEAD LEAKING -- TRY TO REPAIR W/ NO	206-302	FRESH	390.00			
				SUCCESS -- CMT. W/ SWEDGE	206-302	BRINE				
21:30	23:45	2.25	NO	CMT. 8 5/8" CSG.	206-302	TRANSFER WATER				
				LEAD = 700 SKS. 35/65/6 W/ 5% SALT	207-902	8 5/8" 32# J-55 LT&C	61,866.00			
				TAIL = 300 SKS. "C" W/ 2% CACL2	207-925	FLOAT EQUIPMENT	967.00			
				PLUG BUMPED W/ 1146 PSI @ 2346 HRS. 2/26/05						
				CIRC. APPROX. 90 SKS. TO PIT (31 BBL)						
				TOTAL CMT. VOLUME = 1767 CU/ FT.						
				APPROX. TEMP. OF SLURRY = 86 deg.						
				EST. MIN. FORMATION TEMP. = 90 deg.						
				EST. 8 HR. COMPRESSIVE STRENGTH = 500 PSI						
				TESTING TO BEGIN NO EARLIER THAN 1145 HRS.						
				2/27/2005						
23:45	05:45	6.00	NO	WOC						
05:45	06:00	0.25	NO	NIPPLE-DOWN BOP & PREPARE FOR WELLHEAD						

FOREMAN: J.H. MESSMAN

Total Daily Cost: 82,390
Cumulative Cost to Date: 304,179



DAILY ONSHORE ORIG DRLG REPORT
SPUD 16 ST 2

Page 1 of 1

DATE: 2/22/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	3	SPUD DATE:	2/20/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.303 N - 103.982 W	FORMATION:	SURFACE		
PROJECT:	PB NEW MEXICO	KB ELEV:	2,984.00	LITHOLOGY:	SURFACE ROCK & RED-BED		
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	342	DSS:	2.00
COUNTY:	EDDY	API:	30-015-33924	RIG NM / NO:	JW DRLG.		I # 1
STATE:	NM	AFE #:	117892	RIG PH #:	505-390-8125		
PROP. #:	109325-002	AFE DRLG COST:	464,000	AFE COMP COST:	444,000	AFE TOTAL COST:	908,000
AUTH TVD:	6,800 (ft)	DAILY DRLG COST:	26,787	DAILY COMP COST:	0	DAILY TOTAL COST:	26,787
AUTH TMD:	6,800 (ft)	CUM DRLG COST:	157,960	CUM COMP COST:	0	CUM TOTAL COST:	157,960

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
1	K57318	DTJ	17.500	121	40.0	342.0	302.0	9.75	30.97	12/12/12	40,000	100	2	2	CT	A	2	1	WT	TD

MUD PROPERTIES				MUD USED				HYDRAULICS			
Time:	:	Solids:		Mud Additive		Used		PUMP #1	PUMP #2	PUMP #3	
MW:	9.00	Oil:						Liner Size:	5.500		
VISC:	32	10 sec Gel:						Lngh Strk:	16.000	14.000	
pH:	9.50	10 min Gel:						SPM:	60		
Chl:		CA:						GPM:	318.73		
WL:		Pm:						PSI:	750		
HTHP:		Pf:						AV (DP):	27.3	AV (DC):	32.2
FC:		Ex Lime:						PSI Drop:	767	HHP/in ² :	0.593
PV:		Elec Stab:						SLOW PUMP RATES			
YP:		MBT:						PUMP #1	psi @		spm
LCM:		LGS:						PUMP #2	psi @		spm

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ / 1,285
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas:
		Bkgrd Gas:	

SURVEYS (Sidetrack: OH)								BHA #: 1			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
120.00	0.50	120.00		0.52	0.52		0.42	1	TRI-CONE BIT	17.500	1.50
342.00	0.50	341.99		2.46	2.46			1	SHOCK SUBS	8.000	10.07
								1	NEAR BIT STABILIZER	17.500	6.55
								1	DRILL COLLAR	9.000	29.72
								6	DRILL COLLAR	8.000	181.10
								1	CROSS OVER	7.500	1.67
								3	DRILL COLLAR	6.000	99.52
										Total BHA Length:	330.13
										Rotating String Wt:	40
										String Wt Up:	40
										String Wt Down:	40
										BHA Hr Last Insp:	

LAST CASING / BOP / NEXT CASING

Depth: 342	FIT:	Size: 13.375	Wt: 48.00	Grade: J-55	Connection: ST&C	Next Casing: 8.625 @ 2,950.00
Last BOP Test Date:	Accident:	Loss Control Inc:	24 Hr Forecast:	NU BOP, TEST BOP, TIH, DRLG. CMT. & FORM		

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
06:00	06:15	0.25	NO	CIRC. & COND. WELL FOR CSG.	Code	Description	Costs
06:15	07:30	1.25	NO	DROP TOTCO & TOH FOR CSG.	206-042	RIG # 1	
07:30	08:00	0.50	NO	LAY-DOWN 17 1/2" BHA	206-043	RIG # 1	2,477.11
08:00	09:30	1.50	NO	RIG-UP & RUN 13 3/8" CSG.	206-102	MUD ADDITIVES	
				346' SET @ 342' RKB	206-103	TRASH TRL.	25.00
09:30	10:00	0.50	NO	RIG-UP BJ & CIRC. CSG. W/ RIG PUMP	206-103	WATER TANK	35.00
10:00	10:45	0.75	NO	CMT. 13 3/8" CSG. W/ BJ	206-103	PORT-A-JOHN	20.00
				LEAD = 400 SKS. "C" W/ 2% CaCl2	206-201	WELDER FOR CUT-OFF	276.24
				BUMPED PLUG W/ 566 PSI	206-251	CMT. 13 3/8" CSG.	7,005.02
				CIRC. APPROX. 68 SKS. TO PIT (16 BBL.)	206-269	J.H. MESSMAN	900.00
					206-302	FRESH	1,365.00
				TOTAL CMT. VOLUME = 540 CU/ FT.	206-302	BRINE	
				APPROX. TEMP. OF SLURRY = 86 deg.	206-302	TRANSFER WATER	3,360.00
				EST. MIN. FORM. TEMP. = 90 deg.	207-901	13 3/8" 48# J-55	10,666.98
				EST. 8 HR. COMPRESSIVE STRENGTH = 500 PSI	207-925	FLOAT EQUIPMENT	657.00
				TESTING TO START NO EARLIER THAN 2245 HRS.			
				2/21/2005			
10:45	18:45	8.00	NO	WOC			
18:45	19:30	0.75	NO	CUT OFF 20" CONDUCTOR & UNSCREW LANDING JT.			
19:30	22:45	3.25	NO	INSTALL WELLHEAD & NIPPLE-UP BOP			
22:45	00:30	1.75	NO	TESTING BOP			
				250 PSI LOW & 1000 PSI HIGH			
				NOTE:			
				TEST # 1 & # 2 (OK)			
				TEST # 3 BLEW WELLHEAD FROM CSG. W/ 600 PSI			
00:30	03:00	2.50	YES	NIPPLE-DOWN BOP			
03:00	06:00	3.00	YES	REPAIR TO WELLHEAD			

FOREMAN: J.H. MESSMAN

Total Daily Cost:	26,787
Cumulative Cost to Date:	157,960

Submit to Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-105
Revised June 10, 2003

Well API No.	30-015-33923
5. Indicate Type of Lease	☒ STATE ☐ FEE
State Oil & gas Lease No.	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Dry ☐ Other		7. Lease Name and Unit Agreement Name	
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr., ☐ Other		Spud 16 State	
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY, LP		8. Well No. 4	
3. Address of Operator 20 North Broadway Oklahoma City, OK 73102-8260 (405)-552-7802		9. Pool name or Wildcat Delaware	
4. Well Location Unit Letter <u>O</u> <u>960</u> feet from the <u>SOUTH</u> line and <u>1800</u> feet from the <u>EAST</u> line Section <u>16</u> <u>23S</u> Township <u>29E</u> Range <u>NMPM</u> County <u>Eddy</u>			
10. Date Spudded 6/24/2005	11. Date T.D. Reached 7/11/2005	12. Date Completed 7/21/2005	13. Elevations (DR, RKB, RT, GL)* 2965'
14. Elev. Casinghead			
15. Total Depth: MD 6750'	16. Plug Back T.D.: 6,700	17. If Multiple Compl. How Many Zones No	18. Intervals Drilled BY
19. Producing Intervals(s), of this completion - Top, Bottom, Name 6520-6539' Delaware		20. Was Directional Survey Made No	
21. Type Electric and Other Logs Run CBL, IND, CNL		22. Was Well Cored No	

23 CASING RECORD (Report all strings set in well)					
Casing Size	Weight LB./FT.	Depth Set	Hole Size	Cementing Record	Amount Pulled
13 3/8"	48#	378'	17 1/2"	440 sx CI C	circ 20 sx
8 5/8"	32#	2707'	11"	800 sx Poz C	circ 54 sx
5 1/2"	17 & 15.5#	6750'	7 7/8"	1110 sx Poz C	circ 35 sx

24 Liner Record			25 Tubing Record		
Size	Top	Bottom	Sacks Cement	Screen	Packer Set

26. Perforation record (interval, size, and number) 6520' - 6539' 38 holes		27. Acid, Shot, Fracture, Cement, Squeeze, ETC. Depth Interval 6520-6539 Amount and Kind Material Used Spotted 2 bbls 7.5% Pentol Acid across perms. Acidize w/2000 gals 7.5% Pentol Acid. Frac w/18,438 gals Spectra Star 2500 + 38,000 100% 16/30 White Sand & 12,000# 100% SB Excel 16/30 sn.	
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28 PRODUCTION							
Date First Production 7/21/2005		Production Method (Flowing, Gas lift, pumping - Size and type pump) Pumping				Well Status (Prod. Or Shut-In) Producing	
Date of Test 7/31/2005	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl 14	Gas - MCF 35	Water - Bbl 396	Gas - Oil Ratio 2500
Flowing Tubing Press. 0	Casing Pressure 0	Calculated 24-Hour Rate	Oil - Bbl 14	Gas - MCF 35	Water - Bbl 396	Oil Gravity - API (Corr.)	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold						Test Witnessed By Ronnie Carre	

30. List Attachments

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief			
SIGNATURE	Printed	Name	Title
		Stephanie A. Ysasaga	Senior Engineering Technician
E-mail Address:	DATE 8/22/2005		
Stephanie.Ysasaga@dvn.com			

INDICATE FORMATIONS TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

**OIL OR GAS
SANDS OR ZONES**

No. 3, from to.....
No. 4, from to.....

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from to feet
No. 2, from to feet
No. 3, from to feet

From	To	Thicknes In Feet	Lithology	From	To	Thickness in Feet	Lithology

DATE: 7/10/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	1	SPUD DATE:	6/24/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.301 N - 103.987 W	FORMATION:			
PROJECT:	PB NEW MEXICO	KB ELEV:	2,978.00	LITHOLOGY:			
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	6,750	DSS:	16.00
COUNTY:	EDDY	API:	30-015-33923	RIG NM / NO:	JW DRLG.	FOOTAGE:	
STATE:	NM	AFE #:	117893	RIG PH #:	505-390-8125		/ # 1
PROP. #:	109325-004	AFE DRLG COST:	464,000	AFE COMP COST:	444,000	AFE TOTAL COST:	908,000
AUTH TVD:	6,750 (ft)	DAILY DRLG COST:	0	DAILY COMP COST:	82,518	DAILY TOTAL COST:	82,518
AUTH TMD:	6,750 (ft)	CUM DRLG COST:	507,060	CUM COMP COST:	82,518	CUM TOTAL COST:	589,578

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
-------	----------	------	------	-----------	------	----	------	-----	-----	------	-----	-----	---	---	---	---	---	---	---	---

NO BIT DATA TODAY

MUD PROPERTIES		MUD USED		HYDRAULICS		
		Mud Additive	Used	PUMP #1	PUMP #2	PUMP #3
Time:	Solids:			Liner Size:		
MW:	Oil:			Lngh Strk:	16.000	14.000
VISC:	10 sec Gel:			SPM:		
pH:	10 min Gel:			GPM:		
Ght:	CA:			PSI:		
WL:	Pm:			AV (DP):	AV (DC):	
HTHP:	Pf:			PSI Drop:	HP/In2:	
FC:	Ex Lime:			SLOW PUMP RATES		
PV:	Elec Stab:			PUMP #1	psi @	spm
YP:	MBT:			PUMP #2	psi @	spm
LCM:	LGS:					

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ /	
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas:	Bkgrd Gas:

SURVEYS (Sidetrack: OH)							
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L

BHA #:			
Qty	Description	OD	Length

String Wt Up: _____ Total BHA Length: _____

String Wt Down: _____ Rotating String Wt: _____

BHA Hr Last Insp: _____ BHA Hr Last Insp: _____

LAST CASING / BOP / NEXT CASING

Depth: 0	FIT:	Size:	Wt:	Grade:	Connection:	Next Casing: @
Last BOP Test Date:		Accident:		Loss Control Inc:	24 Hr Forecast:	CMT., BOP, WELLHEAD, RELEASE RIG

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
14:00	15:00	1.00	NO	RIG-UP CSG. CREW & LAY-DOWN MACH. (5 MIN. SAFETY MEETING)	Code	Description	Costs
15:00	20:30	5.50	NO	RUN 149 JTS. 5 1/2" 17 & 15.5 # CSG. 6756' SET @ 6750' RKB	216-043	RIG # 1	5,466.72
20:30	20:45	0.25	NO	REPAIR TO DRUM CLUTCH AIR LINE	217-903	5 1/2" 15.5# J-55	75,960.00
20:45	21:15	0.50	NO	FINISH RUNNING CSG.	217-925	Float & Stab. Equip.	1,091.30
21:15	22:15	1.00	NO	RIG-UP BJ & CIRC. CSG. @ 6750' W/ RIG (NO FILL)			
22:15	23:30	1.25	NO	CMT. 1st STAGE by BJ SERVICES (3514' to 6750') LEAD = 250 SKS. 35/65/6 W/ 3% SALT TAIL = 350 SKS. 60/40 W/ 1% SALT BUMPED PLUG W/ 1640 PSI (960 PSI PRIOR) CIRC. APPROX. 55 SKS. OFF DV TOOL (20 BBL) TOTAL CMT. VOLUME = 971.5 CU/ FT APPROX. TEMP. OF SLURRY = 88 deg. EST. MIN. FORM. TEMP. = 90 deg. EST. 8 HR. COMPRESSIVE STRENGTH = 500 PSI			
23:30	05:30	6.00	NO	CIRC. OFF DV TOOL OPEN DV TOOL W/ BJ & CIRC. APPROX. 55 SKS. CMT. OFF TOOL CHANGE TO RIG & CIRC. DV TOOL			
05:30	06:00	0.50	NO	CEMENTING 2nd. STAGE W/ BJ SERVICES			
					Total Daily Cost:		

FOREMAN: J.H. MESSMAN

Total Daily Cost:	82,518
Cumulative Cost to Date:	589,578

DATE: 7/11/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	2	SPUD DATE:	6/24/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.301 N - 103.987 W	FORMATION:			
PROJECT:	PB NEW MEXICO	KB ELEV:	2,978.00	LITHOLOGY:			
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	6,750	DSS:	17.00
COUNTY:	EDDY	API:	30-015-33923	RIG NM / NO:	JW DRLG.		
STATE:	NM			RIG PH #:	505-390-8125		
PROP. #:	109325-004	AFE #:	117893				
AUTH TVD:	6,750 (ft)	AFE DRLG COST:	464,000	AFE COMP COST:	444,000	AFE TOTAL COST:	908,000
AUTH TMD:	6,750 (ft)	DAILY DRLG COST:	0	DAILY COMP COST:	41,570	DAILY TOTAL COST:	41,570
		CUM DRLG COST:	507,060	CUM COMP COST:	124,088	CUM TOTAL COST:	631,148

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
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NO BIT DATA TODAY

MUD PROPERTIES		MUD USED		HYDRAULICS			
Time:	Solids:	Mud Additive	Used	PUMP #1	PUMP #2	PUMP #3	
MW:	Oil:			Liner Size:			
VISC:	10 sec Gel:			Lngh Strk:	16.000	14.000	
pH:	10 min Gel:			SPM:			
ChI:	CA:			GPM:			
WL:	Pm:			PSI:			
HTHP:	Pf:			AV (DP):		AV (DC):	
FC:	Ex Lime:			PSI Drop:		HP/In2:	
PV:	Elec Stab:			SLOW PUMP RATES			
YP:	MBT:			PUMP #1		psi @	
LCM:	LGS:			PUMP #2		psi @	

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ /
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas: Bkard Gas:

SURVEYS (Sidetrack: OH)								BHA #:			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length

String Wt Up:

String Wt Down:

Total BHA Length:

Rotating String Wt:

BHA Hr Last Inso:

LAST CASING / BOP / NEXT CASING

Depth: 0	FIT:	Size:	Wt:	Grade:	Connection:	Next Casing: @
Last BOP Test Date:		Accident:		Loss Control Inc:	24 Hr Forecast:	MOVE RIG TO FALCON "32" STATE # 4. RIG-U

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
06:00	06:15	0.25	NO	CMT. 2nd STAGE F/ 0' to 3514' LEAD = 260 SKS. 35/65/6 W/ 5% SALT TAIL = 250 SKS. 60/40 W/ 5% SALT BUMPED PLUG W/ 3000 PSI (1040 PSI PRIOR) CIRC. APPROX. 35 SKS. TO PIT (12 BBL.) TOTAL CMT. VOLUME = 846.9 CU/ FT APPROX. TEMP. OF SLURRY = 86 deg. EST. MIN. FORM. TEMP. = 90 deg. EST. 8 HR. COMPRESSIVE STRENGTH = 500 PSI	Code	Description	Costs
					216-019	ANCHORS	1,000.00
					216-043	RIG # 1	1,366.68
					216-103	PORT-A-JOHN	20.00
					216-103	TRASH TRL.	25.00
					216-103	WATER TANK	35.00
					216-201	SITE CLEAN-UP	1,000.00
					216-201	SET SLIPS & TEST	889.70
					216-251	CMT. PROD. CSG.	24,161.41
					216-259	LAY-DOWN MACH.	4,082.50
06:15	07:00	0.75	NO	NIPPLE DOWN BOP	216-259	CSG. CREW	3,030.00
07:00	07:45	0.75	NO	SET SLIPS & CUT OFF	216-269	J.H. MESSMAN	900.00
07:45	10:00	2.25	NO	LAY-DOWN BOP & INSTALL TBG. HEAD	216-302	TRANSFER	280.00
				NOTE:	217-925	DV TOOL & SERVICE	3,529.65
				RIG RELEASED @ 1000 HRS. 7/10/2005 (MDT)	217-931	8 5/8" C-22 HEAD	1,250.00
					Total Daily Cost: 11,550.00		

FOREMAN: J.H. MESSMAN

Total Daily Cost:	41,570
Cumulative Cost to Date:	631,148



DAILY ONSHORE ORIG DRLG REPORT
SPUD 16 ST 4

Page 1 of 1

DATE: 7/1/2005

DISTRICT: PERMIAN BASIN	TIGHT GROUP: UNRESTRICTED	REPORT NO: 7	SPUD DATE: 6/24/2005
LOCATION: SEC. 16-23S-29E	LAT-LONG: 32.301 N - 103.987 W	FORMATION:	
PROJECT: PB NEW MEXICO	KB ELEV: 2,978.00	LITHOLOGY:	
FIELD: LAGUNA SALADO SOUTH	WI: 100.00000	DEPTH: 2,907 DSS: 7.00	FOOTAGE:
COUNTY: EDDY	API: 30-015-33923	RIG NM / NO: JW DRLG.	/ # 1
STATE: NM	AFE #: 117893	RIG PH #: 505-390-8125	
PROP. #: 109325-004	AFE DRLG COST: 464,000	AFE COMP COST: 444,000	AFE TOTAL COST: 908,000
AUTH TVD: 6,750 (ft)	DAILY DRLG COST: 84,127	DAILY COMP COST: 0	DAILY TOTAL COST: 84,127
AUTH TMD: 6,750 (ft)	CUM DRLG COST: 351,817	CUM COMP COST: 0	CUM TOTAL COST: 351,817

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
2	5056476	HRS30C	11.000	415	378.0	2,907.0	2,529.0	73.00	34.64	12/12/12	65,000	65	3	3	FC	A	4	1	RG	TD

MUD PROPERTIES				MUD USED				HYDRAULICS			
Time:	06:00	Solids:		Mud Additive		Used		PUMP #1	PUMP #2	PUMP #3	
MW:	10.10	Oil:						Liner Size:			
VISC:	29	10 sec Gel:						Lngh Strk:	16.000	14.000	
pH:	10.00	10 min Gel:						SPM:			
Chl:	180,000	CA:						GPM:			
WL:		Pm:						PSI:	1,250		
HTHP:		Pf:						AV (DP):	76.1	AV (DC):	134.6
FC:		Ex Lime:						PSI Drop:	832	HHP/in ² :	1.601
PV:		Elec Stab:						SLOW PUMP RATES			
YP:		MBT:						PUMP #1	psi @		spm
LCM:		LGS:						PUMP #2	psi @		spm

Daily Mud Lost to Hole:	bbls Daily / Cum Mud Cost:	\$ / 2,877
Cum Mud Lost to Hole:	0.0 bbls Conn Gas:	Trip Gas:
		Bkgrd Gas:

SURVEYS (Sidetrack: OH)								BHA #: 2			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
174.00	0.75	174.00		1.14	1.14		0.43	1	TRI-CONE BIT	11.000	1.00
365.00	0.25	364.99		2.81	2.81		0.26	1	NEAR BIT STABILIZER	11.000	5.68
584.00	0.50	583.98		4.24	4.24		0.11	1	PONY COLLAR	8.000	7.17
1,044.00	0.75	1,043.95		9.26	9.26		0.05	1	INTERGRAL BLADE STABILIZER	11.000	7.18
1,515.00	0.75	1,514.91		15.42	15.42			1	SHOCK SUBS	8.000	12.82
1,984.00	0.50	1,983.89		20.54	20.54		0.05	1	INTERGRAL BLADE STABILIZER	11.000	6.34
2,493.00	0.75	2,492.86		26.09	26.09		0.05	1	DRILL COLLAR	8.000	30.58
2,829.00	1.50	2,828.79		32.69	32.69		0.22	1	INTERGRAL BLADE STABILIZER	11.000	6.17
2,904.00	2.00	2,903.75		34.98	34.98		0.67	5	DRILL COLLAR	8.000	150.16
								1	CROSS OVER	7.500	1.66
								14	DRILL COLLAR	6.000	473.73
										Total BHA Length:	702.49
										String Wt Up:	126
										Rotating String Wt:	126
										String Wt Down:	126
										BHA Hr Last Insp:	

LAST CASING / BOP / NEXT CASING

Depth: 2,907	FIT:	Size: 8.625	Wt: 32.00	Grade: J-55	Connection: LT&C	Next Casing: 5.500 @ 6,950.00
Last BOP Test Date:	Accident:	Loss Control Inc:	24 Hr Forecast:	WOC, NIPPLE-UP, TEST BOP, TIH., DRLG. & S		

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
					Code	Description	Costs
06:00	08:30	2.50	NO	TOH FOR CSG. (SLM)	206-042	RIG # 1	
08:30	09:15	0.75	NO	RIG-UP LAY-DOWN MACH. (5)	206-043	RIG # 1	
				MIN. SAFETY MEETING)	206-102	MUD ADDITIVES	
09:15	10:30	1.25	NO	LAY-DOWN 11" BHA	206-103	PORT-A-JOHN	20.00
10:30	15:30	5.00	NO	RIG-UP CSG. CREW & RUN 66 JTS. 8 5/8" CSG.	206-103	WATER TANK	35.00
				2942' SET @ 2907'	206-103	TRASH TRL.	25.00
				HOLE DRILLED 31' SHORT	206-251	CMT. 8 5/8" CSG.	13,612.58
15:30	16:15	0.75	NO	RIG-UP BJ & CIRC. CSG. @ 2907' W/ RIG PUMP	206-259	LAY-DOWN MACH.	2,751.00
				5 MIN. SAFETY MEETING	206-269	J.H. MESSMAN	900.00
16:15	18:15	2.00	NO	CMT. 8 5/8" CSG. W/ BJ	206-302	FRESH (bbl)	702.00
				LEAD = 500 SKS. 35/65/6 W/ 5% SALT	206-302	BRINE (bbl)	
				TAIL = 300 SKS. "C" W/ 2% CaCl2	206-302	TRANSFER (load)	560.00
				FINAL PRESSURE = 850 PSI	207-902	8 5/8" 32# J-55	64,525.00
				PLUG NOT BUMPED (1 BBL. OVER)	207-925	FLOAT EQUIPMENT	996.74
				CIRC. 54 SKS. TO PIT (19 BBL.)			
				TOTAL CMT. VOLUME = 1377 CU/FT.			
				APPROX. TEMP. OF SLURRY = 88 deg.			
				EST. MIN. FORM. TEMP. = 90 deg.			
				EST. 8 HR. COMPRESSIVE STRENGTH - 500 PSI			
				TESTING TO BEGIN NO EARLIER THAN 1815 HRS.			
				7/1/2005 (MDT)			
18:15	06:00	11.75	NO	WOC			

FOREMAN: J.H. MESSMAN

Total Daily Cost: 84,127
Cumulative Cost to Date: 351,817



DAILY ONSHORE ORIG DRLG REPORT
SPUD 16 ST 4

DATE: 6/26/2005

DISTRICT: PERMIAN BASIN	TIGHT GROUP: UNRESTRICTED	REPORT NO: 2	SPUD DATE: 6/24/2005
LOCATION: SEC. 16-23S-29E	LAT-LONG: 32.301 N - 103.987 W	FORMATION: SURFACE	
PROJECT: PB NEW MEXICO	KB ELEV: 2,978.00	LITHOLOGY: SURFACE ROCK & RED-BED	
FIELD: LAGUNA SALADO SOUTH	WI: 100.00000	DEPTH: 378 DSS: 2.00	FOOTAGE: 162
COUNTY: EDDY	API: 30-015-33923	RIG NM / NO: JW DRLG.	/ # 1
STATE: NM	AFE #: 117893	RIG PH #: 505-390-8125	
PROP. #: 109325-004	AFE DRLG COST: 464,000	AFE COMP COST: 444,000	AFE TOTAL COST: 908,000
AUTH TVD: 6,750 (ft)	DAILY DRLG COST: 28,961	DAILY COMP COST: 0	DAILY TOTAL COST: 28,961
AUTH TMD: 6,750 (ft)	CUM DRLG COST: 199,340	CUM COMP COST: 0	CUM TOTAL COST: 199,340

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
1	K57318	DSJ	17.500	111	40.0	378.0	338.0	12.50	27.04	12/12/12	40,000	100	6	6	BT	A	4	1	CT	

MUD PROPERTIES				MUD USED				HYDRAULICS			
Time:	20:30	Solids:		Mud Additive		Used		PUMP #1	PUMP #2	PUMP #3	
MW:	8.90	Oil:						Liner Size:	5.500		
VISC:	31	10 sec Gel:						Lngth Strk:	16,000	14,000	
pH:	10.00	10 min Gel:						SPM:	61		
Chl:		CA:						GPM:	324.04		
WL:		Pm:						PSI:	800		
HTHP:		Pf:						AV (DP):		AV (DC):	
FC:		Ex Lime:						PSI Drop:	784	HHP/in ² :	0.616
PV:		Elec Stab:						SLOW PUMP RATES			
YP:		MBT:						PUMP #1	psi @		spm
LCM:		LGS:						PUMP #2	psi @		spm

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ / 1,124
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas:
		Bkgrd Gas:	

SURVEYS (Sidetrack: OH)								BHA #: 1			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
174.00	0.75	174.00		1.14	1.14		0.43	1	TRI-CONE BIT	17.500	1.50
365.00	0.25	364.99		2.81	2.81		0.26	1	DRILL COLLAR	9.000	29.75
								1	INTERGRAL BLADE STABILIZER	17.500	6.94
								1	SHOCK SUBS	8.000	12.82
								1	CROSS OVER	8.000	1.66
								5	DRILL COLLAR	8.000	150.96
										Total BHA Length:	203.63
										String Wt Up:	60
										Rotating String Wt:	60
										String Wt Down:	60
										BHA Hr Last Insp:	

LAST CASING / BOP / NEXT CASING

Depth: 378	FIT:	Size: 13.375	Wt: 48.00	Grade: H-40	Connection: ST&C	Next Casing: 8.625 @ 2,930.00
Last BOP Test Date:	Accident:	Loss Control Inc:	24 Hr Forecast:	NIPPLE-UP, WOC, TEST BOP, TIH, DRLG. & SU		

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
06:00	10:30	4.50	NO	DRLG. F/ 216' to 378'	Code	Description	Costs
				TD 17 1/2" HOLE = 378' @ 1030 HRS. 6/25/2005	206-042	RIG # 1	3,402.00
10:30	11:00	0.50	NO	CIRC. & COND. WELL FOR CSG.	206-043	RIG # 1	512.51
11:00	13:00	2.00	NO	DROP TOTCO @ 365' & TOH FOR CSG.	206-102	MUD ADDITIVES	
13:00	15:00	2.00	NO	RIG-UP & RUN 13 3/8" 48# H-40 ST&C CSG.	206-103	PORT-A-JOHN	20.00
				SET @ 378'	206-103	WATER TANK	35.00
15:00	15:30	0.50	NO	RIG-UP BJ & CIRC. CSG. W/ RIG PUMP	206-103	TRASH TRL.	25.00
15:30	16:30	1.00	NO	CMT. 13 3/8" CSG. by BJ	206-202	FORKLIFT FOR 8 5/8"	450.00
				LEAD = 440 SKS. "C" W/ 2% CaCl2	206-251	CMT. 13 3/8" PIPE	8,511.89
				BUMPED PLUG W/ 590 PSI (130 PRIOR)	206-269	J.H. MESSMAN	900.00
				CIRC. APPROX. 20 SKS. TO SURFACE (5 bbl.)	206-302	FRESH (bbl)	702.00
					206-302	BRINE (bbl)	1,137.50
				TOTAL CMT. VOLUME = 594 CU/ FT	206-302	TRANSFER (load)	
				APPROX. TEMP. OF SLURRY = 86 deg.	207-901	13 3/8" 48# H-40	12,302.50
				EST. MIN. FORM. TEMP. = 90 deg.	207-925	Float & Stab. Equip.	963.00
				EST. 8 HR. COMPRESSIVE STRENGTH = 500 PSI			
				TESTING TO BEGIN NO EARLIER THAN 1630 HRS.			
				6/26/2005 (MDT)			
16:30	04:30	12.00	NO	WOC			
04:30	06:00	1.50	NO	CUT OFF CONDUCTOR & INSTALLING 13 3/8" WELLHEAD (REMOVE LANDING JT.)			

FOREMAN: J.H. MESSMAN

Total Daily Cost:	28,961
Cumulative Cost to Date:	199,340

Submit to Appropriate District Office
State Lease - 6 copies
Fee Lease - 5 copies
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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MAY 01 2006

Form C-105
Revised June 10, 2003

Well API No.	30-015-34222
5. Indicate Type of Lease	☒ STATE ☐ FEE
State Oil & gas Lease No.	

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a Type of Well: ☐ Oil Well ☒ Gas Well ☐ Dry ☐ Other		7. Lease Name and Unit Agreement Name	
b. Type of Completion: ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr., ☐ Other		Spud 16 State	
2. Name of Operator DEVON ENERGY PRODUCTION COMPANY, LP		8. Well No. 5	
3. Address of Operator 20 NORTH BROADWAY, OKC OK 73102-8260		9. Pool name or Wildcat Laguna Salado ; Atoka (Gas)	
4. Well Location Unit Letter <u>I</u> <u>2320</u> feet from the <u>SOUTH</u> line and <u>660</u> feet from the <u>EAST</u> line Section <u>16</u> <u>23S</u> Township <u>29E</u> Range <u>NMPM</u> <u>EDDY</u> County <u>New Mexico</u>			
10. Date Spudded 10/23/2005	11. Date T.D. Reached 12/13/2005	12. Date Completed	13. Elevations (DR, RKB, RT, GL)* 2962'
14. Elev. Casinghead			
15. Total Depth: MD 12,500'	16. Plug Back T.D.: 10,142'	17. If Multiple Compl. How Many Zones No	18. Intervals Drilled BY
19. Producing Intervals(s), of this completion - Top, Bottom, Name 12,139' - 12,165' Atoka		20. Was Directional Survey Made No	
21. Type Electric and Other Logs Run Neutron; Dual Laterolog		22. Was Well Cored No	

23 CASING RECORD (Report all strings set in well)					
Casing Size	Weight LB./FT.	Depth Set	Hole Size	Cementing Record	Amount Pulled
13 3/8"	48# H-40	353'	17 1/2"	400 ex CI C, 50 ex to pit	
9 5/8"	40# J-55	2948'	12 1/4"	1051 ex CI C, 150 ex pit	
7"	26# P-110	10500'	8 3/4"	2120 ex CI H, 58 to pit	
4 1/2"	13.5# P-110	12500'	6 1/8"	330 ex CI H	

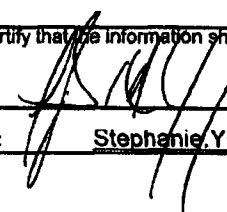
24 Liner Record			25 Tubing Record		
Size	top	Bottom	Sacks Cement	Screen	Packer Set
4 1/2"		12500'			

26. Perforation record (interval, size, and number) 12,139-12,165; 4SPF, 104 holes		27. Acid, Shot, Fracture, Cement, Squeeze, ETC. Depth Interval 12139-12165 Amount and Kind Material Used Acidize w/3000 gals 15% HCL acid & 24 tons CO2.	
---	--	--	--

28 PRODUCTION							
Date First Production 1/20/2006		Production Method (Flowing, Gas lift, pumping - Size and type pump) Pumping				Well Status (Prod. Or Shut-In) Producing	
Date of Test 3/1/2006	Hours Tested 24	Choke Size	Prod'n For Test Period	Oil - Bbl 0	Gas - MCF 3917	Water - Bbl 0	Gas - Oil Ratio #DIV/0!
Flowing Tubing Press. 0	Casing Pressure 0	Calculated 24-Hour Rate	Oil - Bbl 0	Gas - MCF 3917	Water - Bbl 0	Oil Gravity - API (Corr.)	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold						Test Witnessed By	

30. List Attachments	
----------------------	--

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

SIGNATURE  Printed Name Stephanie A. Ysasaga Title Sr. Staff Engineering Technician DATE 5/15/2006
E-mail Address: Stephanie.Ysasaga@dvn.com

INDICATE FORMATIONS TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

OIL OR GAS SANDS OR ZONES

IMPORTANT WATER SANDS

No. 1, from to feet.....

No. 2, from to feet.....

No. 3, from to feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-34222
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Spud 16 State
8. Well Number 5
9. OGRID Number 6137
10. Pool name or Wildcat Laguna Salado; Atoka (Gas)

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)
1. Type of Well: Oil Well ☐ Gas Well ☒ Other ☐

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APR 05 2006

OCU-ARTESIA

2. Name of Operator
Devon Energy Production Company, LP
3. Address of Operator
20 North Broadway Oklahoma City, Oklahoma 73102-8260 (405) 552-7802

4. Well Location
Unit Letter I : 2320 feet from the south line and 660 feet from the east line
Section 16 Township 23S Range 29E NMPM Eddy County
11. Elevation (Show whether DR, RKB, RT, GR, etc.)
2962'

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Drilling Operations ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10/23/05 MIRU. Spud 17 1/2" hole.
10/24/05 TD 17 1/2" hole @ 353'. Notified Carmen with NMOCD of intent to run and cmt 13 3/8" suf csg. Ran in 8 jts 13 3/8", 48# H-40 ST&C csg @ 353'. Cmt w/400 sx Class C. 50 sx to pit, witnessed by Mike Bratcher NMOCD. WOC 24 hrs.
10/29/05 TD 12 1/4" hole @ 2948'. Ran 68 jts 9 5/8" 40#, J-55, LT&C csg set @ 2948'.
10/30/05 Cmt w/751 sx 35:65:6 Poz C cmt, tail w/300 sx Class C cmt. Circulated 150 sx to reserve pit. Witnessed by Chris Bretle (OCD). WOC 24 hrs.
11/01/05 Test csg to 1400 psi - ok.
11/15/05 Ran logs: Dual lateral log, microspherical focused log, gamma ray, neutron log & spectral density.
11/16/05 TD 8 3/4" hole @ 10,500'. Ran 139 jts 7" 26#, P-110 csg set @ 10,500'. Cement first stage w/600 sx 35/65 Class H, tail w/1060 sx 60:40 Class H. WOC 24 hrs.
11/17/05 Cmt 2nd stage w/360 sx 35:65 Class C, tail w/100 sx Class C. 58 sx to res pit. Witnessed by Chris NMOCD.
11/18/05 Tst csg to 1500 psi - ok.
12/11/05 TD 6 1/8" hole @ 12,500.
12/12/05 Run 57 jts 4.5 13.50# P-110 LT&C liner. Cmt w/330 sx Class H 1020 sx 15:61:11 Poz C. WOC 24 hrs.
12/13/05 Rig released.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Stephanie A. Ysasaga TITLE Sr. Staff Engineering Technician DATE 3/10/06

Type or print name: Stephanie A. Ysasaga E-mail address: Stephanie.Ysasaga@dmn.com Telephone No. (405) 552-7802

For State Use Only **FOR RECORDS ONLY**

APPROVED BY: _____ TITLE _____ DATE APR 05 2006
Conditions of Approval (if any): _____



DAILY ONSHORE ORIG COMP REPORT
SPUD 16 ST 5

Page 1 of 1

DATE: 12/13/2005

DISTRICT: PERMIAN BASIN TIGHT GROUP: UNRESTRICTED REPORT NO: 3 SPUD DATE: 10/24/2005
LOCATION: SEC. 16-23S-29E LAT-LONG: 32.304 N - 103.983 W FORMATION: LOWER ATOKA
PROJECT: PB NEW MEXICO KB ELEV: 2,985.00 LITHOLOGY: 10 % SHALE 90% LIME
FIELD: LAGUNA SALADO SOUTH WI: 100.00000 DEPTH: 12,500 DSS: 50.00 FOOTAGE: / 7
COUNTY: EDDY API: 30-015-34222 RIG NM / NO: MCVAY
STATE: NM AFE #: 120069 RIG PH #: 505 748-5211
PROP. #: 109325-005 AFE DRLG COST: 2,243,000 AFE COMP COST: 488,000 AFE TOTAL COST: 2,731,000
AUTH TVD: 12,500 (ft) DAILY DRLG COST: 0 DAILY COMP COST: 26,183 DAILY TOTAL COST: 26,183
AUTH TMD: 12,500 (ft) CUM DRLG COST: 2,212,841 CUM COMP COST: 145,745 CUM TOTAL COST: 2,358,586

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
12	PC8502	XR30TYP5	6.125		12,500.0	12,500.0					25	40	2	2	NO	A	3	0	NO	TD

MUD PROPERTIES		MUD USED		HYDRAULICS			
Time:	Solids:	Mud Additive	Used	PUMP #1	PUMP #2	PUMP #3	
MW:	Oil:			Liner Size:	5.000		
VISC:	10 sec Gel:			Lngth Strk:	9.000	9.000	
pH:	10 min Gel:			SPM:	80		
Chl:	CA:			GPM:	174.42		
WL:	Pm:			PSI:	1,800		
HTHP:	Pf:			AV (DP):		AV (DC):	
FC:	Ex Lime:			PSI Drop:		HHP/in²:	
PV:	Elec Stab:			SLOW PUMP RATES			
YP:	MBT:			PUMP #1	psi @		spm
LCM:	LGS:			PUMP #2	psi @		spm

Daily Mud Lost to Hole: bbls Daily / Cum Mud Cost: \$ / 236
Cum Mud Lost to Hole: 0.0 bbls Conn Gas: Trip Gas: Bkgrd Gas:

SURVEYS (Sidetrack: OH)								BHA #: 1			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
								1	TRI-CONE BIT	6.125	0.75
								1	BIT SUB	4.750	2.86
								34	DRILL COLLAR	4.750	1,046.25
								1	DRILLING JAR	4.750	29.53
								5	DRILL COLLAR	4.750	153.36
										Total BHA Length: 1,232.75	
										String Wt Up: Rotating String Wt:	
										String Wt Down: BHA Hr Last Insp:	

LAST CASING / BOP / NEXT CASING

Depth: 12,500 FIT: 15.70 Size: 4.500 Wt: 13.50 Grade: P-110 Connection: LT&C Next Casing: @
Last BOP Test Date: 12/10/200 Accident: Loss Control Inc: 24 Hr Forecast: LDDP,NIPPLE DOWN BOP'S, INSTALL WELLH

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
					Code	Description	Costs
06:00	08:00	2.00	NO	WOC	216-043	RIG DAY RATE	13,500.00
				TIH W/ BIT & CLEAN OUT TO TOP OF LINER @ 10142	216-102	CORROSION	
				DRLG CEMENT & STRINGERS F/ 10111 - 10142	216-103	TOP DRIVE	2,700.00
08:00	08:45	0.75	NO	PRESSURE UP TO 15.7 EMW & HOLD F/ 30 MIN--NO LEAKS	216-103	HOUSING	225.00
08:45	10:00	1.25	NO	DISPLACE 13.4# MUD W/ FRESH WATER	216-103	SATELLITE/TV	55.00
10:00	11:00	1.00	NO	RIG DOWN BJ RIG UP LD MACHINE	216-103	FORKLIFT	110.00
11:00	06:00	19.00	NO	LDDP	216-103	ROT HEAD/FLO LN VLV	200.00
					216-103	SATELLITE/COMP/PVTS	270.00
					216-103	INTERCOMS	55.00
					216-103	BOP PIPE, DCS, TOOLS	2,100.00
					216-103	REMOTE CHOKE	110.00
					216-103	SEPARATOR	175.00
					216-103	AUTO DRILLER	110.00
					216-103	SEPTIC, WATER	90.00
					216-104	DRILLING JARS	
					216-203	LINER	508.80
					216-259	DISPLACEMENT	2,396.31
					216-269	ON LOC SUPERVISION	1,000.00
					216-302	BRINE	
					216-302	FRESH	416.00
					216-302	POTABLE	
					216-895	.09% SALES TAX	2,161.90

Total Daily Cost: 26,183
Cumulative Cost to Date: 2,358,586

FOREMAN: EDDIE ROPER

DATE: 12/12/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	2	SPUD DATE:	10/24/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.304 N - 103.983 W	FORMATION:	LOWER ATOKA		
PROJECT:	PB NEW MEXICO	KB ELEV:	2,985.00	LITHOLOGY:	10 % SHALE 90% LIME		
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	12,500	DSS:	49.00
COUNTY:	EDDY	API:	30-015-34222	RIG NM / NO:	MCVAY	FOOTAGE:	
STATE:	NM	AFE #:	120069	RIG PH #:	505 748-5211		17
PROP. #:	109325-005	AFE DRLG COST:	2,243,000	AFE COMP COST:	488,000	AFE TOTAL COST:	2,731,000
AUTH TVD:	12,500 (ft)	DAILY DRLG COST:	0	DAILY COMP COST:	105,400	DAILY TOTAL COST:	105,400
AUTH TMD:	12,500 (ft)	CUM DRLG COST:	2,212,841	CUM COMP COST:	119,562	CUM TOTAL COST:	2,332,403

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
-------	----------	------	------	-----------	------	----	------	-----	-----	------	-----	-----	---	---	---	---	---	---	---	---

NO BIT DATA TODAY

MUD PROPERTIES			MUD USED		HYDRAULICS		
Time:	12:30	Solids:	Mud Additive	Used	PUMP #1	PUMP #2	PUMP #3
MW:	13.60	Oil:			Liner Size:		
VISC:	43	10 sec Gel: 6			Lngh Strk:	9.000	9.000
pH:	9.00	10 min Gel: 7			SPM:		
Chl:		CA: 2,340			GPM:		
WL:	8.00	Pm: 0.10			PSI:		
HTHP:		Pf: 0.04			AV (DP):	AV (DC):	
FC:	1.00	Ex Lime:			PSI Drop:	HP/In2:	
PV:	17	Elec Stab:			SLOW PUMP RATES		
YP:	16	MBT:			PUMP #1	psi @	spm
LCM:		LGS:			PUMP #2	psi @	spm

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ / 236	
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas:	Bkgrd Gas:

SURVEYS (Sidetrack: OH)								BHA #:			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length

String Wt Up:

String Wt Down:

Total BHA Length:

Rotating String Wt:

BHA Hr Last Insp:

LAST CASING / BOP / NEXT CASING

Depth: 0	FIT:	Size:	Wt:	Grade:	Connection:	Next Casing: @
Last BOP Test Date:	12/10/200	Accident:		Loss Control Inc:	24 Hr Forecast:	WOC, DRESS OFF TOP LINER

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
					Code	Description	Costs
06:00	08:45	2.75	NO	RUN 4.5" LINER			
08:45	09:00	0.25	NO	CIRC THRU LINER 45 BBLS	216-043	RIG DAY RATE	13,500.00
09:00	13:30	4.50	NO	TIH W/ LINER	216-102	CORROSION	
13:30	15:00	1.50	NO	CIRC THRU LINER AT BTM 7" TO UNLOAD 16# MUD	216-103	TOP DRIVE/	2,700.00
15:00	16:00	1.00	NO	TIH W/ LINER	216-103	HOUSING	225.00
16:00	17:30	1.50	NO	CIRC THRU LINER F/ CEMENT -- 2 - 3' LAZY FLARE @ 60 MIN	216-103	SATELLITE/TV	55.00
				CIRC TIME F/ 10 MIN.	216-103	FORKLIFT	110.00
17:30	18:30	1.00	NO	HANG LINER	216-103	ROT HEAD/FLO LN VLV	200.00
				CSG DETAIL 1 FS 1.86	216-103	SATELLITE/COMP/PVTS	270.00
				2 JTS CSG 83.07	216-103	INTERCOMS	55.00
				1 FC/LC COMBO 1.85	216-103	BOP.PIPE, DCS, TOOLS	2,100.00
				54 JTS CSG 2241.39	216-103	REMOTE CHOKE	110.00
				1 LINER HANGER 29.35--TOP @ 10142.48	216-103	SEPARATOR	175.00
				INDICATOR LINER WEIGHT 25,000#	216-103	AUTO DRILLER	110.00
18:30	20:00	1.50	NO	CEMENT W BJ	216-103	SEPTIC, WATER	90.00
				CMT DETAIL: 30 BBLS Turbo Flow III @ 14 PPG AHEAD +	216-104	DRILLING JARS	300.00
				CMT W/ 330 SXS CLASS "H" + 1% bwoc FL-62 + 0.2% bwoc	216-203	LINER DELIVERY	508.80
				FL-52-A + 0.5% bwoc CD-32 + 0.75% bwoc EC-1 + 0.1% bwoc	216-251	4.5" LINER CEMENT	33,677.08
				Sodium Metasilicate + 2 lbs/sx LCM-1 + 0.25 lbs/sx Cello Flake +	216-259	SANDBLAST LINER	1,206.97
				0.1% bwoc R-3 + 46.1% Fresh Water	216-259	4.5" FORKLIFT	587.24
				DISP W/ 108.8 bbls mud @ 13.4 ppg	216-259	LD MACHINE	1,156.25
				FULL CIRCULATION THROUGHOUT	216-259	CASING CREW	2,125.00
				PRESSURES @ 25 MIN PUMP TIME ON 15.4# CMT 1405#	216-259	TURBOLIZERS	7,479.50
				@ 26 MIN PUMP TIME ON 13.4# MUD 1380#	216-259	LINER HANGER	31,562.13
				@ 45 MIN PUMP TIME ON 13.4# MUD 2120#	216-269	ON LOC SUPERVISION	1,000.00
				@ SWITCH TO 1 BBL/MIN RATE 2020#	216-302	BRINE	
				@ FINAL PUMP RATE 1850#	216-302	FRESH	
				PLUG DOWN @ 8:00 PM TT FLOAT HELD	216-302	POTABLE	
20:00	20:45	0.75	NO	UNSTING FROM LINER , SET PKR, REVERSE OUT 67 BBLS	216-895	.09% SALES TAX	6,096.68
				RECOVERED water spacer, Turbo Flow III, & APPRX. 10 BBLS			
				Contaminated Cement			
20:45	21:30	0.75	NO	TOH F/ BIT (10 STDS)			
21:30	22:15	0.75	NO	RIG DOWN BJ			
22:15	01:00	2.75	NO	TOH F/ BIT			
01:00	06:00	5.00	NO	W O CEMENT			
					Total Daily Cost:		
					105,400.00		

FOREMAN: EDDIE ROPER

Total Daily Cost:	105,400
Cumulative Cost to Date:	2,332,403



DAILY ONSHORE ORIG DRLG REPORT
SPUD 16 ST 5

Page 1 of 1

DATE: 11/18/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	27	SPUD DATE:	10/24/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.304 N - 103.983 W	FORMATION:	WOLFCAMP		
PROJECT:	PB NEW MEXICO	KB ELEV:	2,985.00	LITHOLOGY:	80% SHALE, 20% LIME		
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	10,500	DSS:	25.00
COUNTY:	EDDY	API:	30-015-34222	RIG NM / NO:	MCVAY	FOOTAGE:	17
STATE:	NM	AFE #:	120069	RIG PH #:	505 748-5211		
PROP. #:	109325-005	AFE DRLG COST:	2,243,000	AFE COMP COST:	488,000	AFE TOTAL COST:	2,731,000
AUTH TVD:	12,500 (ft)	DAILY DRLG COST:	97,543	DAILY COMP COST:	0	DAILY TOTAL COST:	97,543
AUTH TMD:	12,500 (ft)	CUM DRLG COST:	1,476,709	CUM COMP COST:	0	CUM TOTAL COST:	1,476,709

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
6	PC6757	XR40YPS	6.125		10,500.0	10,958.0				15/15/15										

MUD PROPERTIES				MUD USED				HYDRAULICS			
Time:	Solids:			Mud Additive	Used			PUMP #1	PUMP #2	PUMP #3	
MW:	Oil:							Liner Size:			
VISC:	10 sec Gel:							Lngh Strk:	9.000	9.000	
pH:	10 min Gel:							SPM:			
Chl:	CA:							GPM:			
WL:	Pm:							PSI:			
HTHP:	Pf:							AV (DP):		AV (DC):	
FC:	Ex Lime:							PSI Drop:		HP/ln2:	
PV:	Elec Stab:							SLOW PUMP RATES			
YP:	MBT:							PUMP #1	psi @		spm
LCM:	LGS:							PUMP #2	psi @		spm

Daily Mud Lost to Hole:	bbls Daily / Cum Mud Cost:	\$ / 27,561	
Cum Mud Lost to Hole:	0.0 bbls Conn Gas:	Trip Gas:	Bkgrd Gas:

SURVEYS (Sidetrack: OH)								BHA #: 6			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
6,959.00	1.00	6,758.40		88.47	88.47		0.01	1	TRI-CONE BIT	6.125	0.75
7,204.00	3.00							1	POSITIVE DISPLACEMENT MOTOR	4.750	23.20
7,328.00	2.25							1	FLOAT SUB	4.750	2.61
7,451.00	1.50							1	3 PT RMR	4.875	5.69
7,699.00	1.50							1	INTERGRAL BLADE STABILIZER	4.937	5.74
7,949.00	1.00							1	PONY COLLAR	4.625	6.62
8,198.00	0.50							1	INTERGRAL BLADE STABILIZER	4.750	5.27
8,446.00	1.50							1	DRILL COLLAR	4.750	31.13
8,638.00	1.50							1	INTERGRAL BLADE STABILIZER	4.750	5.09
8,888.00	1.00	8,687.11		122.14	122.14			34	DRILL COLLAR	4.750	1,044.12
9,136.00	0.25	8,935.09		124.84	124.84		0.30	1	DRILLING JAR	4.750	29.20
9,386.00	0.25	9,185.09		125.93	125.93		0.00	5	DRILL COLLAR	4.750	153.36
9,639.00	1.00	9,438.07		128.69	128.69		0.30				
9,889.00	1.00	9,688.03		133.06	133.06						
10,139.00	0.50	9,938.01		136.33	136.33		0.20				
10,500.00	0.75	10,298.99		140.27	140.27		0.07				
								Total BHA Length: 1,312.78			
								String Wt Up: 202,000		Rotating String Wt: 194,000	
								String Wt Down: 186,000		BHA Hr Last Insp: 8	

LAST CASING / BOP / NEXT CASING											
Depth: 2,948	FIT:	Size: 9.625	Wt: 40.00	Grade: H40	Connection: ST&C	Next Casing: 7.000 @ 10,500.00					
Last BOP Test Date: 10/26/200	Accident:	Loss Control Ind: NONE	24 Hr Forecast: PU PIPE, TEST CSG, DRLG DV TOOL, TIH TEST								

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
06:00	10:15	4.25	NO	CIR DV TOOL WOC	Code	Description	Costs
10:15	11:30	1.25	NO	CEMT 2ND STAGE W 360 SX 35;65;6 CASS C W 5% SALT+ .25 LB/SX CELLO FLAKE MIXED @ 12.7 YIELD @ 1.94	206-043	RIG DAY RATE	13,500.00
				WATER @ 10.5 GAL SX TAIL W 100 SX CLASS C+ 2% CACL2 MIXED @ 14.8 YIELD@	206-102	CORROSION	61.00
				1.34 WATER @ 6.35 GAL/SX PLUG DOWN @ 11:30 AM CIRC	206-103	TOP DRIVE/	2,700.00
				20 BBLs, 58 SX TO RESERVE	206-103	HOUSING	225.00
				WITNESSED BY CHRIS, NMOCD.	206-103	SATELLITE/TV	55.00
11:30	13:00	1.50	NO	ND SET SLIPS, CUT OFF 7" CASING	206-103	FORKLIFT	110.00
13:00	16:00	3.00	NO	ND.LD 11 5000# BOP, ANNULAR, ROT HEAD AND MANIFOLD	206-103	ROT HEAD/FLO LN VLV	200.00
16:00	18:00	2.00	NO	NU 7" 10.000 K WELL HEAD AND TEST @ 2500	206-103	SATELLITE/COMP/PVTS	270.00
18:00	02:00	8.00	NO	NU 7 1/16 BOP ANNULAR, CHOKE MANIFOLD, MUD CROSS	206-103	INTERCOMS	55.00
				AND VALVES, ROT HEAD, SHORTEN AND RE WELD FLO	206-103	REMOTE CHOKE	110.00
				LINE	206-103	SEPARATOR	175.00
02:00	06:00	4.00	NO	TEST BLIND RAMS +OUTSIDE 4" CHOKE VALVES AND	206-103	AUTO DRILLER	110.00
				OUTSIDE KILL VALVE 250-10,000 PSI 10 MIN, TEST OUTSIDE	206-103	SEPTIC, WATER	90.00
				3" MANIFOLD AND INSIDE KILL VALVES 250-10,000 PSI 10	206-104	DRILLING JARS	315.00
				MIN TEST INSIDE 3'	206-201	NIPPLE UP CREW/LIFT	5,223.00
				MANIFOLD VALVES 250-10,000 PSI 10 MIN, TEST PIPE RAMS	206-201	TEST BOP	1,900.00
				, HCR VALVE 250-10,000 PSI 10 MIN. TEST INSIDE 4" BOP	206-203	TRUCK SNUB BOPS AND	1,750.00
				VALVE 250-10,000 PSI 10 MIN, TEST ANNULAR 250-3000 PSI	206-203	NUNEZ EQUIP	5,336.00
				10 MINUTES	206-251	DV TOOL/TECH	1,426.00
				TEST UPPER AND LOWEWR KELLY VALVE 250-10,000 PSI	206-251	CREW/CEMT TRUCK	45,908.00
				10 MINUTES, TEST FLOORVALVE AND DART VALVE	206-269	ON LOC SUPERVISION	1,000.00
				250-10,000 PSI 10 MIN.	206-302	BRINE	
					206-302	FRESH	1,705.44
					206-302	POTABLE	
					206-895	.09% SALES TAX	7,897.00
					207-931	7 1/16 ASSEMBLY W H	6,166.00
					207-931	INSTALL AND TEST	1,256.00

FOREMAN: JIMMY LIGHT							Total Daily Cost:	97,543
							Cumulative Cost to Date:	1,476,709



DAILY ONSHORE ORIG DRLG REPORT
SPUD 16 ST 5

Page 1 of 1

DATE: 11/17/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	26	SPUD DATE:	10/24/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.304 N - 103.983 W	FORMATION:	WOLFCAMP		
PROJECT:	PB NEW MEXICO	KB ELEV:	2,985.00	LITHOLOGY:	80% SHALE, 20% LIME		
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	10,500	DSS:	24.00 FOOTAGE:
COUNTY:	EDDY	API:	30-015-34222	RIG NM / NO:	MCVAY		17
STATE:	NM	AFE #:	120069	RIG PH #:	505 748-5211		
PROP. #:	109325-005	AFE DRLG COST:	2,243,000	AFE COMP COST:	488,000	AFE TOTAL COST:	2,731,000
AUTH TVD:	12,500 (ft)	DAILY DRLG COST:	274,296	DAILY COMP COST:	0	DAILY TOTAL COST:	274,296
AUTH TMD:	12,500 (ft)	CUM DRLG COST:	1,379,165	CUM COMP COST:	0	CUM TOTAL COST:	1,379,165

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
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NO BIT DATA TODAY

MUD PROPERTIES		MUD USED		HYDRAULICS			
Time:	Solids:	Mud Additive	Used	PUMP #1	PUMP #2	PUMP #3	
MW:	Oil:			Liner Size:			
VISC:	10 sec Gel:			Lngth Strk:	9.000	9.000	
pH:	10 min Gel:			SPM:			
Chl:	CA:			GPM:			
WL:	Pm:			PSI:			
HTHP:	Pf:			AV (DP):	AV (DC):		
FC:	Ex Lime:			PSI Drop:	HP/In2:		
PV:	Elec Stab:			SLOW PUMP RATES			
YP:	MBT:			PUMP #1	psi @	spm	
LCM:	LGS:			PUMP #2	psi @	spm	

Daily Mud Lost to Hole: bbls Daily / Cum Mud Cost: \$8,142 / 27,561

Cum Mud Lost to Hole: 0.0 bbls Conn Gas: Trip Gas: Bkgrd Gas:

SURVEYS (Sidetrack: OH)								BHA #:			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
6,959.00	1.00	6,758.40		88.47	88.47		0.01				
7,204.00	3.00										
7,328.00	2.25										
7,451.00	1.50										
7,699.00	1.50										
7,949.00	1.00										
8,198.00	0.50										
8,446.00	1.50										
8,638.00	1.50										
8,888.00	1.00	8,687.11		122.14	122.14						
9,136.00	0.25	8,935.09		124.84	124.84		0.30				
9,386.00	0.25	9,185.09		125.93	125.93		0.00				
9,639.00	1.00	9,438.07		128.69	128.69		0.30				
9,889.00	1.00	9,688.03		133.06	133.06						
10,139.00	0.50	9,938.01		136.33	136.33		0.20				
10,500.00	0.75	10,298.99		140.27	140.27		0.07				
								Total BHA Length:			
								Rotating String Wt:			
								BHA Hr Last Insp:			
								8			

LAST CASING / BOP / NEXT CASING

Depth: 2,948 FIT: Size: 9.625 Wt: 40.00 Grade: H40 Connection: ST&C Next Casing: 7.000 @ 10,500.00
Last BOP Test Date: 10/26/2000 Accident: Loss Control IndNONE 24 Hr Forecast: CEMENT ND SET SLIPS NU TEST BOP

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
06:00	11:00	5.00	NO	ILD DRILL PIPE AND DRILL COLLARS	Code	Description	Costs
11:00	13:00	2.00	NO	XO BAILS,RIG UP TONGS PRE JOB SAFETY MEETING W/ BULL ROGERS,MCVAY DRLG, WEATHEFORD	206-043	RIG DAY RATE	13,500.00
				SERV. SIERRA/DEVON CASING RUNNING PROCEDURES	206-102	CORROSION	
13:00	23:00	10.00	NO	RUN 239 JTS 26# P110 7" LT#C CSG 10,502' SET @ 10,500' F COLLAR @ 10,409' T DV TOOL @ 3,497'	206-103	TOP DRIVE/	2,700.00
					206-103	HOUSING	225.00
23:00	01:00	2.00	NO	CIRC CSG ON BOTTOM/ PRE JOB SAFETY MEETING	206-103	SATELLITE/TV	55.00
				BJ,MCVAY,WEATHERFORD,SIERRA/DEVON	206-103	FORKLIFT	110.00
				CEMT PROCEDURES, JOB HAZARDS,EMERGENCY	206-103	ROT HEAD/FLO LN VLV	200.00
				RESPONSE PLAN.	206-103	SATELLITE/COMP/PVTS	270.00
01:00	04:15	3.25	NO	RIG UP AND CEMENT 1ST STAGE W 600 SX 35;65 CLASS H+ .60% FL-52A+ 5% SALT+ 3# SX LCM-1	206-103	INTERCOMS	55.00
				+ .25 LB/SX CELLO FLAKE MIXED @ 12.4 YIELD @ 2.104	206-103	REMOTE CHOKE	110.00
				WATER @ 11.33 GAL SX TAIL W 1060 SX	206-103	SEPARATOR	175.00
				60;40 CLASS H+ 4% MPA-1+ .75% BA-10+ .57% EC-1+ 1%	206-103	AUTO DRILLER	110.00
				SALT+ .10% R-3+ 3 LB/SX KOL-SEAL+	206-103	SEPTIC, WATER	90.00
				.25 LB/SX CELLO FLAKE. MIXED @ 13.7 YIELD @ 1.39 W/	206-104	DRILLING JARS	315.00
04:15	06:00	1.75	NO	6.245 GAL SX WATER PLUG DOWN @ 4:15 AM	206-251	DV TOOL/TECH	
				OPEN DV TOOL AND CIRC WOC. CIRC 0 SX TO RESERVE	206-251	FLOAT EQUIP/DV TOOL	6,340.00
					206-259	PU MACHINE	4,325.00
					206-259	TONGS/CREW	3,562.50
					206-269	ON LOC SUPERVISION	1,000.00
					206-302	BRINE	
					206-302	FRESH	639.54
					206-302	POTABLE	
					206-802	HOUSEKEEPING	
					206-895	.09% SALES TAX	
					207-902	7" CSG	240,514.00

FOREMAN: EDDIE ROPER

Total Daily Cost: 274,296
Cumulative Cost to Date: 1,379,165



DAILY ONSHORE ORIG DRLG REPORT
SPUD 16 ST 5

Page 1 of 1

DATE: 10/31/2005

DISTRICT: PERMIAN BASIN TIGHT GROUP: UNRESTRICTED REPORT NO: 9 SPUD DATE: 10/24/2005
LOCATION: SEC. 16-23S-29E LAT-LONG: 32.304 N - 103.983 W FORMATION: RUSTLER
PROJECT: PB NEW MEXICO KB ELEV: 2,985.00 LITHOLOGY: RB,SAND, SALT
FIELD: LAGUNA SALADO SOUTH WI: 100.00000 DEPTH: 2,948 DSS: 7.00 FOOTAGE: 17
COUNTY: EDDY API: 30-015-34222 RIG NM / NO: MCVAY
STATE: NM AFE #: 120069 RIG PH #: 505 748-5211

PROP. #: 109325-005 AFE DRLG COST: 2,243,000 AFE COMP COST: 488,000 AFE TOTAL COST: 2,731,000
AUTH TVD: 12,500 (ft) DAILY DRLG COST: 55,731 DAILY COMP COST: 0 DAILY TOTAL COST: 55,731
AUTH TMD: 12,500 (ft) CUM DRLG COST: 506,130 CUM COMP COST: 0 CUM TOTAL COST: 506,130

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
3	PC2394	F47HYODP	8.750		2,948.0	6,589.0				13/13/13										

MUD PROPERTIES				MUD USED				HYDRAULICS			
Time:	Solids:			Mud Additive	Used			PUMP #1	PUMP #2	PUMP #3	
MW:	Oil:							Liner Size:	6.500		
VISC:	10 sec Gel:							Lngh Strk:	9.000	9.000	
pH:	10 min Gel:							SPM:	110		
Chl:	CA:							GPM:	405.31		
WL:	Pm:							PSI:			
HTHP:	Pf:							AV (DP):		AV (DC):	
FC:	Ex Lime:							PSI Drop:		HHP/in":	
PV:	Elec Stab:							SLOW PUMP RATES			
YP:	MBT:							PUMP #1	psi @		spm
LCM:	LGS:							PUMP #2	psi @		spm

Daily Mud Lost to Hole: bbls Daily / Cum Mud Cost: \$ / 5,630
Cum Mud Lost to Hole: 0.0 bbls Conn Gas: Trip Gas: Bkgrd Gas:

SURVEYS (Sidetrack: OH)								BHA #: 3			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
200.00	0.50								TRI-CONE BIT	8.750	0.75
325.00	1.00								POSITIVE DISPLACEMENT MOTOR		24.88
601.00	0.75								CROSS OVER		3.20
879.00	1.00								TRICOLLAR		29.00
1,194.00	1.00								3 PT R RMR	6.687	7.14
1,513.00	0.75							1	DRILL COLLAR	6.750	31.08
1,830.00	0.25								INTERGRAL BLADE STABILIZER	6.687	6.56
2,144.00	0.75							1	DRILL COLLAR	6.750	31.10
2,464.00	0.75								INTERGRAL BLADE STABILIZER	6.687	6.51
2,920.00	0.75							1	DRILL COLLAR	6.750	31.10
								1	DRILL COLLAR	6.687	31.06
								1	DRILL COLLAR	6.687	31.06
*found more comp. than those listed										Total BHA Length:	1,117.81
String Wt Up: 190,000										Rotating String Wt:	186,000
String Wt Down: 182,000										BHA Hr Last Insp:	8

LAST CASING / BOP / NEXT CASING

Depth: 353 FIT: Size: 13.375 Wt: 48.00 Grade: H40 Connection: ST&C Next Casing: 9.625 @ 2,955.00
Last BOP Test Date: 10/26/200 Accident: Loss Control Inc: 24 Hr Forecast: TEST CASING, DRLG PLUG CEMENT, DRLG 8.75

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
					Code	Description	Costs
08:00	08:30	2.50	NO	WAIT ON BULK CEMENT FROM BJ YARD	206-043	RIG DAY RATE	13,500.00
08:30	10:00	1.50	NO	CEMENT 9 5/8 CASING W/ 751 SX 35/65 POZ C & 5% SACHL & 6% GEL & 5# LCM-1 & .25 # SX CELLOFLAKE MIXED @ 12.8 YIELD @ 1.95 9.99 GAL SX WATER	206-102	CORROSION	407.00
				TAIL W 300 SX C & 2% CACHL MIXED @ 14.8 YIELD @ 1.35 & 6.36 GAL SX WATER	206-103	TOP DRIVE STD BY	2,700.00
				PLUG DOWN @ 9:55 AM NM CIRC 150 SX 52 BLS TO RESERVE (WITNESS BY CHRIS NMOC)	206-103	HOUSING	225.00
				NO SET SLIPS, CUT OFF 9 5/8 CASING	206-103	SATELLITE/TV	55.00
10:00	12:30	2.50	NO	LD 13 5/8 BOP, ANNULAR INSTALL B SECTION AND TEST @ 900 PSI	206-103	FORKLIFT	110.00
12:30	15:30	3.00	NO	NU 11' 5000 BOP AND ANNULAR, FLO LINE AND CHOKE MANIFOLD	206-103	SATELLITE/COMP/PVTS	270.00
15:30	19:30	4.00	NO	TESTING BOP, TEST BLINDS - OUTSIDE MANIFOLD VALVES	206-103	AUTO DRILLER	110.00
19:30	02:00	6.50	NO	OUTSIDE KILL VALVE 250-5000 PSI, TEST INSIDE MANIFOLD VALVES, INSIDE KILL VALVE-BLINDS 250-5000 PSI, TEST PIPE RAMS-HCR VALVE	206-103	INTERCOMS	55.00
				250-5000 PSI, TEST PIPE RAMS-INSIDE 4" 250-5000 PSI	206-103	SEPTIC, WATER	90.00
				TEST LOWER KELLY, UPPER KELLY AND DART VALVE AND FULL OPEN FLOOR VALVE 250-5000 PSI, TEST ANNULAR 250-2500 PSI. ACUMMULATOR FUNCTION TEST OK.	206-104	DRILLING JARS	
02:00	06:00	4.00	NO	PU BHA AND TIH TO TOP OF PLUG @ 2902', WOC	206-201	NIPPLE UP CREW	5,788.00
					206-201	TEST BOP	1,380.45
					206-203	DELIVER MOTOR	523.52
					206-251	FLOAT EQUIP/ 7'	
					206-251	PUMP TRUCK/CREW	21,313.33
					206-259	INSPECT 9 5/8 CSG	
					206-269	ON LOC SUPERVISION	1,100.00
					206-302	BRINE	
					206-302	FRESH	
					206-302	POTABLE	
					206-305	6000 GAL DIESEL	6,861.01
					207-902	3073' 9 5/8 CASING	
					207-931	SET SLIPS, TST HEAD	1,243.00

FOREMAN: JIMMY LIGHT

Total Daily Cost: 55,731
Cumulative Cost to Date: 506,130



DAILY ONSHORE ORIG DRLG REPORT
SPUD 16 ST 5

DATE: 10/26/2005

DISTRICT:	PERMIAN BASIN	TIGHT GROUP:	UNRESTRICTED	REPORT NO:	4	SPUD DATE:	10/24/2005
LOCATION:	SEC. 16-23S-29E	LAT-LONG:	32.304 N - 103.983 W	FORMATION:	S ROCK, REDBEDS,SAND		
PROJECT:	PB NEW MEXICO	KB ELEV:	2,985.00	LITHOLOGY:	SURFACE		
FIELD:	LAGUNA SALADO SOUTH	WI:	100.00000	DEPTH:	353	DSS:	2.00
COUNTY:	EDDY	API:	30-015-34222	RIG NM / NO:	MCVAY	FOOTAGE:	288
STATE:	NM			RIG PH #:	505 748-5211		17
PROP. #:	109325-005	AFE #:	120069	AFE DRLG COST:	2,243,000	AFE COMP COST:	488,000
AUTH TVD:	12,500 (ft)	DAILY DRLG COST:	90,844	DAILY COMP COST:	0	DAILY TOTAL COST:	90,844
AUTH TMD:	12,500 (ft)	CUM DRLG COST:	325,315	CUM COMP COST:	0	CUM TOTAL COST:	325,315

BIT #	SERIAL #	TYPE	SIZE	IADC Code	FROM	TO	FEET	HRS	ROP	J1-5	WOB	RPM	I	O	D	L	B	G	O	R
1	6002533	MX3	17.500		40.0	353.0	313.0	8.50	36.82	16/16/16	50,000	80								

MUD PROPERTIES				MUD USED				HYDRAULICS			
Time:	Solids:			Mud Additive	Used			PUMP #1	PUMP #2	PUMP #3	
MW:	Oil:							Liner Size:	6.500		
VISC:	10 sec Gel:							Lngth Strk:	9.000	9.000	
pH:	10 min Gel:							SPM:	140		
Chl:	CA:							GPM:	515.85		
WL:	Pm:							PSI:	600		
HTHP:	Pf:							AV (DP):		AV (DC):	
FC:	Ex Lime:							PSI Drop:		HHP/in²:	
PV:	Elec Stab:							SLOW PUMP RATES			
YP:	MBT:							PUMP #1	psi @		spm
LCM:	LGS:							PUMP #2	psi @		spm

Daily Mud Lost to Hole:	bbls	Daily / Cum Mud Cost:	\$ / 1,698
Cum Mud Lost to Hole:	0.0 bbls	Conn Gas:	Trip Gas:
		Bkgrd Gas:	

SURVEYS (Sidetrack: OH)								BHA #: 1			
MD	Angle	TVD	Dir	V Sect	+N/-S	+E/-W	D L	Qty	Description	OD	Length
200.00	0.50								TRI-CONE BIT	17.500	1.50
325.00	1.00								BIT SUB		1.00
								1	DRILL COLLAR	8.000	30.36
								1	DRILL COLLAR	8.000	29.57
								1	STABILIZER	9.000	9.30
								1	SHOCK SUBS	8.065	9.51
								1	DRILL COLLAR	8.000	30.68
								1	DRILL COLLAR	7.875	27.95
								1	DRILL COLLAR	7.812	30.52
								1	DRILL COLLAR	7.750	30.45
								1	DRILL COLLAR	7.750	29.00
								1	DRILL COLLAR	7.750	29.80
*found more comp. than those listed										Total BHA Length:	292.41
String Wt Up:										Rotating String Wt:	
String Wt Down:										BHA Hr Last Insp:	8

LAST CASING / BOP / NEXT CASING

Depth: 353	FIT:	Size: 13.375	Wt: 48.00	Grade: H40	Connection: ST&C	Next Casing: 9.625 @ 2,955.00
Last BOP Test Date:	Accident:	Loss Control Inc:	24 Hr Forecast:	CUT COND, WELD HEAD NU TST,PU BHA TIH		

From	To	Hrs	Prob?	Activity Last 24 Hours	COSTS SUMMARY		
					Code	Description	Costs
06:00	11:00	5.00	NO	DRLG 65'- 231' ALL WT ON BIT 90 RPMS	206-019	RAT HOLE/COND	20,044.81
11:00	11:15	0.25	NO	DEV SURVEY @ 200' .5 DEG.	206-043	MOB RATE	13,500.00
11:15	14:15	3.00	NO	DRLG 231'-353' TD 17.5 SURF HOLE (NOTIFIED CARMEN, WITH NMOC D OF INTENT TO RUN AND CEMENT 13 3/8 SURF CASING)	206-103	TOP DRIVE STD BY	2,700.00
14:15	15:00	0.75	NO	PUMP SWEEP AND CIRC OUT	206-103	SEPTIC, WATER	90.00
15:00	16:00	1.00	NO	TOICO,TOH LD 17.5 BHA	206-103	SATELLITE/COMP/PVTS	270.00
16:00	17:00	1.00	NO	RU CASING TONGS, XO BAILS / PRE JOB SAFETY MEETING	206-103	FORKLIFT	110.00
17:00	18:00	1.00	NO	RUN 8 JTS 13 3/8 48# H40 ST&C CASING 358' SET @ 353'	206-103	SATELLITE/TV	55.00
18:00	18:30	0.50	NO	CIRC CSG ON BOTTOM,RIG DOWN TONGS/PRE JOB MEETING BJ,MCVAY,SIERRA/DEVON	206-103	AUTO DRILLER	110.00
18:30	19:30	1.00	NO	RU BJ AND CEMENT W 400 SX C & 2% CCHLO, AND .25# PER SX CELLOFLAKE	206-103	HOUSING	225.00
				PLUG DOWN @ 07:30 CIRC 50 SX TO RESERVE (WITNESSED BY MIKE BRATCHER NMOC D)	206-103	INTERCOMS & SET UP	355.00
19:30	06:00	10.50	NO	RIG DOWN BJ- WOC LEFT 100 PSI ON CASING	206-104	SHOCK SUB	280.00
					206-104	17.5 RMR	850.00
					206-201	RECUT AND WELD COND	1,001.00
					206-251	FLOAT EQUIP	
					206-251	CEMENT 13 3/8 CSG	8,938.50
					206-259	INSPECT 13 3/8 CSG.	829.50
					206-259	RUN 13 3/8 CASING	2,310.00
					206-269	ON LOC SUPERVISION	1,100.00
					206-302	BRINE	
					206-302	FRESH	7,248.12
					206-302	POTABLE	600.00
					206-305	6000 GAL DIESEL	17,678.13
					207-901	8 JTS 13 3/8 CASING	12,548.55

Total Daily Cost:	90,844
Cumulative Cost to Date:	325,315

FOREMAN: JIMMY LIGHT

Submit To Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505	Form C-105 Revised June 10, 2003 WELL API NO. 30-015-34750 5. Indicate Type of Lease STATE ☐ ☒ FREE State Oil & Gas Lease No. _____
--	---	--

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER _____ b. Type of Completion: NEW ☒ WORK ☐ DEEPEN ☐ PLUG ☐ DIFF. ☐ WELL OVER BACK RESVR. ☐ OTHER _____ 2. Name of Operator Chesapeake Operating Inc. 3. Address of Operator P. O. Box 11050 Midland, TX 79702-8050 4. Well Location Unit Letter A 330 Feet From The North Line and 660 Feet From The East Line Section 21 Township 23S Range 29E NMPM Eddy County	7. Lease Name or Unit Agreement Name IMC 21 8. Well No. 1 9. Pool name or Wildcat Laguna Salado; Bone Spring
---	--

10. Date Spudded 05/21/2006	11. Date T.D. Reached 06/08/2006	12. Date Compl. (Ready to Prod.) 07/15/2006	13. Elevations (DF& RKB, RT, GR, etc.) 2957 GR	14. Elev. Casinghead
15. Total Depth 8115	16. Plug Back T.D. 8023	17. If Multiple Compl. How Many Zones? _____	18. Intervals Drilled By _____	Rotary Tools 0 - 8115
19. Producing Interval(s), of this completion - Top, Bottom, Name 7684 - 7926 Bone Springs				20. Was Directional Survey Made Yes
21. Type Electric and Other Logs Run CBL/CCL/GR				22. Was Well Cored No

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	48	345	17 1/2	460 sx Poz C	
8 5/8	32	3000	11	800 sx C	
5 1/2	17	8115	7 7/8	1142 sx Poz C	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2 7/8	7620	7620

26. Perforation record (interval, size, and number) 7684 - 7926 1 spf (22 holes)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>7684 - 926</td> <td>2250 g NeFe acid + 40 BS</td> </tr> <tr> <td> </td> <td>Frac w/53000 g Med 3000 + w/</td> </tr> <tr> <td> </td> <td>20/40wsd,3334gal+20133 20/40LC</td> </tr> </table>	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	7684 - 926	2250 g NeFe acid + 40 BS		Frac w/53000 g Med 3000 + w/		20/40wsd,3334gal+20133 20/40LC
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED								
7684 - 926	2250 g NeFe acid + 40 BS								
	Frac w/53000 g Med 3000 + w/								
	20/40wsd,3334gal+20133 20/40LC								

28. PRODUCTION

Date First Production 07/13/2006	Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing	Well Status (Prod. or Shut-in) producing
Date of Test 07/19/2006	Hours Tested 24	Choke Size 24/64
Prod'n For Test Period	Oil - Bbl 145	Gas - MCF 930
Water - Bbl. 183	Gas - Oil Ratio 641	
Flow Tubing Press. 370	Casing Pressure 0	Calculated 24-Hour Rate 145
Oil - Bbl. 145	Gas - MCF 930	Water - Bbl. 183
Oil Gravity - API - (Corr.)		

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold	Test Witnessed By
---	-------------------

30. List Attachments
Logs; Inclination Report; C-104; C-102

31. I hereby certify that the information shown on both sides of this form as true and complete to the best of my knowledge and belief

Signature	Printed Name Brenda Coffman	Title Regulatory Analyst	Date 07/31/2006
E-mail Address bcoffman@chkenergy.com			

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn "B"
T. Salt	T. Strawn	T. Kirtland-Fruitland	T. Penn. "C"
B. Salt	T. Atoka	T. Pictured Cliffs	T. Penn. "D"
T. Yates	T. Miss	T. Cliff House	T. Leadville
T. 7 Rivers	T. Devonian	T. Menefee	T. Madison
T. Queen	T. Silurian	T. Point Lookout	T. Elbert
T. Grayburg	T. Montoya	T. Mancos	T. McCracken
T. San Andres	T. Simpson	T. Gallup	T. Ignacio Otzte
T. Glorieta	T. McKee	Base Greenhorn	T. Granite
T. Paddock	T. Ellenburger	T. Dakota	T.
T. Blinebry	T. Gr. Wash	T. Morrison	T.
T. Tubb	T. Delaware Sand	T. Todilto	T.
T. Drinkard	T. Bone Springs 6670	T. Entrada	T.
T. Abo	T. 5043 Br Can	T. Wingate	T.
T. Wolfcamp	T. 2968 L.Mar	T. Chinle	T.
T. Penn	T. 3964 Manzan	T. Permian	T.
T. Cisco (Bough C)	T.	T. Penn "A"	T.

OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....
 No. 2, from.....to..... No. 4, from.....to.....

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....
 No. 2, from.....to.....feet.....
 No. 3, from.....to.....feet.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology	From	To	Thickness In Feet	Lithology
0	3000	3000	Salt/Anhy/Castile				
3000	3836	836	SdSt/Dela				
3836	5042	1206	Sdst/Cherry Can				
5042	6670	1627	Sdst/Br Can				
6670	7669	998	Sh/Lm/Sdst/BS				
7669	8100	430	SDst/1st BS Sd				

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Eranos 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-103
Permit 35194

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NUMBER 30-015-34750
1. Type of Well: O		5. Indicate Type of Lease P
2. Name of Operator CHESAPEAKE OPERATING, INC.		6. State Oil & Gas Lease No.
3. Address of Operator P. O. BOX 18496, OKLAHOMA CITY, OK 731540496		7. Lease Name or Unit Agreement Name IMC 21
4. Well Location Unit Letter <u>A</u> : <u>330</u> feet from the <u>N</u> line and <u>660</u> feet from the <u>E</u> line Section <u>21</u> Township <u>23S</u> Range <u>29E</u> NMPM Eddy County		8. Well Number 001
11. Elevation (Show whether DR, KB, BT, GR, etc.) 2957 GR		9. OGRID Number 147179
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		10. Pool name or Wildcat

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐ TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐ PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐ Other:		SUBSEQUENT REPORT OF: REMEDIAL WORK ☐ ALTER CASING ☐ COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐ CASING/CEMENT JOB ☐ Other: <u>Drilling/Cement</u> ☒
---	--	--

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
6-10-06 In 7 7/8" hole, ran 179 jts. 5 1/2" 17# L-80 LTC csg. set @ 8115. Cemented w/667 sx 50-50 Poz C, tailed in w/475 sx PVL. TOC 2510'. Tested casing to 2500# - OK. 5/21/2006 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
05/23/06	Surf	FreshWater	17.5	13.375	48	H40	0	345	400	1.32	C	1200	0	Y	
05/28/06	Int1	CutBrine	11	8.625	32	J55	0	3000	800	1.34	C	2700	0	Y	
06/10/06	Prod	FreshWater	7.875	5.5	17	LTC	2510	8115	1142	2.29	Poz C	2500	0	Y	

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OGD-approved plan ☐.

SIGNATURE Electronically Signed TITLE Regulatory Analyst DATE 7/31/2006
Type or print name Brenda Coffman E-mail address bcoffman@chkenenergy.com Telephone No. 432-685-4310

For State Use Only:

APPROVED BY: Bryan Arrant TITLE Geologist DATE 7/31/2006 1:09:19 PM

District I

1625 N. French Dr., Hobbs, NM 88240
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Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Energy, Minerals and Natural Resources

Form C-103

Permit 30996

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL API NUMBER

30-015-34750

5. Indicate Type of Lease

P

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

IMC 21

8. Well Number

001

9. OGRID Number

147179

10. Pool name or Wildcat

SUNDY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: ☐

2. Name of Operator

CHESAPEAKE OPERATING, INC.

3. Address of Operator

P. O. BOX 18496, OKLAHOMA CITY, OK 731540496

4. Well Location

Unit Letter A : 330 feet from the N line and 660 feet from the E line
Section 21 Township 23S Range 29E NMPM Eddy County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

2957 GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐CASING/CEMENT JOB ☐Other: Drilling/Cement ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work.) SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

5-23-06 In 17 1/2" hole, ran 8 jts. 13 3/8" 48# H-40 STC csg. set @ 345'. Cmt'd w/120 sx 35/65 + additives, 1.99 yield, tail in w/340 sx CL C + additives, 1.32 yield. Circ. 25 bbls cmt. WOC 24 hrs. Tested csg to 1200 psi for 30 mins.

5-28-06 In 11" hole, ran 68 jts 8 5/8" 32# J-55 LTC csg. set @ 3000'. Cmt'd w/600 sx 50/50 Poz CL C + additives, aa.8 ppg. 2.45 yield, tail w/200 sx CL C + additives, 14.8 ppg. 1.34 yield. Circ. 28 sx to surface. WOC 24 hours. Tested csg to 2700 psi - OK (30 mins)

5/21/2006 Spudded well.

Casing and Cement Program

Date	String	Fluid Type	Hole Size	Csg Size	Weight lb/ft	Grade	Est TOC	Dpth Set	Sacks	Yield	Class	1" Dpth	Pres Held	Pres Drop	Open Hole
05/23/06	Surf	FreshWater	17.5	13.375	48	H40	0	345	480	1.32	C		1200	0	Y
05/28/06	Int1	CutBrine	11	8.625	32	J55	0	3000	800	1.34	C		2700	0	Y

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE Regulatory Analyst

DATE 6/12/2006

Type or print name Brenda Coffman

E-mail address bcoffman@chkenery.com Telephone No. 432-685-4310

For State Use Only:

APPROVED BY: Bryan Arrant

TITLE Geologist

DATE 6/12/2006 11:49:35 AM

Injection Permit Checklist 12/7/06

SWD Order Number 1070 Dates: Division Approved _____ District Approved _____

Well Name/Num: SPUP 16 ST # 4 Date Spudded: 6/24/05

API Num: (30-) 015-33923 County: EDDY

Footages 960 FSL/1800 FEL Sec 16 Tsp 23S Rge 29E

Operator Name: DEVON Energy Production Company, LP Contact Ronnie SLACK

Operator Address: 20 N. BOWY, SUITE 1500, OKLAHOMA CITY, OK 73102

Current Status of Well: Prod 2nd 13/4th Planned Work: PLUG BACK Inj. Tubing Size: 2 7/8 IPC

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	17 1/2 13 3/8	378	440	SIRC
Intermediate	11" 8 5/8	2907	800	Cure
Production	7 7/8 5 1/2	6750	110	SIRC
Last DV Tool		3512'		
Open Hole/Liner				
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion ☒ After Conversion ☒

Checks (Y/N): Well File Reviewed ☒ ELogs in Imaging ☒

Intervals:	Depths	Formation	Producing (Yes/No)
<u>Salt/Potash</u>	<u>378-2910'</u>		
<u>Capitan Reef</u>	<u>Laron 150 2957'</u>		
Cliff House, Etc:			
Formation Above	<u>2996 = Bell Canyon Top</u>		
Top Inj Interval	<u>3760</u>	<u>Bell Cyn</u>	<u>NO</u>
Bottom Inj Interval	<u>4890</u>	<u>Bell Cyn</u>	<u>NO</u>
Formation Below	<u>6520</u>	<u>Brushy</u>	

will TRY Lower Perfs FIRST

Fresh Water: Exists (Y/N) 1/2 Wells (Y/N) 1/2 Analysis Included (Y/N): yes Affirmative Statement ☒

Salt Water Analysis: Injection Zone (Y/N/NA) _____ Disp Waters (Y/N/NA) _____ Types: Devon RE-injection

Notice: Newspaper (Y/N) ☒ Surface Owner MOsaic POTASH Mineral Owner(s) _____

Other Affected Parties: Chesapeake, POGO, Liberty En

AOR/Repairs: NumActiveWells 4 Repairs? _____ Producing in Injection Interval in AOR NO

AOR Num of P&A Wells 0 Repairs? _____ Diagrams Included? _____

Required Work to this Well: PLUG BACK TO 200'

Well Table Adequate (Y/N) yes AOR STRs: Sec _____ Tsp _____ Rge _____ RBDMS Updated (Y/N) _____

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____ UIC Form Completed (Y/N) ☒

Conditions of Approval: Sec _____ Tsp _____ Rge _____ This Form completed ☒

Set CIBP WITHIN 200'

Data Request Sent 1/23/07

For DV depth/volume in AOR wells Done

GOT data 1/23/07

Inactive Well List

Total Well Count:1673 Inactive Well Count:3 Since:11/13/2005

Printed On: Tuesday, February 06 2007

District	API	Well	ULSTR	OCD Unit	OGRID	Operator	Lease Type	Well Type	Last Production	Formation/Notes	Status	Days in TA
1	30-025-34629	BELL LAKE UNIT #020	E-32-22S-34E	E	6137	DEVON ENERGY PRODUCTION COMPANY, LP	S	G	08/2005	MORROW		
2	30-015-33165	GRANDI #002	D-22-22S-27E	D	6137	DEVON ENERGY PRODUCTION COMPANY, LP	S	O	09/2005	UNDES ESPERANZA DELAWARE		
1	30-025-35497	TEXACO 5 STATE #001	P-5 -17S-35E	P	6137	DEVON ENERGY PRODUCTION COMPANY, LP	S	G	09/2005	ATOKA		

WHERE Ogrid:6137, County:All, District:All, Township:All, Range:All, Section:All, Production(months):15