

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, 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

OCT 20 2008

Form C-101
May 27, 2004

OCD-ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Devon Energy Production, L.P. 20 North Broadway Oklahoma City, OK 73102-8260		OGRID Number 6137
Property Code 30668		API Number 30-015-36730
Property Name SPUD 16 STATE		Well No 8H
Proposed Pool 1 HARROUN RANCH, DELAWARE NE		Proposed Pool 2

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	23S	29E		523	North	665'	West	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	23S	29E		330	South	1980	West	Eddy

Additional Well Information

Work Type Code New Well	Well Type Code Oil	Cable/Rotary Rotary	Lease Type Code State	Ground Level Elevation 2971'
Multiple	Proposed Depth 11,100'	Formation Delaware	Contractor	Spud Date 9/30/08
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic ☐ _____ mils thick Clay ☐ Pit Volume: _____ bbls Drilling Method: Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				
Closed-Loop System ☒				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13.325	48#	300'	335 sx	Surface
12.25"	9.625"	40#	2760'	1140 sx	Surface
8.5"	5.5"	20#	6000'	1700 sx	Surface
8.5"	5.5"	17#	11,100'	825 sx	
					DV Tool @ 4500'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Surface csg Lead w/335 sx Premium Plus C Cement + 2% bwoc Calcium Chloride + 0.125#/sx CF + 56.3% FW. 14.80 ppg Yld 1.35 cf/sx

Intermediate csg Lead w/840 sx 35:65 Poz Fly Ash: Premium Plus C + 5% bwow Sodium Chloride + 0.125#/sx CF + 5#/sx LCM-1 + 4% bwoc Bentonite + 0.8% bwoc Sodium Metasilicate + 5% bwoc MPA-5 + 96.2% FW. 12.80 ppg Yld 1.97 cf/sx **Tail** w/300 sx Premium Plus C 14.80 ppg Yld 1.33 sx/cf

Long String Stage 1: Lead w/350 sx 35:65 Poz Fly Ash: Premium Plus C + 1% bwow Sodium Chloride + 0.4% bwoc R-3 + 0.125#/sx CF + 6% bwoc Bentonite + 0.4% bwoc FL-52A + 103.1% FW. 12.50 ppg Yield 1.96 cf/sx **Tail** w/1350 sx 50:50 Poz Fly Ash: Class H + 5% bwow Sodium Chloride + 0.3% bwoc CD-32 + 0.5% bwoc FL-25 + 2% bwoc Bentonite + 0.6% bwoc Sodium Metasilicate + 0.5% bwoc FL-52A + 58.3% FW. 14.20 ppg 1.31 cf/sx (attached)

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☒.

Printed name: Judy A. Barnett

Title: Regulatory Analyst

E-mail Address JudyA.Barnett@dmn.com

Date: 10/17/08

Phone: 405-228-8699

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached

☒ NOTE on pg 3

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OCT 20 2008

SPUD 16 STATE 8H
SEC 16 23S R29E
EDDY COUNTY, NM
October 17, 2008
Page 2

Stage 2: DV Tool @ 4500'

Lead w/ 675 sx 35:65 Poz Fly Ash: Premium Plus C + 5% bwow Sodium Chloride +
0.125#/sx CF + 6% bwoc Bentonite + 0.3% bwoc FL-52A + 100.7% FW.
12.70 ppg Yld 1.94 cf/sx

Tail w/150 sx 60:40 Poz Fly Ash: Premium Plus C + 5% bwow Sodium Chloride +
0.125#/sx CF + 0.1% bwoc Sodium Metasilicate + 4% bwoc MPA-5 + 65.4% FW.
13.80 ppg Yld 1.37.2

Page 3
SPUD 16 STATE 8H
SEC 16 T23S R29E
EDDY COUNTY, NM
October 17, 2008

Additional Operators Remarks:

Devon Energy Production Company, L.P. proposes to drill a well to Delaware 11,100' for commercial quantities of oil and gas. If the well is deemed noncommercial, the wellbore will be plugged and abandoned per regulations.

H2S:

No H2S is anticipated to be encountered.

Directions to Location:

From junction of Hwy 128 & Rawhide, go south on Rawhide for 3.3 miles to end of pavement, go west 3.0 miles to lease road, go north 1.8 miles to pad Spud 16 #2, go right 1.0 miles to proposed well.

Attached are the following:

Rig Layout
Directional Survey
C-102

C-144 CLEZ submitted 8/18/08
Approved 9/8/08 w/ PERMIT #0208413

*NOTE. IF CONDUCTOR PIPE FINDS 100% AT SETTING
DEPTH. SURFACE Casing WILL NOT BE REQUIRED.
RUN NEEDED LOGS TO SURFACE TO VERIFY
TOP OF SALT.*
JW

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DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36730	Pool Code 30212	Pool Name Narrow Ranch, Delaware
Property Code 30668	Property Name SPUD "16" STATE	Well Number 8H
OGRIID No. 6137	Operator Name DEVON ENERGY PRODUCTION COMPANY LP	Elevation 2971'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	16	23 S	29 E		523	NORTH	665	WEST	EDDY

Bottom Hole Location If Different From Surface

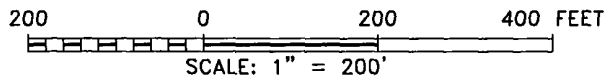
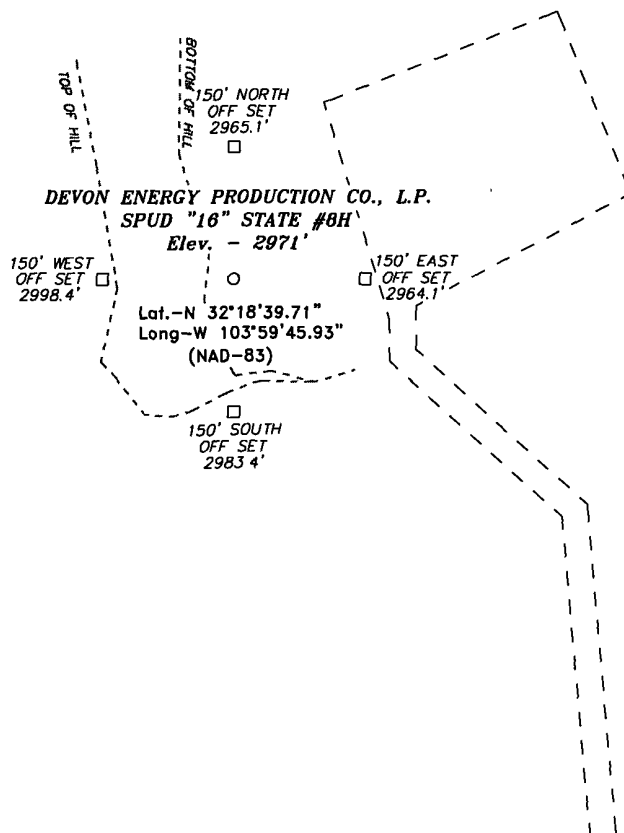
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	16	23 S	29 E		330	SOUTH	1980	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

UL: 477576.100 E: 644865.689 N: 32°18'44.945" W: -103°59'53.584" 665' 523' SURFACE LOCATION Lat - N32°18'39.71" Long - W103°59'45.93" N.: 477055.468 E.: 645528.131 (NAD-83) Project Area Producing Area PP: 1250 FNL & 1650 FWL BOTTOM HOLE LOCATION Lat - N32°17'55.59" Long - W103°59'31.12" N.: 472595.094 E.: 646809.041 (NAD-83) 1980' 330' UL: 472258.253 E: 644826.505 N: 32°17'52.322" W: -103°59'54.235" UL: 477596.115 E: 650148.547 N: 32°18'44.975" W: -103°58'52.047" UL: 472276.591 E: 650142.478 N: 32°17'52.335" W: -103°58'52.298"	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <i>Judy A. Barnett</i> 6/26/08 Signature Date Judy A. Barnett Printed Name Regulatory Analyst SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. MAY 19 2008 Date Surveyed <i>Gary L. Jones</i> Signature & Seal of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS
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**SECTION 16, TOWNSHIP 23 SOUTH, RANGE 29 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



Directions to Location:

FROM THE JUNCTION OF HWY 128 AND RAWHIDE, GO SOUTH ON RAWHIDE FOR 3.3 MILES TO END OF PAVEMENT, GO WEST 3.0 MILES TO LEASE ROAD, GO NORTH 1.8 MILES TO PAD SPUD "16" #2, GO RIGHT 1.0 MILES TO PROPOSED WELL.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 19716 Drawn By: **J. M. SMALL**

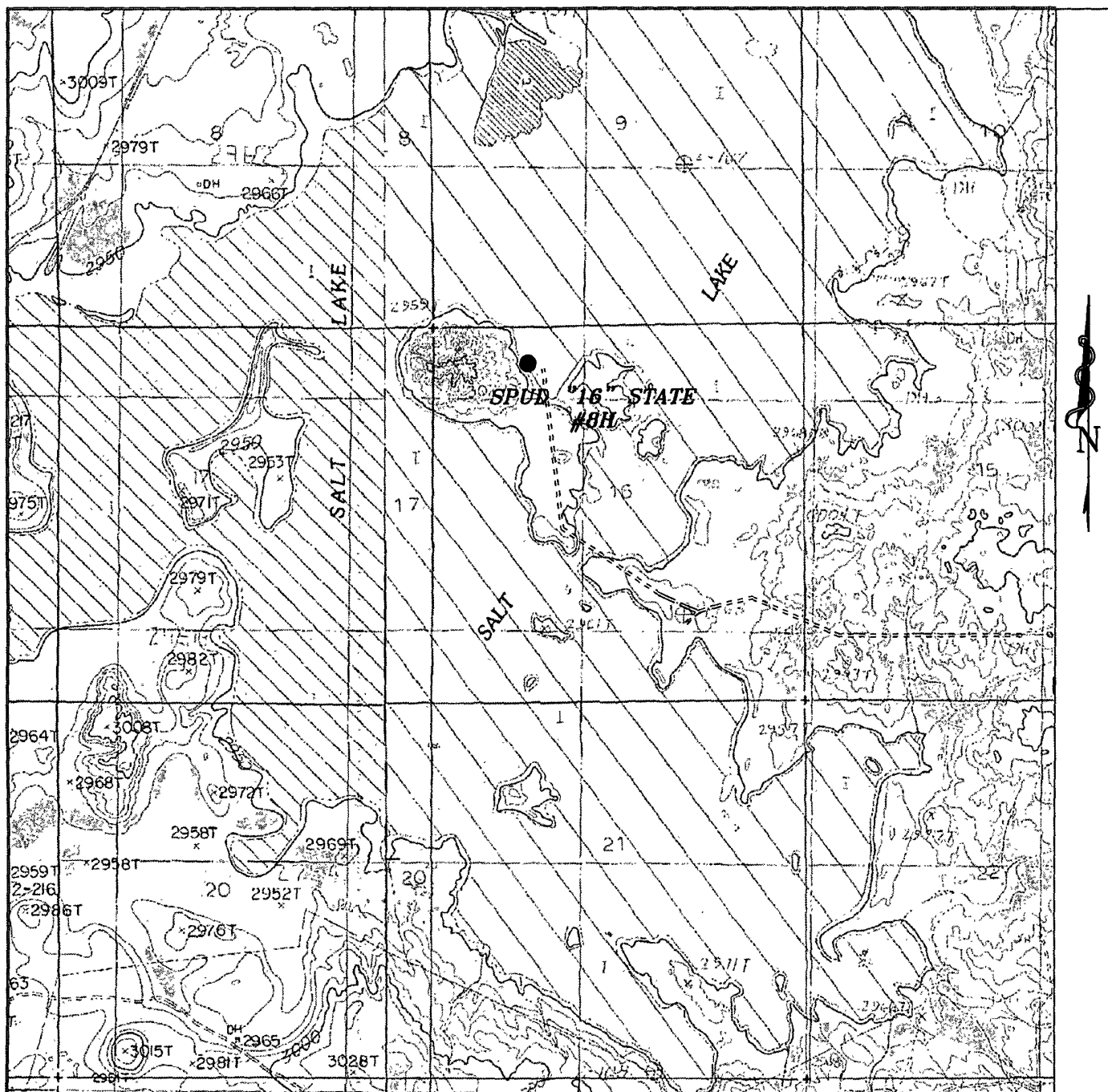
Date: 06-02-2008 Disk: 19716 JMS

DEVON ENERGY PROD. CO., L.P.

REF: SPUD "16" STATE #8H / WELL PAD TOPO

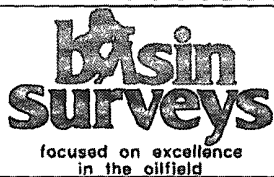
THE SPUD "16" STATE #8H LOCATED 523' FROM
THE NORTH LINE AND 665' FROM THE WEST LINE OF
SECTION 16, TOWNSHIP 23 SOUTH, RANGE 29 EAST,
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 05-30-2008 Sheet 1 of 1 Sheets



SPUD "16" STATE #8H

Located at 523' FNL AND 665' FWL
 Section 16, Township 23 South, Range 29 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (505) 393-7316 - Office
 (505) 392-3074 - Fax
 basinsurveys.com

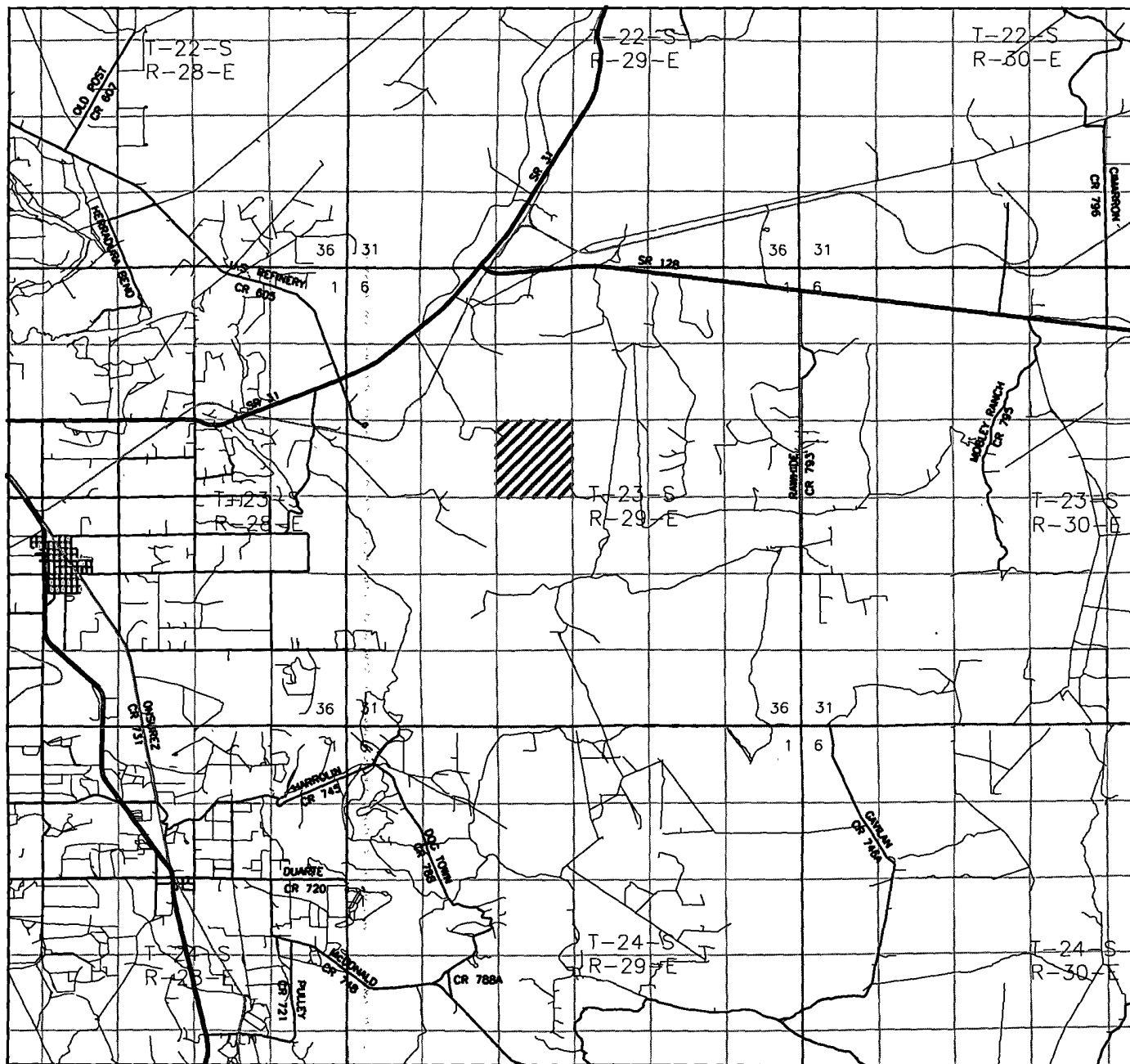
W.O. Number: JMS 19716

Survey Date: 05-30-2008

Scale: 1" = 2000'

Date: 06-02-2008

**DEVON ENERGY
 PROD. CO., L.P.**



SPUD "16" STATE #8H

Located at 523' FNL AND 665' FWL

Section 16, Township 23 South, Range 29 East,
N.M.P.M., Eddy County, New Mexico.

basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786
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Hobbs, New Mexico 88241
(505) 393-7316 - Office
(505) 392-3074 - Fax
basinsurveys.com

W.O. Number: JMS 19716

Survey Date: 05-30-2008

Scale: 1" = 2 MILES

Date: 06-02-2008

DEVON ENERGY
PROD. CO., L.P.



DEVON ENERGY CORPORATION

Field: Eddy Co, NM
Site: Spud 16 State 8H
Well: State 8H
Wellpath: 8H
Plan: Plan #2



Azimuths to Grid North
True North -0.18°
Magnetic North 7.94°

Magnetic Field
Strength 48960nT
Dip Angle 60.28°
Date 7/26/2008
Model igr2005

SITE DETAILS

Spud 16 State 8H
Section 16, T23S, R29E
Eddy Co, NM
Site Centre Northing 477055.47
Easting 645528.13
Ground Level 2971.00
Positional Uncertainty 0.00
Convergence 0.18

FIELD DETAILS

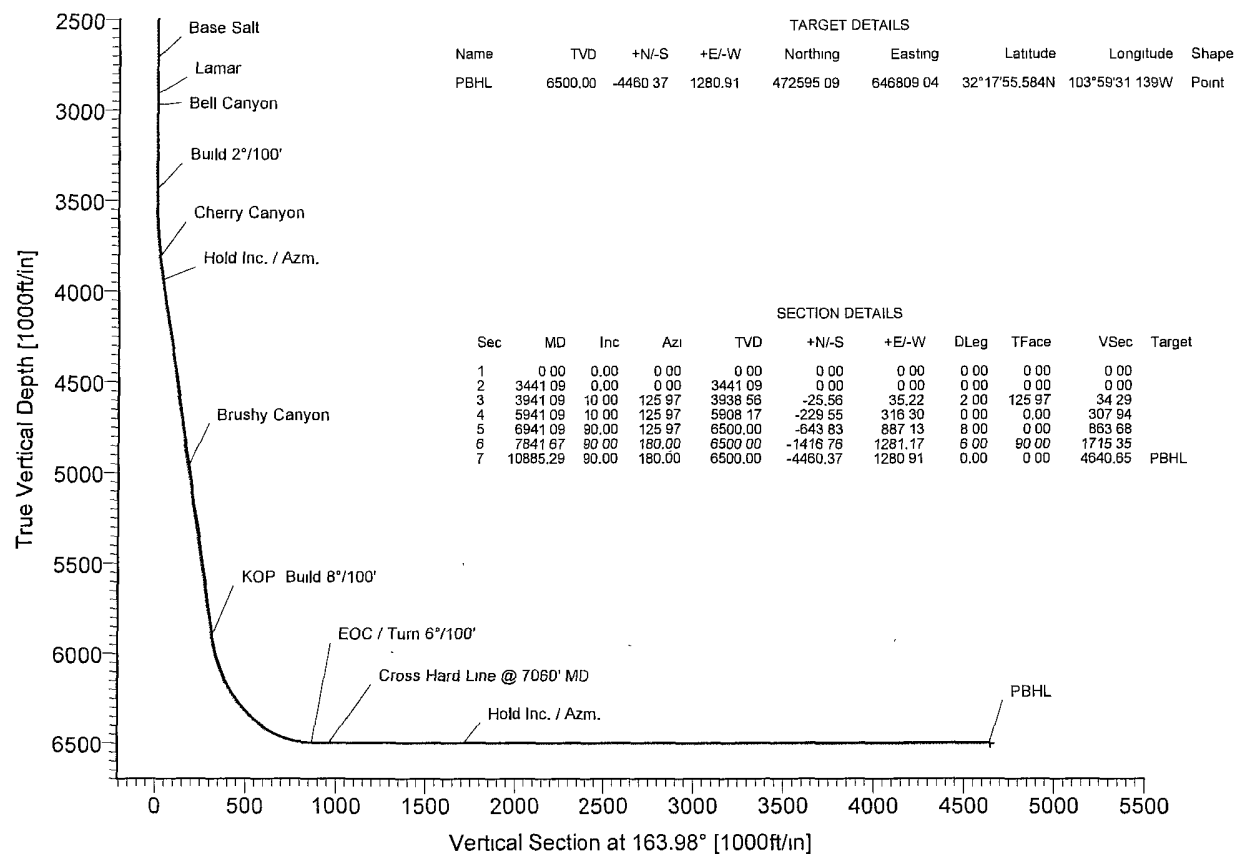
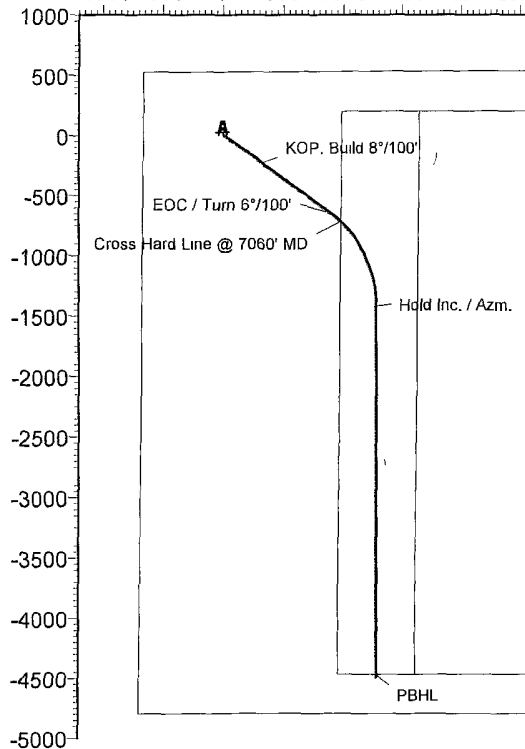
Eddy Co, NM
USA
Geodetic System US State Plane Coordinate System 1983
Ellipsoid GRS 1980
Zone New Mexico, Eastern Zone
Magnetic Model igr2005
System Datum Mean Sea Level
Local North Grid North

WELLPATH DETAILS

8H
Rig Ref Datum Est RKB 2995.00ft
V Section Angle Origin +N/-S Origin +E/-W Starting From TVD
163.98° 0.00 0.00 0.00

West(-)/East(+) [1500ft/in]

-1000 -500 0 500 1000 1500 2000 2500



TARGET DETAILS								
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL	6500.00	-4460.37	1280.91	472595.09	646809.04	32°17'55.584N	103°59'31.139W	Point

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	3441.09	0.00	0.00	3441.09	0.00	0.00	0.00	0.00	0.00	
3	3941.09	10.00	125.97	3938.56	-25.56	35.22	2.00	125.97	34.29	
4	5941.09	10.00	125.97	5908.17	-229.55	316.30	0.00	0.00	307.94	
5	6941.09	90.00	125.97	6500.00	-643.83	887.13	8.00	0.00	863.68	
6	7841.67	90.00	180.00	6500.00	-1416.76	1281.17	6.00	90.00	1715.35	
7	10885.29	90.00	180.00	6500.00	-4460.37	1280.91	0.00	0.00	4640.65	PBHL

Ryan Energy Technologies
19510 Oil Center Blvd
Houston, TX 77073
Ph 281-443-1414
Ex 281-443-1676



Plan: Plan #2 (Date: 6/1/2008)
Created By: Kevin Carr Date: 6/1/2008
Checked: _____ Date: _____
Reviewed: _____ Date: _____
Approved: _____ Date: _____



Ryan Energy Technologies

Planning Report



Company: DEVON ENERGY CORPORATION
Field: Eddy Co, NM
Site: Spud 16 State 8H
Well: State 8H
Wellpath: 8H

Date: 8/1/2008 Time: 10:00:15 Page: 1
Co-ordinate(NE) Reference Site: Spud 16 State 8H, Grid North
Vertical (TVD) Reference: Est. RKB 2995.0
Section (VS) Reference: Well (0.00N,0.00E,163.98Azi)
Plan: Plan #2

Field: Eddy Co, NM

USA

Map System: IJS State Plane Coordinate System 1983
Geo Datum: GRS 1980
Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone
Coordinate System: Site Centre
Geomagnetic Model: Igrf2005

Site: Spud 16 State 8H
Section 16, T23S, R29E
Eddy Co, NM

Site Position: Northing: 477055.47 ft Latitude: 32 18 39.763 N
From: Map Easting: 645528.13 ft Longitude: 103 59 45.899 W
Position Uncertainty: 0.00 ft North Reference: Grid
Ground Level: 2971.00 ft Grid Convergence: 0.18 deg

Well: State 8H

Slot Name:

Well Position: +N/-S 0.00 ft Northing: 477055.47 ft Latitude: 32 18 39.763 N
+E/-W 0.00 ft Easting: 645528.13 ft Longitude: 103 59 45.899 W
Position Uncertainty: 0.00 ft

Wellpath: 8H

Drilled From: Surface

Current Datum: Est. RKB Height 2995.00 ft
Magnetic Data: 7/28/2008
Field Strength: 48960 nT
Vertical Section: Depth From (TVD) +N/-S +E/-W Direction
ft ft ft deg
0.00 0.00 0.00 163.98

Plan: Plan #2

Date Composed: 7/28/2008
Version: 1
Tied-to: From Surface

Principal: No

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3441.09	0.00	0.00	3441.09	0.00	0.00	0.00	0.00	0.00	0.00	
3941.09	10.00	125.97	3938.56	-25.56	35.22	2.00	2.00	0.00	125.97	
5941.09	10.00	125.97	5908.17	-229.55	316.30	0.00	0.00	0.00	0.00	
6941.09	90.00	125.97	6500.00	-643.83	887.13	8.00	8.00	0.00	0.00	
7841.67	90.00	180.00	6500.00	-1416.76	1281.17	6.00	0.00	6.00	90.00	
10885.29	90.00	180.00	6500.00	-4460.37	1280.91	0.00	0.00	0.00	0.00	PBHL

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
3441.09	0.00	0.00	3441.09	0.00	0.00	0.00	0.00	0.00	0.00	Build 2"/100'
3500.00	1.18	125.97	3500.00	-0.36	0.49	0.48	2.00	2.00	0.00	
3600.00	3.18	125.97	3599.92	-2.59	3.57	3.47	2.00	2.00	0.00	
3700.00	5.18	125.97	3699.65	-6.87	9.46	9.21	2.00	2.00	0.00	
3800.00	7.18	125.97	3799.06	-13.19	18.17	17.69	2.00	2.00	0.00	
3811.03	7.40	125.97	3810.00	-14.01	19.30	18.79	2.00	2.00	0.00	Cherry Canyon
3900.00	9.18	125.97	3898.04	-21.54	29.68	28.90	2.00	2.00	0.00	
3941.09	10.00	125.97	3938.56	-25.56	35.22	34.29	2.00	2.00	0.00	
4000.00	10.00	125.97	3996.57	-31.57	43.50	42.35	0.00	0.00	0.00	
4100.00	10.00	125.97	4095.05	-41.77	57.56	56.04	0.00	0.00	0.00	
4200.00	10.00	125.97	4193.53	-51.97	71.61	69.72	0.00	0.00	0.00	Hold Inc. / Azm
4300.00	10.00	125.97	4292.01	-62.17	85.66	83.40	0.00	0.00	0.00	
4400.00	10.00	125.97	4390.49	-72.37	99.72	97.08	0.00	0.00	0.00	
4500.00	10.00	125.97	4488.97	-82.57	113.77	110.76	0.00	0.00	0.00	
4600.00	10.00	125.97	4587.46	-92.77	127.83	124.45	0.00	0.00	0.00	



Ryan Energy Technologies

Planning Report



Company: DEVON ENERGY CORPORATION
Field: Eddy Co, NM
Site: Spud 16 State 8H
Well: State 8H
Wellpath: 8H

Date: 8/1/2008 Time: 10:00:15 Page: 2
Co-ordinate(NE) Reference Site: Spud 16 State 8H, Grid North
Vertical (TVD) Reference: Est. RKB 2995.0
Section (VS) Reference: Well (0.00N,0.00E,163.98Azi)
Plan: Plan #2

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
4700.00	10.00	125.97	4685.94	-102.97	141.88	138.13	0.00	0.00	0.00	Brushy Canyon
4800.00	10.00	125.97	4784.42	-113.17	155.93	151.81	0.00	0.00	0.00	
4900.00	10.00	125.97	4882.90	-123.37	169.99	165.49	0.00	0.00	0.00	
4983.37	10.00	125.97	4965.00	-131.87	181.70	176.90	0.00	0.00	0.00	
5000.00	10.00	125.97	4981.38	-133.57	184.04	179.18	0.00	0.00	0.00	
5100.00	10.00	125.97	5079.86	-143.77	198.09	192.86	0.00	0.00	0.00	KOP: Build 8°/100'
5200.00	10.00	125.97	5178.34	-153.97	212.15	206.54	0.00	0.00	0.00	
5300.00	10.00	125.97	5276.82	-164.16	226.20	220.22	0.00	0.00	0.00	
5400.00	10.00	125.97	5375.30	-174.36	240.26	233.91	0.00	0.00	0.00	
5500.00	10.00	125.97	5473.78	-184.56	254.31	247.59	0.00	0.00	0.00	
5600.00	10.00	125.97	5572.26	-194.76	268.36	261.27	0.00	0.00	0.00	KOP: Build 8°/100'
5700.00	10.00	125.97	5670.74	-204.96	282.42	274.95	0.00	0.00	0.00	
5800.00	10.00	125.97	5769.22	-215.16	296.47	288.63	0.00	0.00	0.00	
5900.00	10.00	125.97	5867.71	-225.36	310.52	302.32	0.00	0.00	0.00	
5941.09	10.00	125.97	5908.17	-229.55	316.30	307.94	0.00	0.00	0.00	
5950.00	10.71	125.97	5916.94	-230.49	317.60	309.20	8.00	8.00	0.00	KOP: Build 8°/100'
6000.00	14.71	125.97	5965.70	-236.95	326.50	317.87	8.00	8.00	0.00	
6050.00	18.71	125.97	6013.58	-245.40	338.13	329.20	8.00	8.00	0.00	
6100.00	22.71	125.97	6060.34	-255.78	352.44	343.13	8.00	8.00	0.00	
6150.00	26.71	125.97	6105.75	-268.06	369.36	359.59	8.00	8.00	0.00	
6200.00	30.71	125.97	6149.59	-282.16	388.79	378.52	8.00	8.00	0.00	KOP: Build 8°/100'
6250.00	34.71	125.97	6191.65	-298.03	410.66	399.80	8.00	8.00	0.00	
6300.00	38.71	125.97	6231.73	-315.59	434.84	423.35	8.00	8.00	0.00	
6350.00	42.71	125.97	6269.62	-334.74	461.23	449.04	8.00	8.00	0.00	
6400.00	46.71	125.97	6305.14	-355.40	489.70	476.76	8.00	8.00	0.00	
6450.00	50.71	125.97	6338.13	-377.46	520.10	506.35	8.00	8.00	0.00	KOP: Build 8°/100'
6500.00	54.71	125.97	6368.41	-400.82	552.29	537.69	8.00	8.00	0.00	
6550.00	58.71	125.97	6395.85	-425.36	586.11	570.62	8.00	8.00	0.00	
6600.00	62.71	125.97	6420.30	-450.97	621.39	604.97	8.00	8.00	0.00	
6650.00	66.71	125.97	6441.66	-477.52	657.98	640.58	8.00	8.00	0.00	
6700.00	70.71	125.97	6459.81	-504.88	695.67	677.29	8.00	8.00	0.00	KOP: Build 8°/100'
6750.00	74.71	125.97	6474.66	-532.92	734.30	714.90	8.00	8.00	0.00	
6800.00	78.71	125.97	6486.15	-561.49	773.68	753.23	8.00	8.00	0.00	
6850.00	82.71	125.97	6494.22	-590.47	813.61	792.10	8.00	8.00	0.00	
6900.00	86.71	125.97	6498.82	-619.71	853.89	831.32	8.00	8.00	0.00	
6941.09	90.00	125.97	6500.00	-643.83	887.13	863.68	8.00	8.00	0.00	KOP: Build 8°/100'
6950.00	90.00	126.50	6500.00	-649.09	894.32	870.73	6.00	0.00	6.00	
7000.00	90.00	129.50	6500.00	-679.88	933.71	911.19	6.00	0.00	6.00	
7050.00	90.00	132.50	6500.00	-712.68	971.44	953.13	6.00	0.00	6.00	
7060.00	90.00	133.10	6500.00	-719.47	978.77	961.69	6.00	0.00	6.00	
7100.00	90.00	135.50	6500.00	-747.41	1007.40	996.44	6.00	0.00	6.00	KOP: Build 8°/100'
7150.00	90.00	138.50	6500.00	-783.98	1041.49	1040.99	6.00	0.00	6.00	
7200.00	90.00	141.50	6500.00	-822.28	1073.62	1086.68	6.00	0.00	6.00	
7250.00	90.00	144.50	6500.00	-862.21	1103.71	1133.36	6.00	0.00	6.00	
7300.00	90.00	147.50	6500.00	-903.66	1131.66	1180.91	6.00	0.00	6.00	
7350.00	90.00	150.50	6500.00	-946.51	1157.41	1229.21	6.00	0.00	6.00	KOP: Build 8°/100'
7400.00	90.00	153.50	6500.00	-990.66	1180.87	1278.12	6.00	0.00	6.00	
7450.00	90.00	156.50	6500.00	-1035.97	1202.00	1327.50	6.00	0.00	6.00	
7500.00	90.00	159.50	6500.00	-1082.32	1220.72	1377.22	6.00	0.00	6.00	
7550.00	90.00	162.50	6500.00	-1129.60	1237.00	1427.15	6.00	0.00	6.00	
7600.00	90.00	165.50	6500.00	-1177.65	1250.77	1477.14	6.00	0.00	6.00	Cross Hard Line @ 7060' M
7650.00	90.00	168.50	6500.00	-1226.37	1262.01	1527.07	6.00	0.00	6.00	
7700.00	90.00	171.50	6500.00	-1275.60	1270.69	1576.79	6.00	0.00	6.00	



Ryan Energy Technologies

Planning Report



Company: DEVON ENERGY CORPORATION
 Field: Eddy Co, NM
 Site: Spud 16 State 8H
 Well: State 8H
 Wellpath: 8H

Date: 8/1/2008 Time: 10:00:15 Page: 3
 Co-ordinate(N/E) Reference Site: Spud 16 State 8H, Grid North
 Vertical (TVD) Reference: Est. RKB 2995.0
 Section (VS) Reference: Well (0.00N,0.00E,163.98Azi)
 Plan: Plan #2

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
7750.00	90.00	174.50	6500.00	-1325.23	1276.78	1626.16	6.00	0.00	6.00	
7800.00	90.00	177.50	6500.00	-1375.10	1280.26	1675.06	6.00	0.00	6.00	
7841.67	90.00	180.00	6500.00	-1416.76	1281.17	1715.35	6.00	0.00	6.00	Hold Inc. / Azm.
7900.00	90.00	180.00	6500.00	-1475.09	1281.17	1771.41	0.00	0.00	0.00	
8000.00	90.00	180.00	6500.00	-1575.09	1281.16	1867.52	0.00	0.00	0.00	
8100.00	90.00	180.00	6500.00	-1675.09	1281.15	1963.63	0.00	0.00	0.00	
8200.00	90.00	180.00	6500.00	-1775.09	1281.14	2059.75	0.00	0.00	0.00	
8300.00	90.00	180.00	6500.00	-1875.09	1281.13	2155.86	0.00	0.00	0.00	
8400.00	90.00	180.00	6500.00	-1975.09	1281.12	2251.97	0.00	0.00	0.00	
8500.00	90.00	180.00	6500.00	-2075.09	1281.11	2348.09	0.00	0.00	0.00	
8600.00	90.00	180.00	6500.00	-2175.09	1281.11	2444.20	0.00	0.00	0.00	
8700.00	90.00	180.00	6500.00	-2275.09	1281.10	2540.31	0.00	0.00	0.00	
8800.00	90.00	180.00	6500.00	-2375.09	1281.09	2636.42	0.00	0.00	0.00	
8900.00	90.00	180.00	6500.00	-2475.09	1281.08	2732.54	0.00	0.00	0.00	
9000.00	90.00	180.00	6500.00	-2575.09	1281.07	2828.65	0.00	0.00	0.00	
9100.00	90.00	180.00	6500.00	-2675.09	1281.06	2924.76	0.00	0.00	0.00	
9200.00	90.00	180.00	6500.00	-2775.09	1281.05	3020.88	0.00	0.00	0.00	
9300.00	90.00	180.00	6500.00	-2875.09	1281.05	3116.99	0.00	0.00	0.00	
9400.00	90.00	180.00	6500.00	-2975.09	1281.04	3213.10	0.00	0.00	0.00	
9500.00	90.00	180.00	6500.00	-3075.09	1281.03	3309.21	0.00	0.00	0.00	
9600.00	90.00	180.00	6500.00	-3175.09	1281.02	3405.33	0.00	0.00	0.00	
9700.00	90.00	180.00	6500.00	-3275.09	1281.01	3501.44	0.00	0.00	0.00	
9800.00	90.00	180.00	6500.00	-3375.09	1281.00	3597.55	0.00	0.00	0.00	
9900.00	90.00	180.00	6500.00	-3475.09	1280.99	3693.67	0.00	0.00	0.00	
10000.00	90.00	180.00	6500.00	-3575.09	1280.99	3789.78	0.00	0.00	0.00	
10100.00	90.00	180.00	6500.00	-3675.09	1280.98	3885.89	0.00	0.00	0.00	
10200.00	90.00	180.00	6500.00	-3775.09	1280.97	3982.00	0.00	0.00	0.00	
10300.00	90.00	180.00	6500.00	-3875.09	1280.96	4078.12	0.00	0.00	0.00	
10400.00	90.00	180.00	6500.00	-3975.09	1280.95	4174.23	0.00	0.00	0.00	
10500.00	90.00	180.00	6500.00	-4075.09	1280.94	4270.34	0.00	0.00	0.00	
10600.00	90.00	180.00	6500.00	-4175.09	1280.93	4366.46	0.00	0.00	0.00	
10700.00	90.00	180.00	6500.00	-4275.09	1280.93	4462.57	0.00	0.00	0.00	
10800.00	90.00	180.00	6500.00	-4375.09	1280.92	4558.68	0.00	0.00	0.00	
10885.29	90.00	180.00	6500.00	-4460.37	1280.91	4640.65	0.00	0.00	0.00	PBHL

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg Min Sec			<--- Longitude ---> Deg Min Sec		
PBHL		6500.00	-4460.37	1280.91	472595.09	646809.04	32	17	55.584 N	103	59	31.139 W

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
2710.00	2710.00	Base Salt		0.00	0.00
2910.00	2910.00	Lamar		0.00	0.00
2970.00	2970.00	Bell Canyon		0.00	0.00
3811.03	3810.00	Cherry Canyon		0.00	0.00
4983.37	4965.00	Brushy Canyon		0.00	0.00



Ryan Energy Technologies Planning Report



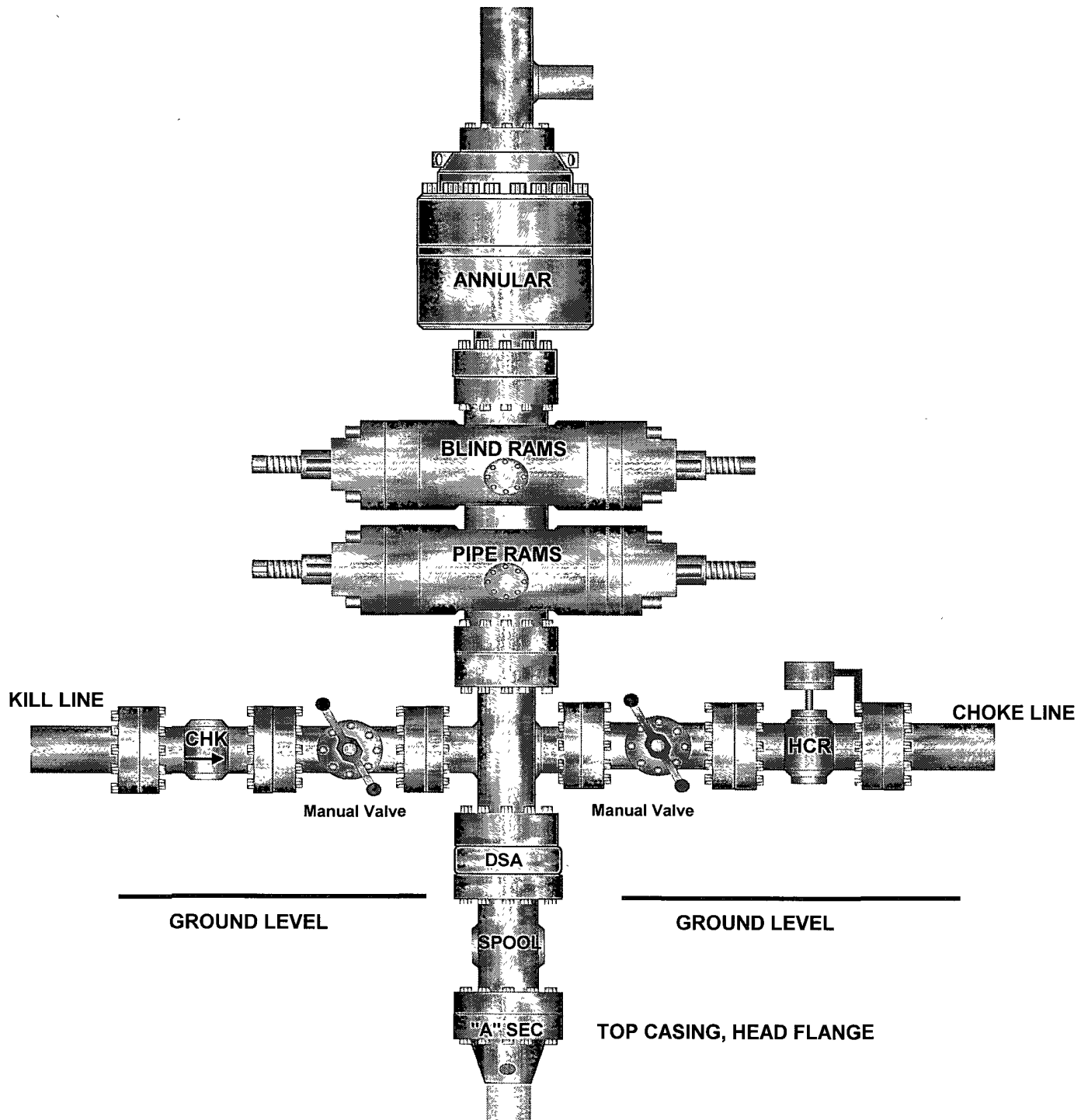
Company: DEVON ENERGY CORPORATION
Field: Eddy Co, NM
Site: Spud 16 State 8H
Well: State 8H
Wellpath: 8H

Date: 8/1/2008 **Time:** 10:00:15 **Page:** 4
Co-ordinate(NE) Reference: Site: Spud 16 State 8H, Grid North
Vertical (TVD) Reference: Est. RKB 2995.0
Section (VS) Reference: Well (0.00N,0.00E,163.98Azi)
Plan: Plan #2

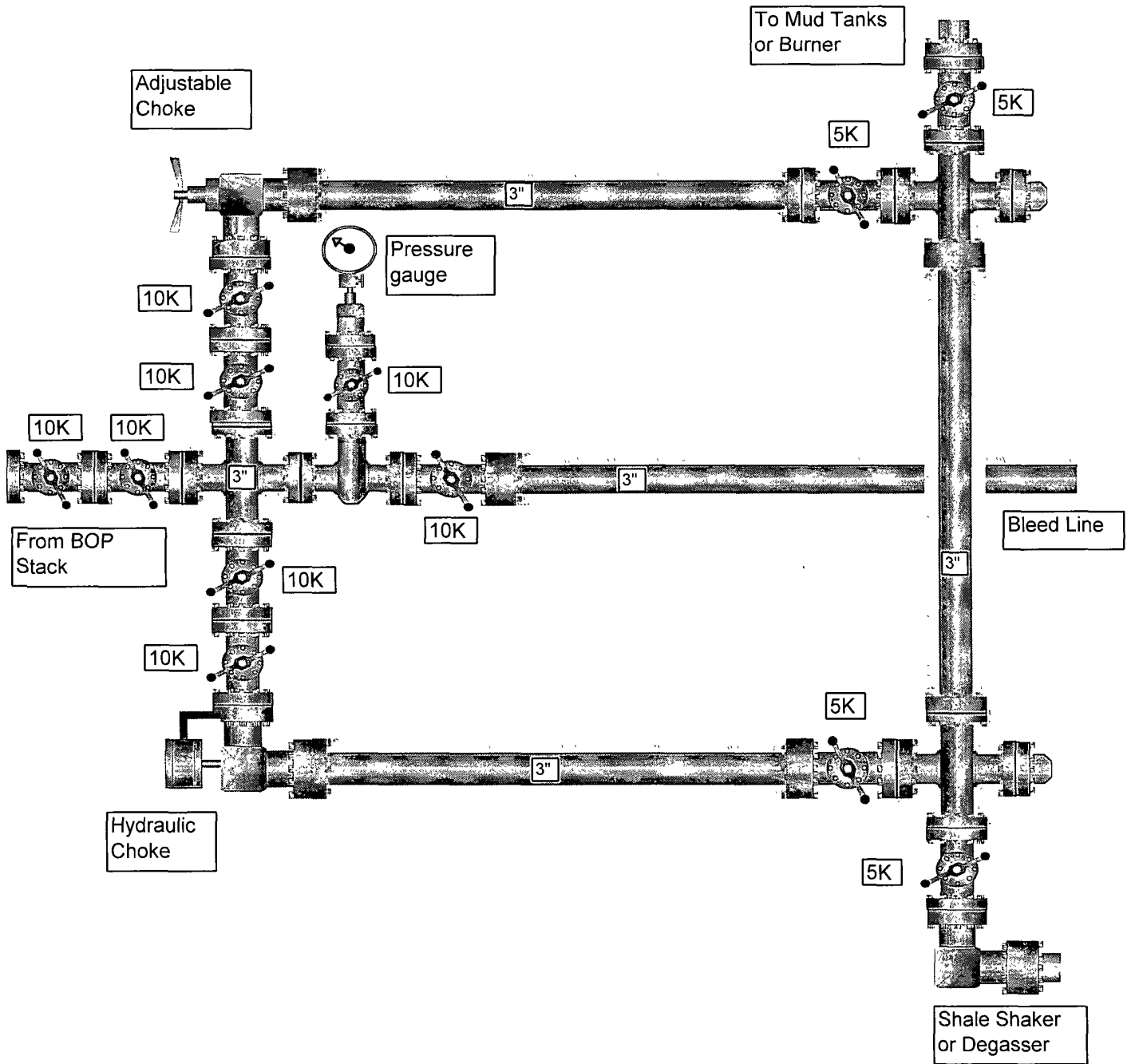
Annotation

MD ft	TVD ft	
3441.09	3441.09	Build 2°/100'
3941.09	3938.56	Hold Inc. / Azm.
5941.09	5908.17	KOP: Build 8°/100'
6941.09	6500.00	EOC / Turn 6°/100'
7060.00	6500.00	Cross Hard Line @ 7060' MD
7841.67	6500.00	Hold Inc. / Azm.

11" x 5,000 psi BOP Stack



10,000 PSI CHOKE MANIFOLD





Devon Energy Corporation
20 North Broadway
Oklahoma City, Oklahoma 73102-8260
Fax 405-552-8113

July 30, 2008

CERTIFIED MAIL #7006 2760 0003 6282 7668
RETURN RECEIPT REQUESTED

Mosaic Potash Carlsbad, Inc.
P.O. Box 71
Carlsbad, New Mexico 88221
Attn: Dan Morehouse

Re: Request for Waiver of Objection
Spuds 16 State #8H
Section 16-T23S-R29E
Eddy County, New Mexico

Gentlemen:

Devon Energy Production Company, L.P. ("Devon") is the record title owner of State of New Mexico Oil and Gas Lease V-4075 covering all of Section 16-T23S-R29E, Eddy County, New Mexico. According to Devon's records, Mosaic Potash Carlsbad, Inc. ("Mosaic") is the record title owner of a Federal Potassium Lease located within one (1) mile of Devon's proposed oil well location as described below.

Devon intends to apply with New Mexico Oil Conservation Division ("NMOCD") for an Application for Permit to Drill ("APD") an approximate 6500' TVD and 11,100' TMD horizontal Delaware oil well to be located at a SHL 523' FNL and 665' FWL with a BHL 330' FSL and 1,980' FWL of said Section 16. Devon's proposed location lies within the State of New Mexico Potash Area as set forth under State of New Mexico Order R-111-P. Such location is approximately 300' away from the Spuds 16 State #6, a producing Wolfcamp gas well, for which you gave Mosaic's waiver of objection by letter dated February 28, 2006.

It is the NMOCD's position that Devon's proposed oil and gas operations as described above will be subject to State of New Mexico Order R-111-P and will require mutual approval of both the potash lessee and the oil and gas lessee with respect to APD approval within the Potash Area.

In that regard, Devon respectfully requests that Mosaic issue its preferred form of correspondence waiving its objection with respect to the drilling of the above well so that orderly oil and gas development can continue within said Section 16.

If there are any questions or if additional information is required, feel free to call me at (405) 552-4633.

Yours very truly,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Ken Gray
Senior Land Advisor

Kg/
Enclosure

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

MOSAIC POTASH CARLSBAD, INC.
P.O. BOX 71
CARLSBAD, NM 88221
ATTN: DAN MOREHOUSE

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X LINDA S. BAHALL ☐ Agent
☐ Addressee

B. Received by (Printed Name)

Linda S. Bahall

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes,
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7006 2760 0003 6282 7668

-11-
Case No. 9316
Order No. R-111-P

in support of its LMR designation on their respective lands and verify upon request, that the data used by the potash lessee in establishing the boundaries of its LMR is consistent with data available to the BLM and SLO. Any disputes between the BLM and potash lessee concerning the boundary of a designated LMR shall be resolved in accordance with the Department of Interior's Hearings and Appeals Procedures, 43 C.F.R. Part 4 (1986).

(c) A potash lessee may amend its designated LMR by filing a revised designation with the BLM and SLO accompanied by the information referred to in Section A above. Such amendments must be filed by January 31 next following the date the additional data becomes available.

(d) Authorized officers of the BLM and SLO shall commit the designated LMR of each potash lessee to a map(s) of suitable scale and thereafter revise the map(s) as necessary to reflect the latest amendments to any designated LMRs. These maps shall be considered privileged and confidential and exempt from disclosure under 43 C.F.R. Part 2 and §19-1-2.1 NMSA 1978, and will be used only for the purposes set forth in this Order.

(e) The foregoing procedure can be modified by policy changes within the BLM and State Land Office.

(2) Before commencing drilling operations for oil or gas on any lands within the Potash Area, the well operator shall prepare a map or plat showing the location of the proposed well, said map or plat to accompany each copy of the Notice of Intention to Drill. In addition to the number of copies required by the Division, the well operator shall send one copy by registered mail to each potash operator holding potash leases within a radius of one mile of the proposed well, as reflected by the plats submitted under paragraph 1 (2). The well operator shall furnish proof of the fact that said potash operators were notified by registered mail of his intent by attaching return receipt to the copies of the Notice of Intention to Drill and plats furnished the Division.

(3) Drilling applications on federal lands will be processed for approval by BLM. Applications on state or patented lands will be processed by the Division and, in the case of state lands, in collaboration with the SLO. The Division will first ascertain from the BLM or SLO that the location is not within the LMR area. Active mine workings and mined-out areas shall also be treated as LMR. Any application to drill in the LMR area, including buffer zones, may be approved only by mutual agreement of lessor and lessees of

-12-
Case No. 9316
Order No. R-111-P

both potash and oil and gas interests. Applications to drill outside the LMR will be approved as indicated below; provided there is no protest from potash lessee within 20 days of his receipt of a copy of the notice:

- (a) a shallow well shall be drilled no closer to the LMR than one-fourth (1/4) mile or 110% of the depth of the ore, whichever is greater.
- (b) A deep well shall be drilled no closer than one-half (1/2) mile from the LMR.

H. INSPECTION OF DRILLING AND MINING OPERATIONS

A representative of any potash lessee within a radius of one mile from the well location may be present during drilling, cementing, casing, and plugging of any oil or gas wells to observe conformance with these regulations. Likewise, a representative of the oil and gas lessee may inspect mine workings on his lease to observe conformance with these regulations.

I. FILING OF WELL SURVEYS, MINE SURVEYS AND POTASH DEVELOPMENT PLANS

(1) Directional Surveys:

The Division may require an operator to file a certified directional survey from the surface to a point below the lowest known potash-bearing horizon on any well drilled within the Potash Area.

(2) Mine Surveys:

Within 30 days after the adoption of this order and thereafter on or before January 31st of each year, each potash operator shall furnish the Division two copies of a plat of a survey of the location of his leaseholdings and all of his open mine workings, which plat shall be available for public inspection and on a scale acceptable to the Division.

J. APPLICABILITY OF STATEWIDE RULES AND REGULATIONS

All general statewide rules and regulations of the Oil Conservation Division governing the development, operation, and production of oil and gas in the State of New

Diagram illustrating a four-way intersection layout with dimensions:

- Top horizontal road width: 200'
- Bottom horizontal road width: 150'
- Left vertical road height: 150'
- Right vertical road height: 170'
- Location size: 320' x 350'

