

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

RECEIVED

JAN 11 2010

NMOC D ARTESIA

Form C-101
June 16, 2008

Submit to appropriate District Office

☐ AMENDED REPORT

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

| | | |
|---|---|---|
| ¹ Operator Name and Address Devon Energy Production Company L P 20 North Broadway OKC, OK 73102-8260 | | ² OGRID Number 6137 |
| | | ³ API Number 30-015-36577 |
| ³ Property Code | ⁵ Property Name Guardian 25 State Com | ⁶ Well No 1 |
| ⁹ Proposed Pool 1 Bone Spring | | ¹⁰ Proposed Pool 2 |

⁷ Surface Location

| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 25 | 19S | 27E | | 1980 | North | 1980 | West | Eddy |

⁸ 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 |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

Additional Well Information

| | | | | |
|---|--|--|--|--|
| ¹¹ Work Type Code Recomplete | ¹² Well Type Code Gas | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code State | ¹⁵ Ground Level Elevation 3379 |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 11,150' (Actual) | ¹⁸ Formation Morrow | ¹⁹ Contractor | ²⁰ Spud Date 10/21/2008 |
| Depth to Groundwater | | Distance from nearest fresh water well | | Distance from nearest surface water |
| Pit: Liner Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method | | | | |
| Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> | | | | |

²¹ Current Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|----------------|
| 17 1/2" | 13 3/8" | 48# | 458' | 600 ss CLC | Surface |
| 12 1/2" | 9 5/8" | 40# | 3255' | 1200 ss CLC | Surface |
| 8 3/4" | 7" | 26# | 10080' | 1175 ss CLH | TOC 7" @ 8760' |
| 6 1/8" | 4 1/2" | 60# | 11150' | 130 ss CLH | TOC 9682' |

²² 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

Devon proposes to test the Bone Springs; see attached procedures:

- Depth to groundwater is 50' or more, but less than 100', distance to surface water is approx 1000' or more, well is not in the wellhead protection area
- No earthen pit to be constructed, closed loop system to be utilized, Form C-144 CLEZ approved 03/26/2009
- No H2S is expected to be encountered, H2S plan provided 5000 psi Double and HydriL with drilling spool & rotating head to be used
- Completion papers to be filed if a successful test, or subsequent report of work if no economic reserves
- If it is deemed non-commercial then it will be plugged and abandoned in accordance with the rules and regulations established by the New Mexico OCD

²³ 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 NMOC D guidelines ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name Stephanie A Ysasaga

Title Sr Staff Engineering Technician

E-mail Address Stephanie.Ysasaga@dvn.com

Date 01/07/2010

Phone (405)-552-7802

OIL CONSERVATION DIVISION

Approved by

Title

Approval Date 1/19/2010

Expiration Date

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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



Form C-102
Revised October 12, 2005

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

SEP - 2 2008

OCD-ARTESIA

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|--|---------------------------------|
| API Number 30-015-36577 | Pool Code | Pool Name BONE SPRING |
| Property Code 37356 | Property Name GUARDIAN "25" STATE COM | Well Number 1 |
| OGRID No. 6137 | Operator Name DEVON ENERGY PRODUCTION COMPANY LP | Elevation 3484' |

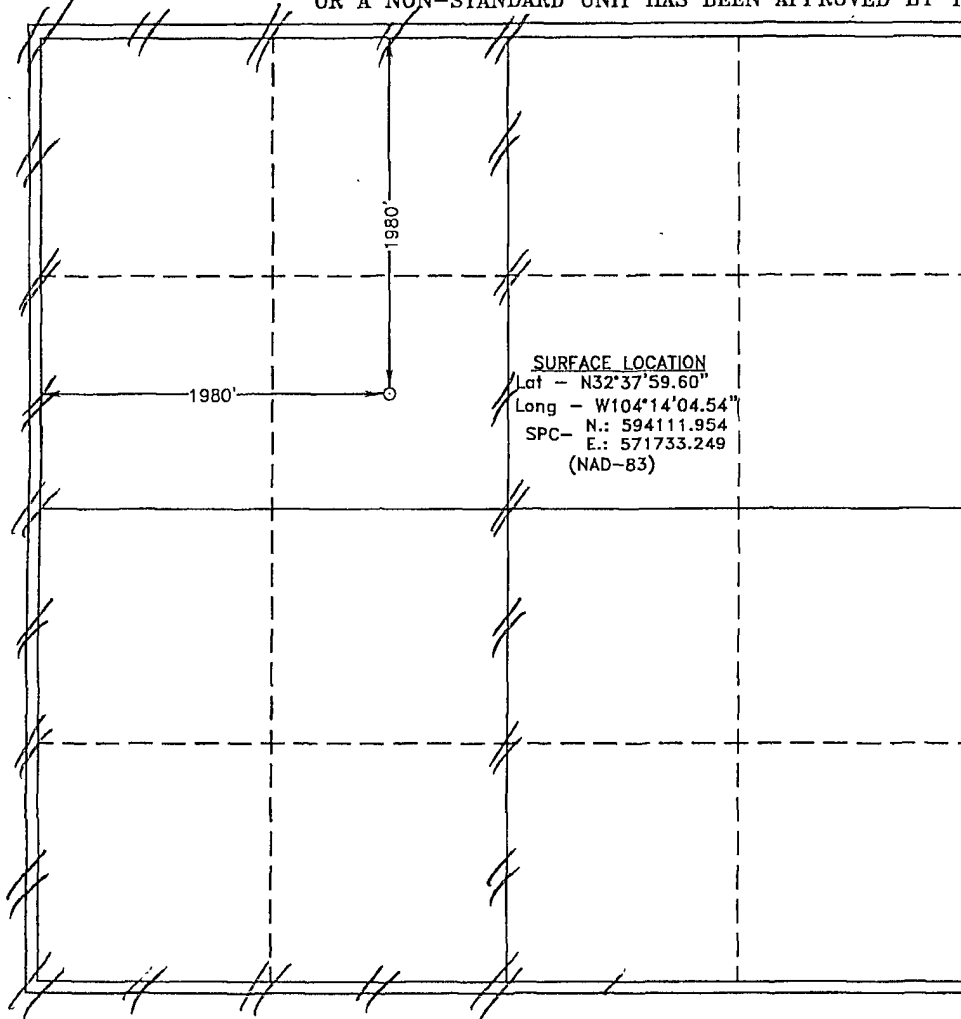
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 25 | 19 S | 27 E | | 1980 | NORTH | 1980 | 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 |
|-------------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 320 | Joint or Infill | Consolidation Code | Order No. | | | | | | |

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



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.

Signature: *[Signature]* Date: **08/29/08**
Printed Name: **STEPHANIE A. YSASAGA**

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.

Date Surveyed: **AUGUST 11, 2008**
Signature & Seal of Professional Surveyor: *[Signature]*
Certificate No. **Gary L. Jones 7977**

BASIN SURVEYS

Devon Energy Corporation
Guardian 25 State Com 1
1980' FNL & 1980' FWL SEC 25 – T19S – R27E
Eddy County, NM
AFE #148775 API # 30-015-36577 WI=48%

Revision 1.0

Objective: Add Bone Spring carbonate and produce with Morrow.

Well Data:

Surface Casing: 13-3/8" 48# H-40, STC @ 458' (TOC surface)
 Intermed Casing: 9-5/8" 40# J-55 LTC @ 3,255' (TOC surface)
 Intermed Casing: 7" 26# HCP-110 LTC @ 10,080' (TOC 5760') DV tool @ 7,809'
 Prod Liner: 4 1/2" 11.6# P-110H LTC Liner from 9,682'-11,148'
 KB elev: 3501' GL elev: 3484'
 PBTD: 11,048' TD: 11,150'
 Tubing: 2-3/8" 4.7# N-80 EUE 8rd (341 jts)
 Packer: 4 1/2" Arrowset at 10,822' w/ 10' sub, "R" nip. (1.78"), 10' sub w/ TCP guns attached
 Existing Perfs: 10,872'-10,882' (20 holes) Lower Morrow
 Proposed Perfs: 7,978' -8,020' Bone Spring

Procedure:

1. Before rig arrives, RU slickline unit and set blanking plug in 'R' nipple below packer. Load and test tubing to 1000 psig. RD slickline truck.
2. RUPU. Bleed any pressure off tubing and casing. ND tree. NU BOP.
3. Release on-off tool. POOH with tubing (lay down ~2750' of tubing).
4. RIH w/ 7" RBP and set at ~8,070'. Spot 2 sxs sand on plug. POOH.
5. RU wireline truck and lubricator and pressure test. Perforate Bone Spring with 3 1/8" TAG guns loaded 3 spf 60° phasing from 7,978'-8,020' (42' and 126 holes). Note: Correlate to Schlumberger Platform Express dated November 22, 2008.
6. RIH w/ 7" production packer and on-off tool on 2 3/8" tubing to ~7,925'. Pickle tubing. Set packer. ND BOP. NU tree.
7. RU swab and swab dry.
8. RU BJ Services. Test lines. Stimulate Bone Spring with 15% acid down tubing as per BJ Services procedure. Take 5, 10, and 15 minute pressures. RD BJ.
9. Flow/ swab well on production.
10. RDMO. Note: If Bone Spring flows, it will be tested for an extended period of time.

11. RUPU. Kill well with 20 bbls 2% KCL water. Release packer and POOH. LD packer. RIH, circulate hole clean and sand off RBP. Release RBP. POOH.
12. If Bone Spring will flow up casing, RIH w/ on-off tool and ~2750' of 2 3/8" tubing, 3 blast joints and rest of tubing. If Bone Spring will not flow, install a parallel string anchor at ~7,950' and run a second string of 2 3/8" tubing with TDC and run pump and rods.
13. Latch up and space out tubing. ND BOP. NU tree or dual wellhead.
14. RU slickline truck and retrieve plug in "R" profile below packer.
15. RU swab. Swab well Morrow on production.
16. RDMO.

GBM 1/5/10