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

Form C-101
May 27, 2004

Submit to appropriate District Office

JUL -9 2008
OCD-ARTESIA

☒ AMENDED REPORT

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

[1] Operator Name and Address	[2] OGRID Number / [3] API Number
Devon Energy Production Company L.P. 20 North Broadway OKC, OK 73102-8260	6137 30-015-35782

[4] Property Code	[5] Property Name	[6] Well No
35691	Perfecto 2 State	1

[9] Proposed Pool 1	[10] Proposed Pool 2
Happy Valley, Morrow (Gas)	

[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
H	3	22S	26E		2100	North	10	East	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
D	2	22S	26E		670	North	675	West	Eddy

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
New Well	Gas	R	State	3236'
[16] Multiple	[17] Proposed Depth	[18] Formation	[19] Contractor	[20] Spud Date
N	11,650'	Morrow		08/01/2008

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.
Closed-Loop System ☒ Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 ½"	13 3/8"	48# H-40 ST&C	405'	543 sx CLC	Surface
12 ¼"	9 5/8"	40# J-55 LT&C	2500'	751 sx CLC	Surface
8 3/4"	7"	26# HCP-110 LT&C	8750'	1311 sx CLC	Tie back to 9 5/8" csg 500'
6 1/8"	4 ½"	13.5# HCP-110 LT&C	11650'	296 sx CLC	8450' - 11650'

[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 Energy Production Co., L P. respectfully advises the initial vertical location to now be a directional well; see directional survey. Please note change in surface location and new bottom hole location, see revised C-102. Location move of approximately +/- 700' west of initial approved location No changes to original casing and cementing program, 7" pressure protection casing string shall be set and cemented into the top of the Wolfcamp or lower formation Surface owners' agreement to be obtained and reached with landowners.

Depth to groundwater is 50' or more, but less than 100', distance to surface water is approximately 1000' or more, well is not in the wellhead protection area OCD amended permit approved 09/06/2007. Copy of revised approved OCD permit to be provided to City of Carlsbad for notification purposes; (Dave Hennard - RESPEC & Richard Aguilar - City of Carlsbad) well pad encroaches the boundary of City of Carlsbad City Limits. Well bore is not within the City Limits of Carlsbad

BOP requirements and bench test for compressive strength per NMOCD Rule 19 15 3.107 (attached). No H2S is expected to be encountered; H2S plan provided 5000 psi Double and Hydril with drilling spool & rotating head to be used. 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 NMOCD 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: 04/15/2008 Phone: (405)-552-7802

OIL CONSERVATION DIVISION

Approved by: Jim W. Gum

Title: District II Supervisor

Approval Date: 7/16/08 Expiration Date: 7/16/10

Conditions of Approval Attached ☐

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 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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-015-35782	78060	HAPPY VALLEY; MORROW (GAS)

Property Code	Property Name	Well Number
35691	PERFECTO "2" STATE	1

OGRID No.	Operator Name	Elevation
6137	DEVON ENERGY PRODUCTION COMPANY LP	3224'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	3	22 S	26 E		2100	NORTH	10	EAST	EDDY

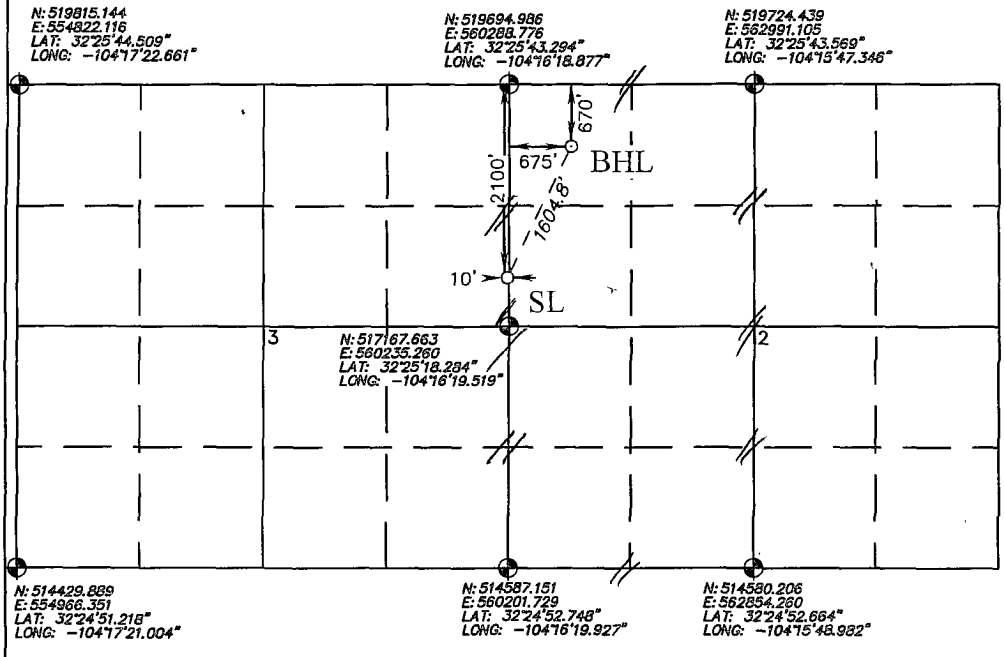
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	2	22 S	26 E		670	NORTH	675	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

PENETRATION POINT: ~ 1435' FNL & 715' FWL



SURFACE LOCATION
LAT - N32°25'22.52"
LONG - W103°16'19.53"
SPC - N.: 517595.676
E.: 560234.321
(NAD-83)

BOTTOM HOLE LOCATION
LAT - N32°25'36.73"
LONG - W103°16'11.16"
SPC - N.: 519032.152
E.: 560949.892
(NAD-83)

SCALE - 1' = 2000'

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 06/12/08
Date

STEPHANIE A. YSASAGA
Printed Name

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 supervison, and that the same is true and correct to the best of my belief.

NOVEMBER 15, 2006
Date Surveyed

Signature & Seal of Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
REGISTERED PROFESSIONAL SURVEYOR

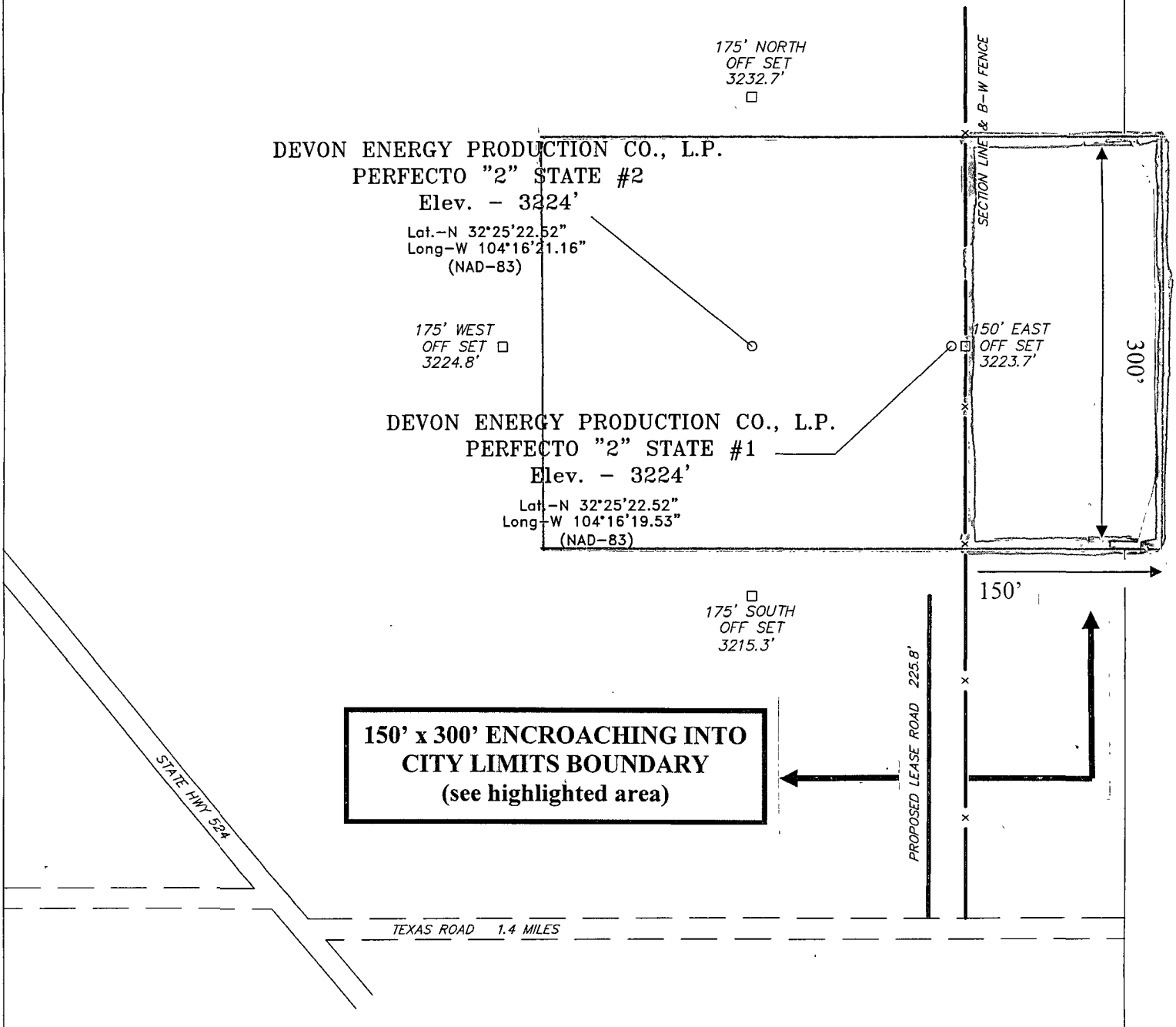
W.O. Number

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

SECTION 3, TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M.,

EDDY COUNTY, NEW MEXICO.



200 0 200 400 FEET

SCALE: 1" = 100'

Directions to Location:

FROM THE JUNCTION STATE HWY 524 AND TEXAS ROAD, PROCEED EAST ON TEXAS FOR APPROX. 1.4 MILE TO PROPOSED LEASE ROAD.

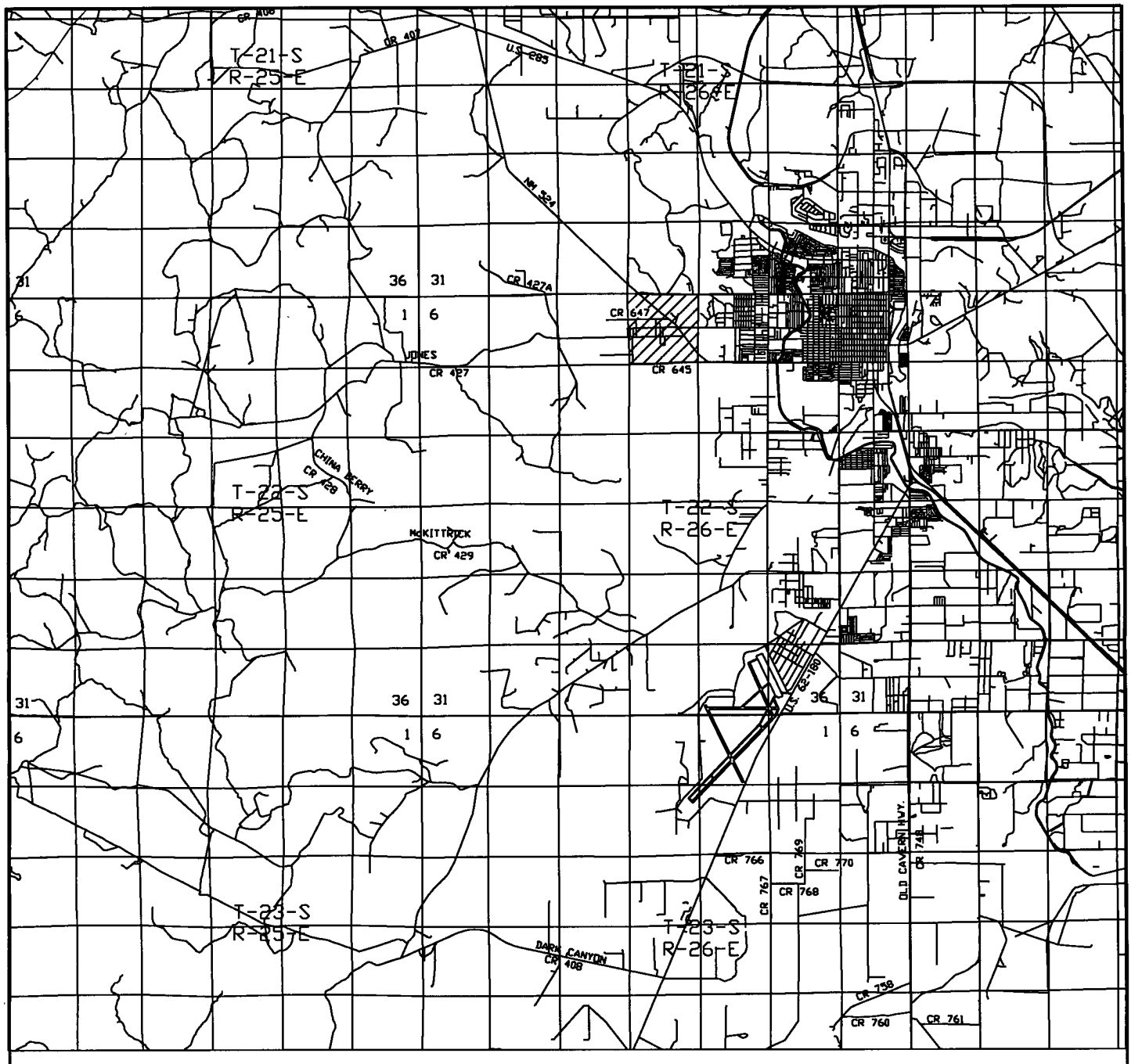
DEVON ENERGY PROD. CO., L.P.

REF: PERFECTO "2" STATE #1 / WELL PAD TOPO

THE PERFECTO "2" STATE No. 1 LOCATED 2100' FROM THE NORTH LINE AND 10' FROM THE EAST LINE OF SECTION 3, TOWNSHIP 22 SOUTH, RANGE 26 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.

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

W.O. Number: 17405	Drawn By: J. M. SMALL		
Date: 11-17-2006	Disk: 17405W JMS	Survey Date: 11-16-2006	Sheet 1 of 1 Sheets



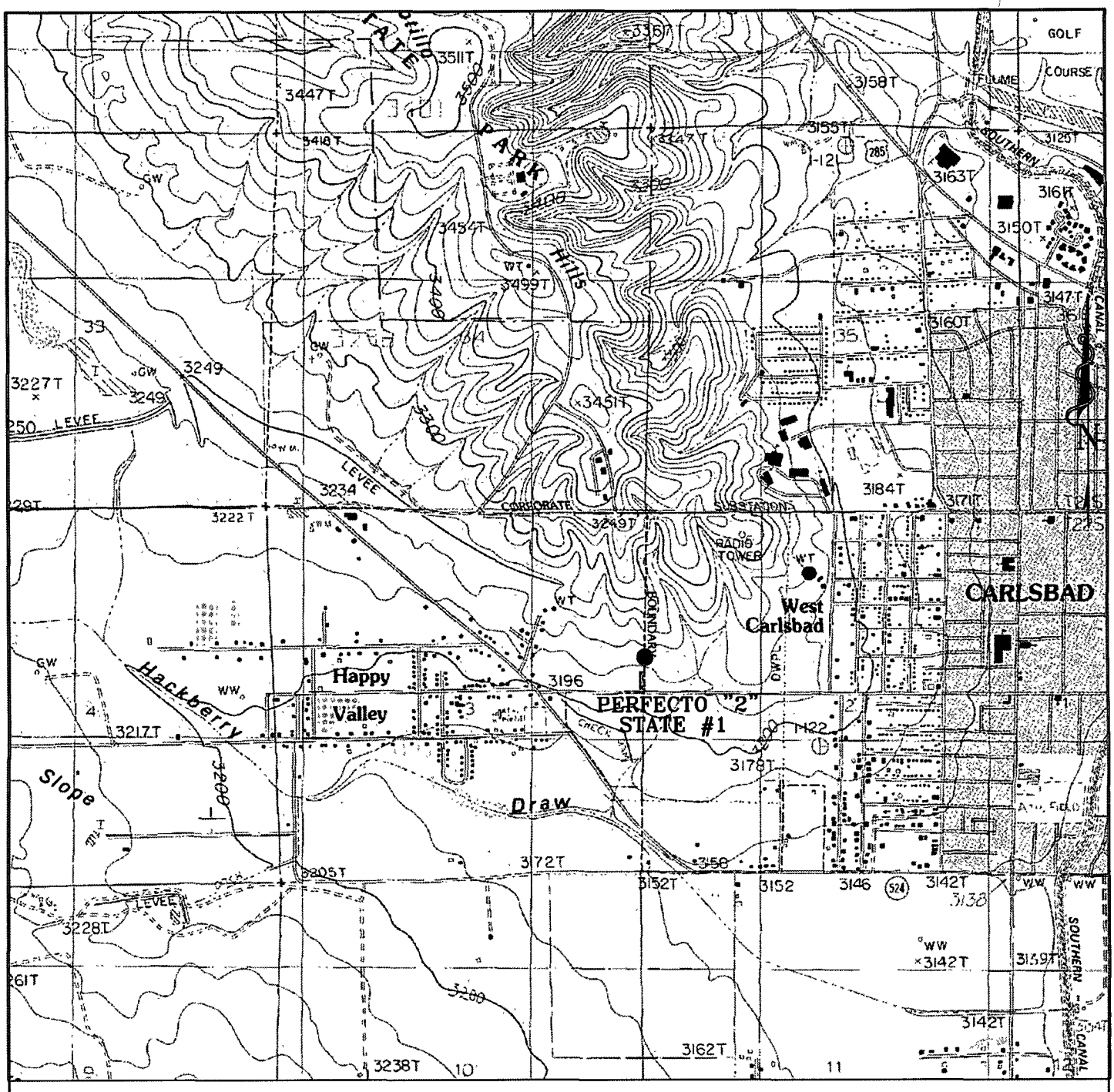
PERFECTO "2" STATE #1
Located at 2100' FNL AND 10' FEL
Section 3, Township 22 South, Range 26 East,
N.M.P.M., EDDY County, New Mexico.

basin surveys
focused on excellence in the oilfield

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 17405T
Survey Date:	11-16-2006
Scale:	1" = 2 MILES
Date:	11-17-2006

DEVON ENERGY PROD. CO., L.P.



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DEVON ENERGY PROD. CO., L.P.

Devon Energy

Eddy County (NM83E)
Sec 3 T22S R26E
Perfecto 2 State Com 1
Wellbore #1

Plan: 07-02-08

Standard Planning Report

02 July, 2008

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Well Perfecto 2 State Com 1
Company:	Devon Energy	**TVD Reference:**	WELL @ 0.0ft (Original Well Elev)
Project:	Eddy County (NM83E)	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	Sec 3 T22S R26E	**North Reference:**	True
Well:	Perfecto 2 State Com 1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	07-02-08		

Project Eddy County (NM83E)

Map System:	US State Plane 1983	**System Datum:**	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Site Sec 3 T22S R26E

Site Position:		**Northing:**	517,595.68 ft	**Latitude:**	32° 25' 22.520 N
From:	Map	**Easting:**	560,234.32 ft	**Longitude:**	104° 16' 19.527 W
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	0.03 °

Well Perfecto 2 State Com 1

Well Position	**+N/-S**	0.0 ft	**Northing:**	517,595 67 ft	**Latitude:**	32° 25' 22.520 N
	+E/-W	0.0 ft	**Easting:**	560,234.32 ft	**Longitude:**	104° 16' 19.527 W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	ft	**Ground Level:**	0 0 ft

Wellbore Wellbore #1

Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF200510	2008/04/22	8 28	60.34	49,021

Design 07-02-08

Audit Notes:					
Version:		**Phase:**	PLAN	**Tie On Depth:**	0.0

Vertical Section:	Depth From (TVD) (ft)	+N/-S (ft)	+E/-W (ft)	Direction (°)
	0.0	0.0	0.0	26.51

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0 0	0 00	0.00	0.00	0.00	
5,000 0	0.00	0.00	5,000.0	0.0	0.0	0.00	0.00	0.00	0.00	
6,130.1	22.60	26.51	6,101.0	196.9	98.2	2.00	2 00	0.00	26.51	
9,160.8	22 60	26.51	8,899.0	1,239.2	618.2	0.00	0.00	0.00	0.00	
10,290.9	0.00	0 00	10,000.0	1,436 1	716.4	2.00	-2 00	0.00	180.00	Target 1 Perfecto 2
11,890.9	0.00	0.00	11,600.0	1,436.1	716.4	0.00	0 00	0.00	0.00	PBHL Perfecto 2 St

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Well Perfecto 2 State Com 1
Company:	Devon Energy	**TVD Reference:**	WELL @ 0.0ft (Original Well Elev)
Project:	Eddy County (NM83E)	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	Sec 3 T22S R26E	**North Reference:**	True
Well:	Perfecto 2 State Com 1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	07-02-08		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100 0	0.0	0 0	0.0	0.00	0 00	0.00
200 0	0.00	0 00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0 0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0 0	0.0	0.0	0.00	0.00	0 00
500 0	0.00	0.00	500 0	0.0	0 0	0 0	0.00	0.00	0.00
600.0	0.00	0.00	600 0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0 00	0.00	0.00
800.0	0.00	0.00	800.0	0 0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0 00	900.0	0.0	0.0	0 0	0.00	0.00	0 00
1,000.0	0 00	0.00	1,000.0	0.0	0.0	0.0	0.00	0 00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0 0	0.0	0.00	0.00	0.00
1,200 0	0.00	0 00	1,200.0	0.0	0.0	0.0	0.00	0.00	0 00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0 0	0.00	0.00	0.00
1,400.0	0 00	0.00	1,400.0	0 0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500 0	0.0	0.0	0.0	0.00	0.00	0.00
1,600 0	0.00	0 00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0 0	0.0	0.00	0.00	0 00
1,800.0	0.00	0 00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0 0	0.00	0.00	0.00
2,000.0	0 00	0.00	2,000.0	0.0	0.0	0.0	0 00	0.00	0.00
2,100 0	0.00	0.00	2,100.0	0.0	0.0	0 0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0 00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400 0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500 0	0.0	0.0	0.0	0.00	0 00	0.00
2,600 0	0.00	0.00	2,600.0	0.0	0.0	0 0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700 0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800 0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0 0	0.0	0.0	0 00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100 0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0 00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0 00	3,300.0	0.0	0.0	0.0	0.00	0 00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0 0	0 0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0 0	0.00	0 00	0.00
3,700.0	0.00	0.00	3,700.0	0 0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0 0	0 0	0.00	0.00	0.00
3,900.0	0 00	0.00	3,900 0	0.0	0.0	0.0	0 00	0.00	0 00
4,000.0	0.00	0 00	4,000.0	0.0	0.0	0 0	0.00	0 00	0.00
4,100 0	0.00	0.00	4,100.0	0.0	0.0	0.0	0 00	0.00	0 00
4,200.0	0.00	0 00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300 0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500 0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0 00
4,600 0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0 00	0.00
4,900 0	0.00	0.00	4,900.0	0 0	0 0	0.0	0.00	0.00	0.00
4,920.0	0.00	0.00	4,920.0	0.0	0.0	0.0	0 00	0.00	0.00
Bone Spring									
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Well Perfecto 2 State Com 1
Company:	Devon Energy	**TVD Reference:**	WELL @ 0.0ft (Original Well Elev)
Project:	Eddy County (NM83E)	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	Sec 3 T22S R26E	**North Reference:**	True
Well:	Perfecto 2 State Com 1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	07-02-08		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
KOP - Build 2°/100' @ 26.51° AZI									
5,100.0	2.00	26.51	5,100.0	1.6	0.8	1.7	2 00	2 00	0 00
5,200 0	4.00	26 51	5,199.8	6.2	3.1	7.0	2.00	2.00	0.00
5,300.0	6.00	26.51	5,299.5	14 0	7.0	15.7	2.00	2.00	0.00
5,400.0	8.00	26.51	5,398.7	24.9	12.4	27.9	2.00	2.00	0.00
5,500 0	10.00	26.51	5,497.5	38.9	19 4	43.5	2.00	2.00	0.00
5,600.0	12.00	26.51	5,595 6	56.0	27.9	62.6	2.00	2.00	0.00
5,700.0	14.00	26.51	5,693.1	76.1	38.0	85.1	2.00	2.00	0.00
5,800.0	16.00	26.51	5,789.6	99.3	49 5	111.0	2.00	2 00	0.00
5,900.0	18.00	26.51	5,885.3	125.5	62.6	140.2	2.00	2.00	0.00
6,000.0	20.00	26.51	5,979.8	154.6	77.1	172.8	2 00	2.00	0.00
6,100 0	22.00	26.51	6,073.2	186.7	93.1	208.6	2.00	2.00	0 00
6,130.1	22.60	26.51	6,101.0	196 9	98.2	220.0	2.00	2.00	0.00
Begin Hold									
6,200.0	22.60	26.51	6,165.5	220 9	110.2	246.9	0.00	0.00	0.00
6,300.0	22.60	26.51	6,257.9	255.3	127.4	285.3	0.00	0.00	0.00
6,400.0	22.60	26.51	6,350 2	289.7	144 5	323 8	0.00	0.00	0.00
6,500.0	22.60	26.51	6,442.5	324.1	161.7	362.2	0 00	0.00	0.00
6,600.0	22.60	26.51	6,534.8	358.5	178.8	400.6	0.00	0.00	0 00
6,700.0	22.60	26.51	6,627.1	392 9	196.0	439.1	0.00	0 00	0.00
6,800.0	22.60	26.51	6,719.5	427.3	213.1	477.5	0 00	0.00	0 00
6,900.0	22.60	26.51	6,811.8	461.7	230.3	515 9	0.00	0 00	0.00
7,000.0	22 60	26.51	6,904.1	496.1	247.5	554.4	0 00	0.00	0.00
7,100.0	22 60	26.51	6,996 4	530.4	264.6	592 8	0.00	0.00	0.00
7,200.0	22.60	26.51	7,088.7	564.8	281.8	631.2	0.00	0.00	0.00
7,300 0	22 60	26.51	7,181.1	599.2	298.9	669.6	0.00	0.00	0.00
7,400.0	22.60	26.51	7,273.4	633.6	316.1	708.1	0.00	0 00	0.00
7,500.0	22.60	26.51	7,365.7	668.0	333.2	746.5	0.00	0.00	0 00
7,600.0	22.60	26.51	7,458.0	702 4	350.4	784.9	0.00	0.00	0.00
7,700.0	22.60	26 51	7,550.3	736.8	367.6	823.4	0.00	0.00	0.00
7,800.0	22 60	26.51	7,642.7	771.2	384.7	861.8	0.00	0 00	0.00
7,900.0	22.60	26.51	7,735.0	805.6	401.9	900 2	0 00	0.00	0 00
8,000.0	22.60	26.51	7,827.3	840.0	419.0	938.7	0.00	0 00	0.00
8,100.0	22 60	26.51	7,919.6	874.4	436.2	977 1	0.00	0.00	0 00
8,200.0	22.60	26.51	8,011.9	908.7	453.3	1,015.5	0.00	0.00	0.00
8,300.0	22.60	26.51	8,104 3	943 1	470.5	1,054.0	0.00	0.00	0 00
8,400.0	22 60	26.51	8,196.6	977.5	487.6	1,092.4	0.00	0.00	0.00
8,500.0	22.60	26 51	8,288.9	1,011.9	504.8	1,130.8	0.00	0.00	0.00
8,600.0	22.60	26.51	8,381 2	1,046.3	522.0	1,169.3	0.00	0.00	0 00
8,700.0	22.60	26.51	8,473.5	1,080 7	539.1	1,207.7	0 00	0.00	0.00
8,800.0	22.60	26.51	8,565.9	1,115.1	556.3	1,246.1	0.00	0 00	0.00
8,900 0	22 60	26.51	8,658.2	1,149 5	573.4	1,284.6	0.00	0.00	0 00
9,000.0	22.60	26 51	8,750.5	1,183.9	590 6	1,323 0	0.00	0.00	0.00
9,100.0	22.60	26.51	8,842.8	1,218.3	607.7	1,361.4	0 00	0 00	0.00
9,160 8	22 60	26 51	8,899.0	1,239.2	618 2	1,384.8	0.00	0.00	0 00
Begin Drop 2°/100'									
9,200 0	21.82	26 51	8,935.2	1,252.4	624 8	1,399.6	2.00	-2.00	0.00
9,300.0	19.82	26.51	9,028.7	1,284.2	640.6	1,435.2	2.00	-2.00	0.00
9,400.0	17.82	26.51	9,123 4	1,313.1	655.0	1,467.4	2.00	-2.00	0.00
9,500.0	15.82	26 51	9,219.1	1,339.0	668.0	1,496.4	2.00	-2.00	0 00
9,600.0	13.82	26.51	9,315.7	1,361.9	679.4	1,521 9	2 00	-2.00	0.00
9,700.0	11.82	26.51	9,413 2	1,381 7	689.3	1,544.1	2.00	-2.00	0.00
9,800.0	9.82	26.51	9,511.5	1,398.5	697 7	1,562 9	2 00	-2.00	0.00

Quantum
Planning Report

Database:	EDM 2003 16 Single User Db	**Local Co-ordinate Reference:**	Well Perfecto 2 State Com 1
Company:	Devon Energy	**TVD Reference:**	WELL @ 0.0ft (Original Well Elev)
Project:	Eddy County (NM83E)	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	Sec 3 T22S R26E	**North Reference:**	True
Well:	Perfecto 2 State Com 1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	07-02-08		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
9,900.0	7.82	26.51	9,610 3	1,412.2	704.5	1,578.2	2 00	-2.00	0.00
10,000.0	5.82	26.51	9,709.6	1,422.9	709.8	1,590 1	2.00	-2.00	0.00
10,100 0	3.82	26.51	9,809 2	1,430.4	713.6	1,598.5	2.00	-2.00	0.00
10,200.0	1.82	26.51	9,909.1	1,434.8	715 7	1,603.4	2.00	-2.00	0.00
10,290 9	0.00	0 00	10,000 0	1,436.1	716.4	1,604.8	2 00	-2.00	0.00
Begin Hold to TD - Target 1 Perfecto 2 State Com 1									
10,300.0	0.00	0 00	10,009.1	1,436.1	716.4	1,604.8	0.00	0.00	0.00
10,400.0	0.00	0.00	10,109.1	1,436.1	716.4	1,604.8	0.00	0.00	0.00
10,500.0	0.00	0 00	10,209.1	1,436.1	716 4	1,604.8	0.00	0.00	0.00
10,600.0	0 00	0.00	10,309.1	1,436 1	716.4	1,604.8	0.00	0.00	0 00
10,700 0	0.00	0 00	10,409.1	1,436.1	716 4	1,604.8	0.00	0.00	0.00
10,800.0	0.00	0.00	10,509.1	1,436.1	716.4	1,604.8	0.00	0 00	0.00
10,900.0	0.00	0.00	10,609.1	1,436.1	716.4	1,604.8	0.00	0.00	0.00
11,000.0	0.00	0.00	10,709.1	1,436.1	716.4	1,604.8	0.00	0.00	0.00
11,100.0	0.00	0.00	10,809.1	1,436.1	716.4	1,604.8	0 00	0.00	0.00
11,200 0	0.00	0.00	10,909.1	1,436.1	716.4	1,604.8	0.00	0.00	0.00
11,300.0	0.00	0.00	11,009.1	1,436.1	716 4	1,604.8	0.00	0.00	0.00
11,400.0	0 00	0.00	11,109.1	1,436.1	716.4	1,604.8	0.00	0.00	0 00
11,500.0	0.00	0.00	11,209.1	1,436.1	716.4	1,604.8	0.00	0 00	0.00
11,600.0	0.00	0.00	11,309.1	1,436.1	716.4	1,604.8	0.00	0 00	0.00
11,700.0	0.00	0.00	11,409.1	1,436.1	716.4	1,604.8	0.00	0 00	0.00
11,800.0	0.00	0.00	11,509.1	1,436 1	716.4	1,604.8	0.00	0.00	0.00
11,890.9	0.00	0 00	11,600.0	1,436.1	716.4	1,604.8	0.00	0.00	0.00
TD at 11890.9 - PBHL Perfecto 2 State Com 1									

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
PBHL Perfecto 2 Stat - plan hits target - Point	0.00	0.00	11,600.0	1,436.1	716.4	519,032 15	560,949.89	32° 25' 36.731 N	104° 16' 11 168 W
Target 1 Perfecto 2 St - plan hits target - Point	0.00	0.00	10,000.0	1,436.1	716 4	519,032.15	560,949.89	32° 25' 36.731 N	104° 16' 11.168 W
Target #1 Perfecto 2 S - plan misses by 10.0ft at 10051.5ft MD (9760 8 TVD, 1427 1 N, 711.9 E) - Point	0 00	0.00	9,760.0	1,436.1	716.4	519,032.15	560,949.89	32° 25' 36.731 N	104° 16' 11.168 W

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
4,920.0	4,920.0	Bone Spring		0.00	

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Well Perfecto 2 State Com 1
Company:	Devon Energy	**TVD Reference:**	WELL @ 0.0ft (Original Well Elev)
Project:	Eddy County (NM83E)	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	Sec 3 T22S R26E	**North Reference:**	True
Well:	Perfecto 2 State Com 1	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	07-02-08		

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	+E/-W (ft)	Comment
5,000.0	5,000.0	0 0	0.0	KOP - Build 2°/100' @ 26.51° AZI
6,130.1	6,101.0	196.9	98.2	Begin Hold
9,160.8	8,899.0	1,239.2	618.2	Begin Drop 2°/100'
10,290 9	10,000 0	1,436.1	716.4	Begin Hold to TD
11,890.9	11,600.0	1,436.1	716.4	TD at 11890.9

Devon Energy

QUANTUM DRILLING MOTORS & DIRECTIONAL SERVICES

Project Eddy County (NM83E)
Site Sec 3 T22S R26E
Well Perfecto 2 State Com 1
Wellbore Wellbore #1
Design 07-02-08

WELL DETAILS Perfecto 2 State Com 1

Ground Level 0 0

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0 0	0.0	517595 67	560234 32	32° 25' 22 520 N	104° 16' 19 527 W

Azimuths to True North
Total Correction 8 28°

Magnetic Field
Strength: 49020.6snT
Dip Angle. 60 33°
Date 2008/04/22
Model. IGRF200510

WELLBORE TARGET DETAILS (MAP CO-ORDINATES AND LAT/LONG)

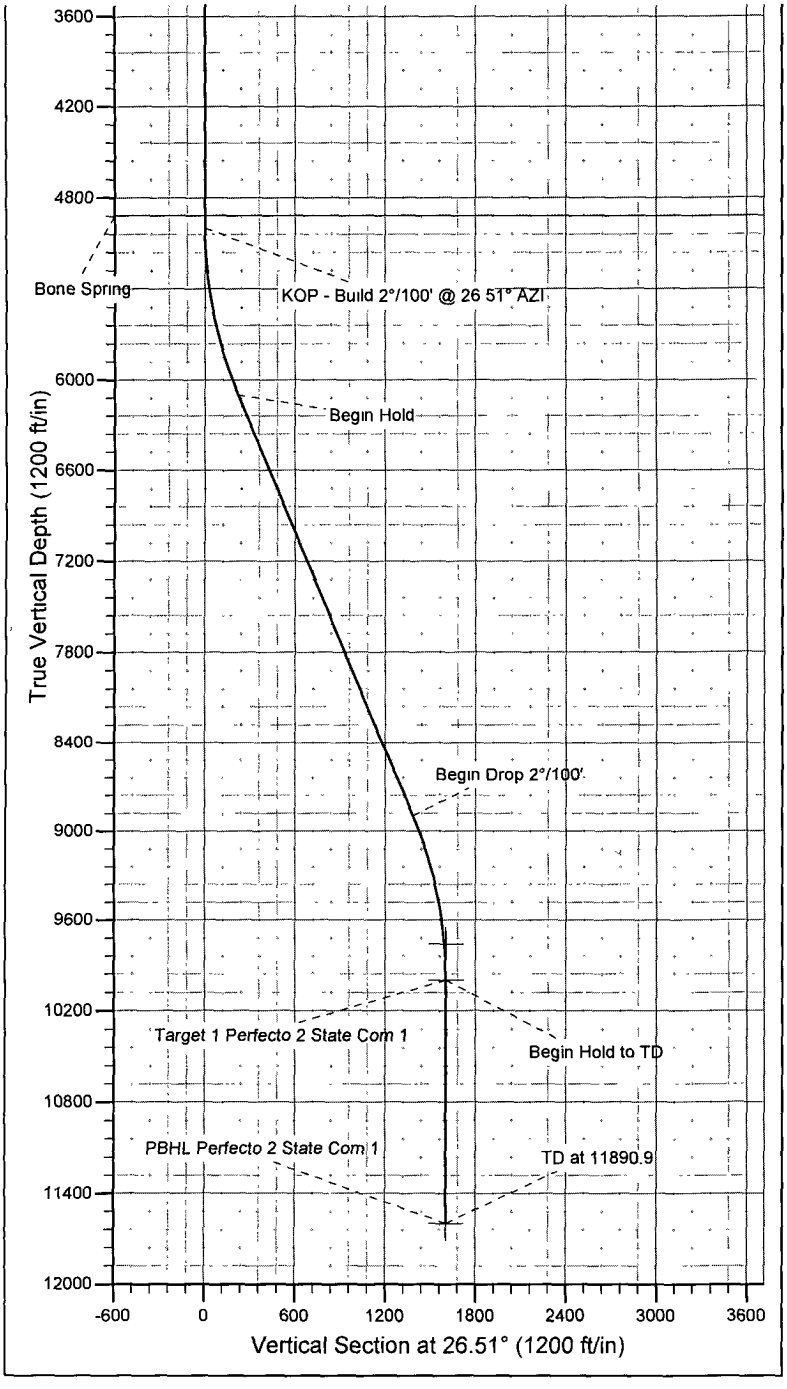
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
Target 1 Perfecto 2 State Com 1	10000 0	1436 1	716 4	519032 15	560949.89	32° 25' 36 731 N	104° 16' 11 168 W
PBHL Perfecto 2 State Com 1	11600 0	1436 1	716 4	519032 15	560949.89	32° 25' 36 731 N	104° 16' 11 168 W

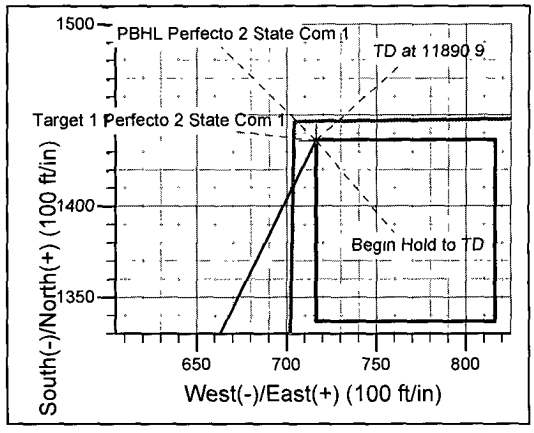
SECTION DETAILS

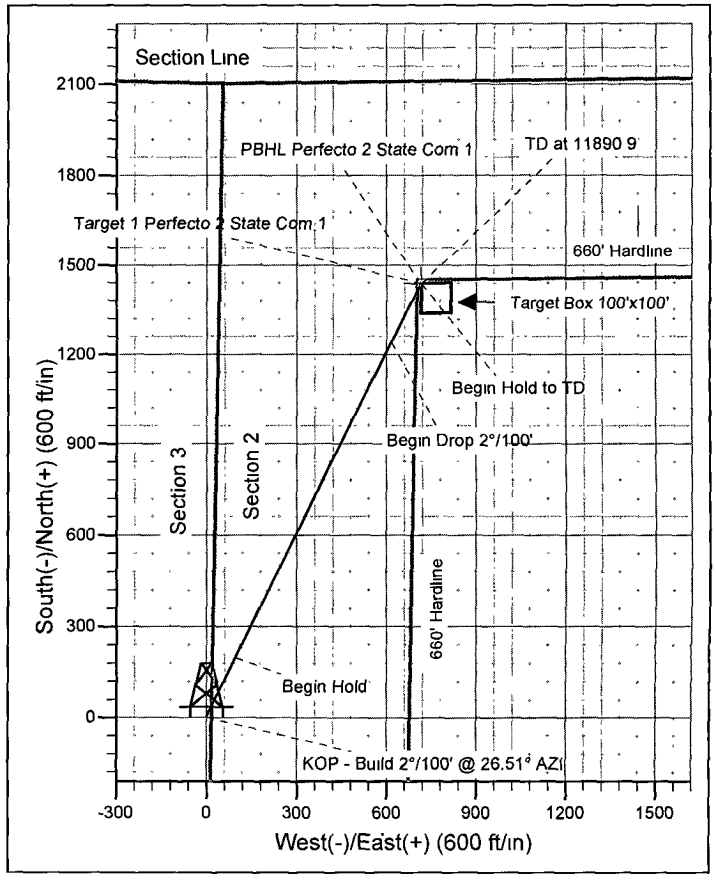
MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
0.0	0 00	0 00	0 0	0 0	0 0	0 00	0 00	0 0	
5000 0	0 00	0 00	5000 0	0.0	0 0	0 00	0 00	0 0	
6130 1	22.60	26 51	6101 0	196 9	98.2	2 00	26 51	220 0	
9160 8	22 60	26 51	8899 0	1239 2	618 2	0 00	0 00	1384 8	
10290 9	0 00	0 00	10000 0	1436 1	716 4	2 00	180.00	1604 8	Target 1 Perfecto 2 State Com 1
11890 9	0 00	0 00	11600 0	1436 1	716 4	0 00	0 00	1604 8	PBHL Perfecto 2 State Com 1

ANNOTATIONS

TVD	MD	Annotation
5000 0	5000 0	KOP - Build 2°/100' @ 26 51° AZI
6101 0	6130 1	Begin Hold
8899 0	9160 8	Begin Drop 2°/100'
10000.0	10290 9	Begin Hold to TD
11600 0	11890 9	TD at 11890 9







devon

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

Hydrogen Sulfide (H_2S) Contingency Plan

For

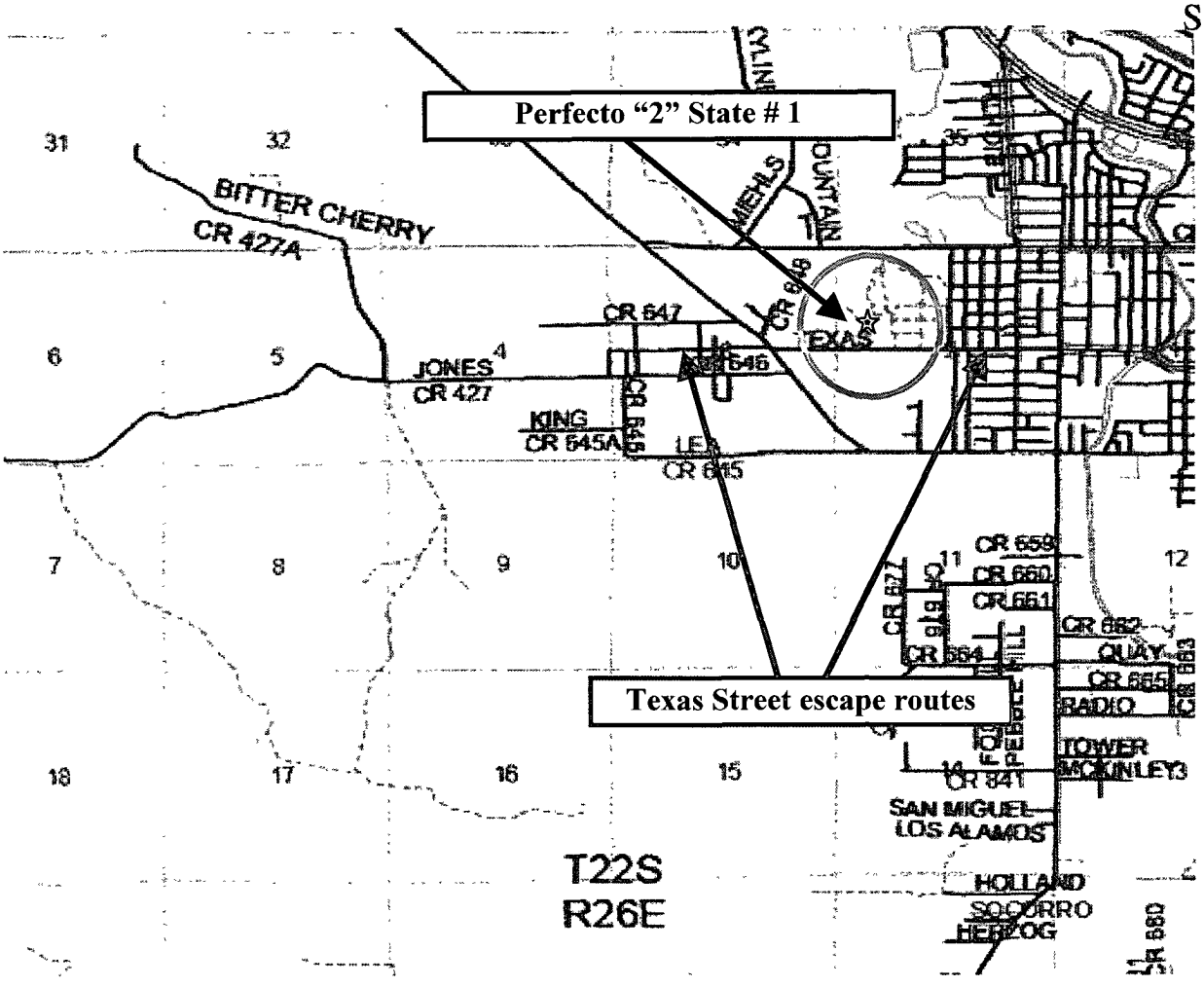
Perfecto "2" State # 1

2100' FNL & 10' FEL,
Sec-3, T-22S R-26E

Eddy County NM

Perfecto "2" State # 1

This is an open drilling site. H_2S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H_2S, including warning signs, wind indicators and H_2S monitor.



Assumed 100 ppm ROE = 3000' (Radius of Exposure)
100 ppm H2S concentration shall trigger activation of this plan.

Escape

Crews shall escape upwind of escaping gas in the event of an emergency release of gas. Escape can be facilitated South East on lease road. Crews should then move to block access to the lease road so as not to allow anyone traversing into a hazardous area. The blockade should be at a safe distance outside of the ROE. There may be homes or buildings within or near the ROE. **Immediate response** should include the evacuation of any person(s) potentially affected by toxic or flammable gasses. Evacuation of the downwind areas should occur first. Perimeter monitoring should then be established to ensure safe areas.

Emergency Procedures

In the case of a release of gas containing H_2S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H_2S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H_2S monitors and air packs in order to control the release. Use the "buddy system' to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO_2). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H_2S and SO_2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentr-ation
Hydrogen Sulfide	H_2S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO_2	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

Devon Energy Corp. personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Devon Energy Corp. Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Devon Energy Corp. Company Call List

Artesia (505)	Cellular	Office	Home
Foreman – BJ Cathey	390-5893	748-0176	887-6026
Asst. Foreman – Bobby Jones	748-7447	748-0176	746-3194
Don Mayberry	748-7180	748-5235	746-4945
Linda Berryman	(505) 748-0177	(505) 513-0534	(505) 628-1864
Engineer – Greg McGowen	(405) 228-8965	(405) 464-9769	(405) 360-8998

Agency Call List

Eddy County (505)

Artesia

State Police	746-2703
City Police	746-2703
Sheriff's Office	746-9888
Ambulance	911
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	746-2122
NMOCD	748-1283

Carlsbad

State Police	885-3137
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee)	887-3798
US Bureau of Land Management	887-6544
New Mexico Emergency Response Commission (Santa Fe)	(505)476-9600
24 HR	(505) 827-9126
National Emergency Response Center (Washington, DC)	(800) 424-8802

Emergency Services

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control	(915) 699-0139 or (915) 563-3356
Halliburton	(505) 746-2757
B. J. Services	(505) 746-3569

Give GPS position:

Flight For Life - Lubbock, TX	(806) 743-9911
Aerocare - Lubbock, TX	(806) 747-8923
Med Flight Air Amb - Albuquerque, NM	(505) 842-4433
Lifeguard Air Med Svc. Albuquerque, NM	(505) 272-3115

Prepared in conjunction with
Wade Rohloff of;

Compliance Services
PO Box 2727 Hobbs NM 88240 (505) 631-9561

devon®

Devon Energy Production Company
Operations
20 North Broadway – Suite 1100
Oklahoma City, Oklahoma 73102-8260
Phone. (405)-552-7802
Fax (405)-552-4553
Stephanie.Ysasaga@dvn.com

April 16th, 2008

Oil Conservation Division
1301 W. Grand Avenue
Artesia, New Mexico 88210

Re: Perfecto 2 State 1: BOP Additional Requirements
API #: 30-015-34896
SL: Sec 3-T22S-R26E - 2100' FNL & 10' FEL
BHL: Sec 2-T22S-26E – 670' FNL & 675' FWL
Eddy County, NM

Dear Oil Conservation Division:

The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. The functional tests will be documented on the daily drillers log.

Should we need to provide additional information, please call me at (405)-552-7802.

Very truly yours,

DEVON ENERGY PRODUCTION COMPANY, L.P.

Stephanie A. Ysasaga
Sr. Staff Engineering Technician ☺

Wildcat Measurement Service
P.O. Box 1836
Artesia, New Mexico 88211-1836
TollFree #888-421-9453
Office #505-746-3481
"Quality and Service is our First Concern"

PDS 06/25/00

Run No. 250728-35
Date Run 07/28/2005
Date Sampled 07/27/2005

Analysis for: DEVON ENERGY PRODUCTION COMPANY
Well Name: RIFLEMAN "5" FEDERAL #1
Field:
Sta. Number: 885-12-057
Purpose: SPOT-EFM
Sampling Temp: 82.2 DEG F
Volume/day: 1.8 MMCF/DAY
Pressure on Cylinder: 518.4 PSIG

GPANGL.L60

Producer: DEVON ENERGY PRODUCTION
County: EDDY State: NM
Sampled By: JACK PITTMAN
Atmos Temp: DEG F
Formation:
Line Pressure: 531.6 PSIA

GAS COMPONENT ANALYSIS

Pressure Base: 14.7300

		Mol %	GPM
Carbon Dioxide	CO2	1.9215	
Nitrogen	N2	0.5124	
Methane	C1	92.1455	
Ethane	C2	4.0539	1.0836
Propane	C3	0.8552	0.2355
Iso-Butane	IC4	0.1361	0.0445
Nor-Butane	NC4	0.1278	0.0403
Iso-Pentane	IC5	0.0496	0.0182
Nor-Pentane	NC5	0.0345	0.0125
Hexanes Plus	C6+	0.1635	0.0713
TOTAL		100.0000	1.5058

Real BTU Dry: 1049.11
Real BTU Wet: 1030.85
Real Calc. Specific Gravity: 0.6134
Field Specific Gravity: 0.0000

Standard Pressure: 14.6960
BTU Dry: 1044.28
BTU Wet: 1026.11

Z Factor: 0.9977
M Value: 1.3008
Avg Mol Weight: 17.7347
Avg CuFt/Gal: 57.9357
26 Lb Product: 0.1630
Methane+ GPM: 17.1241
Ethane+ GPM: 1.5058
Propane+ GPM: 0.4223
Butane+ GPM: 0.1868
Pentane+ GPM: 0.1020

REMARKS:
SAMPLE TAKEN FOR EFM

Approved by: DON NORMAN

Thu Jul 28 20:40:45 2005

Nearby Gas Analysis for the Perfect D State Com #1.

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

July 14, 2006
Devon Energy Production Company, LP
20 North Broadway
Oklahoma City, OK 73102-8260

RE: Condition of Approval for Devon Energy Production Company, LP
Application to drill the Perfecto '2' State # 1, that is to be located in Unit E of Section 2, Township 22 South, Range 26 East, Eddy County, NM
API # 30-015-34896

Dear Sirs/Madams,

In regards to the above noted well, the New Mexico Oil Conservation Division (NMOCD) has approved said application to drill the above noted well. A condition of approval (in part) is for representatives with Devon Energy Production Company, LP (Devon) to verify levels of chlorides in the drilling mud (every 100') from the flow line. Chloride readings from the drilling mud are to taken after 13 3/8" casing is set and continue to the setting depth of the 9 5/8" casing which is to be @ 2500'. Results of these tests are to be submitted to the NMOCD office in Artesia before drilling to total depth of the well.
The NMOCD also notes your detailed mud program and only fresh water mud is to be used in drilling the Capitan Reef section of the well bore. In addition for any well, if Devon elects to follow option 2 of NMOCD Rule 19.15.3.107 (2), a bench test shall be conducted to determine the compressive strength of the slurry mix of cement at the contractor's cementing laboratory. Results of test(s) shall be submitted to the NMOCD District II office before determining wait on cement time.
Please call our office if there are any questions regarding this matter.

Respectfully yours,

Bryan G. Arrant
Petroleum Engineer Specialist/NMOCD-District II
505-748-1283 ext. 103
CC: Well file
EM: Tim Gum, District II Supervisor

PERMIAN REGION LAB
Cement Lab Report

Phone. (432) 530-2667 Fax (432) 530-0279

Test Number: 529424675 **Test Date:** 7/18/2006
Report Number:

WELL INFORMATION

Operator: Devon Energy
API #:
Well Name: Perfecto 2 State #1
Slurry Type: Single
Blend Type: Lab
Comments:

County: Eddy
State: NM
Requested By: Scott Nelson
TVD: 2550 **MD:** 2550
District: Artesia

TEST DATA AND SCHEDULE

Time To Temp (min): 19.20
Initial Press (psi): 310
Final Press (psi): 1630
BHST (deg F): 97
BHCT (deg F): 91
Comments: New Mexico State Test

Mud Density (lb/gal): 10
Mix Water Density (lb/gal): 8.34
Mix Water Type: Tap Water
Surf Temp (deg F): 80
Job Type: Intermediate

SLURRY AND TEST RESULTS

Vendor: Cemex
Slurry: Class 'C' + 1.00% CaCl2 + 0.25 lb/sk Cello Flake

Density: 14.8 lb/gal
Yield: 1.337 CuFt/sk
Mix Water: 6.332 gal/sk (56.18%)
Total Mix Liquid: 6.332 gal/sk
Fluid Loss: cc/30 min

Pump Time (50 Bc):
Pump Time (70 Bc):
Pump Time (100 Bc):

Free Water (ml): (Tested at 90 Degrees)

Compressive Strength

Temp	Time	Strength	Type
97	6:56	500	UCA
97	8	587	UCA
97	12	859	UCA
97	24	1388	UCA

Rheology (PL=Power Law, BP= Bingam Plastic)

Temp	600	300	200	100	6	3	n'	k'	Yp	Pv	Best
80	103	79	69	57	21	14	0.34	0.102	29.8	56.4	PL

Comments:

19.15.3.107 CASING AND TUBING REQUIREMENTS: OCD Rulebook

F. All casing strings shall be tested and proved satisfactory as provided in Subsection I. below.

G. After cementing, but before commencing tests required in Subsection I. below, all casing strings shall stand cemented in accordance with Option 1 or 2 below. Regardless of which option is taken, the casing shall remain stationary and under pressure for at least eight hours after the cement has been placed. Casing shall be "under pressure" if some acceptable means of holding pressure is used or if one or more float valves are employed to hold the cement in place.

(1) Option 1 Allow all casing strings to stand cemented a minimum of eighteen (18) hours prior to commencing tests. Operators using this option shall report on Form C-103 the actual time the cement was in place before initiating tests.

(2) Option 2 (May be used in the counties of San Juan, Rio Arriba, McKinley, Sandoval, Lea, Eddy, Chaves, and Roosevelt only.) Allow all casing strings to stand cemented until the cement has reached a compressive strength of at least 500 pounds per square inch in the "zone of interest" before commencing tests, provided however, that no tests shall be commenced until the cement has been in place for at least eight (8) hours.

(a) The "zone of interest" for surface and intermediate casing strings shall be the bottom 20 percent of the casing string, but shall be no more than 1000 feet nor less than 300 feet of the bottom-part of the casing unless the casing is set at less than 300 feet. The "zone of interest" for production casing strings shall include the interval or intervals where immediate completion is contemplated.

(b) To determine that a minimum compressive strength of 500 pounds per square inch has been attained, operators shall use the typical performance data for the particular cement mix used in the well, at the minimum temperature indicated for the zone of interest by Figure 107-A, Temperature Gradient Curves. Typical performance data used shall be that data furnished by the cement manufacturer or by a competent materials testing agency, as determined in accordance with the latest edition of API Code RP 10 B "Recommended Practice for Testing Oil-Well Cements."

(See Temperature Gradient - Page 17A)

H. Operators using the compressive strength criterion (Option 2) shall report the following information on Form C-103:

(1) Volume of cement slurry (cubic feet) and brand name of cement and additives, percent additives used, and sequence of placement if more than one type cement slurry is used.

(2) Approximate temperature of cement slurry when mixed.

(3) Estimated minimum formation temperature in zone of interest.

(4) Estimate of cement strength at time of casing test.

(5) Actual time cement in place prior to starting test.

I. All casing strings except conductor pipe shall be tested after cementing and before commencing any other operations on the well. Form C-103 shall be filed for each casing string reporting the grade and weight of pipe used. In the case of combination strings utilizing pipe of varied grades or weights, the footage of each grade and weight used shall be reported. The results of the casing test, including actual pressure held on pipe and the pressure drop observed shall also be reported on the same Form C-103.

(1) Casing strings in wells drilled with rotary tools shall be pressure tested. Minimum casing test pressure shall be approximately one-third of the manufacturer's rated internal yield pressure except that the test pressure shall not be less than 600 pounds per square inch and need not be greater than 1500 pounds per square inch. In cases where combination strings are involved, the above test pressure shall apply to the lowest pressure rated casing used. Test pressures shall be applied for a period of 30 minutes. If a drop of more than 10 percent of the test pressure should occur, the casing shall be considered defective and corrective measures shall be applied.