

Submit 1 Copy To Appropriate District Office

District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

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

WELL API NO. 30-025-42564
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Schankbeir 20 State Com
8. Well Number 1H
9. OGRID Number 6137
10. Pool name or Wildcat Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3692

**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 Energy Production Co., L.P.

3. Address of Operator  
333 West Sheridan Ave, Oklahoma City, OK 73102

4. Well Location  
Unit Letter M : 160 feet from the S line and 1105 feet from the W line  
Section 20 Township 17S Range 38E NMPM County Lea

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input checked="" type="checkbox"/>	MULTIPLE COMPL. <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Devon respectfully requests to add a 5 1/2" longstring production casing string option to the drilling plan. Safety factors and cement plans have been updated.

Spud Date:

Rig Release Date:

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

SIGNATURE Tami Laird TITLE Regulatory Compliance Analyst DATE 5/21/15

Type or print name Tami Laird E-mail address: tami.laird@dvn.com PHONE: 405-228-2816

**For State Use Only**  
APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 05/26/15  
Conditions of Approval (if any):

MAY 27 2015

*[Handwritten initials]*

30-025-42564

1. Geologic Formations

TVD of target	9,400'	Pilot hole depth	9,900'
MD at TD:	13,987'	Deepest expected fresh water:	

**Basin**

Formation	Depth (TVD) from KB	Water/Mineral Bearing/ Target Zone?	Hazards*
Rustler	2,246	Barren	
Top of Salt	2,390	Barren	
Base of Salt	3,520	Barren	
Yates	3,550	Oil	
Queen	4,450	Oil	
San Andres	5,450	Oil	
Abo	7,050	Oil	
2 <sup>nd</sup> Bone Spring Sand	8625	Oil	
3 <sup>rd</sup> Bone Spring Lime	9400	Oil	
3 <sup>rd</sup> Bone Spring Sand	9440	Oil	
Wolfcamp	9655	Oil	

\*H2S, water flows, loss of circulation, abnormal pressures, etc.

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**2. Casing Program**

7"x5.5" Tapered Option.

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn	SF Collapse	SF Burst	SF Tension
	From	To							
17.5"	0	2,300'	13.375"	61	J-55	BTC	1.47	2.45	4.33
12.25"	0	3,000'	9.625"	36	J-55	BTC	1.27	1.68	2.17
12.25"	3,000'	5,000'	9.625"	40	HCK-55	BTC	1.44	3.59	3.75
8.75"	0	8,800'	7"	29	P-110	BTC	2.01	1.32	2.84
8.75"	8,800'	13,987'	5.5"	17	P-110	BTC	1.65	1.27	3.11
BLM Minimum Safety Factor							1.125	1.00	1.6 Dry 1.8 Wet

5.5" Long String Option.

Hole Size	Casing Interval		Csg. Size	Weight (lbs)	Grade	Conn	SF Collapse	SF Burst	SF Tension
	From	To							
17.5"	0	2,300'	13.375"	61	J-55	BTC	1.47	2.45	4.33
12.25"	0	3,000'	9.625"	36	J-55	BTC	1.27	1.68	2.17
12.25"	3,000'	5,000'	9.625"	40	HCK-55	BTC	1.44	3.59	3.75
8.75"	0	13,987'	5.5"	17	P-110	BTC	1.65	1.27	3.11
BLM Minimum Safety Factor							1.125	1.00	1.6 Dry 1.8 Wet

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Must have table for contingency casing

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500' into previous casing?	

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Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 <sup>nd</sup> string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

**3. Cementing Program**

Casing	# Sks	Wt. lb/gal	H <sub>2</sub> O gal/sk	Yld ft <sup>3</sup> /sack	500# Comp. Strength (hours)	Slurry Description
13-3/8" Surface	1360	12.9	9.81	1.85	14	Lead: (65:35) Class C Cement: Poz (Fly Ash): 6% BWOC Bentonite + 5% BWOW Sodium Chloride + 0.125 lbs/sack Poly-E-Flake
	550	14.8	6.32	1.33	6	Tail: Class C Cement + 0.125 lbs/sack Poly-E-Flake
9-5/8" Inter.	930	12.9	9.81	1.85	14	Lead: (65:35) Class C Cement: Poz (Fly Ash): 6% BWOC Bentonite + 5% BWOW Sodium Chloride + 0.125 lbs/sack Poly-E-Flake
	430	14.8	6.32	1.33	6	Tail: Class C Cement + 0.125 lbs/sack Poly-E-Flake
7 x 5-1/2" Combo Prod.	250	10.4	16.9	3.17	16	Lead: Tuned Light <sup>®</sup> + 0.125 lb/sk Pol-E-Flake
	1360	14.5	5.31	1.2	25	Tail: (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
5-1/2" Prod Two Stage	560	11.9	12.89	2.31	n/a	1 <sup>st</sup> Stage Lead: (50:50) Class H Cement: Poz (Fly Ash) + 10% BWOC Bentonite + 1 lb/sk of Kol-Seal + 0.3% BWOC HR-601 + 0.5lb/sk D-Air 5000
	1360	14.5	5.31	1.2	25	1 <sup>st</sup> Stage Tail: (50:50) Class H Cement: Poz (Fly Ash) + 0.5% bwoc HALAD-344 + 0.4% bwoc CFR-3 + 0.2% BWOC HR-601 + 2% bwoc Bentonite
	DV Tool = 5050ft					
	20	11	14.81	2.55	22	2 <sup>nd</sup> Stage Lead: Tuned Light <sup>®</sup> Cement + 0.125 lb/sk Pol-E-Flake
	30	14.8	6.32	1.33	6	2 <sup>nd</sup> Stage Tail: Class C Cement + 0.125 lbs/sack Poly-E-Flake

DV tool depth(s) will be adjusted based on hole conditions and cement volumes will be adjusted proportionally. DV tool will be set a minimum of 50 feet below previous casing and a minimum of 200 feet above current shoe. Lab reports with the 500 psi compressive strength time for the cement will be onsite for review.

Casing String	TOC	% Excess
13-3/8" Surface	0'	100%

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9-5/8" Intermediate	0'	75%
7 x 5-1/2" Production Casing	4800'	25%
5-1/2" Production Casing	1 <sup>st</sup> Stage = 5050ft / 2 <sup>nd</sup> Stage = 4800'	25%

**Pilot Hole depth 9900ft**

**KOP ft = 8870ft**

Plug top	Plug Bottom	% Excess	No. Sacks	Wt. lb/gal	Yld ft3/sack	Water gal/sk	Slurry Description and Cement Type
8670	9900	10	475	15.6	1.19	5.42	Class H + 0.5% BWOC HR-601 + 0.2% Halad-9

**4. Pressure Control Equipment**

N	A variance is requested for the use of a diverter on the surface casing. See attached for schematic.
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BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12-1/4"	13-5/8"	3M	Annular	x	50% of working pressure  3M
			Blind Ram		
			Pipe Ram		
			Double Ram	x	
			Other*		
8-3/4"	13-5/8"	3M	Annular	x	50% testing pressure  3M
			Blind Ram		
			Pipe Ram		
			Double Ram	x	
			Other*		
			Annular		50% testing pressure
			Blind Ram		
			Pipe Ram		
			Double Ram		
			Other*		

\*Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a

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higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Y	<p>Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.</p>
Y	<p>A variance is requested for the use of a flexible choke line from the BOP to Choke Manifold. See attached for specs and hydrostatic test chart.</p>
Y	<p>Are anchors required by manufacturer?</p>
Y	<p>A multibowl wellhead is being used. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. If any seal subject to test pressure is broken the system must be tested.</p> <p>Devon proposes using a multi-bowl wellhead assembly (FMC Uni-head). This assembly will only be tested when installed on the surface casing. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 3000 (3M) psi.</p> <ul style="list-style-type: none"> <li>• Wellhead will be installed by FMC's representatives.</li> <li>• If the welding is performed by a third party, the FMC's representative will monitor the temperature to verify that it does not exceed the maximum temperature of the seal.</li> <li>• FMC representative will install the test plug for the initial BOP test.</li> <li>• FMC will install a solid steel body pack-off to completely isolate the lower head after cementing intermediate casing. After installation of the pack-off, the pack-off and the lower flange will be tested to 3M, as shown on the attached schematic. Everything above the pack-off will not have been altered whatsoever from the initial nipple up. Therefore the BOP components will not be retested at that time.</li> <li>• If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head will be cut and top out operations will be conducted.</li> <li>• Devon will pressure test all seals above and below the mandrel (but still above the casing) to full working pressure rating.</li> <li>• Devon will test the casing to 0.22 psi/ft or 1500 psi, whichever is greater, as per Onshore Order #2.</li> </ul> <p>After running the 13-3/8" surface casing, a 13-5/8" BOP/BOPE system with a minimum rating of 3M will be installed on the FMC Uni-head wellhead system and will undergo a 250 psi low pressure test followed by a 3,000 psi high pressure test. The 3,000 psi high and 250 psi low test will cover testing requirements a maximum of 30 days, as per</p>

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<p>Onshore Order #2. If the well is not complete within 30 days of this BOP test, another full BOP test will be conducted, as per Onshore Order #2.</p> <p>After running the 9-5/8' intermediate casing with a mandrel hanger, the 13-5/8" BOP/BOPE system with a minimum rating of 3M will already be installed on the FMC Uni-head.</p> <p>The pipe rams will be operated and checked each 24 hour period and each time the drill pipe is out of the hole. These tests will be logged in the daily driller's log. A 2" kill line and 3" choke line will be incorporated into the drilling spool below the ram BOP. In addition to the rams and annular preventer, additional BOP accessories include a kelly cock, floor safety valve, choke lines, and choke manifold rated at 3,000 psi WP.</p> <p>Devon requests a variance to use a flexible line with flanged ends between the BOP and the choke manifold (choke line). The line will be kept as straight as possible with minimal turns</p> <p>See attached schematic.</p>
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### 5. Mud Program

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From	To				
0	2,300'	FW Gel	8.6-8.8	28-34	N/C
2,300'	5,000'	Saturated Brine	10.0-10.2	28-34	N/C
5,000'	13,987'	Cut Brine	8.5-9.3	28-34	N/C

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times.

What will be used to monitor the loss or gain of fluid?	PVT/Pason/Visual Monitoring
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### 6. Logging and Testing Procedures

<b>Logging, Coring and Testing.</b>	
x	Will run GR/CNL from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.
x	This well will have a pilot hole with the possibility of a whole core, then a quad combo, 150 large SWC, and an FMI/Sonic log before drilling the lateral.
	Drill stem test? If yes, explain
	Coring? If yes, explain

<b>Additional logs planned</b>	<b>Interval</b>
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	Resistivity	Int. shoe to KOP
	Density	Int. shoe to KOP
X	CBL	Production casing
X	Mud log	Intermediate shoe to TD
	PEX	

**7. Drilling Conditions**

<b>Condition</b>	<b>Specify what type and where?</b>
BH Pressure at deepest TVD	4545 psi
Abnormal Temperature	No

Mitigation measure for abnormal conditions: Lost circulation material/sweeps/mud scavengers.

Hydrogen Sulfide (H<sub>2</sub>S) monitors will be installed prior to drilling out the surface shoe. If H<sub>2</sub>S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.

N	H <sub>2</sub> S is present
Y	H <sub>2</sub> S Plan attached

**8. Other facets of operation**

Is this a walking operation? No.

Will be pre-setting casing? No.

Attachments

  x   Directional Plan

     Other, describe