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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

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

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.)		WELL API NO. 30-025-41524
1. Type of Well: Oil Well ☐ Gas Well ☒ Other SWD		5. Indicate Type of Lease STATE ☒ FEE ☐
2. Name of Operator Devon Energy Production Company, LP		6. State Oil & Gas Lease No.
3. Address of Operator 333 West. Sheridan Avenue Oklahoma City, OK 73102-5015 405-552-6558		7. Lease Name or Unit Agreement Name Cotton Draw 32 State SWD
4. Well Location Unit Letter <u>P</u> : <u>1180</u> feet from the <u>South</u> line and <u>1000</u> feet from the <u>East</u> line Section <u>32</u> Township <u>24S</u> Range <u>32E</u> NMPM Lea County		8. Well Number 2
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3477.7' GR		9. OGRID Number 6137
		10. Pool name or Wildcat SWD; Devonian (96101)

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☒	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
CLOSED-LOOP SYSTEM ☐			
OTHER: ☐		OTHER: ☐	

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 alter the 7" liner cement slurry from a 14.5ppg slurry to a 13.5ppg slurry due to experiencing partial losses at 15,279' with a 13.4 equivalent mud weight while drilling. The 13.5 slurry will only see a maximum Equivalent mud weight of 13.3ppg at 15,279'.

3 Attachments

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

SIGNATURE Linda Good TITLE: Regulatory Specialist DATE 1/13/2016

Type or print name: Linda Good E-mail address: linda.good@devon.com PHONE: 405-552-6558

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 01/07/16
Conditions of Approval (if any):

JAN 13 2016

HALLIBURTON

Permian Basin, Artesia

Lab Results- Primary

Request/Slurry	2296539/4	Rig Name	Precision 601	Date	11/JAN/2016
Submitted By	Kyle Pettigrew	Job Type	Drilling Liner	Bulk Plant	
Customer	Devon Energy	Location	Lea	Well	Cotton Draw 32 State 2 SWD
Casing/Liner Size	5.5 in	Depth MD	16820 ft	BHST	206°F
Hole Size	8.5 in	Depth TVD	16820 ft	BHCT	169°F

Cone	UOM	Cement/Additive
100.02	% BWOC	VersaCem PBSH
0.5	% BWOC	HALAD-344 (PB)
0.4	% BWOC	CFR-3 (PB)
0.5	% BWOC	HR-601

Cement Properties		
Slurry Density	13.5	lbm/gal
Slurry Yield	1.49	ft ³ /sack
Water Requirement	7.52	gal/sack

Thickening Time - ON-OFF-ON

Test Temp (°F)	Pressure (psi)	Reached in (min)	70 Bc (hh:mm)	Static Period (min)
169	11800	36	5:05	30

API Rheology

Temp (°F)	300	200	100	60	30	6	3
80	26	18	10	8	4	2	1

API Rheology

Temp (°F)	300	200	100	60	30	6	3	Cond Time (min)	Conditioning Temp (°F)
169	31	23	13	10	6	2	1	30	169

API Fluid Loss

Test Temp (°F)	Test Pressure (psi)	Test Time (min)	Meas. Vol.	Calculated FL (<30 min)	Conditioning time (min)	Conditioning Temp (°F)
169	1000	30	40	80	30	169

Free Fluid API 10B-2

Con. Temp (°F)	Cond. Time (min)	Static T. (°F)	Static time (min)	Incl. (deg)	% Fluid
169	30	80	120	90	0

UCA Comp. Strength

End Temp (°F)	Pressure (psi)	50 psi (hh:mm)	500 psi (hh:mm)	8hr CS (psi)	12 hr CS (psi)	24 hr CS (psi)
206	3000	15:43	16:18	7	0	1680

These are draft results and have not been approved for final use.

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Casing	# Sks	Wt. lb/ gal	H ₂ O gal/sk	Yld ft ³ / sack	500# Comp. Strength (hours)	Slurry Description
7" Liner	565	13.5	7.52	1.49	16	Primary Cement: Class H + 15 lb/sk PozMix + 11 lb/sk Silicalite + 0.5% BWOC Halad-344 + 0.4% BWOC CFR-3 + 0.5% BWOC HR-601

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
7" Liner	11400'	15%

HALLIBURTON

iCem[®] Service

DEVON ENERGY PROD CO LP-EBUSINESS

333 West Sheridan
25th Floor

For: Garrett Glaze

Date: Wednesday, January 13, 2016

Cotton Draw 32 State SWD 2 7" Liner

Gauge Hole

Sincerely,

David Rosby

Legal Notice

Warning Disclaimer

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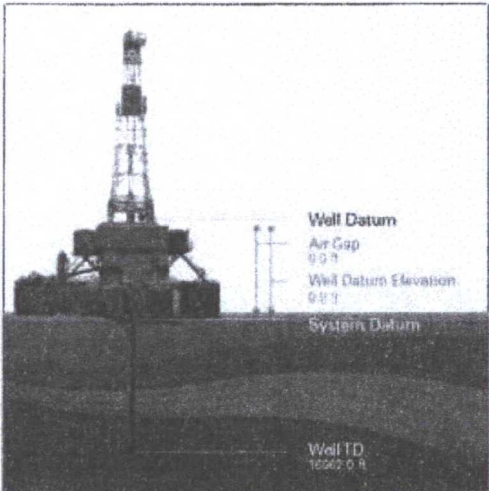
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1.0 Job Design

1.1 Overview

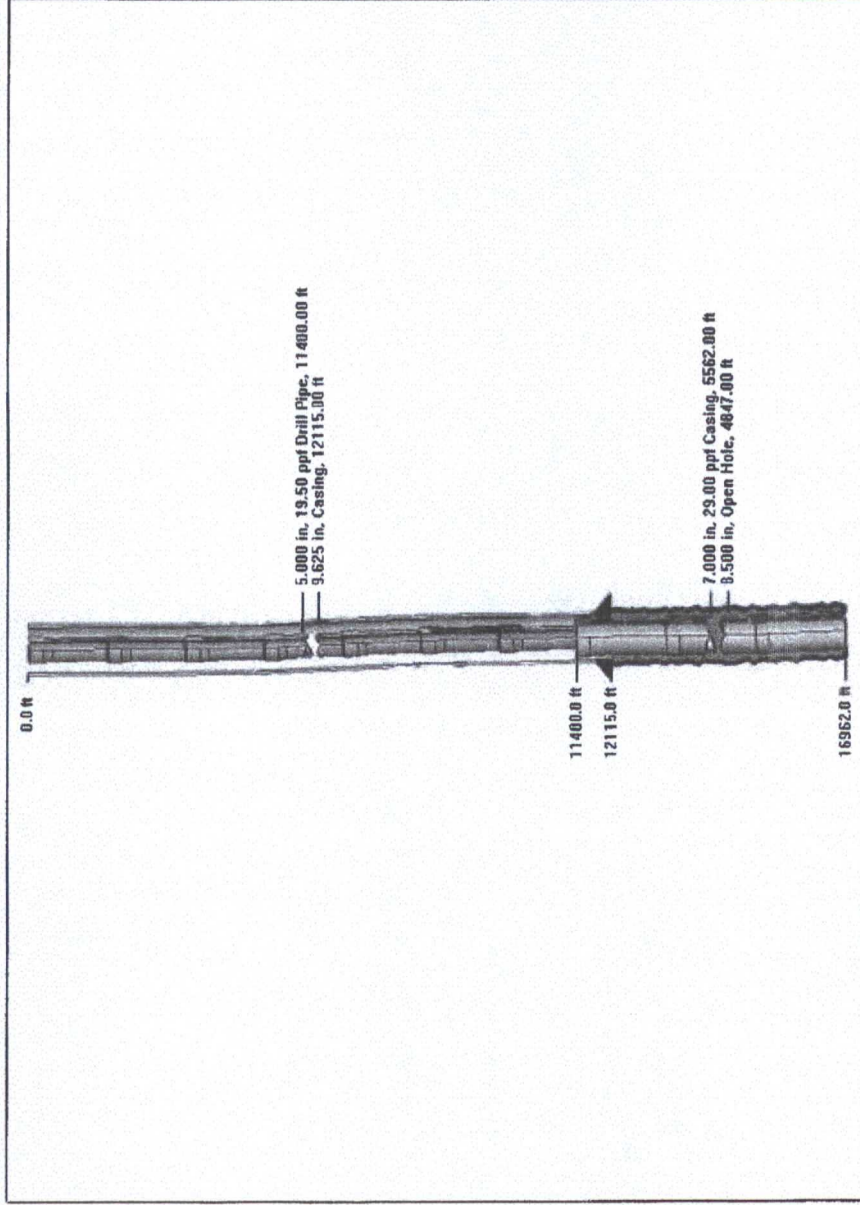
Job Type	Primary Cement Job
Injection Path	Casing/Conventional
Foam Job	No

Well Snapshot



Simulations Performed	2D Hydraulics, Rheological Hierarchy
-----------------------	--------------------------------------

1.2 2D Wellbore Schematic



Casing Volume	409.11 bbl
Annulus Volume	685.48 bbl
Surface Volume	0.68 bbl

1.3 Pump Schedule

Description	Stage No.	Density (ppg)	Rate (bbl/min)	Yield (ft ³ /sack)	Water Req. (gal/sack)	Volume (bbl)	Bulk Cement (sacks)	Duration (min)
CDU SWD OBM	1	12.50	4.00			0.00		0.00
CDU SWD TSIII	2	13.00	4.00			30.00		7.50
VersaCem PBSh 2297195/1	3	13.50	4.00	1.4934	7.517	200.00	751.90	50.00
Top Plug/Start Displacement								
Water Displacement	4	8.33	4.00			198.38		49.60
CDU SWD TSIII	5	13.00	4.00			5.00		1.25
CDU SWD OBM	6-1	12.50	4.00			183.43		45.86
CDU SWD OBM	6-2	12.50	3.00			20.00		6.67
Total:						636.81		160.87

*Pump schedule may include additional rows for displacement if "Automatic Rate Adjustment" was enabled and ECDs approached the fracture gradient.

1.4 Pressure Schedule Inputs

Pressure Mode	Conventional
---------------	--------------

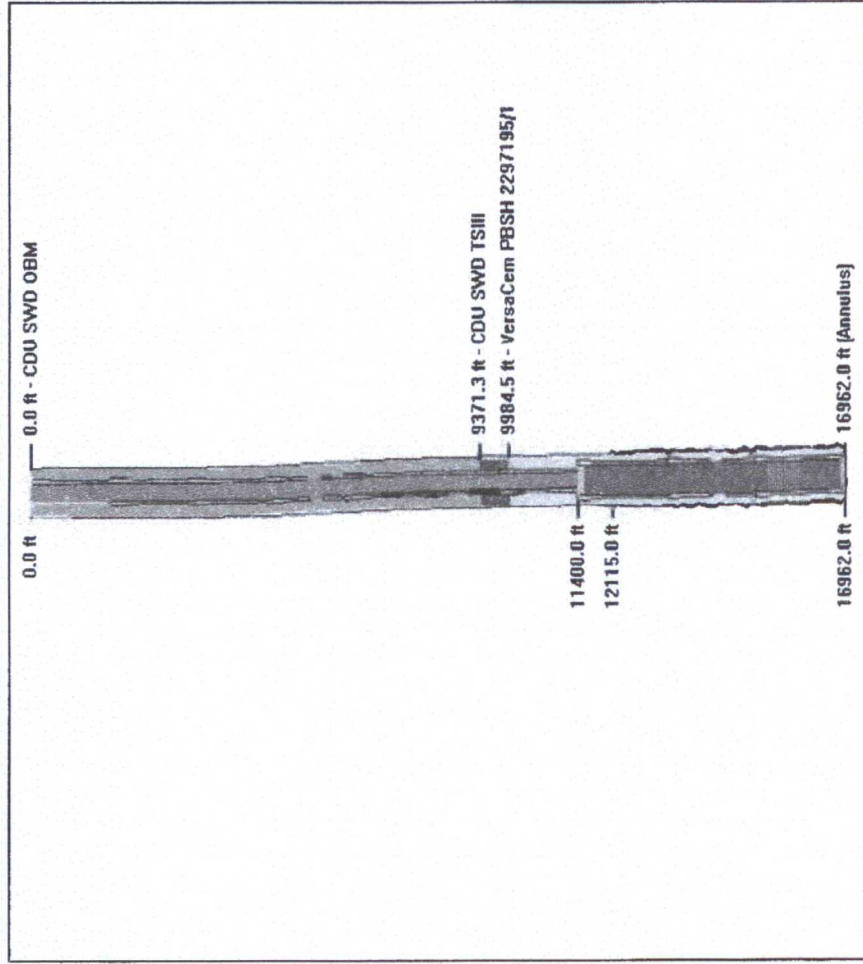
1.5 Pressure Schedule Table

Start (Pump Volume in bbl)	End (Pump Volume in bbl)	Pressure (psi)
0.00	End	0.00

1.6 Time of Stages

Graph Label	Time (min)	Stage Starts Pumping	Stage Enters Annulus
①	0.0	CDU SWD TSIII	
②	7.5	VersaCem PBSh 2297195/1	
③	57.5	Water Displacement	
④	100.4		CDU SWD TSIII
⑤	107.1	CDU SWD TSIII	
⑥	108.3	CDU SWD OBM	
⑦	108.5		VersaCem PBSh 2297195/1
⑧	160.9	Plug Landed	

1.7 Final 2D Fluid Positions



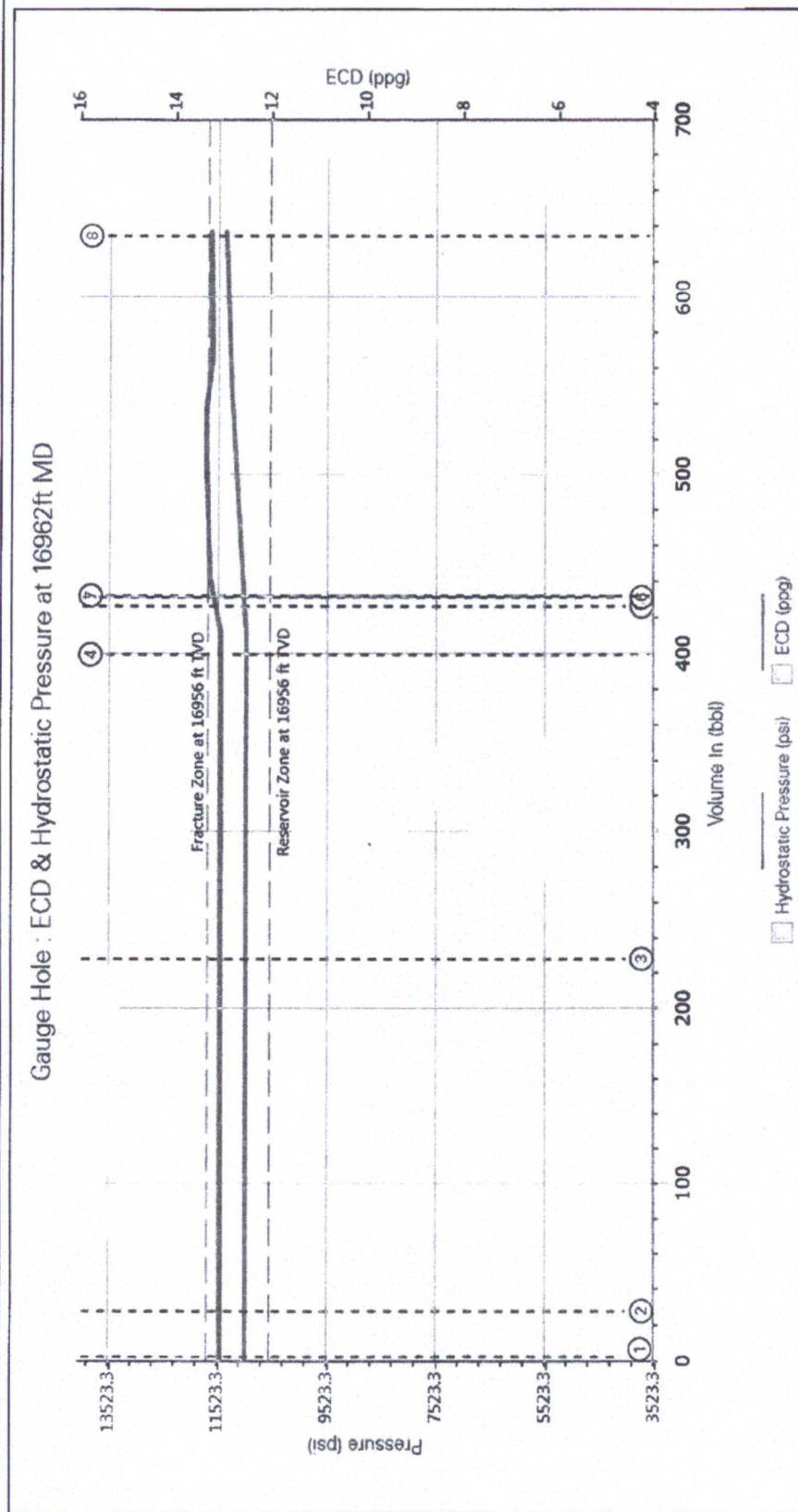
1.8 Final 2D Fluid Positions

Time	160.89 min
Volume In	636.8 bbl
Surface Pressure	2,410.56 psi
Rate In	3.00 bbl/min
Rate Out	3.00 bbl/min
Down Hole Depth	16,962.0 ft
Rate	3.00 bbl/min
Pressure	11,661.21 psi
ECD	13.24 ppg
Density	13.50 ppg

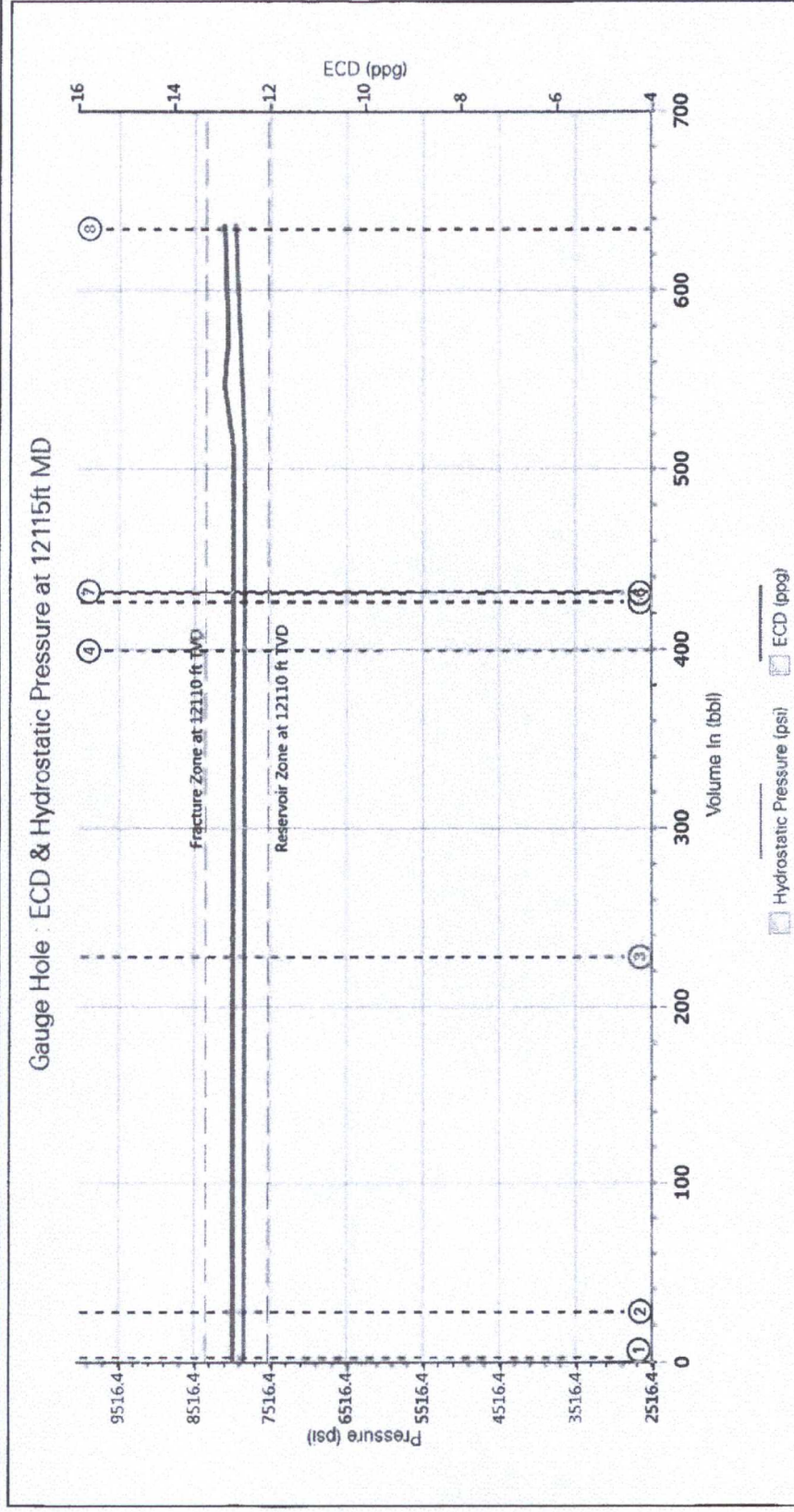
1.9 Fluids Pumped

CDU SWD OBM
 CDU SWD TSIII
VersaCem P8SH 2297195/1
 Water Displacement
 CDU SWD TSIII
 CDU SWD OBM

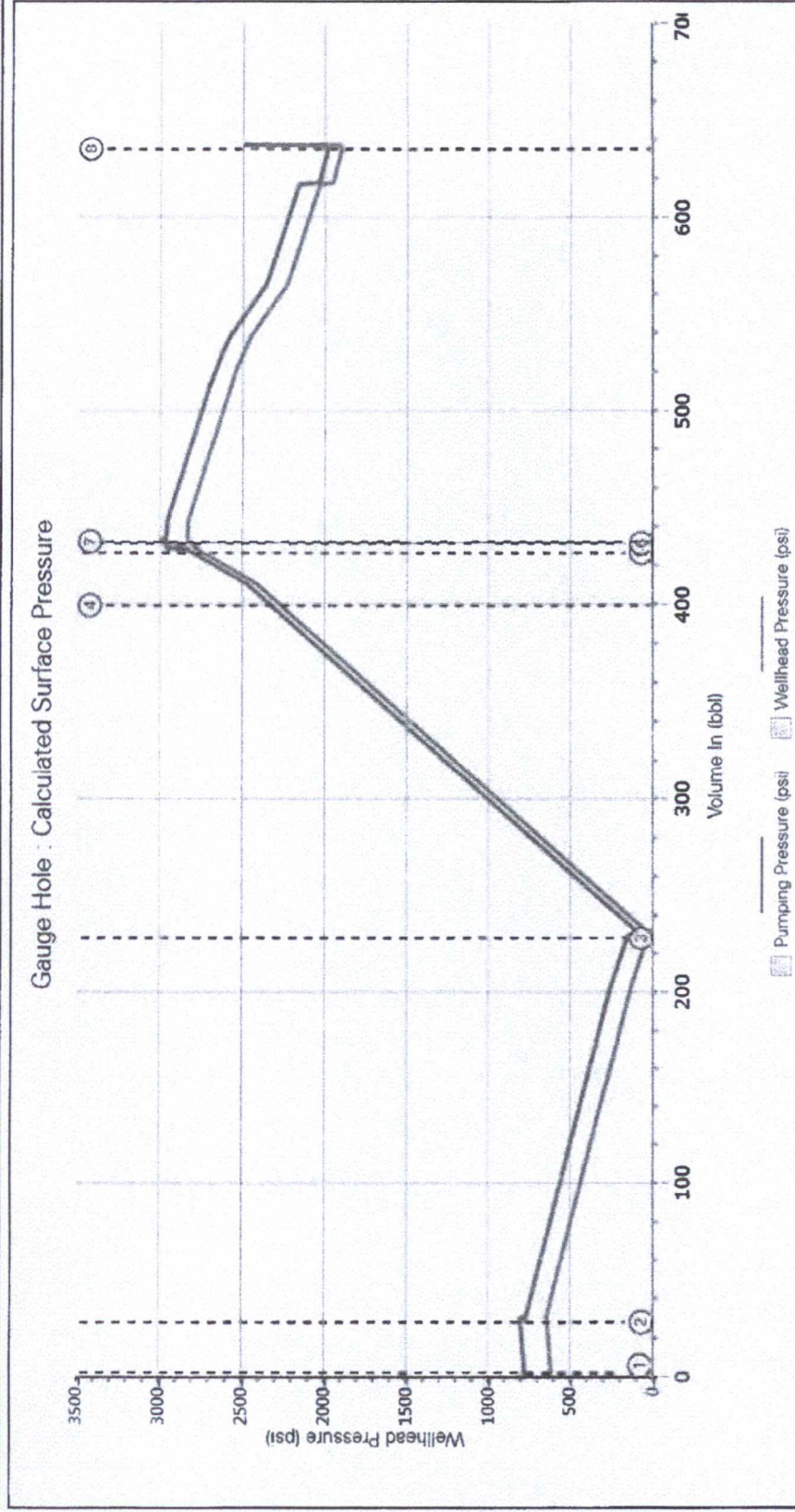
1.10 ECD & Hydrostatic Pressure Plot at TD



1.11 ECD & Hydrostatic Pressure Plot at 9.625" Shoe

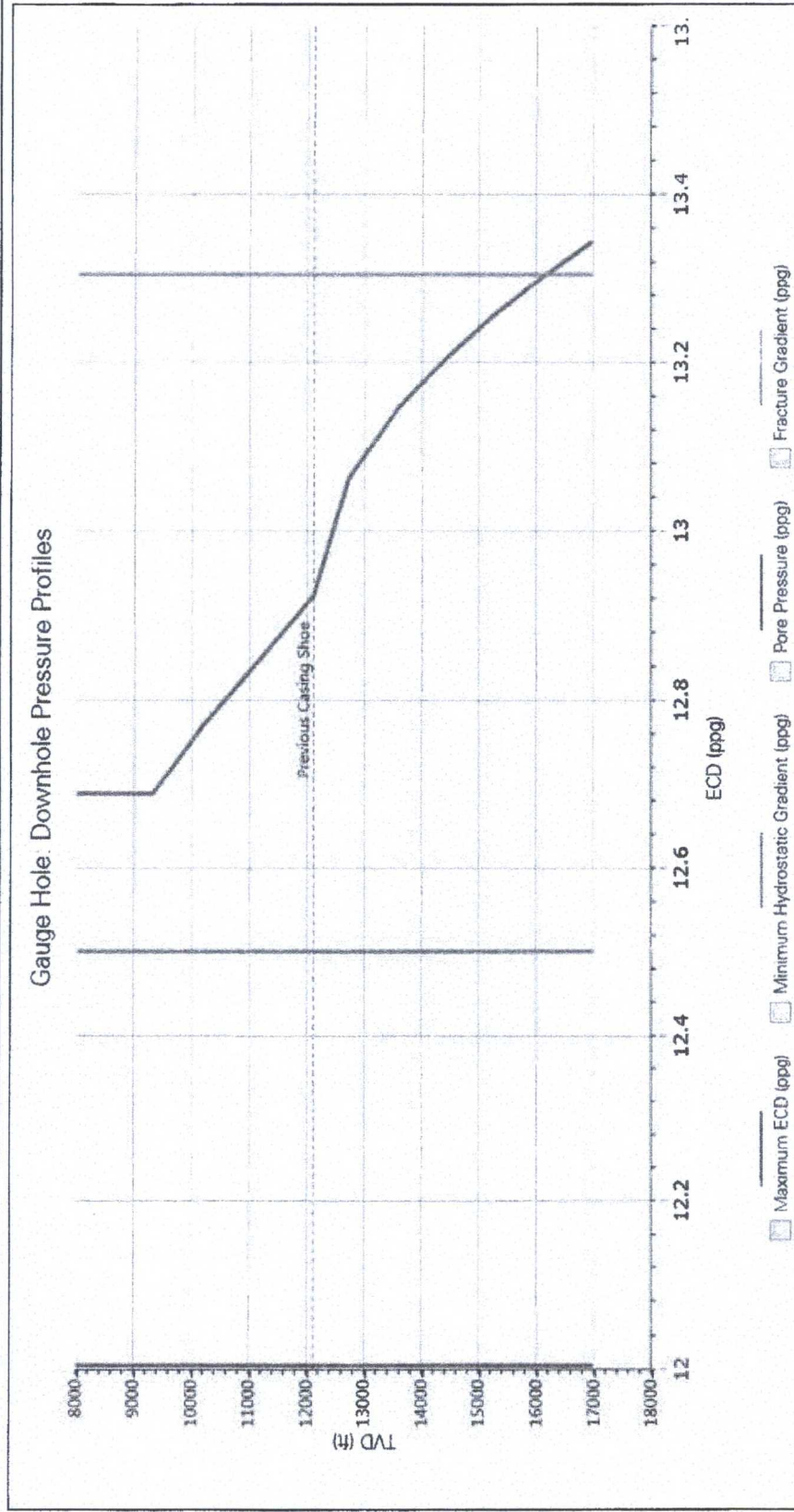


1.12 Calculated Surface Pressure Plot



2.0 Hydraulics Summary

2.1 Downhole Pressure Profiles Plot

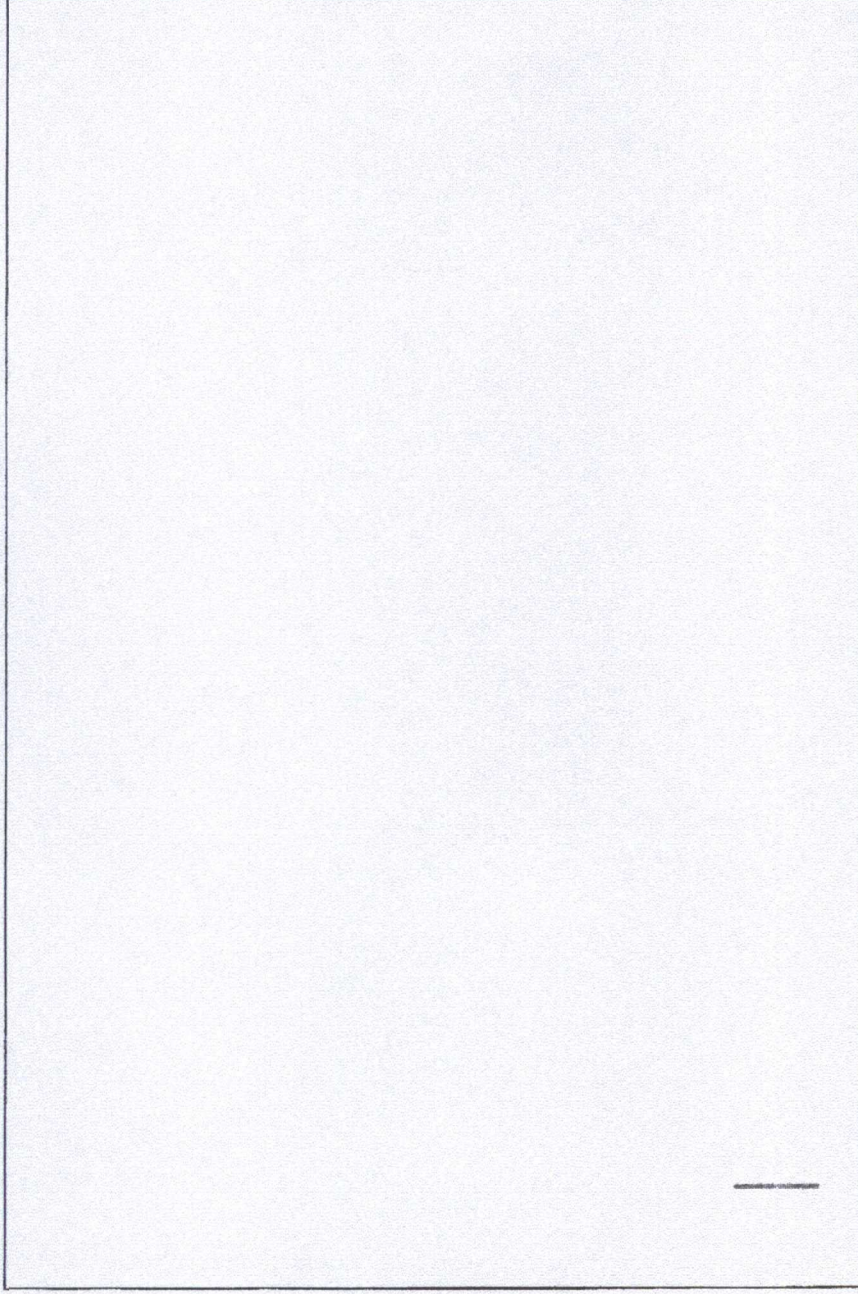


3.0 Appendix

3.1 Well Directional Data

Measured Depth (ft)	True Vertical Depth (ft)	Deviation (")	Build Angle (°/100ft)	Azimuth (°)
0.0	0.0	0.00		0.00
843.0	843.0	0.70	0.07	112.66
1,558.0	1,557.9	0.18	0.00	197.19
2,273.0	2,272.9	0.26	0.00	78.58
2,988.0	2,987.9	0.44	0.39	62.44
3,703.0	3,702.9	0.53	-0.49	130.78
4,579.0	4,578.7	0.62	-0.07	190.67
5,294.0	5,293.3	3.25	0.09	279.74
6,008.0	6,006.3	2.90	-0.20	279.71
6,723.0	6,720.4	2.64	0.10	276.43
7,438.0	7,434.8	2.29	0.10	271.84
8,154.0	8,150.3	1.58	-0.10	251.73
8,867.0	8,863.0	1.32	-0.39	241.79
9,582.0	9,577.8	0.97	0.20	220.43
10,297.0	10,292.8	1.06	0.20	196.21
11,012.0	11,007.6	1.67	0.00	165.92
11,728.0	11,723.4	1.06	0.20	127.11
12,436.0	12,431.3	0.62	-0.19	151.77
13,153.0	13,148.2	0.53	-0.10	343.40
13,893.0	13,888.2	0.53	-0.18	319.80
14,448.0	14,443.1	0.88	0.00	289.43
15,192.0	15,187.0	1.49	0.09	270.12
15,930.0	15,924.5	1.67	-0.10	237.35
16,664.0	16,658.0	2.02	0.00	258.80
16,862.0	16,855.9	1.67	0.00	246.51
16,962.0	16,955.9	1.67	0.00	250.00

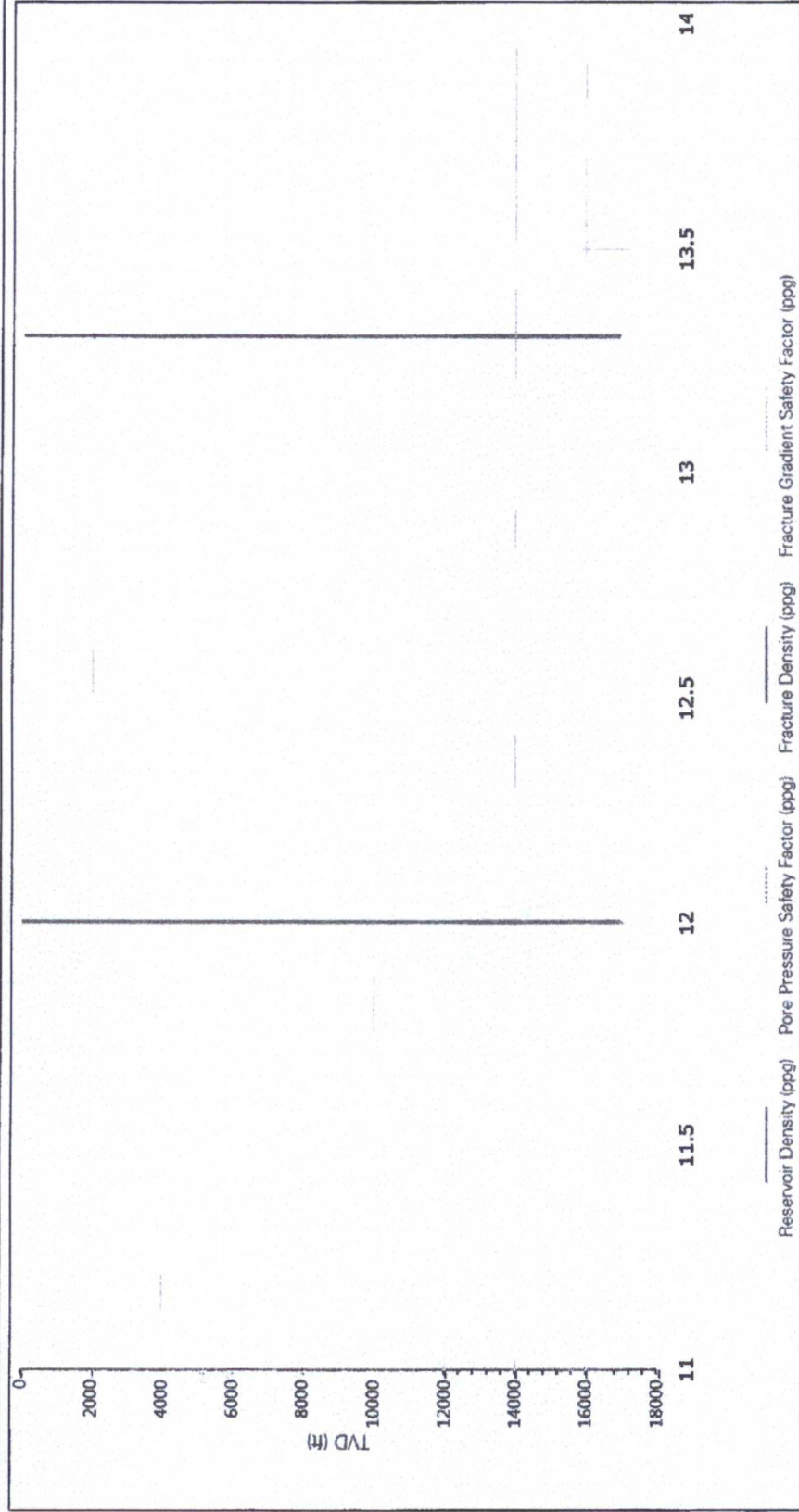
3.2 3D Wellbore Schematic



3.3 Formation Definitions

Measured Depth (ft)	True Vertical Depth (ft)	Pore Pressure (psi)	Reservoir Gradient (psi/ft)	Reservoir Density (ppg)	Fracture Pressure (psi)	Fracture Gradient (psi/ft)	Fracture Density (ppg)
12,115.0	12,110.3	7,552.5	0.624	12.00	8,370.68	0.691	13.31
15,279.0	15,273.9	9,524.9	0.624	12.00	10,556.80	0.691	13.30
16,962.0	16,955.9	10,574.1	0.624	12.00	11,719.65	0.691	13.30

3.4 Formation Definitions Plot



3.5 Wellbore Geometry - Surface Lines

Length (ft)	Number in Parallel	Elevation Change (ft)	Fluid Friction Factor	Outer Diameter (in)	Inner Diameter (in)
200.0	1	30.0	1	2.620	1.870

3.6 Wellbore Geometry - Outer (Casing/Liners)

Top MD (ft)	Bottom MD (ft)	Length (ft)	Constant Friction Factor	Outer Diameter (in)	Inner Diameter (in)
0.0	12,115.0	12,115.00	0.25	9.625	8.681

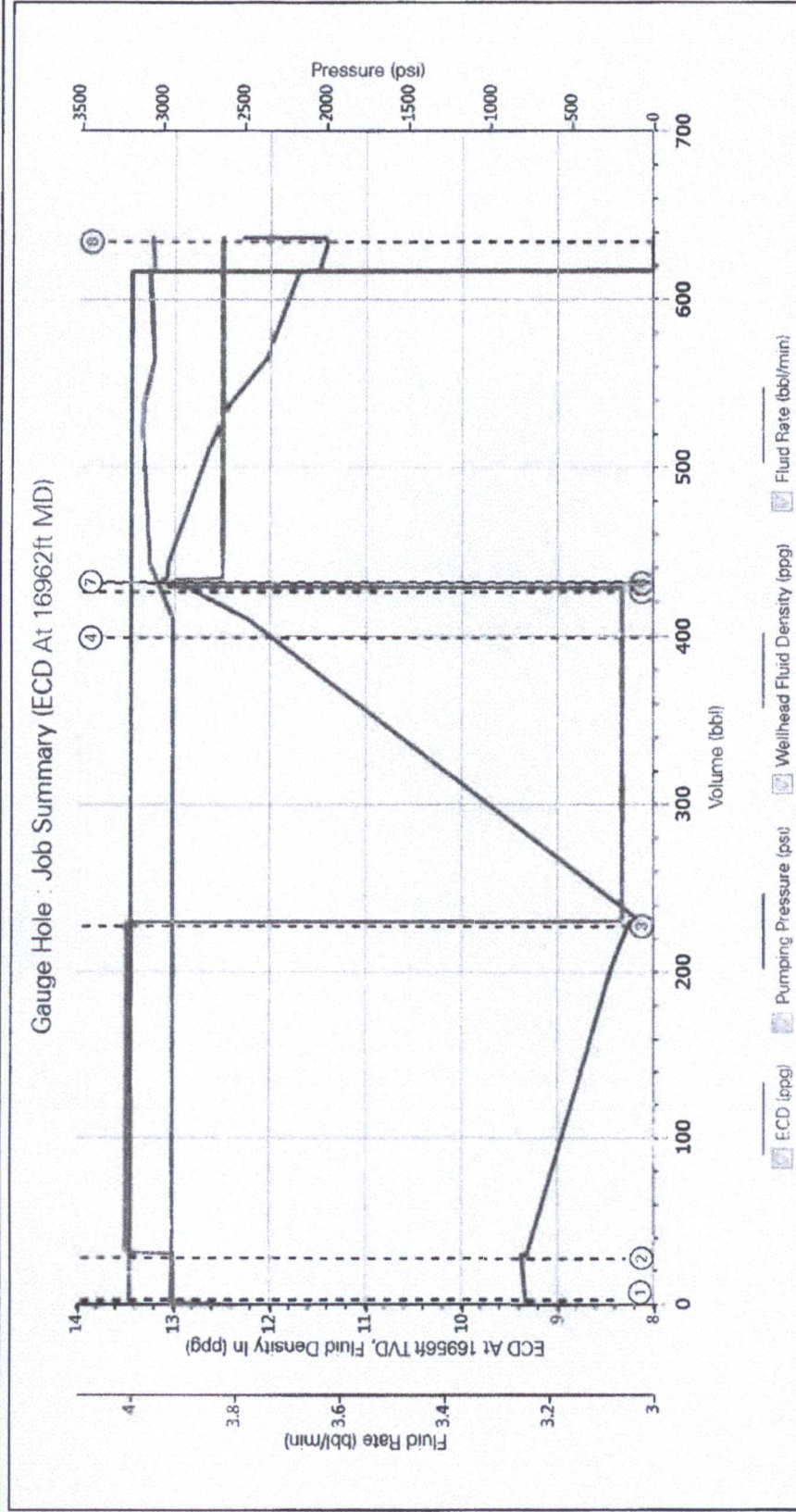
3.7 Wellbore Geometry - Outer (Open Hole)

Top MD (ft)	Bottom MD (ft)	Length (ft)	Constant Friction Factor	Inner Diameter (in)	Annular Excess (%)
12,115.0	16,962.0	4,847.00	0.30	8.500	0.00

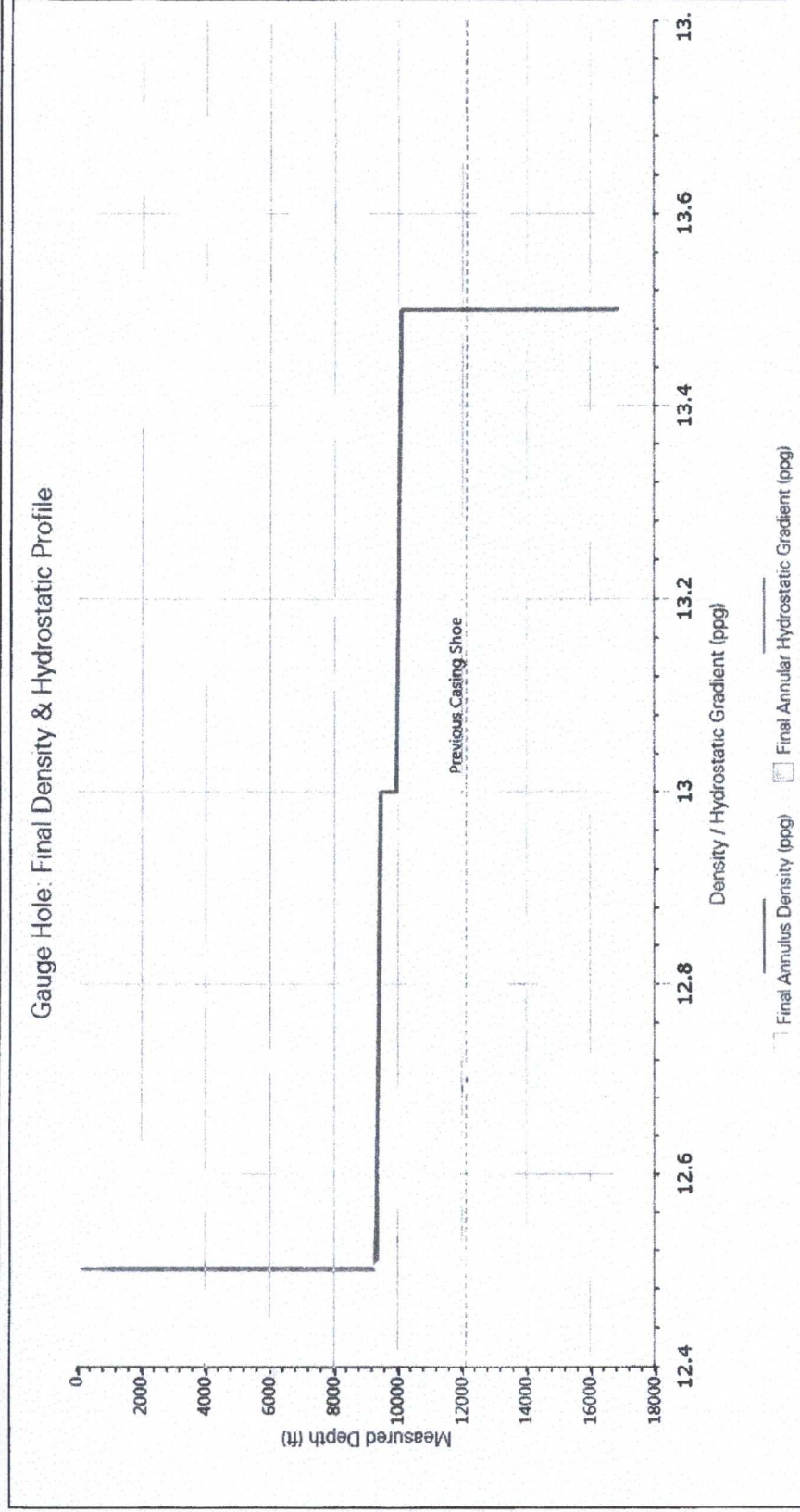
3.8 Wellbore Geometry - Inner (Inner)

Type	Top MD (ft)	Bottom MD (ft)	Length (ft)	Outer Diameter (in)	Weight (ppf)	Grade	Inner Diameter (in)	Avg. Joint Length (ft)
DP	0.0	11,400.0	11,400.00	5.000	19.50		4.276	
CAS	11,400.0	16,962.0	5,562.00	7.000	29.00	P110	6.184	

3.9 Job Summary at Reservoir Zone



3.10 Final Density & Hydrostatic Profile Plot



3.11 Horsepower, Pressure, & Freefall

Time (mins)	Liquid Volume In (bbl)	Pump Output (hp)	Surface Pressure In (psi)	Surface Pressure Out (psi)	ECD @ 9.625" Shoe (ppg)	Free Fall Height (ft)
0.00	0.0	0.00	615.05	0.00	12.73	0.00
4.58	18.3	79.09	632.32	0.00	12.73	0.00
9.96	39.9	74.01	617.25	0.00	12.73	0.00
19.02	76.1	63.49	509.89	0.00	12.73	0.00
28.07	112.3	52.96	402.37	0.00	12.73	0.00
37.13	148.5	42.41	294.68	0.00	12.73	0.00
46.18	184.7	31.83	186.72	0.00	12.73	0.00
55.24	220.9	19.55	61.37	0.00	12.73	0.00
62.19	248.8	32.37	257.21	0.00	12.73	0.00
71.17	284.7	79.21	735.36	0.00	12.73	0.00
80.15	320.6	126.06	1,213.62	0.00	12.73	0.00
89.13	356.5	172.87	1,691.44	0.00	12.73	0.00
98.11	392.5	219.73	2,169.84	0.00	12.73	0.00
107.10	428.4	279.62	2,781.17	0.00	12.73	0.00
107.93	431.7	293.45	2,820.58	0.00	12.73	0.00
110.72	442.9	291.11	2,831.37	0.00	12.73	0.00
119.42	477.7	278.56	2,703.23	0.00	12.73	0.00
128.11	512.5	266.13	2,576.32	0.00	12.73	0.00
136.81	547.2	246.00	2,370.83	0.00	12.92	0.00
145.51	582.0	225.31	2,159.70	0.00	12.86	0.00
154.20	616.8	212.98	2,033.79	0.00	12.92	0.00
158.28	629.1	147.76	1,911.84	0.00	12.91	0.00
160.89	636.8	147.66	2,410.56	0.00	12.92	0.00