Form 3160-3
(August 1999)

RECEIVED

FORM APPROVED
OMB NO. 1004-0136
Expires: November 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: **SF-078970**

6. If Indian, Allottee or Tribe Name: **N/A**

1a. Type of Work: [X] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.: **NORTHEAST BLANCO UNIT**

1b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [ ] Single Zone [X] Multiple Zone

8. Lease Name and Well No.: **NEBU 322M**

2. Name of Operator: **Attn: Diane Busch Devon Energy Production Company, L.P.**

9. API Well No.: 30 045 31365

3a. Address: **20 N. Broadway Oklahoma City, OK 73102**

3b. Phone No. *(include area code)*: **(405) 228-4362**

10. Field and Pool, or Exploratory: **Blanco Mesaverde Basin Dakota**

4. Location of well *(Report location clearly and In accordance with any State requirements.*)*
At surface **1020' FNL & 1750' FWL NE NW Unit C**
At bottom hole **Same**
At proposed prod. zone **Same**

11. Sec., T., R., M., or Blk. And Survey or Area
Sec. **18** ,T **31N** ,R **6W**
C

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: **Approximately 27.1 miles southeast of Ignacio Colorado**

12. County or Parish: **San Juan**

13. State: **NM**

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg unit line, if any)	16. No. of Acres in lease	17. Spacing Unit dedicated to this well
1020'	**320**	**320 W/2**

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/ BIA Bond No. on file
	8225'	**CO-1104**

21. Elevations (Show whether DF. RT, GR, etc.)	22. Aproximate date work will start*	23. Estimated Duration
6584' GL	**Upon Approval**	**20 Days**

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by existing bond on file(see item 20 above).
5. Operator certification.
6. Such other site specific information and/ or plans as may be required by the authorized officer.

25. Signature	Name *(Printed/ Typed)*	Date
Diane Busch	**Diane Busch**	1-22-03

Title: **Sr. Operations Technician**

Approved By (Signature)	Name *(Printed/ Typed)*	Date
/s/ David J. Mankiewicz		APR 11 2003

Title	Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the appli operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on reverse)

DRILLING OPERATIONS AUTHORIZED ARE SUBJECT TO COMPLIANCE WITH ATTACHED "GENERAL REQUIREMENTS".

NMOCD

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

District I
PO Box 1980, Hobbs NM 88241-1980
District II
PO Drawer KK, Artesia, NM 87211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-045-31365	72319 / 71599	Blanco Mesaverde / Basin DAKOTA

[4] Property Code	[5] Property Name	[6] Well Number
19641	NEBU	# 322M

[7] OGRID No.	[8] Operator Name	[9] Elevation
6137	Devon Energy Production Company, L.P.	6584

[10] Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	18	31 N	6 W		1020	NORTH	1750	WEST	SAN JUAN

[11] Bottom Hole Location If Different From Surface

[7] UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
MV - W/320 DK - W/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

[17] OPERATOR CERTIFICATION

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

Diane Busch
Signature

DIANE BUSCH
Printed Name

SR-OPERATIONS TECH
Title

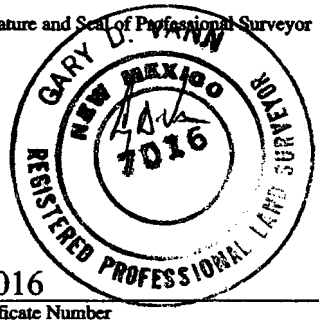
1-22-03
Date

[18] 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.

December 16, 2002
Date of Survey

Signature and Seal of Professional Surveyor



7016
Certificate Number

(R) - GLO Record

NEBU 322M
Unit C 18-31N-6W
San Juan Co., NM

DRILLING PLAN

1. **ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS & ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS:**

Formation	Depth (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2485	Aquifer
Kirtland	2590	
Fruitland	3065	Gas
Pictured Cliffs	3515	Gas
Lewis	3625	Gas
Intermediate TD	**3725**	
Huerfanito bentonite	5135	
Massive Cliff House	5470	Gas
Menefee	5505	Gas
Massive Point Lookout	5775	Gas
Mancos	6215	Gas
Gallup	7210	Gas
Greenhorn	7860	
Graneros	7910	
Dakota	8035	Gas
TD	**8225**	

All shows of fresh water and minerals will be adequately protected and reported.

2. **PRESSURE CONTROL EQUIPMENT:**

All well control equipment shall be in accordance with Onshore Order #2 for 2M systems.

The minimum specifications for pressure control equipment that will be provided are included on the attached schematic diagram which shows the size and pressure ratings.

2000# BOP With Pipe Rams and 2000# BOP With Blind Rams

Auxiliary equipment to be used:

- Upper kelly cock with handle available.

The manifold includes appropriate valves and adjustable chokes. The kill line will have one check valve. Ram type preventers will be pressure tested to full working pressure (utilizing a test plug) or 70% of the internal yield pressure (without a test plug) at:

- Initial installation
- Whenever any seal subject to test pressure is broken
- Following related repairs
- At 30 day intervals

Pipe and blind rams shall be activated each trip.

A BOPE pit level drill will be conducted weekly for each drilling crew.
All tests and drills will be recorded in the drilling log.

The accumulator will have sufficient capacity to close all rams and retain 200 psi above pre-charge pressure without the use of closing unit pumps.

Master controls will be at the accumulator. Anticipated bottom hole pressure is 3400 psi.

3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

Depth	Hole Size	Size	Grade	Weight	Thread	Condition
0-250'	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3725'	8-3/4"	7"	K-55	23#	LTC	New
0-TD	6-1/4"	4-1/2"	K-55	11.6 #	LTC	New

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70% minimum internal yield.

Surface: The bottom three joints of the surface casing will have a minimum of one centralizer per joint and one centralizer every joint thereafter (Total 5 centralizers estimated)

Intermediate: The bottom three joints of the 7" casing will have a minimum of one centralizer per joint and one centralizer every fifth joint thereafter to above Ojo Alamo with turbolizers below and throughout the Ojo Alamo. (Total 12 centralizers, 3 turbolizers estimated).

Production: The bottom three joints will have a minimum of one centralizer per joint and one centralizer every fifth joint to 4500' (estimated 22 centralizers used). Centralizers will be open bow spring or basket bow spring type.

B. The proposed cementing program will be as follows:

Surface String: Cement will be circulated to surface.

Lead: 200 sks Class "B" with additives mixed at 15.6 ppg, 1.19 ft^3/sks.

Intermediate String: Cement will be circulated to surface.

Lead: 575 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.44 ft^3/sks prior to foaming, 9 ppg,2.18 ft^3/sks after foaming.
Tail: 75 sks 50/50 Poz with additives mixed at 13.0 ppg, 1.44 ft^3/sks.

If hole conditions dictate, an alternate, two stage cement design will be used: Stage 1: 85 sacks Class B 50/50 POZ, 3% gel, 5# Gilsonite, ¼# Flocele, 1/10% CFR 3, .2% Halad 344, Yield 1.47 ft^3/sks. Stage 2: 450 sacks Class B 50/50 POZ, 3% gel, 5# Gilsonite, ¼# Flocele, .1% CFR 3, .2% Halad 344, Yield 1.47 ft^3/sks. Cement designed to circulate to surface.

Production String: TOC designed to circulate to surface, cement will tie into the intermediate casing as a minimum. Volumes may vary with actual well characteristics.

Lead: 500 sks 50/50 Poz with additives mixed at 13.0 ppg, Yield 1.47 ft^3/sks.

Actual volumes will be calculated and adjusted with caliper log prior to cementing.

If hole conditions dictate, an alternate, two stage cement design will be used. Stage 1: 325 sxs 50/50 POZ, 3% gel, .9%Halad 9, .2% CFR 3, 5# Gilsonite & ¼# Flocele. Yield 1.47 13#. Stage 2: Lead: 450 sx 50/50 POZ, 3% Gel, .9% Halad 9, .2% CFR 3, 5# Gilsonite & ¼# Flocele. Yield 1.47 13 ppg. Tail: 25 sx (5 bbls) Class B .4% Halad 9. Yield 1.18 15.6#.

4. DRILLING FLUIDS PROGRAM:

Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-3725'	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3725-8035'	Air				NC	
8035-TD	Mud	8.5-9.0*	30-50	8.0-10.0	8-10cc @ TD	Low solids – nondispersed. * Min Wt. to control formation pressure.

NC = no control