

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. SF - 078581
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator DEVON ENERGY CORP. Contact: CHARLES MUZZY E-Mail: charles.muzzy@dmn.com		7. If Unit or CA Agreement, Name and No.
3a. Address 20 NORTH BOARDWAY OKLAHOMA CITY, OK 73102		8. Lease Name and Well No. NEBU 465A
3b. Phone No. (include area code) Ph: 405.552.7955 Fx: 405.552.4553		9. API Well No. 3004532214
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SWSE Lot O 1220FSL 1900FEL At proposed prod. zone SWSE Lot O 1220FSL 1900FEL		10. Field and Pool, or Exploratory FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 27 MILES NORTHEAST OF AZTEC, NM.		11. Sec., T., R., M., or Blk. and Survey or Area Sec 1 T30N R8W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1220	16. No. of Acres in Lease 616.32	12. County or Parish SAN JUAN
17. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	18. Proposed Depth 3220 MD	13. State NM
19. Elevations (Show whether DF, KB, RT, GL, etc.) 6344 GL	20. Approximate date work will start 05/01/2004	14. Spacing Unit dedicated to this well 321.1 DF/2
21. Estimated duration 20		22. BLM/BIA Bond No. on file CO-1104

24. Attachments

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

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

25. Signature (Electronic Submission)	Name (Printed/Typed) CHARLES MUZZY	Date 03/04/2004
Title SR. OPERATIONS TECH		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 6/25/04
Title Acting Field Manager - Minerals	Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct 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 of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #28550 verified by the BLM Well Information System
For DEVON ENERGY CORP., sent to the Farmington

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

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

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

NMOC

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 30045-32214		² Pool Code 71629	³ Pool Name FRUITLAND COAL
⁴ Property Code 19641	⁵ Property Name NEBU		⁶ Well Number # 465A
⁷ OGRID No. 6137	⁸ Operator Name Devon Energy Production Company, L.P.		⁹ Elevation 6344

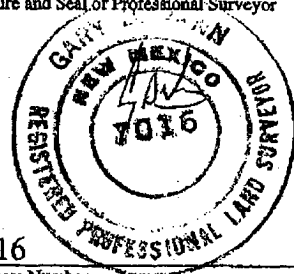
¹⁰ Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	1	30 N	8 W		1220	SOUTH	1900	EAST	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 321.10		¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ 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

<p>¹⁶</p> <p>2632(R)</p> <p>2624(R)</p> <p>1445(R)</p> <p>1370(R)</p> <p>2740(R)</p> <p>332(R)</p> <p>1220'</p> <p>1900'</p> <p>Lot 4</p> <p>Lot 3</p> <p>Lot 2</p> <p>Lot 1</p> <p>JUN 2004 RECEIVED OIL CONSERV. DIV. DIST. 3</p>				<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Charles Murray</i> Signature Charles Murray Printed Name SR. Operations Tech Title 3/4/2004 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>February 16, 2004 Date of Survey Signature and Seal of Professional Surveyor  7016 Certificate Number</p>	
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(R) - BLM Record

**NEBU 465A
Unit O 1-30N-8W
San Juan Co., NM**

DRILLING PLAN

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

Formation	Top (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	
Ojo Alamo	2135	Aquifer
Kirtland	2275	
Fruitland	3010	Gas
Pictured Cliffs	3220	Gas
TD	3320	

All shows of fresh water and minerals will be adequately protected and reported. A 100' sump will be drilled into the Picture cliffs. A mud logger will be on location collecting samples and measuring gas levels. Should the Picture Cliffs interval appear to be productive the sump will be filled with cuttings and abandoned

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 300 psi.

3. **CASING & CEMENTING PROGRAM:**

A. The proposed casing program will be as follows:

TVL	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3010	8-3/4"	7"	J-55	23#	LTC	New
0- TD	6-1/4"	5-1/2"*	J-55	15.5 #	LTC	New

The 9-5/8" surface pipe will be tested to 750 psi. All casing strings below the surface shoe 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)

7" Casing: 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).

B. The proposed cementing program will be as follows:

Surface String: 9-5/8" Surface cemented in a 12-1/4" hole at 285'.
32.3# H-40 ST&C 8 Rnd
Saw tooth guide shoe
Cemented with 200 sacks Class B mixed at 15.6 ppg w/.25 pps
Celloflake, 2% calcium chloride. Yield 1.19 ft³/sx ,cement
Designed to circulate to surface.

Production String: 7" Production casing cemented in an 8-3/4" hole
23# J-55 LT&C 8 Rnd
Float collar
Joint
Float Shoe
Cement with 500 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite,

¼"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft³/sx. *
 Cement designed to circulate to surface.
 Pending hole conditions, cement baskets may be installed above TD

* Small variations possible due to existing hole conditions.

Liner: 5-1/2" liner*
 15.5# J-55 LT&C 8 Rnd
 Shoe
 Not Cemented

* May not be run pending hole conditions.
 If well does not respond to proposed to completion, the 5 ½ " liner will be cemented using class B 50/50 POZ, 3% gel, 5# gilsonite, ¼"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft³/sx.

4. DRILLING FLUIDS PROGRAM:

TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285'	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-3010'	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
3010' - TD	Air					Foam as needed

NC = no control

Sufficient quantities of mud material will be maintained on site or be readily accessible for the purpose of assuring well control. SPR will be recorded on daily drilling report after mudding up. Visual mud monitoring will be conducted during operations.

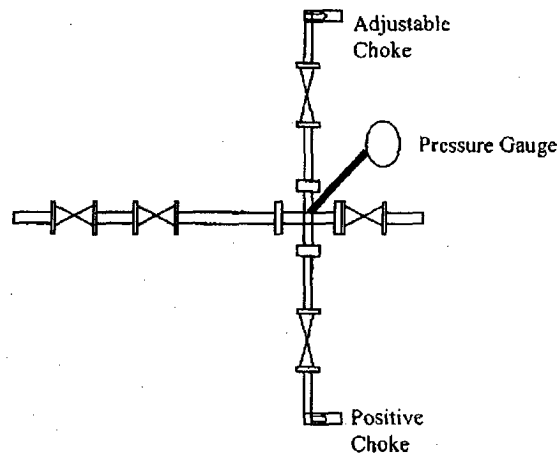
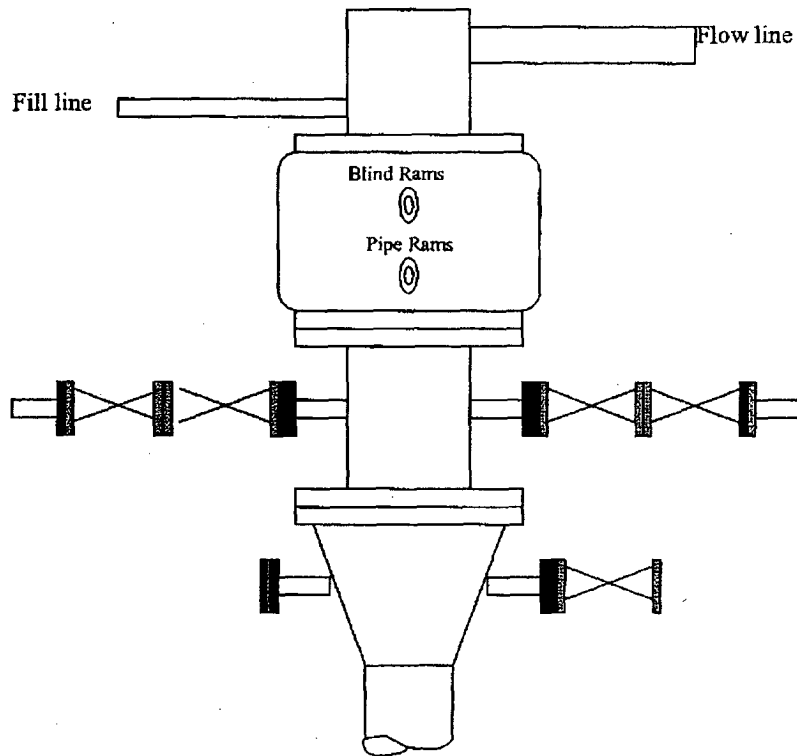
5. EVALUATION PROGRAM:

Wireline Logs: None

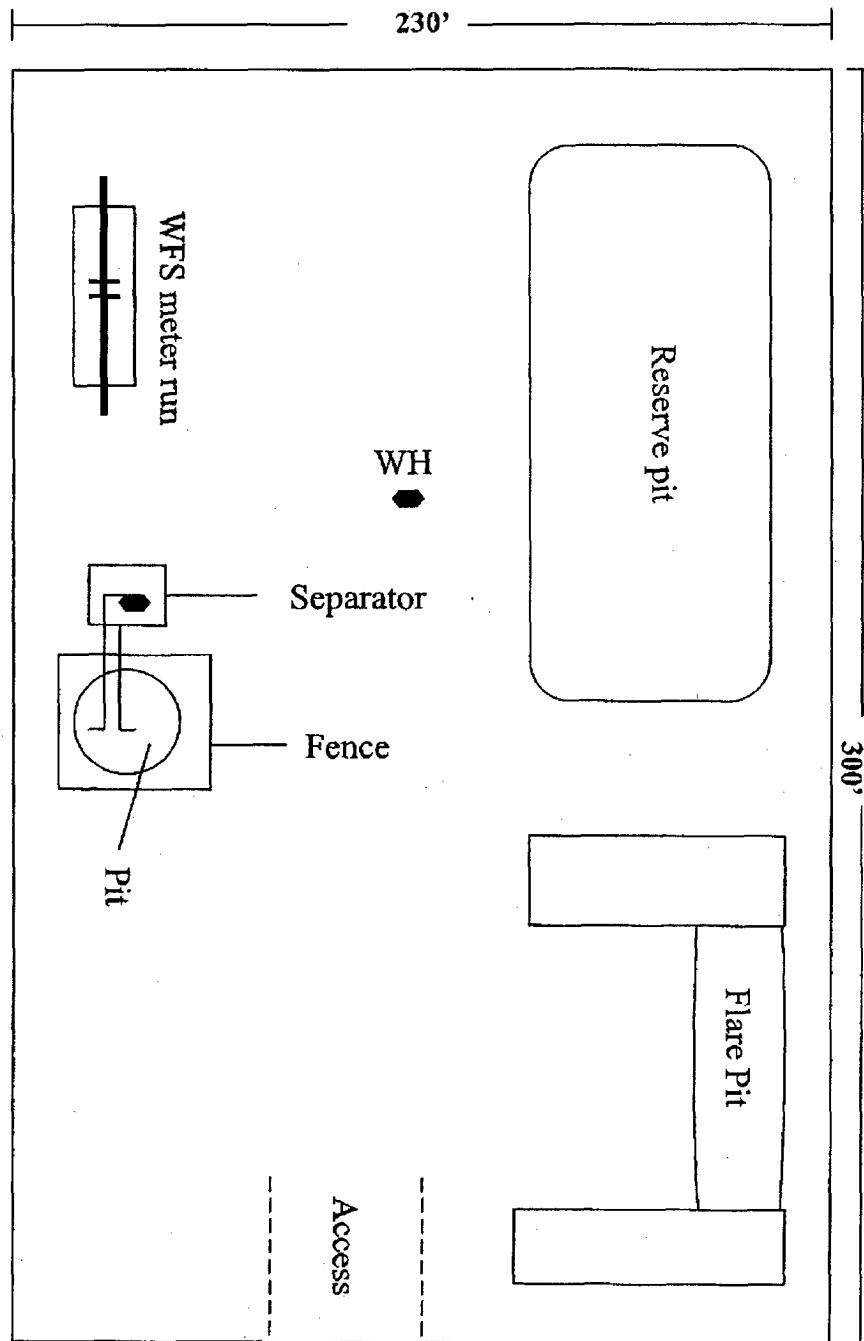
Mud Logs: mud logging in Fruitland Coal.

Survey: Deviation surveys will be taken every 500' from 0-TD of 8 ¼" hole or first succeeding bit change.

NEBU 465A
Well Control Equipment
2,000 psi Configuration



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, BLM 43 CFR 3160 requirements for 2M systems.



All locations will have a gas separator, and an 80 bbl pit (double wall, double bottom) enclosed with a fence. It is WFS responsibility to install the meter run. It could be on either end of pad, but will always be on working side of the pad.