

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 079010
1b. Type of Well: <input 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.		7. If Unit or CA Agreement, Name and No.
Contact: CHARLES MUZZY E-Mail: charles.muzzy@dmv.com		8. Lease Name and Well No. NEBU 491A
3a. Address 20 NORTH BOARDWAY OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405.552.7955 Fx: 405.552.4553	9. API Well No. 3004532410
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SESE Lot P 910FSL 1085FEL At proposed prod. zone NWSW Lot L 1400FSL 700FWL		10. Field and Pool, or Exploratory BASIN FRUITLAND COAL
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 26 MILES SOUTHEAST OF IGNACIO, CO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 26 T31N R7W Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 700	16. No. of Acres in Lease 520.00	12. County or Parish SAN JUAN
17. Spacing Unit dedicated to this well 320.00 5/2 Sec. 25	18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	13. State NM
19. Proposed Depth 3979 MD 3266 TVD	20. BLM/BIA Bond No. on file	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6338 GL	22. Approximate date work will start	23. Estimated duration 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 an 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 (Electronic Submission)	Name (Printed/Typed) CHARLES MUZZY	Date 06/08/2004
Title SR. OPERATIONS TECH		
Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed)	Date 7-16-04
Title AFU	Office FFD	

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 #31624 verified by the BLM Well Information System  
For DEVON ENERGY CORP., sent to the Farmington

This document is subject to review and appeal pursuant to 43 CFR 3165.3 and 43 CFR 3165.4

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

HOLD C194 FOR Directional Survey

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

NMOCD

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 <b>30045-32410</b>		2 Pool Code <b>71629</b>		3 Pool Name <b>Basin Fruitland Coal</b>		
4 Property Code <b>19641</b>		5 Property Name <b>NEBU</b>			6 Well Number <b># 491A</b>	
7 OGRID No. <b>6137</b>		8 Operator Name <b>Devon Energy Production Company, L.P.</b>			9 Elevation <b>6338</b>	

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
<b>P</b>	<b>26</b>	<b>31 N</b>	<b>7 W</b>		<b>910</b>	<b>SOUTH</b>	<b>1085</b>	<b>EAST</b>	<b>SAN JUAN</b>

11 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
<b>L</b>	<b>25</b>	<b>31 N</b>	<b>7 W</b>		<b>1400</b>	<b>SOUTH</b>	<b>700</b>	<b>WEST</b>	<b>SAN JUAN</b>

12 Dedicated Acres <b>320</b>	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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>Bottom Hole Location 1400' F/SL 700' F/WL Azimuth - 74°44' 1850'</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>Signature <i>Charles Muzzy</i></p> <p>Printed Name <b>Charles Muzzy</b></p> <p>Title <b>Sr. Ops. Tech</b></p> <p>Date <b>5-26-04</b></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><b>October 22, 2003</b></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>7016 Certificate Number</p>
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**Additional Operator Remarks:**

The referenced well is located inside the High Productivity Area of the Basin Fruitland Coal Pool. The subject well is in the participating area of the Northeast Blanco Unit. No notification is required per R-8768-F.

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., 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

Form C-103  
March 4, 2004

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.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	WELL API NO. 30-045-
2. Name of Operator DEVON ENERGY CORP.	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 20 NORTH BROADWAY, OKLAHOMA CITY, OK 73102	6. State Oil & Gas Lease No. Federal SF 079010
4. Well Location Unit Letter <u>P</u> : <u>910</u> feet from the <u>South</u> line and <u>1085</u> feet from the <u>East</u> line Section <u>26</u> Township <u>31N</u> Range <u>7W</u> NMPM County - SAN JUAN	7. Lease Name or Unit Agreement Name NORTHEAST BLANCO UNIT
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR <u>6,338'</u>	8. Well Number 491A
9. OGRID Number 6137	
10. Pool name or Wildcat Basin Fruitland Coal	
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)	
Pit Location: UL <u>P</u> Sect <u>26</u> Twp <u>31N</u> Rng <u>7W</u> Pit type <u>Drilling</u> Depth to Groundwater <u>&gt;100'</u> Distance from nearest fresh water well <u>&gt;1000'</u> Distance from nearest surface water <u>&gt;500'</u> Below-grade Tank Location UL _____ Sect _____ Twp _____ Rng _____ ; _____ feet from the _____ line and _____ feet from the _____ line	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data  
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐  
OTHER: CONSTRUCT DRILLING PIT ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐  
CASING TEST AND CEMENT JOB ☐  
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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

14.

DEVON ENERGY WILL BE CONSTRUCTING A LINED DRILLING PIT AND WE ANTICIPATE THE CLOSURE OF THE SAME PIT IN ACCORDANCE WITH OUR GENERAL PLAN SUBMITTED ON JUNE 4, 2004.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Charles Muzzy TITLE Sr. Operations Tech DATE 6-7-04

Type or print name Charles Muzzy E-mail address: charles.muzzy@dmn.com Telephone No. 405.552.7955

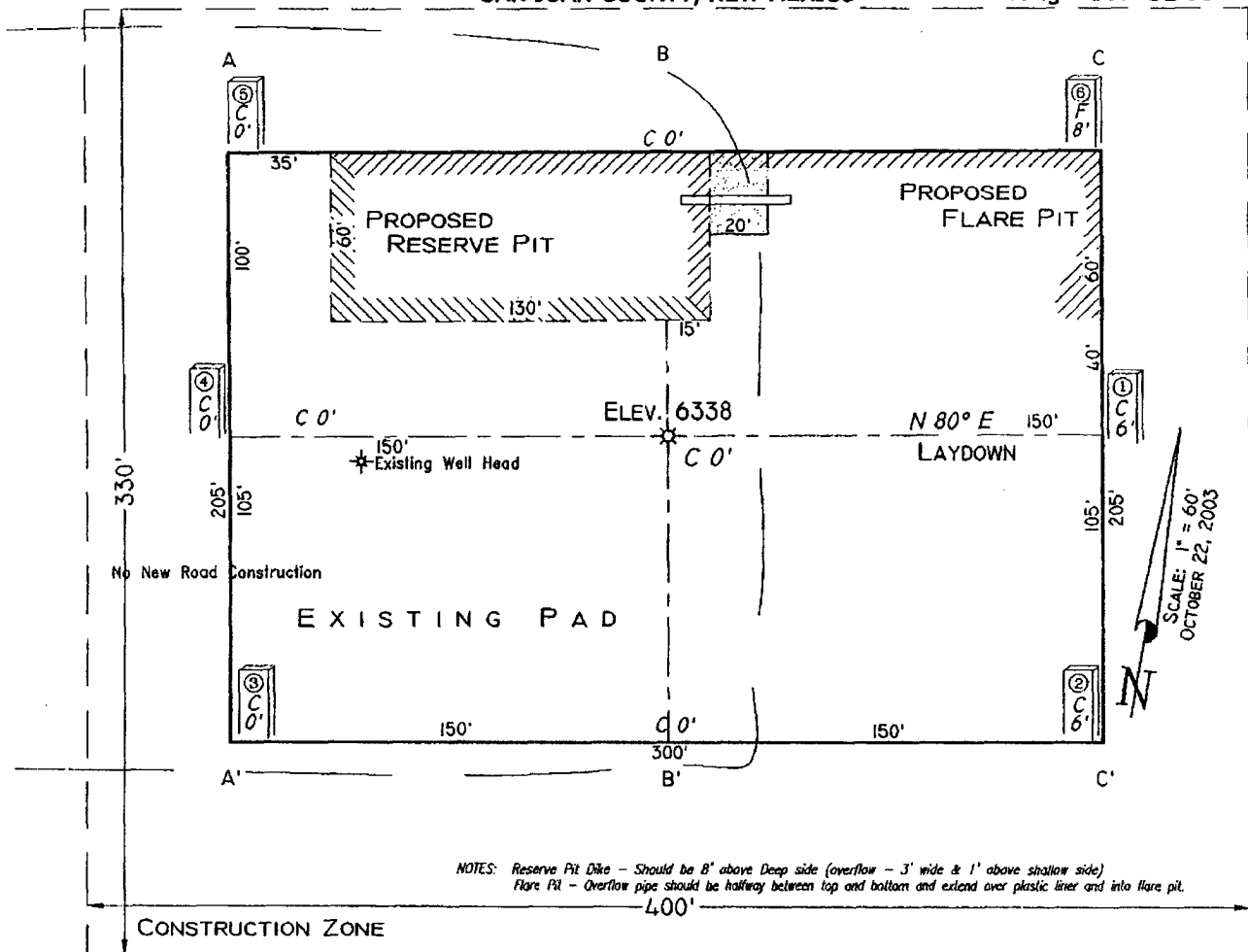
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. 30 DATE JUL 23 2004  
Conditions of approval, if any:

**PAD LAYOUT PLAN & PROFILE**  
**DEVON ENERGY PRODUCTION COMPANY, L.P.**

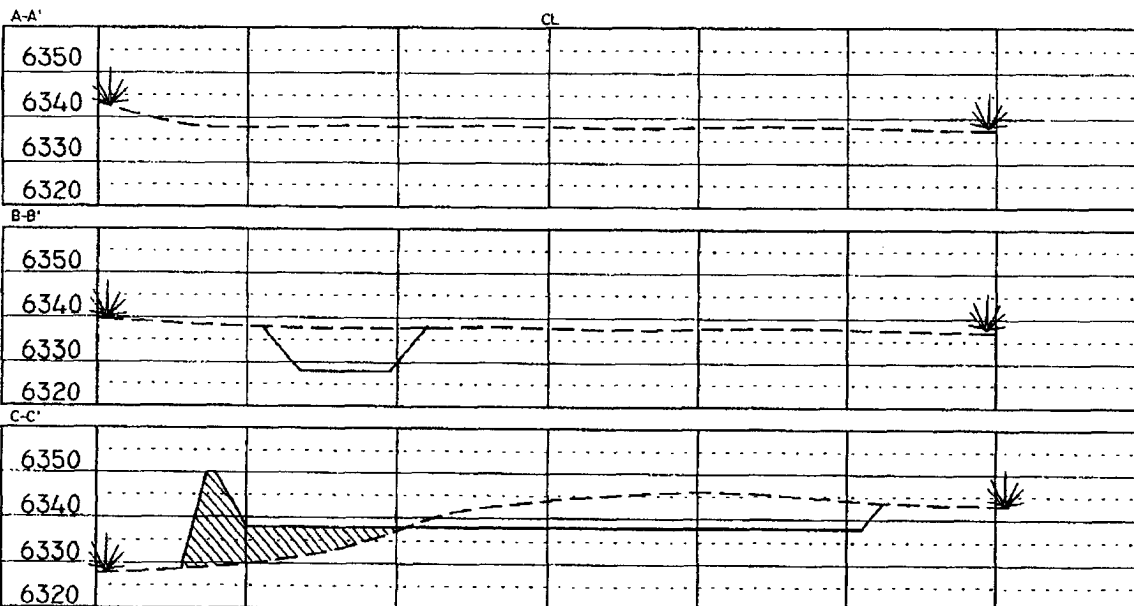
NEBU #491A  
 910' F/SL 1085' F/EL  
 SEC. 26, T31N, R7W, N.M.P.M.  
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°51'56"  
 Long: 107°32'06"



Area of Construction Zone - 330'x400' or 3.03 acres, more or less.

SCALE: 1"=60'-HORIZ.  
 1"=4.0'-VERT.



VANN SURVEYS  
 P. O. Box 1306  
 Farmington, NM

**NEBU 491A  
Unit N 26-31N-7W  
San Juan Co., NM**

**DRILLING PLAN**

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

Formation	TVD (ft)	TMD (ft)	Hydrocarbon/Water Bearing Zones
San Jose	Surface	Surface	
Ojo Alamo	2239	2877	Aquifer
Kirtland	2349	3018	
Fruitland	2810	3522	Gas
Pictured Cliffs	3166	3879	Gas
PTD	3266	3979	

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 1000 psi.

### 3. **CASING & CEMENTING PROGRAM:**

A. The proposed casing program will be as follows:

TVD	TMD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-2810	0-3522	8-3/4"	7"	J-55	23#	LTC	New
0- TD	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 ft<sup>3</sup>/sx. \*  
Cement designed to circulate to surface.

**\* Minor variations possible due to existing hole conditions**

#### **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

**Lead:** 500 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite, ¼"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft<sup>3</sup>/sx.

**Tail:** 25 sx Class 'B'. 1.18 ft<sup>3</sup>/sx. \*

Cement designed to circulate to surface.

Pending hole conditions, cement baskets may be installed above TD

**\* Minor 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 300 sacks class B 50/50 POZ, 3% gel, 5# gilsonite, ¼"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft<sup>3</sup>/sx. \*\*

**\*\* Minor variations possible due to existing hole conditions**

#### **4. DRILLING FLUIDS PROGRAM:**

TVD	TMD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285	0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-2810	285-3522	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2810 - TD	3522 - TD	Air					Foam as needed

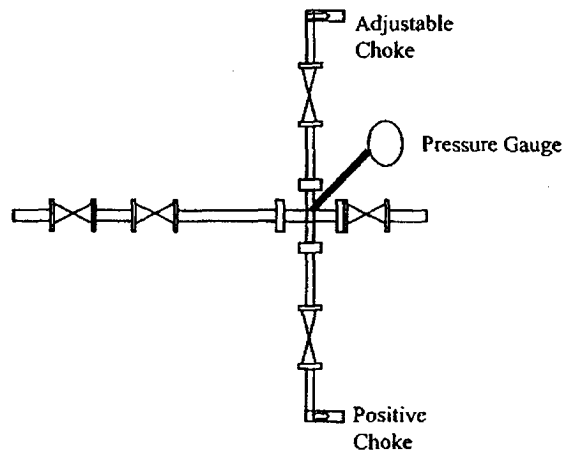
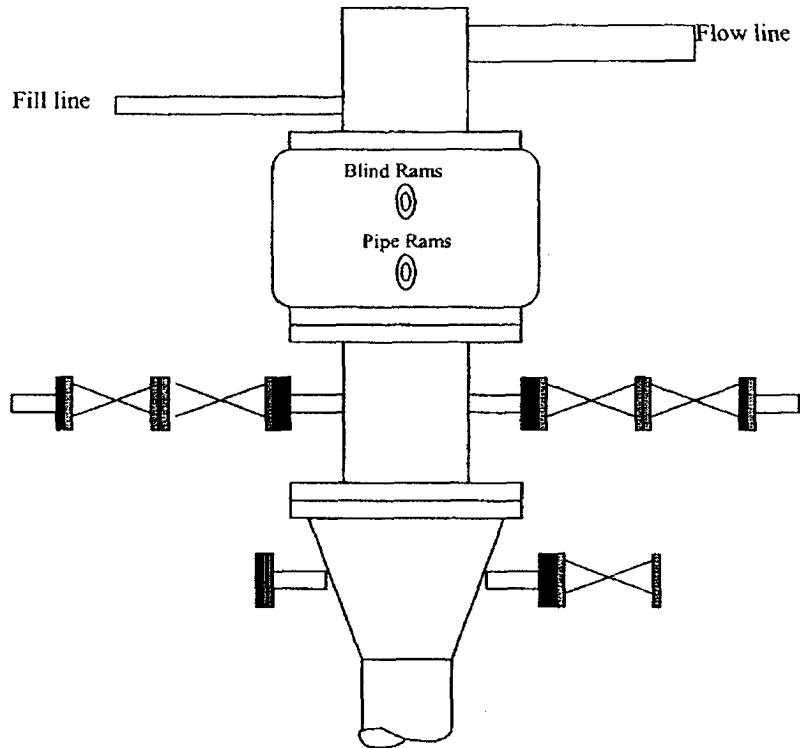
NC = no control

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.



## 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.