

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-079003
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 PRODUCTION CO LP		7. If Unit or CA Agreement, Name and No. NEBU 56M
Contact: PATTI RIECHERS E-Mail: patti.riechers@dv.com		8. Lease Name and Well No. NORTHEAST BLANCO UNIT 56M
3a. Address 20 N BROADWAY, SUITE 1500 OKLAHOMA CITY, OK 73102	3b. Phone No. (include area code) Ph: 405.228.4248 Fx: 405.228.4848	9. API Well No. 30045 32181
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface NENW 740FNL 2405FWL 2565/E At proposed prod. zone NENW 670FNL 1950FWL		10. Field and Pool, or Exploratory BLANCO MESAVERDE/BASIN DAKO
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 27 MILES SOUTH FROM IGNACIO, CO		11. Sec., T., R., M., or Blk. and Survey or Area Sec 34 T31N R7W Mer NMP
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of Acres in Lease 2560.00	12. County or Parish SAN JUAN
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth 8026 MD 7985 TVD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 6324 GL	22. Approximate date work will start 04/30/2004	17. Spacing Unit dedicated to this well 320.00 N/2
23. Estimated duration 20 DAYS		20. BLM/BIA Bond No. on file

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) PATTI RIECHERS	Date 02/17/2004
Title AUTHORIZED SIGNATURE		
Approved by (Signature) 	Name (Printed/Typed)	Date 7-26-04
Title AFM	Office FFO	

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 #27993 verified by the BLM Well Information System  
For DEVON ENERGY PRODUCTION CO LP, sent to the Farmington

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

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

\*\* 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

<sup>1</sup> API Number 30-045-32181	<sup>2</sup> Pool Code 72319 - 71599	<sup>3</sup> Pool Name Blanco Mesaverte - Basin Dakota
<sup>4</sup> Property Code 19641	<sup>5</sup> Property Name NEBU	<sup>6</sup> Well Number # 56M
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name Devon Energy Production Company, L.P.	<sup>9</sup> Elevation 6344

<sup>10</sup> Surface Location

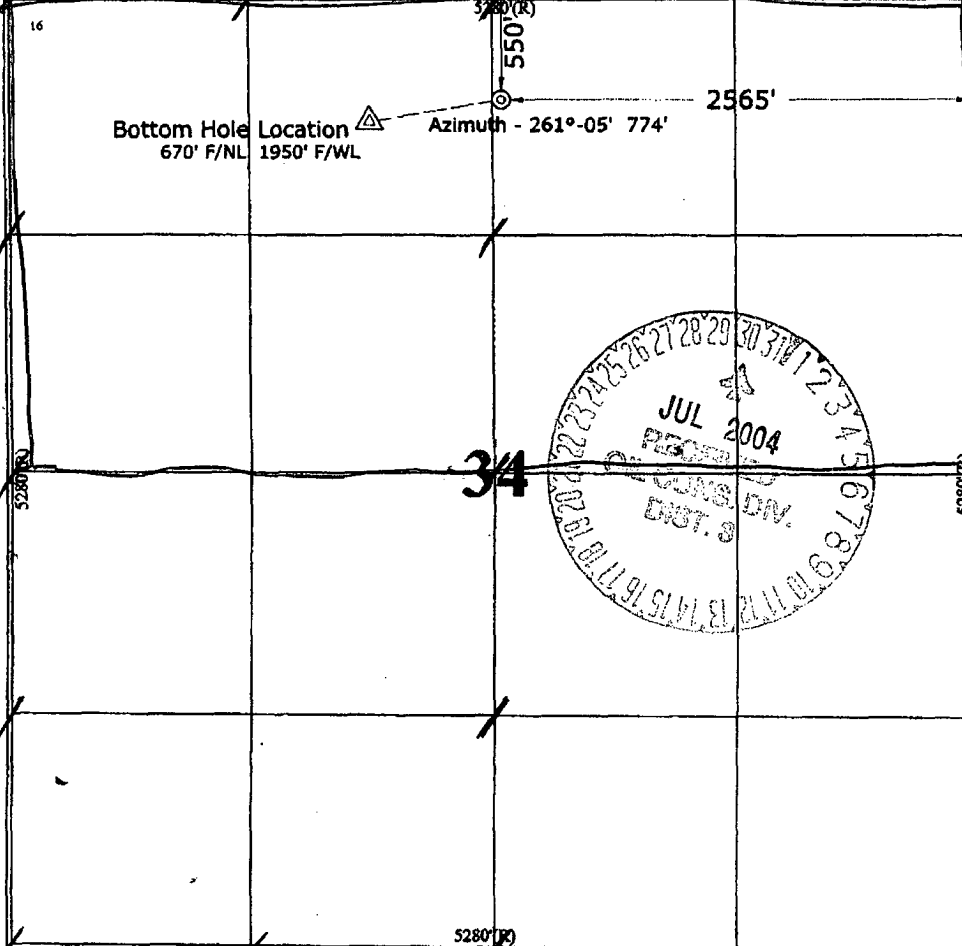
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	34	31 N	7 W		550	NORTH	2565	EAST	SAN JUAN

<sup>11</sup> Bottom Hole Location If Different From Surface

<sup>12</sup> UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	34	31 N	7 W		670	NORTH	1950	WEST	SAN JUAN

<sup>13</sup> Dedicated Acres 320	<sup>14</sup> Joint or Infill	<sup>15</sup> Consolidation Code	<sup>16</sup> 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>Bottom Hole Location 670' F/NL 1950' F/WL Azimuth - 261°-05' 774' 2565' 550'(R) 34 5280'(R)</p>	<p><b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature Charles Muzzy Printed Name Charles Muzzy Title Sr. Operations Tech Date 5-13-04</p> <p><b>18 SURVEYOR CERTIFICATION</b> 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>Date of Survey April 14, 2004 Signature and Seal of Professional Surveyor GARY B. VANN NEW MEXICO REGISTERED PROFESSIONAL LAND SURVEYOR 7016 Certificate Number</p>
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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0135  
Expires: November 30, 2000

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMSF079003
2. Name of Operator DEVON ENERGY PRODUCTION CO LP		6. If Indian, Allottee or Tribe Name
3a. Address 20 NORTH BROADWAY SUITE 1500 OKLAHOMA CITY, OK 73102		7. If Unit or CA/Agreement, Name and/or No. NMMN78402A
3b. Phone No. (include area code) Ph: 405.552.7955 Fx: 405.552.4553		8. Well Name and No. NORTHEAST BLANCO UNIT 56M
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 34 T31N R7W NENW 740FNL 2435FWL		9. API Well No. 30-045-32181-00-X1
		10. Field and Pool, or Exploratory BASIN DAKOTA BLANCO MESAVERDE
		11. County or Parish, and State SAN JUAN COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other
	Change to Original A
	PD
	<input type="checkbox"/> Recombine
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Convert to Injection

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Devon would like to relocate the surface location for NEBU 56M. Please find all pertinent documentation attached to this notice.



14. I hereby certify that the foregoing is true and correct.	
Electronic Submission #30715 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Farmington Committed to AFMSS for processing by ADRIENNE GARCIA on 05/20/2004 (04AXG2464SE)	
Name (Printed/Typed) CHARLES MUZZY	Title SR. OPERATIONS TECH
Signature (Electronic Submission)	Date 05/13/2004

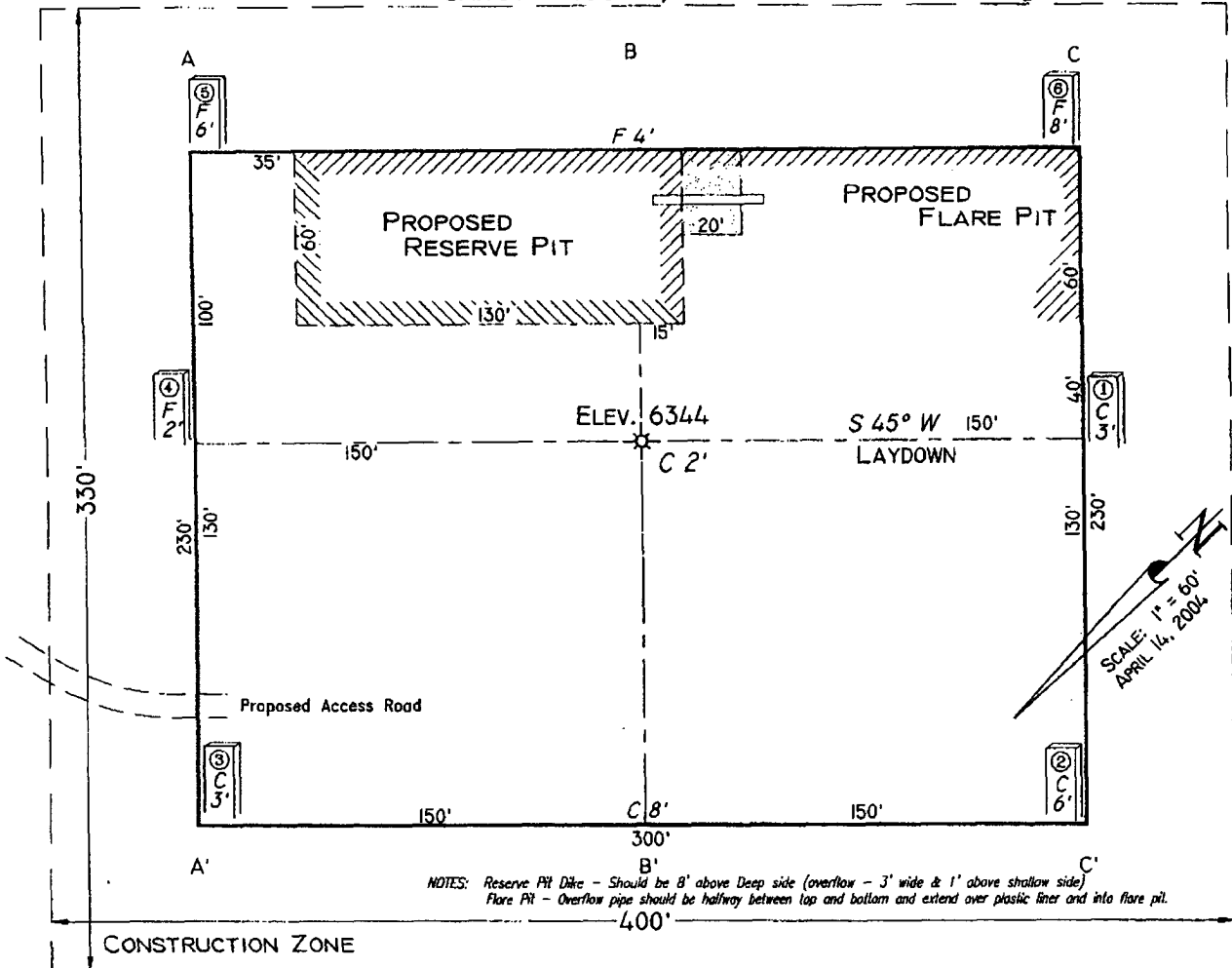
THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By	Title AFM	Date 7-26-04
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office FFO	

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.

**PAD LAYOUT PLAN & PROFILE**  
**DEVON ENERGY PRODUCTION COMPANY, L.P.**  
**NEBU # 56M**  
**550' F/NL 2565' F/EL**  
**SEC. 34, T31N, R7W, N.M.P.M.**  
**SAN JUAN COUNTY, NEW MEXICO**

**Lat: 36°51'42"**  
**Long: 107°33'29"**

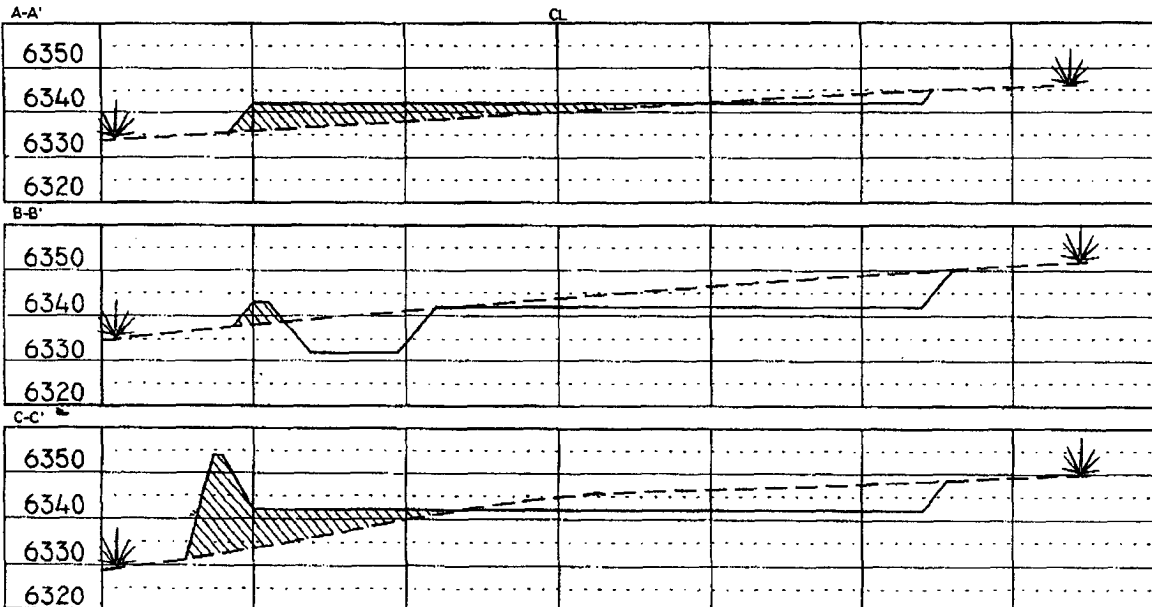


**NOTES:** Reserve Pit Dike - Should be 8' above Deep side (overflow - 3' wide & 1' above shallow side)  
 Flare Pit - Overflow pipe should be halfway between top and bottom and extend over plastic liner and into flare pit.

SCALE: 1" = 60'  
 APRIL 14, 2004

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

SCALE: 1"=60'-HORIZ.  
 1"=40'-VERT.



**NOTE:** Contractor should call One-Call for location of any marked or unmarked buried pipelines or cables on well pad and/or access road at least two (2) working days prior to construction.

Cuts and fills shown are approximate - final finished elevation is to be adjusted so earthwork will balance. Corner stakes are approximate and do not include additional areas needed for sideslopes and drainages. Final Pad Dimensions are to be verified by Contractor.

**VANN SURVEYS**  
 P. O. Box 1306  
 Farmington, NM

## **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 3400psi.

## **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
0-3615	0-3716	8-3/4"	7"	K-55	23#	LTC	New
0- TD	0- TD	6-1/4"	4-1/2"	J-55	11.6 #	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)

**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 3500' (estimated 25 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 100% Standard Cement, 2.00% CaCl<sub>2</sub>, .25 #/sk Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sk; Water: 5.24 gal/sk

**Intermediate String:** Cement will be circulated to surface.

**Lead:** 575 sks 50/50 Poz with 50% Class B Cement, 50% San Juan Poz, .4% Halad-344, .1% CFR-3, 3% Bentonite, 5#/sk Gilsonite, .25#/sk Flocele. Density: 13.0 lb/gal; Yield: 1.46 cuft/sk; Water: 6.42 gal/sk

**Tail:** 75 sks 50/50 Poz with 94#/sk Standard Cement, 0.3% Halad-344, .25 #/sk Flocele. Density: 15.6 lb/gal; Yield: 1.18 cuft/sk; Water: 5.23 gal/sk

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<sup>3</sup>/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<sup>3</sup>/sks.

**Production String:** TOC designed to circulate 1000' into intermediate string, cement will tie into the intermediate casing as a minimum. Volumes may vary with actual well characteristics.

**Lead:** 450 sks 50/50 Poz with 50% Standard Cement, 50% San Juan POZ, 3% Bentonite, 1.40% Halad-9, .10% CFR-3, .10% HR-5, 5 #/sk Gilsonite, 0.25 #/sk Flocele. Density: 13.0 lb/gal; Yield: 1.47 cuft/sk; Water: 6.35 gal/sk

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, %# 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:

TVD Interval	TMD Interval	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-3615	0-3656	Spud-foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3615-7701	3716-7802	Air				NC	
7701 - TD	7802 - TD	Air/N2 or Mud	8.5-9.0*	30-50	8.0-10.0	8-810cc @ TD	Low solids-non-dispersed. * min Wt. to control formation pressure

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:

**Logs:** Density  
Neutron  
Induction

In the event open hole logs are not run in the well, a cased hole evaluation log will be run.

**Survey:** Deviation surveys will be taken every 500' from 0-TD or first succeeding bit change. The hole will be air drilled from intermediate casing point to TD. The equipment used in this type of operation will not allow for single shot surveys without considerable operational delays. A survey will be taken at TD. Similar wells in this area have not shown significant deviation in this section of the hole.

**Cores:** None anticipated.

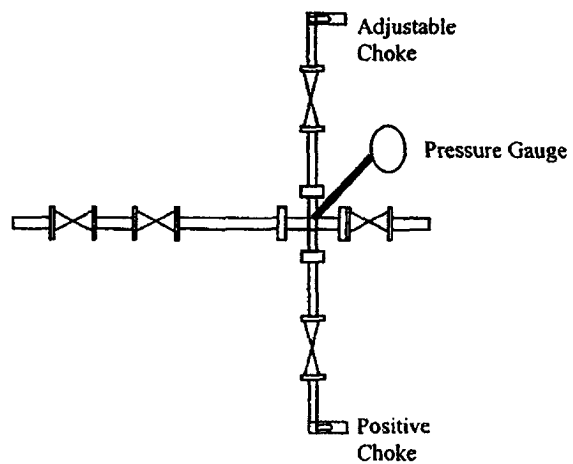
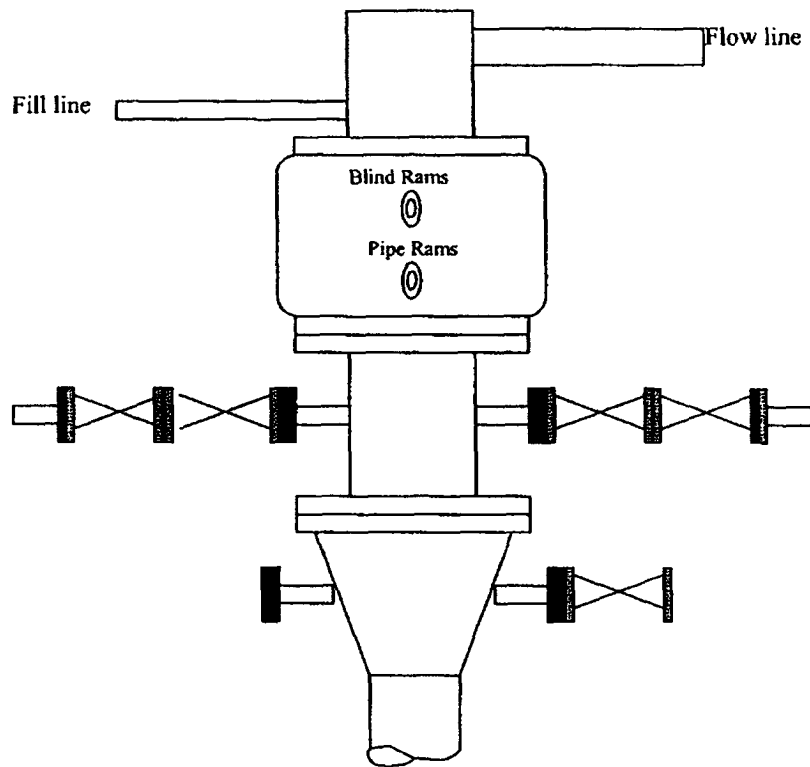
**DST's:** None anticipated.

#### 6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered in the 8-3/4" hole. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

## 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.