

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@devn.com | | 8. Lease Name and Well No. NEBU 222 |
| 3a. Address 20 NORTH BOARDWAY OKLAHOMA CITY, OK 73102 | 3b. Phone No. (include area code) Ph: 405.552.7955 Fx: 405.552.4563 | 9. API Well No. 30-039-27787 |
| 4. Location of Well (Report location clearly and in accordance with any State requirements) At surface SESE Lot P 1060FSL 670FEL At proposed prod. zone SESE Lot P 1060FSL 670FEL | | 10. Field and Pool, or Exploratory LOS PINOS; FRT. SND PC, SOUTH |
| 14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 60 MILES NORTHEAST OF BLOOMFIELD, NM | | 11. Sec., T., R., M., or Blk. and Survey or Area P Sec 25 T31N R7W Mer NMP SME: BOR |
| 15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 670 | 16. No. of Acres in lease 2040.00 | 12. County or Parish RIO ARRIBA ✓ |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth 3407 MD | 13. State NM |
| 21. Elevations (Show whether DF, KB, RT, GL, etc.) 6268 GL | 22. Approximate date work will start | 17. Spacing Unit dedicated to this well 160.00 SE/4 |
| 20. BLM/BIA Bond No. on file | | 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:

- 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 06/09/2004 |
| Title SR. OPERATIONS TECH | | |
| Approved by (Signature) <i>[Signature]</i> | Name (Printed/Typed) | Date 9-30-04 |
| 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 #31751 verified by the BLM Well Information System
For DEVON ENERGY CORP., sent to the Farmington

DRILLING OPERATIONS AUTHORIZED ARE
WITH ATTACHED

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 **

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 30-039-2787 | | ² Pool Code 80690 | ³ Pool Name Los Pinos Pictured Cliffs |
| ⁴ Property Code 19641 | ⁵ Property Name NEBU | | ⁶ Well Number # 222 |
| ⁷ OGRID No. 6137 | ⁸ Operator Name Devon Energy Production Company, L.P. | | ⁹ Elevation 6268 |

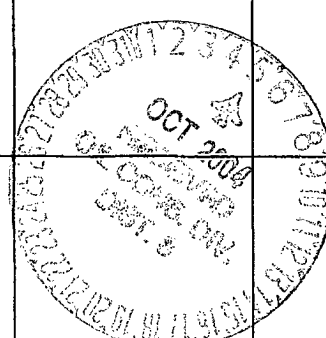
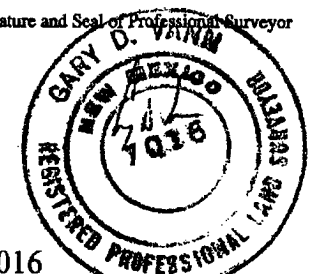
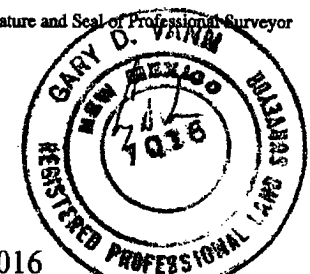
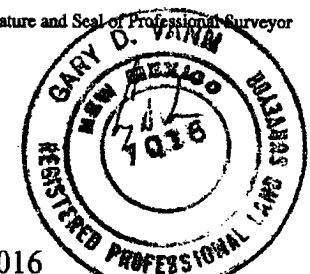
¹⁰ Surface Location

| | | | | | | | | | |
|---------------------------|----------------------|-------------------------|---------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|-----------------------------|
| UL or Lot No. P | Section 25 | Township 31 N | Range 7 W | Lot Idn | Feet from the 1060 | North/South line SOUTH | Feet from the 670 | East/West line EAST | County Rio Arriba |
|---------------------------|----------------------|-------------------------|---------------------|---------|------------------------------|----------------------------------|-----------------------------|-------------------------------|-----------------------------|

¹¹ Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|-----------------------|-------------------------------|---------------------|----------------------------------|-----------------------------|--------------------------------|-----------------------------|------------------------------|----------------------|
| ¹² UL or lot no. | ¹³ Section | ¹⁴ Township | ¹⁵ Range | ¹⁶ Lot Idn | ¹⁷ Feet from the | ¹⁸ North/South line | ¹⁹ Feet from the | ²⁰ East/West line | ²¹ County |
| 160 | | | | | | | | | |
| ²² Dedicated Acres | | ²³ Joint or Infill | | ²⁴ Consolidation Code | | ²⁵ 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

| | | | | |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| ¹⁶ | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  25 | | 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. May 17, 2004 Date of Survey Signature and Seal of Professional Surveyor  7016 Certificate Number | |
| | ¹⁹ 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. May 17, 2004 Date of Survey Signature and Seal of Professional Surveyor  7016 Certificate Number | | ²⁰ 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. May 17, 2004 Date of Survey Signature and Seal of Professional Surveyor  7016 Certificate Number | |

(R) - CLO Record

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

Form C-103
March 4, 2004

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------------------------------------------|
| 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. 30-039- |
| 1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator DEVON ENERGY CORP. | | 6. State Oil & Gas Lease No. Federal - SF 079010 |
| 3. Address of Operator 20 NORTH BROADWAY, OKLAHOMA CITY, OK 73102 | | 7. Lease Name or Unit Agreement Name NORTHEAST BLANCO UNIT |
| 4. Well Location Unit Letter <u>P</u> : <u>1060</u> feet from the <u>South</u> line and <u>670</u> feet from the <u>East</u> line Section <u>25</u> Township <u>31N</u> Range <u>7W</u> NMPM County - <u>RIO ARRIBA</u> | | 8. Well Number 222 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR - 6,268' | | 9. OGRID Number 6137 |
| 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>25</u> Twp <u>31N</u> Rng <u>7W</u> Pit type <u>Drilling</u> Depth to Groundwater <u>> 100'</u> Distance from nearest fresh water well <u>> 1000'</u> Distance from nearest surface water <u>> 1000'</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: | SUBSEQUENT REPORT OF: |
| PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> | CASING TEST AND CEMENT JOB <input type="checkbox"/> |
| OTHER: CONSTRUCT DRILLING PIT <input checked="" type="checkbox"/> | OTHER: <input type="checkbox"/> |

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.

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 6-9-04

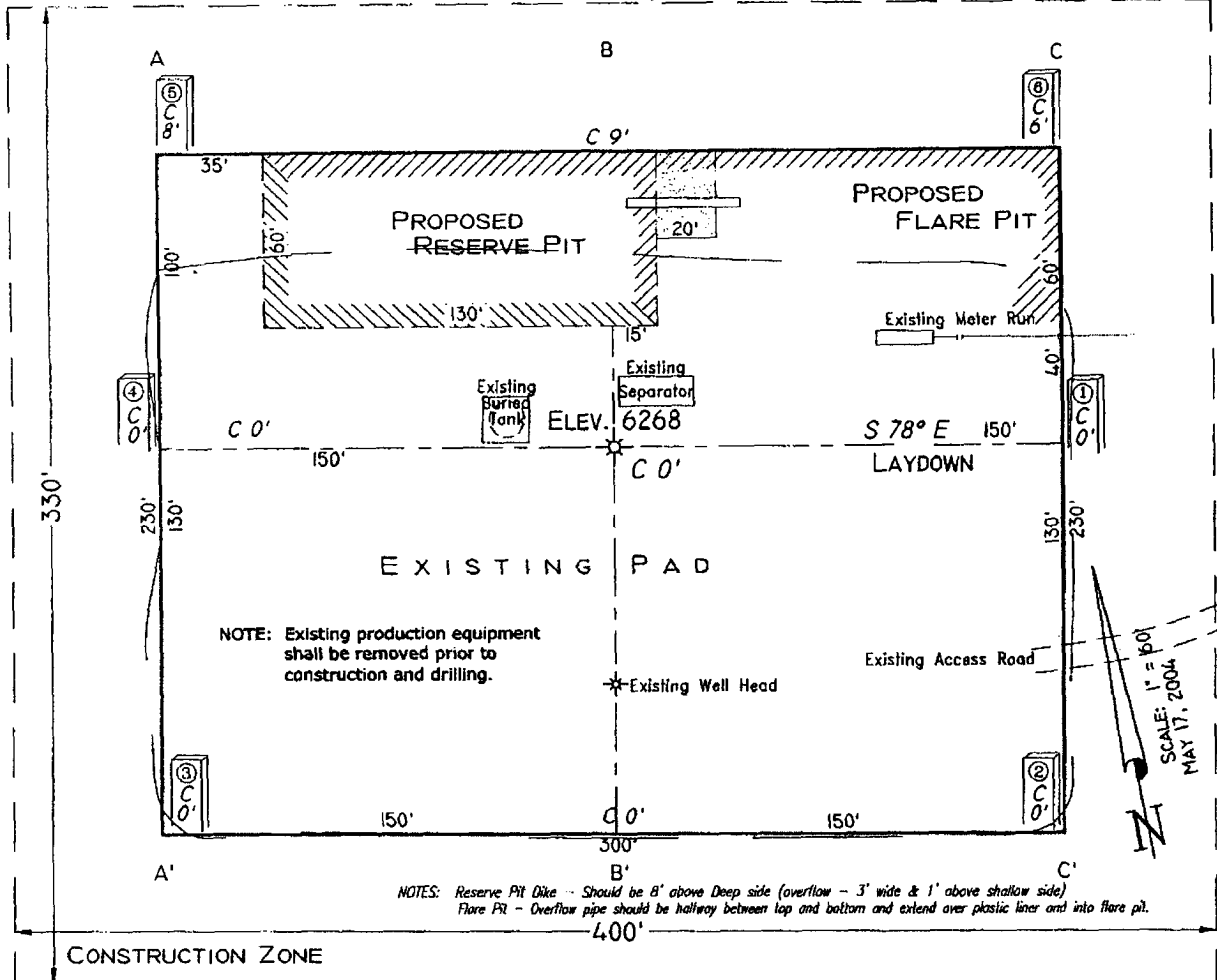
Type or print name Charles Muzzy E-mail address: charles.muzzy@dmn.com Telephone No. 405.552.7955

(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #5 DATE OCT 5 2004
Conditions of approval, if any: _____

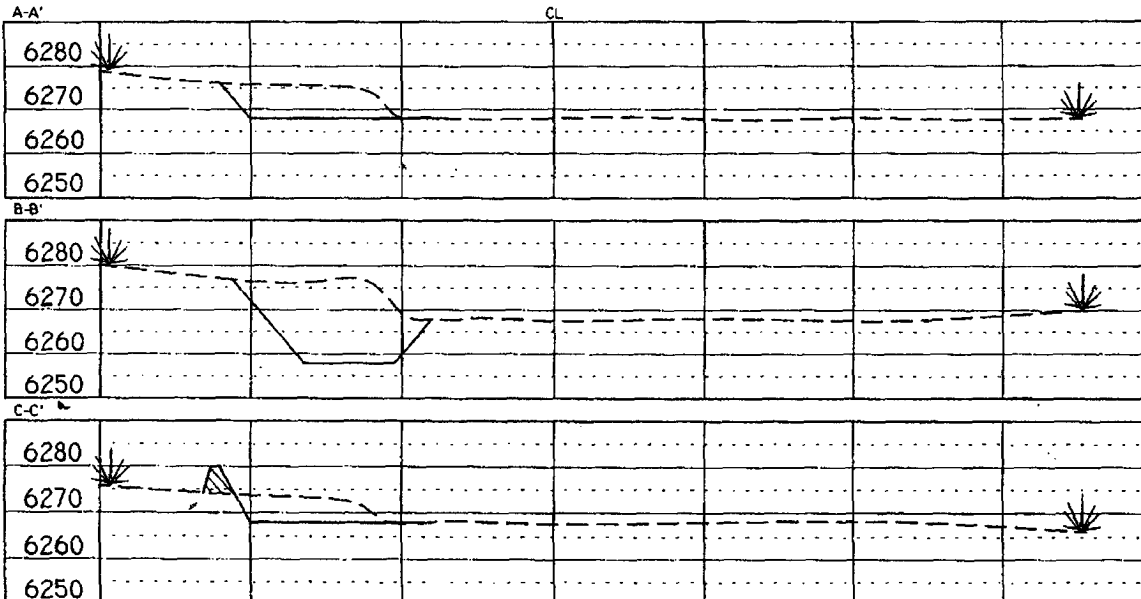
PAD LAYOUT PLAN & PROFILE
DEVON ENERGY PRODUCTION COMPANY, L.P.
 NEBU # 222
 1060' F/SL 670' F/EL
 SEC. 25, T31N, R7W, N.M.P.M.
 RIO ARriba COUNTY, NEW MEXICO

Lat: 36°51'58"
 Long: 107°30'56"



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

NEBU 222
Unit P 25-31N-7W
Rio Arriba Co., NM

DRILLING PLAN

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

| Formation | TVD (ft) | Hydrocarbon/Water Bearing Zones |
|------------------|---------------------|--------------------------------------------|
| San Jose | Surface | |
| Ojo Alamo | 2192 | Aquifer |
| Kirtland | 2310 | |
| Fruitland | 2765 | Gas |
| Pictured Cliffs | 3189 | Gas |
| Lewis | 3307 | |
| TD | 3407 | |

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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. NMSF079010 |
| 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. |
| 3b. Phone No. (include area code) Ph: 405.552.7955 Fx: 405.552.4553 | | 8. Well Name and No. NEBU 222 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T31N R7W SESE Lot P 1060FSL 670FEL | | 9. API Well No. 30-039-27787-00-X1 |
| | | 10. Field and Pool, or Exploratory LOS PINOS FRT SND PC SOUTH |
| | | 11. County or Parish, and State RIO ARRIBA 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"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change to Original A |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | PD |

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.)

We are requesting the following as an addition to the cement design program submitted on the original APD:

Alternate slurry for the 4.5" casing should hole conditions dictate:

Lead:500 SX OF 50/50/STD/ POZ, YD-1.45, WATER GAL/SK 6.8, MIXED @ 13ppg FOAMED W/ N2 DOWN TO 9.0#
ADDITIVES 2% GEL, 0.2% VERSASET, 0.1% DIACEL LWL

Tail: 75 SX50/50/STD/ POZ, YD-1.45, WATER GAL/SK 6.8, ADDITIVES 2% GEL, 0.2% VERSASET, 0.1% DIACEL
LWL

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #33718 verified by the BLM Well Information System For DEVON ENERGY PRODUCTION CO LP, sent to the Farmington Committed to AFMSS for processing by ADRIENNE BRUMLEY on 07/29/2004 (04AXB2994SE) | |
| Name (Printed/Typed) CHARLES MUZZY | Title SR. OPERATIONS TECH |
| Signature (Electronic Submission) | Date 07/28/2004 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------|
| Approved By <i>[Signature]</i> | Title <i>AFM</i> | Date <i>9-30-04</i> |
| 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 <i>FFO</i> |

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.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ******NMOCD**

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 1500 psi.

3. CASING & CEMENTING PROGRAM:

A. The proposed casing program will be as follows:

| Tool Joint | Hole Size | Size | Grade | Weight | Thread | Condition |
|------------|-----------|--------|-------|--------|--------|-----------|
| 0-285 | 12-1/4" | 9-5/8" | H-40 | 32# | STC | New |
| 0-3407 | 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)

4-1/2" Casing: The bottom three joints of the 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.

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

Production String: 4-1/2" Production casing cemented in an 6-1/4" hole
11.6# J-55 LT&C 8 Rnd
Float collar
Joint
Float Shoe
Cement with 500 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite,
1/4" 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

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

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#, possible N2.

4. DRILLING FLUIDS PROGRAM:

| TVF | Type | Weight (ppg) | Viscosity | pH | Water Loss | Remarks |
|--------|----------|--------------|-----------|-----|------------|---------------|
| 0-285' | Spud | 8.4-9.0 | 29-70 | 8.0 | NC | FW gel, |
| 285-TD | LSND/Air | 8.4-9.0 | 29-70 | 8.0 | 10-12 | LCM 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: Possible mud logging in Fruitland Coal & Pictured Cliffs.

Survey: Deviation surveys will be taken every 500' from 0-TD of 6-1/4" hole or first succeeding bit change.

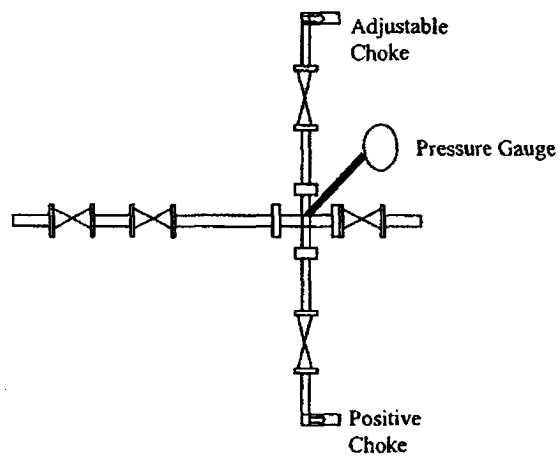
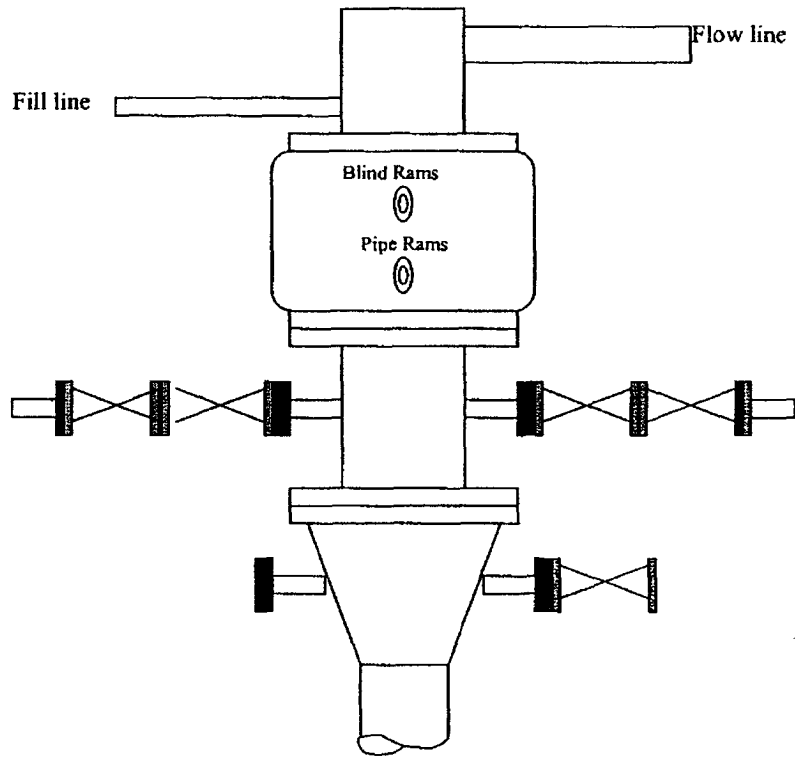
Cores: None anticipated.

DST's: None anticipated.

6. ABNORMAL CONDITIONS:

The Fruitland Coal will be encountered at approximately 2765' TMD. 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.