FORM APPROVED Form 3160-3 OMB NO. 1004-0136 (August 1999) **UNITED STATES** Expires: November 30, 2000 5. Lease Serial No. **DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT** SF-079082 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER If Unit or CA Agreement, Name and No. Type of Work DRILL. REENTER NORTHEAST BLANCO UNIT Lease Name and Well No. Oil Well Gas Well Other X Single Zone Multiple Zone NEBU 50E 1b. Type of Well API Well No. Name of Operator 30-045-32409 Attn: Dwane Oliver Devon Energy Production Company, L.P. 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 3a. Address 505-632-0244 PO Box 6459 Navajo Dam NM, 87419 Basin Dakoda 4. Location of well (Report location clearly and In accordance with any State requirements.*) 11. Sec., T., R., M., or Blk. And Survey or Area 1055' FSL & 910' FWL SW SW Unit M At surface 1510' FWL SE 1055' FSL SWUnit N At bottom hole .R 8W SL Sec. 25 ,T 31N At proposed prod. zone Same BHL 25 T 31N R 8W 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 12. County or Parish 13. State Approximately 29 miles northeast of Aztec NM NM San Juan ' 15. Distance from proposed* 16. No. of Acres in lease 17. Spacing Unit dedicated to this well location to nearest 910' 310.83 1022 property or lease line, ft. (Also to nearest drlg unit line, if any) 19. Proposed Depth 20. BLM/ BIA Bond No. on file 18. Distance from proposed location* to nearest well, drilling, completed, 8100MD, 8039 TVD CO-1104 applied for, on this lease, ft. 21. Elevations (Show whether DF. RT, GR, etc.) 22. Aproximate date work will start* 23. Estimated Duration

24. Attachments

he fo	ollowing,	completed	in accordance with	the requirements of	Onshore Oil and	Gas Order No. 1	l shall be attached to	o this form:
	Ο.			-				1

2004

20 Days

Well plat certified by a registered surveyor. 2. A Drilling Plan.

6397' GL

Title

- A Surface Use Plan (if the location is on National Forest System Lands, th. 5. 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).
 - Operator certification.

Upon Approval

Such other site specific information and/ or plans as may be required by authorized officer.

25. Signature Name (Printed/ Typed) Date Dwane Oliver Title Construction For Approved By (Sig Name (Printed/ Typed)

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 applican 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 th States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* (Instructions on reverse)

HOLD C104 FOR

Dirarlet 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

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 21, 1994 Instructions on back Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

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

AMENDED REPORT

PO Box 2088, Santa Fe, NM 87504-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT Well Number **NEBU** # 50E Operator Name Elevation Devon Energy Production Company, L.P. 6l37 6397 Surface Location Feet from the Rest/West line UL or Lot No. Township Range Lot Idu Reet from the County SAN JUAN 25 31 N 8 W 1055 SOUTH 910 WEST M Bottom Hole Location If Different From Surface Bast/West line ¹ UL or lot no. County Section Township Range Feet from the North/South line SAN JUAN 25 8 W 1055 SOUTH WEST 31 N 1510 N Consolidation Code Joint or Infiti 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 5237(R) OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. 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. Bottom Hole Footage Added: May 11, 2004 February 11, 2004 Date of Survey nal Surveyor Azimuth -190°22' 600' Bottom Hole Location 910 POFESSION!

(R) · · BLM Record

Submit 3 Copies To Appropriate District	State of New Mer	kico		Form C-103
Office District I Energy	, Minerals and Natur	al Resources		March 4, 2004
1625 N. French Dr., Hobbs, NM 88240			WELL API NO.	
District II 1301 W. Grand Ave., Artesia, NM 88210 OIL C	CONSERVATION	DIVISION	30-045-	
1301 W. Gland Ave., Altesia, 1414 60210	220 South St. Fran		5. Indicate Type	
1000 Rio Brazos Rd., Aztec, NM 87410	Santa Fe, NM 87.		STATE	
District IV 1220 S. St. Francis Dr., Santa Fe, NM	Salita I C, (VIVI O7)	505	6. State Oil & Ga	is Lease No.
87505		_	Federal SF	079082
SUNDRY NOTICES AND RI	PORTS ON WELLS		7. Lease Name o	r Unit Agreement Name
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL				Į.
DIFFERENT RESERVOIR. USE "APPLICATION FOR PE PROPOSALS.)	KMII (FUKM C-101) FU	K SUCH	NORTHEAST I	BLANCO UNIT
1. Type of Well:			8. Well Number	
Oil Well Gas Well Other			50E	İ
2. Name of Operator			9. OGRID Numb	er
DEVON ENERGY CO	ORP.		6137	
3. Address of Operator			10. Pool name or	Wildcat
20 NORTH BROADWAY, OKLAHOMA CI	TY, OK 73102		Basin Dak	sta
4. Well Location		· · · · · · · · · · · · · · · · · · ·	1 303.1	7.62
	Range & W on (Show whether DR,	NMPM	County - SAN JI	
Pit or Below-grade Tank Application (For pit or below-gr	377 3de tank closures, a form (C-144 must be attache	4)	电影 以 持一、自己的各种的大型的基础。
Pit Location: UL M Sect 25 Twp 3/N Rng 8 W			_	and Great and all a degrees
T .				est tresh water well > ////
Distance from nearest surface water_>//2002 Below-gr		SectTwp	Kng;	1
feet from theine andfeet from	n theline			ì
NOTICE OF INTENTION PERFORM REMEDIAL WORK PLUG AND TEMPORARILY ABANDON CHANGE F PULL OR ALTER CASING MULTIPLE COMPLETE	ABANDON PLANS	REMEDIAL WOR COMMENCE DR CASING TEST AL CEMENT JOB	ELING OPNS.	PORT OF: ALTERING CASING PLUG AND ABANDONMENT
OTHER: CONSTRUCT DRILLING PIT	☒	OTHER:		
 13. Describe proposed or completed operation of starting any proposed work). SEE RU or recompletion. 14. DEVON ENERGY WILL BE CANTICIPATE THE CLOSURE PLAN SUBMITTED ON JUNE 	CONSTRUCTING	e Completions: A	tach wellbore diagr	am of proposed completion
I hereby certify that the information above is true	and complete to the he	et of my knowleds	e and helief rome	or partify that any all as hel
grade tank has been/will be constructed or closed according				
SIGNATURE Chile Myss	TITLE	Sr. Operations Tec	hDA	TE 6-7-04
Type or print name Charles Muzzy	E-mail address:	charles.muzzy@d	vn.com Telepho	one No. 405.552.7955
(This space for State use)	.es.Com	THE THE PART OF THE PART	#1. Description of the second	MOV a a
APPPROVED BY Conditions of approval, is any	TITLE "TE	PUTT DIL & GAS I	nareción, dist. c	DATE 2 4 2004

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

NEBU #50E 1055' F/SL 910' F/WL SEC. 25, T31N, R8W, N.M.P.M. SAN JUAN COUNTY, NEW MEXICO

В C (6) **©** 6 F 6' 35 Ś PROPOSED FLARE PIT **PROPOSED** 20' 18 RESERVE PIT 8 ///////<u>|</u>6<u>5</u>;//////// (A) ELEV. 6397 N 70° E 150 150 LAYDOWN C 0' 8 230 8 PAD EXISTING Existing Access Road *Existing Well Head @C0. (3) (3) (3) 150 CO 150 300 A' В, NOTES: Reserve Pit Dike — Should be 8' above Deep side (overflow ~ 3' wide & 1' above shollow side)
Flare Pit — Overflow pipe should be halfway between top and bottom and extend over plastic liner and 4001 CONSTRUCTION ZONE SCALE: 1'=60'-HORIZ. Area of Canstruction Zone - 330'x400' or 3.03 acres, more or less. 6410 6400 NOTE: Contractor should call One-Call for location 6390 call one—call for location of any marked or unmarked buried pipelines or cables on well pad and/or access roud at least two (2) working days prior to construction. 6380 8-8' 6410 Cuts and fills shown are Cuts and fills shown are approximate — final finished elevation is to be adjusted so earthwork will bolance. Corner slokes are approximate and do not include additional areas needed for sideslopes and drainages. Final Pad Dimensions are to have filed by Contract to have filed by the have 6400

6390 6380

6380

VANN SURVEYS P. O. Box 1306 Farmington, NM

be verified by Contractor.

36°51'52" 107°37'58"

Lat: Long:

NEBU 50E Unit M 25-31N-8W San Juan Co., NM

DRILLING PLAN

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

		19/35 5(0)	
San Jose	Surface	Surface	·
Ojo Alamo	2218	2255	Aquifer
Kirtland	2313	2352	
Fruitland	2865	2917	Gas
Pictured Cliffs	3341	3402	Gas
Lewis	3438	3499	Gas
Intermediate TD	3538	3599	
Mesaverde	4083	4144	Gas
Chacra	4456	4517	Gas
Cliff House	5258	5319	Gas
Menefee	5300	5361	Gas
Point Lookout	5609	5670	Gas
Mancos	5981	6042	Gas
Gallup	6898	6959	Gas
Greenhorn	7635	7696	
Graneros	7683	7744	Gas
Dakota	7782	7843	Gas
Morrison	7989	8050	
TD	8039	8100	

^{*}All shows of fresh water and minerals will be adequately protected and reported.

Form 3160-5 (August 199)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135

SUNDRY NO	OTICES AND	REPORTS (ON WELLS
Do not use this t	form for propa	osals to drill o	r to re-enter an
abandoned well.	Use form 316	0-3 (APD) for :	such proposals.

	Expires: November 30, 2000
5.	Lease Serial No. SF 079082
6	If Indian Allottee or Tribe Name

চ্ন not use thi abandoned wel	6. If Indian, Allottee or Tribe Name						
SUBMIT IN TRI	PLICATE - Other instruc	ctions on rev	rerse side.	F 13 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	7. If Unit or CA/Agree	ment, Name and/or No.	
Type of Well Oil Well	ıer		070 FARM	ingrey:	8. Well Name and No. NEBU 50E		
2. Name of Operator DEVON ENERGY CORP.	Contact:	CHARLES M E-Mail: charles	IUZZY s.muzzy@dvn.co	m	9. API Well No. 30545 32	 2409	
3a. Address 20 NORTH BOARDWAY OKLAHOMA CITY, OK 73102	2	e)	10. Field and Pool, or Exploratory BASIN DAKOTA				
4. Location of Well (Footage, Sec., T. Sec 25 T31N R8W SESW 105		<i>)</i>			11. County or Parish, a		
12. CHECK APPE	ROPRIATE BOX(ES) TO	DINDICATE	NATURE OF	NOTICE, RI	EPORT, OR OTHER	R DATA	
TYPE OF SUBMISSION			TYPE C	OF ACTION			
Notice of Intent	☐ Acidize	Dee	pen	□ Product	ion (Start/Resume)	☐ Water Shut-Off	
	☐ Alter Casing	☐ Frac	ture Treat	☐ Reclam	ation	■ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	☐ New	/ Construction	☐ Recomp	olete	⊠ Other	
☐ Final Abandonment Notice	☐ Change Plans	🗖 Plug	and Abandon	□ Tempor	arily Abandon	Change to Original A PD	
	☐ Convert to Injection	☐ Plug	ug Back		Disposal		
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 recomplete 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 recompletion 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 7" 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	Electronic Submission #	‡33722 verified ENERGY COR	l by the BLM We P., sent to the F	ell Information armington	System		
Name (Printed/Typed) CHARLES	MUZZY		Title SR. O	PERATIONS	TECH		
Signature Electronic S	Submission)		Date 07/28/	2004			
	THIS SPACE FO	OR FEDERA	L OR STATE	OFFICE U	SE		
Approved By SPACE FOR FEDERAL OR STATE OFFICE USE Title 4cT-al 6 Date 2/04 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.							

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.

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 precharge 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:

						in the all	Leidnellaine
0-285	0-285	12- 1/4"	9-5/8"	H-40	32#	STC	New
0-3538	0-3599	8-3/4"	7"	K-55	23#	LTC	New
0-8039	0-9100	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.

<u>Surface</u>: 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).

<u>Production</u>: 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% CaCl2, .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, 1/4# Flocele, 1/10% CFR 3, .2% Halad 344, Yield 1.47 ft3/sks. **Stage 2:** 450 sacks Class B 50/50 POZ, 3% gel, 5# Gilsonite, 1/4# Flocele, .1% CFR 3, .2% Halad 344, Yield 1.47 ft3/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 & 1/4# 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:

neret	is a Maria - December 1						
0-3538	0-3599	Spud- foam	8.4-9.0	29-70	8.0	NC	FW gel, LSND or stiff foam
3538-7782	3599-7843	Air				NC	
7782 - TD	7843 - 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.

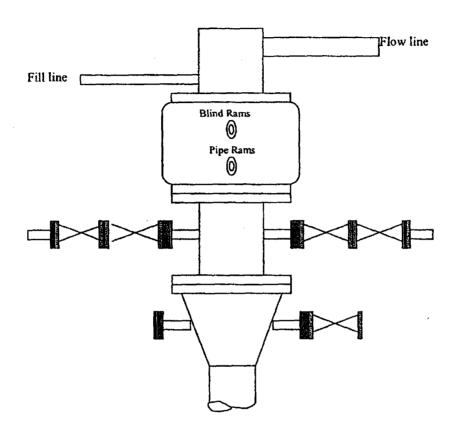
DST's:

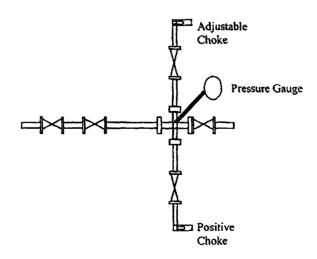
None anticipated.

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.