

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

5a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>SF 079010</b>
5b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator <b>Devon Energy Production Company, L.P.</b>		7. If Unit or CA Agreement, Name and No. <b>Northeast Blanco Unit</b>
3a. Address <b>PO Box 6459 Farmington, NM 87419</b>		8. Lease Name and Well No. <b>NEBU 428A</b>
3b. Phone No. (include area code) <b>505-632-0244</b>		9. API Well No. <b>30-045-33007</b>
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>NE SE, Unit I, 1,870' FSL &amp; 750' FEL</b> At proposed prod. zone <b>NW SE, Unit J, 1,350' FSL &amp; 1,350' FEL</b>		10. Field and Pool, or Exploratory <b>Basin Fruitland Coal</b>
14. Distance in miles and direction from nearest town or post office* <b>Approximately 12 miles</b>		11. Sec., T. R. M. or Blk. and Survey or Area <b>I Sec. 24, T31N, R7W</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>750'</b>	16. No. of acres in lease <b>2,040</b>	17. Spacing Unit dedicated to this well <b>320 Acres E/2</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth <b>TMD 3,6092'-TVD 3,482'</b>	20. BLM/BIA Bond No. on file
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>GR 6,469'</b>	22. Approximate date work will start* <b>05/30/2005</b>	23. Estimated duration <b>Unknown</b>

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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>M.S. Zimmerman</i>	Name (Printed/Typed) <b>Melisa Zimmerman</b>	Date <b>3-31-05</b>
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Title **Senior Operations Technician**

Approved by (Signature) <i>[Signature]</i>	Name (Printed/Typed) <b>AFM</b>	Date <b>4-27-05</b>
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Title **AFM** Office **FEO**

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 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.

\*(Instructions on page 2)

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".

**WOLD C104 FOR Directional Survey**

**NMOCDD**

RECEIVED  
 APR 4 PM 3 29  
 70 FARMINGTON NM

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 30-045-33007		<sup>2</sup> Pool Code 76629	<sup>3</sup> Pool Name Basin Fruitland Coal
<sup>4</sup> Property Code 19641	<sup>5</sup> Property Name NEBU		<sup>6</sup> Well Number # 428A
<sup>7</sup> OGRID No. 6137	<sup>8</sup> Operator Name Devon Energy Production Company, L.P.		<sup>9</sup> Elevation 6469

<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
I	24	31 N	7 W		1870	SOUTH	750	EAST	SAN JUAN

<sup>11</sup> 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
J	24	31 N	7 W		1350	SOUTH	1350	EAST	SAN JUAN

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</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

<sup>17</sup> OPERATOR CERTIFICATION

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Signature: *M.S. Zimmerman*  
 Printed Name: *Melisa Zimmerman*  
 Title: *Sr. Operations Technician*  
 Date: *3-31-05*

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<sup>18</sup> 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.*

Added BHL Ftge: February 7, 2005  
 August 10, 2004

Date of Survey: \_\_\_\_\_  
 Signature and Seal of Professional Surveyor: *GARY D. ...*  
 Certificate Number: 7016

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

WELL API NO.
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. SF 079010
7. Lease Name or Unit Agreement Name NORTHEAST BLANCO UNIT
8. Well Number 428A
9. OGRID Number 6137
10. Pool name or Wildcat Basin Fruitland Coal
11. Elevation (Show whether DR, RKB, RT, GR, etc.) GR 6,469'

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  Gas Well  Other

2. Name of Operator  
**Devon Energy Production Company, L.P.**

3. Address of Operator  
**PO Box 6459, Navajo Dam, NM 87419**

4. Well Location  
 Unit Letter I : 1,870' feet from the South line and 750' feet from the East line  
 Section 24 Township 31N Range 7W NMPM County - SAN JUAN

**Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)**  
 Pit Location: UL I Sect 24 Twp 31N Rng 7W Pit type Drilling Depth to Groundwater >100' Distance from nearest fresh water well >1000'  
 Distance from nearest surface water >1000' 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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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: <b>CONSTRUCT DRILLING PIT</b> <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.

14. **Devon Energy will be constructing a lined drilling pit. The closure of said pit will be in accordance with the NMOCD regulations with the cutting of the liner applying to the BLM rules.**

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 M.S. Zimmerman TITLE Sr. Operations Technician DATE 3-31-05

Type or print name Melisa Zimmerman E-mail address: Melisa.zimmerman@dvn.com Telephone No. 405-552-7917

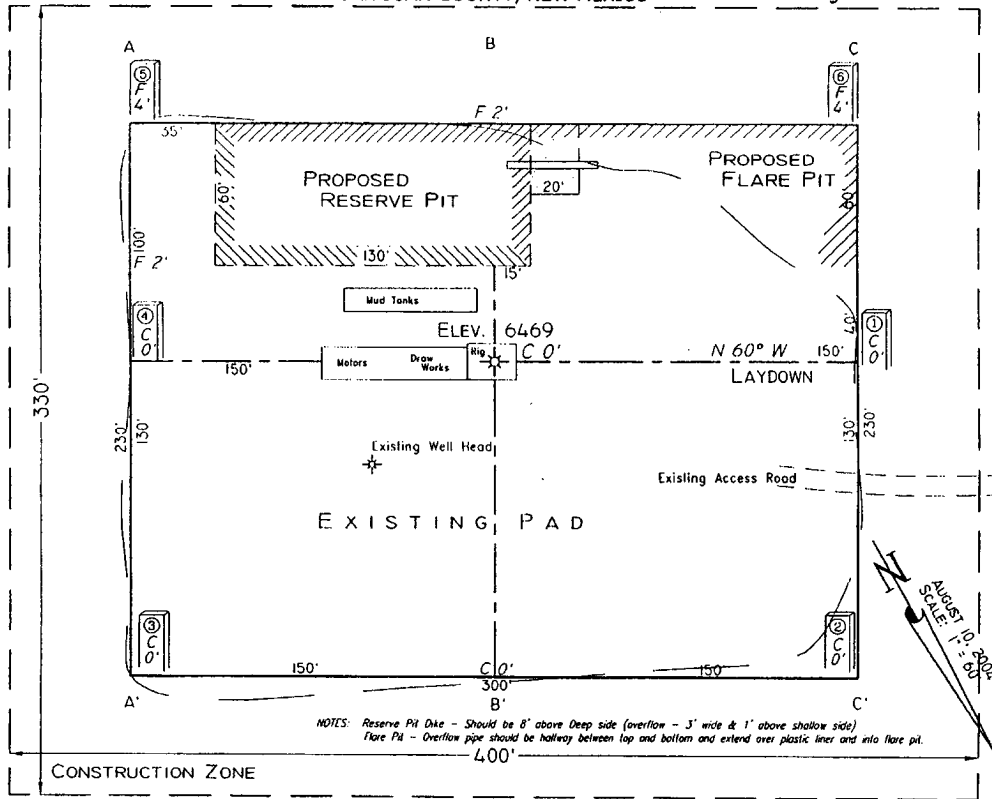
(This space for State use)

APPROVED BY [Signature] TITLE DEPUTY OIL & GAS INSPECTOR, DIST. #8 DATE APR 29 2005

Conditions of approval, if any:

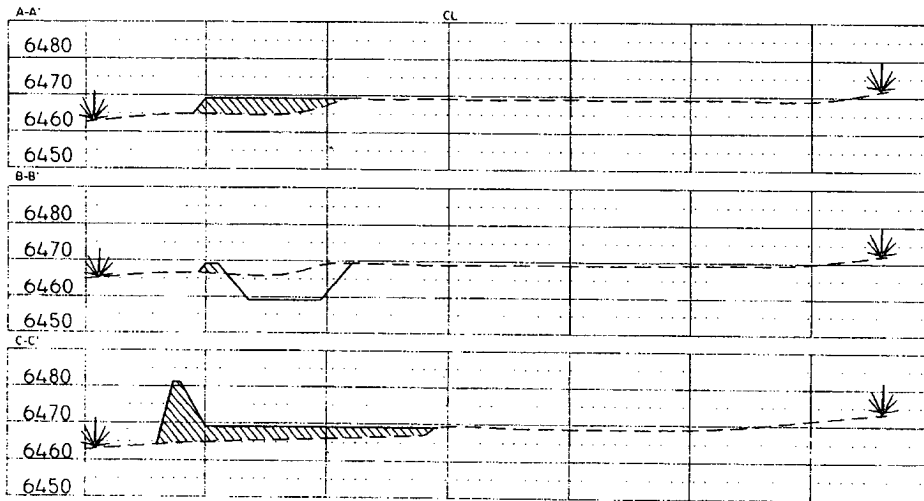
**PAD LAYOUT PLAN & PROFILE**  
**DEVON ENERGY PRODUCTION COMPANY, L.P.**  
 Nebu # 428A  
 1870' F/SL 750' F/EL  
 SEC. 24, T31N, R7W, N.M.P.M.  
 SAN JUAN COUNTY, NEW MEXICO

Lat: 36°52'58"  
 Long: 107°30'57"



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.

YANN SURVEYS  
 P. O. Box 1306  
 Farmington, NM

**NEBU 428A**

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.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**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.**

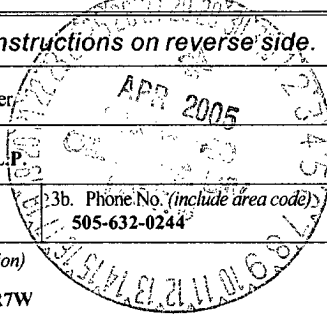
1. Type of Well  Oil Well  Gas Well  Other

2. Name of Operator **Devon Energy Production Company, L.P.**

3a. Address **PO Box 6459, Farmington, NM 87419**

3b. Phone No. (include area code) **505-632-0244**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**NE SE, Unit I, 1,870' FSL & 750' FEL, Sec. 24, T31N, R7W**



5. Lease Serial No.  
**SF 079010**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.  
**Northeast Blanco Unit**

8. Well Name and No.  
**NEBU 428A**

9. API Well No.

10. Field and Pool, or Exploratory Area  
**Basin Fruitland Coal**

11. County or Parish, State  
**San Juan, 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 <u>Depth Change</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water 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.)

**This is notification of changes in the depths of said well before drilling begins. Devon Energy Production Company will adjust the TMD to 3,509' and the TVD to 3,382' in order to avoid the PC Pool area and unintended commingling of the zones. All other information concerning said well in the APD packet will remain the same.**

2005 APR 8 AM 10 13  
 RECEIVED  
 070 FARMINGTON NM

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) **Melisa Zimmerman** Title **Senior Operations Technician**

Signature *M.S. Zimmerman* Date **4-6-05**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by *[Signature]* Title **AFM** Date **4-27-05**

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 **RFO**

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.

(Instructions on page 2)

**NEBU 428A  
Unit I 24-31N-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	2374	2479	Aquifer
Kirtland	2500	2613	
Fruitland	2962	3089	Gas
Pictured Cliffs Tongue	3299	3426	Gas
Pictured Cliffs Main	3382	3509	Gas
<b>PTD</b>	3482	3609	

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
0-2962	0-3089	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. Yeild 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, 1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft3/sx.

**Tail:** 25 sx Class 'B'. 1.18 ft3/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 1/2 " liner will be cemented using 300 sacks class B 50/50 POZ, 3% gel, 5# gilsonite, 1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft3/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,
285-2962	285-3089	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
2775 - TD	3842 - 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.